

ORIGINAL



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**Hand Delivered**

Legal Department

**Docket Control**

Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Name Craig A. Marks  
Phone 623 445 2442  
Fax 623 445 2451  
E-Mail Craig.Marks@amwater.com

**September 9, 2005**

**Re: Arizona-American Water Company  
Service Line Protection Programs  
Docket Nos. WS-01303A-05-0170**

Dear Sir or Madam:

Enclosed for filing are an original and 13 copies of:

- Late-filed Exhibit A-3 (Revised Water-Line Protection Program Promotional Materials)
- Late-filed Exhibit A-4 (Revised Sewer-Line Protection Program Promotional Materials)

Very truly yours,

Craig A. Marks  
Corporate Counsel

Cc: Timothy Sabo  
ALJ Dwight Nodes

Enclosures

AZ CORP COMMISSION  
DOCUMENT CONTROL

2005 SEP - 9 P 3:45

RECEIVED

Arizona American Water

101 Corporate Center  
19820 N. 7<sup>th</sup> Street -  
Suite 201  
Phoenix, Arizona 85024  
USA

T +1 623 445 2400  
F +1 623 445 2451  
I www.amwater.com



**American  
Water**

1410 Discovery Parkway  
Alton, IL 62002

**A Sewer Line Problem  
Can Be One Of The  
Costliest Repairs You  
Face As A Homeowner.**

Sample A. Sample  
123 Any Street  
Apartment 000  
Anytown, US 12345-6789

**Protect Yourself With  
The NEW Sewer Line  
Protection Program.**

Dear Sample A. Sample:

You made a wise decision when you joined the Water Line Protection Program, offered by our affiliate, American Water Resources, and we're sure you're pleased with the peace of mind it provides. But you're only half protected. There's another line underneath your property that's up to 4 times more likely to cause you costly utility line repairs — your sewer line. That's why it's smart to add to your protection today with the **NEW Sewer Line Protection Program**.

**Excavation...line clearing...site restoration...sidewalk/street repaving...can all cost thousands of dollars.**

You own and are responsible for maintaining the sewer line running between your home's exterior and the street. It's highly vulnerable to clogs and blockages...from tree roots, pipe collapse and common waste, which can happen at any time — usually without advance notice.

Unfortunately, you can't fix the problem with liquid drain opener — it can take heavy machinery, skilled crews with special equipment and licensed plumbers to install new sections of pipe. That's an expensive procedure, and it comes straight out of your pocket. If you think your homeowners insurance will cover the cost, better think twice — most policies will not pay for it.

**Protect yourself from unexpected worries and costs for a low monthly fee.**

As a valued American Water Resources customer, you can enroll in the **NEW Sewer Line Protection Program** today and relax. It costs only a small amount — just \$9 a month for the opportunity to save thousands of dollars in unexpected blockage repairs. And you'll avoid the hassle of finding a qualified contractor. We promptly dispatch experienced repair technicians right to your door in less than 24 hours, for a modest service call fee\*.

When you consider the benefits, I'm certain you'll agree that this new program is another excellent opportunity available to you as an American Water Resources customer.

- Save up to \$8,000 in unexpected blockage repairs for only \$9 a month
- Enjoy peace of mind knowing your problem will be handled by experts within 24 hours of your call
- Be confident with protection from one of the country's most experienced water resource managers

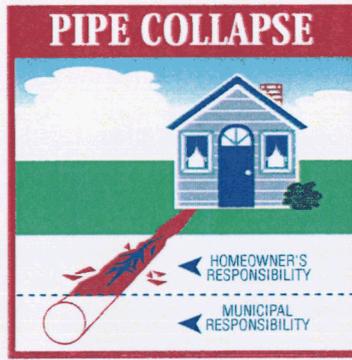
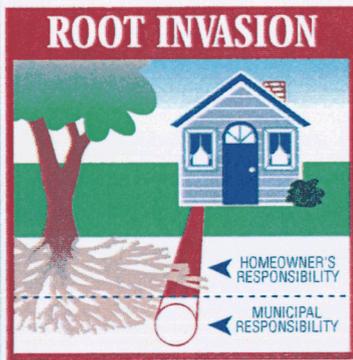
Please carefully read the program terms and conditions on the back of this letter, and keep this information for future reference. Then simply return your Priority Enrollment Form in the enclosed envelope, and you'll be protected from the expense and anxiety of a clogged or blocked sewer line. And because your sewer line can clog at any time, it makes good sense to return your Form today.

