

**Veolia Water Pennsylvania, Inc. Implementation Plan  
D-2024-3045217**

**Chapter III – Executive Management and Organizational Structure**

**Recommendation III-1: Document the strategic planning process, including alignment of corporate goals and initiatives.**

**Priority:** Medium

**VWPA Position:** Accepted

**Action Taken to Implement Recommendation:** Veolia Water Pennsylvania (VWPA) accepts this recommendation in full. However, VWPA does communicate and document its specific role and responsibilities supporting the strategic goals with the VWPA employees at various employee attended meetings throughout the year, including during this audit time period. VWPA will improve its documentation of the strategic plans, alignment of corporate goals and initiatives to ensure employees, attending the bi-annual employee meetings, other company events, and in the monthly Regional President newsletter, have an increased understanding of VWPA's role within Veolia North America.

**Responsible Person:** VWPA Mid-Atlantic Senior Leadership Team

**Anticipated Completion Date:** July 2025

**Recommendation III-2: Document key procedures and establish a process to periodically review and update VWPA's existing policies, procedures, tariff, etc.**

**Priority:** Medium

**VWPA Position:** Accepted

**Action Taken to Implement Recommendation:** VWPA agrees that we are methodically moving through the process of changing company names and headers on documents. Subsequently, the Tariff pages identified in the audit were updated when the VWPA rate case became effective November 1, 2024. The tariff update, along with other items identified in the audit, provides VWPA the opportunity to work with our corporate partners to review, update, and in some cases, document long standing procedures, manuals, job-aids, etc. as necessary.

**Responsible Person:** Michael Watkin, Mid-Atlantic Director of Finance, Josh Barrell, VWPA Senior Manager of Operations

**Anticipated Completion Date:** December 2025 and on-going as necessary

## **Chapter IV – Corporate Governance**

**Recommendation IV-1: Perform periodic operational audits at the operating company level and perform audits of corporate cost allocation processes at least every three years.**

**Priority:** High

**VWPA Position:** Accepted

**Action Taken to Implement Recommendation:** The Veolia North America regulated business segment will initiate discussions with the Internal Control department to determine whether operational audits and audits of corporate cost allocation processes can be included in the audit rotation. Alternatively, the company will also consider hiring an outside consultant to perform such audits periodically.

**Responsible Person:** Anupa Jacob, Municipal Water – Utility Division VP, Controller and Chief Accounting Officer

**Anticipated Completion Date:** December 2026

## Chapter VII – Water Operations

**Recommendation VII-1: Establish and create a company-wide damage prevention program that includes a damage prevention manual and a system for tracking** Establish and create a company-wide damage prevention program that includes a damage prevention manual and a system for tracking locates, hits, and damage amounts, locates, hits, and damage amounts.

**Priority:** High

**VWPA Position:** Accepted

**Action Taken to Implement Recommendation:** VWPA has an existing system in place to track all locates and the associated responses. VWPA has created and implemented a procedure to collect damage information and pursue reimbursement for damage costs. VWPA will work toward creating the framework of a damage prevention manual.

**Responsible Person:** Josh Barrell VWPA Senior Operations Manager

**Anticipated Completion Date:** December 2026

**Recommendation VII-2: Develop standard operating procedures, where appropriate, and create a process to update policies and procedures on a recurring basis.**

**Priority:** Low

**VWPA Position:** Accepted

**Action Taken to Implement Recommendation:** Veolia Water Pennsylvania Operations Management will update and review all existing SOPS, create additional SOPs where needed, and implement a Water Operations Manual by the end of 2025.

**Responsible Person:** Josh Barrell, VWPA Senior Operations Manager

**Anticipated Completion Date:** December 2025

**Recommendation VII-3: Increase backflow prevention device testing to 80% annually to ensure facility compliance with the company's tariff and adhere to the company's cross connection control program.**

**Priority:** High

**VWPA Position:** Accepted in Part. Veolia Water Pennsylvania (VWPA) does not conduct device testing, as these are privately owned backflow assemblies/devices.

