



2023 Implementation Plan
The Pittsburgh Water & Sewer Authority

2023 Operations and Management Audit Report
PA PUC Bureau of Audits

Contents

- Introduction 3
- Chapter III – Executive Management and Organizational Structure..... 4
- Chapter IV – Corporate Governance 6
- Chapter V – Financial Management 7
- Chapter VI – Operations 10
- Chapter VII – Emergency Preparedness 14
- Chapter VIII – Purchasing and Materials Management..... 16
- Chapter IX – Customer Service..... 18
- Chapter X – Information Technology 19
- Chapter XI – Fleet Management 21
- Chapter XII – Human Resources and Diversity..... 22

Introduction

The Pittsburgh Water & Sewer Authority (PWSA) is pleased to present the Implementation Plan in response to the 2023 PUC Management and Operations Audit Report. The following document provides the Bureau of Audits' recommendations and the PWSA's response to those recommendations including the actions to be taken, the responsible party, and the timeline for implementation.

The PWSA provides sewer conveyance, and stormwater services to the entire City of Pittsburgh. In addition, PWSA provides drinking water services to most of the City of Pittsburgh as well as the Borough of Millvale, and the wholesale customers of Reserve Township, Aspinwall Borough, and Fox Chapel Water Authority.

The PWSA's mission is 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. The PWSA's vision is 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. The PWSA supports both the mission and vision of the organization by upholding the following 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. Right now, we're making decisions that will impact Pittsburgh for the next 100 years.
- **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.

The PWSA recognizes the importance of this audit as a benefit to the organization and to the customers we serve.

Chapter III – Executive Management and Organizational Structure

III – 1 Complete phase two of the Strategic Planning Initiative which includes the development of a five-year strategic plan and annual action plan.

RESPONSE: Accept

ACTION: PWSA completed work on phase 2 of the strategic plan in Q3 of 2022 and implemented a web-based project management tool for executive team members and other responsible parties to track progress of specific items included in the annual action plans.

RESPONSIBLE PARTY: Chief Information and Performance Officer

EXPECTED COMPLETION DATE: Complete

III – 2 Analyze and revise the signing authority levels for the PWSA’s leadership and executive teams.

RESPONSE: Accept

ACTION: The PWSA has implemented this recommendation. The Chief Executive Officer is now authorized by the Board of Directors to approve all purchases up to \$1 million.

RESPONSIBLE PARTY: Board of Directors

EXPECTED COMPLETION DATE: Complete

III – 3 Designate an owner to develop and provide oversight of a centralized guiding document repository who can initiate and maintain control over the PWSA’s guiding documents.

RESPONSE: Accept

ACTION: The PWSA will ensure that all guiding documents are placed on the company’s internal website that is available to all employees. Each business unit will link their guiding documents and review annually.

RESPONSIBLE PARTY: Directors of each business unit

EXPECTED COMPLETION DATE: Fourth Quarter 2023

III – 4 Petition the City and ALCOSAN to renegotiate the ALCOSAN billing servicing agreement with the PWSA to include equitable criteria for handling the uncollectible portion of the PWSA’s billings that are on behalf of ALCOSAN. If negotiations are unsuccessful, consider legal action to require ALCOSAN to bill customers directly.

RESPONSE: Accept, in part

ACTION: The PWSA accepts that the current agreement is inequitable. However, the agreement currently in place is clear as to the responsibilities of each entity. The PWSA is open to engaging the City of Pittsburgh to encourage renegotiate of the agreement as it relates to billing.

RESPONSIBLE PARTY: Chief Executive Officer

EXPECTED COMPLETION DATE: Fourth Quarter 2023

III – 5 Separate the combined COO&CFO role into two separately dedicated roles and realign departmental reporting to ensure each function is receiving appropriate executive level oversight.

RESPONSE: Accept, in part

ACTION: The PWSA agrees that this position is unique. However, this position is supported by two strong directors and senior managers. The PWSA will consider revising the existing organizational structure to streamline oversight.

