

**MINUTES OF THE MEETING
 DERRY TOWNSHIP MUNICIPAL AUTHORITY
 670 CLEARWATER ROAD
 HERSHEY, PA 17033
 MONDAY, AUGUST 26, 2024**

The Derry Township Municipal Authority Board held its regular meeting on Monday, August 26, 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
Board Members		
Robert Cerminara		
Michael Corado		X
David Feidt	X	
Ronald Furlan	X	
Randy Goss	X	
Kelly Heffner-Means	X	
Carter Wyckoff		X
Staff		
William Rehkop (Executive Director)	X	
Kimberly Bloom (Deputy Director)	X	
Michael Postick (Stormwater Program Manager)	X	
Dennis Beck (Comptroller)		X
Consultants		
Darrell Dethlefs (Dethlefs Pykosh)	X	
Josh Fox (HRG)		
Colin O'Brien (Brown and Caldwell)		X
Mike Hess (HRG)	X	
Steve McGuire (Brown and Caldwell)		
Other Attendees		

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 June 24, 2024 Board meeting, seconded by R. Furlan. The motion passed unanimously by voice vote.

APPROVAL OF TREASURER'S REPORT AND BILLS FOR PAYMENT

Staff presented the June and July Treasurer's Reports 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

Presentation of 2024 Mid-Year Budget Tracking & Financial Outlook

Dennis Beck, DTMA Comptroller, prepared a report for the Board which provided financial information comparing annual revenues and expenses through June 30, 2024, along with projections through year end for both the Wastewater and Stormwater Funds.

Overall, for the Wastewater Fund, 2024 is tracking as anticipated. It is projected that there will be a decrease of \$59.4k in Net Position in 2024. The largest contributing factor is the \$1.17M extraordinary non-cash loss on the disposal of the small cogeneration system. Otherwise, there would be a surplus of approximately \$1M for 2024.

For the Stormwater Fund, the projection is for a \$1.32M surplus before subtracting the \$1.31M in Project Expense resulting in a \$12.1k increase in Net Position.

Mr. Beck then reviewed the projected various fund balances at year end for the Wastewater Fund. The total Cash and Cash Equivalents funds are projected to be down approximately \$33k. The Operating Investment Fund shows a decrease of \$453.4k from the balance on January 1, but that is because Stormwater started their own debt service account for this amount. The remaining balance of approximately \$5M is used to cover the debt service for Wastewater for 2025. The Debt Service for Stormwater is estimated to be approximately \$475k.

The 2021 Capital Project Fund had disbursements of \$2.5M and was subsequently closed. It is anticipated that the 2022 Capital Project Fund will have disbursements of just over \$3M by year's end, leaving a balance of approximately \$7M. The SWTP Resource Allocation Fund will also be depleted by year's end. All proceeds from the DCIB 2022 Note for the Spring Creek Interceptor were used for project expenses. There were no new borrowings for 2024, but it is anticipated that the PENNVEST borrowing for the Biosolids Drying and Gasification Project will be completed by December 31, 2024. However, interest-only payments will be made to PENNVEST during construction. Debt service will not increase until after the construction is completed, probably in 2026.

Mr. Beck then provided information for sewer rate adjustment projections for 2025. The current Bond Indenture requires the Board to set rates so that Operating Income and other available funds are sufficient to cover the debt service. It appears that there will be a deficit of

approximately \$3.82k between Operating Revenue Net of Expenses and the Debt Service. It is projected that a rate increase between 4% and 7% (depending upon inflation) would be necessary in January 2025 to bring DTMA in line with its Indenture. 4% of that increase would cover the deficit in Debt Service previously mentioned, while any additional increase would be used to offset inflation. Current projects indicate that additional rate increases would be needed beyond 2025 to have sufficient funds for any additional borrowing such as the PENNVEST loan. At current borrowing rates, rates would need to increase by approximately 0.65% for each million borrowed.

Mr. Rehkop noted that the Board will be required to adopt by resolution a sewer rate adjustment strategy indicating that DTMA has sufficient rates in place to cover all operation and maintenance costs and debt service on the PENNVEST loan and all other outstanding debt. As preparation continues for the 2025 Budget, Staff will be able to further refine this proposed rate strategy.

