



**Middletown Water Operating Committee
Meeting September 26, 2023, 10:00 am EST**

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

Committee Members:

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

Additional:

Bradley Pensyl (Allen & Overy)
Ken Bonn (Argo)
Shuang Li (Argo)
Justin Mendinsky (HRG)
Michael Winfield (Post and Schell)
Michael Barger (Veolia)
Ryan Hagain (Veolia)
Angelo Margiolas (Veolia)
Annmarie Rutigliani (Veolia)
Jagruti Patel (Veolia)
Jenny Miller (Middletown Borough)

1. Introductions/Opening Comments

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

Ms. Webb introduced Mr. Margiolas as a new Veolia employee who will provide engineering support for the project. Mr. Margiolas introduced himself and gave a brief background.

2. Review and Approval of Minutes

Mr. Correll made a motion to move the circulated July 27, 2023 meeting minutes as amended by Mr. Winfield. Mr. Klinepeter moved the minutes. Mr. Correll seconded the minutes. The minutes were approved.

Mr. Winfield requested that the meeting minutes are circulated farther in advance of the meeting. Mr. Correll acknowledged the request.

3. Operations Update

Ms. Webb explained that the small meter replacement program has continued. Annual hydrant flushing and annual leak detection have been completed. In 2022 there were 7 leaks found with an estimated loss of 500,000 gallons a day. In 2023 there were 5 leaks found with an estimated loss of 150,000 gallons a day. Ms. Webb reported that 2 of the leaks are main breaks, 2 of the leaks are hydrants and 1 was a service line leak on the homeowner side. Well 4 upgrades have continued, 2023 Annual sewer flushing has begun and 2 capital projects have kicked off. Major equipment out of service includes Well 3, Well 4 although the well pump has been reinstalled at Well 4. Raw water wet well screen had a mechanical failure and the fine screen had a mechanical failure both of which are pending repair. Ms. Webb stated it was a relatively quiet couple of months there were no main breaks or valve repairs, there was 1 service line leak on Keystone Avenue. On the wastewater side there were no SSo's, there was one sewer backup at Beechwood and Union that happened during flushing. There was one sewer lateral repair on South Lawrence Street and there have not been any SmartCover alarms.



Ms. Webb explained that all permit applications have been approved by PADEP regarding chemical feed upgrades at each well. The chemical feed upgrade at Well 2 has been completed and the SCADA computer upgrade has been done. The SCADA computer did not have any more tags and needed to be upgraded in order to complete the well upgrades. The well 4 well pump installation was completed on September 25th. Veolia is working with Tri-Star to complete the chlorine analyzer and integration work at well 4 with an estimated completion date of October 2023. Once all of the equipment is installed, PADEP will perform an inspection of well 4 at which point the well can be returned to service.

Ms. Webb explained that there are 4 SmartCovers in the system, two of which are having issues with the battery packs. The SmartCovers on the interceptor will be updated once the new battery packs arrive.

Ms. Webb stated that the meter replacement program is still ongoing with new letters being sent out to customers to schedule appointments with Meter-Tek who is the contractor performing these change outs. Ms. Webb stated that 148 small meters have been replaced mostly in July and August, Meter-Tek will be taking all of the meters and testing them at their facility at the conclusion of the program. The anticipation for completion of the meter change out program is October.

4. Customer Service

Ms. Patel stated there is a 14.8% increase in revenue compared to last year. Ms. Patel explained that it is due to the 13.2% rate increase and the remaining from the increase in consumption. The sewer revenue is also trending at 13.3%, of that 13.2% is the rate increase and the remainder is the sewer volume increase of 0.5%.

Mr. Correll asked if there was anything new in Royaltown regarding the main break that was previously discussed. Ms. Patel replied that the leak was fixed around March or April and since that time the consumption has been steady. Ms. Webb stated that there was a slight increase over the summer and Royaltown was notified of the increase.

5. Capital Investment/Engineering Report

Ms. Webb explained that the 2018/2021 project remobilized on September 5th. Wexcon, the contractor for the project, is expecting the last day for work in 2023 to be December 20th. If final restorations cannot be completed due to weather, the final paving, sidewalk, and grass restorations will be completed in the spring of 2024 when the weather is more favorable. HRG is working on finalizing plans for the connection of the high and low pressure zones on E. Roosevelt Ave after experiencing issues with the easements. Veolia has met with HRG to discuss the 2022/2023 projects regarding the underground infrastructure projects looking to finalize the locations and evaluate the conditions of the sewers to determine if they need to be replaced or if they can be lined.

