

**MINUTES OF THE MEETING  
DERRY TOWNSHIP MUNICIPAL AUTHORITY  
670 CLEARWATER ROAD  
HERSHEY PA 17033  
MONDAY, DECEMBER 17, 2018**

The Derry Township Municipal Authority Board held its regular monthly meeting on Monday, December 19, 2018, in the Conference Room of the Authority's Administration Building, 670 Clearwater Road, Hershey, Pennsylvania. Chairman Engle called the meeting to order at 6:00 p.m.

**ROLL CALL**

Board Members Present: Michael Corado, Justin Engle, David Feidt, Ronald Furlan, Brian Link, Michael Postick, and Matthew Weir

Board Members Absent: None

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

Consultants Joe Sembrot (General Solicitor, Caldwell & Kearns)

Visitors Scott Plouse, Steve Cordaro and Rebecca Boehmer  
(South Hanover Township Representatives)

**PUBLIC COMMENT**

Representatives from South Hanover Township (SHT) were present to discuss their recent request for relief from surcharges of approximately \$90,000 that were billed to them in July of 2018. Mr. Plouse explained that the flooding that caused the surcharges occurred in areas that aren't typically flooded, so the manholes in these areas were not watertight. However, they are planning to make repairs to approximately 12 manholes in these areas to make them watertight, so these manholes should not be affected in the future. Mr. Plouse also explained some other enhancements that SHT is planning to make to alleviate floodwater infiltration in the future, such as relining of some of the problem piping. Mr. Link asked what the approximate cost would be for these repairs. Mr. Plouse stated that the costs would be approximately \$160,000 and could begin as soon as the spring of 2019. He also stated that SHT spends approximately \$150,000 every year on maintenance and repairs to their wastewater collection system.

M. Postick asked if the Authority could get a report from SHT explaining what improvements are being made, how much they cost, and the proposed timeline for these repairs. He suggested that the Board could then review the report and make a determination on whether they can waive the entire surcharge or a portion of it. Mr. Plouse suggested that they will try to have the report to the Board for their January 28, 2019 meeting.

### **APPROVAL OF PREVIOUS MINUTES**

R. Furlan made a motion to approve the Minutes of the November 19, 2018 Board meeting as written. M. Corado seconded. The motion passed unanimously by voice vote.

### **APPROVAL OF TREASURER'S REPORTS AND BILLS FOR PAYMENT**

Staff presented the November Treasurer's Report and Bills for Payment for approval. D. Feidt made a motion to approve the November Treasurer's Report and Bills for Payment, seconded by M. Weir. The motion passed unanimously by voice vote.

### **UPDATES AND REPORTS**

#### **Construction Projects Status Report**

Bill Rehkop provided the following updates on current construction projects:

##### WWTP Infrastructure Coatings Project [Contract 2018-02]

The coating work on the main plant influent wet well #1 was recently started. The work is expected to be completed by the end of December providing there are no additional inclement weather delays. Coat work on wet well #2 is scheduled to begin in January.

##### WWTP Underground Heating Lines Replacement Project [Contract 2018-05]

JP Environmental anticipates starting this project within the next week. Staff informed JP Environmental that the 3" diameter heating pipe and fittings specified in the contract will need to be changed to 4" diameter. This sizing increase was determined to be necessary in order to maintain adequate heating for all existing plant buildings since these heating lines will interconnect the proposed cogen facility with the existing building.

##### Southwest WWTP Thickener Addition Project [Contracts 2018-06G, 2018-06E]

A preconstruction meeting with the contractors was held on December 7, 2018. The contractors have started to submit their documentation and anticipate starting site work in February. Staff is still awaiting the issuance of the WQM Part II permit from DEP for this project.

##### Infrastructure Replacement Project – Storm #001 [Contract 2018-03]

Mike Callahan noted that Greenland Construction has substantially completed most of the stormwater pipe crossings along Bullfrog Valley Road. Crossing #2 is approximately 60% complete and Crossing #8 is approximately 65% complete. UGI was onsite on December 12 to begin the relocation of their line near Crossing #2. Work will resume on this project in late March or early April depending on weather and the availability of asphalt. Completion of the project should then take only two to three weeks once work commences again.

Mr. Callahan also answered some Board questions concerning work needed around the Bullfrog Valley Pond area. He stated that some of the grant money that was received will be used to help alleviate drainage issues above the pond so that the work done near the pond would not be adversely affected by the upstream issues. There are other grant opportunities that staff will be applying for to address additional work in this area too. Mr. Link asked if the Township could participate in some type of cost-sharing for some of the work being done near the pond and the spillway area. Staff will be sure to coordinate with the Township when possible. It was noted that DTMA and the Township had recently

done a joint project in the Mill Street area so work in the Bullfrog Valley area will be discussed with the Township as the project unfolds.

Mr. Schutz also noted that the report from the Army Corps of Engineers regarding the water shed/drainage issues in the Dartmouth Farms area is due to the Authority by the end of the year. The findings of the report will be communicated to the Township. Communication of the findings to the residents in the area will need to be determined.

