



Middletown Water Operating Committee

Meeting September 26, 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)

Additional:

John Joyner (WC Partners)
Michael Winfield (Post & Schell)
Daria Zwart (HRG)
Shuang Li (Argo)
Micah Ammerman (Veolia)
Ryan Hagain (Veolia)
Angelo Margiolas (Veolia)
William Turner (Veolia)
Kelly Weaver (Veolia)

1. Introductions/Opening Comments

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

2. Review of Minutes

Mr. Correll asked for a motion to approve the August 1, 2024 meeting minutes. The motion was moved by Mr. Sugarman and seconded by Mr. Klinepeter. The minutes were approved.

3. Operations Update

Ms. Webb stated that Veolia has completed all of the valve turning, annual hydrant flushing and leak detection of the system. Sewer jetting is currently being worked on to meet the annual KPI, after which Veolia will start CCTV work. The annual leak detection found two leaks, both of which were on the utility side. In the past, there have also been leaks found on the homeowner side. One of the leaks is a service line leak and the other is a leak on a main which will be repaired shortly. One of the oxidation ditches was drained in order to do annual hosing and maintenance. There



have been several lights, emergency lighting and fixtures that have started to go bad electrically, which have been replaced around the plant.

Ms. Webb stated that the Susquehanna River Basin Commission approved the well 6 docket. It was approved for a 30-day average flow from well 6 of 0.856 million gallons a day so that means over 30 days, the average withdrawal from that well needs to be 0.856 million gallons or lower. The Susquehanna River Basin Commission also approved a total system withdrawal of 1.33 million gallons for a 30-day average.

Ms. Webb stated that Veolia has celebrated its annual health and safety week. There was an activity and discussion on how to break routines around the plant to ensure that employees are not getting complacent. The bi-annual CPR/AED and First Aid training has also been completed with all of the employees.

Ms. Webb stated that there have been a few repairs to the system. There was one main break on Water St. and a service line leak on the other side of Water St. which have been repaired. There were two curb stop repairs, one on Brown Street and the other on Market Street. The curb stop repairs were identified with the small meter replacement program. The shut off valve inside the house was not working so the contractor notified Veolia in an attempt to shut down the water at the curb.

On the wastewater side there have not been any Sanitary Sewer Overflows or sewer backups since the last operating committee meeting.

Ms. Webb went on to elaborate on the SmartCover graph in the PowerPoint presentation which is looking good. The only issue was that Veolia did lose communication with one of the SmartCovers so Veolia will be working with SmartCover to troubleshoot the issue and possibly replace the battery to get that back up and running. There is an intermittent communication signal currently.

Ms. Webb moved on to speak about the chemical feed upgrade. Well 4 was returned to service on August 5, 2024. As a reminder, it was originally put online in March but then had to be taken offline due to a VFD interference with the well pump signals. Contractors addressed the issue and it was returned to service in early August so Veolia could continue with the regulatory sampling for the quarter. There is some ongoing work with the level sensor. The VFD is causing a little bit of interference so Veolia is discussing the issue with the manufacturer and is actively troubleshooting it.

Ms. Webb explained that well 5 is next on the schedule for the chemical feed upgrade. This chemical feed upgrade is partially complete. The fluoride pump has been upgraded and is just waiting on a SCADA pack upgrade. The SCADA packs that are



out at all of the wells are obsolete now so when the pumps are upgraded there has to be work done with the SCADA system to integrate the wells. Well 5 should be complete in the near future and then the focus will be on well 6 for the next upgrade.

Ms. Webb stated that there are a few pieces of equipment that are out of service including Well 3 and oxidation ditch mixer 1, which had a seal failure but was able to be replaced with a back-up mixer that was onsite. That ditch had to be drained afterwards so annual maintenance could be performed. Booster pump 1 had a mechanical failure at the Booster Station but was returned to service on August 10, 2024.

