

American Water Works Company, Inc.
Form PRE 14A
March 17, 2015
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
 - Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e) (2))
 - Definitive Proxy Statement
 - Definitive Additional Materials
 - Soliciting Material Pursuant to §240.14a-12
- American Water Works Company, Inc.

(Name of Registrant as Specified in its Charter)

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PRELIMINARY PROXY STATEMENT
SUBJECT TO COMPLETION DATED MARCH 17, 2015

AMERICAN WATER WORKS COMPANY, INC.

[March 27], 2015

Dear American Water Stockholder:

I am pleased to invite you to attend American Water's 2015 Annual Meeting of Stockholders on Friday, May 15, 2015. The meeting will be held at 10:00 a.m., Eastern Daylight Time, at The Mansion, 3000 Main Street, Voorhees, New Jersey 08043. For your convenience, we are providing a live webcast (audio only) of the meeting at www.amwater.com. Instructions on accessing the webcast are explained in detail on page 2.

The materials accompanying this letter include a formal notice of the meeting and the proxy statement. The proxy statement provides information on, among other things, American Water's corporate governance, the Company's executive compensation program, and the matters to be voted on at the meeting. We believe that matters addressed in the proxy statement reflect American Water's commitment to strong governance processes, including independent and active board oversight, accountability to stockholders, transparent disclosure and compliance with regulatory responsibilities.

The American Water board of directors' commitment to sound corporate governance is illustrated by a number of practices adopted in recent years:

- Our Chairman of the Board is an independent director;
- We have instituted a majority vote standard for election of directors;
- We have a policy mandating independence for the Compensation Committee's compensation consultant;
- We have an annual advisory vote to approve our executive compensation; and
- Stockholders have direct and confidential access to the board of directors through our email address: contacttheboard@amwater.com

We believe that these steps, and other effective governance practices described in this proxy statement, as well as American Water's largely performance-based executive compensation program, exhibit our proactive approach to governance. We encourage you to learn more about our governance practices by reading the proxy statement and visiting the Investor Relations page on our website at www.amwater.com.

It is important that your shares be represented and voted at the Annual Meeting regardless of the size of your holdings. Whether or not you plan to attend the Annual Meeting, we encourage you to vote your shares in advance of the Annual Meeting by using one of the methods described in the accompanying proxy materials.

We will set aside time at the meeting for discussion of each item of business, and American Water's management will report on the Company's performance during the last fiscal year and respond to questions from stockholders. If you will need special assistance at the meeting because of a disability, please contact Michael A. Sgro, Senior Vice President, General Counsel and Secretary, American Water Works Company, Inc., 1025 Laurel Oak Road, Voorhees, New Jersey 08043, or Investor Relations via email at aw.investorrelations@amwater.com or by telephone at (877) 310-7174.

Thank you for your support and continued interest in American Water.

Sincerely,

George MacKenzie
Chairman of the Board

PRELIMINARY PROXY STATEMENT
SUBJECT TO COMPLETION DATED MARCH 17, 2015

American Water Works Company, Inc.

1025 Laurel Oak Road

Voorhees, New Jersey 08043

NOTICE OF

2015 ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 15, 2015

The Annual Meeting of Stockholders of American Water Works Company, Inc. (the "Company") will be held at The Mansion, 3000 Main Street, Voorhees, New Jersey 08043, on Friday, May 15, 2015, at 10:00 a.m., Eastern Daylight Time to consider and take action on the following:

1. election to the board of directors of the nine (9) nominees named in the accompanying proxy statement for terms expiring at the 2016 Annual Meeting of Stockholders or until their successors are duly elected and qualified;
2. ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015;
3. an advisory vote to approve the compensation of our named executive officers;
4. re-approval of the material terms of the performance goals set forth in the American Water Works Company, Inc. 2007 Omnibus Equity Compensation Plan to allow certain equity grants under the plan to continue to be deductible under Section 162(m) of the Internal Revenue Code;
5. approval of the material terms of the performance goals set forth in the American Water Works Company, Inc. Annual Incentive Plan to allow certain incentive awards under the plan to be deductible under Section 162(m) of the Internal Revenue Code;
6. adoption of an amendment to our bylaws establishing the courts located within the State of Delaware as the exclusive forum for the adjudication of certain legal actions; and
7. such other business, if any, as may properly be brought before the meeting or any adjournment or postponement of the meeting.

The Company's board of directors has no knowledge of any other business to be transacted at the 2015 Annual Meeting. Only holders of record of our outstanding common stock as of the close of business on March 17, 2015, are entitled to notice of and to vote at the 2015 Annual Meeting.

