



VALUE OF WATER SURVEY

AMERICANS ON THE U.S. WATER CRISIS

650
WATER MAIN
BREAKS
PER DAY

\$2.6
BILLION IN
LOST WATER
EVERY YEAR

AT RISK
OUR NATION'S
CLEAN WATER



BACKGROUND

Water has for too long been absent from the national debate on infrastructure. Hidden underground, the deterioration of our nation's water pipes and treatment systems has become an unseen crisis. In an era of water scarcity and tight budgets, we can no longer afford to lose nearly two trillion gallons of clean water, at an annual cost of \$2.6 billion, to broken and leaking pipes every year.

Americans agree.

ITT's nationwide survey on the value of water details what Americans think should be done about this crisis—and who should pay for it.

EXECUTIVE SUMMARY

95% of American voters value water over any other service they receive, including heat and electricity

Our nation's industrial and agricultural businesses—among the heaviest water users—rank it second, after only electricity

About three out of four American voters and businesses* say disruptions in the water system would have direct and personal consequences

Too many take clean water for granted: 69% of voters, 72% of businesses*

When asked, U.S. voters and businesses* do express concern about our nation's water.

- Nearly one in four American voters is “very concerned” about the state of the nation's water infrastructure
- 29% percent of voters agree that water pipes and systems in America are crumbling and approaching a state of crisis
- 80% of voters say water infrastructure needs reform; about 40% say major reform

*INDUSTRIAL AND AGRICULTURAL BUSINESSES ONLY

EXECUTIVE SUMMARY

People understand that fixing our nation's water infrastructure problems is a shared responsibility:

- 85% of voters, 83% of businesses* agree federal, state and local governments should invest money in upgrading our water pipes and systems
- 79% of voters, 75% of businesses* agree and think government officials need to spend more time addressing water issues
- Both citizens and businesses* understand and accept responsibility
- 63% of American voters, and 57% of businesses* say they are willing to pay a little more each month to upgrade our water system

People everywhere are willing to pay more, regardless of region, residence, gender, age or political affiliation

- Voters are willing to pay on average \$6.20 more per month
- If we took them up on their offer, the United States could invest about \$5.4 billion more per year in our nation's water infrastructure**
- This is more than four times the FY09 federal investment in our nation's drinking water systems

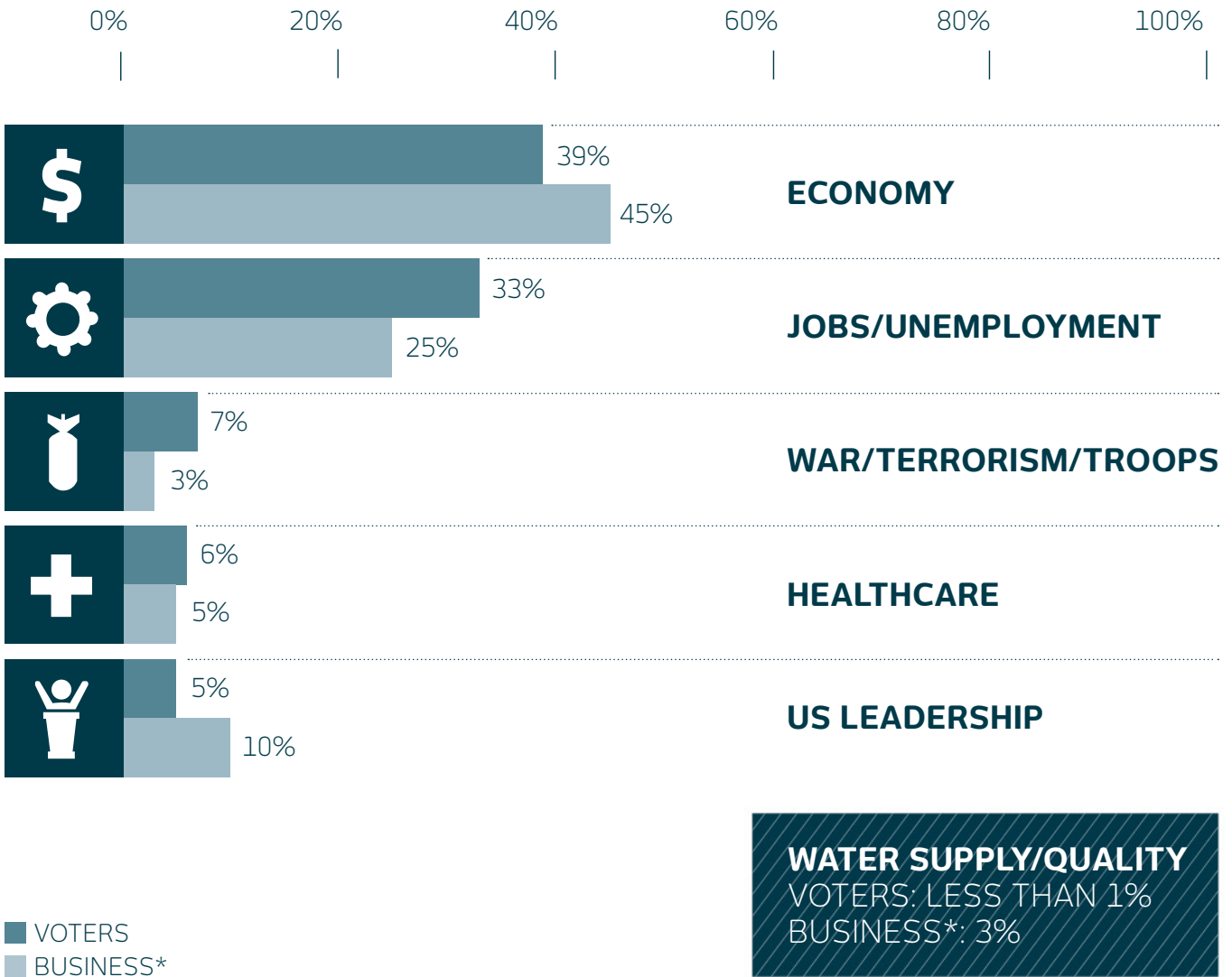
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**BASED ON 2010 CENSUS U.S. BUREAU PROJECTIONS: 114,200,000 U.S. HOUSEHOLDS

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A steady supply of clean water is taken for granted despite the fact that it is valued above all other services.	
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Americans want government to take responsibility, but are willing to do their part and shoulder some of the costs.	
■ EDUCATION HEIGHTENS CONCERN	20
Presenting Americans with facts and statistics about water infrastructure challenges elevates their concern and desire for reform.	

