

**MINUTES OF THE MEETING  
DERRY TOWNSHIP MUNICIPAL AUTHORITY  
670 CLEARWATER ROAD  
HERSHEY, PA 17033  
MONDAY, SEPTEMBER 30, 2024**

The Derry Township Municipal Authority Board held its regular meeting on Monday, September 30, 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)	X	
Michael Postick (Stormwater Program Manager)	X	
Dennis Beck (Comptroller)		
<b>Consultants</b>		
Darrell Dethlefs (Dethlefs Pykosh)	X	
Josh Fox (HRG)	X	
Colin O'Brien (Brown and Caldwell)	X	
Mike Hess (HRG)	X	
Steve McGuire (Brown and Caldwell)		
<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 August 26, 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 August Treasurer's Report and Bills for Payment for approval. R. Furlan made a motion to approve the reports, seconded by M. Corado. 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]**

Since the last Board meeting all minor punch list items have been addressed aside from the GraniteFuel/Airtech blower associated with the gas conditioning system. The replacement blower has been shipped and will be installed in the coming weeks. Upon completion of all work, Staff will work with the engineer and contractors to complete the contract close out with Eastern Environmental now that DTMA's counteroffer for the liquidated damages claim has been accepted. Air testing was completed and reports were submitted to PADEP so the operating permit should be received shortly.

The Director noted that the first set of energy credits for the 3-month operating period were recently sold for \$36 per credit. The total sale amount was \$63,432.

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

RK&K has completed the record drawings and submitted the O&M manuals from the contractors.

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

Staff have received the completed record drawings. HRG has updated the existing ArcGIS collection system database to include the new assets installed as part of this project. Contract closeout documentation has been completed.

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

##### **WORK ORDER NO. 10**

Staff continues to coordinate with HRG for completion of the sewer replacement work on West Chocolate Avenue. Construction will begin once PennDOT approves the sewer manhole and concrete paving design submittal.

#### **Southwest WWTP Upgrade and Expansion Project**

This project is running ahead of schedule. Pact Two noted that rebar and concrete forming/preparation work for the aeration tanks and clarifier has commenced. Pact Two expects the first of three concrete pours for the new aeration tanks to begin in October.

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

JPE anticipates completing the installation and commissioning of the grit removal system within the next month. Garden Spot Electric (GSE) will be coordinating with JPE and Staff regarding their anticipated schedule for completing the remaining electrical work once JPE's work is complete.

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

The Executive Director provided the following report on current contracts.

### High Meadow Pump Station (HMPS) Upgrade

In August, the Hershey Trust received the signed PADEP Sewage Facilities Planning Component module from Derry Township. All paperwork will be submitted to PADEP shortly.

The WQM Part II permit package for the HMPS Upgrade will be submitted once PADEP approves the Planning Module application from Hershey Trust. Staff and HRG plan to meet on October 21<sup>st</sup> to develop a schedule for funding needs, bidding, and construction.

The Director noted that Staff will pursue submitting a PENNVEST application for this project once the PADEP permit is received. In order to be considered for the April PENNVEST award, applications must be submitted by February. If the project is accepted, Staff will request a Letter of No Prejudice to work with COSTARS on the procurement of equipment which may take up to a year to receive. This schedule is contingent upon the timing of PADEP's planning approval for the West End Development.

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

On August 30<sup>th</sup>, a Phase I archeological survey was conducted on-site within the limit of disturbance. Based on the results of the sampling, further field investigations are required to be conducted.

### Maintenance Garage Expansion

Contract was executed for the relocation of the gas tanks, as approved at the August Board meeting.

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

With the completion of the fiberglass cover on the Thickener tank, Staff requested and received a quote from JP Environmental (JPE) in the amount of \$18,500 to complete the installation of permanent aboveground stainless-steel piping from the HSOW receiving area at the blending tank to the flow distribution box. As required, Staff is awaiting two more quotes to compare pricing. If JPE's quote is accepted, they anticipate beginning the work before year-end.

