

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 7, 2024, beginning at 7:00 p.m., at 3711 Oak Street, Temple, 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
Rick Hoffmaster
Jim Kelly
Walt LaSota
Steve Wolfinger

In attendance were Authority General Manager Timothy Feltenberger, Thomas A. Rothermel, of counsel, and Jamie Lorah, PE, of Spotts, Stevens and McCoy (SSM), consulting engineer to the Authority. Also present were Authority controller consultant, Scott Boehret of Transcend Business Advisors, Jamie Nace, and representatives of Conrad Siegel and Associates, David Lytle and John Vargo.

The meeting was called to order at 7:00 p.m. by Chairman Lehr. Mr. Lehr announced that the Board had met earlier in executive session to discuss matters involving personnel and real estate.

Mr. Hoffmaster made a Motion to approve the Minutes of the previous regular meeting of the Board held on February 8, 2024, and the Workshop Meeting held on February 29, 2024. That Motion was seconded by Mr. Kelly, and passed unanimously.

There were no comments under the first public portion.

Chairman Lehr invited Mr. Lytle and Mr. Vargo of Conrad Siegel to make a report on the pension plan of the Authority. Mr. Lytle distributed a written report constituting the Annual Report of the pension funds invested by Conrad Siegel on behalf of the Authority, effective through January 31, 2024. He highlighted the services provided by Conrad Siegel and discussed the structure of the plan. Apart from updating authorized signers of the plan, there were no recommended changes.

Discussion with the Board included ongoing separation of funds derived from cash value of insurance policies and general pension funds. Plan investments, market value, and performance were also discussed. In 2023, the plan showed a gain of 16.7% in terms of the return on investment, which was slightly above the market benchmark, net of all fees. Overall, the plan is still realizing the effects of market conditions in 2022, which was a highly volatile year that resulted in a poor investment return. As of January 31, 2024, the market value of all general pension and life insurance assets totaled \$2,377,258. Total

annual fees were calculated at 0.53%, which fall below the average mutual fund expense ratio. As of November 1, 2023, the plan was funded at a rate of 70.3%. As of this date, the plan is funded at a rate of 80%. Absent market conditions, a cash contribution of approximately \$164,000 would return the fund to 100% over a projected course of 15 years. The long-term expectation is to maintain a rate of return of 7%. Plan diversity is apportioned between equity and fixed income targets in order to achieve that targeted goal.

The investment policies currently in place were discussed and reaffirmed in the Pension Plan Report. Mr. Lytle advised that there were no violations of the stated policies of the Authority in plan investment decisions in 2023. Mr. Lytle concluded his presentation by requesting that the Authority notify Conrad Siegel of any upcoming retirement so that appropriate funds could be moved from life insurance assets to the money market portion of the plan.

After addressing questions from the Board, Mr. Lytle and Mr. Vargo thanked the Board for its attention. After discussion, the Board elected to update the authorized plan signers. Mr. LaSota made a Motion to update the authorized signers of the plan, and to approve the Annual Report of Conrad Siegel, as presented. That Motion was seconded by Mr. Wolfinger and unanimously approved.

Ms. Lorah of SSM provided a formal report of the Authority's consulting engineer for work completed February 9, 2024 through March 1, 2024. Ms. Lorah referenced a six (6) page report, which attachments, that SSM circulated to the Board in advance of the meeting. The report provides a narrative of the status of each of the twenty-one (21) projects of the Authority on which SSM is currently engaged.

Regarding the DEP/EPA System Inspection Report, Ms. Lorah confirmed the status of various proposals that were accepted the month prior, all of which were aimed at addressing any remaining items at issue. Those proposals included work involving water storage tank and clearwell inspections, security improvements, instrumentation upgrades, flow meter installation and integration, and a SCADA instrumentation service agreement. Ms. Lorah reported that SSM continues to update the DEP with regard to completed and scheduled system enhancements.

Ms. Lorah presented the Board with a proposal submitted by Blooming Glen Contractors for electrical work associated with the installation of flow meters at each of the sewage pump stations. The project cost totals \$69,700.00. Blooming Glen Contractors is a Costars vendor. Mr. Hoffmaster made a Motion to approve the proposal in the amount stated, which Motion was seconded by Mr. Kelly and unanimously approved. In conjunction with such work, Ms. Lorah presented the Board with a proposal of Optimum Controls Corporation (OCC) for wiring and integration of the flow meters into the SCADA system, at a total cost of \$49,892.00. OCC is a Costars vendor. Mr. LaSota made a Motion to approve the proposal in the amount stated, which Motion was seconded by Mr. Hoffmaster, and unanimously approved. OCC additionally submitted a proposal for SCADA work and integration at the Adams Street pump station at a cost of \$22,885.00.

