

Agenda Date: 10/15/2019

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

George Gabriel, Senior Management Analyst

SUBJECT:

Consider Endorsing the National League of Cities Service Line Warranty Program and Marketing Agreement to Offer Emergency Repair/Replacement Plans to Address Private Sewer and Water Infrastructure (City Manager Moe).

a) DISCUSS AND PROVIDE DIRECTION

b) ADOPT RESOLUTION NO. 19-0098

RECOMMENDATION:

Staff recommends that the City Council: a) receive a presentation on the National League of Cities (NLC) Service Line Warranty Program that offers emergency repair/replacement plans for private sewer and water infrastructure; and b) discuss and provide direction on endorsing the NLC Service Line Warranty Program. Should the City Council direct staff to endorse the program, the City Council may adopt Resolution No. 19-0098 authorizing the City Manager to enter into an initial three-year marketing agreement with Utility Service Partners, Inc. with additional one-year renewal options.

FISCAL IMPLICATIONS:

There are no fiscal implications associated with endorsing the NLC Service Line Warranty Program. However, should the City Council opt to enter into a royalty agreement, staff estimates it may generate \$10,000 - \$20,000 in revenue over a three-year period.

BACKGROUND:

At the February 5, 2019, City Council meeting, Mayor Pro Tem Montgomery, supported by Mayor Hersman, requested that a service line warranty program be agendaized for discussion at a future City Council meeting for residents who wish to purchase water, sewer and plumbing insurance. It should be noted that this request was submitted prior to the City's new three-step agenda process requiring a majority of Council to approve future agenda items.

Formed in 2003, Service Line Warranties of America Inc., a subsidiary of Utility Service Partners (USP), Inc., offers an insurance policy to residential property owners that covers the cost to repair or replace their utility service lines (the "Program"). The Program was endorsed by the NLC in 2010 and through this partnership; the Program has been implemented in more than 500 cities located in 42 states.

The Service Line Warranty Program began serving California Cities in 2012. Cities have the ability to sign a partnership agreement with USP, to offer a low-cost warranty program to residents. California cities that are current partners in the Program include: Culver City, Laguna Beach, Claremont, West Covina and San Diego.

For the purposes of this program, a service line is the water pipe or sanitary sewer lateral pipe that connects from a building to the main that serves an area. Service line pipes are buried and are typically located outside a building. Residential property owners may be unaware that repair or replacement of their utility service lines are their responsibility. The Service Line Warranty Program offers residential property owners the option to insure water and sewer lines that the City is not responsible for (between the public connection and the exterior of the home). Additionally, the Program offers insurance on in-home plumbing lines.

The Water Line Warranty provides coverages of up to \$8,500 for each water line repair, and residents pay a \$6.75 monthly fee. Additionally, a discount of \$5.00 is available on the total annual cost if a resident pays for a full year in advance.

The Sewer Line Warranty provides coverage of up to \$8,500 for each sewer line repair. Residents pay a \$9.75 monthly fee. Additionally, a discount of \$5.00 is available on the total annual cost if a resident pays for a full year in advance.

The In-Home Plumbing Warranty provides coverage of up to \$3,000 for each in-home repair. Residents pay a \$9.99 monthly fee. Additionally, a discount of \$4.89 is available on the total annual cost if a resident pays for a full year in advance.

Residents may cancel the warranty or warranties at any time.

DISCUSSION:

As mentioned earlier in the report, several cities in California have endorsed the NLC Service Line Warranty Program. Cities have indicated that the Program offered important educational outreach that notified residents that they were responsible for their utility service lines and offered them the opportunity to participate in the voluntary program.

Should City Council direct staff to endorse the NLC Service Line Warranty Program, staff and USP have prepared two different marketing agreements for City Council consideration and approval.

Both marketing agreements with USP are for an initial term of three years, with additional one-year renewal options. The agreement provides USP to:

- Utilize the City's name and logo on letterhead and marketing materials to be sent to

- residential property owners;
- Authorize marketing of the Program (up to three (3) times per year, maximum of six (6) mailings per year); and
- Receive the City's review and approval prior to sending any letter.

Attached for reference is a sample letter USP would send each resident, which outlines the City's endorsement, followed by a reminder letter two weeks later. USP only solicits through direct mail and does not tele-market. The City would be considered a co-branded partner and would provide the name of a City official who will sign the solicitation letter.

