



**Middletown Water Operating Committee
Meeting December 5, 2023, 10:00 am EST**

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

Committee Members:	Shuang Li (Argo)
	Ken Bonn (Argo)
	Jennifer Miller (Middletown Borough)
Ken Klinepeter (Middletown Borough)	Michael Winfield (Post and Schell)
Don Correll (WC Partners)	Michael Barger (Veolia)
Dan Sugarman (WC Partners)	Chris Halleron (Veolia)
Kodi Webb (Veolia)	Angelo Margiolas (Veolia)
	Jagruti Pagel (Veolia)
Additional:	Annmarie Rutigliani (Veolia)
Bradley Pensyl (Allen & Overy)	John Joyner (WC Partners)

1. Introductions/Opening Comments

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

2. Review and Approval of Minutes

Mr. Correll confirmed that everyone had reviewed the minutes from the previous meeting. Mr. Correll moved the minutes. Mr. Sugarman seconded the minutes. The minutes were approved.

3. Operations Update

Ms. Webb stated that the annual sewer flushing requirement was completed and the CCTV work for the system would be completed. The Well 4 upgrades and integration were ongoing. There was a substantial leak at the Booster Station which was repaired. Other repairs include the ATAD valve coming out of the ATAD by the jet pump and the thickener gearbox. The smart cover repair parts have been received and are to be installed within the next week at which point the two smart covers on the interceptor should be back up and working.

There is continued work being done with Susquehanna River Basin Commission (SRBC) on the Well 6 docket renewal. There was a recently received communication that SRBC wanted to decrease the allowable flow from Well 6. SRBC has been working to tie up past issues where they allowed more water to be withdrawn from the wells than is actually being used, not just in Dauphin County, but all over the Susquehanna watershed. SRBC came back and wanted to decrease the withdrawal limit at Well 6 to around what is currently being pumped on a daily basis, so Veolia and HRG are working on a proposal to increase flow in case one of the other wells goes down, so Veolia would not be exceeding the 30 day monthly average. Ms. Webb stated that she would continue to keep everyone posted on progress.

Annual inspections including fire extinguisher and backflow prevention have been completed at the plant. Annual safety training is also underway which includes hot work and lock out tag out training.

Ms. Webb moved on to October and November repair updates. There were 2 water main breaks, one by the Booster Station and one on E. Water Street. There was also a valve repaired after work being



done at the intersection of Grant Street and Mudd Pike led to a broken casing. There was also a service leak on Catherine Street. There was one boil water advisory due to a contractor connecting mains in Woodland Hills. The contractor dug down to the connection point and found that the previous contractor did not include a valve at the end of the main, so when they went to connect the boil water advisory was issued to make sure if there was a loss of positive pressure, it wouldn't affect any customers.

Ms. Webb stated that all has been quiet on the Wastewater side. There were no SSOs, sewer backups or repairs and no smart cover alarms. The water SCADA computer upgrade was completed to allow for additional tags. Tags control the chemical feed pump and well pumps at each well. The installation of the drop pipe and new well pump as well as integration of the new well pump has been completed. The chlorine analyzer and fluoride pump installation are the only tasks remaining at Well 4 and schedule a PA DEP inspection. The expectation is to have that well turned back on in Q1 of 2024. We will then move on to Well 6 to do chemical upgrades on both the chlorine analyzer and fluoride pump.

The equipment that is currently out of service includes Well 3 and Well 4, the Influent screen, the fine screen, and a rotor in oxidation ditch 1 which had a mechanical failure. The thickener gearbox had a mechanical issue which was fixed and returned to service in early October.

