

**MINUTES OF THE MEETING  
DERRY TOWNSHIP MUNICIPAL AUTHORITY  
670 CLEARWATER ROAD  
HERSHEY, PA 17033  
MONDAY, NOVEMBER 20, 2023**

The Derry Township Municipal Authority Board held its regular monthly meeting on Monday, November 20, 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
<b>Board Members</b>		
Robert Cerminara	X	
Michael Corado	X	
Charles Duncan		
David Feidt	X	
Ronald Furlan	X	
Kelly Heffner-Means	X	
Carter Wyckoff		
<b>Staff</b>		
William Rehkop (Executive Director)	X	
Kimberly Bloom (Deputy Director)	X	
Michael Postick (Stormwater Program Manager)		X
Dennis Beck (Comptroller)	X	
<b>Consultants</b>		
Daryl Dethlefs (Dethlefs Pykosh)	X	
Colin O'Brien (Brown and Caldwell)	X	
Josh Fox (HRG)		X
Mike Hess (HRG)	X	
<b>Other Attendees</b>		

**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 October 23, 2023 Board meeting. R. Cerminara 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 reports, seconded by K. Heffner-Means. The motion passed unanimously by voice vote.

## **STAFF UPDATES AND REPORTS**

### ***CONSTRUCTION CONTRACTS UPDATE***

The Executive Director provided the following updates for current contracts.

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

At this point, all items are completed that were required for the PPL interconnect agreement. Staff received approval from PPL to perform setup and commissioning of the engines with Cummins. The Cummins team is scheduled for December 4<sup>th</sup> to complete the final system testing and training with Staff. Additional testing by Scott Testing will need to be completed before final acceptance of the interconnect is given by PPL. PA DEP will also be provided with testing information for their review of the Air Quality Permit.

Mr. O'Brien is onsite this week to finalize details and punchlist items for closeout of the project. A meeting is scheduled for December 7<sup>th</sup> to discuss project delays with the contractor and the associated costs. A report will then be presented to the Board regarding the outcome of those discussions and possible ways to recover some of those costs.

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

The contractors addressed several outstanding punch list items as well as complete load testing associated with the pump hoist system the first week of November. All remaining punch list items are expected to be completed within the coming weeks. The project is scheduled to be closed by year end.

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

Work on East Derry Road, behind the Hershey Company Building and on West Mansion Road, remains to be completed. HRG and Staff met on site with Ankiewicz (AEI) on November 9<sup>th</sup> for Job Conference No. 10. HRG and Staff discussed the updated schedule due to the caisson spacing conflict that has been encountered at the Spring Creek crossing. This conflict has caused a schedule completion delay until approximately February 2024, as the Contractor will be required to procure and install a longer beam to support the sewer main across Spring Creek due to the shift in the caisson locations.

At the Job Conference, it was confirmed by AEI that their intent is return to the project site on November 20<sup>th</sup> to complete base course to grade pavement restoration on East Derry and West Mansion Road. Final pavement restoration at both locations will follow in the Spring.

#### **IDIQ Sanitary Sewer And Storm Sewer Repairs (Excavation Contract 2023-01)**

Rogele, Inc. has mobilized at the Shank Park Sewer Replacement location as of November 6<sup>th</sup>. Rogele, Inc. has provided HRG and Staff with a preliminary Construction schedule that notes completion of the Shank Park Sewer Replacement utility work by Thanksgiving with final restoration to be completed after the Holiday. Significant cost savings should be realized since the disturbance to the existing trail was minimized by the contractor. Kinsley will mobilize to replace the culvert once Rogele has completed the sewer line replacement.

## ***ENGINEERING STATUS REPORT***

The Executive Director provided the following report on current contracts.

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

US EDA has approved DTMA to proceed with project bidding. Our current schedule is to bid the project during the week of December 11<sup>th</sup>, bid opening on February 12<sup>th</sup>, and Board approval at the February Board meeting.

Per Resolution #2023-55 and as a condition of the grant award requirements, US EDA requires DTMA to file the Notice of Federal Interest. Solicitor Pykosh and Tim Horstmann (McNees) have reviewed and provided comments in accordance with DTMA's Trust Indenture.

### High Meadow Pump Station Upgrade

A meeting was held with HRG and Staff on October 16<sup>th</sup> to review the 90% design drawings and bid documents. Staff has provided HRG with comments that are currently being addressed by HRG. Final drawing and bid document set will be provided to Staff for final review before bidding.

HRG met with representatives of Hershey Entertainment and Resorts (HE&R) to review construction, stormwater BMP phasing and the easements necessary to complete the Pump Station Upgrade work.

