

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, December 5, 2024, beginning at 7:00 p.m., at 210 George Street, Reading, Muhlenberg Township, Berks County, Pennsylvania, pursuant to notice both advertised and posted according to law.

The following members of the Board were present:

Scott Lehr
Jim Kelly
Walt LaSota
Rick Hoffmaster

In attendance were Authority General Manager Timothy Feltenberger, Thomas A. Rothermel, of counsel, Jamie Lorah, PE, of Spotts, Stevens and McCoy (SSM), consulting engineer to the Authority, and Scott Boehret of Transcend Business Advisors, Authority controller consultant. Also present was Jaime Nace, and a member of the public, Nathan Roush.

The meeting was called to order at 7:00 p.m. by Chairman Lehr. Mr. Lehr announced that the Board met in executive sessions on November 25, 2024 to discuss matters involving personnel, and immediately prior to this meeting to discuss matters involving real estate and personnel.

Mr. Hoffmaster made a Motion to approve the Minutes of the previous regular meeting of the Board held on November 7, 2024, and Minutes of the Special Meeting held on November 19, 2024. That Motion was seconded by Mr. Kelly and passed unanimously.

There was no comment under the first public portion.

Under the Engineer's Report, Ms. Lorah of SSM provided a formal report of the Authority's consulting engineer for work completed November 1, 2024 through December 2, 2024. Ms. Lorah referenced a nine (9) 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 twenty-five (25) projects of the Authority on which SSM is currently engaged.

Regarding River Road pump station, Ms. Lorah confirmed that the contractor, Blooming Glen Construction, recently completed work to replace two existing pumps, installation of flow meters, and installation of new hatches. Fencing around the perimeter of the property has been restored, and only miscellaneous items remain incomplete, such as removal of temporary fencing and site equipment, and installation of a cap on the bypass pipe. Ms. Lorah further advised that she would confirm with Optimum Controls Corporation (OCC) with respect to completion of integration of the flow meters into the

SCADA system. Mr. Hoffmaster made a Motion to ratify payment to Blooming Glen Contractors in the amount of \$88,500.00, which is the final payment on this project. That Motion was seconded by Mr. Kelly and unanimously approved.

Ms. Lorah confirmed that twenty fire hydrants have thus far been replaced throughout the Township. Consistent with prior Board discussion regarding its capital improvement and scheduled maintenance plans, Ms. Lorah presented the Board with a proposal of Wexcon, Inc., a Costars vendor, for replacement of an additional thirty hydrants at a total cost of \$105,150.00. Mr. Hoffmaster made a Motion to approve the proposal in the amount stated. Mr. LaSota seconded that Motion, which passed unanimously.

Regarding lift station upgrades, Ms. Lorah confirmed that the Eagles Landing and Crossroads pump station work had both been awarded to Axiom, Inc. Replacement pumps and control panels have been ordered. Work will commence once the pumps have been delivered. Ms. Lorah further advised that, consistent with the Authority's capital improvement and scheduled maintenance plans, SSM will provide the Authority with recommended 2025 upgrades for both the Laurel Run and College Heights pump stations.

Ms. Lorah reported that a meeting was scheduled for December 11, 2024 with representatives of Alsace Township to further review and discuss proposed expansion of sewer service in the area of Pricetown Road at Elizabeth Avenue. Ms. Lorah will provide the Board with further substantive updates on this project as the same may occur.

With regard to the proposed interconnection with Maidencreek Township Authority (Maidencreek), Ms. Lorah advised that SSM assisted Maidencreek's consulting engineer, SDE, with the requisite Docket Amendment submission to the Delaware River Basin Commission (DRBC). The DRBC has since responded to the submission and requested supplemental information. SSM continues to assist SDE in working through this regulatory process.

Ms. Lorah advised that the MTA is awaiting contracts with respect to grant approvals received from the Pennsylvania Department of Community & Economic Development, Local Share Account (LSA) for both 2023 submissions, Storz hydrant fittings (\$122,400.00) and Reading Crest main improvements (\$422,595.00). Once the contracts are received, the Storz fittings will be ordered, and SSM will prepare bid documents for the Reading Crest main improvements, which involves looping that area of the water system for resiliency purposes.

With regard to proposed construction of a multipurpose field being undertaken by the Muhlenberg School District, Ms. Lorah reported that a plan set was submitted and is currently under review. A developer's agreement will be needed by virtue of the proposed extension of the Authority's 6" water main from Fifth Avenue to the site, as well as installation of a water meter pit. The Solicitor will prepare the requisite documentation once SSM completes its review and approves a cost estimate for the scheduled municipal improvements.

