

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

The Derry Township Municipal Authority Board held its regular monthly meeting on Monday, March 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
Board Members		
John Canavan	X	
Christopher Christman		X
Charles Duncan		X
David Feidt	X	
Ronald Furlan	X	
Brian Link		X
Carter Wyckoff		X
Staff		
William Rehkop (Executive Director)	X	
Kimberly Bloom (Administrative Services Manager)	X	
Michael Postick (Staff Engineer)		X
Michael Shambaugh (Network Systems Manager)	X	
Dennis Beck (Comptroller)		X
Laura Power (Accountant)		X
Consultants		
Michael Pykosh (Dethlefs Pykosh)	X	
Colin O'Brien (Brown and Caldwell)		X
Adrian D'Orlando (Brown and Caldwell)		X
Lou Verdelli (RBC Capital)		X
Scott Shearer (PFM)		X
Other Attendees		
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 February 22, 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 February Bills for Payment and Treasurer's Report for approval. C. Christman 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

The Executive Director stated that as presented over the last few months, the Authority has a number of significant capital projects identified in the 10-yr Capital Improvement Plan (CIP). The 10-yr CIP includes a number of projects that are currently in-progress, design or construction, as well as long-term planning as part of the Authority's vision and goals. By October, the current construction funds are estimated to be completely disbursed and/or allocated to a specific project for completion in 2021. There will be a gap of approximately \$4.9 million in additional borrowing needed to fund current projects in 2021.

The recent refinancing transaction has provided the Authority with a very favorable outcome to include a net savings to the overall debt service and the annual amount that is to be paid from 2021 to 2026. Recent discussions with the Finance Team indicate that bond interest rates continue to be near all-time lows. Lou Verdelli (RBC) presented a recap of authority debt, reviewed current interest rates, and explained the benefit of pursuing another bond issue before interest rates start to rise. Since the refunding bond series (2021A & 2021B Bonds), exclusive of issuance costs, does not count against the \$10 million cap of bank-qualified tax-exempt bonds that the Authority may issue in a calendar year, the Authority may issue up to \$9.886 million of additional bank-qualified tax-exempt bonds in 2021 (Series C of 2021). Mr. Verdelli explained the projected debt summary with a proposed new bond issuance to include a wrap-around payment structure. The projected Series C Bonds would fill-in the annual savings generated by the refunding transaction, providing minimal financial impact to the Authority's gross debt service as budgeted in 2021 and the next four (4) operating years. Mr. Verdelli also noted that there would be a savings in the bond rating fees since the last rating was issued within 6 months of the new issue.

Resolution #2021-12 – Authorization for Finance Team to Undertake the Issuance of Bonds Series 2021C: This resolution was passed on a motion by B. Link, seconded by R. Furlan. The motion passed by voice vote. D. Feidt abstained from voting due to a business association with a member of the Finance Team.

CONSTRUCTION CONTRACTS UPDATE

Clearwater Road WWTF Power Improvements [Contract 2019-01] – Garden Spot Electric (GSE) anticipates completing all on-site work by the end of March. Staff training is scheduled with the equipment manufacturer on April 27th.

Clearwater Energy Enhancements Project [Contracts 2020-02G, 2020-02E, 2020-02H] - The project remains on schedule. All three (3) contractors continue to make progress on the shop drawing submittal process. Recently, the General Contractor began installation of drain piping at the CHP building site. Over the next month, the Electrical and HVAC Contractors will begin completing their site work at the CHP building site to allow for the General Contractor to begin excavation of the CHP building and prepare to pour the footers.

Raw Sewage Pumps Replacement [Contract 2020-03] – A pre-construction meeting was held on Tuesday, March 9th with representatives from Heisey Mechanical, Manada Electric, RK&K, and DTMA. Notice to

Proceed (NTP) was issued to both contractors with the effective date of March 9th. With the contract time of 450 days to substantial completion, the project will be substantially complete by June 2, 2022.

