

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

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

ROLL CALL

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

Board Members Absent: Richard Zmuda

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 Lee Stinnett (Solicitor, Salzmann Hughes)
Paul Gross (Buchart Horn)

Visitors Dave Tshudy (Pepper Hamilton – representing Vision Elizabethtown)

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 25, 2019 Board meeting as submitted.
D. Feidt seconded. The motion passed unanimously by voice vote.

APPROVAL OF TREASURER'S REPORTS AND BILLS FOR PAYMENT

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

STAFF UPDATES AND REPORTS

FACILITIES DIRECTOR'S REPORT – BILL REHKOP

CLEARWATER ROAD WWTF POWER IMPROVEMENTS [CONTRACT 2019-01]

Garden Spot Electric (GSE) will commence with construction work in March 2020 upon delivery of the new switchgear equipment. GSE recently submitted a proposed change order for DTMA's consideration to provide the following changes and benefits for the project:

- Re-route the location of the medium voltage cables in a new duct bank, following the path of the new duct bank to be installed as part of the contract. This option relocates the medium voltage

cables out of the flood plain in a new duct bank and eliminates the reuse of the existing duct bank of unknown condition. This option will also eliminate the need for a junction box at the existing Power Center No. 2 (PC2) pad site.

- Install a new duct bank and motor control center (MCC) feeders from an existing electrical manhole to the Sludge Building / Waste Sludge Pump Room. This option will eliminate the need for the low voltage junction box and the existing PC2 concrete pad thereby removing all above-ground junction boxes out of the flood plain.

Additionally, the above-mentioned work changes will improve construction sequencing and reduce the potential for lengthy power outages associated with critical plant process equipment. Eliminating the PC2 pad site provides additional open space in the event DTMA proceeds with expanding the Sludge Building and truck off-loading area to accommodate future biosolids dewatering and drying improvements. RK&K has also reviewed the proposed change order and finds the additional work to be acceptable.

This proposed change order would increase the original contract price by an estimated amount of \$141,661.55. GSE noted that there's a potential for savings depending on modifications to the duct bank alignment and removal of electrical manholes. Any potential savings will be identified as the project moves forward into construction. B. Link suggested that Buchart Horn review the proposed change order and pricing and report to Staff their opinion. Potential savings from modifying the original scope of the project should also be reviewed. With construction likely starting in March 2020, the change order will be reviewed and a formal Change Order #1 will be presented to the Board at the January 2020 meeting.

WWTP INTERIOR PIPE INSULATION [CONTRACT 2019-02]

Masters Mechanical Insulation, LLC (MMI) commenced with the piping insulation during the week of November 11th. All work will be complete by the end of December 2019 per MMI's schedule. MMI submitted AFP #1 for the work completed to date.

CLEARWATER ROAD WWTP FLOODPROOFING [CONTRACT 2019-03]

Performance Construction Services (PCS) commenced with the contract work on November 25th to include installation of the concrete forms and rebar for all stairwell access areas. The manufacturer of the flood barriers (Whipps) has scheduled delivery during the week of January 20, 2020. PCS anticipates completing all work by the end of February 2020.

HERSHEYPARK DRIVE SANITARY SEWER EXTENSION [CONTRACT 2019-04]

Paul Gross reported that they are receiving shop drawings from Wexcon. Project commencement is anticipated to be in January 2020.

CLEARWATER ROAD SITE GRADING AND IMPROVEMENTS [CONTRACT 2019-05]

All work on-site including site excavation, grading, and construction of the stormwater basins is nearing completion. The UGI gas relocation was also completed during the week of December 2nd. The work that remains includes fencing, surface restoration, and installation of the embankment rip-rap and underdrain system (CO#2). To date, approximately 1,357 hauled loads of cut material was delivered to the Township's landfill site providing a savings to the contract price in the amount of \$63,779. Ebersole had submitted AFP #3 for the work completed prior to date.

ITEMS FOR ACTIONS

Resolution #2019-67 – 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 B. Link, seconded by C. Duncan. The motion passed unanimously by voice vote.

Presentation of the 2020 Stormwater Budget – Resolution #2019-68

The Executive Director presented the proposed 2020 Stormwater Fund Budget. The Budget was prepared with three years of Stormwater Management Program (SMP) administration and operation information.

The Director reviewed a condensed statement of 2019 revenues and expenses including a comparison of year-to-date, projected EOY revenues and expenses and a comparison to the 2019 Budget. The review shows that there were no significant events during 2019. Staff anticipates ending 2019 in a very good position for the continued expansion of the program services envisioned by the comprehensive SMP. A few highlights of the 2019 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; and as of October 31st the stormwater fund continues to show a healthy net positive position.

2020 STORMWATER FUND BUDGET HIGHLIGHTS

- Direct Customer Revenue of \$1,575,600
 - 20,200 Net ERUs @ \$78/ERU/Yr
- The 2020 Disbursements include:
 - Departmental Expenses of approximately \$802,600
 - SMP Share of 2018 Construction Fund Debt Service (\$55,300)
- The proposed Projects and Capital Expenditures include:
 - Eight (8) proposed projects totaling \$1.5 MM to be paid from the Operating Account
 - Four (4) proposed projects totaling over \$0.8 MM to be paid for the stormwater share of the 2018 Construction Fund.
- The receipts and expenditures result in a projected EOY cash balance of \$0.9 MM

The 2020 Stormwater Fund Budget was prepared based on the projected revenues using the approved monthly fee of \$6.50/ERU (or \$78/ERU/Year) and applied to the projected net ERUs. The Budget expenditures include a fair estimate of the projected administrative/office and collection (pipeline) expenses. An aggressive level of proposed project and capital expenditures has been included for stormwater system facility repairs, improvements, and MS4 activities.

