

The Water Industry Conference:

Maximizing Return on Invested Capital

November 15, 2004 • New York City

The International Water Management Institute warns that the explosive global population growth may lead to water wars in much the same way that an imbalance in supply and demand for oil have lead to oil wars. Several dozen Texas municipalities threaten to file claims for \$500 million against Mexico for missed water payments. The U.S. Department of Justice has initiated its "Water 2025" program which funds water development in order to "help prevent conflict over water in western states".

One solution to the imbalance in supply and demand for water is to rebuild the nation's antiquated infrastructure, some of which was built during the Lincoln administration. Since as much as 50% of the water intended for delivery to consumers is lost en route, the EPA estimates that \$138 billion is required to be spent by 2016 to upgrade or replace the water infrastructure.

Another solution is to invest in desalinization which may be an attractive alternative to overused groundwater sources. Similarly, technology to treat wastewater may alleviate the water shortage. However, these investments may be so large that they can only be financed by eliminating the sales tax exemption on bottled water, raising property taxes and accessing a fee on real estate sales.

The municipal water authorities' requirements to comply with clean water regulation, rising security concerns and preparing to serve growing populations will only raise the demands for capital.

CONFERENCE FLASH POINTS

How will this tremendous demand for capital be satisfied?

- Rate Increases • State Revolving Loan Funds • Privatization Activity Bonds • Equity Issuance
- Project Finance/Structured Finance • Municipal Bond Issuance/Private

Which funding sources are most appropriate? • What are the political dimensions of each alternative? • How interest rate sensitive are each of the options? • What are the risk characteristics of the various financing tools? • How accessible are these various means of financing? • What legal exposures do utilizing these various mechanisms present?

This conference will provide insight into how leading water companies are positioning themselves in this enormous sector. Don't miss this rare opportunity to listen to leading executives and analysts discuss how the water industry is positioned to navigate the road ahead.

COMPANIES PRESENTING:

- Baker & McKenzie
- Berenson & Company
- Carter, Ledyard & Milburn LLP
- Connecticut Water Service
- GE Commercial Finance
- Janney Montgomery Scott
- New Jersey Environment Infrastructure Trust
- The Seidler Companies Incorporated
- South Central Connecticut Regional Water
- Southwest Water Company
- Suffolk County Water Authority
- United Water
- Versar

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To register call (212) 952-7454 • Email: naomi@twst.com

For speaking and sponsorship opportunities, please contact Kathryn Pearson: (212) 952-7400 ext. 125 • Email: kathryn@twst.com

AGENDA

NOVEMBER 15, 2004 • THE HARVARD CLUB 27 WEST 44TH STREET, NEW YORK, NY 10036

8:00 REGISTRATION, CONTINENTAL BREAKFAST & NETWORKING

8:30 A WATER EXECUTIVE'S BIGGEST CONCERNS

- Regulatory Rates
- Regulatory Compliance
- Access to Capital
- Implementing New Technology
- Security

Speaker: Stephen Jones, CEO, Suffolk County Water Authority

9:00 FINANCING THE BUILD-OUT OF THE WATER INFRASTRUCTURE -

The Pros and Cons of Various Financing Alternatives

- State Revolving Loan Funds
- Equity Issuance
- Municipal Bond Issuance / Private Activity Bonds
- Project Finance / Structured Finance

Panelists: Maryclair D'Andrea, Assistant Director and CFO, New Jersey Environment Infrastructure Trust

Steve Montross - Managing Director, Commercial & Industrial Finance, Infrastructure Group, GE Commercial Finance

Michael Algranati, Treasurer, United Water

Moderator: Edward J. Tirello, Jr., Managing Director & Strategist, Berenson & Company

10:00 TRENDS IN RATE RULINGS

- State Developments
- Municipal Developments
- Coordination Among Authorities
- Single Tariff Pricing
- Fixed Price
- Incentive Based
- Structured Competition