By Order of the Board of Directors
Michael A. Sgro
Senior Vice President, General Counsel and
Secretary

[March 27, 2015]

Your vote is very important to us. Whether or not you plan to attend the Annual Meeting, we encourage you to read this proxy statement and submit your proxy or voting instructions as soon as possible. It is important that your shares of common stock be represented on the important issues presented at the meeting and we encourage you to vote in the method that best suits you. If you are unable to join us in Voorhees on May 15, 2015, you will have the ability to participate and cast your vote electronically on the Internet during the meeting at

www.virtualshareholdermeeting.com/awk2015. Investors will also be able to hear a live audio-only webcast of the meeting by visiting our Investor Relations website at www.amwater.com. For specific instructions on how to vote your shares, please refer to the instructions on the Notice of Internet Availability of Proxy Materials you received in the mail (or, if you received printed proxy materials, on the enclosed proxy card), and the section entitled “Questions and Answers about the Annual Meeting and Voting” beginning on page 1 of this proxy statement.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING TO BE HELD ON MAY 15, 2015: The proxy statement and 2014 Annual Report (which includes our annual report on Form 10-K for the year ended December 31, 2014) are available at the Investor Relations section of the Company’s web site at www.amwater.com.

AMERICAN WATER WORKS COMPANY, INC

PROXY STATEMENT

TABLE OF CONTENTS

<u>QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING</u>	Page 1
<u>PROPOSAL 1 – ELECTION OF DIRECTORS</u>	6
<u>Nominees for Election as Directors</u>	7
<u>CORPORATE GOVERNANCE</u>	12
<u>Corporate Governance Guidelines and Other Corporate Governance Documents</u>	12
<u>Determination of Independence of Directors</u>	12
<u>Executive Sessions of Independent Directors</u>	13
<u>Board Leadership Structure</u>	13
<u>Board Role in Risk Oversight</u>	13
<u>Code of Ethics</u>	13
<u>Assessment of Board and Committee Performance</u>	14
<u>Stockholder Communications to the Board</u>	14
<u>Board and Board Committee Meetings</u>	14
<u>Committees of the Board of Directors</u>	14
<u>COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION</u>	18
<u>DIRECTOR COMPENSATION</u>	18
<u>SECURITY OWNERSHIP OF PRINCIPAL STOCKHOLDERS AND MANAGEMENT</u>	20
<u>SECTION 16(a) – BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	21
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	21
<u>COMPENSATION COMMITTEE REPORT</u>	41
<u>EXECUTIVE COMPENSATION</u>	42
<u>Summary Compensation Table</u>	42
<u>Grants of Plan-Based Awards</u>	45
<u>Outstanding Equity Awards at Fiscal Year-End</u>	46
<u>Pension Benefits</u>	48
<u>Nonqualified Deferred Compensation</u>	49
<u>Potential Payments on Termination or Change in Control</u>	50
<u>RELATED PERSON TRANSACTION PROCEDURES</u>	56
<u>AUDIT COMMITTEE REPORT</u>	56
<u>INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FEES AND SERVICES</u>	58

<u>PROPOSAL 2 – RATIFY THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	58
<u>PROPOSAL 3 – ADVISORY VOTE TO APPROVE OUR EXECUTIVE COMPENSATION</u>	59
<u>PROPOSAL 4 – RE-APPROVAL OF THE MATERIAL TERMS OF THE PERFORMANCE GOALS</u>	60
<u>PROPOSAL 5 – APPROVAL OF THE MATERIAL TERMS OF THE PERFORMANCE GOALS</u>	68
<u>PROPOSAL 6 – ADOPTION OF AN AMENDMENT TO THE BYLAWS OF AMERICAN WATER WORKS COMPANY, INC.</u>	72

i

Page

OTHER MATTERS 74

APPENDIX A 75

APPENDIX B 76

APPENDIX C 85

APPENDIX D 90

PRELIMINARY PROXY STATEMENT

SUBJECT TO COMPLETION DATED MARCH 17, 2015

AMERICAN WATER WORKS COMPANY, INC.

1025 Laurel Oak Road

Voorhees, New Jersey 08043

PROXY STATEMENT

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

Our board of directors is soliciting your proxy to vote at our 2015 Annual Meeting of Stockholders and at any reconvened or rescheduled meeting following any adjournment or postponement of the Annual Meeting). This proxy statement contains important information for you to consider when deciding how to vote on the matters brought before the Annual Meeting. Please read it carefully.

In accordance with rules of the U.S. Securities and Exchange Commission, which we refer to as the "SEC," most of our stockholders are receiving a Notice of Internet Availability of Proxy Materials, which we refer to as the "Notice," rather than a printed copy of our proxy materials. Our proxy materials consist of this proxy statement, a proxy card and our annual report to stockholders, which includes our Form 10-K for the year ended December 31, 2014, and a letter from our President and CEO. We are making these materials available to our stockholders beginning on or about [March 27], 2015. In this regard, we intend to mail our definitive proxy statement to our stockholders on or about March 27, 2015. More information is provided in the following set of questions and answers, including information on how to receive by mail, free of charge, paper copies of the proxy materials.

When and where will the Annual Meeting be held?

The date, time and place of our 2015 Annual Meeting of Stockholders are set forth below:

DATE: Friday, May 15, 2015

TIME: 10:00 a.m. (Eastern Daylight Time)

PLACE: The Mansion

3000 Main Street

Voorhees, New Jersey 08043

What is the purpose of the Annual Meeting?

