

## WMI Quality Statement

WMI is committed to maintaining high customer satisfaction with its innovative water efficiency programs.

We will propose products and services that are “fit for use” and that will set the standard for quality and value in water efficiency.

We strive to be world class in every aspect of water efficiency by fostering a culture of honesty, openness, mutual respect and teamwork.

WMI understands the necessity of continual improvement (both as a company and as individuals) to keep us at the forefront of water conservation and to exceed customer expectations.



## Fall is in the air!

The fall foliage season, when the changing palette of deciduous trees is in blazing bloom, is now starting. And the best way to take in all of this beauty? A road trip! In September, October, and—in some spots—even November, color seekers can visit 31 states and drive more than 3,000 miles of national scenic byways, plus thousands of other scenic roads.

Some nature lovers, like former Shenandoah National Park guide Hazel Mills, can't wait to buckle up and get up close and personal with the purple dogwoods and deep burgundy leaves of the Virginia creepers. “It's like a basketful of fall chrysanthemums in every color,” she says. “Red and yellow, purple, and deep burgundy. When the afternoon sun hits the hickory, it looks exactly like gold, absolutely breathtaking.”

Certain areas of the country—the Northeast corridor, the Southeast, along the Appalachian Mountains, and much of the Midwest—produce the most striking and vibrant colors because of mild autumn days and cool (but not freezing) evenings. If daytime temperatures are too warm for an extended period of time, colors are less intense.

If you're planning a fall foliage trip, choose your route based not only on the timing of nature's fiery color display, but also around available activities. Horseback ride

through the orange hickory trees in Shenandoah National Park. Take "America's Favorite Drive," the 469-mile Blue Ridge Parkway that meanders from Shenandoah National Park in Virginia to the Great Smoky Mountains National Park in North Carolina. It's complete with scenic overlooks, historic structures, walking trails, and waterfalls. Or take in some history while driving down Virginia's Colonial Parkway.

But no matter where you are, the way to cover the most ground—and take in the biggest eyeful of color—is behind the wheel. Happy Fall!

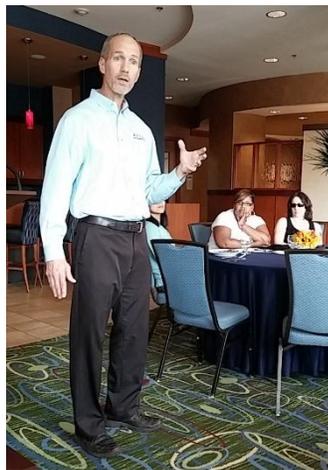
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## State of the Union

September 3, 2014

Residence Inn, National Harbor

Operations Employees, Administration, and Accounting



### Where Have We Been?

In looking forward to where we are going as a company, it's always helpful to review where we've been.

Over the past 20 years we have been fortunate to come across opportunities in many different sectors and in many different areas of the country. We have learned from these experiences.

Our overall annual growth rate from 2002 until 2012 was 5%, but it was erratic. Looking closer it is clear that in the past the cyclical portion of our business is tied to the economy and also to the ESCO side of the business.

However, regardless of what the economy has been doing the direct sale side of our business has been steadily growing at a rate of 5-10% per year.

### Making Decisions

As business owners, we are always thinking about what ideas and models provide the best opportunity for success. This decision is a fundamental business strategy decision, and the answer depends on a company's unique nature, what is going on outside of the company, and the company's capabilities/resources. During the past few years, we ventured into other revenue services, such as steam operations, irrigation services, and water harvesting.

When looking to expand business opportunities, the choices usually fall into one of two categories: an opportunity will either be a horizontal integration or a vertical integration. What does that mean?

### Vertical Integration Definition

Vertical integration is the act of expanding into new operations for the purpose of decreasing a firm's reliability on other firms in the process of production and distribution. An example would be a supermarket firm that, instead of contracting with freight companies, purchases its own trucks and distribution facilities that it uses to get food items and household products out to its various locations. For Water Management, Constructing Steam, Irrigation, and Water Harvesting projects would be an example of vertical actions.

The vertical organization has a structure with power emanating from the top down. There's a well-defined chain of command with a vertical organization, and the person at the top of the organizational chart has the most power. Employees report to the person directly above them in the organizational structure. Each person is responsible for a specific area or set of duties.

