



**PWSA**  
THE PITTSBURGH WATER & SEWER AUTHORITY  
Quality Water Quality Service

*Hydrating Our City*

2009 ANNUAL REPORT

# LEADING WITH EXCEPTIONAL QUALITY



Mr. Dan Deasy  
Chairman

As the current PWSA Chairman, I am pleased to present you with The Pittsburgh Water and Sewer Authority (PWSA) 2009 annual report.

The PWSA Board of Director's is working closely with the Ravenstahl administration to make Pittsburgh the Most Livable City. In 2009, PWSA worked hand in hand with city developers to make development a reality, most notably the Consol Energy Center, the Rivers Casino and the August Wilson Center.

PWSA continues to seek alternatives to fund our Capital Improvement Program. In December of 2009, the PWSA Board of Directors implemented a Distribution Infrastructure System Charge (DISC) to reinvest in the PWSA system and repair aging infrastructure. This funding allows the authority to fund specific distribution, sewer conveyance, and water supply and filtration projects, minimizing the need for future bond financing and improving service.

In 2010 PWSA has reorganized the Authority to better serve our customers. The organization is now divided into five departments: Finance, Sewer, Water, Engineering, and Quality and Production. We continue to exceed standard while providing the best possible service at the lowest possible cost.

I would like to thank the Board of Directors and the PWSA staff for their ongoing tireless efforts. Please take a moment to look over the next few pages. As always, we welcome your comments.

Sincerely,

  
Dan Deasy  
PWSA Chairman



Thomas Palmosina  
Acting Executive Director

## 2009 Message from the Executive Director

The Pittsburgh Water and Sewer Authority (PWSA) is the largest combined water and sewer authority in the state of Pennsylvania. PWSA currently serves 196,000 water and sewer customers in the City of Pittsburgh and the Borough of Millvale. PWSA also provides bulk water sales to Fox Chapel, Reserve Township, Hampton Township, and Aspinwall Borough and is also interconnected to several other regional water systems.

PWSA and the City of Pittsburgh have a significant responsibility to eliminate combined sewer overflows (CSO) and are under a Consent Order and Agreement (COA) with the Commonwealth of Pennsylvania, The Department of Environmental Protection (DEP) and the Allegheny County Health Department (ACHD). We are currently assessing our feasibility study and complying with all local, state, and federal requirements.

There are two major projects underway that will shape the future of the authority. The first is a storm water management study and the second is a 40-year plan. On June 11, 2010, the PWSA Board of Directors passed a resolution allowing the Authority to put out a Request for Proposal (RFP) for a Storm Water Management Study. This study will allow PWSA to evaluate our current practices and coordinate future goals related to storm water management. We will also evaluate the feasibility of a storm water district, and how that would be established, managed and financed.

On July 30, 2010 the PWSA Board of Directors passed a resolution approving a contract for the development of a 40-year Capital Plan and Water and Sewer Master Plan, which will change the Authority's approach to capital improvements. PWSA will work with the consulting firm to meet the growing needs of the Authority and the residents of the City of Pittsburgh.

There are three major components of this study: Identify opportunities for regionalization, Conduct a needs assessment, and Develop recommended capital improvement and actions. From the 40-year plan, the Authority will develop a 5-year plan updated annually for planning and budgeting purposes. Recommended capital improvements will be present in the following categories: distribution, pumping and storage, treatment and sewers. This plan will improve the current PWSA water and sewer systems while preparing the City for future developments for future generations.

Once implemented, both studies will provide invaluable knowledge, positioning PWSA to become the water and sewer provider for the Pittsburgh region.

## 2009 Board of Directors



**Dan Deasy, Chairman**

Mr. Deasy was elected to the House of Representatives in 2008. Prior to his election; Mr. Deasy worked as a supervisor in the City of Pittsburgh Public Works Department and later served as a member of Pittsburgh City Council. His legislative priorities include: expanding access to health care, supporting education and youth programs, strengthening penalties for crimes against children, providing more funding for policeman, enacting more fiscally responsible municipal and state budgets, and expanding services for senior citizens.



**Robert P. Jablonowski, Vice-Chairman**

Working as a Chemist for over 35 years at Duquesne Light, Mr. Jablonowski understands laboratory management. He brings a wealth of knowledge and experience to the Authority as he provides insight to the operations and maintenance of the water and sewer infrastructure.



