

**Minutes of the
Regular Board Meeting
Of the Pittsburgh Water and Sewer Authority
Held on January 27, 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, January 27, 2023, at approximately 10:00 a.m.

ROLL CALL – All members of the Board were present.

Participants from PWSA: Ed Barca, Barry King, Frank Sidari, Debby Gibson, Giuseppe Sciulli, Monica Walaan, Megan Thiessen, Ross Marcinizyn, Jennifer Presutti, Rebecca Zito, Hali Hetz, Adam Longwill, Paul Spara, Bill Bennett, Karen Ramski, Kevin Pawlos, Robert Herring, James Tracey, Logan Carmichael.

Also present was Solicitor Mark Nowak of Clark Hill.

A total of 47 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 December 16, 2022. Ms. Leber so moved, and Ms. Strassburger seconded the motion.

No discussion held. The Minutes were unanimously approved.

Confirmation of CEO Approvals

Chair Sciulli asked if there were any objections to the approvals that the CEO signed off on as part of his signing authority. Mr. Domach so moved, and Ms. Leber seconded the motion. No discussion held, and the CEO approvals were confirmed.

FINANCIAL REPORT

Ed Barca, Director of Finance, presented the details of the report through December 31, 2022. Final 2022 receipts were approximately \$197 million, representing a 5.2% or \$9.7 million increase in receipts compared to the prior year. While it is a negligible amount, PWSA's final 2022 receipts fell short of the projected 2022 budget amount by 0.5% or approximately \$1.0

million. Final 2022 operating expenditures were approximately \$191 million, representing a 6.0% or \$11.0 million increase in expenditures compared to the prior year. On a budgetary basis, final 2022 operating expenditures fell short by 0.8% or approximately \$1.6 million. PWSA ended 2022 with a cash-basis year-end surplus of \$5.8 million, which compares favorably to the \$5.2 million surplus that was budgeted. As a result of this surplus, PWSA satisfied all legal bond covenants for the year while also bolstering PWSA's cash balance that will help better manage the current economic environment. Final 2022 capital expenditures were approximately \$114 million. This represents the fourth consecutive year that capital expenditures exceeded \$100 million. This achievement highlights PWSA's commitment of investing the necessary dollars to repair, rebuild, and maintain its water, wastewater, and stormwater systems.

ENGINEERING REPORT

Barry King, Director of Engineering, presented the details of this report. A brief update follows:

Drinking Water Programs:

Lead Service Lines continue to be replaced through the active Small Diameter Water Main Replacement and Lead Service Line Replacement Projects. The grand total number of LSLRs completed between July 1, 2016 and January 20, 2022 across all contracts and Operations is 9,935 Public and 6,833 Private-side replacements. The current Small Diameter Water Main Replacement contracts are now over 56% complete, with the replacement of more than 29,100 linear feet, or 5.5 miles of water main.

Water Reliability Plan Projects:

PWSA received the PADEP PWS Operating Permits for the completed Rising Main No. 3 on December 12, 2022 and for the completed Highland No. 2 Reservoir on Jan. 9, 2023, with Operations returning the Highland No. 2 Reservoir back to service on Jan. 19, 2023. Both projects were completed on schedule, in advance of the effective PADEP COA deadlines. These projects restored minimum useful lives of 50 years and 25 years to the Highland No. 2 Reservoir and Rising Main No. 3, respectively. As for the next two Water Reliability projects under construction, work is underway for both the Rising Main No. 4 Rehabilitation and Replacement Project and the Highland Reservoir Supply and Rising Mains Project.

Water Reliability Projects:

An in-person all-day constructability review meeting was completed between PWSA Engineering and Operations Staff, the design engineer consultant, and the 3rd Party Constructability Review consultant on 1/18/2023, including the Aspinwall Pump Station, Bruecken Pump Station Improvements Projects, the Clearwell Emergency Response and Clearwell Bypass Project.

Permitting continues for all water reliability projects currently under design, which PADEP PWS Construction Permit Applications, NPDES General Permit Applications, and Pennsylvania State Historic Preservation Office Reviews in progress for the ABC Projects, as well as the Aspinwall Pump Station to Lanpher Reservoir Rising Main Project. Finally, the Highland Reservoir Pump Station Project Design is being finalized for bid advertisement in March 2023.

Sewer Programs:

Phase 2 of the sewer replacement work on Fuchsia Way is complete.

Finally, I did want to acknowledge the Project Teams and Individual Staff Members who have received Awards.

As for Individual Awards, congratulations to:

Ana Bennett for receiving the 2022 Young Government Civil Engineer of the Year Award from ASCE, as well as former PWSA Staff Member, Rick Obermeier for receiving the 2022 Service to the People Award from ASCE.

