

**MINUTES OF THE MEETING
DERRY TOWNSHIP MUNICIPAL AUTHORITY
670 CLEARWATER ROAD
HERSHEY, PA 17033
MONDAY, JUNE 26, 2023**

The Derry Township Municipal Authority Board held its regular monthly meeting on Monday, June 26, 2023, 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		
Robert Cerminara		
Michael Corado		X
Charles Duncan		
David Feidt	X	
Ronald Furlan (arrived at 6:45 p.m.)		X
Kelly Heffner-Means	X	
Carter Wyckoff (arrived at 6:45 p.m.)		X
Staff		
William Rehkop (Executive Director)	X	
Kimberly Bloom (Deputy Director)	X	
Michael Postick (Stormwater Program Manager)	X	
Dennis Beck (Comptroller)	X	
Michael Shambaugh (Network Systems Manager)	X	
Dylan Ellinger (Staff Engineer)		
Consultants		
Mike Pykosh (Dethlefs Pykosh)		X
Colin O'Brien (Brown and Caldwell)		
Josh Fox (HRG)	X	
Other Attendees		
Cory Johnson (Zelenkofske Axelrod LLC)	X	
Derek Schroeder (Zelenkofske Axelrod LLC)	X	

PUBLIC COMMENT

There was no public comment at this time.

APPROVAL OF PREVIOUS MINUTES

K. Heffner-Means made a motion to approve the Minutes of the May 22, 2023 Board meeting. R. Furlan seconded. The motion passed unanimously by voice vote.

APPROVAL OF TREASURER'S REPORT AND BILLS FOR PAYMENT

Staff presented the May 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.

PRESENTATION OF THE 2022 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 and that they had no audit issues to report. He also stated that it is rare for entities to have no findings in their audit reports, but there are no findings to report for the DTMA 2022 audit. 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. Johnson commended Staff on their work throughout the year that resulted in this favorable opinion. 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. He also noted some significant items that occurred in 2022, such as new debt and new GASB regulations regarding capital leases, were handled very well. Mr. Johnson noted that receipt of Federal funds in 2023 may require a single audit next year, but Staff works with ZA throughout the year so that will be addressed as necessary.

Mr. Schroeder also thanked the DTMA staff for their help and cooperation throughout the audit process. He explained how the new GASB 87 regulation affected DTMA leases. The capital leases were already recorded in the financial statements, but there was an addition of a receivables lease with the Township for the land where the Township offices reside that was added to the statements.

New debt from the 2022 Sewer Revenue bonds and two DCIB revenue borrowings for capital projects were also recorded. The Income Statement showed a large increase in Miscellaneous Project Expenses mainly due to the Stormwater Pollution Reduction Plan projects.

Director Rehkop then reviewed some of the highlights of the MD&A. Some of the projects that have been in the works over the last few years will start to show some savings in Operating Expenses when they are completed in 2023. The 2023 Budget reflected increases to items such as treatment chemicals and other plant operating expenses based on the trends available at that time. However, there are operating expenses that have continued to increase in 2023 that may be beyond the budgeted amounts. The Board had previously approved a 3% increase in sewer rates for 2024. Once the 2024 Budget is prepared, it will be determined if the 3% rate increase will be sufficient to meet the Authority's level of service for its ratepayers.

Resolution #2023-28 - Approval of 2022 Financial Statements and Audit Report: After presentation of the 2022 Audit report by the auditors, this resolution was passed on a motion by K. Heffner-Means, seconded by R. Furlan. The motion passed unanimously by voice vote.

STAFF UPDATES AND REPORTS

CONSTRUCTION CONTRACTS UPDATE

The Executive Director provided the following report for current contracts.

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

Work activity continues to be focused on the scheduling and completion of start-up activities. Start-up of the Gas Conditioning Equipment supplied by GraniteFuel occurred during the first week of May with favorable performance results. Start-up and commissioning of the Cummins generators started the week of May 22nd and finished in the second week of June. There were very few issues. Staff is awaiting the on-site inspection and the permit to operate from PPL, so until that is received the equipment will be on stand-by. Staff has reached out to PPL several times but has not yet received a scheduled date from them.