At the Annual Meeting, stockholders will consider and take action upon the matters outlined in the Notice of Meeting:

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- Proposal 1 - election to the board of directors of the nine (9) nominees named in the proxy statement for terms expiring at the 2016 Annual Meeting of Stockholders or until their successors are duly elected and qualified;
- Proposal 2 - ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015;
- Proposal 3 - an advisory vote to approve the compensation of our named executive officers;
- Proposal 4 - re-approval of the material terms of the performance goals set forth in the American Water Works Company, Inc. 2007 Omnibus Equity Compensation Plan to allow certain equity grants under the plan to continue to be deductible under Section 162(m) of the Internal Revenue Code;
- Proposal 5 - approval of the material terms of the performance goals set forth in the American Water Works Company, Inc. Annual Incentive Plan to allow certain incentive awards under the plan to be deductible under Section 162(m) of the Internal Revenue Code;
- Proposal 6 - adoption of an amendment to our bylaws to provide that the courts located within the State of Delaware will serve as the exclusive forum for the adjudication of certain legal actions; and
- such other business, if any, as may properly be brought before the meeting or any adjournment or postponement of the meeting.

1

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American Water's management will also report on the Company's performance during the last fiscal year and respond to questions from stockholders.

Who is entitled to vote at the Annual Meeting?

Stockholders of record who owned American Water common stock at the close of business on March 17, 2015, the record date, are entitled to vote. As of the record date, there were 179,907,031 shares of American Water common stock outstanding.

What is required to attend the Annual Meeting?

You will need an admission card and appropriate photo identification to enter the Annual Meeting. To obtain an admission card, which will be mailed to you prior to the meeting, please follow the advance registration instructions on the back inside cover of this proxy statement. If your shares are not registered in your own name, you must provide, at the entrance to the Annual Meeting, evidence of your stock ownership as of March 17, 2015. You can obtain this evidence from your bank or brokerage firm, typically in the form of your most recent monthly statement. We reserve the right to deny admittance to anyone who cannot adequately show proof of share ownership as of the record date. No cameras, recording equipment, large bags, briefcases or packages will be permitted into the 2015 Annual Meeting.

To attend the Annual Meeting on the Internet, visit www.virtualshareholdermeeting.com/awk2015. To enter the meeting and vote, you must use your 12-digit Control Number printed on your proxy card. Stockholders of record will be able to vote their shares electronically. Questions submitted online, but not answered during the meeting, will be addressed within the next business day following the meeting.

If you have a disability, we can provide reasonable assistance to help you participate in the meeting. If you plan to attend the meeting and require assistance, please contact Michael A. Sgro, Senior Vice President, General Counsel and Secretary, American Water Works Company, Inc., 1025 Laurel Oak Road, Voorhees, New Jersey, 08043, or Investor Relations by email at aw.investorrelations@amwater.com or by telephone at (877) 310-7174, at least one week prior to our meeting.

Will there be a public webcast of the Annual Meeting?

Yes. The Annual Meeting will be webcast, in audio-only format, live to the public via the Internet on Friday, May 15, 2015, beginning at 10:00 a.m., Eastern Daylight Time. Accessing the webcast will enable you to hear the speakers on a live basis.

The webcast may be accessed on our website at www.amwater.com. Click on "Investors Relations" at the top of the page, and follow the Annual Meeting webcast link under Upcoming Events. Minimum requirements to listen to this broadcast online are: Windows Media Player software, downloadable at www.microsoft.com/windows/windowsmedia/download/default.asp, and at least a 28K connection to the Internet.

To listen to the live webcast, please go to the website at least 30 minutes early to download and install any necessary software. If you plan to listen online, we suggest that you test your computer's access to Windows Media Player by visiting the above URL one week prior to the meeting date.

If you are unable to listen online during the meeting, the event will be archived on the Company's website at the same website address through June 15, 2015.

What are the board of directors' recommendations regarding the matters to be acted on at the Annual Meeting?

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The board of directors recommends a vote:

- FOR Proposal 1 - the election of nine (9) director nominees named in this proxy statement for terms expiring at the 2016 Annual Meeting or until their successors are duly elected and qualified;
- FOR Proposal 2 - the ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015;
- FOR Proposal 3 - the approval, on an advisory basis, of the compensation of our named executive officers;
- FOR Proposal 4 - the re-approval of the material terms of the performance goals set forth in the American Water Works Company, Inc. 2007 Omnibus Equity Compensation Plan to allow certain equity grants under the plan to continue to be deductible under Section 162(m) of the Internal Revenue Code;

2

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- FOR Proposal 5 - the approval of the material terms of the performance goals set forth in the American Water Works Company, Inc. Annual Incentive Plan to allow certain incentive awards under the plan to be deductible under Section 162(m) of the Internal Revenue Code; and
- FOR Proposal 6 – the adoption of an amendment to our bylaws to provide that the courts located within the State of Delaware will serve as the exclusive forum for the adjudication of certain legal actions.