



## **Middletown Water Operating Committee**

**Meeting August 1, 2024, 10:00 am EST**

***Meeting held via Google Meet/Telephone***

### **Committee Members:**

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

Ken Bonn (Argo)  
Shuang Li (Argo)  
Micah Ammerman (Veolia)  
Drexall Butler (Veolia)  
Ryan Hagain (Veolia)  
Angelo Margiolas (Veolia)  
Annmarie Rutigliani (Veolia)  
William Turner (Veolia)  
Kelly Weaver (Veolia)

### **Additional:**

John Joyner (WC Partners)  
Bradley Pensyl (Allen & Overy)

## **1. Introductions/Opening Comments**

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

Mr. Kiernan made note that Jagruti Patel had resigned from Veolia. Ms. Patel was crucial to the organization with putting together financial records for Middletown. Mr. Kiernan introduced William Turner with Veolia to the meeting and made note that he will be taking Ms. Patel's role until there is either a replacement or it may become a permanent position for Mr. Turner.

## **2. Review of Minutes**

Mr. Correll asked for a motion to approve the June 11, 2024 meeting minutes. The motion was moved by Mr. Klinepeter and seconded by Mr. Kiernan. All were in favor.

## **3. Operations Update**



Ms. Webb stated that the repair of the fans for the Return Activated Sludge (RAS) Building and Autothermal Thermophilic Aerobic Digestion (ATAD) Building have been completed. Veolia has completed the annual hydrant flushing, flushing 184 hydrants. The data is currently being compiled to address any maintenance and painting needs. This took a little longer than expected to complete due to the heatwaves of the summer. Safety was a top priority for staff so work was paused due to excessive temperatures. Ms. Webb stated that the staff has completed PA Department of Transportation (DOT) Flagger Training which is another safety requirement for traffic control. The new washer compactor was installed in the wet well which Mr. Margiolas will touch on later in the meeting.

Ms. Webb stated that Veolia has distributed the Consumer Confidence Reports (CCRs) to residents which is an annual requirement for PA DEP. This report covers water quality information which is distributed to residents both electronically and in places commonly frequented by residents. Some examples are the library, apartment buildings and the borough building, so residents who may not receive a water bill have access to this information. PFAS sampling has continued and the compounds included in the EPA rule but not in the PA DEP rule were included in the sampling.

Ms. Webb stated that Veolia had an active month with water repairs. There were 2 main breaks and 1 service line leak. The service line leak on E. Roosevelt Avenue developed at the corp. The leak was coming up to the ground so Veolia received several calls from residents regarding this but it was a relatively easy fix. Ms. Webb went on to state that the first main break was on a 2" galvanized line on Commercial Avenue. The 2" galvanized line began leaking and once it was exposed it was easily fixed with a clamp. This line will be monitored because it is galvanized and of advanced age. There was a large main break on Apple Avenue. This section had a 1" galvanized line that was inside a larger 10" main previously utilized in that area. This 1" galvanized main had several leaks. After fixing the first leak with a clamp, it caused another leak a few feet up from where the clamp was installed. The galvanized service line that was attached to this main also suffered some damage once the initial leak was repaired and it was believed to be caused by an increase in pressure related to stopping the leak. The galvanized service line was replaced with a copper service line and the 1" portion of the galvanized main was replaced with a plastic line and then all of the services were connected to that plastic line. With this work, a boil water advisory was issued. Ms. Webb stated that she spoke with DEP and explained the situation. After issuing the boil water advisory, the first coliform sample was immediately taken to the lab. On the second day of the boil water advisory, the second coliform sample was taken. Both samples passed and the boil water advisor was lifted. This only impacted 5 residents and Veolia was able to speak to most of the residents in the area and they appreciated how quickly this was fixed. Ms. Webb explained to the residents



that this was not a typical situation and thanked them for their patience. They were appreciative and it was understood by the residents that there are some older services out in that area. Veolia will monitor for other galvanized lines in the future.

Ms. Webb stated that, on the wastewater side, there were no sanitary sewer overflow (SSOs) or sewer backups and no repairs were needed.

Mr. Klinepeter asked to go back to review the E. Roosevelt line and wanted to know if it was near the section of roadway between Pine and S. Union St. Ms. Webb confirmed that it was. This may have been an installation issue and Mr. Klinepeter asked if there was any discussion with the contractor about this. Ms. Webb responded that Veolia did discuss with the contractor who came out and paved the road directly after. There have been discussions with both the contractor and HRG.