Staff held a Clearwater Road (CwR) plant tour on Monday, June 19th, which included approximately 60 attendees from the annual PWEA PennTec Conference being held at the Hershey Lodge. DTMA staff, Colin O'Brien (BC), and representatives from Cummins and GraniteFuel assisted with the tour. The successful and nearly completed Energy Enhancements Project was on full display, as both of the 1 Megawatt Cummins CHP units were running for the attendees to exhibit. Staff received positive feedback and comments on the Authority's approach to utilize renewable energy and become "Net Zero" energy at the CwR WWTF.

Raw Sewage Pumps Replacement [Contract 2020-03]

All four (4) Flygt Raw Sewage Pumps have now been installed. Staff continues to work with RK&K, Heisey and Manada with respect to coordinating SCADA communications, start-up and control for the new pumps. Testing of Pump Nos. 1 and 2, along with the dry well dewatering pump, was completed in late May. On May 20th and 21st, Motor Control Center MCC-1 was replaced with a new MCC-C in the Administration Building Electrical Room.

Spring Creek Interceptor Upgrade Project [Contract 2022-01]

Josh Fox reported that Ankiewicz Enterprises, Inc. (Ankiewicz) has substantially completed the pavement restoration behind the Tanger Outlets. Work behind the Hershey Company Building 45 on Mansion Road and across Spring Creek is forthcoming. PPL needs to complete some work in this area too. HRG has scheduled a construction coordination meeting to regroup and discuss the sewer realignment and limits of paving on East Derry Road. DTMA and HRG have requested an updated schedule for outstanding work to be completed. Ankiewicz is currently working on preparing the updated schedule for staff review pending coordination meeting and the issuance of a Work Change Directive by HRG for this work.

ENGINEERING STATUS REPORT

The Executive Director provided the following report for current contracts.

Southwest WWTP Upgrade and Expansion Project (Phase 1)

DTMA Staff continues to await US EDA's approval of the project plans and specifications. Once this process is approved, Hazen will proceed with the contract bid advertisement. The Solicitor provided US EDA with information that they requested on the acquisition of the plant site. Staff is awaiting further comments or approval.

High Meadow Pump Station Upgrade

Josh Fox reported that work continues on the final design. HRG updated the Engineer's opinion of probable costs that will be used in determining the capital costs that will be provided to the entities for sharing for this project.

HRG held a project update meeting with staff on June 1st. Modifications to the design have been made and continue to account for additional flows from Hershey Entertainment as HRG and Staff work to refine the structural and mechanical approach. HRG anticipates the preparation of a 90% design plan set for Staff review and collaboration with HRG by early August.

Staff will be submitting a formal letter to Hershey Trust regarding the capital cost contribution as HRG has submitted a refined construction cost estimate to include cost sharing basis on the additional Hershey Entertainment & Resorts (HE&R) sewage flows. HRG is currently working on finalizing an overall updated cost estimate. Staff anticipates meeting with Hershey Trust and HE&R to discuss the cost estimates with them within the next few weeks.

South Hanover Township (SHT) Force Main Upgrade Sewer System Capacity Study

HRG and Authority staff made recommendations, such as including the Authority's standard construction details among other recommendations, which were not previously included by Rettew. This was discussed via an in-person meeting at the DTMA Clearwater Road facility on Tuesday, June 13th with SHT, Rettew and DTMA staff. Rettew noted that these changes will be addressed and the project bidding process will be restarted once incorporated.

Mr. Rehkop noted, however, that the project was placed out for bid prior to further review and comment by Staff. He thinks that this may have been an error on the engineer's part, so Staff is waiting to see if the project pulled from bidding since further discussion and/or design revisions are warranted.

