

MOUNT PENN BOROUGH MUNICIPAL AUTHORITY

MINUTES

REGULAR MEETING

MAY 13, 2026

The regular meeting of the Mount Penn Borough Municipal Authority was held on Wednesday, May 13, 2026, at 7:00 p.m. in the meeting room of the John A. Becker Municipal Building, 200 North 25th Street, Reading, PA 19606.

The meeting was called to order by Chairman Joe Boyle.

The following Board members were also present:

Alfred Worrall, Vice Chairman
Kelly Dudash, Assistant Treasurer
Kevin Blackburn, Treasurer
Troy Goodman, Secretary

Also present were the following:

Christeena Hauck, Office Manager
Mark Merolla, Solicitor
Matt Hauck, Superintendent
Steven Riley, Engineer
Hunter Ahrens, Mt. Penn Borough Manager
Also in attendance were members of the community.

AUDIENCE PARTICIPATION-

The Chair invited audience participation, noting that any comments related to the conveyance leaseback should be held until the appropriate agenda item.

Mike Frankhouser, Woodvale Ave., raised the concept of implementing a dual-meter system that would allow customers to measure outdoor water usage separately, thereby exempting that portion from sewer charges. He argued that the cost of installing a second meter, which he estimated at approximately \$2,000—would serve as a natural deterrent against frivolous adoption, while providing a fair option for residents with significant outdoor water needs such as pools, gardens, and landscaping. He also suggested that the existing smart meter infrastructure could be used to monitor and enforce compliance, including the ability to revoke the secondary meter for misuse. He further noted that the Borough is currently in a drought situation, which could be addressed through monthly usage caps. Mr. Boyle indicated the matter would be taken up at a future meeting.

MINUTES-

Motion to approve the minutes of the April 13th meeting was made by Mr. Worrall and seconded by Ms. Dudash. The motion carried unanimously.

TREASURER- Kelly Dudash

Mr. Blackburn inquired about a sizable account balance in the Spook Lane Tank account that appeared to be earning no interest. The Authority Office Manager clarified that the funds had already been transferred to an interest-bearing account. The balance had been reduced from \$238,000 to \$37,000 as a result.

Ms. Dudash questioned the bill from the United States Department of Agriculture. The Mr. Boyle explained that the USDA is engaged to deter and harass Canadian Geese around the lake to prevent nesting and egg-laying. The contractor, a former police officer, uses water guns and paintballs directed toward the geese. Exeter Township Police and Central Berks Police had previously responded to a public complaint about the activity but confirmed no laws were being violated.

Mr. Worrall made the motion to accept the April Treasurer's Report, seconded by Mr. Blackburn. Motion carried.

ENGINEER- Steven Riley

Spook Lane Tank: AFP No. 6 / Project Update

Mr. Riley presented Application for Payment No. 6 from DN Tanks in the amount of \$167,485.50, covering mobilization of equipment and materials, site work, and piping work. He confirmed the application had been reviewed and found accurate.

Mr. Boyle made the motion to authorize payment of Application for Payment No. 6 to DN Tanks in the amount of \$167,485.50, seconded by Mr. Goodman. The motion carried unanimously.

Regarding project status, Mr. Riley reported that the revised underdrain installation has been completed and all site work is finished. DN Tanks has mobilized and is currently installing rebar for the tank floor. The first concrete pour is estimated to be approximately two or more weeks out. A progress meeting with the contractor is scheduled for the coming Friday (5/15/26) at 10:00 AM on-site.

Oley Turnpike Road Water Main Update

Mr. Riley reported that they received approval from Sunoco Pipeline for their design of the water main where it crosses the existing Sunoco pipeline. He noted that they met with PennDOT and PennDOT has added additional requirements for the project and associated road restoration. This includes the demolition of the existing meter vault in the sidewalk area. He noted that PennDOT agreed with Entech's assessment that full removal would be more detrimental to PennDOT's road, and that demolishing it in place was acceptable. Mr. Riley noted that he expects bids to be reviewed with the Authority at its July meeting.

Laurel Avenue Water Main Update

Mr. Riley confirmed the Laurel Avenue water main has been installed and tested. Service transfers are underway and expected to be completed within the week. Once all transfers are complete, the temporary water system will be dismantled. The project will then enter a 90-day holding period before the Borough contractor returns for road reconstruction and surface restoration. No problems or concerns were noted.