Hershey Trust is still working on their planning module submittal to PA DEP regarding the remaining phases of the West End Project. They also informed Staff that their counsel is preparing the cost share agreement between the Trust and DTMA and anticipates having information for presentation at the December Board meeting.

### Southwest WWTP Headworks Project

HRG received all administrative and contract documents from the contractors necessary to issue the Notice of Intent to Award. HRG will review the documents and then schedule the preconstruction conference on site at the SWWWTP. HRG submitted a proposal to provide Construction Administrative Phase Services for this project for a time and materials fee estimated at \$113,700.

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

HRG has compiled all flow metering data from the various flow metering sites and included in a draft report format, which was presented to Staff electronically for review on November 13<sup>th</sup>. The draft report includes prioritization rankings as well as a Capital Improvements Plan recommending investigation, design, and rehab/replacement schedules based on the findings from the study. Once Staff reviews the draft report, HRG and Staff expect to meet in the coming weeks to review collaboratively before a final report is generated.

### High Strength Organic Waste (HSOW) Offloading Station Improvements

HRG is finalizing the study based on previous discussions and meetings with Staff. Staff is investigating an alternate approach by utilizing the existing primary sludge thickener tank for equalization of the HSOW. This alternative would include installing a fiberglass cover on the tank for odor control and freeze protection in the winter months.

Staff has requested and received updated cost estimates from various tank cover manufacturers. Staff is currently reviewing all options for the fiberglass cover and plans to decide in the coming weeks regarding

the cover style and manufacturer to be utilized for covering the thickener. In the interim, Staff made some adjustments to the treatment process which have helped with odor control.

#### Biosolids Drying and Gasification Project

Mr. O'Brien noted that DTMA received today pre-draft plan approval for the air quality permit from PA DEP. Staff is pleased that the limits proposed in the plan were less than anticipated.

Dustcon submitted the final risk assessment matrix report on October 19<sup>th</sup> for Staff review. Following Staff's review, Dustcon concluded the NFPA and OSHA compliance study on October 31<sup>st</sup> with a final review meeting that included Dustcon, Ecoremedy, BC and Staff. Dustcon answered various Staff and Consultant questions and provided a final risk matrix report. After Staff review and comments, the report will be forwarded to Ecoremedy for discussion on how to address the items listed in the report.

Mr. O'Brien recently visited a facility in Edmonds, Washington that has installed the Ecoremedy gasification system. The Edmonds plant had a more challenging installation of the system because they were repurposing an incinerator facility. Their facility has been commissioning the system for approximately 90 days.

Mr. O'Brien provided a slide presentation and a video that showed the equipment installed in this facility and described how this same equipment would be installed and utilized at the DTMA plant. He provided details of each step of the process and explained what DTMA could expect to see as the final granular material and how it would be handled. He also noted the steps Ecoremedy has taken to ensure that the exhaust plume created by excess heat from the process is abated and is not visible if a release is warranted. This was an issue that had been raised by residents in the Morrisville PA area where the Ecoremedy system was tested at another facility. Facility modifications have been made by Ecoremedy to address this. DTMA Staff have been invited to visit this facility which is planned for early 2024.

#### Clearwater WWTF Headworks Upgrade Project

BC intends to complete the final design for Staff review by early Spring 2024. BC will also provide an updated, detailed project schedule and coordinate the first design coordination meeting with Staff in the coming weeks.

#### IDIQ Sanitary Sewer and Storm Sewer Repairs

HRG is currently in the process of reviewing and finalizing submittals for Contract 2023-02- Trenchless. Staff anticipates issuance of the first Work Order under Contract 2023-02 pending acceptance of submittals from Mobile Dredging and Video pipe and coordination with HRG.

### ***STORMWATER PROGRAM MANAGER'S REPORT***

Mr. Postick provided the following report for current contracts.

#### Forest Avenue Swale and Oakmont Community Basin Retrofits

The project contractor, Kinsley Construction, Inc. (Kinsley) has nearly completed work at the Oakmont site. The culvert replacements across Limerick Court and Wood Road have been completed. Work on the replacement of the Shank Park entrance culvert will commence on November 27<sup>th</sup>. Work on the Forest Avenue swale will commence in the spring of 2024. Associated permanent easements and agreements with Penn State Health (PSH) and Penn State University (PSU) for the project work at the Forest Avenue site have been finalized and are in the process of board approval by PSH and PSU.

