



## **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)  
Garvey Presley, Jr., Board Member

**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  
Tammie Sheaffer, Office Manager  
Tanya Dierolf, Sustainability Manager  
Andrew Bliss, Community Outreach Manager  
Lexie Grant, Grants & Funding Coordinator  
Mike McFadden, Superintendent – Drinking Water  
Jess Rosentel, Superintendent – Wastewater  
Joe Ritchey, Risk 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)  
Mike Mehaffey, P.E. (Gannett Fleming)  
Andrew Donaldson, Senior Environmental Scientist (JMT)  
Bill Warren, Esquire (Saul Ewing, LLP)

**Others:**

Melvin T. Johnson (Fair Housing & MT Johnson Group, LLC)  
Melanie Cook (City Resident)  
Wanda Williams (President, Harrisburg City Council)  
Cynthia West Presley (City Resident)

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

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

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

**II. Chairperson's Announcements:**

- A.** An executive session under Section 708(a) of the Sunshine Act was held today at 5:00 PM to: (1) consult with general counsel regarding legal advice surrounding the request by the Lancaster County Solid Waste Management Authority (LCSWMA) to erect a well at the Susquehanna Resource Management Complex in lieu of effluent water which is subject to an agreement LCSWMA has with CRW, and (2) consult with general and special counsel regarding legal aspects of the proposed M/WBE Plan.
- B.** The next Regular Meeting is scheduled for Wednesday, August 24, 2016 at 6:00 PM.

**III. Presentations:**

**M/WBE Plan - Board Discussion:**

Mr. Kurowski summarized the process to date for revisiting our current Plan which included holding public presentations and public participation events. He noted that the Board and staff are currently processing feedback and comments received from the public during that process. He then opened the floor for the Board to provide their comments on the "Draft M/WBE Plan".

Mr. Presley voiced concerns about CRW's ability to implement the Plan.

Mr. Cluck asked that staff and legal counsel prepare a formal comment and response document prior to the next meeting in order for the Board to determine how to revise the Draft Plan in light of the comments received. He further commented on three different categories: (1) scope of the plan: it is unclear whether CRW wishes to expand beyond Minority and Women Based Enterprises, or if professional services should be included at this time; (2) implementation: he noted that implementation doesn't have to be in the Plan itself, but proper implementation is vitally important to effectuate and enforce the M/WBE Plan successfully, so there would be a whole separate set of questions in terms of what

professional services will be needed to implement the M/WBE Plan, specifically determination on the scope of services; (3) capacity – is it the responsibility of a water and sewer authority to build capacity for businesses? Those are big issues and the Board may want some participatory discussions amongst the Board and the public.

While Mr. Cluck acknowledged he has not polled the Board regarding CRW's role in building capacity in Harrisburg, he thinks it is vital that somebody steps up and does something, and feels it is incumbent upon CRW because CRW has been very proactive and is doing really good stuff for infrastructure and community outreach to inform and educate our customers; however, he is concerned that CRW may not have the resources for implementation of the M/WBE Plan if grants are not available, and that the Board would need to see what CRW ratepayers could afford before determining the level of expense.

Ms. Skotedis commented that she likes the Draft M/WBE Plan but she too is ultimately concerned with the cost of implementation without negatively impacting ratepayers, and how CRW will monitor the M/WBE Plan. She also has an interest in how we address hiring locally and understands that we cannot give priority to local people, but it is a concern to make sure that we are providing those resources back into the community.

Mr. Waters stated that he is concerned with how CRW will effectively target local businesses and minorities to do the type of work that we need done, including the hiring and monitoring for what we want to achieve. If CRW has to put something else into place, is that a totally different aspect than what CRW is currently trying to achieve?

Mr. Stewart responded that he is committed to implementation of the M/WBE Plan and to see it through, although it may be rocky at the start since it is a different situation. He believes staff at CRW are committed to seeing this M/WBE Plan through.

