

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, March 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; Timothy Feltenberger, Operations Manager; Jamie Lorah, PE, of Spotts, Stevens and McCoy (SSM), consulting engineer to the Authority; Thomas A. Rothermel, Solicitor, of Bingaman, Hess, Coblentz & Bell, P.C.; Scott Boehret of Transcend Business Advisors, Authority controller consultant; and Jeff Krick, Assistant Distribution Superintendent. Also present were: Karli Keisling, Senior Managing Consultant, PFM Financial Advisors, LLC; Jay Wenger of RBC Capital Markets; Kevin Reid, Esquire, of King Spry; 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.

Mr. Merkel made a Motion to approve the Minutes of the previous regular meeting of the Board held on February 12, 2026. 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. Mountz and unanimously adopted.

The accounts payable for both the water and sewer departments for the preceding month were distributed prior to the meeting, a full listing of which has been appended to these Minutes. Mr. LaSota 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. Merkel and unanimously adopted.

Chairman Kelly invited Ms. Keisling of PFM to present to the Board regarding proposed financing for its capital improvement plan for both the water and sewer divisions. Management supplied PFM with water and sewer capital expenditures planned for 2025 through 2027, totaling approximately \$7.3 million in the water division, and \$2 million in the sewer division, which PFM utilized in formulating the financial projections. Ms.

Keisling described two (2) financing scenarios centered on financing of approximately \$9.3 million over either a 20 or 25-year debt service amortization. Over a 20-year term, debt service would total approximately \$838,250 annually. Over a 25-year term, annual debt service would total approximately \$745,000, but it would carry a higher interest rate (increase of 0.4%), and result in higher accumulated interest. Mr. Reid of King Spry confirmed that should further funding be needed beyond the initial bond offering, there are options for additional capital. Mr. Boehret, together with Management, will review the financing options set forth by PFM for the purpose of making an appropriate recommendation to the Board.

Ms. Kiesling next described the timing of the bond issuance, which should close in late June 2026. In the interim, bond counsel, PFM, and RBC will compile the necessary documentation for the Authority to receive a credit rating. Thereafter, the bond will go to sale. At closing, the bond funds will be available for use for the targeted water and sewer capital projects. After hearing Ms. Kiesling's presentation, the Board authorized PFM to proceed with the financing plan, on Motion of Mr. Mountz, seconded by Mr. Merkel, and unanimously approved. Ms. Kiesling, Mr. Reid, and Mr. Wenger thanked the Board for its attention and then exited the meeting.

There was no further 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. Leak detection revealed five (5) water main leaks in need of repair, and three (3) water main leaks were visibly identified, which were also repaired. In addition, a total of four (4) water service leaks were repaired, identified through leak detection efforts, a meter reading, and one that was visible. Regarding tank levels, Mr. Feltenberger reported that the level dropped a bit since last month, but overall, the level was higher than in January and February 2026. In response to a question posed by Mr. LaSota, Mr. Feltenberger indicated that the issue is likely related to flows both coming in and going out of the tank. Mr. Feltenberger advised that he would provide the Board with a chart that identifies historical tank level averages including targeted "normal" levels. Further regarding ongoing leak detection efforts, Mr. Feltenberger reported that a vendor was scheduled to perform services the next Tuesday as a means of supplementing the crew's ongoing leak detection efforts. It was noted that the crew also performed miscellaneous work orders in the past month involving the Eagles Landing project and Frush Valley booster station, as well as participation in a demonstration of the Authority's new mini excavator machine, and participation in a presentation to Muhlenberg School District 5th graders regarding the valued services the MTA provides to the community. Lastly, it was reported that sewer laterals were cleaned and checked, including seven (7) customer owned lines, fourteen (14) 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 January 24, 2026 through March 4, 2026. 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 Laurel Run Creek manhole project, Ms. Lorah reported that construction has been completed, and SSM is proceeding to close-out DEP permitting. Ms. Lorah recommended final payment to JNS Paving in the amount of \$12,630.00, which is retainage for the project. Mr. Mountz made a Motion to authorize payment to JNS Paving in the amount stated. That Motion was seconded by Mr. LaSota and unanimously approved.

Regarding construction of the WAWA and carwash on N. 5th Street Highway, Ms. Lorah advised that the 12" water main was installed as part of the project at MTA's request, which will serve to loop that part of the water distribution system. Hydrants have been installed, and connection to the meter box is pending. The contractor, Schlouch, Inc., submitted revised Payment Application No. 1 in the amount of \$90,505.82, which Ms. Lorah recommended be processed for payment. Mr. Merkel made a Motion to approve Payment Application No. 1 in the amount stated, which Motion was seconded by Mr. LaSota and unanimously approved.

With respect to the Laureldale water main replacement project, Ms. Lorah advised that the project is out to bid. A Highway Occupancy Permit was submitted to PennDOT, in response to which PennDOT is requiring the Authority post a bond or letter of credit in the amount of \$146,213.07 as security for the final paving work on Elizabeth Avenue. Mr. LaSota made a Motion to authorize securing a letter of credit in the amount stated. Mr. Merkel seconded that Motion, which was unanimously approved.

Ms. Lorah circulated a handout detailing the current tapping fee schedule and the recommended fee schedule update. In formulating the recommendation, SSM reviewed costs associated with operating and maintaining the water and sewer systems. The current tapping fee totaling \$3,278.26 was enacted in 2013. SSM recommends a revised tapping fee totaling \$10,896. Ms. Lorah advised that the Board can approve a figure up to the stated maximum amount of \$10,896. Mr. Rothermel advised that approval of any new tapping fee would be accomplished by Resolution. The Board will take the recommendation under advisement. Management, in consultation with Mr. Boehret, will also review the data for the purpose of further Board discussion. Mr. Roush will schedule a workshop meeting so the Board may further review this issue.

