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July 29, 2025

Via eFiling

Matthew L. Homsher Secretary
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

Re: Securities Certificate of **The Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water** with respect to the incurrence of indebtedness in an amount up to \$24,000,000 under a Bank Loan Agreement, with a term not-to-exceed twenty-five years.
Docket No. S-2025-

Dear Secretary Homsher:

On behalf of **The Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water**, enclosed please find a request to register the above-described Securities Certificate. The filing fee of \$350.00 is being made by ePay.

By this letter, Pittsburgh Water voluntarily extends the consideration period in the above referenced matter to Friday, September 26, 2025 — so as to allow consideration at the public meeting currently scheduled for Thursday, September 25, 2025.

If you have any questions regarding this filing, please contact me at your convenience.

Sincerely,



Carl R. Shultz

CRS/jls

Enclosure

cc: Marc Hoffer (via email only)

**Before the
Pennsylvania Public Utility Commission**

In re: Securities Certificate of : **Securities Certificate**
The Pittsburgh Water and Sewer Authority :
d/b/a Pittsburgh Water with respect to the : Docket No. S-2025-_____
incurance of indebtedness in an amount up :
to \$24,000,000 under a Bank Loan :
Agreement, with a term not-to-exceed :
twenty-five years. :

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

Pursuant to Chapter 19 of the Public Utility Code (as amended), The Pittsburgh Water and Sewer Authority (d/b/a Pittsburgh Water) hereby requests that this Honorable Commission register this Securities Certificate, and in support thereof states as follows:

1. For purposes of this matter the name and mailing address of the “public utility”¹ filing this Securities Certificate are:

The Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water
1200 Penn Avenue
Pittsburgh, PA 15222

2. The name and address of the Authority’s attorney are:

Carl R. Shultz, Esquire
Bryce R. Beard, Esquire
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
Harrisburg, PA 17101
717.237.6000
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bbeard@eckertseamans.com

¹ Chapter 32 was added to the Public Utility Code by Act 65 of 2017. Chapter 32 provides, *inter alia*, that unless otherwise provided in Chapter 32, the provisions of the Public Utility Code, except Chapters 11 (relating to certificates of public convenience) and 21 (relating to relations with affiliated interests), shall apply to the Authority in the same manner as a public utility. 66 Pa.C.S. § 3202(a)(1). Chapter 32 of the Public Utility Code, 66 Pa.C.S. §§ 3201 to 3209, does not exempt the Authority from compliance with the requirements of Chapter 19 of the Public Utility Code addressing securities and obligations. *See Implementation of Chapter 32 of the Public Utility Code; RE: Pittsburgh Water And Sewer Authority*, Docket Nos. M-2018-2640802 and M-2018-2640803, Tentative Implementation Order entered January 18, 2018, at p. 29.

3. The brief corporate history of the Authority is:

The Authority is a body politic and corporate, organized and existing under the Pennsylvania Municipalities Authorities Act.² The Authority was established by the City of Pittsburgh (“City”) in 1984. It originally functioned as a financing authority. Since 1995, Pittsburgh Water has functioned as an operating authority. As an operating authority, Pittsburgh Water assumed responsibility from the City for management, operation, maintenance, and improvement of virtually the entire City water supply, distribution, and wastewater collection systems.³ In 2009, the Authority acquired the water system of the Borough of Millvale.

Pittsburgh Water provides water, wastewater conveyance, and stormwater services to more than 520,000 customers throughout the City and surrounding areas. Pittsburgh Water is the largest combined water, sewer and stormwater authority in Pennsylvania producing an average of 66 million gallons of water daily. In addition, Pittsburgh Water provides bulk water sales to Reserve Township, Fox Chapel Borough, and Aspinwall Borough, along with being interconnected to several other regional water systems for emergency purposes. The sewer collection system is primarily a combined collection system that serves the entire City. It also serves as a conveyance system for portions of flows from 24 neighboring municipal communities. The wastewater collected by Pittsburgh Water’s system is conveyed to the Allegheny County Sanitary Authority (ALCOSAN) for treatment.

4. Control of the Authority:

The Authority is an independent agency of the Commonwealth.⁴ Although the City has a role in the creation (and continued existence) of the Authority, including the appointment of the members of the Authority’s Board,⁵ the Authority is not a part of the City

² 53 Pa.C.S. § 5601, *et seq.*

³ PWSA also has a robust stormwater and green infrastructure program comprised of engineers, project managers, and consultants managing several active green infrastructure projects throughout the City.

⁴ *Commonwealth v. Erie Metropolitan Transit Auth.*, 281 A.2d 882 (Pa. 1971) (“[t]his Court has consistently held that municipal authorities are not the creatures, agents, or representatives of the municipalities which organize them, but rather are ‘independent agencies of the Commonwealth, and part of its sovereignty,’” *quoting Whitmarsh Twp. Auth. v. Elwert*, 196 A.2d 843 (Pa. 1964)); *Simon Appeal*, 184 A.2d 695 (Pa. 1962) (*citing Commonwealth ex rel. McCreary v. Major*, 22 A.2d 686 (Pa. 1941), it was held that a member of a board of a municipal authority created under the act of 1935 was a public official by reason of the fact that such entity is an independent agency of the Commonwealth and part of the sovereignty of the state); *Rhoads v. Lancaster Parking Auth.*, 520 A.2d 122, 126 (Pa. 1987) (“Municipal authorities are independent corporate agents of the Commonwealth, which exercise governmental, as well as private corporate power, in assisting the Commonwealth in meeting the needs of its citizens”); *Bristol Twp. Water Auth. v. Lower Bucks County Joint Mun. Auth.*, 567 A.2d 1110 1113, (Pa. Cmwlth. 1989) (“[h]owever, as noted above, an authority which has been incorporated under the Act becomes an independent Commonwealth agency not subject to the control of the incorporating township”); *White Rock Sewage Corp. v. Pa. Pub. Util. Comm’n.*, 578 A.2d 984, 987 (Pa. Cmwlth. 1990) (“[m]unicipal authorities are not creatures, agents, or representatives of municipalities, which organize them, but rather are independent agencies of the Commonwealth and a part of its sovereignty” *quoting Highland Sewer & Water Auth. v. Engelbach*, 220 A.2d 390 (Pa. Super. 1966); *Lehigh-Northampton Airport Auth. v. Lehigh County Bd. of Assessment Appeals*, 889 A.2d 1168, 1176 (Pa. 2005) (the “fundamental nature” of a municipal authority is that of “a corporate agency of the state, and not a child of a municipality”).

