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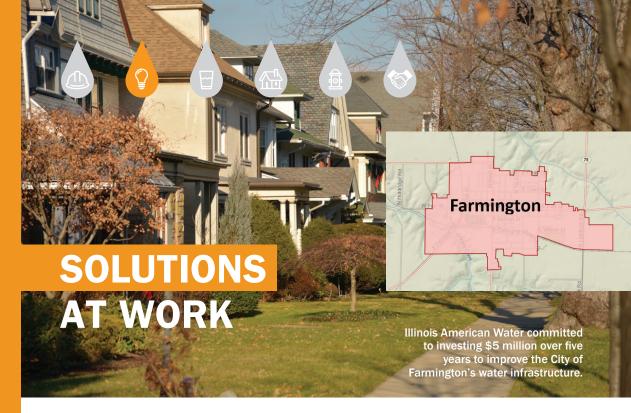
SOLUTIONS THAT WORK

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



QUESTIONS?

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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 is operating its water treatment facility via a contract operations agreement with a local certified operator. The distribution system suffers 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 \$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 to 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 is part of the Peoria District which includes a high-trained and professional staff of over 80 personnel in operations, engineering and customer support.