RESPONSIBLE PARTY: Chief Executive Officer

EXPECTED COMPLETION DATE: Fourth Quarter 2024

Chapter IV – Corporate Governance

IV – 1 Form a PWSA Board Audit Committee and implement most of the NYSE’s Corporate Governance Rules and the SEC’s Final Rules for Audit Committees.

RESPONSE: Accept, in part

ACTION: The PWSA Board of Director’s Executive Committee currently acts as PWSA’s audit committee. NYSE’s Corporate Governance Rules and the SEC’s Final Rules of Audit Committees will be reviewed with applicable rules implemented as necessary.

RESPONSIBLE PARTY: Chief Executive Officer

EXPECTED COMPLETION DATE: First Quarter 2024

IV – 2 Develop charters and activate all proposed board committees.

RESPONSE: Accept

ACTION: The PWSA will complete and activate proposed Board committees and their associated charters. Board committees will be continually evaluated by the Board Chair and may be modified from time to time to ensure effectiveness and engagement from its members.

RESPONSIBLE PARTY: Chief Executive Officer

EXPECTED COMPLETION DATE: Fourth Quarter 2024

IV – 3 Hire an experienced internal auditor and develop an internal audit function.

RESPONSE: Accept, in part

ACTION: The PWSA will evaluate its current internal control structure, which includes the current contract with an external auditor, and will decide whether to implement an internal audit function.

RESPONSIBLE PARTY: Director of Finance

EXPECTED COMPLETION DATE: Third Quarter 2024

Chapter V – Financial Management

V – 1 Payoff and/or refinance higher interest variable and fixed rate debt with proceeds from grants and more favorably priced loans.

RESPONSE: Accept, in part

ACTION: PENNVEST has confirmed that they cannot legally refinance existing PWSA debt. PWSA periodically reviews all debt refinancing opportunities to maximize savings for ratepayers.

RESPONSIBLE PARTY: Director of Finance

EXPECTED COMPLETION DATE: Completed, Ongoing

V – 2 Develop and implement controls to verify the accuracy of all invoices for purchased services.

RESPONSE: Accept

ACTION: PWSA will review its current controls to ensure that the accuracy of all invoices for purchased services is being verified. Enhancements will be made as necessary.

RESPONSIBLE PARTY: Director of Finance

EXPECTED COMPLETION DATE: Second Quarter 2023

V – 3 Invoice ALCOSAN for actual billing service costs incurred, as have been determined by the third-party consultant study, and work toward charging the higher of cost or market for these services through contract renegotiations.

RESPONSE: Accept

ACTION: PWSA will initiate these discussions with ALCOSAN with the goal of recovering costs as soon as possible.

RESPONSIBLE PARTY: Director of Finance

EXPECTED COMPLETION DATE: Second Quarter 2023

V – 4 Adequately staff the financial function and maintain separation of duties.

RESPONSE: Accept, in part

ACTION: Separation of duties exists within the Finance Department and is considered when adding additional positions and roles. However, PWSA will continually review the internal structure to ensure adequate separation of duties is maintained.

RESPONSIBLE PARTY: Director of Finance

EXPECTED COMPLETION DATE: Fourth Quarter 2023

V – 5 Follow 52 Pa. Code § 56.331 when initiating the service termination process to balance sufficient customer notification with timely collection of past due customer billings further streamlined by enabling the automation process available to the PWSA through its customer information system.

RESPONSE: Accept

ACTION: The automated Collections process in SAP was launched on 2/6/23, issuing notices in accordance with the regulations that were at first 100 in number per week and are now 200 per week. Once winter moratorium closes on 3/31/23, notices will be issued to all accounts with outstanding charges, up to and including termination of service and/or lien filing notices to collect unpaid charges for previously provided PWSA services.

RESPONSIBLE PARTY: Director of Customer Service

EXPECTED COMPLETION DATE: Second Quarter 2023

V – 6 Develop and mature the capital and O&M budgeting process including maintaining formal documentation as well as full analysis of material budget variances.

