

## American Water Urges Public-Private Water Utility Partnerships at 2006 National League of Cities Conference

### Concept of Total Water Management Key in Addressing Today's Water Challenges

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American Water, the largest water services provider in North America, urged municipal officials to consider partnerships with private companies as a way to manage the enormous task of providing reliable water supplies to cities with aging infrastructure and growing populations. The company made its presentation at the 2006 National League of Cities conference in Reno.

"Partnerships between municipalities and the private sector will be an increasingly important strategy for dealing with the enormous challenges of replacing and upgrading the nation's water delivery systems, and finding new solutions to the critical issues of providing water to meet environmental concerns and the needs of growing populations and industries," according to Donald Correll, President and CEO of American Water.

In an address to municipal leaders at the NLC conference, American Water Senior Vice President of Sales and Development Walter Howard said, "Water is in demand and there is a dire need for supply management." Mr. Howard's remarks were illustrated by a demonstration of American Water's full range of services to municipalities, including Design-Build-Operate (DBO) systems it creates for cities, Reclaimed Water for Beneficial Reuse (RWBR) projects and unique Service Line Protection Programs (SLPP).

"As industry leaders, we know that the solution to today's water challenges lies in the concept of total water management (TWM)," Mr. Howard said. "All of our services take into account social, environmental and economic needs so that water resources can be managed in a balanced, sustainable way."

He noted that the need for public-private partnerships will be particularly critical in arid western regions that are growing more rapidly than the rest of the country, even while water supplies diminish. For example, the population of Las Vegas has increased over 83% since 1960, jumping water use exponentially from an estimated 1.4 million gallons per day to over 154 million gallons per day, based on an average consumption of 400 gallons per day, per family of four.

Mr. Howard outlined a wide variety of solutions implemented through public-private partnerships, including:

- **The City of Buffalo (Buffalo, NY):** The Buffalo Water Board entered into a contract with American Water to upgrade, operate and maintain its water system. The original contract, which had a five-year term, has been renewed. The City of Buffalo has recognized \$21 million in savings through operational and financial improvements. The partnership has made significant upgrades such as the complete automation of customer records, the design and construction of a new customer service center, the procurement of new vehicles and repair contracts and a new computerized maintenance and management system.
- **Lake Pleasant Water Treatment Plant (Phoenix, AZ):** American Water signed a contract for \$336 million with the City of Phoenix to design and construct an Advanced Water Treatment facility that will serve 400,000 households. Once complete, in early 2007, American Water will operate and maintain the facility for 15 years, with an option to renew. The plant's initial 80 million gallons per day capacity will ultimately be expanded to 320 MGD. This is currently the largest DBO project of its kind in North America.
- **Tolt Treatment Facility (Seattle, WA):** American Water was selected to permit, design, build and operate the 120 MGD water facility. Today, the plant's water treatment capacity generates 30 percent of the City of Seattle's annual drinking water supply. Also included is a 15-year commitment to operate and maintain the facility with an opportunity for renewal every five years through 2022. In total, the DBO concept saved the City of Seattle and its wholesale customers an estimated \$70 million.
- **Gillette Stadium (Foxboro, MA):** American Water was recruited to design, build and operate a first-of-its-kind wastewater plant in the home of the NFL's New England Patriots to treat and recycle the 50,000 gallons of wastewater produced on peak capacity game days. The resulting plant treats anywhere from 250,000 to 1.1 million gallons of water per day. As part of the plant, reclaimed water is used for toilet flushing throughout the stadium, saving approximately 250,000 gallons of potable water at each major event.

"Each of these projects demonstrates the value of business and government working collaboratively through public private partnerships to solve vexing issues with innovative solutions that municipalities might not have been able to implement unilaterally," Mr. Correll said.

American Water's full line of water and wastewater services includes watershed management, water testing and regional water supply, water-loss management, fire hydrant services and residuals management. The company also recently announced the opening of its Applied Water Management Group's office in Las Vegas, Nevada to find innovative ways to supply water to meet the needs of new desert communities.

To learn more about American Water's innovative solutions, visit booth #802 at the NLC conference.

With headquarters in Voorhees, NJ, American Water employs approximately 7,000 who provide high quality water, wastewater, and other related services to more than 18 million people in 29 states and Canada.

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