### Biosolids Drying and Gasification Project

Bids for the Project were received on September 30<sup>th</sup> at 2pm. BC and Staff reviewed the bids and provided their award recommendation to the Board for consideration and approval. Three bids were received for the General Contract, four for the Electrical contract, and two bids for the Mechanical contract. The total for all low bidders is \$8,332,500. With approval of the bids for

this project at this Board meeting, DTMA will be able to meet all requirements for closing with PENNVEST on November 13, 2024, as scheduled.

The Director noted that the General Contract, as bid, included a cooling conveyor system enhancement, as recommended by Brown and Caldwell, based on their expertise in the biosolids and thermal drying sector. This enhancement would allow the biosolids dryer to safely cool the Class A product temperature for transport and storage should the gasification system go offline. Eco remedy's system does not provide for the cooling system, so it was included in the General Contract base bid. However, Eco remedy was also solicited to submit a price for incorporation into their scope of supply, at which time a deduct would be taken from the General Contract if their bid is competitive. An update on this approach will be provided to the Board at next month's meeting.

#### Clearwater WWTF Headworks Upgrade Project

A final design workshop is scheduled for October 14<sup>th</sup> to review the finalized set of plans and specifications for bidding.

#### Update on Inflation Reduction Act Rebate for the Energy Enhancement Project

Previously, the Board had authorized Baker Tilly (BT) and Brown and Caldwell to pursue tax credits for this project from the Internal Revenue Service (IRS). Mr. O'Brien reported that the final review by BT should be completed soon which will determine the exact amount of tax credits being requested. It is anticipated that DTMA should receive at least \$3 million which would be received in early 2025.

Mr. Furlan asked if the issues with Constellation had been resolved regarding their billing for electric usage for the Clearwater Road Facility. The Director explained that there was a misunderstanding regarding the two meters that serve this facility based upon the opportunity to bank excess power generated, which has been corrected. In addition, the Authority proceeded to cancel their third party supplier agreement with Constellation so that the banked electric power generation can be administered by PPL, as the default supplier.

#### ***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. Kinsley is currently proceeding with the completion of final punch list items and site restoration work. The scheduled completion date for this remaining work is November 1<sup>st</sup>.

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

Some additional punch list and establishment of vegetation work remains at these two sites, which can fall under the contractual two-year warranty bond. The contractor, Aquatic Resource Restoration Company, intends to return in early October to complete this work.

### Ridge Road Drainage Improvements

DTMA and HRG are still awaiting receipt of the required Highway Occupancy Permit (for work within West Chocolate Avenue right-of-way). Ankiewicz Enterprises, Inc. (Ankiewicz) has begun site construction work at the northernmost, downstream area of the project, where the new storm sewer will outfall to Spring Creek on the Hershey Entertainment & Resorts/Hersheypark property. It appears that there is a discrepancy with the utility markings in this area which require a minor adjustment to the placement of the line. Depending upon further investigation of the utility conflict, a Change Order may be forthcoming that will address these issues.

Due primarily to delays in awarding the project, Ankiewicz has requested an extension of the Substantial and Final Completion dates to June 15, 2025 and July 15, 2025, respectively, which Staff and HRG recommend for approval as Change Order No. 1.

### IDIQ Sanitary Sewer and Storm Sewer Repairs

#### **WORK ORDER NO. 2024-S8**

DTMA Staff and HRG continue to work with Rogele to schedule Work Order No. 2024-S8 for the replacement of storm sewers and inlets on Bittersweet Drive. Staff and HRG are developing Work Orders to install a small swale within the playground area of Brookside Park to mitigate an area that experiences ponding during wet weather and to replace a storm inlet and culvert crossing Roslaire Drive in the Oakmont development.

### MS4 Permit

Staff have developed and completed the MS4 Permit Annual Report due to PADEP by September 30<sup>th</sup>. DTMA also hosted a seminar on Rain Barrels on September 18<sup>th</sup> from 6 to 7 pm.

### Stoverdale Road And Shopes Church Road Culvert Replacements

Bidding and construction specification documents for the replacement of seven (7) storm sewer culverts that cross the noted roads are 95% complete. We anticipate bidding the project as soon as possible upon obtaining all required easements from local property owners.

### Stonecutter Circle Drainage Improvements

Design plans are being modified based on field investigations made by HRG and Staff on September 6<sup>th</sup>. An alternate site access route and some modifications to the intended construction approach were evaluated at that time and have been considered more suitable.

