



AGENDA FOR THE WATER & SEWER COMMITTEE MEETING

April 30, 2019

7:00 p.m.

1. Budget Review
 - **Operating Budget FY 2020**
 - **Capital Improvements Program (CIP)**
2. **Review and Recommendation on NLC Service Line Program**
3. Project Updates
 - Main Street Waterline
 - Reservoir – Ground Storage Tank
 - Sanitary Sewer Line Replacement – Walnut Street to South Jefferson Street

TOWN OF MIDDLETOWN
Water Sewer Operating Budget
FY 2020

	AUDIT FY 2015	AUDIT FY 2016	AUDIT FY 2017	Budget FY 2018	AUDIT FY 2018	Budget FY 2019	Draft Budget FY 2020	Explanation
Operating Revenue								
Water Revenue	557,826	587,860	600,572	608,726	607,180	624,139	623,593	2% RATE INCREASE
Sewer Revenue	557,502	584,783	598,261	603,153	602,269	616,076	627,213	2% RATE INCREASE
Penalties and Reconnects	21,311	14,758	21,422	15,252	13,135	22,161	13,584	1.09%
General Fund Grant	102,740	80,000	-	-	-	-	-	
Rain Barrels	1,000	720	-	1,000	-	1,000	1,000	\$40*25
MISC	-	8,627	-	-	-	-	-	
Total Revenue	1,240,379	1,276,748	1,220,255	1,228,131	1,222,584	1,263,377	1,265,389	
Expenses								
Administrative								
Salaries	43,379	36,631	39,206	48,827	28,510	34,407	33,963	4% Salary Increase
Communications	11,178	10,748	12,200	11,742	11,540	11,742	12,409	Average \$1004/Jul-Jan FY19
Postage	10,304	9,226	8,030	9,503	8,013	9,750	8,173	Postage increase from .49 to .50
Office Supplies/Expenses	13,668	10,761	10,848	15,712	12,005	14,000	11,560	Contracts: Harris support 2019 \$3.9k; HadRonex \$1k; WS Bills \$260; LB Maint Agreement \$2.6k; bank fees \$1.8k; Misc \$2k
Professional Services/Legal	16,447	2,512	2,727	2,000	2,717	2,000	9,800	WPN Maintenance Software \$4K; Water Model Update \$3K
Meetings & Seminars	392	350	486	2,500	758	500	3,500	Operator Training for Licenses \$3K
Advertising	994	350	559	500	11,540	500	500	
Uniforms	3,719	3,770	4,119	3,925	5,835	5,068	2,835	New uniform vendor (Ace) - \$52.94 per week plus estimated 3% increase
Dues/Subscriptions/Certifications	3,342	50	420	500	330	500	500	
I&I Principal and Interest	32,498	32,979	29,454	33,099	33,099	32,743	32,927	Loans Tab - 2010 CDA Principal and Interest
Travel/Mileage	-	-	17	200	52	200	200	
Payroll Taxes	21,477	24,113	22,451	27,798	23,483	23,721	22,027	
Insurance								
Property	7,949	9,917	11,172	10,215	8,448	11,848	8,958	3% Increase
Health	36,608	19,348	44,913	53,324	52,216	54,716	37,474	No Doug; Walt - no health insurance; Luke/Dylan non-family
Worker's Compensation	7,858	7,287	8,684	8,980	8,770	9,911	6,616	Workers Comp Worksheet - Estimates based on 4% salary increase, no Doug
Retirement/Pension	19,685	21,550	22,169	29,230	44,256	22,912	11,007	Pension Worksheet Based on 4% salary increase; no Doug; Walt non-participant; Luke/Dylan lower salary
Real Estate Taxes	(22)	292	292	292	292	292	292	
Conservation Environment	5,755	1,600	-	2,000	75	1,000	2,000	Rain Barrels \$80*25
Vehicle/Equipment Expenses	11,138	12,259	15,521	20,400	18,521	15,000	23,900	Bruce \$2.9k Truck #10; \$3k Truck #3, Backhoe, Mini Excavator; \$12k Fuel
Total Administrative	246,369	203,743	233,268	280,746	270,460	250,809	228,642	
Water								
Salaries	131,501	150,384	167,083	175,294	170,981	151,440	124,273	Estimate based on 4% Increase; No Doug; Luke/Dylan/Walt lower salaries
Water Distribution								
Supplies	3,468	8,185	5,831	5,500	17,720	5,500	11,000	Chesterbrook meters (6 left); Valve Stock \$2.5k; Misc \$3k
Repairs & Maintenance	48,553	44,802	72,317	18,900	69,984	37,000	51,000	Meter replacement \$5K; Valve Bolt Replacements \$10K; Linden Blvd Hydrant Replacement \$4K
Water Meters	-	-	-	-	-	-	-	
Waterline Break Repairs	3,452	-	182	5,000	1,435	5,000	1,028	5 Year Historical Average
Chemicals	-	233	1,857	500	-	500	500	SALY
Tools & Equipment	933	1,660	6,674	4,105	-	4,000	3,747	5 Year Historical Average
Subtotal	56,406	54,880	86,861	34,005	89,139	52,000	67,275	
Water Plant, Reservoir, Booster, Tower, BS Wellhouse								
Supplies	3,568	1,492	795	2,000	1,323	2,000	1,593	5 Year Historical Average
Repairs & Maintenance	17,211	27,112	39,668	66,700	19,920	37,722	80,765	5 Year Historical Average. Well #10 Reconnection \$9K; pH Sensor \$3.5K; SCADA \$1K; Brookridge WTP Parts \$900
Tank Maintenance Contract	-	-	-	-	-	100,000	20,000	Tank Accrual
Chemicals	21,672	22,512	23,154	9,199	13,114	17,132	26,803	Chemical Use 19 Tab
Tools & Equipment	1,590	-	1,407	2,053	-	1,932	1,101	5 Year Historical Average plus 10 %
Testing & Analysis	11,661	10,783	11,877	14,400	7,562	5,900	8,318	Per Bruce +10% from FY18
SUB-TOTAL	55,702	61,899	76,901	118,168	41,919	164,687	138,580	
Abandoned Well Costs	-	-	-	-	-	-	-	
Water Electric	24,588	23,349	33,368	23,816	39,233	26,561	40,018	

