

**MINUTES OF THE MEETING
DERRY TOWNSHIP MUNICIPAL AUTHORITY
670 CLEARWATER ROAD
HERSHEY PA 17033
MONDAY, DECEMBER 20, 2021**

The Derry Township Municipal Authority Board held its regular monthly meeting on Monday, December 20, 2021, in the Conference Room of the Authority's Administration Building, 670 Clearwater Road, Hershey, Pennsylvania. The meeting was also available to Board members, Consultants and Advisors, and the general public virtually through GoToMeeting. Chairman Feidt called meeting to order at 6:00 p.m.

ROLL CALL

Attendees	In-Person	Virtually
Board Members		
John Canavan		
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 (Deputy Director)	X	
Michael Postick (Staff Engineer)	X	
Michael Shambaugh (Network Systems Manager)	X	
Dennis Beck (Comptroller)	X	
Sarah Ryan (Stormwater Program Manager)	X	
Consultants		
Mike 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

R. Furlan made a motion to approve the Minutes of the November 22, 2021 Board meeting. B. Link seconded. The motion passed unanimously by voice vote.

APPROVAL OF TREASURER'S REPORT AND BILLS FOR PAYMENT

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

OLD BUSINESS

Southwest WWTF Service Area Tapping Fee

As presented at last month's meeting, Gannett Fleming (GF) provided a recommendation to the Board to implement a tapping fee for each sanitary sewer connection with the intent of fully recovering all capital expenditures associated with the Southwest WWTP Upgrade Project and future sanitary sewer extensions in Londonderry Township. The Director noted a few concerns with GF's recommended tapping fee. After that meeting, the Director further evaluated the option of assessing a surcharge rate that would be added to the monthly sewer rates for customers in Londonderry Township. The Director reviewed a 20-year present worth evaluation that he completed which included future projections for annual sewer customer connections, sewer user rate revenues, estimated operation & maintenance costs, and debt service payments. A surcharge rate of \$32 per customer per month would be the break-even point at which the sewer revenues and expenses are equal. In a typical month, an average SFD customer may pay the following depending on water service – approximately \$71 for a metered customer (based on water usage) and \$77 for the flat rate well customer. For comparison purposes, Londonderry Township estimated in their Act 537 Plan Update a monthly user rate per customer between \$64 and \$95 depending upon financing options for construction of the sewer extensions. This monthly user rate does not account for the Southwest WWTP Upgrade costs and the additional operational expenses.

In combination with the selected monthly surcharge rate, a proposed tapping fee of \$5,400 (\$2,400 Capacity Fee, \$2,000 Special Purpose Fee, and \$1,000 Lateral Fee) provides the Authority with adequate funds to recover projects costs and to reduce the financial burden for its ratepayers. He noted that the Special Purpose Fee is eliminated once the number of proposed connections are reached.

The developer reimbursement component of the tapping fee would need to be added to the Authority's proposed tapping fee of \$5,400. Staff met with the warehouse developers on November 30th. They are currently evaluating an appropriate fee to charge for any new residential or commercial development that connects to the system along the SR 230 corridor.

The Board Review Committee and Staff will prepare a resolution for approval at an upcoming Board meeting, to include the recommended revisions to the Authority's Rates and Fees Schedule, once the developer reimbursement component has been finalized by the developers.

STAFF UPDATES AND REPORTS

CONSTRUCTION CONTRACTS UPDATE

Clearwater Energy Enhancements Project [Contracts 2020-02G, 2020-02E, 2020-02H]

Mr. Postick reported that the construction progress meeting for December will be held on December 21st. The January construction progress meeting is scheduled for January 18th. All three Contractors continue to make progress on the remaining submittals as well as progress on construction components. The Engineering team continues to be responsive in submittal reviews and RFIs and RPR activities are coordinated daily with the team.

The original contract schedule had set a substantial completion date of January 15, 2022. Based on the contractor's progress and their current construction schedule, the contractor anticipates reaching the substantial completion milestone in Fall 2022. This results in a substantial schedule delay. BC and DTMA

Staff are currently reviewing change order proposals for contract time extensions as submitted by the contractors. BC will be addressing and responding to these requests on December 22nd.