Sincerely,

The Program is not being offered by Arizona American and your participation in it is optional. Check your existing homeowner insurance policy to determine if it will cover sewer line blockages caused by normal wear and usage before enrolling. If you live in a dwelling such as a condo, duplex or townhome please contact your local homeowners association to determine if you are responsible for your sewer line.\* A \$50 service fee applies when a contractor is dispatched to your home.

P.S. Protect your sewer line today! Enroll now.

# Avoid Costly, Unexpected Blockage Repairs!



## Protect Yourself With The NEW Sewer Line Protection Program

CUSTOMER SERVICE CENTER  
SEWER LINE PROTECTION PROGRAM  
1410 Discovery Parkway, Alton, IL 62002  
Toll Free 1-866-430-0819

▼ DETACH HERE ▼

AZUSLF

### PRIORITY ENROLLMENT FORM:

 American Water Resources, Inc.

**A Z S 9 0 5 4 E**

**YES!** I want to protect my sewer line. Please enroll me in the NEW Sewer Line Protection Program today!

**PROTECTED HOME ADDRESS:**

Home Owner's Name: Sample A. Sample Reference Number: 12345-6789  
Street Address: 1234 Anystreet City: Anytown State: USA Zip: 00000-0000

**MAILING ADDRESS:** *If different than above address*

Street Address: 1234 Anystreet City: Anytown State: USA Zip: 00000-0000

**CONTACT INFORMATION:**

Home Phone (Required): ( ) - Work/Cell Phone: ( ) - E-mail:

**PAYMENT OPTION:** *COST IS IN ADDITION TO ANY FEES FOR OTHER AMERICAN WATER RESOURCES PROGRAMS*

**ADD DIRECTLY TO MY ARIZONA AMERICAN WATER BILL.**

I authorize the amount of \$108.00 (plus applicable sales tax) to be added to my water bill in equal payments over the next 12 months.

By signing this enrollment form you agree to all terms and conditions of the SEWER LINE PROTECTION PROGRAM as outlined on the back of the letter. Confirmation of enrollment will be sent to the above mailing address. Protected home coverage begins 30 days after enrollment form is received and confirmed by American Water Resources, Inc. The expiration date for this offer is XX/XX/XX. After XX/XX/XX please call 1-866-430-0819 for current offer.

**X** Signature

Date

00000000 AZS9054E

# American Water Resources, Inc.

## AMERICAN WATER RESOURCES, INC.

American Water Resources, Inc., a subsidiary of American Water, is dedicated to offering products and services that enhance those services currently offered by Your regulated water provider and Your local Wastewater Service Provider.

## SEWER LINE PROTECTION PROGRAM

This agreement is between American Water Resources, Inc. and You, a participant in the Sewer Line Protection Program, hereinafter referred to as the "Contract" or the "Program." Please read the Contract and retain it for Your records.

## THIS AGREEMENT COVERS

American Water Resources, Inc.'s Sewer Line Protection Program will cover the costs associated with Our service to clear or repair a blockage of Your Customer-Owned Sewer Line subject to the terms and conditions outlined below.

## DEFINITIONS

"Administrator" means American Water Resources, Inc., 1410 Discovery Parkway, Alton, Illinois 62002.  
Toll Free 1-866-430-0819.

"Confirmation Letter" means the acknowledgement letter You will receive from Us following enrollment outlining Your Program specifications. The Confirmation Letter will include the following information:

- Your Name
- Your Covered Address
- Your Customer Number
- Your Program Effective Date
- Your Program Term

"Customer-Owned Sewer Line" means the section of the lateral sewer service line You own that collects and conveys household wastewater from Your home to the Wastewater Collection System. The Program covers the portion of Your Customer-Owned Sewer Line that is the most direct line between the exterior foundation wall of Your home and Wastewater Collection System. It does not include any connections or extensions such as lines to or from septic systems, leach fields or non-conforming drain lines and does not include any pumps or other mechanical devices that may be connected to Your Customer-Owned Sewer Line. In addition, it does not include any section of the sewer service line owned by others outside of this Agreement to which Your Customer-Owned Sewer Line is attached.

"Effective Date" means the date protection begins under the Program, which is 30 days after Your Enrollment Date. Your Program Effective Date is listed on Your Confirmation Letter.

"Enrollment Date" means the date Your enrollment form is received, processed and confirmed by Us.

"Lapse of Coverage" means We requested payment from You for an additional Term or Your periodic Program fee was due and We did not receive Your full payment within 30 days from the date said payment was due. The Program will lapse without notice.

"Program" means American Water Resources, Inc.'s Sewer Line Protection Program.

