

MOUNT PENN BOROUGH MUNICIPAL AUTHORITY

MINUTES

REGULAR MEETING

MARCH 11, 2026

The regular meeting of the Mount Penn Borough Municipal Authority was held on Wednesday, March 11, 2026, at 7:00 p.m. in the meeting room of the John A. Becker Municipal Building, 200 North 25th Street, Reading, PA 19606.

Chairman Joe Boyle called the meeting to order and introduced newly appointed Board member Kevin Blackburn from Lower Alsace Township.

The following Board members were also present:

Kelly Dudash, Treasurer
Alfred Worrall, Assistant Treasurer
Kevin Blackburn
Troy Goodman

Also present were the following:

Christeena Hauck, Office Manager
Mark Merolla, Solicitor
Matt Hauck, Superintendent
Steven Riley, Engineer
Hunter Ahrens, Mt. Penn Borough Manager
Thomas Baer, Mt. Penn Borough Council Member

Chairman Boyle addressed housekeeping matters regarding Board positions. With the vacancy left by Mr. Nowotarski's resignation from the Board, Mr. Boyle recommended Al Worrall for vice chair. Kevin Blackburn was recommended as assistant treasurer and assistant secretary to support the current treasurer Kelly Dudash and secretary Troy Goodman.

Joe Boyle nominated Al Worrall as vice chair. Seconded by Kelly Dudash. Motion carried.

Joe Boyle nominated Kevin Blackburn as assistant treasurer and assistant secretary, seconded by Al Worrall. Motion carried.

AUDIENCE PARTICIPATION-

Hunter Ahrens and Tom Baer provided extensive comments on the conveyance leaseback proposal, emphasizing that while neither organization is in crisis, Mt. Penn Borough faces significant financial challenges. They noted that Mt. Penn has the second highest tax rate in the county and increasing rental property saturation can lead to potential blight and transient issues.

Hunter Ahrens explained that PA American had approached the Borough in the summer of 2025, but the Borough declined the sale offer. The conveyance leaseback proposal aims to provide financial relief to the Borough while introducing protections against future sales and enabling shared services through a public works department.

Several updates were provided on outstanding issues:

- The PENNVEST loan security issue is being addressed by their team, with Jamie Schlesinger coordinating with the Authority for a joint meeting.
- They received Saint Lawrence Borough's letter on March 5, 2026, and are preparing a response.
- A Right-To-Know request was submitted to expedite the due diligence process.
- A 30-day extension to the Right-to-Know request was granted, moving the response timeline to April 10, 2026.

Board members engaged in extensive questioning about the proposal. Key concerns raised included:

Insurance and Union Benefits: Al Worrall questioned how employees would transition to Teamsters insurance. Hunter Ahrens explained that if at least 50% of employees join the union, all employees could be offered Teamsters insurance, which the Borough believes is a robust program.

Authority Management: Joe Boyle asked whether the Authority would still manage the water system. Ahrens confirmed the Authority would continue governing the system, with staff managing day-to-day operations and finances and the Authority would not be dissolved.

Board Structure: Discussion covered how the Board would function under the new arrangement, with Hunter explaining there would be joint committees for transition and ongoing public works coordination.

Financial Arrangements: When asked about payment structure, Hunter Ahrens indicated they've proposed a lease fee of \$295,300 annually, split into two payments (January and July), with inflation adjustments over the first three years.

Valuation Concerns: Joe Boyle emphasized the need for independent cost analysis to ensure fair valuation, with discussion about using PFM to represent both parties' interests.

The conversation revealed some tension over communication and process, particularly regarding the timing of notifications and the right-to-know request. Mark Merolla expressed concerns about the administrative burden and questioned why extensive documentation was needed if the Authority would continue managing the system.

Mike Frankhouser, 1962 Woodvale Ave., criticized the leaseback proposal, arguing there's no financial crisis requiring immediate action and expressing concern about conflicts of interest with Borough council members serving on the Authority board. He emphasized the water system has been working well and questioned the need for change.

Multiple residents and Board members raised questions about regional representation, protection mechanisms, and the impact on ratepayers from other municipalities who comprise 67% of the Authority's customer base.

Mark Merolla and Christeena Hauck will meet with Hunter Ahrens to review the right- to- know request and the outstanding documentation.

Joe Boyle motioned, seconded by Al Worrall, to approve the minutes of the February 11, 2026, meeting. The motion carried unanimously.

TREASURER- Kelly Dudash

Kevin Blackburn questioned the two PENNVEST accounts earmarked for loans - one for the Perkiomen Ave. water line replacement and one for the Spook Lane tank project.

Kelly Dudash made the motion to accept the February treasurer's report, seconded by Al Worrall. Motion carried.

ENGINEER- Steve Riley

Steve Riley provided updates on several projects:

Spook Lane Tank: A pre-construction meeting was held with all contractors and regulatory agencies. Ground clearing has begun with actual tank construction scheduled for April 20th. The Board discussed tank color options, settling on "Navajo" (tan/brown) as the standard color to blend with the surroundings.

Motion by Troy Goodman to approve the payment to application #4 to DN Tanks for \$36,765 for design work, seconded by Al Worrall. The motion carried unanimously.