### Brookside Park

Staff and HRG are currently considering some potential additional future improvements to Brookside Park. Staff and HRG conducted a field inspection on September 6<sup>th</sup> to investigate

options for reducing areas of standing water, reestablishing the proper stream flow around the basin, and increasing the basin's flood mitigation capabilities. The latter would have a positive effect on the reduction of flooding in the Cambridge Commons development. Mr. Hess noted that HRG and DTMA Staff will work with PADEP regarding their wetlands regulations.

### **ITEMS FOR ACTION**

**Resolution #2024-44 – Ratification of project payments from the 2022 Capital Projects Fund for September:** 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 M. Corado. The motion passed unanimously by voice vote.

### **Discussion on Rate Strategy Resolution**

PENNVEST requires the Authority Board to adopt by resolution a sewer rate adjustment strategy prior to loan settlement that provides sufficient sewer revenue for the current debt and the additional debt incurred with the PENNVEST funding. 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 current debt service in 2025.

As reported at the August meeting, the current financial trends indicate a rate increase between 4% and 7% would be necessary in January 2025 to bring revenue in line with the Authority's Indenture in future years. Additional rate increases will be needed beyond 2025 to have sufficient funds for any additional borrowing, such as the PENNVEST loan.

With the completion of the Energy Enhancement project, the Authority has begun to realize operational savings with the offset of monthly electricity, natural gas, and heating fuel costs. There has been a significant increase in revenue with the enhanced capabilities of accepting additional hauled-in waste, which is anticipated to be approximately \$100,000 more than previous years. The sale of renewable energy credits also provides additional significant revenue. It was noted that the processes undertaken in this project have not been fully operational for an entire year, so the savings and additional revenue are estimated to be even more significant.

The Director further explained that the Authority can expect additional growth and revenue from new customers along S.R. 230 corridor in Londonderry Township. There are approximately 23 existing properties who have yet to connect to the system in the current Rt. 230 Extension project. Staff are working with Londonderry Township and HRG to see that these remaining properties get connected as soon as possible. The two mobile home parks are working with DTMA and PADEP and are slated to connect in 2025. Londonderry has provisions in their connection ordinance to impose penalties for those properties not yet connected. Notices are being sent to residents on October 1, 2024 to inform them that they have 30 days to pick up and pay for their permit and have their contractor scheduled to perform the work or Londonderry will start to impose the daily penalties.

Based upon the information provided, Staff hereby recommends a modest three-year rate adjustment strategy beginning in 2025 (2025--3%, 2026--3%, 2027--3%). These annual rate adjustments will be reviewed by the Board each year and can be modified to ensure the Authority maintains a financially stable operation and positive financial position of the Authority.

**Resolution #2024-45 – Approval of 3-Year Rate Adjust Strategy for Utility Bills:** This resolution was passed on a motion by R. Furlan, seconded by R. Cerminara. The motion passed unanimously by voice vote.

**Resolution #2024-46 – Award of the Biosolids Facility Improvements Project General, Electrical, and HVAC Contracts:** This resolution was passed on a motion by K. Heffner-Means, seconded by R. Furlan. The motion passed unanimously by voice vote.

Discussion on Proposal from PNC for Lockbox Services

The Deputy Director provided a summary of the proposal which would provide for customer payments to be received and processed through PNC's lockbox services in Philadelphia. Utilizing this service will greatly reduce our Staff's time for processing payments, which can be very time consuming based on the number of payments received via the mail each day. Staff would then be able to redirect their time to other administrative duties, such as the monitoring and collection of delinquent accounts and cross training on the utility billing process. The fee for this service is based upon the number of checks processed each month. As more customers sign up for online payments via our website, the monthly fee would be reduced.

**Resolution #2024-47 – Approval to add Lockbox Services to the Integrated Receivables Agreement with PNC for collection and processing of monthly utility bill payments:** This resolution was passed on a motion by R. Furlan, seconded by M. Corado. The motion passed unanimously by voice vote.

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. Cerminara made a motion to adjourn the September 30, 2024 public meeting at 7:07 p.m., seconded by R. Furlan. The motion passed unanimously by voice vote.



~~(Assistant)~~ Secretary