

YEAR IN REVIEW 2021





A MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER

THE PITTSBURGH WATER AND SEWER AUTHORITY (PWSA) IS ENTERING A NEW ERA

– one with a renewed emphasis on public health, the environment, and our responsibility as steadfast stewards of the vital water services our region relies on each day.

There are many exciting projects underway at PWSA that directly support this evolution. While our work as public servants is never done, I'm confident the strategic priorities we've been undertaking will further transform our water system while rebuilding trust with the public we serve.

This past year, we further strengthened our focus on environmental compliance and ethics. As a public water utility, the services we provide directly affect the health and well-being of those we serve. To protect water services and the environment for current and future generations of Pittsburghers, we enhanced our Environmental Compliance Program and put in place enhanced ethics training for all employees.

Also in 2021, we received approval from the Pennsylvania Public Utility Commission (PUC) to enact a new stormwater fee. This fee, a notable first for Pittsburgh, builds greater equity into our rate structure, ensuring all property owners contribute a share that is proportional to the amount of runoff generated by their property. This new fee also provides resources to construct critical stormwater infrastructure. As a publicly owned and managed utility, every dollar we receive from ratepayers is reinvested back into our infrastructure.

With any rate increase, we must consider affordability and provide our most vulnerable customers with the assistance they need. That's why we've redoubled – and will continue to expand on – our Customer Assistance Program efforts. This includes the 2021 establishment of PGH2O Cares, a group of education and outreach professionals dedicated to working directly with the public to bolster enrollment in our assistance programs.

The above-mentioned key achievements reflect only a small portion of last year's accomplishments. The following full **YEAR IN REVIEW** highlights much more of the work we're undertaking to support our transformation into a trusted community utility partner.

In **KEY ACCOMPLISHMENTS**, we further explain some priority programs and highlight additional efforts we're leading. From water main and lead service line replacements to sewer rehabilitation and more, the work we're performing shows our commitment to supporting our region through the delivery of safe and reliable water services.

We also summarize our **FINANCIAL HEALTH**, describing our current financial standing and projection for the coming years. Additionally, we highlight our success in securing state and federal funding to support our infrastructure investment.

We include **PERFORMANCE METRICS** that provide information about our daily operational performance. From the quantity and quality of our customer service calls, to the miles of pipes, catch basins, and hydrants we replace, our PWSA teams are going above and beyond to deliver the water services you expect.

Lastly, we highlight pertinent water, sewer, and stormwater **CAPITAL INVESTMENT** accomplishments. These critical projects highlight efforts to improve our infrastructure and manage stormwater in our neighborhoods.

We here at PWSA are proud to share our 2021 accomplishments and give you a preview for what to expect in the future. By making this information available, we continue to become a more transparent organization determined to rebuild public trust with everyone who depends on us for safe and reliable water. We know that takes time, but we're committed to this work, and will undertake every effort to ensure it becomes a reality.



Sincerely,

William J. Pickering

William J. Pickering
Chief Executive Officer



ENVIRONMENTAL COMPLIANCE AND ETHICS

All of us at the Pittsburgh Water and Sewer Authority have a shared responsibility to understand our regulatory requirements, behave ethically, and serve as steadfast stewards of our most precious natural resource – our water – for the communities we serve.

A key element of our ongoing transformation centers on a renewed focus on environmental compliance and ethics. We've made – and continue to make – great strides in this critical area, setting in motion what we're confident will be a lasting and sustained cultural shift that places these ideals front-of-mind in everything we do.

Our recently established Environmental Compliance Program is the cornerstone of this commitment to operating in accordance with the strict requirements of the law and in a manner consistent with high ethical and professional standards in the delivery of drinking water, wastewater, and stormwater services to our customers. This program is multifaceted, consisting of, for example, organization-wide policies around ethics, conduct, and training, and the development of an Environmental Compliance Manual.



Leading these efforts is **Frank Sidari**, PWSA's former Environmental Compliance Manager for Water Production and Supply at our Water Treatment Plant. Mr. Sidari is a board-certified engineer who has more than 20 years of experience in drinking water systems.

In November 2021, Mr. Sidari was promoted to the newly created role of Chief Environmental Compliance & Ethics Officer. In this role, he is responsible for the strategic and operational accountability and oversight of applicable environmental rules, regulations, permitting, and laws. He also serves as a resource for the entire staff on ethics and compliance issues.