WATER SYSTEM –Matthew Hauck

Mr. Hauck reported that the new excavator was received and put into use. The crew recently installed a fire hydrant behind the Antietam Shopping Center. During the work, the adjacent valve kicked off due to the hydrant being directly connected to the valve with minimal pipe between them. The situation was resolved with installation of a new valve, new concrete kicker, and the area was paved. The shopping center is expected to perform a full seal coat on its parking lot imminently.

Discussion also touched on the replacement cost of aging hydrants. A full hydrant replacement runs approximately \$5,000, while an internal rebuild costs approximately \$2,200. The consensus was that rebuilds can be attempted once, but full replacement becomes more economical thereafter—particularly on state roads, where the total cost of work can escalate significantly due to the road restoration.

Mr. Hauck also noted the Badger Meter cellular meter starter kit is deployed in the area, providing hourly usage data.

Safety meetings are held monthly, utilizing video resources and materials from continuing education courses.

SOLICITOR- Mark Merolla

No Report.

BUSINESS OFFICE- Christeena Hauck

Ms. Hauck reported that 571 past-due notices were mailed. The staff is monitoring 10 smart meters, which provide minute-by-minute usage data and have proven useful in identifying usage patterns.

Ms. Hauck requested authorization to close the office on Tuesday, May 26, the day following Memorial Day, as both the Borough and key office staff would be taking PTO.

Mr. Boyle made the motion to close the Authority office on Tuesday, May 26, 2026, seconded by Mr. Goodman. The motion carried unanimously.

SOURCE WATER PROTECTION- Joe Boyle

Lake Update

Mr. Boyle reported that a coordination meeting was held the prior week with Flyway, Entech Engineering, Liberty Environmental, and Mount Penn Borough Municipal Authority to finalize contract language related to Lower Alsace Township grant, prevailing wage requirements tied to received grants, and the Growing Greener grant. Once finalized, the documents will be submitted to Flyway, with Phase 2 of the lake project anticipated to begin in July.

Carsonia Park – Tree Removal (2 dead / 1 at the spillway)

Three trees require removal: one growing out of the existing spillway structure (which must be cleared before spillway replacement), and two large dead trees standing along the trail with hanging or broken limbs that pose a safety hazard. Three bids will be solicited. Prospective bidders include two known vendors and a school board member, who has a tree removal service, indicated interest after observing that one of the oaks is approximately 60 percent dead.

Mr. Boyle made the motion to seek three bids for tree removal at Carsonia Park, seconded by Mr. Blackburn. The motion carried unanimously.

Phase 2 – July

Mr. Boyle provided an overview of Phase 2 construction. Best Management Practices (BMPs) underground sediment collectors—will be installed on the northwest side of the lake near the recreation center. Stormwater currently discharging at that outflow point will be redirected into the BMP system, then through a vegetated swale and into a newly constructed wetland near the picnic area. Upon completion, the existing outflow structure will be sealed, allowing the lake level to rise. A \$500,000 Local Share Account grant application was submitted for Phase 3, which would fund a new walking path around the lake, a pollinator field, embankment regrading for erosion control, and a viewing platform for an outdoor classroom. Phase 2 work is targeted to begin in July and conclude by late September or early October, subject to weather conditions.

Signage – Motorized Vehicles in Park

Mr. Boyle reported that a resident contacted the Authority about electric scooters and motorized vehicles being operated on the lake trail, with operators forcing pedestrians and dog walkers off the path. The Chair has already spoken with Exeter Township Police, who confirmed they can respond to complaints, issue a one-time warning, and thereafter issue \$300 fines. The lake is within Exeter Township, and members confirmed that enforceable signage must be consistent with an existing township ordinance, which Exeter has in place. Mr. Boyle stated that AVCP will be approached about funding additional signage, and the Authority will review and approve any proposed sign content before installation.

An audience member described a personal encounter the previous morning in which two young riders (estimated ages 12–14) on electric scooters responded with profane and aggressive language when asked to leave the trail. The incident was noted as consistent with prior reports involving Authority and Flyway staff. Members also discussed the installation of a fence line running from the Olympic Pool to the pump station to block vehicle access to that area, and to address a hazardous gap on the opposite side where a person previously fell.

Mr. Boyle made the motion to authorize Authority staff to install a chain-link fence from the Olympic Pool to the pump station, not to exceed \$5,000 in materials, seconded by Ms. Dudash. The motion carried unanimously.

BOROUGH OF MT. PENN-

The Chair delivered a detailed chronological statement regarding the history and current status of the proposed conveyance leaseback between the Borough of Mt. Penn and the Authority.

See Attached.

ANTIETAM VALLEY MUNICIPAL AUTHORITY (AVMA)-

No Report.

