

**MINUTES OF THE MEETING  
DERRY TOWNSHIP MUNICIPAL AUTHORITY  
670 CLEARWATER ROAD  
HERSHEY, PA 17033  
MONDAY, JUNE 27, 2022**

The Derry Township Municipal Authority Board held its regular meeting on Monday, June 27, 2022, 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		
Michael Corado		X
Charles Duncan		
David Feidt	X	
Ronald Furlan		X
Brian Link		
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		
Kevin Fox (Resident)	X	
Derek Schroeder (Zelenkofske & Axelrod)		X
Cory Johnson (Zelenkofske & Axelrod)		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 May 23, 2022 Board meeting. M. Corado seconded. The motion passed unanimously by voice vote.

**APPROVAL OF TREASURER'S REPORT AND BILLS FOR PAYMENT**

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

## **STAFF UPDATES AND REPORTS**

### ***EXECUTIVE DIRECTOR'S REPORT – BILL REHKOP***

#### **PRESENTATION OF THE 2021 FINANCIAL STATEMENTS AND AUDIT REPORT**

The Executive Director opened by thanking DTMA staff and the Zelenkofske & Axelrod (ZA) audit team for their hard work in this year's audit. He then turned the presentation over to Cory Johnson and Derek Schroeder of ZA.

Mr. Johnson began by thanking staff for their help and commented that the audit process went very well. This was the first audit for the Authority performed by ZA. He reviewed the responsibilities of the audit in the governance letter. In ZA's opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of the Authority and the changes in its financial position, and its cash flows thereof with accounting principles generally accepted in the US. ZA reviewed revenue streams, receipts, debt, liabilities, and capital assets and found no significant deficiencies or material weaknesses. Two key financial Notes regarding long-term liabilities and OPEB were included in the audit. No significant or unusual transactions for these areas were encountered during the audit nor were there any uncorrected misstatements or adjustments. No significant difficulties were encountered with management and management did provide the required Management's Discussion and Analysis (MD&A) document for inclusion in the financial report.

Mr. Schroeder also thanked the DTMA staff for their help and cooperation throughout the audit process. He noted that the Authority received a clean, unqualified opinion from ZA which is the highest level of assurance that an auditor can give an audit's financial statements. He noted that when reviewing the financial statements you will notice that there is a significant increase in fixed assets over 2020 due to the construction in progress amounts for the construction projects. The long-term debt amounts changed significantly due to several refundings that occurred in 2021 and the new borrowings. He also noted that Note 12 recognizes the 2022 Bond borrowing in the amount of \$9,375,000 for the funding of capital improvement projects.

Director Rehkop then reviewed some of the highlights of the MD&A. The Operating Revenues increased by approximately 1.3% over 2020 mainly due to the increase in flows from the Municipal Customers and the rebound in flows from the prior two years for businesses that were affected by the COVID pandemic. Troegs Brewing surcharge fees have increased as Troegs has also seen an increase in production in 2021.

Stormwater Revenue decreased by approximately 8.3% in 2021 mostly due to a large stormwater fee credit for the Milton Hershey School which spanned several years, but was recognized in its entirety in 2021.

Combined Operating Expenses also decreased by approximately 1.8%. However, with the cost of materials and services increasing in 2022, Staff has already recognized an increase in these expenses to date.

**Resolution #2022-35 - Approval of 2021 Financial Statements and Audit Report:** After presentation of the 2021 Audit report by the auditors, this resolution was passed on a motion by R. Furlan, seconded by M. Corado. The motion passed unanimously by voice vote.

#### CONSTRUCTION CONTRACTS UPDATE

The Director provided the following report for current contracts.

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

A construction progress meeting for this project is scheduled for June 28, 2022. All three Contractors continue to progress with construction. Eastern Environmental continued to progress with placement of exterior radiators, gas line installation, driveway and site grading, gas conditioning equipment drain pipe lines, generator exhaust piping and silencer installations, demolition of existing Secondary Digester internal piping and cleaning of the Secondary Digester interior tank walls. Delays were encountered in removing the contents of the digester, so a change order may be necessary for the time extension and additional costs incurred to complete this work. Eastern and Empire Services completed the demolition of the Secondary Digester cover. Eastern submitted Contract 2020-02G Change Order No. 5 in the amount of \$5,088.03 to account for an increase in the quantity of piping demolished within the Secondary Digester that Staff had requested be removed.

