



## **Regular Meeting (5:00 PM)**

In Attendance:

Board:

J. Marc Kurowski, P.E., Chairperson  
William J. Cluck, Esquire, Vice-Chairperson  
Crystal Skotedis, CPA, CFE, Treasurer (Arrived at 5:13 PM)  
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  
Karen M. McKillip, Archivist  
Tammie Sheaffer, Office Manager  
Tanya Dierolf, Sustainability Manager  
Andrew Bliss, Community Outreach Manager (Arrived at 5:40 PM)  
Joe Ritchey, Risk Manager  
Jenny Keller, Accounting Supervisor  
Mike McFadden, Superintendent – Drinking Water  
Jess Rosentel, Superintendent – Wastewater

Consultants:

Steven E. Grubb, Esquire (Goldberg Katzman, P.C.)  
Michael A. Schober, P.E. (CDM Smith, Inc. [Arrived at 5:55 PM])  
Paul Rosol (WRA)  
Jeff Thompson (WRA)  
Ed Ellinger, P.E. (HRG)  
Mike Mehaffey, P.E. (Gannett Fleming)  
Andrew Donaldson, Senior Environmental Scientist (JMT [Arrived at 5:55 PM])  
Holly Hudson (Cosmos Technologies, Inc. [Arrived at 6:38 PM])  
Frederick Douglas (Cosmos Technologies, Inc. [Arrived at 6:15 PM])

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

The meeting was called to order by Chairperson Kurowski at 5:09 PM.

Chairperson Kurowski noted that Board members Kurowski, Cluck and Presley were present and that Ms. Skotedis would arrive shortly. Mr. Waters would not be present this evening.

## **II. Chairperson's Announcements:**

- A.** Tonight's meeting was originally scheduled for 6:00 PM. Notice of tonight's meeting change has been properly advertised in the Patriot-News and will be attached to tonight's minutes as Exhibit "A".
- B.** Additional Special Meetings have been scheduled for Wednesday, November 9, 2016 at 5:00 PM and if necessary, Tuesday, November 22, 2016 at 5:30 PM for review of the proposed 2017 Budgets, and to take action on any other business that may come before the Board. All meetings are open to the public and have been properly advertised in the Patriot-News.
- C.** The next Regular Meeting is scheduled for Wednesday, November 16, 2016 at 6:00 PM and is open to the public.

## **III. Presentations:**

### **2017 Draft Budgets - (David L. Nowotarski, CPA, CFO) (5:11 - 6:50 PM):**

Mr. Nowotarski began tonight's presentation by noting that this is CRW's first review of the 2017 Draft Budgets, they only deal with expenses, and this expense package will drive the revenues required to meet the projected expenses.

He provided an overview, followed by an 8+4 month forecast of expenses for the current year that CRW staff and the Budget and Finance Committee worked with the Directors and Superintendents of both Drinking Water and Wastewater Divisions to develop upcoming year projects.

Mr. Nowotarski pointed out that the internal review of ARCADIS' preliminary rate package is expected on or about November 1<sup>st</sup>. CRW's next Special Meeting on November 9<sup>th</sup> will focus on revenues required to fund the 2017 projects. CRW staff will determine what rate projections will be required to meet CRW's 2017 needs based on expenses within the Draft Budgets and will come back to the Board with various rate scenarios.

Discussions were held and questions were addressed from the floor regarding new positions and anticipated capital improvement projects. Health insurance cost increases

are anticipated to be around 2.3% for 2017. CRW is considering joining a health insurance Co-Op in 2017 that is utilized by municipal authorities similar to CRW. Discussions were held regarding the current health benefits provided by CRW for bargaining and non-bargaining personnel.

Mr. Cluck inquired if Board members would be expected to go through the 2017 Draft Budgets line-by-line. Mr. Nowotarski stated that Board members would not be reviewing the Draft Budgets line-by-line as the Budget and Finance Committee members, Board Members Kurowski and Skotedis, had gone through that process by getting into specific detail for several hours within the last two Budget and Finance Committee meetings held prior to tonight's meeting in order to avoid doing that at public Board meetings.

Mr. Nowotarski explained that CRW staff is currently in the process of transitioning the 2017 Budgets to match the way CRW's Financial Statements are calculated. CRW anticipates major capital improvements to our infrastructure to be performed in 2017 so discussions will focus on what CRW's ratepayers can handle in the way of rate increases vs. additional debt being undertaken in order to complete projected capital improvement projects.