UNFINISHED BUSINESS-

Mr. Boyle moved to retain Steven A. Hann, Environmental Attorney and Chair of the Environmental Law Department at Hamburg, Rubin, Mullin, Maxwell & Lupin, as special counsel to the Authority. Mr. Horn serves as East Region Solicitor for the Pennsylvania Municipal Authorities Association and specializes in municipal law, zoning, and environmental regulations.

Motion to retain Steven A. Hann and Hamburg, Rubin, Mullin, Maxwell & Lupin as Special Counsel was made by Mr. Boyle and seconded by Mr. Worrall. Upon roll call vote: Mr. Boyle — Yes; Mr. Worrall — Yes; Mr. Blackburn — Yes; Ms. Dudash — No; Mr. Goodman — No. The motion carried 3–2.

Mr. Boyle called for an Executive Session at 8:07 p.m. to discuss litigation. Regular Session resumed at 8:18 p.m.

NEW BUSINESS-

Mr. Boyle made a motion for the Authority to authorize its newly retained special counsel to file an injunction against the conveyance leaseback. Mr. Blackburn indicated he could not support authorizing an injunction without first consulting with the special counsel. Following discussion, Mr. Boyle withdrew the motion to file an injunction, agreeing to first meet with legal counsel before determining next steps. Mr. Boyle indicated willingness to engage in negotiations with the Borough if the opportunity were presented.

Pension Fund Continuance

Discussion addressed the status of the Authority employees' pension and benefits in the context of the proposed transition. The Authority Solicitor noted that the Authority's pension administrators (CBIZ) could not speak with Borough representatives without the Authority's explicit authorization. Members discussed the difference between the existing defined pension plan and the 457(b) plan and noted that Borough employment could provide the one employee in the defined benefit plan with state aid contributions.

Motion to authorize the Authority's pension and benefits administrators to communicate with Borough representatives regarding pension and benefit details was made by Mr. Goodman and seconded by Ms. Dudash. The motion carried with Mr. Boyle voting no.

The motion was made by Troy Goodman, seconded by Joe Boyle, to adjourn the meeting at 8:34 p.m. All were in favor.

The next meeting will be held on Wednesday, June 10, 2025, at 7:00 p.m.

Respectfully submitted,

Christeena Hauck

Christeena Hauck
Business Office Manager

Statement from Chairman Boyle:

Reviewing the Borough Council's approved minutes, the first time there was any talk publicly about collaboration between the Borough and Water Authority was November 18, 2025. This collaboration was centered around, and I quote, "consolidating Borough and Water Authority staff to achieve cost savings and protect the Water Authority from being sold in the future". The minutes further state, quote, "the Authority would remain a separate, legal entity." Mr. Goodman and Ms. Dudash, who sits on both boards, were tasked with, quote, "approaching other members of the Water Authority about this concept with emphasis on presenting it as a way to protect the authority from future sale rather than a cost saving measure." *This is a smoke screen by the Borough since their minutes clearly state consolidating staff was to save money.* Nothing was said after this meeting to any of our Authority board members.

At the Borough's November 25, 2025 meeting Borough Council made two motions regarding the Borough and Water Authority, but neither these motions mention a conveyance-leaseback. Borough Council meeting minutes NEVER mention of conveyance-leaseback prior to this meeting. The first motion was to authorize the execution of the engagement letter with PFM Financial Advisors. The next motion was made to approve the hiring of Obermeyer, Rebmann, Maxwell, and Hippel as special counsel in, quote, "matters related to further cooperation with MPBMA."

During the April 2026 MPBWater Authority meeting a member of the public asked Mr. Ahrens if the Borough budgeted for these experts. Mr. Ahrens indicated that they did not, and the Borough was looking for a \$60,000 payment to the Borough in June. The Authority board did not budget for this either. Then they read a statement "to work collaboratively with the Authority to **explore** a conveyance-leaseback structure." Once again the minutes reflect preserving the Authority as an independent legal entity. The minutes state there would be a public discussion about this at the December 10, 2025 Water Authority meeting. I personally found out about this idea, via a Facebook post, and not directly from Borough council or their manager.

January 8, 2026 was the first formal meeting with the Borough of MP and the Obermayer law firm introducing to the Authority board and MPBMA employees the concept of the Conveyance-Leaseback and the Borough's 5-year financial projection. Both a number of Authority board members and employees left the meeting with more questions than answers related to the direction of the Borough budget. Questions were raised, and still no clarity since the Authority was not given any formal documentation to review, other than the power point presentations shared. When the Borough was asked for an approximate cost for such a Conveyance-Leaseback, a ballpark figure of \$186,000 to \$260,000 range the Borough was seeking. I stated to Obermayer representatives this appears as a "cash grab", but they assured us this was not. The day prior to the first public meeting on January 20, Mr. Ahrens informed me at the meeting the Borough's financial consultant revised the payment toward the leaseback could range from \$300,000 plus, to \$550,000. Mr. Ahrens assured it would not be this cost the Borough was seeking.

