

February 6, 2017

Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Dear Pennsylvania Utilities Commission:

The Mayor of Pittsburgh's Blue Ribbon Panel on Restructuring the Pittsburgh Water and Sewer Authority (PWSA) fully supports the Tentative Implementation Order of the Pennsylvania Public Utility Commission's planned oversight of PWSA.

In recognition of the severe challenges faced by PWSA, City of Pittsburgh Mayor William Peduto named a Blue Ribbon Panel in March 2017 to advise the city on a possible restructuring of the Authority. The panel of government, nonprofit, academic and business leaders was tasked with studying ways to improve and optimize Pittsburgh's publicly-owned water and sewer asset.

In December 28, 2017, the "Report of the Mayor's Blue Ribbon on Restructuring the Pittsburgh Water and Sewer Authority" was issued and presented to local leadership and community. The report notes that PWSA is struggling to overcome the burden of its past poor management and, consequently, has lost the trust of the public that it serves. Our water system's non-compliance with limits on lead in drinking water, multiple boil water advisories, several water main breaks and widespread errors in billing, have brought unprecedented public attention to PWSA. Collectively, these system failures and deficiencies have created a sense of crisis. It is for this reason that the Blue Ribbon Panel supports PUC's plan to begin oversight of PWSA on April 1.

The Blue Ribbon Panel is currently advocating for changes in PWSA governance in an effort to make it independent of politics. The Blue Ribbon Panel believes strongly that if this change does not occur, it will result in continued underinvestment in much-needed infrastructure improvements. This, in turn, would place the public's health at an elevated risk, and place Pittsburgh's future development in jeopardy.

While PWSA has made significant improvements during the last several months, through the efforts of new interim leadership, the momentum of change and improvements must be maintained and remaining deficiencies in operation should receive urgent attention. It will be in the best interests of PWSA customers – as well as the City of Pittsburgh, at large – for the PUC to require PWSA to submit a plan by September 28, 2018, outlining initiatives to bring its billing and operating systems into compliance with PUC regulations. As you may be aware, the PWSA Board of Directors recently enacted a Customer Assistance Program; we urge the PUC to support this.

In addition, the Blue Ribbon Panel stated in its report that PWSA must fix its system by pursuing an infrastructure repair and replacement program – and implementation of its badly-needed capital improvement plan. The Blue Ribbon Panel is pleased to see that the PUC will require PWSA to outline a plan that will “accelerate the replacement of aging infrastructure and how repair, improvement or replacement will remain safe and reliable services.”

There is no question that PWSA must continue to pursue aggressively its transformation into a high-functioning, customer-oriented organization and commit to a plan to repair and replace the existing water supply infrastructure. The Blue Ribbon Panel believes that the PUC’s oversight plan will help in that effort and will hold PWSA to at least the same standards of safety and quality as a public utility.

Sincerely,

Mayor’s Blue Ribbon Panel
Pittsburgh, Pennsylvania

-Fred Brown, President and CEO, The Forbes Funds
-Jared Cohon, President Emeritus and University Professor of Civil and Environmental Engineering & Engineering and Public Policy, Carnegie Mellon University
-Michelle Naccarati-Chapkis, Executive Director, Women for a Healthy Environment
-Mark Stulga, Vice President, Commercial and Industrial Lending, WesBanco Bank
-Alex Thomson, President and Chair of the Business Law Practice Group, Houston Harbaugh, P.C.

Note: We are including the full, 18-page “Report of the Mayor’s Blue Ribbon Panel – Restructuring the Pittsburgh Water and Sewer Authority” as part of our filing; it can also be downloaded at <https://pwsablueribbon.org>