Maintenance Garage Expansion

A revised version of the project's land development plan (Plan) was submitted to Derry Township for review and consideration by the Township Planning Commission during the meeting held on June 6th. The Planning Commission recommended that the Plan move forward with comment for consideration by the Township Supervisors. Additional changes were made to the Plan per Township Planning Commission comments, and the Plan will be resubmitted to the Township for consideration at the Supervisors meeting in July. Staff also continues to internally review the architectural design plans in the interim while the land development plan is in process.

Southwest WWTP Headworks Project

The Water Quality Management Part II Permit Application has been approved by PADEP on June 5, 2023. HRG has provided staff an electronic copy of the approved PADEP WQM Part II permit. The project will also be expanded to address the need for additional Headworks system effluent hydraulic capacity to accommodate the new facility. HRG has reviewed and approved submittals for the influent screen in May. The procurement method and timing for the equipment is paramount to avoid delays in the project schedule.

High Meadow Pump Station Drainage Basin Flow Monitoring Plan

Flow data received for the nine (9) study area drainage basins continues to be collected and analyzed weekly. Flow meters showing any low quality data continue to be recalibrated and their locations re-evaluated. The most recent calibration was performed to several flow meters on May 25th. The data to date, however, preliminarily reveals that drainage Basins 3, 4, and 5 experience the greatest estimated inflow/infiltration and peak flows and therefore will likely become the highest priority areas where further investigation may be necessary.

High Strength Organic Waste (HSOW) Offloading Station Improvements

HRG continues with the evaluation of potential improvements for this facility. The evaluation has been expanded to investigate the potential for additional on-site HSOW storage in order to provide process consistency and greater hauling/unloading flexibility. HRG and DTMA Staff met again on June 14th to further discuss the conceptual design.

Biosolids Drying and Gasification Project

Staff and Brown & Caldwell (BC) continue to move forward with planning and design of the biosolids drying and gasification project. Efforts remain concentrated upon prioritizing and reviewing numerous equipment and process submittals from Ecoremedy.

BC and Staff also continue to evaluate the most feasible and cost effective options for cake receiving, conveyance, and storage equipment which are not included in the scope of supply from Ecoremedy. A team meeting was held on June 8th with Ecoremedy, BC, and Staff to discuss these facilities. An application for an Air Quality Permit was submitted to PADEP on May 18th and we received an administrative completeness notice from PADEP on June 8th. The application is now under technical review by PADEP which may take up to 6 months for final approval.

Clearwater WWTF Headworks Upgrade Project

Design data and options for the screening equipment (Duperon) and grit removal equipment (Veolia and Lakeside) are currently being evaluated. BC has recently acquired budgetary quotes and drawings from Lakeside regarding drum screens for potentially in-kind replacement. Staff is currently awaiting quotes for review. The electrical infrastructure within the Headworks building is also being evaluated to see how the new equipment can be accommodated and if existing control panels can be used.

2023 Sanitary Sewer Rehabilitation Contract

DTMA Staff and HRG have reviewed the repair and rehabilitation areas and costs associated with each proposed site in order to prioritize work that will be included in the project. HRG has completed all field survey and base mapping plan preparation to be included in the Project design documents. It was determined at a May 16th meeting with HRG that some of this work will be completed under the IDIQ Contracts, as the budget will not allow for all work to be completed under this Contract. Once the scope of work is finalized by Staff, the design documents will be finalized by HRG.

IDIQ Sanitary Sewer and Storm Sewer Repairs

Bid opening was completed for both the Excavation (Contract 2023-01) and the Trenchless (Contract 2023-02) on June 1st. Rogele, Inc. was the lowest qualified bidder for the Excavation Contract and Mobile Dredging & Video Pipe was the lowest qualified bidder for the Trenchless Contract. HRG and Staff have reviewed the bidding package from both apparent low bidders and found both packages to be complete and accurate. HRG has reviewed and prepared Recommendations to Award for both Rogele and Mobile Dredging. Pending approval from the Board, a Notice of Intent to Award will be issued to both Rogele and Mobile Dredging.

STORMWATER PROGRAM MANAGER'S REPORT

Mr. Postick provided the following report for current contracts.

