

**MINUTES OF THE MEETING  
DERRY TOWNSHIP MUNICIPAL AUTHORITY  
670 CLEARWATER ROAD  
HERSHEY PA 17033  
MONDAY, JUNE 15, 2020**

The Derry Township Municipal Authority Board held its regular monthly meeting on Monday, June 15, 2020, in the Conference Room of the Authority's Administration Building, 670 Clearwater Road, Hershey, Pennsylvania. Due to the COVID-19 Pandemic, the meeting was also available to Board members, Consultants and Advisors, and the general public virtually through GoToMeeting. Chairman Feidt called the meeting to order at 6:01 p.m.

**ROLL CALL**

Attendees	In-Person	Virtually
<b>Board Members</b>		
Charles Duncan		X
David Feidt	X	
Ronald Furlan	X	
Michael Postick	X	
Matthew Weir	Absent	
Carter Wyckoff		X
Brian Link		X
<b>Staff</b>		
Wayne Schutz (Executive Director)	X	
William Rehkop (Facilities Director)	X	
Kimberly Bloom (HR & Benefits Administrator)	X	
Michael Callahan (Stormwater Program Manager)	X	
Michael Shambaugh (Network Systems Manager)	X	
Pearl Comarnitsky (Finance Director)	X	
<b>Consultants</b>		
Michael Pykosh (Dethlefs Pykosh)		X
Paul Gross (Buchart Horn)	Absent	
Lou Verdelli (RBC Capital Markets)	X	
Tim Horstmann (McNees Wallace)	X	
Ben Kapenstein (PFM Financial Advisors)		X
Colin O'Brien (Brown & Caldwell)		X
Micah Blate (Hazen & Sawyer)	X	
Mark Bottin (Hazen & Sawyer)	X	

**PUBLIC COMMENT**

There was no public comment at this time.

**APPROVAL OF PREVIOUS MINUTES**

There was a correction to Scott Shearer's information under the Roll Call. Mr. Shearer's firm is PFM Financial Advisors. After this correction, R. Furlan made a motion to approve the Minutes of the April 27, 2020 Board meeting. C. Duncan seconded. The motion passed unanimously by voice vote.

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

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

## **STAFF UPDATES AND REPORTS**

### ***EXECUTIVE DIRECTOR'S REPORT – WAYNE SCHUTZ***

DTMA management staff have implemented a number of policies and procedures to comply with COVID-19 business reopening guidelines. These include face masks in the open areas and common space of the Admin Building as well as requiring completion of a Health Survey Form (including taking and recording temperature) for employees (daily) and for third party individuals when they visit. The lobby will remain closed to the public until such time additional Plexiglas protection can be installed on the customer service windows. Comments and complaints have been minimal thus far.

### **EXECUTED PROFESSIONAL SERVICES CONTRACTS:**

The Director executed a contract for a Dartmouth Farms Area Storm Sewer Analysis & Model with HRG in the amount of \$4,150. Also executed were; Amendment #1 with Brown & Caldwell for the Clearwater WWTP Organic Rerate contract in the amount of \$5,800, and a proposal for Brown & Caldwell to assist with a grant application in the amount of \$7,000.

### **EXECUTED CONTRACT CHANGE ORDERS:**

The Director executed Contract Change Order #1 with Custer Excavating Inc. (Contract #2019-09 – Sanitary & Storm Sewer Repairs) in the amount of \$494.40.

The Director mentioned that he has requested additional information from South Hanover Township on the progress of their sewer rehab work and will provide an update to the Board when it is received. Also, the 2019 Financial Report and Audit should be available for presentation at the July Board meeting.

### **FINANCIAL SUMMARY FOR 2020**

Last month the Director presented a financial summary of revenues and expenses to date to review what impact the pandemic has had on the budget. The Board requested more info so at this meeting the Director presented a month-by-month summary of the revenue picture compared to previous years.

As the information illustrated, there was a slight downturn in the April variable consumptive revenue, although as the summary of the Treasurer's Reports Direct Revenue shows, compared to 2018 and 2019, the 2020 "Other" Revenues has increased.

May and June information from prior years showed some variability year to year. The July and August revenues are, however, historically consistent in the \$575,000 to \$625,000 per month range. Depending on the magnitude and success of a mid-summer 2020 re-opening of the park, lodging, conferences, and restaurants, those two months will have the greatest impact on revenues. If you assume a flat line of 2020 revenue (no park, no conferences & lodging, restaurants, etc.) the worst case will result in lower July and August revenues of approximately \$175,000 or more per month. Any soft or moderately successful openings will obviously reduce that number. DTMA has sufficient reserves to help alleviate the impact of lower revenues. The Director will also be meeting with Staff to discuss the reduction of expenses through the end of the year.

