

MINUTES  
REGULAR MEETING OF THE BOARD OF THE  
ALLEGHENY COUNTY SANITARY AUTHORITY  
DECEMBER 11, 2025

The meeting was called to order at 4:30 p.m. in the office of the Authority, 3300 Preble Avenue, Pittsburgh, Pennsylvania. Those participating were Board Members Ms. Emily Kinhead, Ms. Sylvia Wilson, Ms. Theresa Kail-Smith, Dr. Shannah Tharp – Gilliam and Mr. Pat Catena (via zoom). Absent from the meeting were Mr. Harry Readshaw and Mr. Darrin Kelly. Also participating were Ms. Kimberly Kennedy, Ms. Michelle Buys, Ms. Karen Fantoni, Ms. Tawanda Stamps and Ms. Erica LaMar-Motley. Messers. Douglas Jackson, Michael Lichte, Phil Cole (Authority Staff). Mr. Max Junker (Babst Calland) and Mr. Colin Lampark (Hatch).

Everyone stood for the Pledge of Allegiance.

There were no public comments at this meeting.

Dr. Shannah Tharp-Gilliam stated there was an Executive Session prior to this meeting, and no votes were taken during the session.

Ms. Karen Fantoni, Director of Finance, presented the 2026 Capital and Operating Budgets. Ms. Fantoni spoke about the five-month process of preparing the budget, which started with the closing of the books in August and sending budget worksheets to ALCOSAN directors and managers. Three days of meetings are held, starting in October, where an internal review is performed. A draft copy of the budget is given to the Board for their review and staff answer any questions. The final draft budget is presented to the Board for their consideration in December. After Board approval, copies are given to the trustee as required by the trust indenture.

Ms. Fantoni reviewed the budget highlights for 2026, including the 7.0 rate increase for 2026, which is the last of the five-year rate increases that were voted on and approved in late 2021. She explained that the budget will position ALCOSAN for success in 2026 by providing additional funding for the capital program and for increased debt service payments. Implementing the capital program requires ALCOSAN to be in the bond market frequently and funds will be needed to pay those principal and interest payments.

Ms. Fantoni stated that the budget also increases the Clean Water Assistance Payment for the 8<sup>th</sup> year in a row to \$57.00/quarter to assist those who are less fortunate in our service area. The budget improves our coverage and liquidity rates and ratios, and most importantly it meets everything that is required under the trust indenture. She also touched on the 2026 cash requirements, budgeted revenues, budgeted expenses, expenses by function, and capital spending. Ms. Fantoni then explained that the consulting engineers from Hatch will also give their review, what that involves and why they do that review.

Ms. Kimberly Kennedy, Director of Engineering and Construction, reported on the 2026 Capital Spending. She stated that the biggest project on the horizon is Ohio River Tunnel, which will begin construction next year with an estimated expenditure of approximately \$160 million for 2026. The Wet Weather Pump Station was awarded last month, and the notice to proceed is anticipated in early January of 2026 with an expected expenditure of approximately \$50 million during the construction phase for next year. The CSO Bypass and Disinfection project was awarded a few years ago and will finish in 2026 at about \$30 million. The Solids Thickening and Dewatering project is under construction at \$30 million. Design of the Allegheny River Tunnel is continuing.

Ms. Kennedy said that these projects are the “top five spenders” next year on the capital budget. The Ohio River Tunnel bid opening is January 26<sup>th</sup>, which will provide a better picture of the costs and projections for 2026. The four contracts total \$386 million and are planned to start in January. The CSO Bypass and Disinfection project began in September of 2022, is 68% complete and will finish and should be online next year. The Solids Thickening and Dewatering project is inside of the dewatering building; it is about 30% complete and completion is expected in early 2027.

Ms. Karen Fantoni stated that this work will be paid for by user rates. She explained that ALCOSAN is nearly 100% funded through user rates and there is a 7% rate increase planned for 2026.

On average, the average rate payer is going to see an increase in their bill of about \$4.00 a month or \$12.00 for the quarter. The average rate payer is one that uses 12,000 gallons of water per quarter. Ms. Fantoni discussed ALCOSAN's Credit Rating, which is a double A minus with stable outlook from S&P, and a double A3, stable from Moody's.

Chairperson Dr. Shannah Tharp-Gilliam commented that when she first came onto the Board, she was curious as to how ALCOSAN balances the need to be responsive to the legal mandate that must be funded. These are huge projects that are decades in the making. The \$4.00 a month rate increase is nothing for some people, but for other people it is significant.

