



ON TAP

QUARTERLY UPDATE | JUNE 2018

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WE ARE AMERICAN WATER

With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly-traded water and wastewater utility company. The company employs **more than 6,900 dedicated professionals** who provide regulated and market-based drinking water, wastewater and other related services to an estimated **15 million people in 46 states and Ontario, Canada**. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing.



AMERICAN WATER

WE KEEP LIFE FLOWING™

QUALITY



Water Quality Reports Offer A Look “Behind the Scenes” of Testing and Treatment

When most people turn on the tap to get a glass of water, they just assume the water is safe to drink. Given everything that American Water does to treat and deliver safe and clean water, that’s something in which the company takes pride. But instead of just telling you about all that American Water does and talking about the numerous tests, regulations and procedures that are part of what the company does every day, it’s better to show you the results from all that work!

Through American Water’s yearly **Water Quality Reports — also called Consumer Confidence Reports (CCRs)**, the company provides customers with all of the details. CCRs are required to be released annually by all water utilities throughout the U.S. and include valuable information on:

- Source water.
- Compliance with drinking water rules.
- Important educational language.

In addition to posting the Water Quality Report for each system, American Water also provides a Typical Water Quality Summary that includes the water quality information that customers most commonly call and ask about in a simple, easy-to-read format.



“Certainly we prioritize the quality and reliability of our customers’ water and the safety of their family and employees — our teams of water quality, plant operation and water distribution professionals work hard every day to ensure the highest quality water and service,” said Matt Corson, American Water director, Environmental Compliance and Stewardship. “But we also care a great deal about making sure our customers have everything they need to be informed and responsible consumers.”

SERVICE



American Water Committed to Keeping Services Affordable For Our Customers

American Water is committed to embracing and leveraging new technologies to achieve greater efficiencies and keeping bills affordable for our customers. A recent example has been through the enhanced functionality and integration between our work management systems and our primary asset management systems.

Creating, editing, or retiring an asset record was historically very cumbersome. Now company employees can access asset records directly through a more user-friendly system called Mapcall. It reduces time spent on basic asset control functions by approximately one-third. Across the business, this will translate to about 10,000 hours saved per year.

New Jersey American Water began using MapCall several years ago, because of the need for a tool to capture real time asset data in the field. Doug Thorn, Operations project manager, explained, “We took what has been working in New Jersey and are sharing it with all of American Water. We are motivated to get this deployed across the enterprise because we know it is a good system for field employees and management.”

Another way American Water is able to help keep costs down for our customers is through smart, prudent capital investments. In the last 30 years, there have been 21 flood events recorded on the Illinois River in the Peoria area. Every flood event has an impact on Operating and maintenance (O&M) due to its

unexpected nature and costs associated with hiring outside contractors to help perform work and a diesel generator to run several pumps.

Illinois American Water began an effort to reduce these costs through a capital investment to purchase permanent submersible pumps, a standby generator, and other equipment. By having this equipment on site and available it will greatly reduce the time and money spent recovering for future flood events.

“This is great example of how capital dollars can reduce O&M costs and how our employees find and complete continuous improvement projects,” said Roger Goodson, senior manager of Field Services and Production.



SOLUTIONS



Pennsylvania American Water Provides Solutions

American Water is always looking to work with communities to help provide solutions to their water and wastewater challenges. Recently, Pennsylvania American Water partnered with two communities to provide them with solutions for their wastewater systems. The company signed an agreement to acquire the wastewater assets of **Exeter Township in Berks County** and **Sadsbury Township in Chester County**. The total value of these transactions is more than \$100 million and, when finalized, will provide wastewater service to nearly 10,000 customers.

“For many years, our company and our employees have been providing reliable water service to about 70 percent of the

township’s wastewater customers, and we are excited for the opportunity to provide wastewater service for all of Exeter Township,” said Pennsylvania American Water President Jeffrey McIntyre. “We are well-equipped to offer the technical expertise and financial resources needed to ensure the system meets all the environmental compliance challenges it will face in the future.”

Pennsylvania American Water has also committed to invest \$3 million in wastewater and/or water improvements within Exeter Township. The company will partner with the township to identify areas where aging wastewater and water facilities can be replaced in conjunction with street and sidewalk

improvements, economic development projects or other local infrastructure needs.

