



Workshop and Regular Meeting Minutes

Board of Directors

May 27, 2015

5:00/6:00 PM

Workshop Meeting (5:00)

A Workshop Meeting of Capital Region Water was conducted at 5:00 PM prior to the Regular Meeting. The Workshop was open to the public and presentations were made to bring the Board and the public up to date on the status of the ongoing projects.

In Attendance:

Board:

J. Marc Kurowski, Chairperson
William J. Cluck, Vice-Chairperson
Westburn Majors, Secretary (Arrived at 5:15 PM)
Crystal Skotedis, Treasurer
Darryl Waters

Staff:

Shannon G. Williams, Chief Executive Officer
David Nowotarski, Chief Financial Officer
David W. Stewart, P.E., Director of Engineering
Michael Deily, Director of Operations
Karen M. McKillip, Document Manager/Right to Know Officer
Tammie Sheaffer, Office Manager
Andrew Bliss, Community Outreach Manager
Tanya Dierolf, Sustainability Manager

Consultants:

Steve Grubb, Esq. (Goldberg Katzman, P.C.)
Michael A. Schober, P.E. (CDM Smith, Inc.)
Mark Strahota (Hazen and Sawyer)
Thomas Huestis (Public Resources Advisory Group)
Jessica Donnelly (Public Resources Advisory Group)

Presenters:

Tom Inge (Ward Burton Wildlife Federation)
Josh Parrish (Nature Conservancy)
Lt. Christopher McDevitt (PA Army National Guard) (Arrived 5:20 PM)
Dave Weisnicht (PA Army National Guard) (Arrived 5:20 PM)

Others:

Matt Crow (JMT)

Prior to beginning the Workshop, Chairman Kurowski welcomed Darryl Waters, CRW's newest board member bringing the Board up to a full complement of five.

DeHart Watershed Conservation Proposal (Ward Burton Wildlife Federation [WBWF] and The Nature Conservancy) (Presentation by Tom Inge WBWF and Josh Parrish of The Nature Conservancy) (began at 5:07 PM)

Ms. Dierolf introduced Mr. Tom Inge from the Ward Burton Wildlife Foundation and Josh Parrish from The Nature Conservancy who presented a proposal for WBWF to act on behalf of Fort Indiantown Gap to use ACUB funding to pay CRW for the retirement of development rights on the DeHart watershed property. Under the proposal, a Conservation Easement Agreement would be entered into between CRW and The Nature Conservancy, with Fort Indiantown Gap as a third party, in exchange for financial compensation based on a property appraisal to be completed upon commencement of the agreement.

Ms. Dierolf stated that CRW issued three RFP's on April 24 with proposals due by June 5th: (1) boundary survey of the CRW-owned DeHart watershed property; (2) special counsel for conservation legal services; and (3) a Forest Stewardship Plan. It is the intent of staff that a suite of inter-related recommendations will be presented for the Board's consideration at the June 24th Board meeting.

Bond Funding Strategy (Presentation by Dave Nowotarski, Tom Huestis and Jessica Donnelly of Public Resources Advisory Group) (began at 5:35 PM)

Mr. Nowotarski introduced Mr. Huestis and Jessica Donnelly of PRAG. A Powerpoint presentation was provided to outline:

- 2015 Water Financing Objectives;
- Sewer Financing Objectives;
- Water Bond Rating – Historical Summary;
- Sewer Bond Rating – Historical Summary;
- Rating Definitions;
- Conversion of Interim Financings to Permanent Financings;
- Re-establishing CRW's Bond Rating – Completed Steps;
- Re-establishing our Bond Rating – Remaining Steps;
- Rating/Financing Team;
- Systems to be Rated;
- Selection of Rating Agency(s) and Projected Rating;

- Other Agreements/Decisions;
- Outstanding Obligations;
- Summary of Current Water Bonds;
- Summary of Current Sewer Debt;
- Questions

Mr. Cluck inquired if there would be a special workshop for the Board to consider whether CRW wants to consider water and sewer funds to be combined or to be operated separately. Mr. Nowotarski stated that an Issue Brief would be presented to provide the options to the Board whether to combine or separate the water and sewer funds. The Board will need to make that decision, however it was noted that once CRW elects to combine or separate the funds through restructuring financings, it would be very difficult to make changes.