⁵ *See* 53 Pa.C.S. § 5610.

itself. The Authority is a separate legal entity with power to incur debt, own property and finance its activities.⁶ It is not the agent or representative of the City.

5. Pittsburgh Water is seeking to purchase a new administrative headquarters building prior to the current administrative headquarters lease expiring in 2027. The cost of the new administrative office is estimated to be \$25,000,000. The current administrative location, which has been occupied since 2007, no longer meets the needs of Pittsburgh Water's growing workforce. The new administrative headquarters has enough space to house all of Pittsburgh Water's administrative employees with the potential to sublease a portion of the space to other tenants.

The Authority is filing this securities certificate in order to enter into a Bank Loan Agreement to finance a portion of the costs associated with purchasing a new administrative office. The amount of the bank loan will not exceed \$24,000,000 and may be issued on both a tax-exempt and taxable basis. The remaining \$1,000,000 is an eligible capital expense that will be paid for using Pittsburgh Water's capital line of credit.

Pittsburgh Water feels that purchasing a new administrative headquarters is more financially responsible than leasing when considering the current commercial real estate environment, larger building, newer amenities, and location. In addition, leasing requires a monthly payment for the length of the lease agreement whereas purchasing this new administrative headquarters will provide savings to customers once the bank loan is paid off.

Pittsburgh Water desires to close on the new administrative headquarters building by the fall of 2025 and plans to vacate the current headquarters location prior to the end of the lease in 2027.

The material terms of the **Bank Loan Agreement** are as follows:

(a) TITLE OF SECURITY:

Bank Loan Agreement

(b) AGGREGATE PRINCIPAL AMOUNT TO BE ISSUED:

Aggregate outstanding principal amount not to exceed \$24,000,000 and may be issued on both a tax-exempt and taxable basis.

(c) EXPECTED DATE OF ISSUE:

On (or about) October 13, 2025.⁷

⁶ See, e.g., 53 Pa.C.S. § 5607(a), 5607(d)(12).

⁷ This is an expected date of issuance. Dates herein are based upon this expected date of issue. If the actual date of issuance varies (earlier or later) from the expected date of issuance, the dates herein will change accordingly. However, it should be noted that the term of this issuance will remain the same.

(d) DATE OF MATURITY:

No later than December 31, 2050.

(e) INTEREST RATE AND PAYMENT DATES:

The interest rate on the loan will be paid quarterly or semi-annually with the tax-exempt rate not exceeding 5.50% and taxable rate not exceeding 7.00%.

(f) EXTENT TO WHICH TAXES ON SECURITIES ARE ASSUMED BY ISSUER:

None.

(g) CALLABILITY AND CONVERSION PROVISIONS:

The bank loan will include either a make whole or par call option no later than October 2030.

(h) MAINTENANCE AND DEPRECIATION PROVISIONS:

The Bank Loan Agreement will require the Authority to maintain the system in good repair, working order, and condition.

(i) SINKING OR OTHER FUND PROVISIONS:

The issuance may contain sinking or other provisions.

(j) INDENTURE:

The Authority designates this Facility as Subordinate Debt based on the Senior Indenture and as Secondary Subordinate Debt as defined in the Subordinate Indenture.

(k) NAME AND ADDRESS OF TRUSTEE:⁸

The Bank of New York Mellon Trust Company, N.A.
500 Ross Street 12th Floor
Pittsburgh, PA 15262

⁸ The Trustee is **not** affiliated with the Authority.

The following are the expenses which the Authority estimates it will incur in issuing the Bank Loan Agreement:

Description	Amount
Legal Fees	\$100,000
Financial Advisor Fees	\$40,000
Miscellaneous Costs	\$20,000
Total Estimated Expenses:	\$160,000

6. As explained in Paragraph 5 above, the purpose for which the Authority proposes to issue the Bank Loan Agreement is to finance a portion of a new administrative headquarters office building. There is no unusual condition in the Authority's current assets and current liabilities.

7. No registration statement, application or declaration has been filed or will be filed with the Securities and Exchange Commission with respect to the Authority's Bonds herein proposed to be issued because none is required.

8. The following exhibits are appended hereto and made part hereof:

Exhibit A ⁹ **Balance Sheet**

Exhibit B ⁹ **Income Statement**

Exhibit C **Statement with Respect to Utility Plant Accounts**

Exhibit D **[Not Applicable]**

Exhibit E **Statement showing the Status of Long-Term Debt Outstanding**

⁹ Pittsburgh Water is requesting a waiver of time period in Commission's regulations to the extent that Pittsburgh Water's audited balance sheet and income statement are not within the time period in the Commission's regulations. The attached are the most recent audited balance sheet and income statement of Pittsburgh Water. Pittsburgh Water operates on a fiscal year (FY) basis with years running (operating) from January through December. Pittsburgh Water's audited balance sheet and income statement are shown on an accrual basis. Pittsburgh Water only creates audited balance sheets or income statements on an annual basis. The most recent audited balance sheet and income statement are for 2024. Audited documents are not created quarterly. Pittsburgh Water unaudited balance sheet and income statement exist on a cash-basis and are provided to the Commission on a quarterly basis. Pittsburgh Water is not (at this time) filing a separate petition for waiver of the time periods in 52 Pa.Code § 3.601(c)(9). If a separate waiver petition/request is necessary, please let us know and Pittsburgh Water will file an additional petition/request.