Upon City Council direction, the City may elect to enter into a royalty agreement to cover the cost of staff time dedicated to review program materials. The royalty agreement allows revenue sharing between the City and USP. In the royalty agreement, the City may elect to receive a \$.75 cent stipend per customer enrolled in a water/sewer line policy over the three-year agreement. Staff estimates it may generate \$10,000 - \$20,000 in revenue if the City elects to receive a stipend.

If the City Council does not elect to receive the stipend, USP offers a non-royalty agreement that offers zero revenue sharing but reduces USP's water/sewer line insurance costs by \$.75 cent per month (equivalent to the stipend). USP indicates that about 65% of their California partners chose the non-royalty program so they can pass along the savings and give residents the lowest monthly price when they enroll.

CONCLUSION:

Staff recommends that the City Council discuss and provide direction to staff on whether the City should endorse the National League of Cities Service Line Warranty Program and whether the City should enter into a royalty or non-royalty marketing agreement. Should the City Council direct staff to endorse the program, the City Council may adopt Resolution No. 19-0098 authorizing the City Manager to enter into an initial three-year royalty or non-royalty marketing agreement with Utility Service Partners, Inc. with additional one-year renewal options.

LEGAL REVIEW:

The City Attorney has reviewed this staff report and determined that no legal analysis is required.

ATTACHMENTS:

1. Resolution No. 19-0098
2. Agreement - Utility Service Partners Private Label Inc. (Royalty)
3. Agreement - Utility Service Partners Private Label Inc. (Non - Royalty)
4. Sample Marketing Material
5. NLC Warranty Line Information Pamphlet
6. National League of Cities Endorsement Letter
7. Utility Service Partners PowerPoint Presentation

RESOLUTION NO. 19-0098

A RESOLUTION OF THE MANHATTAN BEACH CITY COUNCIL APPROVING AN AGREEMENT BETWEEN THE CITY OF MANHATTAN BEACH AND UTILITY SERVICE PARTNERS PRIVATE LABEL INC., FOR MARKETING SERVICES THAT OFFER EMERGENCY REPAIR/REPLACEMENT PLANS TO ADDRESS PRIVATE SEWER AND WATER INFRASTRUCTURE

THE MANHATTAN BEACH CITY COUNCIL HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The City Council hereby approves the Agreement between the City of Manhattan Beach and Utility Service Partners Private Label Inc., dated October 15, 2019, for marketing services that offer emergency repair/replacement plans to address private sewer and water infrastructure.

SECTION 2. The Council hereby directs the City Manager to execute the Agreement on behalf of the City.

SECTION 3. The City Clerk shall certify to the passage and adoption of this resolution.

ADOPTED on October 15, 2019.

AYES:

NOES:

ABSENT:

ABSTAIN:

NANCY HERSMAN
Mayor

ATTEST:

LIZA TAMURA
City Clerk

MARKETING AGREEMENT

This MARKETING AGREEMENT ("Agreement") is entered into as of October 15, 2019 ("**Effective Date**"), by and between the City of Manhattan Beach, California ("**City**"), and Utility Service Partners Private Label Inc., a Delaware corporation, d/b/a SLWA Insurance Services ("**Company**"), 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 residing in the City ("**Residential Property Owner**"); and

WHEREAS, City desires to offer Property Owners the opportunity, but not the obligation, to purchase a service plan and other similar products set forth in Exhibit A or as otherwise agreed in writing from time-to-time by the Parties (each, a "**Product**" and collectively, the "**Products**"); and

WHEREAS, Company, a subsidiary of HomeServe USA Corp., is the administrator of the National League of Cities Service Line Warranty Program and has agreed to make the Products available to 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:

1. **Purpose.** City hereby grants to Company the right to offer and market the Products to Residential Property Owners subject to the terms and conditions herein.
2. **City Obligations.** City hereby grants to Company a non-exclusive license ("**License**") to use City's name and logo on letterhead and marketing materials to be sent to Residential Property Owners from time to time, and to be used in advertising (including on the Company's website), all at Company'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 Company during the Term and any Renewal 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 renew upon City Manager approval and mutual agreement of the parties, for additional one (1) year terms ("**Renewal Term**") unless one of the Parties gives the other written notice at least ninety (30) 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 Company is in material

breach of this Agreement, the City may terminate this Agreement thirty (30) days after giving written notice to Company of such breach, if said breach is not cured during said thirty (30) day period. Company 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.