Laurel Ave. Water Main: Construction is approved by the Borough to proceed March 30th or later, with a pre-construction meeting scheduled for March 24th.

Oley Turnpike Road Water Main: Plans have been submitted to Sunoco Pipeline for gas line crossing approval. The current schedule has bid results expected for the May meeting.

SCADA Project: An extension request was submitted to DCED for the grant expiration date, as the project is 85% complete but may need additional time beyond June 30th.

WATER SYSTEM –Matthew Hauck

Matt provided a comprehensive report of recent system issues, noting 15 water main breaks since December 20th due to severe cold weather. Significant breaks included 6-inch and 4-inch mains on various streets, with particular concern about the Fairview Square development where the Authority does not own the poorly installed water mains and leaks there are unmetered.

Matt explained the ongoing problem with this private development where warranty work has covered recent repairs, but future responsibility for breaks is unclear between the HOA, developer, and Authority. The Authority has refused to accept dedication of these lines due to poor installation quality.

The report included routine maintenance activities including generator servicing, ongoing leak detection, and safety training focused on cold weather operations.

SOLICITOR- Mark Merolla

Mark Merolla provided good news regarding 1038 Friedensburg Road, where a title search for \$100 revealed a 1924 deed showing the private service line was installed by homeowners at their own cost. This clarifies that future expensive repairs would be the homeowners' responsibility, not the Authority's. He recommended notifying the affected homeowners of this arrangement.

Mark noted that while the PA American water service agreement rate was previously approved in February with an adjusted termination clause, the final agreement needed formal approval for signature.

Joe Boyle motioned to approve the updated water service agreement with PA American, seconded by Troy Goodman. Motion carried unanimously.

BUSINESS OFFICE- Christeena Hauck

Christeena Hauck explained she and Hunter Ahrens met with the AT&T representative regarding the phone system. Two handsets with bases will cost \$321.00 (\$160.50 each), one for each office. After discussion, Troy Goodman made the motion to approve the \$160.50 purchase of the cordless phone, seconded by Joe Boyle. All were in favor.

Christeena also presented a draft statement for the April water bills to inform customers about the conveyance leaseback proposal. The Board agreed to include this on bills and the Authority website, with questions to be directed to the Borough staff rather than Authority staff.

SOURCE WATER PROTECTION- Joe Boyle

Lake Update

Joe Boyle reported that Lower Alsace Township received a PA Small Water grant that will fund the spillway and additional stormwater BMPs for the lake project. However, questions arose about whether this grant requires rebidding the project since Lower Alsace, not the Authority, received the funding.

The Authority currently has Flyway as the contractor, but DCED requirements for the new grant are unclear. Tori Morgan from Entech will contact DCED for clarification on whether the project can continue with change orders or requires new bidding. If rebidding is required, costs could increase by approximately \$30,000, and the timeline would shift to June at the earliest.

Canadian Waterfowl Quote

Joe Boyle presented three options from USDA Wildlife Services for goose management at Crystal Lake, ranging from \$4,800 to \$10,000 annually. The programs include egg addling (treating eggs with oil so they don't hatch), harassment techniques using lasers and water guns, and potential roundups during molting season.

Given that construction will begin in summer, Joe Boyle recommended starting with Option 1 (\$4,800) which includes nest/egg treatment in spring and potential roundup in summer. The program would likely need to continue for at least three years but should diminish over time as geese learn to avoid the area.

A motion was made by Al Worrall to approve the Canadian waterfowl management Option 1 for \$4,800. Seconded by Kelly Dudash. Motion carried.

BOROUGH OF MT. PENN-

Al Worrall requested the Conveyance Leaseback Preliminary vote be tabled until the April 8th meeting. All were in favor.

ANTIETAM VALLEY MUNICIPAL AUTHORITY (AVMA)-

No Report.

UNFINISHED BUSINESS-

No Report

NEW BUSINESS-

Troy Goodman questioned the fire hydrant in St. Lawrence Shopping Center that is out of service. Matt Hauck explained it has been out since December due to repeated damage from fire department training. Rather than rebuilding it again for \$2,500, the Authority plans to replace it entirely for approximately \$5,000. The hydrant is vital for fire department training, but frequent use has worn out the internal components.

Mike Frankhouser proposed allowing residents to install second water meters at their own expense for outdoor use such as pools and gardens. He suggested residents pay upfront for the meter and installation costs (approximately \$1,000) rather than monthly meter fees. This would provide water for outdoor use without sewer charges.

The Board acknowledged this as potentially worthwhile but noted it would require coordination with AVMA regarding sewer billing impacts. The matter was referred for further research and potential future consideration.

Joe Boyle called for an Executive Session at 9:10 P.M. to discuss personnel. Regular Session resumed at 9:20 P.M.

The following motions were made by Joe Boyle, seconded by Troy Goodman:

Salary increase for Sebastian Unger of \$2.00 per hour effective 4/17/26.

Salary increase Teresa Dietrich's salary of \$1.00 per hour effective 5/1/26.

All were in favor.

The motion was made by Al Worrall, seconded by Kelly Dudash, to adjourn the meeting at 9:22 p.m. All were in favor.

The next meeting will be held on Wednesday, April 8, 2025, at 7:00 p.m.

Respectfully submitted,

Christeena Hauck
Christeena Hauck
Business Office Manager