

RECOMMENDATION: It is recommended that Crestline Village Water District authorize Administration, or their designee, to enter into a Marketing agreement with Utility Service Partners, Inc. (USP) for an initial term of five (5) years, subject to Attorney review.

BACKGROUND: The NLC Service Line Program, offered by Utility Service Partners, a HomeServe Company, was conceived to educate property owners about their service line responsibilities and to help customers avoid the out-of-pocket expense for unanticipated and potentially costly service line repairs and replacements. This program, the only one of its kind, will help the Crestline Village Water District achieve its goals by:

- Providing homeowners affordable protection against significant and unexpected costs to remedy leaking/broken/ clogged water lines, sewer lines, and in-home plumbing lines
- Ensuring the delivery of timely, high-quality repair services in adherence to all applicable codes
- Providing exemplary service that reflects positively on the District
- The program stimulates the local economy by using fully vetted local contractors to complete the repairs.

COVERAGE: The NLC Service Line Program offers three complete and separate voluntary programs. There is never a service fee/deductible or no annual or lifetime limits on the water line and sewer line coverage. Customers can cancel the insurance at any time.

Exterior Water Service Line: Includes service to locate, excavate and repair/replace a leaking exterior water service line. Covered repairs include, but are not limited to leaks, breaks, corrosion, blockages, root intrusion, and other types of damage (such as from freezing) that impair or limit the intended function of the system. Includes restoration of ground surface features after excavation for service line repair, including filling, raking, reseeding, reinstallation of existing soft landscaping and shrubbery, and patching of paved surfaces.

Exterior Sewer Service Line: Includes services to locate, excavate and repair/replace a leaking exterior sewer service line. Covered repairs include, but are not limited to leaks, breaks, corrosion, blockages (due to fats, oils and grease), root intrusion, and other types of damage (such as from freezing) that impair or limit the intended function of the system. Includes restoration of ground surface features after excavation for service line repair, including filling, raking, reseeding, reinstallation of existing soft landscaping and shrubbery, and patching of paved surfaces.

Internal Plumbing and Drainage: Coverage includes the emergency breakdown costs of repairing or replacing interior water, sewer, and drainage pipe materials, valves and other plumbing-related material, including unblocking, repair and replacement. Repair of clogged toilets.

| Product | Monthly | Annual Coverage Limit | Annual Service Calls/Per Call Coverage |
|---------------------|---------|-----------------------|--|
| External Water Line | \$6.00 | Unlimited | Unlimited Calls/\$8,500 Per Call |
| External Sewer Line | \$9.00 | Unlimited | Unlimited Calls/\$8,500 Per Call |
| In-Home Plumbing | \$9.49 | Unlimited | Unlimited Calls/\$3,000 Per Call |

IMPLEMENTATION: The NLC Service Line Program will utilize the District logo to brand the materials used to educate District customers about our repair service plans. Program marketing literature clearly discloses that the Program and the District are separate entities and that the

program is voluntary for residents. HomeServe will create all marketing materials with input from the District and will submit all marketing/communications materials to the District for final approval.

ENROLLMENT AND BILLING: The NLC Service Line Program offers homeowners simple options if they choose to enroll either via mail, phone, or web. We handle all customer billing and customers can choose annual, quarterly, or monthly billing and may pay by check, direct debit/ACH, or credit card. Once we receive the enrollment application, customers receive a welcome letter which includes their service agreement terms and conditions, their payment details, a reiteration of their policy coverage, and our toll-free customer service number. Customers also receive a welcome call from customer service as an additional, personalized confirmation of the program. We handle all customer billing, and a homeowner can enroll or cancel at any time.

FINANCIAL IMPACT: No cost to the District to participate and no financial impact.