

ROSEVILLE
REQUEST FOR COUNCIL ACTION

Date: March 14, 2016
Item No. 15.b

Department Approval



City Manager Approval



Item Description: National League of Cities Sewer and Water Line Warranty Program

BACKGROUND

In January, staff made a presentation to the City Council about a program offered by Utility Service Partners, Inc. (USP) and promoted by the National League of Cities called the “NLC Service Line Warranty Program. Following is information from the original RCA:

Over the past several months the City Council and the Public Works, Environment and Transportation Commission (PWETC) have had discussions regarding the ownership and maintenance of private service lines for sanitary and water. The PWETC has had detailed conversations at their meetings since September regarding this item. Several times the question of the availability of an insurance program for these services has been raised.

Staff has done some research and in November brought forward to the PWETC a program promoted through the National League of Cities and administered by Utility Service Partners, Inc. d/b/a Service Line Warranties of America. This program offers residents an opportunity to provide a “warranty” program for either or both their water and sanitary sewer service line and pays for the repair of the line in the event of a failure.

From the National League of Cities website:

“The NLC Service Line Warranty Program, administered by Utility Service Partners, Inc. (USP), is an affordable home protection solution that helps your residents save thousands of dollars on the high cost of repairing broken or leaking water or sewer lines.

The NLC Service Line Warranty Program gives your residents who have not set aside money to pay for an unexpected, expensive utility line repair the opportunity to obtain a low cost warranty that will provide repairs for a low monthly fee, with no deductibles or service fees. The work is performed by licensed, local plumbers who will call the customer within one hour of filing a claim. The repair is performed professionally and quickly, typically within 24 hours. USP provides a personally staffed 24/7 repair hotline for residents, 365 days a year.

There is no cost to your city to participate in the program. PLUS, your city receives a share of the revenues collected! Implementation is easy and USP provides all of the required services.”

In order to offer this program to our residents, the City would enter into a Marketing License Agreement. A draft of this agreement is included as Attachment A.

Also attached are examples of the Home Service Contracts water, sewer and internal plumbing, which is another option available to our residents.

Several Minnesota Cities offer this program to their residents including Oak Park Heights and St. Louis Park. Attached is a snapshot of a survey of residents that had claims in the City of St Louis Park between May 1, 2013 and May 1, 2015. OF the 206 total claims in that timeframe, 45 residents completed the survey. 41 of those claims indicated they would recommend this program to others.

The PWETC received a presentation from Utility Service Partners in November and after that presentation passed a motion “recommending to the City Council that they pursue a potential agreement for this warranty opportunity with Utility Service Partners.” During the presentation the Commission members asked several questions and seemed very impressed with the program. An excerpt of the draft minutes from the November meeting is attached.

A representative from Utility Service Partners, Inc. will present to the Council about the program and answer any questions. **(end previous RCA information)**

At the January 11th meeting, the Council asked for more information from Cities in Minnesota that currently have an agreement with USP to offer the Service Line Warranty Program. Staff has done some research but we have not received any significant information from the Cities that currently support this program. Attached is a summary of the information we did receive, mostly from the City of St. Michael. Also attached is information previously received from the City of St. Louis Park.

USP has provided the following information about this program throughout the State of Minnesota:

Active Enrollments in MN:	Over 5,800
Number of Claims Filed in MN:	Over 650
Amount of Claims Paid in MN:	Over \$430,000
Customer Satisfaction in MN:	Over 90% of returned surveys rated Excellent of Very Good

The current USP City Partners in Minnesota are:

- Oak Park Heights (population 4,788)
- Columbia Heights (population 19,674)
- St Louis Park (population 47,411)
- Hawley (population 2,083)
- Pelican Rapids (population 2,463)
- Perham (population 3,087)
- St Michael (population 16,921)

The Cities of Richfield (population 36,175) and Falcon Heights (population 5,491) also approved the marketing agreement within the past month.

In response to the Council’s question on backflow preventers, USP has responded that the installation of backflow preventers will now be a covered expense in the warranty program.

FINANCIAL IMPACTS

There is no cost to the City to offer this program. There is an option for the City to receive a share of the revenues. The City could opt out of this revenue share which would reduce the monthly fee to the resident.

STAFF RECOMMENDATION

Staff recommends the Council approve the Marketing License Agreement with Utility Service Partners, Inc., subject to final review and approval by the City Attorney.

71 **REQUESTED COUNCIL ACTION**

72 Motion approving the Marketing License Agreement with Utility Service Partners, Inc., subject to
73 final review and approval by the City Attorney.

74 Prepared by: Marc Culver, Public Works Director
Attachments: A: Marketing License Agreement
B: Sample Terms and Conditions for water, sewer and in home coverage
C: Sample Marketing Letter
D: St Louis Park Survey Results
E: Presentation
F: Excerpt from DRAFT PWETC November Meeting Minutes

Attachment A

**MARKETING LICENSE AGREEMENT BETWEEN THE CITY OF
ROSEVILLE, MINNESOTA, AND UTILITY SERVICE PARTNERS PRIVATE LABEL,
INC. D/B/A SERVICE LINE WARRANTIES OF AMERICA**

This MARKETING LICENSE AGREEMENT ("Agreement") entered into as of [_____, 20__] ("Effective Date"), by and between the City of Roseville, Minnesota ("City"), and Utility Service Partners Private Label, Inc. d/b/a Service Line Warranties of America ("SLWA"), herein collectively referred to singularly as "Party" and collectively as the "Parties".

RECITALS:

WHEREAS, sewer and water line laterals between the mainlines and the connection on residential private property are owned by individual residential property owners ("Residential Property Owner"); and

WHEREAS, City desires to offer Residential Property Owners the opportunity, but not the obligation, to purchase a service line warranty and other similar products ("Warranty"); and

WHEREAS, SLWA is the administrator of the National League of Cities Service Line Warranty Program and has agreed to provide the Warranty to Residential Property Owners subject to the terms and conditions contained herein; and

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and with the intent to be legally bound hereby, the Parties agree as follows:

AGREEMENT

1. **Purpose.** City hereby grants to SLWA the right to offer the Warranty to Residential Property Owners subject to the terms and conditions herein.
2. **Grant of License.** City hereby grants to SLWA a non-exclusive license ("License") to use City's name and logo on letterhead, bills and marketing materials to be sent to Residential Property Owners from time to time, and to be used in advertising, all at SLWA's sole cost and expense and subject to City's prior review and approval, which will not be unreasonably conditioned, delayed, or withheld. City agrees that it will not extend a similar license to any competitor of SLWA during the term of this Agreement.
3. **Term.** The term of this Agreement ("Term") shall be for three (3) years from the Effective Date. The Agreement will automatically renew for additional one (1) year terms ("Renewal Term") unless one of the Parties gives the other written notice at least ninety (90) days prior to end of the Term or of a Renewal Term that the Party does not intend to renew this Agreement. In the event that SLWA is in material breach of this Agreement, the City may terminate this Agreement thirty (30) days after giving written notice to SLWA of such breach, if said breach is not cured during said thirty (30) day period. SLWA will be permitted to complete any marketing initiative initiated or planned prior to termination of this Agreement after which time, neither Party will have any further obligations to the other and this Agreement will terminate. During the Term, SLWA shall conduct seasonal campaigns each year in accordance with the schedules set forth in Exhibit A. The pricing for each such campaign shall be in accordance with Exhibit A attached hereto.

