

**MINUTES OF THE
REGULAR BOARD MEETING
OF THE PITTSBURGH WATER AND SEWER AUTHORITY
HELD ON SEPTEMBER 13, 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, September 13, 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. Scott Kunka, Mr. Henry C. Blum and Mr. Pat Bigley. Present from the staff were Interim Executive Director James Good, Antoine Boo, Brendan Schubert, Rachel Romano, Melissa Rubin, Don Waldorf, Bob Hutton, Bob Christian, Kevin Donahue, Barbara Curry and Rachel Rampa.

Also present were Mark Nowak PWSA Solicitor; Bill Sukenik of Chester Engineers; Dave French and Sherri Jeffers of L. Robert Kimball; Matt Sickles of CDM Smith; Jim Weaver of Jeff Zell Consultants; Herb Higginbotham of AECOM; Ifeanyi Odigboh of MS Consultants; Bob Zulick of Buehrt Horn, Inc.; Kim Kennedy and Mike Crall of HDR; Coreen Casadei of Collective Efforts, LLC; Tim Dean of JMT; John Ross of Arcadis; Tony Offerman, Manshi Low, Matthew Cloyd, Paul Whitmore and Gerry Ludwig of Veolia Water; George Robinson of Black & Veatch; Steve Bakoua of Exico, Inc.; Jim Veri and Ron Miller of URS; Rulison Evans and Roy Rudolph of GHD; Bill Trimbath of Michael Baker; Jason Di Martini, Nick Falgione and Tony Misiti of PNC Bank; Patti Wiltout and Kristie Lulich of Seubert & Associates; Debbie Healey Langley of Hazen and Sawyer; Tom Vena of A&A Consulting; and Herbert Retcofsky.

PUBLIC COMMENTS

Mr. Herbert Retcofsky, 2444 Craftmont Avenue, Pittsburgh, PA 15205

Mr. Retcofsky made a public comment at the February 8, 2013 board meeting and remains frustrated that there has been no resolution regarding the removal of a catch basin at this location. The Authority is removing the catch basin due to a consent order requiring the separation of sanitary and storm sewers. Mr. Retcofsky is concerned with the total elimination of the catch basin and possible flooding during storm conditions if it is removed. PWSA staff discussed the options with Mr. Retcofsky, who expressed discontent and concern with how this situation has been handled by Authority staff. Chairman Deasy explained that a new Director of Engineering has just been appointed and will be discussing the issue with Mr. Retcofsky to find a solution.

APPROVAL OF MINUTES

Chairman Deasy entertained a motion to approve the minutes of the July 19, 2013 Regular Board Meeting and the August 28, 2013 Special Board Meeting. There were no comments or corrections noted at this time. Mr. Blum so moved and Ms. Lanier seconded. The minutes of the July 19, 2013 Regular Board Meeting and the August 28, 2013 Special Board Meeting were unanimously approved.

BILLS AND COMMUNICATIONS

Resolution No. 78 of 2013, "Authorizing the Appointment of Underwriters and Other Professionals in Connection with the Issuance of Additional Bonds Under the First Lien Indenture", was read by the Chairman and considered by the Board.

Interim Executive Director Good explained the details of this resolution. Mr. Kunka indicated that of the four firms for underwriting, the Authority has had a long standing relationship with PNC and Bank of America and will be forming a new relationship with RBC and Huntington Bank along with Dinsmore & Shohl. Mr. Kunka feels these organizations are the right team for the Authority. 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. 78 was unanimously adopted.

Resolution No. 79 of 2013, "Authorizing Certain Officers and Officials to Take Action with Respect to the Authority's (Variable Rate Demand) Water and Sewer System First Lien Revenue Refunding Bonds, Series B-1 Of 2008, Series B-2 Of 2008 and Series D-2 Of 2008", was read by the Chairman and considered by the Board.

