IOWA
AMERICAN WATER
WE KEEP LIFE FLOWING®

CITY OF BLUE GRASS

A Vote for the Future: Partnership with Iowa American Water Secures More Than $15 Million Investment for Water and Wastewater Systems in Blue Grass

A CITY READY FOR CHANGE

Blue Grass, Iowa, is a growing community of approximately 1,600 residents located just west of Davenport in Scott County. For years, Blue Grass faced a desperate need for infrastructure investment across its water and wastewater systems. The city's water system was outdated with deteriorating pipes that caused water quality concerns and a 66 year old water tower, necessitating over $6 million of investment in upgrades.

The wastewater collection system suffered from severe inflow and infiltration, allowing groundwater to flood the system and increase unnecessary flow to the wastewater treatment facility. The treatment facility relied on a traditional open-air lagoon system, which struggled to keep up with treatment demand during Iowa's harsh winter weather and created significant compliance challenges.

CHALLENGES

Aging Infrastructure: Over $6 million in needed infrastructure repairs and upgrades to the water system were identified by Blue Grass public works and city leaders.
Fire Protection: The distribution system mainly consisted of undersized 2-inch and 4-inch water main, which delivered insufficient flow to meet adequate fire protection requirements for the community.
Water Quality: The hardness of Blue Grass water was classified as "extremely hard" at 22 grains per gallon, causing many residents to install and maintain water softeners in their homes/businesses.
Wastewater Treatment: Blue Grass was not in compliance with the Ammonia Nitrogen and/or e.coli compliance schedule for state environmental authorities.

A COMMUNITY-LED DECISION

In 2016, city leaders began considering partnership with a professional utility company as a long-term solution. Iowa American Water proposed to purchase the water system for $1.3 million. Under Iowa law, selling municipal utility assets required direct voter approval. In 2016, 86% of Blue Grass residents voted "Yes" to approve the sale to Iowa American Water. By June 2017, Iowa American Water completed the purchase and welcomed 650 new customers.

BUILDING ON SUCCESS

Following the success of that partnership, Blue Grass chose to sell its wastewater system to Iowa American Water in October 2022 for $2 million. Iowa American Water committed to an additional $4 million in capital investments focused on executing the upgrades, stabilizing the system and returning to compliance.

INVESTING IN THE FUTURE

Proceeds from the sale of the water system helped fund the complete reconstruction of Mississippi Street, including replacement of storm sewer and sanitary sewer infrastructure. Working alongside the city, Iowa American Water replaced aging water mains through its capital improvement program, creating a coordinated infrastructure upgrade that was further supported by grant funding secured by the city. Proceeds from the wastewater system sale were invested in a certificate of deposit, generating ongoing earnings for the community while preserving principal. As a result, the investment income has outperformed the revenues the city historically received from operating the wastewater system.

"The sale of the wastewater system to Iowa American Water is in the community's best interest because it will provide residents with industry experts focused on upgrading the wastewater system just as Iowa American Water has done with our community's water system. The city will benefit from capital investments we would not have been able to make, and Iowa American Water will get the wastewater system back into compliance in a timely manner."

-Brad Schutte
Mayor of Blue Grass

QUESTIONS?

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SOLUTIONS. ONE MORE WAY WE KEEP LIFE FLOWING.

WATER SYSTEM TRANSFORMATION

New Storage Tank: To replace the decaying 1948 municipal water tower, a comprehensive modernization plan led to a $3.5 million water infrastructure initiative announced in 2023. This funded a brand-new, modern elevated storage tank to ensure stable system pressure and local fire-protection capacity.

Regional Network Integration: Iowa American Water invested $1.6 million to construct more than three miles of 12-inch transmission main. This critical pipeline physically connected Blue Grass to the company's Quad Cities regional water system.

Facility Overhauls: Interior plant upgrades included modernized treatment facilities, brand-new distribution pumps, and the integration of a digital SCADA (Supervisory Control and Data Acquisition) system for automated, 24/7 remote performance monitoring.

Water Quality Enhancements: Chlorine gas disinfection was replaced with liquid sodium hypochlorite, a safer and more effective treatment method.

WASTEWATER UPGRADES TO OPTIMIZE PERFORMANCE

Infiltration & Inflow (I&I) Mitigation: Targeted capital is actively being deployed for comprehensive sewer pipe and manhole replacements.

Wet-Weather Resilience: These structural replacements directly target the groundwater infiltration that historically plagued the town, preventing catastrophic sewer backups during heavy Midwestern rainfall.

Lagoon Optimization: By stopping stormwater from flooding the sewers, the total volume of water entering the treatment facility was stabilized, drastically optimizing the lagoon system's treatment performance and ensuring strict regulatory compliance.

Emergency Power:
Four backup generators help maintain critical operations during outages.

Equipment Modernization:
New motors and variable frequency drives improve treatment performance, energy efficiency, and reliability.

Real-Time Sewer Monitoring:
SmartCover technology tracks sewer levels and helps operators identify conditions that could lead to backups or overflows.

IOWA AMERICAN WATER INVESTMENTS IN BLUE GRASS		
System	Water (2017 - 2026)	Wastewater (2023 - 2026)
Total	$6,602,003.09	$9,178,027.28

DELIVERING RESULTS

Improved Water Quality
The connection to Iowa American Water's regional system significantly improved drinking water quality by reducing water hardness by approximately 50 percent while continuing to meet or exceed all state and federal drinking water standards.

Enhanced Fire Protection and Reliability
The regional interconnection increased system reliability and created opportunities for future replacement of undersized distribution mains, improving water pressure and fire protection capabilities throughout the community.

Environmental Compliance
These improvements addressed critical infrastructure needs and operational deficiencies, ultimately bringing both the water and wastewater systems back into compliance with state regulations while enhancing service for the community.

Financial Benefits for the Community
The combined $3.3 million from the sale of the water and wastewater systems provided financial relief to the city through debt reduction and the ability to allocate funds to long-term savings and other city infrastructure improvements.

Rate Stability and Regulatory Oversight
As a regulated utility, Iowa American Water's rates remain subject to review and approval by the Iowa Utilities Commission, ensuring transparency and regulatory oversight while providing customers with safe, reliable service.