

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, August 13, 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 (exited at start of meeting)
Walt LaSota
Rick Mountz
Mike Merkel
Steve Wolfinger

In attendance were Authority Director of Operations, Nathan Roush; Timothy Feltenberger, Facility & Project Manager; Thomas A. Rothermel, Solicitor, of Bingaman, Hess, Coblentz & Bell, P.C.; and Scott Boehret, Transcend Business Advisors, Authority controller consultant. Also in attendance were Jay Wenger of RBC Capital, and members of the public, Diane Jones (MTA Residential Customer Advisory Committee member) and Lisa Berg.

The meeting was called to order at 7:00 p.m. by Vice Chairman LaSota. Mr. LaSota reported that the Board met in executive session immediately before this meeting to discuss matters involving personnel.

Mr. Mountz made a Motion to approve the Minutes of the previous meeting of the Board held on July 9, 2026. That Motion was seconded by Mr. Merkel 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. 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. 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. Wolfinger and unanimously adopted.

Under the first public comment portion, Lisa Berg presented to the Board. She resides on Sage Avenue. Ms. Berg indicated that she received a \$1,600 quarterly bill from the Authority, which was much higher than past bills. She discovered a water leak under her home as the source of the water leak, which was since repaired. The Authority notified Ms. Berg of the high usage, but the door hanger placed on the front door was not in an area where she desires deliveries. She therefore did not see the notice until a week or

so later. Ms. Berg confirmed that the Authority credited her account \$1,000 to account for water usage that was not treated in the sewer system. She was appreciative of the credit, but requested an additional accommodation, and a phone call should her usage be higher than average. Mr. Roush indicated that new software will enable customers to view their usage in real time. Mr. LaSota suggested that the notification policy be changed to additionally contact customers by phone in the event higher than average usage is detected. Mr. Roush noted that customer phone numbers are not always accurate or complete, which provides challenges for contacting customers. Mr. Roush will further investigate this issue. Ms. Berg thanked the Board for its time and exited the meeting.

Vice Chairman LaSota recognized Megan Thompson and Victoria Piscitelli of Cherry Bekaert to review the year end December 31, 2025 Audit Report for both the Water and Sewer Divisions of the Authority. Ms. Thompson indicated that Cherry Bekaert issued an unmodified opinion with regard to Authority finances, which is the highest level opinion. That opinion is contained within the Independent Auditor's Report delivered to the Authority in conjunction with the Audit Report.

Ms. Thompson compared several significant accounting figures in both the Water and Sewer Divisions to figures in the preceding year. She noted that the net assets of both the Water and Sewer Divisions increased in 2025, for a total combined figure of \$93,659,133. The total net position of both Divisions in 2025, \$73,486,217, was slightly higher than the preceding year.

Operating revenues for both the Water and Sewer Divisions were in line with 2024 totals. Operating expenses in both Divisions were also stable in 2025 compared to prior year totals.

In reviewing the total pension liability, Ms. Thompson reported that the plan was funded at a rate of 77.37%, which is an increase in percentage from 2024.

Next, Ms. Thompson briefly reviewed the actual financial performance of the Authority compared to budget. In 2025, the Authority's financial performance was less than the budgeted levels in the Sewer Division, resulting in a variance of \$372,071, and also less in the Water Division, resulting in a variance of \$213,843. Overall, however, both the Sewer and Water Divisions realized a positive net position at the end of the calendar year compared to the first of the year, those figures totaling \$49,868,744 and \$23,617,473, respectively.

Lastly, Ms. Thompson advised that Cherry Bekaert sees no need for changes at MTA with regard to finance and accounting, apart from a delayed reconciliation issue that had since been resolved. She confirmed that Management followed through with prior recommendations, and the audit process itself went smoothly, as was true in prior years. The Board deferred acceptance of the 2025 Audit to a subsequent meeting. There being no further questions for either Ms. Thompson or Ms. Piscitelli, they thanked the Board for its attention and left the meeting.

Mr. Wenger presented to the Board with an update on the bond indenture process. He confirmed that a recent S&P ratings call went well, with the Authority receiving an "A" rating for the water division and an "A+" rating for the sewer division.

Mr. LaSota made a Motion to approve a Resolution enabling the Authority to recapture expenditures made to the bond closing date. That Motion was seconded by Mr. Mountz and unanimously approved.

Mr. Mountz made a Motion to approve an Addendum to the Bond Purchase Agreement, which Motion was seconded by Mr. Merkel and unanimously approved. The Solicitor will hold the Addendum in escrow pending bond closing.

Mr. Wolfinger made a Motion to approve purchase of bond insurance for both the water and sewer indentures. That Motion was seconded by Mr. Mountz and unanimously approved. Mr. Wenger explained that bond insurance will account for the difference between the Authority's S&P ratings to a level of "AA", which should make pricing and rates more competitive.

Mr. Wenger further advised that the bond is scheduled to go to pricing on August 26, 2026, which is when the final rates and schedules would be confirmed. The Authority's independent financial advisor for the indenture, PFM, will provide oversight throughout the bond pricing process. The bond would then be scheduled to close on September 22, 2026. Mr. Wenger thanked the Board for its attention and then exited the meeting.