ECONOMY AND JOBS TOP AMERICANS' CONCERNS



DON'T KNOW
VOTERS: 4%
BUSINESS*: 2%

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Q8: In your opinion, what is the most important issue facing the United States today?
(Coding of open-ended responses) / Base-Voters: 1,003; Business*: 502

BUT INFRASTRUCTURE ISSUES NEED TO BE ADDRESSED AT THE SAME TIME AS OTHER PROBLEMS

47%
VOTERS
55%
BUSINESS*

The state of our nation's infrastructure is a serious problem that needs to be addressed immediately and prioritized with other important issues such as the economy and the war in Afghanistan

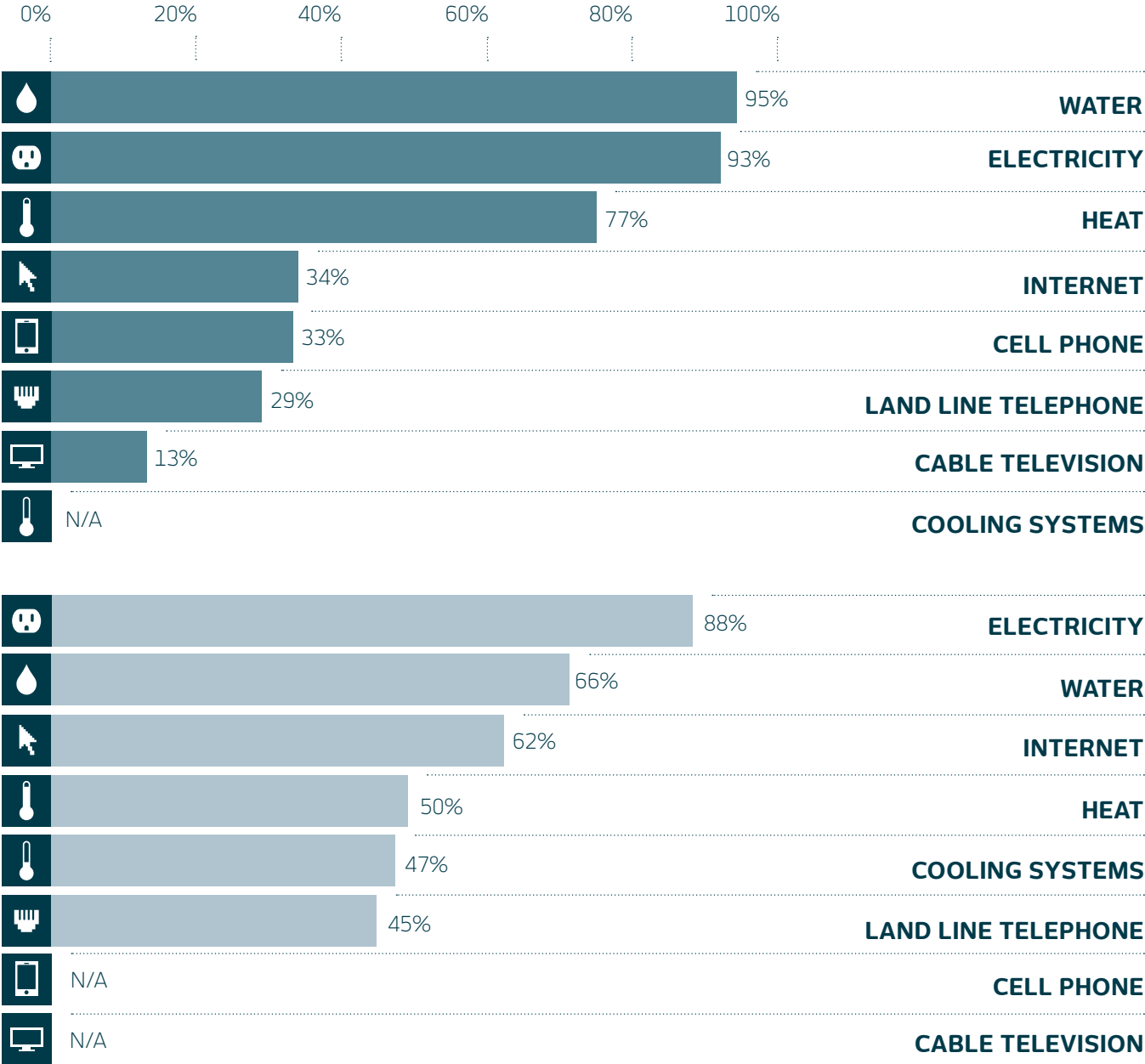
48%
VOTERS

BUSINESS*

Our nation is facing too many challenges right now such as the economy, the war in Afghanistan and health care, and we really need to be focusing on those issues and not get distracted with less important things such as our nation's infrastructure

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VOTERS VALUE WATER MORE THAN ANY OTHER SERVICE; BUSINESSES* RANK IT SECOND