**Henry C. Blum, Secretary**

As a native City of Pittsburgh resident and local community leader, Mr. Blum has worked as a Foreman at Mellon Arena for over 45 years. Mr. Blum is the Secretary of the Board and is PWSA's liaison with our union employees and their representatives.



**Scott Kunka, Treasurer**

Mr. Kunka is the Director of Finance for the City of Pittsburgh and has a background in municipal finance including policy and budget analysis, auditing and operations management. He has served the City of Pittsburgh for 26 years and offers his financial expertise to the Authority. Mr. Kunka is the Executive Director of the City's combined pension trusts, Chairman of both the Pittsburgh Parking Authority and the Equipment Leasing Authority and serves as the Treasurer of the PWSA Board.



**Margaret L. Lanier, Assistant Secretary / Assistant Treasurer**

Ms. Lanier has 28 years experience in City Government in roles of Customer Service, Real Estate and Tax Office Supervisor to Assistant Director in the Department of Finance Ms Lanier also served 5 years in the customer service division with the Department of Water. Ms. Lanier currently serves as Treasurer of the City of Pittsburgh/School District of Pittsburgh. She is responsible for the tax collections for Self Assessed taxes (Business, Wage, Parking, Etc.) and the Property Management Division (the billing and collection of real estate taxes and the sale of city owned properties).



**Patrick Dowd, Member**

In 2008, Patrick Dowd Began his first term as a Member of Pittsburgh City Council representing District 7. He has been appointed Chairman of the Committee on Intergovernmental Affairs. Prior to his election, Councilman Dowd served as a representative of the Pittsburgh Board of Education. As Councilman, Patrick has pledged to pursue fiscal responsibility, set new standards for the delivery of city services and accountability in government, as well as reinvest in our neighborhoods and parks.

## 2009 Engineering and Construction Projects

*Over the past 12 months, PWSA has addressed a variety of projects throughout our service area. Highlights of our engineering and construction activities include:*

### 2009 PWSA Projects

#### Water Treatment Plant

##### Laboratory upgrade

The existing lab was remodeled with new cabinetry and equipment.

##### Clarifiers #1,#2,#3

Sludge collecting equipment was replaced.

##### Switchgear Upgrades

Electrical power upgrades to Ross Pump Station.

##### Water Line Repair

Repaired a 16-inch water line at the WTP.

#### Pumping and Storage

##### Howard Pump Station

Replacement of pumps #6 and #7.

##### Brashear Tank #1

Rehabilitation inside and out, painting and installing a new mixing system.

#### Water Distribution

##### Darragh Street

Replaced a 12-inch water line relay from Aliquippa Street to Terrace Street.

##### Valve Replacement

Installed a new 24-inch valve in Station Square and a 30-inch valve in Boulevard of the Allies and a 36-inch valve in Goetman Field.

##### 18th Street

Installed 254 ft. of 8-inch water line.

##### Junius Street

Installed 297 ft. of 8-inch water line.

#### Waste Water Collection

##### Carnegie Science Center

Gunitite repair of 60" sewer

##### Chapin Street

Installed 823 ft. of new 8-inch Sewer, 32 ft. of 15-inch RCP sewer, 69 ft. of 24-inch RCP sewer, 5 manholes, and one inlet

##### Semple Street

Installed of 685 ft of 8-inch water line and 600 ft. of 24-inch storm sewer.

##### Desdemona Street

Installed 350 ft of 8-inch sanitarysewer. Existing 15-inch sewer dedicated to storm water.

### 2009 PWSA/ Developer Projects

#### South Main Street

(PENNDOT) 1,200 feet of 12-inch water line relocated

#### Reedsdale Street

(PAAC) 400 feet of 42-inch storm sewer construction in Sproat Way. 600 feet of 30-inch storm sewer in Reedsdale Street.

#### Stanwix Street

(PAAC) Installed 400 ft. of 15-inch storm sewer

#### The Rivers Casino

(Private) Relocated of 750 ft. of 16-inch water line on Reedsdale Street. Relocated 800 ft. of 8-inch water line on North Point Drive. Installed 1,050 ft. of 15-inch sanitary sewer.

#### Market Square

(URA/ PDP) Installed 800 ft of new 12-inch water line and 100 ft of new sewers

#### Federal Hill

(URA) Installed 1,750 ft. of new sewers and 600 ft of new water lines.

#### Garfield Phase I

(HACP) Installed of 6,800 ft of new sewers and 2,800 ft. of new water lines.