Mr. Rehkop also reported that approximately 25% of the sewer connections for the Londonderry Rt. 230 Sewer Extension are still outstanding. It was anticipated that all properties would be connected and generating revenue by the end of 2024. Staff are working with Londonderry Township officials to help expedite these remaining connections. Staff are also working with the owners of the two mobile home parks in this area to get them connected as soon as possible. It is now anticipated that they will come online in 2025.

For the Stormwater Program, Mr. Beck also provided information on fund balances and projected debt service requirements. The first increase in rates to this program since inception was implemented on 1/1/2024. Future annual increases of \$0.50 per month per ERU for the next few years were anticipated due to the increase in debt service over the next few years for the Ridge Road project and an allowance for additional projects.

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 emissions testing was completed on August 6th by Alliance Technical Group (Alliance). Alliance has prepared emissions testing reports indicating the gensets comply with all permit limits specified per the PADEP air quality plan approval. Staff reviewing the testing reports and will be coordinating with Alliance for formal submission of the finalized reports to PADEP.

Since the last Board meeting, minor punch list items such as the drip trap actuator, genset radiator VFD, and CHP building door replacement have been addressed. The only outstanding punch list item is related to the warranty replacement of a failed blower in the GraniteFuel system. The replacement blower is expected to be delivered and installed next week. Upon completion of all work, Staff will work with the engineer and contractors to complete the contract close-out procedures. Contract close-out procedures will be discussed with the Board in Executive Session later in this meeting.

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 punch list included minor items which have since been addressed in their entirety as of the end of July. HRG has prepared contract closeout documents to include the substantial completion certificate and has distributed them to all parties. HRG and Staff have closed out all applicable permits to include, but not limited to, the PADEP stream crossing permit. Staff has received as-built drawings and is actively working to update the GIS to include the new assets installed as part of this project.

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

WORK ORDER NO. 11

Rogele has successfully completed all work associated under this work order which included sinkhole restoration located at the Clearwater Road plant near the Maintenance Building. Staff are anticipating an Application for Payment to be submitted in the coming weeks from Rogele for the work completed.

WORK ORDER NO. 10

This Work Order was prepared for a repair on West Chocolate Avenue. Originally it was thought that this work could be done via the trenchless repair contract, but upon further investigation and collaboration with HRG, it was determined that the West Chocolate Avenue sewer repairs are not feasible via trenchless repair methods. It was determined that due to the severity of the pipe condition, traditional excavation methods are required. We received an estimate from Rogele in the amount of \$260,000 to complete the sewer replacement.

Due to the proximity of the proposed sewer repairs in relation to a UGI gas main trench, which was recently installed, UGI has offered to partner with DTMA to include restoring both utility trench areas of disturbance under the same Highway Occupancy Permit (HOP). UGI has drafted an agreement to pay DTMA for their capital contribution towards the paving restoration. The Solicitor has reviewed and found the agreement to be acceptable. The agreement is presented for approval in Resolution #2024-41, authorizing the Executive Director to execute the agreement with UGI.

MOTION

R. Furlan made a motion, seconded by M. Corado, to approve Work Order No. 10. The motion passed unanimously by voice vote.

Southwest WWTP Upgrade and Expansion Project

Since mobilization in June, Pact Two and their subcontractors have performed site work and made significant progress in regard to the excavation work associated with the new aeration tanks and continued excavation work associated with the clarifier. They indicated at the most recent progress meeting that rebar and concrete forming/preparation work for the aeration tanks will be starting in early September. Pact Two expects the first of three concrete pours for the new aeration tanks to start in the middle of September. The signage required by the EDA Grant was also installed by Pact Two. Construction payment applications will be paid by DTMA with a portion reimbursed to DTMA from the EDA grant proceeds.

Southwest WWTP Headworks Upgrade (Contract 2023-05)

Since the last Board meeting, JP Environmental (JPE) has completed all work associated with installing the 14-inch DIP effluent line from the aerated grit chamber to the flow distribution box. JPE will install the remaining grit removal equipment as soon as it arrives in late September.