Yet, it has to happen. Dr. Tharp-Gilliam stated that the other thing she found important was an explanation of how valuable positive reviews of our finances are in the long run for keeping the rates manageable for rate payers. She complimented ALCOSAN for having the triple double A ratings, saying it is indicative of the fact that a company is being well run. The bottom line is if the rate decreases, the interest rates increase, and the rates go up by much more than they would have had ALCOSAN not done these things. Dr. Tharp-Gilliam said she wanted to make sure that people who are watching this and hearing rates are going to go up four more dollars, and it sounds like they are saying it is going to have to go up even more, year over year, understand that this is the actually the least painful of the approaches given what has to be done.

Ms. Sylvia Wilson added the people who questioned her about the consent decree, she lets them know that if we did not follow through and do what we were asked to do, by the consent decree, the money we would have to pay because we will be fined and again, the ratepayers would have to pay that and the cost would be so much more.

Ms. Emily Kinkead also added that fundamentally this is also about just maintaining the cleanliness of our natural resources and the ability for the same people who are ratepayers to also be able to enjoy our rivers and streams. With all this coming together, nobody likes paying more and certainly nobody likes voting to have people pay more money, but at the same time it is an investment in not just the future of ALCOSAN, but the future of our region and that is important as well.

Ms. Theresa Kail-Smith added, no matter what and how much it sounds like it makes sense and we should do it, people are still struggling every single day, so I hope that we put real emphasis on the help that is available.

Mr. Colin Lampark, Project Manager, Hatch presented the 2025 Consulting Engineers report. Mr. Lampark explained that the annual report is a requirement for ALCOSAN's trust indenture with bond issuers. It is a formal agreement that protects the interests of the bond holders by ensuring sound fiscal management and operational readiness. The annual report serves as a statement of operations to make sure all lines of requirements are being fulfilled. This summary of the content is the Consulting Engineers annual report. Mr. Lampark said he will focus on the purpose of a review of the treatment system and improvements a review of the revenues and expenses, a revenue review of the debt service and insurance coverage, and finally a review and outlook for the future.

ALCOSAN staff presented a video that highlighted the Year in Review. The video showed many of the events ALCOSAN hosts as a part of its Community Outreach and Support. Highlights included the Annual Open House, Staff Litter Cleanup, Frankie the Fish at PGH Night with the Penguins, and the Labor Day Parade. Media coverage of ALCOSAN's pet food donation to Humane Animal Rescue Pittsburgh and other stories were also highlighted.

Ms. Kimberly Kennedy, Director of Engineering and Construction, presented the 2025 Capital Budget status report. Ms. Kennedy stated that through the beginning of December, the amount is \$127million. She reviewed the major changes from the October report, including the Solids Thickening and Dewatering and the CSO Bypass construction. Ms. Kennedy stated that if there were any questions about individual line items, she would be happy to take them.

Report of actions by the Executive Director in approval of construction change orders within the contingency included with Board Approval at the time of the Contract Award as authorized by Resolution No.2022-03-04: Exhibit B.

1. No. 11, under Contract 1760G, "CSO Bypass and Disinfection," from Kokosing Construction in the amount of \$165,964.83. These costs are associated with repairs to the existing river wall, and additional demolition and grating for access to a new aeration tank gate. The original amount of the contract was \$77,465,000.00. The current value of the contract including this change order is \$79,841,314.19.
2. No. 1, under Contract 1799E, "Solids Thickening and Dewatering Improvements," from Kirby Electric Inc. in the amount of \$5,401.41. These costs are associated with raising an existing cable tray, relocation of panels to avoid interference, and a credit to not supply two circuit breakers that are no longer needed. The original amount of the contract was \$8,851,675.00. The current value of the contract including this change order is \$8,857,076.41.

Upon motion by Ms. Theresa Kail-Smith, and seconded by Mr. Darrin Kelly, the Board approved the Regular Board Meeting minutes from November 20, 2025.

Upon motion by Mr. Darrin Kelly, and seconded by Ms. Sylvia Wilson, the Board authorized payment of invoices in excess \$23,800.00 processed during the period of October 15, 2025, to November 10, 2025, and reviewed the summary report of expenses in excess of \$12,900.00, processed during the same period.

Upon motion by Ms. Emily Kinkead and seconded by Mr. Pat Catena, the Board authorized the preparation of specifications and advertisement for bids for the following contracts:

1. Contract No. 1841, "Contract to Furnish and Deliver Fiberglass Flights for the Primary Sedimentation Tanks"

Upon motion by Ms. Emily Kinkead and seconded by Mr. Pat Catena, the Board approved the following change orders that exceed \$30,000.00 in value or whose cumulative total value with previously approved change orders is greater than five percent of the original contract amount:

1. No. 2, under Contract 1760E, "CSO Bypass and Disinfection," from Wellington Power Corporation in the amount of \$523,557.18. These costs are associated with new power feed to storage building 900, increase in conduit sizes, door lighting modification, grounding in regulator vaults, and a DPU equipment pad. Also included is a credit for duct bank box cutouts and a time extension. The original amount of the contract was \$11,764,000.00. The current value of the contract including this change order is \$12,295,467.90.

