

**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, February 12, 2026, beginning at 7:00 p.m., at 210 George Street, Reading, Muhlenberg Township, Berks County, Pennsylvania, 19605, pursuant to notice both advertised and posted according to law.

The following members of the Board were present:

Jim Kelly  
Walt LaSota  
Rick Mountz  
Mike Merkel

In attendance were Authority Director of Operations, Nathan Roush; Jamie Lorah, PE, of Spotts, Stevens and McCoy (SSM), consulting engineer to the Authority; Thomas A. Rothermel, of counsel; Scott Boehret of Transcend Business Advisors, Authority controller consultant; Jeff Krick, Assistant Distribution Superintendent. Also present were representatives of Conrad Siegel and Associates, David Lytle and John Vargo; Jaime Nace; Nate Lunsford; MTA Residential Customer Advisory Committee member, Diane Jones; and Stacey Feltenberger.

The meeting was called to order at 7:00 p.m. by Chairman Kelly. Mr. Kelly announced that the Board met in an executive session immediately prior to this meeting to discuss matters involving personnel. Mr. Kelly also announced that the Board met in an executive session on February 9, 2026 at 6:00 p.m. to discuss matters involving personnel.

Prior to conducting business of the Authority, the Board and all those present stood in a moment of silence to commemorate and honor the life and public service of Richard Hoffmaster, who passed away on January 20, 2026.

Mr. Mountz made a Motion to approve the Minutes of the previous regular meeting of the Board held on January 8, 2026. That Motion was seconded by Mr. Merkel and passed unanimously.

Engineering bills for the preceding month were reviewed. Mr. LaSota made a Motion to approve the engineering bills for payment. That Motion was seconded by Mr. Mountz 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. Mountz 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.

Chairman Kelly invited Mr. Lytle and Mr. Vargo of Conrad Siegel to make a report on the pension plan of the Authority. Mr. Lytle distributed a written report constituting the Annual

Report of the pension funds invested by Conrad Siegel on behalf of the Authority, effective through December 31, 2025. Mr. Lytle highlighted the services provided by Conrad Siegel and discussed the structure of the plan. Apart from updating authorized signers of the plan, Conrad Siegel also recommends consideration of a change in life insurance reserves to a more conservative allocation of 50% money market and 50% fixed income. The change in allocation would more strongly derisk the plan. The Board was receptive to that recommendation, and indicated that it would take the same under advisement.

Conrad Siegel confirmed that since the last annual review, certain investments were changed to the benefit of the plan, and expenses were reduced following a move of several positions to the Vanguard ETF share class.

Discussion with the Board included ongoing separation of funds derived from cash value of insurance policies and general pension funds. Plan investments, market value, and performance were also discussed. In 2025, the plan showed a gain of 7.9% in terms of the return on investment, which was level with the market benchmark, net of all fees. Overall, Mr. Lytle reported that plan is performing well.

As of December 31, 2025, the market value of all general pension and life insurance assets totaled \$1,889,781. Plan performance totaled 14.3% compared to 10.7% in 2024, which is when the Authority realized a significant reduction from prior years due in large part to recent retirees who elected the cash-out option. In accordance with prior Board directives, Mr. Vargo reported that he conducted an educational session with the crew and staff regarding the pros and cons of lump sum withdrawals versus continued investment in the plan. Mr. Vargo noted that the group was well informed and engaged in the discussion.

Regarding the overall plan funded ratio, as of November 1, 2025, the plan was funded at a rate of 77.4%; closer to 80% would be ideal. The MTA is currently operating at a deficit position (i.e. Unfunded Actuarial Accrued Liability) of \$527,828. Mr. Vargo noted, however, that the current plan participants are a significantly younger group, such that there is room to recover, improve gains, and stabilize the funded ratio percentage.

The investment policies currently in place were discussed and reaffirmed in the Pension Plan Report. Mr. Lytle advised that there were no violations of the stated policies of the Authority in plan investment decisions in 2025. Total annual fees were calculated at 0.64%, reduced from 0.75% in 2024.

After addressing questions from the Board, Mr. Lytle and Mr. Vargo thanked the Board for its attention.

There was no comment under the first public portion.

