

**MINUTES OF THE MEETING
DERRY TOWNSHIP MUNICIPAL AUTHORITY
670 CLEARWATER ROAD
HERSHEY PA 17033
MONDAY, SEPTEMBER 28, 2020**

The Derry Township Municipal Authority Board held its regular monthly meeting on Monday, September 28, 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 6:00 p.m.

ROLL CALL

Attendees	In-Person	Virtually
Board Members		
Charles Duncan		X
David Feidt	X	
Ronald Furlan	X	
Brian Link		X
Michael Postick		X
Matthew Weir	X	
Carter Wyckoff		X
Staff		
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	
Consultants		
Michael Pykosh (Dethlefs Pykosh)	X	
Paul Gross (Buchart Horn)	X	

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 August 24, 2020 Board meeting. M. Weir seconded. The motion passed unanimously by voice vote.

APPROVAL OF TREASURER'S REPORT AND BILLS FOR PAYMENT

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

STAFF UPDATES AND REPORTS

FACILITIES DIRECTOR'S REPORT – BILL REHKOP

Mr. Rehkop updated the Board on DTMA's financial position to date and also reviewed the current construction projects.

Since the beginning of the COVID-19 pandemic in March 2020, DTMA Staff continues to monitor any potential impacts to the financial outlook for the near-term as well as any potential long-term impacts to future Capital Budget planning. As Staff begin to prepare for the 2021 Budget, it is important that the Authority evaluate the potential impacts caused by the pandemic and also develop strategies to implement moving forward to stabilize the Authority's financial position into the future.

Net Position

On a month-to-month basis, the net position presented in the Treasurer's Report provides insight on the overall financial stability of the Authority during a Budget year. Information was presented that shows the Authority has generally maintained a positive net position for both the Wastewater and the Stormwater Funds since the beginning of the Budget year and from the start of the COVID-19 pandemic.

Revenues and Expenses (2017 to 2020 YTD)

In comparison to the last three years' budget performance, the Authority experienced a record year in 2019 for hauled-in waste acceptance and billable sewer revenue. In preparation for the 2020 Budget, Staff anticipated that the Authority's revenue would continue to experience growth beyond the 2019 Budget year performance due to the projected new customers, sewer rate increase, and the continued success of the hauled-in waste acceptance program. Although the revenues currently have exceeded the expenses in 2020 YTD, as indicated by the positive net position of the Authority, the revenues are down by nearly 4% compared to 2019. Alternatively, the operating expenses have decreased by approximately 11% in comparison to 2019.

The comparison of the monthly operating revenue was also presented. The pandemic impact on the local tourism and commercial businesses within DTMA's service area is clearly represented by the downward projection between April and July revenue. The monthly revenue began to increase from July to current based on tourism and commercial businesses beginning to re-open.

The wastewater billing information was also presented. The 2020 YTD metered residential billing increased by approximately 6.6% compared to 2019 YTD; and increased approximately 23.8% compared to 2018 YTD. The 2020 YTD metered commercial billing decreased by approximately 13% compared to 2019 YTD; but increased by approximately 6.7% compared to 2018 YTD. The operating revenue YTD has decreased by approximately 4% compared to 2019 YTD but is projecting similar to 2018 YTD operating revenue. The Collection System, Plant Operations, and Maintenance operating expenses YTD are all projecting under budget by approximately 11% compared to 2019 YTD. Staff will continue to reduce project expenses and repairs as reasonably possible for the remainder of this Budget year.

Financial Outlook

The current budget year performance appears to be stable based on the Authority's positive net position and the overall reduction in operating expenses to date. The hauled-in waste acceptance program is projecting to surpass the 2019 record year in revenue. Staff are currently completing budget projections to the end of this Budget year to ensure that the Authority's financial position remains stable. In addition, Gannett Fleming is reviewing the Authority's current rate structure and evaluating the loss of wastewater revenue from the impacts of the COVID-19 pandemic as part of the rate study. Any potential impacts resulting from the COVID-19 pandemic that may have long-term effects on the Authority's net position will be further evaluated during the preparation of the 2021 Budget.

Projects Update

CLEARWATER ROAD WWTF POWER IMPROVEMENTS [CONTRACT 2019-01]

GSE continues with the on-site work with no reported setbacks or major issues to date. The new switchgear equipment is anticipated to be delivered in October 2020. Staff will continue to monitor GSE's progress as the Substantial Completion date of November 24, 2020 approaches. GSE submitted change order request (COR) #3 for an increase in the contract price in the amount of \$4,044.81 which compensates the contractor for the implementation of the ground fault protection scheme for Power Center No. 2 (PC#2) and the paralleling switchgear for the CHP engines.

