

**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, December 7, 2023, beginning at 7:30 p.m., at 3711 Oak Street, Temple, 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  
Richard Heffner  
Otto Voit, III  
Rick Hoffmaster  
Jim Kelly

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 were Authority Assistant Distribution Superintendent Jeff Krick, Township Commissioners/Board appointees Steve Wolfinger and Walt LaSota, and Authority controller consultant, Scott Boehret of Transcend Business Advisors. Jack Pennington appeared as a member of the public. Jay Wenger of RBC Capital also appeared for purposes of presenting to the Board.

The meeting was called to order at 7:30 p.m. by Chairman Lehr. Mr. Lehr announced that the Board had met earlier in executive session to discuss matters involving personnel and litigation.

Mr. Heffner made a Motion to approve the Minutes of the previous regular meeting of the Board held on November 9, 2023. That Motion was seconded by Mr. Voit, and passed unanimously.

Ms. Lorah of SSM addressed the issue of sanitary sewer inflow and infiltration (I&I) stemming from excess stormwater flow, using the Eagles Landing development as an example. Ms. Lorah noted that the Board addressed the Eagles Landing development in prior meetings, and confirmed that it remains a focus of attention of both the Board and SSM regarding the issue of sewer backups caused by stormwater I&I. Through a PowerPoint presentation, Ms. Lorah updated and further educated the Board with respect to the cause of I&I. She also confirmed the results of the ongoing investigation of the sewer backup issue in the Eagles Landing area and elsewhere, and highlighted a refined list of available options to alleviate and ultimately solve the stormwater I&I issue. Ms. Lorah explained that while stormwater is a Township issue, excess stormwater flows, particularly during major condensed storm events, impact the MTA's sanitary sewer collection system, which in turn, may create issues for certain residents who reside in flood prone and flood plain areas. Ms. Lorah's presentation identified the major sources of stormwater I&I such as manholes, residents' sewer vents/cleanouts located in low-lying

areas, and sump pump and roof leaders directed to the sewer system. The first step in combatting this issue is to reduce the amount of stormwater that flows into the sanitary sewer system. By reducing the excess inflow of stormwater into the system, it will allow the pump stations to handle peak flows, as designed. The long-term solution principally involves the Township, as it controls stormwater management. Separately however, the Authority is being proactive by exploring and developing its own long-term solution that would address the underlying stormwater I&I issue regardless of any action the Township may undertake. After hearing Ms. Lorah's presentation, the Board was unanimous in directing SSM to take all action necessary to continue to advance this issue, both in the short and long-term. Namely, SSM, in concert with Authority crew, will continue manhole inspections, manhole dish inserts and replacement, and visual inspection of vent caps/cleanouts. Flow meters will also be installed at key locations of the system so that problem areas are more easily identified and addressed. These short-term solutions are in addition to the recommended use of sewer backflow valves in certain areas of the Township, which is a preventative measure recently advanced by the MTA. Ms. Lorah will provide further updates to the Board in this regard at the January 2024 meeting.

Under the first public comment portion of the meeting, Mr. Pennington, a resident of the Eagles Landing development, questioned the Board regarding the cause of the sewer back up issue dating to the July 2023 storm event. Chairman Lehr reiterated prior remarks on this issue by confirming that the sewer backup was caused by excess stormwater infiltration into the sanitary sewer system. The pumps and pump stations were fully operational during the July 2023 storm event, however, high volumes of stormwater entered the system causing excess capacities. Mr. Lehr noted that in the short-term, affected customers are encouraged to take advantage of the sewer backflow prevention program, where the Authority will reimburse, in whole or in part, eligible residents for the cost of backflow valve installation on their side of the sewer line. The backflow valve is not a guaranteed fix, but it is an initial preventive step in addressing the issue. Consistent with SSM's report, Mr. Lehr further noted that the MTA continues to investigate long-term solutions to address the stormwater infiltration issue. In that regard, Mr. Lehr voiced commitment of the MTA to work with the Township on its stormwater issue that impacts many Township residents. Mr. Pennington thanked the Board for its time, and then exited the meeting.

Further discussion ensued regarding the stormwater I&I problem. Ms. Lorah again identified what short and long-term options are available, and confirmed that SSM was moving forward with implementation of the same. Mr. LaSota questioned whether manholes or vents were the primary source of stormwater inflow. Ms. Lorah noted that such data was not yet available, but the planned installation of flow meters and visual inspection of vent caps would help make that determination. Mr. Kelly commented that in his experience, it is a cumulative problem. At the January 2024 meeting, the Board expects SSM to present an update on its ongoing investigation and implementation, and provide detail of a long-term solution to this problem.