As for Project Awards, Congratulations to:

The entire Project Team of PWSA staff, Consultants, and Contractors for the Highland Reservoir No. 2 Liner & Cover Replacement Project, receiving the 2022 Award of Merit from ASCE. The ASCE Awards will be awarded during an Engineering Week Banquet on February 18th.

The entire Project Team of PWSA staff, ALCOSAN staff, Consultants, and Contractors for the M-29 Outfall Improvements Project, receiving three awards, including the: 2022 ESWP Project of the Year for the Water and Wastewater Category from the Engineering Society of Western Pennsylvania, to be awarded during a banquet on March 9th, 2023 ACEC/PA Diamond Award for Engineering Excellence under the Waste and Stormwater category that was awarded during a banquet yesterday, and a Project of the Year Honorable Mention under the Rehab Category from Trenchless Technology Magazine in September 2022.

Mr. Sciulli – I know you modestly left out your own award Barry. Congratulations to you on your own ASCE Award.

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. I would like to share with you some updates and progress related to Environmental Compliance and Ethics programs, but also joint remarks from our CEO, Will Pickering. Will was invited to attend an event at the White House today, where we anticipate the EPA and White House will be announcing a new partnership on lead in drinking water. PWSA has been consistently working to remove lead service lines and optimize corrosion control in our distribution system. Along those lines, as we closed out 2022, PWSA completed another round of semi-annual lead testing with the 90th percentile result of 5 parts per billion, three times below the state and federal action level of 15 ppb. Barry provided an update in his report on the progress of lead service line replacement, which is nearing 10,000 public service lines. In addition, at the end of 2022, we submitted our updated lead service line inventory to DEP, fulfilling a consent order requirement and well ahead of similar requirements that other Pennsylvania utilities do not have to comply with until October 2024.

Related to Environmental Compliance and Ethics, there are two brief updates for the Board: PWSA completed our second annual environmental compliance audit of the Water Treatment Plant. This audit was performed by an independent third party and provides findings and recommendations to allow us to continue to improve environmental compliance programs. The audit is available on pgh2o.com. As reported in December, we completed our annual review of our Code of Conduct, Code of Ethics, Non-Retaliation Policy and Whistleblower Policy. PWSA is currently completing the annual Employee and Board Member acknowledgment of these and other organization policies, with approximately 50% of staff having completed this effort through our on-line Learning Management System.

Finally, I would like to end with some staff notes. In addition to the 2022 ASCE people award recipients of Ana Bennet and Rick Obermeier that Barry mentioned, I would also like to congratulate Barry for being selected as the 2022 Government Engineer of the Year by ASCE. So, congratulation to Barry, Ana, and Rick.

Will and I would like to recognize all PWSA staff who not only work tirelessly throughout the year to maintain and operate our drinking water, wastewater collection, and stormwater infrastructure; but provide a special thanks to the efforts of staff over the holidays at the end of the year.

PGH2O Employee Excellence Awards

Logan Carmichael, Chief People and Culture Officer, presented the awards on behalf of CEO Pickering and the PWSA Board of Directors. These awards are a way to recognize and reward employees who have made exceptional contributions to the organization. These awards can be given for a variety of reasons such as outstanding performance, excellent customer service, or exceptional teamwork. The goal of the Employee Excellence Awards is to recognize and motivate employees to continue to excel in their work while also promoting a positive and productive work culture. The awardees for this quarter are Karen Ramski of Administration in Customer Service, Shannon Deasy, Deborah Kenney, Amber Smith, Toia Smith and Tyrone Williams of Dispatch in Customer Service, and James Tracey of Fleet Management in Finance. Mr. Tracey is also recognized for his upcoming retirement on March 1, 2023 after 15 years of service in various roles at PWSA. Congratulations to all of the nominees for their hard work and dedication while also promoting a positive and productive work culture. And congratulations to Mr. Tracey on your pending retirement. We thank you for your service and positive contributions to the organization during your tenure.

RESOLUTIONS

No. 1 of 2023 Authorizing the Financial Assistance Application and Letter of No Prejudice to be Submitted to the Pennsylvania Infrastructure Investment Authority (“PENNVEST”) for the 2023-2025 Small and Large Diameter Sewer Rehabilitation Programs in the Total Amount of \$59,136,000

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

Mr. Sciulli – This is in addition to all of the other PENNVEST grants and loans that we received in 2022. Are we expecting any more this year?

Mr. Barca – This is the first application for 2023. We are also going to submit future applications for additional lead replacements or small diameter water program. And there may be others as well that we’re investigating now.

Mr. Sciulli – I’m sure our ratepayers appreciate the fact that we’re able to keep the rates down and continue with these important projects.

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

No. 2 of 2023 Approving a Change Order of a Professional Services Agreement for Engineering Services for 2019 Chlorine Booster Station Improvements Project to Mott MacDonald, LLC. Capital Budget \$252,992.31

This change order request is for the change to liquid from the previously planned tablet system and it will require unbudgeted additional design.

