



**PWSC - THE PITTSBURGH WATER and SEWER COOPERATIVE**  
**By Ron Gaydos, Manager, Pittsburgh Chamber of Cooperatives**

A consulting firm hired to assess Pittsburgh's water infrastructure performance and prospects recently concluded that the [PWSA](#) should be controlled by a "[public trust](#)".

I say "Let's privatize our water." Wait! What? How will that improve our water and our fiscal situation? Let's go back to the public trust idea first.

What would a "public trust" be? Would it be a publicly accountable entity? Would it be a new City of Pittsburgh Water Department? Or reborn as a public-private utility overseen by the Public Utilities Commission and owned by private shareholders, whose priority is a financial return? There are a lot of ideas going around and some may have hidden agendas.

One word that has not come up publicly is "cooperative". A water co-op? What's that? First, it's customer ownership of the water and sewer system in Pittsburgh. Second, it's member election of the cooperative's leadership and participation in major decisions. Third, it operates only to provide clean high-quality water to us efficiently, at cost, with no need to distribute any of the rates you pay to private shareholders.

There are 3,300 water cooperatives in the United States, some of which have the same service area as the PWSA's currently does: about 50 square miles in geographic area and about 2,800 miles of pipeline. Most of these have fewer customers, and not as many employees. For that you have to go to Bolivia, where the [SAGUAPAC](#) cooperative serves the City of Santa Cruz de la Sierra. In 1979 the Bolivian government approved that city's autonomous water board (like our own PWSA) to become a cooperative. Thus, SAGUAPAC became the largest urban water cooperative in the world. It manages 183,000 water connections serving 1.2 million people with an independent water quality rating of 99.3%. By contrast, PWSA has 83,000 connections serving about 250,000 people and it's working on improving quality.

SAGUAPAC's cooperative nature is integral to its success and identity. A World Bank report on the cooperative found that its structure helps protect the management from unnecessary political influence, allowing it to make key decisions about staffing and promotions, setting rates, and awarding contracts based only on merit and technical criteria. As a private rather than public structure, SAGUAPAC can implement investment projects faster and more efficiently. Social considerations are also important. An experiment with private third-party billing was abandoned when it was found out that the contractor was terminating connections for customers who weren't paying their bills. The cooperative instead organized courses to help members manage their finances and learn trades to earn a better income. Principle seven of the [seven cooperative principles](#) acknowledges the importance of the welfare of the community.

How would a Pittsburgh water utility cooperative work?

A private non-profit cooperative corporation would be formed — utility cooperatives are well established in the laws of the Commonwealth — and a strategy developed to take over ownership of the water system, sewer system, treatment facilities, and management systems. A transitional period would be prudent. Existing financing methods would still be available. The approximately 250 PWSA employees would become cooperative employees. The same technical functions are required, so facilities and staffing would be familiar. Being City of Pittsburgh residents, employees would likely become cooperative members, too. Cooperative customers would become member-owners of the cooperative, just as in the 900 electric and 3300 water cooperatives throughout the country that serve about 20 million connections and an estimated 50 million people already.

Members would elect the board of directors from among the membership. Members are water system customers: usually on the basis of one water meter, one vote. Members vote for the board of directors, who oversee operations and are accountable to members. Again, this structure and its feasibility and accountability are proven in the many electricity and water cooperatives across the country.