Mr. Warren responded that writing an M/WBE Plan is easy but the implementation is not. CRW needs to decide on resources, specific areas of concern, MPLs, and how to use the support of agencies such as DGS and PHFA, and that some tough decisions will have to be made.

Mr. Waters asked if CRW identified the number of M/WBEs within the Harrisburg area who are certified to do specific types of work that needs to be performed. Mr. Warren indicated that the staff (with possible assistance from contractors and consultants) will identify various companies that have been utilized within the community after adoption of the Plan.

Mr. Kurowski commented that the goals are to (1) ferret out discrimination and discriminatory practices in contracting, (2) build local capacity, and (3) perhaps help to foster growth of existing DBEs and startups of new enterprises. If possible, he would like to expand the program to other types of disadvantaged businesses and, to the extent that we can, to encourage contractor hiring of local residents. He feels that, via this Plan, this message is going to get contractors to realize this issue is important to CRW, and that we are trying to push it to the top of the formal documentation that will be required for bidding CRW projects. He also indicated that while this current Plan is for only construction projects at this point, we are certainly discussing that we will have the same expectations about professional services.

Upon discussion, it was noted that while changes to forms used to implement the Plan could be approved administratively, any substantive changes to the approved Plan would need to be brought back to the Board for formal approval.

Mr. Cluck commented that he believes all commenters should be able to view the public input along with CRW staff responses, including whether there are duplication of inquiries from various persons. If the comments result in material changes to the M/WBE Plan, Mr. Cluck feels the Draft M/WBE Plan should be put back out for public comment. At this point, he doesn't feel CRW is ready to say that. If changes that occur to the Draft M/WBE Plan are not material, then he feels CRW could take action to adopt the M/WBE Plan and issue a response to comments.

Based on the above discussion, Mr. Stewart and Mr. Warren agreed to prepare a response document that includes a redlined version of the M/WBE Plan and a tabulation summary of comments received to date and staff/counsel responses by next month's meeting for the Board to review. It was noted that there were approximately fifteen (15) commenters with many of them having the same comments.

Mr. Kurowski stated that he would like the M/WBE Plan to be expanded beyond M/WBEs, to include disabled veterans, LGBT, etc. in light of the fact that the State recently expanded their Plan. Ms. Skotedis agreed.

#### **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.

Ms. Williams stated she would take any questions from Board members on any items discussed during the Executive Section. There were no questions.

Mr. Cluck questioned Mr. Nowotarski on the staffing referenced under Finance Department. Mr. Nowotarski explained that the Munis System is a sophisticated system causing an unanticipated increase in workflow, causing the Administrative Assistants, Directors and Superintendents at the Drinking Water and Wastewater Divisions to be bogged down with additional paperwork. CRW is currently looking to streamline the process to be more effective. Upon analysis, it may be determined that a new position may be expected to be filled within the 2017 budget.

Mr. Cluck referred to Bond Rating and Refinancing of AWTF and that it talks about the establishment of an Investment Policy. Mr. Cluck noted that he recalls reading various CRW Audits reporting that we have an Investment Policy and asked Mr. Nowotarski to explain. Mr. Nowotarski replied that CRW does not have an Investment Policy and that the previous Audits had incorrectly represented that we did. Mr. Cluck asked and Mr. Nowotarski confirmed that the Board will see the Investment Policy at next month's Board meeting.

Mr. Cluck stated that CRW has a series of events ongoing, including a very successful one held last evening, and questioned the source of funding? Mr. Bliss answered that the expenses were paid out of the Community Outreach Budget.

Mr. Cluck referenced the CCTV project under Operate Facilities and inquired if the Board could receive some type of a map revealing progress within the GIS system, or something that shows the City infrastructure to identify the status of progress, and can it be made available to the public. Mr. Rosentel responded in the affirmative.