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■ VOTERS
■ BUSINESS*

...AND BELIEVE WASTE DRIVES U.S. WATER SHORTAGES

PEOPLE ARE WASTING TOO MUCH WATER



VOTERS
59%

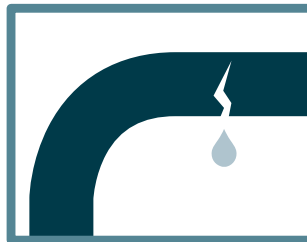
BUSINESS*
57%

BUSINESSES* ARE USING/WASTING TOO MUCH WATER



VOTERS
31%
BUSINESS*
29%

OUR PIPES ARE OLD AND LEAKING TOO MUCH WATER



VOTERS
23%
BUSINESS*
28%

AGRICULTURE IS USING/WASTING TOO MUCH WATER



VOTERS:
21%
BUSINESS*
18%

U.S. JUST DOESN'T HAVE ENOUGH WATER

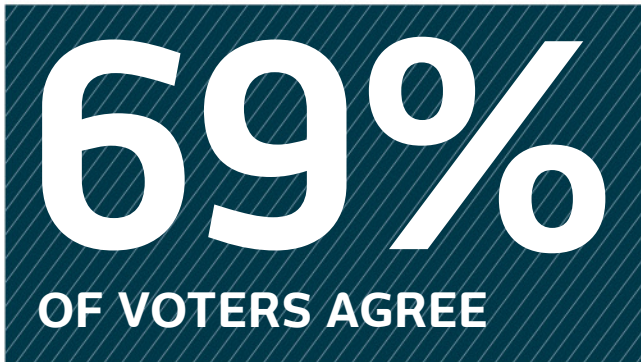


VOTERS:
14%
BUSINESS*
17%

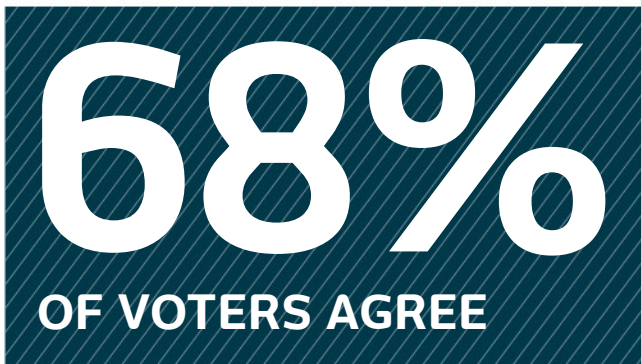
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BUT THEY STILL TAKE CLEAN WATER FOR GRANTED

"I generally take my access to clean water for granted."

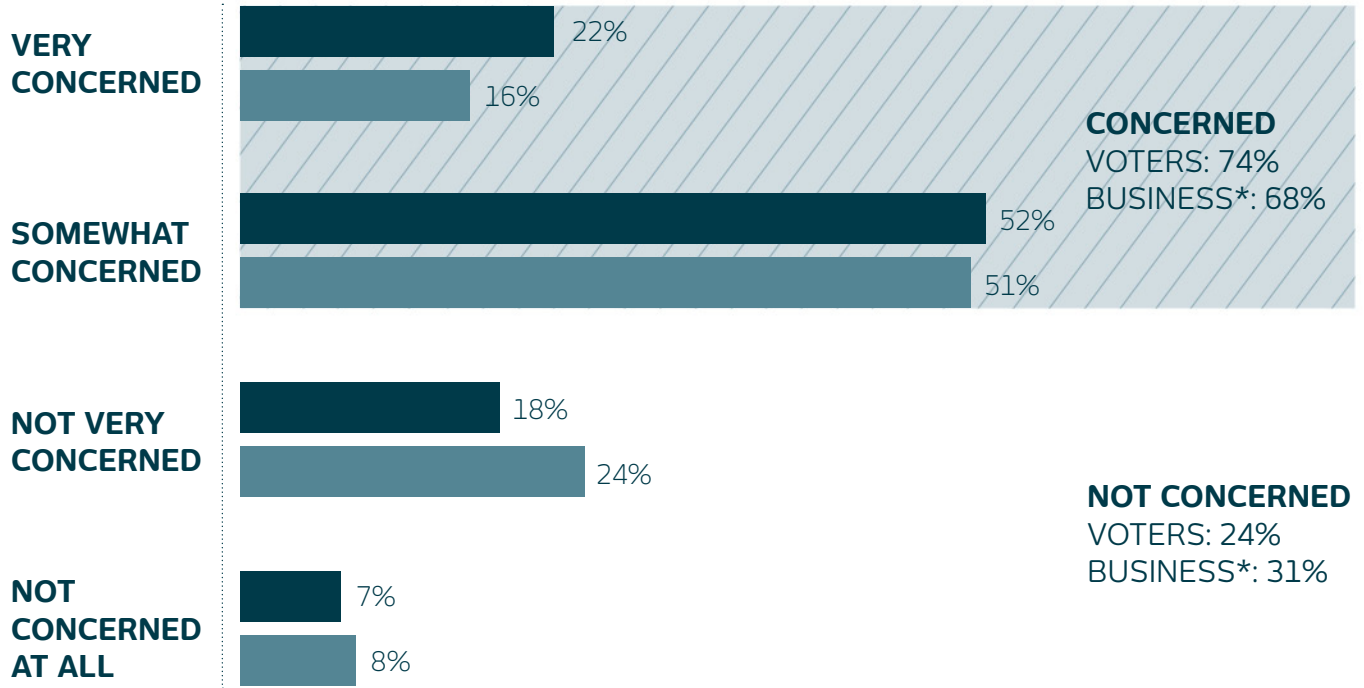


"I don't really worry about the water that comes out of the tap because it is generally clean and unpolluted."