Mr. Roush presented the Operations Report for the preceding month, a full copy of which has been appended to these Minutes. Two (2) water main leaks were identified and repaired, and six (6) water service leaks were identified or repaired this past month. A hydrant was replaced at 2507 Wanner Street, the cost of which was borne by the vehicle operator's insurance company. The crew performed miscellaneous services including installation of a 2" service line on County Street, equipment maintenance, leak detection, sewer trunk line maintenance, and miscellaneous valve work at the Frush Valley booster station. Mr. Roush also reported that the crew and office personnel attended the Berks County Water & Sewer Association conference, which was well-received. Sewer laterals were cleaned and checked, including seven (7) customer owned lines, three (3) traps, and two (2) Authority owned lines. Mr. Roush reported on updated tank level data that was included as part of the Operations Report, which reveals that tank levels remain steady, despite near drought conditions. The Operations Report then concluded.

The Engineer's Report, provided by Ms. Lorah of SSM for work completed from July 10, 2026 through August 13, 2026, was reviewed. The report contains eleven (11) pages and provides a narrative of the status of each of the projects of the Authority on which SSM is currently engaged. Mr. Wolfinger made a Motion to accept the Engineer's Report as presented. That Motion was seconded by Mr. Mountz and unanimously approved.

There were no substantive updates on which the Solicitor reported.

Under the Treasurer's Report, Mr. Boehret did not recommend a transfer this month to PLGIT. 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 \$616,911 in July, for a total operating account balance of \$2,535,727. Total interest earned over the past month, across both operating and certificates of deposit in the water division, was \$27,827. The sewer division realized a net increase compared to the prior month in the amount of \$645,389, for a total account balance of \$5,430,099. In July, interest earned in the sewer division operating and certificate of deposit accounts totaled \$95,827. Total interest earned in the sewer escrow account this past month yielded \$39,231.

Mr. Boehret reported that an Annual Comprehensive Financial Report (ACFR) was completed, which was the first time the Authority was subject to this level of financial reporting. The ACFR includes comprehensive information regarding the Authority's financials, which was used in the audit process, and which will assist in formulating the budget and capital improvement plan. The ACFR confirms that the Authority continues to operate at a deficit in terms of revenues based on current water and sewer rates, thus justifying review of potential increases across both divisions.

Review of the Cherry Bekaert 2025 Audit and bond indentures was moved to earlier discussion, as noted above.

Mr. Mountz 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. Roush presented the Board with a proposal of Savage61, a Costars vendor, for purchase of a 2026 Jeep Cherokee hybrid vehicle for administrative personnel use, at a total cost of \$39,103. Mr. Wolfinger and Mr. Merkel questioned the need for a new vehicle at this cost. Mr. Roush indicated that the Authority currently does not have a 4-door vehicle for transport. This vehicle would be used for general staff purposes in lieu of current use of a pickup truck. The hybrid model will save on gasoline costs, and avoid reimbursement of mileage for those personnel who utilize their own private vehicle for Authority business purposes. The vehicle will be affixed with the Authority logo. The pickup truck that this vehicle will replace will be used by the crew. Mr. Krick confirmed that the crew is currently short one (1) pickup truck. After such discussion, Mr. Wolfinger made a Motion to authorize the purchase of the 2026 Jeep Cherokee in the amount stated. That Motion was seconded by Mr. Mountz and unanimously approved.

Mr. Roush presented an invoice of SEI for outfitting the vacuum truck with a heater assembly, which will enable use of the truck year-round. The total cost is \$34,580.69. The work will be completed before the approaching winter season. A replacement vacuum truck will be utilized while the work is being completed. Mr. Mountz made a Motion to accept the proposal of SEI in the amount stated. That Motion was seconded by Mr. Merkel and unanimously approved.

Mr. Merkel made a Motion to approve the proposal of OCC, a Costars Vendor, in the amount of \$13,845 for electrical upgrades at the Rivervale Pump Station, subject to receipt of a revised proposal that removes conflicting language related to excluded services. That Motion was seconded by Mr. Wolfinger and unanimously approved.

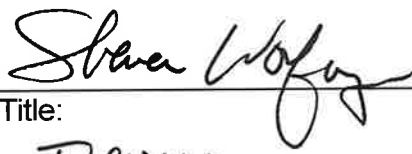
With respect to recent news events regarding water and sewer authority cybersecurity vulnerabilities, Mr. Roush confirmed that the Authority currently has various security measures in place to minimize the risk of bad actors. Notwithstanding, a recommendation was made to form a Cybersecurity Committee to review current protocols and to enhance the same, as may be needed. Mr. Roush further noted that the EPA is focusing on this issue nationwide, and a Committee would be viewed as a positive proactive measure of addressing this issue. The Board will move forward with forming such Committee. The Solicitor will draft a Resolution for Board consideration at the September 2026 meeting.

There was no comment under the second public portion.

Under Member and Staff Comments, Mr. LaSota commented that MTA's involvement in the National Night Out was well received. Mr. LaSota additionally requested that a copy of the DEP inspection report be circulated to the Board. Mr. Wolfinger confirmed that the Authority will maintain a presence at the Township Riverfest event. Mr. Krick thanked the Board for approving the vacuum truck heater retrofit, considering that piece of equipment is invaluable to Authority operations.

There being no further business of the Board, the meeting was adjourned at 8:15 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, August 13, 2026, at 210 George Street, Reading, Muhlenberg Township, Berks County, Pennsylvania.



Title: Treasurer