

**RESOLUTION AUTHORIZING INTERVENTION
IN ILLINOIS COMMERCE COMMISSION PROCEEDINGS CONCERNING
AN INITIAL PUBLIC OFFERING BY AMERICAN WATER COMPANY**

WHEREAS, Illinois-American Water Company is owned by American Water Works Company, Inc., which is in turn part of an international conglomerate;

WHEREAS, the ownership structure of American Water and Illinois-American Water is currently being changed through an initial public offering process;

WHEREAS, this reorganization and change of ownership will require Illinois Commerce Commission approval pursuant to state law and regulations;

WHEREAS, other municipalities, including the City of Champaign, IL and the Village of Homer Glen, IL have already intervened in these proceedings;

WHEREAS, Urbana citizens and rate payers have a direct interest in these proceedings and will be affected by the outcome.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. It is deemed in the public interest for the City of Urbana to become a formal party to the Illinois Commerce Commission proceedings in Case No. 06-0336, concerning the Joint Application for Approval of Proposed Reorganization and Change in Control of Illinois-American Water Company pursuant to Section 7-204 of the Illinois Public Utilities Act.

Section 2. The City of Urbana is authorized to work with other municipalities, organizations and state officials, including, but not limited to, the Illinois Attorney General's Office, either formally through an intergovernmental agreement, or informally, in the above proceeding to insure that any reorganization and/or change of ownership of Illinois-American Water

meets all provisions of Illinois law and is in accordance with the public interest and the best interests of Illinois citizens.

Section 3. Immediately upon passage of this resolution, the City Attorney is authorized to take all necessary steps and file all necessary documents to make the City of Urbana a formal party to the proceedings in Case No. 06-0336 of the Illinois Commerce Commission. The City Attorney is further authorized to take all necessary actions to carry out the intent of this Resolution.

PASSED by the City Council this 17th day of July,
2006.

AYES: Bowersox, Chynoweth, Lewis, Roberts, Smyth, Stevenson

NAYS:

ABSTAINS:



Thomas B. Clark
Thomas B. Clark, City Clerk
[Signature]
Deputy Clerk

APPROVED by the Mayor this 23rd day of July,

2006.

Laurel Lunt Prussing
Laurel Lunt Prussing, Mayor