

**MINUTES OF THE
REGULAR BOARD MEETING
OF THE PITTSBURGH WATER AND SEWER AUTHORITY
HELD ON JANUARY 23RD 2015**

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, December 23rd 2015, at approximately 10:00 a.m., in the Second Floor Board Room, 1200 Penn Avenue, Pittsburgh, Pennsylvania 15222. The following members of the Board were present: Chairman Alex W. Thomson, Ms. Margaret L. Lanier, Mr. Paul Leger, Ms. Andrea Geraghty, Ms. Caren Glotfelty, Ms. Deborah L. Gross, and Mr. Mike Weber. Present from the staff were Interim Executive Director James Good, Melissa Rubin, Katherine Camp, James Stitt, John Morgan, Joey Tolbert, Brendan Schubert, Tom Palmosina, Bob Christian, Kevin Donahue, Ron Duray, Autumn Barna, Scott Towler, Kelley Benson, and Antoinette Palmieri.

Also present were Mark Nowak, PWSA Solicitor; David Troianos of Chester Engineers; Alex Sciulli of ALEM Consulting; Bob Weimer, Kyle Hood, Giuseppe Sciulli, and Stephen Polen of Hatch Mott MacDonald; Tassi Bisers of the Clean Rivers Campaign; Yasa Petrunak of JMT; Herbert Retcofsky; Tanya McCoy-Caretti of Arcadis; Rulison Evans and Roy Rudolph of GHD; Jason McBride of Wade Trim; Herb Higginbotham, Brian Henderson, and Tom Warner of AECOM; Michael Stephens of Veolia; Robert Zullo of The Post-Gazette; Matt Sickles of CDM Smith; Charles Toran of Sci-Tek; Kim Kennedy of HDR; Mark Gannon or AMEC; Peter Capizzi of Quality Engineering Solutions, Inc.; John Ross and Tina Wolff of ARCADIS; Ron Ciucci of Baker; George Robinson II of Black & Veatch; Sam Shamsi of Jacobs; Mark R. Karoliski of Buchart Horn, Inc.; Don Killmeyer of MS Consultants; John Coyne of GAI; Anna Berg of PA AW; Bill Trimbath of Civil & Environmental Consultants; Coreen Casadei of Collective Efforts, LLC; Chad Quinn and Dan O'Brien of Dollar Energy; Brad Davis of L. Robert Kimball; Paul Ionadi of PI&A; Greg Scott of Buchart Horn, Inc.; David Lowdermilk and Danielle List of Parsons Brinckerhoff; Bob Bauder of Pittsburgh Tribune Review; and David R. French of DRF Consulting LLC

EXECUTIVE SESSION

An executive session was held prior to the start of the Regular Board Meeting wherein no votes were taken. The Chairman informed the attendees that certain personnel and legal matters were discussed.

PUBLIC COMMENTS

Mr. Herbert Retcofsky, of 2444 Craftmont Avenue, remains frustrated that there has been no resolution regarding the catch basin. The Authority removed the catch basin due to a consent order requiring the separation of sanitary and storm sewers. He encourages the Board to get involved and investigate the issue for themselves. Mr. Retcofsky expressed discontent and concern with how this situation has been handled by the Authority staff. He requests that the minutes show that he does not accept the work that was done, he will not take responsibility for the hazards that have been created and Mr. Retcofsky puts full responsibility on PWSA. He encourages the board to discuss the situation.

APPROVAL OF MINUTES

Chairman Thomson entertained a motion to approve the minutes of the December 2014 Regular Board Meeting. No comments or corrections were noted. Mr. Leger so moved and Ms. Geraghty seconded the motion. The minutes were unanimously approved.

BILLS AND COMMUNICATIONS

Financial Updates

Joey Tolbert, Interim Director of Finance, reviewed the cash flow analysis for November 2014. He noted November was a short month due to the holidays. Operating expenses, overall, are tracking right on budget. Since the Board meetings have been moved to the third Friday of the month, Mr. Tolbert plans to get the closings done in time to report the prior month's data going forward. The Chairman thanked Mr. Tolbert for the additional information provided on the chart. The Chairman also requested an explanation of the variances in the Operating Net and the Net Income.

Legislative Updates

Brendan Schubert, External Affairs Manager, explained the latest updates in Local, State and Federal legislation. Mr. Schubert pointed out from July of 2014 through December 31st 2014 (128 Business days) PWSA received 221 requests from City Council. This averaged to about two requests per day, and the current resolution rate is 65%.