Exhibit F	[Not Applicable]
Exhibit G	[Not Applicable]
Exhibit H	[Not Applicable]
Exhibit I	Board Resolutions
Exhibit J	Proposed Security not Selected Yet
Exhibit K	Pro Forma Entries
Exhibit L	Verification of Edward J. Barca

WHEREFORE, The Pittsburgh Water and Sewer Authority prays your Honorable Commission to register this Securities Certificate pursuant to Chapter 19 of the Public Utility Code (as amended) **on or before the last public meeting to be held in September, currently scheduled for September 25, 2025.**

Respectfully submitted,

/s/ Carl R. Shultz

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Counsel for
The Pittsburgh Water and Sewer Authority

PITTSBURGH WATER
STATEMENTS OF NET POSITION
(Dollars expressed in thousands)
DECEMBER 31, 2024 AND 2023

Assets	<u>2024</u>	<u>2023</u>
Current assets:		
Cash and cash equivalents	\$ 80,119	\$ 67,966
Accounts receivable, net:		
Water:		
Billed	17,610	16,235
Unbilled	12,474	9,950
Total water	<u>30,084</u>	<u>26,185</u>
Wastewater treatment:		
Billed	4,040	3,325
Unbilled	5,325	4,144
Total wastewater treatment	<u>9,365</u>	<u>7,469</u>
Other receivables	7,825	8,683
Total accounts receivable, net	<u>47,274</u>	<u>42,337</u>
Prepaid expenses	3,298	2,080
Inventory	3,667	2,702
Total current assets	<u>134,358</u>	<u>115,085</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	22,388	20,393
Investments	10,145	10,266
Total restricted assets	<u>32,533</u>	<u>30,659</u>
Hedging derivative - interest rate swap	18,025	12,896
Capital assets, not being depreciated	296,367	244,278
Capital assets, net of accumulated depreciation/amortization	1,044,694	961,742
Total noncurrent assets	<u>1,391,619</u>	<u>1,249,575</u>
Total Assets	<u>1,525,977</u>	<u>1,364,660</u>
Deferred Outflows of Resources		
Deferred charge on refunding	58,064	63,130
Total Deferred Outflows of Resources	<u>58,064</u>	<u>63,130</u>

(Continued)

The notes to financial statements are an integral part of this statement.

PITTSBURGH WATER

STATEMENTS OF NET POSITION

(Dollars expressed in thousands)

DECEMBER 31, 2024 AND 2023

(Continued)

	2024	2023
Liabilities		
Current liabilities:		
Bonds, loans, and leases/subscriptions payable	48,719	43,924
Accrued payroll and related obligations	1,065	1,024
Accounts payable wastewater treatment	25,088	22,418
Accounts payable and other accrued expenses	29,349	24,794
Accrued interest payable from restricted assets	13,707	13,977
Total current liabilities	117,928	106,137
Noncurrent liabilities:		
Unearned revenue	121	121
Accrued payroll and related obligations	193	274
Bonds, loans, and leases/subscriptions payable, net	1,325,520	1,224,625
Total noncurrent liabilities	1,325,834	1,225,020
Total Liabilities	1,443,762	1,331,157
Deferred Inflows of Resources		
Accumulated increase in fair value of hedging derivatives	18,025	12,896
Net Position		
Net investment in capital assets	75,822	50,040
Restricted	22,027	20,924
Unrestricted	24,405	12,773
Total Net Position	\$ 122,254	\$ 83,737

(Concluded)

The notes to financial statements are an integral part of this statement.

PITTSBURGH WATER

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

(Dollars expressed in thousands)

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Operating Revenues:		
Residential, commercial, and industrial sales	\$ 244,201	\$ 207,487
Wastewater treatment	95,582	87,791
Other	4,204	3,438
Total operating revenues	<u>343,987</u>	<u>298,716</u>
Operating Expenses:		
Direct operating expenses	113,106	116,056
Wastewater treatment	96,745	90,060
Reimbursement for City of Pittsburgh indirect services	3,191	4,073
Expense of water provided by other entities	171	164
Depreciation and amortization	35,172	33,096
Total operating expenses	<u>248,385</u>	<u>243,449</u>
Operating Income	<u>95,602</u>	<u>55,267</u>
Non-operating Revenues (Expenses):		
Federal and private grants	12,486	11,901
Interest revenue	2,229	1,890
Interest and amortization	(46,604)	(43,210)
Bond issuance costs	-	(1,917)
Total non-operating revenues (expenses)	<u>(31,889)</u>	<u>(31,336)</u>
Net Income before Capital Contribution and Special Item	<u>63,713</u>	<u>23,931</u>
Capital Contribution:		
Donated property	<u>2,959</u>	<u>3,168</u>
Special Item:		
Private lead line replacement, net	<u>(28,155)</u>	<u>(7,894)</u>
Net Income (Loss)	<u>38,517</u>	<u>19,205</u>
Net Position:		
Beginning of year	<u>83,737</u>	<u>64,532</u>
End of year	<u>\$ 122,254</u>	<u>\$ 83,737</u>

The notes to financial statements are an integral part of this statement.

Pittsburgh Water
Utility Plant in Service Net of Accumulated Depreciation
As of December 31, 2024

Cost Center	Sum of Acquisition Value	Sum of Accumulated Depreciation	Sum of Book Value
Chief Executive Office - CC100	\$ 932,245	\$ (420,055)	\$ 512,190
Customer Service - CC101	377,407	(301,345)	76,062
Technology Services - CC102	11,801,520	(5,427,368)	6,374,152
Finance - CC103	2,400,320	(321,438)	2,078,882
Legal - CC105	11,940	(3,554)	8,386
Safety & Security - CC106	111,168	(10,921)	100,246
Warehouse - CC107	3,714,543	(2,495,164)	1,219,380
Engineering & Construction - CC109	1,596,838	(1,029,464)	567,375
Environmental Compliance - CC110	26,675	(7,939)	18,736
Laboratory - CC200	685,375	(400,718)	284,657
Water Treatment Plant - CC201	188,485,546	(59,118,380)	129,367,166
Water Operations - CC202	688,003,855	(188,456,409)	499,547,446
Wastewater Operations - CC300	542,442,350	(177,616,540)	364,825,810
Stormwater - CC400	35,118,391	(800,661)	34,317,730
Grand Total	\$ 1,475,708,174	\$ (436,409,955)	\$ 1,039,298,219

