

**MINUTES OF THE MEETING  
DERRY TOWNSHIP MUNICIPAL AUTHORITY  
670 CLEARWATER ROAD  
HERSHEY, PA 17033  
MONDAY, NOVEMBER 21, 2022**

The Derry Township Municipal Authority Board held its regular meeting on Monday, November 21, 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 3:32 p.m.

**ROLL CALL**

Attendees	In-Person	Virtually
Board Members		
Michael Corado		X
Charles Duncan (exited the meeting at 3:45 p.m.)		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	
Dennis Beck (Comptroller)	X	
Michael Shambaugh (Network Systems Manager)	X	
Consultants		
Daryl Dethlefs (Dethlefs Pykosh)	X	
Colin O'Brien (Brown and Caldwell)	X	
Josh Fox (HRG)	X	
Other Attendees		
No other attendees		

**EXECUTIVE SESSION**

At 3:15 p.m. the Board began an Executive Session prior to the start of its regular monthly meeting. The Executive Session was held to discuss personnel matters. The Board exited the Executive Session at 3:30 p.m. and convened the public meeting at that time.

**PUBLIC COMMENT**

There was no public comment at this time.

**APPROVAL OF PREVIOUS MINUTES**

B. Link made a motion to approve the Minutes of the October 24, 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 October Treasurer's Report and Bills for Payment for approval. R. Furlan made a motion to approve the report, seconded by M. Corado. The motion passed unanimously by voice vote.

### **STAFF UPDATES AND REPORTS**

#### **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 progress meeting is scheduled for November 22<sup>nd</sup>. All three contractors continue to progress with construction. The Engineering team continues to be responsive to RFIs, contractor concerns, etc., and RPR activities are coordinated daily with the team. Heisey Mechanical (Contract 2020-02H) work has involved HVAC duct installation and piping insulation. Eastern Environmental (Contract 2020-02G), in tandem with their subcontractors, progressed with CHP Building interior piping fitting and welding, Secondary Digester cover and cover blower piping, pressure relief valve and waste gas burner testing, exterior low pressure sludge gas piping, and site asphalt paving. Pagoda Electrical (2020-02E) continued with conduit wire pulling and terminations at connection points as well as coordination with OCC regarding PLC programming.

The estimated project schedule final completion date has shifted to the end of April 2023. Equipment startup testing could potentially begin in January 2023. Depending on the performance of equipment suppliers in December, some of this additional schedule slippage could be reduced.

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

Progress on this project involved continuation of work by Manada Electric (Manada) on the conduits, wiring, etc. associated with the newly installed ATS and Motor Control Centers in the Administration Building.

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

JP Environmental and Manada have satisfactorily completed all work required under their respective contracts.

#### **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 was held on November 1<sup>st</sup>; an upcoming conference has been scheduled for November 29<sup>th</sup>. Ankiewicz, began installation of sanitary sewer pipe beginning at MH-3 and have been working on installing sanitary sewer main towards Northeast Drive.

Ankiewicz has submitted a Change Order Request No. 1 based on a request from the Engineer for additional pricing due to changes needed along East Derry Road to avoid mismarked utilities. Staff is currently waiting for additional information before a formal decision is made. The costs will eventually be incorporated into a Work Change Directive to formalize all changes needed due to the utility conflicts. Mr. Postick noted that DTMA Staff, HRG and Ankiewicz have coordinated to redirect the work back to the area of Mansion Road during December in order to avoid work near Tanger Outlets that had the potential to disrupt the upcoming holiday shopping season.

### ENGINEERING STATUS REPORT

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

Staff and Hazen and Sawyer (Hazen) continue to work towards incorporating the US EDA contract provisions into the bidding and contract documents, with the intent to place a bid advertisement by early next year.

#### High Meadow Pump Station Replacement

HRG continues working through towards the 60% complete design, with an associated meeting with DTMA Staff on November 21<sup>st</sup>. Staff and HRG look to then finalize the 60% complete design for inclusion in the submission of the PADEP WQM Part II Permit Application. HRG and Staff will also begin work on the NPDES Permit and General Permit Applications over the next month.

Hershey Entertainment & Resorts (HE&R) has provided authorization to proceed with the geotechnical field work at the proposed pump station site, currently scheduled for December 27<sup>th</sup>. The HE&R team has been provided a copy of pump station site plans and will review the proposed pump station and force main layout and provide any comments, questions or concerns to HRG by the middle of January 2023. Additionally, correspondence from the Pennsylvania State Historic Preservation Office has been received noting that a Phase 1 Archeological Study will be required for the Project. Quotes for the work will be solicited.

