

**MINUTES OF THE MEETING
DERRY TOWNSHIP MUNICIPAL AUTHORITY
670 CLEARWATER ROAD
HERSHEY PA 17033
MONDAY, OCTOBER 26, 2020**

The Derry Township Municipal Authority Board held its regular monthly meeting on Monday, October 26, 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 6:02 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	
Consultants		
Michael Pykosh (Dethlefs Pykosh)	X	
Paul Gross (Buchart Horn)	X	
Colin O'Brien (Brown and Caldwell)	X	

PUBLIC COMMENT

There was no public comment at this time.

APPROVAL OF PREVIOUS MINUTES

C. Duncan made a motion to approve the Minutes of the September 28, 2020 Board meeting. B. Link seconded. The motion passed unanimously by voice vote.

APPROVAL OF TREASURER'S REPORT AND BILLS FOR PAYMENT

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

EXECUTIVE SESSION

At 6:06 p.m., the Chairman recessed the meeting into Executive Session to discuss personnel and litigation matters. The meeting was reconvened at 6:23 p.m.

STAFF UPDATES AND REPORTS

FACILITIES DIRECTOR'S REPORT – BILL REHKOP

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 delivery schedule for the new switchgear equipment will now be delayed by a month and is currently expected to arrive on November 22, 2020. Due to the delay in shipping of the electrical equipment, GSE will not meet the original contract date for Substantial Completion on November 24, 2020. A change order will be prepared for a no-cost time extension to the contract, with the substantial completion date in mid-March 2021.

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

All on-site work for both contracts is now complete. Insituform has submitted AFP #4 for the work completed to date in the amount of \$70,177.03. Custer Excavating submitted AFP #5 for the work completed to date in the amount of \$18,509.32.

CLEARWATER ENERGY ENHANCEMENTS PROJECT

All contractors have started the equipment and materials submittal process. We still have not received a construction schedule from Eastern Environmental (General Contractor) for the project team's review. The next construction progress meeting is scheduled for October 27th.

CLEARWATER RAW SEWAGE PUMP REPLACEMENT PROJECT - This project will be out to bid on PennBid website in the upcoming weeks. Bid opening is expected to be in mid-December and therefore the bid results will be presented at the December Board meeting.

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 remains on schedule to submit the 30% design deliverable in by the end of this month to staff for review.

CLEARWATER PRIMARY SLUDGE PUMPING IMPROVEMENTS - HRG remains on schedule to submit the 60% design deliverable by end of November 2020.

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 application remains on schedule to be submitted by the December 2, 2020 deadline.

ANAEROBIC DIGESTER (ESD) EXTERIOR COATINGS IMPROVEMENT PROJECT – BC finalized the design technical memorandum and is incorporating staff comments. This project design remains on schedule to be completed by end of this year and will be submitted to qualified bidders through COSTARS direct contracting.

WASTEWATER COST OF SERVICE AND RATE STUDY - Gannett Fleming (GF) submitted an updated draft of the rate study to include revenue requirement projections through 2030. GF also worked with PFM

Financial Advisors to prepare a hypothetical future borrowing plan in order to illustrate the Authority's potential borrowing capacity to complete projects identified in the 10-year capital improvement plan (CIP). A meeting is scheduled for October 26th with GF to review their findings in the updated rate study. The final study will likely be complete and ready for presentation at the November Board meeting.

UPDATE ON CUSTOMER ACCOUNT DELINQUENCIES

Since the beginning of the COVID-19 pandemic in March 2020 and the Board's approval of Resolution 2020-26 to waive customer shut-offs, liens, DJ filings, and penalty charges, customer delinquency increased significantly during this period for both wastewater and stormwater accounts.

Compared to 2019 YTD, the wastewater customer account delinquency increased by nearly sevenfold and the stormwater customer delinquency increased by nearly fourfold. It is important to note that two stormwater accounts for developed properties owned by state and federal entities make-up nearly 50% of the total past due balance for stormwater accounts. As the Board approved at the September meeting (Resolution #2020-35), Staff included the following notice on the recent billing statement in October:

In April 2020, the DTMA Board suspended penalties and collection procedures for past due accounts to assist those residents who may have been impacted by the coronavirus pandemic. Beginning January 1, 2021, penalties will be reinstated on accounts that are not paid by the due date. Collection procedures, including late notices and other legal proceedings, will also be reinstated. To avoid incurring any additional costs, please bring all past due accounts current prior to January 1, 2021.

Staff will continue to monitor the past due accounts and will work with the Solicitor to proceed with the necessary actions at the appropriate time.

STORMWATER UPDATE – MICHAEL CALLAHAN

Mr. Callahan updated the Board on projects and initiatives that had been taken regarding the Stormwater Program. He noted that the first three years of the fee-funded SMP has resulted in the upgrade of severely degraded gray infrastructure (pipes and inlets), the initiation of condition assessment of the storm sewer system, the installation of new riparian buffer plantings and the continued care of existing plantings, and the initiation of several green infrastructure projects across the Township. Additionally, the 2018-2023 MS4 permit term has nearly coincided with the launch of DTMA's SMP, and Staff continues to execute on the requirements of this permit cycle and begin preparations for the next permit.