Pittsburgh Water Debt Summary**Outstanding Bonds and Loans Payable (\$000's)**

As of July 1, 2025



	A	B	C	D	E	F	G	H
Senior Lien								
Series Name	Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding	Coupon Rate / Bank Index	Fixed Rate Swap (Paid)	Variable Swap Rate (Received)	Net Rate
Series B of 1998 ¹	Mar-1998	9/1/2030	\$ 36,440	\$ 79,852	5.18%	N/A	N/A	N/A
Series 2017A	Dec-2017	9/1/2032	159,795	69,195	3.00%-5.00%	N/A	N/A	N/A
Series 2017C-1 (JPM Swap) ²	Dec-2017	9/1/2039	72,748	72,748	70% SOFR + .80%	3.7835%	70% SOFR + .8014%	3.7826%
Series 2017C-3 (JPM Swap) ²	Dec-2017	9/1/2040	71,225	71,225	70% SOFR + .80%	3.8255%	70% SOFR + .8014%	3.8246%
Series 2017C-4 (Unhedged) ³	Dec-2017	9/1/2035	2,085	2,085	70% SOFR + .80%	N/A	N/A	3.5000%
Series 2019A	July-2019	9/1/2044	109,855	97,140	5.00%	N/A	N/A	N/A
Series 2020B	Dec-2020	9/1/2050	91,520	87,235	3.00%-5.00%	N/A	N/A	N/A
Series 2022A	Nov-2022	9/1/2052	44,550	44,550	5.00%-5.50%	N/A	N/A	N/A
Series 2023A	July-2023	9/1/2053	106,075	105,240	4.250-5.00%	N/A	N/A	N/A
Series 2023B	July-2023	9/1/2040	144,530	137,480	5.00%	N/A	N/A	N/A
Series 2025A	Jan-2025	9/1/2055	129,220	129,220	5.00%-5.25%	N/A	N/A	N/A
Total Senior				\$ 895,970				
Subordinate Lien								
Series Name	Date of Issue	Final Maturity	Issue Size	Outstanding Principal	Coupon Rate / Bank Index	Fixed Rate Swap (Paid)	Variable Swap Rate (Received)	Net Rate
WIFIA ID-No. 20140PA	May-2023	9/1/2060	52,476	20,057	3.98%	N/A	N/A	N/A
Series 2019B	July-2019	9/1/2035	104,290	104,290	4.00%-5.00%	N/A	N/A	N/A
Series 2025B	Jan-2025	9/1/2043	12,825	12,825	5.00%	N/A	N/A	N/A
Total Subordinate				\$ 137,172				
Third Lien								
Series Name	Date of Issue	Final Maturity	Issue Size	Outstanding Principal	Coupon Rate / Bank Index	Fixed Rate Swap (Paid)	Variable Swap Rate (Received)	Net Rate
Pennvest Loans	Various	12/1/2057	622,634	260,733	1.00% - 2.97%	N/A	N/A	N/A
PNC Capital Line of Credit	June-2025	6/23/2028	150,000	15,000				
Total Third				\$ 275,733				

¹ Capital Appreciation Bond with the accreted value as of 7/1/2025.² Represents the portion of the Series C of 2017 which is connected to certain swap agreements.³ Net rate is assumed of 3.50% for the purposes of this summary.

**THE PITTSBURGH WATER AND SEWER AUTHORITY
RESOLUTION NO. 68 OF 2025**

**AUTHORIZING CERTAIN OFFICERS AND OFFICIALS TO TAKE ACTION WITH
RESPECT TO THE INCURRENCE OF INDEBTEDNESS TO FINANCE THE
ACQUISITION OF PROPERTY TO SERVE AS A NEW HEADQUARTERS LOCATION**

WHEREAS, The Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water (the “Authority”) is a body corporate and politic duly created and existing under the Pennsylvania Municipality Authorities Act, 53 Pa.C.S. §5601 *et seq.*; and

WHEREAS, the Authority has three levels of indebtedness secured by net revenues of the Authority:

- (a) First lien senior debt (“First Lien Debt”) in the outstanding principal amount of \$895,868,000 issued under an Amended and Restated Trust Indenture dated as November 1, 2017, and effective on December 28, 2017, between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the “Trustee”), as amended and supplemented by supplemental indentures; and
- (b) Second lien subordinate debt (“Second Lien Debt”) in the outstanding estimated principal amount of \$137,172,000 issued under a Subordinate Trust Indenture dated as of July 15, 1995, as amended and supplemented by the 2019-1 Supplemental Subordinate Indenture dated as of July 1, 2019, each between the Authority and the Trustee, as successor trustee, as amended and supplemented by supplemental indentures; and
- (c) Third lien subordinate debt (“Third Lien Debt”) consisting of various loans from the Pennsylvania Infrastructure Investment Authority (“PennVest”) in the outstanding principal amount of approximately \$257,997,000 and a capital line of credit revenue note, Series of 2025 in favor of PNC Bank, N.A. (“PNC”) in the maximum principal amount of \$150,000,000; and

WHEREAS, the Authority, PNC, PennVest and The Bank of New York Mellon Trust Company, N.A., as collateral trustee entered into an Intercreditor Agreement dated June 20, 2025 in connection with the Third Lien Debt (the “Intercreditor Agreement”); and

WHEREAS, the Authority is considering purchasing certain property located at 3011 Smallman Street, Pittsburgh, PA 15201, known as The Crucible (the “Property”), and in connection therewith may make certain improvements to the Property necessary for it to serve as the Authority’s new headquarters location (the “Project”); and

