Building cost-effective solutions for water and wastewater service.
“AMERICAN WATER HAS SUCH A BROAD RANGE OF EXPERIENCE IN THE WATER INDUSTRY THAT SOLUTIONS COME EASILY TO THEM. IT’S BEEN MY EXPERIENCE OVER THE PAST TEN YEARS AS CHAIRMAN THAT THERE ISN’T AN ISSUE WITH OUR SYSTEM THAT THEY CAN’T TAP INTO THEIR EXPERTISE AND SOLVE.”

— GARY FABIAN, CHAIRMAN, MEADVILLE AREA WATER AUTHORITY

MEADVILLE, PENNSYLVANIA
Water systems around the country have always involved the private sector. From the lawyers who broker the deal, to the contractor who pours the concrete, to the repair engineers who fix the pipes, communities rely on private services to get water to their customers. A public-private partnership with American Water puts the power of the largest publicly traded U.S. water and wastewater utility company to work for you and makes projects such as infrastructure upgrades and system improvements possible where they were once cost-prohibitive. American Water is the solutions provider with the experience, leading-edge technology and resources to meet your water service needs. Delivering value to the people and municipalities we serve is an American Tradition that dates back to 1886. Our more than 7,000 dedicated professionals currently serve approximately 15 million people in more than 1,600 communities in more than 30 U.S. states, as well as parts of Canada. Our commitment to customer service, operational excellence, and the reliable delivery of high-quality drinking water and water-related management services is unsurpassed, and we are proud of our many successful partnerships with municipalities across the country.

“Thanks to the efforts of the partners and our City of Phoenix staff, the plant also was designed to easily expand to treat 320 million gallons per day, continuing to ensure a viable water plant for Phoenix for years to come.”

—Mayor Phil Gordon, Phoenix, Arizona

According to Public Works Financing, in 2009, private contract rate renewal was 95 percent.*

*Source: 2009 Public Works Financing Report
MAKE A POSITIVE IMPACT ON YOUR COMMUNITY BY PARTNERING WITH AMERICAN WATER.

We understand that the needs of every community are unique. That’s why we create solutions customized to the challenges facing each of our partners. If you are faced with budget gaps, declining credit ratings or borrowing capacity limitations, we can provide options to generate much-needed capital. When the cost for trained personnel and systems upgrades becomes too great, we can provide choices that are more cost-efficient than trying to get the job done on your own. We can even provide solutions that benefit both your municipality and the environment, helping to make better use of resources while cutting costs.

In a public-private partnership with American Water, the public truly comes first. We are dedicated to local involvement, improving the quality and reliability of customer service and community water or wastewater systems, updating pipes and treatment plants to handle new growth, and being a good neighbor in the areas we serve.

Deliver high-quality results while minimizing risk.
When a water or wastewater system is designed and built, typically the municipality is burdened with coordinating and overseeing all of the private contractors involved, including those in construction specialties, financing and legal work. The municipality also assumes the risk involved in this fragmented management system. Relying on a single private partner who is experienced in the industry to manage all aspects of the project can transfer these risks to the private partner, delivering higher quality results with considerably less stress.

“Entering into a contract with American Water has been a very positive move for our town. Operating a water and wastewater system in a small town is very challenging. American Water brings us expertise that we otherwise might not have.”

—Richard Canipe, Town Manager, Spruce Pine, North Carolina

MAKE A DIFFERENCE IN YOUR MUNICIPALITY. CALL 1-800-931-1548, VISIT WWW.LINESAVER.AMWATER.COM OR EMAIL LINESAVER@AMWATER.COM FOR YOUR FREE LINESAVER BENEFITS PACKAGE.

*In CA this program is offered through American Water Resources Insurance Services. In CA and VA, this program is insurance provided by Virginia Surety Company, Inc. American Water Works Company, Inc., together with its subsidiaries, is referred to as American Water.
Relieve the municipality’s operational responsibilities.