CRW's next goal is to finalize the 2014 Audit in July and it is expected that the 2014 Financial Statement will be released in September of 2015. Ms. Skotedis questioned the delay in release of the 2014 Financial Statement until September (due June)? Mr. Nowotarski noted that the delay is due to staffing constraints at the City which causes a delay to CRW because there are still items that are tied to the City through 2014 for Fixed Assets and AR. Trout Ebersole is working with the City and CRW but still hasn't delivered everything that CRW needs to finalize CRW's Audit.

Status Update on Partial Consent Decree Compliance (Presentation by Dave Stewart began at 6:00 PM)

Mr. Stewart provided a Powerpoint presentation outlining milestones and their status. It was noted that CRW's requested re-prioritization of "early action" projects was approved and that upon update of the record, the Partial Consent Decree will be officially entered into. After this modification is made, the Consent Decree should be entered into within the next few days. CRW would then be subject to stipulated fines as enumerated in the document.

The next milestone deadline coming up is in August of 2015 and he updated the Board on the status of those deadlines.

Mr. Cluck questioned the item identified as "12-31-15 Upgrade Satellite Community Flow Meters". Mr. Stewart responded that this is related to bulk metering information that is collected from the suburban communities at the entry points to CRW's conveyance system.

Mr. Stewart also notified the Board that he routinely speaks with EPA representatives to keep them updated.

[Messrs. Inge, Parrish, McDevitt, Weisnicht and Ms. Donnelly left the meeting at 6:04 PM]

Regular Meeting (6:00)

The meeting was called to order by Mr. Kurowski at 6:04 PM.

In Attendance:

Board:

J. Marc Kurowski, Chairperson
William J. Cluck, Vice-Chairperson
Westburn Majors, Secretary
Crystal Skotedis, Treasurer
Darryl Waters

Staff:

Shannon G. Williams, Chief Executive Officer
David Nowotarski, Chief Financial Officer
David W. Stewart, P.E., Director of Engineering
Michael Deily, Director of Operations
Karen M. McKillip, Document Manager/Right to Know Officer
Tammie Sheaffer, Office Manager
Andrew Bliss, Community Outreach Manager
Tanya Dierolf, Sustainability Manager
Jess Rosentel, Superintendent – Wastewater

Consultants:

Steve Grubb, Esq. (Goldberg Katzman, P.C.)
Michael A. Schober, P.E. (CDM Smith, Inc.)
Mark Strahota (Hazen and Sawyer)
Herb Higginbotham (AECOM)

Others:

Matt Crow (JMT)
Paul McNamee, PE (KCI Technologies, Inc.)

Call to Order - Pledge of Allegiance:

Chairman's Announcements:

- A. The Chairman announced that all five members of the Board were present. This is the first time Capital Region Water Board has had a full five member Board in many years. He introduced to the public and welcomed Darryl

Waters.

- B. He announced that for those who are just arriving, a Workshop had been held tonight at 5:00 PM and that there were three presentations provided. CRW Workshops are open to the public and information will be relayed in the minutes of tonight's meeting.
- C. The next workshop meeting will be held on Wednesday, June 10, 2015 at 5:00 PM. This meeting is open to the public and deliberation of issues may take place.
- D. The next Regular meeting is scheduled for Wednesday, June 24, 2015 at 6:00 PM. It will be preceded by a workshop meeting at 5:00 PM. Both are open to the public.
- E. Advertisement of the workshop meetings along with the regular monthly meeting dates has been completed in accordance with the Sunshine Act and will be attached to the minutes as Exhibit "A".

Staff Reports:

The Monthly Management Report was provided to the Board in advance of the meeting and will be posted to CRW's website. Each Director presented highlights and supplements to the report and entertained questions from the Board.

Chief Executive Officer:

Ms. Williams advised that she will not be in attendance for the June 10 workshop as she will be out of the country.

She noted that the majority of last month's work focused on advocacy relative to state and federal regulations that may have an impact on CRW, i.e. nutrient credit program and disinfectant residuals within our drinking water system.

Based on recent discussions regarding problems with party sewer lines, CRW staff and general counsel are evaluating our current Water Shut-Off Policies and Procedures and how CRW may be able to assist homeowners in working to fix the problems when they receive notices that the utility is scheduled to be shut off due to issues that have been identified by CRW's operational staff.