ENGINEERING STATUS REPORT

The Executive Director provided the following report on current contracts.

High Meadow Pump Station (HMPS) Upgrade

In June, the developer (RGS) for the West End Development submitted the PADEP Sewage Facilities Planning Component for Staff review and approval. Staff reviewed, provided minor comments, and approved the revised planning component. RGS has since submitted their plans to the Dauphin County Planning Commission (DCPC) and Derry Township for review.

PADEP Sewage Facilities Planning Component will be finalized in the coming weeks. Upon receiving this, RGS anticipates submitting the final package to PADEP by mid-September. HRG has proactively completed the WQM Part II permit package for DTMA and is prepared to submit it immediately upon notification of planning submission to PADEP by RGS.

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

In July Rettew provided Staff with an update regarding their design and permitting efforts associated with the Project. Rettew noted that a Pennsylvania Heritage and Museum Commission (PHMC) archeological survey was necessary as part of their PADEP WQM Part II efforts. Rettew noted that this survey will delay the permitting approval process by about 3 months.

Maintenance Garage Expansion

No further update since the last board meeting. However, refer to Resolution #2024-40 for authorization to proceed with the relocation of the above ground fueling station in advance of this project.

High Strength Organic Waste (HSOW) Offloading Station Improvements

JP Environmental (JPE) successfully completed installation of the CF Maier FRP cover on the thickener in late July. Overall, the installation process went very smoothly, and Staff is very

satisfied with the final product. This system has been retrofitted around all the existing tank infrastructure and provides flexibility year-round for our HSOW offloading process.

In addition to the recent thickener fiberglass cover modifications, Staff is currently working with JPE to provide a budgetary estimate for installing above ground stainless steel piping from the HSOW receiving area at the blending tank to the flow distribution box.

Biosolids Drying and Gasification Project

Since the last Board meeting, BC and DTMA Staff also held a pre-bid meeting on July 22nd. The pre bid meeting was held on site in the existing Filter Building to review all aspects of the project to include, but not limited to, the existing facility layout, the milestones set forth in the Contract, as well as the administrative requirements associated with the PENNVEST funding. The bid opening date is scheduled for September 30th. BC is prepared to review the bids with Staff following bid opening and recommend awarding the Contract at the October Board meeting. Anticipated closing on the PENNVEST loan is now mid-December.

As required by the PADEP Air Quality Plan Approval, the DTMA must complete emissions testing on the new stack to be installed as part of this project. PADEP has a 6-month review and acceptance period on the stack testing protocol prior to initiating on-site testing. Staff solicited proposals from two (2) stack emissions testing companies: Encino Environmental and Alliance Technical Group. Encino submitted the lowest bid in the amount of \$37,500, and therefore, Staff is recommending approval of Resolution #2024-43 authorizing the Executive Director to execute the stack testing services agreement.

Clearwater WWTF Headworks Upgrade Project

Plans and specifications approval is in the final stages. Staff have submitted comments to BC who is actively working to address those comments. They will be scheduling a follow up meeting in the coming weeks, prior to bidding.

BC's most recent, updated project schedule includes two separate bid periods. The first bid period is to include the headworks equipment procurement through COSTARs. This bid period will run from early September through the middle of October, with anticipated bid recommendation for the October Board Meeting. The installation Contract will be bid in late November or December, with contract award at the December or January Board meeting.

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. A Substantial Completion inspection of all three sites was completed on July 16th, and a corresponding final punch list of remaining work was developed.

During the Substantial Completion inspection, some additional out of scope work was deemed necessary, namely the installation of a fence around the large basin outfall structure at the Forest Avenue site and the rectification of some newly created erosion along the Oakmont Basin site swale from offsite runoff. These items have been incorporated in Change Order No. 6 for an additional \$7,220.00. This Change Order will also extend the contract time to November 1st to allow for completion of this work, along with proper completion of the other punch list items.