Mr. Cluck then noted that, as televised on Channel 20, the Mayor conducted a community meeting where an unidentified person stood up and identified issues with sewer laterals. Mr. Cluck inquired if CRW had followed up on this issue. Mr. Rosentel responded that he believed the issues mentioned were related to storm inlets on 13<sup>th</sup> and Derry Streets and that CRW investigated the matter and the matter was scheduled to be resolved within the next several days. Mr. Cluck asked Mr. Rosentel to notify the City Public Works Department that CRW has resolved the matter upon completion.

Mr. Cluck inquired if CRW will be performing hydrant flushing this year or is it every other year? Mr. McFadden replied that it is every year and that hydrant flushing will occur within the next couple months. Mr. Cluck asked and Mr. McFadden confirmed that CRW communicates to the City's Fire Department when hydrants go out of service.

Mr. Cluck referred to the surface parking lot that PinnacleHealth completed on South Second Street and asked if CRW had anything to do with there not being a sidewalk since CRW just did stormwater and green infrastructure? Mr. Stewart responded that there is no green infrastructure in that project and that CRW has nothing to do with the location of sidewalks.

Mr. Cluck inquired if CRW had received any formal notification from Impact Harrisburg regarding our request for the \$500,000 Contingency funds? Ms. Williams responded that CRW did not receive any formal notification from Impact Harrisburg with respect to any of our applications. Ms. Williams and Ms. Grant provided additional explanation on the applications to Impact Harrisburg.

Mr. Garvey asked for the status of the in-ground reservoir walls that were cracking, and Mr. Stewart and Mr. Mehaffey responded that Gannett Fleming is currently preparing contract documents for advertisement within the next week or two. Mr. Cluck asked for a timeline and Mr. Mehaffey responded that they are anticipating an October timeframe for rehabilitation and inspection.

Ms. Skotedis asked Mr. Nowotarski when the 2015 financial audit will be wrapped up. Mr. Nowotarski advised that the field work is complete. The Draft Financial Statement has been reviewed. CRW's Auditor is currently on vacation and he anticipates distributing the Financial Statement to everyone as we have done in the past, and that there will not be any problem issuing it by the September 30<sup>th</sup> deadline. Ms. Skotedis requested and Mr. Nowotarski agreed to provide a copy of the Draft Financial Statement.

Ms. Skotedis inquired if there were any problems caused by the transition of the financial software in the preparation of the Draft Financial Statement. Mr. Nowotarski indicated that the Munis transition took place subsequent to the 2015 audit year so that had no impact to the general ledger. The billing transition did cause a high level of stress and work for the Accounting Department staff to reconcile revenues. Muni-Link representatives were required to be on-site to resolve software issues.

Ms. Skotedis asked Mr. Stewart to explain his statement on CRW staff reviewing data to ensure consistency with asset management condition assessments. Mr. Stewart reported that they have gone through a number of data collection processes from CCTV with Red Zone to the recent manhole inspections that we have done. Red Zone wants to make sure that the reports provided to us are consistent with the methodology that we are using so that when we prioritize work, regardless of who is providing the data, that it receives the

same level of urgency. This is the post processing step that we are in the midst of with Hydro Structures. Mr. Stewart anticipates being completed by the end of this year.

Ms. Skotedis referenced the DeHart Stewardship planning and asked if the Board had received an updated draft of the easement. Ms. Williams replied that Ms. Dierolf is working with the project team to prepare a final draft for the Board's consideration. The next draft will be provided in both "final" and "red-lined" versions and will be accompanied by a summary of changes made since the Board last saw the document.

Ms. Skotedis remarked that Mr. Bliss and the Community Liaison were "on fire" this past month.

Ms. Skotedis inquired with the hiring of eight (8) new employees this past month if we are at full capacity or are still looking. Mr. Lausch responded that we are pretty close. There are approximately four to six more positions budgeted to be filled during 2016.

Mr. Waters did not have any comments or concerns.

Mr. Presley asked if any of the new employees were residents of Harrisburg. Ms. Williams will report this information back to the Board.