Next, Jay Wenger, Managing Director of RBC Capital Markets, LLC, presented to the Board. Mr. Wenger's presentation was moved up on the Agenda from New Business.

Mr. Wenger provided the Board with a Bond Financing Analysis and Market Update with respect to funding options for capital projects. Bond funding options may be desirable given the standing of the water division account, and in consideration of significant future capital projects involving the water division including the proposed Maiden Creek interconnection, PA DEP lead service remediation, and “forever chemicals” remediation prescribed by the PA DEP. Mr. Wenger noted that, for illustrative purposes only, a 6 million bond would total an annual debt service of approximately \$375,000, payable over 30 years. The funds would be tied to definitive projects, and expected to be spent within a period of 3 years. The bonding process takes anywhere between 2 – 3 months. Mr. Voit noted that the MTA was currently preparing a capital improvement plan. Upon completion, the Board would be in a better position to review and assess optimal funding options. The Board thanked Mr. Wenger for his time.

Ms. Lorah of SSM provided a formal report of the Authority’s consulting engineer for work completed November 7, 2023 through December 1, 2023. Ms. Lorah referenced a six (6) page report of SSM that had been circulated to the Board in advance of the meeting. The report provides a narrative of the status of each of the twenty-one (21) projects of the Authority on which SSM is currently engaged.

With regard to the damaged water main located in Laurel Run Creek, Ms. Lorah confirmed that SSM prepared and submitted an amended emergency permit to DEP to allow entry into the stream for purposes of cutting and capping the pipe, with removal of the damaged pipe section. SSM continues to await permit approval from DEP. As reported last month, crews are ready to mobilize once permit approval is secured.

As part of the July 2023 floodwaters, manhole 1948 in Laurel Run Creek was exposed and is in need of repair. SSM is near completion of a permit application to DEP to allow for the repair. Ms. Lorah anticipates submission of the permit to DEP within the next two weeks.

Regarding the DEP/EPA System Inspection Report, SSM organized the content of the report into a matrix for purposes of prioritizing the work that is to be completed. MTA crews have, for several months since the original report was released, continued to address many of these items. In addition, SSM is securing proposals from contractors who will be able to assist in completing the remainder of these items. Ms. Lorah and Mr. Feltenberger confirmed that DEP set no timeframe for completion of these items, but nonetheless, the MTA has continued to be proactive in addressing the stated issues. SSM also plans to communicate in writing to the DEP confirming that many items have already been resolved, and that a plan is underway to resolve the remaining items of concern. Ms. Lorah further explained that many items on the list that SSM compiled are duplicative and not priority items. Regardless, all of the noted deficiencies are being resolved. Ms. Lorah will update the Board in this regard at the January 2024 meeting.

Ms. Lorah confirmed that the 2022 H2O Grant Application was successfully submitted in December 2022. As before, the grant announcement date has been delayed. The announcement is now expected in January 2024.

Further discussion ensued regarding the Eagles Landing pump station. Ms. Lorah reiterated the action plan with respect to short and long-term solutions to the stormwater I&I problem, which includes installation of flow meters throughout the system, biannual cleaning of the sewer lines in Eagles Landing and River Road, manhole inspection and installation of manhole dishes, and possible alignment of the sewer lines at the intersection of Whitner Road and River Road depending on the outcome of the stated remediation efforts.

Ms. Lorah confirmed that two 2023 Local Share Account (LSA) Grant Applications were timely submitted on November 30, 2023. The Applications pertain to the Rivercrest area water main improvements and installation of Storz connectors on Authority fire hydrants.

With regard to the River Road pump station, Ms. Lorah confirmed that the emergency bypass pump is in-service and ready to use on an as-needed basis pending pump replacement. Should an issue arise with the one pump currently in service, the MTA is fully equipped to continue service of the pump station. Ms. Lorah reported that SSM secured a proposal from Blooming Glen Contractors, Inc., a COSTARS vendor, for installation of two new submersible pumps at the pump station (\$144,680.00), together with installation of two flow meters on the vertical discharge piping (\$30,000.00). The total contract price for all parts and labor is, therefore, \$174,680.00. The lead time for delivery of the pumps is approximately 14 weeks, with installation thereafter. Ms. Lorah confirmed that apart from pump installation, Optimum Controls Corporation (OCC) will submit a proposal to add the pumps to the SCADA system. The proposal of OCC will be presented at the January 2024 meeting. Mr. Voit made a motion to accept the proposal of Blooming Glen Contractors, Inc. in the amount stated. Mr. Kelly seconded the Motion. The Motion passed unanimously.