4. Consideration. As consideration for such license, SLWA will pay to City a License Fee of Fifty-Cents (\$.50) for each month a Warranty shall be in force (and for which payment is received by SLWA) for a Residential Property Owner ("License Fee") during the term of this Agreement. The first payment shall be due by January 30th of the year following the conclusion of first year of the Term. Succeeding License Fee payments shall be made on an annual basis throughout the Term and any Renewal Term, due and payable on January 30th of the succeeding year. Each License Fee payment herein shall be paid within thirty (30) days after it becomes due. SLWA shall include with each License Fee payment to City a statement signed by an SLWA corporate officer certifying the calculation of the License Fee. City will have the right, at its sole expense, to conduct an audit, upon reasonable notice and during normal business hours, of SLWA's books and records pertaining to any fees due under this Agreement while this Agreement is in effect and for one (1) year after any termination of this Agreement.

5. Indemnification. SLWA hereby agrees to protect, indemnify, and hold the City, its elected officials, officers, employees and agents (collectively or individually, "Indemnatee") harmless from and against any and all claims, damages, losses, expenses, suits, actions, decrees, judgments, awards, attorneys' fees and court costs (individually or collectively, "Claim"), which an Indemnatee may suffer or which may be sought against or are recovered or obtainable from an Indemnatee, as a result of, or by reason of, or arising out of or in consequence of any act or omission, negligent or otherwise, of the SLWA or its officers, employees, contractors, subcontractors, agents or anyone who is directly or indirectly employed by, or is acting in concert with, the SLWA or its officers, its employees, contractors, subcontractors, or agents in the performance of this Agreement; provided that the applicable Indemnatee notifies SLWA of any such Claim within a time that does not prejudice the ability of SLWA to defend against such Claim. Any Indemnatee hereunder may participate in its, his, or her own defense, but will be responsible for all costs incurred, including reasonable attorneys' fees, in connection with such participation in such defense.

6. Notice. Any notice required to be given hereunder shall be deemed to have been given when notice is (i) received by the Party to whom it is directed by personal service, (ii) telephonically faxed to the telephone number below provided confirmation of transmission is received thereof, or (iii) deposited as registered or certified mail, return receipt requested, with the United States Postal Service, addressed as follows:

To: City:
ATTN: Marc Culver
City of Roseville
2660 Civic Center Drive
Roseville, MN 55113-1899
Phone: (651) 792-7041

To: SLWA:
ATTN: Vice President, Business Development

Utility Service Partners Private Label, Inc.
11 Grandview Circle, Suite 100
Canonsburg, PA 15317
Phone: (724) 749-1003

7. **Modifications or Amendments/Entire Agreement.** Any and all of the representations and obligations of the Parties are contained herein, and no modification, waiver or amendment of this Agreement or of any of its conditions or provisions shall be binding upon a party unless in writing signed by that Party.
8. **Assignment.** This Agreement and the License granted herein may not be assigned by SLWA without the prior written consent of the City, such consent not to be unreasonably withheld.
9. **Counterparts/Electronic Delivery.** This Agreement may be executed in counterparts, all such counterparts will constitute the same contract and the signature of any Party to any counterpart will be deemed a signature to, and may be appended to, any other counterpart. Executed copies hereof may be delivered by facsimile or e-mail and upon receipt will be deemed originals and binding upon the Parties hereto, regardless of whether originals are delivered thereafter.
10. **Choice of Law/Attorney Fees.** The governing law shall be the laws of the State of Minnesota. In the event that at any time during the Term or any Renewal Term either Party institutes any action or proceeding against the other relating to the provisions of this Agreement or any default hereunder, then the unsuccessful Party shall be responsible for the reasonable expenses of such action including reasonable attorney's fees, incurred therein by the successful Party.
11. **Incorporation of Recitals and Exhibits.** The above Recitals and Exhibit A attached hereto are incorporated by this reference and expressly made part of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first written above.

**MARKETING LICENSE AGREEMENT BETWEEN THE CITY OF ROSEVILLE AND
UTILITY SERVICE PARTNERS PRIVATE LABEL, INC. D/B/A SERVICE LINE
WARRANTIES OF AMERICA**

CITY OF ROSEVILLE

By:_____

UTILITY SERVICE PARTNERS PRIVATE LABEL, INC.

By:_____

Brad H. Carmichael, Vice President

By:_____

Exhibit A
NLC Service Line Warranty Program
City of Roseville, MN
Term Sheet
December 1, 2015
(Term Sheet valid for 90 days)

- I. Term of agreement
 - a. Initial term
 - i. Three years guaranteed (total of 9 campaigns)
- II. Annual royalty – \$0.50 per month per paid warranty contract
 - a. City logo on letterhead, advertising, billing, and marketing materials
 - b. Signature by City official
- III. Products offered
 - a. External sewer line warranty
 - b. External water line warranty
 - c. In-home plumbing warranty
- IV. Scope of Coverage
 - a. External sewer line warranty
 - i. Scope is from the city main tap until line daylights inside home...of which includes the service line under the concrete floor. [Note: **If homeowner responsibility is different than this language, please advise.**]
 - b. External water line warranty
 - i. Extended coverage: Scope is from the city main tap until line daylights inside home...of which includes the service line under the concrete floor. [Note: **If homeowner responsibility is different than this language, please advise.**]
 - ii. Extended coverage: Scope includes thawing of frozen external water line.
 - c. In-home plumbing warranty
 - i. Scope covers residential in-home water supply lines and in-home sewer lines and all drain lines connected to the main sewer stack that are broken or leaking inside the home after the point of entry. Coverage includes broken or leaking water, sewer, or drain lines that may be embedded under the slab or basement floor. Coverage also includes repair of clogged toilets.
- V. Marketing Campaigns – three seasonal campaigns per year (Spring, Fall and Winter)
 - a. 2016 Spring - Sewer
 - b. 2016 Fall - Water
 - c. 2016 Winter - In-home plumbing
 - d. 2017 Spring - Sewer
 - e. 2017 Fall - Water
 - f. 2017 Winter - In-home plumbing
 - g. 2018 Spring - Sewer
 - h. 2018 Fall - Water
 - i. 2018 Winter - In-home plumbing

VI. Campaign Pricing

a. Sewer

- i. Year 1 - \$7.75 per month; \$88.00 annually
- ii. Year 2 - \$7.75 per month; \$88.00 annually (subject to annual review)
- iii. Year 3 - \$7.75 per month; \$88.00 annually (subject to annual review)

b. Water

- i. Year 1 - \$6.75 per month; \$76.00 annually
- ii. Year 2 - \$6.75 per month; \$76.00 annually (subject to annual review)
- iii. Year 3 - \$6.75 per month; \$76.00 annually (subject to annual review)

c. In-home plumbing

- i. Year 1 - \$6.99 per month; \$78.99 annually
- ii. Year 2 - \$6.99 per month; \$78.99 annually (subject to annual review)
- iii. Year 3 - \$6.99 per month; \$78.99 annually (subject to annual review)



HOME SERVICE CONTRACT COVER PAGE
OUTSIDE **WATER** SERVICE LINE

CONTRACT HOLDER:

[Name]
[Address line]
[City, ST ZIP]

PROVIDER:

Utility Service Partners Private Label, Inc. d.b.a.:
Service Line Warranties of America ("SLWA")
11 Grandview Circle, Suite 100
Canonsburg, PA 15317-9840
Website: www.slwofa.com
Phone: 866-922-9006

Account No.: To be assigned
Confirmation No.: To be assigned

ENROLLMENT DATE: [MM/DD/YYYY]
EFFECTIVE DATE: [MM/DD/YYYY]

SERVICE ADDRESS:
[Name]
[Address line]
[City, ST ZIP]

Dear [Name],

Thank you for enrolling in the Service Line Warranties of America Outside **Water** Line Service Program. This Home Service Contract is for your Outside Water Line only and is subject to the enclosed "TERMS & CONDITIONS".

