

**Minutes of the
Regular Board Meeting
(Via Audio Teleconference)
Of the Pittsburgh Water and Sewer Authority
Held on January 22, 2021**

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, January 22, 2021, 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, Raquel Ludinich, Barry King, Alex Sciulli, William McFaddin, Edward Barca, and Rebecca Zito.

Also present was Solicitor Mark Nowak of Clark Hill.

There were an additional 51 confirmed participants who were on the call, in listening mode.

PUBLIC COMMENT – Renee DeMichei Farrow commended PWSA crew 237, who were in her neighborhood of Stanton Heights on November 20th to repair a leak at her neighbor’s property. She recognized Anthony, Derrick, Adam and Brian, who promptly handled the matter.

EXECUTIVE SESSIONS

An Executive Session was held prior to the Board Meeting to address legal and personnel matters. No votes were taken.

APPROVAL OF THE MINUTES

Chair Leger entertained a motion to approve the Minutes from the Regular Board Meeting held on December 18, 2020. Mr. Turner so moved, and Ms. Leber seconded the motion.

No discussion held. The Minutes were unanimously approved.

FINANCIAL REPORT

Edward Barca, Director of Finance, explained the details of the finance report.

Collections for the year were down 3.9 percent while operating expenses have remained steady. This decline in revenues was caused by the COVID-19 pandemic. Even with the decline in revenues, the PWSA achieved an unaudited year-end surplus of approximately \$11 million. This is \$8.7 million higher than what was budgeted for fiscal year 2020. This was achieved by reducing departmental expenses to counteract the decline in revenues.

The PWSA ended the year with approximately \$120 million in capital investments. This is the highest level of capital investments in at least the last 10 years and is evidence that the PWSA is committed to restoring and renewing the water and sewer system.

The Pennsylvania Infrastructure Investment Authority (PENNVEST) announced the approval of a \$7.750 million low-interest loan to the PWSA for the purpose of funding 7.4 miles of sewer work in Brighton Heights, the South Side Slopes and Hazelwood. This low-interest loan will save PWSA ratepayers approximately \$3.2 million over 20 years.

The PWSA also received an invitation from the U.S. Environmental Protection Agency (EPA) to apply for a Water Infrastructure Finance and Innovation Act (WIFIA) loan. If approved, it would provide approximately \$128 million, or 49 percent, of the funding needed to complete restoration of the Clearwell, a large, century-old water storage facility. The PWSA was one of 55 applicants invited to move to the next round for these competitive federal loans. Similar to PENNVEST funding, the WIFIA program provides low-interest loans to water and sewer entities, which would ultimately save PWSA ratepayers a significant amount of money.

Mr. Turner: What is the interest rate on the PENNVEST loan versus the federal loan?

Mr. Barca: The average bond market municipal rate is 3 to 3 ½ percent. The loan we just received from PENNVEST has an interest rate of 1.443 for years 1 through 5 and the interest rate rises to 2.029 in years 6 through 20. The WIFIA fund loan is determined at closing based on the treasury rate. I would anticipate an interest rate around 1 percent on the federal loan.

ENGINEERING REPORT

Barry King, Director of Engineering, presented the details of this report. The Department of Engineering and Construction has added five new staff members to our Team since December 2020.

As of 1/21/2021, Contractors have replaced a total of approximately 9 miles of water main pipe and 1,026 service lines under the current SDWMR Program Contracts. We have completed approximately 60 percent of the total 15 miles of water main under the current 2019 and 2020 SDWMR Program. PWSA has replaced over 206 public lead service lines (and 832 non-lead public sides replacements), and 195 private side LSL replacements. While our lead service line replacement obligation under the PADEP COA and LCR were complete, the PWSA is continuing to remove lead lines in conjunction with our SDWMR program.

Next, regarding the designs for our Consent Order Related Projects continue:

With respect to the Highland No. 2 Reservoir Improvements Project includes the replacement of the Liner and Cover. PADEP completed their review and acceptance of PWSA Construction Contract Documents and issued a Construction Permit on January 8, 2021. This project is now being prepared to be publicly bid. Upon award, the process of manufacturing the approximately 1,470,000 sq. ft. of liner and cover material will begin. This is the largest single prospective order for North America in 2021.

With respect to the concurrent Aspinwall and Bruecken Pump Stations Improvement Projects and Clearwell Emergency Response Project, PWSA staff and our Engineering Consultants conducted an in-depth workshop with all stakeholders on Monday, December 21. On Friday, January 15th, PWSA

staff, our consultants and Duquesne Light Company staff conducted a Technical Coordination Meeting for the continued design of new power substations for both the Aspinwall and Bruecken Pump Stations, as well as a second replacement substation at the Aspinwall Water Treatment Plant for the Ross Pump Station. Finally, all PWSA and Consultant stakeholders conducted a Technical Third-Party Review of the Basis of Designs for these three projects

Mr. Leger: When does the lead and copper rules drop in the acceptable level from 15 parts per billion down to 10 take effect?