### ***FACILITIES DIRECTOR'S REPORT – BILL REHKOP***

Mr. Rehkop reviewed the current construction projects.

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

Custer Excavating (Contract No. 2019-09) and Insituform Technologies (Contract No. 2019-10) both continue to perform the contract work with minimal setbacks or major issues reported to date. Since the



last update to the Board, Custer Excavating submitted change order request (COR) #1 and COR #2. CO#1 (\$494.40 contract price increase) modifies the storm water swale restoration requirements in the private easement owned by Cocoa Townes HOA. This modification was requested by the Cocoa Townes HOA for use of an alternate and more expensive liner material for placement in the swale and to reduce the linear feet of swale restoration. CO#2 (\$10,472.19 contract price increase) compensates Custer Excavating for repairing a sinkhole that was encountered on Cedar Avenue while completing the contract work.

Custer Excavating has submitted AFP #1 for the work completed prior to date in the amount of \$29,106.37. Insituform Technologies has submitted AFP #2 for the work completed prior to date in the amount of \$165,760.92.

#### CLEARWATER RAW SEWAGE PUMP REPLACEMENT PROJECT

RK&K is completing the final design submittal and is preparing the project for bid in the upcoming months.

#### CLEARWATER ROAD FLOOD MITIGATION PROJECT

No progress update to report. The project design efforts remain on hold until a comprehensive plan is developed for the desired location for the relocated electrical equipment on the second floor of the Sludge Building.

#### CLEARWATER ORGANIC LOADING RE-RATE STUDY

Brown & Caldwell (BC) and DTMA Staff responded to the technical review comments received from DEP and are currently awaiting DEP's approval. BC submitted Amendment #1 to the engineering services agreement for additional compensation to respond to DEP's second round of comments. BC's original scope only anticipated one round of responses to DEP comments. This amendment has been previously executed by the Executive Director.

#### CLEARWATER PRIMARY SLUDGE PUMPING IMPROVEMENTS

HRG has proceeded with the completion of the field laser scanning and 3D modeling of the primary sludge pump room and is currently preparing a technical memorandum summarizing their preliminary design recommendations.

#### NPDES PERMIT RENEWALS FOR CLEARWATER AND SOUTHWEST WWTPs

BC has proceeded with the preparation of both NPDES permit renewal applications. The project remains on schedule with no delays or issues anticipated to date.

#### CLEARWATER ENERGY ENHANCEMENTS PROJECT

Colin O'Brien presented an update on the project team's progress since the last Board meeting. BC completed the Final Design Submittal and held a review workshop with DTMA Staff on May 28<sup>th</sup>. Project bid documents posted on PennBid on June 12<sup>th</sup>. To date, there is a very extensive list of bidders who have requested bid documents. Bids are slated to be opened on July 14, 2020. A bid award recommendation will be presented to the Board at their July Board meeting.

Things have been going well with the Cummins/Schaedler Yesco team. The Schaedler Yesco proposal was executed on May 6<sup>th</sup>.

BC contacted UGI to request a service pressure increase in the natural gas service to the plant. Also, BC is anticipating comments from DEP regarding the flaring of the gas via use of a "candlestick" or open flare. BC is prepared to show that having an enclosed structure for the flare is too cost prohibitive since the gas



is only flared periodically and not continuously. Also for this project, DEP is not requiring a modification to the WQM permit.

Mr. Rehkop noted that Staff is preparing an application for a US EPA grant opportunity in EPA's support of food waste and other organic material management projects that divert waste from landfills. The grant application is due by July 14<sup>th</sup>. EPA anticipates issuing 10 to 40 grants ranging from \$50k to \$300k. Mr. O'Brien suggested that the Board may want to have a letter from them included in the grant application submission showing their support of the project. B. Link suggested that the Board make a motion showing support for this project and authorizing Staff and BC to prepare the grant application with EPA. R. Furlan made that **motion**, seconded by M. Postick. The motion passed unanimously by voice vote.

#### CLEARWATER ROAD WWTF POWER IMPROVEMENTS [CONTRACT 2019-01]

Work is continuing to progress on schedule with no reported setbacks or known issues to date. GSE submitted AFP #2 in the amount of \$93,743.14 for the work completed prior to this month's cut off period.