Staff, BC, and RK&K still continue to coordinate with PPL regarding the installation of additional equipment needed to manage and monitor power consumption and provide over-voltage protection within the CHP system. In coordination with PP&L, Pagoda Electrical has submitted Change Order No. 1 for an increase in the contract price in the amount of \$56,587.00. The work described in the change order includes changes to existing electrical infrastructure as required by PP&L in the existing primary switchgear and for the installation of voltage and current sensing within the existing Power Center No. 2.

Staff and BC reviewed a change order proposal from Eastern Environmental relating to modifications to the Intermediate Sludge Storage Tank (Day Tank) gas piping. This change request is a result of incorrect information provided by CB&I/McDermott (manufacturer of the egg-shaped digester) during the design phase of the project pertaining to the existing gas piping size within the Day Tank. The piping modification increases the contract price in the amount of \$85,342.89 and includes upsizing of the gas piping inside the Day Tank in order to meet the design conditions. Because CB&I/McDermott have culpability in the design error, Staff requested a reduction in their cost proposal in the amount of \$21,863.45.

Raw Sewage Pumps Replacement [Contract 2020-03]

A construction progress meeting was not held in December. The next construction progress meeting will be scheduled in January as on-site works begins. Heisey Mechanical, Manada Electric, and RK&K continue to work on shop drawing and RFI submissions and reviews. Manada Electric has continued with some additional preliminary preparation work on the intermediate floor level; however, their work progress decreased in December as their work has become more dependent upon the progression of Heisey Mechanical's work. Heisey Mechanical has not completed any on-site work to date. The proposed change order for a cost increase of approximately \$57,000 submitted by Manada Electric last month is still under review. At last month's meeting, the Board asked for further details on the pricing of the material and when it was purchased. Mr. Rehkop noted that the price that Manada had received in May was higher than the price that they paid when they ordered the wire in October, but the cost was still approximately 25% higher than when the bids were prepared and submitted. The Director reviewed the price for the next responsible bidder for this project and found that Garden Spot's bid was approximately \$67,000 higher than Manada's bid. Unless the contract has a price escalation clause, then the Board's consensus is to not accept this change order request. They noted that if this request is granted when there is not escalation clause, then contractors for this project or other DTMA projects could also put in similar requests.

2021 Sanitary Sewer and Storm Sewer Rehabilitation Project

The two project contracts have been awarded, and related Notices to Proceed have been issued. A preconstruction conference was held on November 30th. Both contractors have begun administrative tasks and have begun developing product submittals. HRG and Staff are awaiting delivery times for the precast concrete structures. Once received, both contractors will coordinate schedules and an overall project schedule will be subsequently provided. At this time, HRG and Staff expect that construction activities will begin in February 2022.

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

Mobilization for the General Contractor, JP Environmental, continues to be delayed due to issues with the supply chain for procurement of materials. Currently, it is anticipated that all materials will be delivered in December and both contractors can mobilize and begin work in January 2022. It is anticipated that the entire project will take approximately 4 weeks to complete once work commences. Based on the most

recent estimated schedule provided by JP Environmental, a no cost time extension change order has been issued for each contract to extend the time to Substantial Completion by 217 days.

ESD Cladding System [COSTARS]

Matrix and Kappe have confirmed with BC and Staff that the shipment of materials will occur in early January and installation will begin in early February. The Matrix and Kappe team have also offered a credit in the amount of \$35,374 due to a reduction in insulation repair work compared to what was originally estimated. BC and Staff are currently reviewing this credit and will provide a recommendation to the Board at next month's meeting.

ENGINEERING STATUS REPORT

NPDES Permit Renewal

PADEP has completed their review of the Clearwater Road WWTP NPDES permit renewal application. They have requested copies of lab reports from previously completed pollutant sampling/testing and have requested new sampling/testing of some specific additional pollutants. DTMA is currently completing this sampling/testing and will submit the results to PADEP upon completion. PADEP comments on the Southwest WWTP Permit Renewal have yet to be received.