Heisey Mechanical issued a Request for Information (RFI) offering an alternate approach to the project by deleting the discharge header piping replacement and related bypass pumping from the contract. RK&K is currently reviewing the feasibility of Heisey's alternate approach as well as coordinating any potential impact with Manada Electric's contract work. If this approach is acceptable by all parties, this could save the Authority nearly \$500k. RK&K submitted a bidding and construction phase services proposal for this project to provide contract support and periodic site inspections. The total estimated fee for bidding and construction phase services is \$112,500.

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. B. Link commented that DTMA's in-house plan outlining protocols for flood preparedness should be updated as plant projects are completed.

Southwest WWTP Upgrade and Expansion Project (Phase 1) –Hazen remains on schedule with their design progress. The 60% design submittal was received during the week of March 15th. The 60% design review workshop was held on March 19th. The remaining schedule is as follows: design work to be completed by September 2021; bidding and construction contract execution by December 2021; and construction completed and WWTP operational by June 2023.

Clearwater Primary Sludge Pumping Improvements - HRG has prepared the final design package for Staff to review and comment. HRG will be finalizing the contract bid documents during the week of March 22nd and will be advertising the project for bid on PennBid website on March 29th. The bid results will be presented to the Board at the April meeting.

Spring Creek Interceptor Upgrade Evaluation – Recently HRG submitted a draft Report on their completed field review with developed alternatives for the repair or replacement of the sewer interceptor. Staff will be meeting with HRG over the next month to review the selected alternatives.

SW WWTP Service Area Tapping Fee And Sewer Rate Surcharge Study - Gannett Fleming Valuation and Rate Consultants completed a draft of the study and submitted it to Staff for review during the week of March 15th. Staff will be meeting with Gannett over the next several weeks to review the initial findings of the study and develop a draft version to be presented to the Board at a future meeting for discussion prior to finalizing.

Clearwater WWTF Phase 1 Facility Improvements - The Project Team (BC, Material Matters, and DTMA) held a kick-off meeting February 24th. The meeting was a very collaborative 2-hour workshop with Staff reviewing the overall project tasks and progress to date. Board Member Ron Furlan was also in attendance. The project is on schedule with a second workshop scheduled to occur on Wednesday, March 24th. During the week of March 22nd, BC will be conducting a structural inspection of the Headworks facility to include the influent flow channels and screens, aerated grit channel, distribution box, and grit chambers to assess the condition of the existing facilities and to evaluate options for future improvements, if necessary. Colin O'Brien with Brown and Caldwell provided the monthly update to the Board on this project. The Executive Director, Mr. Furlan and Mr. O'Brien further reviewed what was discussed at the workshop.

ITEMS FOR ACTIONS

Resolution #2021-13 – 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 J. Canavan. The motion passed unanimously by voice vote.

Resolution #2021-14 – Acceptance of RK&K Proposal for Construction Phase Services for the Raw Sewage Pumps Project: These resolutions were approved on a motion by R. Furlan, seconded by B. Link. The motion passed unanimously by voice vote.

Discussion on Resolution #2021-15

This past month, Brown and Caldwell (BC) finalized and submitted the bid package for the Egg-Shaped Digester Cladding Project to the two (2) prospective bidders through COSTARS for direct contracting. On Friday, March 5th, two (2) bids were received and opened through a secured SharePoint website established by Brown and Caldwell (BC) for the ESD Cladding Project. The bid pricing results are as follows:

COSTARS VENDOR	SUB-CONTRACTORS/INSTALLERS	BID AMOUNT
Kappe Associates, Inc. (Contract #016-096)	Matrix Applied Technologies	\$1,091,532
Riordan Materials, Inc. (Contract #016-104)	McDermott CST Industries Eastern Environmental Contractors	\$2,068,100

The base bid scope of work includes the materials and installation costs for the aluminum cladding system and 500 square feet of repairs to the existing insulation system. BC also recommends incorporating work listed under 2a (Alternate Adders) for the unit cost per square feet of additional material and installation for completing spot repairs on the existing insulation (beyond the 500 square feet included in the base bid). Mr. O'Brien further explained the project scope and how the two bidders differed in their proposal for providing the finished product. The total project cost is within Staff's budget estimate and was planned for accordingly as a capital expenditure under the 2021 Budget. The project costs will be paid from the 2018 Construction Fund. Project completion is anticipated for December 2021.

