



December 13, 2017

Allegheny Institute Op-Ed

600 words

City cooperation key to fixing PWSA

By Colin McNickle

The roots of the Pittsburgh Water and Sewer Authority's (PWSA) management and operational miasma are as deep as they are troubling. Which is a very sad commentary on the city's elected and appointed leaders.

The PWSA's dubious history has been well-documented: A management structure that served political ends more than customer needs left the authority mired deep in debt and the failing system in dire need of upgrades that will run into the billions of dollars, dramatically increasing customer costs.

To name two cases in point, think of hundreds of millions of gallons of free water given to city departments and other entities. Then think of a hardly independent authority board that for decades has done the bidding of over-reaching city officials.

Such arrangements "designed to benefit the city while hamstringing the PWSA (are) not remotely akin to good governance," remind Frank Gamrat, a senior research associate at the Allegheny Institute for Public Policy, and Jake Haulk, president of the Pittsburgh think tank (*in Policy Brief Vol. 17, No. 49*).

Indeed, the challenges to fix the PWSA border on the intractable. But fixed this mess must be. To that end, the state Legislature has placed the authority under much-needed state Public Utility Commission (PUC) oversight.

The legislation primarily does two things:

"First, it holds the PWSA accountable for putting together a compliance plan to bring its procedures such as accounting, billing and technology in line with requirements applicable to other PUC-governed water and wastewater utilities," the Ph.D. economists note.

The authority must improve its asset management capabilities so it will know what assets need repair and to prioritize them. While that should have been a no-brainer, the PWSA has been woefully deficient.

Second, the legislation orders another no-brainer – that the PWSA create a long-range plan to improve its infrastructure. The authority has six months, until May 20, 2018, to proffer its compliance plan. Thus, feet are being held to the fire.

Particularly damning was an audit by the state Auditor General’s Office that detailed how the PWSA was a pawn for the city and neglected its primary responsibility of maintaining a reliable drinking water and sewerage system.

Part and parcel to the current problems were deals in which the city diverted money from the PWSA to improve its own flagging finances. That has come back to slap the authority, hard, as it now must spend billions to address its debt and operational problems.

The think tank researchers stress that the City of Pittsburgh, which played such a pivotal role in creating the PWSA mess, should not be let off the hook. While a prior agreement keeps the city at arm’s length for the authority’s debt, it’s past time for the city to step up and partner with the PWSA.

“First of all, it needs to meter all city properties and begin paying its bills like any other responsible citizen,” Gamrat and Haulk say.

“Second, city officials should pledge to support the PWSA as it develops a long-term plan as required by law and avoid carping when rate hikes become necessary.”

Indeed, city officials should help prepare residents and businesses for the likelihood of substantially higher water and sewer bills to come over the next several years.

“Dealing with this critical problem cannot be avoided any longer,” Gamrat and Haulk say. “In short, the city must accept the urgent need for a wholesale system upgrade and fully and willingly cooperate and assist in the process.”

Colin McNickle is a senior fellow and media specialist at the Allegheny Institute for Public Policy (cmcnickle@alleghenyinstitute.org).

*Op-Eds may be reprinted as long as proper attribution is given.
For more information about this and other topics, please visit our website:
www.alleghenyinstitute.org*

<p>Allegheny Institute for Public Policy 305 Mt. Lebanon Blvd.* Suite 208* Pittsburgh PA 15234 Phone (412) 440-0079 * Fax (412) 440-0085 E-mail: aipp@alleghenyinstitute.org</p>
