



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
Darryl S. Waters, Secretary (via speakerphone)

Staff:

Shannon G. Williams, P.E., Chief Executive Officer
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
Jess Rosentel, Superintendent – Wastewater
Claire Maulhardt, City Beautiful H2O Program Manager

Consultants:

Steven E. Grubb, Esquire (Goldberg Katzman, P.C.)
Steve Schiffman, Esquire (Serratelli Schiffman & Brown, P.C.)
Merritt Reitzel, Esquire (Serratelli Schiffman & Brown, P.C.)
Michael A. Schober, P.E. (CDM Smith, Inc.)
John Aldrich, P.E. (CDM Smith, Inc.)
Paul Rosol (WRA)
Jeff Thompson (WRA)
Ed Ellinger, P.E. (HRG)
Mike Mehaffey, P.E. (Gannett Fleming)
Josh Parrish (The Nature Conservancy)
Ward Burton (Ward Burton Wildlife Federation)

Others:

David Weisnicht (PA Army National Guard)
Lt. Christopher McDevitt (PA Army National Guard)
Tom Adams (LCSWMA)
Erin Saylor (LCSWMA)



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Matt Crow (Hazen & Sawyer)
Frederick Douglas (Cosmos Technologies, Inc.)
Thomas Au (Pennsylvania Sierra Club)
James Roxbury (Roxbury News) (Arrived at 6:41 PM)

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

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

Chairperson Kurowski noted that all Board members are present with Mr. Waters participating via speakerphone.

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 counsel regarding legal advice surrounding: (1) the request by the Lancaster County Solid Waste Management Authority (LCSWMA) to erect a well at the Susquehanna Resource Management Complex for use in lieu of effluent water which is subject to an agreement that LCSWMA has with CRW; (2) an update on possible litigation with the City of Harrisburg over unpaid reserves attributable to the sewer fund; (3) legal advice surrounding opting out of municipal derivatives class action lawsuit; and (4) request of Rhoads and Sinon for a waiver of the attorney client privilege so it can provide documents to the coordinator.
- B.** Capital Region Water is hosting "Consider the Source Day" on Saturday, May 7th at the DeHart Dam and Reservoir. The event will include a litter cleanup, source water protection education, and drinking water tour. Registration is required and all information can be found at www.capitalregionwater.com/considerthesourceday.
- C.** The next Regular Meeting is scheduled for Wednesday, May 25, 2016 at 6:00 PM.

III. Presentation:

Minority/Women Business Enterprise Plan (Bill Warren, Esq., Saul Ewing, LLP) (6:24-6:58 PM):

Mr. Warren introduced himself and provided historical information about his firm's experience in the development of Minority/Women Business Enterprise (M/WBE) Plans for other similar organizations. He noted that CRW, f/k/a The Harrisburg Authority, had a Minority/Women Enterprise Plan in place that was previously used and did very well



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through the previous administration. CRW is now looking to develop and implement an updated M/WBE Plan. Key elements of the new M/WBE Plan will focus on construction participation and may be expanded to professional services in the future.

A discussion was held regarding the amount of administration time that will be required to implement reporting to the Board. Mr. Warren suggested that CRW consider outsourcing administration of the M/WBE Plan, and will provide recommendation of persons and/or companies that perform this administrative service to track participation levels on a case-by-case basis.

Questions were addressed by the Board members with the emphasis on CRW wanting to meet minimum participation levels, while at the same time, providing support of locally-owned M/WBE companies to keep business within the greater Harrisburg area. CRW intends to accept public comments on the M/WBE Plan and to take action after the public comment period is over.

The floor was open for questions and comments.

A motion was made from the floor by Mr. Cluck, seconded by Mr. Waters, that CRW make available to the public the Draft Minority/Women Business Enterprise Plan for public notice and comment for a minimum period of thirty (30) days with (1) the Draft Plan to be published on CRW's website; (2) that a press release be issued announcing the process; (3) specific notice be given to Harrisburg City Council and City of Harrisburg Administration, as well as the African American Chamber of Commerce and the Regional Diversity Coalition.

He further stated that after the thirty (30)-day comment period; (1) staff be directed to identify the commenter on the comment and response document; (2) the comment and response document be made available to the public; and (3) that it is the intent that the Board will vote at the June 2016 meeting. In addition, the following question should be asked on the public comment form for the commenter to comment on: "The Draft Plan states that the applicability is the bidding threshold for Municipal Authorities, should there be a different threshold for application of this Plan?"

