

June 16, 2008

The Helping Hand Program



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Background



- 120-year history of water treatment; 15 yrs. in wastewater
- Serves approximately 3 million people in 13 states
- Servicing many of our nation's old and new communities
- Compliance with state environmental programs
- Consolidating and fixing small, troubled systems
- Known for infrastructure rehabilitation, acquisition, and upgrade of regulated water and waste water systems



Issues in the Water Industry



- Small system rehab and consolidation
 - 50,000 nationally
- Pipe replacement and rehab
- Water and wastewater plant upgrades
- Increased security, emergency preparedness, and response planning (customer notification)



Aging Infrastructure

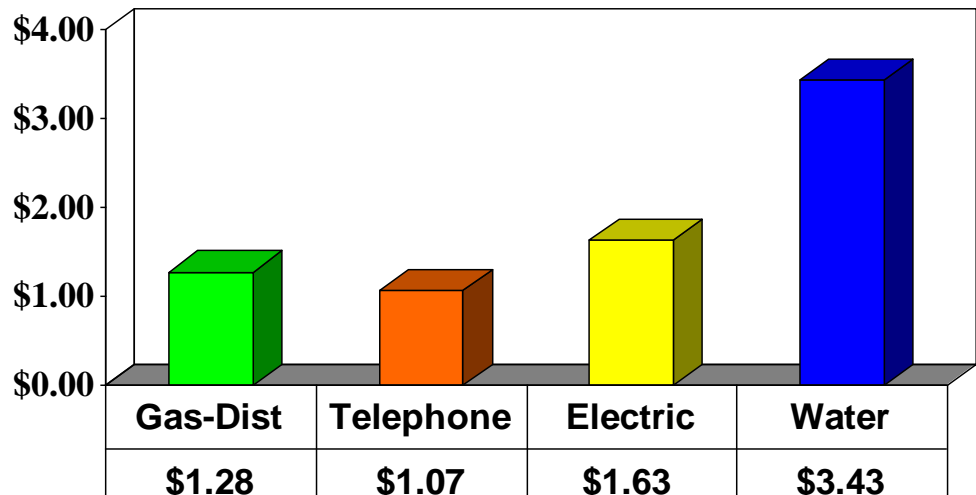
- EPA recommends over \$277 billion in infrastructure improvements over the next 20 years for water utilities
- Ongoing Problem: high plant rehabilitation and pipe replacement costs
 - Municipalities are deferring costs
 - Companies face regulatory lag (disincentive to invest)



Water Industry is the Most Capital Intensive Industry

- **EPA rules require large investment in filtration plants**
- EPA recommends over \$277 billion in infrastructure improvements over the next 20 years for water utilities
- Ongoing Problem: high plant rehabilitation and pipe replacement costs
 - Municipalities are deferring costs
 - Companies face regulatory lag (disincentive to invest)
- **Immense investment needed for distribution system and road repair**
- **More capital per revenue than all other utilities and manufacturing industries**

Capital Invested per \$1 of Revenue





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Helping Hand Program



Overview of Helping Hand

- 1st program for water industry in PA (1994); administered by Community Action Agency (CAA).
- Assists customers who are financially limited in their ability to pay by allowing them to make more manageable monthly payments.
- Customers who have had their water service terminated due to non-payment are able to have their services restored by making their pre-determined good faith payment.
- Customers may have a representative visit their property to identify and repair minor leaks within their premises at no cost.
- The Helping Hand Program rewards timely payments by applying a \$10.00 credit to the account of each Helping Hand customer who makes their monthly payment by the due date.



Water Affordability Programs

- Different types of programs
 - Discounted rates or bills
 - Crisis or hardship funds
 - Arrearage forgiveness
 - Payment arrangements
 - Flexible billing dates



Need for Water Affordability Programs

- Principal driver of rate increases:
 - new or more stringent water regulations
 - replacement/repair of infrastructure
 - Fuel and chemical costs



Eligibility Criteria

- Customers are typically referred to a community action agency “CAA”
- Applicable CAA agency reviews eligibility
- Eligibility criteria consists of:
 - The customer has a household income below 200% of the federal poverty level;
 - The customer is at least 30 days in arrears;
 - The customer is at least \$150 in arrears.



Eligibility Criteria

- If verified that customer qualifies, make “good faith” payment of 10% of balance (up to \$150 maximum)
- Customer asked to make monthly payments representing approx. one month of average usage + an additional \$25 which will be applied to their arrearage
- Customers receive coupon book specifying dollar amount, due date & mailing address



Water Conservation Measures

- Conservation measures performed by CAA include:
 - A plumber will check for leaks and perform repairs
 - Replacing washers
 - Installing aerators
 - Installing low flow shower heads
 - Installing toilet tank restrictors and fluid masters
 - Replacing flappers, toilet floats, and toilet guide rods
 - Conservation tools kit mailed to customers



Home Visits

- Talk to eligible customers about water usage
- Calculate water usage for last billing period and compare against the norm
- Perform inspection of plumbing facilities
- Check meter dial to identify leakage
- Inform customer as to location of water meter & provide reading instructions



Ways AQUA Informs Customers of A Helping Hand

- Toll free phone number
- Bill Stuffers
- Recording on Aqua phones when customers call
- Newspapers and radio
- Referral by Credit Collection Representatives
- Referral by Field Employees
- Referral by community action agencies