



\$414 million
30 year bond deal

1995

PWSA and the City terminated the Lease and Management Agreement and its agency relationship, and entered into a Capital Lease Agreement. The Capital Lease Agreement, which has a term of 30 years, provided for payments totaling approximately \$101 million, which payments were made to the City during the initial three years of the Capital Lease Agreement. This agreement further provides that in 2025, upon payment of one dollar, PWSA will acquire title to the Water and Sewer System.

2002

Highland Reservoir No. 1 Membrane Filtration Plant went online as a compromise to the Highland Park community who was against Highland Reservoir No. 1 being covered; the plant has the capacity to produce 20 million gallons of water per day.

2008

The PWSA entered into \$414 million, 30-year bond deal based in part on a series of complex interest rate swap agreements intended to protect the utility from rising interest rates. However, the recession-driven credit crunch in 2009 and beyond has resulted in higher-than-expected payments by PWSA on this borrowing, resulting in even further delay of needed capital improvements.

2016/2017

The state Department of Environmental Protection DEP issued a Notice of Violation (NOV) to PWSA for violating permit by making a substantial modification of treatment system without prior permit authorization. Multiple investigations of PWSA were launched by City Comptroller, State Auditor General, Pennsylvania DEP and US EPA.

2017

The City and PWSA establish a pilot Safe Water Program to provide free water filtering pitchers, the Mayor's Blue Ribbon Panel to oversee the reorganization of PWSA, approval of universal lead testing for children by the Allegheny County Board of Health and the announcement of a new lead task force to oversee the county's lead strategy.

1995

The City and PWSA also entered into a Cooperation Agreement, pursuant to which the City provides certain specified engineering, communications, vehicle maintenance, legal, information and financial services to PWSA on a fee for services basis and PWSA makes certain other payments to the City to reimburse it for costs and capital expenses incurred by the City in regard to the operation and maintenance of the Water and Sewer System.

2004

PWSA and the City of Pittsburgh executed a Consent Order and Agreement (Order) regarding sanitary and combined sewer overflows within the City of Pittsburgh. Eventual cost to Pittsburgh households is expected to reach nearly \$1 billion or more.

2012

PWSA engaged an outside water contractor to provide temporary senior management services (employees remained with PWSA). After an extensive search, the Authority selected Veolia Water North America (Veolia) and hired them for a one-year period beginning July 2012, with an optional six-month renewal. The extension was granted in mid-2013 again through 2015, but was terminated in Dec 2015. PWSA hired Veolia's senior manager as its new executive director.

2016

Newly hired executive director dismissed after 6 months. PWSA filed lawsuit against Veolia Water North America claiming it created problems such as faulty automated water meters and a change in corrosive chemicals that led to a state DEP violation.

2017

To help solve the persistent problems at PWSA, the City of Pittsburgh issues a Request for Proposal for advisory firms to investigate options for restructuring PWSA, focusing on standard and alternative service improvement and capital improvement delivery methods. After extensive due diligence, qualification comparisons and interview processes, IMG Team is selected by the City and the Mayor's Blue Ribbon Panel from among the 18 competing teams.