An additional Change Order No. 7 has also been developed to account for the final, verified quantities of materials installed. Change Order No. 7 will reduce the contract price by \$6,911.20.

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

On July 23rd, Staff and HRG conducted an additional inspection of the work at both sites, primarily to reevaluate the condition of trees and vegetation that were planted. The final completion punch list work remains to be completed; however, it is advantageous to complete this work in late September or early October when conditions are more favorable for replanting of vegetation. ARRC will re-mobilize to the site at that time. The contract's warranty bond will cover ongoing vegetation maintenance for the next two years.

Staff still intend to meet with the Deer Run and Oakmont 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.

Ridge Road Drainage Improvements

A preconstruction meeting and progress meetings have been held. Ankiewicz Enterprises, Inc. (Ankiewicz) was given a Notice to Proceed on July 12th. An additional meeting with Hershey Entertainment & Resorts was held on August 1st to coordinate access to their property, further assess utility locations and reinforce utility protection. Site construction work will likely start the week of September 2nd.

Staff attended the Township Board of Supervisors meeting in July to discuss the proposed project schedule. DTMA will continue to keep the Supervisors, businesses, and residents updated on the status of road closures and other project details via the Township's weekly E-News email and other communication methods as necessary.

DTMA and HRG are still working the PADOT for receipt of the required Highway Occupancy Permit (for work within West Chocolate Avenue right-of-way).

Cambridge Commons Development

A meeting with the Cambridge Commons HOA to further advance a selected option to mitigate development flooding, review available easements, etc. was held on July 16th. Staff is looking to potentially advance a relatively straightforward project at the Brookside Park stormwater management basin to accomplish some of this mitigation.

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. Credit applications are reviewed as they are submitted.

IDIQ Sanitary Sewer and Storm Sewer Repairs

WORK ORDER NO. 2024-S9

Rogelee, Inc. (Rogelee) has completed this Work Order which involved the removal of a section of abandoned storm sewer within the rear yard of 38 Locust Avenue. A draft pay application from Rogelee in the amount of \$4,903.82 for this Work Order is under review.

WORK ORDER NO. 2024-S8

DTMA Staff and HRG are working with Rogelee to schedule this Work Order for the replacement of storm sewers and inlets on Bittersweet Drive. DTMA estimates a construction cost of approximately \$45,000 to \$50,000. DTMA is also coordinating and partnering with Derry Township to extend the pavement restoration at this site to allow for a more uniform pavement area since the pavement along Bittersweet Drive near this project is in poor condition.

WORK ORDER NO. 2024-S12

This Work Order involves dredging debris from the inlet structure at the Brookside Park stormwater management basin and installing a small swale within the playground area of Brookside Park to mitigate an area that experiences ponding during wet weather. Staff preliminarily estimates that Work Order 2024-S12 will have a construction cost of less than \$10,000.

MS4 Permit

Staff completed the inspections of several stormwater management facilities (BMPs) within the Township as is required annually by DTMA's PADEP MS4 Permit. Inspection results will be included in the MS4 Permit Annual Report due by September 30th.

DTMA hosted the annual MS4 training with Township personnel on June 27th. DTMA will also be hosting a seminar on Rain Barrels on September 18th from 6 to 7 pm, which is open to the public.

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. Staff anticipate bidding the project as soon as possible upon obtaining all required easements from local property owners.

Stonecutter Circle Drainage Improvements

Design plans and bid documents shall be finalized upon obtaining an access easement agreement with local residential property owner(s) who will be affected by the construction. On August 19th, Staff met with these property owners on site to discuss the approach and impacts of the proposed work and to finalize a site access route.

ITEMS FOR ACTION

Resolution #2024-36 – Ratification of project payments from the 2022 and 2022A Capital Project Funds for July and August: 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 #2024-37 – Authorization for closure of 2022A Capital Project Fund and any remaining funds transferred to the Debt Service Fund: It was noted that the resolution presented was incorrectly dated as August 28, 2024. After correcting the resolution to reflect the meeting date of August 26, 2024, this resolution was passed on a motion by R. Furlan, seconded by R. Goss. The motion passed unanimously by voice vote.

