

**MINUTES OF THE MEETING
DERRY TOWNSHIP MUNICIPAL AUTHORITY
670 CLEARWATER ROAD
HERSHEY PA 17033
MONDAY, MAY 24, 2021**

The Derry Township Municipal Authority Board held its regular monthly meeting on Monday, May 24, 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
Michael Callahan (Stormwater Program Manager)	X	
Consultants		
Michael Pykosh (Dethlefs Pykosh)	X	
Colin O'Brien (Brown and Caldwell)		X
Ed Ellinger (HRG)	X	
Other Attendees		
None		

PUBLIC COMMENT

There was no public comment at this time.

APPROVAL OF PREVIOUS MINUTES

C. Christman made a motion to approve the Minutes of the April 26, 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 April Bills for Payment and Treasurer's Report for approval. R. Furlan made a motion to approve the reports, seconded by J. Canavan. The motion passed unanimously by voice vote.

STAFF UPDATES AND REPORTS

EXECUTIVE DIRECTOR'S REPORT – BILL REHKOP

ENGINEERING RETAINER SERVICES RFQ

On March 25th, Staff publically advertised the Authority's Request for Qualification (RFQ) from consulting firms to provide Professional Engineering Retainer Services. The deadline to submit a proposal response was May 5th. Each firm was requested to provide a detailed description of their firm's capabilities and range of services, core team assigned to the Authority along with their qualifications, project relevance and technical expertise, management approach, responsible and sustainable Environmental, Social and Governance (ESG) behaviors in the workplace, and their proposed rate schedule. Two firms submitted a response by the submission deadline: Buchart Horn (BH) and Herbert, Rowland & Grubic, Inc. (HRG).

Each proposal was thoroughly reviewed by the selection committee (Brian Link, Mike Snyder, and Bill Rehkop). A virtual meeting was held on May 18th to formalize each committee member's comments and recommendation for the Board's consideration. Based on the Authority's experience working with both firms, it was determined that the interview process was not necessary.

In summary, each firm assembled a talented project team by demonstrating a high level of expertise and relevant project experience that would strongly benefit the Authority. In addition, both firms had extensive experience working with Authority in the past. Both firms provided similar and very competitive rates. The selection committee determined that HRG's proposal response was more favorable than BH's for the following reasons and hereby recommends appointing HRG as the Authority's Retained Engineer:

- Recent project experience with the HRG Project Team has been more positive, comparatively to BH.
- Staff has more familiarity with the HRG Project Team with the successful completion of recent projects.
- BH has provided exemplary service to the Authority over the years. With the more recent retirement of two (2) key team members at BH to include the Authority's long-standing project manager / main point of contact as well as their highly respected project engineer, the transition of the retained engineer responsibilities within BH is less favorable. Staff has minimal experience working with their newly assembled Project Team.
- HRG demonstrated slightly higher proficiency in the services to be provided.

Mr. Furlan asked how the situation would be handled if HRG has a project with another entity but needs to also represent DTMA in the review of the project. Mr. Ellinger from HRG explained that there is a clause in the retainer agreement that addresses conflicts of interest. The review committee felt that since DTMA has two licensed PEs on staff, they could assist with reviews if necessary or another outside engineering firm could be used to review projects in this circumstance.

Resolution #2021-28 –Approval of the Engineer Retainer Agreement with Herbert Rowland & Grubic (HRG): This resolution was passed on a motion by R. Furlan, seconded by J. Canavan. The motion passed by voice vote. D. Feidt abstained from voting due to a business association with HRG.

LONDONDERRY TOWNSHIP PROJECT UPDATE

Londonderry Township currently has the Londonderry Estates project open for bidding on the PennBid website with a bid due date of June 2nd. Londonderry Township Staff and their consultants were successful in the award of several grant opportunities for this project to include \$140k from the Dauphin County Gaming Grant Program and \$937k from the PA DCED H2O PA Grant Program. These grants significantly

