



ON TAP

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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™

COMMUNITY



Doing Well by Doing Good

American Water has always believed that companies do well by doing good. The company's continued growth is an outcome of doing the right things the right way.

American Water's efforts in the environmental, social and governance arena have been recognized, most recently by Barron's magazine, which named the company **36th out of its 100 most sustainable companies**. Additionally, the Women's Forum of New York recognized American Water in late 2017 as the **S&P 500 company with the largest percent of female board members**.

"American Water has always believed that our board, management and employees should reflect the customers we serve. Further, we have a true commitment to

respect and dignity for each other as part of the values we live as a company," said Susan Story, president and CEO of American Water.

In 2017, American Water raised approximately \$470,000 companywide for local United Way chapters across the nation. The company's support of United Way is part of its customer commitment that aims to create a lasting, positive impact on the communities the company serves. During the last 10 years, American Water has donated \$5 million to United Way efforts across the country.



As part of our AmeriCANS in Action! Month of Service across the country, 200 American Water employees joined together at the Kroc Community Center in Camden, New Jersey, to pack 40,000 meals for the needy.

SOLUTIONS



Pennsylvania American Water Provides Solutions to McKeesport

As a solutions provider, American Water works with communities to help provide solutions to address water and wastewater challenges.

A great example of this is Pennsylvania American Water's acquisition of the wastewater system assets of the Municipal Authority of the city of McKeesport (MACM) for approximately \$159 million. The transaction, which closed in December 2017, marked the first acquisition completed under Pennsylvania's Act 12 of 2016, which allows municipalities to sell water and wastewater systems for a price based on the fair market value of the system.

"As the first finalized sale under Pennsylvania's Fair Market Value legislation, this acquisition establishes a strong example for other communities to consider," said Pennsylvania American Water President Jeffrey McIntyre. "Prior to the passage of Act 12, the depreciated cost of this system might have prevented the city of McKeesport from the opportunity for financial stability."

The MACM wastewater system provides service to approximately 22,000 customers, including those served under bulk contracts, in 13 municipalities in Allegheny County.

"The crux of this transaction is bringing financial stability to the city of McKeesport and saving our taxpayers from Act 47 municipal bankruptcy," Mayor Michael Cherepko said. "When we think about it, the privatization of local sewage services truly makes sense. The city isn't involved in other utility businesses — gas, electric, water — and this is a final



Photo (l-r): Jeff McIntyre, president of Pennsylvania American Water, Mayor of McKeesport Michael Cherepko, and Dale McCall, chairman of the Municipal Authority of the City of McKeesport, sign the acquisition documents in Dec. 2017.

step in providing consistent, regulated utility services to our community."

The Pennsylvania Public Utilities Commission (PUC) recognized Pennsylvania American Water's ability to provide much-needed investment in the system, enhanced customer service and an assistance program for low-income customers when the commission approved the acquisition on Oct. 26, 2017.

McIntyre added that long-term rate stability is one of the most important benefits for these wastewater customers. He also pointed out that low-income

wastewater customers in McKeesport are eligible to apply for assistance through Pennsylvania American Water's H2O Help to Others Program, which offers grants and discounts on bills for those customers who qualify.

This acquisition adds to the company's series of municipal wastewater transactions. In 2016, Pennsylvania American Water acquired the wastewater assets of the Scranton Sewer Authority in Lackawanna County and the Borough of New Cumberland in Cumberland County.

For more on the acquisition, [click here](#).

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INFRASTRUCTURE



Playing a Critical Role in Infrastructure

One of the major conversations happening in the U.S. is the urgent need to invest in water and wastewater.

Every year, the country loses about 2 trillion gallons of treated water through more than 240,000 main breaks, with an economic cost of billions of dollars. About 900 billion gallons of untreated sewage is discharged into rivers and streams every year.

Companies like American Water play a critical role, working together with the public sector, as the needs are too great for any one sector to tackle alone.

The difficulty in addressing these infrastructure issues is compounded by the fragmented industry of about 53,000 water systems and 17,000 wastewater systems, the majority of which are small-to medium-sized municipalities with multiple competing priorities for their investment dollars.

“We are encouraged that the administration and Congress are working to address the pressing need to upgrade our country’s infrastructure, including the systems that provide critical water and wastewater services,” said Walter Lynch, chief operating officer, American Water.