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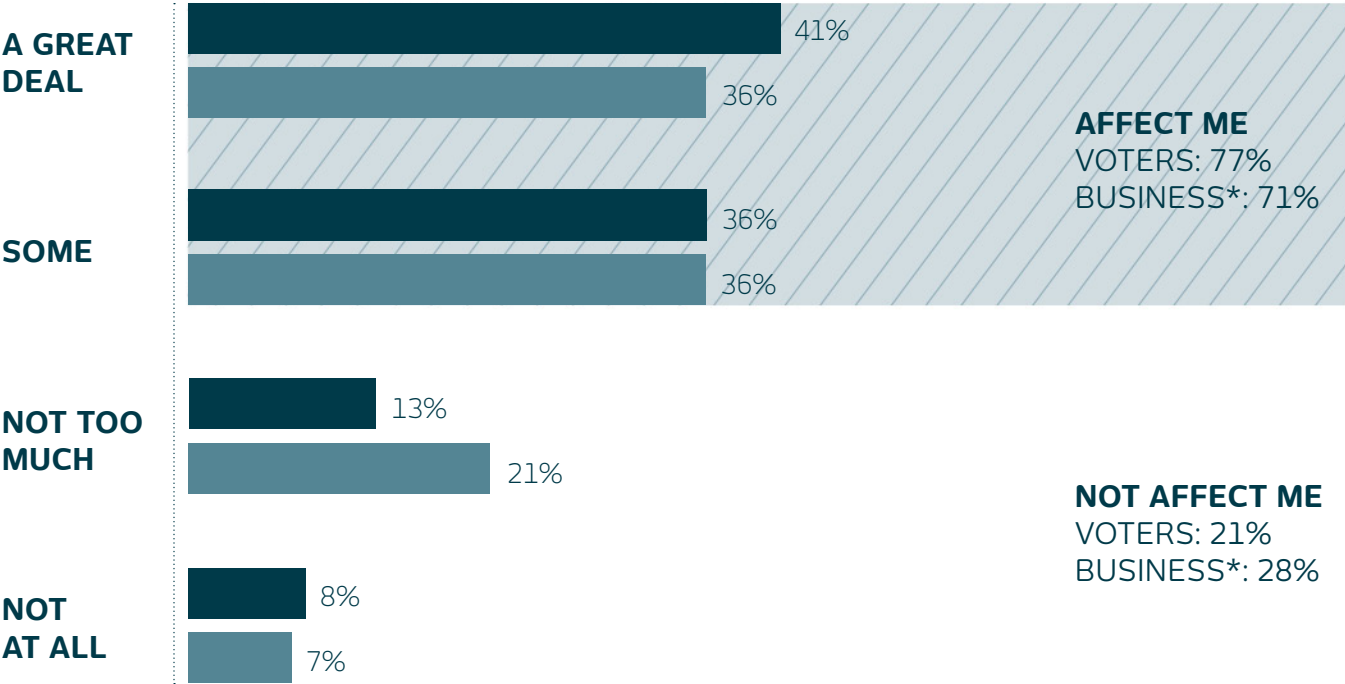
PEOPLE ARE CONCERNED ABOUT THE STATE OF AMERICA'S WATER INFRASTRUCTURE...



■ VOTERS
■ BUSINESS*

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...AND BELIEVE THAT DISRUPTIONS IN THE SYSTEM WOULD HAVE DIRECT AND PERSONAL CONSEQUENCES



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■ VOTERS
■ BUSINESS*

Q47: If there were problems with our nation's water infrastructure system, how much do you think it would affect you personally? Base-Voters: 1,003; Business*: 502

MANY AMERICANS BELIEVE OUR NATION FACES AN IMPENDING WATER INFRASTRUCTURE CRISIS

Water pipes and systems in America are crumbling and approaching a state of crisis.

29%

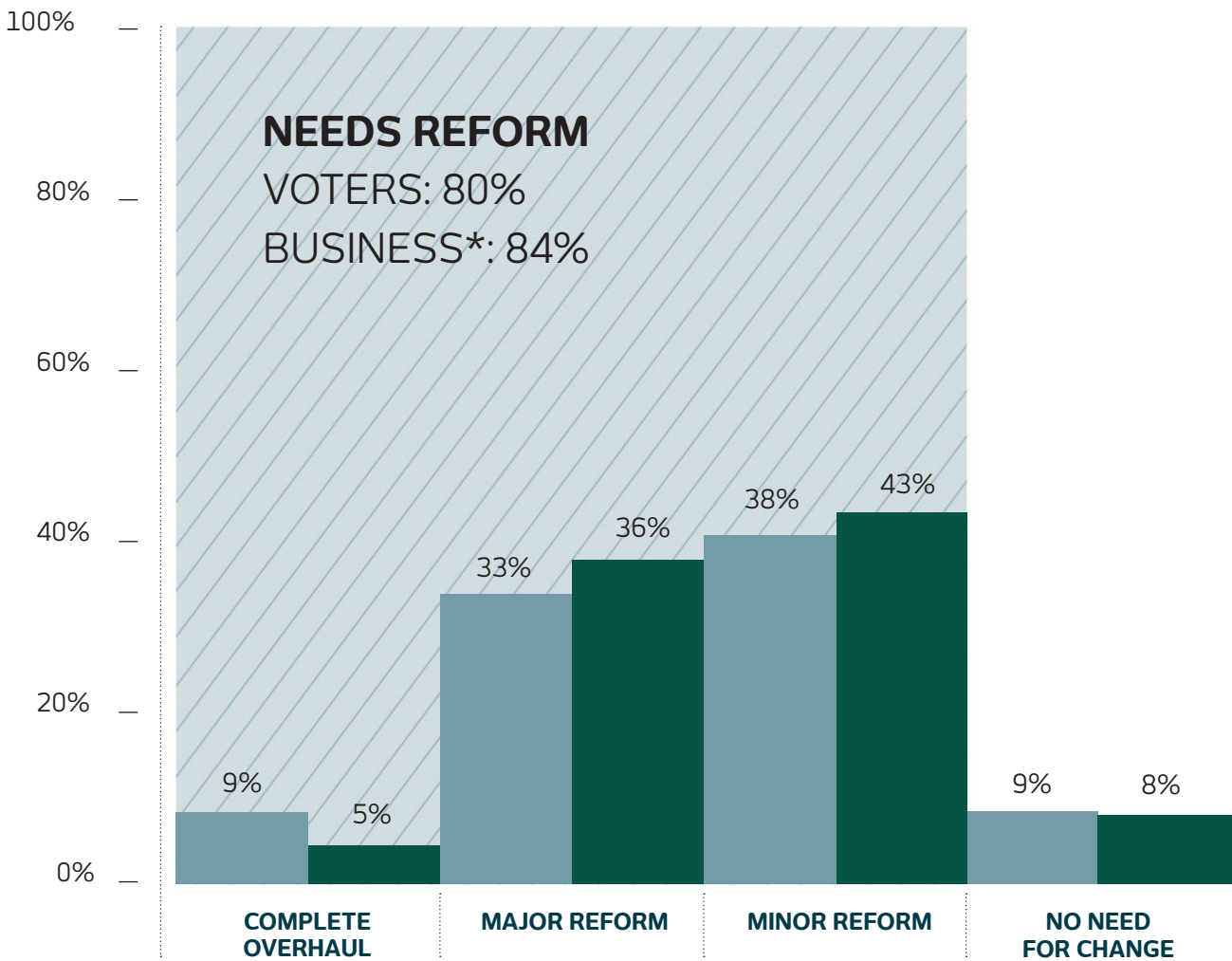
OF VOTERS
STRONGLY AGREE

24%

OF BUSINESSES*
STRONGLY AGREE

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AMERICANS BELIEVE REFORM IS NEEDED...



