

**Minutes of the
Regular Board Meeting
Of the Pittsburgh Water and Sewer Authority
Held on October 28, 2022**

This Regular 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, October 28, 2022, at approximately 10:00 a.m.

ROLL CALL – All members of the board were present.

Participants from PWSA: Will Pickering, Debby Gibson, Adam Longwill, Jason Felser, Elaine Hinrichs, Hali Hetz, Ed Barca, Barry King, Rebecca Zito, BJ McFaddin, Aimee Butch, Giuseppe Sciulli, Kate Mechler, Ross Marcinizyn, Logan Carmichael, Sarah Collins

Also present was Solicitor Mark Nowak of Clark Hill.

A total of 53 participants were in attendance.

PUBLIC COMMENT – No public comment.

EXECUTIVE SESSIONS

Executive Session was held prior to the Board Meeting, wherein legal and personnel matters were discussed. No votes were taken.

APPROVAL OF THE MINUTES

Chair Sciulli entertained a motion to approve the Minutes from the Regular Board Meeting held on August 26, 2022. No September Board Meeting was held. Ms. McCormick Barron so moved, and Ms. Strassburger seconded the motion.

No discussion held. The Minutes were unanimously approved.

FINANCIAL REPORT

Ed Barca, Director of Finance, presented the details of the report through September 30, 2022.

Year-to-date receipts are up 5.5% or approximately \$7.4 million. This revenue growth is a continuation of what PWSA has experienced so far throughout this year. It is led by water collections, which are up 3.7% or \$2.9 million.

Direct operating expenses are up 6.3% or approximately \$5.4 million. The majority of this increase is driven by the water operations, water treatment plant, laboratory, environmental compliance, and finance departments. This increase was planned per the approved 2022

budget and reflects PWSA's focus to increase staffing and operations throughout the organization. The Finance Department is forecasting an \$8.5 million cash-basis year-end 2022 surplus compared to the \$5.2 million surplus within the 2022 budget.

PWSA received a credit rating upgrade from S&P Global, moving from "A" to "A+", resulting from improved financial performance, governance, and management. This is the first upgrade PWSA has received in over 10 years. In addition to this upgrade, I am also happy to announce that PWSA successfully completed a \$45 million new money bond issuance. Investor interest was high despite a tough municipal bond market resulting from increased interest rates.

The 2023-2027 Capital Improvement Plan will be presented to the Board today for approval. This plan includes \$1.8 billion in infrastructure improvements over the next five years. These improvements are a continuation of critical initiatives, such as the Water Reliability Plan and Lead Service Line Replacements. This plan has been reviewed by the PWSA Board of Directors during a series of meetings leading up to this request for approval.

ENGINEERING REPORT

Barry King, Director of Engineering, presented the details of this report.

Drinking Water Programs Updates:

The active Small Diameter Water Main Replacement, Lead Service Line Replacement, and Bus Rapid Transit Water Distribution Improvement Projects through, September 9th, 2022. Contractors have completed an additional 343 Lead Service Line replacements since September, bringing the total to 667 public and 661 private Lead Service Line replacements across all currently active projects, including all Small Diameter Water Main Replacements, Lead Service Line Replacements, and Bus Rapid Transit Project Contracts. The grand total number of Lead Service Line Replacements completed between July 1, 2016 and October 21, 2022 is 9,660 Public and 6,542 Private side replacements. The current SDWMR contracts are approximately 75% complete, with the replacement of more than 25,000 Lineal feet or approximately 4.75 miles of water main. The Lead and Copper Rule Compliance Water Sampling continues, with positive results to date.

Water Reliability Plan Projects Updates:

Plans are in place for the final steps to return the infrastructure associated with the first phase of the Water Reliability Plan Projects back into service. The October 31, 2022 construction substantial completion milestones are on schedule for both the Highland No. 2 Reservoir Liner and Cover Replacement Project and Rising Main 3 Rehabilitation and Replacement Project. The Highland No. 2 Reservoir Liner and Cover Replacement is substantially complete, with our installation contractor completing final punch list items and working on the final cleanup of the site. Our electrical contractor is actively completing the installation of the rainwater removal pumps on the cover. The Reservoir will now await the completion of Rising Main No. 3, at which time we will begin the process of disinfecting the reservoir to allow it to be placed back into service. The rehabilitation of Rising Main No. 3 is nearing completion, with our contractor actively completing the final lining terminations at the Highland No. 2 Reservoir

