



Workshop Meeting (5:00)

A Workshop Meeting of Capital Region Water was conducted at 5:00 PM and was open to the public. Chairperson Kurowski noted that Messrs. Majors and Waters were not present at the time the Workshop began but were expected to arrive later.

In Attendance:

Board:

J. Marc Kurowski, Chairperson
William J. Cluck, Vice-Chairperson
Westburn Majors, Secretary (Arrived at 5:44 PM)
Crystal Skotedis, Treasurer
Darryl Waters (Arrived at 6:10 PM)

Staff:

Shannon G. Williams, Chief Executive Officer
Jack Lausch, Director of Administration
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
Lexie O. Grant, Grants & Funding Coordinator
Joseph Ritchey, Risk Manager
Tanya Dierolf, Sustainability Manager
Raly Bey, Superintendent – Water

Consultants:

Steven E. Grubb, Esq. (Goldberg Katzman, P.C.)
Michael A. Schober, P.E. (CDM Smith, Inc.)
Paul Rosol (WRA [Arrived at 5:21 PM])
Jeff Thompson (WRA)
Ed Ellinger (HRG [Arrived at 5:50 PM])

Presenters:

David Nowotarski, Chief Financial Officer
Jonathan Greiner, GeoDecisions
Joseph Ritchey, Risk Manager



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Others:

Paul McNamee, PE (KCI Technologies, Inc.)

Matt Crow (JMT)

John Kelly (Janney Montgomery Scott, LLC [Arrived at 5:30 PM])

Karl Singleton (City of Harrisburg [Arrived at 5:40 PM and left at 5:45 PM])

2015-Mid Year Financial Report: Presentation by Dave Nowotarski (began at 5:06 PM)

Mr. Nowotarski provided a presentation on CRW's mid-year financial status.

It was noted that relocation and establishment of CRW's Customer Service Office outside of the Harrisburg City Government Center at 100 Pine Drive has been going very well. Customers appear to be happy with the recent changes with the availability of parking and the ease of new customer payment options. As of April 2015, CRW transitioned from the City's billing system to the MuniLink Billing System. This transition continues to be a work in progress but has gone very well so far.

He further explained that CRW is expecting to be "live" as of January 2016 with the Muni General Ledger Conversion. The conversion will be very beneficial to CRW's staff as we transition from QuickBooks to accounting software better suited to our current needs. The new software will allow CRW the opportunity to provide reporting in a more efficient manner.

As future financings are contemplated, CRW continues to make sure we are viewed as a standalone entity separate from the City of Harrisburg.

As CRW has grown, so has the complexity of our payroll. A new payroll provider is being contemplated to address these concerns. The transition to a new payroll provider is contemplated for January 2016.

CRW's Finance Department continues to grow. Establishment of a collections division will be established to ensure maximum collection of revenues.

The 2016 Budget will soon be upon us. Meetings are being set up to meet with City representatives to discuss the current status of shared services that remain with the City. Currently, the only shared service that remains is street cleaning/sweeping. Prior shared services have been finalized, e.g. treasury services, etc. Mr. Cluck stated that CRW needs to keep the City in the loop regarding our budget deadline of providing a budget by December



1st to accommodate the Suburban Municipalities while not holding up any timelines for the City's budget process.

Board members discussed their concerns about the current format of the monthly finance reports. Mr. Nowotarski advised that the Munis software will allow the Finance Department to prepare financial reports in a manner that better suits the Board's requests.

Additional questions were addressed by Mr. Nowotarski.

Emergency and Public Service Notification - Rapid Response System: Presentation by Jonathan Greiner, Geo Decisions (began at 5:34 PM)

Mr. Greiner introduced himself and provided a presentation to the Board. He explained that their software allows for CRW to communicate emergency and public service announcements to CRW's customers and staff in several methods.