4. **Consideration.** As consideration for such license, Company will pay to City a License Fee as set forth in Exhibit A ("**License Fee**") during the Term of this Agreement. The first payment shall be due by January 30th of the year following the conclusion of the first year of the Term. Succeeding License Fee payments shall be made on an annual basis throughout the Term, due and payable on January 30th of the succeeding year. City agrees to provide a completed Form W-9 to Company in order to facilitate proper payment 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 Company'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. **Confidentiality.** Each party will treat all non-public, confidential and trade secret information received from the other party as confidential, and such party shall not disclose or use such information in a manner contrary to the purposes of this Agreement. Notwithstanding the foregoing, the City shall not be liable for any disclosure of confidential information that is required to be disclosed under any applicable public records act or under court order. City shall provide notice to Company prior to any such disclosure.

6. **Code Change.** The Parties understand that the pricing of the Products and compensation provided for in this Agreement are based upon the currently applicable City, municipal or similar codes. In the event Company discovers a code change, Company shall have the ability to reassess the pricing in this Agreement.

7. **Indemnification.** To the fullest extent permitted by law, Company 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 third party claims, damages, losses, expenses, suits, actions, decrees, judgments, awards, reasonable 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 arising out of any breach of this Agreement by the Company, or any negligent or fraudulent act or omission of the Company or its officers, employees, contractors, subcontractors, or agents in the performance of services under the Products provided that the applicable Indemnatee notifies Company of any such Claim within a time that does not prejudice the ability of Company to defend against such Claim. Company further agrees to and shall, upon demand of City, at Company's sole cost and expense, defend (with attorneys acceptable to the City), the Indemnatee against any claims, actions, or suits, arising or resulting from the performance of services under this agreement. 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.

8. **Notice.** Any notice or other communication required or permitted under this Agreement shall be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by courier service during Company's and City's regular business hours, (c) sent by electronic mail (provided confirmation of receipt is provided by the receiving Party) or (d) three Business Days after deposit in the United States mail (i.e. USPS or FedEx), by first class mail, postage prepaid, and addressed to the Party to be notified as set forth below:

To: City:
ATTN: Bruce Moe
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, CA 90266
Email: bmoe@citymb.info
Phone: (310) 802-5053

To: Company:
ATTN: Chief Sales Officer
SLWA Insurance Services
4000 Town Center Boulevard, Suite 400
Canonsburg, PA 15317
Phone: (866) 974-4801

9. **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.

10. **Assignment.** This Agreement and the License granted herein may not be assigned by Company other than to an affiliate or an acquirer of all or substantially all of its assets, without the prior written consent of the City.

11. **Counterparts/Electronic Delivery; No Third Party Beneficiary.** 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 e-mail and upon receipt will be deemed originals and binding upon the Parties hereto, regardless of whether originals are delivered thereafter. Nothing expressed or implied in this Agreement is intended, or should be construed, to confer upon or give any person or entity not a party to this agreement any third-party beneficiary rights, interests, or remedies under or by reason of any term, provision, condition, undertaking, warranty, representation, or agreement contained in this Agreement.

12. **Choice of Law/Attorney Fees.** The governing law shall be the laws of the State of

California. 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.

13. **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.

[Signature Page Follows]

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

City:

City of Manhattan Beach,
a California municipal corporation

Company:

SLWA Insurance Services
a Utility Service Partners Private Label Inc.,

By: _____

Name: Bruce Moe
Title: City Manager

By: _____

DocuSigned by:
Michael Backus
59C95FEDA3C044A...
Name: Michael Backus
Title: Chief Sales Officer

ATTEST:

By: _____

Name: Liza Tamura
Title: City Clerk

APPROVED AS TO FORM:

By: _____

Name: Quinn M. Barrow
Title: City Attorney

APPROVED AS TO CONTENT:

By: _____

Name: Steve S. Charelian
Title: Finance Director

Exhibit A
NLC Service Line Warranty Program
City of Manhattan Beach
Term Sheet
October 15, 2019

I. Initial Term. Three years

II. License Fee. \$0.75 per Product for each month that a Product is in force for a Property Owner (and for which payment is received by Company), aggregated and paid annually, for:
City logo and name on letterhead, advertising, signature line, billing and marketing materials.

