

**MINUTES OF THE
ANNUAL AND REGULAR BOARD MEETING
OF THE PITTSBURGH WATER AND SEWER AUTHORITY
HELD ON MAY 20, 2016**

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 20, 2016, 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: Chairperson, Alex Thomson, Vice Chairperson, Ms. Margaret L. Lanier, Mr. Paul Leger, and Mr. Michael Weber. Absent from the Board were: Ms. Caren Glotfelty, Ms. Deborah Gross, and Ms. Andrea Geraghty. Present from the staff were Interim Executive Director David L. Donahoe, Rosanne Salerno, Kent Lindsay, Kelley Benson, George Robinson, Jim Tracey, Tanya Gore-White, Brendan Schubert, Rick Obermeier, James Stitt, Katherine Camp, Rachel Rampa, Gina Cyprych, and Christopher Carew.

Also present were Mark Nowak, PWSA Solicitor; Kyle Hood, Giuseppe Sciulli, and Stephen Polen of Hatch Mott MacDonald; Dave French of DRF Consulting; John Balewski of Chester Engineering; Mark Gannon and Osoi Bazwaye of Amec Foster Wheeler; Ron Miller and Herb Higginbotham of AECOM; Sri Alugurelli of Cosmos; Michael Eannarino of Pittsburgh Housing Authority; Matt Sickles of CDM Smith; Rocco Magitlino of PVE Sheffler; Diane Simez of Black & Veatch; MA Thomas; Tina Gosha of G Stephens; Jason McBride of Wade Trim; Bob Zulick of HRG; P. Christopher Derr of The NRP Group LLC; Greg Scott of Buchart Horn; Councilwoman Natalia Rudiak; Betheni Cameron of City Council; Jason Borne of MS Consultants; Jung-Wook Kim of HACP; John Ross of Arcadis; Natalie Leon; Louise Sue; Nancy Holme; James Rauber; Patricia Schank; Paul Ionadi of Dynotec; Roy Rudolph and Rulisan Evans of GHD; Roger Varmer LDG; David Troianos of GAI Consultants; and Gile L. Stephens of GSI.

CALL FOR PUBLIC COMMENT

Councilwoman Rudiak expressed concern for residents at Homehurst Avenue. They bought their homes with the understanding that their infrastructure was public. They should not have to bear the burden of proof that their sewer lateral is public. The Councilwoman's office has spent hundreds of hours on this case and believes it is time for PWSA to step up.

Ms. Denise Gupta of 2805 Homehurst Avenue – After residing at this home for over seventy years, she was told the sewer lateral is private. She has always paid full sewer rates. The Department of Public Works transferred all of the records to PWSA. PWSA received a Right to Know Request and has provided no copies of documents. Ms. Gupta feels those records prove that the lines are public.

Ms. Louise Sell of 2913 Homehurst Avenue – Lived in this home for sixty years. A manhole was installed by the City of Pittsburgh. Her home has always been on a public line. The PWSA's position is that the line is private.

Mr. James Rauber of 252 Ellwyn Avenue, which is on the corner at Homehurst Avenue – He has always been serviced by the City. PWSA refuses to give him information through a Right to Know Request.

Nancy Hahne on behalf of her mother at 2913 Homehurst Avenue – Ms. Hahne grew up in this home. She remembers that a clogged line caused the need for the installation of a manhole. It is Ms. Hahne’s hope that PWSA will be able to assist her mother with this problem.

Patricia Schank of 2807 Homehurst Avenue – Ms. Schank states that their sewer line has always been maintained by the Department of Public Works. (A photo was shown reading “DPW Sewer.) Deed searches were conducted by PWSA and deemed inconclusive. She feels this injustice is not her burden to bear and hopes the Board will take action.

