

**Minutes of the
Regular Board Meeting
(Via Audio Teleconference)
Of the Pittsburgh Water and Sewer Authority
Held on March 26, 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, March 26, 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, Raquel Ludinich, Logan Carmichael, Edward Barca, Barry King, Rick Obermeier, Giuseppe Sciulli, William McFaddin, Alex Sciulli

Also present was Solicitor Mark Nowak of Clark Hill.

There were 63 participants on the call.

PUBLIC COMMENT – No public comment.

EXECUTIVE SESSIONS

Executive Session was held prior to the Board Meeting. Legal and personnel matters were discussed, and no votes were taken.

APPROVAL OF THE MINUTES

Chair Leger entertained a motion to approve the Minutes from the Regular Board Meeting held on February 26, 2021. 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 this report.

Year-to-date receipts are down 10.0% or approximately \$3.7 million. This decline is a result of the ongoing COVID-19 pandemic. While receipts are down, they have recovered from last month. I believe this recovery will continue because of the rate increase that went into effect earlier this year, as well as the loosening of COVID restrictions.

In addition, year-to-date capital expenses through February 28, 2021 are up 5.9% or approximately \$600,000 when compared to the prior year.

The Tariff Filing, among other things, is requesting approval to increase rates by 17.1% or \$32.2 million. The proposed increase also includes the introduction of a new stormwater fee and adjustments to the wastewater convenience rates where stormwater related costs are currently recovered. In an effort to reduce any potential burden on PWSA ratepayers, PWSA is seeking to enhance its customer assistance programs through this Tariff Filing, as well as phase-in the overall increase over a two-year period, with 11.7% to be received in FY 2022 and the additional 5.4% to be received in FY 2023.

ENGINEERING REPORT

Barry King, Director of Engineering, presented the details of this report. As of Monday, March 22, PWSA has replaced approximately 60,000 LF, or 11.3 miles of water main under the ongoing Small Dia. Water Main Replacement Program, which includes Lead Service Line Replacements. This is 76% of the total planned water main replacement under the 2019 and 2020 Contracts. In addition to the 11.3 miles of main, 1,420 public-side service lines have been completed, of which 357 were public-side lead service line replacements. PWSA also replaced 291 private-side lead service lines under these contracts. The total expenditure to date under the 2019 and 2020 contracts is \$24.6M (or 46% of the budget), with a total Supplier Diversity Participation through the beginning of March 2021 at \$3.0M or 12.2%, exceeding the combined SDP goal of 10.4%.

Progress is also being made on the PWSA Water Reliability Plan Projects, including:

- The design of the Aspinwall Pump Station and Bruecken Pump Station Improvement Projects, and the Aspinwall WTP Clearwell Bypass Project, which continues at full speed.
- Design also continues on schedule for the Rising Main No. 4 Rehabilitation and Replacement and the Highland Reservoir Pump Station and Rising Main Projects.
- Bids were received on March 19th for the Highland No. 2 Reservoir Liner and Cover Replacement General and Electrical Contracts, and the request for Board's approval to award will come before the Board during the April 23rd Meeting.
- The Construction Permit Application for the Aspinwall Pump Station to Lanpher Reservoir Rising Main Project will be submitted to the PADEP this coming Tuesday, March 30th, meeting our milestone due date of March 31st.
- And the PADEP issued the Construction Permit for the Rising Main No. 3 Rehabilitation and Replacement Project on March 10, 2021 (*190 days*).

The Procurement Team completed the bid process for the following projects over the past month, including:

- The 2021 Small Diameter Water Main Replacement Construction Contracts,
- The M-29 Outfall Improvement Project,
- The Maryland Avenue Green Infrastructure Project,
- The Woodland Road Green Infrastructure Project, and
- The 2021 Surface Restoration Operations Contract

The award for the Bus Rapid Transit (BRT) Water Distribution Improvements Project is coming before the Board for approval this month.

The following Bids are out on the street:

- The Nobles Lane Storm System Improvements,
- The Winchester Drive at Grovemount Stormsystem Improvements (which are both due on April 14th),
- The 2021 Urgent Sewer Repair Contract, and

- The Small Diameter Rehabilitation Contract No. 2 addressing the Brownsville Road Storm Sewer (which are both due on April 15th)

Thank you to the PADEP for ultimately receiving and reviewing a total of 14 construction permit applications this year for PWSA infrastructure improvement projects

Mr. Domach: I notice we are about 10 million gallons more in water production as opposed to March 30, 2020. Was there anything specific driving that, and what fraction of that roughly is going through the MFP?

Mr. King: With regard to the MFP, we are increasing flow, but we are below 10 million gallons of production. We are about 3 million gallons a day. With respect to the increases in water usage, part of that we attribute to the post-COVID environment where we have increasing usage within the City.

Mr. Domach: Over this COVID period, has there been a change in the measurements of chlorine and THMs? Has the change in water distribution affected different neighborhood or users in terms of water age?

Mr. King: When the pandemic first occurred, there was a noticeable increase. Testing for the chlorine residuals in the Downtown area were enhanced, and we were able to flush the system appropriately. The residential areas were obviously increasing their usage at that time so that was not an issue.