III. Products.

- a. External water service line plan (initially, \$6.75 per month)
- b. External sewer/septic line plan (initially, \$9.75 per month)
- c. Interior plumbing and drainage plan (initially, \$9.99 per month)

IV. Fees. Company may adjust the foregoing Product fees; provided, that any such adjustment shall not exceed \$.50 per month in any 12-month period, unless otherwise agreed by the Parties in writing.

V. Scope of Coverage.

- a. External water service line plan:
 - Property Owner responsibility: From the meter and/or curb box to the external wall of the home.
 - Covers well service lines if applicable.
- b. External sewer/septic line plan:
 - Property Owner responsibility: From the external wall of the home to the main.
 - Covers septic lines if applicable.
- c. Interior plumbing and drainage plan:
 - Water supply pipes and drainage pipes within the interior of the home.

VI. Marketing Campaigns. Company shall have the right to conduct up to three campaigns per year, comprised of up to six mailings and such other channels as may be mutually agreed. Initially, Company anticipates offering the Interior plumbing and drainage plan Product via in-bound channels only.

MARKETING AGREEMENT

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RECITALS:

WHEREAS, sewer and water line laterals between the mainlines and the connection on residential private property are owned by individual residential property owners residing in the City ("**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 set forth in Exhibit A or as otherwise agreed in writing from time-to-time by the Parties (each, a "**Product**" and collectively, the "**Products**"); and

WHEREAS, Company, a subsidiary of HomeServe USA Corp., is the administrator of the National League of Cities Service Line Warranty Program and has agreed to make the Products available 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:

1. **Purpose.** City hereby grants to Company the right to offer and market the Products to Residential Property Owners subject to the terms and conditions herein.
2. **Grant of License.** City hereby grants to Company a non-exclusive license ("**License**") to use City's name and logo on letterhead and marketing materials to be sent to Residential Property Owners from time to time, and to be used in advertising (including on the Company's website), all at Company'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 Company during the Term and any Renewal 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 renew for additional one (1) year terms upon City Manager approval and mutual agreement of the parties, ("**Renewal Term**") unless one of the Parties gives the other written notice at least ninety (30) 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 Company is in material breach of this Agreement, the City may terminate this Agreement thirty (30) days after giving written notice to Company of such breach, if said breach is not cured during said thirty (30) day period.

Company 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.

4. **Indemnification.** To the fullest extent permitted by law, Company 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 third party claims, damages, losses, expenses, suits, actions, decrees, judgments, awards, reasonable 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 arising out of any breach of this Agreement by the Company, or any negligent or fraudulent act or omission of the Company or its officers, employees, contractors, subcontractors, or agents in the performance of services under the Products provided that the applicable Indemnatee notifies Company of any such Claim within a time that does not prejudice the ability of Company to defend against such Claim. Company further agrees to and shall, upon demand of City, at Company's sole cost and expense, defend (with attorneys acceptable to the City) the Indemnatee against any claims, actions, or suits, arising or resulting from the performance of services under this agreement. 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.

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To: City:
 ATTN: Bruce Moe
 City of Manhattan Beach
 1400 Highland Avenue
 Manhattan Beach, CA 90266
 Phone: (310) 802-5053
 Email: bmoe@citymb.info

To: Company:
 ATTN: Chief Sales Officer
 SLWA Insurance Services
 4000 Town Center Boulevard, Suite 400
 Canonsburg, PA 15317
 Phone: (866) 974-4801

6. **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.

7. **Assignment.** This Agreement and the License granted herein may not be assigned by Company other than to an affiliate or an acquirer of all or substantially all of its assets, without the prior written consent of the City.

8. **Counterparts/Electronic Delivery; No Third Party Beneficiary.** 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. Nothing expressed or implied in this Agreement is intended, or should be construed, to confer upon or give any person or entity not a party to this agreement any third-party beneficiary rights, interests, or remedies under or by reason of any term, provision, condition, undertaking, warranty, representation, or agreement contained in this Agreement.

9. **Choice of Law/Attorney Fees.** The governing law shall be the laws of the State of California. 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.

10. **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.