A newly established Environmental Compliance group is responsible for the overall compliance, monitoring, and reporting associated with our wastewater, stormwater, chemical storage, air, and waste management regulations. They oversee risk assessments and internal environmental compliance audits, and coordinate oversight with PWSA's corporate and independent monitors.

We know that consistent communication and employee engagement around this topic will be key to our continued success. To best support our staff in their awareness of Authority policies and procedures, we conducted mandatory ethics and compliance training. In conjunction with Human Resources, we updated a variety of related policies, including our Code of Ethics and Code of Conduct. These updated policies and training have conveyed our expectations around environmental compliance and ethics for all employees and contractors. We also established a third-party whistleblower system whereby all employees can anonymously report known or possible compliance, ethics, or safety violations.



Our focus on environmental compliance and ethics is ongoing, and we have a variety of efforts planned for 2022 and beyond to ensure we continue the momentum we've been building. We're confident that we're equipped with the resources, dedicated leadership, and fortitude to forge a culture that prioritizes ethical behavior with a focus on regulatory compliance. This culture change will help to protect the environment and ensure we continue to provide high-quality drinking water to those we serve.

CULTURE OF DIVERSITY, EQUITY, AND INCLUSION

To drive a cultural foundation of diversity, equity, and inclusion, the Pittsburgh Water and Sewer Authority developed and implemented a Diversity, Equity, and Inclusion policy to build and maintain a diverse workforce and talent pipeline. To equip all employees with the tools to facilitate an inclusive environment, we provided diversity and inclusion training as well as anti-harassment training to foster a work environment where all employees are treated with dignity and respect.



As an agency that serves Pittsburgh, we are striving to create a workforce that represents the diversity of our communities and provides gainful employment opportunities to its residents. In 2021, we participated with the Pittsburgh Black Elected Officials Coalition by attending two of their recruitment events in person to expand awareness about employment opportunities.

We also released our **Water Equity Roadmap**, a report developed in partnership with the US Water Alliance and representatives from community-based organizations and academia. The roadmap outlines strategies to advance five critical water equity priorities, including workforce development in Pittsburgh. The taskforce continued its collaboration to identify effective strategies to build a more diverse workforce.

Additionally, our **Supplier Diversity Program** ensures that minority, women, veteran, and service-disabled veteran businesses can participate in contracting opportunities. By providing contracting opportunities for a diversity of businesses, we can help to bolster the economic vitality of our local business community and the Pittsburgh region.

In 2021, we conducted business with 76 Disadvantaged Business Enterprises (DBE), which resulted in 18% or \$31,294,999 of our Board-approved contracts being paid to DBE businesses. Specifically, 34.3% were awarded to women business enterprises, 30.6% to veteran business enterprises, 29.9% to minority business enterprises, and 5.2% to small business enterprises.



NEW RATE STRUCTURE

PROVIDES GREATER EQUITY, PRIORITIZES STORMWATER MANAGEMENT

On January 12, 2022, rate changes, including a new stormwater fee, went into effect. The new rates and the implementation of the **stormwater fee** reflect the ongoing renewal of our water and sewer infrastructure and will significantly change how we fund stormwater improvements.



These changes to our rates will generate \$21 million in additional revenue phased in over the next two years. In 2022, revenue will increase by \$17 million, and in 2023 it will increase by an additional \$4 million.



Historically, we have funded stormwater services from wastewater rates that are based on water usage. Having a stormwater fee based on the hard or impervious surfaces on a property ensures that all property owners in Pittsburgh contribute a share that is proportional to the amount of runoff generated by their property. Basing the fee on hard surfaces such as roofs, driveways, and parking lots is a more equitable way to charge for stormwater and ensures that all property owners pay their fair share.

With the construction of new stormwater infrastructure that incorporates green solutions, we have made continuous strides to improve stormwater management in Pittsburgh. This past year, by taking the initial steps to develop a **stormwater strategic plan**, we are looking to the future to determine how we can better prepare for climate change and prioritize additional projects where they are needed most.

With the stormwater fee in place, we can more adequately address the stormwater challenges we face and over time provide multiple benefits to decrease pollution in our rivers and streams, reduce flooding, and protect residents from basement backups.



