



Letter Sent To HG Residents This Week

Illinois American Water
1000 Internationale Parkway
Woodridge, IL 60517
amwater.com

Dear Valued Customer,

The communities of Homer Glen, Bolingbrook, Woodridge, Lemont and Romeoville have formed a new water agency and are considering using government's power of eminent domain to take over water systems serving this area. Eminent domain is the taking of private property by a government entity without the property owner's consent.

Proponents of the new government water agency claim a takeover will lower water rates. But the facts do not support these claims. Our customers deserve to know the facts.

There are two separate and distinct water systems: **American Lake Water and Illinois American Water.** The takeover of American Lake Water is the focus of the new water agency.

American Lake Water transports Lake Michigan water from Bedford Park to the Village of Plainfield and to Illinois American Water. The cost to transport this water appears on the bills of Illinois American Water customers. The portion of a customer bill that relates to American Lake Water is about \$1.29 per 1,000 gallons of water (roughly \$6.45 per month for an average residential customer that uses 5,000 gallons of water). Supporters of a takeover have never explained how they will be able to pay for the pipeline, lawyers and consultants, obtain an office, buy equipment, hire employees and maintain the water pipeline, while still reducing the \$1.29 charge per 1,000 gallons on the monthly bill.

Illinois American Water is the local provider of water and wastewater service to customers in Homer Glen. A takeover of the local water and wastewater system would involve another separate eminent domain action by Homer Glen alone.

One question I sometimes hear is, "Why is my rate higher than rates in neighboring communities?" The short answer is, your cost of service is probably not higher. Many municipalities subsidize the costs of providing water service by using other revenue sources – such as higher property, utility and sales taxes – to keep water rates artificially low. Or they shift the costs of providing water service to other municipal departments, such as the streets or maintenance department, so the full costs of providing water service do not appear on your water bill. A neighboring community water bill may be lower on its face, but residents there are likely paying more in other areas to subsidize the water rate.

The points above are very important and you need more information to ask your elected officials the right questions. We will be communicating with you more over the next several months. This issue is very important for you as a customer and we owe it to you to keep you informed. Please call me at (630) 962-9740 or e-mail me at michael.smyth@amwater.com with any questions.

Respectfully,

Michael A. Smyth
Senior Manager of Field Services and Production
Illinois American Water Company