

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is between Missouri-American Water Company (the "Company") and Utility Workers Union of America, Local 335 (the "Union").

WHEREAS, the Company and the Union are parties to Case No. WR-2011-0337 before the Missouri Public Service Commission, titled "In the Matter of Missouri-American Water Company's Request for Authority to Implement a General Rate Increase for Water and Sewer Service Provided in Missouri Service Areas."

WHEREAS, the Union raised issues in Case No. WR-2011-0337 concerning, *inter alia*, the sufficiency of the Company's valve maintenance practices.

NOW, THEREFORE, for and in consideration of the mutual and respective promises, covenants and agreements contained herein, the sufficiency of which is hereby acknowledged, the Company and the Union agree as follows:

1. The parties will form a committee to discuss and develop a plan for valve maintenance practices in St. Louis County. Each party may have up to three people participate in the committee. This committee will be formed by March 15, 2012 and will meet monthly through December 2012, or more or less frequently if the parties so desire.
2. The Company will develop a business case concerning the benefits and costs of implementing a systematic valve maintenance program in St. Louis County.
3. From the date of execution through December 31, 2012, the Company will increase the priority of assigning valve maintenance work to Distribution Field Workers. Specifically, after assigning main breaks and hydrant inspection and repair work and main installation work, the Company will assign Distribution Field Workers to perform valve maintenance duties.




4. From the date of execution through December 31, 2012, the Company will not contract out valve maintenance work or mud cutting work.

5. The Union will inform the Missouri Public Service Commission that it no longer seeks a hearing in Case No. WR-2011-0337 and that it will not file an objection to the proposed stipulation.

Executed at St. Louis, Missouri this ____ day of February, 2012.

MISSOURI-AMERICAN WATER COMPANY

BY:


Its Authorized Representative


2/24/12
Date

Greg Weeks
Print Name

Vice President
Title

UTILITY WORKERS UNION OF AMERICA, LOCAL 335

BY:


Their Authorized Representative

2-23-12
Date

Tom Schneider
Print Name

President
Title