#### Bullfrog Valley and Deer Run Stream Restorations

The project contractor, Aquatic Resource Restoration Company (ARRC), has begun work on outstanding punch list items identified in the recent Certificate of Substantial Completion for the Derry Run Stream Restoration site. ARRC will begin similar work for the Bullfrog Valley Stream Restoration site starting the week of November 20<sup>th</sup>. Project final completion remains scheduled for mid to late December 2023. DTMA Staff and HRG also met with PADEP at the Deer Run Stream site on November 16<sup>th</sup> to discuss options for mitigating a recently created sinkhole within the stream limits.

#### Stormwater Ordinance

Final adoption of the Ordinance is anticipated by year's end.

#### Ridge Road Drainage Improvements

DTMA Staff and HRG continue to advance project scheduling, final design, and permitting. All permits have been submitted for review by the appropriate parties. DCCD has deemed the NPDES permit application administratively complete and provided some minor technical comments which are currently being addressed.

DTMA Staff and our financing team continue to work on finalizing the loan documents for the Dauphin County Infrastructure Bank-General (DCIB-G) Loan closing on December 5<sup>th</sup>. DTMA Staff also attended a Dauphin County Commissioners meeting on October 18<sup>th</sup> to express support for the program. The County approved the corresponding borrowing ordinance.

#### Stoverdale Road and Shopes Church Road Culvert Replacements

HRG continues to work on bidding and construction specification documents for the replacement of seven (7) storm sewer culverts that cross the noted roads, with the intent to complete the work in spring to early summer of 2024 before planned Township repavement work on Stoverdale Road is completed in 2024.

#### Stonecutter Circle Drainage Improvements

HRG also continues to advance final stormwater drainage modification design and associated plans for improvements to areas of failing open space drainage behind private residences on Stonecutter Circle.

#### Cambridge Commons Development

HRG has initiated their work on the hydraulic analyses of the project area. DTMA Staff also met with the Cambridge Commons Homeowner's Association on Monday, November 30<sup>th</sup> to discuss DTMA's plans and efforts to date and receive feedback on the current state of the development's stormwater management facilities. There were approximately 40 residents in attendance at this meeting, which was well received.

#### Water Resource Enhancement Program (WREP)

DTMA Staff are awaiting scheduling of the next WREP meeting.

#### Local Share Account grant application

DTMA Staff and HRG intend to submit an application to the Commonwealth Financing Agency (CFA) by November 30, 2023 for a Local Share Account grant to potentially fund preliminary design engineering for two projects having the goal of mitigating areas of localized flooding within the Township. The projects being proposed for funding shall include Cambridge Commons flooding mitigation preliminary design

engineering and Bullfrog Valley Stream and Wood Road flooding mitigation preliminary design engineering.

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

The CIP and Rate Study will continue to be utilized by DTMA Staff and HRG as long-term planning tools for the determination of future stormwater program fees and future project prioritization.

Stormwater Management Program Fee Adjustment

As discussed during the October 2023 DTMA Board meeting, DTMA Staff have determined that near-term program capital improvement, debt service and operating expense costs of the Stormwater Management Program (SMP) and have compared these costs to the anticipated revenue that would be generated in 2024 by the current SMP fee. The SMP fee as it is currently set will cease covering debt service in 2024 and will allow only a minimal annual capital investment in stormwater infrastructure or flood mitigation projects. The previously completed analysis indicated that increasing the SMP fee to \$9.00 per equivalent residential unit (ERU) starting in January 2024 will serve to meet debt service.

DTMA Staff have also begun notifying significant stakeholders within the Township (e.g. Hershey Trust, Penn State Medical) of the impending fee adjustment for their planning purposes and feedback. The entities were appreciative of the advance notice of the impending fee adjustment and understood the for need it. Mr. Furlan asked if Staff had reached out to the non-profit organizations in the Township. Mr. Postick noted that he had intended to do that next.

Dauphin County Premier Project Award

DTMA Staff and HRG applied to the Tri-County Regional Planning Commission for a Dauphin County Premier Project Award to potentially acknowledge the Bullfrog Valley Stream Restoration project as one that meets the community, environmental and economic goals of the County's Comprehensive Plan. The application was submitted in partnership with Hummelstown Borough.

Susquehanna River Basin Commission (SRBC) Consumptive Use Mitigation Grant

HRG identified an additional potential grant opportunity via the SRBC Consumptive Use Mitigation Grant that could be used for stormwater management or effluent water reuse. Staff will investigate applicable projects.

