



McKeesport, PA

Turning a Wastewater Decision into Broader Community Investment



**TRUST IN
WATER**

More Than a Wastewater Challenge

McKeesport, PA was faced with finding a way to protect wastewater service without placing additional strain on residents or the City's finances. In 2013, the Municipal Authority of the City of McKeesport decided to monetize the system as the City worked to avoid municipal bankruptcy, preserve service quality and keep wastewater rates affordable. The search for a regional partner began in 2015.

The Solution

The need for partnership intensified in December 2017, when the Pennsylvania Department of Environmental Protection (PA DEP) issued a consent order addressing untreated sewage that was being illegally discharged into the community, requiring major work across the treatment plant and collection system. **Rather than placing the burden of financing these improvement on residents, McKeesport transferred the system to Pennsylvania American Water, a private, regulated provider.**

That decision gave the community two forms of support. Responsibility for system operations, regulatory compliance and future capital needs moved to a provider with operational expertise, while the City received **\$40 million in net proceeds**. Those funds helped stabilize wastewater rates and enhance customer service, while also giving local leaders resources to invest beyond the wastewater system.

Investment That Reaches Beyond the System

Since 2017, nearly \$96 million has been invested in McKeesport's wastewater infrastructure, with tens of millions more planned over the next five years. For residents, this work means progress toward a more reliable system and fewer unresolved infrastructure risks. For the wider region, it supports environmental compliance and improved water quality in the Youghiogheny and Monongahela Rivers.

Supporting Affordability for Pennsylvania Families

For more than 35 years, Pennsylvania American Water's H2O Help to Others Program™ has provided bill discounts, grants and payment assistance to eligible households.

In recent years, the program has delivered more than **\$16 million** in annual bill discounts and nearly **\$2 million** in grants, helping more than 30,000 customers manage water and wastewater costs.

Community Benefits

- The City avoided municipal bankruptcy and stabilized wastewater rates.
- The "McKeesport Rising Project" helped remove more than 600 blighted structures.
- More than 100 streets and roads were paved.
- The Public Works department received new equipment and machinery, and the police department replaced more than two dozen vehicles.

Addressing A Longstanding Risk

More than 40 residences in an area of Port Vue Borough had unknowingly been sending sewage into abandoned mines. PA DEP required the issue to be corrected as a condition of the system transaction.

A \$3 million investment is funding two new sewage systems, rerouted piping to the treatment plant, sealing of the mine and rebuilt stormwater piping. Completing this work protects the local drinking water supply and the Monongahela River from continued sewage seepage. It also avoids leaving McKeesport customers to finance the required upgrades through significant rate increases.



"The crux of this transaction is bringing financial stability to the City of McKeesport and saving our taxpayers from Act 47 municipal bankruptcy. When we think about it, the privatization of local sewage services truly makes sense. The City isn't involved in other utility businesses - gas, electric, water - and this is a final step in providing consistent, regulated utility services to our community."

Michael Cherepko
Mayor of McKeesport