Also, a team from Carnegie Mellon will be conducting a customer survey over the next five years, with information gathered will be used to improve PWSA's customer education.

Mr. Schubert provided an update on the Utility and City Capital Planning Coordination. The URA is now coordinating with the group. A document is being developed for future program coordination. Ms. Geraghty inquired whether PWSA owns the software that will be used for this coordination planning. Mr. Schubert explained that PWSA pays a licensing fee. Ms. Gross mentioned the tremendous opportunity in coordinating the regular paving schedules with the utilities. She asked Mr. Schubert to include the private developers into the coordination effort.

Report of Consulting Engineer

Bob Weimer, Hatch Mott MacDonald Group, presented the new Capital Improvement Program Dashboard. Mr. Weimer stated that several projects will extend over several years. Mr. Weimer is planning to present a global financial picture. Hatch Mott will be developing metrics based on availability of data. An active project construction map will be a main feature. This information will be shared with the Utility and City Capital Planning Coordination. Quality assurance, reducing cost and involving more contractors are factors in the plan. E-builder is equipping the Authority with a more robust recording capability. Mr. Thomson thanked Mr. Weimer. He stated that the presentation was refreshing and that the Board will work with him. Ms. Gross stated she appreciated the construction project map and is looking forward to seeing the color-coded map of a three-year retrospective on the water and sewer breaks.

Mr. Thomson expressed frustration with the number of change orders. When the bids are received, they are close in cost. However, the Board is then asked to approve a change order that may actually be more than the initial bid itself. This is not acceptable and will not continue. Mr. Thomson does not know whether or not this is a game that is being played. The Board cannot properly manage and run an organization when the expenditures bear no resemblance to what is authorized.

The Interim Executive Director and Mr. Weimer should track the contractors who exceed their bid. He understands there is uncertainty every time a crew digs up the ground. Uncertainty should be built into the bid. The Board will use change order history of contracts to approve contracts. The Board will require the staff to use change order history as criteria in their contract review.

Ms. Geraghty thanked Mr. Thomson and agreed with him. Mr. Leger also agreed with Mr. Thomson and reminded the Board that he brought the excess change orders up before. Mr. Weimer would like the Board to measure their success by their ability to achieve the goal of reining in change orders.

Update on Green Infrastructure (GI) Initiatives

James Stitt, Sustainability Coordinator, presented the Board with a summary of GI projects started in 2014. In his presentation, he reviewed two Panther Hollow Watershed Restoration projects. In total, they are expected to collect 1,800,000 gallons of storm water. The Negley Run Bioswale is expected to collect 800,000 gallons, and the rain garden at PWSA's Water Treatment Plant is anticipated to collect 360,000 gallons. There is also a city-wide GI assessment in the works to determine where water collects/goes. Ms. Glotfelty questioned if the assessment will look at public and private property. Mr. Stitt explained they are working on building partnerships with private developments. Mr. Leger and Mr. Thomson provided an example of water hazards on golf courses to demonstrate that water can be managed on public facilities without damaging the recreational usage. Ms. Gross is also enthusiastic to see a city-wide assessment and would love to see the vacant city owned land overlaid and to find solutions for water collection in these areas. She also likes seeing the green bump outs along roads. She noted that communities are requesting the opportunity to solve storm water problems and to calm traffic in a visually appealing manner. Ms. Gross also questioned if PWSA knows what the city's own contribution to the system is. Mr. Good said that we do. The flows that come out of Pittsburgh are the largest single contributor. He will provide that information to the Board. Mr. Thomson pointed out that this is a holistic approach, as opposed to building a bunch of big tunnels. Ms. Geraghty asked Mr. Good for clarification on the statement that PWSA is the largest single contributor to the overflow. Does the city's contribution include the water that comes through the city from other municipalities? Mr. Good stated that the Authority also has data on what is coming into the city. Ms. Glotfelty also clarified that this is work that all the municipalities had to complete to be compliant with the DEP and EPA orders.

Resolution No. 1 of 2015,

“Awarding CIP Contract for 1 ½” & 2” Water Meters, PWSA Project No. 2013-325-225-0 MetronFarnier”

Rick Obermeier, Director of Sewer Operations, explained the details of this resolution. This bid was brand specific, resulting in only one bid. Chairman Thomson entertained a motion to discuss and adopt the resolution. Ms. Geraghty so moved and Ms. Lanier seconded the motion. No further discussion was held and the Resolution was unanimously adopted.

