



CITY OF  
BLOOMINGTON  
COMMITTEE OF THE  
WHOLE MEETING  
NOVEMBER 19, 2018



COMPONENTS OF THE COUNCIL AGENDA

RECOGNITION AND PROCLAMATION

Recognize individuals, groups, or institutions publically, as well as those receiving a proclamation, declaring a day, event, or person.

PUBLIC COMMENTS

Each regular City Council meeting shall have a public comment period not to exceed 30 minutes. Every speaker is entitled to speak for up to 3 minutes. To be considered for public comment, complete a public comment card at least 5 minutes prior to the start of the meeting. The Mayor will randomly draw from the cards submitted. Public comment is a time to give comment. It is not a question and answer period and the City Council does not respond to public comments. Speakers who engage in threatening or disorderly behavior will have their time ceased.

CONSENT AGENDA

All items under the Consent Agenda are considered to be routine in nature and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member, City Manager or Corporation Counsel so requests, in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda, which typically begins with Item No. 8.

The City's Boards and Commissions hold Public Hearings prior to some Council items appearing on the Council's Meeting Agenda. Persons who wish to address the Council should provide new information which is pertinent to the issue before them.

PUBLIC HEARING

Items that require receiving public testimony will be placed on the agenda and noticed as a Public Hearing. Individuals have an opportunity to provide public testimony on those items that impact the community and/or residence.

REGULAR AGENDA

All items that provide the Council an opportunity to receive a presentation ask questions of City Staff, deliberate and seek additional information prior to making a decision.

MAYOR AND ALDERMAN

Mayor, At-Large - Tari Renner

City Aldermen

- Ward 1 - Jamie Mathy
- Ward 2 - Dave Sage
- Ward 3 - Mboka Mwilambwe
- Ward 4 - Amelia Buragas
- Ward 5 - Joni Painter
- Ward 6 - Karen Schmidt
- Ward 7 - Scott Black
- Ward 8 - Diana Hauman
- Ward 9 - Kim Bray

City Manager - Tim Gleason

CITY LOGO DESIGN RATIONALE

The **CHEVRON** Represents:  
Service, Rank, and Authority  
Growth and Diversity  
A Friendly and Safe Community  
A Positive, Upward Movement and  
Commitment to Excellence!

MISSION, VISION, AND  
VALUE STATEMENT

**MISSION**

To lead, serve and uplift the  
City of Bloomington







**VISION**

A Jewel of the Midwest Cities

**VALUES**

Service-Centered,  
Results-Driven,  
Inclusive

STRATEGIC PLAN GOALS

-  Financially Sound City Providing Quality Basic Services
-  Upgrade City Infrastructure and Facilities
-  Grow the Local Economy
-  Strong Neighborhoods
-  Great Place - Livable, Sustainable City
-  Prosperous Downtown Bloomington


# AGENDA



COMMITTEE OF THE WHOLE MEETING AGENDA  
CITY HALL COUNCIL CHAMBERS  
109 EAST OLIVE STREET, BLOOMINGTON, IL 61701  
MONDAY, NOVEMBER 19, 2018, 6:00 P.M.