■ VOTERS
■ BUSINESS*

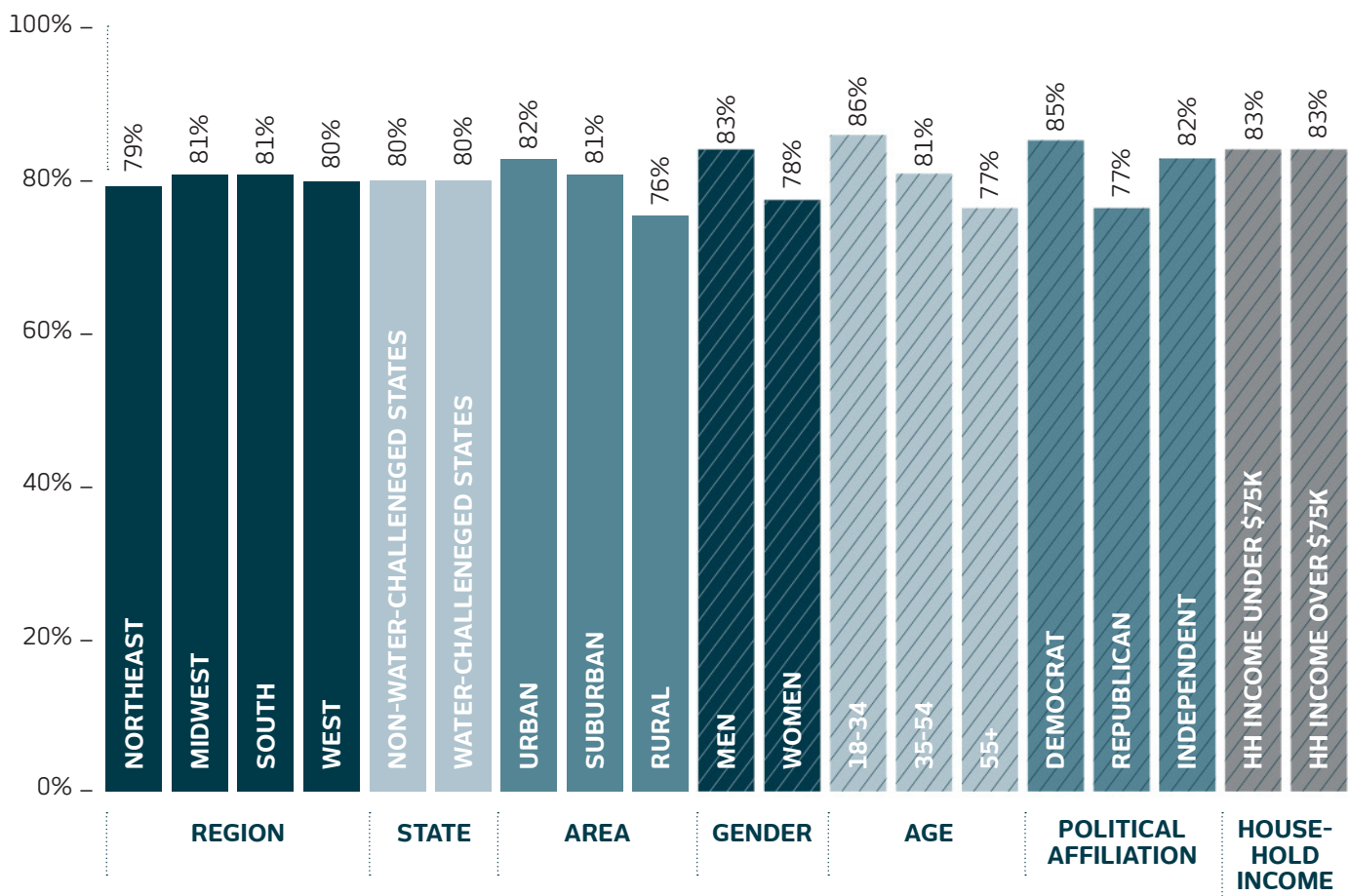
DON'T KNOW
VOTERS: 11%
BUSINESS*: 8%

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Q45: Now, thinking about the water infrastructure system in America, would you say it needs a complete overhaul, major reform, minor reform, or is there no need for change? / Base-Voters: 1,003; Business*: 502

...REGARDLESS OF REGION, RESIDENCE, AGE OR POLITICAL AFFILIATION

Reform of the nation's water infrastructure is needed.



GOVERNMENT MUST LEAD THE SEARCH FOR SOLUTIONS

Who would you hold accountable for fixing water infrastructure problems?

	VOTERS	BUSINESS*
Government	87%	89%
Local & municipal govts	36%	50%
State govts	26%	22%
Federal govt	25%	17%
Business* & industry	5%	6%
All of the above	2%	2%

85%
OF VOTERS AGREE

83%
OF BUSINESSES* AGREE

Federal, state and local governments should invest money in upgrading our water pipes and systems