Panelists: Walton Hill, VP Regulations, United Water
Brian Summers, Utility Financial Analyst, New York Public Service Commission

David Silverstone, CEO, South Central Connecticut Regional Water Authority

Moderator: David Schanzer, Managing Director, Janney Montgomery Scott

10:45 COFFEE BREAK

11:00 MAXIMIZING RETURN ON CAPITAL INVESTMENT - INSIGHTS INTO THE FINANCIAL CALCULUS

- Prudent Amount of Capital Invested
- Allowed Rates of Return
- Cost Savings Opportunities
- Optimum Balance Sheet Leverage
- Managing Cash Flow

Speaker: David Schanzer, Managing Director, Janney Montgomery Scott

11:30 WATER SECURITY VULNERABILITY ASSESSMENTS

- Lessons municipalities learned
- Water quality monitoring measures
- Challenges of implementing recommendations
 - o Financing issues (grants, bonds)
 - o How much security is enough?
- Emergency response planning

Speaker: Robert McDonald, Regional VP, Versar

12:00 LUNCH - Sponsored by **GE Commercial Finance**

1:15 THE RISKS & RAMIFICATIONS OF EMINENT DOMAIN

- Eligibility and bases for condemnation
- Hearing and Finding requirements
- Relationship to other environmental reviews
- Other permitting issues such as rights-of-way
- Environmental disclosure in financing documents
- Compensation

Speaker: Stephen L. Kass, Partner; Co-Director, Environmental Practice Group, Carter, Ledyard & Milburn LLP

2:00 THE PARTNERING OPTION

- When is the Right Time to Partner with Design, Build, Finance, Operate Concerns?
- Budgetary Issues
- ROE Issues
- Regulatory Issues

Speaker: Anton Garnier, Chairman and CEO, Southwest Water Company

2:30 COFFEE BREAK

2:45 CONNECTICUT'S WASTEWATER NITROGEN TRADING PROGRAM

- Objectives
- Permits
- Reductions in Total Nitrogen Discharges
- Trading of Credits
- Financial Impact on Wastewater / Water Utilities

Speaker: Gary Johnson, Senior Environmental Engineer, Connecticut Department of Environmental Protection

3:30 DEVELOPING NON-TRADITIONAL REVENUE STREAMS

- Water Treatment
- Contract Services
- Bottled Water
- Growing Importance of Metering Technology

Overview Presentation :

Neil D. Berlant, First Vice President & Managing Director - Water Group, The Seidler Companies Incorporated

Panel Discussion: David Benoit, CFO, VP-Fin. & Treasurer, Connecticut Water Service
Richard Meeusen, CEO, Badger Meter

4:30 INTERNATIONAL DEVELOPMENTS:

Are Foreign Markets an Opportunity for Revenue

Diversification?

- Potential Market Analysis
- Market Entry Strategies
 - o Commercial Loans/Multilateral Backup Support
- Risk of Host Country Reducing Rates
- Currency Considerations
- Governments Reneging on Infrastructure Commitments
- Appropriation

Speaker: David Freedman, Partner, Baker & McKenzie

5:00 ADJOURNMENT & COCKTAIL RECEPTION - Sponsored by **WaterTechOnline**

**agenda subject to change*

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Today's Water Executives Must Strive to Maximize ROI

Water executives are beset with numerous mandates: They must comply with increasingly stringent clean water regulations, ensure the security of their water systems, invest in desalinization and wastewater treatment and make huge capital commitments to rebuild their antiquated water delivery systems. According to the Environmental Protection Agency, water authorities will have to expend \$151 billion by 2020 in the water delivery supply chain.

The scope of these investments is especially onerous for an industry that is heavily regulated and dependent on limited revenue sources. In order to meet these financial commitments, water executives must be extremely careful in crafting their entities' financial structure; in choosing their financing methods; in assessing the various government programs; and, in committing to long-term interest rate schedules.

Today's water executive must consider the merits of privatizing and partnering with service providers. Forward thinking executives will assess the merits of developing supplemental revenue streams in the form of water treatment services, contract services and bottled water.