REPORT OF THE CHIEF EXECUTIVE OFFICER

Will Pickering, Chief Executive Officer, presented the details of this report. We are really ramping up our construction projects now that the weather has broken. In addition, the Board will be asked to authorize PWSA entering into a new labor agreement with PJCBC which makes up approximately 180 of our 350 employees--primarily our Field Operations staff.

The Board will also be asked to authorize PWSA submitting a rate request to the PA Public Utility Commission next month. One of the unique features of this rate request is that we will be providing a stormwater proposal to collect a stormwater fee. If approved by the PUC, the rate request will provide additional revenue to fund our capital improvement plan and additional operating expenses that are required to provide safe and reliable service to our customers. If accepted by the PUC, the rates would not go into effect until 2022.

In your Board performance report, you will see that our collection rate in February has increased from January to 92.8%. However, this rate is below our target and we believe attributable to several factors – 1) transitioning e-bill and auto-pay customers to a new online bill payment portal, 2) customers experiencing financial hardship due to the pandemic, and 3) the winter shutoff moratorium and reduced efforts to collect on past-due accounts. Any customer, regardless of income, having difficulty keeping current with their bill should contact PWSA at 412-255-2423 to enroll in our assistance programs.

Finally, on behalf of past, present, and future PWSA employees, I sincerely want to thank Chair Leger for his service to PWSA. He has guided us through challenging times and made difficult decisions. He made sure that we were focused on our most vulnerable customers, encouraging assistance programs and a focus on equity and diversity in all that we do. Paul has done all of this

with one of the best senses of humor in Pittsburgh. Paul, you will be missed. We congratulate you on a lifetime of public service, and we wish you well in your much-deserved retirement.

Councilwoman Strassburger: I have had the privilege of working with Paul in at least two of his positions. I respect your ability to stay strong in the face of opposition and your position on certain issues, including full lead line replacement, public ownership of the utility and of course your institutional knowledge of PWSA, as well as City and County. I am privileged and honored to be able to read a few words from the Mayor of the City of Pittsburgh, who has offered a proclamation in your honor. Councilwoman Strassburger proceeded to read the proclamation from the Mayor designating, Friday, March 26, 2021 as Paul Leger Day in the City of Pittsburgh.

Mr. Leger: Thank you very much Erika. The Board gave the direction, and it's a miracle where we have gotten. We went from being a negative to being a very great positive, and we have done that in a relatively very short period of time. I want to thank all of you who have made that possible.

Mr. Turner: It is my honor and privilege having worked with you since 1983. Mr. Turner then described the Crystal Water Drop plaque in honor of Mr. Leger. Thank you for everything you have done for me, for PWSA and the citizens of the region.

Mr. Leger: Thank you so much Jim. You know I couldn't have done this without you.

RESOLUTIONS

No. 19 of 2021	Approving the Submittal of the Tariff Filing Package to the Pennsylvania Public Utility Commission
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The Pittsburgh Water and Sewer Authority will submit a Tariff Filing Package to the Pennsylvania Public Utility Commission (PaPUC) on or about April 13, 2021. The proposed base rate increase will be approximately 17.1%, which equates to a \$32.2 million overall increase. This filing package includes the introduction of a new stormwater rate and adjustments to the wastewater conveyance rates where stormwater related costs are currently recovered. It is also being proposed to phase-in the overall increase over a two-year period, with 11.7% to be recovered in 2022 and the additional 5.4% to be recovered in 2023. The final base rate increase amount is subject to the approval of the PaPUC.

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. 20 of 2021 Presenting and Providing the New Diversity, Equity, and Inclusion Policy to the Board of Directors

Recommended that the Board endorse this new policy to further PWSA's commitment to policies and practices of diversity, equity, and inclusion.

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

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

No. 21 of 2021 Approving the Authorization of the Chief Executive Officer to Sign the Collective Bargaining Agreement with the Pittsburgh Joint Collective Bargaining Committee (PJCBC) Dated January 01, 2021

The Union Agreement shall be effective January 1, 2021 and shall remain in full force and effect until 12:00 midnight, December 31, 2023 and from year to year thereafter unless either party shall notify the other in writing on or before June 1, 2023, or June 1 of any succeeding year that it desires to modify the Agreement. Final Agreement is contingent upon ratification by union membership.

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. 22 of 2021 Approving the Authorization of the Chief Executive Officer to Sign the Collective Bargaining Agreement with the American Federation of State, County, and Municipal Employees (AFSCME) Local 2719 and the Memorandum of Understanding for Local 2037

AFSCME Local 2719 has agreed to a one-year extension of current contract while bargaining takes place for full contract. Meet and Discuss will begin with Local 2037. Final agreements are contingent upon ratification by union membership.

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. 23 of 2021 Approving the Award of a Capital Contract for Construction of Bus Rapid Transit (BRT) Water Distribution Improvements to A. Folino Construction and a Professional Services Agreement for Construction Management/Construction Inspection (CM/CI) Services to Hatch Associates Consultants, Inc.

