

FOR IMMEDIATE RELEASE

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PENNSYLVANIA AMERICAN WATER LAUNCHES \$8.5 MILLION UPGRADE OF WATER STORAGE FACILITIES

HERSHEY, Pa. (April 20, 2017) – Pennsylvania American Water today announced its 2017 plans to rehabilitate 10 existing water storage tanks, as well as erect four new storage structures. The company’s rehab program of inspecting, sandblasting and repainting tanks will extend their service life and protect water quality, and the new tank construction will provide increased storage capacity to meet customer demand and improve fire protection.

The combined cost of the tank projects is approximately \$8.5 million, including \$5.9 million for rehab and repainting work. In 2016, the company rehabilitated 11 storage tanks at an approximate cost of \$5 million. Pennsylvania American Water owns and maintains more than 340 water storage facilities across the state.

“Storage tanks are essential to our water infrastructure to ensure 24/7 service reliability to meet the community’s needs and provide fire protection,” said Pennsylvania American Water President Jeffrey McIntyre. “Building new tanks will address customer demand, plus the rehab projects are a prudent, investment that extends the tanks’ lifespan, which is more cost-efficient than replacing the structures.”

This year, Pennsylvania American Water will rehabilitate and repaint existing tanks in the following communities:

- Robinson Township, Washington County – 500,000-gallon ground storage tank
- Union Township, Washington County – 200,000-gallon ground storage tank
- Union Township, Washington County – 500,000-gallon storage tank
- Pittsburgh, Allegheny County – 800,000-gallon storage tank
- Baldwin Township, Allegheny County – 350,000-gallon reservoir tank
- Exeter Township, Berks County - 250,000-gallon ground storage tank
- East Buffalo Township, Union County – 235,000-gallon storage tank
- Newport Township, Luzerne County – 1.2 million-gallon ground storage tank
- Plymouth Township, Luzerne County – 5 million-gallon ground storage tank
- Silver Spring Township, Cumberland County - 500,000-gallon ground storage tank

To rehabilitate the tanks, crews will strip the original paint and apply a new coating, which serves as a protective barrier that prevents the steel from rusting and compromising water quality. During construction, the company does not expect customers to experience service interruptions. The projects

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include mitigation procedures to ensure that paint fumes and dust levels are in compliance with air pollution control requirements mandated by local health departments and the Pennsylvania Department of Environmental Protection.

In addition, the company will build new tanks in the following communities:

- Scranton, Lackawanna County - 225,000-gallon storage tank; Approximate cost \$400,000.
- Lehman Township, Pike County – 226,000-gallon storage tank; Approximate cost \$575,000.
- Conewango Township, Warren County – 420,000-gallon storage tank; Approximate cost \$750,000.
- Nazareth Borough, Northampton County - 304,000-gallon storage tank: Approximate cost \$865,000.

Pennsylvania 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 2.3 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 6,800 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.

This release contains forward looking statements, including, among others, our plan to continue our long-term strategy of capital investment in our systems. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: general economic business conditions, unfavorable weather conditions, changes in regulations or regulatory treatment and availability and the cost of capital. We undertake no obligation to publicly update or revise any forward-looking statement.

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