



Regular Meeting (6:00 PM)

In Attendance:

Board:

J. Marc Kurowski, P.E., Chairperson
William J. Cluck, Esquire, Vice-Chairperson
Crystal Skotedis, CPA, CFE, Treasurer (via speakerphone)
Darryl S. Waters, Secretary (via speakerphone)

Staff:

Shannon G. Williams, P.E., Chief Executive Officer (via speakerphone)
Jack Lausch, Director of Administration
David Nowotarski, CPA, Chief Financial Officer
David W. Stewart, P.E., Director of Engineering
Karen M. McKillip, Archivist
Tammie Sheaffer, Office Manager
Lexie O. Grant, Grants & Funding Coordinator
Tanya Dierolf, Sustainability Manager
Mike McFadden, Superintendent – Drinking Water
Raly Bey – Drinking Water
Jess Rosentel, Superintendent – Wastewater
Renee Kolacek – Human Resource Manager
Sue Paul – Human Resource Manager

Consultants:

Steven E. Grubb, Esquire (Goldberg Katzman, P.C.)
Michael A. Schober, P.E. (CDM Smith, Inc.)
Paul Rosol (WRA)
Jeff Thompson (WRA)
Ed Ellinger, P.E. (HRG)

Others:

Bruce McClure (EBA Engineering)
Mike Mehaffey, P.E. (Gannett Fleming)
James Roxbury (Roxbury News)
Matthew Kenny (Resident)

I. Call to Order - Pledge of Allegiance - Roll Call:

The meeting was called to order by Chairperson Kurowski at 6:11 PM.



Chairperson Kurowski noted that Board members Kurowski and Cluck were present in person and Board members Skotedis and Waters were participating this evening via speakerphone along with Shannon Williams, CEO.

II. Chairman's Announcements:

- A.** An Executive Session under Section 708(a) of the Sunshine Act was held today at 5:00 PM to consult with general and special counsel regarding (1) legal aspects of a proposed Disadvantaged Business Enterprise (DBE) Plan; (2) discussion with general counsel about miscellaneous reconciliation issues with the City of Harrisburg which could potentially result in litigation; (3) Request by the Coordinator of the City of Harrisburg to waive the Attorney Client Privilege as to communications about the Harrisburg University financing and which occurred between CRW (then THA) and Bruce Foreman, Esq. and the law firm of Buchanan Ingersoll..
- B.** The next Regular Meeting is scheduled for Wednesday, March 23, 2016 at 6:00 PM.

III. Presentations:

Chairperson Kurowski noted that the draft presentation of the DBE Plan has been postponed until the March meeting with anticipation that the Final DBE Plan will be voted on at the April monthly meeting.

IV. Staff Reports:

The Monthly Management Report was provided to the Board in advance of the meeting and will be posted to CRW's website.

Mr. Lausch welcomed and introduced Sue Paul, CRW's new Human Resource Manager, who recently began her employment.

Mr. Cluck addressed several questions to the staff and the consultants. The questions were answered directly from the floor. It was noted that in the future, Mr. Rosentel will place any Notice of Violations (NOVs) in the first paragraph of the monthly AWTF Operations Report.

Mr. Cluck stated that the City's Environmental Advisory Council (EAC) now has a website at <http://www.harrisburgeac.org/>. When the City receives environmental issues such as NOV's, or other environmental related information, etc. it is forwarded by the City Clerk to the EAC for comment. As a Board member of EAC, Mr. Cluck inquired if CRW would consider providing NOV's to the EAC directly as a matter of practice, or if CRW would consider providing a copy to the City Clerk who will then forward the NOV's to the EAC.

Additional questions by Mr. Cluck relating to the February Management Report were answered from the floor as follows:

- DeHart Watershed Conservation Proposal due the week of February 15th. Did CRW Board receive this information? Tanya Dierolf confirmed that the information was received at 11:26 PM on Friday, February 19 and will be provided to the Board next month.
- LCSWMA Well Development: Will the Board receive an update on the meeting held February 17th meeting with LCSWMA? Ms. Williams noted a memo will be provided to the Board next month.
- Grant Management Report: Mr. Cluck requested the report be organized by dollar amount and to show if there are any matching funds.
- Community Outreach Calendar: Please provide the Board with a calendar of events that can be accessible and web based for community outreach events. Ms. Williams noted that Mr. Bliss is already in the process of creating this on Outlook and it will be shared with the Board.
- Response to the EPA Nine Minimum Control Plan: Mr. Cluck requested a meeting be set up with Dave Stewart and Shannon Williams to discuss issues relative to this matter.
- CSO Early Outfall Repair: Is there an estimate of costs? Mr. Stewart stated that EPA is concerned about several issues which he outlined in his response. CRW is currently waiting for a response from EPA. Mr. Cluck questioned whether this is a project for CRW to apply for under Impact Harrisburg as opposed to CRW's Capital Improvements Budget?
- Applications to Impact Harrisburg: What projects are we seeking monies for and will there be any Board involvement with those projects? Ms. Grant noted there is a list of projects, but that she is waiting to see what the application process for Impact Harrisburg entails at this time. Cluck and Kurowski agreed that Board members want to have input into the list of projects.
- Mr. Cluck noted that CRW received notification of a potential NOV from EPA for 112R7 of the Federal Clean Air Act. Has CRW prepared a response yet? Mr. Stewart

advised that the response has not been finalized yet. The potential NOV was primarily related to administrative issues and was a paper work type of NOV and posed no danger to the public.

- Mr. Cluck suggests that CRW consider having Independent Environmental Compliance Audits performed at our AWTF and Drinking Water Facilities. He noted that facilities who have Independent Environmental Compliance Audits and identify and reveal violations (depending on the type of violation that is self-disclosed) to the Federal or State Agencies, will not incur civil penalties.

There were no other questions from Board members.

V. 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.

Mr. Cluck asked for and received clarification on several items that were touched upon within the monthly consultant report of CDM Smith. All questions were answered from the floor regarding (1) Arsenal Boulevard; (2) Stormwater Regulations; (3) enforcement of Stormwater Regulations; (4) Financial Capabilities to comply by the Consent Decree Response due by April 1st which is part of the Long Term Control Plan (LTCP); and (5) Paxton Creek TMDL Strategy Meeting with PADEP which has been rescheduled to February 29th. There were no additional questions.

For purposes of the record, the Solicitor requested that Board members who were participating via speakerphone confirm that they are able to hear the meeting. Ms. Skotedis and Mr. Waters both confirmed that they are able to hear and participate via speakerphone.

VI. Minutes of Previous Meetings:

A motion was made by Mr. Kurowski, seconded by Mr. Cluck, that the Minutes of the January 27, 2016 Regular Meeting be approved as presented. The motion was unanimously approved.

VII. Modifications or Deletions to the Agenda: None.



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

IX. **Old/New Business:**

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

Executive:

A. Mutual Release with Suburban Wholesale Wastewater Customers:

Motion: The Board authorizes the Chairperson or CEO to execute the Mutual Release with the Suburban Communities identified in the Mutual Release.

Due to her representation as an independent auditor of one of the Suburban Communities, Ms. Skotedis noted she would abstain from the vote.

The motion was approved by majority vote with Ms. Skotedis abstaining.

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

B. Statement of Interest to New Cumberland and Lemoyne Boroughs:

Motion: The Board authorizes the CEO to send letters to New Cumberland and Lemoyne Boroughs expressing CRW's interest in merging their Wastewater Operations with ours. Funding Source: N/A.

Upon discussion, Mr. Cluck noted that he is not opposed to CRW submitting a Statement of Interest to New Cumberland and the Lemoyne Borough, however, he doesn't see any financial gain for CRW to merge with West Shore suburbs for their wastewater treatment. He will be voting no as he doesn't feel CRW should incur additional debt when we don't currently have a bond rating, and also that he doesn't feel it is in CRW customers' best interests.

Mr. Cluck clarified for the public that the Statement of Interest is not necessarily for CRW to accept wastewater from the New Cumberland and Lemoyne Boroughs at CRW's Advanced Wastewater Treatment Facility (AWTF), but for CRW to potentially take over the New

Cumberland and Lemoyne Borough's wastewater facilities, along with their personnel. He noted a lot of due diligence would need to occur and many questions would need to be addressed to reveal why this is in CRW's best interests.

Board members Waters, Skotedis and Kurowski also noted that while they may agree with Mr. Cluck's statements that it may not be in our best interest to incur additional debt, there is no harm in pursuing the matter. Mr. Cluck states he disagrees as there will be some costs incurred by CRW pursuing a Statement of Interest. Upon inquiry, it was noted that there will be an initial expense of approximately \$50,000 to \$70,000 if either New Cumberland or Lemoyne are interested in pursuing a partnership with CRW.

