

**Minutes of the
Regular Board Meeting
Of the Pittsburgh Water and Sewer Authority
Held on November 19, 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, November 19, 2021, at approximately 10:00 a.m.

ROLL CALL – Seven (7) members of the Board were present. Ms. Cristello and Mr. Thomas were absent.

Participants from PWSA: Will Pickering, Debby Gibson, Jennifer Presutti, Barry King, Edward Barca, Rick Obermeier, Frank Sidari, Raquel Ludinich, Jason Felser, BJ McFaddin, Logan Carmichael, Hali Hetz, Giuseppe Sciulli, Shannon Barkley, Ross Marcinizyn, Faith Wydra, Julie Ascioffa.

Also, present was Solicitor Mark Nowak of Clark Hill.

There were 49 participants on the call.

PUBLIC COMMENT – No public comment.

EXECUTIVE SESSIONS

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

APPROVAL OF THE MINUTES

Chair Sciulli entertained a motion to approve the Minutes from the Regular Board Meeting held on October 22, 2021. Dr. Murrell so moved, and Mr. Turner seconded the motion.

No discussion held. The Minutes were unanimously approved.

FINANCIAL REPORT

Ed Barca, Director of Finance, presented the details of this report.

PWSA's financial status continues to improve as compared to the last year, with year-to-date receipts up 8.5% or approximately \$16.9 million. In addition, our cash balance is higher than at this point last year, and capital expenses have remained steady.

The Pennsylvania Public Utility Commission approved PWSA's rate settlement. This rate settlement will allow the PWSA to continue to make investments in its water, wastewater, and

stormwater systems. The new rates, which include the addition of a stormwater fee, an increase to water rates, and a decrease in wastewater conveyance rates, will generate \$21 million in additional revenue phased in over two years. In 2022, revenue will increase by \$17 million, and in 2023 it will increase by an additional \$4 million. The average residential customer using 3,000 gallons of water per month will see an increase of \$5.65 in 2022 and an additional increase of \$1.44 in 2023. The rate settlement also expands PWSA's customer assistance programs for our most vulnerable customers. The Finance Department will bring the 2022 Operating Budget to the Board for approval in December.

Mr. Turner – As you pointed out, our cash balance is over what it was this time last year. Are there any items you are watching that could change that between now and year end?

Mr. Barca – Yes. There are some year-end functions that we do at the authority that could impact cash. An example, there are some capital expense items that we can either pay for in full in 2021 or we can issue a short term note to fund those over a longer period of time.

ENGINEERING REPORT

Barry King, Director of Engineering, presented the details of this report. Progress continues on PWSA's Water Reliability Plan Projects, including the successful submission of the PADEP Public Water Supply Permit Application for the Construction of the Highland Reservoir Pump Station. The Highland Reservoir Pump Station Project now joins the 6 other WRP projects in the cue, currently awaiting the issuance of Permits from the PADEP, including the:

- Highland Reservoir Supply and Rising Main Project,
- Rising Main 4 Improvements Project,
- Aspinwall Pump Station to Lanpher Rising Main Project,
- Aspinwall Pump Station Improvements, Bruecken Pump Station Improvements, and Clearwell Emergency Response Projects

With regard to the other Water Reliability projects, preliminary construction efforts continue for the Rising Main 3 Rehabilitation and Replacement Project, including the current work associated with lining the Lanpher Supply Main and the installation of a large valve on Rising Main 4. Material manufacturing and fabrication of the Highland No. 2 Reservoir Liner and Cover is ongoing at this time and was reported as of this week to be on track for shipment to the site starting in the spring 2022.

We are continuing to see supply chain disruptions in material manufacturing and shipping, as well as labor challenges, combined with cost inflation associated with the current economy and pandemic, which are resulting in across the board price escalations in the bids that we are receiving.

Mr. Sciulli – I want to congratulate you and Sarah Bolenbaugh for the excellent presentation you made to the Engineer's Society of Western Pennsylvania with regard to the Water Reliability Project.

