

**MINUTES OF THE MEETING  
DERRY TOWNSHIP MUNICIPAL AUTHORITY  
670 CLEARWATER ROAD  
HERSHEY, PA 17033  
MONDAY, JUNE 24, 2024**

The Derry Township Municipal Authority Board held its regular meeting on Monday, June 24, 2024, 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 Public virtually through Microsoft Teams. 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
David Feidt	X	
Ronald Furlan	X	
Randy Goss	X	
Kelly Heffner-Means	X	
Carter Wyckoff		X
<b>Staff</b>		
William Rehkop (Executive Director)	X	
Kimberly Bloom (Deputy Director)		
Michael Postick (Stormwater Program Manager)	X	
Dennis Beck (Comptroller)	X	
<b>Consultants</b>		
Darrell Dethlefs (Dethlefs Pykosh)	X	
Josh Fox (HRG)		
Colin O'Brien (Brown and Caldwell)		X
Mike Hess (HRG)	X	
Steve McGuire (Brown and Caldwell)		X
<b>Other Attendees</b>		
Derek Schroeder (Zelenkofske & Axelrod LLC)	X	
Corey Johnson (Zelenkofske & Axelrod LLC)	X	
Timothy Horstmann (McNees Wallace & Nurick)	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 20, 2024 Board meeting, seconded by R. Cerminara. 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 reports, seconded by C. Wyckoff. The motion passed unanimously by voice vote.

### **PRESENTATION OF PENNVEST DOCUMENTS**

Tim Horstmann from McNees Wallace & Nurick presented resolutions for approval regarding the PENNVEST funding offer for the Biosolids Drying and Gasification Project. He explained the details of the funding offer for this project and the terms for repayment.

**Resolution #2024-31 – Approval of issuance of Sewer Revenue Bond (PENNVEST Loan) Series of 2024 for the Biosolids Drying and Gasification Project:** This resolution authorizes the project with PENNVEST and the issuance of the 2024 Bond, accepts the funding offer from PENNVEST, and appoints McNees Wallace & Nurick LLC as Bond Counsel. The motion was passed on a motion by R. Furlan, seconded by K. Heffner-Means. The motion passed unanimously by voice vote.

**Resolution #2024-32 – Authorization for reimbursement of General Funds used to construct improvements to the Clearwater Road Treatment Plant with funds received from PENNVEST:** This resolution was passed on a motion by R. Furlan, seconded by K. Hefner-Means. The motion passed unanimously by voice vote.

### **PRESENTATION OF THE 2023 FINANCIAL STATEMENTS AND AUDIT REPORT**

Cory Johnson and Derek Schroeder of ZA presented the 2023 Financial Statements and Audit Report for approval. 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 2023 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. Schroeder explained that the new GASB 96 regulations regarding subscription-based technology arrangements were immaterial based on the current arrangements DTMA has with their vendors. He also noted that Fixed Assets increased significantly in 2023 due to the acquisition of assets from the Londonderry Rt. 230 Sewer Extension. Stormwater Notes for the Ridge Road stormwater project increased by \$3.4 million.

Total Net Position was \$74 million, which was an increase of approximately \$12.8 million, mostly due to the increase in assets from the Rt. 230 Project.

Operating Expenses increased slightly due to increased payroll and payroll-related expenses and an increase in plant operation costs for treatment chemicals, gas, and electric utilities. Interest Income was also higher than anticipated.

Mr. Schroeder noted that the audit for 2024 will include, in addition to the standard audit, a single audit of any Federal funds received, such as grant proceeds or PENNVEST reimbursements.

**Resolution #2024-28 - Approval of 2023 Financial Statements and Audit Report:** After presentation of the 2023 Audit report by the auditors, this resolution was passed on a motion by R. Furlan, seconded by R. Cerminara. 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]**

CHP genset air testing is scheduled for July 30<sup>th</sup> and 31<sup>st</sup> with Alliance Technical Group. Minor punch list items such as the drip trap actuator, genset radiator VFD, and CHP building door replacement work are actively being addressed by the respective Contractors. All minor remaining punch list items are expected to be completed over the next month. Upon completion of all work, Staff will work with the engineer and contractors to complete the contract close-out procedures.