RESPONSE: Accept

ACTION: This is complete as of the 2022 capital and operating budgeting cycles. However, enhancements will continue to be made as budgeting software will be implemented in 2023.

RESPONSIBLE PARTY: Director of Finance

EXPECTED COMPLETION DATE: Completed

V – 7 Revise borrowing and debt management guiding documents to include the appropriate PUC filing requirements.

RESPONSE: Accept.

ACTION: This is now complete. PWSA has updated all policies and guiding documents to include the PUC filing requirements, where appropriate.

RESPONSIBLE PARTY: Director of Finance

EXPECTED COMPLETION DATE: Completed

Chapter VI – Operations

VI – 1 Identify the most practical option to rehabilitate the east and west raw water intake gates at the WTP and expedite the project as is feasibly possible to ensure no disruptions in water service to the PWSA’s customer base.

RESPONSE: Accept

ACTION: A Feasibility Study to address the rehabilitation/replacement of the east and west raw water intakes was completed in February 2020. Based on this plan, the PWSA will begin design on the rehabilitation/replacement of the West Gate in Q3 2023 with an estimated design timeframe of two years and a construction timeframe of two years with a construction completion date in 2028. The design timeframe could be extended due to permitting requirements with the U.S. Army Corps of Engineers, the United States Coast Guard, and the Pennsylvania Fish and Boat Commission. Similarly, the east intake design will commence in Q3 2024 with a similar schedule, with a construction completion date in 2030. Only one intake can be out of service at one time.

RESPONSIBLE PARTY: Director of Engineering and Construction

EXPECTED COMPLETION DATE: Anticipated schedule above

VI – 2 Expedite the installation of new flow meters at strategic locations and/or rehabilitate existing flow meters as needed to gain basic insight into areas contributing to excessive water loss that require replacement to maximize treated water retention.

RESPONSE: Accept

ACTION: As noted in our Compliance Plan quarterly updates, PWSA has operable flow meters in the following locations:

- Aspinwall Pump Station (Serving the Lanpher Super System)
- Bruecken Pump Station Rising Mains 3 and 4 (Serving the Highland 2 Super System)
- Microfiltration Plan (Serving the Highland 1 Super System)
- Lincoln Pump Station

The remainder of the pump station flow meters will be replaced. To replace the remaining flow meters, site piping needs to be reconfigured in order to provide sufficient straight runs of pipe to ensure accuracy of the flow meters. The pump station flow meters will be replaced as part of rehabilitation of each of the pump stations. The current CIP has the following schedule:

Pump Station	Design Start	Design End	Construction Start	Construction End
Herron Hill Pump Station Improvements	2023	2025	2025	2027
Herron Hill Tank Pump Station Improvements	2024	2026	2026	2028
Howard Pump Station Improvements	2025	2027	2027	2029
Inline Pump Station (Coral and Pacific) Improvements	2024	2025	2026	2027
Lincoln Pump Station Improvements	2023	2025	2026	2028
Mission Pump Station Improvements	2025	2027	2027	2029
Saline Pump Station Improvements	2026	2028	2028	2030

In addition, flow meters will be installed at the discharge of the following tanks:

Tank/Reservoir
Highland 2 Reservoir
Lanpher Reservoir
Herron Hill Reservoir
Lincoln Tank
McNaugher Tank
Brashear Tank
Allentown Tanks

Finally, as regulator stations (pressure regulated interconnects between pressure districts) are rehabilitated, flow meters will be installed to monitor flow between pressure districts.

RESPONSIBLE PARTY: Director of Engineering and Construction

EXPECTED COMPLETION DATE: Anticipated schedule above

VI – 3 Develop and implement a formal valve exercising program which includes identifying all critical valves in the system to ensure these valves are prioritized during the valve exercising routine cycle.

