MINUTES OF THE MEETING
DERRY TOWNSHIP MUNICIPAL AUTHORITY
670 CLEARWATER ROAD
HERSHEY, PA 17033
MONDAY, JUNE 29, 2026

The Derry Township Municipal Authority Board held its regular monthly meeting on Monday, June 29, 2026, in the Conference Room of the Authority's Administration Building, 670 Clearwater Road, Hershey, Pennsylvania. The meeting was also made 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	X	
Michael Corado	X	
David Feidt	X	
Ronald Furlan		
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		
Michael Pykosh (Dethlefs Pykosh)	X	
Justin Bates (HRG)	X	
Mike Hess (HRG)	X	
Colin O'Brien (Brown and Caldwell)		X
Other Attendees		
Derek Shroeder (Zelenkofske-Axelrod)	X	
Zach Ehler (Zelenkofske-Axelrod)	X	

PUBLIC COMMENT
There was no public comment at this time.

APPROVAL OF PREVIOUS MINUTES

M. Corado made a motion to approve the Minutes of the June 1, 2026 Board meeting, seconded by K. Heffner-Means. 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. K. Heffner-Means made a motion to approve the report, seconded by R. Cerminara. The motion passed unanimously by voice vote.

PRESENTATION OF THE 2025 FINANCIAL STATEMENTS AND AUDIT REPORT

Derek Schroeder of Zelenkofske Axelrod (ZA) presented the 2025 Financial Statements and Audit Report for approval. Mr. Schroeder remarked that there were two audit reports necessary to complete this year's audit, the traditional audit report of the financial statements and a single audit report for the Federal grant money received. The Single Audit is a report on the internal control and compliance over the schedule of expenditures for any Federal award over $1 million. DTMA received two very large grants in 2025, and because of the size of those grants, it is required that the grants be audited separately and reviewed for compliance requirements set forth by the Federal government to ensure that the money is managed correctly. This type of audit is required by the Federal government even though the funds were distributed by State. An example of something that is looked at is a sample of expenditures to make sure the funds are being spent appropriately based on the compliance requirements.

For the standard 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. ZA provided a modified opinion, which is the highest level of assurance given by an auditing firm. One GASB change for 2025 was incorporated but did not result in any significant changes in accounting procedures.

Mr. Schroeder then reviewed parts of the Financial Statements. He noted that Total Assets increased to $159.4 million or approximately 21%. Net Position increased by approximately $12 million or 14.7%. Operating Revenues from all sources increased by $713,800 or 4.8% mainly due to the increase in wastewater and stormwater fees. Operating Expenses increased by $76,100 or 0.8%. Operating Income before depreciation increased from $5.6 to $6.2 million. Depreciation was higher in 2025 due to some new equipment coming online that is now being depreciated. Capital Assets increased from $118.6 million to $135.7 million. As projects are completed, the assets will be moved into buildings, equipment, etc. and will begin to be depreciated.

In the Single Audit, there are two auditor opinions. One is called a yellow book or GAAS opinion governing auditing standards. The other one is a uniform guidance opinion. Both of those opinions are very important and very different. The first one has to do with the types of procedures and standards that the auditors were placed under to make sure that DTMA is doing what it's supposed to be doing as far as government auditing standards go. The second one has to do specifically within the programs themselves. So, the two programs that were audited were the Economic Assistance Program and the Clean Water State Revolving Fund program.

For the Single Audit, again there were no material weaknesses and no significant deficiencies. There were no findings to report and no questions on costs. The single audit needs to be uploaded to the Federal Audit Clearinghouse within 30 days of approval.

STAFF UPDATES AND REPORTS

CONSTRUCTION CONTRACTS UPDATE

The Executive Director provided the following updates for current contracts.

IDIQ SANITARY SEWER AND STORM SEWER REPAIRS [EXCAVATION CONTRACT 2023-01]
Application for Payment (AFP) No. 2 - Final that includes the paving, curb/sidewalk replacement, and seeding for the Jacobs Creek Development (Work Order No. 2025-06) was received and processed. Staff continue to monitor the prior sinkhole repair at Buttercup Circle in the Cocoa Townes Development (Work Order No. 2026-06). The 90-day observation period has since concluded and Rogele is scheduled to complete reinstallation of the manhole and final paving in August 2026.