"Service Fee" means the \$50 fee You must pay each time We dispatch an authorized service provider to Your home to investigate, clear or repair a blockage of Your Customer-Owned Sewer Line. The Service Fee will be collected by Our authorized service provider and is payable immediately upon completion of Our service to investigate, clear or repair a blockage of your Customer-Owned Sewer Line.

"Term" means the period of time, from the Program Effective Date, Your Program will be in effect. The Program Term is annual (12 months) unless it is terminated or cancelled sooner as provided in this Contract. Your Program Term is listed on Your Confirmation Letter.

"Wastewater Collection System" means the sewage collection system owned by Your local Wastewater Service Provider to which Your Customer-Owned Sewer Line is connected.

"Wastewater Service Provider" means Your local utility company or municipal sewer authority that owns and is responsible for maintaining the Wastewater Collection System that receives wastewater from Your single-family home.

"We," "Us" and "Our" means the Administrator.

"You" and "Your" means the owner of a single-family residential home and the purchaser of this Program.

## ELIGIBILITY FOR PROTECTION

You must be a residential customer of Arizona American Water and the owner of a single-family home to which the Customer-Owned Sewer Line is attached. The Customer-Owned Sewer Line must be free of clogs and blockages and in working order prior to Your Enrollment Date in the Program. Homeowners of multi-unit dwellings such as condominiums, town homes or duplexes are eligible for the Program only if they have ownership and maintenance responsibility for the dwelling's lateral sewer service line. The Program is not available to any tenant who rents or leases a single-family residential home. In the event that Your property is not eligible for coverage under the terms and conditions of the Program, Our only obligation is to refund any payments made by You to Us. Once we have paid You this refund, the Program will be voided as of Your Enrollment Date.

## PERIOD OF PROTECTION

Program Protection initiates 30 days after Your Enrollment Date. Your protection will continue for the Term listed on Your Confirmation Letter. Your Program Term may be automatically extended provided You make timely payments to Us at the then-current annual Program fee. If You purchase an additional Term without a Lapse of Coverage, Your covered period of protection will remain the Program Effective Date listed on Your Confirmation Letter. If the Program lapses as outlined under "Lapse of Coverage," You may re-enroll in the Program at any time subject to a new Enrollment Date and Effective Date.

## HOW TO GET SERVICE AND YOUR RESPONSIBILITIES

If You suspect there is a blockage of Your Customer-Owned Sewer Line, You must first contact Your local Wastewater Service Provider to determine the source of the problem. In the event Your local Wastewater Service Provider determines the blockage to be Your responsibility, then You must contact Us toll free 1-866-430-0819 to request Our service. We will arrange to have an approved, independent contractor call You to make arrangements to come out to Your home. Following that call, the independent contractor will be dispatched to Your home within 24 hours to clear or repair a blockage of Your Customer-Owned Sewer Line.

If the cost to clear or repair a blockage of Your Customer-Owned Sewer Line exceeds the Program maximum of \$4,000, it is Your responsibility to pay any additional costs. If a permit is required for a public Sidewalk or Road Opening repair and the cost to repair exceeds the additional limit of \$4,000, it is Your responsibility to pay any additional costs. These limits on the protection that We provide under the Program are described in greater detail below under the heading "LIMIT OF PROTECTION." Any costs in excess of any Program limits will be stated to You before work is performed and We will send you an invoice for all expenses over any Program maximum. It is also Your responsibility to pay the Service Fee to Our authorized service provider immediately upon completion of Our service to investigate, clear or repair a blockage of Your Customer-Owned Sewer Line.

It is Your responsibility to secure permission (right-of-way) associated with Our gaining access to clear or repair a blockage of Your Customer-Owned Sewer Line that may pass through property that You do not own.

## LIMIT OF PROTECTION

The maximum amount We will pay for any covered Customer-Owned Sewer Line blockage service under the Program is \$4,000 per occurrence. Before a blockage is cleared or repaired, if a permit is required, We will obtain proper permitting before work will commence. We will provide basic site restoration to ground areas outside Your home if it is necessary for Us to undertake excavation work to access and clear or repair a blockage of Your Customer-Owned Sewer Line. Basic site restoration is limited to filling in, raking and reseeding one time only. All blockage service of Your Customer-Owned Sewer Line will comply with local applicable code requirements.