Ms. Webb moved on to discuss the Smart Cover graph. It has been very dry so the flows at the wastewater treatment plant are lower than normal. Due to that there have not been any SSOs or overflows. Everything is trending very well and there has been no build up of accumulation in the interceptor.

Ms. Webb explained that well 4 was put online on March 4, 2024 but had to be taken offline due to VFD interference with the level sensor and the well pump, which was also mentioned during the previous operating committee meeting. The well was worked on and the final integration, which will occur on August 5, 2024, is the final step to returning well 4 back to service with an anticipated date of August 7, 2024. Ms. Webb spoke with the contractor to schedule well 5 and the chemical feed upgrade for that well is anticipated to be complete by the next operating committee meeting. The major equipment that is out of service includes the ongoing booster pump repair. The oxidation ditch end bearing and the fine screen were returned to service in May. The influent screen has been repaired and the plant is waiting on the final product from the compactor to come out.

Ms. Webb reiterated the lead service line inventory that is due to PA DEP on October 16, 2024, as was previously mentioned in prior operating committee meetings. Currently, Veolia is working on creating an inventory that identifies materials on both the customer owned portion and the utility owned portion of the service line as required. Veolia is using the meter change out data, records review, any visual inspections, and records from recent water and sewer main replacement work that shows the water services to complete that inventory to build this out as much as possible. Additional information will be needed from either Middletown Borough or the residents.



Ms. Webb explained that Veolia has continued PFAS sampling and included the new EPA compounds in this quarter's PFAS sampling. Ms. Webb stated that on April 10, 2024 the EPA announced its final standards on the PFAS testing for the 6 PFAS compounds which are PFOS, PFOA, PFNA, PFHxS, Gen X and PFBS. The Hazard Index is a calculation of 4 of the previously mentioned PFAS chemicals. April of 2024 was when the EPA rule was published, April of 2027 is the initial monitoring deadline and April of 2029 is the compliance deadline. With that, PA DEP also has their own PFAS regulation which is currently not as strict as the EPA regulation. The PA DEP has not come out with any formal changes to their current regulation. The PA DEP regulation is in effect now and if that limit is exceeded Veolia will receive a violation. Mr. Kiernan asked for clarification about the 2027 monitoring deadline. Ms. Webb stated that Veolia needs to have tested and know what the concentrations are at each well, which is currently being done. This is primarily for states that have yet to establish their own MCLs. Veolia added PFNA, PFHxS, Gen X and PFBS to the previously established quarterly PFOS and PFOA testing in Q3. Ms. Webb stated that she received updated data for some of the wells prior to the call and will be updating that information. The results for the new EPA compounds were under the 10 PPT (parts per trillion) MCL. Veolia is currently compliant with the PA DEP PFAS regulation. However, the current PFOS and PFOA results will not be compliant with the EPA regulation when that goes into effect and treatment will need to be installed. PA DEP is recommending Granular Activated Carbon (GAC) as the preferred treatment technique for PFAS removal. Options for treatment will need to be evaluated over the next few years to meet the April 2029 deadline for compliance with the EPA regulation. Mr. Klinepeter asked when the sampling and testing will be done for wells 3 & 4. Ms. Webb stated that PFAS samples should be collected this quarter for well 4, but well 3 is not currently operational due to the well pump so that data will be retrieved when the well is returned to service. PA DEP is aware that wells 3 & 4 were out of service for Q2 so there will not be a violation for not sampling at those wells.

Mr. Klinepeter asked about the deadlines for applying for the settlement claims for the companies such as Tyco and 3M. In order to put in a claim they want the analysis on each well. Mr. Correll asked when the deadline for submissions are. Mr. Klinepeter stated that the deadlines for Dupont and 3M just passed but there was some old data from 2019 that was submitted. The Tyco and BASF deadlines are coming up around October or November 2024. It is possible once Dupont and 3M are registered, that Middletown Borough may be asked for additional information so whenever the information becomes available Mr. Klinepeter will ask Ms. Webb for it. Mr. Correll asked Mr. Klinepeter if he has a sense of the potential magnitude of what may be offered. Mr. Klinepeter replied that it will most likely be on the lower end but they still need to be applied for.



Ms. Webb asked if there were any additional questions regarding PFAS testing or any of the other operations updates provided. There were none.

