

**Minutes of the  
Regular Board Meeting  
Of the Pittsburgh Water and Sewer Authority  
Held on June 23, 2023**

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, June 23, 2023, at approximately 10:00 a.m.

**ROLL CALL** – Six Board Members were present. Mr. Sciulli and Dr. Murrell were absent.

**Participants from PWSA:** Will Pickering, Debby Gibson, Rebecca Zito, Paul Spara, Juan Hirmas, Jennifer Guo, Frank Sidari, Barry King, Ed Barca, Kevin Pawlos, BJ McFaddin, Logan Carmichael, Monica Walaan, Janice Abate, Giuseppe Sciulli, Ross Marcinizyn, Felecia Daniels, Julie Mechling.

Also present was Solicitor Danny Cerrone of Clark Hill, Justin Kerns of MS Consultants, Bridget Finnegan of GHD, Mallory Griffin of GHD, David Troianos of GAI, David Ombres of T-Mobile, Nick Modany of JMT, Curt Miller of RZO Consulting, and Jamie North of DLZ.

A total of 27 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**

Vice-Chair Strassburger entertained a motion to approve the Minutes from the Regular Board Meeting held on May 26, 2023. Ms. McCormick Barron so moved, and Ms. Leber seconded the motion.

No discussion held. The Minutes were unanimously approved.

**FINANCIAL REPORT**

Ed Barca, Director of Finance, presented this report.

Total year-to-date receipts through May 31, 2023 totaled \$82.9 million or 40% of the total budget. This is led by PWSA's water, wastewater conveyance, stormwater, and DSIC charges, which have experienced stronger than expected receipts through the first five months of 2023, totaling \$81.2 million compared to the \$75.7 million that was budgeted.

Total forecasted year-end receipts, inclusive of the Rate Stabilization Fund, are \$212.2 million. This represents an increase of \$5.6 million or 2.69% as compared to the budget.

Year-to-date departmental operating expenditures are \$41.6 million, which is \$12.9 million lower than budgeted.

\$36.7 million in debt service costs have been paid year-to-date, which is 48% of the total budget. In addition, PWSA's cash balance on May 31, 2023 was \$90.7 million, which is \$15.2 million higher as compared to the prior year.

Earlier this month, PWSA completed a successful municipal bond offering, whereby over \$1 billion in orders were received to buy \$276 million in bonds being sold. This oversubscription helped to drive down interest cost. Of the \$276 million sold, \$110 million was used to fund PWSA's capital needs. The remaining \$166 million refinanced three outstanding bond series, which included the termination of one of three outstanding swap derivatives. This refinancing will save ratepayers between \$400,000-\$700,000 per year until the bonds mature.

Lastly, PWSA recently received a credit outlook upgrade to "positive" from Moody's Investors Service. This is the second time in the last 4 years that Moody's upgraded the outlook, putting PWSA on the cusp of receiving a rating upgrade in the near future. Moody's cited considerable financial improvement and strengthened internal management structure as the primary drivers for the upgrade.

### **Engineering Report**

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

### **Drinking Water Programs:**

Lead Service Lines continue to be replaced through the active Small Diameter Water Main Replacement and Lead Service Line Replacement Projects with a total of 10,210 Public and 7,116 Private-side lead service line replacements completed between July 1, 2016 and June 22, 2023 across all Contracts and Operations.

### **Water Reliability Plan Projects:**

Construction continues on the Rising Main No. 4 Rehabilitation and Replacement Project as well as the Highland Reservoir Supply and Rising Mains Project in Highland Park. The design and permitting efforts continue on our remaining WRP projects, including the Aspinwall Pump Station and Bruecken Pump Station Improvements and the Clearwell Emergency Response Clearwell Bypass Projects or ABC Projects.

### **Procurement Activities:**

Several bids are anticipated to be going out for advertisement in July, including:

- the Highland Reservoir Pump Station Project
- two Large Diameter Sewer Rehabilitation contracts.

**REPORT OF THE CHIEF ENVIRONMENTAL COMPLIANCE AND ETHICS OFFICER/ REPORT OF THE CHIEF EXECUTIVE OFFICER**

Frank Sidari, Chief Environmental Compliance and Ethics Officer, presented the details of this report. As part of PWSA's strategic vision, we have identified internally three strategic priority areas to guide our work. This week I participated in a monthly management training session developed by our Human Resources Department. Below are a couple ways environmental compliance and ethics is integrated into our strategic priorities.

The development of the environmental compliance and ethics program set in motion our organizational capacity to position PWSA as a best-in-class utility. We have achieved this thanks to the commitment of the Board and our CEO to develop and staff the Environmental Compliance Department. We have also received national recognition through presentations on the environmental compliance and ethics program to our peer utilities at conferences such as the Association of Metropolitan Water Agencies and the American Water Works Association.

The strategic priority area where I feel the Environmental Compliance and Ethics Program has the most impact is priority #2 – Building PWSA's Reputation as a Trusted Service Provider. Ethics represents PWSA's commitment to act independently, impartially, and responsibly without conflict of interest, in the best interest of the Authority and our ratepayers. Ethics intends to preserve public trust and to promote public confidence in our operations and to enhance our efficiency. This is part of our annual environmental compliance and ethics training which is currently ongoing for all staff and included in my project-specific trainings conducted with our consultants and contractors.

Each of our strategic priority areas has three supporting values. One of those for strategic priority #2 is to educate the public about the safety, quality and value of the water, sewer and stormwater services provided by PWSA.