In addition to our enclosed standard Terms & Conditions, the following additions are required by State Law or negotiated on your behalf by your city. These additions supersede any provision to the contrary in the Terms and Conditions;

Obligations of SLWA under this Home Service Contract are backed by the full faith and credit of SLWA and are not guaranteed by a service contract reimbursement insurance policy. THIS IS NOT A CONTRACT OF INSURANCE.

You have thirty (30) days from the date you enroll in the Service Program to cancel and receive a full refund of any payment you have made. If SLWA does not issue a refund owed to you within forty-five (45) days of cancellation, a ten percent per month penalty will be added to the amount that is owed to you. You may cancel the Service Program at any time, and you will be reimbursed the pro rata share of any amount you paid for any portion of the Service Program period subject to cancellation, less any costs paid towards a claim filed on your account; provided, however, SLWA may not pay any refund which is less than \$6.00, unless requested by you.

This contract begins at noon local time, thirty (30) calendar days after the enrollment date, unless otherwise noted or disclosed, and continues thereafter so long as you make timely payments. There is no deductible or service fee per occurrence.

Should you need to file a claim, please contact our emergency hot line at **1-866-922-9006**. Representatives are available to take your call 24 hours a day, seven days a week, including holidays.

We hope that you never experience an emergency, but if you do, we are here to service your needs.

Thank you again for your business.

Sincerely,

Service Line Warranties of America

Please retain these documents for your reference.
Enclosed: MN 3.0 Outside **WATER** Line Terms & Conditions

**TERMS AND CONDITIONS OF THE
SERVICE LINE WARRANTIES OF AMERICA ("SLWA")
OUTSIDE WATER SERVICE LINE PROGRAM ("SERVICE PROGRAM")**

This Home Service Contract covers the consumer-owned portion of the **primary water service** line from a public or municipal water system up to the internal point of entry to your single-family home, (including a primary water line which may be buried or embedded in a concrete slab under your home) and provides service or repair for the broken or leaking **primary water** line serving your residential home **where the flow of the line is interrupted due to normal wear and tear**. This Home Service Contract is limited to \$4,000 per line repair occurrence. If public street or public sidewalk cutting is required to repair the line, an additional allowance is provided; up to \$4,000 for public street repair and up to \$500 for public sidewalk repair. Determination of how a covered water line is to be serviced, repaired or replaced is entirely within the discretion of SLWA based on its professional judgment.

By enrolling, you represent that your water line is in good working order.

This Home Service Contract covers only the home listed on the cover page. You may not assign or transfer this Home Service Contract to another person or to another home or property.

To initiate a service call under this Service Program, you must call SLWA, toll free at 866-922-9006 (assistance is available 24 hours per day, 7 days a week) before any work is performed. All work must be performed by an authorized SLWA contractor. Any exceptions to this are at the sole discretion of SLWA and in no event will SLWA's liability for reimbursement on work performed by a non-SLWA contractor exceed \$500. If a permit or line location is required, we will secure proper permitting **before** work will commence; any repair will conform to applicable plumbing/excavating codes.

Please note that our approved contractors must have safe and clear access to, and safe working conditions at and around the work area.

This Home Service Contract starts thirty (30) days after the enrollment date noted on the cover page, unless otherwise noted or disclosed, and continues thereafter so long as you make timely payments. This Home Service Contract may be canceled for nonpayment. Your account must be in good, current standing to receive any service or repair under this program.

This Home Service Contract **DOES NOT COVER:**

- a) any shared water line that provides service to multiple properties, detached houses, secondary buildings or branch lines including water systems for sprinklers, pools, hot tubs, and/or other outdoor systems, whether known or unknown; repair of meters, meter vaults, repair or replacement of curb valves or curb boxes;
- b) service lines owned by any utility or connected to a commercial facility or a mobile home, or the cost of repairing or replacing a meter(s) that is not being relocated as a means of repairing or replacing your water supply line;
- c) updating and/or moving lines where the flow of water is not disrupted, in order to meet code, law, or ordinances or to satisfy directives of the water utility company or others;
- d) damage to a water line that is caused directly or indirectly by you, a third party, natural disasters, acts of God, or by any insurable causes;
- e) any damage/cleanup to the inside of the home, including personal property, or replacement or "matching" of any floor covering or affected area (e.g. carpet, hard wood, marble, ceramic tile, dry wall, paint, plaster or wallpaper, etc.). Restoration does not include landscaping services, such as replacing trees, sod or shrubs or repairing private paved and/or concrete surfaces, walkways leading to the home, or structures on your property.

After a water line is repaired, SLWA will provide basic site restoration service to the affected area limited to filling trenches, mounding (to allow for settling), raking and seeding (weather permitting) excluding sod. If slab cutting within the foundation walls is necessary to repair a broken water line, the resulting trench will be filled with gravel and covered with asphalt or cement as appropriate. Debris will be removed from the work area.

You have thirty (30) days from the date you enroll in the Service Program to cancel and receive a full refund of any payment you have made. After 30 days, you may cancel the Service Program at any time, and you will be reimbursed the pro rata share of any amount you paid, less 1) any costs paid towards a claim filed on your account, and 2) a \$6.00 processing fee. SLWA will not pay any refund which is less than \$6.00, unless requested by you.

SLWA may modify the Service Program by giving you thirty (30) days' written notice and may terminate the Service Program for nonpayment within thirty (30) days of the payment due date and with ninety (90) days' written notice for any other reason. If SLWA cancels the program for reasons other than nonpayment, you will be reimbursed the pro rata share of any amount you paid for any portion of the Service Program period subject to cancellation.

IMPORTANT: Please retain this document for your records. The cover letter and these Terms and Conditions are the official copy of your Home Service Contract.

**Service Line Warranties of America
is a private brand name owned and operated by
UTILITY SERVICE PARTNERS PRIVATE LABEL, INC.**

11 Grandview Circle, Suite 100
Canonsburg, PA 15317-9840
Phone: 866-922-9006
Web Site: www.slwofa.com



HOME SERVICE CONTRACT COVER PAGE
OUTSIDE **SANITARY SEWER** LINE

CONTRACT HOLDER:

[Name]
[Address line]
[City, ST ZIP]

PROVIDER:

Utility Service Partners Private Label, Inc. d.b.a.:
Service Line Warranties of America ("SLWA")
11 Grandview Circle, Suite 100
Canonsburg, PA 15317-9840
Website: www.slwofa.com
Phone: 866-922-9006

Account No.: To be assigned
Confirmation No.: To be assigned

ENROLLMENT DATE: [MM/DD/YYYY]
EFFECTIVE DATE: [MM/DD/YYYY]

SERVICE ADDRESS:
[Name]
[Address line]
[City, ST ZIP]

Dear [Name],

Thank you for enrolling in the Service Line Warranties of America Outside **Sanitary Sewer** Line Service Program. This Home Service Contract is for your Outside Sanitary Sewer Line only and is subject to the enclosed "TERMS & CONDITIONS".