Ms. Webb stated that the lead service line inventory is due to PA DEP on October 16, 2024, as was previously mentioned in prior operating committee meetings. The inventory has to identify materials on both the customer owned portion and the utility owned portion of the service line. Veolia is approaching this with a contractor in two phases. Phase 1 was completing the inventory. Part of the inventory was looking at historical records to see what was easily accessible, coming up with identifiers for each property, and establishing a baseline inventory. Veolia is working with a contractor to get the inventory in a format that can be supplied to PA DEP. There is a spreadsheet that has to be sent to PA DEP. This is currently being worked on to allow enough time should there be any issues with the PA DEP online system. Since these are very large files, it should be sent several days in advance of the due date to avoid any technical issues.

Ms. Webb explained that the next step will be sending out customer notifications to inform them that they have a lead service line or an unknown service line material. This applies to either the customer owned portion being unknown or the utility owned portion being unknown. If there was previous work at the street level and not past the curb stop, customers will be notified that it could be an unknown service line material since Veolia would only have information on the utility owned portion. These notifications need to go out by November 15, 2024. There will be a letter drafted and sent out within the next month. After that, Veolia has to work to identify unknown service lines and this is what is considered as Phase 2. As the unknown service lines are identified, there will need to be annual updates made to the lead service line inventory until the unknown lines are a known service line material. In order to do that, Veolia will be working with a contractor on Phase 2. Veolia is currently working on getting pricing. There are a couple ways to identify the unknown lines. There are some invasive ways like potholing and hydro excavation which would be excavating someone's yard to find the service line material. Customers will most likely be resistant to this method. Veolia is looking at less invasive ways to get more customer participation. There is a method where a probe can be sent down a customer's service



line. The meter would be taken off and the probe inserted into the line at the meter location. It can use electro-resistivity at the end of the probe to determine the service line material. This would take about 45 minutes to an hour for each appointment. After that, Veolia will have to see how the Lead and Copper Rule Improvement Plan, which is set to be released by the EPA in October, will update the Pennsylvania plan. Just as with PFAS, each state has their own lead and copper rule that they put into effect. New Jersey put their plan in place a few years ago so they already have all their lead line inventories complete. Pennsylvania was a little behind that so once the EPA releases their plan in October that will most likely alter Pennsylvania's existing plan. Veolia is going to continue with Phase 2 so that the unknown lines can be identified. Ms. Webb asked if there were any questions regarding the lead and copper service line inventory. Mr. Kiernan asked how many unknown lines there may be. Ms. Webb responded that the historical records have been examined but there was not enough information to conclusively identify all the lines, so it is anticipated that there are going to be quite a few unknown lines. For areas where recent capital projects have taken place, Veolia has already identified the utility owned portions, but has not identified the customer owned portion due to limited records. To identify these unknown lines in Pennsylvania is difficult to prove, so potholing or the probe method will most likely be used. Mr. Klinepeter asked if a visual inspection at the water meter could be done in some homes. Ms. Webb stated that this could be used as one point of proof but there also needs to be a second point of proof through construction records or something of that nature. These are being submitted since some have been obtained along with the meter replacement program but PA DEP has been very particular about what they will accept. PA DEP is stating that it may be one type of line in the house and another through the rest of the service line. There will continue to be updates as this rolls out.

Ms. Webb moved on to provide a PFAS update. Ms. Webb stated that Veolia is testing PFAS every quarter this year at the entry points per the PA DEP regulation. At the last meeting, Veolia received PFAS results for wells 1, 2 and 5. Wells 6 and 4 had not been received yet. When they are in the chart will be updated. Per the PA DEP regulation Veolia is in compliance. In April of 2024, PFAS was updated with an EPA regulation and Veolia is exceeding that requirement for all PFOS and PFAS at every location except for PFOA for well 1. As a reminder, PA DEP has released a technical guidance document with Granular Activated Carbon (GAC) as the recommended treatment technique for PFAS removal. The EPA rule is not in effect yet, but there needed to be some additional monitoring to meet the compliance deadline of April of 2029. With the Q3 testing the new EPA compounds have been added. They are PFHxS, PFNA, PFBS and the HFPO-DA (Gen X). Veolia is not exceeding the EPA regulation for any of those compounds. The PFOA and PFOS concentrations are exceeding the recently created EPA maximum contaminant levels, so that will be the



focus on what to work towards going forward to meet the April 2029 compliance deadline.