gatehouses and at the Bruecken Pump Station valve vault. We are currently on track to begin the process of disinfecting the Rising Main No. 3 line, followed by the Highland No. 2 Reservoir, to allow it to be placed into service in December. The award of the Rising Main No. 4 Rehabilitation and Replacement Project is coming before the Board today. Construction of the Highland Reservoir Rising and Supply Mains is underway, with the initial stakeout of infrastructure starting in the field next week. The contract documents for the construction of the Highland Reservoir Pump Station are being finalized at this time, which is anticipated to be advertised for bid in December. Progress on finalizing the contract documents for the Aspinwall and Bruecken Pump Station Improvements Projects and the Clearwell Bypass Project continues. Staff continues to meet with the EPA/WIFIA Team, and the State Historic Preservation Office to work towards achieving approval of the outstanding Programmatic Agreement, required for the receipt of the PADEP Public Water Supply Construction Permit for these projects.

Sewer Program Updates:

The final contract documents for the 2023 Small Diameter Sewer Replacement Project, addressing sewers in the Carrick neighborhood, will be received today, with the advertisement for Bid anticipated in December. The Contractor is working on Phase 2 of 3 of the Fuchsia Way sewer and water main project.

Storm Water and Green Infrastructure Updates:

Construction is nearing completion of the Thomas and McPherson Green Infrastructure Project, with the remaining work consisting of the final tie into the sewer on 5th Avenue, abandonment of an existing sewer, and final restoration, which will be completed in the Spring. Construction will reach substantial completion by November 11th for the Volunteers Field Drainage & Regrading Project, in Carrick, with the planting of the rain gardens, installation of fencing and restoration remaining. Construction of the Lawn & Ophelia Stormwater Project in the South Oakland neighborhood is approximately 90% complete, where the contractor is currently planting the landscaping at this time, along with the installation of fencing around the parklet. PWSA is also currently coordinating with DOMI to schedule their completion of the final paving of the streets next to the park.

REPORT OF THE CHIEF ENVIRONMENTAL COMPLIANCE AND ETHICS OFFICER

Frank Sidari, Chief Environmental Compliance and Ethics Officer, presented the details of this report. You may be aware that this month marks the 50th Anniversary of the Clean Water Act, which was passed by Congress on October 18, 1972.

PWSA's mission "To support our region by protecting public health and the environment through the delivery of safe and reliable water services with a commitment to future generations." aligns with the mission of the Clean Water Act, which is to improve the quality, health, and safety of our nation's water bodies. The Clean Water Act makes it illegal to discharge any pollutant from a point source, like a pipe or outfall, into waterways unless the appropriate permit is obtained.

PWSA operates under several of these permits, including:

Municipal Separate Storm Sewer System (MS4) Permit, which we are co-permittees with the City of Pittsburgh. This permit regulates how we manage discharges from our separate storm sewer systems to local waterways.

NPDES Industrial Wastewater Facilities Permit, that regulates discharges from our water treatment plant and other sites that have stormwater and process outfalls from the facility directly to the Allegheny River.

NPDES Combined Sewer Overflow Permit, that regulates wet weather overflows from our combined sewer system.

Industrial and Groundwater Discharge Permits that are issued through ALCOSAN and regulate the discharge of industrial wastewater from PWSA's operations into the ALCOSAN sewage collection system.

NPDES Permits for Stormwater Discharges Associated with Construction Activities that are prepared for our construction projects where one or more acres of earth will be disturbed.

Staff in every department support our compliance efforts with these permits, through system planning, design, operation, maintenance, monitoring, reporting and outreach activities; demonstrating that all of us at PWSA play a role in helping to protect our waterways.

REPORT OF THE CHIEF EXECUTIVE OFFICER

Will Pickering, Chief Executive Officer, explained the details of this report. We have had a series of public events--one being the M-29 boat tour. We saw firsthand the work that was recently completed for the outfall structure on the Monongahela River near the Hazelwood Green site. This was a nearly \$5 million-dollar collaborative project with ALCOSAN. I also participated as a panelist, and PWSA staff had a table, to engage people with the Clean Water Festival that took place earlier this month in Millvale along the Allegheny River. The panel that I was on was with the Regional Administrator of the DEP as well as leadership at ALCOSAN talking about the future of the Clean Water Act. When we think about the health of our waterways and rivers, it is going to take us a long time to get to that true compliance, but we recognize its importance and value. We recently hosted the leadership from PENNVEST at our Water Treatment Plant earlier this month. It was an excellent opportunity to get to know them and for us to educate them on who PWSA is, our projects, and the Water Reliability Plan. The Executive Director of PENNVEST expressed that they were very excited and saw us as a model for the state and potentially the country of how we are tapping some of the funding that we have coming through them. Hats off to Ed Barca and his team for our ability to create that relationship with them. We think there is going to be a lot more infrastructure money coming through PENNVEST in the next four or five years. After that tour, we were able to announce that PENNVEST had awarded another large loan for three separate projects: \$77 million for the