Any subsequent service We provide to clear or repair a blockage of Your Customer-Owned Sewer Line that occurs within 60 days of a prior covered blockage service, will be considered as part of that prior covered blockage service and limited to the \$4,000 per occurrence limit. If a permit is required to commence work on Your Customer-Owned Sewer Line and requires a public sidewalk or public road to be cut, excavated and repaired, known as a public "Sidewalk or Road Opening," the Program provides an additional limit of \$4,000 for a public Sidewalk or Road Opening. Only expenses directly related to a Sidewalk or Road Opening are paid under this separate limit. This additional limit, if applicable, does not add any additional coverage to the basic \$4,000 per occurrence limit to clear or repair a blockage of Your Customer-Owned Sewer Line. You will not, unless at Your own expense, engage a contractor or otherwise incur costs to clear or repair a blockage of Your Customer-Owned Sewer Line on Our behalf. You may neither transfer the Program to a new owner of the covered property nor transfer the Program to a different residence owned by You.

## LIMITED WARRANTY

SUBJECT TO THE TERMS AND CONDITIONS STATED IN THIS CONTRACT, WE WARRANT THAT WE WILL PAY THE COST TO CLEAR OR REPAIR A BLOCKAGE OF YOUR CUSTOMER-OWNED SEWER LINE COVERED UNDER THE PROGRAM WHICH BECOMES BLOCKED AS A RESULT OF NORMAL WEAR AND USAGE. THIS WARRANTY APPLIES ONLY TO COVERED SERVICES AND IS SUBJECT TO LIMITS ON THE AMOUNT WE WILL PAY AS DESCRIBED IN THIS CONTRACT. WE MAKE NO OTHER EXPRESS OR IMPLIED WARRANTIES OR GUARANTEES OF ANY KIND, AND ANY IMPLIED WARRANTIES OR GUARANTEES ARE EXPRESSLY DISCLAIMED.

## THIS AGREEMENT DOES NOT COVER

The Program does not cover the following:

- A Customer-Owned Sewer Line 1) not connected to a public or municipal sewer system; 2) with a connection to or from a septic system, tank or leach field; 3) with a connection to or from any non-conforming drain line such as a basement or storm drain system.
- A blocked Customer-Owned Sewer Line 1) incurred or existing prior to Your Program Enrollment Date; 2) caused by the actions or negligence of You or third parties; 3) caused by natural disasters, or acts of nature, including, but not limited to, earthquakes, floods, landslides, sinkholes or any other insurable cause.
- Any section of the sewer service line owned by others outside of this Agreement to which Your Customer-Owned Sewer Line is attached.
- Blocked lift stations, ejector pumps, grinder pumps or any other mechanical devices connected to Customer Owned Sewer Line.
- Any portion of Customer-Owned Sewer Line located inside or under Your home.
- Any blockage service required as a result of any local, city or state agency inspection of Your Customer-Owned Sewer Line.
- Any damage to the inside of Your home due to the backup of Your Customer-Owned Sewer Line.

• Restoration of trees, shrubs, structures, or sidewalks, drive ways, or other paved surfaces.

• Restoration of non-public sidewalks/roadways or public sidewalks/roadways that are not required by permit to be repaired.

• Removal of debris necessary to access and clear or repair a blockage of Your Customer-Owned Sewer Line, including but not limited to temporary structures, old cars, trash, storage, rocks or materials.

• Any rental dwellings for which Program enrollment is in the name of the tenant or any dwellings used for commercial purposes. (Unit owners please refer to "Eligibility for Protection.")

• Updating non-blocked lines to meet code, law or ordinance requirements or changes thereto.

• Movement of working sewer lines for any reason.

• Any consequential, incidental or special damages You incur, regardless of whether they are caused by delays, failure to service or for conditions beyond the control of the Administrator. For example, the Program does not cover 1) the cost of cleaning up, repairing or replacing property (other than clearing or repairing a blockage of Your Customer-Owned Sewer Line and basic site restoration as provided above) which is damaged due to the backup of Your Customer-Owned Sewer Line; 2) costs and expenses incidental to the backup of Your Customer Owned Sewer Line such as loss of time, loss of use of Your home and other property, costs to stay at a hotel or to rent a home and costs to move and store property outside Your home; and 3) damages you incur due to any special circumstances or conditions.

## ADMINISTRATOR'S RIGHTS

We reserve the right to change Your Program fee and/or the Program terms and conditions with 30 days written notice to You. We reserve the right to transfer or assign Your Program contract. You grant Us the right to obtain customer of record information from Arizona American Water limited to Your name, address and any other pertinent information. This information will not be sold to any outside marketing companies.