TOWN OF MIDDLETOWN
Water Sewer Operating Budget
FY 2020

	AUDIT FY 2015	AUDIT FY 2016	AUDIT FY 2017	Budget FY 2018	AUDIT FY 2018	Budget FY 2019	Draft Budget FY 2020	Explanation
TOTAL WATER	243,609	267,163	330,845	327,467	341,272	394,688	370,145	
Sewer								
Salaries	120,064	128,101	127,311	134,998	144,908	115,933	106,305	Estimate based on 4% Increase; No Doug; Luke/Dylan/Walt lower salaries
Sewer Collection System								
Conebranch Pump Station	19,518	34,851	22,062	18,500	26,474	12,618	14,445	Chemicals 20 - \$6.640; MISC \$4k; Generator Contract \$790; ABB Contract \$515; Genset Maintenance \$1K
Brookridge South Pump Station	11,153	10,465	5,421	10,779	3,844	4,000	8,932	Chemicals 20 - \$5712; Generator \$720; Misc \$2.5k
Foxfield Pump Station	6,348	6,973	5,692	6,500	5,574	12,500	2,637	Chemicals 20 - \$1462; Generator \$675; Misc \$500
Sanitary Sewer Lines/Manholes	17,484	45,670	4,582	25,000	37,559	22,080	28,522	5 Year Historical Average; Accrual \$9k; Sewer Router Replacement Parts \$4K
I & I Accrual	75,000	75,000	75,000	75,000	75,000	75,000	75,000	
Subtotal	129,503	172,959	112,757	135,779	148,451	126,198	129,536	
East WWTP								
Parts & Supplies	6,325	7,069	2,598	6,352	3,726	5,581	5,576	5 Year Historical Average
Repairs & Maintenance	23,354	28,731	22,145	16,600	14,852	12,600	23,100	SALY. Exhaust Fan Replacement \$2.5K; Heater \$3K; Chemical Feed Pump \$3K; Generator Repairs \$2K
Chemicals	28,329	31,766	29,271	33,725	47,650	34,285	44,133	Chemical Use 20 Tab
Mowing	-	-	-	-	-	-	-	
Tools & Equipment	8,091	3,954	1,693	6,090	982	4,500	3,414	5 Year Historical Average
Testing & Analysis	25,170	26,125	30,220	34,187	25,263	36,611	27,789	Per Bruce +10% from FY18
Sludge Hauling Expense	61,642	59,432	45,581	61,800	44,428	55,669	60,336	5 Year Historical Average; Accrual \$9k
Subtotal	152,911	157,077	131,508	184,081	136,901	149,245	164,348	
West WWTP								
Supplies	2,121	2,380	1,624	2,500	1,292	2,500	2,378	5 Year Historical Average
Repairs & Maintenance	20,740	9,796	4,833	2,000	5,289	15,000	17,600	SALY; Weir Flow Meter Replacement \$5K
Chemicals	54,073	54,389	51,684	47,949	51,638	50,531	57,862	Chemical Use 20 Tab
Mowing	-	-	-	-	-	-	-	
Tools & Equipment	756	2,598	1,671	2,510	705	2,766	1,426	5 Year Historical Average
Testing & Analysis	9,106	9,831	11,071	11,649	9,908	10,449	9,908	Per Bruce Worksheet
Sludge Hauling Expense	17,250	17,250	17,250	22,650	17,250	17,250	17,250	Annual Accrual \$17,250
SUB-TOTAL	104,046	96,244	88,133	106,268	86,082	98,496	106,425	
Sewer Electric					92,544	75,000	94,395	
TOTAL SEWER	506,524	554,381	459,709	561,126	608,886	564,872	601,008	
TOTAL OPERATING EXPENSES	996,502	1,025,287	1,023,822	1,169,340	1,220,618	1,210,369	1,199,795	
Contigency Fund				40,927	-	50,303	31,849	10 Year Historical Average
Adjusted Operating Expense		1,025,287	1,023,822	1,210,266	1,220,618	1,260,672	1,231,644	
OPERATING INCOME (LOSS)	243,877	251,461	196,433	17,864	1,966	2,704	33,745	



