

**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, January 8, 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 Hoffmaster  
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; and Jeff Krick, Assistant Distribution Superintendent. Also present were Lisa Hughes, Work Based Learning Coordinator at Reading Muhlenberg Career & Technology Center, and Diane Jones, a member of the public and member of the MTA Residential Customer Advisory Committee.

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 and litigation. The meeting was turned over to the Solicitor for purposes of reorganizing the Board.

Mr. Rothermel confirmed the current composition of the Board, which includes the recent appointment of Mr. Merkel, Township Commissioner, to a five-year term effective January 1, 2026. Regarding reorganization, a slate of Officer positions was proposed, as follows: Mr. Kelly – Chairman; Mr. LaSota – Vice Chairman; Mr. Hoffmaster – Treasurer; Mr. Merkel – Secretary; and Mr. Mountz – Assistant Secretary/Treasurer. After brief discussion, there were no other nominations for alternate Board Officer positions. The Solicitor called for a vote, and the Board members of the Authority were unanimously elected to the Officer positions for which they were nominated. The election of Officers was approved by unanimous vote, on Motion of Mr. Hoffmaster, seconded by Mr. Mountz. Next, Mr. LaSota made a Motion to retain and reappoint Spotts, Steven and McCoy as consulting engineer to the Authority, which Motion was seconded by Mr. Hoffmaster and unanimously approved. Mr. Hoffmaster made a Motion to retain and reappoint Cherry Bekaert (formerly Herbein & Company) as Auditor, which Motion was seconded by Mr. LaSota and unanimously approved. Lastly in this regard, Mr. Hoffmaster made a Motion to retain and reappoint Bingaman, Hess, Coblenz & Bell, P.C. as Solicitor to the Authority, which Motion was seconded by Mr. Mountz and unanimously approved. Mr. Rothermel returned the meeting to Chairman Kelly.

Mr. Hoffmaster made a Motion to approve the Minutes of the previous regular meeting of the Board held on December 11, 2025. That Motion was seconded by Mr. Mountz 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. Hoffmaster 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. Hoffmaster 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. Mountz and unanimously adopted.

Under the first public portion. Ms. Hughes, Work Based Learning Coordinator at Reading Muhlenberg Career & Technology Center, presented to the Board. Ms. Hughes thanked the Board for its monetary donation to the RMCTC for the multi-county district competition. Mr. Hoffmaster additionally remarked that the RMCTC provides valuable hands-on training and experience for students, in a good learning environment. The Board thanked Ms. Hughes for her time.

Mr. Roush presented the Operations Report for the preceding month, a full copy of which has been appended to these Minutes. The crew performed a total of twenty-five (25) miscellaneous service work orders in the past month. Leak detection was ongoing, which revealed service line leaks that were being addressed. Leak detection was also utilized to ascertain if a water main leak was the cause of lower than average tank levels. Mr. Roush noted that the tank levels remained stable, but were at levels lower than historical average. Mr. Roush will provide the Board an update on this issue at the February meeting. Mr. Roush additionally noted that a 6" water main break was repaired at 524 Lobeila Avenue. At Well No. 2, AC Shultes pulled the pump and televised casings, which is part of the process aimed at optimizing well production. Mr. Roush advised that the crew installed eye wash and glove stations at all indoor sites. New security cameras were also installed at the main office building. Sewer laterals were cleaned and checked, including nine (9) customer owned lines, nine (9) traps, and two (2) 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 12, 2025 through December 19, 2025. Ms. Lorah referenced a twelve (12) 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 the Eagles Landing pump station upgrade project, Mr. Lorah reported that a meeting was scheduled next week with the contractor, JNS Paving and Excavation Corp., regarding installation of the bypass manhole. Thereafter, pump station work internal to the station would commence, weather permitting.

Ms. Lorah reported that the Mannerchor Tank driveway project, which commenced November 17, 2025, remained ongoing. The contractor, Barwis, submitted Payment Application No. 2 totaling \$36,065.59, which includes installation of stone, rip rap, and retaining wall, together with site stabilization. Mr. Lorah recommended payment based on a site visit which confirmed completion of the stated work. Mr. Hoffmaster made a Motion to approve Payment Application No. 2 in the amount stated. Mr. LaSota seconded that Motion, which was unanimously approved.