[Signature Page Follows]

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

City:

City of Manhattan Beach,
a California municipal corporation

Company:

SLWA Insurance Services
a Utility Service Partners Private Label Inc.,

By: _____

Name: Bruce Moe
Title: City Manager

By: _____

DocuSigned by:

Michael Backus

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Name: Michael Backus
Title: Chief Sales Officer

ATTEST:

By: _____

Name: Liza Tamura
Title: City Clerk

APPROVED AS TO FORM:

By: _____

Name: Quinn M. Barrow
Title: City Attorney

APPROVED AS TO CONTENT:

By: _____

Name: Steve S. Charelian
Title: Finance Director

Exhibit A
NLC Service Line Warranty Program
City of Manhattan Beach
Term Sheet
October 15, 2019

I. Initial Term. Three years

II. License Conditions.

- a. City logo on letterhead, advertising and marketing materials
- b. Signature by City official

III. Products.

- a. External water service line warranty (initially, \$6.00 per month)
- b. External sewer/septic line warranty (initially, \$9.00 per month)
- c. Interior plumbing and drainage warranty (initially, \$9.49 per month)

IV. Fees

Company may adjust the foregoing Product fees; provided, that any such adjustment shall not exceed \$.50 per month in any 12-month period, unless otherwise agreed by the Parties in writing.

V. Scope of Coverage.

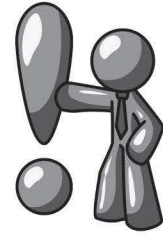
- a. External water service line warranty:
 - Homeowner responsibility: From the meter and/or curb box to the external wall of the home.
 - Covers well service lines if applicable.
- b. External sewer/septic line warranty:
 - Homeowner responsibility: From the exit point of the home to the main.
 - Covers septic lines if applicable
- c. Interior plumbing and drainage warranty:
 - Water supply pipes and drainage pipes within the interior of the home.

VI. Marketing Campaigns. Company shall have the right to conduct up to three campaigns per year, comprised of up to six mailings and such other channels as may be mutually agreed. Initially, Company anticipates offering the Interior plumbing and drainage warranty Product via in-bound channels only.



City of Culver City Official Courtesy Notification

Warranty to Cover the Cost to Repair or Replace Your Utility Service Line



Customer Name
Customer address 1
Customer address 2
City, state zip code

April XX, 2015

Dear Property Owner:

A private utility service line is the water or sanitary sewer pipe that runs between the public utility connection and the home's exterior. Typically, these pipes are located outside and buried underground. Many residential property owners are unaware that repair or replacement of their utility service lines are their responsibility.

As a sewer line ages, the mortar used to bind its joints loosens, becomes brittle, and may flake away inviting dirt and tree roots to enter the pipe and create blockages. Water pipes are continuously under pressure and may leak or fail over time due to their age.

On March 9, the City Council of Culver City approved an agreement with Service Line Warranties of America (SLWA) to offer utility service line warranties to qualified residential property owners. In May 2015, SLWA will be mailing warranty offer letters introducing the program to Culver City homeowners. SLWA is a subsidiary of Utility Service Partners, who was endorsed by the National League of Cities in 2010. Through the National League of Cities partnership, the warranty program has been implemented in over 240 cities across the country. SLWA maintains an A+ rating with the Better Business Bureau and in 2013, received the BBB Torch Award for Marketplace Ethics in western Pennsylvania, which is where they are headquartered.

The purpose of this notice is to answer frequently asked questions about the program prior to its launch.

Is the City requiring me to purchase an SLWA warranty?

No, participation is voluntary. Purchase of an SLWA utility line warranty to cover the cost of repairs to a broken, leaking or a clogged water or sewer line located on your property is at the homeowner's discretion. By entering into the agreement with SLWA, the City's intent is to educate property owners that they are responsible for their utility service lines and to provide them an opportunity to purchase repair coverage from a reputable company.

How much does it cost to repair a utility service line that fails?

SLWA estimates can range from hundreds to upwards of \$3,500 per repair incident depending on the extent of the repair required.

How much is covered by the policy?

For water, the policy covers up to \$4,000 with no deductible and if necessary, an additional \$500 to cover the cost of public sidewalk construction.

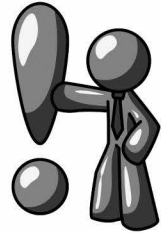
For sewer, the policy covers up to \$4,000 with no deductible and if necessary, an additional \$4,000 to cover the cost of public sidewalk and street construction.

Typically, the warranties cover repairs due to normal wear and tear for the portion of the outside utility line that runs between the public utility connection and the exterior of the home.



