

MT. PENN BOROUGH  
BERKS COUNTY, PENNSYLVANIA  
RESOLUTION NO. 22-26

A RESOLUTION AUTHORIZING FORMAL DISCUSSIONS WITH THE MOUNT PENN  
BOROUGH MUNICIPAL AUTHORITY REGARDING A CONVEYANCE AND LEASEBACK  
STRUCTURE AND DIRECTING STAFF AND PROFESSIONALS TO ADVANCE SUCH  
EFFORTS.

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**WHEREAS**, the Mount Penn Borough Municipal Authority (the “Authority”) is responsible for the operation, maintenance, and governance of the public water system serving the residents of Mount Penn Borough and surrounding areas; and

**WHEREAS**, the Borough of Mount Penn (the “Borough”) has expressed its intent to explore a conveyance-and-leaseback structure whereby the Borough may assume ownership of the underlying water system infrastructure, consistent with its legal authority, and subsequently lease such infrastructure back to the Authority for continued operation and governance; and

**WHEREAS**, both the Authority and the Borough share a mutual interest in ensuring the long-term sustainability, operational stability, and financial strength of the water system, while maintaining high-quality service to ratepayers and protecting taxpayers; and

**WHEREAS**, the Borough has consistently emphasized that any such structure must preserve the independence of the Authority, maintain local control, and include enforceable protections against the sale or transfer of water assets to any third party; and

**WHEREAS**, the Authority recognizes that a cooperative and transparent process is necessary to evaluate the feasibility, structure, and long-term implications of such an arrangement, including legal, financial, operational, and governance considerations; and

**WHEREAS**, it is the intent of the Borough to engage in good faith discussions that are guided by mutual benefit, shared objectives, and respect for each entity’s governance responsibilities.

**NOW, THEREFORE, BE IT RESOLVED**, by the Mount Penn Borough as follows:

**SECTION 1. AUTHORIZATION OF FORMAL DISCUSSIONS**

The Borough hereby authorizes and directs its Borough Council members, staff, and retained professionals to engage in formal discussions and negotiations with the Mount Penn Borough Municipal Authority, including its staff and professional advisors, for the purpose of developing, reviewing, and refining a proposed Conveyance and Leaseback Agreement and any related documents.

## **SECTION 2. COORDINATION AND COOPERATION**

The Borough affirms that these discussions shall be conducted in a spirit of cooperation, transparency, and mutual benefit, recognizing that both the Authority and the Borough serve the same community and share responsibility for the long-term stewardship of public water infrastructure.

## **SECTION 3. KEY OBJECTIVES AND NON-NEGOTIABLE PRINCIPLES**

The Borough acknowledges that the Authority has identified certain core, non-negotiable objectives, which shall be incorporated as key guiding principles in the development of any proposed agreement, including:

1. **Preservation of Authority Independence:** The Authority shall remain a legally independent municipal authority responsible for system operations.
2. **Protection of Public Ownership and Local Control:** Water system assets shall remain under public ownership with explicit prohibitions on privatization or transfer.
3. **Binding Anti-Sale Covenant:** The agreement shall include enforceable provisions prohibiting the sale, lease, or transfer of system assets to any private or public third party.
4. **Operational Continuity and Service Quality:** The Authority shall retain operational control to ensure uninterrupted, high-quality service delivery.
5. **Financial Sustainability and Ratepayer Protection:** The structure shall be designed to reduce long-term financial pressures while maintaining fairness and stability for ratepayers and taxpayers.
6. **Workforce Stability and Respect for Employees:** Any transition plan shall recognize the value of Authority employees and provide a clear, orderly framework for employment continuity through the Borough of Mount Penn.
7. **Transparency and Public Accountability:** The process and resulting agreement shall be developed in a manner consistent with public transparency and sound governance practices.

## **SECTION 4. DUE DILIGENCE AND INFORMATION SHARING**

The Borough directs its staff and professionals to be fully cooperative and forthcoming with all reasonable document and information requests made by the Authority in connection with due diligence and provide access to operational, financial, and asset-related information necessary to evaluate the proposed structure.

## **SECTION 5. PROFESSIONAL ENGAGEMENT**

The Borough's legal counsel, financial advisors, engineers, and other retained professionals are hereby directed to work collaboratively with the Authority's corresponding professionals to:

1. Develop draft conveyance and leaseback documents;
2. Evaluate legal authority, risks, and compliance requirements;
3. Analyze financial impacts and long-term obligations; and
4. Identify operational considerations and transition requirements.

**SECTION 6. TARGET TIMELINE**

The Borough establishes the following target milestones:

1. Completion of negotiations and draft agreement: On or before May 13, 2026;
2. Consideration and vote on final agreement: At the Authority’s public meeting scheduled for May 13, 2026.

**SECTION 7. TRANSITION OF OPERATIONS AND EMPLOYMENT**

Any transition of employment, operational responsibilities, or related structural changes contemplated under the final agreement shall be planned for implementation on January 1, 2027, consistent with an orderly and coordinated transition framework.

**SECTION 8. NO BINDING COMMITMENT**

Nothing in this Resolution shall be construed as obligating the Borough to approve or enter into any final agreement. Any such agreement shall be subject to the formal approval of Borough Council following completion of negotiations and review.

**SECTION 9. EFFECTIVE DATE**

This Resolution shall take effect immediately upon adoption.

**DULY ADOPTED**, by the Mount Penn Borough this 31<sup>st</sup> day of March, 2026.

Borough Council  
Mount Penn Borough  
Berks County, Pennsylvania

*Attestation:*

*Hunter L. Ahrens*  
Hunter L. Ahrens (Apr 1, 2026 09:41:24 EDT)

Hunter L. Ahrens  
Borough Manager

*[Signature]*  
Ryan Thirlwall Maurer (Apr 1, 2026 11:30:47 EDT)

Ryan Thirlwall Maurer  
Mayor

## Certificate of Resolution

I hereby certify that Resolution No. 22-26, which was for the purpose of “A Resolution Appointing Three Members to the Central Berks Regional Police Commission,” is a true and accurate copy of the Resolution, which was resolved and adopted on the thirty-first day of March 2026 A.D. and contains the appendices necessary which truly and accurately reflect those documents which the Borough Council understood to accompany Resolution No. 22-26.

We the Undersigned Hereby Attest to  
this:

*Christine Dise*  
Christine Dise (Apr 1, 2026 22:04:46 EDT)

Christine Dise  
Council Vice President

*Hunter L. Ahrens*  
Hunter L. Ahrens (Apr 1, 2026 09:41:24 EDT)

Hunter L. Ahrens  
Borough Manager

03/31/2026

Date










# 03.1 Resolution No. 22-26 - Entering Conveyance-Leaseback Negotiations w MPBMA


Final Audit Report

2026-04-02


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 Agreement completed.

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