WHEREAS, the Authority desires to approve the incurrence of new, tax-exempt or federally taxable, fixed rate debt (the “2025 Headquarters Debt”), in the form of a loan from a financial institution to be evidenced by one or more promissory notes (collectively, the “2025 Headquarters Note”), and the proceeds of which will be applied to pay a portion of the costs of the Project; and

WHEREAS, the 2025 Headquarters Debt to be evidenced by the 2025 Headquarters Note may be secured using any of the following security structures: (i) as nonrecourse debt, i.e., debt not secured by the net revenues of the Authority (“Nonrecourse Debt”), but secured solely by a purchase-money mortgage on the Property; (ii) as Third Lien Debt on a parity with other Third Lien Debt of the Authority, but subordinate to First Lien Debt and Second Lien Debt of the Authority; or (iii) as new, fourth lien subordinate debt (“Fourth Lien Debt”), subordinate to First Lien Debt, Second Lien Debt and Third Lien Debt of the Authority; and

WHEREAS, in connection with the financing described above and the 2025 Headquarters Debt, the Authority may enter into loan agreements, credit agreements, continuing covenant agreements, promissory notes or similar and related documents (collectively, the “Loan Documents”); and

WHEREAS, in connection with the financing described above and the 2025 Headquarters Debt, the Authority may enter into security agreements, mortgages, or similar and related documents (collectively, the “Security Documents”); and

WHEREAS, in connection with the financing described above and the 2025 Headquarters Debt, the Authority may enter into an amendment to the Intercreditor Agreement or may enter into a new intercreditor agreement (the “Intercreditor Documents”); and

WHEREAS, in connection with the financing described above and the 2025 Headquarters Debt, the Authority may execute and deliver a federal tax certificate and other tax-related documents (the “Tax Documents”); and

WHEREAS, in connection with the financing described above and the 2025 Headquarters Debt, the Authority may enter into other documents related to the 2025 Headquarters Debt (the “Related Documents”) in order to effectuate the financing (the 2025 Headquarters Note, the Loan Documents, the Security Documents, the Intercreditor Documents, the Tax Documents and the Related Documents, and all other documents related to such documents, are referred to herein as the “Financing Documents”); and

WHEREAS, the Authority has issued a Request for Proposals for the purchase of the 2025 Headquarters Note, evidencing the 2025 Headquarters Debt; and

WHEREAS, the Authority desires to authorize and direct any of its Authority Authorized Officers (as hereafter defined) to negotiate and accept a term sheet from one of the responding financial institutions for the purchase of the 2025 Headquarters Note, evidencing the 2025 Headquarters Debt (the “Term Sheet”); and

WHEREAS, the Authority desires to approve the financing of the Project, the Term Sheet, the entering into of the Financing Documents, the incurrence of the 2025 Headquarters Debt, the issuance of the 2025 Headquarters Note, and related matters; and

WHEREAS, in connection with the approvals and actions authorized hereunder, each of the following officers is an “Authority Authorized Officer”: the Chairperson, the Vice Chairperson, the Chief Executive Officer, the Chief Financial Officer, the Director of Finance, and the Deputy Director of Finance.

NOW, THEREFORE, The Pittsburgh Water and Sewer Authority hereby resolves as follows:

1. Approval of Project. The Authority approves the Project. Any Authority Authorized Officer is authorized to approve the incurrence of the 2025 Headquarters Debt, within the parameters set forth in Section 2 of this Resolution, with respect to the Project.

2. Approval of 2025 Headquarters Debt. In order to fund the Project, the Authority approves the issuance of the 2025 Headquarters Note in an aggregate principal amount not to exceed \$29,000,000, with maximum rates of interest not to exceed 8% per annum (tax-exempt) and 10% per annum (federally taxable), with a final maturity date not later than December 1, 2055, and secured as Nonrecourse Debt, Third Lien Debt, or Fourth Lien Debt. Any Authority Authorized Officer is hereby authorized to negotiate and accept the Term Sheet, to approve the final principal amount, interest rates, maturity dates, security structure and other details of the 2025 Headquarters Debt, all within the foregoing parameters.

3. Execution of Documents. Any Authority Authorized Officer, upon the advice of Eckert Seamans Cherin & Mellott, LLC, as Bond Counsel to the Authority, and Clark Hill PLC, as Authority Counsel, and in consultation with Public Resources Advisory Group, the Authority's municipal advisor, is hereby authorized to execute any and all certificates, forms, instruments and documents necessary to implement the provisions of this Resolution, including, but not limited to the Financing Documents, all in such form as approved by Authority Counsel and Bond Counsel and the Authority Authorized Officer executing the same, with such changes therein as the Authority Authorized Officer executing the same may approve, his or her approval to be conclusively evidenced by his or her execution thereof. The Secretary or Assistant Secretary of the Authority, if required, is hereby authorized to affix the seal of the Authority to any such Financing Documents and to attest the same when so executed. Said Authority Authorized Officers or any of them are hereby authorized and directed to deliver the Financing Documents to the parties thereto.

4. No Liability. No covenant, stipulation, obligation or agreement contained in this Resolution, the Financing Documents, or other related and appropriate documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Authority in his or her individual capacity and neither the members, directors, officers, agents or employees of the Authority nor any officer executing the Financing Documents shall be liable personally on the Financing Documents or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

5. Filing with the Pennsylvania Public Utility Commission. Any Authority Authorized Officer is hereby authorized to execute and file with the Pennsylvania Public Utility Commission any required securities certificate with respect to the 2025 Headquarters Debt and any required Financing Documents and related matters and to execute such amendments and take such further action as is necessary or appropriate to secure the registration of such securities certificate.

6. Payment of Costs. Any Authority Authorized Officer is hereby authorized and directed to approve all costs, if any, relating to the implementation of the provisions of this Resolution and to pay such costs from available moneys of the Authority or proceeds of the 2025 Headquarters Debt.

7. Authorizing Incidental Actions; Ratification. Any Authority Authorized Officer is hereby authorized, directed and empowered on behalf of the Authority to do or cause to be done any and all acts and things and execute and deliver all documents necessary or appropriate for the carrying out of the provisions of this Resolution. All actions taken by any officers to date relative to the accomplishment of the purposes contemplated herein are hereby ratified.

