

2011 Annual Water Quality Report



A Message from the President of Indiana American Water

To Our Valued Customer:

Indiana American Water is proud to be your local water service provider, and I am pleased to share with you good news about the quality of your drinking water. Each year, we provide you with our Annual Water Quality Report – and like so many years prior -- you'll find that we continue to supply water that meets or surpasses all state and federal water quality regulations.

This doesn't happen by chance. It requires having the right team of experts and technologies in place. Delivering high-quality, reliable water service to your tap around the clock also requires significant investment in our water infrastructure. In 2011 alone, we invested nearly \$70 million in water system improvements statewide. From upgrading our treatment facilities to replacing aging water pipelines, we invest prudently and with purpose. And, because we invest our dollars responsibly, we provide our water at about a penny per gallon—an exceptional value for a service that is so essential to our daily lives.

We hope you agree, it's worth every penny and worth learning more about. Please, take the time to review this report. It provides details about the source and quality of your drinking water using the data from water quality testing conducted for your local water system from January through December 2011. For an electronic copy of this report, visit us online at www.indianaamwater.com.

At Indiana American Water, our customers are our top priority, and we are committed to providing you with the highest quality drinking water and service possible now and in the years to come.

Sincerely,

Alan DeBoy
President, Indiana American Water

Este informe contiene información muy importante sobre su agua potable. Tradúzcalo o hable con alguien que lo entienda bien.

About Indiana American Water

Indiana American Water, a wholly owned subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water services to more than 1.2 million people.

About American Water

Founded in 1886, American Water is the largest investor-owned U.S. water and wastewater utility company. With headquarters in Voorhees, N.J., the company employs approximately 7,000 dedicated professionals who provide drinking water, wastewater and other related services to approximately 15 million people in more than 30 states, as well as parts of Canada. More information can be found by visiting www.amwater.com.

What is a Water Quality Report?

To comply with state and U.S. Environmental Protection Agency (EPA) regulations, Indiana American Water issues a report annually describing the quality of your drinking water. The purpose of this report is to raise your understanding of drinking water and awareness of the need to protect your drinking water sources. In 2011, we conducted tests for many contaminants, all of which were below state and federal maximum allowable levels. This report provides an overview of last year's (2011) water quality. It includes details about where your water comes from and what it contains.

If you have any questions about this report or your drinking water, please call our Indiana Customer Service Center at (800) 492-8373.

Source Water Information

The public water system serving Kokomo and surrounding communities relies on surface water and ground water sources. The surface water source is Wildcat Creek. The ground water is obtained from 21 wells.

Protecting Your Water Source

The Indiana Department of Environmental Management (IDEM) has assessed all public surface and groundwater sources throughout the state to identify potential contaminants.

For the purpose of source water assessments, in Indiana all surface waters are considered to be susceptible to contamination. Indiana American Water has developed a Wellhead Protection Management Plan, in cooperation with community volunteers, to protect the valuable ground water resources serving your community. IDEM has recently recognized this program by awarding Indiana American Water-Kokomo Operations the Hoosier Water Guardian Award with Distinction. Please share your views with us if you are interested in environmental water quality issues by calling our designated Water Quality Supervisor listed in this report.



Protecting Your Drinking Water Supply is Also Your Responsibility!

Find out more: www.indianaamwater.com/crossconnection

Investing in Kokomo's Future

Indiana American Water invested more than \$3.6 million in improvements in the Kokomo Water system in 2011. Indiana American Water also paid over \$835,000 in local taxes in 2011 and is a valuable source of revenue to the local community and its services.

Partnership for Safe Drinking Water Program

In 2001, the Indiana American Water-Kokomo system was awarded the prestigious Director's Award under the Partnership for Safe Water program administered by EPA, Indiana Department of Environmental Management, and other water-related organizations. The award honors water utilities for achieving operational excellence, by voluntarily optimizing their treatment facility operations and adopting more stringent performance goals than those required by federal and state drinking water standards. We are proud to report that we have maintained those standards throughout 2011.