Resolution No. 2 of 2015,

“Awarding of Two Operating Contracts for Various Chemicals, PWSA Project No. PWSA39”

Ron Duray, Director of Water Quality and Production, explained the details of this resolution. Chairman Thomson entertained a motion to discuss and adopt the resolution. Ms. Lanier so moved and Ms. Glotfelty seconded the motion. No discussion was held and the Resolution was unanimously adopted.

Resolution No. 3 of 2015,

“Authorizing a Cost-Sharing Agreement on a Sewer Line Replacement, Mulberry Way at 34th Street”

Mark Nowak, PWSA Solicitor, explained the details of this resolution. Chairman Thomson entertained a motion to discuss and adopt the resolution. Ms. Gross so moved and Ms. Geraghty seconded the motion. Ms. Gross noted that there are many new developments in the works and questioned if PWSA is working with private developers. No further discussion was held and the Resolution was unanimously adopted.

Resolution No. 4 of 2015,

“Approving the Updated Procedure Manual for Developers”

Bob Christian, Director of Engineering, explained the details of this resolution. Chairman Thomson entertained a motion to discuss and adopt the resolution. Ms. Glotfelty recommended holding this item to give the Board members more time to discuss the Green Infrastructure provisions. Chairman Thomson agreed. Ms. Glotfelty so moved and Ms. Gross seconded. The Resolution is held until the February meeting.

**Resolution No. 5 of 2015,
“Authorizing the Destruction of Specific Outdated Records”**

John Morgan, Financial Analyst, explained the details of this resolution. Chairman Thomson entertained a motion to discuss and adopt the resolution. Ms. Lanier so moved and Ms. Geraghty seconded the motion. No discussion was held and the Resolution was unanimously adopted.

**Resolution No. 6 of 2015,
“Approving Change Orders”**

Bob Christian, Director of Engineering, mentioned that there is currently no lateral policy. Mr. Christian will be taking the lead on creating a lateral policy. He will bring recommendations to the Board once options are reviewed. Constructability reviews will also become standard practice.

David Troianos, Chester Engineers, explained the details of three change orders. Chairman Thomson entertained a motion to discuss and adopt the resolution. Ms. Geraghty so moved and Mr. Leger seconded the motion. Ms. Gross thanked Mr. Troianos for the detailed breakdown of the project, noting that it helps illustrate the case. It was decided to vote separately on each of the change orders.

For Change Order No. 3, the Chairman entertained a motion to accept it. Ms. Glotfelty so moved and Ms. Lanier seconded. There was no discussion and this change order was accepted.

The Board moved on to discuss Change Order No. 1. Mr. Leger requested the cost of the original contract. Mr. Troianos answered with \$1.157 million. Mr. Leger noted that the Board is being asked to put 29.4% more money into the project, and they are obligated to approve in order to have the work completed. He commented that the first change order is paying the back bills. The Board is now obligated to approve the change order since they now owe the money. He is not pleased that the Board has been placed in that position. Ms. Lanier agreed with Mr. Leger. She recommended that they re-bid the project. Ms. Gross questioned what the original bid requested and why certain things were not put into the proposal. Mr. Thomson stressed that the Authority needs partners. Perhaps there is complacency associated with the change orders. Perhaps things are left out of the actual RFP? On a go-forward basis, in terms of spending, the Authority needs to ensure that it is done in a better way. Ms. Gross agreed. Mr. Christian pointed out that a lot of tools are coming into place now, such as E-Builder, to more efficiently handle the contracts. Ms. Geraghty pointed out that the work in question is one block of a city street. The contractors should bid with the knowledge of issues that will crop up, such as narrow streets, neighbors needing their cars and access to their house, and so on. The contractors either need to plan better or incorporate the cost. She recommended accepting Change Order No. 1 and rebidding No. 2. Mr. Leger agreed. They did the work and now they are owed money. Mr. Good anticipates that the project could still be finished in April, if they opted to rebid. Mr. Leger questioned a \$300,000 bill and where the approval came from before it came before the Board. Mr. Good stated that currently there is not enough control. He mentioned the “sneaker-net” and that there are processes going into place to gain more control. Mr. Leger wants more notification when additional work needs to be done in the hundreds of thousands of dollars. Ms. Gross does not want to slow down the work, but it is a balancing act.

