

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, November 13, 2025, 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 Hoffmaster
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, of counsel; and Scott Boehret of Transcend Business Advisors, Authority controller consultant.

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. Hoffmaster made a Motion to approve the Minutes of the previous regular meeting of the Board held on October 9, 2025. That Motion was seconded by Mr. LaSota and passed unanimously.

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. LaSota 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. 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. Hoffmaster and unanimously adopted.

There were no comments under first public portion.

Mr. Feltenberger presented the Operations Report for the preceding month, a full copy of which has been appended to these Minutes. The crew performed ongoing leak detection, which resulted in additional work involving repair of two curb stops, repair of a 6" service on McKently Avenue, and renewal of service to repair a leak on Danor Drive. In addition, the crew flushed hydrants, performed sewer trunk link maintenance, and capped an abandoned service line on Eisenbrown Road. Mr. Feltenberger further reported that first aid kits were packaged for all vehicles, and eye wash and glove stations were installed at all indoor facilities. Chairman Kelly directed that expiration dates for the first aid

equipment be calendared and checked on a monthly basis. Regarding the Laurel Run pump station, it was reported that Axiom installed pump No. 1 at Laurel Run pump station, which is now back online. Excess equipment that had been stationed at Laurel Run pump station was in the process of being removed, and the site itself was being returned to a pre-construction condition. Sewer laterals were cleaned and checked, including five (5) customer owned lines, nine (9) traps, and zero (0) 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 October 10, 2025 through November 5, 2025. Ms. Lorah referenced an eleven (11) 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 the contractor, JNS, submitted a time extension Change Order due to seasonal limitations with respect to the GP-11. The Change Order, which sought an extension of time until February 1, 2026, at no cost to the Authority, was unanimously approved, on Motion of Mr. Hoffmaster, seconded by Mr. LaSota. A second Change Order was submitted by JNS to increase the manhole cover size from a 24" opening to a 30" opening. That Change Order, totaling \$1,184.00, will be approved and processed by Management.

Regarding 2025 LSA grant applications, Ms. Lorah presented a Resolution for approval with respect to a proposed water main extension in conjunction with construction of a new WAWA on 5th Street Highway, which will loop the system in that area. The total project cost is \$272,961.00. Mr. Wolfinger made a Motion to approve the Resolution authorizing submittal of the LSA Grant Application in the stated project amount total. That Motion was seconded by Mr. Hoffmaster and unanimously approved. In all, the Authority submitted three (3) LSA Grant applications, two (2) having previously been approved.

Regarding PFAS sampling and remediation, SSM previously reported that Sentinel submitted a proposal for pilot testing at Well Nos. 6, 8, 9, and 13, the total cost of which includes either lease or purchase of testing equipment. Ms. Lorah noted that the pilot program extend a period of three (3) years, which includes sampling, testing, and reporting. Ms. Lorah and Management recommended to purchase the equipment as opposed to a lease option given projected cost-savings over time. Mr. LaSota made a Motion to purchase the PFAS equipment from Sentinel, a Costars vendor, in the total amount of \$289,000.00. That Motion was seconded by Mr. Hoffmaster and unanimously approved. Regarding the pilot testing program, it would commence with Well No. 13. Mr. LaSota made a Motion to approve pilot testing at Well No. 13, performed by Sentinel, at a total cost of \$151,590.00. That Motion was seconded by Mr. Hoffmaster and unanimously approved.

Regarding the proposed Maidencreek Township Authority interconnection, Ms. Lorah reported that the DRBC was scheduled to review and discuss the Docket Amendment at

its December 10, 2025 meeting. Ms. Lorah will provide the Board will relevant updates as the same may become available.

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. LaSota and unanimously approved.

Under the Solicitor's Report, Mr. Rothermel reviewed the terms of a Utility Relocation Reimbursement Agreement, which pertains to the proposed highway improvement project undertaken by PennDOT on State Route 2016. The related cost-sharing agreement was previously approved by the Board in August 2025. The subject Utility Relocation Agreement was unanimously approved, subject to Solicitor review, on Motion of Mr. Wolfinger, seconded by Mr. Hoffmaster.

With regard to the Rowe Tract apartment unit development, Mr. Rothermel reported that developer agreements were drafted and circulated to counsel for the developer for review. It was further noted that the developer submitted the sewer planning module to the City of Reading, which was still pending review. The Board is expected to consider approval of the developer agreements at the December 2025 meeting.

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

The Treasurer's Report was presented by Mr. Boehret, a copy of which is appended to these Minutes. The water division realized a net decrease of \$509,454 in October, for a total operating account balance of \$3,573,560. Total interest earned over the past month, across both operating and certificates of deposit in the water division, was \$29,272. The sewer division realized a net gain compared to the prior month in the amount of \$364,168, for a total account balance of \$9,031,500. In October, interest earned in the sewer division operating and certificate of deposit accounts totaled \$106,704. Total interest earned in the sewer escrow account this past month yielded \$56,950.

Mr. Hoffmaster made a Motion to transfer funds from the sewer operating account to PLGIT in the total amount of \$2,092,351.82. That Motion was seconded by Mr. Wolfinger and unanimously approved.