Interim Executive Director Good explained the details of this resolution. Mr. Blum asked who the officers will be. Mr. Good explained that it is typically the Chairman and the Treasurer of the board. No further discussion was held and Chairman Deasy entertained a motion to approve. Mr. Kunka so moved and Mr. Jablonowski seconded the motion. Resolution No. 79 was unanimously adopted.

Resolution No. 80 of 2013, "Awarding an Operating Contract for the Piggyback Purchase of an upgrade to an EnviroSight CCTV Truck, Commonwealth of Pennsylvania's Costars Program, Contract No. 025-044, A&H Equipment.", 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. Kunka so moved and Mr. Blum seconded the motion. Resolution No. 80 was unanimously adopted.

Resolution No. 81 of 2013, "Awarding a PENNVEST Contract for the Waterline Relay-Buena Vista, Langtry, Clayton and Kincaid Streets, Project No. WSI8-325-148, Frank J. Zottola Construction", 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 Ms. Lanier seconded the motion. Resolution No. 81 was unanimously adopted.

Resolution No. 82 of 2013, "Awarding Insurance Contracts for the Workers Compensation and Automobile Policies to H.A.R.L.E and Public Officials Liability Policy to AIG", was read by the Chairman and considered by the Board.

Interim Executive Director Good explained the details of this resolution. Mr. Deasy mentioned a previous discussion regarding being more aggressive in soliciting bids. Mr. Good said that our current broker has done a better job of reaching out to the community for a better selection of bids than in the past. Mr. Blum asked why five of the companies contacted for bids did not respond. Mr. Good explained that every broker has different criteria and not bidding can be due to the size of the Authority, the books, etc. No further discussion was held and Chairman Deasy entertained a motion to approve. Mr. Blum so moved and Ms. Lanier seconded the motion. Resolution No. 82 was unanimously adopted.

Resolution No. 83 of 2013, "Approving Change Orders", was read by the Chairman and considered by the Board.

Bill Sukenik of Chester Engineers reviewed the change orders. No discussion was held and Chairman Deasy entertained a motion to adopt the resolution. Ms. Lanier so moved and Mr. Bigley seconded the motion. Resolution No. 83 was unanimously adopted.

Resolution No. 84 of 2013, "Approving Refunds and Exonerations", was read by the Chairman and considered by the Board.

Kevin Donahue, Customer Service Manager, reviewed the exonerations. No 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. 84 was unanimously adopted.

Resolution No. 85 of 2013, "Approving a Development Agreement with UPMC for Three Combination Sewers and One Waterline, Luna Parking Garage, Cypress St.", 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. Blum so moved and Mr. Bigley seconded the motion. Resolution No. 85 was unanimously adopted.

Resolution No. 86 of 2013, "Approving an Easement Agreement with Washington's Landing Community Association", 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. Ms. Lanier so moved and Mr. Blum seconded the motion. Resolution No. 86 was unanimously adopted.

Resolution No. 87 of 2013, "Approving an Easement Agreement with the Sandra Lee Slane Revocable Living Trust", 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. Ms. Lanier so moved and Mr. Bigley seconded the motion. Resolution No. 87 was unanimously adopted.

Resolution No. 88 of 2013, "Approving the Veolia Large Meter Replacement Program OpEx", was read by the Chairman and considered by the Board.

Interim Executive Director Good explained the details of this resolution. Mr. Kunka asked about the monitoring process. Mr. Good said that the monitoring will occur seasonally. Mr. Jablonowski inquired about the estimated monetary loss due to the failure of the meter to accurately record the amount of water. Mr. Good explained that the conservative loss estimate is 10 percent. Mr. Bigley asked if this work will be done with in-house staff. Mr. Good confirmed this is the case. No further discussion was held and Chairman Deasy entertained a motion to approve. Ms. Lanier so moved and Mr. Blum seconded the motion. Resolution No. 88 was unanimously adopted.

Resolution No. 89 of 2013, "Approving the Veolia Make vs. Buy PA One Call OpEx", was read by the Chairman and considered by the Board.