In addition to our enclosed standard Terms & Conditions, the following additions are required by State Law or negotiated on your behalf by your city. These additions supersede any provisions to the contrary in the Terms and Conditions;

Obligations of SLWA under this Home Service Contract are backed by the full faith and credit of SLWA and are not guaranteed by a service contract reimbursement insurance policy. THIS IS NOT A CONTRACT OF INSURANCE.

You have thirty (30) days from the date you enroll in the Service Program to cancel and receive a full refund of any payment you have made. If SLWA does not issue a refund owed to you within forty-five (45) days of cancellation, a ten percent per month penalty will be added to the amount that is owed to you. You may cancel the Service Program at any time, and you will be reimbursed the pro rata share of any amount you paid for any portion of the Service Program period subject to cancellation, less any costs paid towards a claim filed on your account; provided, however, SLWA may not pay any refund which is less than \$6.00, unless requested by you.

This contract begins at noon local time, thirty (30) calendar days after the enrollment date, unless otherwise noted or disclosed, and continues thereafter so long as you make timely payments. There is no deductible or service fee per occurrence.

Should you need to file a claim, please contact our emergency hot line at **1-866-922-9006**. Representatives are available to take your call 24 hours a day, seven days a week, including holidays.

We hope that you never experience an emergency, but if you do, we are here to service your needs.

Thank you again for your business.

Sincerely,

Service Line Warranties of America

Please retain these documents for your reference.
Enclosed: MN 3.0 Outside **SANITARY SEWER** Line Terms & Conditions

**TERMS AND CONDITIONS OF THE
SERVICE LINE WARRANTIES OF AMERICA ("SLWA")
OUTSIDE SANITARY SEWER LINE PROGRAM ("SERVICE PROGRAM")**

This Home Service Contract covers the **primary sanitary sewer** line from the point of entry at your home (including a primary sanitary sewer line which may be buried or embedded in a concrete slab under your single-family home) to the point of public or municipal sewer responsibility (typically the main service line) and provides service or repair to restore flow to the primary sanitary sewer line serving your residential home ***where the flow of the line is impeded due to normal wear and tear or tree roots***. This Home Service Contract is limited to \$4,000 per line repair occurrence. If public street or public sidewalk cutting is required to repair the line, an additional allowance is provided; up to \$4,000 for public street repair and up to \$500 for public sidewalk repair. Determination of how a covered sanitary sewer line claim is to be serviced, repaired or replaced is entirely within the discretion of SLWA based on its professional judgment. **Please note that this Home Service Contract does not cover repairs that might be needed to meet local regulatory requirements or utility directives for matters unrelated to the ability of the line to maintain an unimpeded flow, such as failed smoke or dye tests, or ground or storm water infiltration.**

By enrolling, you represent that your outside sanitary sewer line is in good working order.

This Home Service Contract covers only the home listed on the cover page. You may not assign or transfer this Home Service Contract to another person or to another home or property.

To initiate a service call under this Service Program, you must call SLWA, toll free at 866-922-9006 (assistance is available 24 hours per day, 7 days a week) before any work is performed. All work must be performed by an authorized SLWA contractor. Any exceptions to this are at the sole discretion of SLWA and in no event will SLWA's liability for reimbursement on work performed by a non-SLWA contractor exceed \$500. If a permit or line location is required, proper permitting will be secured **before** work will commence; any repair will conform to applicable plumbing/excavating codes. *Please note that our approved contractors must have safe and clear access to, and safe working conditions at and around the work area.*

This Home Service Contract starts thirty (30) days after the enrollment date noted on the cover page, unless otherwise noted or disclosed, and continues thereafter so long as you make timely payments. This Home Service Contract may be canceled for nonpayment. Your account must be in good, current standing to receive any service or repair under this program.

This Home Service Contract **DOES NOT COVER:**

- a) updating and/or moving lines where the flow of sewage is not impeded, in order to meet code, law, or ordinances or to satisfy directives of the sewer utility company or others, including inflow and infiltration issues (failed smoke or dye tests, ground water infiltration into the line);
- b) mandated separation of storm and sanitary drain lines;
- c) any shared sewer line that provides service to multiple properties, detached houses, secondary buildings or branch lines, whether known or unknown; commercial properties, mobile homes, primary sanitary lines that are over 6 inches in diameter, lift stations or lift pumps, sump, trash or grinder pumps or storm sewer lines;
- d) damage to a sewer line that is caused directly or indirectly by you, a third party, natural disasters, acts of God, or by any insurable causes;
- e) any damage/cleanup to the inside of the home, including personal property, or replacement or "matching" of any floor covering or affected area (e.g. carpet, hard wood, marble, ceramic tile, dry wall, paint, plaster or wallpaper, etc.). Restoration does not include landscaping services, such as replacing trees, sod or shrubs or repairing private paved and/or concrete surfaces, walkways leading to the home, or structures on your property.

After a sewer line is repaired, SLWA will provide basic site restoration service to the affected area limited to filling trenches, mounding (to allow for settling), raking and seeding (weather permitting) excluding sod. If slab cutting within the foundation walls is necessary to repair a broken sewer line, the resulting trench will be filled with gravel and covered with concrete. Debris will be removed from the work area.

You have thirty (30) days from the date you enroll in the Service Program to cancel and receive a full refund of any payment you have made. After 30 days, you may cancel the Service Program at any time, and you will be reimbursed the pro rata share of any amount you paid, less 1) any costs paid towards a claim filed on your account, and 2) a \$6.00 processing fee. SLWA will not pay any refund which is less than \$6.00, unless requested by you.

SLWA may modify the Service Program by giving you thirty (30) days' written notice and may terminate the Service Program for nonpayment within thirty (30) days of the payment due date and with ninety (90) days' written notice for any other reason. If SLWA cancels the program for reasons other than nonpayment, you will be reimbursed the pro rata share of any amount you paid for any portion of the Service Program period subject to cancellation.

IMPORTANT: Please retain this document for your records. The cover letter and these Terms and Conditions are the official copy of your Home Service Contract.

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is a private brand name owned and operated by
UTILITY SERVICE PARTNERS PRIVATE LABEL, INC.**

11 Grandview Circle, Suite 100
Canonsburg, PA 15317-9840
Phone: 866-922-9006 Web Site: www.slwofa.com



HOME SERVICE CONTRACT COVER PAGE
IN-HOME PLUMBING REPAIR PROGRAM

CONTRACT HOLDER:

[Name]
[Address line]
[City, ST ZIP]

PROVIDER:

Utility Service Partners Private Label, Inc. d/b/a
Service Line Warranties of America (“SLWA”)
11 Grandview Circle, Suite 100
Canonsburg, PA 15317-9840
Website: www.slwofa.com
Phone: 866-922-9006

Account No.: To be assigned
Confirmation No.: To be assigned

ENROLLMENT DATE: [MM/DD/YYYY]
EFFECTIVE DATE: [MM/DD/YYYY]

SERVICE ADDRESS:
[Name]
[Address line]
[City, ST ZIP]

Dear [Name],

Thank you for enrolling in the Service Line Warranties of America *In-Home Plumbing Repair Program*. This Home Service Contract is for your In-Home Plumbing only and is subject to the enclosed “TERMS & CONDITIONS.” The pricing for this Home Service Contract will be as provided in the marketing letter to which you responded in making your enrollment and may be subject to adjustment from time to time in accordance with the attached Terms and Conditions.