## CANCELLATION

You may cancel this Program at any time by mailing a cancellation request to American Water Resources, Inc., Attention: Sewer Line Protection Administrator, 1410 Discovery Parkway, Alton, Illinois 62002. If You cancel, the effective date of cancellation is the date We receive Your notice. You have 30 days from Your Enrollment Date to cancel and receive a full refund of any payments made. Your program participation will be subject to cancellation without notice once You are 30 days past due on any payment for the Program, including the Service Fee. If Your Program protection has been cancelled due to non-payment, You may re-enroll in the Program with a new Enrollment Date and new Effective Date. We reserve the right to cancel the Program at any time upon 90 days notice to You. Any refund as a result of the cancellation of the contract by either You or Us, will be determined on a prorated basis less the cost of any service performed under the Program. If You are owed a refund, it will be processed via the enrollment payment method You chose to join the Program.

## PAYMENT ARRANGEMENTS

You authorize Us to arrange for payment to be added to Your Arizona American Water bill. Your annual payment will be divided by the number of times per year that Arizona American currently bills You. Your Program participation will be subject to cancellation without notice once You are thirty (30) days past due on any payment for the Program. Your payments to Arizona American will first be applied to Your utility fees and lastly to Your Sewer Line Protection Program fees. Failure to make payments for the Program will not affect continuation of Your water utility service.

## TAXES

American Water Resources will collect any and all appropriate taxes if required by the local municipal government(s), county government or the State of Arizona. These taxes will be collected on each of your periodic water bills from Arizona American Water.

## LIMITATION OF LIABILITY

The liability of the Administrator, its affiliated companies, its officers, employees, contractors and/or agents to You, or to any other third party or person, for damages resulting from the provision of, or failure to provide services under this Program, or as the result of any fault, failure, defect or deficiency in any service, labor, material, work or product furnished in connection with this Program shall be limited to an amount not to exceed \$4,000 (or up to an additional \$4,000 limit that applies separately, if applicable, in the case of a public Sidewalk or Road Opening). In no event, however, shall the Administrator, its affiliated companies, its employees, agents and contractors have any liability for direct, indirect, special, incidental, consequential, (as described above) or punitive (damages to punish Us for any wrongdoing) damages or attorney fees resulting from the provision of or failure to provide service under this Program, or from any fault, failure, defect or deficiency in any service, labor, material, work or product furnished in connection with this Program. These limitations of, and exclusions from, liability shall apply regardless of the nature of the claim or the remedy sought.

**THE SEWER LINE PROTECTION PROGRAM IS NOT AN INSURANCE CONTRACT OR POLICY. THE PROGRAM PROVIDES A SERVICE TO CLEAR OR REPAIR A BLOCKAGE OF YOUR CUSTOMER-OWNED SEWER LINE WHICH BECOMES BLOCKED AS A RESULT OF NORMAL WEAR AND USAGE. THIS CONTRACT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN AMERICAN WATER RESOURCES, INC. AND YOU, AND THERE ARE NO OTHER PROMISES OR CONDITIONS IN ANY OTHER AGREEMENT WHETHER WRITTEN OR ORAL.**

**AMERICAN WATER RESOURCES, INC.  
SEWER LINE PROTECTION PROGRAM  
1410 DISCOVERY PARKWAY, ALTON, IL 62002  
TOLL FREE 1-866-430-0819**

AZ SLPP 108 TC 0705  
AZSLTLC

Sample A. Sample  
1234 Anystreet  
Anytown, US 00000-0000

**Homeowner Information:**

*Costs for repairing your water line could amount to thousands of dollars.*

As a homeowner, you own the water line that runs through your property between the street and your home. At any time, normal wear and tear can cause your water line to leak or break, as shown on the diagram below. You can't prevent it. You can't predict it. Worst of all, most homeowner insurance policies do not cover repairing it, so you'll have to pay for it.

*For just pennies a day, you can be protected from unexpected worries and costs.*

In cooperation with our affiliate, American Water Resources Inc., American Water is pleased to introduce a special Water Line Protection Program to cover these unexpected costs and provide you with peace-of-mind. This also means that you won't have to spend hours searching for a qualified repair contractor — you can leave that up to the experts.

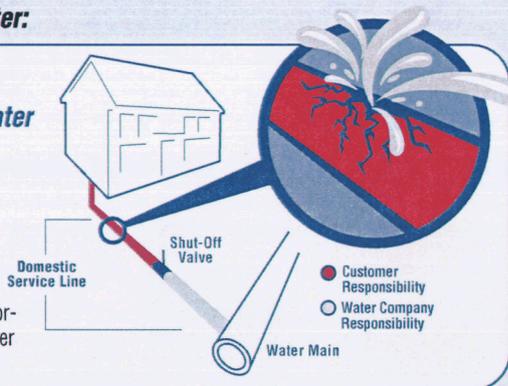
**Important Message From American Water:**

**Did You Know...**

*It is your responsibility to repair the water line that runs through your property between the street and your home.*

Normal wear and tear can cause sudden, costly water leaks that are your responsibility to repair. It pays to be protected by the WATER LINE PROTECTION PROGRAM.