Mr. Klinepeter asked Ms. Webb about a conversation with Mr. Miller of the Borough regarding the water main installation on Roosevelt Ave. The Borough will be installing new storm sewer and drains on Roosevelt and a concern with timing of the pavement and allowing the Borough to complete the replacement work was brought up. Ms. Webb explaining that there was not a confirmed date for final restorations and conversations regarding the timing of the project were ongoing between Mr. Miller, Veolia, HRG, and Wexcon. The December 20th timeframe was the projected date for the work excluding the Roosevelt portion of the project.

Mr. Mendinsky stated that HRG has been in contact with Mr. Miller to align project timelines and they are in good communication. Mr. Mendinsky asked that the Borough continue to stay in contact with HRG and Veolia to ensure that everyone is on the same page and both projects can be accomplished.

Mr. Klinepeter asked if it was going to be a transmission main or if the plan was to add service lines to the homeowners on the new line. Mr. Mendinsky stated that the anticipation is to bring the



homeowners over to the new line to gain an increase in pressure as it has been a problematic area for low pressure.

Ms. Webb presented photos from the 2018/2021 project showing the tuberculation in the lines and recently installed valves.

Mr. Correll asked after seeing the pictures if there was a way to estimate what the capacity of the main was operating at with the tuberculation. Mr. Mendisnsky explained that they can use this information to calculate other areas that were installed at the same time to account for the hydraulic in regards to pressure and fire flow protection.

Ms. Webb presented a graph showing the breakdown of the capital projects. Two years of projects were combined which included the 2016/2019 project which replaced roughly 5,000 feet of water mains and was completed on November 24, 2020. The 2017/2020 project replaced roughly 5,000 feet of water main and roughly 1,000 feet of sewer main and was completed on July 27, 2022. The project currently under construction is the 2018/2021 project which includes the replacement of just over 5,000 feet of water main and approximately 1,000 feet of sewer main, and the relining of 3,000 feet of sewer main.

Ms. Webb explained that the Turnpike tank mobilized on August 14th. The High Street tank was completed and returned to service in January 2023. HRG is working with Veolia to obtain a temporary pressure booster system for the Union Street tank to ensure adequate pressure is maintained while that rehabilitation project is underway. This will require additional permitting with PADEP. The contractor for this project is IK Stoltzfus. Ms. Webb presented some photos of the work being done at the tank.

6. CPI and Impact on Future Rate Increases

Mr. Sugarman explained that as of the end of June inflation has dropped considerably since the same time last year. As of the end of June, the North East CPI was 2.2%. That is the number that will be used for the index change. When added to the margin change which is 2.5% that means there will be a rate increase of at least 4.7%. The trend going into the following year shows a slight increase and it will continue to be monitored. The capital portion of the rate increase will be more realized by the next operating committee meeting.

Mr. Correll questioned the status of the surcharge.

Ms. Rutigliani explained that surcharge collection should be complete sometime in October. Daily monitoring will occur in October to ensure proper collection.

Mr. Sugarman stated that the surcharge threshold will have been met early for the last three years due to the rate increase and the previous increase in inflation rates. There was no way of gauging inflation when the surcharge was established three years ago.

Mr. Correll stated that it can be communicated to the Borough Council that the surcharge will be turned off once the accumulated amount is reached. A full reconciliation will be completed at the end of the surcharge. The next surcharge is not scheduled to take effect until the 1st quarter of next year. Mr. Klinepeter asked if this is the shortfall surcharge and it is being met a few months early. Mr. Correll confirmed it is.

7. Royalton Agreement

Mr. Correll asked if Mr. Sugarman or Mr. Hagain have reached out to the council to try and schedule something as stated in the previous meeting.

Mr. Sugarman stated he has not reached out to Mr. Miner at this point. Mr. Winfield stated that he should have comments back on the draft agreement to Mr. Pensyl in the week following the meeting. Mr. Correll explained that if anything happens regarding the Royalton agreement between meetings everyone will be made aware. Mr. Correll stated that there will be an outreach to Lower Swatara as



well. Mr. Klinepeter previously advised that in the contract there is a right to allocate some of the capital costs at the wastewater treatment plant to Lower Swatara. Mr. Correll explained that in accordance with that agreement a rate increase was likely to occur in 2024 due to inflation and the capital cost allocation would likely not have an impact on their rates until sometime in 2025.

8. Community Service

Ms. Webb stated that Veolia will be a sponsor for the Frosty 5K in early December. Ms. Webb asked if any community involvement opportunities arise to please send them over. Veolia is more than willing to support events in the community.

9. Next Meeting

Mr. Correll suggested that the next regular meeting be held at 10 AM on November 21st, 2023.

10. Adjournment

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