Mr. Feltenberger presented the Operations Report for the preceding month, a full copy of which has been appended to these Minutes. In addition to miscellaneous service work orders, the crew performed snow/ice clean up, recycled hydrants, and installed flow meters on chlorine water lines. Leak detection was ongoing, which did not result in any

appreciable increase in water tank levels. Mr. Roush indicated in that regard that the tank level remains stable, but it is a bit lower than desired. Regarding Well No. 2, AC Shultes videoed the well casing and is in the process of formulating a plan for rehabilitation. Additional miscellaneous service-related issues were addressed such as replacement of a meter pit at 3601 Eisenbrown, clearing of a sewer trunk line back up on Fraver Drive, service renewal at 701 Carolina, and water main repairs at 2914 Leisczs Bridge Road, 524 Acacia, and Grandell/Floret Avenues. Well No. 1 was started back up, and pumps at Well No. 8 were serviced to address an overload issue. Regarding the Laurel Run pump station, Mr. Roush reported that the station experienced a pump failure on January 13, 2026, which required use of a temporary pump that remains in service pending repair. A tank mixer at the Riverview Park elevated tank failed, which will require a new motor. Sewer laterals were cleaned and checked, including eight (8) customer owned lines, eight (8) traps, and four (4) Authority owned lines. The Operations Report then concluded.

Under the Engineer's Report, Ms. Lorah of SSM provided a formal report of the Authority's consulting engineer for work completed December 20, 2025 through January 16, 2026. Ms. Lorah referenced a thirteen (13) 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 projects of the Authority on which SSM is currently engaged.

With regard to SSM's professional services, Ms. Lorah presented a 2025 rate schedule proposal, which provides for an increase of 5% over prior rates. In a question posed by Mr. LaSota, Mr. Boehret confirmed that the proposed increase would not impact the budget. Mr. Merkel made a Motion to approve the 2025 SSM rate schedule as proposed. That Motion was seconded by Mr. LaSota and unanimously approved.

With regard to the stripping tower at Well No. 6, Ms. Lorah reported that three (3) Costar vendor bids were received for media replacement, as required by DEP. The lowest qualified bid was submitted by Eastern Environmental at a total cost of \$83,800. Mr. Mountz made a Motion to approve the proposal of Eastern Environmental in the amount stated. That Motion was seconded by Mr. Merkel and unanimously approved.

Ms. Lorah advised that the 13<sup>th</sup> Street line needs to be televised in advance of proposed development in the surrounding area. Performance Pipelining, Inc. submitted a proposal to perform such service in the amount of \$3,819.84. Mr. LaSota made a Motion to approve the proposal in the amount stated, which Motion was seconded by Mr. Mountz and unanimously approved.

With regard to the Eagles Landing pump station upgrade project, Ms. Lorah reported that work commenced on February 12, 2026. As of the date of the meeting, the pumps had been removed and bypass pumps were running. Customers were advised of the work in advance of the project.

Mr. LaSota questioned Ms. Lorah regarding the status of DEP/EPA compliance. In response, Ms. Lorah reported that everything was in process, including all permit submittals for scheduled work on select wells. Ms. Lorah further noted that SSM has

continued to provide periodic updates to DEP and EPA, and no new inspection has been scheduled.

Regarding the status of flow meter installation in advance of the impending summer storm system, per a question posed by Mr. LaSota, Ms. Lorah noted that Blooming Glen Construction installed three (3) meters thus far, and the remainder of the meters are in the process of being scheduled for installation. Mr. Roush noted that the data will be incorporated into the SCADA system for review of real-time data.

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. Merkel and unanimously approved.

Under the Solicitor's Report, Resolution No. 2026-2, by which the Board formally adopted a Reserve (Net Position) Policy of the Authority, was unanimously approved, on Motion of Mr. Merkel, seconded by Mr. LaSota.

With regard to the project undertaken by the Muhlenberg School District for construction of a new school and athletic facilities, Mr. Rothermel reported that signed agreements were now received. Mr. LaSota made a Motion to authorize and approve the Municipal Improvements Agreement and Easement Agreement relative to the municipal improvements included as part of that project. The Motion was seconded by Mr. Merkel and unanimously approved.

With respect to the Authority's service into portions of Alsace Township, Mr. Rothermel presented an Omnibus Intermunicipal Agreement for consideration of Board approval. The agreement serves to revise and update the existing Intermunicipal Agreement dating to April 2013, to provide for new distinct service districts and potential of future service to the same. Mr. Mountz made a Motion to authorize and approve the Omnibus Intermunicipal Agreement. That Motion was seconded by Mr. LaSota and unanimously approved.

No additional questions were posed to Mr. Rothermel. The Solicitor's Report was unanimously approved, on Motion of Mr. LaSota, seconded by Mr. Mountz.

The Treasurer's Report was presented by Mr. Boehret, a copy of which is appended to these Minutes. The water division realized a net decrease of \$1,204,711 in January, for a total operating account balance of \$2,630,793. Total interest earned over the past month, across both operating and certificates of deposit in the water division, was \$26,531. The sewer division realized a net gain compared to the prior month in the amount of \$492,824, for a total account balance of \$8,198,020. In January, interest earned in the sewer division operating and certificate of deposit accounts totaled \$99,839. Total interest earned in the sewer escrow account this past month yielded \$60,705.