#### **4. Customer Service Update**

Ms. Webb stated that the Meter Testing and Replacement Program is ongoing. In 2024, 249 small meters were replaced so far. This program started in April and the final replacement schedule has been set for mid-August which will bring the number up to 267 small meters required per the contract. Veolia had a 95% pass rate in 2023 and is still awaiting the test results for 2024 which will be shared with the operating committee once they are received. Ms. Webb moved on to the discussions around the Pineford Village meter pit. Veolia is looking at what is required to either add to that pit plumbing wise, or the appropriate steps to make that a safe entry and to have the appropriate meter installed. There will also be a meter changed out at the elementary school which is scheduled for the next month, prior to school starting.

Ms. Webb announced that Jagruti Patel has resigned from Veolia. Veolia has been monitoring Royalton's consumption and took notice that it was elevated prompting Ms. Webb to reach out to Royalton Borough and notify them of the increase in consumption. Royalton responded that they had 2 substantial leaks that were fixed in June. Veolia will continue to monitor and keep open communication with Royalton regarding their consumption. Royalton had their PA DEP inspection on July 30, 2024. Veolia was contacted by PA DEP to go and open Royalton's meter pits that house their entry points, which Veolia staff completed.

Ms. Rutigliani stated, with regards to the online payment option, that it has been delayed due to some additional information required that Mr. Bonn is working to complete. Once this information is provided it should take around 2-3 weeks to be implemented. Ms. Rutigliani will keep up with status updates. Ms. Webb asked if there were any questions regarding customer service. There were none.

#### **5. Capital Investment & Engineering Report**

Mr. Margiolas reviewed the capital projects that are underway in Middletown, starting with the 2018 & 2021 Underground Infrastructure Replacement Project. There was a small service line leak and a hydrant issue which have both been resolved. There was also some work that had to be done with the curb boxes that had either shifted a little or the lids sat a little too high. Wexcon completed the necessary repairs and the project should be fully completed by the end of August. Ms. Webb mentioned that Veolia opened the valve to connect the high and low pressure zones on this project. Customers were notified about the pressure reducing valves and there were a few



phone calls fielded from customers requesting more information. The valve was opened on July 15, 2024. There were some adjustments made on the pressure reducing valve and the pressure sustaining valve once the valve connecting the pressure zones was fully opened.

Mr. Margiolas moved on to the 2022 & 2023 Underground Infrastructure Replacement Project. Veolia has received and is reviewing the preliminary 60% design package from HRG for the work that's set to take place. Part of that request is to get some additional CCTV work which is on the schedule for the following week. Once that is complete and the additional CCTV footage has been provided to HRG, they will be able to fully design their package and narrow in on the list of locations to be set for this project. Upon final review by both Veolia and HRG the project should be set to start in the middle of September to go out to bid. Mr. Correll asked when construction is anticipated to take place. Mr. Margiolas stated that the bidding, the vendor sign on process and obtaining supplies should put the start date around the beginning of the spring in 2025. Mr. Correll also asked if, once the bids are decided upon, what the timeframe would be for the bid pricing to remain. Mr. Margiolas stated that Veolia would make that clarification to the contractor once the bid is awarded. Mr. Margiolas also assured Mr. Correll that once the bid is awarded, the contractor would be able to start ordering materials. Mr. Margiolas also added that Veolia would specify with the contractor the terms of how long the pricing on the quote will remain the same. Ms. Webb stated that this was the procedure for previous projects. The previous substantial supply chain issues made previous projects difficult to order for and materials were coming in at different times, but after speaking with vendors, this doesn't seem to be as substantial as in the past.

Mr. Margiolas went on to discuss the N. Union St. Tank Rehabilitation. Veolia is currently in contract with Wexcon for the mechanical and electrical work for the temporary booster station. There is some piping and transformer work that needs to take place. In tandem with this, IK Stoltzfus is expecting the skid to be delivered in the middle of August. IK Stoltzfus is working with their subcontractor, Kappe, to get that expedited. The plan is to do a test of the pressure booster skid at the end of August to ensure that it works properly so the tank can be bypassed. AT&T has not released the purchase order to IK Stoltzfus for the tank corral yet. Mr. Margiolas explained that it should be sent out at the end of this week. IK Stoltzfus estimates that once it arrives it will take about a month for fabrication and installation. Once that is completed and the antennas are out of the way, around the end of August, Veolia can begin the restoration at the beginning of September. Veolia is on track to finish this project by the end of 2024 or January 2025. Mr. Correll suggested that there should be pictures taken before, during and after completion of this project.



