

**MINUTES OF THE MEETING
DERRY TOWNSHIP MUNICIPAL AUTHORITY
670 CLEARWATER ROAD
HERSHEY PA 17033
MONDAY, FEBRUARY 24, 2020**

The Derry Township Municipal Authority Board held its regular monthly meeting on Monday, February 24, 2020, in the Conference Room of the Authority's Administration Building, 670 Clearwater Road, Hershey, Pennsylvania. Chairman Feidt 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, Matthew Weir, and Carter Wyckoff.

Board Members Absent: None

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, Salzman Hughes)
Paul Gross (Buchart Horn)
Ben Kapenstein (PFM)
Tim Horstmann (McNees Wallace & Nurick)
Michael Pykosh (Dethlefs Pykosh)

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 January 27, 2020 Board meeting as submitted. R. Furlan seconded. The motion passed unanimously by voice vote.

APPROVAL OF TREASURER'S REPORTS AND BILLS FOR PAYMENT

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

STAFF UPDATES AND REPORTS

EXECUTIVE DIRECTOR'S REPORT – WAYNE SCHUTZ

BOND REFUNDING – Ben Kapenstein (PFM – Financial Advisor) and a representative from Bond Counsel presented the schedule and Board Resolution for the planned refunding of the Authority's 2015 GO Bonds and 2016 GO Note.

EXECUTED PROFESSIONAL SERVICES CONTRACTS:

An engagement letter to provide comprehensive insurance coverage for the Authority for 2020 was executed with Murray Insurance. The \$12,000 fee has remained the same since 2018.

EXECUTED CONTRACT CHANGE ORDERS:

The Director executed Change Order #2 for Contract #2019-03 – Clearwater Road Floodproofing Project for a credit amount of \$13,993.00. This credit is for the deletion of equipment, supplies, and labor.

As requested from the Board, staff is working on establishing DTMA email addresses for each of the Board members. Login and access information will be supplied to the Board members as soon as it is available.

FACILITIES DIRECTOR'S REPORT – BILL REHKOP

Mr. Rehkop reviewed the current construction projects.

CLEARWATER ROAD WWTF POWER IMPROVEMENTS [CONTRACT 2019-01]

GSE will commence with construction work in the spring of 2020 upon delivery of the new switchgear equipment.

CLEARWATER ROAD WWTP FLOODPROOFING [CONTRACT 2019-03]

Since last month's report, Performance Construction Services (PCS) completed installation of all flood barriers at building doors and lower level access stairwells. The remaining contract work includes water leakage testing for all flood barriers. PCS has submitted AFP #3 for the work completed prior to date in the amount of \$96,611.24.

PCS submitted Change Order Request #2 for a net decrease in contract price in the amount of \$13,993.00. This change order includes 1) the additional labor and materials to replace a concrete slab at one of the doorway entrances, 2) deletes the contract requirement to provide a storage rack for all flood barriers, and 3) deletes a flood barrier location at a building wall louver. It was noted that in accordance with Board policy, the Executive Director has executed this change order.

HERSHEYPARK DRIVE SANITARY SEWER EXTENSION [CONTRACT 2019-04]

Wexcon commenced construction work during the week of February 17th and should be completed by mid-March.

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

All work under this contract is complete with the exception of final surface restoration, which will likely occur in the spring.

SANITARY SEWER AND STORM SEWER REPAIRS [CONTRACTS 2019-09 AND 2019-10]

Notice of Intent to Award letters were provided to Custer Excavating (Contract No. 2019-09) and Insituform Technologies (Contract No. 2019-10). Receipt of the executed Agreement, Bonds, and Certificate of Insurance for both contracts is needed prior to issuing the Notice to Proceed.

STORMWATER REPORT – MIKE CALLAHAN

Mr. Callahan presented an annual summary report to Board members. In 2019, DTMA entered its third year administering the Stormwater Management Program (SMP). Administering the SMP included establishing a SMP fee to support the program with designated funds to conduct maintenance and repair

of the stormwater infrastructure within the Township of Derry. Approximately 20 projects were completed in 2019. The minimum cost was \$895 and the maximum cost was \$385,500. The median cost was \$5,080. In total, approximately \$650,000 was spent on construction costs. Approximately \$267,000 of the construction repairs were attributed to unplanned repairs (emergency issues). The majority of the projects involved replacing failed corrugated metal pipe that had rusted to the point of deterioration.

It is anticipated that unplanned repair costs in 2020 will likely be similar to those experienced in 2019. Additionally, approximately \$2,275,000 of planned projects are slated to be undertaken in 2020. DTMA has also applied for \$665,000 in grant funds for two additional projects in the Township. If awarded, those projects will commence in 2020. DTMA Staff will continue to review repair needs across the Township to develop the 2020 program of planned repairs and projects.

Outreach and collaboration efforts were increased this year as Staff put into motion plans to address the impairments in the stream network. Addressing these impairments is an important compliance requirement of the MS4 permit. Much of the ground work staff conducted in 2017-2019 will start to bear fruit in 2020. Also, modeling and mapping work will continue with the Army Corps of Engineers.

Work continues in the Bullfrog Valley/Shank Park area in remediating the basins there and helping to control the flow of water into this area. Coordination with the Township, Conservation District, and other entities will continue.

