

# Internal Improvements

## Summary

The Aggressive Internal Improvement would need to be well-planned and well-funded initiative to bring PWSA into the 21st century in terms of employee skills, operating systems, intelligent management systems, performance databases, computerized maintenance management, asset management and capital improvement programming. This can be done with or without a Perpetual Non-Profit Trust.

Labor	Health + Safety	Accountability	Cost	Trust + Transparency	Implementability	Green Infrastructure
<p>The collective bargaining units would be recognized and there would be no involuntary layoffs; rather, the authority would add more skilled workers and gradually replace departing workers with higher skilled ones.</p> <p>PWSA could choose to drop the City's compensation requirements and residency requirement and if PWSA were transferred to a Perpetual Non-Profit Trust, it would be free to set its own policies.</p> <p>PWSA would hire more full-time skilled employees and fewer contractors.</p> <p>Pay and benefits for PWSA employees would remain about the same.</p>	<p>Capital improvement programming would overhaul critical infrastructure.</p> <p>Implementation of intelligent management systems would ensure that highest priority maintenance needs are addressed quickly.</p>	<p>PWSA's administrative protocols would be completely overhauled to ensure that its obligations to ratepayers are met.</p> <p>Internal controls would be revised to align with best practices.</p>	<p>Rates would increase to address capital needs.</p> <p>Aggressive internal improvement would require higher up front costs to achieve long term stability and efficiency.</p>	<p>Under this strategy, the PWSA board would be restructured in manner so as to remove it from Mayoral and City Council control.</p> <p>The new PWSA board would meet and deliberate publicly, with the opportunity for public testimony.</p> <p>If there is the creation of a Perpetual Non-Profit Trust, it would have a board of directors and would be transparent in a similar fashion to UPMC.</p>	<p>This strategy would take at least a year to establish.</p> <p>This strategy depends upon strong political will and executive oversight to be effectively implemented.</p>	<p>An implementation plan based on the Green First Plan would need to be developed for full Green Infrastructure implementation.</p> <p>The existing Stormwater Division would continue developing projects per available capacity and funding.</p>

# Public-Private Partnership (P3)

## Summary

In a P3, the private partner's role can range from from that of a hired hand to a that of a business partner. The government reserves the right to cancel the agreement if the private entity fails to meet the government's requirements. Moreover, the government continues to set the rates to charged to consumers, either through the lease/contract or by continuing collecting all of the revenues itself.

Labor	Health + Safety	Accountability	Cost	Trust + Transparency	Implementability	Green Infrastructure
<p>The collective bargaining units would be recognized and there would be no involuntary layoffs; rather, the contractor would add more skilled workers and gradually replace departing workers with higher skilled ones.</p> <p>Some types of PWSA employees would become employees of the contractor, depending on the specifics of the agreement.</p> <p>The contractor would be able to hire staff from outside city limits.</p> <p>Pensions could change, but pay and benefits would remain about the same or increase.</p>	<p>Capital improvement programming would overhaul critical infrastructure.</p> <p>Contractor could determine how to allocate capital investment to best achieve system quality, reliability, and efficiency.</p> <p>Water quality standards would be monitored and enforced through highly structured contractual agreements.</p>	<p>Internal controls would be revised to align with best practices.</p> <p>The contractor would be subject to contract terms agreed upon in advance. This would include legal controls to compel accountability and compliance.</p> <p>Contractor would be subject to oversight by the PWSA Board.</p>	<p>Rates would increase to address capital needs.</p> <p>In most examples of this strategy, the contractor is about 15-20 percent more efficient than even a greatly improved public agency.</p> <p>High upfront costs could be mitigated through investment of private capital.</p> <p>Rates would be set according to a schedule or formula set in the agreement with PWSA and/or the City.</p>	<p>Under this strategy, the PWSA board would be restructured in manner so as to remove it from Mayoral and City Council control.</p> <p>The contractor would be subject to contract terms agreed upon in advance. This would include legal controls to compel accountability and compliance.</p> <p>Contractor would be subject to oversight by the PWSA board.</p> <p>The new PWSA board would meet and deliberate publicly, with the opportunity for public testimony.</p>	<p>It would take less than a year to issue an RFP and select a contractor. Implementation would begin following a rigorous contract negotiation period.</p>	<p>Contractor would determine how to allocate capital investment to best achieve regulatory compliance.</p> <p>Contract terms could require contractor to use a Green approach to stormwater management and Consent Order terms would still need to be met.</p>

# Transfer to Publicly Regulated Investor-Owned Utility

## Summary

The City would sell PWSA’s operations and assets to either the investor-owned local gas or electric utility companies or to one of the two major in-state investor-owned water utility companies regulated by the State Public Utilities Commission (PUC).

Labor	Health + Safety	Accountability	Cost	Trust + Transparency	Implementability	Green Infrastructure
<p>The collective bargaining units would be recognized and there would be no involuntary layoffs; rather, the contractor would add more skilled workers and gradually replace departing workers with higher skilled ones.</p> <p>All PWSA employees would become employees of the investor-owned utility.</p> <p>The utility would also be able to hire staff from outside city limits.</p> <p>Pensions could change, but pay and benefits would remain about the same or increase.</p>	<p>Capital improvement programming would overhaul critical infrastructure.</p> <p>Utility would determine how to allocate capital investment to best achieve system quality, reliability, and efficiency.</p> <p>Water quality standards would be monitored and enforced through Pennsylvania Public Utilities Commission oversight.</p>	<p>Utility would be subject to the Pennsylvania Public Utilities Commission which also regulates Duquesne Light, People’s Natural Gas, and Penn American Water.</p>	<p>Rates would increase to address capital needs.</p> <p>For local gas and power utilities, there would be immediate economies of scale for things like administration, customer service, billing, meter reading, street repair, legal services, etc. This would help hold down rates. Rates would be set and controlled by the PUC.</p> <p>Costs would be spread over PWSA’s current 130,000 customers, and also the additional hundreds of thousands of other water customers in the state.</p>	<p>Utility would be subject to the governance of a local advisory committee.</p> <p>Local advisory committee meetings would meet and deliberate publicly, with the opportunity for public testimony.</p>	<p>Dependent on interest from qualified local utilities.</p>	<p>Utility would determine how to allocate capital investment to best achieve regulatory compliance.</p> <p>Local committee could advise a green approach to stormwater management and Consent Order terms would still need to be met.</p> <p>The cost-spreading benefit would not apply to the sewer side, including actions and expenditures to deal with CSO issues. Stormwater investment would still need to be funded locally.</p>