REPORT OF THE CHIEF EXECUTIVE OFFICER

Will Pickering, Chief Executive Officer, explained the details of this report. The Public Utility Commission's final approval of our rate case has been a culmination of a year-long effort. We are proud that we have been able to reach a settlement with all of the parties, including a novel Stormwater Fee. For a regulated utility to be approved at the commission level was an accomplishment. Kudos to the team internally. This is the third time we have had a rate case approved by the Public Utility Commission. The fact that this is a multi-phased-in rate increase is going to add some predictability for our customers, as well as us from a revenue perspective. For bill discount customers, this rate increase boils down to a \$1.30 increase in 2022 for those customers on an average bill and then in 2023 a little over \$1 increase. There are additional benefits, and I encourage anyone interested to go to our website for additional details. The Bipartisan Infrastructure deal was finally signed. This is a \$55 billion appropriation from the Federal government in Water and Wastewater utilities like PWSA. We haven't seen this level of investment since the Clean Water Act and Safe Drinking Water Act were passed by Congress in the 1970's. Preliminary information is that \$1.4 billion will be available over 5 years within the state of Pennsylvania. The primary source of those fundings will be with PennVEST, with whom we have a great relationship. We will be using that same vehicle to access that money over the next few years. I do want to thank our local, federal, congressional and senate members for their support in this funding. I would like to highlight the City of Pittsburgh accounts to be metered. Our meter team has diligently metered 56 previously unmetered City facilities, with just 4 now remaining. Prior to the Co-Op Agreement, the City of Pittsburgh was allotted free water at a limit, but without the facilities being metered, it was difficult to determine how much water was actually being used. The City is paying on a graduated rate, and next year they will be paying 60% of their total cost for water and sewer services. Also, next year they will be paying 100% of their stormwater fee. Having these larger facilities metered not only helps us manage the amount of water that is being used, but also will help detect leaks on any property going forward.

Mr. Sciulli – Tremendous work to you and the staff on the PUC Rate settlement case. This money is badly needed to address our infrastructure, and the stormwater fee is an achievement. Climate change has changed the planet. We have more and more frequent storms that cause devastating effects to our businesses and properties. Some of the biggest contributors to the stormwater issue will now be paying their fair share.

RESOLUTIONS

No. 135 of 2021 Approving Entering into an Agreement with the City of Pittsburgh to Accept Coronavirus Relief Funds From the American Rescue Plan

Approval of this Resolution will authorize the Chief Executive Officer to execute an agreement with the City of Pittsburgh to accept these relief funds, which will be used on infrastructure upgrades, such as lead service line and private sewer lateral replacements. The funds received from the City will be in the form of a grant and will not need to be paid back at a savings to the PWSA ratepayers.

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

Mr. Turner – Can you let us know how much at a minimum we are hoping to receive?

Mr. Barca – At a minimum we are going to receive \$17.5 million.

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

No. 136 of 2021 Acknowledging Receipt of the 2021 Annual Report of the Consulting Engineer

The Consulting Engineer (Mott MacDonald) prepares an Annual Report for the Pittsburgh Water and Sewer Authority as required by the senior and subordinate bond indentures. The conclusion of the Annual Report states that PWSA is managing the system, organization, and finances to move the utility forward toward the goal of providing improved water and sewer services to its customers.

Chair Sciulli 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. 137 of 2021 Approving the Award of an Operating Contract for Cogsdale Licensing Support and Maintenance Renewal

Funding: Operating Budget \$297,788.96

These services were a known annual expense when PWSA entered into the agreement with Cogsdale Corporation prior to the 2013 implementation. Licensing, support, and maintenance are essential to the health of our current financial and billing systems as we transition to SAP.

Chair Sciulli entertained a motion to approve for discussion. Mr. Turner so moved, and Ms. McCormick Barron seconded the motion.

Mr. Turner – Can you give us a quick update as to how this new system is coming along?

Mr. Felser – RISE is the project we are running to replace our current Cogsdale System (the ERP system), and we are replacing it with SAP. We are replacing the Customer Information System and the Finance System and adding a whole new Customer Self-Service Portal. We just started the third phase of the project. At the end of this phase, we expect to have a fully functioning SAP system.

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

No. 138 of 2021 Approving the Award of a Professional Services Agreement for Independent Monitor Services to Seward & Kissel LLP

Funding: Operating Budget \$2,600,000.00

Under the terms of the Administrative Agreement with EPA Suspension and Debarment Office, PWSA is required to retain a qualified Independent Monitor by December 14, 2021. The Independent Monitor shall evaluate PWSA's compliance with the Administrative Agreement, including PWSA's implementation, maintenance, and enforcement of a comprehensive Ethics and Compliance Program.

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

Mr. Turner – Is there a cap on this? I'm concerned about the possibility of dueling monitors.

Mr. Sidari - In terms of a cap, we have received a not-to-exceed cost in the amount of \$650,000.00 for next year. That is the best value that we can

currently establish until the Independent Monitors workplan is developed and approved by the EPA. I have requested that same not-to-exceed amount for years 2, 3 and 4. I do anticipate in those subsequent years that those costs should be lower. In regard to the potential dueling monitors, we do hope to avoid that overlap. They will be working concurrently, particularly in 2022. I will be responsible to oversee the efforts of each one of these monitors and to manage any potential scope creep so that we avoid those dueling services that could impact the cost or efficiency of the project.

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

No. 139 of 2021 Approving a Change Order of a Capital Contract for Construction of 2020 Water Relay (Woodbine Street Between Coleridge Street and Stanton Avenue Coordination) to Independent Enterprises, Inc.