EEC submitted a draft Change Order No. 28 for BC and Staff review. Change Order 28 encompasses pricing for labor, materials, equipment, and subcontractor costs associated with the existing concrete demo, new concrete foundation installation work, utility relocation work in the Filter Building, which was additional, unforeseen to the scope of work previously noted under Change Order No. 17. As currently drafted, this Change Order increases the Contract Price by \$196,023.00. Staff and BC are actively reviewing the Change Order and comparing it to RPR observation records and time and material tracking sheets. Staff will present a finalized Change Order at the next Board meeting which will include Staff and BC comments being addressed by EEC.

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

Since last Month's meeting Staff has inquired with RK&K regarding the as-built drawings and Operation and Maintenance manuals for the raw sewage Pumps, dewatering pumps, and associated valves. RK&K communicated to Staff that these items are forthcoming. Staff will proceed with the contract close-out procedures for the Project upon receipt of all outstanding items.

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

The project has reached final completion including the paving, which was completed to the Township's requirements. A punch list was developed that includes minor items to be addressed

such as the completion of mainline pressure testing and the submission of final as-built drawings. HRG and Staff expect AEI to complete all punch list items within the next month.

HRG will prepare the Final Adjusting Change Order (FACO) for Board approval. The draft FACO noted a credit of approximately \$150,000 in favor of DTMA. The FACO is currently being finalized by HRG upon Staff's review and will be presented for approval at the next meeting.

IDIQ Sanitary Sewer and Storm Sewer Repairs (Excavation Contract 2023-01)

Rogele has successfully completed all final pavement restoration associated with Contract 2023-01, Work Order No 1 (Half Street Site). HRG has received, reviewed, and recommended approval of the Final Application for Payment, which staff have since paid and closed out this Work Order.

Rogele has successfully completed all work associated with Contract 2023-01, Work Order No 4. Work Order No. 4 included manhole frame and cover replacement at various locations. HRG has received, reviewed, and recommended approval of the final Application for Payment, which staff have since paid and closed out this Work Order.

Rogele has successfully completed all work associated with Contract 2023-01, Work Order No 6. Work Order No 6. included manhole frame and cover replacement along Rhue Haus Lane, Innsbruck Drive, and along Alpine Drive, just east of Bullfrog Valley Rd. Staff is awaiting the receipt of Application for Payment from Rogele.

IDIQ Sanitary Sewer and Storm Sewer Repairs (Trenchless Contract 2023-02)

No new work has been completed under the Trenchless Contract 2023-02 since last month's meeting. However, Staff has actively been working alongside HRG, Rogele and MDVP to establish construction cost estimates for repairs to or replacement of a 400 linear foot section of deteriorated sewer main along Old West Chocolate Avenue to which the new Towne Place Suites hotel will connect. It was determined by HRG that this section of sewer main is in too poor of condition to exclusively utilize trenchless repair methods. HRG will prepare their recommendation and a cost estimate for this work for presentation at the next Board meeting.

Southwest WWTP Upgrade and Expansion Project

Staff and Hazen held a preconstruction conference on site on June 11<sup>th</sup> with the Dauphin County Conservation District (DCCD) to review all applicable Erosion and Sedimentation (E&S) control and Post Construction Stormwater Management (PCSM) requirements with the General Contractor, Pact Two.

Pact Two has since mobilized their construction trailer and portions of their equipment on site as of early-June. Pact two has indicated to Staff that they are prepared to start test excavations and excavation work associated with the new aeration tanks in early July, following the Fourth of July Holiday.

### Southwest WWTP Headworks Upgrade (Contract 2023-05)

As of June 18<sup>th</sup>, JP Environmental has completed all the primary equipment and ancillary demo work within the Southwest Plant headworks building associated with the grit classifier, bucket elevator, and influent screen. They have completed the installation of the new Duperon influent screening equipment, utility water connections, and are prepared to start the 14-inch DIP effluent line installation in the coming weeks. Staff continue to inspect all work progress on-site with follow-up correspondence with HRG to communicate progress made by JP.