Mr. Hoffmaster made a Motion to approve the proposal of OCC in the amount stated. That Motion was seconded by Mr. Wolfinger and unanimously approved.

With regard to PFAS/PFOA sampling, Ms. Lorah confirmed that supplemental testing had been performed at each water source by an approved vendor, Eurofins. The results are pending. It was noted that prior testing was performed, per DEP, at select water sources. SSM will be able to review and compare those prior levels to the more recent testing results. Ms. Lorah further advised the Board that while DEP currently prescribes limits of these forever chemicals, the EPA has not yet issued a final determination in that regard. The need of any remediation efforts will depend on whether there are detectable PFAS/PFOA water source levels per applicable regulations, once final.

With regard to the proposed Wawa on 5th Street Highway, Ms. Lorah confirmed that review letters were completed and issued. Escrow was established for purposes of assessing engineering fees with respect to plan review work that SSM had performed to date. Ms. Lorah further confirmed that a revised tapping fee letter was issued to Wawa last month in the amount of \$53,655.12. At this point, the planning module has been signed, which was the final step in this project with respect to MTA's involvement.

Ms. Lorah updated the Board with respect to the Eagles Landing development. Last month, the Board authorized PPI, a Costars vendor, to install twenty-five (25) bolt-down frames and covers at select locations in the Township, with the majority of installation to occur along River Road in areas that lie within and near the floodplain. PPI subsequently provided a revised proposal to account for the MTA's discretion with respect to the areas of installation. The total cost of the revised proposal remained unchanged at \$74,600.00. Mr. Kelly made a motion to approve the revised proposal in the amount stated. That Motion was seconded by Mr. LaSota. Discussion ensued. Mr. Feltenberger confirmed that twenty-two (22) manholes would be installed on River Road, and three (3) elsewhere in the Township in areas where the manholes are known to become dislodged. Ms. Lorah confirmed that SSM continues to recommend the use of bolt-down covers as a means of controlling inflow during periods of flooding and high water events. After discussion, the Motion passed unanimously.

With respect to the proposed Maiden Creek interconnection, Ms. Lorah reported that a meeting was in the process of being scheduled for purposes of finalizing details of a Memorandum of Understanding (MOU).

Regarding the Ebling Memorial Bridge, Ms. Lorah confirmed that a complication arose regarding a leak of a 24" water main owned by the Authority. The leak must be fixed so that the County may proceed with construction. The water main at issue is a cast iron pipe with lead joints, which is susceptible to leaks and breakage. Ms. Lorah is unable to determine with any certainty whether construction taking place in and around the area is what caused the leak. SSM estimates the cost of repair at approximately \$250,000, considering the length of the pipe and inclusion of a replacement valve. Mr. Lehr directed SSM to secure a quote from a Costars vendor, if possible, for Board consideration at its

next Workshop Meeting. The MTA does not want to unreasonably delay the County's project, or proceed with a suboptimal repair.

Ms. Lorah reported that DEP is currently reviewing permit applications regarding both the Laurel Run water pipe repair and exposed manhole in Laurel Run creek. Once permitting is received, the work will be scheduled.

SSM is currently reviewing plans submitted by the Muhlenberg School District for a new building to be erected on the side adjacent to the high school. Escrow has been established and received for engineering review with respect to the plans and planning module. A Municipal Improvements Agreement may be needed depending on whether water or sewer lines are installed, extended or changed as part of the plan.

There being no further active projects on which to report, and no additional questions posed by the Board, the report of the Ms. Lorah concluded. Mr. Kelly made a Motion to accept the Engineer's Report as presented. That Motion was seconded by Mr. Wolfinger and unanimously approved.

The Treasurer's Report was presented by Mr. Boehret, as detailed in a four (4) page report appended to these Minutes. The water division realized a net gain of \$62,892.95 over the past month; the sewer division realized a net gain over the past month of \$694,761.98. Across both accounts, the Authority realized a net gain of \$757,654.93. Compared to this time last year, the water and sewer divisions realized a positive increase in cash flow totaling approximately \$2,500,000. The sewer escrow account, maintained by funds per the City of Reading IMA, as amended, currently totals approximately \$16 million, of which the Authority has earned approximately \$575,000 in interest. Mr. Boehret further confirmed that CDs were opened, as authorized the prior month, at a rate of 5.1%.

