

**Minutes of the
Regular Board Meeting
(Via Audio Teleconference)
Of the Pittsburgh Water and Sewer Authority
Held on November 13, 2020**

This Regular Board Meeting of The Pittsburgh Water and Sewer Authority, having been duly advertised in accordance with the Sunshine Act, was called to order on Friday, November 13, 2020, at approximately 10:00 a.m., via audio teleconference.

ROLL CALL - All Members of the Board were present.

Participants from PWSA: Will Pickering, Jennifer Presutti, Debby Gibson, Debbie Lestitian, Edward Barca, Barry King, Julie Quigley, Jason Felser, Raquel Ludinich, Faith Wydra, Rick Obermeier, BJ McFaddin, and Alex Sciulli.

Also present were Solicitor Mark Nowak, Robert Ridge and Allen Lopus all of Clark Hill.

There were 27 confirmed participants who were on the call, in listening mode.

PUBLIC COMMENT – Courtney Mahronich Vita, Director of Trail Development with Friends of the Riverfront, addressed the board. She spoke of concerns regarding PWSA projects and their effect on the Three Rivers Heritage Trail and the Duck Hollow section of the trail.

EXECUTIVE SESSIONS

Executive Session was held prior to the Board Meeting, wherein legal matters were discussed. No votes were taken.

APPROVAL OF THE MINUTES

Chair Leger entertained a motion to approve the Minutes from the Regular Board Meeting held on October 23, 2020. Mr. Turner so moved, and Dr. Murrell seconded the motion.

No discussion held. The Minutes were unanimously approved.

Chair Leger requested and motioned to introduce New Business Resolution No. 141 prior to staff reports. Mr. Domach seconded the motion.

No. 141 of 2020 Requesting Approval of the Plea Agreement Letter with the United States of America and authorizing Counsel to accept the Plea Agreement Letter on Behalf of PWSA

Chair Leger requested a Roll Call vote on this Resolution. The vote was as follows: Chair Leger, Ms. Cristello, Mr. Domach, Ms. Leber, Dr. Murrell, and Ms. Strassburger all voted Aye. Mr. Turner voted Nay.

No discussion held. There were 6 votes in the affirmative and 1 nay vote. The Resolution was adopted.

FINANCIAL REPORT

Edward Barca, Director of Finance, explained the details of this report. Included in your board packet is the finance report through October 31, 2020.

Within the finance report, you will see that year-to-date collections are down 4.0 percent while operating expenses have remained steady. Even with the decrease in revenues, the Finance Department is projecting a surplus of approximately \$8.4 million at the end of fiscal year 2020. In addition, our cash balance has remained steady and our capital expenses continue to outpace last year.

The PWSA had an extremely successful bond pricing yesterday. The PWSA issued approximately \$93 million in new money bonds and remarketed \$219 million of outstanding bonds. The two issuances combined were oversubscribed by 11.5 times. This means that approximately \$3.6 billion in orders were submitted from investors to buy \$312 million of PWSA debt. Being oversubscribed by that much demonstrates the stability and strength of PWSA's credit.

The interest rate on the \$93 million new money bond issuance was 2.85 percent. Also, as part of the \$219 million remarketing, the PWSA successfully switched the interest rate structure from LIBOR to SIFMA, as well as restructured the associated swap. This was completed in order to eliminate any interest rate risk associated with LIBOR being discontinued at the end of 2021. I will point that switching the interest rate structure was projected to increase PWSA's debt service. However, given the strong investor demand, the PWSA was able to negotiate a lower interest rate that resulted in essentially the same debt service cost that was paid under the LIBOR structure.

Mr. Turner: Congratulations to you Ed and the entire organization for keeping us financially solid during an extremely challenging year.

Mr. Leger: I would just like to add that 2.8 is a great rate. I am very proud that you were able to do that. Did we ever get a rating from the rating agencies?

Mr. Barca: Yes, we did. The rating stayed the same, and the biggest catalyst of that was because of the COVID environment.

ENGINEERING REPORT

Barry King, Director of Engineering, presented the details of this report.

