

**Minutes of the
Regular Board Meeting
Of the Pittsburgh Water and Sewer Authority
Held on August 26, 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, August 26, 2022, at approximately 10:00 a.m.

ROLL CALL – 5 Members of the Board were present with Ms. Leber arriving at 10:20 AM. Dr. Murrell, Mr. Thomas, and Ms. McCormick Barron were absent.

Participants from PWSA: Will Pickering, Jennifer Presutti, Debby Gibson, Edward Barca, Barry King, Julie Mechling, Rebecca Zito, Mora McLaughlin, Frank Sidari, Monica Walaan, Logan Carmichael, Joe Tewell, Emily Pontarelli, Ross Marcinizyn, Shannon Barkley, Giuseppe Sciulli

Also present was Solicitor Mark Nowak of Clark Hill.

A total of 45 participants were on the call.

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.

Note of Record: Board Member BJ Leber was late in arriving to the Board call due to some technology issues on her end. Therefore, Chair Sciulli bypassed voting on the Approval of the Minutes and had the Reports read first. Ms. Leber joined the session at 10:20 AM. She was announced as participating after the reports were read. Approval of Minutes occurred and were approved with a quorum.

APPROVAL OF THE MINUTES

Chair Sciulli entertained a motion to approve the Minutes from the Regular Board Meeting held on July 22, 2022. Ms. Leber 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 July 31, 2022.

Year-to-date receipts are up 11.3%. Year-to-date operating expenditures are up 12.8%. This is led by increases within the Water Treatment Plant, Water Operations, and Environmental Compliance as PWSA continues to demonstrate its commitment to invest in the water, wastewater, and stormwater systems.

PWSA is preparing the 2023 Operating Budget and 2023-2027 Capital Improvement Plan. Board Education Sessions will be held with the PWSA Board of Directors prior to the approval of the 2023-2027 Capital Improvement Plan during the October Board meeting and 2023 Operating Budget during the December Board meeting.

ENGINEERING REPORT

Barry King, Director of Engineering, presented the details of this report. Starting with a review of the Drinking Water Programs: Contractors have completed a total of 426 public and 430 private lead service line replacements across all active projects, including all Lead Service Line Replacements, Small Diameter Waterline Replacement, and Bus Rapid Transit Project Contracts. The grand total number of LSLRs completed between July 1, 2016 and August 12, 2022 is 9,361 Public and 6,276 Private side replacements. The current Small Diameter Water Main Replacement contracts are over 62% complete, with the replacement of approximately 21,000 LF (or approx. 4 miles) of waterline. With the 3 current LSLR contracts combined, the contractors have achieved an overall 60.1% Supplier Diversity Participation to date (*over \$1.6M; over 10% complete*).

Our work continues on the PWSA's Water Reliability Plan Projects. We are currently in the process of planning the final steps for returning the first phase of the Water Reliability Plan Projects to service. Construction remains on schedule for both the Highland No. 2 Reservoir Liner and Cover Replacement Project and Rising Main 3 Rehabilitation and Replacement Project, and both are on track for substantial completions by October 31, 2022. The Highland No. 2 Reservoir cover is nearing completion and on track to be completed by the end of September, and will await the completion of Rising Main No. 3 in mid-October, to allow the filling and disinfection of the interior of the Reservoir prior to returning to service. As for Rising Main No. 3, lining continues on the remaining portions of the pipe closer to the Bruecken Pump Station, on schedule to be completed September 30th, as well as finalizing the pipe lining at the Highland Reservoir No. 2 Valve Vault, which is concurrently being renovated. Rising Main No. 3 is on schedule to be complete by mid-October, when we will begin the process of disinfecting the line to allow it to be placed into service.

The Invitation for Bids for the Rising Main No. 4 Rehabilitation and Replacement Project is advertised, with proposals due on Sept. 20, 2022 at 2 PM. For interested bidders, note that the official project name is the "2019 Large Diameter Water Main Improvements Rising Main 4", which you can find on the PGH2O website under "Bids and Opportunities". The Highland

Reservoir Pump Station contract documents are currently being finalized and anticipated to be advertised for bid in mid-October.

Progress continues on the final designs for the Aspinwall and Bruecken Pump Station Improvements Projects and the Clearwell Bypass Project. While we await the completion of the State Historic Preservation Office (or SHPO) Environmental Review and the resolution of a SHPO Programmatic Agreement, and await the receipt of the PADEP Public Water Supply Construction Permit for these projects, we continue to work through finalizing the designs. In addition, we continue to meet with Duquesne Light Company, most recently this past Monday, Aug. 22nd, to coordinate on the related designs and construction for the installation of new power substations at both the Aspinwall Pump Station and Bruecken Pump Station.