**ITEMS FOR ACTIONS**

Presentation of 2024 Wastewater Fund Budget

Mr. Rehkop noted that the 2024 Wastewater Fund Budget was prepared keeping in mind that DTMA will be taking on more debt in 2024 to cover ongoing capital project expenditures. As discussed at the August Board meeting, Staff continue to monitor any user rate adjustments needed to maintain the Authority's stable financial outlook. The annual debt service coverage is a key financial indicator to monitor as the bond and note payments are forecasted to increase with the implementation of capital projects and future borrowing needs. Generally, net income (before depreciation) should cover the total annual debt service payments. The Authority annually sets aside sufficient funds in the Investment Fund Account to cover the debt service for the following year. The Investment Fund currently has sufficient funds to cover the debt service in 2024.

Staff then looked at the design and construction phases of current and proposed Capital projects for the years 2025 and beyond and have identified funding gaps for some of the projects through completion.

Projections were then calculated to determine where rates needed to be over the next few years to account for these funding gaps. In the projections for 2024, Staff compared the 3% rate increase already approved by the Board with a 5% rate increase in its calculations. The additional 2% would provide for an approximate \$140,000 of revenue. Mr. Rehkop also noted that in addition to the increase in revenue, Staff continue to implement effective planning strategies for budgeting annual operational costs and project expenditures. With the completion of the Clearwater WWTF Energy Enhancements project, the Authority will begin to realize operational savings with the offset of monthly electricity, natural gas, and fuel costs as well as an increase in revenue with the increased capabilities of accepting additional hauled-in waste.

It was also noted that there are three staff positions allotted for in this budget. Additional staff requirements will be monitored for the operation of the new systems put online from new plant projects, succession planning for existing staff members, and a possible crew lead position in the Collections Department.

To be conservative, renewal energy credits and incentives through the Inflation Reduction Act were not included in this budget but will be pursued in 2024.

D. Beck noted that the cash flow for 2024 is projected to be approximately \$700,000 more than the 2023 Budget. On an accounting basis, there is an approximate \$250,000 surplus projected by the end of 2024, which is a result of including almost \$1 million in interest income less an allowance for arbitrage. He noted that 2024 is projected to be the second year without any new borrowing. Mr. Rehkop noted that Staff has been pursuing other avenues of funding for projects, such as PENNVEST, which has a significantly lower loan rate than bonds currently. In addition, there is grant money available through PENNVEST for projects that reduce emerging contaminants, so Staff are aggressively pursuing this source of funding for the gasification project with Eco remedy.

The sewer extension in Londonderry Township has generated significant interest in development which would provide additional tapping fees and sewer usage fees beyond what was recognized in the Act 537 Special Study. The Lytle Farm proposed development also appears to be ahead of schedule.

With the approval of this budget, the Authority will meet the needs of our ratepayers by continuing to provide a reliable and cost-effective service.

**Resolution #2023-51 – Approval of the 2024 Wastewater Fund Budget with a 5% rate increase:** This resolution was passed on a motion by K. Heffner-Means, seconded by R. Furlan. The motion passed unanimously by voice vote.

**Resolution #2023-52 – Ratification of project payments from the 2021C, 2022, and 2022A Capital Project Funds for November:** Staff reviewed the payments from the Capital Project Funds requiring Board ratification. This resolution was then approved on a motion by R. Furlan, seconded by K. Heffner-Means. The motion passed unanimously by voice vote.

**Resolution #2023-53 – Approval of Commonwealth Financing Authority Local Share Account Grant Application:** This resolution was approved on a motion by K. Heffner-Means, seconded by R. Cerminara. The motion passed unanimously by voice vote.

**Resolution #2023-54 – Approval of Stormwater Management Program Fee Adjustment for 2024:** These resolutions were approved on a motion by R. Furlan, seconded by R. Cerminara. The motion passed unanimously by voice vote.

**Resolution #2023-55 – Approval of Notice of Federal Interest Filing with US EDA:** This resolution was approved on a motion by K. Heffner-Means, seconded by M. Corado. The motion passed unanimously by voice vote.

**Resolution #2023-56 – Approval of HRG Proposal for Southwest WWTP Headworks Improvements Construction Phase Services:** This resolution was approved on a motion by R. Furlan, seconded by R. Cerminara. The motion passed by voice vote. D. Feidt abstained from voting due to a professional business association with HRG.

**OTHER BUSINESS**

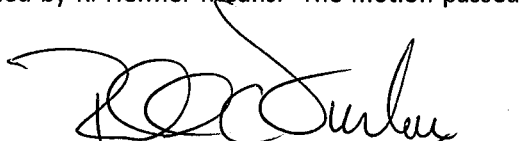
There was no other business to come before the Board at this time.

**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 20, 2023 public meeting at 7:24 p.m., seconded by K. Heffner-Means. The motion passed unanimously by voice vote.

  
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(Assistant) Secretary