



(800) 422-2782  
[www.illinoisamwater.com](http://www.illinoisamwater.com)

## **A Letter From Karla Olson Teasley, President, Illinois American Water**

Dear Valued Customer:

It is easy to take the pipes, pumps and treatment facilities of community drinking water and wastewater systems for granted. As the old adage goes, out of sight, out of mind. But these systems provide critical public health functions and aid in vital fire protection. These services are also essential in supporting community growth and economic development, both of which assist in job creation.

In December 2011, the American Society of Civil Engineers issued a report about the nation's water and wastewater infrastructure entitled *Failure to Act: The Economic Impact of Current Investment Trends in Water and Wastewater Treatment Infrastructure*. The report warns that American businesses can expect an additional \$147 billion in increased costs and the economy could lose 700,000 jobs by 2020 if critical water infrastructure investments are not made.

This is the first study of its kind to link the condition of America's water and wastewater infrastructure to economic performance. The findings in this report support Illinois American Water's proactive and prudent approach to investing in your community's water and wastewater service.

Illinois American Water has long recognized that continuous investment in water and wastewater infrastructure is necessary and we continue to address these needs. The recent rate request before the Illinois Commerce Commission reflects completed and planned investment of approximately \$180 million that is not reflected in current water and wastewater base rates, and this investment is the main driver behind our request. Specific investments made in the Chicago Metro District in 2011 include:

- Installation of over 1.5 miles of water main to enhance water pressure, fire protection and water quality.
- Installation and replacement of over 130 fire hydrants to enhance fire protection.
- Installation and replacement of about 50 valves to ensure reliability of complex water service distribution systems.
- Installation of over 4 miles of sewer lining to reduce storm water entry into the collection system and reduce overflows and backups.
- Installation and replacement of approximately 18 manholes.

At Illinois American Water, water and wastewater rates are based on the true cost of providing service; therefore investments made in your water and wastewater systems are reflected in the rates you pay. Our rates are based on a true-cost pricing model endorsed by the U.S. EPA, Metropolitan Planning Council, Chicago Metropolitan Agency for Planning, and National Association of Water Companies.

Experts from the water industry explain that because many communities have neglected water systems for decades, their current rates do not generate enough revenue to cover

necessary maintenance, repair and replacement. Communities throughout the country are, or soon will be, facing increased rates.

In some communities, water bills only reflect a portion of the cost, while the difference is made up in taxes and hidden fees. The historic under-pricing of water is largely due to a perception that water is “free” – a fundamental human need supplied by the earth. The vast infrastructure required to treat and deliver clean and healthy water to the tap is far from free. Water service requires three times more capital investment to provide than any other utility. However, water remains an excellent value.



Your critical water and/or wastewater service is provided by our dedicated employees who work around the clock 365 days a year to repair water main breaks, inspect fire hydrants and complete necessary maintenance. They also strive to provide excellent customer service and achieved just under 90 percent customer satisfaction in 2011.

Our employees care about the customers and communities they serve. One example of this is our AmerIcANs in Action program implemented in 2011. Through AmerIcANs in Action, teams of employee volunteers worked together to support volunteer efforts across the state including school reading programs, river cleanups, and water education events.

Water source protection efforts also continued in 2011 and included:



- Expanding pharmaceutical disposal programs implemented and supported in partnership with 24 communities across the state. To find a program near you please visit [www.epa.state.il.us/medication-disposal/locations](http://www.epa.state.il.us/medication-disposal/locations).
- Supporting seven environmental projects in our service areas through environmental grants.
- Launching an Earth Day art contest to support water conservation education in elementary classrooms.
- Participating in community water-themed events across the state.

Communities were also supported through Illinois American Water’s Firefighter Grant Program which provided awards to 51 fire departments in 2011. To learn more about our company, please visit our website at [www.illinoisamwater.com](http://www.illinoisamwater.com). If you have any questions or comments, please email me directly at [ilaw.president@amwater.com](mailto:ilaw.president@amwater.com).

Sincerely,

A handwritten signature in black ink that reads "Karla Olson Teasley".

Karla Olson Teasley  
President  
Illinois American Water