Heisey Mechanical (Heisey) continued their work on HVAC ductwork installation on the interior and exterior of the new CHP Building, CHP Building interior Hot Water piping, interior piping insulation, and the exterior AC unit installation. Pagoda Electrical (2020-02E) progressed with the installation of exterior below-grade electrical conduit and interior lighting, and continues with conduit wire pulling.

DTMA Staff witnessed a factory acceptance test of the CHP PLC Control Panel at OCC's facility on Thursday, June 2<sup>nd</sup>. The CHP Building roof construction has been approved by a third party inspector.

##### Raw Sewage Pumps Replacement [Contract 2020-03]

Progress on this project has been minimal during the reporting period, as both contractors await equipment deliveries and a replacement of the damaged emergency power ATS. According to Manada Electric, the replacement ATS was expected to be delivered in June. Heisey Mechanical submitted Application for Payment No. 2 in the amount of \$16,236.16.

##### ESD Cladding System [COSTARS]

Work for the ESD cladding system project is complete. Matrix installed a flashing to the underside of the ESD cladding system to prevent bird nesting and for aesthetics. The Contractor is in the process of finalizing written responses to comments from the final hold point inspection and is compiling field markups into the record as-built drawings. Both items are anticipated to be completed within the next 4 weeks, which will allow the Matrix to submit for their next milestone payment.

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

On-site work by both the General and Electrical contractors, JP Environmental and Manada Electric respectfully, continues to progress. JP Environmental has completed approximately 85% of their work. Staff and Herbert, Rowland & Grubic (HRG) continue to work with the contractors with respect to minor RFIs, coordination with operations, etc. Some preliminary startup testing of the new pump and grinder was completed on May 26<sup>th</sup>. The remaining work will commence in mid-July after SCADA programming



modifications done by DTMA Staff are integrated with the new equipment, and replacement of some parts of DTMA-provided equipment has been completed.

#### 2021 Sanitary Sewer and Storm Sewer Rehabilitation Project

Work continued under both Contracts. Farhat Excavating, LLC (Farhat) has completed all of their work within the scope of their original Contract. Farhat is currently working on scheduling to install a short sectional CIPP liner for the sanitary repair on East Glen that was found to be defective and to begin an additional requested storm sewer spot repair on Nottingham Drive. Farhat is also currently waiting on the delivery of a headwall trash rack that is to be added to an existing headwall as requested by DTMA Staff. When all work is completed, Farhat and DTMA will be conducting a walkthrough with HRG to identify any punch list items.

SPS has completed all work identified under the original Contract. HRG is waiting for submission of all supporting documentation for the last storm sewer pipe in which CIPP liner was installed. When all information is received, HRG will conduct a walkthrough with SPS and DTMA Staff to identify punch list items.

#### Spring Creek Interceptor Upgrade Project [Contract 2022-01]

A pre-construction meeting was held Thursday, May 26<sup>th</sup> with representatives from HRG, DTMA Staff and Ankiewicz Enterprises, Inc. (Ankiewicz). Due to supply chain issues for pipe material, Ankiewicz anticipates that site work will commence by September 2022. Ankiewicz and HRG are currently working through the submittal process.

### ENGINEERING STATUS REPORT

#### NPDES Permit Renewal

The final permits for both the Clearwater Road and Southwest plants have now been issued by PADEP.

#### Southwest WWTP Upgrade and Expansion Project (Phase 1)

Hazen and their subconsultant, Dawood Engineering, have completed the project's Stormwater Management Plan (SWMP) as confirmed and have submitted it to Londonderry Township for their review and approval. Since no commitment has been received yet from US EDA for the grant award, the project continues to be on hold. As soon as the confirmation of the award is received, the project can be put out for bid.