### **Horizontal Integration Definition**

Horizontal integration is the act of integrating other infrastructures, assets and companies of the same industry or in the same level of production. Examples of horizontal integration include an oil company's acquisition of additional oil refineries. For Water Management, providing our core domestic services to offices, condominiums, hotels and apartments is an example of horizontal actions.

A horizontal organization has a less-defined chain of command. Employees across lines have input into how the organization is run. Employees work in teams, with everyone on the team having input. Employees may perform many different functions and may report to several supervisors, rather than a single boss.

After reading these two definitions, you probably can agree that Water Management does its best work when we are focused on the horizontal vs. the vertical.

### **Moving Forward (Horizontally)**

Going forward, it is important for all of us, working together as a team, to understand our core business model, and remind each other every we time we are asked to stray on to other activities outside of our core areas. We continue to subcontract to Steam Management, and we have some Sustainability projects that we subcontract, but we are focused on providing core domestic water efficiency services to our customers in our prime locations.

Beginning this year, we have an extraordinary opportunity to work with some large private equity firms. These firms purchase properties and improve the property through hands-on management and targeted investments. Their efforts result in solid returns for investors and strong economic assets for communities. One of the ways they improve the properties is by becoming as water efficient as possible. There is no company better suited than us to do this work. No other company has the resources or the knowledge to do this like we can.

We will provide them with assessments that provide them with specific, accurate information about their water usage and potential savings. With this information, we equip them to make decisions about fixture retrofits and upgrades that will align with their targeted property improvement objectives. For projects that go to contract, we will provide quality service by utilizing our trained technicians to complete retrofits and upgrades that will reduce water consumption, and we will complete the work in a timely, cost-efficient manner.

Our objective this year is to refine our Standard Operating Procedures (SOP's). Not just on how we construct the work, but how we order the materials, set up the work, report the work, and monitor the work. This will help us to achieve our objective of Save Water, Have Fun, and Make Money.

### **Being Successful**

To that end, by being focused on our core business, having Standard Operating Procedures, meeting targets, and by properly budgeting for projects and overhead, we will ensure that we can be successful going forward. Some changes and improvements

we have made are already reaping benefits. Even though our sales revenue this year is going to be about the same as last year's sales, there are significant differences between this year and last fiscal year. Last year money was tight, no one received raises, some benefits were cut, some people left and some were let go. We did not invest in any new shared savings projects.

This year, our revenue is about the same as last year, but our costs have been reduced significantly and our inventory has been reduced. As a result we were able to invest in a number of shared savings projects and still end the year with a nice profit.

As I look around, I realize how fortunate we are to have this strong core group of people to work with. Thank you for the work you do every day to keep the company moving forward. We look forward to refining our business, cultivating strong teamwork, and continually improving so that we can stay at the forefront of our industry.

## Where In The World Is WMI?



The water efficiency programs in hotels throughout the United States began on September 7th in Alabama and in the northeast on September 14th. The crew of **Bill Harrison, Dan Sirakis, and Chris Anderson** completed 389 rebuilds, 630 aerator and 389 showerhead installations in 4 hotels in the Birmingham and Tuscaloosa, Alabama area in 12 days.

**Abdul Dodoo, Jeff Bell, and Butch Deibler** were diligently working in the Boston area completing a total of 276 rebuilds and 552 aerators while finishing up a few days ahead of schedule! A job well done by both of these top notch crews!

Work at the City of Newport, TN began at the end of September for **Chris Anderson and Dan Sirakis**. This job entails work in 4 different sites in the city and should be completed in 1 week.

September was a busy month – it was the last month the summer helpers were here to help us. Below is a snapshot of what projects were worked on and by whom.

|                           |  |
|---------------------------|--|
| Capital Park Towers       | <b>Brian Vroom, Dennis Porter, James Benjamin, Demarcus Law</b>                |
| Embassy Suits, Boston, MA | <b>Abdul Dodoo, Jeff Bell, Butch Deibler</b>                                   |
| Waikola Marriott, Hawaii  | <b>Bill Harrison, James Palmer, Giovany Gonzalez</b>                           |
| Residence Inn Danvers, MA | <b>Abdul Dodoo, Jeff Bell, Butch Deibler</b>                                   |
| Cider Mills Apartments    | <b>Kay Koroma, Douglas Martinez, Dennis Porter, James Benjamin</b>             |
| Residence Inn             | <b>James Palmer, Jeff Bell, Butch Deibler, Nery Martinez, Giovany Gonzalez</b> |

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## What's Energizing You this Week?

