

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, May 14, 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
Mike Merkel
Steve Wolfinger

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, Coblenz & Bell, P.C.; Scott Boehret, Transcend Business Advisors, Authority controller consultant; and Jeff Krick, Assistant Distribution Superintendent. Also present were: Kevin Reid, Esquire, of King Spry; Karli Keisling, Senior Managing Consultant at PFM Financial Advisors LLC; 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.

Mr. Merkel made a Motion to approve the Minutes of the previous special and regular meetings of the Board held on April 6 and April 9, 2026, respectively. That Motion was seconded by Mr. Wolfinger and passed unanimously.

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

Mr. Reid presented to the Board regarding the current status of the bond indentures for both water and sanitary sewer capital improvement projects. Mr. Reid advised that good progress was being made with respect to adherence to the timeline that was originally established in connection with this process. Mr. Reid discussed that the next step involves approval of formal indentures with respect to the water and sanitary sewer bonds, which is a form of contract between the Authority (as issuer of the bonds) and

trustee bank (who represents the bondholders). The indentures detail the terms of the transaction, including repayment provisions, a promise to maintain the system, together with provisions for potential refinance and additional bond offerings for other capital projects. The indentures will be utilized by bondholders and the rating agency to finalize the transaction. Mr. Reid further advised that a request for proposal (RFP) is pending for a bank to serve as trustee over the indentures. Mr. Reid indicated that he and his team have a select list of trustee banks that would serve as good partners with the MTA in that role. The RFP is due no later than May 27, 2026. Mr. Reid will report on the submissions upon receipt.

Ms. Keisling next presented to the Board. She advised that the Board will be expected to vote to approve selection of a trustee bank at the June 11, 2026 meeting. Ms. Keisling further advised that a draft preliminary statement is being submitted to the rating agency by May 18, 2026. Following that submission, an interview will be scheduled with the rating agency, and then the rating committee reviews the offering and issues a formal rating, likely in early June 2026. At the June 11, 2026 meeting, the Board will be expected to approve the water and sanitary sewer indentures. By mid-June 2026, the rate will be locked-in, and the transaction is expected to close in mid-July 2026. Lastly, Mr. Keisling reported that the Board will need to decide whether to fund the debt service reserve fund using either bond funds or cash. In that regard, Management, in conjunction with Transcend, will make an appropriate recommendation. Ms. Keisling and Mr. Reid 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. Three (3) water main leaks were identified and repaired, and four (4) ¾" water service leaks were repaired. The crew performed miscellaneous services including equipment maintenance, leak detection, sewer trunk line maintenance, and swapping pumps at Rivervale pump station. The report further confirms that sewer laterals were cleaned and checked, including four (4) customer owned lines, eight (8) traps, and one (1) Authority owned line. Mr. Feltenberger reported that tank level data was included as part of the Operations Report, which is a work in progress through the assistance of OCC. Overall, tank levels have been positive over the past few months. Currently, the Riverview Tank is the highest performer. Mr. Feltenberger and Mr. Roush commended Mr. Krick and his team on their enhanced leak detection efforts and results achieved over the past month. Lastly, Mr. Feltenberger reported that DEP completed a routine inspection over a four-day period this past month. Overall, the inspection went well. A formal report of the inspection remains pending. Authority crewmembers are currently working on resolving a few minor issues that were identified during the DEP inspection process. 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 from April 10, 2026 through May 14, 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.

Regarding the Mannerchor Tank paving project, Ms. Lorah reported that it has since been completed. The contractor, Barwis Construction, submitted Change Order No. 2, but at zero cost. Barwis also submitted Payment Application No. 3 for wrap-up work totaling \$28,956.32, and Payment Application No. 5 to close-out the project at a cost of \$13,476.76. Ms. Lorah recommended payment of the same. Mr. Merkel made a Motion to approve Payment Application Nos. 3 & 5 in the amounts stated. Mr. Wolfinger seconded that Motion, which was unanimously approved. Mr. Roush indicated that a site meeting was currently being scheduled with Met-Ed to review and discuss pole replacement on the parcel so as to minimize the risk of damage to the new macadam driveway.

Ms. Lorah reviewed the tapping fee study that was previously circulated to the Board, and which was a topic of discussion at prior Board meetings. Ms. Lorah confirmed the results of the study that, based on a comprehensive review of costs associated with the respective systems, including past and current capital improvements, the maximum allowable tapping fee totals the aggregate amount of \$10,896.00 (\$8,649.72 sewer collection/capacity; \$2,246.01 water collection/capacity). Since 2013, the Authority's tapping fee has totaled the aggregate amount of \$3,278.26 (\$1,824.90 sewer collection/capacity; \$1,453.36 water collection/capacity). At the proposed maximum rate, Ms. Lorah indicated that the Authority would fall within the 88th percentile with respect to respective tapping fees rates within Berks County. After discussion, the consensus of the Board was to adopt the maximum allowable rate per the tapping fee study. The Solicitor advised that the Board would need to pass a Resolution for a new tapping fee to take effect.