It was suggested that CRW begin the collection of customer telephone numbers, in addition to addresses for billing and/or location of service of utilities as soon as possible. As many customers have transitioned from land lines to cell phones, CRW needs to be able to provide up-to-date emergency information in the best possible way. Upon discussion, it was noted that the City did not maintain telephone information within their records. CRW will need to acquire telephone numbers for all of our customers. Mr. Greiner noted that GeoDecisions has the ability to access data bases for initial telephone numbers, but suggests that through either portal input through Munis or by other means, e.g. bill stuffers, etc., CRW begin the collection and input of customer information. Upon CRW entering information into our Munis Software, GeoDecisions would have the ability to contact customers by several methods of communication by the click of a button.

Service Line Warranties: Presentation by Joe Ritchey (began at 5:54 PM)

Mr. Ritchey provided a presentation explaining the issue of service line warranties that homeowners/customers can purchase for water and sewer lateral lines. The lateral lines are the responsibility of the homeowners and many homeowners are under the impression that the service lines are covered by their homeowner's insurance, or are the responsibility of Capital Region Water when costly repairs are required.



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Currently, CRW provides a tri-fold brochure to customers outlining homeowner's responsibilities as to water and sewer line laterals and the information is also available on our website at <http://capitalregionwater.com/homeowner-guidelines/#sthash.Gsly8MHR.dpbs>.

Previously, the City of Harrisburg endorsed the National League of Cities through a Service Line Warranty Program however the City did not endorse the program in 2014. Mr. Ritchey stated that CRW needs to make a decision as to whether CRW wants to endorse a service line warranty program.

Mr. Lausch wants to make sure that CRW's endorsement of this type of warranty or insurance coverage would be of help to our customers. Existing issues and older homes may be exempt.

Upon discussion, Board members requested Mr. Ritchey provide a listing of the companies that are currently available to provide this service, along with his recommendation and costs affiliated along with the dollar value of the coverage provided for the August Board meeting. Upon receipt of the information, the Board will analyze the information and provide a strategy as to how we proceed. Since the previous coverage was endorsed through the National League of Cities, Mr. Grubb was requested to research whether it is even possible for CRW to endorse any warranty program under the terms of the Pennsylvania Municipal Authorities Act.

Regular Meeting (6:00PM)

In Attendance:

Board:

- J. Marc Kurowski, Chairperson
- William J. Cluck, Vice-Chairperson
- Westburn Majors, Secretary (Arrived at 5:44 PM)
- Crystal Skotedis, Treasurer
- Darryl Waters (Arrived at 6:10 PM)



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Staff:

Shannon G. Williams, Chief Executive Officer
Jack Lausch, Director of Administration
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
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Consultants:

Steven E. Grubb, Esq. (Goldberg Katzman, P.C.)
Michael A. Schober, P.E. (CDM Smith, Inc.)
Paul Rosol (WRA Arrived at 5:21 PM])
Jeff Thompson (WRA)
Ed Ellinger, P.E. (HRG [Arrived at 5:50 PM])
Mark Pickering, P.E. (GHD [Arrived at 6:09 PM])

Others:

Paul McNamee, PE (KCI Technologies, Inc.)
Matt Crow (JMT)
John Kelly (Janney Montgomery Scott, LLC [Arrived at 5:30 PM])

Call to Order - Pledge of Allegiance:

The meeting was called to order by Mr. Kurowski at 6:21 PM.

Chairman's Announcements:

- A. A workshop meeting previously scheduled for Wednesday, July 8, 2015 was cancelled. The next workshop meeting is scheduled for August 12, 2015 at 5:00 PM. This meeting is open to the public and deliberation of issues may take place.
- B. The next regular meeting is scheduled for Wednesday, August 26, 2015 at 6:00 PM. It will be preceded by a workshop meeting at 5:00 PM. Both are open to the public.
- C. The Chairman announced that all five members of the Board were present.

- D. 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. Copies of the presentations provided at the workshop tonight are available upon request.

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 stated that the 2015 Consumer Confidence Report a/k/a Drinking Water Quality Report is available and has been posted on our website. She noted that CRW is no longer mailing the reports to every customer, but is instead notifying customers that the report is available on our website and is distributing hard copies to community locations throughout the service area. This method reaches a larger audience but results in lower expenses.

