

**MINUTES OF THE MEETING
DERRY TOWNSHIP MUNICIPAL AUTHORITY
670 CLEARWATER ROAD
HERSHEY PA 17033
MONDAY, DECEMBER 11, 2017**

The Derry Township Municipal Authority Board held its regular meeting on Monday, December 11, 2017 in the Conference Room of the Authority's Administration Building, 670 Clearwater Road, Hershey, Pennsylvania. Chairman Weir called the meeting to order at 6:00 p.m.

ROLL CALL

Board Members Present: Michael Corado, Charles Duncan, David Feidt (arrived at 6:01 p.m.), Justin Engle, Ronald Furlan, Michael Postick, and Matthew Weir

Board Members Absent: None

Also Present: Staff Wayne Schutz (Executive Director)
Tom Mealy (Deputy Director)
Kimberly Bloom (HR & Benefits Administrator)
Michael Callahan (Stormwater Program Coordinator)

Consultants Joe Sembrot (Goldberg Katzman)
Paul Gross (Buchart Horn)
Lou Verdelli (RBC Capital Markets)
Tim Horstmann (McNees Wallace & Nurick)
Erica Koser (McNees Wallace & Nurick)

Visitors None

PUBLIC COMMENT

There was no public comment at this time.

APPROVAL OF PREVIOUS MINUTES

C. Duncan made a motion to approve the Minutes of the November 13, 2017 Board meeting as written. M. Postick seconded. The motion passed unanimously by voice vote.

APPROVAL OF TREASURER'S REPORTS AND BILLS FOR PAYMENT

C. Duncan made a motion to approve the October 2017 Treasurer's Report and Bills for Payment as submitted. The motion was seconded by M. Corado. The motion passed unanimously by voice vote.

ITEMS FOR ACTION

Bond Financing Presentation

Lou Verdelli of RBC Capital Markets reviewed information on the proposed bond financing of \$5.0 million. He stated that the new bonds will be General Obligation bonds guaranteed by the Township of Derry to insure the lowest possible interest rate. Mr. Verdelli will attend the Township of Derry Board of Supervisors meeting on December 19 to obtain Township approval of the Parameters Ordinance. The Bonds will be priced and an interest rate locked in on January 9, 2018. DTMA will have settlement and receive the funds on February 15.

Tim Horstmann of McNees Wallace & Nurick reviewed the resolution for the Sixth Amendment to the Subsidy Agreement with the Township of Derry and answered questions from the Board regarding same.

Resolution #2017-33 - Approval of the Subsidy Agreement Amendment with the Township of Derry for the 2018 Bond Financing: This resolution was passed on a motion by C. Duncan, seconded by J. Engle. The motion passed by voice vote.

PRESENTATION OF STORMWATER FUND CAPITAL BUDGET FOR 2018

The Executive Director presented the proposed 2018 Stormwater Fund Budget. After nearly a full year of Stormwater Management Program (SMP) operation, DTMA Staff has gained a great deal of insight and experience with the operation and maintenance of, and the magnitude of, improvements needed for the stormwater facilities.

Attachment B of the Budget presented a condensed statement of 2017 revenues and expenses including a comparison of year-to-date, projected end of year revenues and expenses, compared to the 2017 Budget. With the exception of emergency pipeline repairs, there were no significant surprises during this first full year of SMP operation. It is anticipated that the SMP will end 2017 in a very good position for the continued expansion of the services envisioned by the comprehensive program.

The highlights of the proposed 2018 Stormwater Budget include: Direct Customer Revenue of \$1,359,900 generated from approximately 17,434 Net ERUs; Departmental Expenses of \$802,600 which include salaries for 4 full-time personnel; Professional legal and engineering fees; emergency contract repairs; Township Stormwater Services; and the Stormwater Share of 2018 Bond Debt Service. The receipts and expenditures result in a projected end of year cash balance of \$1.18 million.

The Operating Fund Capital Expenditures were reviewed and included are line items for continued work share with the Army COE, as well as cost share (with wastewater fund) for several major software upgrades or purchases.

Proposed Stormwater Construction Fund Projects were reviewed. DTMA Staff will continue to monitor the issues at Grove Street including monitoring grant availability and possible developer assistance before undertaking this project.

The projected Net Position for end of year 2018, while satisfactory, shows a decrease in net position reflecting the anticipated significant monetary outlays into the operation and maintenance of and improvements to the stormwater infrastructure.