8. Invalid Provisions. In the event any provision, section, sentence, clause or part of this Resolution is determined by a court of competent jurisdiction to be invalid and unenforceable, such determination shall not affect the validity or effect of the remaining provisions hereof.

9. Rescinding Inconsistent Resolutions. All resolutions or parts of resolutions inconsistent herewith, be and the same hereby are rescinded, canceled and annulled.

10. Effective Date. This Resolution shall be immediately effective upon adoption.

I, the undersigned officer of The Pittsburgh Water and Sewer Authority, DO HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution duly adopted by the Board of the Authority at a public meeting of the Authority held the 25th day of July, 2025, after notice thereof had been duly given as required by law, at which meeting a quorum was present and voting and is now in full force and effect on the date of this certification.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Authority this 25th day of July, 2025.

**DULY ADOPTED AT A REGULAR
MEETING OF THE PITTSBURGH
WATER AND SEWER AUTHORITY
HELD ON JULY 25, 2025.**

BJ Leber

Secretary

Proposed Security not Selected Yet

Pittsburgh Water

Statement Showing, in Journal Entry Form, All Charges and Credits
to be Made on the Books of Account to Give Effect to
the Proposed issuance not in Excess of
\$24,000,000 Aggregate Principal Amount of Debt Securities

Account

Journal Entry 1

2805 Capital Long Term Debt Payable
2800 Bond - Long Term Debt Payable

To issue a bank loan with the proceeds used to finance a portion of a new headquarters
office building

VERIFICATION

I, Edward J. Barca, am the Director of Finance for The Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water, and I hereby state that the facts set forth in the foregoing **Responses** are true and correct to the best of my knowledge, information and belief and that I expect the Authority to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to sworn falsification to authorities).



Edward J. Barca, Director of Finance
Pittsburgh Water

**Pittsburgh Water
2025 Bank Loan**

Request: TUS-1 Previous registration balances. Provide docket numbers, initial registration amount, issuances by type, amount and date and current remaining balance. Plans for these balances vis-à-vis the current registration.

Response:

Docket No.	Initial Registration Amount	Issuance Amount/Balance	Issue Date
S-2018-3003524	\$150,000,000	\$62,500,000	October 1, 2018
S-2019-3007162	\$35,441,231	\$35,441,231	March 7, 2019
S-2019-3008797	\$305,000,000	\$214,145,000	May 9, 2019
S-2020-3019059	\$65,220,000	\$65,220,000	March 12, 2020
S-2020-3019507	\$300,000,000	\$150,000,000	May 21, 2020
S-2020-3022170	\$531,000,000	\$311,215,000	December 1, 2020
S-2021-3024057	\$7,750,000	\$6,088,428	May 5, 2021
S-2021-3028238	\$23,970,000	\$16,158,784	February 10, 2022
S-2021-3025592	\$35,573,550	\$30,423,822	March 10, 2022
S-2021-3029726	\$1,830,833	\$1,830,833	March 10, 2022
S-2021-3029722	\$28,282,000	\$28,282,000	April 6, 2022
S-2021-3029725	\$7,995,000	\$7,995,000	April 6, 2022
S-2022-3034057	\$209,005,329	\$209,005,329	December 6, 2022
S-2022-3032192	\$280,000,000	\$52,475,722	May 31, 2023
S-2022-3032187	\$150,000,000	\$150,000,000	June 28, 2022
S-2022-3034813	\$110,000,000	-	-
S-2022-3034614	\$125,000,000	\$44,550,000	November 17, 2022
S-2022-3036874	\$1,349,427	-	-
S-2022-3036875	\$75,529,516	\$60,432,559	July 20, 2023
S-2022-3036876	\$9,978,156	\$9,978,156	March 7, 2024
S-2022-3036877	\$46,054,410	\$46,054,410	April 13, 2023
S-2023-3038462	\$3,707,279	\$2,918,874	July 6, 2023
S-2023-3039817	\$260,000,000	\$218,805,001	July 3, 2023
S-2023-3039894	\$110,000,000	\$106,075,000	July 3, 2023
S-2023-3039890	\$100,000,000	\$81,902,891	July 3, 2023
S-2023-3041861	\$4,599,382	-	-
S-2023-3044106	\$14,605,000	\$2,906,924	February 21, 2024
S-2023-3044112	\$3,160,825	\$496,978	July 16, 2024
S-2023-3044113	\$34,159,707	\$29,995,713	July 16, 2024

**Pittsburgh Water
2025 Bank Loan**

S-2024-3049914	\$18,278,381	\$18,278,381	July 30, 2024
S-2024-3051512	\$150,000,000	\$129,220,000	January 25, 2025
S-2024-3051513	\$25,000,000	\$12,825,000	January 25, 2025
S-2025-3053151	\$150,000,000	\$150,000,000	June 20, 2025
S-2025-3053864	\$59,136,000	\$59,136,000	April 16, 2025
S-2025-3053935	\$62,672,221	\$62,672,221	May 20, 2025
S-2025-3053937	\$1,715,938	\$1,715,938	May 20, 2025
S-2025-3053958	\$12,962,589	\$12,962,589	TBD
S-2025-3056228	\$228,000,000	\$228,000,000	TBD

Response

Provided by: Edward J. Barca, Director of Finance, Pittsburgh Water

Dated: July 29, 2025

**Pittsburgh Water
2025 Bank Loan**

Request: TUS-I-2 What effect will this issuance have upon the capital structure of the utility.
Show calculations.

Response:

The Authority proposes to issue a bank loan in an amount not to exceed \$24,000,000 for the purpose of purchasing a new administrative headquarters location.