**Burgess and Commissioners of Middletown
Water & Sewer Capital Improvement Program
FY 20202 - FY 2024**

INCOME	FY '20	FY '21	FY '22	FY '23	FY '24
CASH Reserves	\$800,079	\$875,538	\$433,268	\$427,241	\$760,201
DEBT SERVICE FEE - NEW HOMES	\$160,800				
CAPITAL IMPROVEMENT FEE	\$178,800	\$347,000	\$350,590	\$350,790	\$356,990
Inflow & Infiltration - Reserve Account ^(Footnote #1)	\$200,000		\$125,000		
Sludge Removal - Reserve Account ^(Footnote #2)			\$35,000		
Land Leases	\$195,669	\$202,517	\$209,606	\$216,942	\$224,535
Tap Fees ^(Footnote #3)	\$666,000	\$323,100	\$18,000	\$558,000	\$558,000
State of MD Bay Restoration Fee - Grant					\$1,000,000
Main Street Waterline Loan ^(Footnote #4)	\$853,871				
Reservoir Tank Loan ^(Footnote #5)	\$1,984,146				
Total Revenue	\$5,039,365	\$1,748,156	\$1,171,463	\$1,552,973	\$2,899,726
Debt Service					
EAST WWTP LOAN	\$239,265				
MAIN STREET WATERLINE LOAN ^(Footnote #4)	\$138,165	\$138,165	\$138,165	\$138,165	\$138,165
RESERVOIR TANK LOAN ^(Footnote #5)	\$43,598	\$108,965	\$108,965	\$108,965	\$108,965
Total Debt Service	\$421,027	\$247,129	\$247,129	\$247,129	\$247,129
Net Income	\$4,618,337	\$1,501,026	\$924,334	\$1,305,843	\$2,652,596
Projects					
SYSTEM UPGRADE PROJECTS					
WATER SYSTEM					
Main Street Waterline Program	\$853,871				
Reservoir Improvements - Ground Storage Tank & New Suction Line	\$2,274,095	\$486,666			
Booster Station - Upgrade; Pumps; VFD's; Piping	\$48,500	\$175,000			
Booster Station - Roof Replacement/Building Painting				\$5,000	
PRV Vault Pipe Painting and Cleaning		\$9,000			
New Inspection Vehicle (Subaru)	\$30,000				
Water Meter Replacements	\$34,333	\$22,093	\$22,093	\$15,642	\$14,983
WASTEWATER SYSTEM					
West WWTP - Curtain Replacement	\$25,000		\$80,000		
West WWTP - Plug Valve Replacement Micro Strainer Bldg		\$15,000			
West WWTP - New Chemical Storage Structure		\$85,000			
Upgrade of West WWTP <i>(Possible Future)</i>				\$175,000	\$1,550,000
East WWTP - Roof Replacement: Admin; Barscreen	\$16,000				
East WWTP - Bar Screen Refurbishment		\$60,000			
East WWTP - Dewatering Solution Sludge Tank - Engineering			\$15,000	\$25,000	
East WWTP - Influent Flume & Ultrasonic Meter			\$20,000		
East WWTP - Sludge Removal Reed Beds			\$35,000		
East WWTP - Sludge Mag Meter		\$15,000			
Vactor Trailer & Excavator				\$125,000	
Sewer Push Camera	\$11,000				
Inflow & Infiltration	\$250,000		\$125,000		
Total Projects	\$3,542,799	\$867,759	\$297,093	\$345,642	\$1,564,983
Gross Surplus/Deficit	\$1,075,538	\$633,268	\$627,241	\$960,201	\$1,087,613
CAPITAL IMPROVEMENT RESERVE ACCOUNT	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Net Surplus / Deficit	\$875,538	\$433,268	\$427,241	\$760,201	\$887,613
Capital Improvement Reserve Account 5 Year Total	\$1,000,000				

Footnotes

- #1 As of 3/21/2019 - \$234,462.00 Balance in the I&I Reserve Account
- #2 As of 3/21/2019 - \$181,950.00 Balance in the Sludge Reserve Account
- #3 See Growth Projections Worksheet
- #4 See Loan Breakdown Worksheet (30 Year Loan)
- #5 See Loan Breakdown Worksheet (30 Year Loan)

Growth Projections

Growth Projections										
<i>Improvements Fees Allocated to General Fund</i>										
Fiscal Year	Development	Taps	Total Fees	YearlyTotal Units						
2020	Coblentz Property	9								
2020	Franklin Commons	6								
2020	Dowd Estate	21								
2020	Existing Lot of Record	1	\$666,000.00	37.00						
2021	Franklin Commons	12								
2021	Cross Stone Commons	4.95								
2021	Existing Lot of Record	1	\$323,100.00	17.95						
2022	Existing Lot of Record	1	\$18,000.00	1.00						
2023	Memar - Active Adult	30								
2023	Existing Lot of Record	1	\$558,000.00	31.00						
2023	Memar - Active Adult	30								
2023	Existing Lot of Record	1	\$558,000.00	31.00						
	*	117.95	\$2,123,100.00	117.95						
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 150px;">Legend</td> <td></td> </tr> <tr> <td style="background-color: #ADD8E6;"> </td> <td>Residential</td> </tr> <tr> <td style="background-color: #FFB6C1;"> </td> <td>Commercial</td> </tr> </table>					Legend			Residential		Commercial
Legend										
	Residential									
	Commercial									
* 22% of the Total Taps are for Commercial Development										
** Not included in calculation:										
Horman Apartments - Approved Site Plan No Planned Construction Date										
** Possible Future Development										
Middletown Glenn II - Annexation of the Remainder of Coblentz Farm										
AC Jets Annexation										



Dear Member:

The Maryland Municipal League is pleased to endorse the National League of Cities (NLC) Service Line Warranty Program, administered by Utility Service Partners (USP). Offered at no cost to League members, the NLC Service Line Warranty Program educates homeowners about their service line responsibilities and offers affordable protection from unanticipated service line repair costs. Homeowners in participating cities and towns are eligible to purchase low-cost repair service plans for broken or leaking outside water and sewer lines, covering up to \$8,500 per occurrence.

Benefits to residents and municipalities include:

- Educates homeowners and reduces local officials' frustration;
- No cost for Maryland cities and towns to participate;
- Affordable rates for residents;
- Increases citizen satisfaction.

Important features of the program:

1. USP pays for the repairs, not your residents;
2. Customers are provided with a 24/7/365 repair hotline staffed with live agents;
3. All repairs performed to local code by rigorously vetted, licensed and insured local contractors;
4. USP is responsible for all aspects of the program, including marketing, billing, customer service, and performing all repairs.

13 Maryland municipalities currently offer the program, which has saved Maryland homeowners over \$14 million in repair costs over the past three years. The League has chosen to endorse USP, a HomeServe company, because of its outstanding national reputation. USP is a BBB Accredited Business with an A+ rating, and they maintain a customer satisfaction rating exceeding 98%. This is the only protection program endorsed by the National League of Cities and multiple state municipal leagues.

The Maryland Municipal League is here to assure the program works for Maryland cities and towns who participate. We encourage you to consider joining over 500 U.S. cities in adopting the NLC Service Line Warranty Program for your municipality.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Hancock', written over a horizontal line.