Ms. Skotedis requested Mr. Nowotarski add an additional column to the spreadsheets to reflect the difference between the cash vs. the accrual basis to reveal how CRW has historically presented Budgets in past years, and how the Accounting Department is actually booking expenses.

Mr. Cluck stated that the word "diversity" doesn't appear on the Strategic Plan, therefore, he would not be voting in favor of the Strategic Plan.

Ms. Williams asked Mr. Cluck to advise what additional steps CRW staff can do in order to acquire more minority and diverse employees? A discussion was held as to all of the Job Fairs that CRW has currently participated in over the past year, including Harrisburg High School; Ft. Indiantown Gap; and the Cameron Street Trade School.

CRW continues its efforts to reach out for qualified personnel and encourage students in order to promote interest in future employment as Water and Wastewater employees.

CRW's Community Outreach personnel have been to the trade schools but there isn't a lot of turnover in this type of work environment because frankly, the jobs have not been open for a number of years since people have stayed in those jobs. As CRW's workforce ages, we want to focus on possible turnover that will occur in the future and encourage students to

take an interest in this field of work. Ms. Williams noted that CRW has worked with members on a national level in this field for workforce development to encourage young people to enter our field of work.

Upon further discussion, Mr. Cluck requested Mr. Nowotarski provide the Board with an organizational chart showing positions and salaries.

Questions and comments continued at the end of the presentation, including CRW's potential use of Green Bonds as we move forward and the possible charging of stormwater fees in the future.

Ms. Skotedis asked Mr. Stewart if CRW was planning on actually being able to do all of the seventy-five (75) projects identified under the Capital Improvements Project within 2017 and Mr. Stewart advised that CRW is prepared to and expecting to do all of these projects. Ms. Skotedis then requested Mr. Stewart to rank the seventy-five (75) projects in priority and to provide that information to the Board.

Ms. Williams stated that CRW will need to investigate the implementation of a Stormwater Rate in 2018. Mr. Cluck questioned why CRW is not obtaining Grants from PENNVEST to fund some of the projects. Ms. Williams stated that CRW's rates are too low to meet PENNVEST's 2% medium household income for water and sewer.

Mr. Nowotarski noted that after the meeting with ARCADIS next week, he will be prepared to discuss the different scenarios needed to fund the projects outlined within the 2017 Budget.

He also noted that the revenue portion of the 2017 Budget will be discussed at the November 9<sup>th</sup> Special Meeting and in the event all information regarding the rates can be worked out, it is anticipated the Board would vote on the 2017 Budgets at the November 16<sup>th</sup> Regular Monthly Meeting. If additional time is needed to revise the Budgets, a Special Meeting has been scheduled for November 22<sup>nd</sup> at 5:30 PM in order to continue discussion and approve the 2017 Budgets.

#### **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. Presley requested Mr. Nowotarski provide the Board with an update on the Tina Easton issue. Mr. Nowotarski noted that Ms. Easton is the CRW customer who came before the Board last month with an issue that turned out to involve a water leak at her residence where water actually went through the water meter, and is not an issue relating to an estimated bill. Customer Service is working with Ms. Easton to resolve the matter.

Mr. Presley inquired if CRW considered some type of hardship policy to assist customers in situations like this. Ms. Williams noted that CRW has looked into this, however, it is not fair for paying CRW ratepayers to bear the burden of invoices due to water that has gone through the meter. Ms. Williams also stated that the Municipality Authorities Act prohibits CRW from using any ratepayer monies to attempt to fund any type of hardship fund.

Mr. Cluck thanked the staff for posting the 2015 Financial Statements on ShareFile.

He requested clarification as to what the 37-Day Water Shut Off Procedure is. It was noted that CRW must allow seven (7) days for the landlord to provide the names and addresses of their tenants. If the landlord does not respond within the seven (7) days, then CRW has thirty (30) days to obtain the names and addresses of the tenants through litigation in order to allow tenants the opportunity to cease water shut off procedures by CRW.

CRW is very serious about following up on water shut off procedures. Mr. Grubb explained the steps currently being taken by CRW to do so through complaints being filed through the Dauphin County Court of Common Pleas.

