

PRESS RELEASE



January 24, 2011

Karen Cotton

309-566-4126

Karen.cotton@amwater.com

Illinois American Water Announces 2011 Environmental Grant Program

Belleville, Ill. (January 24, 2011) – Illinois American Water announced today that the application process is now open for its 2011 Environmental Grant Program to support innovative, community-based environmental projects that improve, restore or protect watersheds and community drinking water supplies.

The company will award grants of up to \$10,000. The program is designed to support diverse types of activities, such as watershed cleanups, reforestation efforts, biodiversity projects, streamside buffer restoration projects, wellhead protection initiatives and hazardous waste collection efforts.

"The Environmental Grant Program has been very successful in helping local organizations carry out meaningful, sustainable initiatives that benefit our watersheds," said Karla Olson Teasley, president, Illinois American Water. "We encourage municipalities, schools, environmental organizations and civic groups to apply for a grant to support projects that will benefit a watershed in their community."

To qualify, a proposed project must be located within an Illinois American Water service area and address a source water or watershed protection need in the community. All projects will be completed between May 1, 2011 and November 30, 2011. Criteria will be judged on the program innovation for the community, the partnership with other organizations and program sustainability.

In 2010, Illinois American Water awarded four grants totaling approximately \$18,000. A panel of judges selected the winners from 15 grant applications, which were evaluated on criteria such as environmental need, innovation, community engagement and sustainability. Illinois American Water awarded its 2010 Environmental Grants to:

- The Living Lands and Water Great Mississippi River Cleanup in Alton and Grafton.
- Tazewell County Health Department's "Green Matters Street Clean Up" in Pekin.
- Prairie Rivers Network's "Reining in the Rain" in Champaign Campaign in Champaign.
- Forest Preserve District of DuPage County's Aquatic Invasive Species Program in the company's Chicago Metro service area.

Grant information and application forms can be found online at www.illinoisamwater.com. Applications must be postmarked by March 25, 2011, and mailed to Karen Cotton at Illinois American Water, 123 SW Washington, Peoria, IL 61602 or emailed to karen.cotton@amwater.com.

About Illinois American Water

Illinois American Water, a wholly owned subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to more than 1.2 million people. American Water also operates a customer service center in Alton and a quality control and research laboratory in Belleville.

Founded in 1886, American Water is the largest investor-owned U.S. water and wastewater utility company. With headquarters in Voorhees, N.J., the company employs more than 7,000 dedicated professionals who provide drinking water, wastewater and other related services to approximately 15 million people in more than 30 states, as well as parts of Canada. More information can be found by visiting www.amwater.com.

In 2011, American Water is celebrating its 125th anniversary with a yearlong campaign to promote water efficiency and the importance of protecting water from source to tap. To learn more, visit www.amwater125.com.

###