Funding: Capital Budget \$476,072.86

This contract is an Indefinite Delivery/Indefinite Quantity contract that involves the escalated unplanned relay of water mains, including valves, fire hydrants, and service lines. During sewer lining work that was being completed in this area, it was necessary to install a manhole near the northern intersection of Coleridge Street and Woodbine.

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

Mr. Turner – Independent Enterprises is a veteran owned business. I am hoping we can encourage them to include some women and minority owned firms for the work that they do.

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

No. 140 of 2021 Approving a Change Order of an Operating Contract for Inspection, Cleaning, and Repair Services for 2021 Reservoir Maintenance Program to Layfield Group

Funding: Operating Budget \$35,752.42

The scope of work under this program includes cover inspection and cleaning for both the Herron Hill Reservoir (south and north cells) and the Lanpher Reservoir (east and west cells), the disinfection of the Lanpher

Reservoir east cell prior to placing back into service, the repair of the Lanpher Reservoir east and west cell covers, the repair of a Lanpher Reservoir cover pump check valve, and one day of a stand down time for half crew due to delay from Hurricane Ida.

Chair Sciulli entertained a motion to approve for discussion. Mr. Turner so moved, and Ms. McCormick Barron seconded the motion.

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

No. 141 of 2021 Approving the Award of a Capital Contract for Construction of the Aspinwall Water Treatment Plant Filter Building Sodium Hypochlorite Improvements – General/Mechanical to Kokosing Industrial, Inc., and a Professional Services Agreement for Construction Management and Construction Inspection Services to Mott MacDonald, LLC.

Funding: Cumulative Capital Budget \$1,581,341.12

The existing Sodium Hypochlorite storage and feed systems in the Filter Building at the Aspinwall Water Treatment Plant have reached the end of their useful life and should be replaced in their entirety to improve operational functionality and ensure operator safety.

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

Mr. Turner – Do we have guidelines on when a best and final offer is recommended? If not, should we?

Mr. King – We do not have written guidelines at this time, but we do follow a standard procedure with regards to the selection. It would probably be beneficial for us to have the process in writing.

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

No. 142 of 2021 Approving the Award of a Capital Contract for the Construction of the Aspinwall Water Treatment Plant Filter Building Sodium Hypochlorite Improvements – Plumbing to Newman Plumbing, Inc.

Funding: Capital Budget \$262,049.00

This construction contract includes furnishing and installing new water service lines inside building, furnishing and installing eyewash stations, hot

water units, sanitary drain modifications, a wet sprinkler fire suppression system and fire alarm system.

Chair Sciulli 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. 143 of 2021 Approving the Award of a Capital Contract for the Construction of the Aspinwall Water Treatment Plant Filter Building Sodium Hypochlorite Improvements – HVAC to East West Manufacturing and Supply Co. Inc.

Funding: Capital Budget \$255,280.00

This construction contract includes furnishing and installing a new HVAC system, including an air handling unit, condensing unit, exhaust system and ductwork.

Chair Sciulli entertained a motion to approve for discussion. Mr. Turner so moved, and Ms. McCormick Barron seconded the motion.

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

No. 144 of 2021 Approving the Award of a Capital Contract for the Construction of the Aspinwall Water Treatment Plant Filter Building Sodium Hypochlorite Improvements – Electrical to Merit Electrical Group, Inc.

Funding: Capital Budget \$1,208,596.00

The existing Sodium Hypochlorite storage and feed systems in the Filter Building at the Aspinwall Water Treatment Plant have reached the end of their useful life and should be replaced in their entirety to improve operational functionality and ensure operator safety.

Chair Sciulli 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. 145 of 2021 Approving a Change Order of a Capital Contract for Construction of Fleury Way Stormwater Infrastructure Improvements to A. Folino, Inc.

Funding: Capital Budget \$70,626.94

A review of existing field conditions between PWSA and DOMI identified that redesign and reconstruction was needed to address unrealized poor existing conditions of the Right-Of-Way infrastructure. There is also the addition of a manhole to the project due to unforeseen field conditions and sewer grade changes. This is a cost share with the City of Pittsburgh.

Chair Sciulli 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. 146 of 2021 Approving the Award of a Professional Services Agreement for Design and Engineering Services for the South Side Flats Sewer Separation Project to Johnson, Mirmiran, & Thompson, Inc.

Funding: Capital Budget \$535,730.20

The South Side Flat Sewer Separation Project includes design of separated storm system to reduced combined sewer overflows from M-16 and M-15 sewersheds. The proposed storm sewer will also convey outflows from South Side Green and S. 21st Improvement projects.

Chair Sciulli entertained a motion to approve for discussion. Mr. Turner so moved, and Ms. McCormick Barron seconded the motion.