Kathleen Dutzick of 3480 Simon Street – Ms. Dutzick purchased the home in a foreclosure. At closing, she discovered that there is a \$6,000 water bill. The original owner was disabled and removed from the property. Ms. Dutzick proposed that PWSA accept a settlement of \$2,000. Settlement was declined by PWSA on Monday. She is making a plea to the Board to accept the settlement.

EXECUTIVE SESSIONS

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 legal and personnel matters were discussed.

APPROVAL OF THE MINUTES

Chairman Thomson entertained a motion to approve the Minutes of the April Regular Board Meeting. Mr. Leger so moved and Ms. Lanier seconded the motion. The Minutes were unanimously approved.

BILLS AND COMMUNICATION

Financial Updates

Kent Lindsay, Finance Director, reviewed April 2016 financial information. Receipts are \$13.4 million. This is below budget by 7.4%. Operating expenses are \$13.5 million or 13% over budget. Year-to-date for April, revenue was \$57.3 million, which is \$1.1 million over budget, operating expenses are 2.8% higher than budget at \$43.5 million and cash flow is within 1.4% of budget. The disparity in income and expenses will be caught up by the end of the year.

Report of Consulting Engineer

Bob Weimar, Interim Director of Engineering, discussed the Progress Report. There is a significant decline in the rate of capital expenditure due to the loss of personnel resources and the lack of progress in executing projects. The citywide analysis of 30 basins is almost complete. There are 4 construction projects in progress. Two to three other projects will go to bid in August and will start construction in September. Mr. Weimar is re-evaluating department job descriptions.

Resolution No. 50 of 2016

Approving Refunds, Legal Adjustments, and Exoneration Adjustments Recommended by the Water Exoneration Hearing Board in March, 2016

Tanya Gore-White, Customer Service Manager, explained the details of this resolution. Chairperson Thomson entertained a motion to discuss and adopt the resolution. Ms. Lanier so moved and Mr. Leger seconded the motion. No further discussion was held and the Resolution was unanimously adopted.

Resolution No. 51 of 2016

Awarding a legal fee arrangement with McNees Wallace & Nurick LLC to provide financing and bond counsel services for the next year

Kent Lindsay, Director of Finance, explained the details of this resolution. Chairperson Thomson entertained a motion to discuss and adopt the resolution. Mr. Paul Leger so moved and Ms. Lanier seconded the motion. Mr. Leger asked about the legal fees. Mr. Lindsay confirmed that fees are capped at \$45,000 for each transaction to include the Line of Credit, Replacement Letter of Credit and the Refunding Issue. After further discussion, the resolution was amended. The fees for the Line of Credit services will be capped at \$45,000. The fee cap for the Replacement Letter of Credit and the Refunding Issue will be negotiated to obtain a lower capped fee amount. Mr. Leger so moved and Ms. Lanier seconded the motion to adopt the amended resolution. No further discussion was held and the Resolution was unanimously adopted.

Resolution No. 52 of 2016

Awarding an Operating Contract for the Purchase of Office Supplies, Toner, and Other Small Computer Related Items by Piggybacking NJPA Contract No. 010615-SCC for Office & School Supplies and Equipment

Kent Lindsay, Director of Finance, explained the details of this resolution. Chairperson Thomson entertained a motion to discuss and adopt the resolution. Mr. Leger so moved and Mr. Weber seconded the motion. No further discussion was held and the Resolution was unanimously adopted.

Resolution No. 53 of 2016

Awarding a Professional Services Agreement for Traffic Control Services to Area Wide Protective (AWP)

Chris Carew, Director of Field Operations, explained the details of this resolution. Chairperson Thomson entertained a motion to discuss and adopt the resolution. Mr. Leger so moved and Ms. Lanier seconded the motion. Ms. Lanier confirmed the estimate is up to \$30,000, and she suggested that the contract should be rebid. No further discussion was held and the Resolution was unanimously adopted.