She also reported that Mr. Lausch has been in contact with companies regarding service line warranty information and that he will have a recommendation to the Board for the June 24th meeting.

She has also reached out to staff of Hamilton Health Center to discuss the issues of whether CRW adding fluoride to our water system is beneficial or not. She is still awaiting a response and will keep the Board informed.

Director of Administration:

No report due to Mr. Lausch's absence.

Chief Financial Officer:

Billing conversion has taken place. The second set of invoices is scheduled to be issued next week. Problems were anticipated and issues have been dealt with as they have occurred.

Mr. Cluck stated that the invoice he had just received indicated a due date of May 25, 2015. He attempted to make the payment online, however since May 25th was a holiday the payment would not be credited until May 26th. He asked if CRW will be waiving any fees incurred to customers that attempted to make their payments on the due date but were unable due to the holiday? Mr. Nowotarski responded that he will work with the billing department to waive any penalties assessed under these circumstances; however if customers made their payments on the 27th they will incur penalties for a late payment.

Mr. Cluck noted that there was a discussion at last night's City Council meeting regarding a large number of customers who had not been properly charged for sanitation. He asked if CRW had been notified that this same scenario may have occurred with CRW's water and sewer customers. Is there some type of audit being performed that CRW will be able to follow up on?

Mr. Nowotarski noted that as of the billing conversion CRW now has access to the Accounts Receivable Reports from the City. It appears that there were discounted customers in the City of Harrisburg's system; however CRW billed all of those customers in the initial CRW billing to err on the side of caution with the intention to deal with the fallout of those customers that may have received a bill in error and would deal with those issues on a case by case basis.

CRW's billing department intends to perform a lot of clean up and scrubbing of Accounts Receivables and to possibly hire a collection agency to deal with any delinquent water/sewer accounts in order to capture outstanding revenues. It was also noted that in 2016 CRW intends to hire an auditor to perform systematic audits of CRW's customer base to assist with accounts receivable collections.

Director of Engineering:

Mr. Stewart advised that the Front Street Pump Station pre-proposal meeting was held on May 20th and was well attended by over twenty (20) contractors. Addendum #1 was issued today with a due date of June 9th so a recommendation should be available at the June 24th monthly meeting.

Mr. Stewart stated that he has three agenda items this evening and entertained questions.

Mr. Cluck inquired as to whether CRW had pursued M/WBEs for the award of the Green Stormwater Infrastructure Master Plan. Ms. Williams noted that while CRW did not have any minimum participation levels within the contract, CRW strongly encouraged the use of local vendors and M/WBE vendor participants during the pre-proposal meeting .

Mr. Cluck stated that the Issue Brief and three proposals for the Green Stormwater Infrastructure Master Plan were not placed on the Share File portal until Tuesday, May 26th and he did not have adequate time to review the materials relevant to Engineering Items A and B therefore he would be voting no. He reiterated that items relative for Board approval are to be on the Share File portal by the close of business the Friday before the monthly Board meeting.

Mr. Kurowski questioned whether CRW is comfortable with the technology being offered by Hydrostructures P.A. as recommended in Engineering Item B on the Agenda? A discussion was held wherein Mr. Stewart explained that this is a more cost effective method to use a camera vs. internally televising lines. It is anticipated that this process will prompt the additional televising of lines on an as-needed basis rather than televising all of the lines immediately. Based on this more efficient method, it is anticipated that all data will be in the system by October 2015.

Director of Operations:

Mr. Deily noted that hydrant flushing has begun and there have been minimal complaints.

Mr. Cluck thanked CRW's Operations Division who recently assisted an elderly customer on 17th Street that had been featured on the news. The Mayor's office recognized CRW employee Joseph Baker for his extra efforts made during this event.

At the conclusion of the Operations report, there was discussion regarding CRW's MBE policy for consultants. The Board previously adopted a policy for construction projects but does not have a policy for service providers or professional services. Ms. Williams stated that CRW staff strives to provide bidding and proposal opportunities to the broadest audience possible and specifically reaches out to specific organizations including the Harrisburg Diversity Coalition encouraging them to keep an eye on CRW's website and twitter for upcoming projects. CRW staff has recently discussed hiring an attorney who has developed programs in the past that may or may not have been successful.