**City of Culver City
Official Courtesy Notification**

**Warranty to Cover the Cost to
Repair or Replace Your Utility Service Line**



Who would perform the work?

SLWA is in the process of adding licensed, insured and qualified local plumbers to their Contractor Network who will perform the repairs.

What does an SLWA policy cost?

An annual water line warranty costs \$76 and an annual sewer line warranty is \$112.

How do I contact SLWA if I have more questions?

Residents should call 1-855-535-7141, visit slwofa.com or email service@slwofa.com with questions about the program or to enroll.

Who do I contact at the City of Culver City if I have more questions?

Joe Susca, Public Works-Senior Management Analyst at joe.susca@culvercity.org or by phone at 310-253-5636.

NLC Service Line Warranty Program Overview

What We Do

The NLC Service Line Warranty Program offers affordably priced emergency repair/replacement plans to address aging private sewer and water infrastructure. Customers call to receive prompt emergency repairs provided by local, licensed and insured contractors.



Water Line



Sewer Line



Interior Plumbing

Benefits to Homeowners

Many homeowners are not aware of their responsibility for their service lines until they have a repair emergency. When they call the city, they often find that they are faced with a costly repair and that the city can't help them. Over the past three years, we have performed over 1.2 million repairs, saving our customers over \$394 million!



Convenience

- 24/7/365 claims hotline, including holidays
- No need to search for a qualified contractor in an emergency



Peace of Mind/Trust

- Fully vetted, licensed and insured local contractors
- Covered repairs guaranteed for one year



Financial Protection

- No deductibles or trip fees
- Affordably priced coverage
- 30-day money-back guarantee with ability to cancel at any time

Over 500

partners across North America participate in the program!



For more information contact:

1-866-974-4801 or
partnerships@utilitysp.net

City Council Meeting
October 15, 2019


NLC NATIONAL
LEAGUE
OF CITIES
CITIES STRONG TOGETHER

Administered by



**Utility
Service**
Partners, Inc.
a HomeService company

Page 354 of 424


City of Manhattan Beach



we promise

Bill Coffey
 503-597-9171
Bill.Coffey@homeserveusa.com






Service Line Warranty Program

WHY CHOOSE UTILITY SERVICE PARTNERS?



EXPERIENCE



REPUTATION



PARTNERSHIP



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



This award underscores one of the primary reasons the National League of Cities selected USP as a partner and extended our agreement for another five years. The organization's exemplary record of customer service and transparency is what has driven the success of this partnership over the years.

— Clarence Anthony, Executive Director
 National League of Cities

PAGE 1

OUR SERVICE AND WHAT IT COVERS



INTERIOR PLUMBING AND DRAINAGE

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, deductibles, service fees, forms, or paperwork
- 24/7/365 availability and repairs are made only by licensed, local area contractors
- Affordable monthly rates – Royalty Program is \$9.99; Non-Royalty is \$9.49
- Multiple payment methods

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MARKETING APPROACH

- No Public Funds are used in marketing, distribution, or administration of the program.
- Only market by direct mail, no telemarketing
- Would never mail without your review and approval of marketing material before each and every campaign
- Limited mailing campaigns per year
- Consumer friendly marketing with 98% customer satisfaction rate
- Always voluntary for the homeowner
- Consumers can enroll one of three ways:
 - Calling into our toll free number that is provided on the mailing.
 - Returning the bottom of the letter to us in the self addressed stamped envelope provided
 - Visiting our consumer website www.slwofa.com at any time

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PROGRAM SUCCESS & NOTES

- NLC Program could bring in an estimated \$32,760-\$49,140 per year based on 7% of 52,000 households enrolling and 1-1.5 active policies per household.
- Currently serving over 3.4 million customers in U.S. - over 400,000 customers and 600,000 active policies in California; 85 contractors in our California local network.
- Handled over 1.2 million claims in the last 3 years saving customers over \$394 million in repair costs. In the last 12 months, we performed over 23,000 repairs in California, saving homeowners over \$12 million in repair costs and 371 million gallons of water in 2015.
- 97% claim approval rating
- 99.6% claims satisfaction rate
- Outstanding 98% post-claim customer satisfaction scores
- 9 of every 10 customers surveyed would recommend the program to friends, family, and neighbors

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Recent Harris Poll results (2000 adults surveyed)

- Nearly 2 in 5 Americans don't have the necessary funds set aside to cover a \$500 repair (including almost half of millennials)
- 1 in 2 Americans describe their current state of household finances as either fair, poor, or terrible.
- 3 in 10 Americans aged 37+ cited they had no money set aside for emergency repairs.
- 46% of respondents had an emergency repair in the last 12 months.
- 80% of respondents either strongly or somewhat agreed with the statement: *Local community governments should be responsible for educating homeowners about external water lines on their property that are not covered by homeowners' insurance, the city/town or the local utility (i.e., meaning that if a problem were to occur, the homeowner would be solely responsible for the cost out of pocket).*

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WHY CHOOSE

to partner with the

NLC Service Line Warranty Program?



