

**MINUTES OF THE MEETING
DERRY TOWNSHIP MUNICIPAL AUTHORITY
670 CLEARWATER ROAD
HERSHEY, PA 17033
MONDAY, SEPTEMBER 26, 2022**

The Derry Township Municipal Authority Board held its regular meeting on Monday, September 26, 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		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	
Josh Fox (HRG)	X	
Other Attendees		
Kevin Fox (Gannett Fleming)	X	
Erica Wible (McNees Wallace & Nurick)	X	
Lou Verdelli (Raymond James)	X	
Scott Shearer (PFM)	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 August 22, 2022 Board meeting. R. Furlan seconded. The motion passed unanimously by voice vote.

APPROVAL OF TREASURER'S REPORT AND BILLS FOR PAYMENT

Staff presented the August Treasurer's Report and Bills for Payment for approval. C. Duncan made a motion to approve the report, seconded by B. Link. The motion passed unanimously by voice vote.

STAFF UPDATES AND REPORTS

EXECUTIVE DIRECTOR'S REPORT – BILL REHKOP

DCIB-G LOANS UPDATE

Scott Shearer of PFM provided the loans update. DTMA had applied for two loans totaling approximately \$5.2 million. The Financing Team has been working with Dauphin County to assist with the details for the infrastructure pool supported by gaming revenues. Dauphin County will issue a General Obligation Note/Bond for the entire financing amount. The Bank Loan RFP for this Note was sent to over a dozen banks with five of them responding with varying rate options. Webster Bank was awarded the bid with a 20-year fixed rate of 3.49%, resulting in a net rate of 1.74% for the loan participants. The loan for \$3.2 million for the Ridge Road Stormwater Improvements Project will have an annual debt service of approximately \$195,250. The loan of \$2 million for the Spring Creek Sewer Interceptor Improvements project will have an annual debt service of approximately \$122,141. Closing on the loans will be on October 27, 2022.

Erica Wible presented Resolution #2022-45 for approval authorizing the issuance of the Revenue Notes Series 2022 with Dauphin County.

Resolution #2022-45 – Approval of DCIB-G Loan Revenue Notes with Dauphin County: This resolution was approved on a motion by C. Duncan, seconded by R. Furlan. The motion passed unanimously by voice vote.

EXECUTIVE SESSION

The Board recessed into Executive Session at 6:12 p.m. to discuss a real estate matter. The Board reconvened the regular meeting at 6:17 p.m.

2022 BUDGET TRACKING AND FINANCIAL REVIEW

Dennis Beck presented the 2022 Budget projections and year-to-date fund balances. The projections are based on seven months actual data and five months of estimated costs. Compensation for wastewater is about 37% of the total wastewater budget and is under budget by approximately \$91,000 due to the delayed hiring of a position budgeted for in 2022 and the delayed replacement of a position vacated earlier in the year. Flood Insurance expenses are under by approximately \$57,000 due to the placement of this insurance with a new vendor. The Collections and Maintenance Departments budgets are slightly under budget as projected, but the Operations Department budget is approximately 14.8% over mainly due to the increase in chemicals used in the wastewater treatment process, fuel, and natural gas costs.

Stormwater Operating Expenses are about 10.6% under budget mainly due to the delay in hiring budgeted positions. Some of the stormwater projects originally budgeted as capital expenditures have been reclassified as operating expenses.

Mr. Beck also noted that the 2% rate increase previously approved for 2023 may need to be revisited once the 2023 Budget is prepared.

DEPUTY DIRECTOR'S REPORT – KIMBERLY BLOOM

The following items were presented to the Board:

Portnoff Collections

The Board previously approved delinquent account collections with Portnoff Law Associates (PLA). Approving Resolution #2021-45 included adoption of a fee schedule outlining PLA's charges.

The Consumer Financial Protection Bureau released new guidelines that became effective on November 30, 2021 that caused PLA to change the first step of its collection process. As a result of the new guidelines, PLA began sending model validation notices as its initial contact with the property owner. PLA sent these notices out this year at no charge to the Authority or the property owner, but they will start charging a \$25 fee in 2023. Resolution #2022-54 amends the Authority's agreement with PLA and adopts the new validation fee.