ENHANCED CUSTOMER ASSISTANCE PROGRAMS

EXPANDED OUTREACH AND BENEFITS INCREASE PROGRAM ENROLLMENT

In 2021, we set a goal to expand awareness and increase enrollment in our Customer Assistance Programs. This past year, our newly launched **PGH2O Cares team** hit the ground running to reach those most in need of these essential programs. As a result of their relentless work, 5,217 customers were enrolled in our Bill Discount Program.

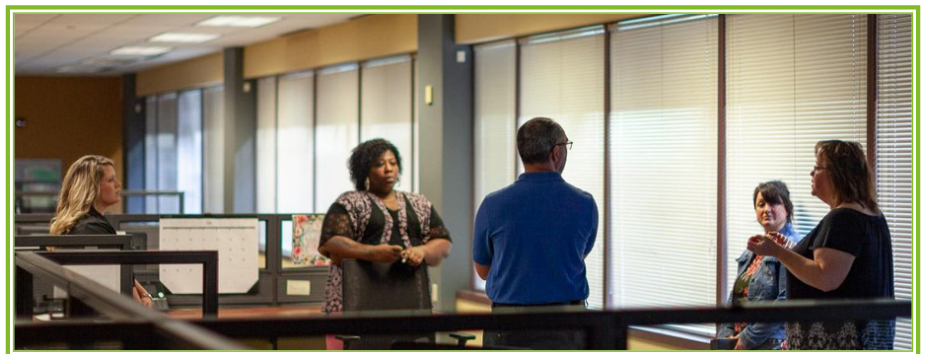
This increase of 21% from 2020 reflects the important nature of the outreach and engagement that is needed to encourage enrollment. There are still many more people who can benefit from these programs and the PGH2O Cares team will continue their important work to increase enrollment.

As part of our 2021 rate setting process, further enhancements were made to our **Customer Assistance Programs** to simplify the enrollment process and offer more discounts to more customers. The program enhancements went into effect on January 12, 2022.

The Bill Discount Program, first introduced in 2018, continues to be our most robust program. In addition to a 100% discount on the first 1,000 gallons of fixed water charges, customers enrolled in the program will automatically receive an 85% discount on the stormwater charge, while very low-income customers will receive an additional 50% discount on water usage charges. The monthly credit on past due balances doubled from \$15 to \$30 for on-time payments made by customers who are enrolled in the Bill Discount Program and on an active payment plan.

Additionally, sewage-only customers are now eligible for the Hardship Grant Program, all confirmed low-income customers are automatically enrolled in the Winter Shutoff Moratorium, and we continue to waive reconnection fees for all customers through 2022.

At the Pittsburgh Water and Sewer Authority, we firmly believe that no one should have to choose between paying their water bill and other essential expenses.





PERFORMANCE METRICS

CUSTOMER SERVICE



28 SECONDS

AVERAGE ANSWER SPEED

CALL HANDLING RATE

>98.3%
OF 134,332 CALLS



**5 MINUTES
2 SECONDS**

AVERAGE HANDLING TIME



ABANDONMENT RATE

1.5% OF TOTAL CALLS



HUMAN RESOURCES



77 POSITIONS FILLED

PUBLIC AFFAIRS



85 MEETINGS
HOSTED/ATTENDED

SOCIAL MEDIA REQUEST RESPONSE

NEARLY **100%** WITHIN
3 BUSINESS DAYS

SOCIAL MEDIA & NEWSLETTER

13,276
SUBSCRIBERS



MANAGEMENT INFORMATION SYSTEMS



AVERAGE NETWORK AND SYSTEM UPTIME

CRITICAL TECHNOLOGY INFRASTRUCTURE

99.9% OF THE TIME

4,245

SUPPORT
REQUESTS
RECEIVED

ENGINEERING



WATER

- ◆ **9.1 MILES** OF WATER MAIN REPLACED
- ◆ **620** PUBLIC-SIDE LEAD SERVICE LINES REPLACED
- ◆ **514** PRIVATE-SIDE LEAD SERVICE LINES REPLACED
- ◆ **145** HYDRANTS REPLACED
- ◆ **656** VALVES REPLACED