Upon discussion, it was noted that by CRW asking commenters to answer this question regarding the bidding threshold, (currently established as the PMAA requirement of \$19,400), CRW wished to receive feedback as to whether or not the threshold participation



level should be higher than the current \$19,400 amount (subject to annual adjustment by the Department of Labor and Industry).

The motion was unanimously approved.

Impact Harrisburg (Lexie Grant, CRW) (6:58-7:28 PM):

Ms. Grant provided a PowerPoint presentation wherein she explained that Impact Harrisburg ("iH") is a non-profit corporation that was created through the Harrisburg Strong Plan to promote economic development and infrastructure improvements. CRW has the opportunity to request funds for both infrastructure and economic development projects from iH, however, the exact eligibility and funding guidelines have not yet been confirmed by the iH Board.

The PowerPoint presentation will be made available on the website after tonight's meeting. Deadlines for Grant Applications were outlined and project eligibility requirements and criteria were identified.

After the presentation, Board members and staff addressed questions and comments. It was noted during the discussion, that CRW has been invited to attend iH's Board of Directors' meeting on Thursday, May 5, 2016 at 10:30 AM to present potential projects for which CRW may seek funds for.

Mr. Cluck inquired if CRW has some type of Economic Development Project in place to provide forgiveness for blighted properties. Ms. Williams stated that CRW's Bond Counsel has advised that if CRW was to implement some type of waiver of liens, it must be a policy approved by the Board and implemented consistently. Currently, CRW does not have a policy of this type in place. Mr. Cluck suggested that in the event CRW elects to apply for Economic Development funding from iH that CRW begin to structure some type of policy for future Board consideration. Mr. Nowotarski stated that this type of policy is currently under consideration. CRW is currently developing methods of how to actually implement the policy. Staff is researching other utility and municipal entities who may have these types of policies and how residential vs. commercial customers will be impacted.

Mr. Cluck voiced concern on how CRW's applications will receive fair consideration from the iH Board since it includes three employees of the City, the only other eligible applicant for infrastructure funds. Mr. Cluck inquired if there were any joint initiatives identified between the City and CRW? Ms. Williams advised that several projects have been

identified, including a blue roof project with the Fire Department and integration of green stormwater infrastructure into City playgrounds and parks. She also noted that CRW was invited to attend a kick-off meeting on April 28th for the City's "five parks projects" that contemplates the redesign of five playgrounds. The City invited CRW to ensure that the designs included green infrastructure, if feasible.

Ms. Williams stated that the City and CRW still need to enter into a Green Infrastructure Escrow Agreement. The Green Infrastructure Escrow Agreement will establish the Green Infrastructure Escrow Account (the "Escrow Account") to be funded by CRW in the amount of \$3,500,000. The Escrow Account is to be established as part of the Shared Services Agreement that was entered into between CRW (then THA) and the City back in 2013.

Discussion was held with Board members voicing questions and comments. Mr. Kurowski feels that the request for funding by iH feels rushed and that CRW should take a look at projects that may have a larger impact such as a Paxton Creek Corridor initiative rather than a series of small, short projects. Ms. Grant explained the guidelines that have been set out through the Strong Plan, but noted that those guidelines could change.

Ms. Williams also noted that CRW's staff strive to leverage as many potential grants and funding for projects in order to minimize the impact on user rates. CRW also seeks partnerships to apply to private foundations for funding, when applicable.

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. Cluck thanked CRW's community outreach staff for the excellent work they are doing. They are very professional and are doing a great job and need to be commended for getting CRW's name and activities out to the public.

Mr. Cluck asked questions on the following matters which were answered directly from the floor by relevant staff:

- PennDOT MS4 project impacts.
- Incident Response for Wastewater.
- Professional Services.
- Sewer Line Replacements.
- Sinkhole Program.

Mr. Cluck also asked that the Land Development Review Summary Report provide at least one sentence explaining what is being done regarding the projects identified.

For purposes of the CDM Monthly Report, he requested that an additional brief explanation be provided within their report explaining what each item is referring to. He asked that consulting staff not assume that just because CRW staff knows what the subject is, that CRW Board members also know.

Mr. Cluck asked that the Nine Minimum Control Plan Operations and Maintenance Manual be uploaded to the website so that he can link it to the Environmental Advisory Council (EAC) website.

Mr. Cluck inquired if the Financial Capability Assessment information has been made available on our website. Ms. Williams noted that this information has not been available on the website as it is subject to revision following EPA review, however, it is available via Right-to-Know request.

