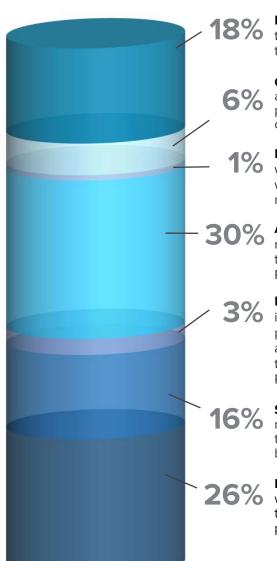
PGH20 Your Ratepayer Dollars Explained

PWSA is making unprecedented levels of investment in the water systems that serve our region. Since 2018, we've invested more than \$524 million to renew critical drinking water infrastructure, remove lead service lines, construct new stormwater infrastructure, and rehabilitate century-old sewer mains.

This investment has culminated in landmark successes: the removal of our 10,000th lead service line, the completion of the first phase of Water Reliability Plan projects, and since 2020, some of the lowest recorded lead levels in our history. As a publicly owned and operated water utility, every dollar we receive from customers is invested back into the water systems you rely on each day. Unlike investor-owned utilities, we do not have shareholders and do not generate a profit.

Below is a summary of the ways PWSA invests your ratepayer dollars back into our water distribution system for the benefit of everyone we serve.



Direct Operating Expenses: Costs associated with the day-to-day production, treatment, and distribution of water. Includes chemicals required for drinking water treatment and electricity costs for pumping and distributing water.

General & Administrative Expenses: Costs associated with the day-to-day administration of our organization. Includes expenses like building leases, insurance, professional services contracts, audits, freight, and postage. This category represents costs associated with "keeping the lights on."

Inventory: Costs associated with the raw materials needed to perform our essential work as a water utility. Includes equipment, hardware, pipes, valves, heavy equipment, water meters, and more. Having appropriate inventory levels means we have the materials we need to perform critical work.

ALCOSAN Expenses: The Allegheny County Sanitary Authority (ALCOSAN) is responsible for treating sewage in the county. Even though they are a separate entity, the rates ALCOSAN sets and charges are collected via your PWSA bill. In other words, PWSA simply bills and collects on their behalf, and we have no control over their rates.

Distribution Service Improvement Charge (DSIC): Improvements to critical, aging infrastructure must at times be accelerated to maintain service, increase safety, and protect public health. A surcharge of 5% of your water and sewer expenses per month are collected via DSIC and put towards projects that will have a direct benefit to you. If there is an excess revenue associated with the DSIC charge at the end of the year, PWSA will refund customers.

Salaries & Benefits: Our employees are stewards of the vital water services our region relies on each day. Considering the seriousness of that responsibility, we need talented, committed public servants and water professionals on our team for both the benefit of our organization and the communities we serve.

Debt Repayments: Costs to pay the principal and interest on outstanding debt that was used to fund water, sewer, and stormwater capital improvements. PWSA continues to aggressively pursue grants and low-interest loans through state and federal funding partners in order to keep debt repayment costs as low as possible.

Penn Liberty Plaza 1 1200 Penn Avenue Pittsburgh, PA 15222 www.pgh2o.com

Customer Service* T 412.255.2423 (Press 5) **F** 412.255.2475 info@pgh2o.com

Emergency Dispatch* T 412.255.2423 (Press 1) Available 24/7

• Translation services available

For more information, visit www.pgh2o.com/ about-us/finance.

PGH₀O







