

**Minutes of the
Annual and Regular Board Meeting
Of the Pittsburgh Water and Sewer Authority
Held on April 20, 2018**

This Annual and 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 April 20, 2018, 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: Mr. Paul Leger, Mr. Jim Turner, Ms. Deborah Gross, Ms. Chaton Turner and Ms. Margaret Lanier. All Board Members were present.

Present from the staff were Robert A. Weimar, Debby Gibson, Debbie Lestitian, Will Pickering, Shannon Barkley, Rachel Romano, James Stitt, Autumn Barna, Kelly Morgano, Julie Quigley, Sherry Perkins, and Barry King.

Also present was Ronald Stout of Clark Hill PLC; Ralph Gilbert of Jacobs; Ron Ciucci of Arcadis; Rocky Craley of Raftelis; Joe Pascarella of Raftelis; Jim Daley of Crawford Consulting Services; Coreen Casadei of Collective Efforts LLC; Paul Ionadi of Dynotec; Donna Chappel of AIG; Kerin Cameron of CPM; George Dorow of PUC; Sid Gail of PUC; Jason McBride of Wade Trim; Giuseppe Sciulli of Mott MacDonald; Stephen Polen of Mott MacDonald; Ifeanyi Odigboh of MS Consultants; Charles Jordan of MS Consultants; Das Frederick of Monaloh Basin Engineers; Margaret Krauss of WESA; David Connelly of HDR; Herb Higginbotham of HDR; Jason McCabe of Skelly and Loy; Mallory Griffin of JMT; Adam Tuznik of Clean Water Action; Tim Nuttle of CEC; Tom Prusak of Hatch; David Troianos of GAI Consultants; Heather Dobson of MBI; Steve Savich of MBI; Vaughan Leer or Wood; Adam Smeltz of Post-Gazette; Michelle Hinds of SAI; Bob Bauder of Tribune Review; Glen Stephens of G. Stephens.

EXECUTIVE SESSIONS

Chairperson Leger 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 No public comment.

APPROVAL OF THE MINUTES

Chairperson Leger entertained a motion to approve the Minutes from March 23, 2018. Ms. Lanier so moved, and Mr. Turner seconded.

There were four votes approving the minutes and one abstention. Ms. Chaton Turner abstained citing not attending the March meeting.

FINANCIAL REPORT

Debbie Lestitian, Chief Corporate Counsel and Chief of Administration, along with Rocky Craley of Raftelis, Interim Finance Director, presented the Financials from March of 2018. Ms. Lestitian informed the Board that they are introducing the Financial Report due to Mr. Kent Lindsay's resignation and departure. Mr. Craley will be filling in as the Interim Finance Director in his absence and will help guide the Finance

Department through the PUC filings and Metrics. Operating receipts for the first quarter revenues are down 7% versus the 2018 first quarter budget amounts. The 2018 first quarter actuals versus the 2017 first quarter actuals are up 18%. March revenues were higher by \$1.8 million than budgeted. The PWSA is continuing with the Large Meter Testing Program to assure meter accuracy and determine meter replacement. The PWSA has been more aggressively pursuing collection of its largest accounts receivable. The 2018 first quarter Operating Expenses are down 11.9% versus the 2018 first quarter budget. The 2018 first quarter actuals versus the 2017 first quarter actuals are up 8%. Costs are up due to Lab costs for lead testing and for the urgent repairs related to line breaks. PWSA continues to operate in the black despite the higher expenditures. Ms. Gross asked for an evaluation to determine if the Customer Assistance Program is affecting the PWSA's cash flow. Mr. Leger stated that March was the last month for the "no shut offs." He asked if the timing may have encouraged residents to catch up on their outstanding bills. Mr. Turner stated he noticed that capital spending in March was \$1.7 million. However, PWSA has not drawn that amount down from the line of credit. Mr. Craley advised that the PWSA only draws down periodically. The PWSA pays out of cash and eventually obtains a reimbursement. Ms. Lanier also wanted to know how the CAP program is affecting PWSA funds.

