Sent: Thursday, June 15, 2006 3:02 PM Subject: AGING WATER SYSTEMS WORRY ABOUT SYSTEM FAILURES FOR 2 REASONS YOU WOULD NEVER EXPECT

Dear Aquathin Dealer OnLine, Splash NewsBulletin and Allergic Reaction NewsBulletin Members;

One of my personal rules of conduct is to wear a 360 degree set of blinders...meaning to be wide-eye-aware of everything from all points on the compass. But you could have knocked me over with a feather concerning the results of the survey discussed in the quick read below.

Last year I wrote to you that the newly revised cost for refurbishing the water infrastructure in the U.S. (only...not counting other nations) was approaching \$1 trillion dollars, and that the lack of funds is seriously preventing the upgrade. However, you will read below of the discovery of 2 unsuspected yet prime reasons for municipal water system failures are retiring skilled baby boomers and the lack of new qualified and motivated replacements. My friends, municipal water plants operate 24 / 7 / 365 and demand hands on attention at all times.

I LOVE MY AQUATHIN ! AND REMEMBER, THE NEXT BEST THING TO OWNING AN AQUATHIN IS RECOMMENDING ONE TO A FRIEND !!

Let me know what you AquathinK !

Warmest regards to all...as well, your comments are always welcome and very much appreciated.

FOR THE BEST TASTE IN LIFE & 26 Years Pure Excellence ...and another Quarter Century re-inventing the water industry ! Think Aquathin...AquathinK ! (visit the allnew <u>www.aquathin.com</u>)

"Alfie" Alfred J. Lipshultz, President

P.S. "Splash NewsBulletins", "Forum Q & A", "Allergic Reaction", Biz Bank, Tech Bank and Quote Bank... <u>ARE</u> <u>ALL FREE</u> services to all Authorized Aquathin Dealers and their clients to keep you abreast of technology updates and industry news.

Industry Outlook - 6/15/2006 1:20:20 PM

Aging utilities worry about system failures

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SAN ANTONIO — "Failing" is more frequently replacing the word "aging" in the water utility industry's descriptions of — and concern about how to upgrade — its physical infrastructure, a consultant <u>told</u> the American Water Works Association (AWWA) this week at its annual <u>conference</u>, according to AWWA's *E-MainStream* newsletter.

In his talk, John Mann, who conducts an annual State of the Industry survey for AWWA, told conference attendees that his survey also reflects utilities' growing concern about the imbalance between the rates they charge their customers and the growing costs of providing water services, the newsletter said.

Utilities in Mann's survey identified the top two barriers to rate increases as politics (26 percent of utility respondents) and a lack of public acceptance of the costs of water service (24 percent), according to *E-MainStream*.

The report said the surveyed utilities also told Mann they foresee a slower growth in capital spending in 2007 — 14 percent, compared with a projected 20 percent for 2006.

Utilities are troubled by a "brain drain" — the retirement of many Baby Boomer-era utility workers and a lack of new qualified and motivated workers to replace them, the report said.

To read the full story, click here.