

**Minutes of the
Regular Board Meeting
Of the Pittsburgh Water and Sewer Authority
Held on April 28, 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, April 28, 2023, at approximately 10:00 a.m.

ROLL CALL – 6 Members of the Board were present. Dr. Murrell and Mr. Martin were absent.

Participants from PWSA: Will Pickering, Jennifer Presutti, Debby Gibson, Ed Barca, Kevin Pawlos, Rachel Romano, Barry King, Frank Sidari, BJ McFaddin, Rebecca Zito, Rachel Rampa, Ross Marcinizyn, Mike Gasperini, Jordan Treaster, Janice Abate, John Nagle, Jason Felser, Adam Longwill, Lee Haller, Monica Walaan, Logan Carmichael, Giuseppe Sciulli, Jennifer Guo

Also present was Solicitor Mark Nowak of Clark Hill.

A total of 22 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 March 24 ,2023. 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. The Quarterly Finance Performance Report is included in the Board packet. The quarterly report provides detail on various data points within the Department of Finance related to revenue collection, operating expenditures, capital expenditures, external funding, fleet management, and procurement. This report will provide more transparency to the Board on all activities ongoing within the Department of Finance while highlighting the excellent performance of the Finance team.

For the finance report for this month, you will see that first quarter receipts totaled \$49.2 million or 23.8% of the total budget. PWSA has experienced stronger than expected receipts for water, wastewater conveyance, and DSIC charges through the first three months of 2023, collecting \$42.8 million compared to \$39.1 million that was budgeted. First quarter stormwater collections equaled \$4.9 million as compared to the budgeted amount of \$5.2 million, representing an under-collection of about \$300,000.

Total forecasted year-end receipts, inclusive of the Rate Stabilization Fund, are \$210.4 million. This represents an increase of \$3.7 million or 1.79% as compared to the budget.

First quarter departmental operating expenditures were \$24.6 million, which is \$6.5 million lower than budgeted. It is expected that departmental expenditures will increase in the second quarter due to the start of construction season.

\$34.4 million in debt service costs have been paid in the first quarter, which is in-line with budget expectations. Rising interest rates continue to impact the variable rate capital line of credit. It is expected that new fixed-rate bonds will be issued around June to pay off all or a portion of the capital line of credit to reduce this exposure.

PWSA's cash balance on March 31, 2023 was \$74.7 million, which is \$4.4 million higher as compared to the prior year

ENGINEERING REPORT

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

Drinking Water Programs:

Lead Service Lines continue to be replaced through the active Small Diameter Water Main Replacement (SDWMR) and Lead Service Line Replacement (LSLR) Projects with a total of 10,108 Public and 7,031 Private-side lead service line replacements completed between July 1, 2016 and April 19, 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. Design and permitting efforts continue with the balance of our WRP projects.

Procurement Activities for Water Distribution:

PWSA is receiving bids on Monday, May 1, for the 2023 Neighborhood Lead Service Line Replacement, as well bids for the 2022 Small Diameter Water Main Replacement Contract A. Bids for the 2022 Small Diameter Water Main Replacement Contracts B and C are being received on Tuesday and Wednesday, May 2nd, and 3rd respectively. These 3 SDWMR contracts are estimated to address the replacement of 13.2 miles of main, including 1,900 service lines, of which, we anticipate addressing approximately 385 public and 479 private LSLRs. The Highland Reservoir Pump Station Project Design will be advertised for bid in May 2023.

Stormwater and Sewer Project:

The Fuchsia Way Stormwater Project is on track to be completed this July. To date, 775 of the 1,100 linear feet of sewer has been replaced, and the water main work within the PWSA Service Area is nearly complete.

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. This report marks one year since I began providing Environmental Compliance and Ethics Program reports. This report provides glimpses into efforts PWSA is making as an organization to support our Mission, Vision, and Core Values while meeting and exceeding obligations established in regulations, orders, permits and our internal codes and policies. One of those obligations under our Administrative Agreement with the EPA is the expansion of PWSA's Environmental Compliance Program to all facilities by September 14, 2023.

This Program consists of five key components. PWSA's Mission Statement and Core Values, Organizational Structure, Codes and Policies, and Training have already been applied to all PWSA's facilities and employees. The fifth component is the expansion of the Environmental Compliance Manual to cover all PWSA facilities. The compliance manual provides a foundation of water quality and environmental compliance obligations and is currently focused on the Water Treatment Plant. These obligations include the areas of chemical, oil, and hazardous materials, stormwater, wastewater, air, waste management, drinking water supply, and orders and agreements.

We have already taken many steps to facilitate expansion of the Environmental Compliance Manual to all facilities, including:

- Completion of a third-party environmental compliance and safety assessment at 11 facilities,
- Implementation of monthly tailgate trainings at Howard, Mission, and Brilliant yards,
- Environmental Compliance team walk throughs of facilities to gather information,
- Roll out of programs such as aerosol can universal waste collection and storage tank and spill kit inspections, and
- Meeting with our facility senior managers to review manual expansion and gain input for implementation.

We are on schedule to meet the September 2023 obligation for program expansion. PWSA has had abstracts submitted for presentation at the 2023 Pennsylvania American Water Works Association Meeting and the national American Water Works Association Meeting coming up in May and June. These presentations will allow PWSA to share with other peer utilities the structure and success of our environmental compliance and ethics program, another recognition of PWSA's work at the state and national level.

Mr. Domach – On January 11th, the supplier of more than 80% potassium and sodium permanganate to the domestic U.S. market experienced a warehouse distribution fire. Have we had any supply issues?

