

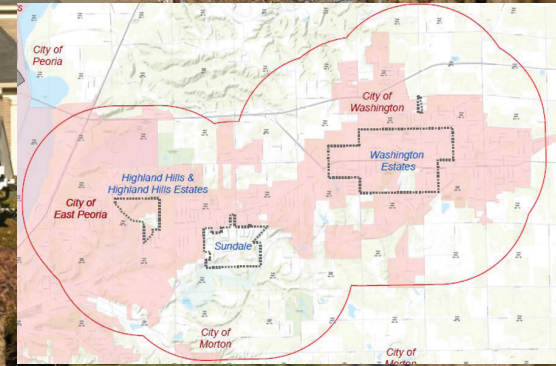


ILLINOIS
AMERICAN WATER

WE KEEP LIFE FLOWING™

SOLUTIONS THAT WORK

The sale of Sundale Utilities' water and wastewater system to Illinois American Water made good sense for customers and the community.



SOLUTIONS AT WORK

Illinois American Water will provide technical and financial resources to meet current and future regulatory requirements.

SUNDALE UTILITIES WATER & WASTEWATER ACQUISITION

Sundale Utilities, a privately owned water and wastewater utility, is located in Washington approximately 10-miles from Peoria, Illinois. Sundale Utilities is regulated by the Illinois Commerce Commission. Its water system, Washington Estates, serves a population of about 1,300 through 500 customer connections. Sundale Utilities also owns and operates the wastewater system for Washington Estates (500 customer connections) as well as two other small wastewater systems with an additional 900 customer connections.

CHALLENGES

- **Operational:** The existing system was operating at a financial disadvantage. Based on the existing rate structure, funds were not available to implement the needed improvements. In order to adjust rates, investments would have to be made first then submitted to the ICC for approval perpetuating the rate / infrastructure challenge.
- **Financial:** The existing owner was looking to retire and needed to explore solutions to sell. System improvements would need to be implemented or risk future compliance issues.
- **Regulatory:** The utility was challenged to meet new Illinois Commerce Commission mandates as well as concerned over future EPA regulations.

SOLUTION

Illinois American Water was able to provide a financial offer that met the current obligations on the systems and provide the owner with a fair offer to acquire the systems.

BENEFITS

- **Operational:** The systems are staffed with full-time licensed personnel and have the resources of our Peoria District in operations, engineering and customer support.
- **Financial:** Illinois American Water is investing the needed capital for improvements to the system over the next 5 years in order to address system deficiencies.
- **Regulatory:** Illinois American Water provides the technical and financial support to meet current and future regulatory requirements.
- **Rates:** The new rate structure is comparable to surrounding rates and be able to address the future capital improvements.

QUESTIONS?

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