February 24, the Borough Manager received a draft document, 34 pages, and shared it with Council at this time. This document was not shared with the Water Authority until March 26. The Water Authority was given 9 business days to review a resolution and draft of the proposed conveyance-leaseback. Our board was asked to pass the resolution at their April 8th meeting. The draft raised many red flags. For example, the Water Authority was not in the organizational flow chart, and the Water Authority would pay the Borough \$559,706.94 in the first year. The money would transfer from our Water Fund to their General Fund. The Authority voted unanimously to sign the revised Resolution agreeing to negotiate.

On April 29th, a requested meeting with representatives from Lower Alsace, Exeter, St. Lawrence, and Mt. Penn was being coordinated by the Authority, requesting for one board representative, its Twp. or Borough manager and its solicitor to hear from Western Berks Water Authority and Reading Area Water Authority of how to make a lease payment and help the Borough of MP. Instead, MP Borough took this as a slight and refused to attend. Borough wrote a letter breaking off negotiations. Instead, at their next meeting, slated for April 28, was changed to April 29 (at the same time as the requested meeting) so they could pass "Ordinance 910" conveying the assets of the Authority. An additional letter was sent to the Water Authority on May 4th stating the Borough "Ordinance 910" authorizes the **termination** of the Water Authority and seeking cooperation to, quote, "remove all impediments to the termination of the Authority."

The Water Authority was never given notice of the passing of the Ordinance until it asked for a signed copy. It was given to me Sunday, May 3rd, one day before the letter outlining procedures to effectuate the termination. We do not believe this is legal.

The Water Authority's certificate of incorporation dated January 8, 1941 clearly states and I quote, the creation, erection, and incorporation of the Mt Penn Borough Municipal Authority into a **body politic and corporate in deed and law**". We are **not** a department of the Borough. The fact is we are a separate legal entity created to operate and protect a water system for multiple communities. We represent Mt. Penn, Lower Alsace, St. Lawrence and Exeter.

It is my personal opinion that Mount Penn Borough Council never intended to negotiate in good faith with the Authority. We have been blindsided with multiple documents with little time to respond. Our board made a motion back in April to hire an expert to review financial documents of the evaluation of the Water Authority done by Borough Council's financial advisor, PFM. We have never been provided with them. How they came up with a lease payment without having a proper evaluation is beside me.

Because of the facts I have laid out and in an effort to protect ALL ratepayers of the Authority and its employees, I am making a motion to retain the legal counsel of Steven A. Hann (Environmental Attorney): Chair of the Environmental Law Department at Hamburg, Rubin, Mullin, Maxwell & Lupin in PA. He specializes in municipal law, zoning, and environmental regulations, and serves as the East Region Solicitor for the Pennsylvania Municipal Authorities Association. Mr. Hann will file proceedings on behalf of the Mount Penn Borough Municipal Authority.

This motion to appoint legal counsel is warranted based on the following:

1. Mt. Penn Borough is unlawfully attempting to transfer assets from a legal, separate municipal authority. Act 73 of 2012 (Senate Bill 375), passed on June 27, 2012, amended the Pennsylvania Municipal Authorities Act (53 Pa. C.S. Chapter 56) to heighten financial accountability and restrict the use of authority funds for non-mission purposes.
2. The Authority operates a public water system serving residents within and beyond the Borough. 67% of its ratepayers are outside the Borough.
3. The Authority's Pennvest loan to help replace the 1 million gallon water tank on Spook Lane, multiple grants (PA Growing Greener and PA Small Water Grants) we have received to start and complete Phase 2 of the Crystal Lake project at Carsonia Park could be in jeopardy. Additionally, the PA State LSA grant submitted for \$500K for Phase 3 to create new trails around the lake and pollinator field, build a viewing platform for an outside classroom, and regrade the lake embankment for erosion control.
4. The Ordinance passed by Borough Council does not provide voluntary consent by the Authority and it interferes with the governance and discretion of the Authority. The Municipality Authorities Act does NOT authorize FORCED conveyance.
5. The implementation of the Ordinance threatens to alter the financial structure of the water system, diverts revenues for the purposes unrelated to the system, and will impact ratepayers and possibly service.