- On November 5, I had the opportunity to speak as a panelist before the Pennsylvania Chapter of the American Council of Engineering Companies (ACECPA). My presentation focused on the continued Positive Changes in the PWSA Organization and our significant Five Year Capital Improvement Program, affording PWSA the opportunity to grow the pool of interested consulting firms to increase the level competition for our future Capital Project work.
- On November 6, 2020, we received an amendment to our corrosion control permit with the PADEP, allowing us to continue with our Corrosion Control Optimization. Accordingly, Operations and Compliance initiated the first step of treatment adjustments with lowering the pH on November 7, 2020, in accordance with our approved Optimization Plan.
- Regarding our Small Diameter Water Main and Lead Service Line Replacements:
 - As of 11/06/2020, we have replaced:
 - almost 6 ½ miles of pipe under the 2020 SDWMMR Program, 42 percent of the total 15.2 miles (80,200 LF) planned. Concurrently, we have replaced over 168 public lead service lines and 115 private side.
 - As for the LSLR Program:
 - All work under the 2019 LSLR program was completed in October, having replaced 4,558 public and over 3,517 private lead service lines and confirmed that another 3,592 locations already had a public non-lead service line.
 - Finally, the Community Environmental Project approved by the DEP as part of the November 2017 COA is coming to a close. To date, we have had 680 customers sign up for this income-based LSLR program, where we have to date replaced 241 public lead service lines, 319 private lead service lines and confirmed that another 256 locations did not have a lead service line at all.
- And finally, our COA related Projects continue to make progress and are still on schedule.

Mr. Domach: With adjustments, do we know what changes will occur in annual usage of orthophosphate?

Mr. King: We are anticipating a reduction of the amount of orthophosphate that will need to be added to achieve the necessary corrosion control and lower the lead levels in the water.

Mr. Leger: When are we going to do the next round of Lead Testing so that we know what the number is?

Mr. King: The next round will be September of 2021. Plus, we are doing 25 homes 4 times over a period of 40 weeks as part of that first round of optimization. The next round of numbers will not be available until March of 2021.

REPORT OF THE EXECUTIVE DIRECTOR

Will Pickering, Executive Director, presented the details of this report. I want to commend Ed and Barry and all of their teams who were responsible for the progress that they outlined. We now move forward to the Water Main Replacement Program which will include lead service line replacements as well as our continued monitoring of our water quality to make sure that our orthophosphate continues to work and we will share that data with the board. We are taking samples well beyond regulatory requirements. I would like to share with the Board that I joined the Mayor on October 28th to announce the release of a request for proposals for the Stormwater Master Plan. The RFP is really challenging bidders to take a holistic perspective and utilize the P4 framework to provide innovative strategies. We are also looking for the bidders to provide recommendations on balancing the use of green and gray infrastructure. One final point, we are looking for this team to look at all of the work that has been conducted, not just by PWSA, but by our entire region. We see this document as setting the path forward for the next 5, 10, 25 years for PWSA and the City at large to approach stormwater. We held a pre-bid meeting virtually earlier this week and we had over 90 individuals sign in. On October 28th, I joined our Board member and Councilwoman Erika Strassburger and other dignitaries at the ribbon cutting for the new Wightman Park in North Squirrel Hill. It is not just a great recreation and community benefit, but it also includes several stormwater-management functions. A great example of working with the City and ALCOSAN in helping us fund this project to deliver projects that have multiple community benefits. I really want to congratulate the Councilwoman in helping deliver that park for her residents and the City of Pittsburgh. I would like to call your attention to a monthly performance metric. This is the average length of service disruption, and this metric measures the time it takes for our team from the time that it is reported, usually to our emergency dispatch, to when they shut a leak, make the repairs and put customers back into service. Our target is to restore service in 6 hours or less, and for the month of October, our time was 5 hours and 50 minutes. We are doing everything we can to lower that interruption to service time.

Mr. Turner: Three quick comments. Number one, thank you for the reports that we now get. Secondly, if anyone has not gone by the new Wightman Park area, it really is impressive. Lastly, congratulations to you Will, Alex Sciulli and Chairman Leger for their work on the RFP. Very nicely done. Thank you.

Ms. Strassburger: I just want to echo what has been said already about Wightman Park. This was 5 years in the making and is a total community gem. Phase 2 has yet to begin and will include a neighborhood stormwater portion of the park allowing the park to behave more like it wants to be, which is actually a pond.

RESOLUTIONS

No. 131 of 2020 Approval of the Amended and Restated Bylaws of The Pittsburgh Water and Sewer Authority

These updated Amendments include, but are not limited to, specifying Board qualifications and finance authority consistent with the Municipal Authorities Act, permitting Members to hold more than one office, providing for the appointment of Executive Committee Members, moving the Annual meeting to April, revising the title of Executive Director to CEO and clarifying the CEO's authority.

Chair Leger entertained a motion to approve for discussion. Mr. Turner so moved, and Mr. Domach seconded the motion.

No discussion held. The Board unanimously approved, and the Resolution was adopted.