How to Contact Us

For more information about this report, or for any questions relating to your drinking water, please call Kirk Kuroiwa, Water Quality Supervisor, at (765) 457-5563 ext. 3104 or (800) 492-8373. You can also contact Mr. Kuroiwa by e-mail at kirk.kuroiwa@amwater.com.

For questions about your water bill or service issues, please call our Customer Service Center at (800) 492-8373.

To learn more about Indiana American Water, please visit our web site at www.indianaamwater.com.

Water Information Sources

Indiana American Water
www.indianaamwater.com

Indiana Department of Environmental Management
www.in.gov/idem

United States Environmental Protection Agency
www.epa.gov/safewater

Safe Drinking Water Hotline: (800) 426-4791

Centers for Disease Control and Prevention: www.cdc.gov

American Water Works Association
www.awwa.org

Water Quality Association: www.wqa.org

National Library of Medicine/National Institute of Health
www.nlm.nih.gov/medlineplus

How to Read This Table

Indiana American Water conducts extensive monitoring to ensure that your water meets all water quality standards. The results of our monitoring are reported in the accompanying tables. While most monitoring was conducted in 2011, certain substances are monitored less than once per year because the levels do not change frequently. For help with interpreting this table, see the "Table Definitions" section.

Starting with a **Substance**, read across. **Year Sampled** is usually in 2011 or year prior. **MCLG** is the goal level for that substance (this may be lower than what is allowed). **MCL** shows the highest level of substance (contaminant) allowed. **Level Found** represents the measured amount (less is better). **Range of Detections** tells the highest and lowest amounts measured. A **Yes** under **Compliance Achieved** means the amount of the substance met government requirements. **Typical Source** tells where the substance usually originates.

Unregulated substances are measured, but maximum contaminant levels have not been established by the government.

Definitions of Terms Used in This Report

AL (Action Level): The concentration of a contaminant, which, if exceeded, triggers treatment or other requirements, which a water system must follow.

MCL (Maximum Contaminant Level): The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.

MCLG (Maximum Contaminant Level Goal): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.

MRDL (Maximum Residual Disinfectant Level): The highest level of disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

MRDLG (Maximum Residual Disinfectant Level Goal): The level of drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contamination.

NA: Not applicable

ND: Not detected

NTU (Nephelometric Turbidity Units): Measurement of the clarity, or turbidity, of the water.

ppm (parts per million): One part substance per million parts water, or milligrams per liter.

ppb (parts per billion): One part substance per billion parts water, or micrograms per liter.

Removal Ratio: A ratio between the percentage of the substance actually removed to the percentage of the substance required to be removed.

TT (Treatment Technique): A required process intended to reduce the level of a contaminant in drinking water.

pCi/L (picocuries per liter): Measurement of the natural rate of disintegration of radioactive contaminants in water (also beta particles).

mrem/year: Millirems per year (a measure of radiation absorbed by the body).

%: Means percent

Substances Expected to be in Drinking Water

The source of drinking water (both tap water and bottled water) includes rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity.

Contaminants that may be present in source water include:

Microbial Contaminants, such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.

Inorganic Contaminants, such as salts and metals, which can be naturally occurring or may result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.

Pesticides and Herbicides, which may come from a variety of sources, such as agriculture, urban stormwater runoff, and residential uses.

Organic Chemical Contaminants, including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production, and may also come from gas stations, urban stormwater runoff, and septic systems.

Radioactive Contaminants, which can be naturally occurring or may be the result of oil and gas production and mining activities.

Chloramine Statement

Chloramines are an Indiana and federally-approved alternative to free chlorine for water disinfection. Chloramines minimize disinfection by-product formation. Another benefit of chloramines is improved taste of the water as compared with free chlorine. Indiana American Water has successfully used chloramines in our Kokomo system during 2011. Chloramines are also used by many other water utilities nationally. Chloramines have the same effect as chlorine for typical water uses with the exception that chloramines must be removed from water used in kidney dialysis and fish tanks or aquariums. Treatments to remove chloramines are different than treatments for removing chlorine. Please contact your physician or dialysis specialist for questions pertaining to kidney dialysis water treatment. Contact your pet store or veterinarian for questions regarding water used for fish and other aquatic life. You may also contact Indiana American Water for more chloramine information.

