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American Water Works Company, Inc.
Form 11-K
March 29, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

(Mark one)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT

For the fiscal year ended December 31, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period to

Commission File: Number 001-34028

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

American Water Works Company, Inc. and Its Designated Subsidiaries
2017 Nonqualified Employee Stock Purchase Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

American Water Works Company, Inc.
1025 Laurel Oak Road
Voorhees, NJ 08043

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Report of Independent Registered Public Accounting Firm

The Benefit Administration Committee of
American Water Works Company, Inc.

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of American Water Works Company, Inc. and Its Designated Subsidiaries 2017 Nonqualified Employee Stock Purchase Plan (the Plan) as of December 31, 2017, and the related statement of changes in plan equity for the period ended December 31, 2017, and the related notes. In our opinion, the financial statements present fairly, in all material respects, the financial condition of the Plan as of December 31, 2017, and the changes in plan equity for the period ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on the Plan's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ Kreischer Miller

Horsham, Pennsylvania

March 29, 2018

We have served as the Plan's auditor since 2017.

AMERICAN WATER WORKS COMPANY, INC. AND ITS DESIGNATED SUBSIDIARIES
2017 NONQUALIFIED EMPLOYEE STOCK PURCHASE PLAN

Statements of Financial Condition

(Dollars in thousands)

December
31, 2017

Assets

Participants' payroll deductions receivable \$ 549

Plan Equity

Plan Equity \$ 549

The accompanying notes are an integral part of these financial statements.

AMERICAN WATER WORKS COMPANY, INC. AND ITS DESIGNATED SUBSIDIARIES
2017 NONQUALIFIED EMPLOYEE STOCK PURCHASE PLAN

Statements of Changes in Plan Equity

(Dollars in thousands)

	2017
Plan equity, at the beginning of the year	\$—
Participants' contributions	2,359
Distributions for stock purchases	(1,810)
Net increase	549
Plan equity, at the end of the year	\$549

The accompanying notes are an integral part of these financial statements.

AMERICAN WATER WORKS COMPANY, INC. AND ITS DESIGNATED SUBSIDIARIES
2017 NONQUALIFIED EMPLOYEE STOCK PURCHASE PLAN
NOTES TO THE FINANCIAL STATEMENTS

Note 1: Description of Plan

General

The following description of the American Water Works Company, Inc. and its Designated Subsidiaries 2017 Nonqualified Employee Stock Purchase Plan (the Plan) provides only general information. Participants should refer to the summary plan description or plan document for a more complete description of the Plan's provisions. The Plan was adopted by the Board of Directors (the Board) of American Water Works Company, Inc. (the Company) on February 15, 2017, was approved by the stockholders of the Company on May 12, 2017, and was effective as of August 5, 2017. The Board may, at any time and from time to time, amend the Plan in any respect, except that any amendment that is required to be approved by the shareholders shall be submitted to the shareholders of the Company for approval. The Plan shall continue in effect for ten years from the effective date unless terminated prior to that date pursuant to the provisions of the Plan or pursuant to action by the Board.

The purpose of the Plan is to provide eligible employees of the Company and its designated subsidiaries an opportunity to purchase an equity interest in the Company through the purchase of shares of the Company's common stock. Participants may contribute portions of their compensation during a three-month purchase period and purchase common stock at the end thereof. Participation in the Plan entitles each participant to purchase the Company's common stock at 90% of the lesser of the fair market value on the first business day of the applicable three-month purchase period or the last business day of the applicable three-month purchase period. Common stock for the Plan is issued directly from the Company's authorized but unissued shares. As of December 31, 2017, there were approximately 2 million shares of common stock reserved for issuance under the Plan.

Eligibility

Full or part time employees of the Company and its designated subsidiaries receiving a paycheck or direct deposit are eligible to participate in the Plan, except for (i) temporary or leased employees, (ii) an employee of a non-U.S. subsidiary of the Company, (iii) any person who is determined by the Board to be an officer of American Water, as defined under Section 16 of the Securities Exchange Act of 1934 and rules promulgated thereunder, and (iv) an employee who owns stock possessing 5% or more of the total combined voting power or value of all classes of the Company's stock. Each eligible employee as defined in the Plan may enroll as provided in the Plan with participation beginning on the first full three-month purchase period after the date he or she becomes eligible. Three-month purchase periods begin on December 1, March 1, June 1, and September 1. Participation in the Plan is voluntary.

Participant Contributions

A Plan participant can contribute from 1% to 10%, in 1% increments, of their pre-tax eligible compensation subject to the maximum deduction amount of \$25,000 per Plan year. In December 2017, this provision was amended, effective August 5, 2018, to permit a participant to elect between the percentage contribution formula described above or a fixed contribution amount of up to \$2,500 per pay period. Participants may not increase or decrease their withholding percentage or, when implemented, their fixed contribution amount, during a purchase period. The Company holds contributions of participants until the end of the purchase period at which point the Company issues shares for contributions received. No interest is paid or accrued on the participant's payroll deductions. Participants' payroll deductions receivable from the Company represents a receivable for participants' contributions, which were subsequently collected and used to purchase shares on behalf of plan participants at the end of the three-month purchase period.

Withdrawals

A participant may cancel or suspend Plan enrollment at any time and either withdraw Plan payroll deductions that have not been used to purchase shares or maintain accumulated funds in his or her account for the purchase of shares at the end of the three-month purchase period. Upon termination or death, the employee is no longer considered a participant in the Plan.

Purchases

As soon as practicable following the end of a three-month purchase period, the shares purchased by each participant are deposited into a brokerage account established in the participant's name. Shares issued under the Plan may not be sold, transferred or assigned for a period of six months after the purchase date. For the year ended December 31, 2017, the Company purchased 24,884 shares of its common stock under the Plan on behalf of participants.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of plan equity and changes therein. Actual results could differ from those estimates.

Administrative Expenses

Administrative expenses of the Plan are paid by the Company. Brokerage fees for the sale of shares by participants are paid by the participants.

Distributions

Distributions are recorded when common stock has been issued to participants.

Note 3: Income Tax Status

The Plan is not intended to qualify as an "Employee Stock Purchase Plan", as set forth in section 423 of the Internal Revenue Code of 1986, as amended. Participants are subject to any required tax withholding by the Company on the taxable compensation earned under the Plan. Taxable compensation is determined as the difference between the discounted price paid by the participant and the market price of the shares on the date of the purchase.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

American Water Works Company, Inc. and
Its Designated
Subsidiaries Nonqualified Employee Stock
Purchase Plan

Date: March 29, 2018 By: /s/ Melanie M. Kennedy
Melanie M. Kennedy
Senior Vice President, Human Resources

Exhibit Index

Exhibit
Number Description

23.1 Consent of Kreischer Miller, Independent Registered Public Accounting Firm. *

* Filed herewith