**Response
Provided by:** Edward J. Barca, Director of Finance, Pittsburgh Water

Dated: July 29, 2025

**Pittsburgh Water
2025 Bank Loan**

Request: TUS-I-3 Current and three year projections for; (Provide details of calculation)

- Sources and Uses of Funds
- Capital Expenditures
- Ratio of Capital Expenditures to Depreciation and Amortization
- Capitalization Ratios
- Dividend payout ratio
- Interest coverage ratios – both SEC and Indenture basis

Response:

Sources and Uses of Funds

Capital Requirements	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Total
Water Distribution	144,477,239	152,141,343	152,109,812	31,934,822	60,749,512	541,412,728
Water Pumping and Storage	69,968,434	97,542,544	103,072,979	57,549,081	-	328,133,038
Wastewater	49,401,151	48,569,271	18,845,643	12,956,679	31,296,112	161,068,856
Water Treatment Plant	17,534,390	22,116,205	5,059,256	2,084,190	7,960,735	54,754,776
Miscellaneous	12,558,165	16,250,000	6,265,500	6,250,000	6,250,000	47,573,665
Stormwater	29,489,958	7,580,760	1,999,779	1,333,333	169,014	40,572,844
Total	323,429,337	344,200,123	287,352,969	112,108,105	106,425,373	1,173,515,907

Funding Sources	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Total
PENNVEST	187,711,800	222,984,846	179,459,511	42,844,474	-	633,000,631
Debt (Revenue Bonds)	105,063,460	105,667,373	66,857,059	58,884,715	96,046,457	432,519,064
WIFIA	3,983,576	4,606,508	31,157,483	500,000	500,000	40,747,567
DSIC - Water	7,164,504	7,164,504	7,164,504	7,164,504	7,164,504	35,822,520
Debt (Project Fund)	14,787,331	-	-	-	-	14,787,331
DSIC - Wastewater	2,714,412	2,714,412	2,714,412	2,714,412	2,714,412	13,572,060
Private Grant	1,532,577	1,062,480	-	-	-	2,595,057
ARPA	471,677	-	-	-	-	471,677
Total	323,429,337	344,200,123	287,352,969	112,108,105	106,425,373	1,173,515,907

Capital Expenditures, Depreciation and Amortization

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Capital Expenditures	203,517,728	323,429,337	344,200,123	287,352,969	112,108,105
Depreciation & Amortization	37,067,520	41,515,622	46,497,497	52,077,197	58,326,460
Capital / Depreciation & Amortization Ratio	5.49	7.79	7.40	5.52	1.92

Capitalization Ration

Not Applicable

**Pittsburgh Water
2025 Bank Loan**

Dividend Payout Ratio**Not Applicable****Interest Coverage Ratio****Interest Coverage**

<u>Revenues</u>	2025	2026	2027	2028
Operating Revenue	\$ 239,681,730	313,744,110	334,542,917	360,491,262
ALCOSAN Collections	99,802,841	106,789,040	112,128,492	117,734,916
Rate Stabilization Fund	-	-	-	-
Subtotal: Revenues	\$ 339,484,571	\$ 420,533,150	\$ 446,671,409	\$ 478,226,178
Current Expenses				
Direct Operating Expenses	\$ 129,989,949	149,713,166	149,713,166	149,713,166
ALCOSAN Charges	101,502,162	109,172,088	114,630,692	120,362,227
Other Expenses and Transfers	-	10,141,426	10,141,426	10,686,671
City Co-Op Agreement Payments	(6,240,000)	(6,000,000)	(6,000,000)	(6,000,000)
Subtotal: Expenses	\$ 225,252,111	263,026,680	268,485,284	274,762,064
Revenues Available for Debt Service	\$ 114,232,460	157,506,470	178,186,125	203,464,114
Interest				
Existing Debt	\$ 48,408,148	48,136,972	48,415,254	48,661,615
Revolving Line of Credit	2,000,000	3,000,000	3,000,000	3,000,000
Proposed Debt	-	10,197,384	18,024,554	24,967,629
Total: Interest	\$ 50,408,148	61,334,356	69,439,808	76,629,244
Total Interest Coverage	2.27	2.57	2.57	2.66

Response**Provided by:** Edward J. Barca, Director of Finance, Pittsburgh Water**Dated:** July 29, 2025

**Pittsburgh Water
2025 Bank Loan**

Request: TUS-I-4 Three-year history of credit ratings – By credit rating agency and class

Response:

Senior Debt:

Moody's Underlying Rating		S&P Underlying Rating	
Rating	Date	Rating	Date
-	-	A+	12/19/2024
A2	12/16/2024	A+	05/17/2023
A3	05/22/2023	A+	03/16/2023
A3	10/20/2022	A+	10/12/2022
A3	11/5/2020	A	11/17/2020
A3	06/4/2019	A	06/6/2019
A3	10/15/2018	A	12/1/2017
A2	12/1/2017	A	09/22/2017
A2	09/18/2017	A	03/28/2017
A2	11/20/2013	A	11/25/2013

Subordinate Debt:

S&P Underlying Rating	
Rating	Date
A	12/19/2024
A	05/17/2023
A	3/16/2023
A	10/12/2022
A-	11/17/2020
A-	06/6/2019
A-	12/1/2017
A-	09/22/2017
A-	03/28/2017
A-	11/25/2013
A	08/16/2012

Response

Provided by: Edward J. Barca, Director of Finance, Pittsburgh Water

Dated: July 29, 2025

**Pittsburgh Water
2025 Bank Loan**

Request: TUS-I-5 Projected refinancing savings or costs, if applicable

Response: Not applicable.

**Response
Provided by:** Edward J. Barca, Director of Finance, Pittsburgh Water

Dated: July 29, 2025

**Pittsburgh Water
2025 Bank Loan**

Request: TUS-I-6 Affiliated interest agreement applicable to instant registration, if financing involves an affiliate

Response: Not applicable

**Response
Provided by:** Edward J. Barca, Director of Finance, Pittsburgh Water

Dated: July 29, 2025

**Pittsburgh Water
2025 Bank Loan**

Request: TUS-I-7 List all unregulated affiliates of the applicant

Response: The Authority does not have any unregulated affiliates.