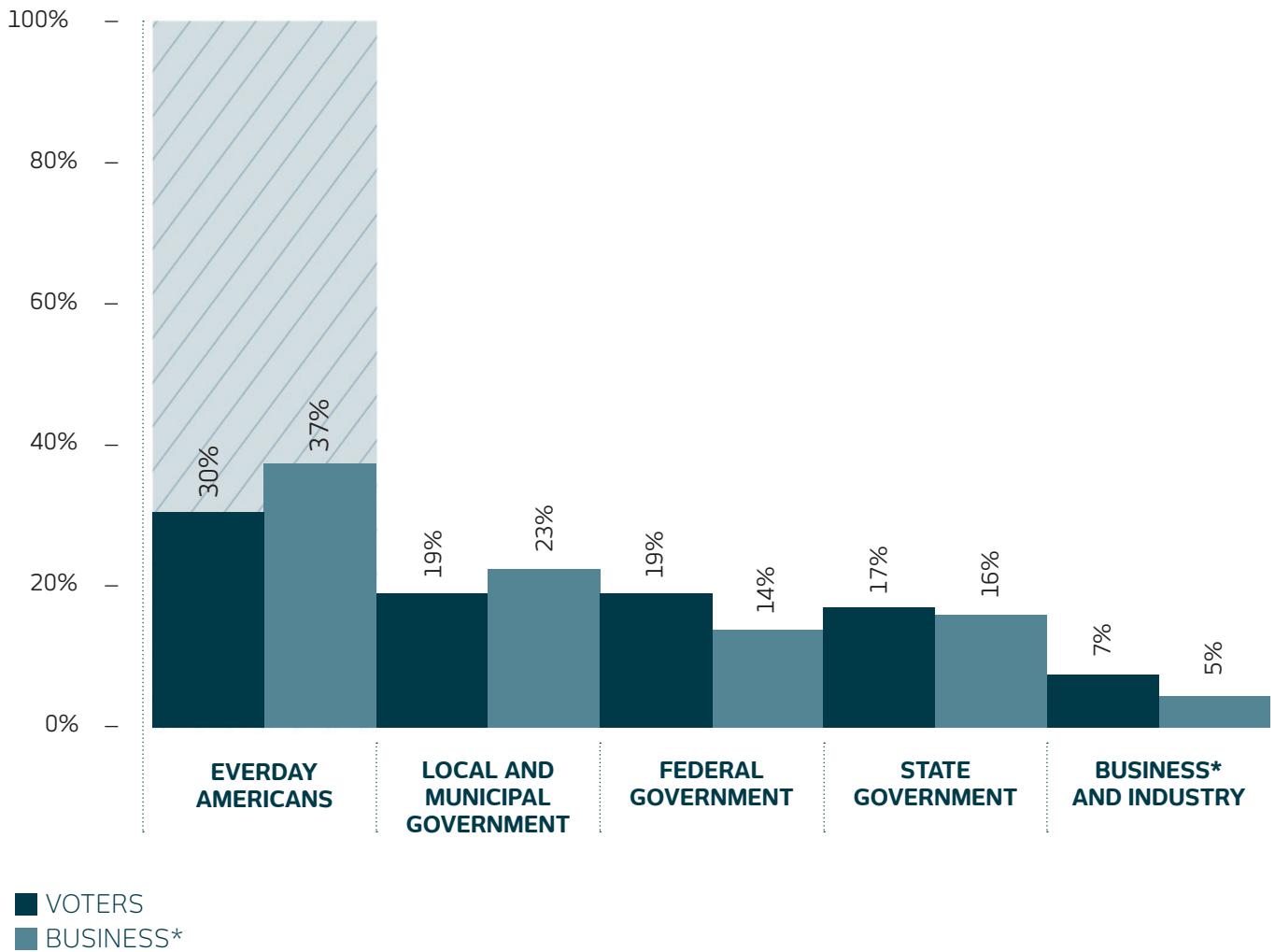
79%
OF VOTERS AGREE

75%
OF BUSINESSES* AGREE

Think our government officials need to spend more time addressing water issues

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...BUT EVERYDAY AMERICANS MUST SHARE RESPONSIBILITY



DON'T KNOW

VOTERS: 5%
BUSINESS*: 3%

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AMERICANS AND U.S. BUSINESSES* ARE WILLING TO DO THEIR PART

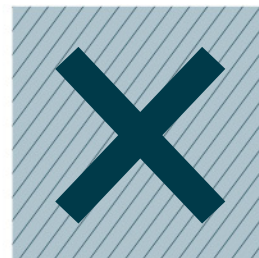
Would you be willing to pay a little more each month in your water bill to upgrade our water system to ensure long-term access to clean water?



YES

63% Voters

57% Business*



NO

30% Voters

36% Business*

DON'T KNOW

7% Voters

8% Business*

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Q43: Would you/Do you think your company would be willing to pay a little more money each month in your/ its water bill to upgrade our water system to ensure that we have long-term access to clean water? / Base-Voters: 1,003; Business*: 502

TWO-THIRDS OF AMERICAN VOTERS ARE WILLING TO PAY AN AVERAGE OF \$6.20 MORE PER MONTH

\$6.20

AMOUNT VOTERS ARE WILLING TO PAY MORE, PER MONTH

AVERAGE PERCENTAGE INCREASE OVER CURRENT WATER BILL

11%



An increase of only 11% by 63% of American households alone would lead to increased investment in our nation's water infrastructure by more than \$5 billion per year*