Mr. Weir asked if DTMA could prepare a report or news release that could be distributed in the Township newsletter outlining the work that the Stormwater Management Program has undertaken and also the receipt of the grants for this work that ultimately saves the Township residents money on these projects and permits DTMA to plan even more improvements to the system. M. Callahan stated that this type of information is included in his annual year-end report which will be presented at a future Township Supervisors meeting.

#### **ITEMS FOR ACTION**

**Resolution #2018-53 – Ratification of project payments from the 2015 Capital Projects Fund for November 2018 and authorization for payments to be made from the 2018 Construction Fund for various construction projects:** Staff reviewed the payments from the 2015 Capital Projects Fund requiring Board ratification and payments from the 2018 Construction Fund requiring Board authorization. This resolution was then approved on a motion by M. Postick, seconded by B. Link. The motion passed unanimously by voice vote.

**Resolution #2018-54 – Repeal of Emergency Declaration for Flood Event in 2018:** This resolution repeals the emergency declaration that was made by the Board in July 2018. This declaration is no longer required and should be repealed. DTMA has resumed using standard purchasing and bidding procedures. The resolution was passed on a motion by D. Feidt, seconded by M. Corado. The motion passed unanimously by voice vote.

#### **Presentation of the 2019 Stormwater Operating Budget**

W. Schutz presented the 2019 Stormwater Fund Budget for the Board's review, discussion, and approval. The 2019 Stormwater Fund Budget has been prepared with two years of Stormwater Management Program (SMP) administration and operation experience. This experience has provided the Staff with the basis for projecting revenues and developing a plan for the ongoing expenditures required for the efficient operation and restoration of the stormwater assets.

Mr. Schutz reviewed the condensed statement of 2018 revenues and expenses including a comparison of year-to-date, projected EOY revenues and expenses, compared to the 2018 Budget. The review showed that there were no significant events during 2018. Staff anticipates ending 2018 in a very good position for the continued expansion of the services envisioned by the comprehensive SMP. A few highlights of the 2018 operation through the end of October include: Operating Revenues appear to be on track to exceed the budget; Operating Expenses are running slightly under budget projections mostly because some of the project expenses will not be paid out until early 2019; and as of October 31<sup>st</sup> the stormwater fund continues to show a very positive net position.

The Operating Fund receipts are projected to increase by approximately 2% as more impervious areas are added. The requests for credits and adjustments have decreased substantially so the reductions and

refunds have minimal impact on revenue. Revenue is projected to be near \$1,388,400 based on 17,800 ERUs at \$78 per year.

The 2018 Stormwater Departmental Expenses have increased over 2017 due to the addition of two new full-time field crew members; legal and engineering fees, emergency contract repairs, Township stormwater services fee; and the Stormwater Department's share of the 2018 Construction Fund Debt Service payments.

There are six projects totaling \$191,400 to be paid from the Operating Fund in 2019. Seven projects totaling approximately \$1 million are slated to come out of the stormwater portion of DTMA's 2018 Construction Fund. Expenditures for MS4 activities, other minor stormwater repairs and improvements, and ongoing efforts to identify, characterize, and map stormwater facilities are also included in the 2019 budget.

Overall, the proposed 2019 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 of \$6.50 per ERU appears to be adequate to provide the necessary revenue for MS4 Permit compliance and the operation of the comprehensive Stormwater Management Program.

**Resolution #2018-55 – Approval of the 2019 Stormwater Operating Budget:** This resolution was passed on a motion by R. Furlan, seconded by B. Link. The motion passed unanimously by voice vote.

Discussion on Resolution #2018-56 - Revised Bylaws

The Authority's organizational Bylaws had not been fully review and updated since 1987. In 2017 Staff and the Solicitor proposed revisions to a few of the "original" sections that were very obviously contrary to the Authority's Act and other State laws. Those revisions were viewed as interim until staff and the Solicitor had the opportunity to review, revise, and generally update the entirety of the Bylaws which serve as a guide on how the Authority conducts business.

A review of the entire Bylaws has been completed by the Solicitor and the Executive Director. The proposed new Bylaws incorporate previous changes, they now reflect the current operation of the Authority, and are in compliance with applicable laws. Resolution #2018-56 rescinds all other versions and amendments to previous Bylaws and adopts the revised version.

**Resolution #2018-56 – Approval of Revised DTMA Bylaws:** A motion to accept the revised Bylaws was made by B. Link, seconded by R. Furlan. The motion passed unanimously by voice vote.

Discussion on Resolution #2018-57 – Amendment to Salary Administration Program

The Authority operates a wastewater laboratory that performs the numerous analyses required by our NPDES effluent discharge permit as well many additional critical treatment process analyses. The continued operation of the Authority's lab requires that it maintains accreditation under the PA DEP laboratory accreditation program.

DEP Lab Accreditation staff conducts an on-site assessment (or audit) of the Authority's wastewater laboratory every three (3) years. The on-site assessment includes reviews the sample handling protocols, process testing and analysis, quality assurance/quality control protocols, and reporting procedures to insure that the lab is maintaining the required high level of competency and regulatory compliance. The lab has successfully completed every on-site assessment conducted since the accreditation program was initiated.

