



ILLINOIS
AMERICAN WATER

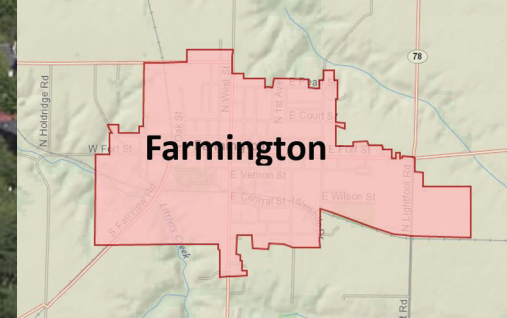
WE KEEP LIFE FLOWING™

SOLUTIONS THAT WORK

The sale of the City of Farmington's water system to Illinois American Water made good sense for customers and the community.



SOLUTIONS THAT WORK



American Water committed to investing \$5 million over five years to improve the City of Farmington's water infrastructure.

CITY OF FARMINGTON WATER SYSTEM ACQUISITION

The City of Farmington, Illinois is located 30-miles west of Peoria in Fulton County. The City provides water service to a population of 2,400 through 1,060 customer connections. The City of Farmington is approximately 8-miles from Illinois American Water's existing water service infrastructure located in Hanna City. The City's water treatment facility was constructed in 2005 and treats water from two groundwater wells through a reverse-osmosis process.

CHALLENGES

- **Operational:** The City was operating its water treatment facility via a contract operations agreement with a local certified operator. The distribution system suffered from significant water loss.
- **Financial:** City officials were concerned about the capital needed to adequately invest in its water system.
- **Water Quality:** The City received numerous complaints from residents regarding water quality due to the complex reverse-osmosis process, hardness and undersized mains inhibiting adequate flow throughout the distribution system.

SOLUTION

After weighing its options, the City Council concluded that the best long-term solution for its residents was a sale to Illinois American Water.

BENEFITS

- **Financial:** The City received approximately \$3.75 million for its water assets upon regulatory approval of the acquisition. This financial gain will allow the City to retire outstanding bond debt and invest budgeted funds into other projects.
- **Water Quality:** Illinois American Water committed to investing approximately \$5 million in Farmington's water system within the first five years of ownership to improve both production and distribution systems which will improve overall water quality.
- **Operational:** The City's water system will become part of the Peoria District which includes a highly-trained and professional staff of over 80 personnel in operations, engineering and customer support.



QUESTIONS?

Jennifer Smith
Business Development
618-239-3239

Matthew Glavin
Government Affairs
331-454-6341

