



AMERICAN WATER

Industry Leader's Roundtable

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New Mexico State University (NMSU)

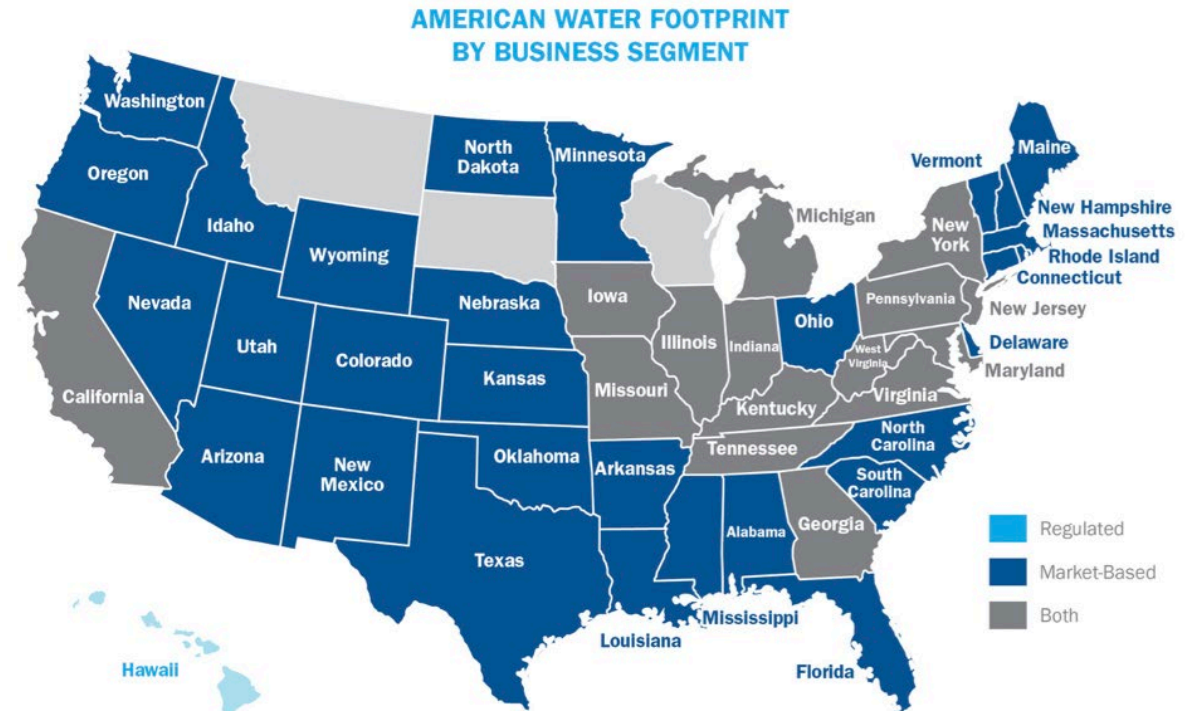
August 30, 2021

Who We Are: American Water



We are the largest and most geographically diverse publicly traded water and wastewater service provider in the United States.

- We serve a broad national footprint and a strong local presence.
- We provide services to approximately 15 million people in 46 states.
- We employ 7,000 dedicated and active employees and support ongoing community support and corporate responsibility.
- We treat and deliver more than one billion gallons of water daily.



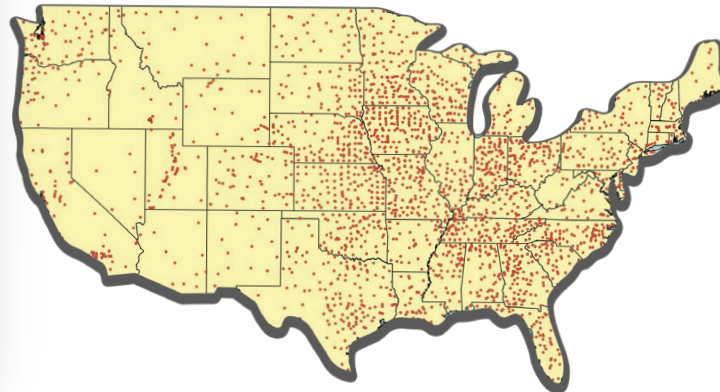
Industry Challenges: Highly Fragmented Water Industry

