



Hardin County Water Company

Water Distribution Acquisition

The Hardin County Water Company, (HCWC), was created to provide a better water source to 500 customers in a very rural and densely forested area of Shawnee National Forest in southeastern Illinois. The system construction began in 1993 and was funded by customer connections, rates and government grants. HCWC water supply is purchased from Saline County Conservancy District.

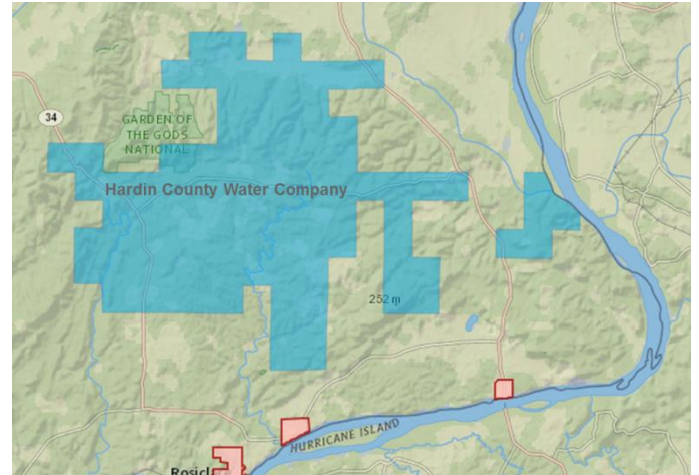
CHALLENGES:

Rates – Customer were paying on average \$70 a month for water service.

Operations - The water system is located over 100 square miles in a very rural area of thick forest making operations difficult especially at night and in inclement weather impacting system reliability.

Succession Planning – The manager and board of directors were preparing for retirement so they needed to find a new owner for the system.

Financial – Balance needed to be developed between continually investing in the system to provide reliable water service and obtain fair market value to the owners.



HCWC 500 customers are spread over 100 sq miles of densely forested area providing operational challenges

Service Quality– All billing, accounting and communications within HCWC were labor intensive due to everything in a hand-written, non-automated system.

SOLUTION: Exploring various options, the board determined that the best long-term solution for its customers and the owners was a sale to Illinois American Water.

BENEFITS:

Rates – Customers saw their bills decrease by 60% to \$42 on average.

Operations – Illinois American Water was able to use GIS technology to map the exact location of the distribution system making it easier to locate infrastructure. This improved day to day efficiencies as well as the ability to be more responsive in emergencies.

Succession Planning – Utilizing the Illinois Systems Viability Act, the HCWC was able to achieve a sale price of \$1.5 million providing a fair market value for the owners.

Financial - Over \$433,000 invested since Illinois American Water acquired the system improving system reliability.

Service Quality – Automated functions such as meter reading and billing are providing timely and reliable bills and customer communications.