Please carefully read the Program terms and conditions on the back of this letter, and keep this information for future reference. Take advantage of this offer and return the Immediate Action Form today.



**Customer Advantages:**

----- Save up to \$4,000 -----  
*in unexpected water line repairs for just pennies a day (\$5 a month)*

----- Enjoy peace-of-mind -----  
*with protection from one of the most experienced water resource managers in the country*

----- Eliminate the hassles -----  
*of searching for a qualified repair contractor.*

----- Payment convenience -----  
*by adding directly to your monthly Arizona American water bill.*

**Enroll Today!**

**WATER LINE PROTECTION PROGRAM**  
1410 Discovery Parkway, Alton, IL 62002  
**TOLL FREE 1-866-430-0819**

**Customer Service: TOLL FREE 1-866-430-0819**

The Program is not being offered by Arizona American and your participation in it is optional. Check your existing homeowner insurance policy to determine if it will cover water line leaks or breaks caused by normal wear and tear before enrolling. If you live in a dwelling such as a condo, duplex or townhome please contact your local homeowners association to determine if you are responsible for your water line. AZUWL

**IMMEDIATE ACTION FORM**

▲ DETACH HERE ▲



**American Water Resources, Inc.**

**AZXXXXXC**

**YES!** I want protection and peace of mind. Enroll me in the WATER LINE PROTECTION PROGRAM today.

**PAYMENT OPTIONS:**

**ADD DIRECTLY TO MY ARIZONA AMERICAN WATER BILL.**

I authorize the amount of \$60.00 (plus applicable sales tax) to be added to my water bill in equal payments over the next 12 months.

Homeowner's Name: \_\_\_\_\_

**SERVICE ADDRESS**

Street: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Reference Number: \_\_\_\_\_

**MAILING ADDRESS (if different than service address)**

Street: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

**CONTACT INFORMATION**

Home Phone (required): ( ) - \_\_\_\_\_

E-mail: \_\_\_\_\_ Work/Cell Phone: ( ) - \_\_\_\_\_

By signing this enrollment form you agree to all terms and conditions of the WATER LINE PROTECTION PROGRAM as outlined on the back of the letter. Confirmation of enrollment will be sent to the above mailing address. Coverage begins 30 days after enrollment form is received and confirmed by American Water Resources, Inc. The expiration date for this introductory offer is 00/00/00. After 00/00/00 call 1-866-430-0819.

**X Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**AMERICAN WATER RESOURCES, INC.**

American Water Resources, Inc., a subsidiary of American Water, is dedicated to offering products and services that enhance those services currently offered by Your regulated water provider.

**WATER LINE PROTECTION PROGRAM**

This agreement is between American Water Resources, Inc. and You, a participant in the Water Line Protection Program, hereinafter referred to as the "Contract" or the "Program." Please read the Contract and retain it for Your records.

**THIS AGREEMENT COVERS**

American Water Resources, Inc.'s Water Line Protection Program will cover the cost for repair of Your Customer-Owned Water Line should You have a water leak caused by normal wear and tear.

**DEFINITIONS**

"Administrator" means American Water Resources, Inc., 1410 Discovery Parkway, Alton, Illinois 62002. Toll Free 1-866-430-0819.

"Confirmation Letter" means the acknowledgement letter You will receive from Us following enrollment outlining Your Program specifications. The Confirmation Letter will include the following information:

- Your Name
- Your Covered Address
- Your Customer Number
- Your Program Effective Date
- Your Program Term

"Customer-Owned Water Line" means the section of the single water supply line You own that runs from Your home to the connection owned by Arizona American Water. It does not include any connections/extensions such as water lines to sprinklers and/or irrigation meters You may own or any section of the water supply line owned by other outside of this Agreement to which Your Customer-Owned Water Line is attached.

• If the meter is located inside Your home, it is the section of the water supply line from Arizona American Water's street-side shut-off valve to the inlet side of the meter.

• If the meter is located outside Your home, it is the section of the water supply line from Arizona American Water's street-side shut-off valve to the shut-off valve inside Your home.