## **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 Mr. Cluck, seconded by Ms. Skotedis, that the Minutes of the June 22, 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):**

Ms. Melanie Cook, City Resident; Ms. Wanda Williams, Harrisburg City Council President; and Mr. Melvin Johnson, Fair Housing & MT Johnson Group; provided comments in regards to the M/WBE Plan that will be included and addressed in the response document to be prepared by Mr. Stewart and Mr. Warren.

## **IX. Old/New Business:**

### **Engineering:**

A motion was made by Mr. Kurowski, seconded by Mr. Cluck, that the following items be approved by consent, Engineering Items A.1. through A.5.:

#### **A. AWTF Improvements Project – Change Orders:**

##### **1. Contract No. 1 (PC Construction) – Change Order No. 30:**

**Motion:** The Board authorizes the Director of Engineering's execution of Change Order No. 30 to Contract No. 1 in the amount of \$17,920 with no addition of time for the combination of two areas of work involving added pipe insulation. CCR #48 is associated with additional pipe insulation on approximately 90 linear feet of buried water piping near the Control Building (Structure 30). Due to unforeseen conditions and existing utility obstructions, the pipe had to be installed above the frost elevation and thus required insulation for freeze protection as well as concrete encasement to protect the pipe from traffic loading. CCR #50 is for insulation of the magnetic flag site gauge on the Sodium Hydroxide Storage Tank (Structure 145) to prevent freezing. Funding Source: Wastewater #80-13000-00035 – Ww BNR Upgrade Project – 2014.

##### **2. Contract No. 1 (PC Construction) – Change Order No. 31:**

**Motion:** The Board authorizes the Director of Engineering's execution of Change Order No. 31 to Contract No. 1 in the amount of \$90,813.98 with no addition of time for adjustment of the cash allowance items under Contract AWTF1 to the actual costs as set forth in Specification Section 01 21 00 Allowances. The cumulative cash allowances for the six items in the contract totaled \$888,000 while the actual cumulative costs were \$978,813.98. Funding Source: Wastewater #80-13000-00035 – Ww BNR Upgrade Project – 2014.

**3. Contract No. 2 (Pagoda Electrical) – Change Order No. 30:**

**Motion:** The Board authorizes the Director of Engineering's execution of Change Order No. 30 to Contract No. 2 in the amount of \$1,739.62 with no addition of time for installation of a new bucket within the new MCC 4 to provide electrical service from the new MCC to an existing 480V sump pump in the Return Sludge Pumping Station (Structure 110). Funding Source: Wastewater #80-13000-00035 – Ww BNR Upgrade Project – 2014.

**4. Contract No. 2 (Pagoda Electrical) – Change Order No. 31:**

**Motion:** The Board authorizes the Director of Engineering's execution of Change Order No. 31 to Contract No. 2 in the amount of \$9,637.14 with no addition of time for providing additional heat tracing for piping exposed to outside air. The additional heat tracing is provided for sump pump discharge piping at the WAS Pump Station (Structure 88) and Polymer Mix Tank (Structure 90) and for water piping for the shower and eyewash facilities located at the Methanol Storage Facility (Structure 140). Funding Source: Wastewater #80-13000-00035 – Ww BNR Upgrade Project – 2014.

**5. Contract No. 2 (Pagoda Electrical) – Change Order No. 32:**

**Motion:** The Board authorizes the Director of Engineering's execution of Change Order No. 32 to Contract No. 2 in the amount of \$7,077.99 with no addition of time for providing permanent electrical power feed to the shop that was built and used by PC Construction during the project. The shop is being transferred to the Owner for permanent use. Funding Source: Wastewater #80-13000-00035 – Ww BNR Upgrade Project – 2014.

The motion was unanimously approved.

A ribbon cutting ceremony for the Advanced Wastewater Treatment Facility will be held this Fall.