*From Transform, Inc.'s Newsletter*

"Meaning is the felt sense we experience as the result of pursuing our purpose."  
-R. Johnson

I was recently asked the difference between purpose and meaning and this quote seemed to capture the essence of the difference.

Purpose is unique to each of us. Our gifts, talents, life experience and expertise give us insights into what our life purpose is. Most people just do what they do and never ask the question, what is my life purpose? Often this question arises at transition points in our life or when we experience a loss or significant change is asked of us. The power of this question is that it causes us to pause and reflect on who we are and who we want to be. When our purpose is clear, our life feels meaningful; when it is not clear, we can feel unfulfilled and, often, lost.

This week take a few moments to pause and reconnect with your purpose. Infuse every action you take with purpose and meaning and you'll find abundant energy, passion and fulfillment in everything you do!

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## In Memoriam

**Mary Catherine Dinga**, 81, of Middletown, PA, passed peacefully into the loving arms of her Heavenly Father on Tuesday, September 16, 2014.

**Mary** was born June 11, 1933 in Ford City, PA and was raised there by her late parents, Rudolph and Marie Petrovsky.

She graduated from Ford City High School, class of '51 where she was a cheerleader and a badminton player. She attended Mercyhurst College in Erie, PA. She met Frank Dinga while working at the soda counter at Ford City Pharmacy. They were married in 1952, enjoyed 62 years of marriage, and were blessed with six children.

In addition to her parents, she was predeceased by her only son, **Francis J. Dinga, Jr.** who passed away in 1981.

**Mary** is survived by her loving husband, **Francis (Prink) Dinga** of Middletown, PA; as well as her five daughters: **Mary Albers** and husband **Ken** of Middletown, PA; **Joan Lane** of Placentia, CA; **Madonna Szekeres** of Berryville, VA; **Loretta Kiedrowski** and husband **Jamie** of Bloomingdale OH; and **Yvonne Horner** and husband **Russ** of Alexandria, VA. She is also survived by her brother, **Rev. Felix Petrovsky**, O.F.M. Cap. of Victoria, KS.

**Mary** leaves behind 18 loving grandchildren, 19 great-grandchildren, and countless people she "adopted" into her family, who called her "Mom Dinga". She is survived by many loving nieces and nephews as well.

She was devoted to our Lord and our Blessed Mother, Mary. She had a strong faith that she humbly shared with others, even in her final days. Her genuine love and caring attitude defined her, and she was always willing to give a helping hand or kind words



to those in need. She was a loving wife and mother and cherished time with her family. She enjoyed many trips with her husband, and family reunion vacations. Her hobbies included dancing, reading, doing puzzles, sewing, and volunteering.

In 1982, **Mary** established the funeral luncheon committee at Seven Sorrows Church, and coordinated it with her husband, Frank. She worked with her team captains and helpers, providing funeral luncheons for parish families for over 25 years. She also assisted with many church events and activities, including being on the church cleaning crew for over 25 years. She was a member of the Council of Catholic Women.

She volunteered for Birthright (now called Morning Star) for many years, assisting women and children. She was involved with the Girl Scouts when her daughters were young, and was a Brownie leader.

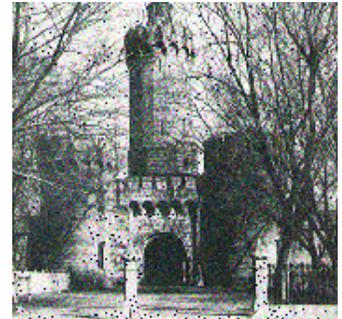
Donations in **Mary's** honor may be sent to Seven Sorrows Church in Middletown, PA or to Morning Star Pregnancy Services. Or you may consider sending flowers to your own Mom in honor of **Mom Dinga**.

Online condolences can be sent to [www.matinchekanddaughterfuneralhome.com](http://www.matinchekanddaughterfuneralhome.com).

