

MINUTES
REGULAR MEETING OF THE BOARD OF THE
ALLEGHENY COUNTY SANITARY AUTHORITY
THURSDAY, DECEMBER 13, 2018

The meeting was called to order at 4:42 p.m. in the office of the Authority, 3300 Preble Avenue, Pittsburgh, Pennsylvania. Those present were Board Members Ms. Sylvia Wilson, Ms. Brenda Smith, Mr. Harry Readshaw, Mr. Corey O'Connor; Messrs. Jack Shea and John Weinstein did not attend the meeting. Also in attendance were Messrs. Chip Babst (Babst Calland), Mr. Mike Ryder (Hatch); Mr. Mark Wolinsky (3RWW); Ms. Williams, Ms. Oliver, Ms. Clark, Ms. Kennedy, Messrs. Tamilia, Inks, Jackson, and Vallarian, Ms. Sanchioli, Ms. Marunczak, Ms. McCarthy, Ms. Thomas, Ms. McKay, Ms. Skundrich, Ms. Croom, Ms. Mannella, Ms. DeMasi, Ms. Slater-Wood, Messrs. Martire, Laird, Shaffer, and Prevost (Authority staff).

Everyone stood for the Pledge of Allegiance.

An Executive Session was held this afternoon at approximately 3:45 p.m. to discuss pending legal issues (*Note: votes are never taken during the Executive Session*).

No visitors requested to speak during the public comment period.

Note: Information Item B "*2019 Operating and Capital Budgets – Bill Inks*" was moved to the end of the Agenda.

Upon motion of Ms. Smith, seconded by Mr. O'Connor, the Board approved the minutes of the Regular Board Meeting of November 15, 2018.

Upon motion of Mr. O'Connor, seconded by Mr. Readshaw, the Board authorized payment of invoices in excess of \$20,100.00 processed during the period of November 6, 2018 through December 3, 2018 and reviewed the summary report of expenses in excess of \$10,900.00 processed during the same period, a copy of which will be made part of these minutes.

Upon motion of Mr. Readshaw, seconded by Mr. O'Connor, the Board authorized the preparation of specifications and advertisement for bids for the following contracts:

1. Contract 1695A, "Heavy Cleaning and CCTV Inspection, Root Removal, and Point Lining". This contract is a rebid of the previously rejected bids.
2. Contract No. 1709, "Repair of Roll-up Garage Doors"
3. Contract No. 1710, "Furnish and Deliver Sodium Hypochlorite"

Items denoted with an asterisk () were reviewed by the Professional Services Committee at a publicly advertised meeting on November 29, 2018. The Committee unanimously approved and recommended that these items be submitted to the Board.*

*Upon motion of Mr. Readshaw, seconded by Mr. O'Connor, the Board approved the following Service Authorizations for Professional Consultants. Assignment is based on consultants' past efforts, knowledge, and understanding of the task involved and the availability of the consultants' staff to perform the tasks in the time required:

1. For Cosmos Technologies Inc., under the agreement for Engineering Consultant Services, for an amount not to exceed \$348,286.31 to perform the scope of services under Capital Program S-461, "Temporary Hypochlorite Storage and Feed System Design".
2. For Quad 3, under the agreement for Engineering Consultant Services, for an amount not to exceed \$692,929.56 to perform the scope of services under Capital Program S-468, "Plant Electrical Distribution System Upgrade".

*Upon motion of Mr. O'Connor, seconded by Ms. Smith, the Board agreed to modify Service Authorization 264 for MARC USA to continue the scope of work to fund the next phase of the campaign for Strategic Communications and Public Relations Services for an amount not to exceed \$1,775,210.00. MARC USA has been Strategic Communications consultant for more than four years. The campaign as rolled out has been extremely successful in generating feedback and understanding to how the Authority should move forward to the next phase. Despite this success, there is still not a direct connection and correlation with the Authority. This will be a large focus of this next phase of the campaign. New media vehicles will be used this time; not as many billboards or radio advertisement will be utilized during this stage of the campaign. MARC USA has performed exceptionally well and helped the Authority improve its image and increase awareness.

*Upon motion of Mr. O'Connor, seconded by Mr. Readshaw, the Board agreed to modify Service Authorization 318 for 3RWW to exercise the contractual Option Year for an amount not to exceed \$944,415.66. The 3RWW staff will continue to support implementation of the Regional Clean Water Plan for Calendar Year 2019. 3RWW continues to be an excellent partner and necessary component in assisting the Authority with municipal outreach.

Upon motion of Ms. Smith, seconded by Mr. O'Connor, the Board agreed to modify the Grant Agreement for the Green Revitalization of Our Waterways (GROW) Program by extending the Term of the Contract.

Upon motion of Mr. O'Connor, seconded by Mr. Readshaw, the Board adopted Resolution No. 2018-12-1 and authorized the Executive Director to execute the Service Area Modification Agreement between the Upper St. Clair, Peters Township and Peters Township Sanitary Authority. This resolution allows the Authority to release customers in one community and then acquire additional customers in another community; this action assists the municipality (Upper St. Clair) in meeting their compliance needs by allowing them to forego one pump station.