Ms. Lorah reported that SSM is reviewing the Rivervale pump station to assess the feasibility of converting the generator to natural gas. Further details regarding sizing and cost should be available at the next Board meeting.

Ms. Lorah confirmed that the MTA was awarded grant funds \$350,000 by the PA Small Water & Sewer Program for the proposed Alsace Road water main replacement project. SSM will begin to revisit this project now that grant funds have been received. Overall, the grant funds must be spent within two (2) years.

With regard to miscellaneous work orders, Mr. LaSota requested that PFAS remediation be assigned a distinct work order, separately classified from the development projects section of the Engineer's Report. SSM will make that change.

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 continues to work with the developer of the WAWA and carwash site to finalize the requisite improvements agreement and easement agreement. It is anticipated that the Board will be prepared to execute the improvements agreement at the next meeting. No additional questions were posed to Mr. Rothermel. The Solicitor's Report was unanimously approved, on Motion of Mr. Mountz, seconded by Mr. LaSota.

Under the Treasurer's Report, the financing discussion with PFM was addressed under the first Public Comment, as noted above. Mr. Boehret advised that the Authority's auditor, Herbein + Company, changed its name to Cherry Bekaert due to a recent acquisition. The terms of the prior engagement letter with Herbein + Company remain unchanged.

Regarding the MTA's financials, Mr. Boehret reviewed the Treasurer's Report, a copy of which is appended to these Minutes. The water division realized a net decrease of \$93,086 in February, for a total operating account balance of \$2,537,707. Total interest earned over the past month, across both operating and certificates of deposit in the water division, was \$23,850. The sewer division realized a net decrease compared to the prior month in the amount of \$3,871,378, for a total account balance of \$4,326,642. Mr. Boehret explained that the decrease was due to intra-account transfers. In February, interest earned in the sewer division operating and certificate of deposit accounts totaled \$85,444. Total interest earned in the sewer escrow account this past month yielded \$56,704.

Mr. Boehret did not recommend the Board authorize a transfer of funds to PLGIT this month.

Regarding payment automation, Mr. Boehret indicated that such process is currently on hold, but it will likely be revisited next month.

Mr. LaSota questioned Mr. Boehret regarding the status of his review of the source of funding for the Reserve (Net Position) Policy. Mr. Boehret noted that he continues to review that issue and expects to have further information to provide the Board at the next meeting.

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

Under New Business:

Mr. Feltenberger reported that Management received a proposal from Quorum for wastewater pretreatment services to address fats, oils and grease. Pretreatment at various pump stations and manholes should reduce odors emanating from the system,

principally at the Laurel Run pump station, which is the main collection point prior to transmission to the City of Reading. Management will provide the Board with a further update regarding scope and cost of the proposal at the next meeting. Mr. Kelly advised that the City of Reading should be contacted to assess the nature and scope of its pretreatment program so as not to duplicate efforts or provide a net monetary benefit to the City without adequate consideration.

Mr. Feltenberger further commented on the 5th grade presentation at Muhlenberg Middle School. Mr. Feltenberger noted that the presentation was well received, and it may result in scheduling of an annual event with expansion to other grade levels. Mr. Roush commented that this is just one example of enhanced community outreach that the MTA has planned.

Mr. Roush sought approval to purchase two (2) plows from Stork's Plows, a Costars vendor, at a total aggregate cost of \$15,962.42. Mr. Mountz made a Motion to approve the purchases in the amount stated. That Motion was seconded by Mr. LaSota and unanimously approved.

Mr. Roush sought approval to purchase a new trailer to transport the new mini excavator, as the current trailer is not appropriately rated for the size or weight of the new machine. Mr. Merkel made a Motion to authorize the purchase of the new trailer from Smart Choice 61, a Costars vendor, in the amount of \$17,754. That Motion was seconded by Mr. Mountz and unanimously approved.

Regarding the CoStream SCADA pilot program, Mr. Roush advised that the program was currently being utilized at two (2) wells and two (2) sewer stations. The CoStream software is cloud based, and integrates with a majority of the MTA's existing SCADA system. Mr. Roush plans to schedule a meeting with CoStream and OCC to ensure seamless integration between the respective systems.

Under the second public comment portion, Ms. Jones inquired about security measures undertaken by CoStream in its SCADA work for the Authority. Mr. Roush indicated that CoStream fully complies with current security measures, including multifactor authentication and ISO standards. Ms. Jones volunteered to assist with review of CoStream documentation for purposes of assessing its security measures. While Ms. Jones is not authorized to review contractual documentation of the Authority, Mr. Roush indicated that he would speak with Ms. Jones to gain relevant input given her field of expertise.

Under Member and Staff Comments, Mr. LaSota indicated that the Reading Muhlenberg Vo-Tech planned to offer a scholarship in the memory of the late Rick Hoffmaster. The Board was interested in contributing in some way. This is expected to be an item of discussion at the April Board meeting. Mr. Roush advised that the MTA was planning to donate a hydration station at Riverfest, as well to staff a stand for community outreach purposes.

There being no further business of the Board, the meeting was adjourned at 8:20 p.m. on Motion of Mr. Merkel, seconded by Mr. Mountz, 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, April 9, 2026, at 210 George Street, Reading, Muhlenberg Township, Berks County, Pennsylvania.



Title: *SECRETARY*