Mr. Cluck also asked about the status of the following items which were identified by Messrs. Stewart, Ritchey and Lausch from the floor:

- Status of MS4 Permit;
- Explanation of “design details” of the TMDL;
- What is telematics under Risk Management;
- Who is Murray Securus (CRW’s insurance/bonding brokerage firm);
- Asset Management;
- Sustainability; and
- Employee Handbook.

There were no questions by Board members Skotedis or Kurowski.

**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 Board members.

**VI. Minutes of Previous Meetings:**

A motion was made by Mr. Cluck, seconded by Mr. Presley, that the Minutes of the September 28, 2016 Regular Meeting be approved as presented.

The motion was unanimously approved.

**VII. Modifications or Deletions to the Agenda:** None.

**VIII. Public Comments - Agenda and/or Non-Agenda Items (3 minutes):** None.

**IX. Old/New Business:**

**Executive:**

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

**A. Resolution No. 2016-010 - Strategic Plan:**

**Motion:** The Board approves Resolution 2016-010 which adopts the Capital Region Water Strategic Plan.

Mr. Cluck stated for the record that he is opposed to the Strategic Plan.

The motion passed by majority with Mr. Cluck voting in opposition to the motion.

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

**B. Paxton Creek Watershed TMDL – Legal Services to Prepare Intergovernmental Cooperation Agreement:**

**Motion:** The Board authorizes the CEO to execute and accept the Representation Letter and Fee Agreement with Salzmann Hughes, P.C. with an estimated fee amount of \$2,500. Funding Source: Wastewater #80800801-80100-00026 – Ww MS4 and LTCP Compliance

Ms. Skotedis voiced her concern over a possible conflict of interest with Salzmann Hughes, P.C. representing all three municipalities.

Mr. Cluck stated that he feels the rate being charged is too high for the amount of work required for the assignment. He feels CRW should waive the conflict of interest provision for one law firm to represent all three municipalities because in the event of a conflict, CRW would be forced to hire our own General Counsel to review the documents for representation.

Upon calling the question, the motion failed with Board members Skotedis and Cluck being opposed to the motion.

Mr. Stewart inquired as to which firms would be acceptable to the Board. After discussion, Ms. Skotedis felt that all of her concerns regarding a possible conflict of interest were addressed by Mr. Stewart. An inquiry was made to the Solicitor and Ms. Skotedis inquired whether she could revise her vote to the affirmative.

Upon discussion, the vote was retaken with Ms. Skotedis voting in favor of the motion. The motion passed by majority with Mr. Cluck voting in opposition to the motion.

**Finance:**

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

**A. Resolution No. 2016-012 – Authorized Representatives of CRW Under Pennsylvania’s Nutrient Credit Trading Program Through PENNVEST:**

**Motion:** The Board authorizes Shannon G. Williams, P.E., CEO and David L. Nowotarski, CFO as its Authorized Representatives under the Pennsylvania Nutrient Credit Trading Program through PENNVEST and grants discretionary trading authority to other individuals or entities until a Certificate of Rescission or modification of the authorized representatives is filed with PENNVEST.

Upon discussion, it was noted that CRW will not be required to purchase nutrient credits for Water Year 2017.

The motion was unanimously approved.

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

**B. Underwriter for Wastewater Bonds:**

**Motion:** The Board authorizes the CEO and/or CFO to appoint Morgan Stanley as Senior Managing Underwriter to facilitate the refunding of all of CRW's outstanding bonds as the Underwriter to sell the transaction. All Underwriter expenses and costs are paid via the bond issuance and CRW will not be responsible for any direct costs. Funding Source: N/A

**C. Purchase of Vehicles for Metering Department:**

**Motion:** The Board authorizes the procurement of three (3) vehicles to be utilized by the Metering Department for a combined total budget amount not-to-exceed \$90,000. Funding Source: Admin #10005551-55100 – Adm Vehicles

The motion was unanimously approved.