Once the system is operational, it is also typical in mid-size to smaller cities for private partners to take care of many operational tasks, such as:

- Asset acquisition
- Contract operations and assistance
- Long-term lease partnerships
- Design/build/operate
- Developer services
- Carbon regeneration
- Residuals management (Ontario and select U.S. territories only)

Comply with stricter requirements.

With today’s strict water quality regulations and the U.S. Environmental Protection Agency (EPA) report calling for nearly a trillion dollars of updates to the country’s water and wastewater infrastructure by 2019, managing water and wastewater systems is only going to get more difficult—and costly. You may not have the staff for implementation or the money for improving roads and schools. And, your residents may be resistant to rate increases to meet your water or wastewater system infrastructure needs. A public-private partnership with an experienced, technologically advanced company like American Water can help you meet these new challenges in the most efficient and cost-effective way.

Contribute significant benefits to the community.

- Keep your local employees in place.
- Maintain control of rate setting.
- Redirect resources to other necessities.
- Develop water line, sewer line and in-home emergency plumbing protection programs like LineSaver®, managed by American Water Resources®, Inc., a subsidiary of American Water.* (See inset box for details.)
- Relieve the pressure of drought and flooding in your community by partnering with American Water, a company that has developed best practices around the effect of changing weather patterns in cities nationwide.

According to the National Council for Public-Private Partnerships:

- The most important goal of private water service providers is to ensure safe, high-quality, life-sustaining service.
- Privately owned and privately run systems are regulated at the federal level by the EPA, and at the state level by the various state health and environmental agencies.
- Our service agreements routinely require that we meet or exceed environmental standards.
- Providing safe, reliable water service that our customers can count on is our business.
- We understand the value of water, both to our customers and to the planet. We are dedicated to meeting the expectations of our customers and the responsibilities of good corporate citizenship.
CHOOSE THE TYPE OF PARTNERSHIP THAT BEST MEETS YOUR NEEDS.

With American Water, you choose the degree of involvement that makes the most sense operationally and financially for your municipality. The graphic below shows the range of options available in a public-private partnership:

**Degrees of private involvement**

- Joint Ownership
- Lease & Operate
- Design/Build/Operate
- Contract Operations & Financing
- Contract Operations & Maintenance
- Operations Assistance
- Quasi Public Agency (MWA)
- Public Ownership & Operation
- Private Ownership

**The Concession Model: A new partnership option to consider.**

When we look at your water system, we consider your pipes and treatment plants to be important yet underleveraged assets. In this new form of public-private partnership, you are able to raise funds for your city by monetizing those assets while retaining ownership. The concession model is similar to a long-term lease. The contract might be 20-30 years or longer, but is negotiable—you determine how the water system will be run and how rates will be set. Once the contract is finalized, your municipality will receive an upfront cash payment, while realizing the benefits of added efficiencies and cost savings through partnering with an experienced operator like American Water.

**WE MEASURE OUR SUCCESS BY YOURS.**

As a partner, we are firmly committed to achieving your goals.

**Lake Pleasant, AZ – A solution for growing demand.**

In 2003, work began on the Lake Pleasant Water Treatment Plant, a comprehensive solution designed to address an urgent need for additional water supply for the citizens of Phoenix. When the design/build/operate project was completed in 2007, the City of Phoenix was able to realize a cost savings of approximately $30 million through our public-private partnership.

The plant is able to treat up to 80 million gallons per day (mgd) and was designed to ultimately be expanded to 320 mgd to address future needs of this growing region. American Water professionals continue to operate the plant, helping to ensure responsible management of water resources.

**Fillmore, CA – Maximizing services, minimizing risk.**

In 2009, we completed one of our largest design/build/operate projects—the $42 million, zero-discharge Fillmore Water Recycling Plant. This public-private partnership project was delivered ahead of schedule and saved the City of Fillmore several million dollars through contract negotiations, value engineering, customization of site requirements, and speed of design and construction. The facility treats up to 2.4 million gallons of water daily, using today’s most precise and advanced treatment processes, including state-of-the-art technology that maximizes energy efficiency and helps to keep costs down.