In addition to our enclosed standard Terms & Conditions, the following additions are required by State Law or negotiated on your behalf by your city. These additions supersede any provisions to the contrary in the Terms and Conditions;

Obligations of SLWA under this Home Service Contract are backed by the full faith and credit of SLWA and are not guaranteed by a service contract reimbursement insurance policy. THIS IS NOT A CONTRACT OF INSURANCE.

You have thirty (30) days from the date you enroll in the Service Program to cancel and receive a full refund of any payment you have made. If SLWA does not issue a refund owed to you within forty-five (45) days of cancellation, a ten percent per month penalty will be added to the amount that is owed to you. You may cancel the Service Program at any time, and you will be reimbursed the pro rata share of any amount you paid for any portion of the Service Program period subject to cancellation, less any costs paid towards a claim filed on your account; provided, however, SLWA may not pay any refund which is less than \$6.00, unless requested by you.

This contract begins at midnight, local time, as of the Effective Date noted above, and continues thereafter so long as you make timely payments. There is no deductible or service fee per occurrence.

Should you need to file a claim, please contact our emergency hotline at 1-866-922-9006. Representatives are available to take your call 24 hours a day, seven days a week, including holidays.

We hope that you never experience an emergency, but if you do, we are here to service your needs.

Thank you again for your business.

Sincerely,

Service Line Warranties of America

**TERMS AND CONDITIONS OF THE
SERVICE LINE WARRANTIES OF AMERICA ("SLWA")
IN-HOME PLUMBING REPAIR PROGRAM ("HOME SERVICE CONTRACT")**

This Home Service Contract covers residential (single-family, detached dwelling units) in-home water supply lines and in-home sewer lines and all drain lines connected to the main sewer stack that are broken or leaking inside the home after the point of entry. Broken or leaking water, sewer, or drain lines that may be embedded under the slab or basement floor are also covered. This warranty also covers the repair of clogged toilets. Coverage is limited to \$3,000 per occurrence.

In order for a claim under this Home Service Contract to be valid, you must call SLWA at 1-866-922-9006 before any repair work is performed. All repair work must be performed by an authorized SLWA contractor. No payments will be made for repair work performed by a contractor not authorized by SLWA to make a repair.

By enrolling, you represent that your interior plumbing and draining systems are in good working order.

The Home Service Contract does not cover lines that you were aware needed repair before you enrolled in the Home Service Contract. You agree to permit SLWA contractors to come into your home to service, repair or replace your lines under the Home Service Contract.

This Home Service Contract covers only the home listed on the cover page. You may not assign or transfer this Home Service Contract to another person or to another home or property.

Coverage under this Home Service Contract starts on the enrollment date noted on the cover page, unless otherwise noted or disclosed, and continues thereafter so long as you make timely payments. Coverage may be canceled for nonpayment. Your account must be in good, current standing to receive repair service under this program.

This Home Service Contract does not cover:

- (a) any lines before the point of entry to your home, including the main water and sewer service laterals;
- (b) sprinkler systems, faucets, fixtures, spigots, garbage disposals, appliances; the cost of repairing, replacing or moving meter(s); and thawing frozen pipes;
- (c) lines not installed according to code;
- (d) low water pressure due to calcium deposits and/or corrosion inside the lines;
- (e) anything other than broken or leaking water supply lines and a broken, clogged or leaking main sewer line or stack or drain lines inside the home and clogged toilets;
- (f) updating and/or moving non-leaking pipes to meet code, law or ordinance requirements;
- (g) removal or replacement of obstacles to access the line(s);
- (h) damage to a line caused, directly or indirectly, by you, third parties, natural disasters, acts of God, or other insurable causes, or any consequential damages;
- (i) service lines owned by the utility or connected to any commercial facility, condominium, multi-family, or manufactured home (also known as a mobile home).

Determination of how a covered in-home water or in-home sewer/drain claim is to be serviced, repaired or replaced is entirely within the discretion of SLWA based on its professional judgment, including obtaining a second opinion.

After a line is repaired or replaced, SLWA will test the repaired section of pipe for leaks and do a general cleanup. If slab cutting is necessary, the resulting trench will be patched. The Home Service Contract does not cover restoration of the affected areas (e.g., floor covering, including carpet, hard wood, marble, ceramic tile, or restoring concrete, dry wall, paint, plaster or wallpaper, etc.).

You have thirty (30) days from the date you enroll in the Home Service Contract to cancel and receive a full refund of any payments you have made. You may cancel the Home Service Contract at any time, and you will be reimbursed the pro rata share of any amount you paid, less 1) any costs paid towards a claim filed on your account; and 2) a \$6.00 processing fee. SLWA will not pay any refund which is less than \$6.00, unless requested by you.

SLWA may modify this Home Service Contract, including, but not limited to, from time to time, making changes to pricing, by giving you thirty (30) days' written notice and may terminate the Home Service Contract for nonpayment within thirty (30) days of the payment due date and with ninety (90) days' written notice for any other reason. If SLWA cancels the program for reasons other than nonpayment, you will be reimbursed the pro rata share of any amount you paid for any portion of the warranty period subject to cancellation.

IMPORTANT: **Please retain this document for your records. It is the official copy of your warranty agreement.**

**Service Line Warranties of America is a subsidiary of
UTILITY SERVICE PARTNERS PRIVATE LABEL, INC.
11 Grandview Circle, Suite 100
Canonsburg, PA 15317-9840
Phone: 1-866-922-9006
Website: www.slwofa.com**



City of Anywhere

State



T1 P1 *****AUTO**5-DIGIT26301

Customer Name

Customer Address

Customer City, State, Zip



Contact ID: [Contact ID] Re: Optional Service Line Repair Coverage for [City] Homeowners [Date]

Dear [Customer Name],

Did you know that necessary repairs to the sewer line that runs between your home and the public utility connection are the responsibility of the homeowner? These lines have been subjected to the same elements that have caused our public service lines to decay – age, ground shifting, root invasion, fluctuating temperatures and more.

As [City] homeowners and city officials, we understand the importance of water conservation and protecting the environment. While efforts are underway in many communities to improve public water and sewer systems, these fixes don’t address the sewer line located on your property. Homeowners can spend from hundreds to upwards of \$3,500 to repair a broken or leaking sewer line on their property – and that can be hard on a budget.

This is why we are pleased to introduce a new voluntary service line repair program which provides repair coverage for your outside sewer line, up to \$4,000 per incident with no deductibles. The Service Line Warranties of America (SLWA) Sewer Line Warranty Program is the only service line protection program for homeowners fully supported by [City] and endorsed by the National League of Cities. The program provides coverage 24 hours a day, 365 days a year.

SLWA, an independent organization, administers the program and is an accredited BBB organization with an A+ rating. SLWA has helped more than 100,000 homeowners across the country save more than \$64 million in service line repair costs.