ITEMS FOR ACTIONS

Discussion on Appointment of DTMA Solicitor

Previously, DTMA had released a Request for Proposal (RFP) for providing legal services to the Authority. Two proposals were received – one from Salzmahn Hughes and one from Dethlefs and Pykosh. C. Duncan suggested that DTMA should appoint the firm of Dethlefs and Pykosh as general solicitor. Mr. Link noted that there was a committee of the Board that reviewed the proposals that were received and the committee agrees with Mr. Duncan's recommendation. Mr. Postick asked why the Board felt there was a need to change solicitors. Mr. Duncan explained that he felt it was due diligence of the Board to ask for the proposals. Mr. Duncan made a motion to accept the Committee's recommendation and appoint Dethlefs and Pykosh as the General Solicitor. He also stated that the motion should include that the Board would retain the authority to appoint Special Counsel if necessary in the future.

Mr. Weir noted that he felt Lee Stinnett of Salzmahn Hughes has done a very good job for the Authority and he is familiar with the Township's business so he should be retained as Solicitor. Mr. Postick agreed. Mr. Furlan asked if background checks had been done on the new firm being selected and if the recommendation from the Committee was done solely based on cost. Mr. Duncan said that since the Authority will soon be out of the contract with ESG, the Committee felt that the need for more specialized counsel should diminish over the next few months. Mr. Link noted that the General Solicitor will be able to handle the more routine business of the Authority. The Board will still be able to appoint special counsel if the need arises for items that are of a more specialized nature.

Resolution #2020-13 – Appointment of Solicitor: This resolution was passed on a motion by C. Duncan, seconded by B. Link to appoint the firm of Dethlefs and Pykosh as the General Solicitor effective immediately. The Board agreed that it retains the authority for selection and appointment of special counsel if necessary. The motion passed by voice vote. M. Weir, R. Furlan, and M. Postick voted against this resolution.

Discussion on Resolution #2020-14 – Authorization of Bond Refunding

Ben Kapenstein of PFM presented an update on the status of the bond market. Proposed savings on these refundings is estimated to be near \$300,000. He also explained the proposed distribution of those savings over the next several years, with the most savings being available in 2021.

Tim Horstmann of McNees Wallace presented Resolution #2020-14 for approval.

Resolution #2020-14 – Authorization to proceed with the 2015 General Obligation Bonds and the 2016 General Obligation Note Refinancings: This resolution was passed on a motion by B. Link, seconded by C. Duncan. The motion passed by voice vote. D. Feidt abstained from voting due to his business affiliation with one of the members of the Finance Team.

Resolution #2020-15 – 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 R. Furlan, seconded by M. Postick. The motion passed unanimously by voice vote.

Resolution #2020-16 – Authorization to execute PNC Bank Master Resolution and Signature Cards, PNC Bank Procurement Card Resolution, Fulton Bank's Certificate of Incumbency, and Wilmington Trust's Certificate of Incumbency: This resolution was passed on a motion by B. Link, seconded by R. Furlan. The motion passed unanimously by voice vote.

Discussion on Resolution #2020-17 – Approval of Brown and Caldwell Proposal

Brown and Caldwell (BC) submitted Engineering Design Scope Modification (EDSM) #3 in response to Staff's request to design a plant-wide heating loop system with a building management system (BMS) and control automation (via SCADA) to optimize heating in each plant building. The current plant heating system includes a separate north and south heating loop. The north loop includes the heating of the Maintenance Garage, Sludge Building, and Filter Building. The heat source for the north loop is from the existing combined heat and power (CHP) cogeneration system or the oil fired hot water boiler, as a backup. The south loop includes the heating of the egg-shaped digester (ESD) and the Headworks Building which is heated by the biogas fueled hot water boiler.

BC's original design scope included interconnections of the new CHP engines and heat recovery system within the existing south heating loop. Interconnecting the two (2) heating loops will improve system efficiency, backup redundancy, as well as provide additional heating capacity to meet the additional heating demand for all plant buildings, including the possibility of connecting the heating loop to the Admin & Control Building in the future.

EDSM #3 also includes a credit for eliminating design of an enclosed CMU block building for the proposed biogas conditioning system. The selected biogas conditioning technology is typically installed outdoors and therefore will not require the added expense of a building to house the associated process mechanical equipment. This design consideration will also provide significant construction cost savings.

Resolution #2020-17 – Approval of Brown and Caldwell Engineering Design Scope Modification #3 regarding the heating loop system: This resolution was approved on a motion by B. Link, seconded by R. Furlan. The motion passed unanimously by voice vote.

EXECUTIVE SESSION

The Board recessed into Executive Session at 6:41 p.m. to discuss personnel and potential litigation matters. They reconvened the meeting at 7:04 p.m.

Resolution #2020-18 – Approval of employment contract for Facilities Director William Rehkop: This resolution was passed on a motion by B. Link, seconded by M. Postick. The motion passed by voice vote. M. Weir voted against this motion.

OTHER BUSINESS

C. Duncan made a motion to appoint the firm of Salzmann Hughes as Special Counsel to complete work on the ESG GESA Project legal matter. R. Furlan seconded. The motion passed unanimously by voice vote.

A second Executive Session was held from 7:08 to 7:12 p.m. to discuss the Londonderry Intermunicipal Agreement.


Upon reconvening from the second Executive Session, C. Duncan made a motion to appoint the firm of Salzmann Hughes as Special Counsel to complete work on the Londonderry Township Intermunicipal Agreement for Londonderry Estates. R. Furlan seconded. The motion passed unanimously by voice vote.

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 February 24, 2020 public meeting at 7:15 p.m., seconded by C. Duncan. The motion passed unanimously by voice vote.


(Assistant) Secretary