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Necessary & expensive: Fixing the PWSA

By Colin McNickle

Decades of neglect born out of political machinations led the Pittsburgh Water and Sewer Authority (PWSA) to the precipice of collapse. Now, its hand forced under state oversight, the time has come to pay the piper. And there will be a steep price to pay on a variety of fronts, says a scholar at the Allegheny Institute for Public Policy.

“Still, this plan, though too long coming and purposely delayed, is the first step of many to insure a properly functioning water and sewer system for Pittsburgh,” says Frank Gamrat, executive director of the Pittsburgh think tank (*in Policy Brief Vol. 19, No. 5*).

After several high-profile system failures in 2017, the state Legislature placed the PWSA under state Public Utility Commission (PUC) oversight. Enabling legislation compels the authority to not only bring the system into compliance with all PUC rules and regulations but to create and implement a long-term remediation plan.

The PWSA submitted its proposed first five-year plan (for 2018-23) last September. The PUC has until this November to pass judgment on the blueprint. But, and by any standard, bringing the system up to snuff will be a daunting task.

To wit, much of the PWSA’s water system, with an estimated average component age of 80, is well past its expected life span. That said, “given the extreme age of much of the system, estimates of needed immediate and near-term replacements are just that,” Gamrat reminds. “It is almost impossible to know with certainty where all of the potentially calamitous breaks might occur.” To put this into partial perspective, the water system has 24,900 valves and 7,450 public fire hydrants.

Fixing the sewer system will be no less monumental a challenge. Consider that 77 percent of that system remains improperly combined with the storm water system. Those must be separated under a federal consent decree.

“Obviously, the system is immense and will take many years and billions of dollars to fix in its entirety,” the Ph.D. economist stresses. “Recall that a similar comprehensive plan by an engineering firm from 2012 proposed a 40-year time frame recommending eight five-year plans for overhauling the entire system.”

By the way, the days of free bulk water – an astounding 600 million gallons annually -- to government-owned properties in the City of Pittsburgh are over. Meters will be installed at up to 400 sites. Another 500 properties that pay a flat rate also will be newly metered.

Of course, all of this must be paid for. And while low-interest federal loans will be sought and potential private-public partnerships will be explored, users will bear the brunt of the PWSA’s remediation. The PWSA petitioned the PUC last September to increase rates across its customer base. That would include a 17 percent hike for residential customers and 10 percent for educational and health care organizations.

“It will likely be the first of several rate increases for PWSA customers in the coming years,” Gamrat says, noting there will be ancillary costs as well.

“There will be other huge costs, some non-monetary, imposed on the citizenry as streets are closed during work on the water lines,” he reminds. “Add to that the lost revenue and output of businesses whose patrons and employees cannot get to them.

“Nor do the PWSA’s costs include the serious inconvenience of water service being cut off to communities for extended periods,” the think tank scholar says.

PWSA capital spending will balloon to \$1.35 billion over the life of its first five-year plan.

“But this is the price that has to be paid because of years of failing to address the problem of antiquated system components,” Gamrat says. “Bear in mind, too, that PWSA funds were misused by past administrations to shore up city budgets rather than investing in needed repairs.”

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