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## History of the Lancaster County Prison

In the year 1729, the first Lancaster County magistrates met at John Posthlewait's Tavern, located in Conestoga Township Pennsylvania. It was in that first meeting that the magistrates ordered the erection of a County Jail.



It was decided that the building should be erected by County Sheriff Robert Barber, and that it should be called the Common Gaol of the County of Lancaster. This building was finished and awaiting inspection by November 4, 1729. It is believed that this Common Gaol was the only place of incarceration until the summer of 1775, when a new jail was erected.

It was not until after this prison had been in use for more than a half a century that agitation began over the question of building a new one to take its place. A committee was appointed in 1827 to study the feasibility of a new jail but submitted an adverse report to the Court. Again in 1831 the grand jury reported the insufficiency of the jail.

A committee was again appointed and reported that it be recommended to the commissioners to make such repairs to the present jail and yard as may be necessary for the security and better accommodation of the prisoners, having due regards in such repairs to a judicious economy. The repairs consisted of raising the jail wall four feet along West King Street and were completed during the summer of 1831.

On January 27, 1849, the Commissioners, fully concurring with the Grand Jury, decided to erect a new county prison upon such site as they shall deem best. On January 30, 1849, the Commissioners approved a plan for a new prison furnished by John Haviland of the City of Philadelphia. The Commissioners selected the ground near the Reservoir at the east end of East King Street, then also known as the Philadelphia Turnpike, in the City of Lancaster. And thus, the Lancaster County Prison was born!

Land was purchased from John Duchman at the rate of \$300.00 per acre. Also purchased was about one half a town lot from Jacob Druckemiller for \$130.00. Soon afterwards, the City of Lancaster deeded a piece of ground to the County for the consideration of \$500.00.

On February 5, 1849 a contract was signed with John Haviland for \$102,000.00 to erect and furnish all materials and labor for a building comprising a criminal prison and accommodations for the keeper and his assistants on the ground selected by the Commission. Haviland was to complete the building within two years and six months.

The stone used was a red (or Cocalico) sandstone quarried from the William and Joseph Konigmacher Quarry near Ephrata. The front of the prison is 200 feet in length, castellated Norman in style and composed of four towers. There are two large circular towers in the center and one octagonal tower at each extreme. The radiating blocks introduced by Mr. Haviland, were capable of containing 160 prisoners. The cells on the ground floor had exercising areas attached 33 feet in length with an open iron railing at the end.

The prison contained its own gas works for the manufacture of the gas consumed in the institution. Each cell was equipped with a steel grate type door and also wood door which could be closed for isolation and punishment. The walls were approximately 18 inches thick.

The design of the prison is almost an exact model of an 18th century castle in Lancashire, England, with an arched gateway, a large grating of iron bars that was lowered by chains in front of the main entrance.

The cost of the structure, including gas works and fixtures, totaled \$110,000.00 upon completion. On September 12, 1851, the first prisoners were moved into the new prison.

*Side note: the work Water Management completed at the Lancaster County Prison cost almost 16 times more than the original cost of building the prison in 1849!*

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## Noteworthy News



### **The baby is here!**

**Congratulations** are in order for **Jessica** and **Nick Rauhala** on the arrival of their first child, **Amory Brynn**. She arrived at 4:53am on September 17<sup>th</sup>, weighing 6lbs, 9oz.

Mother and daughter are doing well (despite being exhausted)! Welcome to the world **Amory Brynn Rauhala!**

### A Speedy Recovery

**Mike Maurer** recently underwent a hip replacement as evidenced by the photo taken the evening of his surgery. In the picture, he is getting ready to take a walk down the hospital hallway only hours after the operation!!!



Talk about a speedy recovery!



### Trouble in Boston?

At the Embassy Suites in Boston, **Jeff Bell** was almost arrested on the job! Being that Jeff was born in Boston, we thought he might have done something wrong as teenager? Apparently one of his friends from his past could vouch for him so he decided to go easy on him.

## Milestones



*October Birthdays*

Dan Sirakis – 10/06  
Dennis Porter – 10/16



*October Anniversaries*

Russ Horner – 34 years  
Tom Horner – 34 years  
Mark Harewood – 22 years  
Tari Maurer – 21 years  
Bruce Jacobeen – 9 years