The Chairman asked Staff for an update regarding the ongoing discussions with Hershey Trust Company (HTC) regarding their capital contribution toward the upgrading of this pump station. Mr. Rehkop noted that HTC has submitted to DTMA a PADEP Planning Module Exemption for the Phase J portion of their West End project that is currently before the Board of Supervisors for approval. As part of this process, DTMA is required to comment on DTMA's ability to serve this project. Currently, this station does not have the capacity to support the full-build of HTC's project as originally proposed.

Mr. Rehkop has met with representatives from HTC to discuss the upgrading of this pump station to serve their project. Staff has calculated an estimated capital contribution needed to support the upgrade and has provided that to HTC. However, in lieu of an upfront capital contribution, HTC is proposing that DTMA assign a Special Purpose Fee for all connections made that would utilize the pump station over the next 10 years. If the full build-out of the HTC project has not occurred within those 10 years, then HTC would provide DTMA with a capital contribution for the remaining costs for their share of this upgrade. The Board agreed that this approach would not be beneficial to DTMA ratepayers since DTMA would be required to pay for the entire project now, with the additional expense of borrowing funds, and plan to recover the costs associated with the upgrade to the pump station into the future. The Board's consensus at this meeting was to still require the upfront capital contribution from HTC and instructed Staff to continue their discussions with HTC representatives.

#### High Meadow Pump Station Drainage Basin Flow Monitoring Plan

DTMA Staff and HRG have begun to investigate the sewer collection drainage area tributary to the High Meadow Pump Station in an effort to better quantify wet and dry weather flows to the Pump Station. As part of that work, HRG has solicited two (2) quotes for renting, installation, and maintenance of flow meters for a six (6) month monitoring study period proposed to begin in February 2023. Staff has



incorporated this project into the 2023 Budget and will present the flow monitoring agreement to the Board at the December meeting.

#### Maintenance GARAGE Expansion

Geotechnical investigations within the future expansion area were completed on November 15<sup>th</sup>. Architectural design plans, revised and updated per Staff comments, were received from SGS Architects/Engineers, Inc. on November 11<sup>th</sup> and are currently under review by Staff.

#### Southwest WWTP Headworks Evaluation and Permitting

HRG has begun efforts on the final design of the project and completed a site visit with DTMA staff on November 8<sup>th</sup> to review the existing HVAC system for potential replacement. Once review of the existing system is complete, HRG intends to present further recommendations to DTMA regarding improvements for inclusion in the Final Design. HRG is also finalizing the PADEP WQM Permit application and anticipates submitting the permit application in December. Staff received two (2) COSTARS quotes for the headworks screening and grit removal equipment. Staff will provide a recommendation to award at the December Board meeting.

#### 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. Work continues on research into the extent and type of air quality management permitting that will be required by PADEP. Initial analysis of the results of the geotechnical investigation continues. Submittal review process with Kappe Associates and Ecoremedy has commenced. A project design kickoff meeting was held on November 9<sup>th</sup>, with emphasis on schedule and a preliminary determination of an approach for cake storage, conveyance and off-loading. Testing of plant effluent water for suitability of use with the Ecoremedy system was also conducted.

#### STORMWATER PROGRAM MANAGER'S REPORT

Mr. Postick provided the report for this month's meeting.

#### Forest Avenue and Oakmont Community Basin Retrofit Projects

Kinsley Construction, Inc. was awarded the bid for the Forest Avenue and Oakmont Community Basin Retrofit Projects (Contract No. 2022-05). Staff is working with solicitor Pykosh and the landowners to finalize permanent and temporary easements.

#### Derry Township Parks Water Quality Improvements – Bullfrog Valley and Deer Run Stream Restoration Projects

Construction of the Bullfrog Valley Stream Restoration is well underway. Pre-construction activities have begun at Deer Run, with construction activities expected to begin shortly after Thanksgiving. Staff is coordinating with Township Staff and HRG to inform the neighboring residents. An additional easement was recently identified as needed for construction. Staff is coordinating with Solicitor Pykosh and HRG to acquire the easement. R. Furlan suggested that care should be taken with how the construction of this project will impact the roadways in this area since there is already significant road closures for the West End Project.