In preparation for the most recent on-site assessment in November 2018, a Staff review of the accreditation regulations (25 PA Code Chapter 252) was performed. It was determined that DEP accreditation requires that the staff individual responsible for the direct oversight of the laboratory be designated as a Laboratory Supervisor.

Currently Kim Doerr, who is a Laboratory Technician IV, is our DEP-designated Laboratory Supervisor. Unfortunately, Kim's current job title and the associated job description do not comply with the current laboratory accreditation program requirements. It is proposed that the Authority's Salary Administration Program be revised to include the Salary Position Title of Laboratory Supervisor and associated salary range. Mrs. Doerr will transition from a non-exempt to an exempt position with a commensurate salary adjustment. This will insure that the Authority's wastewater lab will comply with the regulatory requirements and continue to maintain its accreditation under the PA DEP Laboratory accreditation program.

**Resolution #2018-57 – Amendment to the Salary Program Policy to Add the Laboratory Supervisor Position:** This resolution was passed on a motion by M. Weir, seconded by M. Postick. The motion passed unanimously by voice vote.

#### **EXECUTIVE SESSION**

The Board recessed into Executive Session at 7:00 p.m. to discuss personnel matters. They reconvened at 7:32 p.m.

**Resolution #2018-58 – Approval of Employment Contracts with Executive Director and Deputy Director:** This resolution was passed on a motion by B. Link, seconded by R. Furlan. The motion passed unanimously by voice vote.

#### **Discussion on Resolution #2018-59 – GESA Contract Award**

ESG has provided DTMA with the latest Phase 1 pricing. Unfortunately the actual Phase 1 GESA contract has not been completed at this time. Originally, Staff intended to request conditional approval of the GESA contract pending legal counsel and staff review; however, it was the opinion of our special legal Counsel Lee Stinnett that the final form GESA Contract should be presented to the entire Board for approval.

Mr. Stinnett suggested that it would be more appropriate to have the Board appoint a GESA Contract Committee to assist Authority Staff and Special Counsel with the review and any concurrent negotiations of the proposed GESA contract when it is received. The result of that contract review and negotiation process will be the final form GESA Contract that will be presented to the entire Board for approval at either the January or February Board meeting.

In the meantime, Mr. Stinnett suggested that the Board issue a notice of intent to award which would provide the required public notice of intent and indicate the Authority's commitment to the GESA contract utilizing the discussed review and negotiation process to ultimately present the final form contract to the Board for approval.

Mr. Link asked if Staff could prepare a report indicating what each phase of the GESA project covers and the costs associated with those phases. Mr. Engle noted that the same document could then also be given to the Township Supervisors to bring them up to date on this project. Mr. Link also asked that the GESA legislation be included in the report.

**Resolution #2018-59 – Approval of Notice of Intent to Award the GESA Contract:** This resolution was passed on a motion by R. Furlan, seconded by M. Corado. The motion passed unanimously by voice vote.

A GESA Contract Committee of Board members Ron Furlan, Brian Link, and Mike Postick was established to work with Staff and legal counsel.

**Resolution #2018-60 – Appointment of the GESA Project Finance Team:** The team members would consist of PFM Financial Advisors, RBC Capital Markets as the Bond Underwriter, and McNees Wallace and Nurick as Bond Counsel. This resolution was passed on a motion by M. Weir, seconded by B. Link. The motion passed by voice vote. D. Feidt abstained from voting due to his employer's affiliation with one of the proposed members of the Finance Team.

**Resolution #2018-61 – Approval of 2019 Meeting Dates:** This resolution was passed on a motion by D. Feidt, seconded by R. Furlan. The motion passed unanimously by voice vote.

### **NEW BUSINESS**

#### **Presentation of the Employee Handbook**

K. Bloom presented the Board members with a draft Employee Handbook that staff and DTMA's labor counsel have been working on over the last several months. As DTMA policies are created and adopted, they are communicated to management and staff through written documents and/or employee meetings. There is an HR manual that contains the policies that have been adopted over the years, but a formal manual or handbook for the employees has never been created. This same draft will be given to the employees at an employee meeting on December 19 for their comments. There are many new policies in this handbook that have not been previously addressed and revisions have been made to some existing policies to bring them current.

Staff is asking the Board and employees to review the draft document and provide any comments or suggestions to Kim Bloom and Wayne Schutz by January 11, 2019. The comments and suggestions from the Board and the employees will be reviewed with DTMA's labor counsel, if necessary, and will amend or add policies as needed. The handbook can then be adopted as a whole, at the January or February Board meeting. Any new policies or subsequent changes to existing policies can be handled throughout the year. A revised handbook will be presented to the Board for approval in January of each year that would incorporate all activity throughout the previous year.

### **PUBLIC COMMENT**

There was no public comment at this time.

### **ADJOURNMENT**

With no further business to come before the Board, R. Furlan made a motion to adjourn the December 17, 2018 public meeting at 7:47 p.m., seconded by J. Engle. The motion passed unanimously by voice vote.

  
(Assistant) Secretary