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

Mr. Feltenberger presented the Operations Report for the preceding month, a full copy of which has been appended to these Minutes. Two Type-I 8" main breaks were repaired on Mt. Laurel Road, both resulting in no interruption in service. Crewmembers continue to work on the DEP punchlist. As part of scheduled maintenance, sewer trunk line cleaning was performed at Muhlenberg Plaza, the Fairgrounds Mall parking lot, and Rt. 61 at Clover Farms. Crews continue to paint hydrants, and perform ongoing leak detection. Sewer laterals were cleaned or checked at multiple locations throughout the Township, three of which were customer owned. Lastly, Mr. Feltenberger reported that the vacuum truck was used a total of 38 man hours over the past month, at an equivalent labor cost of \$9,490.00. To date, the vacuum truck was used the monetary equivalent of \$87,233, excluding the cost of disposal fees that the Authority no longer pays. 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. Heffner 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. Voit 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. Heffner and unanimously adopted.

Under the Solicitor's Report, Mr. Rothermel advised that negotiations regarding a potential water supply interconnection with Maiden Creek Township Authority ("Maiden Creek") are ongoing. Mr. Rothermel will be in contact with Maiden Creek's Solicitor with the intent of finalizing terms for Board review and approval at the January 2024 meeting.

Regarding the City of Reading Intermunicipal Agreement, as amended (IMA), Mr. Rothermel reported that there was no further update regarding completion by the City of the past-due reconciliation and submission of Exhibit I reports. The MTA continues to hold funds pending submission of those reports.

The previously established Citizens' Advisory Committee remains deferred pending Board reorganization at the January 2024 meeting.

Resolution No. 2023-5, which effects amendment to the Articles of Incorporation of the Authority for purposes of expanding the number of Board members from five (5) to seven (7), was tabled at the November Board meeting, citing the impending restructuring of the MTA Board and Township Commissioners' Board. Chairman Lehr moved to take from the table the Motion related to approval of Resolution No. 2023-5. That Motion was seconded by Mr. Kelly. Discussion ensued, which again caused Mr. Voit to affirm support for the Resolution, but he posited that such vote be deferred until the respective Boards are reconstituted in January. Mr. Lehr's Motion failed (Mr. Heffner – Nay; Mr. Voit – Nay; Mr. Hoffmaster – Nay; Mr. Lehr – Yea; Mr. Kelly – Yea). Resolution No. 2023-5 will be an Agenda item at the January 2024 meeting.

The Sewer Backflow Prevention Policy initiative (the "Policy") was previously approved at the October 5, 2023 meeting. The Policy was fully implemented with adoption of parameters discussed and approved at the November 9, 2023 Board meeting. On Motion of Mr. Kelly, seconded by Mr. Hoffmaster, the Policy was amended to increase the maximum reimbursement amount to eligible customers to \$2,500 for interior installation, and \$5,000 for exterior installation. Previously, the maximum reimbursement amount was \$2,500 for both interior and exterior installation. The Policy, as approved, otherwise remains unchanged. The Solicitor was directed to work with Mr. Feltenberger to add the Policy information on the Authority website.

Mr. Rothermel confirmed that the Rule changes affecting billing (i.e. due date in 45 days, extended from 30 days; assessment of a 10% penalty 5 days thereafter), water leaks, emergency shutoff practices, and sewer backflow valves, were now fully implemented. The Authority Rules were updated, and have since been posted to the website.

Regarding Penn Plaza, Mr. Rothermel reported that the developer requested that the Authority accept dedication of the completed municipal improvements consisting of relocation of a water main behind the old K-Mart building. By doing so, financial security would be reduced to the maintenance amount. Mr. Krick confirmed that all improvements were satisfactory. Mr. Hoffmaster made a Motion to accept dedication of the municipal improvements, to authorize signature on the Dedication Agreement, and to reduce financial security to the maintenance amount. That Motion was seconded by Mr. Heffner and unanimously approved. Mr. Rothermel confirmed that the 18-month maintenance period would begin to run as of this date.

No further questions were posed to Mr. Rothermel. The Solicitor's Report was approved by Motion of Mr. Hoffmaster, seconded by Mr. Voit and unanimously approved.