ENGINEERING REPORT

Barry King, Interim Engineering Director, stated that PWSA has recently created a team of 24 experienced staff and consultants to meet the Pennsylvania Department of Environmental Protection (DEP) mandate to replace 2,100 lead service lines by the end of 2018. The Lead Help Desk is in place to answer questions from the public. The Help Desk is also responsible for contacting eligible homeowners and encouraging them to allow PWSA contractors to replace their private line at the same time as the public line replacement. The Lead Help Desk Team can be reached online via email at LeadHelp@pgh2o.com or via phone at (412) 255-8987. The Lead Service Team is located on the first floor of 1200 Penn Avenue in the former training room and the public can access them either by phone or in person. Mr. Turner inquired, now that the Lead Service Program is up and operational, whether PWSA had run into any problems that were not foreseen. Mr. King responded that contractors are using different techniques to replace the lines and increasing the number of replacements as they get more experienced. To date, the PWSA has been successful doing replacements without having to dig up lawns. Mr. Weimar stated that indications show the PWSA has an 80/20 result (80 percent do not have to be excavated and 20 percent do). Once the PWSA gets to the more difficult locations, those numbers may change. The PWSA intends to add six (6) more contractors to ramp up the work getting done. There is something on the order of 60 or so done thus far in 2018. Construction just started about three weeks ago.

REPORT OF THE INTERIM EXECUTIVE DIRECTOR

Mr. Weimar, Interim Executive Director, presented the Executive Director's Report. Mr. Weimar advised that this is the first Board Meeting under the PUC banner. The first submittal is the Tariff Proposal that is due in July. The second is the Compliance Plan that is due in September. The PWSA has brought together several outside resources to deliver this work. The PWSA is the first Municipal Water and Sewer Authority to be put under the PUC and there are some unique challenges. The PWSA received a letter from the Carnegie Library expressing their thanks to PWSA staff (in particular Michelle Carney, Megan Zeigler and Rick Obermeier) for addressing the issues to get the problem resolved. Various communities have also expressed their gratitude for the Customer Service programs. Ms. Lanier asked about the high call rate in the Customer Service Department. Mr. Weimar advised that PWSA is in the process of training new staff and the spike was also during the period when the moratorium was being lifted and the PUC started their oversight.

RESOLUTIONS

**No. 48 of 2018 Approving Refunds, Legal Adjustments, and Exoneration Adjustments
Recommended by the Water Exoneration Hearing Board**

Funding Source: Operating Budget?

Julie Quigley, Director of Administration, explained the details of this Resolution. For the month of March, there were a total of 25 refunds, 7 legal adjustments, and 27 exoneration.

Chairperson Leger entertained a motion to approve. Ms. Gross so moved, and Ms. Lanier seconded the motion. Chairperson Leger motioned for discussion.

No discussion held. Board unanimously approved, and the Resolution was adopted.

**No. 49 of 2018 Approving a Change Order for the 2017 Catch Basin and Inlet Replacement
(Independent Enterprises)**

Funding Source: Capital Budget

Barry King, Interim Director of Engineering, explained the details of this Resolution. Approval is requested for a change order of a Capital Contract for the 2017 Catch Basin and Inlet Replacement Contract (Independent Enterprises), PWSA Project No. 2017-424-102-1, to Independent Enterprises in the amount of \$430,000.00. This change order would allow the contractor to continue to work through the substantial completion date on June 26, 2018 and complete restoration and punch list items through the completion date of July 26, 2018. The rate of spend on catch basin replacements increased due to PUC metric goals.

Chairperson Leger entertained a motion to approve. Mr. Turner so moved, and Ms. Gross seconded the motion. Chairperson Leger motioned for discussion.

Discussion held. Board unanimously approved, and the Resolution was adopted.

No. 50 of 2018

Approving a Change Order for the 2017 Catch Basin and Inlet Replacement (Facchiano)

Funding Source: Capital Budget

Barry King, Interim Director of Engineering, explained the details of this Resolution. Approval is requested for a change order of a Capital Contract for the 2017 Catch Basin and Inlet Replacement Contract (Facchiano), PWSA Project No. 2017-424-102-0, to Michael Facchiano in the amount of \$200,000.00. This change order would allow the contractor to continue to work through the substantial completion date on June 26, 2018 and complete restoration and punch list items through the completion date of July 26, 2018. The rate of spend on catch basin replacements increased due to PUC metric goals.

Chairperson Leger entertained a motion to approve. Ms. Gross so moved, and Ms. Lanier seconded the motion. Chairperson Leger motioned for discussion.

Discussion held. Board unanimously approved, and Resolution was adopted.