Mr. Cluck requested that the Board have some type of Policy and Procedure for the June meeting as to the award of contracts over a certain dollar amount and to have certain goals similar to what the City of Baltimore has implemented with participation goals and a certification officer.

A discussion was held and Mr. Kurowski advised that he too would like to see a Policy and Procedure implemented but he is not sure if there is adequate time for it to be on the June agenda. Ms. Williams noted that CRW is currently working with special counsel Bill Warren of the law firm of Saul Ewing and that a proposal has been received as to the scope of the project. As soon as any possible conflicts have been resolved, there will be action brought before the board to engage professionals regarding this matter.

Consultant Reports:

Written consultant reports were received from Goldberg Katzman, HRG, CDM Smith, and Whitman Requardt & Associates. Representatives from all firms were present and available for questions by the Board.

Minutes of Previous Meetings:

A motion was made by Mr. Kurowski, seconded by Ms. Skotedis, that the minutes of the April 22, 2015 Regular Meeting be approved as presented. The motion was unanimously approved.

Modifications or Deletions to the Agenda: None.

Public Comments - Agenda Items (3 minutes): None.

Old/New Business:

EXECUTIVE:

A motion was made by Mr. Kurowski, seconded by Mr. Majors, that the following item be approved: EXECUTIVE – Item A:

A. Unlimited Design:

Motion: The Board authorizes the CEO to approve the 12-month engagement of Freefall Creative to provide unlimited design services as more fully described in the Service Agreement dated May 18, 2015. The fee for this work is \$1,000 per month. Funding Source: Admin #6150 - Website Design

The motion was unanimously approved.

FINANCE:

A motion was made by Mr. Kurowski, seconded by Ms. Skotedis, that the following item be approved: FINANCE – Item A:

A. MUNIS Conversion Project Mgmt. Phase 2 Implementation:

Motion: The Board authorizes the CEO to approve the engagement of McKonly and Asbury to provide project manager assistance related to the Implementation Phase of MUNIS conversion for a not-to-exceed fee of \$20,000 plus out-of-pocket expenses. Funding Source: Admin #6240 – Audit/Accounting Support

The motion was unanimously approved.

ENGINEERING:

A motion was made by Mr. Kurowski, seconded by Ms. Skotedis, that the following item be approved: ENGINEERING – Item A:

A. Recommendation of Award - GSI Master Plan Project:

Motion: The Board authorizes the CEO to negotiate and execute a professional services agreement with WRT to develop a Green Stormwater Infrastructure Master Plan for a not-to-exceed fee of \$475,000. Funding Source: Wastewater #7253 - GIS Project

The motion was approved by majority vote. Messrs. Cluck and Waters were opposed to the motion.

A motion was made by Mr. Kurowski, seconded by Mr. Majors, that the following item be approved: ENGINEERING – Item B:

B. Phase 5 GIS:

Motion: The Board authorizes the CEO to negotiate and execute a professional service agreement with Hydrostructures, P.A. for the assessment of all collection sewer manholes (sanitary, combined and separate storm) and rapid camera assessment of all pipes in an amount not to exceed \$522,800. Funding Source: Wastewater #7253 – GIS Project

The motion was approved by majority vote. Messrs. Cluck and Waters were opposed to the motion.

A motion was made by Mr. Kurowski, seconded by Ms. Skotedis, that the following item be approved: ENGINEERING – Item C:

C. GIS Program – Agreement with U.S. Army Corps of Engineers and Authorization for Section 22 Program – Amendment No. 2:

Motion: The Board authorizes the CEO's execution of Amendment No. 2 to the letter agreement between Capital Region Water and the U.S. Army Corps of Engineers for the Section 22 Technical Assistance Program (50% matching fund grant program) in support of CRW's GIS Program, including the disbursement of \$50,000 to fund the continuation of mapping and evaluation of the Municipal Separate Storm System (MS4). Funding Source: Wastewater #7253 - GIS Project

The motion was unanimously approved.

ADMINISTRATIVE / OPERATIONS: None.