IDIQ SANITARY SEWER AND STORM SEWER REPAIRS [TRENCHLESS CONTRACT 2023-02]
Since the last Board meeting, the Notice of Intent to Award was issued to Snyder Environmental. Following solicitor review, HRG finalized the COSTARS procurement package and submitted it to Snyder Environmental on June 23rd. Once all contract documents are finalized, the work will be scheduled and completed.

SOUTHWEST WWTP UPGRADE AND EXPANSION PROJECT [CONTRACT 2024-01 through 2024-04]
Project continues to progress on schedule. UV channel modifications are being built. Electrical work continues with MET-ED upgrade scheduled for August. All HMI screens are developed, and all control logic has been written and tested.

The following Work Change Directives (WCD) for the contract work have been presented by Hazen to staff for review and Board approval:

1. WCD No. 13 (Contract 2024-01) increases the contract price by $44,386.00 and modifies the mixer layout for unaerated tanks including davit crane relocation to new mixer locations and reroutes recycle piping in the unaerated tanks to achieve optimal mixing with new mixer locations.
2. WCD No. 15 (Contract 2024-01) increases the contract price by $47,776.00 and includes additional 12" piping and duckbill valves to the aeration tank influent channel.
3. WCD No. 21 (Contract 2024-01) increases the contract price by $32,409.00 and includes the installation of 400' of 2" HDPE tubing from existing well piping to feed new chemical building.
4. WCD No. 28 (Contract 2024-01) provides for a credit in the amount of $2,193.00 to provide aluminum space-saver crossover stair in-lieu-of the specified fibergrate crossover stair.
5. WCD No. 30 (Contract 2024-01) increases the contract price by $22,516.00 and includes the replacement of (5) 6" plug valves in the sludge pumping station.

6. WCD No. 31 (Contract 2024-04) increases the contract price by $5,628.00 to Insulate the first 10' of horizontal roof drain piping immediately downstream of each roof drain in the chemical, blower, and electrical buildings.

Staff hereby recommend approval of the aforementioned WCDs and updated the use of the allowance bid item for the respective contract.

CONTRACT	BID ALLOWANCE (CONTINGENCY)	APPROVED USE OF BID ALLOWANCE TO DATE	REMAINING BID ALLOWANCE
2024-01 General – Pact Two, LLC	$ 675,000	$250,062	$424,938
2024-02 Electrical – Garden Spot Electric, Inc.	$ 100,000	$62,519.25	$37,480.75
2024-03 HVAC – A.H. Moyer, Inc.	$ 25,000	--	$25,000
2024-04 Plumbing – Garden Spot Mechanical, Inc.	$ 25,000	$5,628	$19,372

BIOSOLIDS FACILITY IMPROVEMENTS [CONTRACTS 2022-06PP, 2024-06G, 2024-06E, 2024-06H]
Start-up and wet commissioning activities continue to progress. Cake conveyance system is operational with final adjustments being made as the system is utilized. Dryer only mode startup is underway producing Class A biosolids. ECR is scheduled to begin loading the gasifier during the week of July 6th.

BC and staff are working to close out the Township Building Permit for the additional building modifications to include an alternate fire detection and alarm system and additional exit signs. Staff are coordinating these additional items with Manada Electric for pricing and installation.

Change Order No. 5 for Manada Electric (Contract 2024-06E) is for an increase in the contract price by $37,857 to include all materials and labor as required to provide seven (7) emergency exit lighting fixtures and electrical and control system modifications necessary to implement the Class A conveyor being provided by the AIS/Heisey as part of the contract delay settlement.

The Solid Waste Management division of DEP performed an on-site inspection of the new construction and the rest of the facilities. DEP said they should be able to provide comments within the next few weeks.

CLEARWATER WWTF HEADWORKS FACILITY IMPROVEMENTS [CONTRACTS 2024-07G, 2024-07E]
Both grit units are now fully installed including the associated grit pumps. As mentioned at the last Board meeting, Lakeside fine screen No. 1 was installed and start-up was attempted; however, a damaged component was identified during installation. Lakeside and Worth are solving this issue found during startup at no cost to DTMA.