### ***ENGINEERING STATUS REPORT***

The Executive Director provided the following report on current contracts.

#### High Meadow Pump Station (HMPS) Upgrade

The developer (RGS) for the West End Development submitted the PADEP Sewage Facilities Planning Component to Staff for review and approval. Staff reviewed, provided minor comments, and approved the revised planning component. RGS then submitted their plans to the Dauphin County Planning Commission (DCPC) and Derry Township for review. Once these reviews are completed, the plan can be submitted to PADEP.

In recent conversation between Staff and the Developer (RGS), it was noted that RGS anticipates the final planning module package to be submitted to PADEP by mid-July following the one-month review window by the DCPC and Derry Twp. Staff is in communication with HRG regarding the updated timeline provided by RGS. HRG has proactively completed the WQM Part II permit package and is prepared to submit immediately upon notification of planning submission to PADEP by RGS.

At the May meeting the Board approved the HMPS Upgrade Contribution and Reimbursement Agreement with Hershey Trust Company. The agreement has not yet been executed by the Trust Company but that should be forthcoming soon.

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

Staff met with Rettew to review the updated plans for the Force Main Upgrades Project. Rettew then followed up after the meeting by providing a copy of the updated design memo for Staff to review. Staff is actively reviewing the updated design by Rettew, and it was noted that Rettew anticipates submission of the Act 537 planning package in the coming weeks. Staff will be in contact with Rettew pending any comments and will provide further updates on the project timeline as more detailed scheduling information is received from Rettew.

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

Staff received an update from KAI indicating installation should be completed by the end of July.

#### Biosolids Drying and Gasification Project

Kappe Associates (KAI) and Ecoremedy have agreed to use AIS (formerly Heisey Mechanical) for the installation of the equipment. The team from AIS will be the same team that recently completed work on the Energy Enhancements project and the Raw Sewage Pumps project.

Staff are actively working to acquire proposals from stack testing companies, as necessary to submit the PADEP test protocol as there is a 6-month review period prior to the stack testing being completed. Staff anticipate receiving all requested proposals for stack testing and will be prepared to make a recommendation at the next Board Meeting.

Change Order No. 1 has been prepared by BC based on a cost proposal received by KAI, which includes the incorporation of the expanded structural steel supports necessary for elevating and providing 100-year flood resiliency for the ECR equipment. KAI included an allowance of \$100,000 in the original contract as a placeholder until a detailed design could be completed to support the equipment above the 100-year flood elevation. This Change Order is for an increase in the contract price in the amount of \$331,000.00. BC and Staff have reviewed the Change Order request and recommend approval under Resolution 2024-33. However, It was noted that PADEP and PENNVEST also need to approve this change, so KAI will not be authorized to perform the work until these approvals are received.

KAI/ECR achieved the next milestone payment #2 per the contract and BC's recommendation based on the completion of the equipment submittals. AFP #2 was in the amount of \$1,978,750 and was paid from the General Funds, which will be reimbursed by the PENNVEST loan/grant after settlement in September 2024.

#### Clearwater WWTF Headworks Upgrade Project

The Board approved the engineering services proposal at last month's meeting to allow BC to continue their efforts in finalizing the electrical, I/C controls design in conjunction with RKK. Staff and BC have a scheduled meeting to go over the 90% construction drawings and the technical specifications. Staff will be reviewing the 90% construction plan set and providing comments following the receipt of the plans and specifications from BC to be finalized and prepared for bidding by BC for the late July, early August time frame.

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

Mr. Postick provided the following report for current contracts.

#### Forest Avenue Swale and Oakmont Community Basin Retrofits and Shank Park Culvert Replacement (Contract 2022-05)

Work by Kinsley Construction, Inc. (Kinsley) is essentially complete at all sites, with the exception of final restoration and any minor punch list items to be identified during Substantial Completion.

#### Bullfrog Valley and Deer Run Stream Restorations (Derry Township Parks Water Quality Improvements, Contract 2022-03)

Staff, HRG and Aquatic Resource Restoration Company (ARRC) completed a final inspection of the work at both sites. It appears that other than the ongoing task of ensuring that the proper vegetation remains established, all work has been completed and the contract can be closed. The contract's warranty bond will cover ongoing vegetation maintenance for the next two years.