**Action Taken to Implement Recommendation:** VWPA will continue to utilize a third party vendor for backflow/cross connection survey implementation and adherence to the tariff and Chapter 109. The rate of ~ 600 inspections (10%) per year may be subsequently increased and budgeted in coming years; however, VWPA does not conduct device testing, as these are privately owned backflow assemblies/devices. Each assembly/device is owned by the customer and testing is at their expense. VWPA may amend its tariff in the future to allow a penalty structure to be added for customers who do not comply with the cross connection control program. This may encourage customers to test their device annually to avoid penalties. VWPA may also begin to terminate water service to customers who do not annually test their assembly/device in accordance with the current tariff while still observing criticality (Hospitals, Schools, etc.).

**Responsible Person:** Shawn Wiley, Mid-Atlantic Director of Water Quality and Environmental Compliance and Kodi Webb, Mid-Atlantic Water Quality Program Manager

**Anticipated Completion Date:** December 2028

**Recommendation VII-4: Reduce UFW below the 20% threshold and report UFW correctly.**

**Priority:** Medium

**VWPA Position:** Accepted in Part. VWPA strives to meet all UFW goals through deployment of industry best practices for locating and correcting UFW.

**Action Taken to Implement Recommendation:** Leak detection in the field will be conducted in the field with use of data and best available technology available to locate leaks. Water infrastructure will continue to be replaced to fix existing leaks, improve infrastructure to prevent future leaks, and to add District Metered Areas to continue to break down the system to more manageable sizes.

VWPA will continue to report UFW with and without UARL included.

**Responsible Person:** Mark Baker, Director of Mid-Atlantic Operational Technology and Matt Bloom, Mid-Atlantic Non-Revenue Water Supervisor

**Anticipated Completion Date:** December 2025 and on-going

## **Chapter VIII – Emergency Preparedness**

### **Recommendation VIII-1: Correct minor deficiencies in physical security.**

**Priority:** High

**VWPA Position:** Accepted

**Action Taken to Implement Recommendation:** The VWPA team will incorporate the review of physical security items into our monthly site inspections. The inspection will document deficiencies in fencing, barbed wire, gate alignment, foliage, and other relevant security elements in the VWPA Asset Management system. The site condition assessment will be reviewed, and any identified deficiencies will be prioritized, addressed, and tracked to completion through our established maintenance process.

**Responsible Person:** Brad Osevala, Director of Mid-Atlantic Environmental Health Safety and Security

**Anticipated Completion Date:** June 2025

**Recommendation VIII-2: VWPA has not performed penetration testing at its facilities nor has a policy solely dedicated to physical security.**

**Priority:** High

**VWPA Position:** Accepted

**Action Taken to Implement Recommendation:** The VWPA team will hire an outside company to perform physical penetration testing at three (3) facilities: Adams Drive, Allentown Blvd Main Office, and the Bloomsburg WTP. In addition, the VWM&S team will develop physical security standards and policies for the regulated division.

**Responsible Person:** Nicholas Tedesco, Veolia Regulated Division Manager of Operational Security

**Anticipated Completion Date:** December 2025

**Recommendation VIII-3: Develop and maintain a cybersecurity maturity model for VWPA and implement other cybersecurity improvements.**

**Priority:** High

**VWPA Position:** Accepted

**Action Taken to Implement Recommendation:** As digital transformation accelerates and cyber threats become increasingly sophisticated, cybersecurity has emerged as a critical foundation for protecting Veolia North America (VNA), clients, and stakeholders. VNA's cybersecurity strategy is designed to ensure resilience, trust, and adaptability in a rapidly evolving landscape.

VNA's strategy is built on five key pillars: Identity, Awareness, Service Excellence, Security by Design, and Visibility. These pillars collectively provide a holistic approach, encompassing the tools, processes, and behaviors needed to create a secure environment. Each pillar addresses a distinct element of cybersecurity, contributing to a layered defense system that can withstand modern challenges while enabling business agility. By focusing on these pillars, VNA aims to build a security culture that permeates all levels of the organization, from daily operations to executive decision-making.

This strategy is structured around three phases—Foundation, Advancement, and Attestation—each of which will progressively strengthen our cybersecurity posture. The Foundation phase establishes essential protections and processes, the Advancement phase deepens and enhances our capabilities, and the Attestation phase seeks to achieve formal recognition of VNA's cybersecurity maturity through alignment with market-leading frameworks, demonstrating our commitment to protecting critical systems, building stakeholder trust, and ensuring long-term operational resilience. With senior management support and a commitment to continuous improvement, we are well-positioned to protect our digital assets, adapt to emerging risks, and create value through our cybersecurity efforts.