Mr. Pickering: The final rule has been published in the federal register. Most of the provisions within that rule will not be effective for three years. There is also potential that that timeline changes if there is litigation. Ultimately, we are going to wait for guidance from the DEP, who is our primary regulator with Safe Drinking Water Act obligations. We do have several years before we have to change anything that we are doing with respect to testing.

Mr. Leger: So, we are still looking at 15 parts per billion exceedance number, but we are well under the 10 at the moment.

Mr. Pickering: That is correct.

REPORT OF THE CHIEF EXECUTIVE OFFICER

Will Pickering, Chief Executive Officer, presented the details of this report. Despite the global pandemic, we were still able to deliver more infrastructure improvements for our customers than we ever have before. Thanks to Ed's leadership, we are finding non-traditional and innovative ways to fund our projects that ultimately will save our ratepayers money. From the Field Operations perspective, our essential workers are continuing to respond to water main breaks. We are doing it faster than the national standard. Our Customer Service staff are not only working from home, but helping our customers navigate financial circumstances that are challenging to offer payment plans and put them in touch with our various assistance programs. In December, we only replaced 332 residential customer meters. We paused non-emergency work inside of homes during this most recent spike in COVID 19 cases. We felt that that interaction was a risk that we were not willing to take at this point with respect to exposure for our employees and our customers. We are doing everything we can to track vaccine development and its availability. Water utility workers have not currently been prioritized in terms of vaccine distribution. We want to make sure that we are part of the discussion and appropriately prioritized because they are providing an essential service that each one of us rely on. We will continue to put out that message to boil down these massive improvement projects to a level that our customers can appreciate all the work our staff do behind the scenes.

With that I am going to transition to our PGH2o Excellence Awards. This is our employee recognition. The employees recognized are Jacob Bishop of the Engineering Department, Diana Szuch of the Aspinwall Water Treatment Plant, Elaine Hinrichs of Public Affairs, and Tracy Willy of Customer Service.

Mr. Leger: Congratulations to the people who have received the award this month. These people do their work and do more than is required and that is typical of our employee base. Especially the ones who get the recognition from their peers and their supervisors. Congratulations not only to the employees who won the awards today, but to all of our workforce. The Board of Directors thanks you profoundly.

RESOLUTIONS

No. 1 of 2021 Approving the Award of an Operating Contract for 2021 Vehicle Purchases to Whitmoyer Auto Group

Funding: Operating Budget \$294,150.00

The following vehicles will be purchased under this contract: Two Ford-F150's, one Ford F-350, one Chevrolet Equinox, and one Ford Escape.

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

Mr. Turner: Are these vehicles purchased off a piggyback list?

Mr. Barca: Yes. We typically look to COSTARS for vehicle purchases due to the competitive prices.

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

No. 2 of 2021 Approving an Amendment to the Professional Services Agreement of Eckert Seamans Cherin and Mellott, PC as PUC Regulatory Counsel

Funding: Operating Budget \$1,200,000.00

In April 2018, the PWSA was placed under the regulatory jurisdiction of the PUC. Compliance with the PUC Code, rules and regulations requires specialized legal representation, including negotiation of the ongoing Compliance Plan, the Long-Term Infrastructure Improvement Plan and the new 2021 Tariff Filing for water, wastewater and stormwater rates. These legal services have been performed by Eckert Seamans since 2018.

Chair Leger entertained a motion to approve for discussion. Ms. Leber so moved, and Dr. Murrell seconded the motion.

Mr. Turner: From everything I can see, Eckert has done a very good job. However, how frequently do we put out an RFP or do we plan to put out an RFP?

Ms. Lestitian: The first time we came under contract was in 2018. That was for a three-year term. 2021 is the first of two option years that we can extend the terms of the original contract. With everything going on with the previous rate cases, both the issues still being negotiated within the compliance plan, as well as some issues that are still being litigated and now with this new rate case, it is advisable that we probably wait until late 2021, early 2022 before we would issue an RFP.

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

No. 3 of 2021 Approving the Award of an Operating Contract for Pickup and Removal of Clean Fill to Vigliotti Landscape & Construction, Inc.

Funding: Operating Budget \$299,985.00

This is the second of four option years being awarded to Vigliotti Landscape & Construction, Inc. The material that is removed from the PWSA Facilities under this contract is from the repairs performed by our Operations Field Crews on water and sewer repairs only. The contractor loads their own vehicles and disposes of the material at an approved landfill site.

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

Mr. Turner: Is the last option year 2022?

Mr. McFaddin: No. It actually would run through early 2024.