Pay just \$_____ per month – a savings of more than XX% on the standard price, or save even more with an annual payment of \$_____ – a savings of more than XX%. Plus, SLWA will waive the 30-day waiting period so you’ll get immediate coverage! To receive these benefits, enroll by [DATE].

Enroll in this optional program by returning the completed bottom portion of this letter in the enclosed, self-addressed stamped envelope or call **1-800-000-000** to speak with an SLWA agent Monday through Friday 9:00 am to 5:00 pm. Or visit www.slwofa.com where you can enroll online – and learn about other service line warranty products available in your area.

Sincerely,

City of _____

Complete warranty terms and conditions will be provided following enrollment. Program participation may be terminated at any time. You have 30 days from the date you enroll to receive a full refund. After 30 days, you will be reimbursed the pro rata share of any amount you paid for any portion of the warranty period subject to cancellation.

-----✂----- [LetterCD]

Cut here



To enroll or view the Terms and Conditions, please visit www.slwofa.com

Please mark your selection below:

[Customer Name]
[Customer Address]
[Customer City, State, Zip Code]
[Contact ID]

- ☐ Yes, please enroll me in the Sewer Line Warranty for just \$_____ per month.
- ☐ I want to save more. Enroll me in the Sewer Line Warranty for \$_____ per year.

I certify to the best of my knowledge that my service line is in good working order.

Signature: _____ Email: _____ Date: _____

To protect your privacy, we do not share your information.



Customer Satisfaction Surveys

Begin Date (mm-dd-yyyy)



End Date (mm-dd-yyyy)



Customer Satisfaction Survey Results

This report shows the results of surveys sent to customers after a claim has been completed

Date range selected: 5-1-2013 to 5-1-2015

Number of responses by question:

	Poor	Fair	Good	Very Good	Excellent
Telephone Experience					
a) Ease of getting through to service representative	0	3	8	8	26
b) Courtesy of service representative	0	1	7	10	27
c) Knowledge of service representative	1	1	9	10	24
On-Site Service Experience					
a) Promptness of contractor's callback	3	3	2	9	28
b) Convenience of scheduled appointment	1	2	3	12	27
c) Promptness of meeting scheduled appointment	1	2	3	10	29
d) Courtesy of contractor	1	0	1	7	36
e) Professionalism of contractor	1	1	0	5	37
f) Quality of work preformed	1	0	1	7	36
Overall Satisfaction with this service experience	1	0	3	10	30
Number of Responses					
	Yes	No	No Answer		
Does this warranty positively influence your opinion of the city?	31	5	9		
Comments?	14	31	0		
Would you recommend this program to others?	41	3	1		
Excellent, Very Good, and Good Rating:	94.44%				
Excellent and Very Good Rating:	86.22%				
Number of Surveys:	45				
Number of Claims:	206				

City of St. Michael Feedback on
Utility Service Partners, Inc., Service Line Warranty Program

Number of residents subscribed to service: 208

No claims to date (that they are aware of, they admit they may not be aware of claims for just sewer blockages)

From the Director of Public Works: "We still wish they'd have offered both sewer and water all at once but understand their points. We did get some complaints as I discussed with you from folks annoyed that they city would allow this to be sent from the City but now knowing that we have residents signing up I think makes it worthwhile."

As a reminder, USP will send separate letters quarterly to residents for each warranty program offered, i.e. sewer, water and internal plumbing. So residents will get at least three letters over several months. Some residents become annoyed by this. USP has indicated that they will remove residents from the mailing list upon request.

NATIONAL LEAGUE of **CITIES**



Service Line Warranty Program

City of Roseville, MN

Ashley Shiwarski
ashiwarski@utilitysp.net
724-749-1097



Building Peace of Mind, One Community at a Time

Why you should partner with Utility Service Partners

- Partnership with the National League of Cities
- Offers Solution
- Experience
- Reputation



National League of Cities (NLC)



“Our goal at the National League of Cities (NLC) is to be a resource and advocate for your city and its residents. NLC recognized the growing problem of aging infrastructure and the dire need to find a solution for not only cities, but for its residents.

As a result, NLC and Utility Service Partners created the NLC Service Line Warranty Program to help city residents save money, ease the frustration over utility line failures and introduce a new service offering to your community. The National League of Cities is proud to partner with Utility Service Partners because we’ve found it to be the most reputable and reliable program – one that will educate your residents on their water and sewer line responsibilities.”

– **Clarence E. Anthony,**
Executive Director, NLC

National League of Cities (NLC)

- NLC is the nation's oldest and largest organization advocating for cities.
- After thorough vetting, NLC selected USP to administer the NLC Service Line Warranty Program.
- NLC endorsement adds another layer of oversight, which further protects the city brand.



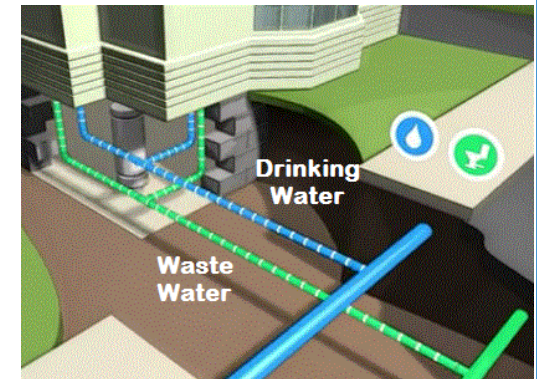


Infrastructure Challenges ... *a National Problem*

- ❑ American Society of Civil Engineers gave our national public infrastructure a **D+ rating** in 2013.
- ❑ **EPA** estimates over the next 20 years **\$77 billion** will be spent on repair/replacement of public water distribution systems, \$10 billion on wastewater collection system upgrades, **\$22 billion** for new sewer construction and **\$45 billion** for controlling combined sewer overflows.
- ❑ Municipalities will spend **\$7 billion** to control municipal storm water.
- ❑ More than **850** water main breaks occur **every day** across the country

Challenges for Homeowners

- ❑ Lateral lines are subjected to the same elements as public lines ... ground shifting, fluctuating temperatures, tree root penetration, corrosion and more.
- ❑ Out-of-sight, out-of-mind; water and sewer lines are located outside the home and usually underground.
- ❑ Failed lines waste thousands of gallons of water and present an environmental hazard.
- ❑ Many homeowners believe the city is responsible for maintenance of the water and sewer lines on their property OR that repairs are covered by their homeowner's policy.



Municipality Solution for Homeowners

Homeowner repair protection for leaking, clogged or broken water and sewer lines from the point of utility connection to the home exterior

Coverage includes:

- Educating homeowners about their service line responsibilities.
- Up to \$4,000 coverage per repair incident.
- Additional allowance for public street (\$4,000) and public sidewalk (\$500) repair.
- No annual or lifetime limits.
- No deductibles, service fees, forms, or paperwork.
- 24/7/365 availability.
- Repairs made only by licensed, local contractors.
- Affordable rates and multiple payment methods.

Municipality Solution for Homeowners

Homeowner repair protection for in-home water supply lines and in-home sewer lines and all drain lines connected to the main sewer stack that are broken or leaking inside the home after the point of entry.

Coverage includes:

- Up to \$3,000 coverage per repair incident.
- Repair of clogged toilets
- Includes coverage for broken or leaking water, sewer, or drain lines under the slab or basement floor
- No annual or lifetime limits.
- 24/7/365 availability
- No deductibles, service fees, forms, or paperwork.
- Repairs made only by licensed, local contractors.
- Affordable rates and multiple payment methods.