1. Call to Order
2. Roll Call of Attendance
3. Public Comment
4. Presentation of Certificates to the Bloomington 101 Fall 2018 Class: Ashley Berg Dan Berg, Jr., Shelly Braxton, Sara Crowley, Michele Evans, Surena Fish, Linda Foster, Louis Goseland, Rebecca Gossard, Gina Grumke, Kent Gummerman, Gary Ifft, Shelley Lambert, Ashley Lara, Alyssa Mandula, Amanda Mohan, Marilyn Myers, Curtis Preston, Christine Sewell, Carol Straka, Jim Walters, and Patrick Zajac.
5. Consideration of approving the minutes of the October 15, 2018 Committee of the Whole Meeting. *(Recommend the minutes be approved and dispensed accordingly.)*
6. Presentation and discussion by the Police Department regarding Axon Body Worn Cameras, Axon Fleet and Evidence.com, as requested by the Police Department. *(Recommend: This is a video presentation and discussion only.) (Brief overview by Tim Gleason, City Manager. Presentation by Clay Wheeler, Police Chief and Ken Bays, Assistant Police Chief 10 minutes, and Council discussion 20 minutes.)*
7. Presentation, discussion, and direction regarding the implementation of several proposed insurance programs for private residential water and sewer leak protection, water service line protection, and sewer lateral protection, as requested by the Public Works Department. *(Recommend the City Council provide staff direction regarding the implementation of several proposed insurance programs for private residential water and sewer leak protection, water service line protection, and sewer lateral protection.) (Brief overview by Tim Gleason, City Manager. Presentation by Jim Karch, Public Works Director 10 minutes, Council discussion 10 minutes.)*
8. Presentation of Property Tax Levy considerations related to Public Safety Pension funding. *(Recommend: Presentation Only.) (Presentation by Tim Gleason, City Manager 10 minutes, and Council discussion 15 minutes.)*
9. Presentation, discussion, and direction on Future Agenda Topics.

- a. City Manager Report (5 minutes)
  - b. Council Initiatives (*Presentation by Alderman Jamie Mathy, 3 minutes, Council discussion 5 minutes.*)
    - i. Alderman Jamie Mathy: Smart Street Lighting - Request that the City Manager, Public Works, and Information Services explore if Bloomington can save money by moving to a Smart Street Lighting program.
10. Adjourn (*Approximately 7:30 p.m.*)

 **CITY OF**  
*Bloomington* **ILLINOIS**  
**COMMITTEE OF THE WHOLE MEETING**  
**AGENDA ITEM NO. 5**

FOR COUNCIL: November 19, 2018

**SUBJECT:** Consideration of approving Committee of the Whole Meeting Minutes from October 15, 2018.

**RECOMMENDATION/MOTION:** The reading of the minutes be dispensed with and the minutes approved as printed.

**STRATEGIC PLAN LINK:** Goal 1. Financially sound City providing quality basic services.

**STRATEGIC PLAN SIGNIFICANCE:** Objective 1d. City services delivered in the most cost-effective, efficient manner.

**BACKGROUND:**

In compliance with the Open Meetings Act, Committee Proceedings must be approved within thirty (30) days after the meeting or at the Committee's second subsequent regular meeting whichever is later.

In accordance with the Open Meetings Act, Committee Proceedings are made available for public inspection and posted to the City's web site within ten (10) days after Committee approval.

**COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED:** N/A

**FINANCIAL IMPACT:** N/A

Respectfully submitted for Committee consideration.

Prepared by: Cherry L. Lawson, City Clerk

Recommended by:



Tim Gleason  
City Manager

**Attachments:**

- October 15, 2018 Committee of the Whole Meeting Minutes

**SUMMARY MINUTES OF THE MEETING  
PUBLISHED BY THE AUTHORITY OF THE COMMITTEE OF THE WHOLE  
OF BLOOMINGTON, ILLINOIS MONDAY, OCTOBER 15, 2018, 6:00 P.M.**

The Council convened in a Committee of the Whole Session in the Council Chambers, City Hall Building, at 6:00 p.m., Monday, October 15, 2018.

Mayor Renner directed the City Clerk to call the roll and the following members of Council answered present:

Aldermen: Jamie Mathy (Absent), David Sage, Mboka Mwilambwe, Amelia Buragas, Scott Black, Joni Painter, Diana Hauman, Kim Bray, Karen Schmidt, and Mayor Tari Renner.

Staff Present: Tim Gleason, City Manager; George Boyle, Assistant Corporation Counsel; Cherry Lawson, City Clerk; Brian Mohr, Fire Chief; Melissa Hon, Assistant to the City Manager; Scott Sprouls, Information Services Director; and Nicole Albertson, Human Resource Director; Jeanne Hamilton, Library Director and other City staff were also present.

