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For Immediate Release

Indiana American Water Invests More Than \$57 Million in Distribution System Improvements During 2016

Greenwood, Ind. (March 16, 2017) – Indiana American Water, a subsidiary of American Water (NYSE:AWK) today announced that it has replaced nearly 41 miles of aging water mains and rehabilitated 10 water tanks in its service areas in 2016. This investment of more than \$57 million last year in approximately 260 separate projects across Indiana will improve the reliability and quality of water service to customers while also enhancing fire protection capabilities.

“This investment in our water systems replaces aging pipe and rehabilitates water storage tanks that, in many cases, had outlived their usefulness or were in need of significant investment, ensuring that our customers continue to receive quality, reliable water service for many years to come,” said Indiana American Water President Deborah Dewey. “Indiana American Water is committed to investing in its systems and a portion of every bill is dedicated to replacing or rehabilitating aging infrastructure. In the last two years alone, we have proactively invested more than \$140 million in our water and wastewater infrastructure.”

Nationally, much of this critical water infrastructure system is more than a century old, and is well past its useful life. The American Society of Civil Engineers’ (ASCE) latest Report Card for America’s Infrastructure, issued every four years since 2001, earlier this month gave the nation’s water systems a D grade, and wastewater systems a D+ grade. This remains in line with the last few reports, and heightens the sense of urgency to take actions that will turn around the condition of the nation’s water and wastewater infrastructure.

“While much work needs to be done to raise the grade of the nation’s deteriorating water infrastructure, we are committed to addressing the challenge in our state and across the country,” said Dewey. “American Water has taken a leadership position in replacing or rehabilitating infrastructure that no longer meets the needs of the communities it serves. Last year alone, American Water invested approximately 1.5 billion dollars in water and wastewater infrastructure across the country, including nearly \$49 million to replace or relocate water mains and more than \$8 million to rehabilitate 10 large storage tanks in communities served by Indiana American Water across the state.”

A breakdown of water systems can result in water disruptions, impediments to emergency response, and damage to other types of infrastructure. The price tag for the critical upkeep and replacement of the nation’s outdated water systems is at least \$1 trillion over the next 25 years, according to estimates by the American Water Works Association.

A study completed late last year by the Indiana Finance Authority echoed the ASCE’s recommendations for significant investment in water infrastructure. The report evaluated Indiana’s water infrastructure and estimated more than \$2.3 billion in infrastructure needs for drinking water systems across the state, and found that an additional \$815 million is needed annually to maintain this infrastructure into the future.

About Indiana American Water

Indiana American Water, a 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 approximately 1.3 million people. 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 6,700 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 47 states and Ontario, Canada. More information can be found by visiting www.amwater.com.