Mr. Boehret recommended the Board authorize a transfer of \$2,050,000 from the sewer escrow account to PLGIT. Mr. Merkel made a Motion to authorize the transfer of funds to PLGIT. That Motion was seconded by Mr. LaSota and unanimously approved.

Mr. Boehret provided the Board with unaudited financial statements for year end December 31, 2025. Regarding the sewer division, income exceeded the budgeted amount by 1.8%, but expenses were higher than budgeted by \$1.4 million, largely due to increased pension costs and payments made to the City of Reading. The Authority received \$1.5 million in interest income. Regarding the water division, income exceeded the budget by 3%, and expenses were within budget. The Authority realized approximately \$360,000 in interest income. Factoring in PFAS settlement funds totaling \$1.3 million to date, the Authority realized a change in net position in the sewer division of \$1.8 million.

Mr. Mountz made a Motion to approve the engagement letter of King Spry dated January 6, 2026 to serve as bond counsel to the Authority. Mr. LaSota seconded that Motion, which was unanimously approved.

Mr. Merkel made a Motion to approve the engagement letter of PFM dated January 7, 2026 to serve as independent financial advisor to the Authority in connection with the bond process. Mr. LaSota seconded that Motion, which was unanimously approved.

Mr. Boehret reported that he was continuing to review the process by which the Authority may change the pension calendar to align with the Authority's fiscal calendar. Mr. Boehret explained that there was no administrative reason why the respective calendars should not be aligned. Mr. Boehret will report on this issue at a future meeting.

Regarding payment automation, Mr. Boehret indicate that he, along with Management, continue to explore viable options to streamline vendor payments. While payments may be automated, the Board would continue to approve all payments; all controls would be maintained. With respect to timing of the new system, Mr. Boehret commented that he anticipates implementation by the end of the first quarter, or early second quarter. There would be no cost to the Authority for this service.

In a question posed by Mr. LaSota regarding the source of funding of the Reserve (Net Position) Policy, Mr. Boehret commented that he continues to review that issue and expects to have further information to provide at the next Board meeting.

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

Under New Business:

Mr. LaSota reported that the Residential Customer Advisory Committee was scheduled to meet on February 16, 2026 at 6:00 p.m. at the Township building.

Mr. LaSota made a Motion to approve the January 16, 2026 proposal of Paragon. Mr. Merkel seconded that Motion. The Motion was unanimously approved.

Resolution No. 2026-1 regarding continued implementation of the Residential Customer Advisory Committee was unanimously approved, on Motion of Mr. LaSota, seconded by Mr. Merkel.

Mr. Roush reported that Management is continuing to explore an enhanced phone and mapping system. Mr. Roush anticipates providing the Board with further information in this regard at a future meeting.

Mr. Roush advised that AC Shultes was currently performing pump testing at Well Nos. 1 and 2. Regarding Well No. 2, Mr. Roush reported that Laureldale requested a change in how the Authority processed periodic discharge from that well. Mr. Roush advised that he formulated a solution to ensure proper metering of the discharge, which plan he will communicate to the Laureldale Borough.

With regard to the WAWA development project on N. 5<sup>th</sup> Street Highway, Mr. Roush reported that the developer was amenable to accommodating the Authority's request to increase the size of the main from 6" to 12", at MTA's cost. The increased size of the main will enable MTA to further expand and enhance that area of the water distributions system. Schlouch, a Costars vendor, submitted a proposal for that work at the total cost to the MTA of \$146,633.55. Mr. Mountz made a Motion to approve the proposal of Schlouch in the amount stated. Mr. Merkel seconded that Motion, which was unanimously approved.

Mr. Mountz made a Motion to amend the Agenda to include an action item to approve the proposal of Powerco, Inc. for the purchase of an excavator. That Motion was seconded by Mr. Merkel and unanimously approved. Thereafter, Mr. Mountz made a Motion to approve the proposal of Powerco, Inc., a DGS State Contract holder, in the amount of \$110,100 for the purchase of a mini excavator with hydraulic hammer. That Motion was seconded by Mr. LaSota and unanimously approved.

There were no comments under the second public portion.

Under Member and Staff Comments, Mr. Feltenberger expressed his appreciation of the crew's efforts in successfully handling multiple water main breaks over the past month. The entire Board shared in that sentiment. Mr. LaSota and Mr. Mountz additionally commented that communication was excellent, and the work was safely and swiftly performed.

There being no further business of the Board, the meeting was adjourned at 8:00 p.m. on Motion of Mr. Mountz, seconded by Mr. Merkel, 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, March 12, 2026, at 210 George Street, Reading, Muhlenberg Township, Berks County, Pennsylvania.

  
Title: Mike Mervin