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Maryland American Water Breaks Ground on \$15 Million Impoundment

Reservoir will provide critical back-up water supply to Bel Air customers

BEL AIR, Md. (July 12, 2017) — Maryland American Water today held a groundbreaking ceremony to mark the beginning of construction of a raw water impoundment (reservoir) and new intake built just off Winters Run, the source of water supply for Bel Air, Md. Over the past several years, Winters Run has not provided an adequate water supply during times of drought as required by Maryland regulators.

After reviewing several options, Maryland American Water is constructing an impoundment that can store 90 million gallons of raw water—a 100-day supply. The impoundment will be filled with water from Winters Run only when stream flows are high, and will provide an essential back-up water supply for the Bel Air community when a secondary supply is needed. Once placed into service in early 2019, the 11.5 acre impoundment will provide approximately 1 million gallons per day of additional water supply during severe drought.

For more than 20 years, Maryland American Water has purchased additional water as needed from Harford County, but the county's water supply is not a viable, long-term solution. The impoundment offers a reliable, safe and environmentally sound solution for Bel Air's water supply problems.

"Maryland American Water has served the Bel Air community since the 1930s, and we remain committed to delivering safe, reliable water service," said Barry Suits, Maryland American Water president. "This impoundment secures a life-sustaining resource for 20,000 people in the town of Bel Air and parts of Harford County, and we are honored to serve here."

The impoundment structure will be located on the historic Mt. Soma property, land that Maryland American Water purchased from Harford County. "For the public's benefit, we plan to work with the county to return portions of the land not used."

"Mt. Soma will continue to be a treasure for Harford County," continued Suits. "We are working with the county's department of parks and recreation to enhance other features of the property, including the Ma and Pa Trail connections."

While the public will benefit from the enhanced Mt. Soma site, only Maryland American Water employees will have access to the impoundment structure, which will be adjacent to the company's water treatment plant. The impoundment will be monitored 24 hours per day.

The cost for securing this long-term water supply solution is \$15 million—approximately \$5 million less than original projections. After receiving competitive bids, Maryland American Water has selected Fallston, Md.-based Allan Myers to construct the impoundment. Bowen Engineering, of Lanham, Md., has been named as the contractor of the new Winters Run intake.

The impoundment is expected to be in service in early 2019. Recovery of the costs for the project will occur following application with the Maryland Public Service Commission (PSC), and is currently not expected until near project completion. Water rates will not change until the Maryland PSC completes a thorough review of the rate application and issues an order. Even with a potential increase, water service would remain about a penny per gallon.

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[Maryland American Water](#), a subsidiary of American Water (NYSE: AWK), provides high-quality and reliable water services to approximately 20,000 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.