**Report of the Chief Executive Officer**

Will Pickering, Chief Executive Officer, presented the details of this report. I would like to thank the many of you that joined PWSA at Highland Park earlier this month to recognize our WIFIA Loan Award. The loan is for \$52.4 million, and it's the first for PWSA. It's actually only the second WIFIA award in the Commonwealth of Pennsylvania. I want to thank Ed Barca and his team in Finance for what was a multi-year effort to get us into the door for this program. \$52.4 million is a lot of money, but we're pairing that with hundreds of millions of dollars that Ed and his team have secured through PENNVEST to advance our Water Reliability Plan projects, which will total when completed in about 5 years, half a billion dollars on those projects. We are also developing a strategic plan for stormwater management. We are innovating and providing new opportunities for our customers to use technology to either pay their bills or learn about their water use. Our Public Affairs team is putting on great events like the one that they did in Highland Park, and also continually providing educational materials. Our operations team is out

24/7 repairing and maintaining our system. If you're interested in some of the specific metrics, we have a really great annual look-back for 2022 that highlights some of those areas. It is available online. As Frank mentioned, we went to the AWWA, which is the National Drinking Water group conference in Toronto earlier this month. We were really proud to present our ethics and compliance programs. For me, the take-away is the progress that we have made in years past. In the sessions that I attended, I was thinking, we are doing that and we're doing that maybe in perhaps a more intelligent way or we have a different way of looking at it. Especially with lead service line replacement, we remain a leader. The large cities that were there presented on their programs, and there was not an element of their programs where I didn't feel we couldn't compete or didn't have a better approach. For that I do want to thank our Board of Directors, past and present. I am marking my third year as CEO this month. I would be remiss if I didn't say that I continue to be humbled with the responsibility. I want to thank you all for giving me the ability to continue to serve.

## **RESOLUTIONS**

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**No. 39 of 2023      Approving an Amendment of a Professional Services Agreement for Catch Basin Cleaning to Evo Eco, LLC. Operating Budget \$223,000.00**

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This amendment addresses the clarification of scope of services and line item descriptions which impacted the schedule of prices creating a need for additional funds.

Vice-Chair Strassburger entertained a motion to approve for discussion. Mr. Martin so moved, and Ms. Leber seconded the motion.

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

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**No. 40 of 2023      Approving a Change Order of a Professional Services Agreement for Construction Management and Inspection (CM/CI) Services for 2019 Large Diameter Water Main Improvements (Rising Main 3 and 4) – Rising Main 3, to AECOM Technical Services, Inc. Capital Budget \$199,708.95**

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This change order addresses increased costs related to both an owner directed change, whereby additional rehabilitation and CFRP lining scope was added to both the Rising Main 3 and Rising Main 4 construction contracts, and a change to the execution of the Rising Main 3 contract work.

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

Ms. McCormick Barron – When you state there are two reasons for this, were there things that you could not anticipate?

Mr. King – Correct. There were elements of the work that we didn't anticipate during the design phase.

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

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**No. 41 of 2023      Approving the Award of a Capital Contract for Construction of 2023 Urgent Lead Service Line Replacement Project to Stefanik's Next Generation Contracting Company. Capital Budget \$3,246,460 (DSIC)**

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This two-year contract is to provide the ability for PWSA to offer private side lead service line replacements to locations where PWSA Operations crews replace a public service line due to an urgent issue, leak or break as well as the replacement of public service lines to supplement PWSA crews in time of need.

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

Ms. Cristello – Is this a new contractor?

Mr. King – Yes. This is one that we haven't seen before and another positive step in expanding the depth of resources and contractors that we are using.

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

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**No. 42 of 2023      Approving the Award of a Capital Contract for Construction of 2023 Sewer Reconstruction Project to A. Merante Contracting, Inc. Capital Budget \$1,829,738.90**

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The project scope is focused on the reconstruction of the public sewer system including storm, sanitary, and combined sewer facilities. The project scope of work includes the relay of a sewer on Rowan Street in the Lincoln-Lemington-Belmar neighborhood.

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

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

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**No. 43 of 2023      Approving an Amendment of a Professional Services Agreement for Design and Design and Engineering Services During Construction for the Southside Green Stormwater Project to Ethos Collaborative. Capital Budget \$243,049.62**

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This task order amendment is necessary for PWSA to complete final design and construction documents for the Southside Park Project and will also fund design and engineering services during construction.

Vice-Chair Strassburger entertained a motion to approve for discussion. Mr. Martin so moved, and Ms. McCormick Barron seconded the motion.

Ms. Strassburger – Is this related to the projects that have occurred over the years leading to and on Carson Street?

Mr. King – It's not a direct connection, but it is related to that ultimate pass through.

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

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**No. 44 of 2023      Approving Entering Into a Cost Share Agreement with PennDOT for the SR 4003 A25 Resurfacing work. Capital Budget \$8,813.44**

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This PennDOT project will impact the Authority's water valve boxes and sewer manholes. PWSA will recover 75% of the said costs per the cost share with PennDOT, with the exception of the installation of round valve boxes, which are considered a betterment.

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

Mr. Martin – How often did we do cost shares in this way?

Mr. King – A couple of times a year.

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

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**ADJOURNMENT OF THE MONTHLY BOARD MEETING**

Vice-Chair Strassburger entertained a motion to adjourn the Board Meeting. Ms. Leber so moved. The next scheduled Regular Board Meeting will take place on Friday, July 28, 2023.

*BJ Leber*

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BJ Leber, Secretary