

**Minutes of the
Regular Board Meeting
Of the Pittsburgh Water and Sewer Authority
Held on January 26, 2018**

This 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 January 26, 2018, at approximately 10:00 a.m., in the Second-Floor Board Room, 1200 Penn Avenue, Pittsburgh, Pennsylvania 15222.

The following member of the Board were present: Mr. Paul Leger, Ms. Margaret Lanier, Ms. Deborah Gross, and Ms. Debbie Lestitian. Mr. Jim Turner participated via conference call.

Absent was Ms. Chaton Turner.

There was a quorum for this meeting.

Present from the staff were Robert A. Weimar, Debby Gibson, George Robinson, Kent Lindsay, Kelly Morgano, Shannon Barkley, Julie Quigley, Autumn Barna, BJ McFaddin.

Also present was Mark Nowak of Clark Hill PLC, Solicitor; Tim Keresks of PUC, Jon Graham of AIG, Inc., Severino DePasquali of Alpine Allegheny, Inc., Renee DeMichiei Farrow of Architectural Innovations, Mallory Griffin of JMT, Adam Tuznik of CWA, Mark Karolsici of Buchart Horn, Ralph Gilbert of Jacobs, Tim Dean of Amec Foster Wheeler, David Connelly of HDR, Herb Higginbotham of AECOM, Charles Jordan of MS Consultants, Dan Davis of Skelly and Loy, Inc., Matt Sickles of CDM Smith, Vaughan Leer of Amed Foster Wheeler, Alma Rettinger of Tetra Tech, David Troianos of GAI, Coreen Casadei of Collective Efforts, LLC., Richard Burgess of Hatch Chester, Tom Prusak of Hatch Chester, Mark Pitterle of Skelly and Loy, Jason McBride of Wade Trim, Paul Ionadi of Dynotec, Tanya Caretti of Arcadis, Dave Mayernik of Eckert Seamans, Jonathan Shimko of Tetra Tech, Giuseppe Sciulli of Mott MacDonald, Fairley Barnes of HDCG Pittsburgh United, Heather Dodson of Baker, Diane Waldshmidt of EDS, Glen Stephens of G Stephens Inc.

EXECUTIVE SESSIONS

Chairperson Lestitian informed the attendees that an executive session was held prior to the start of the Regular Board Meeting wherein no votes were taken. Legal and personnel matters were discussed.

CALL FOR PUBLIC COMMENT

Adam Tuznik of Our Water Campaign thanked PWSA for implementing the Customer Service Plan and winter moratorium, as well as addressing the recent water main break repair near his home. Our Water Campaign is looking forward to supporting the PWSA in 2018 on finding non-corrosive chemicals to use in the water supply, finding 100% of the lead lines and implementing a long-term plan of replacement of full lead lines.

Fairley Barnes of Our Water Campaign suggested an outreach plan for communities to be made more aware of the programs being offered by PWSA. He also advocated for a permanent moratorium on shut offs.

Ms. Lestitian thanked the public for their comments.

APPROVAL OF THE MINUTES

Chairperson Lestitian entertained a motion to approve the Minutes from December 15, 2017. Margaret Lanier so moved, Paul Leger seconded.

The Minutes were approved.

FINANCIAL REPORT

Kent Lindsay, Finance Director, presented the Financials from December 2017. Operating receipts were \$15.6 million and operating expenses were \$14.2 million. Year to date operating receipts were \$195.6 million and operating expenses were 151.2 million.

ENGINEERING REPORT

Barry King, Interim Engineering Director, discussed the collaboration with the City of Pittsburgh and the Parks Conservancy regarding the Four Mile Run Green Infrastructure Project to manage stormwater runoff and basement backups. Mr. King also advised that year-to-date capital expenditures for Engineering total \$7.3 million. He also reviewed tips with regard to frozen pipes.