On June 30, 2022, 20 delinquent accounts were turned over to PLA. Since this was the first time transmitting accounts to them, the setup and property owner verifications took longer than expected. But within the last few weeks PLA has finished researching the accounts and has sent notices to the property owners. When the accounts are turned over to PLA, customers can no longer communicate with DTMA regarding these balances; they must contact PLA. PLA has told Staff that they have received some inquiries from customers, but no payments yet. Last week another batch of accounts were sent over for processing. One thing to note though, since Staff has changed the last delinquent notice to state that delinquent accounts are now being turned over for collections (previously the notice said that DTMA would file a lien), some customers have come into the office to pay before the date of turnover. Hopefully this will continue and it won't be necessary to turn over as many accounts.

Muni-Link Billing System

In December 2021 the Board authorized Staff to proceed with converting its utility billing system and software over to Muni-Link Utility Billing. The conversion was recently completed with the first monthly billing from the new program being produced on September 13. Invoices were sent to approximately 9600 customers. Overall, feedback received so far has been positive. There was a slight issue with some of the landlord accounts. Previously, some landlords have elected to have their tenants receive a copy of the monthly invoice. In the VUB system, these accounts were marked as "duplicate", but this field was not properly interpreted in Muni-Link. So staff has been receiving phone calls from landlords asking that their tenants once again be marked to receive a duplicate copy of the monthly invoice or in some cases in place of the landlord receiving a copy, noting though that landlords would always be notified if an account would become delinquent. When speaking with the landlords, the customer service reps also explained to them that they can now elect to receive their invoices electronically for all of their accounts under one login and highlighted other enhancements provided by the new system.

Mrs. Bloom noted that Admin staff and the Muni-Link staff have done a great job in making this conversion a success. The new system offers more information online for the customers and also provides them with more payment options.

CONSTRUCTION CONTRACTS UPDATE

M. Postick provided the following report for current contracts.

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

The next meeting is scheduled for September 27th. All three Contractors continue to progress with construction. Eastern Environmental has focused on CHP Building interior piping, generator components, and continuation with the interior wall coating and mixing system installation within the Secondary Digester. Heisey Mechanical (Heisey) began work on the replacement of gas piping within the Intermediate Sludge Storage Tank (Day Tank). Pagoda Electrical (2020-02E) continued with conduit wire pulling and terminations at connection points.

The Contractors, DTMA Staff, BC and RK&K continue to coordinate on the finalization of commissioning and startup plans of the project process equipment. Commissioning is still tentatively scheduled to begin in late October.

Eastern has also submitted Change Order No. 7 to account for cost increases and time delays associated with their work on the surface preparation and coating of the interior of the Secondary Digester. The Change Order was requested to account for a required change in the type of Tnemec wall coating material, the need to remove unforeseen scale buildup (struvite) on the interior walls, and material procurement delays. The Change Order provides for an additional cost of \$52,214.22 and a time extension 52 calendar days. The estimated project schedule final completion has now been extended to March 2023. However, Staff noted that Eastern still continues to fall behind in their schedules so further extensions of the final completion are expected. Staff noted that this extension in project completion has not really affected the plant operations; however, the delays have affected the opportunity for DTMA to benefit from this project. B. Link asked if the Performance Bond for Eastern could be leveraged to prompt the contractor to complete this project. He suggested that the Surety Company should be copied on any correspondence with the contractor regarding the project delays. Staff suggested that inquiries from the Surety Company are received regularly and Staff will make sure that the next request for information will include the project status. Staff and BC are in constant contact with Eastern and Eastern has admitted that they are behind, but to date no extra effort has been made to rectify the situation.

Raw Sewage Pumps Replacement [Contract 2020-03]

Progress on this project remained minimal during the reporting period, as both contractors continue with equipment deliveries. However, the new ATS and the pumps' control panel and VFDs have arrived and are currently being installed in the Administration Building Electrical Room. Their installation, and coordination of an associated temporary power outage that is required for their installation, is tentatively planned for later in October.

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

JP Environmental and Manada Electric have completed all Work required under the project except for minor punch list items. DTMA, HRG, equipment start-up representatives, and both Contractors conducted a substantial completion walkthrough on September 6th. HRG issued Substantial Completion Certificates with associated punchlist work items to be completed and Contract Closeout documents to both Contractors on September 15th. The Contractors should complete all remaining work on site and all closeout documents before the end of October.

