

MUHLENBERG TOWNSHIP AUTHORITY
MINUTES OF A REGULAR MEETING OF THE BOARD

A regular meeting of the Board of Muhlenberg Township Authority, Water and Sewer Projects, was held on Thursday, August 8, 2024, beginning at 7:00 p.m., at 210 George Street, Reading, Muhlenberg Township, Berks County, Pennsylvania, pursuant to notice both advertised and posted according to law.

The following members of the Board were present:

Scott Lehr
Jim Kelly
Steve Wolfinger
Walt LaSota
Rick Hoffmaster

In attendance were Authority General Manager Timothy Feltenberger, Thomas A. Rothermel, of counsel, and Jamie Lorah, PE, of Spotts, Stevens and McCoy (SSM), consulting engineer to the Authority. Also present was Scott Boehret of Transcend Business Advisors, Authority controller consultant.

The meeting was called to order at 7:00 p.m. by Chairman Lehr. Mr. Lehr announced that the Board had met in executive sessions on both July 29 and July 30, 2024 to discuss matters involving personnel. The Board also met in an executive session prior to this meeting to further discuss matters involving personnel.

Mr. Hoffmaster made a Motion to approve the Minutes of the previous meeting of the Board held on July 11, 2024. That Motion was seconded by Mr. Wolfinger and passed unanimously.

There was no comment under the first public portion.

Under the Engineer's Report, Ms. Lorah of SSM provided a formal report of the Authority's consulting engineer for work completed July 4, 2024 through August 1, 2024. Ms. Lorah referenced an eight (8) page report that SSM circulated to the Board in advance of the meeting. The report provides a narrative of the status of each of the twenty (20) projects of the Authority on which SSM is currently engaged.

Ms. Lorah provided an update with respect to the DEP/EPA compliance reports. As the Authority continues to complete various checklist items and system improvements, SSM provides periodic updates to the respective regulatory agencies to inform them of the significant progress made thus far. Some of the more recent improvements require new permitting or amendments to existing permits, which SSM is currently processing. The Board directed SSM to proceed with comprehensive permit amendments for submission to DEP, as may be necessary.

Regarding the results of the air stripper tower inspections, Ms. Lorah secured a proposal from Layne, a Costars vendor, to replace the media in those towers at Well Nos. 8 & 9. The total project cost was \$110,912.50, excluding potential added disposal costs. Discussion ensued, which centered on the actual need of the air stripper towers given water quality testing pre and post-tower. The Board was also interested in reviewing a second proposal for such work, should it prove necessary. To that end, over the next month, Ms. Lorah confirmed that SSM would compile more water quality data, together with procurement of a second proposal for the work, for purposes of further Board discussion at the September 2024 meeting. Ms. Lorah confirmed that there is no threat of DEP action in the interim.

Regarding the proposed Maiden Creek Township Authority interconnection, Ms. Lorah reported that a revised Memorandum of Understanding (MOU) was circulated and had since been reviewed by SSM, Mr. Feltenberger, and the Solicitor. Mr. Wolfinger made a Motion to approve the revised MOU, contingent on final Solicitor review. That Motion was seconded by Mr. LaSota and unanimously approved. Ms. Lorah was directed to engage with Maiden Creek's engineering firm, System Design Engineering, Inc. (SDE), to begin preparation of the Delaware River Basin Commission (DRBC) docket amendment, which is a key component to the viability of the project. Ms. Lorah was also directed to secure a cost proposal from SDE with respect to the docket amendment scope of the project.

Ms. Lorah advised that approvals of the 2023 Pennsylvania Department of Community & Economic Development, Local Share Account (LSA), grant submissions is anticipated in September 2024. On behalf of the MTA, SSM previously submitted grant applications for projects including looping of certain areas of the water system to provide further resilience, and installation of Storz hydrant connections. Ms. Lorah further advised that a new LSA grant opportunity is expected to be released in September, which will likely carry a November 2024 submission deadline. The Board was requested to consider which projects, if any, it would like to consider for submission.