Resolution No. 54 of 2016

Awarding an Operating Contract for Option Term 3 of PWSA Project No. PWSA9 for Fire Hydrants

Chris Carew, Director of Field Operations, explained the details of this resolution. Chairperson Thomson entertained a motion to discuss and adopt the resolution. Ms. Lanier so moved and Mr. Leger seconded the motion. No further discussion was held and the Resolution was unanimously adopted.

Resolution No. 55 of 2016

Approval of Developer Agreement with the Housing Authority of the City of Pittsburgh

George Robinson, Development Manager, explained the details of this resolution. Chairperson Thomson entertained a motion to discuss and adopt this resolution. Ms. Lanier so moved and Mr. Leger seconded the motion. No further discussion was held and the Resolution was adopted.

Resolution No. 56 of 2016

Approval of Developer Agreement with the Housing Authority of the City of Pittsburgh Choice Neighborhood Project

George Robinson, Development Manager, explained the details of this resolution. Chairperson Thomson entertained a motion to discuss and adopt the resolution. Mr. Weber so moved and Mr.

Leger seconded the motion. No further discussion was held and the Resolution was unanimously adopted.

Resolution No. 57 of 2016

Approval of Deed of Easement and Structures Over Facilities Agreement with the Buncher Company and Riverfront Residences

George Robinson, Development Manager, explained the details of this resolution. Chairperson Thomson entertained a motion to discuss and adopt the resolution. Chairperson Thomson asked for the location of the project. Mr. Robinson confirmed that the location is between 19th and 21st Street on Railroad Street. Ms. Lanier so moved and Mr. Leger seconded the motion. No further discussion was held and the Resolution was unanimously adopted.

Resolution No. 58 of 2016

Approving of Professional Services to Riverside Sales Group, LLC for Filing Assistance

Bob Weimar, Interim Director of Engineering, explained the details of this resolution. Chairperson Thomson entertained a motion to discuss and adopt the resolution. Ms. Lanier noted that this was the third installment of this contract and that the contract should have been for a fixed amount. Mr. Weimar agreed. He said this was a piggyback agreement with the City. He stated that future bids will be for a fixed contract amount. Mr. Weber so moved and Mr. Leger seconded the motion. No further discussion was held and the Resolution was unanimously adopted.

Resolution No. 59 of 2016

Awarding DISC Contracts for 2016 Urgent Water Repair, PWSA Project No. DISC-325-177-0

Bob Weimar, Interim Director of Engineering, explained the details of this resolution. Chairperson Thomson entertained a motion to discuss and adopt the resolution. Chairperson Thomson asked how quotes compare to last year. Mr. Weimar did not have the information readily available, but offered to provide this information. Ms. Lanier so moved and Mr. Weber seconded the motion. No further discussion was held and the Resolution was unanimously adopted.

Resolution No. 60 of 2016

Approving a cost-sharing agreement with the US Army Corps of Engineers for Saw Mill Run Hydraulic and Water Quality Modeling

Katherine Camp, Green Infrastructure Program Specialist, explained the details of this resolution. Chairperson Thomson entertained a motion to discuss and adopt the resolution. Mr. Leger so moved and Ms. Lanier seconded the motion. No further discussion was held and the Resolution was unanimously adopted.

Resolution No. 61 of 2016

Approving the awarding of Green Infrastructure Grants

Katherine Camp, Green Infrastructure Program Specialist, explained the details of this resolution. Chairperson Thomson entertained a motion to discuss and adopt the resolution. Chairperson Thomson noted that this is the second year that the PWSA issued grants. He stated that it is critical to collect the data to demonstrate to the DEP that green infrastructure use should be considered before grey infrastructure. He thanked Ms. Camp for monitoring the effectiveness of the project. Mr. Weber so moved and Ms. Lanier seconded the motion. No further discussion was held and the Resolution was unanimously adopted.