Ms. Williams announced that CRW's Raindrop to River Conservation Carnival will again be at Kipona and that CRW has received a large amount of space located south of the Walnut Street Bridge.

CRW continues gathering information and will be moving towards entering into an agreement with the Ward Burton Wildlife Federation at the August 26th meeting relative to the Clarks Valley Watershed a/k/a DeHart Dam.

A draft video regarding Climate Resiliency is available and will be presented to the Board at a future workshop.

Last month, Mr. Cluck inquired about a PSA for tenants' rights relative to billing and tenant/landlord issues. While a PSA video is not available yet, the issue of tenants' rights is addressed under Frequently Asked Questions on a billing insert that will go out with this month's bills and will then be placed on our website.



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Ms. Williams noted that this is yet another reason why CRW's establishment of a database to include email addresses and cell phones for customers would allow CRW to have the ability to contact tenants in the event there are issues where the landlord receives the bill and the tenant may not be aware. Ms. Williams stated that in the event of water shut off CRW does notify the tenant thirty days in advance of the water shut off that the water will be terminated and the tenants are advised of their rights. Mr. Cluck requested Ms. Williams provide the information on tenants' rights to the Fair Housing Council who deal with a lot of lower income customers. Ms. Williams directed Mr. Bliss to handle distribution of the material to the Fair Housing Council.

Ms. Williams also noted that staff is continuing the collection of the discounted utility listing that was utilized by the City of Harrisburg. The information is not easily available and, although there are not a lot of customers, some accounts pertain to discounts on drinking water only and not sewer service. This request is still a work in progress. It was also noted that while the issue is being investigated, this was also discussed by Mr. Nowotarski earlier when he noted that a collections division of the Finance Department would be established to follow up on non-payment of customers and guidelines for procedures for collection of revenues. The goal is that all 22,000 CRW customers will be accounted for, proper guidelines will be established, all CRW connections are receiving bills; and all are being properly billed for the correct meter size and services as we move forward.

The City is currently investigating this same issue regarding customers that had similar issues with sanitation invoicing.

Ms. Williams explained the purpose of the Change Orders that appear under the ENGINEERING portion of the Agenda. PENNVEST and EPA requested that there be an amendment to the three contracts as they relate to labor clauses. There will be some additional administrative issues, but no costs are associated with the change orders. There were no additional questions regarding this matter.

Director of Administration:

Mr. Lausch noted that CRW continues to make progress on the office move to the 5th floor. It is still expected that we will be in the new office space by the end of August, 2015. He noted that some personnel have been moved to the 6th floor pending the move in order to accommodate increased staffing.



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Mr. Cluck stated that last month, he brought up the issue of the premiums for flood insurance. Has anyone had a chance to review this issue yet? Mr. Ritchey advised he is meeting with the brokers on July 23rd to determine whether CRW has adequate insurance coverage and to make sure there are no duplications of coverage. Mr. Ritchey noted that initial indications are that the Federal Government will only insure up to a certain level, so that may be the reason why there are multiple flood insurance policies. An update will be provided at a future date.

Chief Financial Officer:

Mr. Nowotarski highlighted his Agenda items and entertained questions:

FINANCE: Item A - An amendment to the motion will include a not-to-exceed amount of \$2,500.

FINANCE: Item B - Mr. Kurowski noted that the original Agreement with the Suburban Municipalities was negotiated some forty (40) years ago. Because sewer rates are an integral part of the negotiation of the Suburban Municipalities Agreement, ARCADIS is being asked to consult with CRW on this matter. Mr. Kurowski inquired as to who is on CRW's team to work with ARCADIS. The following personnel are working with ARCADIS on this matter: Steven Grubb, Esq., Shannon Williams, Dave Nowotarski, Michael Deily, David Stewart, Steve Hann and Tom Huestis as CRW's Financial Advisor.

Director of Engineering:

Mr. Stewart highlighted his Agenda items and entertained any questions. There were no questions.