Scott Hancock
Executive Director
Maryland Municipal League

NLC Service Line Warranty Program Highlights

- The only utility line warranty program endorsed by the National League of Cities (NLC)
- Endorsed by multiple state leagues
- Over 500 municipalities and utilities participating nationwide
- No cost to or liability for the city to participate
- Ongoing revenue stream for city
- Educates homeowners about their lateral line responsibilities
- Utility Service Partners (USP) handles all marketing and management of the program
- 24/7/365 bilingual customer service
- All repairs performed to city code by local, licensed contractors
- Reduces calls from residents to City Hall for lateral water and sewer line issues
- Homeowner billed by NLC Service Line Warranty Program
- Provides residents an affordable solution that covers cost of repairs to water and sewer lines for which the homeowner is responsible
- No public funds are used in the marketing, distribution or administration of the NLC Service Line Warranty Program
- The NLC Service Line Warranty Program must be supported by the city into which it is being introduced before any warranty offer letters are mailed to homeowners in the community

PARTICIPATING CITIES (SAMPLE OF OVER 500)

Phoenix, AZ

Ottawa, KS

Independence, MO

Tucson, AZ

Elsmere, KY

Las Vegas, NV

San Diego, CA

Baltimore, MD

Dayton, OH

Ft. Lauderdale, FL

Beverly Hills, MI

Tulsa, OK

NLC SERVICE LINE WARRANTY PROGRAM BENEFITS

CITY

- Provides non-tax revenue stream without any investment
- Reduces calls to City/Public Works when a homeowner's line fails
- Contractors undergo rigorous vetting process to ensure quality service
- Reduces costs associated with sending Public Works to residents' homes to assess lateral line issues
- Keeps money in the local economy by using contractors in the metro area
- Contractors must be current with insurance and required licenses

RESIDENTS

- Affordable utility line repair solution for families on a budget
- Educates homeowners about their service line responsibilities
- Prevents aggravation of having to find a reliable, reputable plumber
- Peace of mind - with one toll-free call a reputable plumber is dispatched
- Keeps money in the homeowner's pocket; without warranty, repairs cost from hundreds to thousands of dollars
- No service fees or deductibles and no paperwork or forms to complete

ACCOLADES & ACCOMPLISHMENTS



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

- Accredited Better Business Bureau member with A+ rating for nearly a decade
- 2013 Western Pennsylvania Better Business Bureau Torch Award winner for Marketplace Ethics

- The **only** utility line warranty program endorsed by the National League of Cities
- **More than 97%** of all submitted claims are approved
- **A customer satisfaction rating of 98%**
- **9 of 10 customers surveyed** have recommended the program to friends, family and neighbors

Learn more about the program at www.utilitysp.net or call 1-866-974-4801.

NATIONAL
LEAGUE
of CITIES

NLC SERVICE LINE WARRANTY PROGRAM



City Stakeholder Frequently Asked Questions



An NLC Enterprise Programs Partner

Service Line Warranty Program Frequently Asked Questions

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Service Line Warranties of America ("SLWA") & National League of Cities ("NLC") Background

■ Who is Service Line Warranties of America?

SLWA is a private company that provides optional water and/or sewer service line warranties to homeowners. SLWA is proud to have been selected by the NLC as an Enterprise Programs Partner. The NLC, representing over 218 million Americans, is the nation's oldest and largest organization devoted to strengthening and promoting cities as centers of opportunity, leadership and governance. After almost a decade in business, SLWA has an A+ rating with the Better Business Bureau.

The program is offered at no cost to the City and no public funds are used to promote or operate the program. Importantly, SLWA is solely responsible for the administration and service of the warranty programs.

■ Who is the NLC?

The NLC is an organization dedicated to helping city leaders build better communities. Working in partnership with the 49 state municipal leagues, the NLC serves as a resource to and an advocate for the more than 19,000 cities, villages and towns it represents.

■ Why did the NLC select a single company to introduce these warranties?

The NLC recognized the need for these warranties and realized that there were economies of scale that could be achieved through the aggregation of potential homeowners that would result in a lower cost to the homeowner. They also realized that warranties are only as good as the company offering them and after a careful review of providers, it was determined that SLWA had the history and proven track record of providing the superior customer service required for this program.

■ Is SLWA a member of the Better Business Bureau?

Yes. SLWA has been a member of the Better Business Bureau since 2003 and they are very proud of their exemplary record. SLWA is also approved by the appropriate state regulatory body to operate in the states where it provides coverage.

■ What happens if Service Line Warranties of America goes out of business? What happens to money paid in premiums?

All of SLWA's contracts are month to month and SLWA must legally maintain adequate reserves to satisfy all claims filed. Furthermore, SLWA has filed an application and received state approval in all states in which it operates. Each state has different requirements to ensure consumer protection and SLWA is compliant in maintaining the legally required financial reserves in the form of bonds, funded cash reserves or other financial security depending on the jurisdiction's requirements. Should some unforeseeable event cause undue financial hardship on the company, the rules established by the various state agencies ensures that SLWA's customers are provided with adequate protection that their claims would be paid.

■ Where can I go to find out more about this program?

Please visit SLWA's website at www.SLWofA.com or call them directly at 1-866-922-9006.

City Participation

■ Is this really a letter from the City?

Yes, the City worked with Service Line Warranties of America to make you aware of a program that could potentially save you a lot of money.

■ Why is my City sending this letter to me?

The National League of Cities recognized homeowner water/sewer line warranty services as something many homeowners have expressed an interest. It came to their attention that several state leagues had already endorsed and were already working with SLWA. For this reason, they carefully reviewed SLWA and determined Service Line Warranties of America to be the best option of those companies providing these types of warranties.

Your City Council simply wanted to share the results of the NLC research with its homeowners. So, letters were mailed out by SLWA for the sole purpose of providing program information. Homeowners who wish to learn more about this program or want to enroll are encouraged to contact SLWA directly at the number provided in your letter. Homeowners who are not interested in these services may disregard the letter entirely.

If you choose to enroll in this program, please do so with the understanding that your City in no way warrants or is liable for the work or performance of Service Line Warranties of America. We are only making you aware of the availability of this product since water and sewer line repairs can be very expensive.

■ **Why is the City endorsing this program?**

In these difficult economic times, the City felt it was important to educate residents that they are responsible for the service lines on their property and to also inform you that there was a program offered through a reputable company that could potentially save you a lot of money.