Southwest WWTP Upgrade and Expansion Project (Phase 1)

Hazen and Sawyer (Hazen) has essentially completed the project contract documents. They are performing final QA/QC and are incorporating DTMA Staff comments to finalize the design accordingly in preparation for public bidding of the project construction. Bidding has been moved to January or February and contingent upon successful award of the US EDA Grant. Award of the US EDA Grant of \$3.5 million may necessitate the inclusion of additional administrative and legal requirements to the bidding documents. Award announcement is expected in early 2022. In light of increasing industry costs, DTMA Staff have recently considered the inclusion of additional options in the bidding documents to enable contractors to utilize alternative concrete tank manufacturing subcontractors to deliver post-tensioned or pre-stressed tank structures for the project rather than considering only cast-in-place concrete construction methods. This would potentially create cost savings resulting from construction efficiency and increased competition.

Spring Creek Interceptor Upgrade Project

HRG prepared and submitted the permit applications for the Water Quality Management Part II Permit, Erosion and Sedimentation Pollution Control Plan, and the General Permit for the stream crossing. HRG is currently working towards completion of the 90% complete design drawings, coordination with property owners for demolition of above ground utilities, and completion of technical specifications. HRG and Staff inspected the project site on November 23rd to gain further insight on the best design approach for the aerial crossing of the new sewer over Spring Creek. HRG and Staff are also coordinating with the Hershey Company regarding property ownership and property protection agreements etc. The project is on track for being bid in Spring 2022.

High Meadow Pump Station Evaluation

HRG and DTMA Staff completed a field inspection of an existing submersible-style pump station located within the floodplain of the Susquehanna River and owned and operated by the Milton Regional Sewer Authority. This pump station was constructed using an alternative design approach with flood resiliency measures that are being evaluated for the upgrade to the High Meadow Pump Station. Based on the results of the site visit, HRG is in the process of finalizing the evaluation for presentation to the Staff in early 2022. Staff is also investigating a potential cost-sharing partnership with the West End land

development project for this project due to the increased flow demands, as a result of this development, which will exceed the current capacity of the pump station.

Clearwater WWTF Phase 1 Facility Improvements

The Phase 1 Facility Improvements planning project is nearing completion. No project workshops were held in December. Mr. O'Brien reviewed the status of the remaining tasks. Staff review continues with the drying methods being considered. A full and final report of the findings and recommendations for all the above tasks is anticipated from BC in January 2022.

South Hanover Township Line Upgrade

HRG has received all the information from South Hanover Township with respect to their planned upgrade of their tributary pumping station force main that is needed for modeling of the capacity impacts on DTMA's Spring Creek Interceptor and influent Raw Sewage Pump Station. South Hanover is considering upsizing their main force main that delivers wastewater to DTMA for treatment from 10" to 16" and possibly tying in to an alternate connection point. HRG and Staff are working with South Hanover's engineer regarding this project. HRG anticipates having an evaluation ready for review by Staff in January 2022.

Standard Construction and Materials Specifications

HRG is working to provide a draft of the updates to the technical specifications and construction details included in the DTMA Standard Construction and Material Specifications document. Updates will be based on suggestions by HRG as well as desired changes previously noted by Staff. HRG anticipates that the draft will be completed and presented to Staff in February 2022.

STORMWATER PROGRAM MANAGER'S REPORT (M. Postick)

Derry Township Parks Water Quality Improvements – Bullfrog Valley Stream Restoration

The Joint Permit Waiver 16 was submitted and deemed administratively complete by PADEP. Four (4) comments were received from the US Army Corps of Engineers; 11 were received from PADEP. HRG is currently revising the Joint Permit per comments and teaming with Staff to finalize alternative sources of stone for bank stabilization. The Dauphin County Conservation District (DCCD) Erosion and Sedimentation Control permit and supplemental GP-11 Permit for additional endwall structures were submitted on December 3rd. Project design is essentially 100% complete. Estimated start of construction remains planned for spring/early summer of 2022 with a completion planned in the fall.