Ms. Webb explained that there was a recent cyber-attack at the Municipal Water Authority of Aliquippa, in Western PA, by an Iranian-backed cyber group. The targeted equipment was made by Israeli owned companies. The target of the attack was a PLC, which is the electrical mechanism used to control pumps and other devices at a wastewater plant. An alarm sounded when the attack happened and the PLC was disabled at their plant and a message from the cyber group was displayed on the PLC screen. Several EPA and Water ISAC notifications have been sent to water and wastewater systems with steps to take to help protect systems from cyber-attacks. Cyber security is a top concern and steps are already in place to help protect Middletown's water and wastewater systems. Currently, Veolia has a mandatory monthly training on cyber security. Mr. Sugarman asked if there was any legislation similar to the New Jersey Water Quality Accountability Act in regards to cybersecurity. Ms. Webb explained that there has not been movement on any Pennsylvania specific legislation on cyber security. EPA inspections were including a portion on cyber security, but there had not been any direct communications from PA DEP. Legislation will continued to be monitored.

Ms. Webb asked if there were any questions in regards to the operational update. There were none.

4. Customer Service Update

Ms. Webb explained that the meter replacement and testing program to change out 5/8th inch to 2 inch meters is almost complete. A total of 266 meters had been replaced in 2023. All meters will be tested and the MIUs will be recycled in an environmentally friendly way. Testing results will be shared after they are received.

Ms. Patel explained that water and sewer revenues are trending well. The water consumption net of Royaltown and sewer volume are not showing any deviations.

Mr. Joyner asked if Middletown has the capability to monitor accounts that have water consumption overnight similar to what is being done in Bayonne. Ms. Webb explained that water consumption can be monitored down to small intervals. The Customer Service Supervisor reviews accounts each month and notifies customers via phone call or letter of higher than usual consumption. Mr. Joyner added that is a very customer friendly action.

5. Capital Investment / Engineering Report

Ms. Webb turned the meeting over to Mr. Margiolas to review the Capital Investment and Engineering Report. Mr. Margiolas explained that the 2018/2021 underground infrastructure replacement work is wrapping up with restorations finalizing in 2024. The review period for the Highway Occupancy Permit is under review with PennDOT for the Roosevelt Ave. and Union St. connection. There will be more information to come on that when it is approved. Mr. Margiolas displayed photographs of the upgrades for the 2018/2021 project.



The planned work in 2024 for the 2022/2023 Underground Infrastructure Replacement has 5 locations chosen for Sanitary Sewer Improvements and 5 locations for Water System Improvements to meet the linear feet requirements.

Mr. Margiolas went on to highlight the Water Storage Tanks Rehabilitation Projects. The Turnpike Tank Rehabilitation is complete and was officially returned to service on November 14, 2023 after receiving the final operation permit from PA DEP. Final site restoration is complete for that location including grass seeding. The North Union St. Tank project was awarded to I.K. Stoltzfus and will be completed next. Ms. Webb and Mr. Margiolas had a site walkthrough. AT&T has several antennas on the tank which will need to be temporarily removed in order to perform the work. Mr. Margiolas asked for any existing contracts between the Borough of Middletown and AT&T to be provided to determine how to proceed with the cable removal. Physical work on the project is to start in April 2024. Mr. Margiolas proceeded to share pictures highlighting the before and after work that was done at the Turnpike Tank. Some items of note on the Turnpike Tank are the newly painted Middletown logo, new ladder, guard, and an additional manway door for safety. Mr. Margiolas displayed the N. Union Street Tank photos to show the AT&T antenna and cables and the pre-tank rehabilitation photo.

