

**MINUTES OF THE MEETING
DERRY TOWNSHIP MUNICIPAL AUTHORITY
670 CLEARWATER ROAD
HERSHEY PA 17033
MONDAY, SEPTEMBER 30, 2019**

The Derry Township Municipal Authority Board held its regular monthly meeting on Monday, September 30, 2019, in the Conference Room of the Authority's Administration Building, 670 Clearwater Road, Hershey, Pennsylvania. Vice Chairman Furlan called the meeting to order at 6:00 p.m.

ROLL CALL

Board Members Present: Charles Duncan, David Feidt, Ronald Furlan, Brian Link, Matthew Weir, and Richard Zmuda.

Board Members Absent: Michael Postick

Also Present: Staff Wayne Schutz (Executive Director)
William Rehkop (Facilities Director)
Kimberly Bloom (HR & Benefits Administrator)
Michael Callahan (Stormwater Program Manager)
Pearl Comarnitsky (Finance Director)

Consultants Isaac Wakefield (Solicitor, Salzmann Hughes)
Paul Gross (Buchart Horn)

Visitors None

PUBLIC COMMENT

There was no public comment at this time.

APPROVAL OF PREVIOUS MINUTES

D. Feidt made a motion to approve the Minutes of the August 26, 2019 Board meeting as submitted. B. Link seconded. The motion passed unanimously by voice vote.

APPROVAL OF TREASURER'S REPORTS AND BILLS FOR PAYMENT

Staff presented the August Bills for Payment and Treasurer's Report for approval. C. Duncan made a motion to approve the August Bills for Payment and Treasurer's Report, seconded by R. Zmuda. The motion passed unanimously by voice vote.

STAFF UPDATES AND REPORTS

EXECUTIVE DIRECTOR'S REPORT – WAYNE SCHUTZ

Bond Refunding - The result of the 2014 GO Bond refunding was better than expected. The total net savings resulting from the refunding is approximately \$249,000. This will result in a savings in the annual debt service payments of approximately \$58,800 for 2019 and approximately \$190,200 for 2020.

Looking ahead, the Authority's 2015 GO Bonds, which have a June 15, 2020 call date, could be refunded on or about February 1st and close mid-March. If the interest rates remain around the same level as today, DTMA could realize a savings of approximately \$149,000. Staff and the Finance Team will continue to monitor this opportunity.

FEMA – FEMA provided a letter outlining their decision as to the status of reimbursement for items damaged in the 2018 flood event that were deemed uninsurable. As a result of this decision, DTMA received an insurance policy refund of \$72,908. This letter and refund only apply to the specific claim identified and not to the greater question of FEMA post 2011 flood insurance requirements. The ramification of this letter in light of the FEMA post 2011 flood directives was discussed at great lengths between Staff and DTMA's Insurance Advisor, Murray Securus (MS). Because this letter only applies to this specific claim and not to the overarching FEMA post-flood directive to maintain the prescribed flood insurance at all times, MS recommended that the policy with our current carrier be renewed. In the next few weeks, Staff will submit a formal letter request to the FEMA Office requesting official FEMA authorization and consent to forego flood insurance coverages on those areas with non-eligibility for flood insurance.

Executed Professional Services Contracts – A contract for professional services with Brown & Caldwell for the evaluation and submission of a revised Part II Water Quality Permit with PA DEP regarding the Chapter 94 Organic Overload was executed by the Executive Director. The contract amount is \$16,450.

FACILITIES DIRECTOR'S REPORT – BILL REHKOP

Londonderry Township S.R. 230 Sewer Extension Project

During the September 3rd Londonderry Township Board of Supervisors (BOS) meeting, the BOS approved amendments to the zoning ordinance and map to permit business parks, logistics facilities and mini warehouse/storage unit facilities as conditional uses in the (C-2) commercial district along the S.R. 230 corridor. This was a critical step in the Township's planning efforts to permit the commercial use that is proposed along the S.R. 230 corridor. It is also DTMA's understanding that the Lytle Farm developer is currently designing the S.R. 230 corridor sewer extension project. A portion of the sewer extension is anticipated to start construction sometime in Spring 2020. Over the next several months, Staff will continue to work with Londonderry Township in development of a sewer service agreement to serve the S.R. 230 corridor. The Solicitor is working with Staff to develop a policy and agreement regarding the pre-purchase of capacity for projects.

R. Furlan asked if the developer from Lower Swatara Township who pre-purchased capacity several years ago has been notified of the requirements for use of this capacity. Staff will be in contact with the developer once the policy has been finalized and will review the options for using the capacity.

Resolution #2019-49 – Ratification of project payments from the 2019 Capital Project Fund and authorization for payments to be made from the 2018 Construction Fund: Staff reviewed the payments from the 2019 Capital Project Fund requiring Board ratification and payments from the 2018 Construction Fund requiring Board authorization. This resolution was then approved on a motion by C. Duncan, seconded by B. Link. The motion passed unanimously by voice vote.