SEWER

- ◆ **1.9 MILES** OF SEWER RECONSTRUCTED
- ◆ **9 MILES** OF SEWER LINED
- ◆ **797** STORM DRAINS REPLACED



OPERATIONS



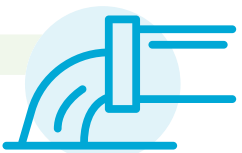
WATER

- ◆ **6,972** WATER METERS REPAIRED/REPLACED
- ◆ **2,557** HYDRANTS FLUSHED AND INSPECTED
- ◆ **5,318** VALVES INSPECTED



SEWER

- ◆ **7,751 TONS** OF DEBRIS REMOVED
FROM STORMS DRAINS
- ◆ **18,047** SEWER MAINS INSPECTED



WATER TREATMENT PLANT & LAB

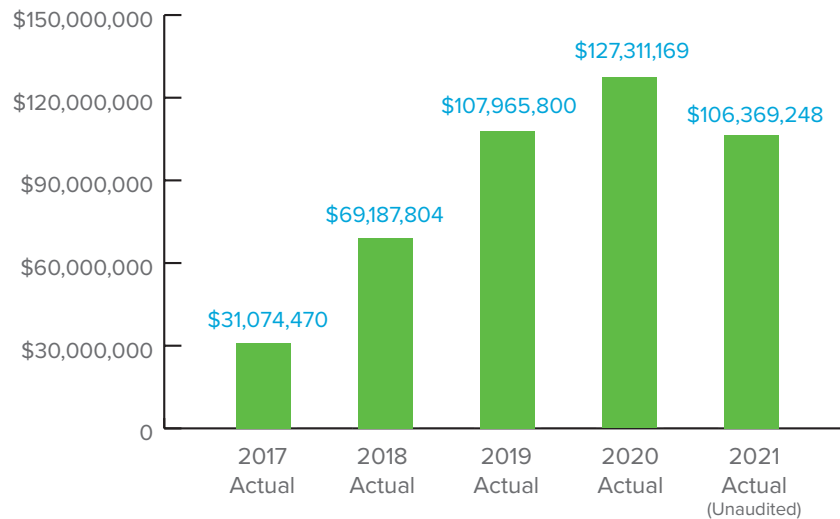
66 MILLION GALLONS

DAILY AVERAGE OF FINISHED WATER PRODUCED





ANNUAL CAPITAL SPENDING 2017-2021



THE PITTSBURGH WATER AND SEWER AUTHORITY MAINTAINS A STRONG FINANCIAL OUTLOOK

Our cash balance is at its highest level in at least the last decade and, for the third consecutive year, capital spending has exceeded \$100,000,000. To ensure maximum financial flexibility, we continue to boost our reserve funding that in the long-term will help to reduce costs and create a more sustainable financial future for the Pittsburgh Water and Sewer Authority.

Our historic capital investment will significantly shape the water future of Pittsburgh for years to come. We are well poised to implement our ambitious 2022 – 2026 \$1.4 billion **Capital Improvement Plan**, which includes large, generational projects to rehabilitate critical components of our water pumping and distribution systems and funds our lead service line replacement, sewer rehabilitation, and stormwater improvements.

We also maintained our investment-grade bond rating of A3, as ranked by Moody’s Investor Services, and an A with a stable outlook by S&P Global Ratings. The investment-grade rating results in lower interest rates that will, over time, save money for PWSA and its ratepayers. PWSA will continue to improve upon this rating in 2022.

In 2021, we received \$124,650,424 in local, state, and federal funding awards of which \$24,398,769 are grants that do not have to be repaid. This funding is estimated to save ratepayers \$118,413,114. We look to build off this success with funding awards from PENNVEST and EPA’s WIFIA program in the amount of \$313,867,227, which will be used for the replacement of the Clearwell. PWSA will be notified in late 2022 or 2023 if that funding has been awarded.

CAPITAL INVESTMENT



The Pittsburgh Water and Sewer Authority continues to responsibly invest large sums of funding into critical water, sewer, and stormwater infrastructure improvements. **In 2021, our total capital investment amounted to \$106,396,248.** Projects benefiting from this investment include water main and lead service line replacements, sewer rehabilitation and reconstruction, storm drain replacement, and stormwater management projects.