RESPONSE: Accept

ACTION: PWSA has developed and implemented a valve exercising program where all valves are inspected and exercised on a 5-year cycle (approximately 5,200 valves a year). We started our 3rd year of this cycle in January 2023. We have currently identified our critical valves, which meet one of the 2 classifications below. We will incorporate these critical valves into our valve program and inspect and exercise them on a 3-year cycle.

Critical Valve Criteria

- Isolation valve with a diameter of 18” or larger
- Isolation valve that would be closed to isolate a critical water service customer per PWSA’s critical customer list

RESPONSIBLE PARTY: Director of Operations

EXPECTED COMPLETION DATE: Fourth Quarter 2024

VI – 4 Develop and implement a damage prevention program by creating a damage prevention manual to define procedures to track damage and enforce consequences against those who have caused damage to the system.

RESPONSE: Accept

ACTION: PWSA currently tracks any damage to our facilities as well as if we damage any other facilities in our SPRY mobile program. Once an order is created, a Manager of Operations investigates the damage and completes an Alleged Violation Report in the PUC Damage Prevention portal. If another vendor hit our facility, an invoice for the repairs is created and issued to that contractor.

We are creating a flow diagram for this process to be distributed to staff.

RESPONSIBLE PARTY: Director of Operations

EXPECTED COMPLETION DATE: Fourth Quarter 2023

VI – 5 Establish the practice of tracking and monitoring ST and OT hours, by department, and specifically by work type and by individual, to ensure OT levels indicate sufficient staffing levels are being maintained. Once detailed OT data has been tracked effectively, perform a detailed workforce planning study to better understand staffing and contractor needs.

RESPONSE: Accept

ACTION: PWSA currently tracks ST and OT hours by department. Human Resources will create a query and provide a report for these hours at the employee level. PWSA will review these on a quarterly basis to better evaluate needed staffing levels.

RESPONSIBLE PARTY: Senior Manager, Human Resources/Director of Operations

EXPECTED COMPLETION DATE: Fourth Quarter 2023

VI – 6 Perform a study of workforce aging to identify and appropriately prepare for impending vacancies in operations staff.

RESPONSE: Accept

ACTION: Human Resources will actively hire a new staff member who can supplement current needs while taking ownership of an organizational workforce aging project.

RESPONSIBLE PARTY: Chief People and Culture Officer

EXPECTED COMPLETION DATE: Third Quarter 2024

VI – 7 Digitally track, report, and monitor callout acceptance to ensure contract terms are being enforced and that OT usage is appropriate.

RESPONSE: Accept, in part

ACTION: PWSA agrees that OT monitoring can be improved; PWSA currently tracks overtime opportunities in a written book to ensure that opportunities are shared equally according to the various collective bargaining agreements, and conversations have taken place with the union to improve the tracking and monitoring process. PWSA is currently operating within union contractual terms for OT processes. PWSA accepts in part because to change to a digital format will require additional discussions and/or negotiations with the union, and the outcome cannot be guaranteed as digital process

RESPONSIBLE PARTY: Director of Operations, Chief People and Culture Officer

EXPECTED COMPLETION DATE: Ongoing due to union contracts

Chapter VII – Emergency Preparedness

VII – 1 Determine alarm system requirements at all company-maintained buildings and install the necessary equipment.

RESPONSE: Accept

ACTION: PWSA successfully applied and was approved for PENNVEST funding in 2022 for security and resiliency improvements in the amount of \$9,978,156.00. The Safety & Security Department has allocated a portion of this funding to assess, design and install fire alarm systems at nine facilities, including all pump stations and facilities where employees report daily. The Invitation for Bid (IFB) is currently 80% drafted and PWSA expects to meet the timeline submitted to PENNVEST:

- 5/15/23 – Release Invitation for Bid
- 7/21/23 – Board of Directors Meeting – Award Contract
- 9/21/23 – Settlement with PENNVEST
- 9/25/23 – Construction Start Date

RESPONSIBLE PARTY: Senior Manager, Safety and Security

EXPECTED COMPLETION DATE: Third Quarter 2024

VII – 2 Complete and implement a comprehensive CSP and maintain its efficacy through annual review and testing.