Resolution #2019-68 – Approval of the 2020 Stormwater Budget: This resolution was passed on a motion by R. Furlan, seconded by C. Duncan. The motion passed unanimously by voice vote.

Discussion on Resolution #2019-69 – Southwest Plant Upgrade Fund

Staff is proposing to establish a new, non-indentured fund that will be used as a financing component for the capital improvements that will be required to upgrade and expand the SWWTF to provide future anticipated environmental regulatory compliance as well as to meet the increasing customer needs within the SWWTF service area. The Fund will be created by an initial transfer of \$10,000 from the DTMA Operating Account to be made in early 2020. The Fund will be sustained by an annual deposit of all wastewater capacity fee revenue receipts from the purchase of wastewater capacity in the SWWTF

service area. The annual transfer into the Fund will be made on or before December 15th for the then current year.

Resolution #2019-69 – Authorization to establish a Southwest Wastewater Treatment Facility Upgrade Fund: This resolution was passed on a motion by B. Link, seconded by C. Duncan. The motion passed by voice vote.

Discussion on Resolution #2019-70 – Approval of Sewer Extension Agreement with Londonderry Township
The final draft form of the proposed Londonderry and developer Sewer Extension Agreement as well as the Sewer Capacity Purchase Agreement (with Vision-Elizabethtown) have been reviewed by Staff and legal counsel. The Sewer Extension Agreement has four parties to the agreement: DTMA, Londonderry Township, Vision-Elizabethtown, and Core 5. The latter two entities are the property developers. The Sewer Capacity Purchase Agreement is based on a template agreement that was developed to memorialize the Rates, Rules & Regulations amendment established by Resolution 2019-38.

The Solicitor reported that the Sewer Extension Agreement addresses items from preconstruction through dedication. Construction review escrow accounts will be established to cover the Authority's costs for reviewing plans and performing inspections. B. Link noticed that the DTMA inspections are listed as being provided "part time". He asked if Staff inspections are permitted to be full-time on critical portions of the project, such as backfilling trenches, etc. The contract will have the flexibility to provide this type of inspection when necessary. Provisions are also provided in the agreement to cover asbuilts, bonding, and the securities needed and the final release of the securities. The Capacity Agreement will be executed at a later date, but capacity will not be guaranteed until payment of the capacity fees have been received by DTMA.

Dave Tshudy of Pepper Hamilton was present to represent Vision-Elizabethtown. He noted that his client and another developer, Core 5, are submitting land development plans with Londonderry Township. These developers are familiar with Londonderry's engineer, HRG, and will work with them to ensure the project proceeds with DTMA's requirements in mind. Mr. Tshudy noted that his client's initial request for capacity is 15,000 gallons per day, but they would like to increase that to 20,000 gallons per day.

Resolution #2019-70 – Approval of Sewer Extension Agreement and Sewer Capacity Purchase Agreement with Londonderry Township and developers: The resolution was passed on a motion by R. Furlan, seconded by C. Duncan. The motion passed by voice vote. D. Feidt abstained from voting due to a potential business conflict.

Discussion on Resolution #2019-71 – Confirmation of Assignment with HRG

Earlier in 2019, the Board approved initial work on several projects by HRG. One of those phases (#17 – Brookside Park) is ready for permit submission. Tasks E, F, and G to Phase 17 would authorize HRG to prepare and submit applications for the NPDES, GP-3, and GP-11 permits needed to complete the Brookside Park Basin improvements. This work will include any concurrent Section 404 permits through the USACE's permit process. These projects were included in the 2020 Stormwater Budget and are integral to meeting DTMA's near and long-term MS4 permit and Pollution Reduction Plan requirements.

Resolution #2019-71 – Approval of Confirmation of Assignment for Tasks E, F, and G of Phase 017 in the Brookside Park Basin Improvements stormwater project: This resolution was passed on a motion by R. Furlan, seconded by C. Duncan. The motion passed by voice vote. M. Postick and D. Feidt abstained from voting due to a potential business conflict.

Resolution #2019-72 – Approval of a revised PA Small Water and Sewer Grant application resolution for eligible stormwater projects: The resolution presented and approved at the November Board meeting needed to be amended to include additional information as required by the grant application. This resolution provides that additional information. The resolution was passed on a motion by B. Link, seconded by R. Furlan. The motion passed by voice vote.

PUBLIC COMMENT


There was no public comment at this time.

EXECUTIVE SESSION

The Board recessed into Executive Session at 6:48 p.m. to discuss personnel and legal matters. They reconvened the meeting at 7:45 p.m.

ADJOURNMENT

With no further business to come before the Board, R. Furlan made a motion to adjourn the December 30, 2019 public meeting at 7:45 p.m., seconded by C. Duncan. The motion passed unanimously by voice vote.


(Assistant) Secretary