6. CPI and Impact on Future Rate Increases

Mr. Sugarman stated that the CPI impact for the rate increase set as of June, was at 2.2%. When added to the margin change under the contract, the increase associated with those two components is 4.7%. At this point it is anticipated that the capital improvements will bring the total rate increase up to around 8%, depending on the spend of the capital work and the timing of the exact billing of it. Mr. Sugarman stated that there has been an analysis on the water sales shortfall and it's going to be a much lower percentage this year than in the last 3 year period. At this point, it is anticipated to be around 6% instead of the prior surcharge level, which was 15%. When looking at those 2 pieces together, the surcharge and the increase for next year, they are going to just about offset each other, so from the customer's perspective, the bills will be about the same as last year. Mr. Sugarman highlighted the graph showing the current view of the CPI in the Northeast Region vs. the index which will drive the 2025 rate increase. It is being monitored, and as compared to last year, is much lower and continues to be the case. There was a slight uptick in September but it is still half of where it was last year. Mr. Sugarman stated that a preliminary version of the rate impacts will be produced within the month. Mr. Correll added that the surcharge was discontinued in October. Ms. Rutigliani confirmed October 26th was when the surcharge was stopped. Mr. Correll explained that the surcharge was collected early due to reasons explained at previous meetings and the new surcharge will be applied in 2024.

7. Royaltan Contract update

Mr. Winfield explained that Royaltan has requested an additional time extension given that the expiration date for the agreement is coming up at the end of December. Royaltan will be having their meetings soon. The Borough is also having their meetings, one is December 5, 2023, and the other is sometime later in the month. If any extensions are going to be issued, the timeframe would need to be decided so that it can be presented to both the Royaltan Board and the Borough Council to review and issue a resolution. Royaltan had suggested a 1 year extension. Mr. Winfield urged that everyone should agree in this meeting what the extension length would be, assuming that one wants to be granted so the Borough could get that authorized at the next Borough Council meeting.

Mr. Sugarman explained that with Mr. Winfield's approval, Mr. Hagain had the revised agreement that was previously reviewed by Mr. Winfield and could be sent to Mr. Minor. Mr. Sugarman believed there was nothing holding up the consideration and negotiation of the new agreement and went on to propose that the timeframe for the extension should be less than a year. Mr. Winfield asked if the revisions that he sent in September were included in the revised agreement Mr. Hagain had. Mr. Sugarman confirmed that he believed those comments were included. Mr. Winfield believed that in the past, both quarterly and half year extensions and pushback from the Borough Council on either the quarterly or half year extension was not expected. If Royaltan hadn't seen the revised agreement yet, a quarterly extension was the minimum length suggested by Mr. Winfield. Mr. Winfield asked that he be told the preferred length of the extension prior to the Borough Council meeting later in the day so that a resolution could be drafted.

Mr. Correll suggested a 3 month extension which will keep the team focused. Mr. Correll also asked that a meeting be scheduled with Mr. Miner. Mr. Winfield explained that Mr. Miner had contacted him



and Mr. Winfield would schedule a meeting to discuss moving forward with a three month extension. Mr. Pensyl agreed. Ms. Webb explained that Mr. Hagain was not able to join the call. Ms. Webb will send an email update with what was just discussed, to keep Mr. Hagain informed. Mr. Winfield requested a copy of the revised version. Ms. Webb agreed to ask Mr. Hagain to forward that document.

Mr. Correll stated that there have been some discussions about Lower Swatara. Mr. Kleinpeter had appropriately pointed out previously that under the agreement with Lower Swatara, Lower Swatara is financially responsible for a portion of the work that is being done on the headworks. Ms. Webb will be speaking to the operating director to inform them of the upcoming costs. This will not be a contract change, just an update of their fees. A notification is required by the contract that within the next year or possibly in 2025, when the Capex work proceeds, Lower Swatara will get a proportion and share of it. In order of magnitude, it's probably around \$150,000 that we could allocate to them under the contract. Ms. Webb agreed that it was a good estimate.

8. Community Outreach

Mr. Halleron discussed the Frosty 5k which turned out to be a big success. There were about 200 runners who participated and our personnel were out there. This event is always a good community outreach. Water was handed out at the halfway point for the runners. We continue to work with the Middletown Area Historical Society on their initiatives, including the upcoming Arts and Craft Fair in June. Ms. Webb commented that it was a great day, great weather and Hoffer Park was quite festive, so it was a good starting and stopping point for the race.

9. Next Meeting

The next meeting will be scheduled for Thursday, Feb 1, 2024. Ms. Webb is to send out the invitation. The meeting was then adjourned.