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. Merkel made a Motion to accept the Engineer's Report as presented. That Motion was seconded by Mr. Wolfinger and unanimously approved.

Under the Solicitor's Report, Mr. Rothermel advised that the developer of the WAWA and carwash site on N. 5th Street Highway executed the Municipal Improvements Agreement. Mr. Merkel made a Motion to approve and execute the Municipal Improvements Agreement. That Motion was seconded by Mr. Wolfinger and unanimously adopted. The Solicitor advised that he would proceed to finalize the requisite easement and dedication agreements with respect to that project.

No further questions were posed to the Solicitor. The Solicitor's report was unanimously accepted, on Motion of Mr. Merkel, seconded by Mr. Wolfinger.

Under the Treasurer's Report, Mr. Boehret recommended transfer of \$2.1 Million from the sewer investment account to the sewer PLGIT account. Mr. Wolfinger made a Motion authorizing such transfer, which was seconded by Mr. Merkel and unanimously approved.

Regarding 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 \$129,938 in April, for a total operating account balance of \$2,414,484. Total interest earned over the past month, across both operating and certificates of deposit in the water

division, was \$25,022. The sewer division realized a net increase compared to the prior month in the amount of \$354,368, for a total account balance of \$5,703,254. In April, interest earned in the sewer division operating and certificate of deposit accounts totaled \$93,371. Total interest earned in the sewer escrow account this past month yielded \$62,321.

Regarding the bond financing process, the consensus of the Board was to proceed consistent with the discussion detailed above.

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

Under New Business:

Mr. Feltenberger provided further details with respect to the Rick Hoffmaster Scholarship available to Reading Muhlenberg Vo-Tech students, administered through the Muhlenberg Educational Foundation. Thus far, the Foundation received total donations of \$1,660. The Foundation plans to distribute \$500 to each student whom the Hoffmaster family selects, based on available funding. The scholarship funds will be used for books, tuition, and tools. Mr. Merkel made a Motion to contribute \$500 to the Hoffmaster Scholarship Fund. That Motion was seconded by Mr. Wolfinger, and unanimously approved. Management was directed to bring this matter to the attention of the Board annually at the May meeting.

Mr. Wolfinger made a Motion to authorize payment to the City of Reading under the terms of the IMA, as amended, totaling the aggregate amount of \$10,160,172. That amount includes funds held in escrow for quarterly payments spanning Q42023 through Q42024, together with reconciliation payments for 2023 and 2024. These figures were confirmed and recommended for payment per a Memorandum circulated by SSM dated May 12, 2026. Mr. Wolfinger's Motion was seconded by Mr. Merkel, and unanimously approved. Mr. Boehret advised that the MTA currently holds approximately \$10 Million in escrow to account for payments beginning Q12025 onward. The Solicitor will deliver the funds to the City, once made available.

Mr. Merkel made a Motion to donate the sum of \$1,000 to the Muhlenberg Township Fire & Rescue as a contribution to the Volunteer Firefighter's Night Out at the Reading Phillies. That Motion was seconded by Mr. Wolfinger and unanimously approved. Mr. Roush confirmed that such amount was within budget.

Discussion regarding the DEP inspection was detailed above.

Mr. Roush recommended that the Authority join PA WARN, which is a conglomerate of local municipal entities that assist one another with equipment, logistics, and information as the need may arise. The fee to join the organization is one-half cent per population served. Mr. Roush was directed to proceed.

Mr. Roush reported that he escorted five (5) members of the Customer Advisory Committee for a tour of the facilities on May 9, 2026. The event was informative and well-received.

Under the second public portion, Ms. Jones commended Mr. Roush and the Authority on the facilities tour and the state of the facilities itself.

Under Member and Staff Comments:

Mr. Boehret advised that the reserve policy was recently revised utilizing updated financials. Currently, reserves are well above target. Mr. Boehret will provide the next report in July 2026, which will include data through June 30, 2026.

Mr. Feltenberger thanked Mr. Roush, Ms. Lorah and Mr. Krick for their assistance through the DEP inspection process.

Mr. Merkel commented that in his time as a Board member, he has seen positive growth both with the crew and staff.

Mr. Roush noted that this past Tuesday, the crew provided lunch for the entire group, which was well-received by all who participated.

Mr. Wolfinger remarked that he was glad to return to the Authority Board. Overall, he has seen significant improvement in the MTA.

Mr. Kelly mentioned that he was pleased with the current state of the MTA. While there have been great strides, there is always room for continued improvement.

There being no further business of the Board, the meeting was adjourned at 8:10 p.m. on Motion of Mr. Merkel, 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, June 11, 2026, at 210 George Street, Reading, Muhlenberg Township, Berks County, Pennsylvania.


Title: *SECRETARY*