



Workshop Meeting (5:00 PM)

A Workshop Meeting of Capital Region Water was conducted at 5:20 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 Mr. Majors was expected to arrive later. Mr. Waters is out of town today so he will not be present this evening.

In Attendance:

Board:

J. Marc Kurowski, Chairperson
William J. Cluck, Vice-Chairperson
Westburn Majors, Secretary (Arrived at 6:30 PM)
Crystal Skotedis, Treasurer

Staff:

Shannon G. Williams, Chief Executive Officer
Jack Lausch, Director of Administration
David Nowotarski, Chief Financial Officer
Julie Peters, Accounting Manager
David W. Stewart, P.E., Director of Engineering
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
Claire Maulhardt, Wet Weather Coordinator
Jess Rosentel, Superintendent – Wastewater (Arrived 5:45 PM)

Consultants:

Steven E. Grubb, Esq. (Goldberg Katzman, P.C.)
Michael A. Schober, P.E. (CDM Smith, Inc.)
Jeff Thompson (WRA)
Ed Ellinger, P.E. (HRG)
Mark Pickering, P.E. (GHD) (Arrived 6:10 PM)

Others:

Matt Crow (JMT)
Tim Dean (AMEC Foster Wheeler)



Presenters:

David Nowotarski, CFO

2016 Draft Budget and Initial Rate Calculations - Presentation by Dave Nowotarski (began at 5:20 PM)

Mr. Nowotarski noted that updated copies of the budget have been provided to the Board members in their binders this evening. All items previously addressed at the October 14th Workshop have been taken into consideration, and the revised draft 2016 Budget includes those modifications.

Questions previously addressed by Mr. Cluck regarding the Administration Budget dealt with calculations within the payroll line item and were addressed by Mr. Nowotarski. No other major modifications have been made to the Administration Budget.

Mr. Nowotarski began focusing on the Water Budget. He noted that CRW has calculated the budget with a 10.7% water rate increase for 2016. The reason for the increase to the water rate was explained in detail.

Mr. Cluck requested the Board be provided with a historical rate chart for the past five years which outlines the percentage of the rate increases previously established by CRW. This will show residents in simple terms how the rate increase will affect them. It was also noted that CRW is using the rate increases to budget for various capital improvements that are needed due to aging water infrastructure. Ms. Williams stated that while O & M costs may only be increasing by a small percentage over 2015 expenses, CRW is budgeting for capital improvements also recommended with the Consulting Engineers Annual Report (CEAR).

Ms. Williams noted that CRW continues to gain knowledge of the water and wastewater systems each year we operate the facilities. We are becoming better equipped to prioritize capital improvement projects and to budget for those projects accordingly. She expects to have more detailed information on how the water rate increase is calculated, along with the historical rate chart for the November 4th meeting.

Upon discussion, Mr. Kurowski requested that the historical rate increase chart be provided to the Board as soon as possible in order for Board members to adequately review information prior to the November 4th Rate Workshop.



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Ms. Skotedis requested that the meeting on November 4th be recorded or videotaped so she can review it since she will not be present for that meeting.

Mr. Cluck questioned why within the City's Act 537 Plan it was suggested that sewer rates were going to significantly increase when in fact, CRW has financed the \$50M improvement project at the Harrisburg AWTF without any sewer rate increase needed for 2016. Ms. Williams noted that there is no need for CRW to increase sewer rates in 2016 because rates were raised in 2014 in anticipation of the project and because the City had previously been taking a large administrative fee from the sewer budget.

Ms. Williams also stated for the record, that CRW had taken steps back in 2009 and 2010 requiring the City to significantly decrease their administrative fee for the water system so that all revenues are used to the benefit of the system. It was noted that approximately 50% of the water budget is relative to debt service payments dating to the early 1990s.

After further discussion, Ms. Williams noted that she will be preparing a press release announcing the proposed rate increase for the water system after the November 4th meeting. The press release will notify the public that CRW intends to vote on approval of the 2016 budgets at the November 18th meeting. Upon further inquiry, Ms. Williams noted that an average customer with an estimated daily usage of 2,000 gallons of water will go up approximately \$1.50 per month.

The presentation ended at 5:42 PM.