Board Comments:

Mr. Cluck stated that the PennDOT Front Street Project is a mess regarding the sixteen trees that are tagged in pink paint to be taken down. He questioned whether CRW is involved and if CRW should play any role. Mr. Stewart advised that CRW had made a previous inquiry to PennDOT to incorporate green infrastructure and stormwater management into that project and was told that the project was too far along to make any changes and that there was no interest in CRW's green infrastructure role at this time. The project was moving along very quickly.

It was noted that CRW has and continues to make efforts to contact the City and PennDOT as future projects are coming up so that CRW has the ability to incorporate green

infrastructure and stormwater management into as many projects as possible.

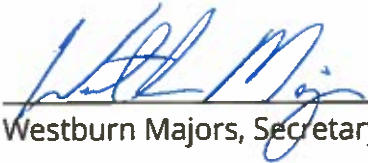
Mr. Waters, Ms. Skotedis and Mr. Majors had no additional comments.

Public Comment - Non-Agenda Items: None.

Adjournment:

A motion was made by Mr. Majors, seconded by Mr. Cluck, that the Board adjourn the meeting at 7:05 PM. The motion was unanimously approved.

CAPITAL REGION WATER



Westburn Majors, Secretary

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The Patriot-News
Now you know

CAPITAL REGION WATER
212 LOCUST STREET
SUITE 302

HARRISBURG PA 17101

THE PATRIOT NEWS
THE SUNDAY PATRIOT NEWS

Proof of Publication

Under Act No. 587, Approved May 16, 1929
Commonwealth of Pennsylvania, County of Dauphin} ss

Amy Kotula, being duly sworn according to law, deposes and says:

That she is a Staff Accountant of The Patriot News Co., a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, with its principal office and place of business at 2020 Technology Pkwy, Suite 300, in the Township of Hampden, County of Cumberland, State of Pennsylvania, owner and publisher of The Patriot-News and The Sunday Patriot-News newspapers of general circulation, printed and published at 1900 Patriot Drive, in the City, County and State aforesaid; that The Patriot-News and The Sunday Patriot-News were established March 4th, 1854, and September 18th, 1949, respectively, and all have been continuously published ever since;

That the printed notice or publication which is securely attached hereto is exactly as printed and published in their regular daily and/or Sunday/ Community Weekly editions which appeared on the date(s) indicated below. That neither she nor said Company is interested in the subject matter of said printed notice or advertising, and that all of the allegations of this statement as to the time, place and character of publication are true; and

That she has personal knowledge of the facts aforesaid and is duly authorized and empowered to verify this statement on behalf of The Patriot-News Co. aforesaid by virtue and pursuant to a resolution unanimously passed and adopted severally by the stockholders and board of directors of the said Company and subsequently duly recorded in the office for the Recording of Deeds in and for said County of Dauphin in Miscellaneous Book "M", Volume 14, Page 317.

PUBLICATION COPY

This ad # 0002336303 ran on the dates shown below:

May 19, 2015

Amy Kotula

Sworn to and subscribed before me this 19 day of May, 2015 A.D.

Sheryl Marie Leggore
Notary Public

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Sheryl Marie Leggore, Notary Public
Hampden Twp., Cumberland County
My Commission Expires July 16, 2018
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

Starting June 10, 2015, Capital Region Water will hold monthly public meetings at 5:00 PM. All meetings are open to the public, and deliberation of issues may take place. Meetings will be held in the 1st Floor Conference Center at 212 Locust Street, Harrisburg, Pennsylvania 17101. This schedule, as well as cancellation notices, agendas, and minutes are available on our website www.capitalregionwater.com. These meetings will be held on the following dates:
May 27
June 10
June 24
July 8
July 22
August 12
August 26
September 9
September 23
October 14
October 28
November 18
December 2
December 16
Regular meetings (previously advertised) will still be held at 6:00 PM.
CAPITAL REGION WATER
Shannon G. Williams, P.E., CEO

The Patriot-News

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HARRISBURG PA 17101 USA

Order Source
Phone

Customer Phone
717-525-7677
717-525-7677

Payor Phone
717-525-7677
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Special Pricing
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Ordered By
Tammie Sheaffer

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Customer EMail
renee.snyder@capitalregionwater.

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Payment Amount
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Amount Due
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CAPITAL REGION WATER
Shannon G. Williams, P.E., CEO

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