- ▲ At no cost to the city, the Program offers affordable protection for in-home plumbing and external water and sewer lines that will cover the cost of repairing leaks, breaks and clogs.
- ▲ The program features generous coverage amounts, and there is never a service fee or deductible. There are no annual or lifetime limits — just peace of mind for the homeowner.
- ▲ Contractors dispatched to the homeowner's residence undergo a rigorous background check before being accepted into the network.
- ▲ Contractors are local to the community to help keep money in the local economy.

RECOGNITION & ACKNOWLEDGEMENTS



- ▲ Maintained a customer satisfaction rating of greater than **98%** for more than a decade.
- ▲ **9 of 10** surveyed customers have recommended the program to friends, family and neighbors.
- ▲ Over **97%** of submitted claims are approved.
- ▲ 2014 **Pennsylvania Municipal League** Business/Community Partnership Award recipient.
- ▲ 2013 winner of the Western Pennsylvania **Better Business Bureau** Torch Award for Marketplace Ethics.



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



a HomeServe Company

Dear City Official,

For the last eight years, the National League of Cities (NLC) has been pleased to partner with Utility Service Partners (USP), a HomeServe Company, in offering the NLC Service Line Warranty Program. During this time:

- **The program has grown to serve more than 500 municipalities and over 400,000 customers.**
- **Homeowners have saved more than \$64 million in repair costs since the program's inception.**

Offered at no cost to cities, the NLC Service Line Warranty Program educates homeowners about their service line responsibilities and offers affordable protection for unanticipated, and often costly, repairs to broken or leaking water and sewer lines.

"To date Newark homeowners have saved over \$650,000 in repair costs. We have also been given positive feedback from citizens who have not chosen to purchase the warranty but still appreciate the City providing information."

-Mildred Crump, Council President, Newark, NJ

In addition to offering important coverage to residents, the program makes financial sense for the city, providing a non-tax revenue stream that can be dedicated to a number of important initiatives. Additionally, the program keeps dollars in the local economy by utilizing local contractors to execute the repairs.

NLC is working to bring you programs that provide solutions backed by superior service. We are here to help cities participate and ensure the program works for you. I strongly encourage you to consider the NLC Service Line Warranty Program for your city.

"I think it is such a wonderful plan the City came up with. It has been very beneficial to me. It gives me a sense of relief knowing I have help."

-David S., Resident, Tulsa, OK

For more information, please contact Katie Colten at kcolten@nlc.org or 202-626-3160. To learn more about the program, visit the Service Line Warranty section of our website.

Sincerely,



Clarence E. Anthony
CEO & Executive Director
National League of Cities

City of Manhattan Beach



we promise

Bill Coffey

503-597-9171

Bill.Coffey@homeserveusa.com

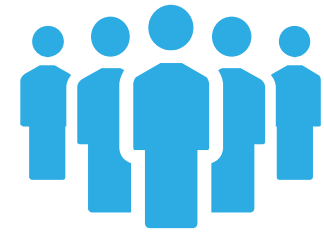
WHY CHOOSE UTILITY SERVICE PARTNERS?



EXPERIENCE



REPUTATION



PARTNERSHIP



**BBB Torch Award for
Marketplace Ethics**

Trust • Performance • Integrity

2013 Winner
Western Pennsylvania Better Business Bureau®



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— Clarence Anthony, Executive Director
National League of Cities