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

The majority of the work for both contracts is near completion. Custer Excavating (Contract No. 2019-09) anticipates completing all site restoration work and paving in the upcoming weeks.

Insituform submitted change order request (COR) #1 for an increase in contract price in the amount of \$7,822.16. CO #1 compensates the contractor for the additional mobilization and equipment rental to complete the installation of the CIPP liner in the existing 48-inch diameter storm sewer pipe located along Southpoint Drive.

CLEARWATER ENERGY ENHANCEMENTS PROJECT

A preconstruction meeting was held on Monday, September 21st with representatives from Eastern Environmental (2020-02G), Pagoda Electric (2020-02E), Heisey Mechanical (2020-02H), DTMA Staff and the project design team. The contractors have started the submittal process and are currently preparing a construction schedule for the project team's review. There are a few design coordination items that remain to be completed.

CLEARWATER RAW SEWAGE PUMP REPLACEMENT PROJECT - RK&K anticipates completing the final design submittal and be ready for bidding in October 2020.

CLEARWATER ROAD FLOOD MITIGATION PROJECT – RK&K is proceeding with the design for relocating equipment out of 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 held a progress update meeting with DTMA Staff on September 23rd to review the work completed to date. The project design remains on schedule and Staff anticipate receiving the 30% design deliverable in October 2020.

CLEARWATER PRIMARY SLUDGE PUMPING IMPROVEMENTS - HRG held a design meeting with DTMA Staff on August 31st to present the design progress to date and review Staff comments relating to the design technical memorandum. HRG is currently incorporating Staff comments and remains on schedule for completing the Preliminary Design submittal.

NPDES PERMIT RENEWALS FOR CLEARWATER AND SOUTHWEST WWTPs - The Clearwater Road WWTP NPDES permit is currently in review by DEP. The Southwest WWTP NPDES permit is being prepared, public notifications will be sent out by October 2nd, and the permit will be ready for Staff review by the end of October. The project remains on schedule and the Southwest WWTP NPDES permit renewal will be submitted by the December 2, 2020 deadline.

ANAEROBIC DIGESTER (ESD) EXTERIOR COATINGS IMPROVEMENT PROJECT – BC has been working with multiple manufacturers to develop budgetary proposals and define scope of work. The BC team has discussed some of the options with the Staff in progress meetings and submitted a draft Technical Memorandum (TM) on September 25th outlining the progress to date, recommendations, and remaining effort to develop bid documents. The draft TM is being reviewed by Staff and will be finalized by the BC team in October. Due to the current condition of the ESD coating, the Staff and BC team are progressing this project along to prevent and limit any damage to the existing tank vessel.

WASTEWATER COST OF SERVICE AND RATE STUDY - Gannett Fleming held a meeting with Staff on September 22nd to review their progress to date. We anticipate receiving an updated draft next month for review.

HR & BENEFITS ADMINISTRATOR'S REPORT – KIMBERLY BLOOM

Customer Account Balances

Due to the COVID-19 pandemic, the Board voted in April to forego penalizing utility bills that became delinquent each month in an effort to help those customers who may have been adversely affected by the pandemic. The Board also chose to not pursue further collection activity at this time, such as filing liens or requesting water shutoffs; therefore, staff discontinued sending out late notices since they refer to further collection procedures. However, all past due balances are shown on each month's bill so the customer is aware of the total amount owing on their account.

Over the last several months there have been a significant number of accounts, both residential and commercial, that have accumulated very large balances. Many accounts are several months past due with no payments applied for many months. When the billing and collection processes are reinstated, residents will be faced with paying these large balances so collection procedures aren't enacted. In the past, some customers have set up payment plans whereby they agree to pay the current month's invoice amount each month plus an additional amount that will be applied to their past due balances. However, these payment plans have to be monitored by staff to make sure that the customer is continuing to pay as promised. With this many past due accounts, it would be very time consuming for staff to set up and monitor numerous payment plans.

In anticipation of the return to regular billing and collection activities, it would be helpful for customers to know when the normal procedures will be resuming. Mrs. Bloom suggested that, for example, if the Board would choose January, then Staff would be able to include that information on the October, November and December bills. This will give customers time to prepare for resuming payment of their sewer utility bills again. Resolution #2020-35, which has been previously tabled, could be adopted at the time the Board chooses to reinstate normal termination and collection actions.

Resolution #2020-35 – Reinstatement of penalties and debt collection activity for delinquent utility bills beginning January 1, 2021: This resolution was passed on a motion by B. Link, seconded by C. Duncan. The motion passed unanimously by voice vote.