reduce the required PENNVEST loan amount and the corresponding debt payment which lessens the financial burden on the customers. Staff and Solicitor Pykosh are working with Londonderry Township and their consultants to develop a user rate model for the Londonderry Estates customers for the purposes of settling on the PENNVEST loan on July 28th. The Director reviewed Estimated User Rates for this project based on project costs, grant monies allocated to the project, and the estimated loan amount from PENNVEST. Based on these estimates, it appears that there will be an annual deficit of approximately \$14,000 in customer revenue to cover the projected debt service for the PENNVEST loan. Several options were discussed to cover this deficit: (1) Londonderry Township could make an additional capital contribution to offset project costs; (2) DTMA could charge its standard well rate to this development and not collect the extra money needed to cover the deficit; or (3) DTMA could establish a surcharge amount to be added to the monthly invoice that would remain on each account until the PENNVEST loan is paid in full. The surcharge amount of the customer's monthly invoice would remain fixed. The well rate portion of their monthly invoice would continue to be billed at the same rate as other DTMA well customers. The consensus of the Board was to continue with the third option and determine a surcharge for these customers once the final loan numbers are received from PENNVEST to be sure that DTMA recovers its costs for serving this project.

The Board also received a copy of the final version of the DTMA - Londonderry Intermunicipal Agreement (IMA) & Lease Agreement (LA) to serve Londonderry Estates prior to this meeting. Resolution 2020-30 was previously approved at the June 2020 meeting authorizing the designated Board Officers to sign the original version of the IMA & LA pending any necessary revisions. However, over the last several months, Staff and Solicitor Pykosh have worked with Londonderry Township Staff and their Counsel to finalize the agreement. Londonderry Township Board of Supervisors will be approving the finalized version of the IMA & LA at their next regularly-scheduled meeting in June. With the minor revisions incorporated in this agreement, Staff is seeking approval of Resolution 2021-29 for execution of the current form of the IMA & LA which will include updated lease calculations once the PENNVEST loan amount is determined. Also, the surcharge for the customers will also need to be addressed in the agreement once it is determined.

S.R. 230 CORRIDOR SEWER PROJECT

The Sewer Extension Agreement for this project between Core5, Vision-Elizabethtown, Londonderry Township, and the Authority was fully executed on May 11, 2021, as previously authorized by Resolution 2019-70. The Authority also received a sewer capacity purchase agreement and payment of the capacity fees from Core5 for each of their four development properties within the project area.

The developer's contractor (Wexcon) has begun construction work on the PAWC waterline installation along S.R. 230. Wexcon has been delayed in receiving materials for the sewer work which has pushed the project schedule back several months. Staff continues to coordinate shop drawing submittal review and acceptance with all parties. Wexcon plans to begin the sewer work in June. Staff will be assisting Londonderry Township's inspector with meeting with property owners for the coordination of the lateral connection locations at each property.

Staff and Londonderry Township are partnering on a grant application to the U.S. Economic Development Administration (EDA) Nuclear Closure Communities (NCC) funding program. Londonderry Township is an ideal candidate for this funding program as they are recovering from the economic impacts of the closure of the Three Mile Island Nuclear Plant. Upgrading the Southwest WWTP to serve the S.R. 230 corridor is a critical component in facilitating the economic growth within their community. DTMA will be seeking \$3.5 million in EDA NCC funding to offset the Authority's project costs associated with the Southwest WWTP Upgrade & Expansion project. The grant application will be submitted by the end of May.

Coordination efforts continue with the completion of the Southwest WWTP service area tapping fee study being completed by Gannett Fleming Valuation and Rate Consultants. As mentioned previously, this study is primarily focused on the Authority's ability to recover costs from the construction of the sewer extensions in the later phases along the S.R. 230 corridor and following the expansion of the Southwest WWTP in 2023. Grant monies from the EDA will certainly need to be factored into this study once they are confirmed.

CONSTRUCTION CONTRACTS UPDATE

Clearwater Road WWTF Power Improvements [Contract 2019-01] – The work for this contract is substantially complete as of March 30th, and Garden State Electric (GSE) is continuing to complete the remaining minor work items noted in the Substantial Completion Punch List. Staff training was provided by the equipment manufacturer. During the past month, GSE began the demolition of the former PC#2 concrete pad. The remainder of the work includes the installation of the new manhole that will provide future access to the conduits and final grading and seeding. GSE anticipates having all on-site work complete in June.