■ **Why is the City working with Service Line Warranties of America for this program?**

This program was brought to the City through an Enterprise Program of the National League of Cities administered by Service Line Warranties of America. SLWA was selected by the NLC because of their high customer service and quality ratings. SLWA has been in business for nearly 10 years and has an A+ rating from the Better Business Bureau. In addition, SLWA was also unanimously selected by the North Central Texas Council of Governments as a shared service provider after a careful review and full vetting by a panel of member cities.

■ **Did the City pay for this mailing?**

No. SLWA pays for all aspects of the program including marketing, customer service and repairs.

■ **Does anyone in my City have an ownership position in SLWA or benefit personally from this program?**

No. SLWA is independently owned and operated and no City official, employee or relative receives any personal compensation whatsoever. In other words, no one in your City is participating for personal gain.

■ **What is in this Program for the City?**

This program provides several benefits for the City. First, it educates residents of their service line responsibility. Secondly, SLWA only uses qualified local contractors so repair dollars stay within the community, which helps us all. Lastly, the City can be assured that all repairs are performed to code and that all appropriate permitting is pulled. This saves the City money because it encourages residents to report water and sewer leaks in a timely manner. Timely water line repairs conserve water and reduce water loss for the City. Timely sewer line repairs minimize wastewater pollution.

■ **Is the City receiving any compensation from SLWA?**

SLWA does offer the City itself compensation for allowing the use of the City seal on the letter. Why? The support of the City alerts residents of the legitimacy of the program resulting in more enrollments, which in turn allows SLWA to offer a lower price to the City's residents because of the increased participation.

■ **Is there a minimum participation necessary for a City to stay in the program?**

No, there is no minimum participation required.

Marketing Letters

■ **A resident is upset because they did not receive the letter. Why didn't they?**

SLWA purchases a list of city homeowners based on the city boundary map from an independent list vendor, Infogroup. Infogroup is an active member of the Direct Marketing Association ("DMA") and adheres to all industry guidelines and government laws regarding responsible use and distribution of personal information. Therefore, the resident may have at one time requested they be placed on a "Do Not Solicit" list which both Infogroup and SLWA would have to honor. Conversely, the US post office enforces that each address be registered as deliverable – the resident may have fallen off the list during the USPS "cleansing" which occurs before the letter can be put in the mail.

■ **A resident is upset that the letter arrived in the name of their deceased spouse. Why did this happen?**

SLWA purchases a list of city homeowners based on the city boundary map from an independent list vendor, Infogroup. Chances are that the source files used by this vendor have not been updated yet to reflect this change. If the resident elects to enroll, all future correspondence from SLWA to the resident will be corrected. SLWA cannot legally submit the requested name change to the DMA, which is a national, nonprofit organization, due to privacy laws.

■ **A resident does not want to receive any solicitations. How can this be accomplished?**

Contacting SLWA at 1-866-922-9006 will ensure that SLWA will not contact this resident again (keep in mind however that if the request comes in before the 2nd letter is sent, the customer will in fact receive the second letter because there is not an opportunity to pull it from the post office). If the customer does not want to receive any solicitations from anyone ever again, they will need to go directly to the Direct Mail Association, which is a national, non-profit organization which keeps a national repository of "DNS" requests. Neither SLWA nor Infogroup is legally allowed to submit the residents name to the DMA due to privacy laws.

■ **What should a resident do if they want more information and did not get the letter?**

The resident can call SLWA directly at 1-866-922-9006 to request information or get a copy of the letter sent to them. They can also visit SLWA's website at www.SLWofA.com to view the details and enroll.

Warranty Products

Utility Line Responsibility

■ **Isn't my City or utility company responsible for my lines? If not, doesn't my Homeowner's Insurance cover this type of Repair?**

Typically no. Most homeowners are surprised to learn that they are responsible for the repair and replacement of their broken or leaking utility lines, and most homeowners policies will pay to repair the damage created by failed utility lines but not for the repair itself. We encourage you to call your insurance company to determine your actual coverage. If you live in a condominium or duplex dwelling, we encourage you to contact your homeowners association to determine if you need this coverage prior to enrollment.

■ **What part of my water or sewer line am I responsible for maintaining?**

Homeowner responsibility varies greatly across the U.S. In some areas, the utility is responsible for the sewer lateral that runs from the main line to the right-of-way, property line or sewer clean-out near the curb. In other areas, the utility is not responsible for any portion of the lateral line that runs beyond the main line. For water service lines, the utility generally only covers the portion of the line from the main to the curb stop valve or water meter at the edge of the property. Regardless of these local differences, SLWA will provide coverage for the portion of the service line for which you are responsible.

Coverage

■ **What causes cracks, holes or leaks in utility lines?**

Time: Wear and tear over time. It can be that simple. Over time, fittings can fail, pipes can corrode and your house can shift and settle. A small crack or pinhole develops and leads to a leak. Next thing you know, your utility line has failed.

Weather: Freezing, thawing; rain, snow; each change of seasons brings with it a different challenge to your utility lines, and the potential for cracks and leaks.

Landscaping: We all admire the beauty of a landscape graced with trees and shrubbery, but tree roots are not friends of your utility lines. Wrapping themselves around your lines, they will eventually cause cracks, leaks and clogs.

■ **What items are included as part of the warranty?**

The external water and/or sewer line warranty covers the underground service line from the foundation of your home to the point where the line becomes the utility's responsibility. If any part of the line is broken and/or leaking, SLWA will repair or replace the line in order to restore the service (including clearing tree roots from the water or sewer line).

■ **What items are excluded as part of the warranty?**

The water line warranty does not cover the costs of repairs to the meter or meter vault nor does it cover branch lines to sprinklers, pools, hot tubs, etc. The sewer line warranty does not cover septic systems. The warranties are designed to ensure that the homeowner has utility service to the primary residence for purposes of drinking, cooking and cleaning. Repairs for damages caused by the homeowner, a third party, natural disaster, act of God or by other insurable causes are also not covered. Complete Terms and Conditions for your residence can be viewed by visiting www.SLWofA.com. You will be asked to enter your zip code to ensure the correct version is displayed.