Ms. Webb asked if there were any questions regarding operations, PFAS testing or the Lead and Copper Rule. There were none.

4. Customer Service Update

Ms. Webb stated that the Small Meter Testing and Replacement Program has been completed for the year with the contractor and Veolia staff. There have been 303 small meters replaced this year. About 50% of the meter test results have been received with a 95% pass rate. The additional 50% that are being tested are expected to have results in the near future. In 2023 there was also a pass rate of 95% and a lower pass rate in 2022 due to the COVID pandemic, so only the stopped or problematic meters were focused on. This helped contribute to the low pass rate. The Pineford Village meter pit is also being looked at currently to iron out the details.

Ms. Webb stated that there was a large increase in consumption in the Royalton meters in August. Royalton Borough was notified of this increase and they stated that they completed their annual hydrant flushing in August, so that was the cause of the increase.

Mr. Kiernan stated that, with regards to online billing, Ms. Rutigliani is waiting for information from Mr. Bonn to be able to provide an update. Mr. Kiernan stated that he will follow up with Mr. Bonn after this meeting.

Ms. Webb then introduced William Turner, who is part of Veolia's finance department. He will be taking over for Jagruti Patel who has since left the company. Mr. Turner stated that year-to-date water revenue is up by 8.4% due to the rate increase of 7.3% plus consumption increase of 1.7%. Year to date sewer revenue is up 9.6% due to the rate increase and a volume increase of 2.7%.

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. The construction work aspect of this project is now complete and now it's mostly back office work reviewing the As-Built drawings provided to Veolia, making the correct modifications to the Middletown GIS mapping system and coordinating some final items with HRG to ensure the final documents are together. Overall though, this project is complete.



Mr. Margiolas moved on to discuss the 2022/2023 Underground Infrastructure Replacement Project. The previous milestone is that Veolia received the 60% preliminary design package from HRG and, following review, provided some comments and everything that HRG had requested including the completed CCTV footage. The final package is currently being pulled together, which is expected in the next few weeks, and then it will go out to bid. Mr. Margiolas highlighted the sanitary sewer and water areas that will be worked on which include Union St., Water St. and Peters Ave. along with their associated linear feet.

Mr. Margiolas moved on to discuss the N. Union St. tank rehabilitation project. Veolia has received the temporary booster station which is needed to connect the pressure zones when the N. Union St. tank is drained for its rehabilitation. The booster skid is onsite and the electrical and plumbing is currently being worked on and should be completed within the next week or two. After which, there will be a pressure test. There was a slight push back in the schedule to get utility power to the area. A new pole needed to be installed to get power to that area. On the tank itself, the corral is now finished in fabrication and is ready to be installed. Veolia is working closely with AT&T and their subcontractor Jacobs to get a lifting plan and antenna raising procedure in place. It is a pretty robust corral which was needed for the number of antennas and the weight. It is in compliance with the FFA guidelines so it had to be designed accordingly. It will take about a week to install and then an additional couple of days for the adjustment of antennas with AT&T which should coincide with the booster station timeline. Once everything is finalized and the tank is drained, I.K. Stoltzfus will then proceed with the restoration. This will be completed early into 2025 with the majority of it being completed in 2024.

