

**MINUTES OF THE
REGULAR MONTHLY BOARD MEETING
OF THE PITTSBURGH WATER AND SEWER AUTHORITY
HELD ON MAY 10, 2013**

The Regular Monthly 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, May 10, 2013 at approximately 9:30 a.m., in the Second Floor Board Room, 1200 Penn Avenue, Pittsburgh, Pennsylvania 15222. The following members of the Board were present: Chairman Dan Deasy, Mr. Robert Jablonowski, Ms. Margaret L. Lanier, Mr. Patrick Bigley, Mr. Henry Blum, Mr. Scott Kunka and Mr. Patrick Dowd. Present from the staff were Interim Executive Director James Good, Douglas Amos, Tom Palmosina, Gerry Ludwig, Don Waldorf, Melissa Rubin, Kevin Donahue, Autumn Barna, Barbara Curry, John Morgan, Eugene Sinicki, Rachel Romano and Rachel Rampa.

Also present were Mark Nowak, PWSA Solicitor; Bill Sukenik and David Troianos of Chester Engineers; Dave French and Sherri Jeffers of L. Robert Kimball; Matt Sickles of CDM Smith; Herb Higginbotham of AECOM; Don Killmeyer of MS Consultants; Bob Zulick of Buehler Horn, Inc.; Bill Trimboth of Michael Baker; Stephen Polen of Hatch Mott MacDonald; Kim Kennedy of HDR; Coreen Casadei of Collective Efforts, LLC; Jim Weaver of Jeff Zell Consultants, Inc.; Tim Dean of JMT; John Ross and Tanya McCoy-Caretti of Arcadis; Tony Offerman of Veolia Water; Jason Stanton of Pennsylvania American Water; George Robinson II of Black & Veatch; Steve Bakoua of Exico, Inc.; Wes Payne of L&G; Fredrick Douglas and Ken Crawford of Cosmos Technologies, Inc.; and Rulison Evans.

PUBLIC COMMENTS

None.

APPROVAL OF MINUTES

There were no comments or corrections noted at this time. Chairman Deasy entertained a motion to approve the minutes of the April 12, 2013 Regular Monthly Board Meeting. Mr. Bigley so moved and Ms. Lanier seconded the motion. The minutes of the Regular Monthly Board Meeting for April 12, 2013 were unanimously approved.

EXECUTIVE SESSION

An executive session was then held wherein no votes were taken. The Chairman informed the attendees that certain personnel and legal issues were discussed.

BILLS AND COMMUNICATIONS

Resolution No. 36 of 2013, "Awarding a DISC Contract for Engineering Services for a Stormwater Drainage Study, No. PWSA10, ARCADIS U.S. Inc.", was read by the Chairman and considered by the Board.

Sherrí Jeffers of L. Robert Kimball and Interim Executive Director Good explained the details of this resolution. Mr. Jablonowski thanked Gerry Ludwig and staff for their handling of the bidding and selection process. Mr. Bigley asked if there will be a specific site to site evaluation and whether the property owners will receive a copy of the evaluation. Ms. Jeffers explained that they will not automatically receive a report, however, they will be made aware that reports are available as well as instructions regarding how to disconnect. No further discussion was held and Chairman Deasy entertained a motion to adopt the resolution. Mr. Dowd so moved and Mr. Jablonowski seconded the motion. Resolution No. 36 was unanimously adopted.

Resolution No. 37 of 2013, "Approving Change Orders", was read by the Chairman and considered by the Board.

Bill Sukenik of Chester Engineers reviewed the change orders. Mr. Jablonowski asked how we determine and verify pricing increases. Mr. Sukenik explained that many of the contracts are several years old, however, the fact that contractors are willing to hold their pricing from the original contract is beneficial to the Authority. Current pricing is known on most of the materials through the bidding of new contracts where current values are provided. In most instances, the Authority would face more substantial increases in rebidding the contract and facing the current rise in pricing. Mr. Jablonowski would like to have a quantitative analysis of pricing provided to the board when change orders are presented in the future. No further discussion was held and Chairman Deasy entertained a motion to adopt the resolution. Mr. Dowd so moved and Mr. Bigley seconded the motion. Resolution No. 37 was unanimously adopted.

Resolution No. 38 of 2013, "Approving Refunds and Exonerations", was read by the Chairman and considered by the Board.

Kevin Donahue, Customer Service Manager, reviewed the exonerations. Mr. Lanier asked why there is an increase in refunds for February, March and April. Mr. Donahue explained that during December and January, project constraints limited the refund process, therefore, it picked up starting in February when it could be given more focus. No further discussion was held and Chairman Deasy entertained a motion to adopt the resolution. Mr. Jablonowski so moved and Ms. Lanier seconded the motion. Resolution No. 38 was unanimously adopted.