Clearwater Energy Enhancements Project [Contracts 2020-02G, 2020-02E, 2020-02H] - The April Construction progress meeting was held virtually and with in-person attendees on April 27th. The next construction progress meeting is scheduled for Tuesday, May 25th. Construction progress is anticipated to continue in a positive direction with no significant schedule delays identified by any of the Contractors. Contractor requests for reimbursement of the increase in costs for materials will be reviewed with each contractor. However, this item was addressed in the project specifications.

Raw Sewage Pumps Replacement [Contract 2020-03] – Heisey Mechanical and Manada Electric are making progress with the shop drawing submittals. Based on the current construction schedule as received by Heisey Mechanical, the on-site work will begin in September 2021. The project remains on schedule with all work to be completed by the end of February 2022, which is ahead of the date of substantial completion on June 2, 2022. RK&K and Staff continue to coordinate with both Contractors for implementation of the alternate approach for this contract with the deletion of the 18-inch diameter discharge pipe replacement and bypass pumping. Manada Electric has developed a detailed power outage procedures plan and back-up power equipment needs to manage the five power outages that will be required to enact this alternate approach. Both Contractors are finalizing their revised construction sequence and pricing modifications to the contract.

ESD Cladding System [COSTARS]

On May 19th, Staff, Brown and Caldwell (BC), Kappe Associates and Matrix Applied Technologies met to discuss project progress and a draft structural design submittal. Kappe and Matrix are preparing to make their design submittal in early June for BC to review. The project remains on schedule for construction completion by the end of 2021. All on-site contract work is being carefully coordinated since the work under this contract will be occurring in close proximity to the Energy Enhancements project.

Primary Sludge Pump Replacement Project [Contracts 2021-01G, 2021-01E]

All necessary contract documents (agreement, bonds, COI) from each contractor were received on May 24, 2021 and were forwarded to the Solicitor for review.

ENGINEERING STATUS REPORT

Clearwater Road Flood Mitigation Project - Staff and RK&K met to discuss the Sludge Building second floor layout options for the relocated electrical equipment. RK&K expressed concern with the potential conflicts that may arise depending on the recommended dewatering and thermal dryer replacement options which are being developed under the Phase I Facility Improvements Project. It was, therefore, agreed upon by Staff and RK&K to delay finalizing the design layout until the Phase I Facility Improvements Project is complete in September.

Southwest WWTP Upgrade and Expansion Project (Phase 1) – Hazen and Sawyer (Hazen) remains on schedule and is progressing towards the 90% design submittal which is anticipated to be complete by end of June 2021. The overall project schedule remains on schedule.

Clearwater WWTF Phase 1 Facility Improvements – The Project Team held multiple workshops to further progress on this project. The project is on schedule, with several tasks scheduled for completion in May 2021. Colin O'Brien provided an update on each of the Tasks that were addressed to date. The next workshop meeting is scheduled for May 26th to include the kick-off of Task 3 (Dewatering Improvements), Task 5 (Thermal Drying), and Task 8 (Sidestream Treatment). Task 6 (Drying and Class A Business Case Evaluation) will be initiated upon completion of Task 4 and Task 5. Task 9 (Implementation Plan) is the final work product to include cost estimates for the recommended facility improvement planning. The project remains on schedule with all Tasks to be completed in September 2021.

STORMWATER PROGRAM MANAGER'S REPORT – MIKE CALLAHAN

As part of DTMA's obligation under its MS4 permit, Staff submitted and were approved for a Pollution Reduction Plan (PRP) for local impaired waters and the Chesapeake Bay by PA DEP. Two projects in the plan consisted of a riparian buffer planting on the Hershey Free Church property and stream restoration/riparian plantings along the stream segment from Middletown Road to Swatara Creek that runs through the Deer Run subdivision and Gelder Park.

Additionally, Staff has been working on a stream restoration project along Bullfrog Valley Road from the pond south to Derry Woods Drive. An agreement with Hummelstown Borough is being finalized to sell some of the sediment reduction generated from that project to Hummelstown for use in meeting the obligations of their PRP.