There are several positive proposals in the plan, including the removal of caps on tax-exempt water infrastructure private activity bonds and making Clean Water State Revolving Fund (CWSRF) loans available to private wastewater utilities. The plan also encourages partnerships between private and public providers, with incentives for smarter ways of investing in critical upgrades. [A recent report by PricewaterhouseCoopers](#) found an additional \$60-80 billion in drinking water and wastewater infrastructure investment



\$1 BILLION
INVESTED EACH
YEAR TO KEEP OUR
SYSTEMS STRONG

could result from just a few changes to federal policy, including those just mentioned.

American Water has committed to invest more than \$8 billion over the next five years, with more than \$7.2 billion of that amount dedicated to improving the company’s existing systems.

This commitment is underscored with the recent announcement that [New Jersey American Water will invest over \\$9 million for the installation of new water mains](#) in its service areas on Barnegat Bay Peninsula. The approximate 41,695 feet of new ductile iron pipe replaces water main that has reached the end of its useful life.

“These projects demonstrate our commitment to provide high-quality, reliable water service to our customers and represent just a few of the \$350 million in system-wide upgrades we are making,” said Kevin Keane, senior director of Operations. “With the installation of the new water mains, New Jersey American Water customers should experience increased water flows

for residences and fire protection, and continued improvement in reliability.”

Recently, [Pennsylvania American Water also announced a project to install approximately 6,000 feet of new 24-inch water main](#) and two pressure-reducing valve vaults in Scranton to improve reliability for customers and reduce service disruptions. The \$4.1 million project will provide an additional supply line from the Lake Scranton Water Treatment Plant to customers in parts of Scranton.

These projects demonstrate our commitment to provide high-quality, reliable water service to our customers.

COMMUNITY



Philadelphia Business Journal Honors American Water Executives

Recently, two American Water executives were honored by the Philadelphia Business Journal. American Water's chief operating officer, Walter Lynch, was named a Veteran of Influence, while Deborah Degillio, president of American Water's market-based business, was among a group of honorees recognized as Women of Distinction.

"I want to congratulate Walter and Deb on their well-deserved recognitions," said Susan Story, president and CEO of American Water. "American Water is fortunate to have such strong leaders and a tremendously talented and diverse team of 6,900 employees."

Lynch was one of 25 people honored for serving his country with honor, and is now



making a difference in the greater Philadelphia business community. In his current role, which he has held since 2008, Lynch is responsible for the successful performance

of American Water's 16 regulated states, serving approximately 10 million people in more than 1,600 communities, and for leading customer service across the company's footprint including two national customer service centers. He also leads health and safety, and systemwide engineering. A graduate of the U.S. Military Academy at West Point, he attained the rank of captain before his departure from the U.S. Army in 1990.

Degillio was honored as one of the region's most influential businesswomen.



She currently oversees American Water's three market-based business units, which offer operations and maintenance contract services, and other innovative solutions

to address a variety of challenges facing the industry, across the U.S. and Canada. Degillio has 20 years of broad finance experience in the utility and energy sectors, leading teams focused on financial forecasting and analysis, business planning, process improvement and enterprise risk management. She previously served as vice president and treasurer for American Water, where she led the company's long-term and short-term financing activities, corporate planning and investment analysis.

For more information on the Philadelphia Business Journal honors, [click here.](#)



COMMUNITY

American Water Named a 2018 Military-Friendly Employer

American Water is committed to the success of all of its employees, but especially its veterans. Through this commitment and the development of several unique programs, the company **earned the 2018 Military-Friendly Employer designation by Victory Media.**

First published in 2003, Military-Friendly Employers is the most comprehensive, powerful resource for veterans today. Each year, the list of Military-Friendly Employers is provided to service members and their families, helping them discover the best post-military career opportunities available.

"We are very honored to be recognized as a 2018 Military-Friendly Employer, and grateful for all of our American Water employees who have served or continue to serve in the military," said retired Brig. Gen. David Turner, president, American Water Military Services Group. "We are committed to supporting and recruiting military veterans into our workforce in all areas of the business. The same characteristics that are needed for successful military service — talent, honor, sacrifice, commitment to others and to safety — describe the type of people we need to deliver critical water services to our customers."

American Water is committed to hiring military talent, knowing first-hand that recruiting veterans and military spouses is not only the "right thing to do," but the right thing for our business.