**Response
Provided by:** Edward J. Barca, Director of Finance, Pittsburgh Water

Dated: July 29, 2025

**Pittsburgh Water
2025 Bank Loan**

Request: TUS-I-8 List all debt for which the applicant is a guarantor of affiliated company debt instruments

Response: Not applicable

**Response
Provided by:** Edward J. Barca, Director of Finance, Pittsburgh Water

Dated: July 29, 2025

**Pittsburgh Water
2025 Bank Loan**

Request: TUS-I-9 For any corporate money pool from which applicant may potentially borrow, lend or deposit excess cash to, provide;

- Commission ordered reporting requirements
- Current balances of borrowed and lent funds
- Eligible borrowing and lending entities
- Accounting for money pool transactions
- 3-year history of borrowing and lending to the pool

Response: Not applicable

**Response
Provided by:** Edward J. Barca, Director of Finance, Pittsburgh Water

Dated: July 29, 2025

**Pittsburgh Water
2025 Bank Loan**

Request: TUS-I-10 Describe historical reliance by type of both corporate internal and external sources of financing

Response: The Authority relies largely on debt to finance necessary capital improvement in its water treatment and distribution, wastewater conveyance, and stormwater systems. The debt proceeds are made up of senior lien bonds issuances, subordinate lien debt, state-revolving fund (SFR) loans, Water Infrastructure Finance and Innovation Act (WIFIA) loans, and a \$150 million revolving capital line of credit.

**Response
Provided by:** Edward J. Barca, Director of Finance, Pittsburgh Water

Dated: July 29, 2025

**Pittsburgh Water
2025 Bank Loan**

Request: TUS-I-11 Where current dividend payout ratio exceeds 75 %, provide three-year history and plan for future dividend payouts.

Response: Not applicable

**Response
Provided by:** Edward J. Barca, Director of Finance, Pittsburgh Water

Dated: July 29, 2025

**Pittsburgh Water
2025 Bank Loan**

Request: TUS-I-12 Where the debt to total capital ratio exceeds 55%, provide plan for managing future debt to total capital levels.

Response:

As mentioned previously, the Authority relies largely on debt to finance capital improvements. However, the Authority's Financial Management Policy establishes financial goals designed to reduce the long-term borrowing requirements of capital projects in addition to providing for maximum liquidity flexibility. This policy, along with other internal initiatives, is an effort to move the Authority from complete reliance on debt and avoid over-leveraging the system.

**Response
Provided by:** Edward J. Barca, Director of Finance, Pittsburgh Water

Dated: July 29, 2025

**Pittsburgh Water
2025 Bank Loan**

Request: TUS-I-13

With respect to the purpose for which you propose to issue or assume securities;

- A. If the purpose is the purchase or construction of new facilities, or the betterment of existing facilities, provide;
1. Estimated final cost
 2. A brief description of the new facilities or betterments
 3. The date when it is expected that the purchase or construction or betterment will be completed.
 4. Estimated amount of AFUDC included in the project costs

Response:

The Authority's current CIP includes over \$1.1 billion to be spent on existing and new capital assets from 2025 to 2029. The capital plan is driven largely by regulatory requirements and critical repair. As previously stated, the revolving line of credit will be utilized to fund the projects included within the 2025 to 2029 capital improvement plan.

- B. If the purpose is to obtain working capital, explain any unusual condition which exists, or will exist, in the public utility's current assets or current liabilities, stating;
1. The approximate cost of average materials and supplies inventory which the public utility expects to carry
 2. The average time elapsing between the date when the public utility furnishes or begins a period of furnishing services to customers and the date when collection is made from customers for the service.
 3. The minimum bank balance requirements.

Response:

Not Applicable

- C. If the purpose is to refund obligations, describe obligations in detail.
1. Explain the purpose for which obligations were issued, or refer to the number of securities certificate in which the purpose appears.
 2. State whether refunding is to meet maturity, or to effect saving in interest or other annual charges; if to effect savings, state date when, and at price which obligations are to be called, and

**Pittsburgh Water
2025 Bank Loan**

submit statement showing savings to be effected as a result of refunding.

Response: Not applicable.

D. If the purpose is for the payment of dividends, please justify the use of funds from the registration to pay dividends.

Response: Not applicable

E. If the purpose is to fund pension obligations;

1. Provide the current Accumulated Benefit Obligation (except where no longer used consistent with FASB Statement No. 158), the projected benefit obligation, the current fair value of plan assets, and the percent that the current benefit obligation is funded.

2. Provide the annual contributions to the plan from 2006 to the present, and the projected contributions for the next five years.

3. Provide an explanation as to how compliance with the Pension Protection Act of 2006 will be accomplished.

Response: Not applicable

**Response
Provided by:** Edward J. Barca, Director of Finance, Pittsburgh Water

Dated: July 29, 2025

**Pittsburgh Water
2025 Bank Loan**

Request: TUS-I-14 Reconcile total capitalization with total rate base for ratemaking purposes. Are any of the funds to be issued for a non-utility purpose? If so, please describe that purpose.

Response: Since the Authority is a cash-basis utility, there is no claimed rate base for ratemaking purposes. None of the funds to be issued will be used for non-utility purposes.

Response
Provided by: Edward J. Barca, Director of Finance, Pittsburgh Water

Dated: July 29, 2025

**Pittsburgh Water
2025 Bank Loan**

Request: TUS-I-15 Three-year history and three year projections for ratio of capital expenditures to depreciation expense. Show calculations.

Response:

Capital Expenditures, Depreciation and Amortization

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Capital Expenditures	127,846,779	131,129,307	203,517,728	323,429,337	344,200,123	287,352,969	112,108,105
Depreciation & Amortization	27,936,000	33,096,000	37,067,520	41,515,622	46,497,497	52,077,197	58,326,460
Capital / Depreciation & Amortization Ratio	4.58	3.96	5.49	7.79	7.40	5.52	1.92

Response

Provided by: Edward J. Barca, Director of Finance, Pittsburgh Water

Dated: July 29, 2025

**Pittsburgh Water
2025 Bank Loan**