Service Line Warranty Program

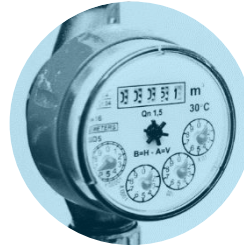
PROGRAM BENEFITS

- Only Service Line Program endorsed by the National League of Cities
- Helps address the public policy issue of aging infrastructure
- No cost for the City of Manhattan Beach to participate – Turnkey approach
- Free Public Awareness Campaign
- Educates homeowners about their lateral line responsibilities
- Peace of mind - with one toll-free call a reputable plumber is dispatched
- All repairs performed to code by local-area licensed contractors
- Contractors undergo a rigorous vetting process to ensure quality service
- Can offer an ongoing revenue stream – a 10% enrollment after 3 years of
 $14,453 \text{ HH} = 1,445 \text{ customers} \times 1.5 \text{ policies} \times \$9/\text{yr.} = \$19,507 \text{ per year}$

OUR SERVICE AND WHAT IT COVERS



SEWER/SEPTIC LATERAL
COVERAGE



WATER/WELL LINE
COVERAGE

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 \$8,500 coverage per repair incident (includes public street & sidewalk cutting)
- No annual or lifetime limits, deductibles, service fees, forms, or paperwork
- 24/7/365 availability and repairs are made only by local-area licensed contractors
- Affordable monthly rates, multiple payment methods and can cancel at any time
- Non-Royalty Program is \$9.00 per mo. sewer line and \$6.00 per mo. water line
- Royalty Program is \$9.75 per mo. sewer line and \$6.75 per mo. water line

OUR SERVICE AND WHAT IT COVERS




INTERIOR PLUMBING AND DRAINAGE

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
- Includes coverage for broken or leaking water, sewer, or drain lines under the slab or basement floor. Also covers repair of clogged toilets.
- No annual or lifetime limits, deductibles, service fees, forms, or paperwork
- 24/7/365 availability and repairs are made only by local-area licensed contractors
- Affordable monthly rates – Non-Royalty Program is \$9.49 mo.; Royalty is \$9.99 mo.
- Multiple payment methods and can cancel at any time

MARKETING APPROACH

- No Public Funds are used in marketing, distribution, or administration of the program.
 - Only market by direct mail - no telemarketing or door to door
 - Would never mail without your review and approval of marketing material before each and every campaign
 - Limited to 3 mailing campaigns per year
 - Participation is always voluntary for the homeowner
 - Marketing clearly states city does not provide program
- 
- Consumers can enroll one of three ways:
 - Calling into our toll free number that is provided on the mailing;
 - Returning the bottom of the letter to us in the self addressed stamped envelope provided
 - Visiting our consumer website www.slwofa.com at any time

OVER 650 PARTNERS IN 42 STATES

Alabama
Arkansas
Arizona
California
Colorado
Connecticut
Florida
Georgia
Iowa
Idaho
Illinois
Indiana
Kansas
Kentucky

Louisiana
Maryland
Maine
Massachusetts
Michigan
Minnesota
Missouri
Montana
North Carolina
Nebraska
New Jersey
New Mexico
New York
Nevada

Ohio
Oklahoma
Oregon
Pennsylvania
South Carolina
South Dakota
Tennessee
Texas
Utah
Virginia
Washington
West Virginia
Wisconsin
Wyoming



27 CALIFORNIA PARTNERS

City of Chula Vista

City of Claremont

City of Culver City

City of Daly City

City of Fillmore

City of Laguna Beach

City of La Habra

City of La Puente

City of Lemon Grove

City of Perris

City of Port Hueneme

City of Rialto

City of San Bruno

City of San Diego

City of Vallejo

City of West Covina

Town of Yountville

Alameda County Water District

California Water Service Company

Contra Costa Water District

Diablo Water District

Dublin San Ramon Water District

Golden State Water Company

Great Oaks Water Company

Liberty Utilities

San Jose Water Company

West Bay Sanitary District

PROGRAM SUCCESS & NOTES

- We have over 650 partnerships; over 4 million customers and service over 7 million service contracts.
- Over the last 3 years, we have completed over 1.3 million repairs for our customers and saved over \$454 million in repair costs. On average, over the last year we completed a job every 49 seconds.
- Excellent 97% claim approval rating.
- We have received a 4.8 out of 5 star rating from customers receiving service.
- 9 of every 10 customers surveyed would recommended the program to friends, family, and neighbors.

Recent Harris Poll results (2000 adults surveyed)

- Nearly 2 in 5 Americans don't have the necessary funds set aside to cover a \$500 repair (including almost half of millennials.)
- 1 in 2 Americans describe their current state of household finances as either fair, poor, or terrible.
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Q & A