Water Utilities



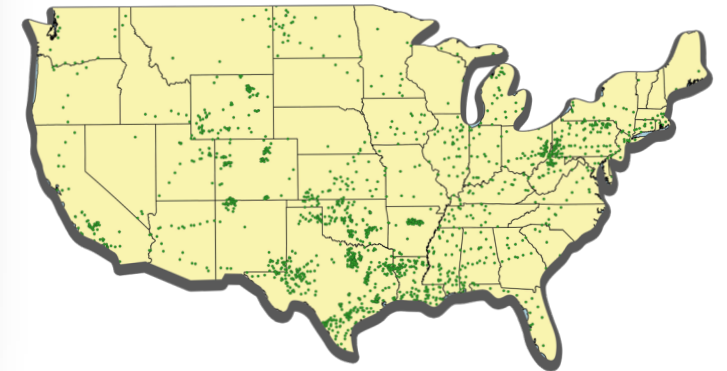
Water Utilities Source: EPA SDWIS
Federal Reports Search
www3.epa.gov/enviro/facts/sdwis

Electric Utilities



Electric Utilities Source: Form EIA-861
detailed data files
www.eia.gov/electricity/data/eia8

Natural Gas Utilities



Gas Utilities Source: EPA F.L.I.G.H.T. Greenhouse
Gas Emissions from Large Facilities
Ghgdata.epa.gov/ghgp/main.do#





Aging Infrastructure

- Nationally, a main break occurs every two minutes; losing 6 billion gallons of water daily
- 15% of wastewater plants at or beyond capacity

Cost of Aging Infrastructure

- With current investment levels staying the same, drinking water and wastewater investment gap will grow to \$434 billion by 2029

Source: https://infrastructurereportcard.org/wp-content/uploads/2020/12/National_IRC_2021-report-2.pdf

Capital Infrastructure Investments

- The American Society of Civil Engineers estimates the need (for investment in all utility infrastructure) over the **next 25 years** to be **\$1 trillion***
- **Proactive infrastructure investments**, e.g., replacement of aging pipes, valves, etc., **lessen** the possibility of unplanned service disruptions to our customers
- Infrastructure **replacement programs mitigate** occurrences of customer **water service disruption**