Upon motion of Mr. O'Connor, seconded by Ms. Smith, the Board adopted Resolution No. 2018-12-2 and authorized the Executive Director to enter into a cost-sharing agreement with PennDOT for

their improvements to the Fleming Bridge in Stowe Township and the resultant relocation of ALCOSAN diversion structure. The Board authorized the Executive Director to enter into an agreement with PennDOT during last month's Board meeting. However, authorization was not taken in the form of a resolution which is required by PennDOT; this action satisfies the State's requirement.

Upon motion of Ms. Smith, seconded by Mr. O'Connor, the Board adopted Resolution No. 2018-12-3 and authorized the Executive Director to acquire necessary property easements and occupancy agreement to support the Ravine St. Stream Removal Project.

Upon motion of Mr. O'Connor, seconded by Ms. Smith, the Board adopted Resolution No. 2018-12-4 to amend the Authority's By-Laws to temporarily suspend the self-imposed term limit on the office of the Chairman for 2019. Mr. Readshaw requested permission to "interrogate" the Solicitor about the contents of this resolution for clarity and for the record. Mr. Readshaw then asked Mr. Babst to set aside the legalese and clearly explain the resolution. The resolution addresses the Authority's current By-Laws which were last amended in January 2018 and includes a two-year term limit for the Board of Directors Chair position that went into effect in January 2017. The current Chair is completing the end of her second term. This resolution suspends the two-year maximum term limitation in 2019; thereby allowing Ms. Wilson to run again for Chair in 2019. The resolution further states that beginning with the election of officers in January 2020, no member of the Board would be permitted to serve as Chair for more than two terms. This means that in January 2020 Ms. Wilson would not be eligible to run for the position of Chair because she would be a member who had served two-consecutive terms as Chair. Essentially, this resolution allows Ms. Wilson to run in 2019; it would not allow her to run in 2020.

Upon motion of Mr. O'Connor, seconded by Mr. Readshaw, the Board approved the Board Meeting dates for the calendar year 2019 and authorized advertisement of those dates in accordance with the Sunshine Law:

Thursday, January 24, 2019	Fourth Thursday
Thursday, February 28, 2019	Fourth Thursday
Thursday, March 28, 2019	Fourth Thursday
Thursday, April 25, 2019	Fourth Thursday
Thursday, May 16, 2019	Third Thursday
Thursday, June 27, 2019	Fourth Thursday
Thursday, July 25, 2019	Fourth Thursday
No Meeting in August	
Thursday, September 26, 2019	Fourth Thursday
Thursday, October 24, 2019	Fourth Thursday
Thursday, November 21, 2019	Third Thursday
Thursday, December 12, 2019	Second Thursday

Upon motion of Mr. O'Connor, seconded by Mr. Readshaw, the Board adopted the 2018 Consulting Engineers Report and the 2019 Operating and Capital Budgets.

Mr. Inks (Director of Finance and Administration) provided the Board with a summary on the 2019 Operating and Capital Budgets. Copies of the 2019 Operating and Capital Budgets and a detailed explanation were presented to the Board during last month's Board meeting. This year's budget has been incorporated into the 2018 Consulting Engineers Report. Hatch has given the Authority a positive review for 2018 and agrees that the 2019 Budgets are satisfactory. Mr. Inks thanked Mr. Mike Ryder and Ms. Carol McCombs (*who comes out of retirement each year*) for their participation in this process over the last ten years.

Highlights of the Budget:

- This is the second of a four-year rate resolution that the Board passed last year.
- An additional \$6 million provided for the GROW Program; total budget for this program is almost \$70 million (*about \$20 million of these funds are already committed*).
- The Budget increases the Clean Water Assistance customer payment from \$30/quarter to \$32/quarter (additional \$8/year).
- Coverage ratios required under the Trust were improved resulting in an improvement in the 2018 bond rating from Standard & Poor's which led to a very significant savings on issuance costs.

Operating costs for this year were approximately \$94.6 million, debt service was roughly \$59.3 million, and capital budget expenses slightly over \$80 million. Expenses totaled about \$240 million. Funds for operations, debt service, and transfers for the GROW Program are derived from customer revenue and not grant money. The capital spending is drawn from the remaining 2015 Bond funds. The overall budgeted revenue is \$183.5 million. Interest earnings are projected to be about \$2.8 million. The 2019 capital budget is slightly above \$80 million. Customers will experience an annual increase of approximately \$29.32 (\$2.45/month). The Authority continues to receive very favorable ratings from Moody's and Standard & Poor's. Once again, both agencies forecast a stable economic outlook for the Authority.

There was no new business. The next Board of Directors Meeting will be held on January 24, 2019.

There being no further business, the meeting adjourned at approximately 5:13 p.m.