#### Carson Street Widening

(PENNDOT/ URA) Installed 9,100 ft. of new sewers and 5,100 of new water lines.

## Current/ Projected 2010 PWSA Projects

### Water Treatment Plant

#### SCADA

Upgrade of SCADA system for new remote management of all pumping and storage equipment and facilities, improving electronic record keeping.

#### Clarifiers #1, #2, #3

Sludge collecting equipment will be replaced.

#### Clarifier Joint Repairs

Clarifier expansion joints in 2 of the 4 basins will be repaired

#### Chemical Containment Walls

Installation of concrete chemical containment walls for hypo tanks at the Water Treatment Plant

### Pumping and Storage

#### Highland #2 Reservoir

Inspection of tank and replacement of floating cover and liner

#### Ross Pump Station

Replacement of Switchgear equipment

#### Brashear Tank #2

Rehabilitating inside and out, painting and installing new mixing system

### Water Distribution

#### Bigelow Boulevard

Installation of 1800 ft of 12-inch water main.

#### Bates Street

Relay a 12-inch water line from Boulevard of the Allies to South Bouquet Street.

#### Saw Mill Run Boulevard

Installation of 1,000 ft of 8-inch water main, pressure regulating valves and a valve vault.

#### Freeport Road

Cleaning and Cement Lining 10,000 ft. of 60-inch water main from Blawnox to Fox Chapel. Installation of 1,000 ft. of 8-inch water line and installation of a 48-inch double disc gate valve.

#### 34th Street

Installation of 470 ft of 8-inch waterline from Liberty Avenue to Penn Avenue at Butler Street.

#### Diamond Street

Installation of 600 ft. of 8-inch water line.

#### 30th Street

Relaying a 12-inch water line from Liberty Avenue to Penn Avenue.

#### Valve Replacement

Installation of a 42-inch valve at 36th St. and Smallman St. Installation of a 20-inch valve at Liberty Ave. and Taylor St. Installation of a 20-inch valve at Penn Ave. and N. St. Clair St. Installation of a 20-inch valve at Penn Ave and Penn Circle West.

### Waste Water Collection

#### South 6th Street

Reconstruction of 60 ft. of 20-inch sewer collapse CSX under railroad right-of-way

#### Mifflin Road

Installation of 400 ft. of 24-inch RCP storm sewer, 1,275 ft. of 18-inch storm sewer, 1,150 ft. of 24-inch storm sewer in Rodgers Street, Homeland Avenue, Mohrbach Street and Mifflin Road.

#### Simple Street

Installation of 625-feet of 24-inch RCP storm sewer.

#### Brackenridge

Installation of 725 ft. of 8-inch water main, 560 ft. of 30-inch storm sewer, 330 ft. of 36-inch RCP storm sewer and 580 ft. of 8-inch sanitary sewer.

#### Sewer Lining

12 miles of PWSA sewers to be lined with cured in place polyester lining.

## 2010 PWSA/ Developer Projects

#### Garfield Phase II

(HACP) Installation of 950 ft. of sewers and 200 ft. of water lines.

#### Steuben Street

(PENNDOT) Installation of 750 feet of 12-inch water line.

#### Oakhill

(HACP) (URA) Installation of an 8-inch water line, installation of an 8-inch sanitary sewer, installation of an 18-inch, 24-inch and 30-inch storm sewers.

# MAKING THE MOST OF OUR RESOURCES

## STATEMENTS OF NET ASSETS:

Years ended December 31, 2009 and 2008  
(dollars expressed in thousands)

ASSETS	2009	2008
Current assets:		
Cash and cash equivalents (unrestricted)	\$42,937	\$41,914
Accounts Receivable, net:		
Water and Sewer	12,814	14,404
Wastewater Treatment	8,101	8,129
Other	1,077	2,137
Inventory and prepaid expenses	1,919	1,754
<b>Total current assets</b>	<b>66,848</b>	<b>68,338</b>
Restricted Funds:		
Cash and cash equivalents	10,726	22,850
Investments	96,462	113,093
<b>Total restricted funds</b>	<b>107,188</b>	<b>135,943</b>
Fixed assets - at cost, net	470,352	443,720
Bond issue costs, net	25,626	22,561
<b>TOTAL ASSETS</b>	<b>\$670,014</b>	<b>\$670,562</b>