"Effective Date" means the date protection begins under the Program, which is thirty (30) days after Your Enrollment Date. Your Program Effective Date is listed on Your Confirmation Letter.

"Enrollment Date" means the date Your enrollment form is received, processed and confirmed by Us.

"Lapse of Coverage" means We requested payment from You for an additional Term or Your periodic Program fee was due and We did not receive Your full payment within thirty (30) days from the date said payment was due. The Program will lapse without notice.

"Program" means American Water Resources, Inc.'s Water Line Protection Program.

"Term" means the period of time, from the Program Effective Date, Your Program will be in effect. The Program Term is annual (12 months) unless it is terminated or cancelled sooner as provided herein. Your Program Term is listed on Your Confirmation Letter.

"We", "Us" and "Our" mean the Administrator. "You" and "Your" means a residential customer and customer of record of Arizona American Water, the homeowner of a single-family resident and the purchaser of this Program.

**ELIGIBILITY FOR PROTECTION**

You must be a residential customer, customer of record of Arizona American Water and the owner of a single-family home to which the Customer-Owned Water Line is attached. The Customer-Owned Water Line must be free of leaks and in working order prior to Your Enrollment Date in the Program.

Homeowners of multi-unit dwellings such as condominiums, town homes or duplexes are eligible for the Program only if they have ownership and maintenance responsibility for the dwelling's single water supply line. The Program is not available to any tenant who rents or leases a single-family residential home.

**PERIOD OF PROTECTION**

Program Protection initiates thirty (30) days after Your Enrollment Date. Your protection will continue for the Term listed on Your Confirmation Letter. Your Program Term may be automatically extended provided You make timely payments to Us at the then-current annual Program fee. If You purchase additional Terms without a Lapse of Coverage, Your protection will remain valid as of the Program Effective Date listed on Your Confirmation Letter. If the Program lapses as outlined under "Lapse of Coverage," You may re-enroll in the Program at any time subject to a new Enrollment Date and Effective Date.

**LIMIT OF PROTECTION**

The maximum amount We will pay for any covered repair under the Program is \$4,000 per occurrence. Before the line is repaired, if a permit is required, We will obtain proper permitting before work will commence. We will provide basic site restoration to the repair area once the repair work is completed. Site restoration is limited to filling in, raking and reseeding, one time only. All repairs to Your Customer-Owned Water Line will comply with local water code requirements.

Any subsequent repair made within sixty (60) days of a prior covered repair will be considered as a part of that prior covered repair and limited to the \$4,000 per occurrence limit. If a permit was acquired to commence work on covered water lines and requires a sidewalk, located in a public easement, to be repaired, the Program will provide repair of said sidewalk up to \$500. Cost to repair sidewalks applies toward the Program \$4,000 maximum. You will not, unless at Your own expense, engage a contractor or otherwise incur costs to repair the Customer-Owned Water Line on Our behalf. You may neither transfer the Program to a new owner of the covered property nor transfer the Program to a different residence owned by You.

**THIS AGREEMENT DOES NOT COVER**

- Damage to Customer-Owned Water Line incurred or existing prior to the Program Enrollment Date.
- Damage to Customer-Owned Water Line caused by the actions or negligence of You or third parties.
- Damage to Customer-Owned Water Line caused by natural disasters, or acts of nature, including, but not limited to, earthquakes, floods, landslides or sinkholes or any other insurable cause.
- Any section of the water supply line owned by others outside of this Agreement to which Your Customer-Owned Water Line is attached.
- Any consequential, incidental or special damages You incur including lost water, regardless of whether they are caused by delays, failure to service or for conditions beyond the control of the Administrator.
- Restoration of trees, shrubs, paved surfaces, or structures, for any reason.
- Any damage to finished or unfinished walls or surfaces inside Your home necessary to access and repair Your Customer-Owned Water Line.
- Leak repairs to any interior pipes beyond the shut-off valve inside Your home.
- Restoration of sidewalks not located in public easement. Also, restoration of sidewalks located in public easements but not required on the permit.
- Removal of debris necessary to access and repair Your Customer-Owned Water Line, including, but not limited to, old cars, trash, storage rocks or materials.
- Movement of the meter at the time of repair, unless required by local code.
- Any rental dwellings for which Program enrollment is in the name of the tenant or any dwellings used for commercial purposes. (Unit owners please refer to "Eligibility for Protection.")
- Updating non-leaking pipes to meet code, law or ordinance requirements or changes thereto.
- Movement of working pipes and/or lines.