Upon discussion, the motion was approved by majority vote with Mr. Cluck voting in opposition.

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

C. AmeriCorps Position: Downspout Planter Pilot Project:

Motion: The Board authorizes the CEO to execute the Memorandum of Understanding with Habitat for Humanity of the Greater Harrisburg Area for the Downspout Planter Pilot Project. Funding Source: N/A.

The motion was unanimously approved.

Administrative:

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

A. Act 153 Compliance:

Motion: The Board approves a policy whereby CRW employees responsible for the welfare of children, or who may have direct contact with children, in the course of their employment be subject to the background checks and clearances necessary for compliance with PA Act 153. Funding Source: Admin - #10000503-50306 - Adm Employment Test.



A discussion was held wherein it was noted that it is very expensive and cumbersome to have all CRW employees obtain these types of clearances. The Human Resource Department will determine who will require the Act 153 clearances. It was also noted for the record that Board member, Darryl Waters already has this clearance.

The motion was unanimously approved.

Finance:

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

- A. Resolution 2016-002 – Water Bonds Partial Refunding, Series of 2016 (2016 Bonds):**
Motion: The Board adopts Resolution 2016-002 which authorizes the Issuance of the Authority's Water Revenue Refunding Bonds, Series of 2016 in a Principal Amount Not-to-Exceed \$80,000,000 (the "2016 Bonds"). Funding Source: N/A.

Mr. Nowotarski briefed the Board on the purpose of Resolution 2016-002 and that CRW is looking for significant savings of over \$10,000,000 throughout the life of the 2016 Bonds. This refunding will bring CRW's debt service into a more appropriate descending debt service schedule similar to other organizations of our size. It was also noted that CRW did forecast within the 2016 budget to conduct this refunding in 2016.

Mr. Nowotarski also stated that this transaction contains fixed rates, there are no variable rates and no SWAP transactions associated with the 2016 refunding.

CRW is hopeful to have a bond rating within the coming weeks. Ms. Skotedis requested Mr. Nowotarski to provide a copy of the draft Bond Purchase Agreement as soon as that is available.

The motion was unanimously approved.

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

B. PA H2O Grant Extension Amendment 4:

Motion: The Board authorizes the Chairperson, Secretary and CRW's Solicitor to execute the Fourth Amendment to the H2O Grant No. C000051333 in the amount of \$141,760.00 to extend the Grant activity period from May 5, 2011 to June 30, 2017. Funding Source: N/A.

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, Engineering – Items A1 and A2:

A. AWTF Improvements Project – Change Orders (Contract Nos. 1 & 2):

1. Contract No. 1 (PC Construction) – Change Order Nos. 26, 27 & 28:

Motion: The Board authorizes the Director of Engineering's execution of Change Order Nos. 26, 27 and 28 to Contract No. 1 in the amount of \$4,352.41 with no addition of time for additional work related to recoating exposed RAS lines and installation of thermistors in pump motors. Funding Source: Wastewater #80-13000-00035 – Ww BNR Upgrade Project – 2014.

2. Contract No. 2 (Pagoda Electrical) – Change Order Nos. 21, 22, and 23:

Motion: The Board authorizes the Director of Engineering's execution of Change Order Nos. 21, 22, and 23 in the total amount of \$15,306.08 with no addition of time for additional work related to installation of thermistors in pump motors and heat tracing of exposed polymer lines. Funding Source: Wastewater #80-13000-00035 – Ww BNR Upgrade Project – 2014.

Mr. Cluck asked if the contractors are still scheduled to be completed on time. Mr. Stewart stated that the Substantial Completion Certificate will be issued sometime next month however the actual deadline of March 14th does not appear to be a realistic deadline. A punch list is currently being compiled. Mr. Kurowski asked if CRW is meeting all of the regulatory milestones and whether CRW needs to be concerned. It was noted that, while EPA and PADEP are anxious for CRW to get the plant started in order for us to begin the removal of nitrogen, they are not interested in penalizing CRW for unforeseen circumstances.



The motion was unanimously approved.

XI. Board Comments:

Ms. Skotedis thanked the staff for the compilation of a PDF document with bookmarks allowing the Board members to have easy access to all meeting information.

XII. Public Comment - Non-Agenda Items: None.

XIII. Adjournment:

A motion was made by Mr. Kurowski, seconded by Mr. Cluck, that the Board adjourn the meeting at 7:10 PM. The motion was unanimously approved.

CAPITAL REGION WATER

Darryl S. Waters
Secretary