No. 51 of 2018

Approving the Award of two Operations Contracts for the 2018 Urgent Water Repair Contract, PWSA Project No. 2018-OPS-100-0 for the Cumulative Amount of \$2,349,303.68

Funding Source: Operating Budget?

Barry King, Interim Director of Engineering, explained the details of this Resolution. The Board is asked to approve the award of the 2018 Urgent Water Repair Contracts, Operations Contracts, to A Folino Construction, Inc., for \$1,120,528.68 and to Frank J. Zottola Construction Inc., for \$1,228,775.00. This IDIQ (Indefinite Delivery/Indefinite Quantity) annual contract involves the urgent repair and replacement of waterline and appurtenances at various locations throughout the City. Contractors were asked to bid based on estimated material usage.

Chairperson Leger entertained a motion to approve. Ms. Lanier so moved, and Mr. Turner seconded the motion. Chairperson Leger motioned for discussion.

No discussion held. Board unanimously approved, and the Resolution was adopted.

Approving for the Piggyback to the City of Pittsburgh's Contract No. 52434 for Pavement Marking (Non – CD Areas Included)

Funding Source: Capital Budget?

Barry King, Interim Director of Engineering, explained the details of this Resolution. Approval is requested for the piggyback to the City of Pittsburgh's Pavement Marking Contract No. 52434. This contract is for the painting of permanent traffic markings upon the completion of pavement surface restoration associated with PWSA's water and sewer repair sites, which is performed under a separate piggyback contract. This contract is specific for pavement marking outside of the Central Business District. The contract period shall run through December 31, 2019.

Chairperson Leger entertained a motion to approve. Mr. Turner so moved, and Ms. Lanier seconded the motion. Chairperson Leger motioned for discussion.

No discussion held. Board unanimously approved, and the Resolution was adopted.

Approving the Revised 2018 Operating Budget

Funding Source: Operating Budget

Debbie Lestitian, Chief Corporate Counsel and Chief of Administration, and Rocky Craley, Interim Finance Director, explained the details of this Resolution. Per the Board's request, approval is requested to pass the amended 2018 budget. The original 2018 budget was passed by the Board in the Fall of 2017. The budget needed to be adjusted in light of the PUC, DEP and EPA changes and regulatory requirements. The budget includes an estimate of the cost of implementing all of the following: the rate tariff due to the PUC in July of 2018, a compliance plan due in September of 2018 and a long-term infrastructure improvement plan required before the end of the year. Many increases are due to staffing changes, including consulting services, legal, and additional support to the Engineering Department for the long-term infrastructure improvement. Finance has also asked the Board to consider the Capitalization Policy for expenses. Finance is in the process of drafting a recommendation.

Chairperson Leger entertained a motion to approve. Ms. Gross so moved, and Mr. Turner seconded the motion. Chairperson Leger motioned for discussion.

Discussion held. Board unanimously approved, and Resolution was adopted.

No. 54 of 2018 Accepting the Report of the Auditor Maher Duessel, Certified Public Accountants

Debbie Lestitian, Chief Corporate Counsel and Chief of Administration, explained the details of this Resolution. Approval is requested to accept the report of Auditor Maher Duessel, Certified Public Accountants for the 2017 Audit.

Chairperson Leger entertained a motion to approve. Ms. Turner so moved, and Ms. Lanier seconded the motion. Chairperson Leger motioned for discussion.

Discussion held. Board unanimously approved, and the Resolution was adopted.

Old Business

No. 36 of 2018 Approving the Payment of a Civil Penalty Associated with the PADEP “Consent Assessment of Civil Penalty” Settlement Related to Violations of the Clean Streams Law

Funding Source: Operating Budget

Robert Weimar, Interim Executive Director, explained the details of this Resolution. The PWSA has an agreement with the DEP regarding this Resolution. The PWSA has not yet received the final letter approving the details of the settlement, but it will arrive after this Board Meeting. The final agreement will be presented to the Board in the May Board Meeting.

Chairperson Leger requested a motion to Hold this Resolution until the May Board Meeting. Mr. Turner so moved, Ms. Turner seconded.

Motion to hold for the May Board Meeting was unanimously approved.

No. 46 of 2018

Technical Corrections and Clarifying Amendments to PWSA's Lead Service Line Replacement Policy

Barry King, Interim Director of Engineering, explained the details of this Resolution. The PWSA is in the process of getting the data as requested by Board Member Gross. Mr. King requested that this Resolution be held until all data has been collected.