No. 132 of 2020 Approving an Amendment of a Professional Services Agreement for Enterprise Resource Planning (ERP) System, Implementation, and Support Services to Gartner

Funding: Operating Budget \$348,705.60

During the RFP process for the ERP System, Implementation, and Support Services Project, PWSA used Gartner, an internationally recognized technology advisory service, to provide guidance and support due to their deep knowledge of ERP technology vendors and expertise in technology contract negotiations. With the assistance of Gartner's strategic contract negotiation, PWSA was able to bring the pricing down on two contracts for the Procurement Department without reducing the scope of work. After multiple discussions and negotiations, the Authority's preferred vendor was able to provide a cost reduction of \$1,743,528 from the measurement start point in their initial proposed pricing.

Chair Leger entertained a motion to approve for discussion. Mr. Turner so moved, and Ms. Strassburger seconded the motion.

No discussion held. The Board unanimously approved, and the Resolution was adopted.

No. 133 of 2020 Water Treatment Chemicals, PWSA Project Number 2020-022-OPS

Funding: Operating Budget \$4,717,964.98

Approval is requested for the award of an Operating Contract for water treatment chemicals to the following 10 firms: Biosafe Systems, Brenntag Northeast, LLC, Donau Carbon US, LLC, Carus, JCI Jones Chemicals, PVS Technologies, Polydyne Inc., SAL Chemical, W.K Merriman, Inc. and Univar Solutions.

Chair Leger entertained a motion to approve for discussion. Mr. Turner so moved, and Mr. Domach seconded the motion.

Mr. Domach: I see powdered activated carbon. I recall in the past we had disposed of bagged and saturated carbon. I am curious to know what the difference is between that carbon and this carbon?

Mr. Obermeier: I will find out and get back to you on that question.

No further discussion held. The Board unanimously approved, and the Resolution was adopted.

No. 134 of 2020 Approving entering into a Cost Share Agreement with PennDOT for the Saw Mill Run PWSA and PennDOT Watershed Improvement Project

Funding: Capital Budget \$1,000,000.00

The PADEP requires municipalities to obtain National Pollutant Discharge Elimination System (NPDES) Permit coverage for discharges of stormwater from their municipal separate storm sewer systems (MS4's), which includes a mandatory Pollutant Reduction Plan (PRP). The 2020-2025 MS4 NPDES permit for the Saw Mill Run Watershed requires PWSA to identify and enact best management practices (BMP's) that will reduce sediment pollution discharging the watershed to meet our PRP obligations. This project was identified as a joint project with PennDOT for the construction of necessary BMP's to allow us to comply with the MS4 NPDES permit.

Chair Leger entertained a motion to approve for discussion. Mr. Turner so moved, and Mr. Strassburger seconded the motion.

No discussion held. Board unanimously approved, and the Resolution was adopted.

No. 135 of 2020 Approving Change Orders of Multiple Operating Contracts for Construction of 2020 Urgent Sewer Repair Contracts to A. Folino Construction and Independent Enterprises, Inc. and Amendments of Professional Services Agreements to Hatch Associates Consultants, Inc.

Funding: Operating Budget Cumulative \$5,234,349.12

These change orders are required due to several current significant and costly infrastructure failures. One such failure is located at the Pittsburgh Zoo's parking lot, where an 18-inch diameter sewer main collapsed at its connection to a 60-inch diameter brick sewer approximately 90 feet deep. Due to the excessive depth, existing soil composition in the area, and inaccessibility, a new manhole must be installed to reinstate the connection and allow future rehabilitation of the 60-inch diameter sewer. Other noteworthy sites adding to the need for this request include the Forbes Avenue sewer lateral installations, Riverview Park, and Claybourne Street urgent repairs.

Chair Leger entertained a motion to approve for discussion. Mr. Turner so moved, and Mr. Domach seconded the motion.

No discussion held. Board unanimously approved, and the Resolution was adopted.

No. 136 of 2020 Approving entering into a CSX Facility Encroachment Agreement for the 2020 Large Diameter Main Replacement Program (Four Mile Run Water Main Relocation)

No. 137 of 2020 Approving Entering into a Facilities Encroachment Agreement with CSX Transportation, Inc. for the 2018 Sewers Under Structures Project

**Funding: 136 – Capital Budget \$286,900.00
137 – Capital Budget \$10,300.00**

Chair Leger requested Resolutions 136 and 137 be taken as companion Resolutions because of their similarity.

No. 136 – A 50-inch diameter steel water main is located within the Four Mile Run project area and needs to be relocated to mitigate conflicts with other PWSA/City improvements currently under design. This main is located along the eastern edge of CSX Transportations railroad lines through Schenley Park.