Clearwater Road WWTF Power Improvements [Contract 2019-01]

Garden Spot Electric has begun with the shop drawing submittal process. The on-site work will likely start in early Spring 2020 upon completion of the site grading project (Contract 2019-05) and delivery of the new switchgear.

Clearwater Road WWTP Floodproofing [Contract 2019-03]

To date, Performance Construction Services has submitted shop drawings for the concrete forming work. Staff anticipates the contractor to begin the concrete work prior to the start of the cold weather season this year. The flood barriers will be installed in early 2020 upon delivery from the manufacturer.

Clearwater Road Site Grading and Improvements [Contract 2019-05]

A preconstruction meeting was held on Tuesday, September 17th with representatives from Ebersole Excavating, Brown and Caldwell, Bassett Engineering, and DTMA. On-site contract work began on September 23rd. Staff is coordinating with the Township Staff and their Geo-Tech consultant, ARM Group Inc., to utilize the project's excess cut material as cover for the Township's landfill site. ARM conducted soil classification analyses at various test pits within the DTMA project area and has concluded that the cut material soil classification is favorable for use as landfill cover material. Transporting the cut material to the landfill site will provide an overall cost savings for DTMA.

WWTP Interior Pipe Insulation [Contract 2019-02]

Contract 2019-02 generally includes the installation of pipe insulation of the existing heating supply and return piping and potable water piping of various sizes located in the lower level of existing plant buildings and pipe tunnels at the Main Plant. These piping systems were submerged during the July 2018 Flood event and as a result the previous piping insulation systems were damaged and have since been removed. Three (3) bids were received through the PennBid program on Wednesday, September 25th. The apparent low bidder is Masters Mechanical Insulation, LLC (MMI) with a total unit price amount of \$33,397.94. The piping insulation removal and replacement costs were included as part of the Proof of Loss Applications to the insurance adjuster for the July 2018 Flood event.

ADDITIONAL FACILITIES DIRECTOR INFORMATION ITEMS

Flood Resilience Program Update

The Flood Resilience Program identified six (6) projects to be completed in the next several years. The program objective is to mitigate asset losses and improve the recovery time of our critical assets from future floods. The relocation of Power Center No. 2 (PC2) and high voltage switches to higher elevations contract was awarded to Garden Spot Electric with completion anticipated by Fall of 2020.

Clearwater Road WWTP Raw Sewage Pumps Replacement and Flood Mitigation Evaluation

Due to the significant improvements that would be required for implementing some of the six projects outlined in the Flood Resilience Program, Staff directed RK&K to complete a Conceptual Design Report with recommendations and planning level cost estimates for replacing the influent pump station sewage pumps as well as flood mitigation for all electrical power, control and SCADA equipment located below grade areas at the Clearwater Road WWTP.

Clearwater Road WWTP Raw Sewage Pumps Replacement Project

For the influent pumping system, the study recommends replacing the existing four (4), extended shaft, dry-pit sewage pumps with dry-pit direct motor mount submersible pumps. The existing pumps have been in service for nearly 45 years and are nearing the end of their useful life. In addition to installing pumps capable of withstanding extended periods of complete submergence, utilizing submersible pumps with direct mounted motors will eliminate the ongoing issue of stray current fluting of the extended shaft intermediate support bearings.

New electrical power, control and instrumentation equipment will be relocated from the existing Pump Motor Room (located below grade and susceptible to flooding) to the Electrical Room located on the second floor of the Control Building (above the 2011 Flood elevation). Since a significant amount of electrical work will be completed in the Electrical Room, the approximately 45 year old Power Center No. 1 and MCC-1 is reaching the end of its useful life and is recommended for replacement as part of this project. The project also includes the replacement of the existing drywell sump system with a duplex dewatering pump system consisting of a low capacity pump capable of pumping drain water during normal operation and an additional high capacity pump sized to dewater a flooded drywell. The planning level project cost estimate range (including contingency) is between \$2.7 and \$3.5MM.

Electrical and Control Equipment Flood Mitigation Project

Recent flood events also caused significant flooding and equipment damage to the following areas of the Clearwater Road WWP:

- Sludge Building Ground Floor, Basement, and Pipe Tunnels
- Primary Sludge Pump Room
- Waste Sludge Pump Room
- Sludge Transfer Pump Room
- Filter Building Ground Floor
- Secondary Digester Pump Room

To prevent damage and loss of service to critical assets as a result of future flooding, the study recommends relocating the major electrical and control equipment located in the flood prone areas of the plant to either the second floor of the Sludge Building or a higher elevation in the Filter Building, all of which are at a higher elevation than the 2011 Flood. In general, this equipment consists of motor control centers (MCCs), variable frequency drives (VFDs), programmable logic controller (PLC) panels, panelboards and transformers. The project will also include the replacement of existing sump pumps in the various below grade structures with duplex dewatering systems similar to the proposed system for the influent pump station drywell. The planning level project cost estimate range (including contingency) is between \$1 and \$1.4MM.