Mr. Cluck requested an explanation on the Sponsorship Policy that is on tonight's Agenda, Executive Item B. Ms. Grant addressed Mr. Cluck's inquiry from the floor.

Ms. Grant announced that CRW was awarded a PADEP Environmental Education Grant for a "Rain Garden Demonstration Project". CRW will implement educational signage at its Customer Service Center Rain Garden Demonstration Project. The signage will highlight the issues with non-point source pollution and demonstrate how rain gardens and vegetation reduce water pollution. In partnership with Penn State Extension and the Paxton Creek Watershed & Education Association, CRW will coordinate a volunteer planting event that will provide an interactive educational experience for all ages.

Ms. Skotedis congratulated Ms. Grant on the grant award and asked questions on the following matters which were answered directly from the floor:

- Number of possible water shutoffs and procedures?
- From an IT perspective, what is CRW's data security risk for customer data and will a report be issued outlining the risks and what CRW's intends to implement to correct any issues, if identified?

Mr. Waters asked additional questions in reference to water shutoffs.

- How are the customers notified?
- How far in advance are they notified?

- What are the procedures, including how far behind can a customer be before a water shutoff would take place?

Mr. Nowotarski noted that currently CRW is not performing water shutoffs due to the need to develop and implement a consistent and reasonable program. CRW would not be able to perform water shutoffs for all customers that are currently delinquent, so specific criteria needs to be established to be able to get the most value out of CRW's water shutoff effort. The first pass for shutoffs will be focused on the largest balances owed. More information will be made available once the guidelines have been established (within the next three months).

As for notice to customers, the notice time varies based on the type of resident. If a resident is a tenant of a landlord that has not paid a bill and is subject to having their water terminated, CRW provides information within the posted notice to the property that provides the tenant with their rights to pay the utility bill and deduct that from their rent. Information on tenants' rights is also available on CRW's website. Mr. Nowotarski stated that CRW has payment plans to assist customers, however, once a payment plan is broken, some of the customer's options to avoid water shutoff will no longer be available.

CRW has also made pamphlets describing tenants' rights and other billing FAQs available at CRW's Customer Service Center and copies were provided to the Fair Housing Council.

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. There were no questions from the Board.

VI. Minutes of Previous Meetings:

A motion was made by Ms. Skotedis, seconded by Mr. Cluck, that the Minutes of the March 23, 2016 Regular Meeting be approved as presented. The motion was unanimously approved.



VII. Modifications or Deletions to the Agenda:

Executive Item D: LCSWMA Well was removed from tonight's Agenda.

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

IX. Old/New Business:

Executive:

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

A. RESOLUTION NO. 2016-004 - Purchase & Sale Agreement - Conservation Easement:

The Board authorizes Capital Region Water's entry into a Purchase and Sale Agreement for Conservation Easement with The Nature Conservancy and Ward Burton Wildlife Foundation for purposes of granting a Conservation Easement over the DeHart Reservoir Property located in Dauphin County, Pennsylvania.

Mr. Cluck asked representatives from Ft. Indiantown Gap (FTIG) about the use of drones. FTIG responded that unmanned aerial systems are only flown within the restricted airspace within FTIG.

Ms. Skotedis noted she was happy to see that CRW staff took the public comments into consideration in their recommendation to the Board, and thanked CRW's partners in allowing the time for CRW to perform its due diligence.

Mr. Waters also stated that he appreciated the amount of public comments and concerns, and thanked our partners for providing all of the information requested from Board members.

Mr. Kurowski had similar comments and appreciated the amount of public engagement, stating he is confident that CRW has selected the best option to realize the benefits of this unique opportunity.

Ms. Dierolf noted that there were a total of 62 public comments, 46 in favor, 5 opposed, and 11 without express support or opposition. One of the opposing comments requested



that CRW reconsider retaining the right to implement wind development. The other four opposing comments were related to their distrust of FTIG. Of the comments, 31 were from CRW customers and 8 were from organizations.

Messrs. Grubb and Schiffman addressed the “conservation contribution” within the proposal. In addition to the per acre price and approved acquisition costs, there are additional ACUB funds of almost \$600,000 (\$556,159) to be provided to CRW at closing to cover transaction-related expenses incurred by the Ward Burton Wildlife Foundation and The Nature Conservancy, including monitoring of the conservation easement. At the time of the closing transaction, it is expected that CRW will transfer these funds to our project partners for their expenses related to the project. Mr. Schiffman further explained, that even though this additional \$600,000 in funding is termed a “conservation contribution”, it is not a CRW donation. This pass through money is a transaction cost that will have a zero sum impact on the project budget.