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

Mr. Domach – Is chlorine stored on site in the towers?

Mr. King – It is stored adjacent to the storage facility at six sites.

Mr. Domach – For the tablets, is this some kind of screw feeder system?

Mr. King – Correct.

Ms. Leber – You foresee the liquid as being long term?

Mr. King – I do.

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

No. 3 of 2023

Approving a Change Order for Construction of the WTP Filter Building Sodium Hypochlorite Improvements – General/Mechanical to Kokosing Industrial, Inc. Capital Budget \$407,526

During excavation for the exterior fill station outside the west end of the Filter Building, a sinkhole was discovered. The sinkhole contained old construction debris which had contaminated the soil. This change order is necessary to address these unforeseen site conditions, consisting of the sinkhole and environmental contamination.

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

Mr. Domach – Where is this located?

Mr. King – Toward the northern portion of the west end of the building where the ramp comes down into the building.

Mr. Domach – What is the date of origin of this material?

Mr. King – I don't know the exact date, but it was most likely interred in the 1960's.

Mr. Domach – How many tons or pounds are we talking about?

Mr. Sidari – I never saw the numbers on what they've identified, but it was basically the grassy area between the two driveways going down into the filter building and about five to six feet deep to get below the grade.

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

No. 4 of 2023

Approving the Award of an Operating Contract for the Construction of the 2023 Manhole and Point Repair Contract to M. O'Herron Company. Operating Budget \$1,812,305

This contract involves the repair of existing sewers or installation of manholes, catch basins, and inlets in the public sewer system including storm, sanitary and combined sewer facilities at various locations throughout the City of Pittsburgh.

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

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

No. 5 of 2023

Approving the Award of Two Capital Contracts for Construction of 2023 Catch Basin and Inlet Replacement Project to A. Merante Contracting, Inc., and Michael Facchiano Contracting, Inc., and a Professional Services Agreement for Construction Management and Inspection Services to Johnson, Mirmiran, & Thompson. Cumulative Capital Budget \$15,806,064.26

This contract involves the replacement of the public catch basins and inlets.

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

Ms. Strassburger – I’m supportive of continuing to improve and repair our catch basins throughout the City, approximately 25,000 in this area. I know we have our stormwater plan out for public comment right now and hopefully as we implement that and continue to work to address stormwater there will be increasingly finished pressure. Is there technology for areas prone to flooding events, like a new type of catch basin that we know is helpful because it catches the debris rather than allowing it to flow down into our storm system? Does that technology exist, and would we ever consider installing that in select locations?

Mr. King – Our staff is looking at that as a part of our stormwater planning and trying to evaluate the applicability for Pittsburgh given some of our topography and some of the other spatial constraints within the right of way. But those are definite considerations of improvement that we are looking to make over time.

Mr. Sciulli – How does the work get divided between Merante and Michael Facchiano?

Mr. King – To start out, it is going to be an equal split given portions of the districts that they will be working in, but it is anticipated that roughly 600 each.

Mr. Sciulli – The old manholes and catch basins that are out there when they get replaced, they get replaced in kind with the new design and most of that is within the right of way. What’s been our observation of the new design in terms of efficiency?

Mr. King – It is definitely more maintainable and more functional. It has a performance that’s improved above what we have seen on the historic old basins. Part of the other opportunity that exists that is outside of our control is always the given topography and the grade and slope of the asphalt surrounding it. That is still a challenge that these see, but it’s a definite improvement in the function.

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

No. 6 of 2023 Approving Entering Into a Memorandum of Understanding for a Sewer Improvement Project in the M-42 Streets Run Sewershed.

This recommended Memorandum of Understanding for a Sewer Improvement Project in the M-42 Streets Run Sewershed reflects the technical updates relative to the ALCOSAN GROW Grant funding award, permitting, and bidding phase services findings. Glass Run/Streets Run Sewer line will be rehabilitated and per the Cooperation Agreement with the Borough of Baldwin, PWSA is responsible for 10 percent of the costs of maintenance and related activities.

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

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

ADJOURNMENT OF THE MONTHLY BOARD MEETING

Chair Sciulli – As Frank alluded to in his report, we are all very proud of the fact that our CEO Will Pickering will be representing PWSA at the White House today as part of a function with Vice President Kamala Harris on the Federal government’s initiative to get the lead out. We are also all very proud as we’ve seen some of the numbers of where PWSA has been with our lead containment. We heard today that we are approaching 10,000 lines that are being replaced. It’s quite a story, quite a model. I believe Will will have some remarks to be made at the function, which is pretty exciting. This doesn’t happen without all of the work from all of the departments, staff, everyone in the field, at the plant and at the yards. It really is a team effort, and I’m sure he will acknowledge that.

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

The next scheduled Regular Board Meeting will take place on Friday, February 24, 2023.

BJ Leber

BJ Leber, Secretary