PRESS RELEASE



September 13, 2018 FOR IMMEDIATE RELEASE

> Catherine Stedman Office: 831-646-3208 Mobile: 831-241-2990 Email: catherine.stedman@amwater.com

CPUC APPROVES DESALINATION PROJECT

CALIFORNIA AMERICAN WATER MOVES FORWARD ON WATER SUPPLY PROJECT

SAN FRANCISCO – The California Public Utilities Commission today voted to approve the Monterey Peninsula Water Supply Project, a desalination project on the coast near Monterey. California American Water is expected to complete the project by 2021.

"Today's approval brings us closer to solving the Monterey Peninsula's water supply issues," said Rich Svindland, president of the company. "It is a huge step forward towards establishing a sustainable water supply that will meet the community's water needs and protect the Carmel River."

The state requires a significant reduction in pumping of the Carmel River by 2021. Currently the river supplies the region with the majority of its water.

An environmental review conducted this year by the CPUC and the Monterey Bay National Marine Sanctuary found the project to be the least impactful and most environmentally beneficial way to address the area's water shortage. It consists of a desalination plant, expansion of the existing aquifer storage and recovery program, and purchase of recycled water.

The project features "slant wells," groundwater wells drilled at a 15-20% angle. In contrast to "open ocean" intake systems, slant wells virtually eliminate any harm to sea life.

The project will protect the community from the effects of future droughts by creating a sustainable water supply without relying on rainfall or groundwater. It will cost an estimated \$329 million. For more information on the project, visit www.watersupplyproject.org.

California American Water, a subsidiary of American Water (NYSE: AWK), provides high-quality and reliable water and/or wastewater services to more than 690,000 California residents. Information regarding California American Water's service areas can be found on the company's website www.californiaamwater.com.

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 6,900 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 46 states and Ontario, Canada. American Water provides safe, clean, affordable and reliable water services to our customers to make sure we keep their lives flowing. For more information, visit amwater.com and follow American Water on Twitter, Facebook and LinkedIn.