Kappe/Veolia recently notified DTMA and BC of a recommended modification on the current discharge piping configuration associated with the new grit classifier based on performance of another similar installation and discharge piping configuration. Since this has been brought to our attention at this stage of the project, Kappe/Veolia agreed to reimburse DTMA for the piping modification. Change Order No. 5 is an increase in contract price of $23,613.87 to include labor and material to modify the discharge piping configuration based on direction provided by the vendor. Kappe will reimburse DTMA with a credit applied to the COSTARS equipment procurement contract.

HIGH MEADOW PUMP STATION (HMPS) UPGRADE [CONTRACTS 2025-02, 2025-03, 2025-04]
The new force main and gravity sewer extension is complete. Work continues to progress with the concrete placement for the pump station wet well. The bottom slab was poured, and 7-day breaks have come back acceptable. Shoring is in place and wall forms are being constructed. No further road closures should be necessary.

ENGINEERING STATUS REPORT
The Executive Director provided the following report on current contracts.

SOUTH HANOVER TOWNSHIP (SHT) SWATARA CREEK PUMP STATION FORCE MAIN UPGRADE
The permanent easement and temporary construction access agreements have been finalized. SHT awarded the force main installation contract to Pact One LLC. Contractor anticipates mobilizing during the week of June 29th and beginning excavation on July 7th.

CENTRIFUGE ROTATING ASSEMBLY REBUILD
DTMA maintains two (2) bowl and scroll assemblies for the Flottweg centrifuge: one assembly in service and one spare assembly. The assembly currently installed in the centrifuge is utilized daily and has experienced significant wear, requiring maintenance. The spare rotating assembly was returned to Flottweg for evaluation and repair. Following its inspection, Flottweg determined that multiple internal components require replacement in order to restore the assembly to proper operating condition. The total cost for materials and labor associated with the rebuild is $80,566.07. A total of $50,000 was included in the FY2026 budget for this work to be paid from the WWRAF. Staff recommend approval of Resolution #2026-30 authorizing the rebuild of the spare rotating assembly.

STORMWATER PROGRAM MANAGER'S REPORT

Mr. Postick provided the following report on current contracts.

DEER RUN AND BULLFROG VALLEY RUN STREAM RESTORATIONS (DERRY TOWNSHIP PARKS WATER QUALITY IMPROVEMENTS, CONTRACT 2022-03)

Staff, the Deer Run HOA landscaper, and Herbert, Rowland & Grubic, Inc. (HRG) continue to advance improvements and ongoing maintenance to the Deer Run Stream Restoration areas. These improvements are to be made this season.

FOREST AVENUE SWALE, OAKMONT COMMUNITY BASIN RETROFITS AND SHANK PARK CULVERT REPLACEMENT (CONTRACT 2022-05)

Staff continue to investigate general maintenance improvements to the Forest Avenue Swale project area (e.g. debris removal from influent structure and upstream channel).

RIDGE ROAD DRAINAGE IMPROVEMENTS

Ankiewicz Enterprises, Inc. (Ankiewicz) has completed the installation of all storm sewers and inlets throughout the entire project length. This also includes the installation of the additional, expanded curbing and sidewalk along Ridge Road between South 1st Street and West Caracas Avenue to allow for more appropriate pedestrian travel along this route and the installation of new, appropriate ADA accessible ramps. All pavement restoration work is also now fully complete.

Remaining work consists of the installation of the stamped decorative crosswalks, final painted pavement markings, and minor punch list work identified during a Substantial Completion field inspection held by the project team and PennDOT on June 24th.

Change Order No. 19 has been developed for this project to account for the final quantities of work items completed and to adjust the contract price for each affected work Bid Item depending on the precise final quantity. The majority of the adjustments are related to changes in the types and quantities of asphalt pavement. The adjusted quantities and associated work Bid Item prices will result in a net contract price decrease of $179,779.82.