Ms. Lorah advised that permit approval was received for Well No. 1 with respect to chlorine contact sampling. Ms. Lorah recommended approval of a proposal submitted by Wexcon, Inc., a Costars vendor, for replacement of the sampling pipe and related work, at a total cost of \$126,360.00. Mr. Hoffmaster made a Motion to approve the proposal in the amount stated. That Motion was seconded by Mr. LaSota. Discussion ensued, during which it was confirmed that this proposal was below the budgeted figure. After discussion, the Motion unanimously passed.

With regard to the Laurelee Avenue water main replacement project, Ms. Lorah confirmed that the project was awarded to Anrich, Inc. in the amount of \$309,608.00. A pre-construction meeting was held this past month, and the contractor has proceeded to order materials. Residents of Laurelee Avenue were informed of the impending project, which is scheduled to be completed prior to the end of this year. The Township will then perform final paving in the spring.

Discussion was held regarding potential use of the quarry as a viable water source. The Authority previously conducted an exhaustive review of this matter beginning in 2010, which resulted in rescission of permitting in 2015. With changes and developments in water filtration technology, the Board was unanimous in its desire to revisit this matter. Accordingly, SSM was directed to contact DEP for purposes of requesting a pre-application meeting. Ms. Lorah will coordinate that request, and provide the Board with relevant updates.

With regard to the various projects that are underway, and those planned in excess of \$25,000, Mr. LaSota requested that SSM provide high-level reporting that details the project scope, status, and budget versus actual costs. The reports will be utilized by the Board as well as employees. Ms. Lorah advised that she would provide the Board with sample reporting at the next 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. Hoffmaster made a Motion to accept the Engineer's Report as presented. That Motion was seconded by Mr. Kelly and unanimously approved.

Mr. Feltenberger presented the Operations Report for the preceding month, a full copy of which has been appended to these Minutes. Mr. Feltenberger reported that crews completed various miscellaneous work orders including cleaning out, straightening, and replacing curb boxes, and hydrant flushing. Ongoing leak detection was performed, which revealed a leak on a customer line. Curb stops were cut-in on Sheidy Avenue and Earl Street, and a leaking valve was repaired at Elizabeth and Montrose Avenues. A 6", Type I, water main break was repaired at Wentzel Avenue and Hay Road, which resulted in no loss of service during the 4-hour repair. Sewer laterals were cleaned and checked, including four customer owned lines, and eight traps. Mr. Feltenberger noted that the vacuum truck was used a total of 18 hours over the past month, at an equivalent labor cost of \$6,930. To date, the vacuum truck has been used 519.5 hours, which is a total monetary savings equivalent to \$163,025, excluding the cost of disposal fees that the

Authority no longer pays. Crews also assisted Blooming Glen Contractors in removing equipment from the River Road pump station, in response to which Mr. LaSota suggested that going forward, contractors be invoiced for the Authority's time and material. The Operations Report then concluded.

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

Under the Solicitor's Report, Mr. Rothermel confirmed that the escrow payment due the City of Reading per the Intermunicipal Agreement, as amended (IMA), was delivered on December 3, 2024. At this point, the Authority continues to hold in escrow funds from Q4 2023 onward. Mr. Rothermel advised, as before, that the City is nearing full compliance with the reporting requirements of the IMA such that the remainder of funds held in escrow may soon be eligible for release. At that point, no further funds will be held in escrow, rather, the MTA will make quarterly payments to the City as the same become due.

Mr. Rothermel reminded the Board that reorganization was scheduled to occur at the January 2025 meeting. Mr. Rothermel advised that Chairman Lehr's term ends effective December 23, 2024; the Township has yet to reappoint Mr. Lehr or appoint a new member to the Board. Following Mr. Lehr, the term of Mr. Wolfinger next expires on December 31, 2025.

Revised terms of the engagement letter, by and between the Authority and its Solicitors, Bingaman Hess, was unanimously approved, on Motion of Mr. Hoffmaster, seconded by Mr. Kelly. The terms will take effect January 1, 2025.

With regard to Laureldale Borough's plan to install ADA bathroom facilities at Dominic Mazella Park, the Board ratified its contingent approval of the Municipal Improvements, Dedication and Easement Agreement, as authorized and unchanged from the November 7, 2024 meeting, on Motion of Mr. LaSota, seconded by Mr. Kelly and unanimously approved.

With no further questions posed to Mr. Rothermel, the Solicitor's Report was approved by Motion of Mr. LaSota, seconded by Mr. Hoffmaster and unanimously approved.

The Treasurer's Report was presented by Mr. Boehret, Transcend Business Advisors, consultant controller to the Authority. A copy of the Treasurer's Report is appended to these Minutes. The water division realized a net gain of \$102,353 over the past month;

the sewer division realized a net loss over the past month of \$630,894. Across both accounts, the Authority realized a net loss in November 2024 of \$528,541.

