

**MINUTES OF THE MEETING  
DERRY TOWNSHIP MUNICIPAL AUTHORITY  
670 CLEARWATER ROAD  
HERSHEY PA 17033  
MONDAY, FEBRUARY 22, 2021**

The Derry Township Municipal Authority Board held its regular monthly meeting on Monday, February 22, 2021, 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 6:00 p.m.

**ROLL CALL**

Attendees	In-Person	Virtually
<b>Board Members</b>		
John Canavan	X	
Charles Duncan		X
David Feidt	X	
Ronald Furlan	X	
Brian Link		X
Michael Postick	X	
Carter Wyckoff		X
<b>Staff</b>		
William Rehkop (Executive Director)	X	
Kimberly Bloom (Administrative Services Manager)	X	
Michael Callahan (Stormwater Program Manager)	X	
Michael Shambaugh (Network Systems Manager)	X	
Dennis Beck (Comptroller)	X	
Laura Power (Accountant)		X
<b>Consultants</b>		
Michael Pykosh (Dethlefs Pykosh)	X	
Chris Christman (Township of Derry)		X
Colin O'Brien (Brown and Caldwell)		X
Adrian D'Orlando (Brown and Caldwell)		X
Lou Verdelli (RBC Capital)		X
Scott Shearer (PFM)		X
<b>Other Attendees</b>		
None		

**PUBLIC COMMENT**

There was no public comment at this time.

**APPROVAL OF PREVIOUS MINUTES**

R. Furlan made a motion to approve the Minutes of the January 25, 2021 Board meeting. J. Canavan seconded. The motion passed unanimously by voice vote.

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

Staff presented the January Bills for Payment and Treasurer's Report for approval. M. Postick made a motion to approve the reports, seconded by B. Link. The motion passed unanimously by voice vote.

## **STAFF UPDATES AND REPORTS**

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

#### **BOND REFINANCING**

On February 2<sup>nd</sup>, the Authority was assigned a credit rating of AA- with a stable outlook for the 2021 Bonds. This strong credit rating provides the Authority with a significant savings opportunity for the 2021 Bonds and future borrowings to lock in lower interest rates and reduce the cost of bond issuance by eliminating the bond insurance requirement.

Lou Verdelli of RBC presented an update regarding the Sewer Revenue Bonds Series A and B. A new updated trust indenture was created for the Authority that will not require any guarantee by the Township of Derry on its Sewer Revenue Bonds. Also, the new indenture does not require the Authority to have a Debt Service Reserve Fund. With the strong bond rating that was assigned to DTMA, there was significant demand for the 2021 Bonds during the pricing which resulted in investors offering lower interest rates for both Series A and B than what was initially expected. The refinancing transaction resulted in a very favorable outcome with a net savings to the Authority's debt service in the amount of \$463,000. Since the new Trust Indenture does not require a Debt Service Fund, the current balance (\$1.4 million) will be applied to the bond issue further downsizing the annual debt service from 2021 to 2026.

The Director noted that with current projects under construction and others projected for 2021 there will be the need for an additional borrowing for new money in 2021. Mr. Verdelli will talk with staff about the timeline for this borrowing and it will be further discussed at the March Board meeting.

#### **OPERATING YEAR-END REVIEW**

The Director submitted a summary report for both DTMA wastewater plants to all Board members. In 2020, the annual average flow for the Clearwater WWTP decreased by 10% in comparison to 2019. This reduction in flow is directly correlated to the impact of the COVID-19 Pandemic on local tourism and commercial businesses in the service area as evident by the reduction in total billable wastewater volume in 2020. Another contributing factor for the reduction in flow is also related to the 30% decrease in total rainfall in 2020 in comparison to 2019. As mentioned in last year's report, increased wet weather periods cause the groundwater table to rise causing higher flows due to the sanitary sewer collection and conveyance system being more susceptible to inflow and infiltration (I/I). Therefore, rainfall accumulation has a direct relationship to the fluctuations in daily flows at the Clearwater WWTP. The average monthly flows for Southwest WWTP were typical throughout the year compared to previous operating years.

#### **CONSTRUCTION CONTRACTS UPDATE**

Clearwater Road WWTF Power Improvements [Contract 2019-01] – Garden Spot Electric (GSE) is completing the remainder of the new wiring installation and upon completion, will be commissioning the new switchgear equipment (Power Center #2). GSE remains on schedule to complete all work by the substantial completion date of March 24<sup>th</sup>. GSE did not submit an AFP prior to this month's cut off period.

Clearwater Energy Enhancements Project [Contracts 2020-02G, 2020-02E, 2020-02H] – The project remains on schedule. All three (3) contractors continue to make significant progress on the shop drawing submittal process. This past week, the contractors began mobilizing on-site and will plan to start work



during the week of February 22<sup>nd</sup>. The next construction progress meeting is scheduled for Tuesday, February 23<sup>rd</sup>. No AFPs were received prior to this month's cut off period.

Eastern Environmental (2020-02G) submitted a clarification request on the UGI gas service alignment and gas meter pad location. The design team coordinated with UGI to revise the proposed gas meter pad location to be relocated adjacent to the waste gas burner, improving the gas service alignment between the CHP building and the waste gas burner. UGI offered a price reduction of \$5,750 as a result of these changes. We anticipate Eastern Environmental will submit a change order request for this modification.

Raw Sewage Pumps Replacement [Contract 2020-03] – The contract documents have been fully executed for each contract. A pre-construction meeting will be scheduled in the upcoming weeks.

#### ENGINEERING STATUS REPORT

Clearwater Road Flood Mitigation Project – RK&K continues design efforts for the electrical equipment relocation plans for the Primary Sludge Pump Room, Sludge Transfer Pump Room, Waste Sludge Pump Room and Sludge Building Basement.