RESPONSE: Accept

ACTION: PWSA's IT and OT departments will work to complete a CSP that meets the 52 Pa. Code § 101.3(a)2 requirements

RESPONSIBLE PARTY: Director of MIS/Deputy Director, Water Production

EXPECTED COMPLETION DATE: Fourth Quarter 2023

VII – 3 Explore the option of adding security monitoring devices, including cloud monitoring and infrared capable cameras, at all the PWSA’s critical assets.

RESPONSE: Accept

ACTION: PWSA successfully applied and was approved for PENNVEST funding in 2022 for security and resiliency improvements in the amount of \$9,978,156.00. The Safety & Security Department has allocated a portion of this funding to install surveillance, access control and intrusion detection systems at all PWSA facilities. The Safety & Security Department is currently obtaining quotes and drafting a Request for Proposal (RFP). PWSA expects to meet the timeline submitted to PENNVEST.

- 5/15/23 – Release Invitation for Bid
- 7/21/23 – Board of Directors Meeting – Award Contract
- 9/21/23 – Settlement with PENNVEST
- 9/25/23 – Construction Start Date

RESPONSIBLE PARTY: Senior Manager, Safety and Security

EXPECTED COMPLETION DATE: Third Quarter 2023

Chapter VIII – Purchasing and Materials Management

VIII – 1 Develop and establish a formal, direct hierarchy between the procurement and materials management business units as determined by best practices and the company’s needs; adjust the company’s organizational structure as necessary.

RESPONSE: Accept

ACTION: The PWSA will review the existing organizational structure to streamline oversight of the Procurement and Materials Management Business Units. PWSA will ensure procurement strategies are aligned with organizational goals and enable procurement to proactively identify and capitalize on opportunities that improve operational and financial outcomes. PWSA understands that the strategic value of procurement is realized when an organization shifts its focus from reactive, transactional purchases to proactive, value-based procurement actions.

RESPONSIBLE PARTY: Chief Operating and Financial Officer

EXPECTED COMPLETION DATE: Second Quarter 2024

VIII – 2 Develop and implement inventory control mechanisms based on formalized materials management procedures to track inventory more accurately and efficiently.

RESPONSE: Accept

ACTION: The PWSA implemented SAP in August and has hired a new Inventory Specialist for our Brilliant Yard. These changes will give PWSA better control of our inventory. The PWSA will implement SAP’s MRP Material Requirement Planning program that will automatically create PO’s for needed material based on preset minimum and maximum levels.

RESPONSIBLE PARTY: Senior Manager, Warehouse

EXPECTED COMPLETION DATE: Fourth Quarter 2023

VIII – 3 Establish appropriate EOP and EOQ based on relevant controlling factors to support an appropriate material turnover rate.

RESPONSE: Accept

ACTION: SAP will allow PWSA to review our inventory turnover rates and will create minimum and maximum levels for inventory controls. This ensures materials are available when needed.

RESPONSIBLE PARTY: Senior Manager, Warehouse

EXPECTED COMPLETION DATE: First Quarter 2024

VIII – 4 Identify and create an emergency stock list and develop and implement procedures to routinely review and update the list to maintain its relevance.

RESPONSE: Accept

ACTION: PWSA maintains an emergency stock list made up of materials required to make emergency repairs and will review annually.

RESPONSIBLE PARTY: Senior Manager, Warehouse

EXPECTED COMPLETION DATE: Complete

Chapter IX – Customer Service

IX – 1 Continue to participate in litigation proceedings and follow the subsequent Final Order to direct processes to work toward full compliance with Chapter 14 of the Pennsylvania Public Utility Code and Chapter 56 of the Commission’s regulations.