WATER AND SEWER SYSTEM IMPROVEMENTS BY THE NUMBERS:

WATER

- 9.1 miles of water main replaced
- 620 public-side lead service lines replaced
- 514 private-side lead service lines replaced

SEWER

- 1.9 miles of sewer reconstructed
- 9 miles of sewer rehabilitated
- 797 storm drains replaced

Our strategy for longer-term capital investment is detailed in our **2022 – 2026 Capital Improvement Plan (CIP)**, which was approved on September 24, 2021. Most notably, this CIP showcases how we are budgeting for the projects that define our **Water Reliability Plan**, Pittsburgh’s blueprint for high-quality infrastructure. This series of once-in-a-generation projects will renew key components of our water production and distribution systems, culminating with the complete restoration of the Clearwell, a large, century-old water storage facility. Together, these projects will strengthen our water system, add needed redundancy, and ensure an uninterrupted supply of quality water.





TECHNOLOGY UPGRADES

While the Pittsburgh Water and Sewer Authority is making historic investments in water infrastructure, we are also investing in the technology infrastructure that is needed to modernize internal business operations and provide a better digital experience for our customers. In 2021, several technology improvements, including the launch of a new electronic billing and payment portal, the deployment of a digital document management system, expansion of internal and external applications for using ArcGIS, and a new online permitting system were made.



These projects are only a start. Currently in development is a new state-of-the-art **Customer Information System (CIS)**. This project, which we anticipate completing in 2022, is an important step in our evolution to offer modern self-service options for customers and streamline routine processes that will enhance staff efficiencies and day-to-day operations.

EXPANDED COMMUNITY PARTNERSHIPS



From the Allegheny Overlook to the Schenley Grand Prix and a BikePGH event in Mellon Park, we supplied water to numerous community events throughout Pittsburgh. These sponsorships reflect one of the many ways we are becoming a better community partner.



AWARDS & RECOGNITIONS



THE PITTSBURGH WATER AND SEWER AUTHORITY WAS THE RECIPIENT OF SEVERAL AWARDS AND RECOGNITIONS IN 2021

Water Environment Federation

 **Utility of the Future Today**

Western Pennsylvania Water Pollution Control Association (WPWPCA)

 **Alfred Bologna Water Control Achievement Award –**

Laboratory Manager, Linda Leopold

 **Engineer's Service Award –**

Senior Project Manager, Rob Herring

Government Technology

 **Special Districts 2021 Technology Innovation Award –**

Customer Service Managers Tishla Jones, Tracy Willy, Brittany Schacht, Sharon Gottschalk, and Crystal Thurston

NRG Energy, Inc.

 **Excellence in Energy Award in the Sustainability Category –**

Sustainability Manager, James Stitt



2021 PWSA BOARD

Alex Sciulli

Chair

Erika Strassburger

Vice-Chair

Jim Turner

Secretary & Treasurer

Michael Domach

Assistant Secretary & Treasurer

Dr. Audrey Murrell

Board Member

BJ Leber

Board Member

Rosamaria Cristello

Board Member

Mark Anthony Thomas

Board Member

Margaret (Peg) McCormick Barron

Board Member

EXECUTIVE LEADERSHIP

Will Pickering

Chief Executive Officer

Jennifer Presutti

Chief Operating Officer &
Chief Financial Officer

Frank Sidari

Chief Environmental Compliance
& Ethics Officer

Logan Carmichael

Chief People & Culture Officer

Lee Haller

Chief Information & Performance Officer





MISSION:

To support our region by protecting public health and the environment through the delivery of safe and reliable water services with a commitment to future generations.

VISION:

To transform Pittsburgh's water system while being recognized by our customers as a trusted service provider and a steadfast steward of a vital public asset.

CORE VALUES:

Stewardship

As a public utility, we are responsible for serving as mindful stewards of our water system and continuing to provide essential and dependable water services now and for generations to come.

Ethics & Integrity

We act ethically and with integrity in all instances, both as individuals and as an organization. This means modeling honesty, transparency, and professionalism in everything we do.

Accountability

We are all held accountable, both individually in our everyday roles and as one organization. Only by doing what we promised can we rebuild trust with the community.

Safety

We ensure a safe working environment for employees, the safety of our infrastructure assets, and the safety of the millions of gallons of water delivered to customers every day.

Equity

We strive to deliver quality and affordable water services to every community in our service area, and to create a workplace that reflects the diversity of those communities.