Deer Run Stream Restoration

Preliminary design is nearing completion. Joint Permit application development remains in progress and is approximately 95% complete. Project involves stream restoration similar to that for Bullfrog Valley. Design and permitting can likely be completed and received in early 2022; however, the project's higher cost may necessitate postponement until 2023. A Growing Greener grant may change that decision if such is awarded.

Oakmont Community Basin Retrofits

Project design is nearing 100% completion, with funds from a previous grant award. Unfortunately no Growing Greener funds or HOA funds are available for construction of this project; as such its costs has been incorporated into the 2022 budget as fully self-funded by DTMA. Staff is now looking to potentially combine bidding and construction of this project with the Bullfrog Valley Stream Restoration Project in an attempt to reduce costs and potentially reuse stone removed from this project at the Bullfrog Valley Stream Restoration Project site. Mr. Link asked whether there was a way the HOA could be held

responsible for the upkeep of basin that serves their development. The Solicitor suggested that DTMA ask to review the homeowner agreement for residents of Oakmont to determine if the HOA is responsible. Staff noted that DTMA would make sure that agreements going forward with the HOA will contain compliance and maintenance requirements necessary for the proper functioning of the basin, especially if the HOA is receiving stormwater credits for a properly-functioning basin.

2021 BMP Retrofits (Stoney Run Basins 1 and 2 and Brookside Park)

Preliminary non-field construction work is underway by Kinsley Construction, Inc., while field work should potentially start in January 2022 pending material availability. DTMA Staff is currently working with HRG and the contractor to finalize the best approach towards using construction staging at Shank Park. Mr. Postick noted that the basins for Stoney Run have not been maintained by either the HOA or Derry Township.

Forest Avenue Basin and Swale Improvements

The design and permit application are now essentially 100% complete. The permit application shall be submitted the week of December 20th. Easements with the Hershey Medical Center shall be secured prior to construction. Bidding can occur upon permit receipt. Estimated start of construction is in the spring of 2022.

Ridge Road Drainage Improvements

The design has been completed, with minor revisions made per PADEP comments. Additional comments on the PennDOT HOP application were received, and a resubmission is being prepared. HRG and Staff anticipate a PennDOT response by week of December 20th. As previously noted, PA American still continues to experience a delay acquiring ductile iron pipe, which is in turn delaying their 16-inch water line relocation, an integral step in this project. Regardless, efforts are still being made to enable bidding and construction in winter of 2022.

Stoverdale Road and Shopes Church Road

The design is 90% complete. The bid package (i.e. drawings, bidding documents, cost estimates, etc.) are being finalized, and all required permitting has been received. Bidding and construction are planned for early spring 2022.

Clark Road and Stonecutter Circle

The design of both projects is essentially 90% complete. Staff have reviewed plans and have only minor suggested changes for HRG to make. Easement exhibit efforts shall be forthcoming. Bidding and construction are planned for spring of 2022.

Spring Creek Watershed Implementation Plan (WIP)

DTMA is participating in the development of a WIP that will assess Spring Creek and identify locations for Best Management Practices (BMP) improvement projects to reduce sediment and nutrient pollution from agricultural runoff, uncontrolled urban runoff and poorly established streambanks. The joint project team consists of DTMA, Trout Unlimited, The Center for Watershed Protection, Penn State University, Ecosystem Planning and Restoration, DCCD and other potential stakeholders (e.g. property owners). The project received a Section 319 Non-point Source Management Grant of \$132,759.00 to help fund the WIP. DTMA participated in virtual kickoff meeting with the project team on December 15th. The anticipated WIP completion date is February 2023.

BIOSOLIDS PROGRAM UPDATE (W. REHKOP)

With the completion of the Vision & Goals planning in July 2020 and the biosolids improvements planning under the Phase 1 Facility Improvements nearing completion, the Authority is implementing a risk register decision-making approach for biosolids management into the future. This includes a business case and cost benefit analysis to diversify end use options for biosolids management and to meet or exceed regulatory challenges.

