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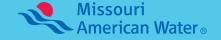
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The Challenge

- Many communities in Missouri and across the United States are facing the dilemma of aging infrastructure. To continue to ensure safe drinking water, the nation's water utilities will need to make an estimated \$277 billion in investments over the next 20 years, according to United States EPA. This significant national need reflects the challenges confronting water utilities as they deal with aging infrastructures that were constructed 50 to 100 years ago, in many cases.
- Piping systems are wearing out due to age and corrosion.
- Water service interruptions and damage to property are likely to occur as water main breaks increase.

The Benefits of the ISRS Solution

- Improves fire protection.
- Enhances service reliability.
- Preserves the integrity of water distribution systems for future generations.



ISRS helps us invest in our future... today





Missouri American Water maintains more than 4,000 miles of water mains in St. Louis County. Throughout our system, many of the older water mains are wearing out due to age and corrosion. The Infrastructure System Replacement Surcharge (ISRS) helps Missouri American Water replace water lines more quickly, improving service reliability.

Infrastructure Investment

Effective <DATE>, Missouri American
Water's St. Louis County customers will see a new
charge listed on their water bills. The Infrastructure
System Replacement Surcharge (ISRS) allows Missouri
American Water to replace aging water lines and
hydrants more quickly, using a planned, systematic
approach. This will reduce the number of water main
breaks, improve service reliability and fire protection,
and enhance the integrity of the water system for future
generations. The ISRS will be listed as a separate
charge on customers' bills.

The surcharge rates are as follows:

Customer	Rate per 100 cubic feet	Rate per 1,000 gallons
Residential, Commercial, Other		
Public Authority	\$.00	\$.00
 Public Water Supply Districts 	\$.00	\$.00
■ Resale Customers	\$.00	\$.00
Construction	\$.00	\$.00
■ Large Users	\$.00	\$.00

ISRS is being implemented pursuant to Sections 393.1000, 393.1003, 393.1006 RSMo; 4 CSR 240-2.060 (1) and 4 CSR 240-3.650.

Regulatory oversight

As water mains and other eligible infrastructures are replaced, the costs are accumulated and reviewed by the Missouri Public Service Commission. A surcharge on customer bills can then be approved to recover, over time, the cost of the system improvements. ISRS helps Missouri American increase investment in these vital system improvements.

How does ISRS benefit water service customers in St. Louis County?

- Increases the replacement of water mains and hydrants that are nearing the end of their useful lives.
- Reduces the frequency of water service interruptions and helps to prevent property damage from main breaks.
- Improves service reliability and fire protection.
- Provides regulatory review. The Public Service Commission reviews and approves all ISRS charges. Only non-revenue producing projects are eligible for ISRS.
- Recognizes that costs to make these necessary improvements will only continue to grow. By making these improvements today; we will save money in the long term and ensure the reliability of the water infrastructure for future generations.

ISRS helps Missouri American Water accelerate our infrastructure improvement program—preserving the integrity of our water distribution system for future generations.