■ **Does the warranty include the inside of the house?**

No. The external water and sewer line warranties do not provide coverage for inside the house.

■ **Who replaces landscaping if damaged?**

SLWA will provide basic restoration to the site. This includes filling in the holes, mounding the trench (to allow for settling) and raking and seeding the affected area. Restoration does not include replacing trees or shrubs or repairing private paved/concrete surfaces.

■ **Is soil movement due to ground shifting covered?**

Yes, ground shifting is one of the major causes for water and sewer line breaks. If the line is broken and leaking, the repair is covered under the warranty.

■ **Is tree root damage covered?**

Yes, invasive tree roots are another major cause for water and sewer line failures. If the line is broken, leaking or clogged, the repair is covered under the warranty.

■ **Will the company inspect the lines for residents?**

While SLWA reserves the right to inspect lines for pre-existing conditions, they generally do not inspect lines for residents to look for leaks or other problems. SLWA responds to customers who report a claim for a line leak, clog or other failure from normal wear and tear.

■ **When does my warranty start?**

Coverage begins 30 days after enrollment unless otherwise noted through a promotional letter.

■ **The Coverage Cap looks adequate but does SLWA have an annual or lifetime restriction on how much they will pay to repair?**

No. Unlike some other warranties available, SLWA provides you with the full coverage per incident. They will pay up to your coverage amount each and every time you need them. SLWA does not deduct prior repair expenses from your coverage cap or limit the amount they will pay annually.

■ **What are the event caps for the warranty? What are the annual caps per household?**

Coverage caps listed in the Terms & Conditions are per occurrence as follows:

Water — \$4,000 plus an additional \$500 for public sidewalk cutting, if necessary

Sewer — \$4,000 plus an additional \$4,000 for public street cutting, if necessary

There are no annual or lifetime caps for coverage. Coverage is provided on a per incident basis and all work is warranted for one year. It has been SLWA's experience that these coverage caps will more than adequately provide coverage 99.9% of the time. In the rare instance that the repair is greater than the coverage provided, SLWA will work closely with the contractor to provide the homeowner the additional work at SLWA's discounted cost. **Please note – if your city has special coverage situations, please refer your citizens to the actual Terms & Conditions which can be found at www.SLWofA.com.**

■ **If more than \$4,000 is required for repairs or public street cutting, does the resident cover the cost?**

In the rare case that the repair exceeds \$4,000 the resident will be responsible for the difference. SLWA works very closely

with its local contractors to avoid this situation and in the unlikely event this should occur, the customer enjoys pricing that would not otherwise be available from the contractor. **Please note – if your city has special coverage situations, please refer your citizens to the actual Terms & Conditions which can be found at www.SLWofA.com.**

■ **I cannot find my Terms and Conditions. How can I get another copy?**

You may either call SLWA at 1-866-922-9006 to request another copy or visit www.SLWofA.com and follow the navigation prompts under “Manage Account” to log in. Once logged-in, select “View Terms & Conditions” from the home screen. The warranty product(s) that are active on your account will be displayed. Once you make your selection, your Terms & Conditions will display as a .pdf. You can print or save them at this time in addition to viewing them online.

Eligible Dwelling Types

■ **Is the program just for residents, or can businesses participate?**

This program is only available for residential dwellings.

■ **I live in a condominium. Am I responsible for my water or sewer line?**

Please contact your homeowners association to determine if you are personally responsible for your water or sewer service line. If you are responsible and you have a single service line serving your dwelling, you are eligible to enroll. If you are served by a shared line, please contact SLWA at 1-866-922-9006 to determine eligibility.

■ **Can my condominium association enroll in this program?**

Yes. Because coverage issues can vary widely between associations, please call 1-866-922-9006 to speak with an employee who specializes in this custom coverage program.

Repairs

■ **What do I do if I need a repair?**

Simply call SLWA’s 24-hour hotline number at 1-866-922-9006 to speak with one of their claim representatives. There are no forms or paperwork for you to complete. Once you report a claim, their contractor must call you within an hour to schedule an onsite visit, which typically occurs within 24 hours, but on a rare occasion could take as much as 48 hours - including holidays and weekends.

The vast majority of repairs are completed within 1–2 days of receiving the claim. Claims taking longer than a day are those which usually require utility line marking to prevent accidental damage to other lines on the property. At the completion of your repair, you will be sent a satisfaction survey. Results of these surveys are used to continually improve SLWA service levels and processes. SLWA has consistently enjoyed a 96% customer satisfaction rating (excellent and good categories).

■ **What codes will SLWA adhere to? The current code? The original code at the time of installation?**

If the line is broken and leaking, SLWA will repair or replace the leaking portion of the line according to the current code.

■ **Who will do the repair work?**

SLWA only employs qualified contractors from the local area who have the desire and ability to meet the high standards established by SLWA.

Contractors

■ **How selective is SLWA when choosing contractors to conduct repairs?**

SLWA is very particular when it comes to selecting contractors into their network. SLWA’s objective is to provide the highest levels of customer service, and all SLWA contractors understand the importance of their role. SLWA works with local contractors that have both the desire and ability to meet their high customer service standards.

■ **How many plumbers is SLWA going to work with in my City?**

The number of plumbers depends on the number of households in the City. Generally, SLWA starts with a minimum of two contractors for the smallest cities, and adds one additional contractor for each 10,000 households of population.

■ What if the plumber does poor work?

SLWA screens local contractors to ensure that they have the desire and ability to meet the high standards established. All work is guaranteed for one year. Any work that fails to meet the warranty or quality standards will be re-performed by the contractor or another contractor at no cost to the homeowner.

Billing

■ How will I be billed?

The choice is yours. SLWA can invoice you monthly, charge your card or deduct the monthly amount automatically from your checking account. You can make payments monthly or annually.

■ Is this a long-term commitment?