Staff is very pleased with the findings and recommendations outlined in the study as well as the high level of expertise demonstrated by RK&K in completion of the report. Staff will be requesting a proposal from RK&K to perform the engineering design and bid phase services for both projects as described above.

Resolution #2019-50 – Bid Award for the Pipe Insulation Project, Contract #2019-02 to Masters Mechanical Insulation: This resolution was passed on a motion by C. Duncan, seconded by R. Zmuda. The motion passed by voice vote.

Discussion on Resolution 2019-51 - Hersheypark Drive Sewer Extension [Contract 2019-04]

Contract 2019-04 includes the extension of the existing gravity sanitary sewer main on Hersheypark Drive for the purpose of eliminating the deteriorated section of the force main associated with the High Meadow Pump Station. This contract also includes the installation of an intermediate flushing and bypass connection vault along the force main alignment for preventative maintenance purposes and to improve the emergency response time in the event of another force main break. On Thursday, September 19th, four (4) bids were received through the online PennBid Program. The apparent low bidder is Wexcon, Inc. with a lump sum bid amount of \$183,851.

Resolution #2019-51 – Bid Award for the Hersheypark Drive Sewer Extension Project, Contract #2019-04 to Wexcon Inc.: This resolution was passed on a motion by B. Link, seconded by C. Duncan. The motion passed unanimously by voice vote.

Discussion on Resolution 2019-52 - Annual Chemical Supply Contracts

Three annual chemical supply contracts renewals were separately bid this month for furnishing and delivering Liquid Ferric Chloride [Contract 2019-06], Liquid Ferrous Chloride [Contract 2019-07], and Liquid Magnesium Hydroxide [Contract 2019-08]. The contract period for all contracts is from October 1, 2019 to September 30, 2020. Each contract may be extended for up to three, one-year periods if agreeable to both parties. Price adjustments will be based upon a ratio of the Producer Price Index – Commodities – Chemicals and Allied Products. Univar USA Inc. was the successful bidder for Contract 2019-06 and Contract 2019-07. Coburn Chemicals was the successful bidder for Contract 2019-08.

Resolution #2019-52 – Bid Award for Chemical Supply Contracts: This resolution was passed on a motion by C. Duncan, seconded by B. Link. The motion passed unanimously by voice vote.

Discussion on Resolution 2019-53

An RFP that was submitted to four engineering firms (Brown & Caldwell, Buchart Horn, HRG, and Hazen & Sawyer) to complete a concept study for the expansion and upgrade of the existing Southwest (SW) WWTP. The RFP outlined the specific project needs based on the increased residential and non-residential growth within the current SW WWTP service area and the S.R. 230 corridor which dictates required improvements to existing facilities at the plant. Each firm was requested to provide a statement of their understanding of the project, special project considerations, project team qualifications, valued added scope, work plan and schedule. In review of the submitted proposals, Staff utilized an evaluation matrix rating system for comparison of each firm's response to the key selection criteria as identified in the RFP.

In general, each firm demonstrated their commitment to the success of this project and their proven high level of expertise, ensuring project objectives are achieved. While each firm assembled a very talented project team that would provide an extraordinary value to the DTMA Staff, HRG and Hazen emphasized the importance of maximizing the use of existing tanks and processes to save costs on capital improvements. HRG and Hazen each appeared to have extensive project experience for designing a Class B effluent water reuse system. These firms also identified that the findings of this study could easily be modified into a Basis of Design Report (BODR) and be incorporated into an Act 537 – Special Study submission to DEP to satisfy the planning requirements. However, Hazen provided in their proposal the additional scope and fee to complete and submit the Act 537 Special Study to DEP within weeks of completion of the Concept Study, which Staff found to be very valuable. Therefore, Hazen's proposal was rated slightly higher than HRG's based on their inclusion of a wastewater simulation and hydraulic model and their foresight to include a scope and fee for submission of an Act 537 Plan Special Study in order to maintain project schedule.

Resolution #2019-53 – Authorization to retain Hazen and Sawyer to perform the Southwest WWTP Upgrade and Expansion Concept Study: This resolution was passed on a motion by B. Link, seconded by C. Duncan. The motion passed unanimously by voice vote.

Resolution #2019-54 – Approval of Certificate of Incumbency for Wilmington Trust: This resolution was passed on a motion by C. Duncan, seconded by D. Feidt. The motion passed unanimously by voice vote.

OTHER BUSINESS

The Executive Director noted that because of the Operations Staff's significant efforts, 1,500 phosphorus credits and 15,000 nitrogen credits were generated which will result in approximate \$45,000 in revenue when sold.

R. Zmuda noted that he had received an email from PA DOT that they will be replacing a bridge on Cocoa Avenue. He wanted to make sure the DTMA staff was aware of this project so that any stormwater efforts could be coordinated if necessary.

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 September 30, 2019 public meeting at 6:40 p.m., seconded by D. Feidt. The motion passed unanimously by voice vote.

(Assistant) Secretary