Regular Meeting (6:00 PM)

In Attendance:

Board:

J. Marc Kurowski, Chairperson
William J. Cluck, Vice-Chairperson
Westburn Majors, Secretary (Arrived at 6:30 PM)
Crystal Skotedis, Treasurer



Staff:

Shannon G. Williams, Chief Executive Officer
Jack Lausch, Director of Administration
David Nowotarski, Chief Financial Officer
Julie Peters, Accounting Manager
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Joseph Ritchey, Risk Manager
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Raly Bey, Superintendent – Water
Claire Maulhardt, Wet Weather Coordinator
Jess Rosentel, Superintendent – Wastewater (Arrived 5:45 PM)

Consultants:

Steven E. Grubb, Esq. (Goldberg Katzman, P.C.)
Michael A. Schober, P.E. (CDM Smith, Inc.)
Jeff Thompson (WRA)
Ed Ellinger, P.E. (HRG)
Mark Pickering, P.E. (GHD) (Arrived 6:10 PM)

Others:

Matt Crow (JMT)
Tim Dean (AMEC Foster Wheeler)

I Call to Order - Pledge of Allegiance:

The meeting was called to order by Mr. Kurowski at 6:18 PM.

II. Chairman's Announcements:

- A. An Executive Session was held at 4:00 PM today to discuss the status and potential settlement of outstanding claims with the suburban communities and legal strategy involving reconciliation of the Shared Services Agreement with the City of Harrisburg.
- B. A Workshop Meeting was held on October 14th at 5:00 PM for discussion on the proposed 2016 Budget. The next Workshop Meeting is scheduled for November 4th at 5:00 PM. This meeting is open to the public and deliberation of issues may take place.



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- C. The relocation of tonight's Workshop and Regular Meeting was advertised in the Patriot News and notice was made available through CRW's website. A copy of the advertisement will be attached to the minutes as Exhibit "A".
- D. The next Regular Meeting is scheduled for Wednesday, November 18, 2015 at 6:00 PM. It will be preceded by a Workshop Meeting at 5:00 PM. Both are open to the public.

III. Staff Reports:

The Monthly Management Report was provided to the Board in advance of the meeting and will be posted to CRW's website. In the event anyone had any questions they could direct their questions to the staff now. There were no questions from the Board.

Mr. Cluck thanked CRW staff for posting the CEAR Reports for Water and Sewer along with the 2014 Financial Statement. He had initially requested that the documents be made available through CRW's ShareFile portal however they have been posted on CRW's website for the public which provides access to the public and not just the Board.

Mr. Cluck requested that a list of Corrective Action Plan items be compiled which should outline the issue, who has been assigned for that corrective action, and the status of the corrective action that has been taken by CRW.

IV. 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.

V. Modifications or Deletions to the Agenda:

Mr. Cluck noted that the Mayor has requested CRW to take over the coordination of the 2016 Kipona Festival from the City of Harrisburg. Mr. Cluck suggests CRW consider undertaking this event from the City; coordinate the event; and to reinvent the Kipona Festival which stands for "sparkling water". He would like to see the event become an attraction for young artists and to hire a full time special events coordinator from revenues of CRW's "Project Fund".

A discussion was held with Ms. Williams noting staff concerns about liability, insurance costs, etc., along with concern for any repercussions that could occur similar to what happened at the 2015 Kipona event with rioting that would be potentially detrimental to CRW at this time. She further stated that CRW's focus now needs to be on our bond rating, and while everyone liked the idea, the timing for consideration of this event is not appropriate at this time.

Upon discussion, no modifications were made to the agenda.

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

VII. Old/New Business:

ENGINEERING:

A motion was made by Mr. Kurowski, seconded by Mr. Cluck, that the following items be approved ENGINEERING – Items A, B and C:

A. Asset Management Policy/Implementation Plan - GHD/EBA:

Motion: The Board authorizes the CEO to execute a professional services agreement with GHD to support the development of an internal asset management policy and implementation plan in an amount not to exceed \$115,361. Funding Source: Water #7430 – GIS Program.

B. HRG - Amendment to Amendment No. 4 - GIS Development and Implementation:

Motion: The Board authorizes the CEO to execute an Amendment to Amendment No. 4 for Professional Services with Herbert Rowland and Grubic, Inc. for engineering services relative to the GIS Program Data Collection & Implementation to reflect changes in the scope of work realized through the execution of Phases 2 through 4 in a net credit amount of \$30,350.00. Funding Source: Water #7430 – GIS Program.

