

Middletown Water Operating Committee Meeting

February 22, 2022, 11:00 am EST

Due to COVID-19, Meeting to be held via TEAMS/Telephone



Committee Members:

Ken Klinepeter (Middletown Borough)
Don Correll (WCP)
Dan Sugarman (WCP)
Jason Kiernan (SUEZ)
Kodi Webb (SUEZ)

Additional:

Bradley Pensyl (Allen & Overy)
Ken Bonn (Argo)
Harrison Klein (Argo)
Justin Mendinsky (HRG)
Angela Lloyd (Middletown)
Jenny Miller (Middletown)

Michael Winfield (Post and Shell)
Tugba Akgun (SUEZ)
Drexall Butler (SUEZ)
Ryan Hagain (SUEZ)
Christopher Halleron (SUEZ)
Jonathan Prince (SUEZ)
Jagruti Patel (SUEZ)
John Joyner (WCP)

1. Introductions/Opening Comments

After a roll call, Mr. Correll called the meeting to order. Mr. Correll stated that the purpose of this meeting was to discuss the next 5 year CapEx plan and to discuss the implications of said plan. The requirement is to submit the plan to the borough on or about March 1st.

2. Operations Update

Mr. Kiernan and Ms. Webb had no major updates regarding operations. There were a couple of curb-stop and service lines replaced since the last meeting. Ms. Webb added that COVID cases were starting to decrease.

Mr. Sugarman explained that he was going to move forward with contacting Royalton regarding the contract negotiations.

3. Capital Investment/Engineering Report

Mr. Correll stated that he sent out a preliminary draft to reflect what happened in the 2021 due to COVID delays. This draft reflects what is in the terms of the agreement and according to the arbitration agreement, what is obliged to be done each year, as well as standpipe and tanks.

a. 2017/2020 Project

Ms. Akgun described the Capital Improvement Projects. The 2017/2020 project is being completed by EK Services and is currently underway. The sewer work has been completed, and the water main replacement is being completed. The project is set to close in June of 2022. The project was delayed due to supply chain issues.

b. 2018/2021 Project

Ms. Akgun explained that the 2018/2020 project was bid and awarded to Wexcon, A pre-con meeting will be scheduled to determine a project schedule.

c. 2022 Project

The 2022 project is in the design phase. HRG and the local SUEZ team evaluated vulnerable areas and once the areas are selected the project will move to the design phase. The project



should be accelerated and completed next year.

d. Standpipes

All three tanks are involved in the project. IKS was awarded the project based on the low bid. There will be a pre-construction meeting on March 2, 2022. This project will take place both this year and next. SUEZ will be coordinating with HRG based on the hydraulic model they will be providing.

Mr. Correll stated that when the 5 year CapEx plan was submitted and approved the previous year, it had capital work totaling around \$8.5 million, but only \$900,000 was spent. He explained that there was nothing new in the updated plan, peak years were pushed back.

e. Outfall Rehabilitation

Ms. Webb stated that there is no update but it will be kept on the radar.

Mr. Carroll stated this is something DEP is aware of and we are keeping it on the list, there is no plan to do anything in 2022 unless DEP makes it a requirement.

Mr. Klinepeter requested the descriptions of the projects for years 2018-2022. Ms. Akgun agreed to send over a list of locations and linear footage for each project.

4. Inflation

Mr. Sugarman explained that the rate increase is based on capital work, the index change, which is related to inflation, and the margin change, which is a fixed number. The index change and margin change resulted in a 7.1% rate increase. Due to the projected capital work, the total rate increase is likely to be slightly over 8%. Mr. Correll commented that the original capital plan called for 6 million dollars of capital work, but due to supply chain issues only around 1 million dollars of capital work was completed so the portion of the rate increase based on capital work will decrease. However, the capital work will likely happen in 2022. He added that they are prepared to have a discussion about capital projects and increases regarding the 2022 and 2023 contract.

5. Other Matters

No other matters were brought forth.

6. Next Meeting

Mr. Correll suggested the next meeting to be held at 11 AM on April 26, 2022.

7. Adjournment

Mr. Correll asked for any other business. Hearing none, the meeting was adjourned.