RESPONSE: Accept

ACTION: Compliance Plan Stage 2 was settled as of 3/14/22, and the Commission issued an Order on 7/14/22, approving without modification. Customer Service delivered draft customer-facing notices and internal trainings to the parties, the parties met multiple times, and PWSA incorporated feedback received from the Bureau of Consumer Services, Pittsburgh United, and the Office of Consumer Advocate. Final versions were delivered to the parties on 3/4/23. Parties have until 3/15/23 to provide any last tweaks. All processes will be in full compliance within Q2 2023.

RESPONSIBLE PARTY: Director of Customer Service

EXPECTED COMPLETION DATE: Second Quarter 2023

IX – 2 Begin tracking arrearages by customer type and by amounts being pursued through liens, segregating those resulting from pass-through billings of ALCOSAN, to maintain better control. Furthermore, once litigation over collection practices with the PUC is finalized, implement aggressive collection efforts to reduce arrearages.

RESPONSE: Accept

ACTION: PWSA supplied requirements to its SAP vendor to prepare a change request to create an Aging Report enhancement that segregates the unpaid ALCOSAN charges and provides details by account of any liens filed. PWSA Collections management have already enabled the automated collections process in SAP effective 2/6/23, and 200 notices/terminations are being issued each week. PWSA is also planning to draft and issue an RFP in Q3 2023 to partner with a collection agency.

RESPONSIBLE PARTY: Director of Customer Service

EXPECTED COMPLETION DATE: Second Quarter 2023

Chapter X – Information Technology

X – 1 Modernize IT architecture and processes to increase the PWSA’s cyber maturity rating.

RESPONSE: Accept

ACTION: PWSA is using a new technology advisory service, and no longer have access to the proprietary tool that was previously used to determine our rating, therefore PWSA will not be able to complete a second assessment to compare scores with the original. However, PWSA will complete a similar diagnostic with our new IT advisory vendor in 2023. Additionally, PWSA has access to the assessments made available by the Department of Homeland Security’s CISA division; conducted a Cyber Resilience Review (CRR) in 2019, and are in the process of conducting a second CRR. As a result, PWSA will be able to compare the results from the two CRR’s to measure our progress.

RESPONSIBLE PARTY: Director of MIS

EXPECTED COMPLETION DATE: Fourth Quarter 2023

X – 2 Enforce participation in a formalized cyber awareness training program which includes refresher training on IT policies, cyber security awareness, and remediation as necessary.

RESPONSE: Accept

ACTION: PWSA will incorporate required cybersecurity training into the mandatory yearly policy review process which will include IT policies. This same training will also be required for all new hires as they are onboarded.

RESPONSIBLE PARTY: Director of MIS

EXPECTED COMPLETION DATE: Fourth Quarter 2023

X – 3 Dedicate the necessary resources to ensure the RISE project is completed in a timely manner.

RESPONSE: Accept

ACTION: The initial phase of the RISE project has officially been completed. PWSA is now in post-go live support, ensuring that all business processes are running smoothly with the new system, and allocating appropriate resources to make any modifications or customizations as needed.

RESPONSIBLE PARTY: Chief Information and Performance Officer

EXPECTED COMPLETION DATE: Completed

X – 4 Conduct a social engineering audit of the PWSA’s employees’ cyber awareness.

RESPONSE: Accept

ACTION: The PWSA is currently on the Department of Homeland Security waitlist for a penetration test that includes social engineering. The expectation is that this will be in progress or completed within 18 months, but DHS has experienced a high volume of requests and is unable to determine a specific date for the test.

RESPONSIBLE PARTY: Director of MIS

EXPECTED COMPLETION DATE: Fourth Quarter 2024

Chapter XI – Fleet Management

XI – 1 Replace all vehicles which have exceeded the lifecycle limit and maintain the fleet within routinely reviewed and updated lifecycle standards going forward.

RESPONSE: Accept

ACTION: PWSA plans to replace all vehicles beyond the lifecycle limit by 2025. However, this is dependent on the supply chain/materials market and future PUC approved rate increases.