**Public Comment**

Mayor Renner opened the meeting to receive public comment, and the following individuals provided comments to the Council:

Rickielee Benecke
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The following was presented:

Item 4 Consideration of approving the Minutes from the September 17, 2018 Committee of the Whole Meeting. *(Recommend the reading of minutes be dispensed and approved as printed.)*

Motion by Alderman Schmidt and seconded by Alderman Bray to approve the September 17, 2018 Committee of the Whole Meeting Minutes with corrections.

Mayor Renner directed the Clerk to call the roll, which resulted in the following:

Ayes: Aldermen Mathy, Painter, Mwilambwe, Buragas, Hauman, Sage, Black, Bray, and Schmidt.

Nays: None.

Motion carried.

The following was presented:

5. Presentation and discussion regarding the Bloomington Public Library's Capital Improvement Infrastructure needs and Revised Conceptual Site Plans for Expansion, as requested by the Bloomington Public Library. *(Recommend presentation and discussion only.) (Brief overview by Tim Gleason, City Manager. Presentation by Jeanne Hamilton, Executive Director of the Bloomington Public Library, 15 minutes, City Council discussion, 20 minutes.)*

Mr. Gleason provided brief comments stating this is an opportunity to update Council on the work that had been completed since the last time the Library Board had presented to Council. Farnsworth has updated renderings of a phased expansion and the current location. He and Executive Director Jeanne Hamilton has worked closely together in some areas includes a discussion on the timeline as this project, in various forms, dates back to 2000; most recently, the expansion in the lower northeast portion of the Library (space that was used during 2006 when there was a need for additional space).

He had some conversations with Ms. Hamilton on how the Library came to need 100,000 square feet on the space versus the 57,000 square feet that they currently have. The Library went through steps that they used—they have software to illustrate the volume or consumption rate of different items in the Library. Also, looked at the current facility needs that was discussed. The renderings does not solve the issues of the library; it is a ripple effect/impact of an expansion, if it were to occur. Mr. Gleason stated that Ms. Hamilton has done a fair amount of work on this project, leading to her presentation this evening. This is a partnership between the City and the Bloomington Library.

Ms. Hamilton provided a PowerPoint Presentation of the history and possible expansion of the Library that is on file in the City Clerk's Office as well as posted on the City's website at the following location on the <http://www.cityblm.org/Home/ShowDocument?id=20132>. Since the 2006 renovation, the Library has seen an increase of 61% in circulation, a 20% increase in program attendance, and a 35% increase in visitor count. While they have seen a decrease since the 2006 for public computer use, this year there has been an increase in those numbers. They see approximately 56,000 in total public computer use for this year. Additionally, they have seen an increase in Wi-Fi usage. Bloomington Library is circulating more materials than Peoria that is a larger town than Bloomington, and they have five branches. She reviewed some of the challenges that the library currently face including parking, substandard collection, demands exceeding capacity, as well as inefficient staff areas.

Ms. Hamilton spoke on the funding availability for this project including fundraising efforts to make-up for the shortfall, that in total, she estimates a total of approximately \$6 million that the Library can bring forward for this project. She also covered the work that been done to this date as well as receiving input from the community and Council. She stated the Library is seeking a resolution from the Council, direction, as well as a commitment to funding.

Mayor Renner stated the funding that has been set aside and private fundraising for the Library expansion is not necessarily cash in hand; but upfront funds rather than the amount of



money the Library Board could pay towards a 25 to 30 year bond as well as what the city might be able to contribute to a 25 to 30 year bond. Ms. Hamilton replied referring to the PowerPoint, the \$4 million is what the Library has cash in hand, and the \$2 million would be in fundraising. The shortfall would be a combination of the City and Library floating a bond.

Ms. Hamilton, state law requires the city to approve the note. It would appear on the tax bill as Library tax.

Alderman Buragas commented on the conceptual drawings and community feedback asking what type of community feedback was received, and in what setting was the feedback provided. Ms. Hamilton stated, in 2015 the Board hired Farnsworth and there were sessions open to the public to view and receive feedback. Most recent iteration city staff provided feedback that they had on previous conceptual site plans. She had received feedback from community members who reached out to her specifically.

