



Special Meeting (5:00 PM)

In Attendance:

Board:

J. Marc Kurowski, P.E., Chairperson
William J. Cluck, Esquire, Vice-Chairperson
Crystal Skotedis, CPA, CFE, Treasurer
Darryl S. Waters (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
Andrew Bliss, Community Outreach Manager
Julie Peters, Accounting Manager
Jenny Keller, Accounting Supervisor
Mike McFadden, Superintendent – Drinking Water
Jess Rosentel, Superintendent – Wastewater

Consultants:

Phil Sapone (ARCADIS)
John M. Mastracchio (ARCADIS)

Others:

Scott T. Wyland, Esq. (Salzmann Hughes, P.C.)

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

The meeting was called to order by Chairperson Kurowski at 5:15 PM.

Chairperson Kurowski noted that Board members Kurowski, Cluck and Skotedis were present, and Mr. Waters would be participating via conference call.

II. Chairperson's Announcements:

- A.** Tonight's Special Meeting was previously advertised in the Patriot News and on CRW's website. The purpose of tonight's Special Meeting is to discuss the proposed 2017 Budgets and other business that may come before the Board. A copy of the

advertisement will be attached to the Minutes of tonight's Special Meeting as Exhibit "A".

- B.** The next Regular Meeting is scheduled for Wednesday, November 16, 2016 at 6:00 PM and is open to the public. Mr. Kurowski stated that there will be conversation later in the meeting to determine if the meeting on November 16th will occur.
- C.** An additional Special Meeting has been scheduled for 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 and on CRW's website.

III. Presentations:

2017 Draft Expense Budgets Presentation - (Julie Peters and Dave Nowotarski, CRW) (5:16 - 6:11 PM):

Mr. Nowotarski opened the presentation with Ms. Peters reviewing the revisions incorporated to the expense side of the 2017 Budgets since the last meeting.

Ms. Peters distributed documentation and explained the revisions made on each Budget from the previous versions. For the record, copies of the materials distributed were emailed to Board Members Waters and Presley.

Various questions were raised by Board members and were addressed directly from the floor by Ms. Peters and/or Mr. Nowotarski.

The 2017 Budgets were discussed in the following order: Administrative, Drinking Water, and Wastewater.

Mr. Cluck asked staff to provide a breakdown of the professional services that were spent in 2016 prior to the next meeting.

Mr. Kurowski announced that an Executive Session would be held immediately after tonight's meeting to discuss compensation of personnel.

2017 Capital Improvement Projects were discussed together with a preliminary financing strategy for them.

Ms. Peters explained that CRW is including depreciation within CRW's Budgets for the first time.

Mr. Nowotarski stated that the PennVEST auction did not turn out as CRW had anticipated and, therefore, CRW was required to purchase nutrient credits from other municipalities.

Mr. Nowotarski was commended on his negotiation to purchase nutrient credits on behalf of CRW for Water Year 2016. To date, twenty-two (22) Nutrient Credit Agreements have been negotiated.

Mr. Cluck asked that staff be alert on the upcoming Trump Administration's infrastructure plans. He recommended that CRW staff reach out through PMAA and our Legislators to identify grant and funding opportunities that may be available to CRW.

2017 Drinking Water and Wastewater Rate Presentation - (John Mastracchio, ARCADIS) (6:11 - 6:48 PM):

Mr. Mastracchio provided a presentation on the proposed 2017 Drinking Water and Sewer rates. He noted that CRW's 2017 expenses have increased approximately 12% over actual 2016 actual expenses.

Mr. Cluck asked Mr. Nowotarski to provide a current outstanding debt schedule to Board members.

Mr. Mastracchio outlined the water and sewer rates anticipated for 2017 and explained how the rates are calculated.

Ms. Williams stated that CRW anticipates a media release on Monday, November 14th to notify the public, along with the Mayor, Harrisburg City Council and CRW's Community Ambassadors of the potential rate increases. CRW will post the proposed 2017 rates on its website for the public stating CRW's intention to vote on the proposed rates at our next meeting to be held November 22, 2016.

Ms. Skotedis stated that while she is aware of the hardship that rate increases have on our customers, she is very comfortable knowing that the rate increase chosen by CRW moves to better stabilize rates and prevent large rate increase spikes in the future.

IV. Modifications or Deletions to the Agenda:

A motion to approve an Amendment to the Effluent Reuse System Agreement with the Lancaster County Solid Waste Management Authority was added to the Agenda under the "Executive" heading.

V. Public Comments - Agenda and/or Non-Agenda Items (3 minutes):

Mr. Scott Wyland (legal counsel to Suburban sewer customers) inquired about the use of credits to City customers related to prior year revenues. He asked if there was a credit provided to the Suburban customers similar to that applied to City residents.

Mr. Mastracchio explained that the credit for City residents follows the terms of the existing Intermunicipal Agreement with the Suburban municipalities which provides that the City customers shall receive the benefit of the prior year's excess revenues, and that at the direction of CRW, a similar credit was applied to Suburban rates.

Ms. Williams noted that CRW is open to meeting next week with business managers of the Suburban municipalities who may want further explanation and input into rate setting. Mr. Wyland thanked the Board.

[Mr. Wyland left @ 7:00 PM]

VI. Old/New Business:

Executive:

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

A. Amendment to Effluent Water Reuse System Agreement with Lancaster County Solid Waste Management Authority:

Motion: Pursuant to the authority the Board gave the CEO at the September 28, 2016 Board Meeting to negotiate an amendment to the Effluent Water Reuse System Agreement with Lancaster County Solid Waste Management Authority (LCSWMA), and having reviewed and approved the final agreement as negotiated by the CEO, the Board authorizes the CEO to execute the Amendment to Effluent Water Reuse System Agreement.

The motion was unanimously approved.

VII. Board Comments:

Mr. Kurowski noted that due to scheduling conflicts, the November 16, 2016 Regular Board Meeting will be rescheduled to the previously advertised meeting date of November 22nd at 5:30 PM.

It was also noted that an Executive Session will be held at 4:00 PM on November 22nd prior to the rescheduled Regular Meeting, and that the purpose of the Executive Session will be the discussion of the Compensation Study and personnel matters.

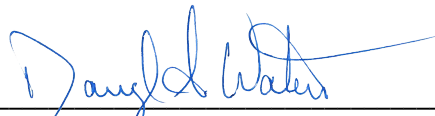
Mr. Stewart noted that CRW intends to establish minimum participation levels (MPL's) for the Headworks Screening Project at the November Regular Meeting.

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

IX. Adjournment:

A motion was made by Mr. Cluck, seconded by Ms. Skotedis, for the Board to adjourn the meeting at 7:09 PM. The motion was unanimously approved.

CAPITAL REGION WATER



Darryl S. Waters
Secretary



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Exhibit "A"

0007868454-01

Ad Content Proof

A Special Meeting of Capital Region Water will be held on Wednesday, November 9, 2016 at 5:00 PM for public review of its proposed 2017 Budgets and to take action on any other business that may come before the Board. 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