

## **EXHIBIT B**

### **SCOPE OF SERVICES**

The Contractor will provide Interim Executive Management Services to The Pittsburgh Water and Sewer Authority and serve essentially as the Executive Director for one year. As such, the Contractor will provide the strategic vision and direction required for effective, timely, and transparent management of the Authority and to prepare the way for a new Executive Director. The Authority faces challenges in a number of areas. The Contractor will evaluate the Authority in the areas identified in Section 2 of the RFQ/RFP and in the Pre-Proposal Conference, will develop short- and long-term strategies for facing those challenges and, where authorized by the Authority Board, will begin the execution of said strategies. This Scope of Services is not intended to constitute a complete description or statement of all such matters, which will be governed and controlled by the negotiated Interim Executive Management Agreement.

#### **1.0 INTERIM EXECUTIVE MANAGEMENT SERVICES**

For the term of the Agreement, the Contractor will serve in the capacity and fulfill the duties of the Executive Director of The Pittsburgh Water and Sewer Authority. As such, the Contractor will be report directly to the Board and will be responsible for:

- Executing the policy goals and objectives established by the Board;
- Supervising the administration of the Authority, its staff and programs;
- Directing the operations of the Authority's water system including the installation, maintenance and repair of a complex system of reservoirs, settling basins, pumping stations, and pipelines for the collection, storage and distribution of water for drinking and fire protection services;
- Directing the operation of the sewer system, including the installation, maintenance and repair of a complex system of waste water and stormwater lines, interceptors, and pumping stations;
- Ensuring that the Authority and its operations comply with local, state, and federal water quality and related environmental standards and with the requirements of the Consent Order and Agreement entered into with the Pennsylvania Department of Environmental Protection and the Allegheny County Health Department;
- Ensuring that the Authority and its operations comply with all applicable federal, state, and local laws, regulations, and ordinances and with all indentures, rate covenants, and lease requirements;
- Directing customer service;
- Directing water marketing efforts including bulk water sales; and
- Communicating with the public, elected officials at all levels, regulatory agencies, the media, environmental and consumer advocacy organizations, and interested parties so as to improve confidence and relations across the region.

## **2.0 GENERAL ADMINISTRATION AND MANAGEMENT CONSULTING**

Review the structure and performance of the various functional units of the Authority as well as its governance structure and make strategic recommendations to the Authority Board on organizational and governance structures, personnel, reporting structures, and review procedures. The overall goal of all work is to position the Authority to be the City and the region's leader in water treatment and distribution as well as waste water conveyance and storm water management. The Contractor's recommendations shall be consistent with collective bargaining agreements in existence.

Review the structure and performance of the Authority's customer service and make strategic recommendations that will ensure the highest quality customer service. Customer service and quality control should focus not only on the relationship between the Authority and its end users but also those who improve and develop structures in the City of Pittsburgh and surrounding areas.

Review the structure and performance of the engineering and construction management functions at the Authority and make strategic recommendations that will ensure highest quality and best priced services and that meet nationally recognized best practices.

Identify and recommend alternatives for changes in policies, procedures, regulations or guidelines that may improve the quality or cost-effectiveness of the Water and Sewer System or Authority services.

Identify and recommend possible alternatives for the full utilization of the capacity of Authority's Water Treatment Plant

Develop a plan for the integration of the recommendations into the operations of the Authority with minimal operational impact.

Assist the Authority in the implementation of the accepted administration and management recommendations.

## **3.0 FINANCIAL EVALUATION**

Perform an assessment of the Authority's historic revenue production, identifying any existing or potential challenges and making strategic recommendations to meet those challenges.

Perform an assessment of the existing rate structure and its relationship to the costs of operating the Authority making strategic recommendations with special attention to the Stormwater Management Study and the 40-Year Capital plan.

Perform an assessment of the Authority's existing cost structures making strategic recommendations to contain costs in coming years.

Perform an assessment of the Authority's existing debt structure make strategic recommendations for positioning the Authority to borrow in the future to meet its capital infrastructure reinvestment needs.

Develop and present to the Authority alternatives for addressing aging infrastructure and equipment, including innovative financing options where available and minimizing the financial burden on ratepayers, including a long-term plan for maintenance, repair, and replacement of facilities.

Develop a plan for the integration of the recommendations into the operations of the Authority with minimal operational impact.

Assist the Authority in the implementation of the accepted administration and management recommendations.

#### **4.0 INFRASTRUCTURE, MAINTENANCE AND REPLACEMENT CONSULTING**

Review existing regulations and current conditions at the Water Treatment Facility. The Authority has made considerable reinvestment in the Water Treatment Plant.

Review the Consent Order and Agreement and make recommendations for meeting the obligations of the COA as well as better educating the ratepayers on this matter.

Develop short- and long-term strategies to preserve and protect Pittsburgh's source of high quality drinking water. Recent testing has revealed conditions up river from the PWSA water treatment plant that present challenges for PWSA and other water purveyors in the region. Strategies could include a mix of new technologies and equipment as well as partnerships and community organizing

Evaluate and, as appropriate, recommend modifications to the Authority's inspection and maintenance management and reporting processes for the Water and Sewer System. Recommended alternatives should achieve the objectives of delivering optimal service, compliant with applicable laws and regulations, maintaining worker safety, while minimizing the burden on ratepayers.

Develop a plan for the integration of the recommendations into the operations of the Authority with minimal operational impact.

Assist the Authority in the implementation of the accepted administration and management recommendations.

#### **5.0 OPERATING AND CAPITAL BUDGETS**

In connection and consistent with its assessments and recommendations addressed in parts 1.0 through 4.0 above, participate in and make recommendations for the development of the Authority's operating and capital budgets. These services will entail an understanding of the costs of existing and proposed structures, systems, and advice concerning optimal organizational and facilities processes.

#### **6.0 MISCELLANEOUS ASSIGNED RESPONSIBILITIES**

As the Contractor provides its assessments and recommendations and the Authority takes action on those recommendations, the Contractor and the Authority shall from time to time supplement and modify the functions the Contractor will perform or the priorities of various functions. The Contractor shall work closely with the Authority Representative to that end.