**Engineering:**

A motion was made by Mr. Cluck, seconded by Mr. Presley, that the following items be approved by consent, Engineering Items A.1., A.2. A.3., A.4., A.5., A.6., A.7. and A.8.:

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

**1. Contract No. 1 (PC Construction) – Change Order No. 34 – Site Changes:**

**Motion:** The Board authorizes the Director of Engineering's execution of Change Order No. 34 to Contract No. 1 in the amount of \$225,691 and eighty-two (82) calendar days time extension for various additions to the site work for improved access and site safety. Funding Source: Wastewater #8013000-00035 – Ww BNR Upgrade Project – 2014



**2. Contract No. 1 (PC Construction) – Change Order No. 35 – Paving Changes:**

**Motion:** The Board authorizes the Director of Engineering's execution of Change Order No. 35 to Contract No. 1 in the amount of \$152,372 for areas of additional paving. Funding Source: Wastewater #8013000-00035 – Ww BNR Upgrade Project – 2014

**3. Contract No. 1 (PC Construction) – Change Order No. 36 – Relocation of Vent Piping at the Settled Sewage Sludge Pumping Station:**

**Motion:** The Board authorizes the Director of Engineering's execution of Change Order No. 36 to Contract No. 1 in the amount of \$2,547 for relocation of vent piping in the Settled Sewage Sludge Pumping Station which was in conflict with the new electrical equipment. Funding Source: Wastewater #8013000-00035 – Ww BNR Upgrade Project – 2014

**4. Contract No. 1 (PC Construction) – Change Order No. 37 – Post Aeration Piping Modifications:**

**Motion:** The Board authorizes the Director of Engineering's execution of Change Order No. 37 to Contract No. 1 in the amount of \$12,700 for modifications to the diffused aeration piping to lower the piping to below the grating. Funding Source: Wastewater #8013000-00035 – Ww BNR Upgrade Project – 2014

**5. Contract No. 1 (PC Construction) – Change Order No. 38 – Utility Usage Credit:**

**Motion:** The Board authorizes the Director of Engineering's execution of Change Order No. 38 to Contract No. 1 for a credit in the amount of \$26,605.51 for owner-furnished water and electricity consumed by the contractor over the duration of the contract. Funding Source: Wastewater #8013000-00035 – Ww BNR Upgrade Project – 2014

**6. Contract No. 1 (PC Construction) – Change Order No. 39 – Grating Modifications:**

**Motion:** The Board authorizes the Director of Engineering's execution of Change Order No. 39 to Contract No. 1 in the amount of \$6,405 for modifications to the grating to allow for smaller sections of the grading to be removed to provide improved access to mechanical equipment installed in the tanks. Funding Source: Wastewater #8013000-00035 – Ww BNR Upgrade Project – 2014

**7. Contract No. 2 (Pagoda Electrical) – Change Order No. 34 – Time Extension for 15 KV Switchgear Automatic Transfer Upgrades:**

**Motion:** The Board authorizes the Director of Engineering's execution of Change Order No. 34 to Contract No. 2 for a non-compensatory time extension of eighty - two (82) calendar days to extend the final completion date for completion of the 15 KV Switchgear Automatic Transfer Upgrades. Funding Source: N/A

**8. Contract No. 2 (Pagoda Electrical) – Change Order No. 35 – Power to Additional Sump Pump:**

**Motion:** The Board authorizes the Director of Engineering's execution of Change Order No. 35 to Contract No. 2 in the amount of \$4,979.41 for providing power to an additional sump pump that was located in a manhole near the new Chlorine Solution Building. Funding Source: Wastewater #8013000-00035 – Ww BNR Upgrade Project – 2014

Mr. Stewart advised that additional credit change orders will be presented at the November 16<sup>th</sup> meeting.

The motion was unanimously approved.

A motion was made by Mr. Kurowski, seconded by Ms. Skotedis, that the following items be approved by consent, Engineering Items B.1., B.2. and B.3.:

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

**1. Task Order 2016-25-01 for Engineering Services – Third Street CCTV Inspection with CDM Smith:**

**Motion:** The Board authorizes the Director of Engineering's execution of the Task Order 2016-25-01 with CDM Smith for engineering services relative to the Third Street CCTV Inspection for a fee not-to-exceed \$90,770. DBE participation will be > 90%. Funding Source: Wastewater #80504541-54104 – Ww Engineering Services (Impact Harrisburg Infrastructure Grant)

**2. Task Order 2016-26-01 for Engineering Services – WSC Emergency Generator Installation with Gannett Fleming:**

**Motion:** The Board authorizes the Director of Engineering's execution of the Task Order 2016-26-01 with Gannett Fleming for engineering services relative to the WSC Generator Installation for a fee not-to-exceed \$109,000. Funding Source: Water #60800801-80100-00007 – Wtr WSC Emergency Generator

**3. Task Order 2016-27-01 for Engineering Services - WSC Tube Settler Replacement with Gannett Fleming:**

**Motion:** The Board authorizes the Director of Engineering's execution of the Task Order 2016-27-01 with Gannett Fleming for engineering services relative to the WSC Tube Settler Replacement for a fee not-to-exceed \$116,500. Funding Source: Water #60800801-80100-00009 – Wtr WSC Tube Settler Replacement

The motion was unanimously approved.