With respect to the proposed Maiden creek Township interconnection, Ms. Lorah reported that on December 10, 2025, the DRBC approved the docket amendment submission, which affords Maiden creek Authority the ability to convey up to 1,000 GPM to the Authority via an interconnection. Ms. Lorah confirmed that the docket amendment is valid for a period through December 10, 2035. SSM will review the DRBC Decision and in consultation with Management, provide further recommendations to the Board.

Ms. Lorah advised that survey work was completed for the Laureldale main replacement project in the area of Elizabeth Avenue, Raymond Street, Earl Street, and Gray Street. SSM continues to prepare submissions for the Highway Occupancy Permit. A meeting is scheduled on January 13, 2026 with representatives of Laureldale Borough to review the current project scope and status. Mr. Rothermel was asked to attend the meeting. Ms. Lorah anticipates this project going out to bid in February 2026.

Regarding the Laurel Run pipe removal and sanitary sewer repair project, Ms. Lorah advised that the manhole and creek bed restoration was nearly complete. SSM is currently in the process of reviewing the adequacy of embankment stabilization that was performed. In the interim, the contractor, JNS Paving and Excavation Corp., submitted Payment Application No. 3 in the total amount of \$51,588, which includes installation of the manhole along Laurel Run creek. Ms. Lorah recommended payment based on a satisfactory site inspection. Mr. LaSota made a Motion to approve Payment Application No. 2 in the amount stated. That Motion was seconded by Mr. Mountz and unanimously approved.

With regard to the Laurel Run pump station, Ms. Lorah presented an Authorization of Additional Services of SSM totaling \$81,500; the original contract fee was \$34,700. The proposal includes added fees for engineering services related to proposed upgrades at the pump station that would include, among other things, lighting and electrical upgrades, new pumps, mechanical and structural improvements, hoist installation, and potential conversion to a gas generator and boiler. Mr. Hoffmaster questioned whether a new pump station could be built on the existing site. Mr. Lorah noted that with these upgrades, a new pump station would not be necessary in the short term. The improvements would bring the station up to code and extend the useful life of the station another 20 – 30 years. Mr. LaSota suggested that as part of the internal improvements, the Board consider landscaping improvements external to the building, which would serve to soften its appearance and potentially reduce noise emanating from the station. After further discussion, the proposal of SSM was tabled, with further discussion anticipated at the February 2026 Board meeting.

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. Mountz and unanimously approved.

Under the Solicitor's Report, Mr. Rothermel advised that he continued to await signature from the School District with respect to developer agreements concerning water and sewer improvements included as part of new construction of a school and athletic facilities.

With regard to the Rowe Tract apartment unit development, Mr. Rothermel reported that revised developer agreements, consisting of an Improvements Agreement, Dedication Agreement, and Easement Agreement, were executed by the developer. The revised Improvements Agreement with the developer of the Rowe Tract was unanimously approved, on Motion of Mr. Hoffmaster, seconded by Mr. LaSota.

Mr. Rothermel advised that a meeting was scheduled with representatives of Alsace Township on January 6, 2026 to further review proposed expansion of service by the Authority in select areas of Alsace Township. The Board is expected to consider approval of an agreement with Alsace Township to memorialize the same at the February 2026 meeting.

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

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 \$60,592 in December, for a total operating account balance of \$3,835,503. Total interest earned over the past month, across both operating and certificates of deposit in the water division, was \$28,716. 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 December, interest earned in the sewer division operating and certificate of deposit accounts totaled \$98,191. Total interest earned in the sewer escrow account this past month yielded \$60,185.

Mr. Boehret recommended the Board authorize a transfer of \$1 million from the water fund to PLGIT, and \$3 million from the sewer fund to PLGIT. Mr. Hoffmaster made a Motion to authorize the respective transfer of funds to PLGIT. That Motion was seconded by Mr. LaSota and unanimously approved.

In consultation with Management, Mr. Boehret recommended PFM be appointed independent financial advisor to the Authority as part of the bond process. In that role, PFM would provide guidance and direction to the Authority with respect to financial considerations inherent in securing bond financing. The Solicitor noted that a flat fee was estimated to be in the range of \$30,000 - \$40,000, paid at closing. Mr. Hoffmaster made a Motion to approve PFM as the independent financial advisor, subject to review and approval of the engagement letter. That Motion was seconded by Mr. Mountz and unanimously approved.