Since the submission of DTMA's original PRP, Staff have identified some additional projects that could be part of the overall PRP. As the revised PRP is submitted based on DTMA's collaboration with Hummelstown Borough, Staff will also include these new projects. Projects need to be included in an approved PRP to be eligible to satisfy PRP obligations, but including a project in a PRP does not obligate a permittee to complete the project if permit obligations are satisfied with other approved projects.

Mr. Callahan reviewed projects that are being considered for inclusion in the PRP. The total sediment reduction generated by these projects is 864,672 lbs. DTMA's permit obligations require 701,625 lbs. Hummelstown Borough's obligations are 77,803 lbs. The total need of both permittees is 779,428 lbs. Assuming all projects in the above table are completed, there will be an additional 85,244 lbs. remaining. Those pounds of reduction can be carried over to future permit cycles, assuming the need for sediment credits in the next permit cycle. There is no penalty for completing projects ahead of the next permit cycle.

Regarding schedule, as mentioned before, the Free Church Stream Buffer is complete. Stoney Run Basins 1 and 2 will be included in a bid package with the Brookside project that is anticipated for bid in June. Staff

will submit for permits for Forest Avenue, and based on anticipated review time, that project would be potentially bid this fall pending permit receipt. Oakmont Basin Improvements is designed and is ready for construction. Staff held off on going to construction to attempt to acquire grant funding to offset construction costs.

The two stream projects should be through design and permitting by winter 2022. That will allow these projects to go to bid during an optimal construction window in 2022. DTMA's obligations for the PRP need to be satisfied by March of 2023. The overall construction cost estimates for all of these projects is \$3,250,000.00. Dividing that number by the 864,672 lbs. generated, there is an average cost per pound of sediment of \$3.76 for construction. The collaboration with Hummelstown would generate approximately \$427,916.50 if we proceed. That would reduce the expenditure from the ratepayers to approximately \$2,822,083.50. Any grants received would further reduce that number. Reductions in costs associated with the PRP projects would allow DTMA to pursue other projects throughout the Township.

ITEMS FOR ACTIONS

Resolution #2021-29 – Approval of Intermunicipal Agreement and Lease Agreement for the Londonderry Estates Sewer Extension Project: This resolution was approved on a motion by C. Duncan, seconded by R. Furlan. The motion passed by voice vote.

Resolution #2021-30 – 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 C. Duncan, seconded by R. Furlan. The motion passed unanimously by voice vote.

Discussion on Resolutions #2021-31 and 2021-32

The Biogas Conditioning System Media Replacement and Equalization (EQ) Basin Liner Repair Projects were planned and budgeted as an identified project expense in the 2021 Budget. Both project costs are planned to be paid from the Wastewater Operating Fund. A COSTARS proposal from Sherwood Logan & Associates, Inc. (Sherwood) to complete the work for the Biogas Conditioning System in the amount of \$77,842 is presented for approval. This proposal has a 37% cost increase in comparison to the media replacement work which was completed by Sherwood nearly 3 years ago. Staff are currently working with Sherwood to identify any potential cost savings for this work. Due to the urgent nature of this work by placing the CHP engine back in service for the benefit of electric savings, Staff is recommending that the Board consider accepting the received proposal for a not-to-exceed amount of \$77,842.

The EQ Basin Line Repair project includes the repair of the existing EQ Basin #2 liner to prevent further damage and to extend the useful life of the liner. During the 2021 Budget preparation, Staff considered repairing only one side of the EQ Basin liner due to costs (Budgeted \$23k). Due to the increased liner wear in addition to the recent savings realized from the Sludge Thickener Skimmer Replacement (\$23k), it is recommended that both sides of the EQ Basin liner be repaired. Staff received a COSTARS quote from Houck to complete the work in the total amount of \$44,500. Houck has completed liner repairs in the past and is highly competent to complete the work.

Resolution #2021-31 – Approval of COSTARS Contract with Sherwood Logan and Associates to remove and replace the Gas Conditioning System Media: This resolution was approved on a motion by R. Furlan, seconded by J. Canavan. The motion passed unanimously by voice vote.

Resolution #2021-32 – Approval of COSTARS Contract with Houck to repair the EQ Basin #2 Liner: This resolution was approved on a motion by R. Furlan, seconded by C. Duncan. The motion passed unanimously by voice vote.