Mr. Westerhout stated the latest Farnsworth Study is more of envisioning what that space could really look like. That most of it has nothing to do with the Library the beyond points of feedback that they had received. He continued that the remarks that they had received from Council and others that there needed to be a vision for what the space could look like. They made that part of its goals to incorporate other structures when the time came to move forward.

Alderman Buragas asked about the parking situation as it had been used as a justification of hire needs that is reflected in the vision study as well as the experience of anyone who has visited the library knowing that parking is a major problem. The library currently has 70 parking spaces the Board is envisioning doubling the size of the facility that would increase the number of people that use the facility. At best, the Board is only looking to increase parking by 87 parking spaces, which is an increase of 17; the 87 is inclusive of off-street parking. If parking is a concern, why do we have a conceptual drawing of so few parking spaces added for off street parking?

Mr. Westerhout stated referring to the conceptual plan, Option 1A the library parking would be 196 in total with additional space capture near the trailhead with gives those 208 parking spaces. Alderman Buragas stated according to the City Code, you could not count on street parking spaces. She expressed concern with user experience to the Library, and ask what has been done to start that conversation with the community. She asked could Demis Grove bear the burden of on street parking for the library. Ms. Hamilton stated they have not had the conversation as the Library and Library Board has not had that level of commitment to the project. They did not want to continue to solicit feedback for a project that the Council does not have a commitment. She continued stating they have had the same questions posed to them as it relates to fundraising. At this time, without direction from the Council, it is impossible to move forward.

Alderman Buragas asked about the vision study the documented comments expressed about parking by all users. Some feedback submitted and asked whether the deficiencies have been addressed in the conceptual drawings, 1) very weak connection to and from downtown Bloomington. Ms. Hamilton stated that is something that the Library would consider on the north

side of the building, having an entrance on that side as it closed during the 2006 renovation. Board members have been vocal about this issue and want to see that entrance reopened. However, it is a concern that they would have to work with city staff on. Some things are outside the scope of the Library, and therefore would need to collaborate with other city staff to address those types of concerns.

Alderman Buragas asked about access to pedestrians. Ms. Hamilton stated they have addressed this as well as it is address through the trailhead. Alderman Buragas asked about the cost of the project stating the conceptual drawing has it totaling approximately \$28 million asking whether this was the best estimate that the Library has received, adding the amount does not include the moving of the Public Works Department. This project can cost upwardly approximately \$38 million in order to move forward with conceptual drawing A. She asked whether Ms. Hamilton has looked into what the true cost would be to move forward. Ms. Hamilton replied it would be \$30 million dollar bond. If it were a 30-year debt service it would be \$53 million dollars; at a 20 year would amount to \$42 million with interest.

Alderman Buragas stated the project would cost approximately \$53 million dollars and would be a generational commitment that the City Council would be making to the residents of the City that we need to be very careful how this is done. The City has many other needs such as infrastructure, economic development, revitalization of downtown, and O'Neil Pool. Why should this project get funding even though some of the others will not likely get funding?

Mr. Westerhout stated some of this is priority setting that Council needs to do. This project is something the Library and Board feels very strongly that it is a valuable core to the community. He does not wish to rank the Library in comparison to the other projects, as that is not for them to decide.

Alderman Mwilambwe inquired about the amount those renovations would be if the answer was no by the Council. Ms. Hamilton stated they have estimated approximately \$2 million dollars for the roof and deferred maintenance expense. Alderman Mwilambwe stated he had not seen a breakdown of the phasing cost. Mr. Westerhout responded stating there may have been some confusion on part of the Council and perhaps the public with the phasing plan. The other cost are the visioning of what the library could potentially look like.

