East Whiteland Township
Sewer System

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Confidential
Aqua Team

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• Introduction

• Aqua Pennsylvania Overview

• Operations and Areas of Expertise

• Customer Service and Emergency Response

• Environmental and Regulatory Responsibilities

• Capital Planning and Sewer Systems Experience

• Rates and Rate Process

• Acquisition Process and Partnership with East Whiteland
Aqua Pennsylvania Service Territory

**Shenango:**
Parts of Clarion, Clearfield, Crawford, Forest, Lawrence, Mercer, Venango, and Warren counties

**Roaring Creek/Susquehanna:**
Parts of Adams, Bradford, Columbia, Cumberland, Juniata, Northumberland, Schuylkill and Snyder counties

**Honesdale/White Haven:**
Parts of Carbon, Lackawanna, Lehigh, Luzerne, Monroe, Northampton, Pike, Schuylkill, Susquehanna, Wayne and Wyoming counties

**Southeastern PA:**
Parts of Berks, Bucks, Chester, Delaware and Montgomery counties
Aqua Pennsylvania At A Glance

as of May 2020

Water

- 443K Water Connections
- 116 Million Gallons Daily
- ~300 Wells
- 11 Surface Water Treatment Plants
- 5,924 Miles of Pipe

- 576 Employees
- 33 Counties
- 1.4 Million People Served
- 296 Monthly DEP Prescribed Compliance Sampling Sites in SEPA

Wastewater

- 43K Wastewater Connections
  (In Progress: DELCORA, Lower Makefield & New Garden adds ~ 210,000 EDU’s)*
- 10MGD Permitted Capacity
- 134 Lift Stations
- 40 Wastewater Treatment Plants

* These systems have a signed asset purchase agreement or Board resolution authorizing sale to Aqua.
# Our Expertise

## Operations
- Water Treatment and Distribution
- Wastewater Collection System and Treatment
- Emergency Preparedness and Response
- Continuous System Monitoring and Preventive Maintenance
- Customer Focus with 24/7/365 Customer Service

## Capital Investment
- Capital Planning and Asset Management
- Significant capital investment program to obtain strong compliance (>\(330\text{M}\) budgeted for PA system for 2019)
- Strong balance sheet
- A+ S&P corporate rating

## Regulatory
- Strong regulatory compliance practices, ensuring we work collaboratively with PUC & DEP to meet and exceed all regulatory and environmental standards.

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- **Best-in-class, publicly regulated PA utility in operation since founding by Swarthmore College professors in 1886**
- **Proven customer service including emergency response and operations teams that performed exceptionally during Hurricane Irene (2011), Tropical Storm Lee (2011) and Superstorm Sandy (2012)**
- **Infrastructure investment programs to replace aging water and wastewater pipelines and rehabilitate aging facilities**
- **Best management practices related to Infiltration & Inflow (I&I) investigation and remediation**

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**AQUA**
Customer Service and Care

Customer Service

- Maintain PA Emergency Operations Plan
- Outstanding Customer service during Severe Weather Events
- U.S. based 24/7/365 Aqua-owned customer service call centers
- Extensive data management system to protect customer information

Convenient Bill Pay

- Convenient bill pay options on our website
- Aqua Water and Wastewater on ONE bill
- WaterSmart also provides outage alerts and tips to help with water conservation, leak identification, pipe protection, etc.

Helping Hand Program

- Helping Hand Program can assist ratepayers who may have encountered some financial difficulties
By customer satisfaction, according to J.D. Power’s survey, Aqua is the top-rated private utility in the Northeast region.
Reliability and Emergency Response

• Multiple resources to address water and wastewater emergencies
  • On-call employees and contractors including operators, engineers, and environmental specialists
  • Operations control center in staffed 24/7/365
Environmental and Regulatory Responsibilities

Aqua strives to be the best custodian of the environment with a focus on conservation and stewardship. Aqua will take over all the responsibilities of the complex compliance requirements following an acquisition. In addition, Aqua has very strong relationships with all regulators with whom we work.

Working with Environmental Regulators

Aqua employees with the “TreeVitalize” grant program

Working with the Public Utility Commission

Aqua PA is an entirely regulated utility, falling under the purview of the PA PUC. Aqua PA can only change its rates after obtaining approval from the PA PUC.

Aqua PA has an on-site lab in Bryn Mawr that performs 270k tests/year
Aqua prudently and efficiently invests capital to maintain compliance and the highest levels of service. In the communities whose systems we acquire, we assume all of responsibilities of Capex as part of our continued operations.

Aqua PA spent nearly $340M in 2019 to replace and rehabilitate aging infrastructure including water treatment plants, water mains, wastewater treatment plants, and wastewater collection systems.

From 2010 to 2019, Aqua PA replaced 1,429 miles of water and wastewater pipe.

Media, PA Wastewater Treatment Plant Update

Aqua PA has projected a capital investment of $19M+ over 10yrs for the East Whiteland Township Sewer system.
Rates Information

• If a transaction occurs, Aqua will adopt the Township’s current wastewater rates

• Heavily regulated - Aqua does not set customer rates

• Only the PA Public Utility Commission (PUC) can approve and determine customer rates
  • Expenditures must be deemed *prudent*

• Rates can only change as a result of a legal rate proceeding which includes:
  • Public hearings
  • Review by Office of Consumer Advocate and other advocates
  • Analysis of expenditures to ensure prudency
Partnering with Aqua | Acquisition

**Transition Plan**

- Finalize an APA that transfers assets and liabilities to Aqua
- Collaboration with Public Meetings if necessary (Workshops, Panel Discussion)
- Aqua has designated transition teams for:
  - Acquisition integration
  - Preparing and undertaking filing with the PUC
- Typically hold scheduled weekly calls until the application to PUC is submitted and closed

**Key Benefits of an Agreement with Aqua Pennsylvania**

1. Partnership with industry leader to manage your wastewater system
2. East Whiteland ensured to receive Fair Market Value for their assets
3. Partnership with an industry leader with proven Customer Satisfaction Results
4. An experienced acquisition integration team with a successful history of PUC approvals
5. Future guidance on Growth by an Industry leader; Environmental Compliance
6. PUC public rate setting process that advocates for the Customer
We’re Ready for Your Questions

WaterByAqua.com