Mr. Margiolas then moved on to speak about the wet well headworks upgrade. Veolia has installed and is now operating a new washer compactor. Looking forward, Veolia has received the recommendations and analysis from Keystone Engineering for the HVAC and boilers which are being evaluated and by the next committee meeting Veolia will be able to present the path moving forward. Mr. Margiolas stated that earlier in June, Veolia met with Industrial Service Solutions to talk about the raw pump conversions. Their pricing and scope has been received and reviewed. There will be definitive answers regarding that during the next committee meeting. The full restoration of the wet well is being planned out for the full scope of work and Veolia is putting together a bidders list and should receive pricing on that shortly. Mr. Margiolas stated that Veolia is working with Keystone Engineering to upgrade the raw pump VFDs for pumps 1 and 2. Pump 3 had been updated previously so pumps 1 and 2 are being updated due to them being obsolete. Mr. Margiolas shared a video which showed the fully functioning washer compactor. There was operator training on maintenance and maintenance schedules and the team was happy overall. Mr. Kiernan mentioned that there was an OSHA whistleblower late last year with a worker so there should be an update to OSHA. There was a response previously but it took time to source materials so there should be another update with some pictures as well.

Ms. Webb stated that, as a reminder, Veolia did receive a pressure complaint from a Borough Councilor regarding Woodland Hills. On an unrelated matter, there has been water main installation both on the Union St. side of Woodland Hills and the Vine St. side of Woodland Hills which is now connected. There is an isolated section that is preventing the high pressure zone from mixing with the low pressure zone. That valve will be opened on August 12, 2024 which will be connecting the high and low pressure zones, and at that time it will be determined if any adjustments need to be made. Both the developer and the residents in the affected area were notified that they would need to install pressure reducing valves. The contractor is taking care of that in the new built homes.

## **6. CPI Impact on Future Rate Increase**

Mr. Sugarman displayed a graph of the CPI-U for the Northeast Region. Mr. Sugarman stated that the CPI data for June is in at 3.8%, which is the index change under the contract, and together with the margin change of 2.5% will produce a rate increase before any capital cost recovery charge (CCRC) of 6.3% as of January 2025. Although this is a preliminary view, it is estimated that at yearend \$3.5 million to \$3.75 million of Major Capex will be completed. That would add somewhere around 2.7% to 3.2% as a CCRC, so as an estimate the rate increase would be somewhere around 9% to 9.5% as of January 2025. Mr. Correll asked how the 3.8% compared to last year. Mr. Sugarman stated that it is much higher than last year's at a little over 2%, but in the



last few years it had been relatively low. It is still down a bit from the peak period right after the pandemic. Mr. Joyner asked what the rate increase was last year. Mr. Sugarman confirmed that it was 7.3%. Mr. Correll summed up that most of the difference is just the change in inflation. Mr. Sugarman agreed and stated that the level of Major Capex is right about where things were last year.

## **7. Royalton and Lower Swatara Contract Update**

Mr. Correll stated that with regards to Royalton, he and Mr. Sugarman spoke with Gideon from Mr. Pensyl's firm. There had been some communication back and forth and momentum to get something done by the end of the third quarter, which is the timeframe of the last extension. Mr. Correll stated that with Lower Swatara there has been some continued analysis to confirm the numbers, with the goal of some meaningful discussions with Lower Swatara in the next couple of weeks. There was a great deal of analysis needed to update the fee information. There is likely to be a significant increase in the Lower Swatara fee, as well, which hasn't been adjusted since about 2017 or 2018. Mr. Joyner asked if there were any communication plans for the rate increase. Mr. Correll stated that the communication will be the responsibility of Royalton and Lower Swatara side. Their prospective borough council's will have to approve any communication. Water Capital Partners should probably be prepared to provide a statement, but the communication is going to go to Royalton and Lower Swatara customers. With regards to Royalton, Mr. Sugarman added that one of the questions posed by Royalton's attorney, Steve Miner, was whether or not the Joint Venture would be willing to finance components of the agreement and the JV is ready to do that so it will at least have the effect of spreading the cost out so it's not a shock to the Borough.

## **8. Community Outreach**

Ms. Webb stated that Veolia has not had any direct community events since the last committee meeting. Veolia is always looking for opportunities and it does take a little bit of time to go through the approval processes internally and get the check out. If anyone knows of any opportunities please contact Ms. Webb or Mr. Halleron.

## **9. Other Matters**

Ms. Webb asked if there were any other matters. There were none.





## **10. Next Meeting**

The next meeting will be scheduled for Thursday, September 26, 2024, at 10:00 am. Ms. Webb will send the invitation.

The meeting was then adjourned.