Lead

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. Indiana American Water-Kokomo is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at <http://www.epa.gov/safewater/lead>.

Unregulated Contaminant Monitoring Rule 2 (UCMR2)

Monitoring was conducted during 2010 under the EPA Unregulated Contaminant Monitoring Rule 2 (UCMR2). There were no targeted compounds detected under UCMR2. For information concerning our results, please contact our designated Water Quality Supervisor listed in this report. Data is also available on the EPA's web site (www.epa.gov/safewater/data/ucmrgetdata.html).

Unregulated contaminants are those for which the EPA has not established drinking water standards. The purpose of unregulated contaminant monitoring is to assist the EPA in determining the occurrence of unregulated contaminants in drinking water and whether regulation is warranted.

Special Health Information

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants may be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA and CDC (Centers for Disease Control and Prevention) guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the EPA's Safe Drinking Water Hotline at (800) 426-4791. For additional information regarding cryptosporidiosis (a gastrointestinal disease caused by *Cryptosporidium*) and how it may impact those with weakened immune systems, please contact our Customer Service Center at (800) 492-8373.

To ensure that tap water is of high quality, EPA prescribes regulations limiting the amount of certain substances in water provided by public water systems. U.S. Food and Drug Administration regulations establish limits for contaminants in bottled water, which must provide the same protection for public health. Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the EPA's Safe Drinking Water Hotline at (800) 426-4791.

ABOUT A PENNY

Did you know that you pay about a penny for a gallon of tap water?

We invest millions of dollars each year in our treatment and distribution facilities to ensure that you receive quality, reliable water service around the clock. At the same time, you pay about a penny per gallon. For most customers, the water bill is the lowest utility bill they pay each month.

That's an exceptional value.

WE CARE ABOUT WATER. IT'S WHAT WE DO.

Water Quality Statement

We are pleased to report that during the past year, the water delivered to your home met or surpassed, all state and federal drinking water requirements. For your information, we have compiled a list in the table below indicating what substances were detected in your drinking water during 2011. Although all of the substances listed below are under the Maximum Contaminant Level (MCL) set by EPA, we feel it is important that you know exactly what was detected and how much of the substance was present in the water.