Mr. Turner – Am I correct in that Engineering Services are what we are paying for, but hoping to get a Grow Grant for the actual construction?

Mr. King – That is correct.

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

No. 147 of 2021 Approving an Amendment of a Professional Services Agreement for Modeling and Engineering Design Services for Hayson Avenue Neighborhood Sewage Backup Protection Project to HDR Engineering, Inc.

Funding: Operating Budget \$215,000.00

The objective of this amendment to the scope of work is to identify and evaluate short-term alternatives, beyond the original scope of work, to protect properties from basement sewage backups and to mitigate overland flooding to a predefined level of service. The additional scope will provide modeling for alternative evaluations and final construction drawings for the selected alternative.

Chair Sciulli 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. 148 of 2021 Approving Compensation for Acquiring Permanent Easement on a Privately-Owned Parcel for the Thomas and McPherson Green Infrastructure Project

As part of the Thomas and McPherson Green Infrastructure Project, a manhole needs to be installed above PWSA's existing sewer main to permit connecting the stormwater facility back into the sewer system. In order to complete the installation, PWSA must obtain a Permanent Easement from the resident at 6742 Thomas Boulevard. Compensation for this easement will be in the form of the installation of a water and sewer tap in lieu of monetary payment.

Chair Sciulli 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. 149 of 2021 Approving Compensation, if Necessary, for Acquiring Permanent Easements on City-Owned Parcels for the 2021 Sewer Reconstruction Project (Parcels 46-S-163 & 46-S-164)

This project focuses on the reconstruction of existing public sewers. One such repair has been identified in the vicinity of Rising Main Avenue and

Toboggan Avenue in the Fineview Neighborhood. In order to reroute the sewer, PWSA must obtain Permanent Easements from the City of Pittsburgh as the new sewer reconstruction alignment passes through several City-owned properties.

Chair Sciulli entertained a motion to approve for discussion. Ms. Strassburger so moved, and Ms. McCormick Barron seconded the motion.

Mr. Sciulli – These properties are located where?

Mr. King – These are in the Fineview neighborhood.

No further discussion held. The Board voted 6 in the affirmative and 1 nay vote. Mr. Turner voted no. The Resolution was adopted.

No. 150 of 2021 Approval to Enter Into a Permanent Easement Agreement with Property Owner of 2205 Yale Drive for Construction of Infrastructure for the Queenston Phase 1 Repairs

PWSA needs to repair an existing underground stormwater storage facility in Phillips Park, located in the Carrick neighborhood. The system is leaking onto the property at 2205 Yale Drive. The repair includes the installation of seven reinforcement shafts on the property of 2205 Yale Drive to stabilize the system before installing a liner.

Chair Sciulli 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. 151 of 2021 Approving a Change Order for Water Treatment Plant Chemicals, Lime Contract

Funding: Operating Budget \$150,000.00

In 2020, when the project was awarded, staff underestimated the amount of Lime that would be used in 2021. Lime is used to balance pH in order to maximize the coagulation step in the water treatment process. More Lime was needed to balance pH due to demand on the system.

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

Mr. Turner – Are we taking into consideration the increased quantities for next year’s budget?

Mr. McFaddin – This particular contract is for the end of this year. We did adjust for quantities for next year’s budget.

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

New Business

No. 152 of 2021 Approving a Change Order of a Capital Contract for Construction of 2019 Large Diameter Water Main Improvements (Rising Mains 3 and 4) to W.A. Petrakis Contracting and Landscaping.

Funding: Cumulative Capital Budget \$298,064.10

The scope of the previously approved Change Order only included Carbon Fiber Reinforced Polymer rehabilitation of the 60-inch Lanpher Supply Main; however, it did not include repair of any internal lining deformations at the time because there was no evidence that such deformations existed in the pipe. Upon dewatering and mobilizing to begin the repairs, the contractor performed an internal visual inspection of the pipe and noted significant deformations in the internal cement mortar lining that will negatively impact the effectiveness of the Carbon Fiber Reinforced Polymer lining if left in place.

Chair Sciulli entertained a motion to approve for discussion. Mr. Turner so moved, and Ms. McCormick Barron seconded the motion.

Mr. Turner – In an emergency change order such as this, how do we internally determine whether the price the vendor is asking for is reasonable?

Mr. King – We will compare it to the current pricing that we received through prior bids by the same contractor and ultimately any other contractors doing similar work in that sphere. We also will look at industry standards to make sure it’s in range.

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

ADJOURNMENT OF THE MONTHLY BOARD MEETING

Chair Sciulli entertained a motion to adjourn the Board Meeting. Ms. Leber so moved, and Ms. McCormick Barron seconded the motion. No discussion held.

The next scheduled Regular Board Meeting will take place on Friday, December 17, 2021.

Jim Turner

James Turner, Secretary