Matthew Cloyd from Veolia Water explained the details of this resolution. Mr. Blum asked if the Authority would be outsourcing the jobs. Mr. Good clarified that jobs will not be outsourced. Mr. Bigley asked if the vendor will assume liability. Mr. Good confirmed and further explained that we have incurred significant expense when we have miss-marked lines. Mr. Lanier asked how often PWSA has mismarked lines and Mr. Cloyd provided more detailed numbers. Mr. Kunka asked for clarification on the legal ramifications and Mr. Nowak and Mr. Cloyd jointly clarified and interpreted the details. No further discussion was held and Chairman Deasy entertained a motion to approve. Mr. Jablonowski so moved and Mr. Blum seconded the motion. Resolution No. 89 was unanimously adopted.

Resolution No. 90 of 2013, "Approving the Veolia Warehousing Inventory Control OpEx", 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 Ms. Lanier seconded the motion. Resolution No. 90 was unanimously adopted.

Resolution No. 91 of 2013, "Approving the Veolia Lab Efficiency OpEx", 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. Ms. Lanier so moved and Mr. Bigley seconded the motion. Resolution No. 91 was unanimously adopted.

REPORT OF THE INTERIM EXECUTIVE DIRECTOR

PWSA July-August Monthly Report – Interim Executive Director Good reported on the reduction in run time at the Microfiltration Plant in Highland Park, thanks to the efforts of PWSA Staff and Veolia. This reduction is a considerable savings to the Authority without sacrificing water quality, pressure or supply. Improvements to that zone have also been made where the plant automatically kicks up production if there are any flow or pressure issues.

Several Authority staff members have been responsible for charitable fundraising projects at the Authority on their own time and raised \$200 for Sickle Cell Anemia.

The Customer Service Abandonment Rate for the month of August was higher than normal due to unanticipated absences in the department. Kevin Donahue is developing a plan to deal with this in the future.

The Authority continues to be 100 percent compliant with regard to drinking water. The non-compliance numbers on the non-drinking were reported at prior meetings as being related to the Backwash Filter. Less backwashing through the filters has resulted in less discharge and, therefore, the non-drinking water numbers are now in compliance.

The average monthly water and sewer main repairs remain at 1 per day. This number will increase for water operations as the weather gets colder.

Authority e-mail accounts have been issued to all employees. Special kiosks with iPads have been set up at all plant facilities for off-site staff to access. These kiosks have been provided free of charge by Verizon a part of the extension of our cell phone contract.

The sewer operations CCTV staff has been selected and received extensive training. Four employees will be permanent and two will serve as back up during absences for this operation.

The PWSA Team BBQ was held at the Water Treatment Plant. The Authority staff and board members attended along with Veolia staff.

CONSULTING ENGINEER'S REPORT

Bill Sukenik, Consulting Engineer, reported that the balance remaining in the 2008 Construction Fund is approximately \$80,773 as of August 31. A requisition in the sum of approximately \$70,000 is in the queue. The first "Operations Requisition" in the sum of approximately \$65,000 was prepared ultimately to be reimbursed by the 2013 Construction Fund, per Resolution 59 "Declaring Official Intent to Issue Tax Exempt Bonds". Approximately \$33.5 million of the \$40.4 million in PENNVEST loans

has been requisitioned. The CIP expenditures for August were \$ 246,351 and the year-to-date 2013 CIP expenditures are approximately \$6.54 million. Total expected CIP expenditures for 2013 are about \$12 million.

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.

UNFINISHED BUSINESS

None.

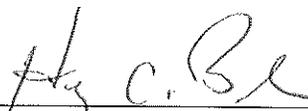
NEW BUSINESS

Interim Executive Director Good announced that the Authority's debt was recently reviewed by Moody's and they have retained our rating and given us a stable outlook.

ADJOURNMENT

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

The next regularly scheduled board meeting will be held on Friday, October 11, 2013 at 9:30 a.m.


Secretary