Resolution No. 39 of 2013, "Authorizing the Executive Director to Enter into Contracts with The PFM Group and Swap Financial Group to Provide Financial Advisory Services to the Authority", was read by the Chairman and considered by the Board.

Joey Tolbert, Interim Director of Finance and Business, explained the details of this resolution. Mr. Dowd praised both groups and complimented Veolia and PWSA on working together to bring a number of qualified companies to the bidding process. Mr. Kunka and Mr. Deasy both concurred with this assessment. No further discussion was held and Chairman Deasy entertained a motion to approve. Mr. Jablonowski so moved and Mr. Dowd seconded the motion. Resolution No. 39 was unanimously adopted.

Resolution No. 40 of 2013, "Accepting the Report of Auditor Maher Dussel, Certified Public Accountants", was read by the Chairman and considered by the Board.

Mr. Tolbert explained the details of this resolution. No discussion was held and Chairman Deasy entertained a motion to approve. Ms. Lanier so moved and Mr. Bigley seconded the motion. Resolution No. 40 was unanimously adopted.

Resolution No. 41 of 2013, "Authorizing Certain Officers and Officials to Take Action in Respect of the Authority's Outstanding (Variable Rate Demand) Water and Sewer System Subordinate Revenue Refunding Bonds, Series C-1A, B and C of 2008", was read by the Chairman and considered by the Board.

Interim Executive Director Good explained the details of this resolution. Mr. Jablonowski requested clarification as to what specific action is being taken and Mr. Good explained that this would allow the Authority to extend the letters of credit, if necessary. No further discussion was held and Chairman Deasy entertained a motion to approve. Mr. Dowd so moved and Ms. Lanier seconded the motion. Resolution No. 41 was unanimously adopted.

Resolution No. 42 of 2013, "Authorizing the Application for a Loan from the Pennsylvania Infrastructure Investment Authority ("PENNVEST") for Sewer Improvement Project Phase IV, PENNVEST Loan 713962012 ", was read by the Chairman and considered by the Board.

Interim Executive Director Good explained the details of this resolution. Mr. Jablonowski asked for clarification on the interest rate and Mr. Good confirmed that it is a 1 percent loan. Mr. Kunka inquired as to the Authority's ability to apply for the grant portion of funding from PENNVEST in addition to the loans. Mr. Good explained that due to the limited availability of PENNVEST grants, smaller communities are given preference and it is unlikely the Authority would ever receive a grant. No further discussion was held and Chairman Deasy entertained a motion to approve. Mr. Jablonowski so moved and Mr. Bigley seconded the motion. Resolution No. 42 was unanimously adopted.

Resolution No. 43 of 2013, "Authorizing the Application for a Loan from the Pennsylvania Infrastructure Investment Authority ("PENNVEST") for Water Improvement Project Phase VII, PENNVEST Loan 81026", was read by the Chairman and considered by the Board.

Interim Executive Director Good explained the details of this resolution. No discussion was held and Chairman Deasy entertained a motion to approve. Mr. Dowd so moved and Ms. Lanier seconded the motion. Resolution No. 43 was unanimously adopted.

Resolution No. 44 of 2013, "Acknowledging Receipt of the 2012 Annual Report of the Consulting Engineer", was read by the Chairman and considered by the Board.

Mr. Sukenik presented a draft copy of the report to each of the board members. He asked each member to review the report and bring any questions to him in the next two weeks. No discussion was held and Chairman Deasy entertained a motion to approve. Mr. Bigley so moved and Mr. Kunka seconded the motion. Resolution No. 44 was unanimously adopted.

Resolution No. 45 of 2013, "Authorizing the Executive Director to Enter into an Agreement with Judith A. Voelker (Property Owner) for a Public Sewer Relocation Contract of an Existing 15" PWSA Combination Sewer", was read by the Chairman and considered by the Board.

Interim Executive Director Good explained the details of this resolution. No discussion was held and Chairman Deasy entertained a motion to approve. Mr. Jablonowski so moved and Mr. Bigley seconded the motion. Resolution No. 45 was unanimously adopted.

Resolution No. 46 of 2013, "Approving Veolia Make vs. Buy CCTV OpEx Initiative", was read by the Chairman and considered by the Board.

Interim Executive Director Good explained the details of this resolution. No discussion was held and Chairman Deasy entertained a motion to approve. Mr. Bigley so moved and Mr. Jablonowski seconded the motion. Resolution No. 46 was unanimously adopted.