REPORT OF THE INTERIM EXECUTIVE DIRECTOR

Mr. Weimar stated that the authority has faced a lot of challenges this past year and into the new year. He advised that the authority is now under the Pennsylvania Utility Commission (PUC) oversight. In the past week, administrative staff had spent time with the Commissioners. The outcome of the meetings with the PUC have been very positive. The PUC is earnest in its efforts to protect the consumer. The lead program will start in March. The PWSA anticipates replacing approximately 2,100 service lines this year. PWSA allocated \$44 million to this program. PWSA is making substantial investments in infrastructure and wants the community to be aware of the progress. Mr. Weimar thanked the staff and crews who have worked diligently during the cold weather to fix the lines that were breaking throughout the last several weeks.

RESOLUTIONS

**No. 1 of 2018 Approving Refunds, Legal Adjustments, and Exoneration Adjustments
Recommended by the Water Exoneration Hearing Board on December 20,
2017.**

Julie Quigley, Director of Administration, explained the details of this Resolution.

There were 21 refunds, 15 legal adjustments and 31 exoneration.

Margaret Lanier inquired about the reasoning for so many high exoneration refunds.

Ms. Quigley will provide the information following the meeting.

Mr. Leger requested a description of the difference between the PUC

refunds process and the exoneration refund process.

Ms. Quigley will provide a response for the February meeting.

Chairperson Lestitian entertained a motion to approve.

Ms. Lanier so moved, and Mr. Leger seconded the motion.

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

No. 2 of 2018

Approving the Award of a Professional Services Agreement for an Emergency Notification System, PWSA Project No. PWSA 88, to GeoDecisions.

Julie Quigley, Director of Administration, explained the details of this Resolution. The contract is for a three-year term beginning July 1, 2018 for a not-to-exceed price of \$153,785.00. This amount includes licensing, unlimited voice, text, and email messaging and 100 hours of support annually. This service is utilized by PWSA's Communications Department to notify customers of outages and advisories and by Customer Service to notify customers of pending terminations for non-payment, non-access, and, in the near future, high consumption.

Chairperson Lestitian entertained a motion to approve.

Ms. Gross so moved, and Mr. Leger seconded the motion.

Chairperson Lestitian motioned for discussion.

Ms. Gross inquired about coordinating with multiple contacts and the mode of contact for notifications.

Julie Quigley responded that the ratepayer may indicate a preference on how they wish to be contacted.

Mr. Leger asked how residents should let PWSA know that there is a change to their contact information.

Ms. Quigley responded that residents can go to the website and make note of the change. She also discussed a campaign to notify the residents of the need to update this information.

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

No. 3 of 2018

Approval to Enter into a Development Agreement with MidPoint Group of Companies, Inc.

George Robinson, of Engineering, explained the details of this Resolution. MidPoint requested permission to relocate approximately 425 feet of PWSA owned 12" water line located at 0 Cowell Street in the 3rd Ward of the City of Pittsburgh. Said line services requires relocation outside of their construction impact zone.

Chairperson Lestitian entertained a motion to approve.

Ms. Lanier so moved, and Mr. Leger seconded the motion.

Chairperson Lestitian motioned for discussion.

The Resolution was adopted.

No. 4 of 2018

Approving the "New Project" Request for the Stormwater Program Implementation Project.

James Stitt, of Engineering, explained the details of this Resolution. He requested the approval of the request for a new project to begin the implementation of a dedicated stormwater program within PWSA. Project tasks include, but are not limited to, finalization of impervious area analysis, stormwater customer classification, parcel account mapping, billing integration, and rate structuring.

Chairperson Lestitian entertained a motion to approve.

Mr. Leger so moved, and Ms. Lanier seconded the motion.

Chairperson Lestitian motioned for discussion.

Ms. Gross stated that she is happy to see PWSA is not neglecting stormwater issues. She noted that population density has changed and requested information on watershed A22.

Mr. Stitt stated that tap allocations are tracked. He will provide the numbers of A22.