The company expects to close the transactions with Sadsbury Township and Exeter Township by the end of 2018 and by the end of first quarter 2019, respectively, pending regulatory approvals.



Illinois American Water Looks to Expand Partnerships

Recently, Illinois American Water collaborated with two communities to provide them with solutions for their wastewater systems.

The company signed an **agreement to acquire the wastewater assets of Alton** and the water and wastewater assets of Sundale Utilities, Inc. The total value of the transactions is more than \$55 million, and will add approximately 25,000 wastewater and 475 drinking water customers. The Alton wastewater system also serves customers in nearby communities of Bethalto and Godfrey.

“I believe this transaction is in the best interests of our city, now and in the future,” said Alton Mayor Brant Walker. “It allows us significant net proceeds to help fund other city needs and priorities. It also puts our wastewater system in professional hands with Illinois American Water, a company that is familiar with Alton and its residents.”

Illinois American Water has owned, operated and maintained the water serving Alton for the past 140 years. “Illinois American Water is part of the Alton community,” said Karen



Cooper, senior Field Services Production manager. “We are excited about the potential of broadening our partnership with the city to include wastewater.”

The **agreement with Sundale Utilities, Inc.** includes plans to invest approximately \$4.4 million in the service territory over the first five years of ownership. This investment includes security and safety improvements such as improved chemical storage and electrical upgrades.

According to Brad Spurgeon, Vice President of Sundale Utilities, Inc., “Guidelines have become more stringent and the investment needed to remain in compliance has grown beyond our capacity. A benefit of selling the systems to Illinois American Water is knowing they will make the critical investment needed and will care for our customers as we have over the years.”

Bruce Hauk, president of Illinois American Water, said the company is committed to continued growth and economic development in the River Bend region and throughout the state. “These are exciting acquisitions for Illinois American Water and our team of employees.”

COMMUNITY



New Jersey American Water and Scholastic Partner to Provide New Jersey Teachers with Valuable Water Conservation Curriculum

New Jersey American Water and Scholastic recently collaborated to help teachers throughout the state through Water Works — a creative program that provides valuable, free Science, Technology, Engineering, Math (STEM)-based curriculum focused on water and its importance to everyday life.

“This is the third year **New Jersey American Water** has partnered with **Scholastic** to bring water lessons to life for teachers and students throughout the state of New Jersey,” said Denise Venuti Free, New Jersey American Water director of Communications and External Affairs. “The unique materials and creative

experiments we’ve created focus on the value of water and the importance of water conservation, which is vitally important for sustaining our water security now and for generations to come.”

The **Water Works** curriculum is designed for children in grades 3-8, and includes a variety of classroom activities, worksheets and assignment ideas focusing on the importance of water and water conservation. Hands-on classroom experiments include a study of the effects of time on pipes, how public water systems work and the opportunity to build a model aquifer.

Created by Scholastic with the support of New Jersey American Water, the Water Works curriculum meets a variety of New Jersey Core Curriculum Content Standards with the hope of providing a useful, exciting supplement to teachers’ existing lesson plans.

The Water Works program also includes a Family Guide for students to share with their parents in an effort to bring conservation tips into their homes.



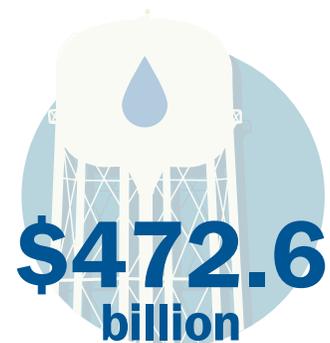
For more information about American Water, visit amwater.com and follow us on Twitter, Facebook and LinkedIn.

INFRASTRUCTURE

Did you know?



In a recent poll, **88 percent** of Americans think rebuilding water infrastructure is extremely or very important. [See full results of the survey here.](#)



Published in March, the Environment Protection Agency’s 6th Drinking Water Infrastructure Needs Survey and Assessment shows **\$472.6 billion** is needed to maintain and improve the nation’s drinking water infrastructure over the next 20 years. [Click here to view the assessment.](#)