Climate Variability & Cybersecurity

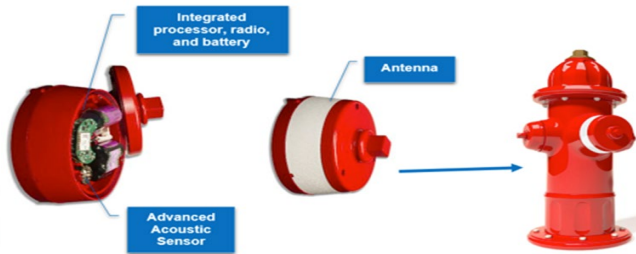
Climate Variability



Cybersecurity

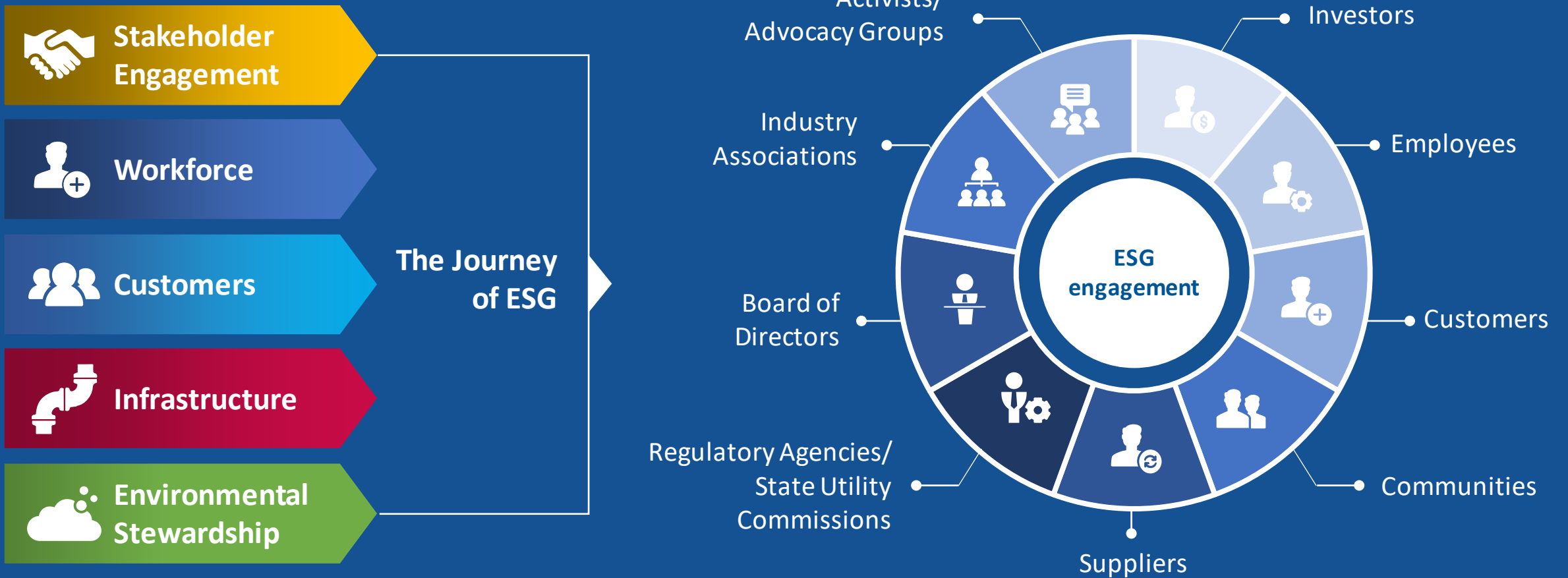


Water Quality Accountability Act



- **Water Loss Management/ Monitoring Tools**
 - Water Acoustics Monitoring
 - Satellite imaging
 - Saves repair costs
 - Lessens the extent of pipeline (asset) damage
 - Reduces the number of emergency (overtime) repairs
 - Minimizes wasted capital associated with *false positives*
 - Improves the **safety of field personnel** by eliminating the need for traffic controls during leak investigations
- **Lead Service Line Detection**

Industry Opportunities: Environmental & ESG Goals



*Clarification of existing goal
** Utility Resilience Index

Our Regulated Footprint:

- Deferred Payment Arrangements (DPA)
- Budget Billing
- Extensions of bill payment due date
- Customer Deposits



Having trouble paying your water and/or wastewater bill?

Maybe we can help.

Customer Focus: Responding to the Pandemic



AMERICAN WATER RESPONSE TO COVID-19

At American Water, we remain committed to keeping you informed, continue our work to deliver clean, safe and reliable water and services to you during the coronavirus public health emergency.

WE KEEP SERVICE FLOWING

American Water and other members of the National Association of Water Companies remain committed to providing reliable water. That includes continued operation of drinking water treatment barriers, which provide a critical layer of protection against contaminants. This includes filtration and disinfection of our surface water supplies (e.g., those from lakes, reservoirs or groundwater sources (e.g., underground wells). While according to U.S. Environmental Protection Agency guidance, these treatments are effective in removing and/or inactivating viruses.

We've activated our business continuity plans to strengthen our ability to continue to provide customer water and wastewater service during this public health emergency. Here are just a few examples of what we're doing to keep service flowing:

- KEEPING THE WATER ON**
 Given the importance of personal hygiene in preventing the spread of the coronavirus, we have suspended billing-related service shutoffs.
- TURNED WATER SERVICE BACK ON**
 For residential customers who were previously shutoff for non-payment, we've turned the water back on.
- SUSPENDED LATE FEES**
 We have suspended late fees until further notice. If you're experiencing a financial hardship, then please call us to discuss your eligibility to enter into a payment arrangement. New Jersey American Water also offers financial assistance to its customers through our H2O Help to Others Program™ through grants and service charge discounts. Learn more at newjerseyamericanwater.com under Customer Service & Billing.
- HELPING OUR COMMUNITIES**
 American Water and the American Water Charitable Foundation (AWCF) announced a \$100,000 contribution to Feeding America to support food banks across the country. In addition, American Water donated \$300,000 to AWCF to support a new community-focused COVID-19 Response Fund for local 501(c)(3) organizations in response to the coronavirus public health emergency.