#### High Meadow Pump Station Replacement

HRG is completing the site topographic mapping and surveying of the existing force main. This past month, Utility Services Group marked out the force main location and HRG's survey crew was able to field locate and update the base mapping and GIS data. HRG will commence with design activities for the pump station in July.

#### South Hanover Township Line Upgrade

DTMA Staff and HRG have scheduled a meeting on July 6<sup>th</sup> with South Hanover Township to discuss the findings of the study.

#### Standard Construction and Materials Specifications

HRG and DTMA Staff continue to progress with the update of the construction detail drawings and technical specifications. HRG met with DTMA Staff on May 26<sup>th</sup> to review and potentially finalize the construction details and discuss the draft technical specifications. The next meeting to review any comments on the technical specifications is scheduled for July 6<sup>th</sup>.

#### Maintenance Garage Expansion

SGS Architects, Inc. (SGS) has begun work on the detailed design of the garage expansion. A project team meeting is scheduled for July 6<sup>th</sup> to review schedule and coordination items with Staff.

#### Southwest WWTP Headworks Evaluation and Permitting

HRG submitted a Design Memorandum for Staff review on June 17<sup>th</sup>. A review meeting will be scheduled over the next month to discuss HRG's recommendations.

#### Biosolids Drying and Gasification Project

Staff continues to move forward with planning and design efforts for the biosolids drying and gasification project. BC completed a structural review of the filter building and investigated the type and extent of concrete or steel structure needed to support the Ecoremedy system in the Filter Building. HRG's 3D scan of the section of the Filter Building where the biosolids drying and gasification equipment will be constructed has been completed and is currently being reviewed by BC to confirm the model can be finalized and used for scope development and equipment layout. Coordination with PADEP continues on the required permitting applications to include the Water Quality Management (WQM) Part II and Air Quality. Inspections of the Ecoremedy equipment by BC, LVR, Inc. and Uzelac Industries, Inc. have been completed. Development of a draft proposal from Kappe Associates, Inc. and Ecoremedy is currently underway.

#### STORMWATER PROGRAM MANAGER'S REPORT

##### Derry Township Parks Water Quality Improvements – Bullfrog Valley Stream Restoration

On June 22<sup>nd</sup>, DTMA received three bids through the online PennBid Program for the Bullfrog Valley and Deer Run Stream Restoration Projects (Contract No. 2022-03). Bidding documents from all contractors were reviewed by HRG. All bids were in order and no irregularities were found. Bidding documents from the apparent low bidder, ARRC, were submitted on June 23<sup>rd</sup> to Solicitor Pykosh for review. Solicitor Pykosh has also reviewed the lowest bidder's bid documents and finds them to be in compliance with the contract requirements. Upon Project Bid award, the second payment from Hummelstown Borough is scheduled for their PRP credits. In addition, Staff recommends HRG provide Construction Administration and Oversight.

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

Final planting for the Stoney Run Basins is complete. To address the unexpected conditions found at Brookside Park, an upwell inlet will replace an endwall. Change Order (CO) No. 3 was submitted by HRG on behalf of Kinsley Construction in the amount of \$33,652.00 to cover costs associated with replacing this structure and to extend the contract by 90 days. Due to material lead time, acquiring the upwell structure designed to complete construction is estimated to take 8 to 10 weeks.



#### Forest Avenue Basin and Swale Improvements

The NPDES permit application has been approved. Easements with Penn State Health and Penn State University, now two separate but collaborative entities, must be secured prior to construction. After field investigation of other utilities, the geometry of the easements is being finalized. Once HRG completes the necessary documentation, the project, combined with the Oakmont Community Basin Retrofit/Wood Road Culvert Replacement, will be advertised for Bid. Estimated start of construction is in late summer or early fall 2022.

#### PRP Amendment

Once Board members have reviewed the PRP amendment draft and comments are addressed, the PRP will be available for Public Comment and a Public Meeting will be scheduled, as required.