2021 Sanitary Sewer and Storm Sewer Rehabilitation Project

Work under both Contracts is now complete. Contract Closeout documents are currently being processed. Standard Pipe Services, LLC has submitted Application for Payment No. 2 in the amount of \$26,948.68. Also, Change Order No. 2, a final change order for Contract 2021-03B to reconcile the differences in actual quantities installed, has been submitted for Contract 2021-03B in the total amount of \$643.60.

Spring Creek Interceptor Upgrade Project [Contract 2022-01]

Ankiewicz Enterprises (Ankiewicz), Staff and HRG continue to manage the submittal review and approval process. A job conference is scheduled for October 4, 2022. Ankiewicz began site mobilization work the week of September 19th. Excavation work is expected to begin the week of September 26th, due to lead times with delivery of the polymer concrete manholes. Ankiewicz has also already made all parties aware that they do not plan to meet the substantial completion date due to lead times for the ductile iron pipe required for the Spring Creek aerial crossing. HRG and DTMA Staff will formalize a time extension after more specific information has been received from the Contractor. Lastly, DTMA Staff and the DTMA Solicitor are also continuing to work on finalizing an easement agreement with the private property owner, Silos, Inc., within the project area. Josh Fox also reported that there have been some discrepancies with the utilities that were previously marked in the construction area, so further verification of the utilities is needed before work progresses.

ENGINEERING STATUS REPORT

Southwest WWTP Upgrade and Expansion Project (Phase 1)

Staff and Hazen and Sawyer (Hazen) are currently reviewing the Terms and Conditions, required specifications and contract provisions, and other various documents provided by US EDA that must be incorporated in the project bidding and contract documents for the project in order to properly utilize the grant funding that has been awarded to DTMA. With the incorporation of the above, Staff and Hazen are aiming to complete the bidding and contract documents and place a bid advertisement by end of the year. A kickoff meeting with the US EDA is scheduled for October 6th.

High Meadow Pump Station Replacement

The preliminary 30% complete design for the pump station and force main layout was completed and was presented to DTMA Staff on September 2nd. DTMA Staff reviewed the 30% preliminary pump station design and force main layout and provided comments to HRG regarding equipment recommendation, layout and access considerations.

Kleinfelder Geotechnical Engineering is to complete the required test boring at the proposed pump station site upon authorization from Hershey Entertainment & Resorts. An exact date for this work will be coordinated with DTMA Staff. HRG is concurrently working towards the 60% complete design of the pump station and force main and plans to submit the PADEP WQM Part II Permit for the project in the next couple months.

Standard Construction and Materials Specifications

All comments from DTMA Staff on the revised and updated Standard Construction and Materials Specifications have been addressed and incorporated by HRG. The document was presented for approval and adoption.

Maintenance Garage Expansion

Staff is nearing a final determination on room areas, computer/AV equipment locations and requirements, locker room sizes, etc. A meeting has been scheduled with Derry Township on September 28th to discuss any concerns the Township has with respect to garage expansion within a flood-prone area. The project's associated land development plan will be subsequently submitted to the Township and will incorporate any noted Township requirements. Kleinfelder submitted a proposal to provide Geotechnical Engineering Services to analyze the subsurface conditions where the expansion will be made in order to support the final design. Staff will authorize and schedule their work accordingly.

Southwest WWTP Headworks Evaluation and Permitting

HRG met with DTMA staff on July 5th to review the final Headworks Evaluation Report. HRG and DTMA discussed findings of the report and recommended alternatives. Based on this discussion, DTMA requested HRG prepare Request for Proposals (RFPs) to distribute to various equipment manufacturers to finalize COSTARS equipment procurement contracts. Separate RFPs were developed for the Influent Screening System and Grit Removal System. These RFPs were distributed on August 24th, and final proposals were received on September 16th.

HRG reviewed the content of the proposals and developed a Summary Letter highlighting the results of the RFP process. The Summary Letter is included as an attachment to this Engineer's Report. The results of the RFP process were favorable and provide various equipment alternatives for the Influent Screening System and Grit Removal System. HRG recommends DTMA review the Summary Letter in preparation for selecting equipment manufacturers and executing purchase orders. In the event DTMA elects to proceed with the Basis of Design manufacturers that were evaluated as part of the evaluation phase, HRG is prepared to finalize the WQM Part II Permit Application immediately. If an alternative manufacturer is selected, DTMA Staff and HRG will discuss the specifics dictated by the change prior to proceeding.