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

No. 5 of 2018

Approving a Change Order to the 2017 Urgent Water Repair Contract (2017-OPS-102-0) Between the Pittsburgh Water and Sewer Authority and Frank J. Zottola Construction Inc. for the Emergency Repair of Waterline Breaks.

Barry King, Interim Director of Engineering, explained the details of this Resolution. There were over 50 waterline breaks between December 15, 2017 and January 12, 2018. This increase in waterline breaks has resulted in an accelerated use of the contract budget available for the urgent repairs. This change order is requesting an additional \$500,000 for the 2017 Urgent Repair Contract between PWSA and Frank J. Zottola Construction Inc.

Chairperson Lestitian entertained a motion to approve.

Mr. Leger so moved, and Ms. Gross seconded the motion.

Chairperson Lestitian motioned for discussion.

Ms. Gross thanked the contractors who have been out in the zero-degree weather. The constituents have been very pleased with the response.

Ms. Lanier asked if the additional \$500,000 was for this year.

Barry King stated that the \$500,000 is to bolster the current contract. The PWSA will be re-bidding the contract in May. This \$500,000 is for this year.

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

No. 6 of 2018

Approving a Change Order to the 2017 Urgent Water Repair Contract (2017-OPS-102-1) Between the Pittsburgh Water and Sewer Authority and Independent Enterprises Inc. for the Emergency Repair of Waterline Breaks.

Barry King, Interim Director of Engineering, explained the details of this Resolution. There were over 50 waterline breaks between December 15, 2017 and January 12, 2018. This increase in waterline breaks has resulted in an accelerated use of the contract budget available to continue to support the urgent repairs. The change order is requesting an additional \$500,000 to the 2017 Urgent Repair Contract between PWSA and Independent Enterprise Inc.

Chairperson Lestitian entertained a motion to approve.

Ms. Lanier so moved, and Mr. Leger seconded the motion.

Chairperson Lestitian motioned for discussion.

The Resolution was adopted.

No. 7 of 2018

Approving a Change Order to a Capital Contract for Various Additional Work Items in relation to the 2016 Sewer Relay Contract, PWSA Project No. 2016-424-103-0.

Barry King, Interim Director of Engineering, explained the details of this Resolution. A change order in the amount of \$104,708.76 is requested for a water line that was compromised during the reconstruction of a sewer line, the installation of epoxy coated 8" ductile iron pipe with field locks, and a traffic obstruction permit from DPW that increased usage of flag persons.

Chairperson Lestitian entertained a motion to approve.

Mr. Leger so moved, and Ms. Lanier seconded the motion.

Chairperson Lestitian motioned for discussion.

The Resolution was adopted.

No. 8 of 2018

Approving an Amendment to a Task Order (on a Capital Contract) for Additional Compensation in Relation to the 2016 Sewer Relay Contract, PWSA Project No. 2016-424-103-0.

Barry King, Interim Director of Engineering, explained the details of this Resolution. The contract involves the additional costs and time extension for the use of additional site inspectors by Hatch Chester due to the project overlaps for timely resolution of said projects.

Chairperson Lestitian entertained a motion to approve.

Ms. Gross so moved, and Ms. Lanier seconded the motion.

Chairperson Lestitian motioned for discussion.

Ms. Gross inquired as to the location of the three sites.

Barry King stated that the location of the three sites are Federal Street, Greenfield Bridge Project and Forward Avenue.

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

No. 9 of 2018

Approving a Change Order to a Capital Contract for Various Additional Work Items in Relation to the Centre and Herron Avenue Green Infrastructure (GI) Project, PWSA Project No. 2016-GI-104-0

Barry King, Interim Director of Engineering, explained the details of this Resolution. The additional work items were due to the following: unforeseen field conditions, installation of drainage pits, costs of additional engineered soils, and installation of 36 city post style delineator posts (all adding an additional cost of \$34,199.19).

Chairperson Lestitian entertained a motion to approve.

Ms. Gross so moved, and Mr. Leger and Ms. Lanier seconded the motion.

Chairperson Lestitian motioned for discussion.