Staff intends to meet with the Deer Run HOAs to provide them with information on the project status, intentions for keeping the vegetation established, long-term maintenance needs and responsibilities, possible minor modifications, etc.

#### Cambridge Commons Development

Staff has had preliminary discussions with Cambridge Commons HOA representatives regarding the analysis of options for stormwater facility improvements as developed by HRG. A future meeting will be held with the HOA to further advance a selected option, review available easements, etc.

#### Stormwater Management Program Fee Adjustment

Staff continues to review existing accounts to determine the status of credits and any opportunities for ratepayers to apply for credits and has been processing credit applications as they are submitted.

#### IDIQ Sanitary Sewer and Storm Sewer Repairs

Rogele, Inc. has completed Work Order Nos. 2024-S6 and 2024-S7, which involved the replacement of storm sewer sections across Reese Avenue in front of the Hershey Company property. DTMA Staff and HRG are working with Rogele with respect to scheduling Work Order Nos. 2024-S8 and 2024-S9 (Bittersweet Drive and 38 Locust Avenue).

#### MS4 Permit

Staff will, by the end of June, complete inspections of several stormwater management facilities (BMPs) within the Township as is required annually by the PADEP MS4 Permit. These inspections will focus on BMPs inspected in previous years that would likely need further maintenance, repair, etc. Inspection results will be included in the MS4 Permit Annual Report due in September of each year. DTMA will again host annual MS4 training with Township personnel on June 27<sup>th</sup>.

#### EXECUTIVE SESSION

The Board recessed into Executive Session at 6:37 p.m. to discuss legal matters regarding contract negotiations. They reconvened at 7:11 p.m.

#### ITEMS FOR ACTION

**Resolution #2024-29 – Ratification of project payments from the 2021C and 2022A Capital Project Funds for June:** 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. Cerminara. The motion passed unanimously by voice vote.

**Resolution #2024-30 – Authorization for closure of 2021C Capital Project Fund and any remaining funds transferred to the Debt Service Fund:** This resolution was passed on a motion by R. Furlan, seconded by K. Heffner-Means. The motion passed unanimously by voice vote.

**Resolution #2024-33 – Approval of Change Order #1 with Kappe Associates for the Biosolids Facility Improvements Project, Contract #2022-06PP:** This resolution was passed on a motion by K. Heffner-Means, seconded by R. Furlan. The motion passed unanimously by voice vote.

**Resolution #2024-34 – Approval to rescind Resolution #2024-21 for the bid award of Contract 2024-05 to MDX SITE (A MASON DIXON CONTRACTORS LLC COMPANY) and Resolution #2024-35 – Award of Contract #2024-05 Ridge Road Drainage Improvements Project to Ankiewicz Enterprises, Inc. of Tamaqua PA:** This resolution was passed on a motion by R. Furlan, seconded by K. Heffner-Means. The motion passed unanimously by voice vote.

Staff will contact the Township and other entities involved in this project area to update them on the status of the project. They will also provide updates during construction via the Township's E-Newsletter.

#### **OTHER BUSINESS**

Mr. Rehkop attended the annual PENNTEC Conference and gave a presentation on DTMA's recently completed Energy Enhancements Project outlining the positive effect this project will have for the Authority's ratepayers. He also gave a presentation on DTMA's collaboration with Troeg's Brewery.

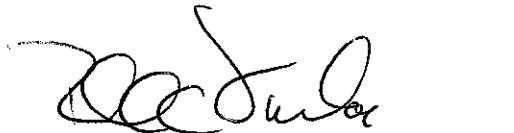
DTMA has been recognized as a Utility of the Future Today Award Honoree for 2024. Presentation of the award will be given at the annual WEFTEC conference in October. DTMA previously received this award in 2021. K. Heffner-Means remarked that this type of information should be included in press releases or at least in the Township's E-Newsletter.

#### **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 24, 2024 public meeting at 7:24 p.m., seconded by R. Cerminara. The motion passed unanimously by voice vote.

  
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(Assistant) Secretary