No. 137 – An existing 24-inch diameter vitrified clay sewer main crosses under active railroad tracks within CSX Transportation, Inc. at S. 16th Street carrying combined sewer flows from the South Side neighborhood to the M-13 ALCOSAN diversion structure. Inspections of this sewer have confirmed that this main is deformed and at risk of collapse.

Chair Leger entertained a motion to approve Resolutions 136 and 137 for discussion. Mr. Turner so moved, and Mr. Domach seconded the motion.

Mr. Turner: I am concerned about the unlimited indemnification. Can you explain how the amounts were determined and are other people like the City of Pittsburgh also giving the railroad unlimited indemnification?

Mr. Nowak: This is a unique agreement that requires indemnification. In this case, the railroad is essentially a monopoly, controls the right-of-way and owns the property. PWSA has an urgent necessity to make the infrastructure repair. PWSA must enter into an indemnity agreement in order to perform these repairs. Both agreements have similar provisions. The railroad also seeks an indemnification from the contractor. PWSA will pass down or will require the contractor to assume indemnification of PWSA for this obligation. Additionally, PWSA is protected by the statute that caps its tort liability at \$500,000.00. Deb Lestitian will address your other questions.

Ms. Lestitian: The specifications of the agreement we negotiated in connection with the Engineering Department. The most important element of it is the fact that any contractor that we would have would be added as an insured on their insurance policy. The contingent nature of this liability its potentially above the Executive Director's/CEO's signature authority and that is why we specifically called it out on your Board Resolution.

Mr. King: There is a great discrepancy between the two fee amounts. The valuation is purportedly set on a case-by-case basis based on multiple factors including the size, diameter and the length of the occupying utility line, as well as the valuation of the respected rail line in terms of the traffic volume and daily value of the freight carried on that line representing their risk and loss of profit.

Mr. Leger: What would happen if we hold these for further information?

Mr. King: It would definitely delay the work needed. I would not recommend that we do that at this time.

No further discussion held. Board unanimously approved, and Resolutions 136 and 137 were adopted.

No. 138 of 2020 Approving Entering Into a Cost Share Agreement with PennDOT for the 2021 PennDOT Paving Group (SR 0019, A27-A79) State Highway Resurfacing Project

Funding: Capital Budget \$40,795.56

This PennDOT project will impact the Authority's water valve boxes and sewer manholes and will be funded from the capital budget. PWSA will recover 75 percent of the costs per the cost share agreement with PennDOT, except for the installation of the round valve boxes, which are considered a betterment.

Chair Leger entertained a motion to approve for discussion. Mr. Turner so moved, and Mr. Domach seconded the motion.

Mr. Turner: Can you describe what a round valve box is?

Mr. King: Historically there have been various kinds of valve boxes installed over the years. The square ones have seemed to have more maintenance problems and they are no longer carried.

No further discussion held. Board unanimously approved, and the Resolution was adopted.

No. 139 of 2020 Approving an Amendment of the Board Approved Operating Budget, a Change Order of an Operating Contract for 2020 Urgent Water Repair to A. Folino, and an Amendment of a Professional Services Agreement to Hatch Associates Consultants

No. 140 of 2020 Approving an Amendment of the Board Approved Operating Budget, a Change Order of an Operating Contract for 2020 Urgent Water Repair to Independent Enterprises, Inc., and an Amendment of a Professional Services Agreement to Hatch Associates Consultants

**Funding: 139 – Operating Cumulative \$1,212,720.55
140 – Operating Cumulative \$974,600.00**

Chair Leger requested Resolutions 139 and 140 be taken as companion Resolutions because of their similarity.

No. 139 – The existing 2020 Urgent Water Repair Contract is required for the urgent repair of the public water system, as required. Additional funding is based on historical spending during the winter months and will fund the project through the completion date of June 15, 2021.

No. 140 – The existing 2020 Urgent Water Repair Contract is required for the urgent repair of the public water system, as required. Additional funding is based on historical spending during the winter months and will fund the project through the completion date of June 15, 2021.

Chair Leger entertained a motion to approve Resolutions 139 and 140 for discussion. Mr. Turner so moved, and Dr. Murrell seconded the motion.

Mr. Turner: Just a comment on 139. I always get concerned when the supplier diversity goals are substantially higher than the actuals. Just a caution to please keep your eyes on that going forward.

No further discussion held. Board unanimously approved, and Resolutions 139 and 140 were adopted.

ADJOURNMENT OF THE MONTHLY BOARD MEETING

Chair Leger entertained a motion to adjourn the Board Meeting. Mr. Turner so moved, and Mr. Domach seconded the motion.

The next scheduled Board Meeting will take place on Friday, December 18, 2020.

Jim Turner

James Turner, Secretary