Ms. Gross stated that she is supportive of the project. She thanked the Green Team for meeting with the neighbors. The Green Team was flexible and adaptable to make the best situation for the residents.

Ms. Gross asked whether the costs shown were correct for this location. Kyle Hood of Mott MacDonald stated that the backup is for Centre and Herron. Ms. Gross indicated that if incorrect, this change order could be revisited next month.

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

No. 10 of 2018

Approving a Change Order to a Capital Contract for Various Additional Work Items in Relation to the Hillcrest Green Infrastructure Project, PWSA Project No. 2016-GI-103-0.

Barry King, Interim Director of Engineering, explained the details of this Resolution. The details and reasons for each change are as follows: installation or use of additional quantities of #57 stone aggregate, engineered soils, excavation and disposal; installation or use of additional quantity of concrete road base; and use of additional quantity of flag person hours due to City of Pittsburgh traffic obstruction permit requirements. The change order amounts to \$227,143.99.

Chairperson Lestitian entertained a motion to approve.

Ms. Gross so moved, and Mr. Leger seconded the motion.

Chairperson Lestitian motioned for discussion.

Ms. Lanier asked about the attribution of the error.

Barry King stated the design engineer and the Authority were in error.

Mr. Weimar stated that if the bid had been properly compiled, the amounts asked for would have been part of the original bid and the PWSA would have paid for the quantities.

Ms. Lanier asked whether the PWSA is doing anything to keep the error from happening again.

Mr. King stated that to ensure that these errors don't happen again in the future, all our capital projects will be reviewed by a third-party engineering firm to crosscheck and review these project contracts to make sure they are being done correctly. We are also conducting internal meetings and bringing in multiple consultants on these projects. The third-party review is a temporary solution until we can fully staff this section.

Ms. Gross stated that she supports the in-house Engineering Department. She also questioned the paving amount, flagman and excavation.

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

No. 11 of 2018 Approving a 2018 Lead Service Line Replacement Policy.

Barry King, Interim Director of Engineering, explained the details of this Resolution. The Lead Service Line Replacement Policy will reflect PWSA's goal of reducing lead in drinking water and protecting public health, as well as complying with state and federal regulations and the PADEP Consent Order and Agreement Requirements.

Chairperson Lestitian entertained a motion to approve.

Mr. Leger so moved, and Ms. Lanier seconded the motion.

Chairperson Lestitian motioned for discussion

The Resolution was adopted.

No. 12 of 2018 Approving a Change Order for the 2017 Lead Service Line Replacement Contract (Independent), PWSA Project No. 2016-325-105-1

Barry King, Interim Director of Engineering, explained the details of this Resolution. The change order in the amount of \$964,957.98 includes a scope change to add private side replacement of lead water service lines.

Chairperson Lestitian entertained a motion to approve.

Ms. Lanier so moved, and Mr. Leger seconded the motion.

Chairperson Lestitian motioned for discussion.

Barry King stated that the change order is to permit PWSA to use the remaining value of the current contracts and accelerate the work accomplished and required by the DEP.

Debbie Lestitian asked how many service line replacements are going to be done each month.

Mr. King replied 2,100 for the year and 200 per month by December 31, 2018.

Barry King stated PWSA is hopeful if it starts now, it can approach that number, but realistically it would be a serious challenge being that it is the end of January now.

Mr. Weimar stated that when PWSA negotiated the agreement, it was understood that if PWSA goes to a full line replacement, the state would take that into consideration and allow an extension of time if necessary.

Ms. Gross wanted to reiterate that PWSA needs partners throughout the community to assist us with identifying the lead service lines.

Mr. Weimar stated that PWSA has begun conversations with the public community groups that can help with this effort.

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

No. 13 of 2018

Approving a Change Order for the 2017 Lead Service Line Replacement Contract (Zottola), PWSA Project No. 2016-325-105-0

Barry King, Interim Director of Engineering, explained the details of this Resolution. The change order in the amount of \$883,963.40 includes a scope change to add private side replacement of lead water service lines.

