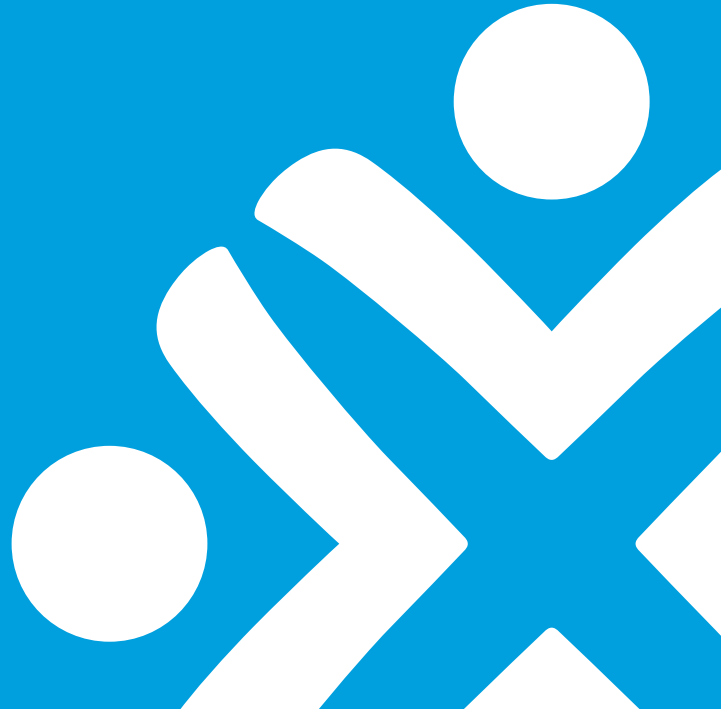


Hot Topics in the Water Sector: Affordability



What are the drivers?

- Aging infrastructure
 - Increasing replacement costs – debt and construction costs
- Increased regulation
 - PFAS, Lead and Copper, SB 64 (FL)
- Increased Operating Costs
 - Chemicals, Labor, Insurance, Electricity





Why it's Important: Water as a human right

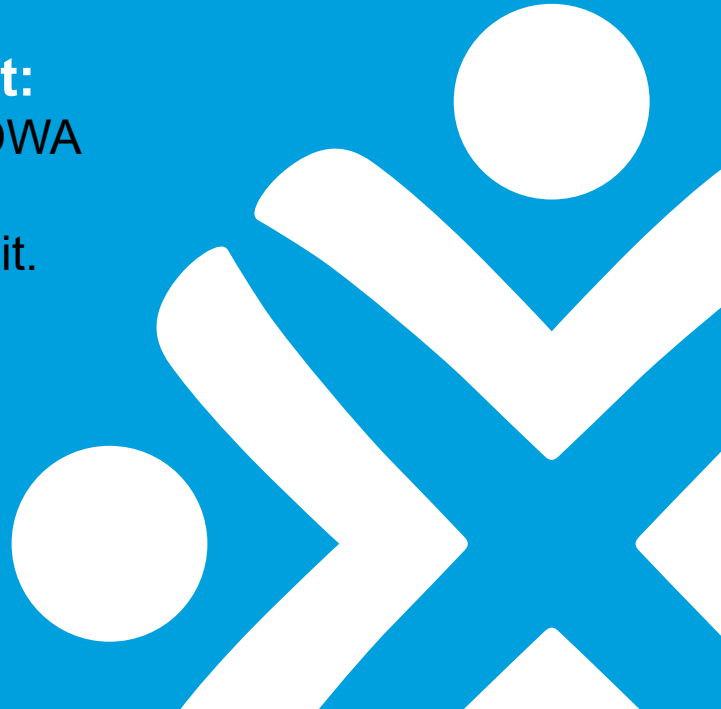
“The right to water entitles everyone to have access to sufficient, safe, acceptable, physically accessible and affordable water for personal and domestic use.” (United Nations’ definition)

Three components of water as a human right:

Healthy: Water is safe to drink and complies with SDWA standards and EPA regulations.

Reliable: Water is accessible when customers need it.

Affordable: Ensuring that the majority of customers can pay for essential services





The Balancing Act: Natural tension between the 3 components of water access

Healthy & Reliable water = the escalating cost of treating water and providing reliable infrastructure

Affordability = setting water rates at a level where the majority of customers can pay for this essential service

HOWEVER... Safe and reliable water service must not be compromised for affordability, in that utilities must recover the full cost of delivering water in order to remain viable.





How Regulated Water Utilities can provide a healthy, reliable and affordable service

- Never Compromise on Healthy and Reliable Water.
- Focus on the Customer.
- Invest in Communities.
- Champion progressive Regulatory & Legislative Policies.
- Expand Water Access through Partnerships and Consolidation.





Affordability:

What is the value proposition of water?