Also in consultation with Management, Mr. Boehret recommended King Spry be appointed bond counsel as part of the bond process. In that role, King Spry would ensure that the bond financing transaction is tax-exempt. The estimated fee for such services is \$22,500. Mr. Mountz made a Motion to approve King Spry as bond counsel, subject to review and approval of the engagement letter. That Motion was seconded by Mr. Merkel and unanimously approved.

Mr. Boehret presented the Board with a Reserve (Net Position) Policy, which was a prior topic of discussion and recommendation as part not only of the bond financing process, but as part of a sound financial policy of the Authority. The total operating reserve would total approximately \$3.5 - \$4 million, combined across both water and sewer divisions. The actual reserve totals would change annually based on financials, and would be subject to quarterly review and analysis. Overall, the goal of the Policy is to maintain responsible reserves. Mr. LaSota made a Motion to approve the Reserve Policy, seconded by Mr. Mountz and unanimously adopted.

Mr. Hoffmaster 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 indicated that the last Residential Customer Advisory Committee meeting was held in July 2025. Mr. LaSota is planning to schedule a Committee meeting in February 2026. Topics will include, among other things, completed projects in 2025, capital projects planned and scheduled in 2026, and the 2026 budget. Ms. Jones, who recently became a Committee Member, commented that the Committee would be looking at ways it could further assist the Authority. One suggestion by Mr. Hoffmaster was to set up a stand at local community events where the Committee, in tandem with the Authority, could educate residents about the import of the vast public health and safety services the Authority provides.

Mr. Roush reminded the Board that Statement of Financial Interest Forms are due no later than May 1, 2026.

Regarding the WAWA project on N. 5<sup>th</sup> Street Highway, Mr. Roush reported that the Authority was undertaking its own improvement as part of that project, to include increasing the existing 8" water main to 12". The increased size of the main would enable further improvements to that area of the distribution system.

There were no comments under the second public portion.

Under Member and Staff Comments, Mr. Kelly expressed his appreciation for Mr. Roush's efforts in improving the Authority's management. The Board echoed that sentiment. It was further noted that crew morale remains strong.

Mr. Rothermel advised that the Pennsylvania Department of Labor & Industry published the authority and municipal bidding thresholds for 2026. Under Act 90 of 2011, the bidding

thresholds provide for an annual inflation adjustment based on the Consumer Price Index for all urban consumers. Mr. Rothermel confirmed that beginning January 1, 2026, the bidding thresholds for municipal authorities will be as follows: purchases and contracts below \$13,200.00 require no formal bidding or written/telephonic quotations; purchases and contracts between \$13,200.00 and \$24,500.00 require three (3) written/telephonic quotations; and purchases and contracts over \$24,500.00 require formal bidding. This is a net increase of approximately 3% over the 2025 thresholds.

Mr. Krick reported that a meeting was scheduled with Daupler, Inc. on January 13, 2026 to provide a demo of a 24-hour call system. The system would be interactive and largely administered through a phone App. Mr. Merkel, who is familiar with such systems in his profession, commented that he would favor the Authority implementing the same. Management will provide the Board with further updates in this regard.

Mr. Roush reported that two (2) crew members are in the process of taking online classes for the sewer general and collections license. In total, between both union and non-union personnel, four (4) employees have water licenses, and six (6) employees have sewer general and collections licenses.

Mr. Boehret reported that he was scheduled to attend a meeting next week to advance payment automation as part of the Authority's purchase order processing system. Once fully implemented, the Authority will be on the forefront of this system.

Mr. Hoffmaster expressed his view that Mr. Kelly has been doing an outstanding job in his role as Chairman of the Authority.

Mr. Merkel expressed his appreciation for having been appointed to the Authority Board, and was looking forward to the opportunity to serve in this new role.

There being no further business of the Board, the meeting was adjourned at 8:15 p.m. on Motion of Mr. Hoffmaster, seconded by Mr. LaSota, 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, February 12, 2026, at 210 George Street, Reading, Muhlenberg Township, Berks County, Pennsylvania.



Title: SECRETARY