For Change Order No. 1, the Chairman entertained a motion to accept it. Mr. Leger so moved and Ms. Geraghty seconded.

For Change Order No. 2, the Chairman entertained a motion to reject this change order. Ms. Geraghty so moved and Ms. Glotfelty seconded. The change order was rejected and the Board requested a rebid.

**Resolution No. 7 of 2015,
“Approving Refunds and Exonerations”**

Kevin Donahue, Customer Service Manager, explained the details of this resolution. Chairman Thomson entertained a motion to discuss and adopt the resolution. Ms. Lanier so moved and Ms. Geraghty seconded the motion. No discussion was held and the Resolution was unanimously adopted.

Resolution No. 8 of 2015, “Approval of Easement Agreements for Public Water and Sewer Facilities in the Garfield Heights Development”

Mark Nowak, PWSA Solicitor, explained the details of this resolution. Chairman Thomson entertained a motion to discuss and adopt the resolution. Ms. Glotfelty so moved and Mr. Leger seconded the motion. No discussion was held and the Resolution was unanimously adopted.

Resolution No. 9 of 2015, “Authorizing a Professional Services Agreement for Integrated Watershed Planning in the Saw Mill Run Watershed”

Bob Christian, Director of Engineering, explained the details of this resolution. Chairman Thomson entertained a motion to discuss and adopt the resolution. Mr. Leger so moved and Ms. Geraghty seconded the motion. Ms. Lanier questioned the Arcadis bid and hoped that they do not come back with a change order. Mr. Christian explained that the Authority has been very pleased in the past with their work and feels their bids are in line with what the project entails. Ms. Glotfelty questioned if the Authority checks with previous clients to determine if they have done similar work in the past and their quality. Mr. Christian specified that his team checks three references. No further discussion was held and the Resolution was unanimously adopted.

Resolution No. 10 of 2015, “Approving a Settlement of the Legal Action by W. Christopher Griffith, Personal Representative of the Estates of Kimberly A. Griffith, Brenna C. Griffith, and Mikaela E. Griffith”

Mark Nowak, PWSA Solicitor, explained the details of this resolution. Chairman Thomson entertained a motion to discuss and adopt the resolution. Ms. Geraghty so moved and Ms. Glotfelty seconded the motion. No discussion was held and the Resolution was unanimously adopted.

Resolution No. 11 of 2015, “Approving an Agreement with Dollar Energy Fund for a New Residential Sanitary Sewer System Repair Assistance Program”

Brendan Schubert, External Affairs Manager, explained the details of this resolution. He also noted that Chad Quinn and Dan O’Brien of Dollar Energy were in the audience and available to answer questions. Chairman Thomson entertained a motion to discuss and adopt the resolution. Ms. Gross so moved and Ms. Lanier seconded the motion.

Ms. Gross asked if this is for just one year of funding or four. Mr. Schubert answered that the request is for one year of funding. Mr. Quinn stated that there are two reasons for doing this: environmental and a social service. Ms. Gross asked who will pay the annual fee. PWSA will be paying that fee. Ms. Gross questioned the grant set up and payment of the overhead costs. Mr. Good stated the Authority is capitalizing the grant program with Dollar Energy due to their experience running these types of programs. Mr. Thomson also had a few reservations. He is concerned about the administrative cost of the initial seed money being absent and the matching foundation grant numbers. He requested that the contract be drafted in such a way that if \$600,000 is not raised, then there is no obligation by PWSA to move forward beyond the initial \$200,000. Ms. Glotfelty pointed out there is more than one way to solve the problems. She asked if the grants will help fund GI solutions. Mr. Schubert explained that they are looking at best management practices and at the various watershed studies.

1:46 Mr. Leger

Ms. Geraghty noted that the program is aspirational, but lacks substance. She needs to see more substance in order to proceed. However, if the other members are in favor, she will request periodic reports.

No further discussion was held and the Resolution was unanimously adopted.

Report of Executive Director

Interim Director, James Good, reviewed operational data, with a focus on fire hydrant testing and utility cut restoration.

Adjournment of Regular Monthly Meeting

There were no further discussions. Chairman Thomson entertained a motion to adjourn. Ms. Lanier so moved and Mr. Leger seconded the motion. The motion to adjourn was unanimously adopted.

The next meeting will be on February 20th 2015.

Secretary