No. The contract is monthly and you may cancel your warranty at any time. If you have prepaid your contract and decide to cancel before the end of the term, you will be refunded the unused portion of your premium.

■ Am I able to pay my bill online?

Yes. Simply login to SLWA's website at www.SLWofA.com and follow the navigation prompts under "Manage Account" to log in. Once logged-in, if you have already received an invoice, you can go online to pay your bill. Select "Make a Payment" from the home screen. You can choose to pay by credit card or bank draft, and you can choose to make a onetime payment or set your account up for recurring charges or drafts. You will receive an electronic receipt in your email after your transaction is complete. If you have not yet received your first invoice but would like to prepay on your warranty service, please call Customer Service at 1-866-922-9006 to assist you.

■ Can I set up recurring payments online?

Yes. Please visit www.SLWofA.com and follow the navigation prompts under "Manage Account" to log in. Once logged-in, select "Update Payment Method" from the home screen. You will select the warranty products that you want to set up on a recurring payment method on the next screen. Follow the prompts to choose your new payment method (you can choose between Recurring Credit Card, Recurring Bank Account Withdrawal, and if you are already set up on a recurring payment method, you can also switch back to Invoice) and to provide the details on that payment method. You will receive an electronic receipt in your email after your transaction is complete.

Additional Questions?

This document contains answers to the most commonly asked questions you may encounter regarding the National League of Cities Service Line Warranty Program introduction. However, rest assured that Utility Service Partners is available to assist you at any time. For assistance, simply call toll-free at 1-866-922-9006 or email us at Partnerships@utilitysp.net and we will be happy to help.

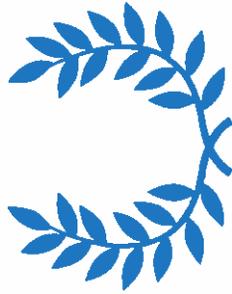
Town of Middletown, MD



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



WHY CHOOSE UTILITY SERVICE PARTNERS?



EXPERIENCE



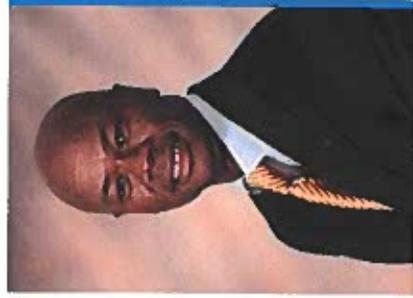
REPUTATION



PARTNERSHIP



Better Business Bureau of Western PA



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.

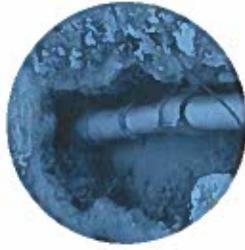
— Clarence Anthony, Executive Director
National League of Cities

PROGRAM BENEFITS

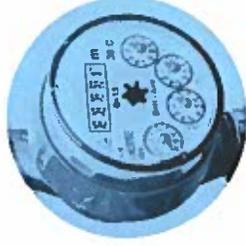
- Only Service Line Program Partnered with the National League of Cities and the Maryland Municipal League
- Helps address the public policy issue of aging infrastructure
- No cost for the City/Town to participate
- Ongoing Revenue Stream for the City/Town
- Educates homeowners about their lateral line responsibilities
- Free Public Awareness Campaign
- Peace of Mind - with one toll-free call a reputable plumber is dispatched
- All repairs performed to code by local licensed contractors
- Contractors undergo rigorous vetting process to ensure quality service



OUR SERVICE AND WHAT IT COVERS



EXTERNAL
SEWER/SEPTIC
LATERAL COVERAGE



EXTERNAL
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
- No annual or lifetime limits, deductibles, service fees, forms, or paperwork
- 24/7/365 availability
- Repairs made only by licensed, local contractors
- Affordable rates and multiple payment methods



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 supply, 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
- Repairs made only by licensed, local contractors
- Affordable rates and multiple payment methods



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
- 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



OVER 600 MUNICIPAL PARTNERS IN 34 STATES

...INCLUDING 16 IN THE STATE OF MARYLAND



CURRENT MARYLAND PARTNERS

Maryland Municipal League

Town of Greensboro	Town of Henderson
Town of Grantsville	Town of Bel Air
Town of Poolesville	Town of Thurmont
City of Pocomoke City	City of Taneytown
Town of Forest Heights	Town of La Plata
Town of Hurlock	Town of Laytonsville
City of District Heights	Town of Charlestown
Washington Suburban Sanitary Commission (WSSC)	St. Mary's County Metropolitan Commission



Q

&

A



MARKETING AGREEMENT

This MARKETING AGREEMENT ("Agreement") is entered into as of _____, 20__ ("Effective Date"), by and between the Town of Middletown, Maryland ("Town"), and Utility Service Partners Private Label, Inc. d/b/a Service Line Warranties of America ("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 Town ("**Residential Property Owner**"); and

WHEREAS, Town 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.** Town 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.** Town hereby grants to Company a non-exclusive license ("**License**") to use Town'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 (including on the Company's website), all at Company's sole cost and expense and subject to Town's prior review and approval, which will not be unreasonably conditioned, delayed, or withheld. Town 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 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 Company is in material breach of this Agreement, the Town 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.

A. As consideration for such license, Company will pay to Town 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 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. Town agrees to provide a completed HomeServe New Partner Form and a Form W-9 to Company in order to facilitate proper payment of the License Fee. Town 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. **Indemnification.** Company hereby agrees to protect, indemnify, and hold the Town, its elected officials, officers, employees and agents (collectively or individually, "**Indemnitee**") 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 Indemnitee may suffer or which may be sought against or are recovered or obtainable from an Indemnitee, 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 Indemnitee notifies Company of any such Claim within a time that does not prejudice the ability of Company to defend against such Claim. Any Indemnitee 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) sent by electronic mail (provided confirmation of receipt is provided by the receiving Party), or (iii) deposited as registered or certified mail, return receipt requested, with the United States Postal Service, addressed as follows:

To: Town:
ATTN: Drew Bowen
Town of Middletown
31 West Main Street
Middletown, MD 21769
Phone: (301) 371-6171

To: Company:
ATTN: Chief Sales Officer
Utility Service Partners Private Label, Inc.
4000 Town Center Boulevard, Suite 400
Canonsburg, PA 15317
Phone: (866) 974-4801

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 Company other than to an affiliate or an acquirer of all or substantially all of its assets, without the prior written consent of the Town, such consent not to be unreasonably withheld.