Don't miss this unique opportunity to listen to leading industry executives, regulators, and financiers discuss best practices for financing growth, winning rate increases, developing non-traditional revenue streams and maximizing their returns on investment.

We look forward to seeing you in New York on November 15, 2004.

David Wanetick
Managing Director
Gateway Reports
&
The Wall Street Transcript

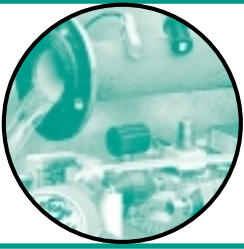
KEY TAKE AWAY BENEFITS

- Assess the merits of incentive-based versus structured competition regulation
- Determine the pros and cons of tapping into State Revolving Loan Funds
- Discern the pitfalls of privatization
- Learn the benefits of developing additional revenue streams (e.g. bottled water and water treatment)
- Insulate your company from eminent domain challenges
- Discern the interest rate sensitivity of various financial tools
- Understand the legal exposures that are associated with various financing tools
- Ascertain the optimum time to use Private Activity Bonds
- Learn best practices for achieving rate increases
- Determine how and when to file for Construction Work-in-Progress in the Rate Base
- Gain insight into evaluating bids for privatization and outsourcing
- Determine the extent and ramifications of single tariff pricing

ADMINISTRATION DETAILS

- Register now – availability is limited. Phone, fax, or mail the reply form on the back of the brochure today. Call 212-952-7454, fax 212-668-9842 or email naomi@twst.com.
- Cancellations – Should you be unable to attend for any reason, please inform us in writing prior to October 15, 2004 and a refund less a \$225 processing charge will be issued. No refunds will be given after October 15, 2004. Requests for substitutions for enrolled delegates may be made by emailing naomi@twst.com.
- Please note: Dress is business casual. Please no jeans.
- Hotels close to the conference location include: Algonquin, 59 W. 44th St, 800-555-8000; Mansfield, 12 W. 44th St, 877-847-4444; Sofitel New York, 45 W. 44th St., 800-SOFITEL. The midtown locations of the Hyatt, Hilton, Sheraton and Marriott chain of hotels are also located within easy access to the conference venue. This information is only given as a convenience and not as an endorsement.

Register Now and Receive Gateway Reports'



Special Report on the State of the Water Industry



Free with Your Registration

This 75 page report is full of industry and investor insights such as:

Consider the dominant growth drivers conservation and underpenetration for meter technology.

How new EPA regulations will trigger 25% to 50% water industry growth.

Insight into the winners and losers of the trend towards global privatization of the Water Industry.

Analysis of how Homeland Security mandates will benefit companies that supply the water industry with technology.

How will water utilities protect you from terrorism? Which technologies will they be required to purchase?

Why the United Nations believes providing clean drinking water will combat global conflict.

Learn why the global pace of water infrastructure spending is set to accelerate.

Understand the extent to which bottled water's popularity is on the rise and assess how much room is left for growth.

Gain insight into the merits of investing in many sectors of the \$400 billion global water industry. These sectors include metering, utilities, filtration, infrastructure and desalinization.

Determine the implications of at least 3.5 billion people, nearly 50% of the world's population, facing water scarcity by 2025.

Which of the 60 plus water economy stocks should you put on your radar screens?

Which water utility stocks will perform well despite higher interest rates and more government regulations?

Discover how water conservation yields stock gains.

Discern which Water Economy "Pure Play" water stocks are most levered to industry growth.

Assess whether or not China is the next big water market.

How quickly will desalinization technology be embraced?

Industry insiders claim 50% of all drinking water is lost through aging infrastructure. How can you position your business and portfolio to prosper from the replacement of obsolete infrastructure?

The price for this report is normally \$175 but is free to registered conference delegates.

Register Now!!!

The Water Industry Conference: Maximizing Return on Invested Capital

Registration Information

Registration Fee:

\$695

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