Mr. Boehret advised that funds were being withdrawn from the respective mature CDs and transferred to the Pennsylvania Local Government Investment Trust (PLGIT) account, as previously authorized. In the interim, MidPenn Bank offered a CD rate of 4.3% to retain the Authority's funds. Mr. Boehret noted that the proposed CD rate was still lower than the PLGIT rate, notwithstanding the added benefit of liquidity offered by the PLGIT account over a traditional CD. The Board was unanimous in proceeding with the prior authorized plan with respect to transfer of funds to PLGIT. Mr. Boehret was directed to confirm the same to MidPenn Bank.

Regarding payroll, Mr. Boehret reported that digital payroll was performed this week; all employees were paid as scheduled. Paycom continues to conduct oversight and schedule meetings to ensure that the conversion process is fully operational.

Mr. Boehret advised that he continues to research credit card/ACH payment options for customers, which would be an upgrade to the Authority's current offerings. He anticipates providing the Board with further information in this regard at the January 2025 meeting.

Mr. Boehret presented final budgets for the water and sewer divisions for review and approval. Mr. Boehret confirmed that, based on projections, he was not recommending any rate increase for either division. The rate increase issue may later be revisited once the 5-year capital improvements plan is finalized, in conjunction with key determinations of the rate study recently completed by PFM. Further discussion ensued regarding the budget, in particular, a renewed call by Chairman Lehr for a more balanced rate between the respective divisions, considering the sewer division continues to outpace the water division with capital improvements more heavily weighted to the water division side. Discussion in that regard evolved to include capital funding options such as the bond market or interaccount transfer. After discussion, on Motion of Mr. Hoffmaster, seconded by Mr. LaSota and unanimously adopted, the 2025 budget was approved, noting in particular scheduled 2025 deficits in the sewer division of \$722,000 and \$1.25 million in the water division.

Mr. Hoffmaster 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 reminded the Board that the Christmas Party was scheduled for December 20, 2024 at 12:30 p.m. at The Pour House. All are welcome to attend. Discussion was held regarding distribution of a Christmas bonus. Mr. Hoffmaster made a Motion to authorize Mr. Feltenberger to distribute a Christmas bonus to all MTA employees. Mr. LaSota seconded that Motion. The Motion passed by unanimous vote.

With respect to the lead service inventory, Mr. Feltenberger reported that the process is going well. The Authority receives multiple e-mail and in-person submissions per day. Total submissions are approximately 1,600; no lead service has yet been verified. Mr.

Feltenberger was directed to provide the Board with a chart of these findings beginning with the January 2025 meeting.

Mr. LaSota made a Motion to authorize Mr. Feltenberger to sign the Joint Petition with respect to the Local Union No. 429 unit classification. That Motion was seconded by Mr. Hoffmaster and unanimously approved.

Mr. Feltenberger advised that he purchased Smartshore and hydraulic pipe cutting equipment at a total aggregate cost of \$15,578.

Board meeting dates for 2025 were reviewed. On Motion of Mr. Hoffmaster, seconded by Kelly, the meeting dates were unanimously approved. Mr. Rothermel will advertise the 2025 meeting dates in the Reading Eagle newspaper.

Discussion regarding potential office building relocation was tabled.

Mr. Hoffmaster made a Motion to extend an offer of employment to a candidate for the Director of Operations position. That Motion was seconded by Mr. LaSota and unanimously approved.

There was no comment under the second public portion.

A second executive session was not called.

Under Member and Staff Comments, Mr. Rothermel commended Mr. Lehr for his service on the Board and to the Authority. Mr. Hoffmaster commented that the Authority is advancing forward in a positive direction, from the crew to the managers, to the Board. Mr. LaSota renewed his request for topics of interest for the Customer Advisory Board Committee. The Board is to provide Mr. LaSota with feedback prior the next meeting. Mr. Kelly inquired as to the status of the DEP violation list, in response to which Ms. Lorah confirmed that most issues have been resolved. SSM will provide the Board with an updated report with respect to the DEP list at the January meeting. Lastly, Mr. Feltenberger noted that he plans to research a pipe puller machine, which may be useful in connection with lead service line replacement work.

There being no further business of the Board, the meeting was adjourned at 8:20 p.m. on Motion of Mr. Hoffmaster, seconded by Mr. Kelly, 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, January 9, 2025, at the main meeting room of the Muhlenberg Township Administration Building, 210 George Street, Reading, Muhlenberg Township, Berks County, Pennsylvania 19605.



Title: *Secretary*