#### CLEARWATER ROAD WWTP FLOODPROOFING [CONTRACT 2019-03]

To date, all contract requirements have been satisfied. PCS submitted AFP #5-FINAL for the release of the remaining contract retainage in the amount of \$17,433.

#### HERSHEYPARK DRIVE SANITARY SEWER EXTENSION [CONTRACT 2019-04]

Staff has received the completed contract closeout documentation and record drawings to satisfy the remaining requirements of the contract. Wexcon submitted AFP #2-FINAL for the release of the remaining contract retainage in the amount of \$18,651.29.

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

To date, all contract requirements have been satisfied. Ebersole submitted AFP #5-FINAL for release of the remaining contract retainage in the amount of \$78,190.08.

### ITEMS FOR ACTIONS

#### Discussion on Resolution #2020-27 – Authorization of Bond Refunding

Lou Verdelli discussed the schedule and provided an outlook on the continued favorable bond market. The Township of Derry has completed all required administrative actions. Mr. Verdelli is anticipating that the bond interest rate should be just below 2%, which will represent the lowest interest rate at which DTMA has ever borrowed money. Tim Horstmann then presented Resolution 2020-27 authorizing DTMA to proceed with the issuance and to provide the authorization for officers of the Board to execute all requisite bond documents including the 9<sup>th</sup> Amendment to Subsidy Agreement with the Township of Derry.

**Resolution #2020-27 – Authorization to proceed with the new 2020A General Obligation Bond Issue for approximately \$10 million:** This resolution was passed on a motion by M. Postick, seconded by R. Furlan. 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 #2020-28 – 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 R. Furlan. The motion passed unanimously by voice vote.



**Resolution #2020-29 –Declaration of Disaster Emergency for COVID-19:** By declaring a disaster emergency, DTMA would be in a position to apply for any funds from P/FEMA that may become available for the COVID-19 pandemic. This resolution was passed on a motion by C. Duncan, seconded by B. Link. The motion passed unanimously by voice vote.

Discussion on Resolution #2020-30

The final form of the proposed DTMA - Londonderry Intermunicipal Agreement (IMA) and Lease Agreement (LA) have been reviewed by Staff and Legal Counsel and are substantially acceptable. This form has been approved by the Londonderry Township Supervisors earlier in June. This IMA & LA deals with the existing approximate 50-unit Londonderry Estates development. All residential units in the development will be served by grinder pumps and there is no opportunity for additional connections. Londonderry intends to pursue a PennVest grant and/or loans to make the project affordable. At the end of the PennVest funding, the system will be dedicated to DTMA.

**Resolution #2020-30 – Approval of Intermunicipal Agreement and Lease with Londonderry Township for Sewer Service to Londonderry Estates:** This resolution was approved on a motion by R. Furlan, seconded by D. Feidt. The motion passed unanimously by voice vote.

Discussion on Resolution #2020-31

In light of the significant number of projects on the horizon particularly at the Southwest WWTF and with recent decrease in revenue due to the Covid 19 pandemic, the Board indicated last month a desire to have a detailed wastewater cost of service and rate study performed.

The Director contacted its rate consultant (Gannett Fleming Valuation & Rate Consultants – GFV&RC) to submit a proposal to perform the comprehensive cost of wastewater service and rate study. The study will provide recommendations for allocation of costs as well as for ongoing required user rate adjustments to insure that the user rates will support the ongoing DTMA operations. Mr. Rehkop asked if the study would be completed in time for Londonderry to have the information for their PennVest application. It is anticipated that the study should be available by the end of summer.

**Resolution #2020-31 – Approval of Proposal from Gannett Fleming Valuation and Rate Consultants for comprehensive wastewater cost of service and rate study:** This resolution was approved on a motion by R. Furlan, seconded by M. Postick. The motion passed unanimously by voice vote.

Discussion on Resolution #2020-32

As part of the DTMA 2020 Stormwater Budget approved in December 2019, Staff identified critical stormwater improvements to the Forest Avenue – Medical Center Swale, Stonecutter Circle, and an Infrastructure Replacement Project #2. Additionally, money was budgeted to continue work on the 2023 Pollution Reduction Project. This work involves a mix of gray and green infrastructure improvements that aid in our long-term stormwater management goals. These projects were included in the 2020 Stormwater Budget and are integral to meeting DTMA's near and long-term Stormwater Program goals.