**YOUR RESPONSIBILITIES**

If You suspect there is a water leak, call the toll-free number shown on your water bill from Arizona American Water who will investigate the source of the problem. In the event Arizona American Water determines that the leak is to Your Customer-Owned Water Line, We will arrange to have an approved, independent contractor call You to set up a time to come out to Your home. The contractor will contact You within 12 hours for emergency services, or by 5:00 pm the next business day for all other service, to arrange for repair of Your Customer-Owned Water Line.

If a permit was acquired that requires repair to sidewalks located in public easements, and the cost to repair exceeds the Program maximum of \$500, it is Your responsibility to pay any additional costs. If repair cost to the Customer-Owned Water Line exceeds the Program maximum of \$4,000, it is Your responsibility to pay any additional costs. Any costs in excess of the Program maximum will be stated to You before work is performed and We will send You an invoice for all expenses over any Program maximum. Beyond the previously outlined exceptions, You will not be charged any deductible

or service call fees in conjunction with a covered repair. It is Your responsibility to secure permission (right-of-way) associated with gaining access to repair Your Customer-Owned Water Line that may pass through property that You do not own.

**ADMINISTRATOR'S RIGHTS**

We reserve the right to change Your Program fee and/or the Program terms and conditions with thirty (30) days written notice to You. We reserve the right to transfer or assign Your Program contract. You grant Us the right to obtain customer of record information from Arizona American Water limited to Your name, address and any other pertinent information. This information will not be sold to any outside marketing companies.

**CANCELLATION**

You may cancel this Program at any time by mailing a cancellation request to American Water Resources, Inc., Attention: Water Line Protection Administrator, 1410 Discovery Parkway, Alton, Illinois 62002. If You cancel, the effective date of cancellation is the date We receive Your notice. You have thirty (30) days from Your Enrollment Date to cancel and receive a full refund of any payments made. Your Program participation will be subject to cancellation without notice once You are thirty (30) days past due on any payment for the Program. If Your Program protection has been cancelled due to non-payment, You may re-enroll in the Program with a new Enrollment Date and new Effective Date. We reserve the right to cancel the Program at any time upon ninety (90) days notice to You. Any refund as a result of the cancellation of the contract by either You or Us, will be determined on a prorated basis less the cost of any service performed under the Program. If You are owed a refund, it will be processed via the enrollment payment method You chose to join the Program.

**PAYMENT ARRANGEMENTS**

You authorize Us to arrange for payment to be added to Your Arizona American Water water bill. Your annual payment will be divided by the number of times per year that Arizona American currently bills You. Your Program participation will be subject to cancellation without notice once You are thirty (30) days past due on any payment for the Program. Your payments to Arizona American will first be applied to Your utility fees and lastly to Your Water Line Protection Program fees. Failure to make payments for the Program will not affect continuation of Your water utility service.

**TAXES**

American Water Resources, Inc. will collect any and all appropriate taxes if required by the local municipal government(s), county government or the Arizona. These taxes will be collected on each of your periodic water bills from Arizona American Water.

**LIMITATION OF LIABILITY**

In the event that Your property is not eligible for coverage under the terms and conditions of the Program, our only obligation is to refund any payments made by You to Us. Once we have paid You this refund, the Program will be voided as of Your Enrollment Date. The liability of the Administrator, its affiliated companies, its officers, employees, contractors and/or agents to You, or to any other third party or person, for damages resulting from the provision of, or failure to provide services under this Program, or as the result of any fault, failure, defect or in any service, labor, material, work or product furnished in connection with this Program shall be limited to an amount not to exceed \$4,000. In no event, however, shall the Administrator, its affiliated companies, its employees, agents and contractors have any liability for special, indirect, incidental, consequential or punitive damages resulting from the provision of or failure to provide service under this Program, or from any fault, failure, defect or deficiency in any service, labor, material, work or product furnished in connection with this Program. These limitations of and exclusions from liability shall apply regardless of the nature of the claim or the remedy sought.

**THE WATER LINE PROTECTION PROGRAM IS NOT AN INSURANCE CONTRACT OR POLICY. THE PROGRAM PROVIDES FOR THE REPAIR OF LEAKS TO YOUR CUSTOMER-OWNED WATER LINE DUE TO NORMAL WEAR AND TEAR. THIS CONTRACT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN AMERICAN WATER RESOURCES, INC. AND YOU, AND THERE ARE NO OTHER PROMISES OR CONDITIONS IN ANY OTHER AGREEMENT WHETHER WRITTEN OR ORAL.**

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American Water Resources, Inc.  
Water Line Protection Program  
1410 Discovery Parkway, Alton, IL 62002  
Toll Free 1-866-430-0819