Resolution #2021-15 – Approval of COSTARS Contract to Purchase and Install Egg-Shaped Digester Cladding System with Kappe Associates: This resolution was approved on a motion by R. Furlan, seconded by J. Canavan. The motion passed unanimously by voice vote.

Discussion on Resolution #2021-16 – PAWC Water Shut Off Agreement

In August of 1991, the Authority entered into an agreement with PA American Water Co. (PAWC) to provide water shut off services to customers who become delinquent with their sewer rental account. When accounts become delinquent, authorities have the option to (1) request a water shut off for the customer during certain times of the year; (2) file paperwork with the local District Justice for the amount of the delinquency plus additional fees charged by the DJ office; or (3) file a lien against the property for the delinquent amount plus costs. DTMA has been approached by PAWC to enter into an updated version of their Water Shut-Off Agreement with them. The new agreement has updated requirements for dealing with water shut offs when tenants are involved. The Solicitor has reviewed the new agreement and has no required changes.

Resolution #2021-16 – Approval of Updated Water Shut Off Agreement with PA American Water Company: This resolution was approved on a motion by R. Furlan, seconded by J. Canavan. The motion passed unanimously by voice vote.

Discussion on Resolution #2021-17

DTMA was approached about participating with other local municipalities in an organized effort to offer plant staff assistance if another wastewater facility were to lose their staff due to an unforeseen emergency or disaster.

Resolution #2021-17 – Acceptance of Intermunicipal Mutual Aid WWTP Operator Agreement: This resolution was passed on a motion by J. Canavan, seconded by R. Furlan. The motion passed unanimously by voice vote.

EXECUTIVE SESSION

At 7:16 the Board recessed into Executive Session to discuss a pending legal matter. They reconvened at 7:22 p.m.

Resolution #2021-18 – Acceptance of Settlement Agreement with Energy Systems Group (ESG) for the GESA project: This resolution was passed on a motion by J. Canavan, seconded by B. Link. The motion passed unanimously by voice vote.

Resolution #2021-19 – Approval of Incumbency Certificate for Wilmington Trust: This resolution was passed on a motion by B. Link, seconded by R. Furlan. The motion passed unanimously by voice vote.

NEW BUSINESS

Authority Engineer of Record

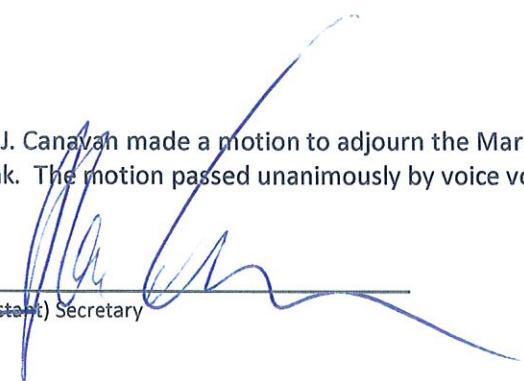
At the February Board meeting, the Board authorized Staff to prepare a Request for Qualifications for an engineering consultant. M. Postick and the Director worked on the RFQ. The Director asked the Board what term they would like to consider for this service. B. Link suggested a five-year term with a one-year option for an extension. The Board concurred. Staff also asked if stormwater services should be included. The Board and staff agreed that stormwater would not be included in the RFQ, because HRG is currently utilized for stormwater services as needed. The Chairman suggested that B. Link be involved with the Staff in the review and consideration of these RFQs. The successful candidate will be presented to the Board for approval at the May Board meeting.

PUBLIC COMMENT

There was no public comment at this time.

ADJOURNMENT

With no further business to come before the Board, J. Canavan made a motion to adjourn the March 22, 2021 public meeting at 7:36 p.m., seconded by B. Link. The motion passed unanimously by voice vote.



(Assistant) Secretary