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Leak Protection & Service Line Warranty

Date: November 1, 2024
To: Nashville Water & Sewer Customers
From: Randy Lansing, Town Manager
Subject: Leak Protection & Service Line Warranty

Dear Nashville Water & Sewer Customer,

The Town of Nashville is considering partnering with HomeServe to offer leak protection and water/sewer service line warranties to our customers. These programs are designed to help safeguard you from unexpected costs related to leaks and service line failures.

For example, if you experience a leaking toilet that causes your water/sewer bill to increase by \$400 to \$500, the leak protection plan can cover the difference between your regular bill and the higher amount. If your water or sewer service line fails and needs replacement, the service line warranty will cover the replacement cost, minus a selected deductible.

The cost for the leak protection plan is \$2.60 per month—\$1.30 for water and \$1.30 for sewer. The service line warranty is \$14.98 per month—\$6.99 for water and \$7.99 for sewer—providing \$8,500 of coverage for each service, per incident. Both residential and commercial customers can participate in these programs.

The Nashville Town Council is interested in knowing if you, as a Nashville water and sewer customer, would like access to these products. If so, please visit the Town's website at <https://www.townofnashville.com> for more information about the programs and to share your interest.

Thank you for your time and input.

Best regards,
Randy Lansing
Town Manager

LEAK PROTECTION PROGRAM

BACKGROUND: ServLine by HomeServe is endorsed by both the National Rural Water Association and Arkansas Rural Water Association and is designed to help cover the excess cost of customers' high water bills due to a leak. This program will help Nashville to achieve its goals by:

- Providing homeowners with affordable protection to cover the cost of a high water bill caused by a leak within their home or service line responsibility.
- Allowing the utility to customize and set coverage options and details for customers.
- Helping the utility to recoup financial losses or bad debts due to water loss, while avoiding the administration of payment plans.
- Providing standardized protection for high water bills, which can help to avoid unexpected expenses and assist with the auditing process because it provides a similar expectation year after year.
- Saving staff from stress, effort, and time involved in speaking with customers looking for help with high water bills.
- Providing exemplary service on a recorded phone line that ensures a positive customer experience and reflects positively on the utility.

COVERAGE: The standard policy option of ServLine by HomeServe provides:

- Benefit Frequency: 1 claim/12 months, covering 2 consecutive billing cycles.
- Benefit Qualifier: To qualify for an adjustment, the leak must cause the customers' bill to be at least 2x the average.
- Standard Covered Benefits: Leaks on customers' lateral lines and in-home plumbing. Dripping/leaking faucets, running toilets/commodos, water heaters.
- Utility Sets Protection Limit: choose from \$500, \$1000, or \$2500 per claim.
- Utility Decides Coverage details.
- Both Residential and Commercial coverage available.

STANDARD PRICING AND OPTIONS:

Limit of Protection (Per Claim) WATER ONLY	Residential Rate	Commercial Rate Single Occupancy	Commercial Rate Multiple Occupancy	Master Metered Habitational (Residential)
\$500	\$1.30	\$3.60	\$7.20	\$2.50 per unit
\$1,000	\$1.55	\$4.30	\$8.60	\$2.50 per unit
\$2,500	\$1.80	\$5.00	\$10.00	\$2.50 per unit

Limit of Protection (Per Claim) SEWER ONLY	Residential Rate	Commercial Rate Single Occupancy	Commercial Rate Multiple Occupancy	Master Metered Habitational (Residential)
\$500	\$1.30	\$3.60	\$7.20	\$2.50 per unit
\$1,000	\$1.55	\$4.30	\$8.60	\$2.50 per unit
\$2,500	\$1.80	\$5.00	\$10.00	\$2.50 per unit

**All prices shown are discounted by 10% if coverage is mandatory

IMPLEMENTATION: Utility selects coverage details, limits, and effective date. A “training” call is held with City/Utility staff. ServLine provides notice via bill inserts at least 30-60 days prior to program launch.

Unless made mandatory, customers can cancel coverage prior to start or at any time after.

Customers who cancel within the first 12 months and haven’t filed a claim can request a refund of any premiums paid.

ServLine staff helps to setup program billing as line item (or incorporate into base rate if mandatory) on customers’ water/sewer bill. Monthly reporting is done to ensure correct customer coverage.

ServLine handles claims calls, claims process, customer service, and payments. Customer shows proof of repair, and ServLine reimburses the utility up to the covered amount for anything over the customer’s monthly average bill, usually within 10-20 days. The utility credits the customer’s bill back to the monthly average without financial loss.

FINANCIAL IMPACT: No cost to the utility to participate.

ServLine covers any additional expenses, like postage. The utility can add additional administrative fees to rates to include supplemental revenue.

The utility is no longer at risk of lost revenue or bad debt if a customer experiences a leak.

SERVICE LINE PROTECTION PROGRAM

BACKGROUND: The National League of Cities (NLC) Service Line Warranty Program, offered by Utility Service Partners, a HomeServe Company, was conceived in partnership with the National League of Cities to educate property owners about their service line responsibilities and to help residents avoid the out-of-pocket expense for unanticipated and potentially costly service line repairs and replacements. Our program, the only one of its kind endorsed by the NLC, will help Nashville, NC to 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 City.
- The program generates an ongoing, sustainable source of revenue for partner municipalities and stimulates the local economy by using fully vetted local contractors to complete the repairs.
- The utility can elect to receive a royalty/license fee of 10% of the payments of plan fees received from customers who enroll for the duration of the program.

COVERAGE: NLC Service Line Warranty Program offers three complete and separate voluntary programs. There is never a service fee/deductible or annual or lifetime limit. Residents can cancel the warranties 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 thawing of frozen water lines. 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	Royalty for the City
External Water Line	\$6.99	Unlimited	Unlimited Calls \$8,500 Per Call	10%
External Sewer Line	\$7.99	Unlimited	Unlimited Calls \$8,500 Per Call	10%
In-Home Plumbing	\$9.99	Unlimited	Unlimited Calls \$3,000 Per Call	10%

IMPLEMENTATION: The NLC Service Line Program will utilize the utility logo to brand the materials used to educate utility customers about our repair service plans. Program marketing literature clearly discloses that the Program and the utility are separate entities and that the program is voluntary for residents. The NLC Service Line Warranty Program will create all marketing materials with input from the utility and will submit all marketing/communications materials to the utility for final approval before each campaign.

No mailing/customer data is required. Residents can choose to enroll via mail, phone or web. We bill customers directly. Customers can cancel at any time. No minimum enrollments required.

FINANCIAL IMPACT: No cost to the utility to participate.

The utility would receive 10% royalty/license fee based on plan fees received from customers who enroll. - This is optional. If turned down prices are lowered by \$.50 for any customer who enrolls.