The motion was unanimously approved.

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

B. Sponsorship Policy:

Motion: The Board authorizes the immediate implementation of a Sponsorship Policy in the form provided in an Issue Brief, dated April 20, 2016.

Mr. Cluck requested clarification on the difference of the terms “internal” vs. “external” in the Policy. Ms. Grant provided an explanation from the floor. It was noted that the Board will be asked to include one or more line items in the 2017 budgets that CRW will allocate to external contributions under the terms of the Policy. Upon discussion, Ms. Grant stated that the Board can be involved as part of the Sponsorship Committee, if desired.

The motion was unanimously approved.

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

C. Impact Harrisburg:

Motion: The Board authorizes the CEO to apply for funds from Impact Harrisburg for the following projects:

- Infrastructure
 - City Beautiful H₂O: The City of Harrisburg's Green Infrastructure Projects
- Economic Development
 - Large Project: Water & Sewer Economic Development Initiative Project
 - Community Building: Community Greening Project.

Mr. Cluck inquired as to the dollar amounts CRW is applying for. Ms. Williams requested that if Board members wanted an amount less than the \$5,500,000 that is available, she requested that the motion be clarified to state that language. Mr. Cluck asked if Board authorization was required to apply for the funds, and if the 50% matching funds were required to be on hand at the time of CRW's application. Discussion was held as to the application process.

Ms. Grant pointed out that CRW has not been notified as to whether CRW is eligible to apply for the Economic Development Funds yet. A discussion was held as to whether the motion relative to iH needs to be tabled until after the May 5th Board of Directors meeting with iH.

After discussion, a motion was made by Mr. Kurowski, seconded by Ms. Skotedis, that the motion for iH be withdrawn.

The motion to withdraw the motion for iH was unanimously approved. No action was taken on this matter at tonight's meeting.

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

E. Harrisburg Housing Authority's Environmental Teen Corps:

Motion: The Board directs the CEO to negotiate and enter into a Memorandum of Understanding with the Harrisburg Housing Authority to support their Environmental Teen Corps through staff time and financial contribution not-to-exceed \$50,000. Funding Source: Admin #10001512-51201 – Adm – Community Outreach.

Ms. Williams explained the purpose of Executive Item E and that CRW's funding for this project would add to the \$125,000 provided by the City's Host Fees. As CRW faces possible retirement of personnel in the upcoming years, CRW is encouraging our youth to be part of CRW's next generation of workers, and this program can support that recruitment in addition to teaching environmental stewardship to the City's youth.

The motion was unanimously approved.

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

F. MOU - Clean and Green Harrisburg Contribution:

Motion: The Board authorizes the CEO's execution of the Memorandum of Understanding in the form provided in an Issue Brief, dated April 22, 2016 with Tri-County Community Action to support their Stop the Drop campaign with a financial contribution of \$5,000. Funding Source: Wastewater #80004542-54201 Ww - Community Outreach.

Upon discussion, it was noted that CRW should receive publicized acknowledgment for our role in the project. Mr. Waters asked if the outcome of the project will be published on CRW's website. Mr. Bliss noted that it can be part of the H₂O page on CRW's website.

The motion was unanimously approved.

Administrative:

A motion was made by Mr. Kurowski, seconded by Mr. Cluck, that the following items be approved by consent Administrative Items A1, A2, A3, B, and C:

A. Personnel Policy Revisions:

Motion: The Board approves the following revisions to CRW's Employment Policies, Procedures, and Benefits document effective May 1, 2016 in the form of Issue Briefs, dated April 21, 2016:

1. Revision to Motor Vehicle Policy. The addition of an Emergency Response section to the Motor Vehicle Policy.
2. The addition of a Declared Emergency section to the Attendance and Punctuality Policy.
3. The addition of an Opt Out Provision to the Healthcare Benefits Policy.

B. Ban The Box:

Motion: The Board ratifies the “Ban The Box” policy in the form provided in an Issue Brief, dated April 21, 2016.

C. Live CRW:

Motion: The Board authorizes the Live CRW program as outlined in an Issue Brief, dated April 22, 2016 by setting aside \$55,000 from the Project Fund to be disbursed on a first-come, first-serve basis under the terms outlined.