As DTMA proceeds into year four of the SMP and as the 2023-2028 permit term approaches, Staff believes now is a good time to discuss some programmatic decisions with the Board. Staff also wanted to provide an update on the progression of some collaboration we have been working on since 2019, which may affect the direction of the program and how funds are budgeted for 2021.

Update on outside initiatives that align with DTMA's vision

Last fall, the board was briefed on several items. The first was a feasibility analysis conducted by Tri-County Regional Planning Commission (TCRPC) regarding the role Dauphin County might play in supporting municipalities with their stormwater needs. The result of the feasibility analysis indicated a potential positive role that coordination at the County level could provide individual municipalities. An information packet was put together and distributed and some one-on-one discussions are on-going with municipalities. The gist of the proposed program is to provide support and consolidated services to enhance programs like ours, not to duplicate services at the County level that are already occurring at the municipal level.

Staff is awaiting further details, including a draft of the MOU, but we wanted to provide the board with some details as they stand so far. Costs would range from \$25,000.00 - \$50,000.00 (depending on service level) for 2021 and 2022. Costs would range from \$195,000.00 - \$235,000.00 for years 2023-2028. *It is important to note that the 2023-2028 numbers are not set in stone, but are the current best estimate based on anticipated permit requirements in the 2023 MS4 permit.* He noted the benefits provided by the program, but the overwhelming benefit to DTMA would be through collaborative PRP projects. At the highest participation level, DTMA would contribute approximately \$1.175 million to the County program over that five-year period. That would cover the cost of DTMA's PRP project for the next term as well as provide some ancillary benefits to the Authority. Additionally, a robust stream monitoring program would be included, which will allow staff to better monitor, and ultimately submit reclassification proposals to DEP regarding impaired streams.

ITEMS FOR ACTIONS

Resolution #2020-46 – 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. Postick. The motion passed unanimously by voice vote.

Discussion on Resolution #2020-47 – Auditor Firm Appointment

The start of the 2020 fourth quarter requires DTMA Staff and the Auditors to begin the preliminary work on the 2020 audit. As in prior years, the auditors begin reviewing actual expenditures compared to the budget, Board meeting minutes, as well as reviewing internal Authority controls. Brown Schultz Sheridan & Fritz (BSSF) has submitted a proposal to perform the 2020 general financial audit services for a not-to-exceed fee of \$26,000 plus \$750 for out of pocket expenses as well as to perform the 2020 Stormwater Division financial audit services for a not-to-exceed fee of \$6,000. BSSF's fee for the 2020 audit is a 5% increase overall compared to the previous years' fee. Because of BSSF's familiarity with the Authority's business operations and in consideration of the recent departure of several Management Staff that were directly involved in last year's audit, Staff wishes to continue to engage with BSSF's for the 2020 audit.

Resolution #2020-47 – Appointment of Brown Schultz Sheridan and Fritz as audit firm for the 2020 Audit: This resolution was passed on a motion by B. Link, seconded by R. Furlan. The motion passed by voice vote.

Resolution #2020-48 – Amendment to Policy #6.2000 approving the new position of Accountant IV and subsequent pay range: This resolution passed on a motion by B. Link, seconded by R. Furlan. The motion passed unanimously by voice vote.

Discussion on Resolution #2020-49 – Wage and Salary Recommendations

Staff met with the Personnel Committee on October 15th to develop a recommendation for the employee compensation component of the budget for consideration by the Board. Staff reviewed several well-respected industry salary surveys, such as WorldatWork and SHRM. Each survey was consistent in reporting that the overall 2021 average salary budget increase will be 2.9%. Staff recommends that the Authority's position pay ranges be increased by 2.0%. This means that the minimum and maximum hourly wages and annual salaries authorized for our various positions would be increased by 2%. An employee may have an hourly rate (or salary in the case of management staff) anywhere in between the minimum and maximum range depending on their years of service and previous performance appraisals. Based on the salary survey data and the Personnel Committee's understanding of the Authority's financial stability, their recommendation for the 2021 compensation budget is to establish a 3% increase to the current

employee wage and salary schedule. The recommended 3% increase will result in a compensation budget increase of approximately \$67,600, which is consistent with previous years' salary budget increases.

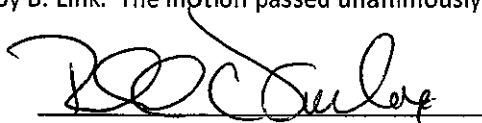
Resolution #2020-49 – Approval of 2020 Wage and Salary Recommendations: This resolution was passed on a motion by C. Duncan, seconded by B. Link. The motion passed by voice vote.

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 October 26, 2020 public meeting at 7:06 p.m., seconded by B. Link. The motion passed unanimously by voice vote.



(Assistant) Secretary