Finalized Account Balances

Mrs. Bloom explained the process for finalizing accounts when tenants move out or when a property is sold. If a finalized account with an outstanding balance of \$3 or more is not paid in a timely manner, the account shows up on a past due account report. The Customer Service staff sends notices to all delinquent accounts trying to collect these debts. Several attempts are made to collect the funds before, depending

on the balance, further collection activities are initiated. If accounts are under the \$3 threshold, then those accounts are "written off" as uncollectable. Conversely, finaled accounts may have a credit balance. If the account has a credit balance of \$3 or more, then staff processes a refund check. Many times these small refund checks are not cashed or are returned to DTMA because the customer is no longer at the address on the finaled account and no forwarding address is available. The checks remain open in the records for quite some time before they are voided. In either case, there is a significant amount of staff time and resources used to monitor these accounts. The \$3 threshold has been used for many years. Staff would like to raise this threshold for both collections and refunds. There would be a significant savings in staff time, postage, and resources for not having to deal with these nominal amounts.

A motion was made by D. Feidt, seconded by R. Furlan to raise the threshold for utility bill refunds to \$10 and to raise the minimum amount for collections of past due accounts to \$20. This motion passed unanimously by voice vote.

ITEMS FOR ACTIONS

Resolution #2020-44 – 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 M. Weir. The motion passed unanimously by voice vote.

Discussion on Resolution #2020-45 – UV System

The Director explained that the ultraviolet (UV) disinfection system at the Clearwater Plant has been in operation since August 1999. The UV disinfection system, which has been very reliable over the years, is a critical treatment process at the plant for achieving fecal coliform compliance under the National Pollutant Discharge Elimination System (NPDES) permit limits.

This year, the DTMA Staff experienced increased maintenance costs with the operation of the UV system due to electrical malfunctions associated with the input and output modules, causing communication failures with the system control panel. Since the UV equipment manufacturer (Trojan Technologies) no longer manufactures the model used by DTMA, it is difficult to find replacement parts. In the event the UV system is out of service, the Staff utilize the sodium hypochlorite chemical feed system for disinfection. However, this is only to be used as an emergency backup and is not a long-term or sustainable solution for meeting permit limits.

With the UV system being over 20 years old and nearing the end of its useful life, as well as the criticality of maintaining operation for NPDES permit compliance, the Staff is recommending the purchase and installation of a new UV system. The work will include a complete replacement-in-kind system in the existing flow channel with minor modifications. The new equipment is available for purchase through COSTARS in order to expedite delivery. Since the scope of work does not involve any additional work beyond replacing the existing UV equipment with a similar model, the project is eligible for direct COSTARS contracting for a turn-key installation. DTMA has recently completed a direct COSTARS contracting project for the replacement of the hot water boiler in the Sludge Building. A COSTARS quote for purchase of the unit was received from Kappe Associates, Inc. (rep for Trojan Technologies). The selected contractor for performing the general construction and electrical work is JP Environmental and Manada Electric, respectively. Each contractor has successfully completed previous projects at the plant and are highly qualified to perform the work. The total price for the direct COSTARS contracting is in the amount of \$738,000. Buchart Horn will also be reviewing the drawings and specifications provided by Kappe Associates, Inc. to ensure the project deliverable meets our expectations. It is also important to note that

Staff reached out to PADEP and received confirmation that a Water Quality Management (WQM) Part II Permit application is not required. The new UV system has an estimated lead time for delivery of 4-5 months after the contract is executed. Kappe Associates, Inc. does not require any payment until the new equipment is delivered. Therefore, this project will not fall within the 2020 Budget Year and will be included in the 2021 Budget.

Resolution #2020-45 – Approval to purchase UV System through Co-Stars purchasing program: This resolution was approved on a motion by B. Link, seconded by R. Furlan. The motion passed unanimously by voice vote.

EXECUTIVE SESSION

At 7:07 p.m., the Chairman recessed the meeting into Executive Session to discuss a personnel matter and a matter of litigation. The meeting was reconvened at 8:00 p.m.

A motion was made by B. Link, seconded by M. Postick to approve the Separation Agreement with former Executive Director Wayne Schutz, in spirit, conditioned upon final approval of terms by the Solicitor. The motion passed unanimously by voice vote.

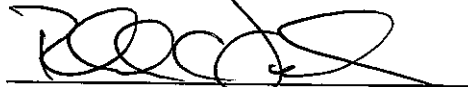
A motion was made by C. Duncan, seconded by R. Furlan, to ratify paid leave that Wayne Schutz was previously placed upon. The motion passed unanimously by voice vote.

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 September 28, 2020 public meeting at 8:02 p.m., seconded by B. Link. The motion passed unanimously by voice vote.



(Assistant) Secretary