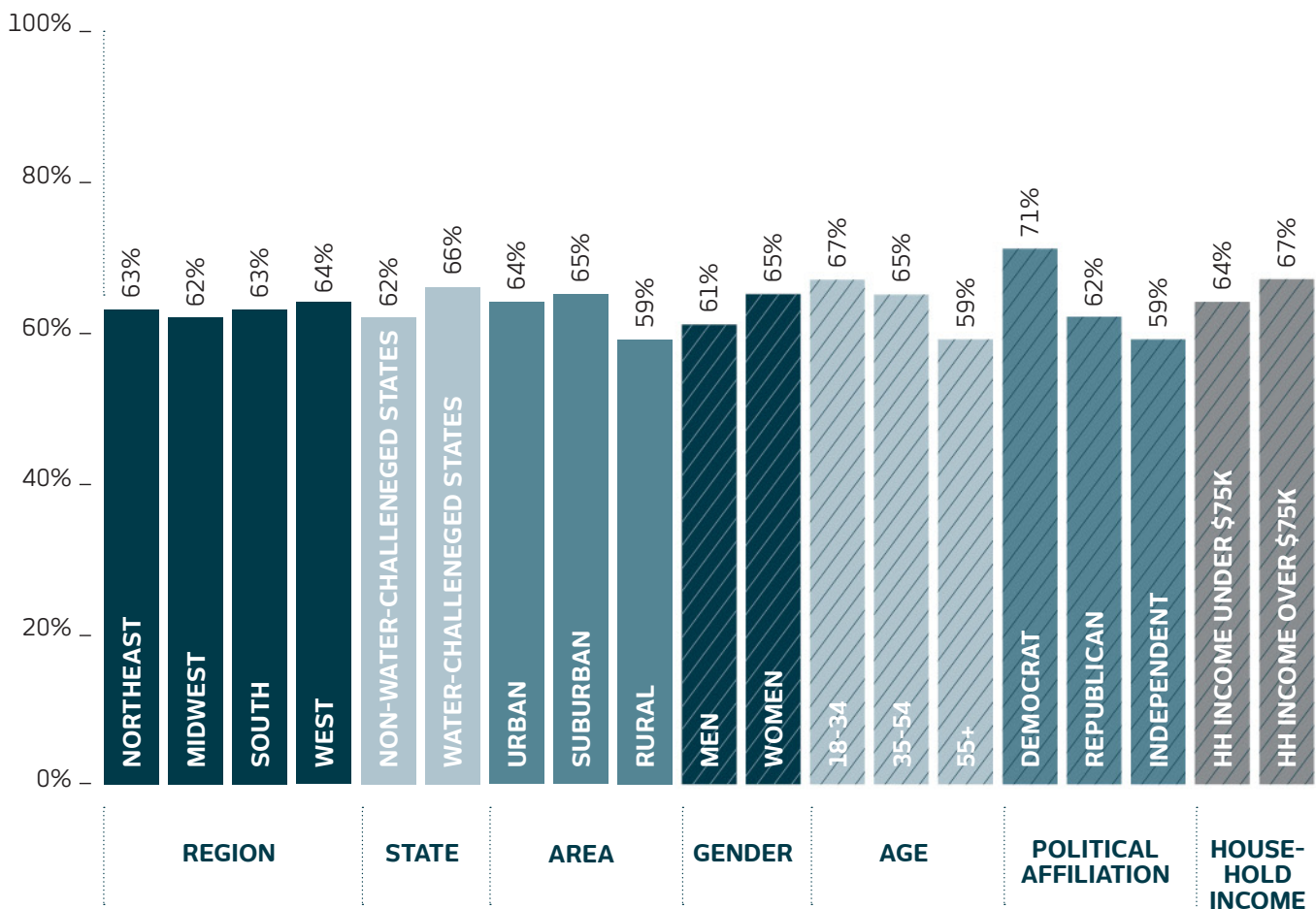
Of the 57% of businesses** willing to pay more now, the average acceptable increase is 7%

*BASED ON 2010 CENSUS U.S. BUREAU PROJECTIONS: 114,200,000 U.S. HOUSEHOLDS



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PEOPLE ARE WILLING TO PAY MORE REGARDLESS OF REGION, RESIDENCE, GENDER, AGE, POLITICAL AFFILIATION OR INCOME LEVEL

I am willing to pay a little more in my water bill each month.





AMERICANS ARE RESPONSIVE TO THE FACTS

% CONVINCING (VERY/ SOMEWHAT)	 VOTERS	 BUSINESS*
As a result of blocked or broken pipes, every year up to 10 billion gallons of raw sewage are released into our waterways.	88%	84%
In 2009 <i>The New York Times</i> reported that [since 2004,] 62 million Americans have been exposed to drinking water that does not meet government health guidelines.	82%	75%
Each year, there are about 240,000 water main breaks in the United States, or about 650 every single day. This causes the country to lose roughly 7 billion gallons of water every day—enough to supply water to the entire state of California.	86%	81%
According to the Congressional Budget Office, the gap between what we need to invest and what we actually invest in our nation’s water infrastructure is about [\$19 billion] each year. This means that we are drinking water from pipes that are 50 to 100 years old, leading to more pipes breaking and increased chances for contaminated water.	86%	79%
Poorly maintained sewage systems are a serious public health concern. More than 3,000 illnesses each year are attributed to exposure to recreational water that was contaminated by sanitary sewer overflows.	86%	80%

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AMERICANS ARE RESPONSIVE TO THE FACTS

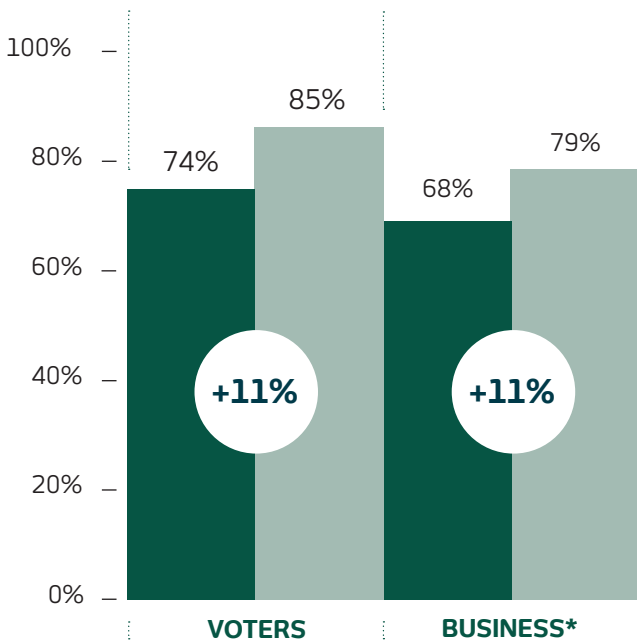
% CONVINCING (VERY/ SOMEWHAT)	 VOTERS	 BUSINESS*
<p>According to the U.S. Environmental Protection Agency, if the United States decreased our residential, commercial and industrial water leaks by only 0.5%, we would save 270 million gallons of water a day and 150 million kilowatt hours of electricity annually. That’s enough electricity to power 300,000 energy efficient refrigerators for 1 year.</p>	86%	82%
<p>Sewage plants built during the early 1970s with federal Clean Water Act grants are reaching overcapacity and approaching the end of their life cycles. As a result, sewage systems in many states are struggling to handle heavy rains, spilling human waste into local waterways.</p>	89%	86%
<p>Many of our current water pipes and treatment systems are more than 50 years old, but since many of these systems were built, the U.S population has more than doubled. For example, California’s system was designed to supply water to 16 million people. But now it struggles to serve 38 million people, and California is expected to grow by an additional 12 million people by 2040. This trend of overburdened water supply systems is repeating itself in states all over the country.</p>	87%	82%
<p>Most of the pipes that make up our country’s water infrastructure have a lifespan of 50 to 100 years, but some US cities have water pipes and treatment systems that are close to 200 years old, meaning our water infrastructure system is literally crumbling with age.</p>	87%	83%