## LIABILITIES AND NET ASSETS

Current liabilities:		
Bonds and loans payable, current portion	\$11,176	\$10,018
Accrued payroll	683	673
Accounts payable - wastewater	15,703	13,757
Accounts payable	4,101	3,326
<b>Total current liabilities</b>	<b>31,663</b>	<b>27,774</b>
Restricted funds payable:		
Bonds payable, current portion	5,259	4,607
Accounts payable	3,359	1,610
Accrued interest	10,052	9,704
<b>Total restricted funds</b>	<b>18,670</b>	<b>15,921</b>
Deferred revenue	335	356
Payroll related obligations	1,149	1,150
Bonds and loans payable, net	648,635	660,358
Refunding loss	(0)	(0)
<b>TOTAL LIABILITIES</b>	<b>\$700,452</b>	<b>\$705,559</b>
Net Assets:		
Invested in capital assets, net	\$(57,456)	\$(71,634)
Restricted for capital activity and debt service	13,954	15,988
Unrestricted	13,064	20,649
<b>Total net asset deficit</b>	<b>(30,438)</b>	<b>(34,997)</b>
<b>TOTAL LIABILITIES AND NET ASSET DEFICIT</b>	<b>\$670,014</b>	<b>\$670,562</b>

## STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS:

Years ended December 31, 2009 and 2008  
(dollars expressed in thousands)

OPERATING REVENUES	2009	2008
Residential, commercial and industrial water sales	\$86,271	\$86,627
Wastewater Treatment	45,514	39,439
Other	2,390	3,668
<b>TOTAL OPERATING REVENUES</b>	<b>\$134,175</b>	<b>\$129,734</b>
<b>OPERATING EXPENSES</b>		
Direct operating expenses:		
Production	\$29,465	\$29,143
Other	9,305	9,203
Wastewater Treatment	44,795	40,096
Payments to City of Pittsburgh under Cooperation Agreement	8,631	9,650
City rate equalization - subsidy to other water companies	1,603	1,070
Depreciation	10,317	13,914
Capitalized lease amortization	1,491	2,557
<b>TOTAL OPERATING EXPENSES</b>	<b>\$105,607</b>	<b>\$105,633</b>
<b>OPERATING INCOME</b>	<b>\$28,568</b>	<b>\$24,101</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
Federal grants	\$248	\$986
Donated Property	14,819	204
Interest revenue	690	5,032
Interest expense	(38,133)	(29,515)
Amortization of bond issue costs	(1,633)	(1,202)
<b>TOTAL NON-OPERATING EXPENSE</b>	<b>\$(24,009)</b>	<b>\$(24,495)</b>
<b>INCREASE/(DECREASE IN NET ASSETS)</b>	<b>\$4,559</b>	<b>\$(394)</b>
<b>CHANGE IN NET ASSETS:</b>		
Net asset (deficit)		
Beginning of Year	(34,997)	(34,603)
<b>END OF YEAR</b>	<b>\$(30,438)</b>	<b>\$(34,997)</b>

# PWSA FACTS

Note: These statements now reflect PWSA's role in Sewage Treatment payment collection and forwarding of the same to ALCOSAN.

**2008 Revenues: \$130 million**

**2008 Expenditures: \$130 million**

**2009 Revenues: \$134 million**

**2009 Expenditures: 130 million**

**Budgeted Employees: 250**

**Current 2009 Capital Improvement Program Value: \$194 million**

**Water Treatment Plant Capacity: 117 million gallons per day (MGD)**

**Average Daily Production: 70 MGD**

**Number of Water Customers: 83,000**

**Number of Sewer Customers: 113,000**

**Number of Combined Water and Sewer Customers: 196,000**

**Population served for Water/ Sewer Service: 310,000**

**Miles of Water Lines: 930**

**Storage Facilities: 5 reservoirs and 11 tanks**

**Storage Capacity: 455 million gallons**

**Number of valves: More than 25,000**

**Number of Fire Hydrants: More than 7,300**

**Number of Water Main Leaks Repaired in 2009: 376**

**Number of Service Line Leaks Repaired in 2009: 205**

**Lab Tests Performed: 65,000 annually**

**Miles of Sewer Lines: 1,227**

**Sewage Pump Stations: 4**

**Number of Catch Basins: more than 30,000**

**Number of Manholes: 29,000**



**PWSA**  
THE PITTSBURGH WATER & SEWER AUTHORITY  
Quality Water Quality Service

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