Upon inquiry by Mr. Cluck, Mr. Lausch confirmed that the “Ban The Box” motion refers to all applicants, both union and non-union.

Mr. Cluck noted that the Live CRW program encourages home ownership within the City. It provides a one-time loan-to-grant for employees to use towards closing costs for new and existing employees purchasing their first home in the CRW water and sewer service area. He is happy to see that CRW has implemented this policy and hopes that it will be successful. Other companies and organizations such as Hamilton Health Center, Harrisburg Young Professionals (HYP) and PinnacleHealth have already implemented this type of policy with success.

Mr. Cluck also noted that the next HYP Home Tour is on Thursday, May 12th in Shipoke and encourages the public to attend.

The motion was unanimously approved.

Engineering:

A motion was made by Mr. Kurowski, seconded by Mr. Cluck, that the following items be approved by consent Engineering Items A, B1 and B2:

A. Front Street Pump Station Upgrade - Engineering Contract (JMT) - Amendment No. 1:

Motion: The Board authorizes the Director of Engineering’s execution of Amendment No. 1 to the existing agreement with JMT for an additional not-to-exceed lump sum fee of \$54,865.57. Funding Source: Wastewater #80800801-80100 Ww - Front St Pump Sta Design/Co.

B. AWTF Improvements Project – Change Orders (Contract No. 2):

1. Contract No. 2 (Pagoda Electrical) – Change Order No. 25:

Motion: The Board authorizes the Director of Engineering's execution of Change Order No. 25 to Contract No. 2 in the amount of \$85,251.08 with no addition of time for modifications necessary to automate the operation of the 15 KV switch gear power transfer. Funding Source: Wastewater #80-13000-00035 – Ww BNR Upgrade Project – 2014.

2. Contract No. 2 (Pagoda Electrical) – Change Order No. 26:

Motion: The Board authorizes the Director of Engineering's execution of Change Order No. 26 to Contract No. 2 in the amount of \$60,890.44 with no addition of time for the addition of site lighting not included in the contract scope of work. Funding Source: Wastewater #80-13000-00035 – Ww BNR Upgrade Project – 2014.

The motion was unanimously approved.

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

C. WEF Partnership: National Green Infrastructure Certification Program:

Motion: The Board authorizes the CEO to execute a Partnership Memorandum of Understanding Agreement with Water Environment Federation (WEF) to participate in the development of the National Green Infrastructure Certification Program Master Plan and make a contribution of \$50,000. Funding Source: Wastewater #80-00-00-800-801-80100-00026 – Ww MS4 and LTCP Compliance.

The motion was unanimously approved.

Operations:

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

A. Demand Response Program:

Motion: The Board ratifies CRW's Solicitor's notification to KOREnergy of termination of the Enrollment Agreements for both the AWTF and Bureau of Water (now known as Drinking Water Division) and to take any and all necessary steps to complete the

termination in order to avoid financial and/or regulatory penalty. Funding Source: Any potential penalty incurred is unanticipated and unbudgeted with the funding source to be determined.

B. Purchase of Vehicles for Drinking Water:

Motion: The Board ratifies the CEO's procurement of three vehicles for Drinking Water for a combined total budget amount of \$100,000. Funding Source: Water #60800804-80400-00071 – Wtr Vehicular Equipment.

C. Purchase of Hydro-Excavator for Drinking Water:

Motion: The Board authorizes the CEO's procurement of a Hydro-Excavator for Drinking Water at a cost of \$327,701. Funding Source: Water #60000801-801000 – Wtr Capital Improvement Project.

The motion was unanimously approved.

XI. Board Comments:

Mr. Cluck – no comments.

Ms. Skotedis reported that she was happy to have gotten through all 700 pages of reading materials for tonight's meeting.

Mr. Waters thanked everyone from the public who attended tonight's meeting and the staff for doing a great job. "Let's keep moving forward."

Mr. Kurowski also thanked the staff and the public for their participation in supporting CRW's mission.

Mr. Kurowski stated that he had learned via Twitter that Harrisburg City Council has approved the Mayor's nomination of Mr. Garvey Presley, Jr. to fill the vacant seat of Westburn Majors.

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



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XIII. Adjournment:

A motion was made by Ms. Skotedis, seconded by Mr. Kurowski, that the Board adjourn the meeting at 8:33 PM. The motion was unanimously approved.

CAPITAL REGION WATER

Darryl S. Waters
Secretary