

Lynch Walter
Form 4
March 01, 2010

FORM 4

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

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
Lynch Walter

2. Issuer Name **and** Ticker or Trading
Symbol
American Water Works Company,
Inc. [AWK]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
1025 LAUREL OAK ROAD
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
02/26/2010

____ Director ____ 10% Owner
__X__ Officer (give title ____ Other (specify
below) below)
President, Regulated Operations

VOORHEES, NJ 08043

4. If Amendment, Date Original
Filed (Month/Day/Year)

6. Individual or Joint/Group Filing (Check
Applicable Line)
__X__ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Performance Stock Unit	<u>(1)</u>	02/26/2010	02/26/2010	A	11,000		<u>(1)</u>		12/31/2012		Common Stock	11,000
Employee Stock Option (right to buy)	\$ 22.31	02/26/2010	02/26/2010	A	62,703		<u>(2)</u>		12/31/2016		Common Stock	62,703

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Lynch Walter 1025 LAUREL OAK ROAD VOORHEES, NJ 08043			President, Regulated Operations	

Signatures

/s/ Karen K. Pettiford-Wilson by Power of Attorney previously filed 03/01/2010

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

1. Each performance stock unit represents a contingent right to receive one share of American Water's (the "Company") common stock. The actual number of performance stock units that may be earned will be based on the Company's annual total stockholder return ("TSR") relative to the performance of the other companies in the Dow Jones U.S. Utility Index over the three-year performance period beginning on January 1, 2010 and ending December 31, 2012. The number of performance stock units shown in column 5 is equal to the target number of performance stock units that may be earned.
- (2) 2. The options vest in three equal installments on January 1, 2011, 2012 and 2013.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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