Biosolids Drying and Gasification Project

Staff and Brown & Caldwell (BC) continue to move forward with planning and design efforts for the biosolids drying and gasification project. Staff and BC have reviewed a new COSTARS proposal and agreement submitted by Kappe Associates, Inc. (Kappe) for the purchase, delivery and installation of the Ecoremedy Biosolids Drying and Gasification System. The proposal was revised and updated based on comments provided by Staff and BC. Material Matters also presented Staff with their report on the business case evaluation for this project. A full presentation of the report will be given at an upcoming Board meeting.

High Meadow Pump Station Flow Metering

Mr. Fox reported that flow metering for the High Meadow Pump Station drainage basin would help identify potential problem areas within the system which are susceptible to inflow and infiltration (I/I) during periods of wet weather events. Staff met with HRG to discuss how to best utilize the existing meters and the possibility of renting additional meters if necessary. Coordination on this will continue.

STORMWATER PROGRAM MANAGER'S REPORT

Pollutant Reduction Plan (PRP) Amendment

The amended Chesapeake Bay PRP was made available for Public Comment from August 15 to September 16, 2022. The required Public Meeting was held Wednesday, September 7, 2022, at the Hershey Public Library at 701 Cocoa Avenue in Hershey. No comments were made. The final draft was presented for

Board approval. Once the amended PRP is approved by the Board, it will be submitted with the MS4 Annual Report due September 30, 2022.

Derry Township Parks Water Quality Improvements – Bullfrog Valley Stream Restoration

Aquatic Restoration Resources Company (ARRC) is completing final steps and expects to begin construction on the Bullfrog Valley portion of the Stream Restorations as early as the first week in October. Staff has been coordinating with Township Parks and Recreation Staff to ensure staging areas are well delineated. Trail access will be limited during construction. At the request of Parks and Recreation, however, ARRC has committed to opening the trail during the weekend of October 22nd. HRG submitted for approval a proposal for Construction Phase Services for the Deer Run and Bullfrog Valley Stream Restoration Project.

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

Construction on Brookside Park is nearly complete. During the last week of September, Kinsley Construction will replace the gravel access road that runs through the park, the primary remaining item. A final completion list will be developed, and, after completion of any remaining tasks, the project will be complete.

Forest Avenue Basin and Swale Improvements

This project, combined with the Oakmont Community Basin Retrofit/Wood Road Culvert Replacement, will be advertised for Bid within the next two weeks.

Ridge Road Drainage Improvements

Subsurface Utility Exploration, survey, and design continues. Staff is working with local residents and business leaders to get letters of support for the Dauphin County Local Share Municipal Grant Program Application. The Grant is being requested to help offset the debt service payments for the DCIB-G loan for this project.

Capital Improvement Planning and Stormwater Fee Rate Study

In coordination with the approved Stormwater Fee study, a Stormwater-specific Capital Improvement Plan will be developed in two phases. Phase 1 will assess near-term improvement needs. Phase 2 will assess longer-term needs. HRG submitted a proposal to provide services for Stormwater Capital Improvement Planning.

Dauphin County Water Resources Enhancement Program (WREP) agreement

WREP has released the finalized agreement to join the program. Staff will review the agreement and make a recommendation to the Board at a future Board Meeting. WREP is a County-wide program that intends to provide technical assistance for MS4 communities and help with meeting water quality requirements.

ITEMS FOR ACTIONS

Resolution #2022-44 – 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 B. Link, seconded by R. Furlan. The motion passed unanimously by voice vote.

Discussion on Resolution for Purchase of Cargo Van

In October 2021, the Board authorized the purchase of a cargo van (Resolution 2021-49) for the Maintenance Department. Due to supply chain issues causing new car shortages, the dealership was unable to deliver the cargo van and has since cancelled the order.

With the ability to generate on-site electric power at the Clearwater plant, the Authority should consider transitioning the vehicle fleet to battery powered electric vehicles (EVs) as technology continues to improve and become a more sustainable option. EVs typically have higher upfront purchase prices but lower O&M costs as compared to internal combustion engine (ICE) vehicles. With the use of on-site power generation, DTMA's operating costs are significantly reduced compared to other entities that pay to recharge their EV. Staff is also planning to include provisions for future charging stations in the existing Maintenance Garage and will also be incorporated in the design of the garage expansion project.