The GIS Phase 5 project began this week. A Media Demonstration will be held on July 23rd to notify the public about how they will be impacted by the data collection project.

The steam line project has been advertised with a bid opening to be held on August 27.

Board members inquired why the funding sources were not included on the Agenda. It was noted that the funding sources have been included on the Issue Briefs provided to the Board members. Upon discussion, it was noted that Issue Briefs are internal documents to provide information to the Board members and are not provided to the public therefore,



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Board members asked that the funding sources remain on the Agenda to keep the public informed as to where the funding for the projects is being paid from.

Mr. Cluck also inquired why the Right to Know Report was not posted to ShareFile. Upon discussion, the Board members stated that they would like to see the actual report being posted to ShareFile in addition to the number of RTKs being referred to on the monthly Management Report. Mrs. McKillip stated she will post the report for June to ShareFile on July 23rd.

Director of Operations:

Mr. Deily noted that within the Operations portion of the June Management Report, he neglected to advise that a permit excursion had occurred at the AWTF for ammonia nitrogen concentration for the months of May and June. There will not be any fines associated with this excursion as the current upgrades to the AWTF are being performed to prevent violations such as this. The statement that all permit compliance issues for the Wastewater Division were met within the May and June Management Reports was in error.

A reporting violation was previously incurred at the Water Division during 2014 that had not been reported within the Management Report. Mr. Bey advised that the violation should have been reported within the Monthly Water Division Report at that time. If the violation was not previously reported in the Monthly Report it may not have been reported on within Mr. Deily's portion of the Management Report. If that is the case, it too was an oversight and is being communicated now through the 2015 Drinking Water Quality Report. Mr. Bey advised that the violation was for the third quarter of 2014 and dealt with HAA5 (Haloacetic Acids), a disinfection byproduct. It was a reporting violation and posed no effect to public health.

Mr. Cluck inquired if the new equipment being purchased by CRW would be available to assist the City. Due to liability issues, Ms. Williams noted that it is not the intention of the Operations Division to loan CRW equipment to other agencies. CRW-owned equipment should only be operated by CRW personnel.

Mr. Cluck had some questions on the sinkholes that were referred to within the Management Report. It was noted that the seven sinkholes mentioned in the Management Report are part of the initial 41 sinkholes.



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. There were no questions.

Minutes of Previous Meetings:

A motion was made by Mr. Cluck, seconded by Ms. Skotedis, that the Minutes of the June 24, 2015 Regular Meeting be approved as presented. The motion was unanimously approved.

Modifications or Deletions to the Agenda:

The following two motions will be amended to read as follows:

FINANCE:

A. Final Rebate Calculation – 2001A Water Bonds:

Motion: It is recommended that the Board authorize the CEO to approve the engagement of Maher Duessel to perform the Final Rebate Calculation of the 2001A Water Bonds for an amount not-to-exceed \$2,500.

ENGINEERING:

A. Design of Headworks Screening at the Advanced Wastewater Treatment Facility:

Motion: The Board authorizes the CEO to execute a professional services agreement with GHD to perform design, bid, and construction administration phase services for a not-to-exceed fee of \$250,284. Resident Project Representative (construction inspection) services will be billed separately at \$75.00/hour and is estimated at \$72,000 assuming a six-month construction timeframe.

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



Old/New Business:

FINANCE:

A motion was made by Mr. Cluck, seconded by Ms. Skotedis, that the following items be approved by consent as amended FINANCE – Items A and B:

A. Final Rebate Calculation – 2001A Water Bonds:

Motion: It is recommended that the Board authorize the CEO to approve the engagement of Maher Duessel to perform the Final Rebate Calculation of the 2001A Water Bonds for an amount not-to-exceed \$2,500.

B. Suburban Municipality Agreement Assistance:

Motion: The Board authorizes the CEO to approve the engagement of ARCADIS to assist CRW with various aspects of the negotiation of a new agreement with the Suburban Municipalities, for an amount not-to-exceed \$10,000.

The motion was unanimously approved.