Small Diameter Water Main Replacement project, \$6 million of that is in the form of a cash loan and is going to be dedicated to the lead service line replacement component of that work; \$46 million will go toward the Catch Basin replacement throughout the City and will assist us in getting 3,600 new catch basins; and a \$10 million low interest loan for security upgrades throughout our facilities through PENNVEST. We have discussed our need to harden our facilities to improve the technology to make sure we are monitoring these critical infrastructure sites. These low interest loans are saving ratepayers over time over \$100 million. While they are not grants, the low interest loans generate a tremendous amount of savings over time.

Mark Anthony Thomas is with us today for his final Board Meeting as a member of the PWSA Board. Mark has been on the Board for about two years. He has been an excellent contribution to this body, not just at the Board, but with our Supplier Diversity Committee of which he has been a member. It's certainly a loss for Pittsburgh, but a gain for Baltimore where he is headed. On behalf of all of the PWSA staff, I want to thank Mark for his time, attention and leadership. Thank you Mark for your service.

This month is our Pgh2o Employee Excellence Awards recognition month. I would like to recognize Sarah Collins, our Senior Talent Acquisition Specialist with the Human Resources Department, as this month's awardee. Sarah joined PWSA in May of 2021. This is the first position dedicated to recruitment and talent. Sarah modernized how we recruit staff with an e-module which allows us to know the demographics of the applicants, which has been extremely helpful in identifying diverse applicants for positions here at PWSA. Congratulations Sarah on your Pgh2o nomination and award.

Mr. Sciulli – Hopefully Sarah is paying attention and realizing the acknowledgement she's getting here today. It has been impressive between what's been done by the finance department with all of the PENNVEST grants and loans, as well as the celebration of the Clean Water Act as Frank mentioned, the Water Reliability Plan, getting our rating upgraded and low interest loans. The hits just keep on coming, so congratulations to everyone. On behalf of the Board, we are proud to be part of this organization and proud of all of you and the work you are doing.

Ms. Leber - At Adagio Health, our goal is always the patient and the client. The reason that we can provide such good care is because a lot of people do a lot of things right. I agree with Alex. I think the Public Affairs team does a great job. We just need to keep telling our story because this is a great story and it impacts directly on the lives of the people we serve. I commend you, and I'm glad to be part of this organization.

RESOLUTIONS

No. 121 of 2022 Approve and Adopt the 2023-2027 Capital Improvement Plan

Chair Sciulli entertained a motion to approve for discussion. Ms. Leber so moved, and Ms. McCormick Barron seconded the motion.

Mr. Sciulli – We had several presentations of the capital program. It was quite impressive in terms of the breadth and scope of the work being done and spending the ratepayers money in the best way to get the most of their investment. We have another ambitious program over the next five years, which I think is historic. I fully endorse this plan.

Ms. McCormick Barron – I think it is really a good thing for the Board to be able to look forward to see where the organization is going. Too many times organizations get caught in looking at the present and what is happening. Thank you for laying out a thoughtful and responsible plan.

Ms. Strassburger – When I look at \$1 billion of capital projects in the next five years, it far surpasses the work that the Authority has been able to do in past years. It is incredibly impressive, along with the diversity of sources of income to be able to fund those projects. Ratepayer funds are actually a small portion of where the money is coming from for these projects. I am happy to support this today.

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

No. 122 of 2022 Approving the Financial Assistance Application to be Submitted to the Pennsylvania Infrastructure Investment Authority (“PENNVEST”) for the 2022 Neighborhood Lead Service Line Replacement Program in an Amount of \$13,354,750

PWSA is planning a neighborhood Lead Service Line Replacement Program similar to the program funded by PENNVEST in 2019. PWSA estimates that the project will work at 1,200 homes and replace 600 public and 388 private lead service lines.

Chair Sciulli entertained a motion to approve for discussion. Ms. Strassburger so moved, and Mr. Domach seconded the motion.

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

No. 123 of 2022 Approving a Change Order for the 2020 Water Treatment Chemicals Option 1 for the Liquid Ferric Chloride Contract. Operating Budget \$803,616

Option year 1 of this contract was for 2,100 dry tons of Ferric Chloride. Based on current use rates, it is expected that we will require 2,747 tons for the remainder of the year. In addition, the price for this chemical was increased by the vendor by \$220 per dry ton.