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

No. 4 of 2021 Approving the Request to Enter Into an Agreement With the City of Pittsburgh to Participate in the PGH Lab Program

PGH Lab is a program led by the City of Pittsburgh Department of Innovation and Performance. It is designed to allow startup companies located in the City of Pittsburgh and Allegheny County the opportunity to test their products and services for a limited engagement of four to six months with the City or local municipal authority. The City is currently advancing the sixth group of startups to offer projects and/or services for pilot testing through PGH Lab, Cohort 6.0. PWSA has expressed interest in working with AdSkate, a startup that is part of Cohort 6.0. AdSkate is a technology company using artificial intelligence to create targeted marketing campaigns. PWSA staff propose that AdSkate analyze our outreach methods for our Customer Assistance Program.

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

Ms. Strassburger: I am glad that PWSA is taking part in this program. It will help us better serve our low-income customers for Customer Assistance Programs. The program allows a startup to gain some experience. Has PWSA ever participated in a PGH Lab program before?

Ms. Zito: We did participate once before, but this is our first time in a while doing so again.

Mr. Leger: I am hopeful that this program can give us a wider exposure, particularly to minority contractors as a lot of startups are minority owned and women businesses.

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

No. 5 of 2021

Approving an Amendment of a Professional Services Agreement for Design and Engineering Services for Lanpher Reservoir Improvements to Arcadis US

Funding: Capital Budget \$429,900.00

This amendment is necessary to allow the remaining design services to be performed for the Lanpher Reservoir Improvements Project, which consists of additional owner-requested scope of work identified during the completion of the emergency cover and liner replacement project. The added scope includes the addition of a necessary Sodium Hypochlorite Building including related piping, vaults, mechanical, structural, architectural, instrumentation and controls, sitework, roadwork and utilities.

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

Mr. Turner: This was a large amendment increase at 15 percent.

Mr. King: This amendment is a direct result of starting this project under an emergency declaration specifically to address an Administrative Order to get the cover and liner immediately replaced at Lanpher. These were additional owner-requested scopes of work that were identified during the emergency completion of that project.

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

No. 6 of 2021 Approving the Award of a Capital Contract for Construction of Wightman Park Phase 2 to Frank J. Zottola Construction, Inc.

Funding: Capital Budget \$1,397,176.00

This project involves the construction of stormwater management and green infrastructure (GI) improvements in the public rights-of-way in the vicinity of Wightman Park, including Solway Street, South Negley Avenue and Murray Avenue and is located within the M029 Combined Sewer Overflow Sewershed, in the Monongahela River watershed. These improvements include stormwater bumpouts, planter boxes, piping and associated roadway improvements.

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

Ms. Strassburger: I am very excited that Phase 2 is moving forward. Phase 1 was the construction of the park and the green element infrastructure within the park. Phase 2 is lesser known but also incredibly important. This is not only going to help with resident basement flooding, but will also help with our combined sewage overflow issue. The park is a wetland, but when it is completed, it will divert water from our lines into a beautiful temporary wetland that will be an educational component and a really creative use of a park that wants to be a pond.

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

No. 7 of 2021 Approving a Change Order of a Capital Contract for Construction of 31st Ward Sewer System to SAK Construction, LLC.

Funding: Capital Budget \$171,849.28

This change order is for additional costs associated with unforeseen field conditions, consisting of needed point repairs, and raising manholes identified during construction which were added to the project to enable the completion of the sewer line work. This change order also includes the cost for additional flagger hours necessary due to narrow streets in this neighborhood where flaggers were required for all work to ensure vehicles could pass safely in the neighborhood.

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

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

No. 8 of 2021 Approving Entering Into a Revised Cost Share Agreement with PennDOT for the 2021 PennDOT Paving Group (SR 0019, A27-A79) State Highway Resurfacing Project

Funding: Capital Budget \$43,295.56

Revisions were requested from PennDOT by the PA Attorney General. The PA AG has requested additional funds to share labor costs between PennDOT and PWSA.

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

Mr. Turner: Reading the backup information, somehow the Attorney General got involved? Can you explain this?

Mr. King: This is not something that anyone on PWSA Staff or at PennDOT District 12 has ever experienced before. The previous agreement made it through all PWSA approvals and PennDOT District 12 and Harrisburg approvals and then the final approval is the PA Attorney General. At that point, there was a rejection of the cost share and a request to add additional funds. The funds did get settled at \$2,500.00, but the actual prior agreement that you approved was based on historical records for labor costs and it is not fully clear to anybody at PennDOT or PWSA as to why this additional amount was required. Nonetheless, this is the only way that this agreement was going to move forward. If we do not approve this now, then we are responsible for 100 percent of the costs.

Mr. Leger: What would be 100 percent of the costs?

Mr. King: Roughly another \$7,000.00 to the project.

Mr. Turner: It is a little unsettling, but I will vote to approve it.

Mr. Leger: Yes, it is a little unsettling, especially since we do not have a good explanation as to why they found the difference.

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

ADJOURNMENT OF THE MONTHLY BOARD MEETING

Chair Leger entertained a motion to adjourn the Board Meeting. Dr. Murrell so moved, and Ms. Leber seconded the motion.

The next scheduled Board Meeting will take place on Friday, February 26, 2021.

Jim Turner

2/26/2021

James Turner, Secretary