A motion was made by Mr. Kurowski, seconded by Mr. Presley, that the following items be approved by consent, Engineering Items B.1. through B.3.:

**B. Execution of Task Orders for Engineering Services:**

**1. Task Order 2016-14-01: DeHart Outlet Works Inspection with Gannett Fleming:**

**Motion:** The Board authorizes the Director of Engineering's execution of the Task Order 2016-14-01 with Gannett Fleming to perform inspection of the outlet works

pipes at DeHart Dam for a fee not-to-exceed \$99,760. Funding Source: Water #60-60221519-51998 – Wtr Dist CEAR Recommended O&M.

**2. Task Order 2016-16-01: AWTF Biosolids Facilities Improvement Plan with Whitman Requardt & Associates:**

**Motion:** The Board authorizes the Director of Engineering's execution of the Task Order 2016-16-01 with Whitman Requardt & Associates to prepare a Biosolids Facilities Improvement Plan for the AWTF for a fee not-to-exceed \$270,676. Funding Source: Wastewater #80-8080080-80100-00021 – Ww Primary & Gravity Thickener Sludge Pump Replacement.

**3. Task Order 2016-17-01: AWTF Primary Digester Rehabilitation with Whitman Requardt & Associates:**

**Motion:** The Board authorizes the Director of Engineering's execution of the Task Order 2016-17-01 with Whitman Requardt & Associates to prepare and bid contract document for the rehabilitation of the AWTF Primary Digester Facilities for a fee not-to-exceed \$160,439. Funding Source: Wastewater #80-8080080-80100-00020 – Ww Anaerobic Digester Roof Replacement.

Mr. Cluck requested clarification on the Task Orders. Board members requested an explanation of what is involved with the inspection. Mr. McFadden explained that the inspection will occur over a period of approximately eight (8) days and occurs while the facility remains on-line. The inspection is performed by remote control from the intake tower to the control building and the by-pass line.

Mr. Stewart noted that this type of inspection occurs every ten (10) years, and that the thorough evaluation may result in recommendations for improvements. This inspection will provide valuable information for CRW to form a baseline for the future.

The DeHart Dam Annual Inspection will continue to be performed on an annual basis but is not as involved as this type of inspection.

Mr. Cluck asked if the biosolids improvement is an economic or environmental improvement and Mr. Stewart noted that it is both, including infrastructure improvements. Mr. Stewart and Mr. Rosentel noted that CRW will be analyzing all of the solids processing at the AWTF. Mr. Stewart indicated that CRW is also focused on the best use of the solids processing for energy regeneration including increased generation of methane gas, more efficient gas digestion, or a generator to utilize the biogas more efficiently. Recommendations will be made after an analysis is performed. Mr. Rosentel provided

additional information from the floor regarding possible generation of methane gas, more efficient gas digestion, or a generator to utilize the biogas more efficiently.

It was confirmed that the work being performed will also generate more revenue. Mr. Cluck inquired if there will be an economic analysis and Mr. Stewart confirmed that there will be. Mr. Stewart noted that while Whitman Requardt & Associates is performing the work, CRW's Operations and Sustainability Manager will be very involved with this project.

Mr. Stewart provided additional explanation to the Board members from the floor on the purpose of Engineering Items B.2. and B.3.

The motion was unanimously approved.

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

**C. 2016 Sewer System Improvements Project – Recommendation of Award:**

**Motion:** The Board authorizes the issuance of Notice of Intent to Award of the 2016 Sewer System Improvements Project to HRI, Inc. in the amount of \$1,322,868 and subsequent execution of an agreement following receipt of insurance and bonds. Funding Source: Wastewater #80-80800801-80100-00032 – Ww Sanitary Sewer Collection System.

Mr. Cluck noted that the Issue Brief provided on this project confirms that the contractor being awarded this contract, HRI, revealed no DBE participation, however the contractor did confirm their solicitation of DBEs. Mr. Cluck requested clarification. Mr. Stewart noted CRW's current DBE Policy mirrors PENNVEST requirements regarding the contractor's "good faith efforts" and that the contractor fulfilled their obligation.