NEW BUSINESS

Virtual Meeting Attendance

Solicitor Pykosh reviewed the PA Sunshine Act and also checked with the PA State Association of Township Supervisors (PSATS) to see if authorities can continue to hold their public meetings virtually as long as the Governor's emergency declaration is in order. He found that under the emergency declaration meetings were permitted to be held virtually only. However, he is suggesting now that meetings should be open again to the public, but the Board can continue to offer a virtual option for attending the meeting too. C. Christman noted that the Township of Derry's solicitor also agreed that virtual meetings can be conducted until the emergency declaration in PA is revoked. That is what the Township is going to do for now, but will probably eventually conduct meetings with a physical and virtual presence. R. Furlan suggested that the Authority's by-laws may need to be changed to address public meeting accessibility. The Solicitor stated that he did not feel any changes were needed right now, but could be addressed at a later date.

Pandemic Policies Update

During the emergency declaration by the Governor, safety practices have been followed such as social distancing, extensive cleaning of common areas such as offices, lunch rooms, and restrooms, and the mandatory requirement to wear masks while in the Administration Building, in vehicles with other staff members, or at any time when two or more employees needed to meet. Staff has been provided with disposable masks, hand sanitizer, and sanitizing cloths. Employees are also required to fill out a health survey form each day at the beginning of their shift that includes a temperature check. The lobby remains closed to customers and Staff has been told to limit the number of visitors as much as possible. The same survey and temperature check is also required of any visitors who do need to come onsite for meetings.

Over the past few months, COVID-19 vaccinations have become available to all individuals who would like to receive one. On May 13, 2021 the CDC released guidance that now permits fully-vaccinated individuals to resume activities without having to wear masks or physically distance themselves from others in non-healthcare settings. The Pennsylvania Department of Health has updated its guidance to be consistent with the new CDC recommendations.

Since the beginning of the emergency declaration, Staff has been in constant contact with DTMA's labor attorney, Ryan Murphy, to make sure that any protocols put in place are in accordance with the guidelines issued by the Governor and/or State Health Secretary and that we are in compliance with any Federal regulations. Mr. Murphy has prepared an Interim Policy which would permit vaccinated employees to forego wearing masks and having to social distance provided that they supply management with a copy of their vaccination card. It is likely that this policy will only be in effect for a short period of time since the Governor and the Health Department have said that when Pennsylvania hits the 70% mark for vaccinated individuals the mandatory mask mandate for all individuals will be lifted, unless DTMA chooses to continue to require face coverings as a safety precaution for those unvaccinated employees. However, management would like to provide this option to our employees now for those that are vaccinated. It is also recommended that the need for the daily health survey and temperature check be discontinued.

The lobby has remained closed since March of last year. Plexiglas barriers have been installed at the Customer Service windows in the lobby. Customers have always been able to pay their sewer bills in person; but over the past year, those payments were only accepted at the payment box located by the

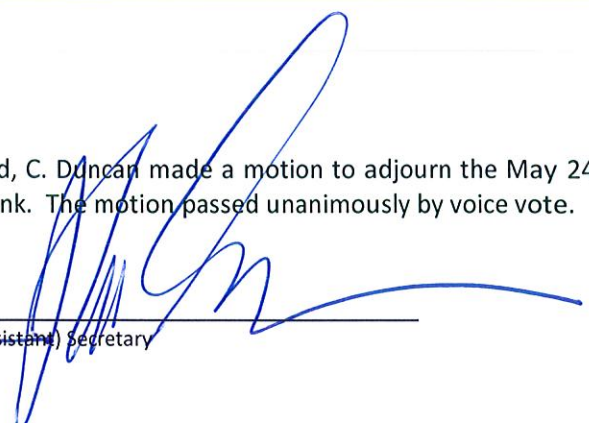
front door (there is a camera near the box). Payments are collected twice daily and anyone depositing cash is mailed a receipt the next day. There have been no problems with receiving the payments in this manner, so Staff will post a sign that continues to require all payments be placed in the payment box when the lobby reopens in June.

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 May 24, 2021 public meeting at 7:18 p.m., seconded by B. Link. The motion passed unanimously by voice vote.



(Assistant) Secretary