Resolution #2024-38 – Approval of the reappointment of Zelenkofske Axelrod LLC to perform annual auditing services for fiscal years ending December 31, 2024, 2025, and 2026: This resolution was passed on a motion by K. Heffner-Means, seconded by M. Corado. The motion passed by voice vote. D. Feidt abstained from voting due to having a business relationship with this firm.

Resolution #2024-39 – Approval of an amendment to Section III.A.3 and Section III.B.2 of the Authority’s Rate Schedule which pertains to the SR 230 Corridor Sanitary Sewer Extension flat rate surcharge: This resolution clarifies that this surcharge was intended to be charged as one \$32 charge per sewer connection or service lateral per month for customers connected in this service area. The resolution was passed on a motion by R. Furlan, seconded by R. Goss. The motion passed unanimously by voice vote.

Resolution #2024-40 – Award of the Sourcewell contract for the Above Ground Fuel Storage and Dispensing System at the Clearwater Road WWTF to PWI, Inc.: This contract will provide for the fuel storage station to be located out of the flood plain and will remove the current requirement for annual testing of the underground fuel storage tanks. The underground tanks will be removed as part of the Maintenance Garage Expansion project. This resolution was passed on a motion by K. Heffner-Means, seconded by M. Corado. The motion passed unanimously by voice vote.

Resolution #2024-41 – Approval of agreement with UGI Utilities, Inc. regarding cost sharing for trench restoration work on West Chocolate Avenue: This resolution was passed on a motion by R. Furlan, seconded by K. Heffner-Means. The motion passed unanimously by voice vote.

Discussion on Proposal from Momentum ECM

The current version of the LaserFiche program that DTMA has needed to be upgraded. This was accomplished when the new servers were installed by IntermixIT. The vendor for the maintenance and support of this program is Momentum ECM. While working with them on the upgrade, Staff found that there were ways that the LaserFiche program could be used to help automate some of our internal processes, such as the Subdivision and Land Development Ordinances (SALDO) procedures for interacting with the Township of Derry, Conewago,

Londonderry, and Lower Swatara Townships development plans. The SALDO review procedures require input from several Staff members for things such as comments on plans and specifications, required easements, required construction escrow inspection fees, for both sanitary and stormwater requirements. Momentum provided a proposal to provide a program in LaserFiche that would streamline and automate the SALDO process to ensure that items are being addressed on a timely basis and are documented for future use.

There are several other processes that could be developed for future consideration, such as the Hauled Waste and High Strength Waste receiving programs, personnel onboarding tasks, and performance evaluations.

This project was not budgeted for 2024; however, only the 20% down payment would be due at this time. The rest of the project would be billed as each phase is completed. As an offset for this downpayment, an approximate \$6,000 expenditure for another software program that is no longer used was discontinued so the budget account should not be adversely affected.

Resolution #2024-42 – Acceptance of Statement of Work from Momentum ECM for professional services for design of a Subdivision and Land Development Ordinance (SALDO) review and process program: This resolution was passed on a motion by K. Heffner-Means, seconded by R. Goss. The motion passed unanimously by voice vote.

Resolution #2024-43 – Acceptance of Professional Services Agreement with Lemo Labs LLC to perform the PADEP required compliance stack testing associated with the Biosolids Drying and Gasification Project: This resolution was passed on a motion by R. Furlan, seconded by M. Corado. The motion passed unanimously by voice vote.

EXECUTIVE SESSION

The Board recessed into Executive Session at 7:25 p.m. to discuss legal matters regarding the Energy Enhancements Project contract close out. They reconvened at 7:39 p.m.

A **MOTION** was made by D. Feidt, seconded by K. Heffner-Means to have the Executive Director and legal counsel reach a settlement agreement with Eastern Environmental which will reduce the final payment to Eastern Environmental by \$275,000. 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. Furlan made a motion to adjourn the August 26, 2024 public meeting at 7:41 p.m., seconded by K. Heffner-Means. The motion passed unanimously by voice vote.



~~(Assistant)~~ Secretary