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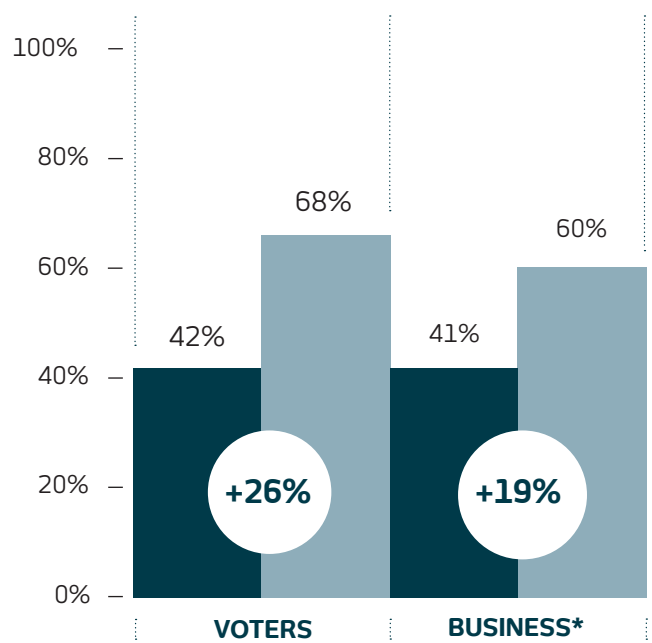
EDUCATION HEIGHTENS CONCERN

Concerned about the state of America's water infrastructure system:

The water infrastructure system in America needs a complete overhaul or major reform:



■ PRE-INFO EXPOSURE
■ POST-INFO EXPOSURE



■ PRE-INFO EXPOSURE
■ POST-INFO EXPOSURE

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METHODOLOGY

1605-person telephone survey
 82 questions
 Fielded August 6–September 3, 2010*

<p>VOTERS:</p>	<p>Number of people:</p> 	<p>Margin of Error = +/-3.1% at the 95% confidence level</p>	<p>Representative of 2006 voting population on key demographic variables</p>
<p>BUSINESS** WATER CONSUMERS:</p>	<p>Number of people:</p> 	<p>Margin of Error = +/-4.26% at the 95% confidence level</p>	<p>Facilities or operations managers at industrial or agricultural companies</p>
<p>COLLEGE STUDENTS:***</p>	<p>Number of people:</p> 	<p>Margin of Error = +/-9.8% at the 95% confidence level</p>	<p>Even mix of Freshmen, Sophomores, Juniors, Seniors</p>

*NOTE THAT SURVEY FIELDING COMPLETED PRIOR TO THE OBAMA ADMINISTRATIONS INFRASTRUCTURE FINANCING PROPOSAL
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 ***NOT INCLUDED IN THIS REPORT ANALYSIS

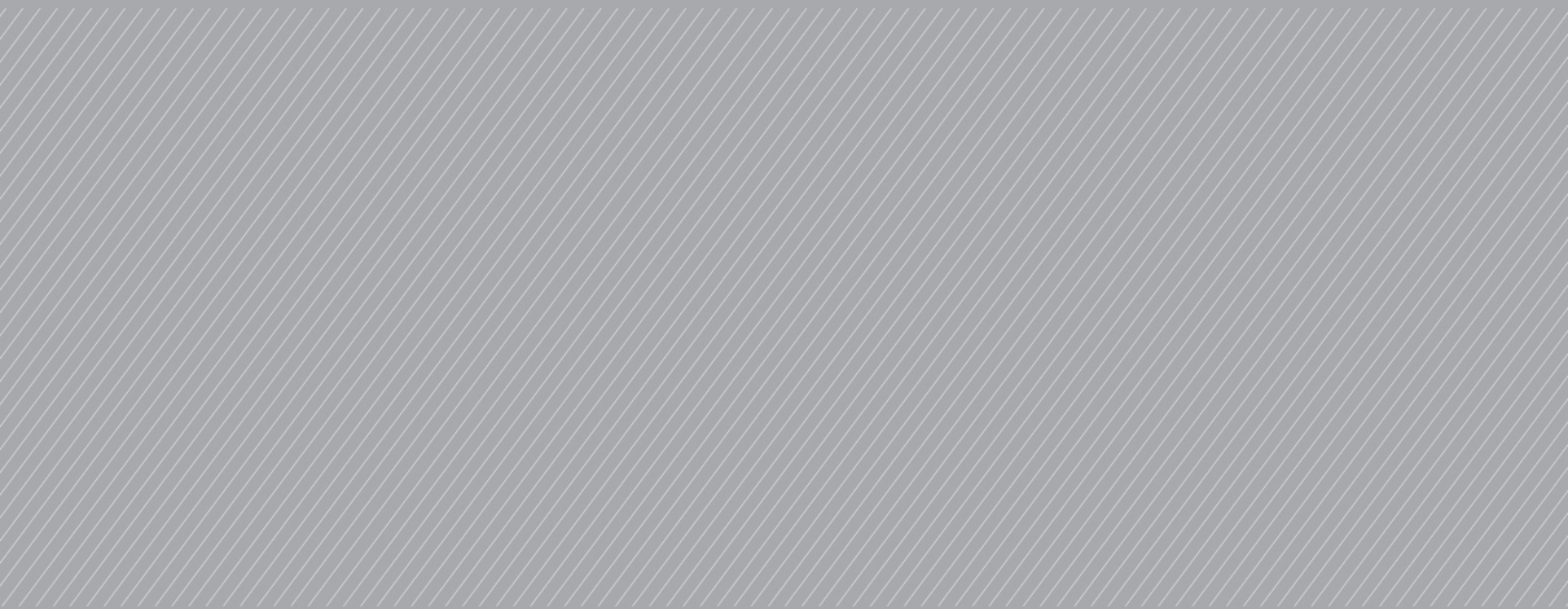


ABOUT ITT

ITT Corporation is a high-technology engineering and manufacturing company operating on all seven continents in three vital markets: water and fluids management, global defense and security, and motion and flow control. With a heritage of innovation, ITT partners with its customers to deliver extraordinary solutions that create more livable environments, provide protection and safety and connect our world. Headquartered in White Plains, N.Y., the company reported 2009 revenue of \$10.9 billion.

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