**X. Board Comments:**

Mr. Presley inquired if CRW can do anything else regarding some type of hardship fund to assist customers. Ms. Williams noted that Lexie Grant had been working on this type of project before but was unsure as to the status of her investigation. She will check on the matter and report back to the Board.

Mr. Cluck inquired about the following issues that were addressed from the floor:

- Status of the grease incident in the 1100 block of North Second Street that caused a basement to backup; and
- Water Transmission Main Replacement Project with GHD.

Mr. Cluck stated that he was very impressed and commended CRW's staff for the great job cleaning up the AWTF for the ribbon cutting ceremony.

Ms. Skotedis noted that she was excited that CRW has adopted the Strategic Plan and will be implementing it moving forward. Ms. Williams noted that she will work with each of the Goal Teams to develop a matrix.

Mr. Kurowski did not offer any comments.

**XI. Public Comment - Non-Agenda Items:** None.



**XII. Adjournment:**

A motion was made by Mr. Presley, seconded by Ms. Skotedis, that the Board adjourns the meeting at 7:50 PM. The motion was unanimously approved.

CAPITAL REGION WATER

A handwritten signature in blue ink, which appears to read "Darryl S. Waters", is written over a solid horizontal line.

Darryl S. Waters  
Secretary



## Order Confirmation

Ad Order Number 0007868441

### Customer

#### CAPITAL REGION WATER

Account:816  
CAPITAL REGION WATER  
212 LOCUST ST STE 500,  
HARRISBURG PA 17101 USA  
(717)525-7677

FAX:7175257688

karen.mckillip@capitalregionwater.com

### Payor Customer

#### CAPITAL REGION WATER

Account: 816  
CAPITAL REGION WATER  
212 LOCUST ST STE 500,  
HARRISBURG PA 17101 USA  
(717)525-7677

PO Number

Sales Rep. Marianna Aldridge

Order Taker Marianna Aldridge

Order Source Phone

Special Pricing

Tear Sheets	0	Net Amount	\$57.20
Proofs	0	Tax Amount	\$0.00
Affidavits	1	Total Amount	\$57.20
Blind Box		Payment Method	Invoice
Promo Type		Payment Amount	\$0.00
Materials		Amount Due	\$57.20
Invoice Text			

## Ad Schedule

Product	The Patriot News	Placement/Class	Main Legals
# Inserts	1	POS/Sub-Class	Meeting Notices
Cost	\$49.70	AdNumber	0007868441-01
Ad Type	PA CLS Legal Liner	Ad Size	1 X 10 li
Pick Up #		Ad Attributes	
External Ad #		Color	<NONE>
Production Method	AdBooker	Production Notes	
Run Dates	Sort Text	THE574REGULARMONTHLYMEETINGOFCAPITALREGIONWATERSCHEDULEDFORWEDNESDAYOCTOBER2016HA 10/13/2016	

Product	PennLive.com	Placement/Class	Main Legals
# Inserts	1	POS/Sub-Class	Meeting Notices
Cost	\$2.50	AdNumber	0007868441-01
Ad Type	PA CLS Legal Liner	Ad Size	1 X 10 li
Pick Up #		Ad Attributes	
External Ad #		Color	<NONE>
Production Method	AdBooker	Production Notes	
Run Dates	Sort Text	THE574REGULARMONTHLYMEETINGOFCAPITALREGIONWATERSCHEDULEDFORWEDNESDAYOCTOBER2016HA 10/13/2016	

Exhibit "A"

0007868441-01

Ad Content Proof

The **Regular Monthly Meeting of Capital Region Water** scheduled for Wednesday, October 26, 2016 has been changed to begin at 5:00 PM. The meeting will be held in the 1st Floor Conference Center Board Room located in the Locust Court Building, 212 Locust Street, Harrisburg, PA 17101.

CAPITAL REGION WATER

Shannon G. Williams, P.E., CEO