



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

Committee Members:

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

Additional:

Bradley Pensyl (Allen &
Overy)
Ken Bonn (Argo)
Shuang Li (Argo)
Justin Mendinsky (HRG)
Jenny Miller (Middletown
Borough)

Michael Winfield (Post and
Shell)

Michael Barger (Veolia)
Ryan Haigan (Veolia)
Chris Halleron (Veolia)
Jagruti Patel (Veolia)
Tim Shea (Veolia)

1. Introductions/Opening Comments

After a roll call, Mr. Correll called the meeting to order. A PowerPoint presentation was presented.

2. Review and Approval of Minutes

Mr. Correll made a motion to approve the circulated July minutes, Mr. Klinepeter moved the motion. Mr. Sugarman seconded. The minutes were approved.

3. Operations Update

Ms. Webb stated that annual valve turning has been completed and annual sewer jetting has begun. Smart cover maintenance was performed on 475A and manhole 286 by a contractor. Triennial DEP Lead and Copper sampling has been completed. Results will be forthcoming. PA DEP has started a drought watch for Dauphin County, DEP is asking for a 5% reduction in non-essential water. As per the Drought Contingency Plan, leak detection was scheduled for early October. The plant is continuing daily Covid monitoring and there have been no cases since the last meeting. Well 3 and 4 remain out of service. RAS pump 3 is out of service and out for repair and the Vac-Con is in the shop for a pump failure. There were two service line repairs and one valve repair that have been completed. There were no SSO's, sewer lateral repairs, or SmartCover alarms. All of the approvals for the permits for the chemical feed upgrades have been received. Vendors have been contacted for repairs and pump installation at well 4 with an anticipated installation of Q1 or Q2 2023 due to supply chain issues. Vendors have also been contacted for the chemical feed upgrade at well 2. The PLC needed for the project has a significant lead time, and installation is anticipated to take place in Q1 2023.

The SmartCover at manhole 475A has been misaligned due to heavy equipment that has been driven in the area from another utility. The SmartCovers on the interceptor have continued to show diurnal flows with no major grit accumulation.

4. Customer Service

Ms. Patel explained that after the last meeting the water consumption was examined closer and the Royalton water consumption was removed from the overall water consumption due to abnormal trends. The water revenue is trending 10.6% higher than last year when Royalton consumption was removed, compared to the consumption increase which is 2.4% year to date. The sewer revenue is trending well.



Ms. Webb stated that the meter replacement program included 5/8 to 2 inch meters. There is a focus on replacing stopped and problematic meters due to the extended lead time for receiving meters. 21 meters have been replaced with a pass rate of 57%, the number is low due to the problematic meters that are being changed out. Ms. Webb explained that the Low Income Housing Water Assistance Program would end on October 28, 2022. Twenty-one customers participated in the program.

5. Capital Investment/Engineering Report

Ms. Webb stated that the 2017/2020 project has been completed and the final walkthrough was done on July 27th. The 2018/2021 project was awarded to Wexcon, submittals are still being processed and a small portion of the water main near the turnpike has been installed due to work being done in that area with another utility. The project is anticipated to take six to seven months to complete and will begin in January 2023. The 2022 project is in the design phase to be completed by HRG. The water storage tank rehab project was awarded to I.K. Stoltzfus. All 3 tank applications were approved by DEP, and the permits have been issued. The first tank to be painted will be the High Street Tank. The project mobilized on September 12th with anticipated completion of November. The tank was just drained and may have an effect on the non-revenue water. There is currently rigid containment surrounding the tank to prevent any debris or paint from impacting neighboring properties and a road closure on High Street directly in front of the tank. Detour signs have been placed to direct traffic away from the road closure and surrounding customers were notified.

6. 2021 CPI and Impact on 2022 Rate Increases

Mr. Sugarman explained the CPI for the Northeast region was finalized in June at 7.6%. The index change is based on the CPI per the contract, and when combined with the margin index change of 2.5% will result in a 10.1% rate increase prior to capital cost recovery. Capital spending is expected to be 3.5 - 4 million dollars in 2022. After capital recovery, the rate increase will likely be 14% -15% going into effect January 2023. The Northeast CPI for the 2024 rate increase is being tracked now and is currently at 7.4%. It will continue to be monitored. Mr. Correll added that the CPI graph displayed showed how flat the CPI had been since 2019 and the recent increase. Mr. Sugarman added that the graph had been flat several years prior as well.

7. Royalton

Mr. Sugarman stated that a new draft agreement has been created based off of comparables from a pricing stand point for wastewater treated. Mr. Sugarman reached out to Veolia and Ms. Canazaro in regards to pricing, and from a cost standpoint the support is lining up well with comparables and the suggested rate is \$9.00 per 1,000 gallons. Mr. Correll asked what Royalton's current rate is and Mr. Sugarman explained that they do not currently pay per unit but converted it to about \$3.00 per 1,000 gallons. Mr. Winfield asked that before a draft is sent over to Royalton, a draft be sent to the Borough. Mr. Sugarman agreed. Mr. Correll stated the extension has been going on annually for 4 years, the current agreement expires at the end of 2022.



8. Other Matters

Ms. Webb stated there is a legislative update: senate bill 597 is currently going through the process in PA. Some of the highlights are an annual assets management plan that will need to be submitted to DEP and updated every 3 years, inspection of critical valves, operation of fire hydrants, a lead service removal and replacement plan, cross connection and backflow prevention plan, water meter testing, cyber security program. The bill has passed in the Senate, but has not been voted on in the House. Mr. Correll asked if it would impact all water systems in Pennsylvania. Ms. Webb explained that as it is currently written, it would apply to systems over 50 people.

Mr. Correll noted that the primary difference in the 5 Year Capital Plan and the expected spending was the 2018/2021 project which would be shifted forward.

Mr. Klinepeter asked if the 2022 rates were posted on the Veolia website. He was unable to locate the rates. Ms. Webb agreed to look into the website.

The Borough will be receiving a grant award to do a streetscape project on Emaus Street between Union and Wood Street. The project would include new paving and a new sidewalk. The Borough requested drawings for a specific property and asked if Veolia has any work to do in that area if it could be done prior to the grant work. The anticipated date of project completion is next spring or summer. Ms. Webb will look into the water service line, there is no sewer line in this area.

9. Community Service

Ms. Webb stated Veolia will be sponsoring the Frosty 5k on December 3, 2022 and the Winter Basketball League for the Middletown Recreation Association.

10. Next Meeting

Mr. Correll suggested the next meeting to be held at 11 AM on November 29, 2022.

11. Adjournment

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