Chairperson Leger requested a motion to Hold this Resolution until the May Board Meeting. Ms. Gross so moved, Ms. Lanier seconded.

Motion to hold for the May Board Meeting was unanimously approved.

New Business

No. 55 of 2018

Approving the Amendment to Raftelis Financial Services Agreement for Services to Include Additional Finance Director Services, PUC Compliance Plan Development, and Additional WaterMark Performance Metrics Services

Funding Source: Operating Budget

Robert Weimar, Interim Executive Director, explained the details of this Resolution. Approval is requested for an amendment to the approved Operations Funded Agreement for Services (approved by the Board at the December 15, 2017 Board Meeting, Resolution No. 242) for PA Public Utility Commission compliance requirements. The scope of services was updated to include the additional work needed.

Chairperson Leger requested a motion to approve. Ms. Lanier so moved, Ms. Turner seconded. Chairperson Leger motioned for discussion.

Discussion was held. Board unanimously approved and the Resolution was adopted.

No. 56 of 2018

Approving the Amendment of the Board-Approved 2018 Capital Budget for the Inclusion of the Forbes Darlington Sewer Repair/Replacement Project

Funding Source: Capital Budget

Barry King, Interim Director of Engineering, explained the details of this Resolution. Approval is requested for the amendment of the Board Approved 2018 Capital Budget to include the Forbes Darlington Sewer Repair/Replacement Project in the amount of \$128,284.00. This amendment is necessary to support engineering, design and field services required to evaluate the proposed location of sewer facilities to be installed to relieve combined sewer backups occurring in an alley located between Shady and Murray Avenues, servicing 17 buildings along Forbes Avenue. This project is associated with a previously PWSA Board approved temporary easement agreement with Janel Hinton from Fall of 2017. The costs of design and bidding are to be compensated by the Building Owners and the City of Pittsburgh.

Chairperson Leger requested a motion to approve. Ms. Lanier so moved, Ms. Gross seconded. Chairperson Leger motioned for discussion.

Discussion held. Board unanimously approved and the Resolution was adopted.

No. 57 of 2018

Approving Change Orders of Two Operating Contracts for the 2017 Urgent Water Repair Contracts, No. 2017-OPS-102-0 to Frank J. Zottola Construction, Inc., and No. 2017-OPS-102-1 to Independent Enterprises, Inc., for the Cumulative Amount of \$180,000.00

Funding Source: Operating Budget

Barry King, Interim Director of Engineering, explained the details of this Resolution. Approval is requested for change orders of the two existing Operating Contracts for the 2017 Urgent Water Repair Contracts, No. 2017-OPS-102-0 to Frank J. Zottola Construction, Inc., and No. 2017-OPS-102-1 to Independent Enterprises, Inc. The cumulative amount increase is \$180,000.00 (each contract being increased by \$90,000.00). These change orders are required to permit the PWSA to purchase 24 pressure monitors and labor for the construction of 24 water service lines and associated water meter crocks (where the meter crocks will be supplied by PWSA). The meters are required by the Pennsylvania Department of Environmental Protection (PADEP) and are to be installed and operational by June 11, 2018, per Paragraph 4 of the October 25, 2017 PADEP Administrative Order.

Construction of these service lines was initially intended to be applied to the 2018 Urgent Water Repair Contracts. However, those contracts will not be ready in time to meet the June 11, 2018 deadline.

Chairperson Leger motioned to approve. Mr. Turner so moved, and Ms. Turner seconded. Chairperson Leger motioned for discussion.

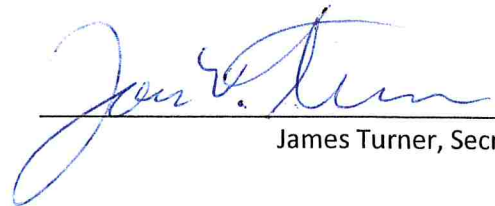
Discussion held. Board unanimously approved and the Resolution was adopted.

ADJOURNMENT OF THE MONTHLY BOARD MEETING

Chairperson Leger entered a motion to adjourn. Ms. Gross so moved, Ms. Lanier seconded.

The motion to adjourn was unanimously approved.

The next meeting will be held on Friday, May 18, 2018 at 10:00 AM.


James Turner, Secretary