

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

Public Meeting held September 25, 2025

Commissioners Present:

Stephen M. DeFrank, Chairman
Kimberly Barrow, Vice Chair
Kathryn L. Zerfuss
John F. Coleman, Jr.
Ralph V. Yanora

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.

Docket No.
S-2025-3056552

ORDER

BY THE COMMISSION:

On July 29, 2025, The Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water (PWSA) filed with the Pennsylvania Public Utility Commission (Commission) for registration pursuant to Chapter 19 of the Pennsylvania Public Utility Code, 66 Pa. C.S. §§ 1901, *et seq.*, the above-docketed securities certificate for the incurrence of indebtedness up to \$24,000,000 under a Bank Loan Agreement, with a term not to exceed twenty-five years. PWSA voluntarily extended the statutory consideration period to September 26, 2025.

PWSA is a body politic and corporate, organized and existing under the Pennsylvania Municipalities Authorities Act. PWSA provides water, wastewater, and stormwater service to more than 520,000 customers throughout the City of Pittsburgh,

Pennsylvania (City). In addition, PWSA provides bulk water sales to Reserve Township, Fox Chapel Borough, and Aspinwall Borough, along with interconnections to several other regional water systems for emergency purposes. PWSA's wastewater system serves the entire City and serves as a conveyance system for portions of flows from 24 neighboring municipal communities. Wastewater collected by PWSA is conveyed to, and treated by, the Allegheny County Sanitary Authority.

PWSA intends to enter into a Bank Loan Agreement not to exceed \$24,000,000 to finance a portion of the costs associated with the purchase of a new administrative headquarters building, which is estimated to be \$25,000,000. The loan 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 PWSA's capital line of credit.

PWSA desires to close on the new administrative headquarters building by the fall of 2025 and vacate the current headquarters prior to its lease expiring in 2027. PWSA claims that the current location, which has been occupied since 2007, no longer meets the needs of its growing workforce, while the new headquarters has enough space to house all of its administrative employees and allow for the potential subleasing of space to other tenants.

PWSA asserts 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 a new administrative headquarters will provide savings to customers once the loan is paid off.

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%. The term of the

loan is not to exceed twenty-five years with a maturity date no later than December 31, 2050. The loan will include either a make whole or par call option no later than October 2030 and may contain sinking or other provisions. PWSA states that the loan will require that its system be maintained in good repair, working order, and condition.

S&P Global Ratings' underlying credit rating for PWSA's current senior debt is A+ and for its current subordinate debt is A. As a municipal authority, PWSA does not have common equity shareholders and relies largely on debt to finance capital improvements. However, PWSA states that its financial goals include efforts to reduce long-term borrowing requirements and reliance on debt.

The Commission has made its compliance checks and found that PWSA is current with its annual, quarterly, and Security Planning and Readiness report filing requirements and has no outstanding fines, fees, or assessments due.

We have examined PWSA's instant securities certificate and have determined that the proposed incurrence of indebtedness up to \$24,000,000 appears to be necessary or proper for the present and probable future capital needs of the utility and, as a result, the securities certificate should be registered; **THEREFORE,**

IT IS ORDERED:

1. That the securities certificate filed by 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 is hereby registered.
2. That within 60 days of the issuance of the securities pursuant to the instant registration, The Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water shall file

notice with the Commission of such issuance together with a summary of the interest rate, maturity, terms, and provisions of the securities issued.

3. That registration of the subject securities certificate will end on December 31, 2026, if the loan has not been executed by that date.

4. That consistent with Section 1903(b) of the Public Utility Code, 66 Pa. C.S. § 1903(b), the registration of the subject securities certificate does not represent Commission approval of the proposed projects for rate recovery pursuant to 66 Pa. C.S. §§ 1301-1328.

5. That upon completion of the issuance pursuant to the Order and submission of the notice under Ordering Paragraph No. 2, above, this case be marked closed.

6. That a copy of this Order be served upon the Office of Consumer Advocate, the Office of Small Business Advocate, and the Commission's Bureau of Investigation and Enforcement.

BY THE COMMISSION,



Matthew L. Homsher
Secretary

(SEAL)

ORDER ADOPTED: September 25, 2025

ORDER ENTERED: September 25, 2025