**Seattle, WA – $70 million in cost savings.**

In 1997, American Water began work on the Tolt Water Treatment Plant which provides the City of Seattle with 120 million gallons of water per day—roughly 30 percent of its annual drinking water supply. The plant’s design/build/operate model, developed by American Water and its partners, saved the city an estimated $70 million over its original benchmark design costs.

“This is a highly successful partnership. We avoided cost escalation, treatment risks, and obtained excellent operator expertise by engaging in a public-private partnership with American Water.”

—Bert Rapp, Public Works Director of Fillmore, California

WE CARE ABOUT WATER. IT’S WHAT WE DO.
DELIVER SIGNIFICANT BENEFITS TO YOUR RESIDENTS.

In cities across the nation, municipal officials and citizens seeking solutions that benefit homeowners and their communities are embracing public-private partnerships. They understand how a partnership with an industry leader can positively impact the cost and quality of essential services.

Local involvement.
It’s important for your residents to know that under a public-private partnership their water remains a local source—the contract we sign binds us to deliver what you, the public partner, have outlined. We will always keep your residents top of mind. American Water supports our local communities, too. Whether it’s helping in schools, volunteering to clean up watersheds, or aiding residents in storms or natural disasters, we consider your community to be our community.

Outstanding resources.
Because we have vast experience and a nationwide staff, we are able to tap into some of the country’s most trusted minds to solve your issues. We have the ability to develop innovative programs and conduct award-winning research on your behalf. We have leading-edge technology that only a company of our size can support, which brings a new level of stability and reliability to your water or wastewater system.

Cost efficiencies.
We will help you show your residents just how cost effective it is to enter into a public-private partnership. With operations in diverse geographic locations, we constantly share knowledge, tools and technology across the vast American Water landscape.

According to the EPA, the basic reasons that the public sector historically privatized services were to realize cost savings, utilize expertise, achieve efficiencies in construction and operation, access private capital, and improve service quality.

For more information about American Water public-private partnerships and how we can make a difference in your community, please call Mark Strauss at (856) 346-8200 or visit www.amwater.com/ppp.

FAST FACTS ABOUT PUBLIC-PRIVATE PARTNERSHIPS

They are just what the name implies.
They’re contractual arrangements whereby the resources, risks and rewards of both the public agency and private company are combined to provide greater efficiency, better access to capital and improved compliance with a range of government regulations regarding the environment and workplace. The public’s interests are fully assured through provisions in the contracts that provide for on-going monitoring and oversight of the operation of a service or development of a facility. In this way, everyone wins—the government entity, the private company and the general public.

They are more common than you may think.
They’ve been in use in the United States for over 200 years. The contractual arrangement between government entities and private companies for the delivery of services or facilities is used for water/wastewater, transportation, urban development and delivery of social services, to name only a few areas of application. Today, the average American city works with private partners to perform 23 out of 65 basic municipal services.

They are an essential tool in challenging economic times.
During periods of slow growth, government revenues are frequently not sufficient to meet spending demands, necessitating painful spending cuts or tax increases. Partnerships can provide a continued or improved level of service at reduced costs. And equally important, partnerships can also provide the capital needed for construction of major facilities.

They can lead to happy employees.
In many partnerships created today, public employees are retained, usually at equal or improved benefits. One of the greatest areas of improvement for employees is with opportunities for career growth. Private companies spend two to three times more on training and personnel development than their public-sector counterparts.

They can provide clean, safe water.
The stringent health and environmental standards of the Safe Drinking Water Act and Clean Water Act have caused problems for some local governments that do not have the budget flexibility to make major capital improvements in water and wastewater facilities. Public-private partnerships have enabled the construction of state-of-the-art water management facilities, while using efficient operations to hold down costs to ratepayers and provide a way of meeting those “un-funded mandates” from the federal government.

They have the support of government agencies.
Federal agencies like the EPA, the U.S. Department of Defense and the Department of Veterans Affairs all use partnerships, and the number of state and local governments using this tool is even greater. Numerous surveys indicate why—governments traditionally realize cost savings of 20 to 50 percent when the private sector is involved in providing services.

Source: The National Council for Public-Private Partnerships