#### Shank Park Entrance Culvert Replacement

Two corrugated metal culverts pass Bullfrog Valley Stream under the only entrance to Shank Park. They are at the end of their useful life and must be replaced as soon as possible. Staff is coordinating with Township Staff to ensure replacement of these culverts impacts Park activities as minimally as possible. Staff recommends approval of Resolution 2022-39 - Confirmation of Assignment to HRG for Design, Permitting, and Contract Administration services.

#### United State Army Corps of Engineers (USACE) Storm Sewer System Survey

USACE completed their most recent round of storm sewer survey work and has provided updated GIS files of the storm sewer system.

#### Oakmont Community Basin Retrofits

Project design is finalized and easement with Hershey Trust is being secured. This project will be bundled with the Forest Avenue Basin and Swale Improvements project since both projects are similar types of projects and both require obtaining easements. This project will replace the failing culvert under Wood Road at Limerick Lane and will protect downstream sanitary sewer infrastructure. The estimated start of construction is late summer 2022.

#### The Meadows Outlet Structure Replacement

Construction activities have commenced and are near completion.

#### Ridge Road Drainage Improvements

The Dauphin County Infrastructure Bank (DCIB) General Program discussed options with loan repayment terms, which Staff are reviewing. Staff recommends approval of Resolution 2022-40 Confirmation of Assignment to HRG which expands upon the Ridge Road Drainage Improvement design as approved in Resolution 2020-12.

#### Spring Creek Watershed Implementation Plan (WIP)

Additional stakeholders have been identified. Data and report gathering is underway. The funding source for this project requires the planning to be done for non-urbanized areas.

#### Miscellaneous Projects and Activities

DTMA Staff continues to work on projects and tasks to ensure compliance with its MS4 permit and provide service to customers, including:

- Coordinating with Township Staff to revise the Township Stormwater Ordinance (Ch. 174);

- Testifying on behalf of DTMA and PMAA before the PA House Committee on Environmental Resources and Energy regarding MS4 compliance funding. Mr. Rehkop noted that Sarah had done an excellent job.
- Meeting with representatives from Tri-County Regional Planning Commission (TCRPC) and Water Resources Enhancement Program (WREP) to discuss regional funding opportunities.

#### **ITEMS FOR ACTIONS**

**Resolution #2022-36 – 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 R. Furlan, seconded by C. Wyckoff. The motion passed unanimously by voice vote.

**Resolution #2022-37 – Bid award to Aquatic Resource Restoration Company for the Bullfrog Valley and Deer Run Stream Restoration projects:** This resolution was approved on a motion by R. Furlan, seconded by C. Wyckoff. The motion passed unanimously by voice vote.

**Resolution #2022-38 – Approval of Change Order #3 for Kinsley Construction for the Brookside Park project:** This resolution was approved on a motion by R. Furlan, seconded by M. Corado. The motion passed unanimously by voice vote.

**Resolution #2022-39 – Approval of HRG Confirmation of Assignment for design, permit, and contract administration services for the Shank Park Culvert Replacement project and Resolution #2022-40 – Approval of HRG Confirmation of Assignment which expands the Ridge Road Drainage Improvement design previously approved in Resolution 2020-12:** These resolutions were approved on a motion by R. Furlan, seconded by C. Wyckoff. The motion passed by voice vote. D. Feidt abstained from voting due to a business conflict with HRG.

#### **NEW BUSINESS**

The Director noted that DTMA is eligible for reimbursement of \$78,000 for sinkhole damage at the plant site experienced in the 2021 flood event. Another \$24,000 in reimbursement is still being reviewed.

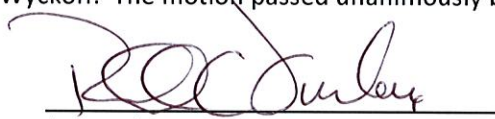
The July Board meeting will be canceled and the cancellation properly advertised.

#### **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 June 27, 2022 public meeting at 6:54 p.m., seconded by C. Wyckoff. The motion passed unanimously by voice vote.

  
(Assistant) Secretary