Over the last few months, Staff has participated in a biosolids stakeholder group and held three meetings with PA DEP in review of the proposed pre-draft amendments to the Biosolids General Permits for land application or beneficial reuse of Class A and B biosolids. The proposed revisions include permitting requirements for per- and polyfluoroalkyl substances (PFAS), nutrient management for phosphorus-index (P-Index), hauled waste, and field storage requirements. PA DEP anticipates finalizing the pre-draft permit requirements in May 2022 with a compliance period of 2-3 years.

The P-index will likely have the most significant impact on land application of biosolids as this will reduce the application rate (wet tons/acre) at qualified farms in order to meet an acceptable P-Index rating. It is our current understanding that this permit requirement will impact a majority of the current qualified farms in the region (Dauphin, Lebanon, Lancaster) as these farms have high soil concentrations for phosphorus. This will result in significant cost implications to meet future land application permit requirements due to increased hauling distances and associated costs as well as the shortage of qualified farms.

Therefore, there's a high potential risk for current biosolids management costs to increase beyond current projects since the transportation/hauling fee is the highest portion of the overall costs. It is Staff's recommendation to prioritize and implement biosolids processing improvements beginning next year.

As the Phase 1 Facility Improvements project nears completion, Staff have narrowed the list of biosolids processing technology options to two types of equipment: drum dryer and belt dryer. In comparison, the drum dryer produces the highest quality product which diversifies the Authority's beneficial reuse options to various markets based on the uniformity of the granules, low dust content, and high bulk density. Drum-dried biosolids are established in the bulk agriculture, fertilizer blending, and sod markets. Soil blenders, golf courses, and lawncare/maintenance markets also have expressed interest in a drum-dried product. The characteristics of belt-dried biosolids have the least ability to be diversified into non-bulk agriculture markets, and therefore, has the lowest ability to reduce the Authority's biosolids program risks.

Since last month's Board meeting, Staff and BC were approached by Ecoremedy with an offer to purchase their patented gasification and drum dryer facility that was recently demonstrated in Morrisville, PA. The Ecoremedy headquarters is located in Pittsburgh, PA with their President and Chief Technical Officer Dave Mooney based out of Mechanicsburg, PA. All their process equipment is made in the USA and all Ecoremedy equipment is fabricated in Lemoyne, PA.

The Ecoremedy process is a two-phase self-sustaining operation in which the required thermal energy or heat source for the dryer is supplied through the gasification process. The system produces three potential end products depending on the operating parameters to include Class A biosolids, high carbon biochar, or a low-carbon ash for maximum volume reduction. Ecoremedy is considered an industry leader in gasification technology.

Ecoremedy was in the process of completing an air emissions study, to demonstrate air pollutant concentration levels below PA DEP limits, when an overnight fire occurred outside their process facility in the dewatered cake loading area. The fire occurred while the system was shutdown. This caused significant damage to the building; however, the major process equipment was salvaged from the fire. Prior to the fire, Ecoremedy was preparing to complete their demonstration upon completion of the air emissions study. Providing that the Authority pursues this technology, a condition of the equipment purchase agreement would be the successful attainment of an air quality permit.

An additional benefit of the Ecoremedy system is the opportunity for the Authority to import dewatered biosolids from nearby facilities as a source of revenue to recover project costs and to support the biosolids concerns within our region. Based upon their design loading data, DTMA's annual biosolids accounts for approximately 33% of the system capacity. A tipping fee per ton would be established to cover the costs for this service.

Mr. O'Brien noted that BC has been evaluating these types of systems and noted that the gasification and drum drying process have been used in the industry for over twenty years, mostly in the agriculture/fertilizer industry. BC feels that Ecoremedy has established themselves in the industry as a leading vendor for this equipment and process.

The next steps for undertaking the biosolids improvements and the regional biosolids facility planning were reviewed. Procurement of the equipment may be able to be accomplished through COSTARS. The design and installation components of the project will need to be bid. The Board's consensus was for staff and consultants to continue to pursue this project.