Southwest WWTP Upgrade and Expansion Project (Phase 1) – Hazen remains on schedule and progress continues towards the 60% design submittal by the end of this month. Londonderry Township has awarded the contract to Wexcon, Inc. for the sewer and water line installations along Route 230. This work is slated to begin in March. At the completion of this project, sanitary sewer facilities will be dedicated to DTMA. DTMA's plan is to have the design for the SWTP project completed by the fall of 2021. The Act 537 Special Study is nearly complete and will be presented to the Board for their review prior to the end of the 30-day comment period. It is anticipated that approval of the Act 537 Plan amendment will take place at the April Board meeting so it can be submitted to DEP in May. The project is slated bid award by the end of 2021 with total project completion by June of 2023. This time schedule aligns with the anticipated need to serve the Route 230 corridor in Londonderry Township.

Clearwater Primary Sludge Pumping Improvements - HRG submitted the 90% design submittal. Staff provided review comments to HRG to incorporate in their final design submission scheduled for March 11<sup>th</sup>. The project will be ready for bid in late March and the bidding results will be presented to the Board at the April meeting. HRG solicited quotes to various vendors through the COSTARS Purchasing Program for the major equipment to be installed for this project. As with our recent approach with pre-purchasing the Cummins CHPs, buying the equipment through COSTARS will accelerate equipment delivery and by doing so, reduces the contractor's schedule and overall costs to the Authority. The major equipment for this project includes the double disc pump, macerator, flow meter, and pinch valve. The total price for all equipment through COSTARS is \$55,645.50.

NPDES Permit Renewals For Clearwater And Southwest WWTPs – Both WWTP NPDES permit renewals were submitted and we are awaiting any official comments from DEP in their review of the submissions.

Anaerobic Digester (ESD) Exterior Coatings Improvement Project – Brown and Caldwell (BC) finalized the design drawings and specifications and issued the request for pricing through the COSTARS direct contracting program to the two (2) prospective bidders this past month. Bids are due on March 5<sup>th</sup> and a bid recommendation of award will be presented at the Board at the March meeting. BC anticipates a 34-week project duration from contractor selection to completion.



BC submitted the attached construction phase services proposal for this project. The BC project team will provide contract support and periodic site inspections. The total estimated fee for construction phase services is \$49,720.

Spring Creek Interceptor Upgrade Evaluation – The HRG design team has commenced with the field review of the sewer alignment which will be completed over the next several months.

SW WWTP Service Area Tapping Fee And Sewer Rate Surcharge Study - Gannett Fleming Valuation and Rate Consultants is currently working on the draft study which is anticipated to be submitted to Staff for review in March.

Clearwater WWTF Phase 1 Facility Improvements – Project kick-off meeting is scheduled for Wednesday, February 24<sup>th</sup>.

#### ***STORMWATER MANAGER'S REPORT – MIKE CALLAHAN***

Mr. Callahan presented the 2020 Stormwater Annual Report. The COVID-19 pandemic created delays to project implementation based on several government-mandated restrictions and public health concerns. As a result, project construction was severely limited to a handful of pipe replacements and pipe lining projects. During this time, Staff concentrated on planning and permitting large-scale infrastructure improvement projects that would be shovel ready for 2021.

A key item of 2020 was the precipitous drop in emergency repair costs. Care should be taken not to over react to a one-year drop, but Staff is hopeful this is an indication that the program is turning a corner from heavily reactive to proactive. Outreach and collaboration efforts were increased this year as plans were put into motion to address the impairments in our stream network. Addressing these impairments are an important compliance requirement of our MS4 permit. Much of the ground work conducted in 2017-2020 will start to bear fruit in 2021 and 2022. As always, Staff is grateful for the continued efforts of DTMA's customers to help achieve its long-term goals.

#### **ITEMS FOR ACTIONS**

**Resolution #2021-09 – Approval of the purchase of equipment from COSTARS for the Primary Sludge Pump Replacement Project:** This resolution was passed on a motion by R. Furlan, seconded by B. Link. The motion passed unanimously by voice vote.

**Resolution #2021-10 – Acceptance of Brown and Caldwell Proposal for Construction Phase Services for the Egg-Shaped Digester (ESD) Cladding Project:** These resolutions were approved on a motion by M. Postick, seconded by R. Furlan. The motion passed unanimously by voice vote.

**Resolution #2021-11 – Approval of the addition of a new Comptroller position and salary range grade to the exempt Employees Policy 6.3000:** This resolution was approved on a motion by B. Link, seconded by R. Furlan. The motion passed unanimously by voice vote.

#### **NEW BUSINESS**

Mike Postick announced that he was resigning from the Authority Board effective immediately. He has accepted the position of Staff Engineer for the Authority. He thanked the Board and staff for their support during his tenure on the Board and is looking forward to his new position. Chris Christman, Manager of the Township of Derry, was appointed to fill Mr. Postick's remaining tenure on the Board.

Authority Engineer of Record

Buchart Horn has been retained as the Authority's engineer for many years. Their representative, Paul Gross, announced his retirement from Buchart Horn earlier this month. The Solicitor noted that authorities are required by law to retain an engineer. Buchart Horn's official retainer agreement from 2010 was never technically renewed; the services just continued as quoted on a yearly basis. Since there is no current retainer agreement with Buchart Horn, Staff will prepare a draft Request for Qualifications for this service to present to the Board at the March meeting. The Chairman will then appoint a committee to assist Staff with the review of the RFQ and the interviewing and vetting of each applicant. The successful candidate will be presented to the Board for approval at the April or May Board meeting.

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 February 22, 2021 public meeting at 7:12 p.m., seconded by J. Canavan. The motion passed unanimously by voice vote.



(Assistant) Secretary