C. Steam Line Surface Features Demolition:

Motion: The Board ratifies the issuance of a notice of intent to award and authorizes the CEO to execute the agreement with Farhat Excavating, LLC in an

amount not to exceed \$344,900. Funding Sources: Solid Waste #GL 7600 – Steam Line Removal.

The motion was unanimously approved.

OPERATIONS:

A motion was made by Mr. Cluck, seconded by Ms. Skotedis, that the following item be approved OPERATIONS – Items A: and B

A. Purchase of Vehicles for Water and Wastewater Divisions:

Motion: The Board authorizes the CEO to execute the procurement of two 2016 Ford F-250 XL, Utility Body Truck for a total of \$64,680.00, one 2016 International 4400 4x2 Dump Truck with Bed for \$113,699.05 for the Wastewater Division and one Ford F250 Extended Cab Utility Body Truck for \$34,575.00. Funding Sources: Wastewater #GL 8645018 & Water #GL 6545018.

B. Water Year 2015 – Nutrient Credit Purchase:

Motion: The Board authorizes the CEO to finalize and execute Sales Agreements for nutrient credit purchases in order to have them registered to CRW prior to the deadline of November 30, 2015. Total expense shall not exceed \$60,000. Funding Source: Wastewater #GL 8346012.

The motion was unanimously approved.

VIII. Board Comments:

Mr. Cluck asked if anyone has had any issues with the parking lot across the street .and whether anyone has an update on the land use zoning violation regarding the surface parking lot across the street. Ms. Williams stated that she is not aware of any update regarding this matter.

IX. Public Comment - Non-Agenda Items:

None.



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X Adjournment:

A motion was made by Mr. Kurowski, seconded by Ms. Skotedis, that the Board adjourn the meeting at 6:50 PM. The motion was unanimously approved.

CAPITAL REGION WATER



Westburn Majors, Secretary

The Patriot-News

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<u>Sales Rep.</u> jrogers	<u>Customer Account</u> 816	<u>Payor Account</u> 816
<u>Order Taker</u> jrogers	<u>Customer Address</u> 212 LOCUST STREET,SUITE 500 HARRISBURG PA 17101 USA	<u>Payor Address</u> 212 LOCUST STREET,SUITE 500 HARRISBURG PA 17101 USA
<u>Order Source</u> Phone	<u>Customer Phone</u> 717-525-7677 717-525-7677	<u>Payor Phone</u> 717-525-7677 717-525-7677
<u>PO Number</u>		<u>Special Pricing</u> None
<u>Ordered By</u> Karen M. McKillip		
<u>Customer Fax</u> 717-525-7688		
<u>Customer EMail</u> karen.mckillip@capitalregionwate		

<u>Tear Sheets</u>	<u>Proofs</u>	<u>Affidavits</u>	<u>Blind Box</u>	<u>Promo Type</u>
0	0	1		

Invoice Text

Materials

<u>Net Amount</u>	<u>Tax Amount</u>	<u>Total Amount</u>
\$86.12	\$0.00	\$86.12

<u>Payment Method</u>	<u>Payment Amount</u>	<u>Amount Due</u>
	\$0.00	\$86.12

<u>Ad Number</u>	<u>Ad Type</u>	<u>Ad Size</u>	<u>Color</u>
0002348874-01	Legal Lnr	: 1.0 X 14 Li	<NONE>

<u>Production Method</u>	<u>Production Notes</u>
Ad Booker	

<u>External Ad Number</u>	<u>Ad Attributes</u>	<u>Ad Released</u>	<u>Pick Up</u>
		No	

Ad Preview

The Workshop and Regular Monthly Meeting of Capital Region Water scheduled for Wednesday, October 28, 2015 has been relocated to the 5th Floor Conference Room of Capital Region Water, 212 Locust Street, Harrisburg, PA 17101. The Workshop is scheduled for 5:00 PM and the Regular Monthly Meeting will begin at 6:00 PM.

This information will also be posted on CRW's website at www.capitalregionwater.com
CAPITAL REGION WATER
Shannon G. Williams, P. E., CEO

Product Information

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