ITEMS FOR ACTIONS

Presentation of 2022 Stormwater Fund Budget

Mr. Postick presented the proposed budget for 2022. He noted that the items that were previously presented in the Stormwater Program report will come to fruition in 2022. The Staff will review the projects to determine which projects may be bundled together to save on project and bidding costs. These projects can be accomplished with funds received over the last few years without having to pursue borrowing for the Stormwater program.

Resolution #2021-53 – Approval of 2022 Stormwater Fund Budget: This resolution was approved on a motion by C. Christman, seconded by B. Link. The motion passed unanimously by voice vote.

Resolution #2021-54 – Ratification of project payments from the 2020 Capital Project Funds: Staff reviewed the payments from the 2020 Capital Project Fund requiring Board ratification. This resolution was then approved on a motion by C. Duncan, seconded by C. Christman. The motion passed unanimously by voice vote.

Resolution #2021-55 – Acceptance of Services Agreement with Link Computer Corporation for their Muni-Link Billing Software: This Resolution passed on a motion by C. Duncan, seconded by R. Furlan. The motion passed unanimously by voice vote.

Resolution #2021-56 – Approval of Change Order #1 for Pagoda Electric and Resolution #2021-60 – Approval of Change Order #1 with Eastern Environmental for the Clearwater Energy Enhancements Project: This resolution was approved on a motion by C. Christman, seconded by C. Duncan. The motion passed unanimously by voice vote.

Resolution #2021-57 – Approval of 2022 Meeting Dates: This resolution was passed on a motion by R. Furlan, seconded by C. Duncan. The motion passed unanimously by voice vote. Board members asked that an Outlook invitation be sent to Board members with the meeting dates.

Discussion on Appointment of Auditing Firm

On November 24th, Staff publically advertised the Authority's Request for Proposal (RFP) from professional accounting firms to perform the annual auditing services for fiscal years ending December 31, 2021, 2022, and 2023. The deadline to submit a proposal response was December 6th.

Each firm was requested to provide a detailed description of their firm's size and capabilities, core team assigned to the Authority along with their qualifications, management and auditing approach, and their proposed pricing and rate schedule.

Resolution #2021-58 – Appointment of Zelenkofske Axelrod (ZA) to perform financial audits for fiscal years 2021, 2022, and 2023: This resolution passed on a motion by C. Christman, seconded by C. Duncan. The motion passed by voice vote. D. Feidt abstained from voting due to a business conflict.

Resolution #2021-59 – Approval of Deputy Director Employment Contract with Kimberly Bloom: This resolution was passed on a motion by C. Duncan, seconded by B. Link. The motion passed unanimously by voice vote.

NEW BUSINESS

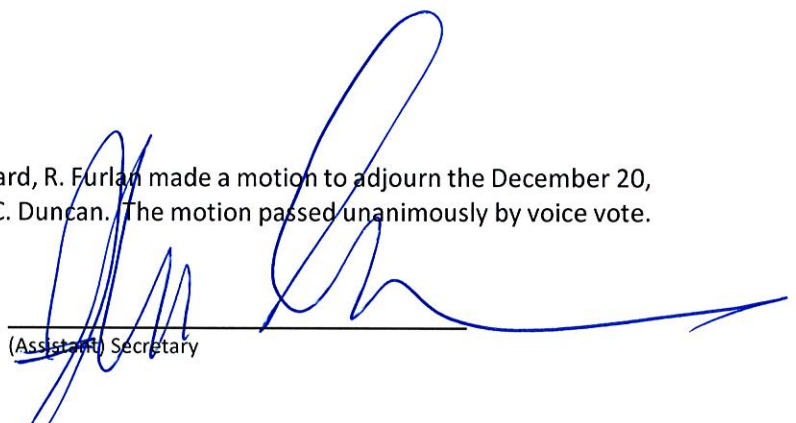
There was not further business at this time.

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 December 20, 2021 public meeting at 7:40 p.m., seconded by C. Duncan. The motion passed unanimously by voice vote.



(Assistant) Secretary