Upon motion by Ms. Sylvia Wilson and seconded by Ms. Emily Kinkead, the Board approved the following Service Authorizations for Professional Consultants. Assignment is based on consultant's past efforts, knowledge and understanding of the tasks involved and the availability of the consultant's staff to perform the tasks in the time required:

1. For GAI, under the agreement for Professional Services, for an amount not to exceed \$9,613,500.00 to perform the scope of services for the Regionalization Program Management.

Upon motion by Ms. Emily Kinkead and seconded by Mr. Pat Catena, the Board awarded the Media Room Design to Architectural Innovations and authorized the Executive Director to negotiate a fee.

Upon motion by Mr. Pat Catena and seconded by Ms. Emily Kinkead, the Board approved modification of Service Authorization 322 for HDR Engineering, Inc. for out-of-scope items associated with the final design and construction phase services of the North End Facilities project for an amount not to exceed \$286,769.00.

Upon motion by Mr. Pat Catena and seconded by Ms. Emily Kinkead, the Board approved modification of Service Authorization 489 for Brown and Caldwell to perform services

during construction of the Wet Weather Pump Station (Contract 1800) for an amount not to exceed \$12,262,120.00.

Upon motion by Ms. Emily Kinkead and seconded by Ms. Sylvia Wilson, the Board adopted Resolution No. 2025-12-01 authorizing the condemnation, or the purchase in lieu thereof, of a permanent real estate interest in a portion of one parcel, identified as Tax Parcel ID No. 75-F-350, now or formerly owned by Norfolk Southern Railway Company, for consideration in the amount of \$155,000.00, plus costs paid in accordance with customary practice in Pennsylvania.

Upon motion by Ms. Emily Kinkead and Ms. Sylvia Wilson, the Board adopted the 2025 Consulting Engineers Report and the 2026 Operating and Capital Budgets.

Chairperson, Dr. Shannah Tharp-Gilliam, announced that she will be rolling off the Board as a Board Member. Dr. Tharp-Gilliam said that it has been amazing and wonderful the past 5 years working with all everyone and seeing everyone here. Specifically, in talking to my friends here from ALCOSAN, she said she has learned a lot and now does not look at a flushing toilet the same. There is a lot that goes into that and ALCOSAN staff has demonstrated what a well-run agency, authority looks like, and when she thinks about the standards that ALCOSAN upholds, they are very high and not only for the work that is done and the core business that is run, but just the way business is professional and very thorough. ALCOSAN always makes sure the Board has all the information they need, and she feels complete confidence in the contracts the Board approves, the thorough vetting and just knowing that our waterways, which are such an amazing resource for generations and will continue to be clean because of the work that is done here.

Dr. Tharp-Gilliam said that I would be remiss if I did not take a moment to say thank you to Executive Director Arletta Scott Williams. I appreciate the model that you are as the leader of this agency. Heavy is the head that wears the crown, especially if you don't get a crown, but I really appreciate the way you support your team, she champions you all when you are there and when you are not there. Arletta is someone that I feel confident in and that I can look up to and I would like to be like Arletta when I grow up. Each of you, the work that you have done has been stellar and you know I give you sometimes a hard time over little things because that is really all there is left is little things, just refining things because the work that you do is always par excellence. Dr. Tharp-Gilliam hugged Ms. Mira Praytor, Board Secretary, and said thank you. I appreciate the one who makes sure that I show up; "you got the date, you got the invitation". I also thank my fellow Board members: Sylvia thank you for guiding me and helping me to learn the ropes. I appreciate Harry in his absence today. I look forward to continuing to watch you all online and to hearing you all move forward with the plans of regionalization. This is very important work and when I think about what it would be if not for the work you do, you know

we would. We would have illnesses, we would have rodents and the things don't have because we have such a wonderful sanitation system. I have to say something to my friend Mr. Jackson, you know I have talked about how Arletta is just a premier head honcho, but you tend to be the business end of my jokes. You tend to be the recipient of my humor, but I just wanted to say that you know you are a significant thought partner in this work championing and guiding and working along with Arletta and the rest of you peers and colleagues and I would say that you are a formidable number two.

ATTEST:

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Harry Readshaw  
Secretary

Mira D. Praytor  
Secretary to the Board