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

The preliminary certificate of completion has been submitted.

### Stormwater Ordinance

Staff is collaborating with Township Staff and HRG to revise the Stormwater Ordinance to further align it with DEP's Model Ordinance. Township and DTMA Staff are developing the timeline and action plan to complete this revision and bring it to the Township Supervisors for approval.

### Public Outreach

Staff spoke with Cambridge Commons Homeowner's Association on Wednesday, November 16<sup>th</sup> to discuss the systemic approach the Stormwater Management Program is developing to address the needs of communities throughout Derry Township. At the toe of a steep slope, just downstream from Brookside Park, this community is particularly impacted during rain events and is eager to work with DTMA to make improvements. The approach was well received.

## ITEMS FOR ACTIONS

### Presentation of 2023 Wastewater Fund Budget

Mr. Rehkop noted that in preparing the 2023 Budget, Staff took an in-depth look at how 2022 is trending. Commodity prices for treatment chemicals are very volatile; the suppliers cannot even provide pricing for more than a few months at a time. There has been an almost 30% increase in these items over the past few years which equates to an approximate \$100,000 increase for 2023.

Staff continue to reasonably minimize operational costs and project expenditures with effective planning strategies in an effort to balance the 2023 Budget. With the completion of the Clearwater WWTF Energy Enhancements project in early 2023, the Authority will begin to realize operational savings with the offset of monthly electricity and fuel costs as well as an increase in revenue with the increased capabilities of accepting additional hauled-in waste. Improvements to the biosolids handling processes are not anticipated to be completed until late in 2023 but they will have a positive impact on operational costs moving forward.

There was an approximate 2% reduction in billable water in 2022. As a result of this reduction, a minimal increase in billable wastewater volume is anticipated in 2023. Direct Customer Revenue is budgeted to increase by approximately 0.9% due to the increase in total billable wastewater projected from new customers specifically located in Londonderry Township. Municipal Customer Revenue is estimated to decrease by 6.7% in comparison to the 2022 Budget. In October 2022, the Authority and South Hanover Township (SHT) discovered a discrepancy with the Venice Meter Chamber flow meter totalizer which caused a significant overage in billing for a period of 14 months. This adjusted flow was used for the 2023 Budget.

Hauled Waste and customer surcharge revenues continue to provide a significant benefit to our rate payers in providing an additional \$2.14 million in projected revenue beyond the Direct and Municipal Customer Revenues. 2022 Hauled Waste revenue will be lower than anticipated though because the acceptance of high-strength waste was discontinued in June as part of the Energy Enhancements project, but those services should resume in early 2023.

2023 Departmental Expenses are anticipated to increase by 7.7%. In addition to a projected 4.5% inflationary increase on operational expenses, the following items have contributed to the increase in proposed budget expenses: filling four (4) vacant Staff positions; increase in chemical costs; amendment to the Authority pension plan contributions; and an increase in employee health care benefit costs.



2020 Capital Project Fund was completely disbursed in 2022. It is anticipated that the 2021 Capital Project Fund and the DCIB-G Note will be completely disbursed in 2023 based on Staff's projected drawdown schedule for each project listed in Table 5. No additional borrowing is anticipated in 2023 unless the interest rates are favorable to fund future capital projects. Future borrowing will be required by 2024 to finance the remainder of the current projects as well as future projects based on Staff's 10-year Capital Improvement Plan (CIP).

D. Beck noted that in 2022 Staff took advantage of an opportunity to move funds to PLGIT accounts that generated a significant increase in interest earned for 2022. The 2023 Budget reflects this additional income for an entire year.

The 2023 operating year projection for the wastewater revenues includes the Board previously approved sewer user rate increase of 2%.

**Resolution #2022-64 – Approval of the 2023 Wastewater Fund Budget with the previously-approved 2% rate increase:** This resolution was passed on a motion by R. Furlan, seconded by B. Link. The motion passed unanimously by voice vote.


**Resolution #2022-65 – Ratification of project payments from the 2021 and 2022 Capital Project Funds:** Staff reviewed the payments from the 2021 and 2022 Capital Project Funds requiring Board ratification. This resolution was then approved on a motion by M. Corado, seconded by B. Link. 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 November 21, 2022 public meeting at 4:15 p.m., seconded by M. Corado. The motion passed unanimously by voice vote.

  
(Assistant) Secretary