

**MINUTES OF THE
REGULAR BOARD MEETING
OF THE PITTSBURGH WATER AND SEWER AUTHORITY
HELD ON JULY 15, 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, July 15, 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, Ms. Caren Glotfelty, Ms. Deborah Gross, and Ms. Andrea Geraghty. Absent from the Board was: Mr. Michael Weber. Present from the staff were Interim Executive Director David L. Donahoe, Rosanne Salerno, Kent Lindsay, Kelley Benson, George Robinson, Autumn Barna, Tanya Gore-White, Brendan Schubert, Gina Cyprych, and Christopher Carew.

Also present were Mark Nowak, PWSA Solicitor; Kyle Hood, Giuseppe Sciulli, and Stephen Polen of Mott MacDonald; Herb Higginbotham of AECOM; Scott Cowburn of CDM Smith; Mike Raig of G Stephens, Inc.; ; Paul Ionadi of Dynotec; David Troianos of GAI Consultants; Tami Halapin of Collective Efforts; Mark Gannon and Tim Dean of Amec Foster Wheeler; Daniel Cain; Kay Thomas of EDS Consultants; Ron Ciucci of Baker; John Coyne of GAI; Deepa Patuswami of Koryak; Mark Pitterle of Skelly and Loy; Sherri Jeffers of Gannett Fleming, Inc.; Kim Kennedy of HDR; Carolyn Dimmick of Jolyn Place, Inc.; Alyson Shaw of CRC; Greg Scott of Buchart Horn; Lois Campbell of PIIN; and Lexi Belculfine of Post-Gazette.

CALL FOR PUBLIC COMMENT

Mr. A. Smalis of 5864 Ellsworth Avenue filed a claim 60 days ago. Mr. Smalis claims that the PWSA could not locate the shutoff valve and a house he owns was damaged by a broken water line. Mr. Smalis would like to resolve the matter without litigation. Chairperson Thomson said we will look into the matter.

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 June Regular Board Meeting. Ms. Geraghty so moved and Ms. Glotfelty seconded the motion. The Minutes were unanimously approved.

BILLS AND COMMUNICATION

Financial Updates

Kent Lindsay, Finance Director, reviewed June 2016 financial information. June revenue was \$16 million. The budgeted revenue amount was \$14 million. Operating expenses are \$11.4 million. The budgeted expenses were \$10.1 million. Year-to-date, the PWSA generated \$87.9 million of revenue, which is slightly higher than the budget of \$87 million.

Report of Consulting Engineer

Engineering will be requesting approval of green infrastructure projects for Red Oak and Hayson. There are currently four other green infrastructure projects in progress. The green infrastructure citywide presentation will be made to the Board on August 4, 2016. Mr. Weimar discussed other unanticipated projects. Ms. Gross mentioned a hillside collapsing in Morningside. Mr. Weimar concluded with stating that the Water Treatment Plant study of distribution, pumping and storage, and waste water is a priority project.

Resolution No. 80 of 2016

Approving Refunds, Legal Adjustments, and Exoneration Adjustments Recommended by the Water Exoneration Hearing Board in June, 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 Ms. Gross seconded the motion. No further discussion was held and the Resolution was unanimously adopted.

Resolution No. 81 of 2016

Authorizing Certain Officers and Officials to Take Action Related to Replacing the Letter of Credit Provider for the 2008 B-2 Bonds

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

Resolution No. 82 of 2016

Awarding multiple CIP Contracts for Option Term 3 of PWSA Project No. PWSA13 for Large Meters

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

Resolution No. 83 of 2016

Approving an Amendment to a Professional Services Agreement with AquaLaw PLC to Provide Advisory Services Concerning Wet Weather Issues

David Donahoe, Interim Executive Director, explained the details of this resolution. Chairperson Thomson entertained a motion to discuss and adopt the resolution. Ms. Geraghty moved to table this discussion and Mr. Leger seconded the motion. Ms. Glotfelty asked if there was an estimate of how long AquaLaw would be needed. Mr. Donahoe said there was no estimate at this time. Chairperson Thomson added that he has a meeting with the Mayor and Chief Acklin and would discuss this matter.

Resolution No. 84 of 2016

Requesting adoption of a revised Minority Owned and Women Owned Business Enterprise Policy

David Donahoe, Interim Executive Director, explained the details of this resolution. Chairperson Thomson entertained a motion to discuss and adopt the resolution. Ms. Geraghty moved to table this motion to allow time for further study. Mr. Leger seconded the motion. No further discussion was held and the Resolution was unanimously tabled.

