



THE BANK OF NEW YORK MELLON

**NOTICE OF MANDATORY TENDER TO THE HOLDERS OF**

\$71,225,000

Pittsburgh Water and Sewer Authority

Variable Rate Demand, Water and Sewer System First Lien Revenue Refunding Bonds  
Series D-2 of 2008

<u>Cusip</u>	<u>Rate</u>	<u>Maturity</u>	<u>Amount</u>
725304PK9	Variable	09/01/2040	\$71,225,000

**NOTICE IS HEREBY GIVEN** pursuant to Section 7-6.02(a)(ii) of the Seventh Supplemental Trust Indenture dated as of June 1, 2008, (the “Indenture”) by and between the Pittsburgh Water and Sewer Authority (the “Authority”) and The Bank of New York Mellon Trust Company, N.A., as Trustee (the “Trustee”), that the above referenced bonds, (the “Bonds”) are subject to Mandatory Tender for Purchase in whole on **August 5, 2010**, (the “Purchase Date”) and will be purchased on the Purchase Date by payment of an amount equal to the principal amount thereof plus accrued interest, (the “Purchase Price”) in accordance with the Indenture.

The Bonds are subject to mandatory tender as a result of the substitution of the Initial Liquidity Facility (as defined in the Indenture) on August 5, 2010 with an Alternate Liquidity Facility (as defined in the Indenture). The Bond Insurer (as defined in the Indenture) has delivered its consent to such Alternate Liquidity Facility pursuant to the terms of the Indenture.

Bonds not submitted for payment of the Purchase Price on the Purchase Date will be deemed to have been purchased and will cease to accrue interest. Bonds should be presented for payment of the Purchase Price on or after the Purchase Date at the office of the Trustee as follows:

<u>First Class Mail</u>	<u>Express Delivery</u>	<u>Hand Delivery</u>
The Bank of New York Mellon Global Corporate Trust P.O. Box 2320 Dallas, TX 75221-2320	The Bank of New York Mellon Global Corporate Trust 2001 Bryan Street, 9th Floor Dallas, TX 75201	The Bank of New York Mellon Global Corporate Trust 101 Barclay Street, 1st Fl. East New York, NY 10286

The Pittsburgh Water and Sewer Authority  
By: **The Bank of New York Mellon Trust Company, N.A.**  
as Trustee or Agent  
Bondholder Communications: 800-254-2826

Dated: July 26, 2010

**IMPORTANT TAX NOTICE**

Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the “Act”), unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. **Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.**

*\*Note: The Issuer and Trustee/Agent shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.*