Mr. Sidari –We were aware of the incident and our operations group was following it closely. We do use liquid and when word came down that there was a potential shortage of supply, our laboratory and operations folks worked together to look at how we could optimize the feeding of that chemical to make sure we are managing its use appropriately.

BJ Leber – Congratulations to Frank Sidari and his team. I'm not surprised that we are getting state and national attention.

Mr. Sciulli – I want to echo BJ's comments. All in all, the areas of improvement in the Authority as shown in the reports from Engineering, HR, and Finance have greatly improved during my tenure here and association with the Authority. The Compliance Group has improved the most. I can't tell you how much we appreciate that, and I attribute that to your leadership and team.

Report of the Chief Executive Officer

Will Pickering, Chief Executive Officer, presented the details of this report. Every operating department has been hard at work developing the rate proposal that the Board will acknowledge in our submittal next month to the Public Utility Commission. It's just the beginning of a 9-month process. We are halfway through our stormwater conversations. About 60 members of the public attended our East End meeting to learn more about our stormwater strategic plan, provide feedback, and ask questions. We have three more meetings left. I encourage members of the public to attend one of those meetings. If you are unable to, there is a lot of information online, including the ability to submit comments, which will be open until the end of June. I would like to note the tremendous turnaround on the Contact Center metrics that we track. You may recall some of those numbers suffered as we transitioned our systems. The one anomaly is that we did receive an influx of calls to our dispatch when we had an impactful water main break that resulted in some customers being out of service for some time. Otherwise things have returned to normal, but it hasn't been without a lot of work. We've made some upgrades and we've learned some lessons. We now have a callback feature so that if someone can't stay on the line, they can opt to leave a message for customer service during regular operating hours and they will have that call returned. On Emergency dispatch, we have an outbound message for customers who call to report breaks or interruptions to let them know that we are aware of the situation and working toward fixing it. They can still remain on the line and speak to someone if they wish to speak to one of our representatives regardless. The Aquarius Award is given by the US Environmental Protection Agency for programs that utilize state revolving funds. PENNVEST is a Pennsylvania State revolving fund. PENNVEST put forward the application for PWSA for this award. PWSA and PENNVEST are joint awardees. The award reflects our commitment to public health in the way that we are replacing lead service lines across our service territory. We are not doing partial lead service line replacements. That is not standard across the country. This is an area that EPA wanted to commend. Speaking of awards, our Human Resources team has been nominated for an award from the Pittsburgh Chapter of the Society of Human Resources for Leader of the Year, Logan Carmichael, our Chief People and Culture Officer, and his team. This year we are the closest to being fully staffed as we have ever been in our history. Finally, our audit from Maher Duessel is an unqualified clean audit and is the eighth consecutive clean

audit. We have every expectation to continue it and it shows the hard work that the Finance team does day in and day out.

Mr. Domach – I see a roughly half million expense for the BRT project on the CEO Approval sign offs.

Mr. Pickering – I will have to check on that item and get back to you.

Mr. Domach – I appreciate that because there are also two other change orders on that project.

Mr. Sciulli – Congratulations to HR. Erika and I participated in the Stormwater Committee Meeting. Stormwater was not part of our mandate. Stormwater is a shared responsibility between the City and other agencies like PennDOT. I don't want people to lose sight of the fact that this was not something that was mandated by some federal agency. It was the Authority itself saying they are going to do their part and work on the stormwater issue which is a huge challenge for our area.

RESOLUTIONS

No. 22 of 2023 Accepting the 2022 Report of the Auditor Maher Duessel, Certified Public Accountants.

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

Mr. Sciulli – Many of us sat through the presentation on the audit by Maher Duessel. The Authority has never been in a better financial position than it is right now. Congratulations to the Finance Department, to our auditors and of course everyone that participates in this process.

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

No. 23 of 2023 Approving the Financial Assistance Application to be Submitted to the Pennsylvania Infrastructure Investment Authority ("PENNVEST") for the 2023 Neighborhood Lead Service Line Replacement, Program B \$14,605,000.

This application is being submitted as 2023 Neighborhood LSLR B. Based on the prioritization model run, PWSA estimates that the project will work at 1,575 homes and replace 630 public and 570 private lead service lines.

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

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

No. 24 of 2023 Approving the submittal of the Tariff Filing Package to the Pennsylvania Public Utility Commission.

This request will be for a multi-year increase with the final increase subject to the approval of the PaPUC.

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. 25 of 2023 Approving a Change Order of a Capital Contract for Construction of 2019 Large Diameter Water Main Improvements – Rising Main 4 to Structural Preservation Systems, LLC. Capital Budget \$1,675,200

This change order scope of work is to repair a significant leak on the existing 60-inch Lanpher Supply Main that is surfacing in State Route 28's right-of-way, in the area of the 40th Street Bridge.

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

Mr. Sciulli – This is obviously a very critical project for us. We are glad to see that it is moving forward.

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

No. 26 of 2023 Approving the 2023 Pumps and Motor Contract to Total Equipment Company. Operating Budget \$3,466,349.63

This contract is utilized for on call and scheduled maintenance, repair, rehabilitation, or replacement of pumps, motors, valves, associated controls and power service equipment, and emergency call-out requests.

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. Ms. McCormick Barron so moved, and Ms. Cristello seconded the motion. The next scheduled Regular Board Meeting will take place on Friday, May 26, 2023.

BJ Leber

BJ Leber, Secretary