Ultimately, this strategy is not just about managing risk but about embracing cybersecurity as an enabler of innovation, trust, and growth. By embedding security into our core operations and culture, VNA can confidently pursue its mission, secure in the knowledge that we have the resilience and capability to face future challenges head-on.

**Responsible Person:** Laura Whitt-Winyard, Veolia North America IS&T Chief Information Security Officer

**Anticipated Completion Date:** December 2025 and on-going

## **Chapter IX – Purchasing and Materials Management**

**Recommendation IX-1: Reduce or eliminate manual activities used in current materials management processes.**

**Priority:** High

**VWPA Position:** Accepted

**Action Taken to Implement Recommendation:** The Veolia North America Regulated business segment will begin to review the best practices that each business unit utilizes, as it pertains to materials management, so that each business unit will be better able to use the materials management modules available in PeopleSoft. This will lead to improvements in utilizing the min/max feature as well as potentially improving the material stock receipt (MSR) process as well. Mobile barcoding of materials is one method being reviewed to improve materials management processes that could be integrated with PeopleSoft, and potentially the separate work management system, which will reduce many manual activities and improve efficiencies. VWPA still needs to review this potential solution, as well as other options, and the cost to implement any potential solutions.

**Responsible Person:** Michael Watkin, Mid-Atlantic Director of Finance & Josh Barrell, VWPA Senior Manager of Operations

**Anticipated Completion Date:** December 2026

**Recommendation IX-2: Develop and document a process to periodically review inactive materials for obsolescence at least every three years.**

**Priority:** Medium

**VWPA Position:** Accepted

**Action Taken to Implement Recommendation:** As part of the effort by the regulated business segment to improve the overall materials management processes (referred to in the response to Recommendation IX-1), a process will be developed and documented to periodically (at least every three years) review inactive materials for obsolescence. A potential solution is to implement this recommendation as part of the annual physical count which takes place every 4<sup>th</sup> quarter.

**Responsible Person:** Michael Watkin, Mid-Atlantic Director of Finance & Josh Barrell, VWPA Senior Manager of Operations

**Anticipated Completion Date:** December 2025

## **Chapter X – Customer Service**

**Recommendation X-1: Implement routine customer satisfaction surveys to ensure customer expectations are met and to identify opportunities for improvement.**

**Priority:** High

**VWPA Position:** Accepted

**Action Taken to Implement Recommendation:** In alignment with Veolia's Customer Feedback program, the Veolia customer service team will design and implement customer satisfaction surveys.

**Responsible Person:** Emily Barletto, Director Customer Service Mid-Atlantic

**Anticipated Completion Date:** December 2025

**Recommendation X-2: Execute formal contracts for all municipal agreements concerning the sharing of customer usage data, and all services performed on behalf of the municipality, including consumption reporting and termination services and file with the PUC per 66 Pa. C.S. § 507.**

**Priority:** Low

**VWPA Position:** Accepted

**Action Taken to Implement Recommendation:** VWPA will work towards executing formal contracts, coordinating with municipalities and the Veolia legal department, to implement agreements for services that Veolia performs on behalf of the municipalities.

**Responsible Person:** Emily Barletto, Director Customer Service Mid-Atlantic

**Anticipated Completion Date:** December 2025

## **Chapter XI – Human Resources and Diversity**

**Recommendation XI-1: Streamline the annual compensation adjustment process by transitioning VWPA to a common payroll platform.**

**Priority:** Medium

**VWPA Position:** Accepted

**Action Taken to Implement Recommendation:** VWPA will continue to work with VNA Corporate Human Resources and attend meetings to receive updates on the tHRive Project. tHRive is the Human Resources initiative to streamline all of the Human Resources processes into one system called Workday. This will streamline the annual compensation process.

**Responsible Person:** Shannon Fink, Mid-Atlantic Human Resources Business Partner will continue to work with VNA Corporate Human Resources

**Anticipated Completion Date:** December 2026