REPORT OF EXECUTIVE DIRECTOR

David Donahoe, Interim Executive Director, directed everyone to the performance indicators in the binder. Mr. Donahoe's remarks are attached to these minutes. He reported that most indicators are on target. He called attention to the improvements made by Customer Service. The number of calls declined by 15 percent, the abandonment rate was reduced by 60 percent, and the speed with which calls are answered improved by 65 percent. Explanatory letters and bills were sent to Millvale in April. PWSA is on-target to reach the goal of sending bills by June 30, 2016 for South Hills sewer only cycles. PWSA has made progress with a working group to present a series of actions on Water Quality. These actions include developing a Water Quality Advisory Committee and re-developing the PWSA Organization Chart (attached). The position of Deputy Director of Water Production will report to Field Operations. Director of Water Quality will fully focus on water quality issues.

NEW BUSINESS

Resolution No. 62 of 2016

Approving the adoption of a revised Lead Service Line Replacement Policy

David Donahoe, Interim Executive Director, explained the details of this resolution. Chairperson Thomson entertained a motion to discuss and adopt the resolution. Ms. Lanier so moved and Mr. Weber seconded the motion. No further discussion was held and the Resolution was unanimously adopted.

Resolution No. 63 of 2016

Awarding Operating Contracts for Catch Basin Cleaning, PWSA Project No. PWSA63

Chris Carew, Director of Field Operations, explained the details of this resolution. Chairperson Thomson entertained a motion to discuss and adopt the resolution. Ms. Lanier asked why two bids were accepted. Mr. Carew explained that two contractors are used because of the volume of work. He also stated that Waste Management is a new contractor and that it is in PWSA's interest to hire a second seasoned contractor. Mr. Thomson commented that having a contingency plan was good. Mr. Weber so moved and Mr. Leger seconded the motion. No further discussion was held and the Resolution was unanimously adopted.

Resolution No. 64 of 2016

Awarding the CIP Contract for the 2016 Sewer Lining Contract, PWSA Project No. 2016-424-228- 0

Bob Weimar, Interim Director of Engineering, explained the details of this resolution. Chairperson Thomson entertained a motion to discuss and adopt the resolution. Ms. Lanier so moved and Mr. Leger seconded the motion. No further discussion was held and the Resolution was unanimously adopted.

ADJOURNMENT OF REGULAR MONTHLY MEETING

Chairperson Thomson thanked Gina Cyprych for her efforts. Ms. Lanier commended the Customer Service Manager and team for their improvements. Chairperson Thomson advised the audience that PWSA is embarking on a search for an Executive Director and that the position is posted on the website. Chairperson 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 June 17, 2016.



Assistant Secretary

Attachments:
Interim Executive Director Report
Proposed Organization Chart

Interim Executive Directors Report

May 20, 2016

Board Members

Included in your binders are a series of performance indicators from various areas of Authority operations. I would call to your attention the metrics on customer service, where in two months we have seen a 15 percent decline in the calls offered by customers to the call center, a 60 percent reduction in the call abandonment rate, and a 65 percent improvement in the speed with which calls are answered. These improvements are directly related to the progress made in syncing the meter readings with the billing system.

The Millvale cycle bills were released at the end of April following letters to customers explaining the special payment arrangement. The team has turned to the South Hills “sewer only cycles,” and reports that the June 30th target date remains achievable.

Operational issues with vactor and CCTV equipment hampered work and affected the metrics for sewer inspection and cleaning during the month. Despite these issues, we are ahead of 2015 YDT in both categories.

We can answer any questions you may have on the indicators now or after you have a chance to further review them. I would like to spend the balance of my time this morning discussing water quality and the efforts the Authority is making to continue its 32-year record of providing the highest quality product to our customers.

Consistent with the Board charge, a working group of Authority staff and consultants has been meeting to review our current lead monitoring and action practices. While this is an ongoing effort, I asked the group to deliver a series of initial action plans for presentation at this meeting.