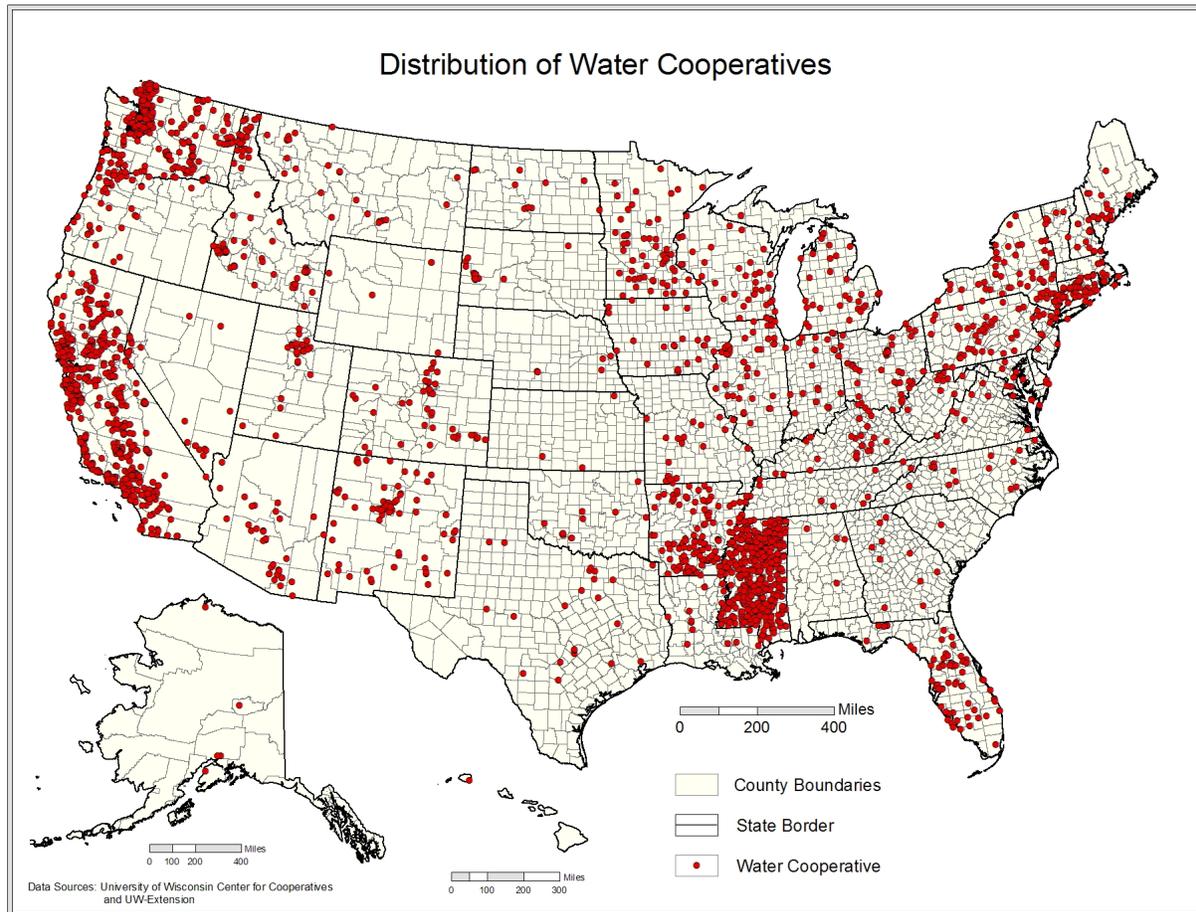
Okay, back to privatization. Lately there have been [overtures](#) by a local company to privatize our water. They have even established a company called "Peoples Water", which was a surprise to most of us. And it doesn't look like they want to manage the entire system. It's [arousing a lot of political controversy](#).

Our water management is going to be political. It already is, and it always has been. Many public goods are and should be political. We just need **equitable and accountable** politics: accountable to each and every household who drink the water, bathe in the water, and pay for the water. City leadership is courageously struggling with new directions for our water infrastructure and a cooperative is a promising option for all of us.

So, while there is all this talk of putting Pittsburgh's precious water into private hands, in a "public trust" as IMG has suggested, or in the hands of the private shareholders of a regional energy company involved in water-threatening fracking, we will have to look very closely at these options. There is, as I've discussed here, one more option: a cooperative.

So, I don't exactly say "Yes! Let's privatize our water." A cooperative led by customers and community leaders in partnership with City government will more likely provide the accountability needed, the expertise needed, and the community commitment needed, to ensure high quality water, fair working conditions, and the best environmental practices at the lowest cost possible. Our water needs to be in the hands of those who use it. Let's work with the government to turn PWSA into a cooperative. Let's select the leadership of it. It's our water, our health, and our responsibility. We can't take more responsibility, though, unless it's our water

cooperative. Let's make it **truly** people's water. We depend on our water for life itself. Shouldn't our water's destiny be in our hands?



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SAGUAPAC = Servicio de Agua Potable y Alcantarillado Sanitario Cooperativo  
[www.SAGUAPAC.com.bo](http://www.SAGUAPAC.com.bo)

PWSA: [www.pgh2o.com](http://www.pgh2o.com) <https://pwsablueribbon.org>

A piece on the controversy: <https://www.publicsource.org/activists-public-officials-protest-peoples-proposal-to-overhaul-pittsburgh-water-authority/>