**Resolution #2020-32 – Approval of additional engineering work and services under the Stormwater Management Retainer Agreement with Herbert Rowland & Grubic:** This resolution was approved on a motion by R. Furlan, seconded by B. Link. The motion passed by voice vote. D. Feidt abstained from voting due to his business affiliation with HRG.



#### SOUTHWEST WWTP UPGRADE AND EXPANSION CONCEPT STUDY

Since their presentation at the April Board meeting, Hazen has addressed the Staff review comments and finalized the Concept Study. Hazen has prepared a draft version of the Act 537 Special Study which is currently being reviewed by Staff prior to submitting to DEP.

#### SOUTHWEST WWTP UPGRADE AND EXPANSION PROJECT (PHASE 1)

As presented at the April Board meeting and outlined in the Concept Study, Hazen and DTMA Staff have developed a trigger-based approach (with anticipated flow “triggers”) for implementing the necessary plant improvements. The trigger-based approach provides a cost-effective pathway to meet the short-term and future flow projections to serve future land development in Londonderry Township and the anticipated growth within the SW WWTP service area. By utilizing this approach, DTMA can maximize the use and performance of the existing plant infrastructure and minimize capital costs until future development is realized. The Phase 1 Improvements, which are estimated at nearly \$10 million, will provide significant hydraulic and organic treatment capacity through year 2030 based on current flow projections.

With the completion of the Concept Study, Staff requested Hazen to submit a proposal to complete the permitting, design and bidding for the Phase 1 Improvements Project. The total estimated not-to-exceed fee for the permitting, design and bidding phases of this project is \$749,100. The construction phase service is estimated at \$345,000. Hazen anticipates completion of permitting and design in 16 months from the date of the signed agreement and estimates an 18-month construction duration. Based on Hazen’s schedule, the SW WWTP will be fully operational by Fall 2023 and therefore, DTMA remains on target to serve the short-term development needs as anticipated based on the developer’s schedule for the SR 230 corridor sewer extension in Londonderry Township. Micah Blate and Mark Bottin from Hazen were present to answer questions from the Board.

**Resolution #2020-33 – Approval of Hazen & Sawyer Proposal for design engineering and bid phase services for the Southwest WWTF Upgrade and Expansion Project:** This resolution was approved on a motion by M. Postick, seconded by R. Furlan. The motion passed unanimously by voice vote.

**Resolution #2020-34 – Approval of Change Order #2 with Custer Excavating for Contract #2019-19 Sanitary Sewer and Storm Sewer Replacement:** This resolution was approved on a motion by R. Furlan, seconded by M. Postick. The motion passed unanimously by voice vote.

#### Discussion on Resolution #2020-35

At the April Board meeting, the Board approved Resolution 2020-26 which formalized the cessation of all sewer customer shut-offs, suspended all sewer customer DJ enforcement filings, suspended the placement of liens on all sewer customers, and waived late penalty charges. Staff has proceeded with the view that the late fees waived under Resolution 2020-26 are permanent and will not be reinstated/reapplied to the customers’ bills. The June Bill, which goes out this week, will have a due date of July 2<sup>nd</sup>. Under the current resolution, payments not received by that due date would have the 5% late fee waived. If the Board members wish to repeal Resolution #2020-26 and resume the charging of late fees and collection activities beginning with the August bill (due early September), then action would need to be taken at this meeting so notice can be placed on the July invoice. The resumption of these activities would begin with the bills issued on or after August 1, 2020. If the Board is inclined to approve this now, Staff can provide notice in the July bills. If after any discussion, the Board wishes to defer any action until the July meeting or later, the Board may simply take no action on Resolution 2020-35 at this time. The

Board's consensus seemed to be that they would prefer to wait until later in the year to reenact penalties and collection activity.

R. Furlan made a motion to table **Resolution #2020-35**, M. Postick seconded. The motion passed unanimously by voice vote.

#### **EXECUTIVE SESSION**

At 7:17 p.m., the Chairman recessed the meeting into Executive Session to discuss a pending legal matter with ESG. The meeting was reconvened at 7:37 p.m. B. Link made a **motion** to have the Solicitor review the PDA agreement with ESG and prepare terms for a termination agreement for the Energy Savings Project. 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, R. Furlan made a motion to adjourn the June 15, 2020 public meeting at 7:38 p.m., seconded by B. Link. The motion passed unanimously by voice vote.



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(Assistant) Secretary