Mr. Boehret provided the Board with a preliminary 2026 budget. The budget includes an estimated deficit in the water division of \$2,719,495, which is based on costs associated with approximately seventeen (17) planned capital projects scheduled to commence in 2026, totaling the aggregate of approximately \$3.8 million. Operating expenses in the water division are projected to increase by 7%. The sewer division is projected to carry a deficit of \$355,098, with an increase in operating expenses of 8.9%. In 2026, capital projects planned for the sewer division total approximately \$1.8 million. With increasing operational costs, and planned capital projects in both the water and sewer divisions, Mr. Boehret recommends bond financing. Discussion regarding RBC Capital Markets, and proposed bond financing, was deferred until the December 2025 Board meeting. The Board will further review the preliminary budget for final approval at the December 2025 meeting.

Mr. Boehret presented the Board with a proposed reserve policy, the purpose of which is to establish guidelines for maintaining adequate financial reserves (net position) to ensure fiscal stability, operational continuity, and capital planning capabilities of the Authority for both the water and sewer divisions. As opposed to a dollar figure, the reserve policy for the respective divisions will establish percentages for an operating reserve, emergency reserve, capital reinvestment reserve, and debt service reserve, and guidelines for use, monitoring and investment of such reserve funds. The Board will consider approval of the Reserve Policy at the December 2025 meeting.

Regarding the rate study previously prepared by PFM, Mr. Boehret advised that PFM was in the process of finalizing an updated report that factors in projected water and sewer division reserves, as well as revised capital improvement project costs. The revised rate study is expected to be finalized in advance of the December 2025 meeting. Based on the results of the updated study, the Board will further review and consider the viability of its current rate structure.

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

Under New Business:

The 2024 audit report, prepared by Herbein + Company, Inc., was unanimously approved, on Motion of Mr. Hoffmaster, seconded by Mr. LaSota.

Employee holiday bonuses were unanimously approved, on Motion of Mr. Hoffmaster, seconded by Mr. LaSota.

The Amendment to Employment Agreement pertaining to Mr. Feltenberger was unanimously approved, on Motion of Mr. Wolfinger, seconded by Mr. LaSota.

The purchase of a spare pump for Rivervale Pump Station from Axiom, a Costars vendor, was unanimously approved in the total amount of \$35,360, on Motion of Mr. LaSota, seconded by Mr. Wolfinger. The spare pump will provide for redundancy in the event of an emergency or scheduled maintenance. Management was directed to add the spare pump to the preventative maintenance schedule.

Mr. Feltenberger reported that he purchased updated PPE (e.g. air quality monitors) for the crew from Dival at a total cost of \$7,294.

Mr. LaSota made a Motion to approve the proposal of Higher Information Group for an upgraded security camera system at the office building in the total amount of \$14,067.26. That Motion was seconded by Mr. Hoffmaster and unanimously approved.

Mr. LaSota made a Motion to approve a proposal of OCC, a Costars vendor, totaling \$26,025 for upgraded electrical work needed at the Crossroads pump station. That Motion was seconded by Mr. Wolfinger and unanimously approved.

Mr. Wolfinger made a Motion to approve a Change Order of Axiom, a Costars vendor, in the amount of \$23,000, for necessary electrical upgrades at the Eagles Landing pump station. That Motion was seconded by Mr. LaSota and unanimously approved.

Mr. Hoffmaster made a Motion to approve the proposal of Paragon Consulting in the amount of \$32,000 for professional consulting services. That Motion was seconded by Mr. LaSota and unanimously approved.

With regard to 820 Birch Street, the Solicitor was directed to advise the customer by letter that the Authority concurred with the position of its insurance carrier in review of his claim.

Mr. Hoffmaster made a Motion to approve the electric procurement agreement with PSFEI. That Motion was seconded by Mr. LaSota and unanimously approved.

Mr. Roush advised that the teller window was being repaired at a total cost of \$6,794, which was in an amount less than the Board's prior approval.

The Board was unanimous in its agreement to authorize a monetary donation to Reading Muhlenberg CTC in the amount of \$1,000. The donation will be used to offset the costs of materials for the Reading Muhlenberg CTC SkillsUSA District Competition.

The Board was unanimous in its agreement to revise the respective Senior and Military Discount policies to include renters whose name is on the Authority bill, contingent on such customers providing proof of a current leasehold interest in the serviced property. The respective website forms will be updated. The change will not be retroactive.

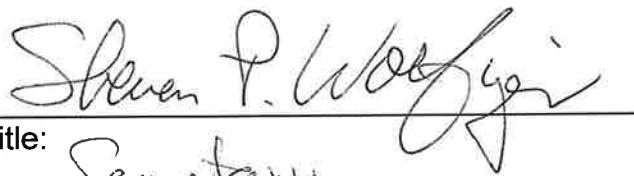
Mr. Feltenberger announced that the Christmas Party will be held on Tuesday, December 23, 2025, at The Pour House, from 12:30 p.m. to 4:00 p.m. All Board members and Citizens Advisory Committee members are cordially invited to attend.

There was no comment under the second public portion.

There were no Member and Staff Comments.

There being no further business of the Board, the meeting was adjourned at 8:15 p.m. on Motion of Mr. Hoffmaster, seconded by Mr. LaSota, 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, December 11, 2025, at 210 George Street, Reading, Muhlenberg Township, Berks County, Pennsylvania.


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