Mr. Ellinger confirmed that the lowest responsible bidder received two quotes from the thirty to fifty DBE contractors with whom they had solicited for survey and trucking work. In their bidding documents the contractor explained that those DBE firms were not selected as they were not cost-competitive with the contractor's own workforce. The next two lowest bidders were \$800,000 higher than the low bidder and they indicated that they did not receive any DBE quotes from their solicitations but they were prepared to provide 1-3% of M/WBE participation.

Mr. Presley inquired if the recommendation to award the contract to HRI was because they were low bidder. Mr. Ellinger explained that the recommendation to award the contract is

based on the “lowest responsible and responsive bidder” and that the low-bid contractor met all of the requirements of the specifications; therefore the recommendation to award to the low-bidder was made.

Upon discussion, Mr. Cluck asked if a contractor who is awarded a contract can be required to report to CRW as to the number of local people who are hired as a result of the award of a contract with CRW. Mr. Kurowski responded that since this would be a post-bid request, the contractor could not be punished for not providing the information, but that the information could be requested, and that future contract documents could include that reporting as a requirement.

Ms. Williams reminded the Board that CRW is currently operating under the existing DBE Policy that requires that contractors follow the guidelines of the “six good faith efforts” and contract documents are based on this Policy. She noted that this discussion highlights the need for going further than the current policy as contemplated in the Draft M/WBE Plan. Under this policy, a low-bidder can be rejected for not following the guidelines.

Mr. Ellinger noted that approximately nine months ago, at HRG’s recommendation, CRW awarded the steamline demolition contract to the second lowest bidder because the low bidder did not perform any solicitations to M/WBEs and their bid was thus rejected.

Mr. Cluck asked if CRW would be permitted to reject the lowest responsive and responsible bid received due to lack of M/WBE participation. Upon inquiry and discussion, the Solicitor stated that CRW does have the ability to reject all bids at this time, but that it could not reject the lowest bidder in this case.

Upon inquiry of CRW’s staff, it was noted that the delay of the award of this project to rebid for the chance of increased participation would be detrimental. Mr. Rosentel confirmed that this project will repair existing collapsed lines that cannot be repaired in-house.

The motion was unanimously approved with Mr. Presley and Mr. Cluck stating their reluctant approval.

## **XI. Board Comments:**

Mr. Presley reiterated his request that contractors awarded CRW contracts make attempts to employ local residents. He inquired if there has been any update to the availability of alternative walk-in locations for CRW customers to pay their water and sewer bills in person. Mr. Nowotarski explained that CRW has investigated alternative locations such as

banks, grocery store locations, etc. but there has not been enough interest to substantiate the cost.

Mr. Presley thanked CRW for the hiring of City residents during the last acquisition of new CRW employees.

Mr. Cluck thanked Mike McFadden and Jess Rosentel for hiring local persons and commended the staff for the work that will be performed in the upcoming months.

Ms. Skotedis – no comments.

Mr. Waters also thanked the staff for all of their time and effort in keeping the Board apprised. He also thanked any members of the public who participated this evening.

Mr. Kurowski did not offer any further comments.

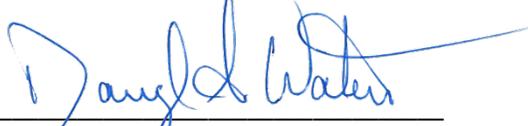
**XII. Public Comment - Non-Agenda Items:**

Ms. Wanda Williams commended CRW for the work we are doing in bridging the gap between CRW and the community and for our outreach efforts and leadership.

**XIII. Adjournment:**

A motion was made by Mr. Kurowski, seconded by Mr. Presley, that the Board adjourns the meeting at 8:12 PM. The motion was unanimously approved.

CAPITAL REGION WATER



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Darryl S. Waters  
Secretary