The 2018 Stormwater Fund Budget was prepared based on the projected revenues using the approved monthly fee of \$6.50/ERU and applied to the projected net ERUs. The Budget expenditures include a fair estimate of the projected support from administrative office staff as well as from other DTMA Staff. Staff has also projected a significant amount of expenditures for system improvements as well as for efforts to comprehensively identify, characterize, and map the stormwater facilities.

Overall, the proposed 2018 Budget represents a realistic fiscal plan for the aggressive operation and maintenance of the SMP and improvements to various stormwater facilities. The existing SMP Fee appears to be adequate to provide the necessary revenue for MS4 Permit compliance and the operation of the comprehensive SMP.

Resolution #2017-34 – Approval of the 2018 Stormwater Fund Budget: This resolution was approved on a motion by R. Furlan, seconded by M. Postick. The motion passed unanimously by voice vote.

Discussion on Resolution #2017-35

The Spring Creek Interceptor Condition Assessment Project involves assessing the condition of approximately 2,400 linear feet of the 48-inch diameter Spring Creek Interceptor between the Spring Creek Meter Chamber and a manhole located just upstream of the raw influent pump station wet well at the Clearwater Plant. The inspection will utilize a floatable, multi-sensor camera to assess the condition of the pipe both above and below the water level. The multi-sensor camera technology provides a significant cost savings compared to traditional closed-circuit televisual (CCTV) inspection which would require bypass pumping of the flow to perform this type of inspection. The findings of this inspection will provide us with a condition assessment on the structural integrity of the pipe and will clearly define pipe sections that will require cleaning or further investigation.

Resolution #2017-35 – Approval of the bid award to RedZone Robotics Inc. of Pittsburgh PA for the Spring Creek Interceptor Condition Assessment Project Contract #2017-04: This resolution was passed on a motion by C. Duncan, seconded by R. Furlan. The motion passed unanimously by voice vote.

Resolution #2017-36 – Approval of 2018 Board Meeting Dates: This resolution was passed on a motion by D. Feidt, seconded by M. Weir. The motion passed unanimously by voice vote.

EXECUTIVE SESSION

At 6:35 p.m. the Board recessed into Executive Session to discuss personnel and legal issues. They reconvened the meeting at 7:05 p.m.

OTHER BUSINESS

Infrastructure Survey by Homeland Security

On September 22, 2017 the U.S. Department of Homeland Security (DHS) conducted a survey of DTMA's Clearwater Road Wastewater Treatment Facility. The survey process utilized an Infrastructure Survey Tool (IST) that is designed to identify significant assets and also lists commendable actions, vulnerabilities, and options for consideration regarding security and resilience enhancements.

The DHS advisor, based upon observations and discussions with key DTMA facility personnel, produced a report entitled "Infrastructure Survey Security & Resilience Report" that summarizes the results of the

survey. Essential to the report are two indexes: the Protective Measures Index (PMI) which is used to identify policies, procedures, and equipment that help protect the facility and the Resilience Measures Index (RMI) which evaluates the ability of the facility and its personnel to adapt to changing conditions.

The report, with its indexes, also has the ability to compare the security and resilience of DTMA's facility to other wastewater treatment facilities across the nation. DTMA's PMI of 24 is below the average of 32 when compared to 211 other wastewater treatment plants. One of the main reasons for DTMA's lower score is the fact that this facility is open to the public – meaning that customers can come onsite to pay their sanitary and stormwater bills. The RMI for DTMA was 35 and is equal to the average of 35 when compared to 168 other facilities.

DTMA staff intends to use the report and the web-based IST Dashboard as tools to mitigate vulnerabilities, increase resilience, and implement additional recommended protective measures. The extent and implementation of staff's efforts will be dictated by the feasibility and monetary impact of the enhancements. The report also noted two commendable activities for DTMA. DTMA is a member of the PA WARN organization and DTMA does not use chlorine as a treatment for effluent. One of the vulnerabilities noted was the lack of security cameras. Mr. Furlan asked if employees have ever received active shooter training. To date, that type of training has not been done, but staff will look into providing that training along with other recommendations suggested in the report. Staff will also be contacting the local fire and police departments to offer tours and information to them regarding the physical aspects of the plant in case of an emergency situation. Mr. Duncan noted that emergency systems utilize a system whereby each building and the rooms within it are labeled so that in the case of an emergency, a caller could provide the emergency responders with an exact location instead of trying to describe where on the property help is needed.

PUBLIC COMMENT

There was no public comment at this time.

ADJOURNMENT

With no further business to come before the Board, C. Duncan made a motion to adjourn the December 11, 2017 public meeting at 7:22 p.m., seconded by R. Furlan. The motion passed unanimously by voice vote.



(Assistant) Secretary