Chairperson Lestitian entertained a motion to approve.

Mr. Leger so moved with discussion, and Ms. Lanier seconded the motion.

Chairperson Lestitian motioned for discussion.

The Resolution was adopted.

No. 14 of 2018 Approving a Change Order for the 2017 Lead Service Line Replacement Contract – Exceedances, PWSA Project No. 2016-325-105-2

Barry King, Interim Director of Engineering, explained the details of this Resolution. This change order in the amount of \$891,007.00 to Independent Enterprises includes a scope change to add private side replacement of lead water service lines.

Chairperson Lestitian entertained a motion to approve.

Ms. Lanier so moved, and Mr. Leger seconded the motion.

Chairperson Lestitian motioned for discussion.

The Resolution was adopted.

No. 15 of 2018 Approving the Purchase of Three Godwin Pumps in the Amount of \$557,910.00 From Xylem Dewatering Solutions to Address the Highland 2 Reservoir Emergency Administrative Order From PADEP, Dated October 25, 2017

Barry King, Interim Director of Engineering, explained the details of this Resolution. PWSA is under an Administrative Order that requires PWSA to complete actions necessary to ensure the supply reliability of the Bruecken Pump Station. Maintaining operation of the standby pumps at the Highland 2 Reservoir while improvements mandated by the Administrative Order are completed will provide the minimum recommended reliability of water supply to the Highland 1 Reservoir service district.

Chairperson Lestitian entertained a motion to approve.

Ms. Lanier so moved, and Mr. Leger seconded the motion.

Chairperson Lestitian motioned for discussion.

Ms. Gross stated that there are a lot of complaints about these diesel generators. The three that are operating now are on the sidewalk near a public bus shelter and close to people's homes.

Mr. Weimar stated that the PWSA will look at the noise and pollution factors.

No further discussion was held, and the Resolution was adopted (with Ms. Gross abstaining).

No. 16 of 2018 Approving the Revised 2018 Capital Expenditure Budget and Capital Commitment Budget.

Barry King, Interim Director of Engineering, explained the details of this Resolution. Engineering was asked to update the budget to reflect the changes due to the oversight of the PUC and DEP requirements. The revised budgets are attached to the agenda item.

Chairperson Lestitian entertained a motion to approve.

Mr. Leger so moved, and Ms. Lanier seconded the motion.

Chairperson Lestitian motioned for discussion.

Mr. Weimar stated that these budgets were developed much earlier in the year and there have since been several requirements by the state, particularly the administrative order, which has required the PWSA to spend funds in 2018 that would not have otherwise been spent.

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

No. 17 of 2018 Approving a Task Order Amendment of an Operating Contract for the 2017 Drill Record Scanning and Data Entry Project, 2017-OPS-104-0

Barry King, Interim Director of Engineering, explained the details of this Resolution approving the task order amendment to GAI Consultants in the amount of \$359,120.61. The amount of this amendment reflects an increase in the number of water service line records in the project scope from the initial estimate of 88,000 service records to the actual approximate 113,000 service records processed under this task order.

Chairperson Lestitian entertained a motion to approve.

Ms. Gross so moved, and Mr. Leger seconded the motion.

Chairperson Lestitian motioned for discussion.

The Resolution was adopted.

No. 18 of 2018 **Approving a Task Order Amendment of an Operating Contract for Construction Management and Construction Inspection (CM/CI) Services for the 2017 Urgent Water Repair Contract (Zottola), PWSA Project No. 2017-OPS-102-0 to Hatch Chester**

Barry King, Interim Director of Engineering, explained the details of this Resolution to amend an Operating Contract to Hatch Chester in the amount of \$70,000.00 to support the emergency repairs of waterline breaks, which have significantly increased as a result of the unusually cold weather.

Chairperson Lestitian entertained a motion to approve.

Ms. Lanier so moved, and Mr. Leger seconded the motion.

Chairperson Lestitian motioned for discussion.