Regarding the River Road pump station, Ms. Lorah advised that submittals were reviewed this past month for the doghouse manhole that the Board previously approved in August. Fabrication of the doghouse is expected to be completed by September 5, 2024. In the interim, the contractor will proceed to begin certain work at the pump station, including modifications for fitment of a new electrical panel. SSM anticipates that the doghouse manhole portion of the project will be completed by the end of September 2024. To facilitate installation of the requisite electrical upgrades, MetEd plans to shut off service to the pump station on September 25, 2024. The impact, if any, on nearby electrical customers is to-be-determined. Mr. LaSota was credited for his assistance in securing a swift response from MetEd.

Ms. Lorah informed the Board that SSM continues to await permitting from PA DEP with respect to the Laurel Run water pipe repair project.

There being no further active projects on which to report, and no additional questions posed by the Board, Ms. Lorah's report to the Board concluded. Mr. LaSota made a Motion to accept the Engineer's Report as presented. That Motion was seconded by Mr. Hoffmaster and unanimously approved.

Mr. Feltenberger presented the Operations Report for the preceding month, a full copy of which has been appended to these Minutes. Mr. Feltenberger reported that crews were busy performing a variety of miscellaneous tasks such as leak detection, painting hydrants, and curb box maintenance. In addition, manholes along Laurel Run Creek were monitored during recent heavy rains – there were no issues to report. There were no main breaks this past month on which to report. In addition to ongoing maintenance, Mr. Feltenberger further reported that crewmembers assisted in inspections of the air stripper towers, and clean up of the area around Frush Valley Tank. Sewer laterals were cleaned and checked, including ten (10) customer owned lines. Mr. Feltenberger noted that the vacuum truck was used a total of eleven (11) man hours over the past month, at an equivalent labor cost of \$3,905.00. To date, the vacuum truck has been used 415.50 hours, which is the total monetary equivalent of \$126,105.00, excluding the cost of disposal fees that the Authority no longer pays. Lastly, Mr. Feltenberger was asked about the status of service shutoffs, in response to which he reported that shutoffs increased slightly over the past month. The Operations Report then concluded.

Engineering bills for the preceding month were reviewed. Mr. Hoffmaster made a Motion to approve the engineering bills for payment. That Motion was seconded by Mr. Kelly and unanimously adopted.

The accounts payable for both the water and sewer departments for the preceding month had been distributed prior to the meeting, a full listing of which has been appended to these Minutes. Mr. Wolfinger made a Motion to approve payment of the accounts payable for both the water and sewer departments, as presented. That Motion was seconded by Mr. LaSota and unanimously adopted.

Under the Solicitor's Report, Mr. Rothermel advised that he still awaits the City's executive summary that was to circulate after the meeting that took place on May 6, 2024. As previously noted, the executive summary report is expected to set forth the City's formal position with respect to the reconciliation figures. Mr. Rothermel recommended that the Authority not take action until the City makes a formal request for payment of the escrow funds, and, until such time as the City otherwise complies with the Addendum to the IMA.

Mr. Rothermel advised that the 18-month maintenance period on the Hay Road project was set to expire on August 9, 2024. Mr. Feltenberger confirmed that all municipal improvements remain operational and in satisfactory condition. On motion of Mr. Hoffmaster, seconded by Mr. LaSota and unanimously approved, Mr. Feltenberger was authorized to release maintenance security to the developer, in full.

With no further questions posed to Mr. Rothermel, the Solicitor's Report was approved by Motion of Mr. Wolfinger, seconded by Mr. LaSota and unanimously approved.

The Treasurer's Report was presented by Mr. Boehret, a copy of which is appended to these Minutes. The water division realized a net loss of \$128,829.23 over the past month; the sewer division realized a net loss over the past month of \$1,213,540.09. Across both accounts, the Authority realized a net loss of \$1,342,369.32. Compared to this time last year, the water and sewer divisions realized a positive increase in cash flow totaling approximately \$2,500,000. The sewer escrow account, maintained by funds per the City of Reading IMA, as amended, currently totals approximately \$19 million, of which the Authority has continued to earn interest.

Mr. Boehret reported that nine (9) CDs across the water and sewer divisions were set to expire this month. Mr. LaSota made a Motion to renew all but one (1) CD for another three (3) months; one (1) of the sewer division CDs with the largest balance will be renewed for six (6) months. Mr. Hoffmaster seconded that Motion, which was unanimously approved.

