

Executive Order City of Pittsburgh Office of the Mayor	
Subject: Implementing the Blue Ribbon Panel's Restructuring Recommendations	Number: 2018-01
By Direction of:  William Peduto, Mayor	Date: January 22, 2018

WHEREAS, Mayor Peduto believes that reliable access to safe and affordable drinking water is a fundamental right; and,

WHEREAS, Mayor Peduto believes that public ownership of our water assets is the best vehicle to protect this right; and,

WHEREAS, the Mayor understands the challenges our current water system faces and comprehends that these system failures and deficiencies have created a crisis that must be addressed seriously and thoughtfully; and,

WHEREAS, because the Mayor understands that it is important to make long-overdue changes in the way The Pittsburgh Water and Sewer Authority (PWSA) is governed and invest in our water and sewer infrastructure, he appointed the Blue Ribbon Panel in March of 2017 to advise the City on the selection of a consultant to provide an independent review of the current state of PWSA and recommendations for improvement; and,

WHEREAS, the Blue Ribbon Panel hosted three public meetings and met privately a total of seven times to explore the nature of PWSA's challenges, to digest information from various sources (the consultant, PWSA, etc.), to evaluate the options and to reach its final recommendations; and,

WHEREAS, the Blue Ribbon Panel Report was issued on December 28, 2017, which was the culmination of the Blue Ribbon Panel's work over the past eight months; and,

WHEREAS, while the Blue Ribbon Panel report stated that PWSA has made significant progress in recent months, PWSA, working with its new Board of Directors, must continue to pursue aggressively its transformation into a high-functioning, customer-oriented organization and its plan to repair and replace the existing water supply infrastructure; and,

WHEREAS, the Blue Ribbon Panel stated clearly PWSA remain a public entity, and the City should retain ownership of the system; and,

WHEREAS, in addition, the Blue Ribbon Panel Report stated that PWSA should remain a municipal authority, but it must be thoroughly reorganized to make it independent of elective politics and accountable to and trusted by the public; and,

WHEREAS, the Auditors General's report on the performance of PWSA issued on November 1, 2017, recommended that PWSA amend its articles of incorporation to require that PWSA Board seats be filled by individuals not compensated by the city; and,

WHEREAS, the Blue Ribbon Panel Report organizes its recommendations into three pillars: (1) governance, (2) operations, and (3) infrastructure;

NOW, THEREFORE, I, William Peduto, Mayor of the City of Pittsburgh, by the virtue of the authority vested in me by the City Charter and laws of the City of Pittsburgh do hereby direct the following:

1. The Blue Ribbon Panel is directed to engage and supervise an independent restructuring legal counsel to prepare a contract between the City and PWSA that will implement the governance changes recommended by the Blue Ribbon Panel Report.
2. The creation of an independent Board of Nominators (BON) that will be initiated through mayoral appointments, but would be self-perpetuating after its initiation. The details of this creation are as follows:
  - The Mayor will appoint the initial BON from a list of nominees submitted by the Blue Ribbon Panel. The BON would consist of five members (with staggered terms) who are well regarded for their competence, experience, and demonstrated community engagement, and who reflect the diversity of the city.
  - The BON will be charged with electing PWSA's Board of Directors (BOD), and evaluating its performance, ultimately ensuring the success of the PWSA.
  - The BOD will be charged with oversight of PWSA including public health and safety, fiscal management, efficiency and productivity, and continuation of affordable rates.
  - The BOD will consist of nine, independent members, known for their competence and experience and, as a group, reflect the city's diversity.
  - The BOD will include individuals with expertise relevant to the operations and management of the PWSA. These may include, but not be limited to, the following areas: financial, legal, engineering, public utility management, and human resources/management.
3. The final contract between the City and PWSA should be executed and implemented by March 31, 2018.
4. The Blue Ribbon Panel will also engage and supervise the independent restructuring legal counsel to prepare proposed amendments to the Municipal Authorities Act, PWSA's organizational documents and enabling legislation, and other state and local laws and ordinances, as necessary, to make the foregoing governance changes permanent.

This Executive Order shall take effect immediately and remain in effect until amended or rescinded in writing by the Mayor.

**Hyperlinks (if necessary):**

[https://pwsablueribbon.org/wp-content/uploads/2018/01/BlueRibbon\\_Recommendations.pdf](https://pwsablueribbon.org/wp-content/uploads/2018/01/BlueRibbon_Recommendations.pdf)

<http://www.paauditor.gov/press-releases/auditor-general-depasquale-says-audit-of-pittsburgh-water-and-sewer-authority-shows-urgent-need-for-immediate-action>