Hoffman Ford provided a quote for the E-Transit 350 mid-roof cargo van. Compared to the ICE vehicle, the purchase price for the EV is approximately \$9,000 higher. Based on the projected savings in gas, electricity and typical service for an ICE vehicle, the payback period for the additional upfront costs for the EV is estimated to be within 2-3 years. The new cargo van has a long lead time for delivery and is estimated to be 8 months. The vendor does not require any payment until the new cargo van is delivered.

Resolution #2022-46 – Approval to Purchase 2023 E-Transit Cargo Van through COSTARS Purchasing Program: This resolution was approved on a motion by B. Link, seconded by R. Furlan. The motion passed unanimously by voice vote.

Resolution #2022-47 – Approval of Change Order #7 with Eastern Environmental for the Clearwater Energy Enhancements Project: This resolution was approved on a motion by B. Link, seconded by R. Furlan. The motion passed unanimously by voice vote.

Resolution #2022-48 – Approval of Amended Chesapeake Bay Pollutant Reduction Plan: This resolution was approved on a motion by R. Furlan, seconded by C. Duncan. The motion passed unanimously by voice vote.

Resolution #2022-49 – Approval of HRG Proposal for Construction Phase Services for Bullfrog Valley and Deer Run Stream Restorations: This resolution was approved on a motion by C. Duncan, seconded by B. Link. The motion passed by voice vote. D. Feidt abstained from voting due to a business conflict with HRG.

Resolution #2022-50 – Approval of HRG Proposal for Stormwater Capital Improvement Plan: This resolution was approved on a motion by R. Furlan, seconded by C. Duncan. The motion passed by voice vote. D. Feidt abstained from voting due to a business conflict with HRG.

Discussion on Biosolids Drying and Gasification Resolution

The COSTARS contract received from Kappe Associates, Inc. (KAI) for the procurement, delivery, and installation of the Ecoremedy, LLC drum dryer and gasification system was submitted for approval. In review of the contract, Brown and Caldwell (BC), Staff, and Solicitor Pykosh provided comments and contract revision requests to the KAI and the Ecoremedy team. All comments have been addressed to DTMA's satisfaction. Mr. Rehkop reviewed the details of the proposal and explained the equipment and services being provided by Ecoremedy and Kappe. This project is the integral part of DTMA's plan to reduce its dependence on agriculture disposal for Class B biosolids. The Ecoremedy system will provide a

sustainable solution for the treatment and disposal of DTMA's biosolids. A potential new revenue stream is also expected with the acceptance of hauled-in materials from other treatment facilities. Mr. Rehkop reviewed the proposed schedule for this project, indicating that acquisition of the required regulatory permits as being the critical component before the installation can begin.

Material Matters (MM) delivered their draft business case analysis for the project to Staff for review and comment. The report noted the future projected increase in costs and difficulty in disposing of biosolids and feels that with this gasification and drum dryer system, the Authority should have very stable costs over the next 25 years. MM also vetted several potential suppliers of hauled in materials and identified the entities who are most interested in partnering with DTMA for the offloading of their biosolids at our facility.

Resolution #2022-51 – Approval of COSTARS Proposal to Purchase and Install Biosolids Drying and Gasification System: This resolution was approved on a motion by R. Furlan, seconded by M. Corado. The motion passed unanimously by voice vote.

Resolution #2022-52 – Bid Award of Contract 2022-04 Clearwater Plant Site Paving to Kinsley Construction: This resolution was approved on a motion by R. Furlan, seconded by M. Corado. The motion passed unanimously by voice vote.

Resolution #2022-53 – Adoption of the Updated Policies and Construction Standards for Sanitary Sewer Extensions: This resolution was approved on a motion by R. Furlan, seconded by M. Corado. The motion passed unanimously by voice vote.

Resolution #2022-54 – Adoption of Portnoff Delinquent Collections Agreement Amendment: This resolution was approved on a motion by R. Furlan, seconded by B. Link. The motion passed unanimously by voice vote.

NEW BUSINESS

The Chairman noted that at the September meeting there was information given in Executive Session regarding changes to the Authority's retirement program. The Chairman asked for Board consensus to instruct Staff to obtain further documentation for presentation at the October Board meeting. The Board members concurred with this request.

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 26, 2022 public meeting at 7:40 p.m., seconded by C. Duncan. The motion passed unanimously by voice vote.


(Assistant) Secretary