With regard to payroll, Mr. Boehret reported that the new Paychex payroll system is not yet fully operational. Trial testing had recently failed. Paychex is aware of the issue. To date, Paychex has been paid \$1,139 for this service. Mr. Boehret and Mr. Feltenberger were directed to source alternative payroll proposals for review at the September 2024 Board meeting.

Mr. Boehret informed the Board that the rate study is underway. Mr. Feltenberger and Mr. Boehret have provided the vendor with all requisite information. Since a capital improvement plan is not yet finalized, Mr. Boehret advised that the vendor will instead utilize projections and assumptions to complete the rate study. The rate study may later be revised should those assumptions prove inaccurate.

Mr. Boehret provided the Board with a financial statement, which provides monthly data dating to January 2022. Overall, Mr. Boehret commented that revenues were diminished in both the water and sewer divisions secondary to increased project costs, an overall increase in labor and cost of materials, and increased repayment amounts to the City of Reading.

Mr. Hoffmaster made a Motion to approve the Treasurer's Report as presented. That Motion was seconded by Mr. Kelly and unanimously adopted.

Under New Business, Mr. Feltenberger informed the Board that the Authority's scope of IT services were currently under review.

Regarding the Customer Advisory Board Committee, Mr. LaSota, Committee Chairman, reported that the inaugural meeting took place on August 7, 2024 at the Authority's maintenance building and garage facility. Five (5) Committee members were present, all residents of the Township, and all of diverse backgrounds. Mr. LaSota reported that the Committee members were engaged in the process, and they provided good feedback. The Committee will likely meet every other month, with the next meeting to be scheduled in mid-September.

On motion of Mr. Wolfinger, seconded by Mr. Hoffmaster, the Board unanimously approved the Letter of Agreement with the Teamsters regarding the Health and Welfare Fund Rate, as per the terms of the CBA.

Mr. Feltenberger advised that the National Night Out was rescheduled to August 20, 2024 at 6:00 p.m. The prior date was canceled due to inclement weather.

Lastly under New Business, Mr. Wolfinger made a Motion to approve the change in employment status pertaining to Ms. Walborn. That Motion was seconded by Mr. LaSota and unanimously approved.

A second executive session was not called.

Under Member and Staff Comments, Mr. Feltenberger remarked that he enjoyed the Customer Advisory Board Committee meeting. Mr. Hoffmaster, who was also present for the Committee meeting, extended gratitude to Mr. LaSota for leading the effort. The remainder of the Board shared in that sentiment.

Ms. Lorah reported that Blooming Glen Contractors was moving up the scheduling of flow meter installation work. Per Ms. Lorah, that work should begin the following week. The Board was pleased to learn of this development, considering the MTA needs the flow meters to further analyze storm flow data. Ms. Lorah also reported that Alsace Township, in concert with a developer of the Rowe Tract apartment complex, requested consideration of a bulk water rate. While further discussion may be needed in that regard, Ms. Lorah indicated that bulk water rates are typically not extended for such use or development.

Mr. Kelly inquired as to the leak detection rate, which Mr. Feltenberger noted is approximately 17%. Mr. Kelly requested review and confirmation of that figure.

Mr. Wolfinger requested that Mr. Feltenberger continue to engage in open communication with the Township road foreman so as to avoid disturbance of newly paved roads. It was noted that the Township should provide advanced notice as well, considering the MTA has certain lead times inherent in underground pipe work.

Chairman Lehr indicated that the budgeting process must start now, as the final budget is scheduled for approval in November 2024. Mr. Feltenberger, and the Board as a whole, were encouraged to consider upcoming and planned projects for budgeting purposes. Mr. Lehr directed the Solicitor to coordinate a special meeting to discuss the budget and formulation of a capital improvements plan.

There being no further business of the Board, the meeting was adjourned at 8:20 p.m. on Motion of Mr. Hoffmaster, seconded by Mr. Wolfinger, and unanimously approved.

The next regular meeting of the Board of the Muhlenberg Township Authority will be held at 7:00 p.m. on Thursday, September 5, 2024, at the main meeting room of the Muhlenberg Township Administration Building, 210 George Street, Reading, Muhlenberg Township, Berks County, Pennsylvania 19605.



Title: SECRETARY