Water Quality Results: Kokomo Operations

| Regulated Substances (Measured on the Water Leaving the Treatment Facility) | | | | | | | | |
|--|--------------|-------------|--------------------------------|--|--------------------------------|--------------------------------------|---|--|
| Substance (units) | Year Sampled | MCLG | MCL | Level Found | Range of Detections (Low-High) | Compliance Achieved | Typical Source | |
| Alpha emitters (pCi/L) | 2008 | 0 | 15 | 1 | 0.1 - 1 | YES | Erosion of natural deposits | |
| Arsenic (ppb) | 2011 | 0 | 10 | 1 | NA | YES | Runoff from glass and electronics production wastes; Erosion of natural deposits; Runoff from orchards | |
| Atrazine (ppb) | 2011 | 3 | 3 | 0.075 | ND - 0.3 | YES | Runoff from herbicide used on row crops | |
| Barium (ppm) | 2011 | 2 | 2 | 0.126 | NA | YES | Erosion of natural deposits; Discharge of drilling wastes; Discharge from metal refineries | |
| Beta/ photon emitters (pCi/L) | 2008 | 0 | 50 ¹ | 1.6 | 0.4 - 1.6 | YES | Decay of natural and man-made deposits | |
| Cis-1-2-Dichloroethylene (ppb) | 2011 | 70 | 70 | 1.5 | ND - 1.5 | YES | Discharge from industrial chemical factories | |
| Fluoride (ppm) | 2011 | 4 | 4 | 0.8 | NA | YES | Erosion of natural deposits; Water additive which promotes strong teeth; Discharge from fertilizer and aluminum factories | |
| Nickel (ppb) | 2011 | NA | NA ² | 5 | NA | YES | Erosion of natural deposits; Discharge from electroplating, stainless steel, and alloy products; Mining and refining operations | |
| Nitrate (ppm) | 2011 | 10 | 10 | 2.41 | ND - 2.41 | YES | Runoff from fertilizer use; Leaching from septic tanks, sewage; Erosion of natural deposits | |
| Radium 228 (pCi/L) | 2007 | 0 | 5 | 0.1 | ND - 0.1 | YES | Erosion of natural deposits | |
| Uranium (ppb) | 2008 | 0 | 30 | 1.1 | 0.5 - 1.1 | YES | Erosion of natural deposits | |
| Total Organic Carbon (Removal Ratio) ³ | 2011 | NA | TT | 2.3 | 4.14 | YES | Naturally present in the environment | |
| Other Compounds (Measured in the Distribution System) | | | | | | | | |
| Substance (units) | Year Sampled | MCLG | MCL | Level Found | Range of Detections (Low-High) | Compliance Achieved | Typical Source | |
| Total trihalomethanes - TTHM (ppb) | 2011 | NA | 80 | 68 | 6.4 - 116.7 | YES | By-product of drinking water chlorination | |
| Haloacetic Acids - HAA5 (ppb) | 2011 | NA | 60 | 23.5 | 4.1 - 31.9 | YES | By-product of drinking water chlorination | |
| Substance (units) | Year Sampled | MRDLG | MRDL | Level Found | Range of Detections (Low-High) | Compliance Achieved | Typical Source | |
| Chloramines (ppm) | 2011 | 4 | 4 | 1.6 | 1.2 - 1.9 | YES | Water additive used to control microbes | |
| Turbidity - A Measure of the Clarity of the Water (Measured on the Water Leaving the Treatment Facility) | | | | | | | | |
| Substance (units) | Year Sampled | MCLG | MCL | Highest Single Measurement | Compliance Achieved | Typical Source | | |
| Turbidity (NTU) ⁴ | 2011 | NA | TT | 0.18 | YES | Soil runoff | | |
| Turbidity % meeting standards | 2011 | NA | TT | 100.00% | YES | Soil runoff | | |
| Unregulated Substances (Measured on the Water Leaving the Treatment Facility) | | | | | | | | |
| Substance (units) | Year Sampled | Level Found | Range of Detections (Low-High) | Typical Source | | | | |
| Hexavalent Chromium (ppb) ⁵ | 2011 | 0.27 | ND - 0.27 | Discharge from steel and pulp mills; Erosion of natural deposits | | | | |
| Sodium (ppm) | 2011 | 19.3 | NA | Naturally occurring | | | | |
| Sulfate (ppm) | 2011 | 50.5 | NA | Erosion of natural deposits | | | | |
| Tap Water Samples: Lead and Copper Results | | | | | | | | |
| Substance (units) | Year Sampled | MCLG | Action Level | 90th Percentile | Number of Samples | Number of Samples Above Action Level | Compliance Achieved | Typical Source |
| Copper (ppm) | 2009 | 1.3 | 1.3 | 0.414 | 30 | 0 | YES | Corrosion of household plumbing systems; Erosion of natural deposits |
| Lead (ppb) | 2009 | 0 | 15 | 2 | 30 | 1 | YES | Corrosion of household plumbing systems; Erosion of natural deposits |

¹ The MCL for Beta/photon emitters is written as 4 mrem/year. EPA considers 50 pCi/L as the level of concern for beta emitters.

² Although Nickel is a regulated contaminant, there is no MCL.

³ The value reported under "Level Found" is the lowest running annual average ratio between the percentage of TOC actually removed to the percentage of TOC required to be removed. A value of greater than or equal to 1.0 indicates that the water is in compliance with TOC removal requirements.

⁴ Turbidity is caused by particles suspended in water. We monitor because it is a good indicator of the effectiveness of our filtration system.

⁵ Hexavalent Chromium is not currently regulated as an individual substance. Indiana American Water voluntarily performs this monitoring based on recommendations from the USEPA. For more information on Hexavalent Chromium, please visit our website.