With regard to digital payroll, Mr. Boehret reported that Paychex has begun the implementation process. Employee training will commence once the system is in place and management is familiar with the program. The Board wants to ensure that all employees are communicated with early and often regarding this transition.

Brief discussion was held regarding a proposed rate study, which in part, will aid in evaluation of a proposed rebalancing of the water and sewer division accounts. A proposal from PFM Financial Advisors will be circulated to the Board. This is anticipated to be a topic of discussion at a future meeting.

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

Mr. Feltenberger presented the Operations Report for the preceding month, a full copy of which has been appended to these Minutes. Two (2) Type-I, 6" main breaks were repaired on Sefranka Road and Frances Avenue. So far in 2024, there have been a total of five (5) Type-I main breaks, all resulting in no interruption in service. Three (3) new 6" rising stem vales were installed at the Hay Road booster station. Water service was renewed on Marion Street. Sewer laterals were cleaned or checked at multiple locations

throughout the Township, six (6) of which were customer owned. Lastly, Mr. Feltenberger reported that the vacuum truck was used a total of eleven (11) man hours over the past month, at an equivalent labor cost of \$3,905. To date, the vacuum truck was used the monetary equivalent of \$94,865.50, excluding the cost of disposal fees that the Authority no longer pays. The Operations Report then concluded.

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. 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. Kelly 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. Hoffmaster and unanimously adopted.

Under the Solicitor's Report, Mr. Rothermel noted that he would advise the Board of the outcome of the meeting that is in the process of being scheduled with Maidencreek Township Authority for purposes of finalizing terms of the interconnection MOU. Mr. Rothermel was questioned regarding the status of the City of Reading IMA, in particular, annual reconciliation reports. In that regard, Mr. Rothermel advised that the City just recently shared preliminary reconciliation reports, in response to which a request has been made for the underlying data. Upon receipt of the data, the same will be provided to SSM for review and analysis. The Solicitor will update the Board in that respect as further information becomes available. Notwithstanding the update regarding reconciliation reports, Mr. Rothermel advised that the City still must provide outstanding "Exhibit I" reports.

Regarding the Citizens' Advisory Committee, it was noted that Mr. LaSota was in the process of preparing correspondence to stakeholders for purposes of formulating the Committee members.

No further questions were posed to Mr. Rothermel. The Solicitor's Report was approved by Motion of Mr. Hoffmaster, seconded by Mr. LaSota and unanimously approved.

Under New Business, discussion was held regarding the prospect of the MTA relocating its offices to the Township Building. SSM, by and through a partnering architectural firm, Beers + Hoffman, was directed to review the site for suitability purposes. With regard to the Backflow Prevention Program, Mr. Feltenberger confirmed that reimbursements have been remitted to six (6) applicants. Thus far, no application has been denied. Mr. Feltenberger reported that the billing notation issue regarding senior and military discounts has been successfully resolved. A proposal of Paul Janssen, submitted on behalf of the Center for Excellence in Local Government, was approved in the amount of \$6,000.00, on Motion of Mr. Hoffmaster, seconded by Mr. LaSota, and unanimously approved. Discussion regarding the Collective Bargaining Agreement was conducted during Executive Session; no formal action was taken. Lastly under New Business, Mr. Feltenberger reported that the garage door at the maintenance building was scheduled

for repair on March 25, 2024. The other garage door was recently damaged, which is also in the process of being repaired.

A second Executive Session was not held.

There were no comments under the second public portion.

Under Member and Staff Comments, Mr. Hoffmaster recommended that a retirement party be held for upcoming retirees. The Board was in favor of Mr. Hoffmaster's recommendation in that regard. Ms. Nace was questioned about the status of service shutoffs following implementation of the revised billing practices. Ms. Nace noted that shutoffs have been stable.

There being no further business of the Board, the meeting was adjourned at 8:45 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, April 4, 2024, at the main meeting room of the Muhlenberg Township Administration Building, 210 George Street, Reading, Muhlenberg Township, Berks County, Pennsylvania 19605.



Title: SECRETARY