Funding: Capital Budget Cumulative \$13,139,999.00

The BRT Water Distribution Improvements project involves the construction of water distribution improvements in the public rights-of-way of Fifth Avenue and Forbes Avenue in support of the Port Authority of Allegheny County's BRT Project in the Uptown Neighborhood. This project coordinates with other co-occupying utilities on the rehabilitation and replacement of our infrastructure for the purpose of reducing impacts and disruptions to PWSA customers, adjacent property owners, and the traveling public, as well as reducing restoration costs.

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

Ms. Leber: Is all of the federal funding locked in for this project? Where is the funding source?

Mr. King: I will get back to you on that request. All of the other utilities are moving forward at this time, so I believe the funding is secured, but I will get that information for the Board.

Mr. Leger: If the new infrastructure package out of the feds comes through, is there anything in there for these projects?

Mr. King: We are looking at that for upcoming projects, not the current ones.

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

No. 24 of 2021 Approving the Amendment of a Professional Services Agreement for Bus Rapid Transit (BRT) Stormwater Infrastructure Improvements to Jacobs Engineering Group Inc.

Funding: Capital Budget \$95,771.34

This agreement is necessary to allow the remaining design services to be performed for the BRT Stormwater Infrastructure Improvements Project in the Uptown Neighborhood. This amendment is required to address significant utility conflicts encountered during the design of the PAT BRT Project. In addition, Jacobs will continue addressing owner-requested out-

of-scope work which consists of developing a flow monitoring plan to support the ALCOSAN Grow Grant application and support the PAT BRT designer with the development of a BRT NPDES Individual Permit application.

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

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

No. 25 of 2021 Approving a Change Order of a Capital Contract for Construction of the 2020 Sewer Reconstruction to Independent Enterprises, Inc.

Funding: Capital Budget \$575,000.00

This change order is for additional funding associated with the addition of the Obey Street site (Crafton Heights Neighborhood) to the contract. The Obey Street repair includes installation of approximately 365 LF of 36-inch Storm Sewer, 140 LF of 18-inch Storm Sewer and 135 LF of 15-inch Storm Sewer, as well as requisite manholes and inlets.

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. 26 of 2021 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 for Construction Management/Construction Inspection (CM/CI) Services to Hatch Associates Consultants, Inc.

Funding: Operating Budget Cumulative \$3,718,599.03

These change orders are required due to several current significant and costly infrastructure failures, including a new 90-foot-deep manhole located at the Pittsburgh Zoo, the Forbes Avenue sanitary and storm sewer lateral installations, reconstruction of several sewer segments in Riverview Park due to a landslide, collapsed sewer pipe segments on Claybourne Street and Edgerton Avenue, and several other sites where water main breaks resulted in significant damage to sewer infrastructure.

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

Mr. Turner: I realize that we have criteria for operating versus capital dollars, but when you are looking at a 90-foot deep manhole, this is something that should be considered under the capital budget.

Mr. King: We are planning on capitalizing this project in the 2021 budget due to new infrastructure that will be needed.

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

No. 27 of 2021

Approving the Award of a Professional Services Agreement for Developing Strategic Plan for Stormwater Program to PennPraxis

Funding: Operating Budget \$500,000.00

Utilizing the central unifying P4 frameworks of People, Planet, Place and Performance, this project will develop a Strategic Stormwater Master Plan that will become the fundamental resource for guiding decisions regarding stormwater management and the use of green infrastructure in the most cost-effective manner for the next five years and beyond.

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

Mr. Turner: I think this entire effort by the PWSA staff has been extraordinarily well done.

Mr. Leger: This item was developed with the City of Pittsburgh, and they had some say in selecting the vendor. This is a major step forward.

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

No. 28 of 2021 Adopting Amendment to the Articles of Incorporation of the Pittsburgh Water and Sewer Authority

The Authority filed Articles of Incorporation with the Commonwealth of Pennsylvania on February 17, 1984, which have been amended by Articles of Amendment filed on December 11, 1989, May 9, 2008, and on March 19, 2020. The Board of the Authority proposes to amend its Articles of Incorporation to establish a limitation on the size of the Board of the Authority.

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

Mr. Leger: I just want to reiterate that we are not necessarily in agreement with the need to do this, but we do think in order to move this forward as quickly as possible and get new members to our Board approved and seated, we are perfectly willing to do this at the behest of City Council.

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

ADJOURNMENT OF THE MONTHLY BOARD MEETING

Chair Leger wanted to close the meeting by thanking everyone for assisting him as Chair of the Board over the last few years. The Board has been very helpful in moving this organization to being first in class in the City. The Board has simply been cheerleaders and it's the Staff who has done all of the work. I admire those who have done the heavy lifting. I've gotten to know staff at the lab, out in the field and the Executive Team, and they have been a great plus for this organization. We are less and less reliant on consultants and more reliant on hired staff, and that is a positive step for PWSA. As I leave, I feel like I've been part of a real effort to move this organization into credibility. This has been a major effort, and it has been a great thing for Pittsburgh and the region. Thank you all very much for making my life easier! Staff, keep up the good work!

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

The next scheduled Board Meeting (Annual) will take place on Friday, April 23, 2021.

Jim Turner

James Turner, Secretary