For updates and more information on our pandemic preparedness and response efforts, visit us online or call us:
 • New Jersey American Water customers: newjerseyamericanwater.com or 1-800-272-1325
 • City of Camden customers, serviced through American Water's Contract Services Group: aw-contract.com/camden or 1-855-769-3164

Stay healthy and safe!



A REMINDER FOR SCHOOLS AND BUSINESSES THAT CLOSED AS A RESULT OF THE CORONAVIRUS

Extended periods of inactivity can cause lead leaching or legionella growth. Taking proper steps can help minimize potential exposure to both these contaminants.

HAS YOUR FACILITY BEEN CLOSED FOR WEEKS? FLUSH THE PIPES.

At American Water, we remain committed to keeping you informed as we continue our work to deliver clean, safe and reliable water and wastewater services to you during the COVID-19 public health emergency.

As buildings reopen, businesses, school districts and property management teams will begin the process of restarting building systems that have been dormant for a significant amount of time. These reopening procedures will help in making sure water systems and equipment are in working order.

Large building owners and operators are encouraged to adopt a proactive approach that includes proper flushing procedures, assuring the presence of disinfectant residuals, adjustment of heating/cooling systems, and ensuring proper ventilation. Flushing is essential to closed, if possible, until you are ready to re-open.

FOR MORE INFORMATION

For more information, customers can contact the US Environmental Protection Agency's Safe Drinking Water Hotline at 1-800-426-4791, or visit: <https://www.epa.gov/coronavirus/2019-nCoV/pdp/building-water-system.html>

https://www.spa.gov/sites/production/files/2018-09/documents/flushing_best_practices_fact-sheet_508.pdf

<https://www.awwa.org/Resources/Tools/Resource-Topic/Coronavirus#16081543-shutoffs-and-return-to-service-guidance>

04/20/20

THEY'RE NOT.

"FLUSHABLE" WIPES ARE ONE OF THE LEADING CAUSES OF CLOGGED PIPES. So, throw those in the trash!

CORONAVIRUS AND SERVICE APPOINTMENTS

At American Water, the health and safety of our customers, communities and employees is our top priority. We provide essential services that are critically important. Much like many other companies in the U.S. and across the globe, American Water has established pandemic preparedness plans.

As part of that plan, American Water continues to monitor situational updates provided by the Center for Disease Control and Prevention (CDC), World Health Organization and other state and federal organizations. We continue to evaluate the situation and latest developments to determine how we can adopt and amend measures, as necessary, to support our employees, customers and the communities we serve.

TAKING MEASURES TO HELP AVOID THE SPREAD OF CORONAVIRUS

American Water has been focused on two high priorities to avoid spread of COVID-19 — the health and safety of our employees and the health and safety of our customers. When we do need to complete essential work at a customer's property we try to limit the amount of contact with customers during field appointments.

BEFORE ENTERING A HOME OR BUSINESS

In an effort to minimize the risk of exposure to COVID-19, our employees ask several questions prior to entering your home/business. Please take a few moments to answer these questions.

- Has anyone in the home or business been diagnosed with or presumed to have COVID-19 within the past 30 days?
- Is anyone in the home or business currently ill or experiencing flu-like symptoms?
- Is anyone in the home self-quarantined or self-monitoring for COVID-19 within the past 14 days?

06/20/20

Regulated Footprint

- Suspended Late Fees and Disconnects
- Expanded Communication Activities
- Relaxed Installment payment plan terms
- Implemented enhanced safety measures

State Specific

- Cares Act
- Bill Payment Assistance Program
- Expanding Direct Discount Programs



Federal Legislative Action Assisting Water Customers

- Low-income Household Water Assistance Program (LIHWAP)
 - \$1.1B water and wastewater customers
- American Rescue Plan
 - \$500 million to be used for grants to states and tribes



Innovative Regulatory Policies

- Alternative Ratemaking Policies
 - Future Test Years
 - Distribution System Replacement Surcharges (DSIC)
 - Revenue Stabilization Mechanisms
 - System Consolidation Policies

Q&A

Thank you