Lastly, Staff, Ankiewicz, HRG, DTMA's Solicitor and representatives of Turn-Key Tunneling attended a mediation session on June 23rd to attempt to reach an agreement regarding contract claims associated with additional work and time delays incurred during the boring/jacking operation beneath the Norfolk Southern railroad. Results of the mediation shall be discussed during Executive Session.

IDIQ SANITARY SEWER AND STORM SEWER REPAIRS

Staff continue to advance additional storm sewer and inlet replacement projects in 2026 under Contract 2023-01 with Rogele, Inc. (Rogele). Replacement of a deteriorated and partially collapsed storm sewer that crosses the residential street near 1058 Hillview Lane, including two associated inlet replacements. This work will commence in the week of June 29th.

STONECUTTER CIRCLE DRAINAGE IMPROVEMENTS

Contract agreements and bonds were fully executed and submitted to all parties. A preconstruction meeting is scheduled for July 2nd. Two out of three necessary easements and related agreements have been finalized. The ability to locate the apparent owner of one of the parcels, B and J Water Company, has hindered obtaining one of the easements. Staff continue to investigate the issue. The contractor has been made aware of the fact that this might delay the project Notice to Proceed date.

BROOKSIDE PARK

Staff and HRG continue to develop potential solutions to eliminate standing water within this flood control basin, primarily at its outlet. This will require some long-term improvements throughout the basin, and short-term maintenance work at the basin's influent weir/overflow structure. Based on a meeting held with PADEP on June 23rd, such maintenance work can be authorized by registering the existing weir structure under a PADEP GP-11 permit. This would allow for current and ongoing maintenance of the structure and sediment removal within 50 feet upstream and downstream without modification to the weir itself. Chairman Feidt asked if any flood control work that is performed in this area could count toward the next MS4 permit cycle? M. Hess stated that the new guidance has not been approved yet so it is not known at this time if this would be possible, but Staff will review this once the new permit guidance is completed.

HARVEY ROAD STORM SEWER REPLACEMENT

Preliminary design work (e.g. underground utility investigations, hydrologic analyses) for the replacement of a portion of the existing storm sewer system along Harvey Road between Lexington Court and Fishburn Road has commenced.

GENERAL STORMWATER MANAGEMENT PROGRAM

Staff continue to monitor news and feedback regarding the April 30th PA Supreme Court opinion in the case of the Borough of West Chester vs. the PA State System of Higher Education and West Chester University. This legal matter will be discussed further in Executive Session.

ITEMS FOR ACTION

Resolution #2026-25 – Ratification of project payments from the 2026 PENNVEST Project Funds Payments for May: Staff reviewed the payments from these funds for 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 #2026-26 – Approval of 2025 Financial Statements and Audit Report: After presentation of the 2025 Audit report by the auditors, this resolution was passed on a motion by K. Heffner-Means, seconded by M. Corado. The motion passed unanimously by voice vote.

Resolution #2026-27 – Approval of South Hanover Township Intermunicipal Service Agreement Amendment No. 10 for the Sand Beach sewer extension project: This resolution was approved on a motion by M. Corado, seconded by R. Cerminara. The motion passed unanimously by voice vote.

Resolution #2026-28 – Approval of Change Order #19 with Ankiewicz for Contract 2024-05 for the Ridge Road Drainage Improvements Project: This resolution was approved on a motion by R. Cerminara, seconded by K. Heffner-Means. The motion passed unanimously by voice vote.

Resolution #2026-29 – Approval of Change Order #5 with Manada Electric for the Biosolids Facility Improvements Contract #2024-06E: This resolution was approved on a motion by M. Corado, seconded by K. Heffner-Means. The motion passed unanimously by voice vote.

Resolution #2026-30 – Acceptance of the proposal from Flottweg for the Centrifuge Spare Rotating Assembly Rebuild: This resolution was approved on a motion by R. Cerminara, seconded by K. Heffner-Means. The motion passed unanimously by voice vote.

OTHER BUSINESS

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

PUBLIC COMMENT

There was no public comment at this time.

EXECUTIVE SESSION/ADJOURNMENT

Chairman Feidt adjourned the meeting at 7:02 p.m. into Executive Session to discuss legal matters.

~~(Assistant)~~ Secretary