9. **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.

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

[Signature Page Follows]

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

TOWN OF MIDDLETOWN

Name:

Title:

UTILITY SERVICE PARTNERS PRIVATE LABEL, INC.

Name: Michael Backus

Title: Chief Sales Officer

Exhibit A
NLC Service Line Warranty Program
Town of Middletown
Term Sheet
March 15, 2019

I. Initial Term. Three years

II. License Fee. \$0.50 per Product for each month that a Product is in force for a Residential Property Owner (and for which payment is received by Company), aggregated and paid annually, for:

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

III. Products.

- a. External water service line warranty (initially, \$5.75 per month)
- b. External sewer/septic line warranty (initially, \$7.75 per month)
- c. Interior plumbing and drainage warranty (initially, \$9.99 per month)

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.

IV. 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 thawing of frozen external water lines.
 - 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.

V. 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.

Dayton Daily News

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Do research before obtaining insurance

Local | May 26, 2013

By Kelli Wynn, Staff Writer

City officials who are partnering with the National League of Cities to offer warranty protection for water and sewer lines for residents, say the program is a way to save residents money in case the pipes that run underneath their property are in need of repair.

Cities who participate in the program benefit by receiving 10 percent back for the residents who sign up. Dayton, Trotwood, Riverside and Fairfield are among the 10 Ohio cities who have signed up for the program, according to Utility Service Partners, Inc., the company that administers the program for NLC.

But some local plumbers say residents could be spending money on insurance they don't need if they don't educate themselves about what type of pipes they have on their property.

Many homeowners in Ohio recently received letters from their city officials about the NLC Service Line Warranty Program, which told homeowners that they could "avoid the unexpected and often large expense involved with a water line break" by signing up for the optional program.

Homeowners who enroll in the program would pay a fee that's less than \$10 a month for water or sewer protection or both, the letter says. The cap is \$4,000 each for both the water and sewer line repair, \$4,000 for the street repair for sewer work, and there's a \$500 cap to repair the sidewalk for the water line work, said Mike Chambers, midwest regional account manager for Utility Service Partners, the company that administers the program for NLC.

"There are no contracts to sign for the residents and they can cancel at anytime," Chambers said.

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Digital or home delivery. Start today.

All the cities who sign up for the service line warranty program receive 10 percent in royalties from the revenue generated by residents signing up for the program.

“We haven’t formally decided where we are going to use the money,” Crouch said of Fairfield. “Ideally we would like to put it back into our infrastructure.”

“In all likelihood, any monies will be returned to our water/sewer fund to offset operations and infrastructure repair and maintenance,” Lucking said.

Riverside signed up for the program late last year and also receives 10 percent of the revenue. “It is allocated to the general fund,” said Riverside City Manager Bryan Chodkowski.

Dayton chose not to get the royalty, according to Matt Carpenter, deputy director of Dayton’s Water Department.

“We were never interested in a revenue stream for us. We saw the program as a significant benefit for our customer base,” Carpenter said. “We thought our role was really just to help facilitate that option.”

Dayton officials asked SLW to put the money the city would have gotten through royalties into a better rate for the city’s homeowners.

“They did come back and lower the rate by a small amount,” Carpenter said.

“We wanted that benefit to be in our customers hands and not in ours.”

Thomas Hand, a licensed plumbing contractor with the Ohio Construction Industry Licensing Board, said he believes that some residents who get these letters may be scared into thinking that they need the insurance right away.

But Hand says, homeowners first need to find out how old their homes are and what kind of service pipes they have on their property.

Most water service lines are made out of copper pipes, which are built to last for a long time, Hand said.

“Why buy insurance on something that is not going to go bad?” he said.

Mike Lucking, city manager of Trotwood, said that a water service line break can cost \$3,000 to \$5,000.

“With the aging housing stock in Trotwood, the probability of needing this service is moderate to high for our homeowners,” he said.

Fairfield residents are expected to receive letters about the program’s water and sewer line warranties by this week, said Dave Crouch, Fairfield’s public utility director.

“It looks like a tool that could really improve the quality of life in the community,” Crouch said. “Anything that can help us keep the infrastructure sound is a good thing.”

Steve Waker, owner of Waker Plumbing in Kettering

recommends that property owners check out their pipes before the idea of getting service line insurance is brought up.

“(Homeowners) do all kinds of inspections, but they always overlook the sewer and water lines coming into the house,” Waker said.

One of the things homeowners should be looking at is whether or not the pipes are made of galvanized material or lead service because most properties today have copper or plastic piping for water and sewer lines, according to Waker and Hand. If a property has galvanized or lead material that usually is an indication that the pipes are older.

Waker said most plumbers have cameras that allow them to closely inspect someone’s pipes and believes that if a homeowner discovers that a line needs to be replaced, then the homeowner should replace immediately.

“Once you do that you never have to pay that again,” Waker said.

Things to consider when thinking about signing up for a service line warranty

Many customers may never need to replace or have repairs made to a utility line

Talk with neighbors to see if any of them have had to schedule repairs or replacements. If you live in an older neighborhood (more than 40-years-old) where pipes and lines are still the originals and if your neighbors have had replacements, you may want to consider purchasing a plan.

Many companies will not cover repairs to pre-existing conditions in the line and have provisions to inspect the insured line within a few months of the program start date.

Talk with the company before spending money to see exactly what is covered and how a condition is determined to be pre-existing.

Ask the specific amount of a monthly fee and if there are any additional sign-up charges

Source: Office of the Ohio Consumers' Counsel

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