

American Water Announces Partnership With Harnett County To Provide Services To Fort Bragg

Company signs three-year contract to manage and operate water and wastewater treatment plants

Voorhees, NJ - October 12, 2006

American Water, the largest water services provider in North America, announced today that it has been awarded a three-year contract to operate and manage water and wastewater treatment plants at Fort Bragg, NC.

Under terms of the contract, American Water's Military Services Group will be a subcontractor to Harnett County, NC. The contract also supports U.S. Department of Defense agreements between Harnett County and the City of Fayetteville, NC under the Department's Utility Privatization Program.

A 90-day transition period commences this month. Following this transition, American Water will be responsible for the interim operations and maintenance of Fort Bragg's 10.6 MGD Water Treatment Plant and 8 MGD Wastewater Treatment Plant.

"Harnett County in partnership with The City of Fayetteville and its' Public Works Commission is very pleased to have reached an agreement with American Water to operate and manage the water and wastewater plants at Fort Bragg." said Steve Ward, Assistant Public Utilities Director for Harnett County. "American Water's position as the industry leader in our profession and their tremendous assistance in this negotiation process with the federal government helped make this contractual relationship a viable reality. We look forward to a long and positive relationship with the company."

"American Water's goal is to provide trusted, quality service that meets or exceeds expectations. We have partnered with the local communities and Fort Bragg to meet the Army's goal to find a viable solution for utility management that lets it focus on its core mission to protect and defend our country," said Adam R. McDonough, Vice-President of American Water's Military Services Group.

McDonough continued, "The solutions that we have provided have also helped Harnett County and Fayetteville PWC to benefit in this synergistic arrangement. This is the true definition of partnership - working together to achieve mutually beneficial goals."

Fort Bragg, with a population of nearly 70,000 is located in the south-central portion of North Carolina. Known as the "Home of the Airborne and Special Operations Forces", Fort Bragg houses the 82nd Airborne Division and the XVIII Airborne Corps. The U.S. Army Special Operations Command and the U.S. Army Parachute Team (the Golden Knights) also call Fort Bragg home. Fort Bragg units include the 1st Corps Support Command, 44th Medical Command, XVIII Airborne Corps Artillery, 18th Aviation Brigade, 35th Signal Brigade, and more.

American Water's Military Services Group also owns and operates the water and wastewater systems at Fort Sill, OK, Fort Leavenworth, KS, and Fort Rucker, AL, and is pursuing additional water and wastewater opportunities with the Department of Defense and other agencies in the Federal Government.

"When you consider that American Water has more than a century of expertise and is an industry leader in water and wastewater, it's no surprise that the Military is an active market for us. We in the Military Services Group are honored and proud to fulfill our patriotic duty to provide our soldiers high quality water and wastewater services. Because we can bring great value to such critically important federal agencies, we will continue to identify and pursue opportunities for partnership," said McDonough.

With headquarters in Voorhees, NJ, American Water is the largest water resources provider in North America. Employing approximately 7,000 and reporting \$2.2 billion in revenue, American Water provides high quality water, wastewater, and other related services to more than 18 million people in 29 states and Canada.

Contact
Kimberly Cooper
856.346.8207