Forest Avenue Swale and Oakmont Community Basin Retrofits

Work by the contractor, Kinsley Construction, Inc. (Kinsley) remains on hold at these two project locations until easements from Penn State Health, Penn State University, and the Hershey Trust to accommodate the Forest Avenue Swale and Wood Road portions of these projects are acquired.

Bullfrog Valley Stream Restoration

Site construction work as specified under the original contract at both project sites is essentially complete, with time allotted now for planting and landscaping to establish with more conducive weather conditions before conducting Substantial Completion inspections at both sites. Additional efforts were made to address PADEP and Army Corps of Engineers field comments made during inspections. Note that DTMA Staff and HRG provided a tour of these two projects to a group of 2023 PennTec Annual Conference attendees on June 20th.

Stormwater Ordinance

Final revisions to the Stormwater Ordinance were completed in May. The final version of the document remains under final review by Derry Township, with adoption forthcoming.

Ridge Road Drainage Improvements

Permit applications for the NPDES, Highway Occupancy, Railway Occupancy, and Joint Permit Application for Small Project are currently being finalized by HRG and DTMA Staff. Results of the geotechnical investigations on the Hershey Company, Hershey Plaza and Hershey Trust properties have been received and are being incorporated into the Railway Occupancy permit application. Staff and HRG are continuing to evaluate and determine the project construction schedule that is least impactful on the Township and Hershey Park.

Brookside Park and Stoney Run Basin Retrofits

Only minor vegetation restoration remains on the punchlist for this project. Similar to the Bullfrog Valley and Deer Run Stream Restoration projects, addressing final landscaping and planting has been delayed until weather conditions are more conducive to their establishment.

Stormwater Capital Improvement Plan (CIP) and Stormwater Program Fee Rate Study

Staff are continuing to evaluate the draft CIP. The draft version of the CIP was also provided to Township staff for review and comment. HRG is continuing with the development of the rate study.

ENGINEER'S REPORT

Mr. Fox noted that final inspections were made of the 2021 Rehabilitation Projects since the one-year maintenance requirement will soon be expiring. A few deficiencies were found with one of the projects and the contractor was notified. After a few attempts to reach out to the contractor no response was received so HRG notified the Surety. A meeting is scheduled with the Surety, the contractor, and HRG and DTMA staff to review what needs to be completed.

ITEMS FOR ACTIONS

Resolution #2023-29 – Ratification of project payments from the 2021C and 2022A Capital Project Funds: Staff reviewed the payments from the Capital Project Funds requiring Board ratification. This resolution was then approved on a motion by K. Heffner-Means, seconded by R. Furlan. The motion passed unanimously by voice vote.

Resolution #2023-30 – Approval of Change Order #4 with Kinsley Construction for the Oakmont Basin Retrofit and Forest Avenue BMP Project, Contract #2022-05: This resolution was approved on a motion by K. Heffner-Means, seconded by M. Corado. The motion passed unanimously by voice vote.

Resolution #2023-31 – Bid Award of the Sanitary and Storm Water Maintenance and Emergency Repairs Excavation Contract to Rogele Inc. and Resolution #2023-32 – Bid Award of the Sanitary and Storm Water Maintenance and Emergency Repairs Trenchless Contract: This resolution was approved on a motion by R. Furlan, seconded by M. Corado. The motion passed unanimously by voice vote.

OTHER BUSINESS


Mr. Rehkop noted that Staff will be requesting a pre-application meeting with the DCIB-G to discuss potential funding opportunities for anticipated wastewater and stormwater projects for 2024. DTMA was successful in 2023 in acquiring financing for the Spring Creek Interceptor and Ridge Road Stormwater Improvements Phase I projects at rates that were significantly lower than the current Bond rates.

PUBLIC COMMENT

There was no public comment at this time.

ADJOURNMENT

With no further business to come before the Board, K. Heffner-Means made a motion to adjourn the June 26, 2023 public meeting at 7:10 p.m., seconded by M. Corado. The motion passed unanimously by voice vote.



(Assistant) Secretary