Resolution No. 47 of 2013, "Approving Veolia KPI Amendment No. 1", was read by the Chairman and considered by the Board.

Interim Executive Director Good explained the details of this resolution. No further discussion was held and Chairman Deasy entertained a motion to approve. Mr. Jablonowski so moved and Mr. Dowd seconded the motion. Resolution No. 47 was unanimously adopted.

REPORT OF THE INTERIM EXECUTIVE DIRECTOR

PWSA April Monthly Report – Interim Executive Director Good highlighted PWSA's sponsorship of the 2013 Pittsburgh Marathon and participation in the Expo at the David Lawrence Convention Center the day before the Marathon. Participants were able to sign up to win a variety of gift baskets and other prizes in exchange for filling out information cards. This enabled the Authority to get more updated information on customers as more people switch from landlines to e-mail and cell phones.

A bill stuffer highlighting the Authority's Green Infrastructure initiatives was mailed to all customers in their last monthly bill statement.

Aspinwall Riverfront Park hosted a reception attended by Mr. Good and Brendan Schubert, Community Outreach Manager. The Authority has been cooperating with the Riverfront Park project as they are in the process of turning an old marina area into a public park.

The Authority has been involved with several staff training sessions, including Confined Space Training, Active Shooter Training, a Diversity Luncheon honoring Duane Ashley attended by Barbara Curry and Tom Palmosina, AWWA Spring Conference attended by Dr. Stanley States and Glenn Lijewski from the Treatment Plant and a Diversity Training seminar attended by all managers at the Authority.

The KPIs on Customer Service Abandonment Rate for calls has reached its goal of being below the national industry standard of 7%. Mr. Good promised to host a pizza party for the Customer Service Department when they reach 3 months in a row of a 7% abandonment rate.

The Authority continues to be 100 percent compliant with regard to drinking water. The non-compliance numbers on the non-drinking water chart are improving and are expected to go up to 100% in the next few months after the Backwash Filter repairs are completed.

CONSULTING ENGINEER'S REPORT

Bill Sukenik, Consulting Engineer, reported that the 2008 construction fund has approximately \$3.7 million remaining in the fund. The full amount of the balance is encumbered. Approximately \$32.9 million out of the \$36.8 million PENNVEST loans/fund has been expended. The CIP expenditures for April were approximately \$1 million dollars and the total expenditures for 2013 to date are \$4.7 million. The Authority and Chester Engineer staffs are collaborating on a daily basis in the management of the agency's cash and funding resources. Gerry Ludwig, Interim Director of Engineering, held two sessions in April to identify the highest priority projects and forecast expenditures through the end of the year. A monthly peak cash flow analysis will be provided. These numbers will be part of the new monthly Executive Dashboard. Total expected CIP expenditures for 2013 are approximately \$15 million, which is a compilation of balances of the 2008 construction fund, existing PENNVEST loans and funds expected to be expended from new PENNVEST loans. Mr. Sukenik highlighted the new Executive Dashboard format that will replace the old Consulting Engineer's Report. The information provided to the board on a monthly basis will remain the same, however, it will now be provided on one sheet. Mr. Sukenik asked for feedback from the board on this new format and implementation of the Dashboard will be dependent upon their approval. No further discussion was held.

UNFINISHED BUSINESS

None.

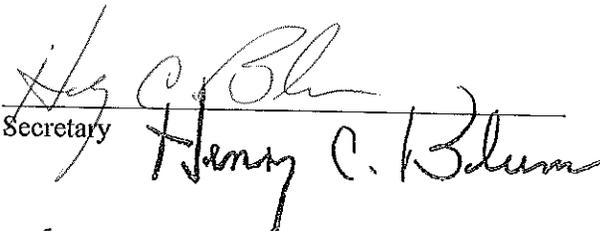
NEW BUSINESS

Eugene "Gene" Sinicki received commendation for his 23 years of service at the Authority. Mr. Sinicki started as an Equipment Repair Specialist at the Treatment Plant and became a Stationary Engineer at the Ross Pump Station. Mr. Sinicki gave 100%, completed all his tasks on schedule and often gave up many holidays to work.

ADJOURNMENT

No further discussion was held and Chairman Deasy entertained a motion to adjourn. Ms. Lanier so moved and Mr. Bigley seconded the motion. The motion to adjourn was unanimously adopted.

The next regularly scheduled board meeting will be held on Friday, June 14, 2013 at 9:30 a.m.


Secretary

(

()

(