Alderman Painter reiterated the cost factor for Conceptual Plan A that the Library has \$4 million to spend on it. She stated the City does not have that type of money that she does not believe there would be wide support for increasing property taxes to pay for this. She expressed her love for the Library and that she had once served on the Library Board. Unfortunately, the City has too many unmet needs at this time. She asked whether the \$2 million that the Library has set aside would take care of the replacement of the roof and the HVAC. Ms. Hamilton stated it would. Alderman Painter suggested a refreshment of the interior space, and encouraged Ms. Hamilton to look outside of the Library to meet those unmet needs, i.e., Jefferson Street House and possibly have an occasional staff there to assist kids with their homework. A community of this size could support satellite branches; however, there has to be a plan in place to financially support additional branches of the library.

Alderman Schmidt stated there is no question that Bloomington deserves a premier library and the current space is deficient for today's population. She expressed her appreciation to Ms. Hamilton and the Board for the programming that is currently in place; however stating that she does not quite understand the future budget needs of the City, its challenges. If we look at how this expansion can be accomplished in phases, the Library would still have to do the renovations. Mr. Westerhout stated we have a conceptual plan, but no plan beyond that at this time. He spoke of the informal discussions they have had with Farnsworth that could become a part of the overall renovating plan; however, it is unlikely due to the work that is required for the HVAC.

Alderman Schmidt commented on the parking situation referring to some of the same concerns expressed by Alderman Buragas. Mr. Westerhout stated parking in the downtown area will continue to be a challenge, but this plan is doable. The direction of the Council to the Library is to expand where it currently sits. Unless a parking structure is built, the plan before Council would work to provide adequate parking. Alderman Schmidt clarified asking whether the direction came only from Council, or from both Council and the Library Board. Mr. Westerhout stated both.

Alderman Schmidt asked Mr. Gleason whether there were any plans to relocate the Public Works Department. Mr. Gleason stated at this time there are so many opportunities going forward rather than challenges. Tonight was an opportunity to revisit this issue, that he is tasked with bringing some clarity to the Council, Library Board and Ms. Hamilton. Regarding O'Neil Park, he has to find funding sources above the need of the budget to complete some capital projects within the community. It was of great value to revisit this conversation with Council on the expansion of the library.

Mayor Renner asked about having a rough estimate of the cost to relocate Public Works, and whether those payments can be spread out over some years. Mr. Gleason stated there are opportunities to perhaps look at satellite locations, reduce the need on the existing structure, and/or other capital projects where the library can form a partnership. The Public Works project can have a ripple effect—moving that department to a different location in the community. However, we move forward, it will be costly to the organization.

Alderman Hauman commented on the Council's Five Priorities stating until she knows how all plans fit together, it is difficult to approve. She asked if a bus route could have a stop at the library, is that a possibility. Ms. Hamilton stated there used to be a bus route at the library on East Street outside of the library, and it was removed. They would love to see that route return.

Alderman Black asked is staff proposing to bring back to Council a resolution for it to consider. Mr. Gleason stated the discussions with O'Neil Park and the Library will likely come back to Council for action possibly within six months or less as the City is working to prepare a the FY 2020 budget. He will be able to provide some definitive directions to Ms. Hamilton and Mr. Tetzloff as the FY 2020 budget takes shape, but direction would not be provided this evening.

Alderman Black stated he is sensitive to the needs of the library; however, given the choice, he would possibly vote for improvements to O'Neil Pool that may not open next year, but was

not sure how Council felt. Perhaps Council look at a couple different resolutions and get some public feedback based on those before moving forward.

Alderman Buragas followed-up with comments expressed related to parking and the City Code stating one thing that was discovered by the Downtown Task Force is there are 400 parking spaces open in the Lincoln Parking deck on any given day. She understands there was some conversations to not relocate the library to the downtown area, that by not choosing to have those conversations, we have missed some opportunities there. With the library remaining at its current location, we will continue to struggle with parking under the Code. The trade-off could potentially have a negative impact on the user and the residential area. She want to see the library succeed agreeing with the other Aldermen comments that Bloomington deserves a jewel of a library. Referring to Alderman Black's comments, the Council have many difficult choices in the upcoming fiscal year, she asked Ms. Hamilton and the Library Board to make the decision of Council easy for them to make. Make it harder for the Council to say no. Bring forward a viable proposal for the Council to approve that meets the needs that has been stressed in the vision sessions demonstrate to Council that it is a good project that the public can get support. Explain how it fits into the City's Comprehensive Plan, also one that partner's with others in the community so to reduce the amount of public funding that would be required for the project. It is her belief that the community is not going to fund a \$50 million dollar project over generations, as there are too many competing demands on public funding.