Regarding our Sewer Programs, the Rising Main Sewer Relocation project achieved substantial completion in early August, with the removal of the year-long sewer bypass equipment. Substantial Completion has also been reached for the Centre Avenue Water and Sewer Replacement Project, one of the important Sewers Under Structures Projects. The Contractor is approaching the end of Phase 1 of 3 on Fuschia Way, replacing over 350 feet of sewer and water main, where we are currently completing the testing of the new water main and preparing to make the final connection to the main. Construction started at the end of July for both the Volunteers Field Drainage & Regrading Project in the Carrick neighborhood, as well as the Lawn & Ophelia Stormwater Project in the South Oakland neighborhood. Project status updates are being maintained by Public Affairs and Engineering and Construction on the PGH2O website, under the Projects & Maintenance Page. Progress and Status is detailed.

REPORT OF THE CHIEF ENVIRONMENTAL COMPLIANCE AND ETHICS OFFICER

Frank Sidari, Chief Environmental Compliance and Ethics Officer, presented the details of this report. PWSA has an Environmental Compliance and Ethics Program, which was developed to prevent improper activities by creating a culture of environmental compliance and ethics, detecting non-compliant activities at an early stage, and allowing for a swift response to those identified issues. There are five key components to our program:

1. PWSA's Mission Statement and Core Values,
2. Organizational Structure,
3. Codes and Policies,
4. Environmental Compliance Manual, and
5. Training

I wanted to take the opportunity to highlight a couple of our training programs. First, during the month of August, our staff has been completing mandatory annual refresher training on our Code of Ethics, Code of Conduct, Whistleblower System and Environmental Compliance Program. All new staff are introduced to this information as part of their on-boarding process, and staff across the organization have access to this information electronically and in binders at

our staffed facilities. To assure staff's awareness, we also conduct annual refresher training on these materials. This training is conducted through our Learning Management System.

It is also important, and required under our Administrative Agreement, to assure our contractors are also aware of and abide by our codes and policies when working for PWSA. Last Friday we conducted a hybrid training session with over 120 attendees representing PWSA Engineering Department, Construction Management and Inspection firms, and consultants. This session was facilitated by Barry King and provided an opportunity to speak with the attendees about ethics, conduct, whistleblower, and environmental compliance, in addition to sharing information on our Supplier Diversity Program and technical engineering specifications. A similar training was also held in April 2022 for construction management and inspection firms engaged in lead service line and small diameter water main replacement work. The next step in our contractor training is to conduct project-specific training for our construction projects. I have conducted these for eight projects to date and am working with engineering to schedule additional meetings. We have also updated our technical specification to include an ethics and environmental compliance meeting as a request for all future construction projects. We are also conducting tailgate training on environmental compliance and safety topics at the water treatment plant and field operations centers. These are all examples of efforts we continue to make to assure our staff and contractors are aware of our focus on ethics, conduct and environmental compliance.

REPORT OF THE CHIEF EXECUTIVE OFFICER

Will Pickering, Chief Executive Officer, explained the details of this report. I have a few highlights that I would like to share. In early August, we held a media and legislative tour of the Highland 2 Reservoir. It was an excellent opportunity to get to know some of the legislative leaders and have them become familiar with our projects, especially as it relates to PENNVEST-funded projects. We did receive positive coverage for the Water Reliability Plan in multiple local media news outlets. We want to have more events like this in the future to be able to showcase these projects as they move forward. The other item I wanted to highlight is our Priority Lead Service Line Replacement Program. We are prioritizing those locations that had elevated lead levels for replacement. We are looking for the worst-case scenario homes, even if they are several years back. We want to bump these replacements to the head of the line. If anyone has a concern that they may have a lead line, they can request a free lead test kit from PWSA. If it comes back with an elevated level, we will go ahead and coordinate getting permissions and scheduling for replacements at no cost to the homeowner. This is regardless of income. I'm not aware of a program like it across the country based on my research and engagement on this issue. It's something for which we are very proud. I want to reiterate the organizational priority of environmental compliance and ethics. It is not just training that you sit through. It is the expectation that anyone who is doing business with PWSA and using our ratepayer dollars is meeting all of the requirements in our agreement with them. They have an obligation to report things to myself or Frank and also express if they have any concerns. This message is not only being relayed to staff, but also to our consultants and engineering firms.

Ms. Leber – Your call to action. Is there a flyer or any marketing material available that we can push out?

Mr. Pickering – We ask that people pick up the phone and call to request a lead test kit. We also have a web form that people can fill out and then have the test kit mailed directly to them. I will note that if customers had lead test kits already in our records, we are reaching out to those homes.

RESOLUTIONS

No. 115 of 2022 Authorizing the Securing of Funding for the Clearwell and Water Reliability Projects by PWSA From the Pennsylvania Infrastructure Investment Authority (“PENNVEST”) in the Aggregate Maximum Principal Amount of \$209,005,329

This award will fund roughly half of the project costs associated with all of the Water Reliability Projects, which includes the replacement of the Clearwell.