REPORT OF EXECUTIVE DIRECTOR

David Donahoe's remarks are attached to these minutes. He reported on the lead test results. Mr. Donahoe stated that sewage only accounts were going to be billed and that payment arrangements will be offered to ratepayers. Ms. Gross suggested that PWSA continue to communicate with residents on lead issues. Ms. Gross added that she appreciates the outreach PWSA has made with Lawrenceville residents on lead pipe replacements.

Chairperson Thomson commented that there is a new spirit of problem solving. He thanked Director Donahoe on behalf of the Board for getting in front of the lead problem. He also thanked him for being the face of the Authority. As this is his last Board Meeting, Chairperson Thomson thanked Director Donahoe for his invaluable service. Director Donahoe's work and efforts stabilized the situation. The Board has a deep level of gratitude for Mr. Donahoe. Director Donahoe has set a bar for the incoming Executive Director.

NEW BUSINESS

Resolution No. 85 of 2016

Awarding a CIP Contract for the GI project for Red Oak Drive, Hayson Avenue, Silver Oak Drive and Silver Oak Place, PWSA Project No. 2016-GI-101-0 to Independent Enterprises, Inc.

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

Resolution No. 86 of 2016

Recommendation to award a professional services contract to Krakoff Communications to provide communication and public outreach services for a one year period at a cost not to exceed \$60,000

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

ADJOURNMENT OF REGULAR MONTHLY MEETING

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 September 16, 2016.


Secretary

Attachments: Interim Executive Director Report

Interim Executive Directors Report
July 15, 2016

Board Members

Earlier this week I reported to the public on the latest results of compliance testing for lead and copper. While a majority of the 100 homes tested showed either no lead detection or below the EPA standard, 17 were above that level. As this was over 10% of the sample sites, it placed the entire system into an action level whose major purpose is:

- to educate and inform the public about the presence of higher levels of lead in some homes;
- to study whether a water provider is using the most effective anti-corrosion agent and to make any changes that would improve corrosion control.

Both the 100 test sites as well as the 17 exceedance locations were throughout our service area. Properties in the same neighborhoods showed both below and above exceedance levels.

Recent reports indicate that as many as 5,300 water providers do not comply with the testing and reporting requirements set by federal and state regulators and, are, therefore, not in compliance with the lead and copper rule.

That is not the case in Pittsburgh.

We conducted the tests in a timely manner, had them submitted directly to the state DEP by an independent, certified lab, and then reported the results to

the public as soon as they were accepted by DEP. We will also be providing direct public notice as well as additional public education materials.

Several months ago I informed you that we were undertaking water quality initiatives regardless of our action level status. Progress has been made on those initiatives, some of which the Authority is now required to do as a result of the exceedance. The updated status report was attached to our public release this week and is posted on our web site.

It has been my goal to provide as much information as we can to convince the customers that we are on top of this issue and to help educate them on the fact and choices they have. I hope that this open and consistent record will inform a discussion among the funding community – public and private – about the need to consider programs to assist lower income customers with private infrastructure replacement. In a briefing arranged by Mayor Peduto two weeks ago, he echoed support for transparency and exploring funding programs.

Before I leave this topic I want to commend our Acting Chief Water Quality Officer, Gina Cyprych, her staff as well as staff from Engineering and Construction for their efforts in meeting the compliance requirement. The lead and copper rule is the one test where we essentially depend on customers to serve as lab technicians. Our staff become community relations specialists first identifying eligible properties, then convincing the owner to participate under strict guidelines and then finding eligible substitutes when customers change their mind. It sounds easy on paper but it is real work.

I also want to thank the External Affairs staffs who were very helpful in crafting the public reports and are now engaged in the community education effort.

This week the Authority began the process of billing sewer only customers in the south hills, the final major hurdle in the billing system resurrection. The bills include amounts for unbilled months and include special payment arrangements for arrearages in excess of \$50. In addition to informational materials, each customer will receive a letter from me apologizing for the delay in billing. The total of the billing file, including arrearages, is over \$6 million most of which represents payments PWSA has already made to ALCOSAN to cover the customers sewage treatment costs. Customer service has a full plan for dealing with what we anticipate being many inquiries during the start of this effort.

The summer will be a busy month for authority staff and contractors. In addition to major work in Lawrenceville, Oakland, Banksville and Shadyside, repair projects are ongoing under annual contracts for both water and sewer service. Engineering and Construction is preparing projects for what will be an ambitious list of capital projects in the coming year.

We are also getting ready to bid several green infrastructure demonstration projects and complete the citywide analysis of how the application of similar projects will benefit the reduction in stormwater going into the sanitary sewage treatment system.

Clearly this is an exciting and challenging time for the Authority.

David. L Donahoe, Interim Executive Director