ENGINEERING:

A motion was made by Mr. Cluck, seconded by Mr. Kurowski, that the following items be approved by consent as amended ENGINEERING – Items A, B and C1, C2 and C3

A. Design of Headworks Screening at the Advanced Wastewater Treatment Facility:

Motion: The Board authorizes the CEO to execute a professional services agreement with GHD to perform design, bid, and construction administration phase services for a not-to-exceed fee of \$250,284. Resident Project Representative (construction inspection) services will be billed separately at \$75.00/hour and is estimated at \$72,000 assuming a six-month construction timeframe.

B. GIS Data Collection Phase 7 - Storm Sewer System:

Motion: The Board authorizes the CEO to execute for Professional GIS Services with CDM Smith, Inc. for engineering services relative to the MS4 GIS Data Collection (Phase 7) in an amount not-to-exceed \$48,500, including reimbursable expenses.

C. 2013 HAWTF Improvements Project: Project Wage Rate Administration:

Motion: The Board authorizes the Director of Engineering's execution of the following Change Orders:

1. **Contract No. 1 (PC Construction) – Change Order No. 12:** The Board authorizes the Director of Engineering's execution of Change Order No. 12 to Contract No. 1 with no addition of cost or work days to amend contract language to clarify project wage rate administration;
2. **Contract No. 2 (Pagoda Electrical) – Change Order No. 10:** The Board authorizes the Director of Engineering's execution of Change Order No. 10 to Contract No. 2 with no addition of cost or work days to amend contract language to clarify project wage rate administration; and
3. **Contract No. 3 (G.F. Bowman) – Change Order No. 1:** The Board authorizes the Director of Engineering's execution of Change Order No. 1 to Contract No. 3 with no addition of cost or work days to amend contract language to clarify project wage rate administration.

The motion was unanimously approved.

OPERATIONS:

A motion was made by Mr. Cluck, seconded by Mr. Majors, that the following item be approved OPERATIONS Item A:

A. Purchase of Equipment – Wastewater Division:

Motion: The Board authorizes the purchase of equipment required to operate and maintain the wastewater system. All equipment will be procured via Pennsylvania Department of General Services COSTARS program, which complies with PMAA competitive procurement requirements (62 Pa. C.S.). The specific equipment and costs are as follows:

(G-11) Mini Excavator	\$54,292.50
(G-21) Black Top Roller, Wacker RD12A	\$16,218.00
(G-23) Superline Transport Trailer	\$4,868.75
(G-40) Skid Steer Loader SR210	\$44,395.00



The motion was unanimously approved.

Board Comments:

Mr. Cluck announced that Andrew Bliss and Claire Maulhardt will be speaking at the Harrisburg Chamber Environment and Energy Sub-Committee meeting to be held on August 4th, 2015.

Mr. Cluck also announced that the Environmental Advisory Committee and Harrisburg City Council will be holding six public meetings to discuss trees and trash and to introduce the City's new arborist. The public meetings will be held on: August 11th and 12th, August 17th and 18th and August 25th and 27th starting at 6:30 PM. The locations will be announced later.

Mr. Cluck stated that while he is happy to see the recent announcement of the investigation by the Pennsylvania Attorney General's Office of the Grand Jury Investigation into former Mayor Stephen R. Reed, he wanted to thank fellow Board members Marc Kurowski and Westburn Majors, as The Harrisburg Authority (THA) had previously conducted a forensic audit and investigation. He voiced his disappointment that credit was not given by specific government officials that the investigation also was brought on by the findings of the previous Forensic Audit of THA. He also stated that a lot of the alleged charges are now being brought to the public's attention and will be legally addressed thru the judicial system.

No additional comments were provided from Board members, Majors, Waters, Skotedis or Kurowski.

Public Comment - Non-Agenda Items:

None.



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Adjournment:

A motion was made by Mr. Kurowski, seconded by Ms. Skotedis, that the Board adjourn the meeting at 6:59 PM. The motion was unanimously approved.

CAPITAL REGION WATER

Westburn Majors, Secretary