Mr. Margiolas then moved on to speak about the wet well headworks upgrade. There were a few phases and there has been great progress on those. As of the last meeting, the washer compactor has been installed and has been operating consistently. The remainder of the project is focused around the wet well itself and rehabilitating it in total. There was a request to get the HVAC engineering analysis done which was completed by Keystone Engineering. One of their recommendations, based on the analysis, is that Veolia should replace the HVAC system for multiple reasons. The main reason is that it needs to meet regulations with the PA DEP and NFPA. One of the items that is missing is a supply fan to the wet well. Currently there is only an exhaust fan. Installing a supply fan will help to meet the requirements. There is also a gas line which runs through the wet well which needs to be removed or re-piped outside the wet well, which is a requirement of NFPA 820. With these recommendations, along with replacing the boilers in the dry well, this would put it in compliance with PA DEP and NFPA. Veolia is looking at pricing and putting a plan in



place to implement these recommendations. The next phase will be the raw pump conversion to provide a grit cleaning system which is moving forward. One of the pumps is currently being retrofitted and once that is installed, the next pump will be retrofitted. The inlet and outlet lines are almost done and will be installed for the flushing system so that water can be put through them to continuously flush the motors from the grit build-up. Mr. Margiolas stated that the final 2 phases are the wet well restoration which includes cleaning, painting, restoring and completing safety improvements to the area. There is a package being put together to go out to bid for that work and tying it into the HVAC and boiler upgrade as well. The final phase deals with the raw pump VFDs. Veolia is looking to replace the VFDs on raw pumps 1 and 2. The VFDs have been ordered and the installation is anticipated to be completed in early December.

Mr. Margiolas asked if there were any questions on any of the projects. Mr. Klinepeter asked how the discussions were going with Lower Swatara and Royalton in relation to sharing in the cost of the wet well project. Ms. Webb stated that Veolia is reaching out to Lower Swatara to update their annual fee and will be discussing this project and payment for that as well. Ms. Webb stated that she may have a separate discussion with Mr. Klinepeter to see how previous discussions have gone with Lower Swatara and Royalton regarding any wastewater upgrades.

Ms. Webb reminded the group of the Woodland Hills pressure complaint that was received from a borough counselor. There have been no further updates or complaints. The high and low pressure zones have been connected in Woodland Hills. Veolia will continue to monitor this situation and provide any updates.

6. CPI Impact on Future Rate Increase

Mr. Sugarman displayed a graph of the CPI-U for the Northeast Region. Mr. Sugarman stated that as of August the CPI-U for the Northeast region was up 3.4% over the prior 12 months. The CPI-U in June, which impacts the rate increase in January, was at 3.8% which, when combined with the 2.5% margin change, gives 6.3%. That is before any capital cost recovery charge but nothing has changed from what was stated in the minutes from the last meeting. It is expected to come in the same range for capital work with the same implications for the capital cost recovery charge which would put the rate increase between 9% to 9 ½% range for the beginning of next year.



7. Royalton and Lower Swatara Contract Update

Mr. Correll stated that the calculations for Lower Swatara have been finalized so that when WC Partners reaches out to Lower Swatara, based on previous discussions, WC Partners will reaffirm that the base fee will be adjusted and that it should be effective the first of the year. The final estimate for the headworks work will also be provided to them. Mr. Correll stated that with regards to Royalton, the lawyer from Mr. Pensyl's firm has been having some discussions with Steve Miner. Mr. Correll asked Mr. Sugarman if he had received any feedback from Mr. Miner. Mr. Sugarman confirmed that there is a call scheduled later this week with some people from Allen and Overy. Mr. Correll stated that this is also supposed to be wrapped up by the end of 2024 with the hopes of having it in effect the first of the year.

8. Community Outreach

Ms. Webb stated that the next event will be the Frosty 5k which will take place in the beginning of December. This is always a great event to participate in. Ms. Webb stated that Veolia is still looking for additional opportunities and to reach out to Mr. Halleron if there are any opportunities in the area. Ms. Webb also stated that it takes several weeks to get everything approved on Veolia's end so it would need to be submitted in advance. Mr. Kiernan confirmed it is a 6 week turnaround time for these requests.

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 Tuesday, December 3, 2024, at 10:00 am. Ms. Webb will send the invitation.

The meeting was then adjourned.