Chair Sciulli entertained a motion to approve for discussion. Ms. McCormick Barron so moved, and Mr. Thomas seconded the motion.

Mr. Domach – In talking with people who treat water for the Hudson in upstate New York, they just had a big price increase for phosphate. Where are we with phosphate contracts? Was that just a spike or, as Hudson, were we unlucky with the timing of the renewal of the contract?

Mr. McFaddin - Currently, we are not experiencing any issues. It may have just been timing. However I do expect to see increases the next time we go for the materials.

Mr. Pickering – I will add that we did see increases through this change order of \$220 per ton compared to when we bid it in 2020. It is fair to say prices along with everything else are going up, but we have been able to still access the supply.

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

No. 124 of 2022 Approving the Award of Option Year 2 of Multiple Capital Contracts for the 2022 Small Meter Replacement Project to Neptune Technology Group Inc., and L/B Water Inc. Cumulative Capital Budget \$1,801,800

The scope of work is for the necessary purchase of replacement water meters. The new meters will replace aging meters, which are either malfunctioning, underestimating the actual amount of water being measured, or beyond their useful life.

Chair Sciulli entertained a motion to approve for discussion. Mr. Domach so moved, and Ms. Strassburger seconded the motion.

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

No. 125 of 2022 Approval to Enter Into an Easement Agreement for 10 Tank Street With the City of Pittsburgh and Peoples Natural Gas

This is to provide access to and use of City-owned property to install a new natural gas line to a private landowner's home. The property has PWSA water tanks and infrastructure located on it. PWSA has a leasehold interest in the property pursuant to the Capital Lease Agreement, dated July 15, 1995, between the City of Pittsburgh and PWSA.

Chair Sciulli entertained a motion to approve for discussion. Dr. Murrell so moved, and Ms. McCormick Barron seconded the motion.

Mr. Sciulli – Can you give us a little background as to why this easement is necessary?

Mr. McFaddin – There is a property that sits behind our infrastructure property at the Spring Hill tanks. The only access is a driveway that crosses our two lots, but does not come near where the fenced-in tanks are located. The previous easement that the homeowner had is no longer in existence, and when their gas line went bad, they needed to find another access point to get a new gas line installed. We gave them an easement along a property line that we would never be able to build on anyway.

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

No. 126 of 2022 Approving the Award of a Capital Contract for Construction of 2019 Large Diameter Water Main Improvements – Rising Main 4 to Structural Preservation Systems, LLC. Capital Budget \$8,401,503

As part of the Water Reliability Plan, this involves the inspection and partial replacement and partial rehabilitation of portions of Rising Main 4 using carbon fiber reinforced polymers as necessary from the Bruecken Pump Station to the Highland 2 Reservoir in the Highland Park neighborhood.

Chair Sciulli entertained a motion to approve for discussion. Ms. Leber so moved, and Ms. Strassburger seconded the motion.

Ms. Leber – You said we are replacing pipes that were installed in 1939 and 1972. What is the projected life of the new infrastructure?

Mr. King – New infrastructure will be approximately 50 years.

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

No. 127 of 2022 Approving a Change Order of a Capital Contract for Construction of the M-29 Outfall Improvements Project to Allison Park Contractors, Inc. Capital Budget \$396,955.58

This change order addresses additional costs incurred due to unforeseen and differing field conditions associated with the reconstruction of the existing endwall and the installation of a new flapgate, as well as design changes necessary to address an urgent culvert repair within the work area. The M-29 Outfall structure is located on the Hazelwood Green Development Property.

Chair Sciulli entertained a motion to approve for discussion. Ms. McCormick Barron so moved, and Mr. Domach seconded the motion.

Ms. McCormick Barron – Seeing this project from the boat tour was impressive.

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

ADJOURNMENT OF THE MONTHLY BOARD MEETING

Chair Sciulli entertained a motion to adjourn the Board Meeting. Ms. Leber so moved, and Ms. Strassburger seconded the motion.

Chair Sciulli – I want to give my thanks to Mark Anthony Thomas for his service on the Board. It was a pleasure getting to know him. When you have a lot of talent, it is not surprising that there are a lot of people out there vying for your attention. Mark, good luck in your work and we wish you the best. Thank you for your time and service to PWSA.

The next scheduled Regular Board Meeting will take place on Friday, November 18, 2022.

BJ Leber

BJ Leber, Secretary