The Resolution was adopted.

No. 19 of 2018 **Approving a Task Order Amendment of an Operating Contract for Construction Management and Construction Inspection (CM/CI) Services for the 2017 Urgent Water Repair Contract (Independent), PWSA Project No. 2017-OPS-102-1 to Hatch Chester**

Barry King, Interim Director of Engineering, explained the details of this Resolution to amend an Operating Contract to Hatch Chester in the amount of \$70,000.00 to support the emergency repairs of waterline breaks, which have significantly increased as a result of the unusually cold weather.

Chairperson Lestitian entertained a motion to approve.

Mr. Leger so moved, and Ms. Lanier seconded the motion.

Chairperson Lestitian motioned for discussion.

The Resolution was adopted.

No. 20 of 2018 **Approval is Requested to Award a Professional Services Agreement for Regulatory Legal Services Related to Compliance with the PA Public Utilities Commission Oversight, PWSA Project No. PWSA91, to Eckert Seamans, for a not-to-exceed Amount of \$1,000,000, for a Three-Year Term.**
New Business

Robert Weimar, Interim Executive Director, explained the details of this Resolution. Eckert Seamans will provide regulatory legal services on an as-

needed basis for PWSA's transition to the Pennsylvania Public Utility Commission's (PUC) regulation, including but not limited to assisting the PWSA with the development of its initial and subsequent tariff and compliance plans. The hourly rate for all proposed associates and partners is \$300/per hour and \$125/per hour for paralegals. Bids went out in December, and there were 13 firms that expressed interest and 4 firms that ended up bidding. A selection committee was established and interviewed the four potential firms. It came down to two very closely ranked firms before the selection of Eckert Seamans was made. Eckert Seamans was selected because they came in at a lower rate.

Chairperson Lestitian entertained a motion to approve.

Mr. Leger so moved, and Ms. Lanier seconded the motion.

Chairperson Lestitian motioned for discussion.

The Resolution was adopted.

No. 21 of 2018

Approval of PWSA/Veolia Settlement Agreement

Robert Weimar, Interim Executive Director, explained the details of this Resolution requesting approval for the settlement agreement and mutual release of claims between the PWSA and Veolia Water North America-Northeast, LLC. The PWSA will be released from Veolia's claim of approximately \$5 million, and Veolia will contribute \$500,000.00 for low-income residents support to the Dollar Energy Fund programs that we have set up through customer assistance.

Chairperson Lestitian entertained a motion to approve.

Mr. Leger so moved, and Ms. Gross seconded the motion.

Chairperson Lestitian motioned for discussion.

Mr. Leger stated that the PWSA participated in a mediation. The PWSA initially demanded that Veolia release PWSA from \$3.1 million in unpaid invoices. In settlement, the PWSA actually received a release of \$4.4 million for unpaid amounts and interest, as well as avoiding additional legal fees. Veolia will also pay \$500,000 into the PWSA's Customer Assistance Program. The PWSA achieved a much better settlement than originally anticipated.

Ms. Gross stated that one of the best things the Board did was to terminate Veolia. The PWSA is struggling to correct the negative impact Veolia had on

the Authority's billing operation and infrastructure. She also stated that she is grateful to the team for resolving the matter.

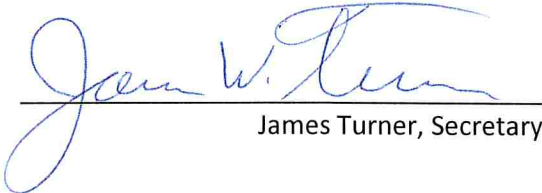
No further discussion was held, and the Resolution was adopted.

ADJOURNMENT OF THE MONTHLY BOARD MEETING

There were no further discussions.

Chairwoman Lestitian entered a motion to adjourn. Mr. Leger so moved and Ms. Gross seconded the motion. The motion to adjourn was unanimously approved.

The next meeting will be held on Friday, February 23, 2018 at 10:00 AM.



James Turner, Secretary