The Treasurer's Report was presented, as detailed in a four (4) page report appended to these Minutes. The water division realized a net gain of \$131,390.70 over the past month; the sewer division realized a net gain over the past month of \$960,165.16. Across both accounts, the Authority realized a net gain of \$1,091,555.86, although a quarterly payment is due the City of Reading under the IMA. Chairman Lehr requested that future Treasurer's Reports include a line item relating to accumulated interest of deferred funds currently held in escrow per the IMA.

Next, Scott Boehret of Transcend Business Advisors, consultant controller to the Authority, presented the final budgets for the water and sewer divisions for review and approval. Mr. Boehret confirmed that, based on projections, he was not recommending any rate increase for either division. The rate increase issue may later be revisited once the 5-year capital improvements plan is finalized. Mr. Boehret additionally recommended the Board undertake a rate study. The Board was receptive to Mr. Boehret's suggestion in that regard, and requested that a proposal be presented for review at the January 2024 meeting. Further discussion ensued regarding the budget, in particular, a call by Chairman Lehr for a more balanced rate between the respective divisions. The Board was in agreement, and further review in that respect will be undertaken once the deferred payments under the IMA have resumed. On Motion of Mr. Hoffmaster, seconded by Mr. Voit and unanimously adopted, the 2024 budget was approved.

Prior to concluding the Treasurer's Report, Mr. Bohret was directed to present a proposal for a digital payroll system, including direct deposit, at the January 2024 meeting. Mr. Hoffmaster made a Motion to approve the Treasurer's Report as presented. That Motion was seconded by Mr. Voit and unanimously adopted.

Under New Business, Mr. Feltenberger reported that the \$50 sewer credit had been applied beginning with bills issued December 1, 2023. Due to quarterly billing, the last set of credits will be applied in February 2024. Mr. Feltenberger provided a sample bill

so that the Board could see how the sewer credit was applied and how it was notated on the bill.

Regarding a property on Beach Street, Mr. Feltenberger advised that a customer encountered an unknown water leak stemming from a faulty water softener. The total bill was approximately \$8,000, whereas the customer's bill historically averages approximately \$220. After discussion, and review of Section 2.5.10 of the Authority Rules, the Board was unanimous in directing Mr. Feltenberger to apply a credit for the excess charges above the customer's average bill amount. It was confirmed that this was a one-time credit. The customer will be notified by letter.

Board meeting dates for 2024 were reviewed. On Motion of Mr. Voit, seconded by Hoffmaster, the meeting dates were unanimously approved. Mr. Rothermel will advertise the 2024 meeting dates in the Reading Eagle newspaper.

Discussion was held regarding distribution of a Christmas bonus. Mr. Feltenberger confirmed that the bonus was accounted for in the 2023 budget. Motion Mr. Heffner made a Motion to authorize Mr. Feltenberger to distribute a Christmas bonus to all MTA employees in the amount of \$200, which is an increase over last year. Mr. Voit seconded that Motion. Mr. Hoffmaster suggested that the bonus be increased to \$300. Ultimately, the Motion, as originally presented, passed by unanimous vote.

Mr. Feltenberger reported that the employee holiday luncheon was scheduled for December 22, 2023 at 12:30 p.m. at the maintenance building and garage. All are invited to attend. Food will be prepared by Spuds Events and Catering at a cost of \$1,144.80.

Lastly under New Business, Mr. Feltenberger confirmed that the website was updated to include biographies and pictures of the Board and General Manager. It was also reported that the intermunicipal agreement with Laureldale Borough was currently under review, with a potential need of revision in some minor respects. Mr. Feltenberger will consult with the Solicitor in that regard.

No Executive Session was called.

There were no comments under the second public portion.

Under the Member and Staff Comments portion of the meeting, Mr. Hoffmaster noted that Stephen Piontek, a longtime crewmember of the MTA, is set to retire effective May 1, 2024. Mr. Hoffmaster also commented that Mr. Krick was doing a good job in his role for the Authority. Lastly, Mr. Feltenberger reported that three new hires were transitioning to full-time union employees of the Authority as of next week.

There being no further business of the Board, the meeting was adjourned at 9:45 p.m. on Motion of Mr. Voit, seconded by Mr. Heffner, 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, January 4, 2024, in the Authority Maintenance Facility main meeting

room, 3711 Oak Street, Temple, Muhlenberg Township, Berks County, Pennsylvania  
19560.



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Title: Secretary