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

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

No. 116 of 2022 Approving the Reimbursement Resolution for the Water Reliability Projects as Part of the PENNVEST Closing Process.

The Authority intends to use cash to fund the interim costs for the Water Reliability Projects. The Authority will then submit for reimbursement the amount of Authority cash expended to PENNVEST, up to the maximum principal amount of \$209,005,329.

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

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

No. 117 of 2022 Authorizing Certain Officers and Officials to Take Action With Respect to the Pittsburgh Water and Sewer Authority's Indebtedness Which Includes Refunding Outstanding Bonds, Issuing New Bonds, and Amending Existing Indentures and Other Financing Agreements.

Requested for PWSA management to complete the debt transactions with regard to senior lien debt, subordinate lien debt and secondary subordinate lien debt.

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

Mr. Sciulli – What does this really entail in terms of the ability of the Authority to move on these bonds?

Mr. Barca – What this is authorizing is myself and Jennifer Presutti to issue bonds in the public marketplace. There are 2 transactions. The first is a new bond issuance up to \$125 million that will continue funding our Capital program. This is non-PENNVEST and non-federal monies. This is just new bonds that the PWSA is issuing. The second transaction, which is to be determined based on market savings, is a potential opportunity to refund existing bonds. The exact timing and decision will be made closer to closing because we want to make sure we have enough savings to do the bond deal itself. We need authorization now to even consider that type of refunding for our bonds.

Ms. Cristello – Have we made it specific as to which officers are authorized to issue the bonds?

Mr. Barca - Within the attachment to this Resolution, it lists the specific personnel who can sign off. On the Board, it is the Chair or Vice-Chair, the Secretary or Vice-Secretary, and on the PWSA Management side, it is me or Jennifer Presutti who could sign off.

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

No. 118 of 2022 Approval to Enter Into an MOU (Memorandum of Understanding) With Tri-COG Land Bank

The scope of this MOU is for exonerating liens on certain properties outside of the City of Pittsburgh. The exonerated liens would be done in order to assist the Tri-COG Land Bank with returning vacant, abandoned, and tax delinquent properties back to the tax rolls and back to PWSA's ratepayer base.

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

Mr. Domach – I'm curious how big the lien package is and whether there is an internal policy on the expiration of liens to facilitate redevelopment and the return of properties into a more productive form?

Ms. Mechling – This Resolution would allow PWSA to operate with the customers we serve in the Borough of Millvale and some other surrounding territories in the same manner as we are currently operating with the Pittsburgh Land Bank. We would review those lists provided to us and then work to exonerate liens according to the standard operating procedure that we have in place. It will mirror the exact same procedure that we have set up for the City. We will review the list within 30 days. To date we have received 89 requests to review for the land bank. The removal of liens for the Pittsburgh Land Bank has gone very smoothly. I would say about 2% of them have debt owed to PWSA.

Ms. Strassburger – I just want to say how pleased I am that we are entering into this kind of agreement for service areas outside of the City. The Tri-Cog Land Bank has shown itself to be successful in the few years that it has been up and running. Any time that we can help to address the vacant and abandoned lots and properties, I'm in favor of it.

Mr. Sciulli – I echo Erika's comments.

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

No. 119 of 2022 Approving Entering Into an Agreement of Cooperation With the Port Authority of Allegheny County for the Design and Construction for Phase 2 of the Bus Rapid Transit (BRT) Project.

The agreement of cooperation for Phase 2 will be for the work completed in the Uptown and Oakland neighborhoods. The betterments in Phase 2 currently include stormwater/green infrastructure improvements in the Uptown neighborhood, which is included in the 2022-2026 Capital Improvement Program.

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

Ms. Leber – Has the new Mayor officially given this project the green light in its original form?

Mr. King – I think some of the phases have been paired down. I have not heard anything indicating that they are not supportive.

Mr. Pickering – That’s my understanding as well BJ. This particular project has been more of a County initiative rather than a City one. I haven’t heard anything definitive that the new administration is opposed to.

Ms. Strassburger – I realize this is a cost sharing agreement. I’m always happy to approve a cost share. Phase 2 mentions Uptown and Oakland. What is the scope of this project?

Mr. King – It is going to be limited to the Uptown portion as far as the betterment goes in the plan project.

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

No. 120 of 2022 Approving Entering Into an Agreement With the City of Pittsburgh for Surface Restoration of the Bus Rapid Transit (BRT) Water Distribution Improvements Project

This agreement addresses the third stakeholder, which is the City of Pittsburgh, for their reimbursement of their portion of the surface restoration. Duquesne Light and Peoples Gas were addressed in a prior Resolution.

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

No 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. Mr. Domach so moved, and Ms. Strassburger seconded the motion. No discussion held.

The next scheduled Regular Board Meeting will take place on Friday, September 23, 2022.

BJ Leber

BJ Leber, Secretary