Experience

- **Utility Service Partners is the administrator for the National League of Cities Service Line Warranty Program**
 - ❖ Over 290 cities are participating in the program
 - ❖ Invested more than \$64 million in private infrastructure repairs
 - ❖ Returned nearly \$4 million to cities through revenue sharing component
- **Management team that has provided these types of services for over 15 years**
- **USP is a solution provider**
 - ❖ Educate homeowners about their responsibility
 - ❖ Provide an affordable repair solution
- **Keep our promise to your homeowners**
 - ❖ 97% claim approval rating
 - ❖ 95% customer satisfaction rating



Over 290 Partners in 34 States

...Including 7 in the State of Minnesota

- 
- Alabama
 - Arkansas
 - Arizona
 - California
 - Colorado
 - Connecticut
 - Florida
 - Georgia
 - Iowa
 - Illinois
 - Indiana
 - Kansas
 - Kentucky
 - Maryland
 - Michigan
 - Minnesota
 - Missouri
 - North Carolina
 - Nebraska
 - New Jersey
 - New Mexico
 - Nevada
 - Ohio
 - Oklahoma
 - Oregon
 - Pennsylvania
 - South Carolina
 - South Dakota
 - Texas
 - Utah
 - Virginia
 - West Virginia
 - Wisconsin
 - Wyoming

Reputation

- Brand stewardship
 - ❖ 2013 BBB Torch Award for Marketplace Ethics
 - ❖ A+ Accredited BBB rating
- Commitment to local government
 - ❖ **Only** service line warranty provider that will never market to consumers without the consent and support of the City
- Respect for homeowner's privacy
 - ❖ Limited mailings to residents



**BBB Torch Award for
Marketplace Ethics**
Trust • Performance • Integrity
2013 Winner
Western Pennsylvania Better Business Bureau®

Closing

- USP's Partnership with **NLC + Experience + Reputation = Trust** for you and your residents
- USP will keep its promise to our customers
- USP has proven that a company committed to providing exceptional service and a valuable product at a fair-market price can successfully partner with local government



City Official Comments

"The program has already paid out over \$1 million in repairs and replacements for our homeowner's lateral service lines. My constituents are happy that we have provided this option for city homeowners. We use the revenue associated with the program to assist lower income homeowners with repairs to their service lines. I am sure your City will be pleased with the NLC Service Line Program."

- Felicia Moore, City Councilwoman - Atlanta GA



"This program has been available to Clarksburg's residents for nearly two years, and it's a real winner. Resident satisfaction is high and it's a lot easier to tell citizens about this great service rather than explain why they are on the hook for costly repairs."

- James C. Hunt, past NLC President and former Council Member - Clarksburg, WV

"The Service Line Protection Program helps Phoenix residents and the city government. Revenue from the program goes to core city services like police, fire, parks, libraries and senior centers. The warranties give residents an affordable option for repairs to their sewer and water lines."

- Jon Brodsky, Public Information Officer – Phoenix, AZ



Excerpt from DRAFT City of Roseville Public Works, Environment and Transportation Commission
Meeting Minutes

November 24, 2015

Continuation of Sewer and Water Private Services Discussion

As a follow-up to previous service line warranty program discussions, Mr. Culver provided historical information and references he'd pursued from other communities using this service; with all providing positive reviewed with the exception of one.

Mr. Culver introduced Ms. Shiwarski with Utility Service Partners in Pittsburgh, PA, for a short presentation to the PWETC and available to answer any questions of the PWETC afterward.

Ashley Shiwarski, Inside Sales Manager with Utility Service Partners, Inc., administrator of the service line warranty program through the National League of Cities

Ms. Shiwarski provided more detailed information than available in tonight's agenda packet as a bench handout, attached hereto and made a part hereof.

Ms. Shiwarski reviewed their program, including the educational aspects; typical listing by cities of available plumbers to perform work as needed through their firm's own research or by allowing the city to be as involved as they chose to be; and the three separate programs offered to customers by their firm: external water lines, external sewer lines, and internal plumbing.

Specific to Roseville with residents responsible for maintenance of their laterals up to the city main, as part of their premium, Ms. Shiwarski noted that Roseville residents would receive up to \$4,000 per repair incident, with no annual, calendar, or lifetime limits, a separation between their firm and others offering this service. Ms. Shiwarski noted there was also up to \$4,000 available toward each public street repair and \$500 for each sidewalk repair incident, with no deductibles or service fees.

At the request of Chari Stenlund, Ms. Shiwarski advised that their firm based their premiums on a standard across the United States, with 90% of their claims falling within that range cap of \$4,000. By request of current city partners, Ms. Shiwarski advised that their firm had tested out the option of providing in-home plumbing for several years before offering that option, initiated last year, and representing their newest offering by their firm after the point of entry of the laterals.

Ms. Shiwarski noted this could provide another small revenue stream, as their firm provided a 50 center/month revenue sharing plan to the municipality for each contract they received from individual homeowners as a form of royalty allotted to the city every January. Ms. Shiwarski advised that cities did a variety of things with that revenue, with the most common thing to develop a fund to assist low-income families with their utility bills or for those experiencing a high water bill due to a leak, and used to offset some of

the cost for that resident. Ms. Shiwarski noted other municipalities chose to put that revenue back into the public infrastructure program.

Specific to marketing their warranty program, Ms. Shiwarski reported that they do not do any door-to-door solicitation, but plan three separate campaigns in the spring, fall and winter to market each of their three products separately to limit confusion for residents. Ms. Shiwarski advised that residents could choose all three warranty programs, or any combination of the three. Ms. Shiwarski further reported that their firm did not send out any mailing to residents in a community without prior city review and approval of the marketing letter itself and envelope in which it will be sent. Ms. Shiwarski advised that this procedure was followed for each and every campaign, even if previously mailings had been approved by the municipality, allowing the city to have input on the mailing itself and the exact mailing dates. Ms. Shiwarski advised that their firm worked with each municipality on tools to limit calls to the city for the initial campaign, and to customize press releases for the media of the city's choice. Ms. Shiwarski advised that this typically involved a letter offering the city partnership and their firm's contact information, a customized web banner for the city website featuring a live chat for residents to visit with a customer service agent at their preference.

Once their firm partners with a municipality, Ms. Shiwarski reported that each city partner had access to their firm's online partner portal for city access and up-to-date resident enrollment for each product and a list of the number of claims and accruing royalty for the municipality. Ms. Shiwarski noted that each resident was surveyed to determine their satisfaction and to immediately address any problem areas.

Of their 290 municipal partners across the United States, Ms. Shiwarski noted there were seven in the State of MN as listed in the information provided to the PWETC tonight, including the City of St. Louis Park.

At the request of Member Cihacek, Ms. Shiwarski reviewed standard pricing for water, sewer and in-home plumbing averaging \$6.765, \$7.75 and \$6.99 respectively. Ms. Shiwarski noted that a resident could cancel at any time, and receive a refund of remaining premiums submitted.

At the further request of Member Cihacek, Ms. Shiwarski addressed how their firm maintained premium rates based on infrastructure prices nationally moving forward by basing their standard pricing on cities under 50,000 households and transferring that risk across the United States. Ms. Shiwarski noted that one city or year may result in a lot of claims, and others not, but by transferring those risks they were able to maintain that standard pricing to-date.