During the group's deliberations, the Authority was presented with a series of requirements from the PA Department of Environmental Protection (DEP) through the issuance of an administrative order related to the Authority's anti-corrosion permit. Those merged nicely with the working group's thinking.

Water quality is more than just lead prevention; it is the one area where the Authority and the customer each have roles – the customers for maintenance of their service lines, and the Authority for adding the most effective agent possible to prevent lead leeching in those service lines. But there are other issues, such as turbidity and disinfection.

While the working group has appropriately concentrated their efforts on lead, I am presenting a series of actions to cover other aspects of water quality.

With your support, this is the direction the Authority is preparing to go:

- We will form a Water Quality Advisory Committee to work with PWSA on all of its water quality initiatives and will invite representation from:
 - Allegheny County Health Department (ACHD)
 - PA Department of Environmental Protection (DEP)
 - Academic experts
 - Technical experts from the consulting community
 - Applied experts (i.e. plumbing experts, public health experts)
 - Board representative

The committee will review our protocols and testing routines, as well as our public education efforts, and advise us on how to improve and enhance those efforts.

- We will continue the free, voluntary residential lead testing program without the originally planned suspension during the mandatory testing periods this year. We will provide results to DEP on continuing basis.

- We will conduct mandatory lead content testing of 100 prequalified residences in June and December 2016, along with initial water quality parameter monitoring out in the field; we will provide notice to customers after each testing results are in.
- We will continue to educate customers on lead and other water quality issues and advise on the use of NSF approved point of use filters for lead removal, as well as other options.
- We will conduct a corrosion control study, and report regularly to DEP on the progress of the findings. This will take the form of pipe loop studies to determine most effective anti-corrosion methods, including how to introduce phosphate into the system after the reservoirs. Phosphate is another anticorrosion treatment but cannot be used with open reservoirs due to algae development. We will also explore the use of silicates that are compatible with open reservoirs.
- We will work to develop the identification of lead services, including cataloguing and digitizing the lead service line population. The Authority needs better, easier-to-access data to plan our projects and assist customers.
- We will develop policies on educating and working with customers to replace their lead service lines, particularly in areas where major main line work is ongoing. Taking action at that time is the most affordable way for the customer to upgrade their service lines, since sidewalks and curbs are often dug up and restored at Authority expense.

I have prepared and am requesting that you to adopt a new policy to move that objective forward. That recommendation is under new business. Board members have also asked us to work with social service/philanthropic organizations on finding ways to assist low income customers with service line expenses.

- We will work with schools and other institutions on their own testing programs.

I am also recommending that the Authority reorganize the water production and the water quality functions. Presently, one senior manager is responsible for both the water plant operations, as well as monitoring water quality. I am recommending that we separate these into two separate reporting functions – placing water production into Field Operations immediately under the director of that department and water quality under a chief water quality officer reporting to the executive director and the Board. Here is how I see it:

- Water quality is no longer just about what happens at the plant. Providers are now being asked to work with customers at their locations and perform testing at various sites in the system. The educational and testing functions will only grow and will require the full-time attention of a senior manager.
- Water production is a demanding, every day operation. In addition, the Authority will be making extensive investments into the plant in the coming years, requiring the full attention of a plant manager. The entire water delivery system is dependent on the plant, and integrating it into that department makes sense.
- Finally, and most importantly, I think it is in the public interest to have a water quality officer reporting to you and the executive director. While your executive team works as colleagues, there are times when checks and balances need built into any organization, and I believe this is just such an occurrence.

These recommendations will not be the only ones the Authority considers moving forward. The work described here will inform future decisions as will the actions of public health and regulatory officials. Nor do the recommendations come forward due to crisis or criticism of the authority. The DEP Secretary acknowledged that the Authority's product was "non-detect" for lead or copper as it left the plant.

The public has begun to educate itself about water quality issues like never before. PWSA has done a good job providing information and responding to those questions. I think the actions I have outlined this morning move us in that direction.

Thank you.

May, 2016