RESPONSIBLE PARTY: Director of Finance/Fleet Manager

EXPECTED COMPLETION DATE: Fourth Quarter 2025

XI – 2 Implement Geotab and develop appropriate monitoring and reporting procedures to maximize investment value.

RESPONSE: Accept

ACTION: This was complete in 2022. PWSA will continue to enhance reporting procedures, as necessary.

RESPONSIBLE PARTY: Director of Finance/Fleet Manager

EXPECTED COMPLETION DATE: Complete

Chapter XII – Human Resources and Diversity

XII – 1 Develop a formal, documented succession plan which covers the chief, director, and deputy director positions, at a minimum, to be extended to include the middle management layers as is reasonably feasible.

RESPONSE: Accept

ACTION: PWSA has implemented a formal performance management program, which will include succession planning. In March 2023, the PWSA distributed to staff the Performance Elements and Competencies that all non-union employees will be rated on for an annual evaluation which will take place at the end of 2023. PWSA is also implementing a performance management system which will house all elements of our performance management program: self-reflection, annual appraisal, individual development, goal setting, succession planning, and merit-based compensation. Once the annual appraisals are complete in 2023, PWSA will incorporate individual and departmental goal setting in 2024. After annual performance reviews and goal setting are accomplished and trained, PWSA will implement succession planning formally through our Performance Management System in 2025. It is expected that a potential outcome of XII – 2 will include an informal succession planning aspect while reviewing single points of failure.

RESPONSIBLE PARTY: Chief People and Culture Officer

EXPECTED COMPLETION DATE: Fourth Quarter 2025

XII – 2 Perform a human resource single point of failure analysis to determine what positions need immediate support and then develop a plan to cross-train and/or hire staff to ensure ample coverage is available for all pivotal work tasks.

RESPONSE: Accept

ACTION: Human Resources will actively hire a new staff member who can supplement current needs while taking ownership of an organizational single point of failure analysis. New Hire will be selected and onboarded within 9 months, project kickoff within 3 months following, and draft report of findings to be issued within 9 months following project kickoff. Draft report expected by December 2024.

RESPONSIBLE PARTY: Chief People and Culture Officer

EXPECTED COMPLETION DATE: Fourth Quarter 2024

XII – 3 Strengthen the underlying safety culture through continuous reinforcement messaging and consistent enforcement of safety policies and procedures. Set challenging yet attainable safety targets at industry average performance levels or higher and continuously perform root cause analysis of safety incidents to gain awareness of safety practices in need of support through procedure enhancement and/or additional training.

RESPONSE: Accept

ACTION: PWSA will continue to implement a strategic plan that includes initiatives to improve safety culture with a top-to-bottom approach of consistent messaging and training. Safety goals are established on an annual basis and will be based on meeting or exceeding industry incident rates as well as other leading indicators. PWSA will continue to utilize and improve the newly created Safety Incentive Program to drive employee participation in organizational safety, reporting of incidents and near misses, safety inspections and management performance metrics. PWSA also intends to implement a more robust Job Safety Analysis program to improve situational awareness and preparedness at work sites.

RESPONSIBLE PARTY: Senior Manager, Safety and Security

EXPECTED COMPLETION DATE: Third Quarter 2023

XII – 4 Develop procedures to digitally retain accurate fleet vehicle driver records so that GPS monitoring device data can be used to effectively monitor vehicle driving behaviors for use in safety programs.

RESPONSE: Accept

ACTION: PWSA will utilize the Geotab system to monitor for driving behaviors such as speeding, excessive speeding, harsh braking, and seatbelt use. Monthly reports will be developed and sent to PWSA Department Management that provide ratings for individual vehicle performance. Weekly reports for speeding will be provided to Department Management by the Fleet Manager. The Safety Incentive Plan will include metrics to incentivize both individual employees as well as facilities that perform well on a monthly basis. A training program will be implemented to provide personalized “check-rides” for individuals who show poor performance.

RESPONSIBLE PARTY: Senior Manager, Safety and Security

EXPECTED COMPLETION DATE: Second Quarter 2023