At the request of Member Cihacek, Ms. Shiwarski advised that their firm had not seen a significant price escalation over the last two years, and not typically with their current customer base. Ms. Shiwarski advised that their first client had been in West Virginia and their rates had been grandfathered in, with newer partners providing an opportunity to adjust rates accordingly to address risk.

Chair Stenlund asked if the rates escalated if using the service a lot.

Ms. Shiwarski responded that they did not, with every resident in a community paying the same rate no matter if or how often they used the warranty service. Ms. Shiwarski admitted there was no way to get around those who consistently abused the system, but reported that when the majority of their customers discovered what a repair could have cost compared to their premium, they were well satisfied and stayed with the warranty program.

At the request of Member Seigler, Ms. Shiwarski advised that their firm didn't need to legally get the city's approval before marketing its residents, but stated that their firm chose not to do so without city approval. By partnering with the city, Ms. Shiwarski noted that they were able to reach a greater amount of people and more generous coverage through that partnership with the National League of Cities than they could accomplish without that partnership; and therefore had chosen not to market independent of that partnership.

At the request of Member Lenz, Ms. Ashley confirmed that this warranty program was only available to single-family homes, unless a duplex had a single service line they could cover; but clarified it was not yet available to commercial properties.

If the city allows marketing of this program, Member Heimerl asked if it was accepting any additional legal risk or financial obligation for the city in endorsing this group.

Ms. Shiwarski advised that their agreement held the city harmless; with Mr. Culver noting that the City Attorney would need to review and report to the City Council providing assurances there was no city liability.

In referencing the three mailings by this firm, Member Wozniak asked if their focus was on educating the public by explaining their responsibility to maintain these utilities or simply aimed at selling them a policy. Member Wozniak opined that educating residents, as previously addressed by the PWETC, sounded attractive to help residents understand their responsibilities and cost liabilities for catastrophic failure of their service lines.

Ms. Shiwarski offered to provide Mr. Culver with a copy of their standard letter that started out stating the educational aspects for dissemination to the PWETC; but noted each municipality had input in that language as well and could customize it for their community and infrastructure situation.

At the request of Mr. Culver, Ms. Shiwarski confirmed that their firm typically sent out the letter to residents on city logo and including a co-signature by a city official, designated staff person or the city as a whole, at the preference of each municipality.

Mr. Culver reported that, during his research with another Minnesota community using the warranty program, some of its residents had become annoyed with the letter they were receiving after already subscribing to the warranty program but still receiving continued

mailings. Mr. Culver sought clarification from Ms. Shiwarski as to whether a resident would continue being solicited once they subscribed to the program.

Ms. Shiwarski advised that they would not receive additional solicitations for any service to which they subscribed, but may receive them for those services they had initially chosen not to receive. However, Ms. Shiwarski noted that all a resident had to do was call their firm and ask to be removed from future mailings. Ms. Shiwarski advised that their firm used their own mailing list by using their own mapping software, and not one provided by the city's utility company. Ms. Shiwarski advised that this way a city could state they were introducing this warranty program and assure their residents that the city wasn't giving out their personal utility information.

Chair Stenlund asked, without doing a community survey, if the city could seek interest of the community via an educational input, and receive their input to alert the public that this warranty program was being considered and seeking public comment and interest for such a program.

Mr. Culver suggested the Speak Up! Roseville website as another potential option.

If Roseville is interested, Ms. Shiwarski offered the services of their marketing team to help put that information out there.

Members agreed that there may be some concern among residents of another area of government intervention that they would prefer to avoid.

Member Cihacek opined that, as he heard the program described, he wasn't sure if that argument would hold weight for him, since residents had the option of accepting or opting out.

Member Lenz opined she found this fascinating, admitting before appointment to the PWETC, she had been unaware of her responsibilities as a homeowner for this infrastructure.

Member Seigler opined he was ready to sign up now.

At the request of Member Cihacek, Ms. Shiwarski advised the agreement between their warranty firm and a municipality was three years, with a 90-day opt out for either party.

Mr. Culver asked, if the city decided for whatever reason to discontinue the program after initially approving it, what would happen to those residents enrolled in the warranty program or whether they would be automatically removed from the program.

Ms. Shiwarski advised that any current customers would continue their service provided they continued their monthly premium payment; but no new customers would be enrolled.

Motion

Member Cihacek moved, Member Lenz seconded, recommending to the City Council that they pursue a potential agreement for this warranty opportunity with Utility Service Partners.

At the request of Member Seigler, Mr. Culver reported that he saw many positives for this warranty program and the only staff concern or negative he was aware of to-date was removing any incentive for residents to think long-term and consider proactive maintenance of their system. Mr. Culver opined that any resident subscribing to this warranty program would see no need to spend money on their line to protect against any current or future problems (e.g. root invasion).

Chair Stenlund concurred, noting that lack of interest would also be evident when a street construction project in area provided a good opportunity for that proactive maintenance or line replacement.

Mr. Stenlund advised that participation in this program would come into play with the City's I & I issues and requirements of the city by the Metropolitan Council to respond to and reduce that sanitary infiltration and inflow. If residents were not incented to be proactive in lining their sanitary lines, those cracked lines would continue to seep into the groundwater. However, Mr. Culver noted that the issue could still be resolved by implementing a point-of-sale requirement such as done by the City of Golden Valley and other municipalities. Mr. Culver advised that the city could work toward that even with this program in place and provide a financial savings to residents as well as easing their peace of mind. As Ms. Shiwarski stated, Mr. Culver agreed that the city was the first call made by a resident. Mr. Culver expressed his interest in taking this recommendation from the PWETC to the City Council to get their initial feedback.

Chair Stenlund reiterated his agreement that this would take away any incentive for residents to address their aging lateral infrastructure issues.

Ms. Shiwarski offered to provide Mr. Culver a report with information from various cities on I & I issues, showing residents are actually more proactive when having this warranty coverage. While it may be a slow leak and fear a large bill for repairs, Ms. Shiwarski noted the warranty program provided them with protection in place without deductible or service fees in addition to that coverage.

Ayes: 7

Nays: 0

Motion carried.

Given this action, Mr. Culver asked if the PWETC wished to continue their discussion of lateral line ownership yet tonight. If this program is made available for residents, Mr. Culver noted it removed the risk of where that ownership ends. Mr. Culver noted Member Seigler's previous suggestion to cap costs to take care of the far side and near side issues through setting a cap at a certain limit or slightly above it and still provide some protection

to residents. Mr. Culver noted this would require a cost for the city and impact utility rates accordingly to offer such a cap. While it wouldn't cover the total costs of such a program, Mr. Culver suggested municipal revenue royalties from such an insurance program could serve to offset those costs.

Chair Stenlund stated he was not prepared to talk about an inspection cap at the property line any more at this time.

Member Cihacek stated that this remained his pet project and that he remained interested in pursuing potential bid alternatives in neighborhoods under construction for those residents desiring such an option, and for new construction moving forward but not old residences. With this program, Member Cihacek stated he was less concerned, as clean-up could be taken care of over time; but agreed to tabling further conversation on it until February or March of 2016 to review this program first to determine how well it would perform. However, Member Cihacek opined it provided a good solution for many of Roseville's residents and the aging infrastructure throughout the community.