Alderman Bray expressed her appreciation to Ms. Hamilton and the Library Board and stated that she is supportive to the proposition and in finding creative ways that the Council can continue to support the library efforts. The numbers are speaking to her as well as other members of Council. Until revenue comes in with positive projections, there is a reticence on being able to check off projects. However, expressed her appreciation for Ms. Hamilton's common sense approach to remaining in the current location as it makes sense for the investment the City has made to that location.

Alderman Hauman, Ms. Hamilton has done her homework to present this project update to Council. She would be comfortable if the City and Library can find the resources to begin the expansion.

The following was presented:

6. Presentation, discussion and direction for the O'Neil Park rejuvenation, including a new aquatic center, as requested by the Parks, Recreation and Cultural Arts Department. *(Recommend Council provide feedback on the presentation for the plan regarding the O'Neil park rejuvenation.) (Brief overview by Tim Gleason, City Manager. Presentation by Jay Tetzloff, Director of Parks, Recreation, and Cultural Arts, 15 minutes, City Council discussion, 20 minutes.)*

Mr. Gleason, this is an opportunity to update the Council on O'Neil Park since presented at an earlier meeting. Mr. Tetzloff has taken the opportunity to share the possibility of having a new larger aquatics center versus the bare minimum pool that slated to open in 2019. The reason Mr. Tetzloff is here, as with Ms. Hamilton, decisions have to be made by the Council. He

is not looking for a decision from Council, as staff has not had an opportunity to present the funding source.

Mr. Tetzloff presented a PowerPoint Presentation on the proposed O'Neil Park Rejuvenation Project that can be viewed at the following location <https://www.youtube.com/watch?v=X3elj4FaQbw> and a copy of the presentation is available on the city's website at <https://www.youtube.com/watch?v=X3elj4FaQbw>.

With the Aquatics Center, the PRCA is bringing in approximately 32% of cost recovery with the current concept they would achieve approximately 85%. Public pools do not typically pay for itself, but they believe this would be a big draw to get the public into O'Neil Pool, and possibly trigger increased business on Market Street.

Mr. Gleason asked Mr. Tetzloff what the bottom line looks like under both scenarios—loss dollar amount and projections. Mr. Tetzloff, at present the City is losing approximately \$115,000 at O'Neil Pool and with the Aquatics Center approximately \$75,000. Mr. Gleason stated he is aware a decision by Council would not be expected on this project now, as it does not have the numbers prepared for its consideration. Mr. Tetzloff and his staff have been working with the State for this project to rise on the level of priority with the City, as the State would allow for a Band-Aid of repair for the pool to open in 2019. Those repairs would equal less than \$10,000. Even if the City postpone this project until 2020 or 2021, the investment to open the pool in 2019 that \$75,000 to make repairs would be wasted money. The State would permit those repairs if they believe there is a reasonable expectation that this larger project would occur. The purpose of this update is to provide Council with new information and to share the partnership with Dr. Barry Reilly, Superintendent, District 87. The City see the potential impact if this project is chosen and were able to find the funding source to move it forward.

Alderman Buragas asked how long it takes to make this proposal a reality. Mr. Tetzloff, if Council approves the project, the City would have to hire an architect. It would take approximately six to eight months for design, and approximately six months for construction. If we opened the pool in 2019, then the park would close for 2020. Alderman Buragas asked for clarification on the profit and loss amounts on the operations of O'Neil Pool. Mr. Tetzloff stated \$115,000.

Alderman Sage asked about the membership cost per family for the Aquatics Center. Mr. Tetzloff stated the current rate is \$30, and the projected rate is \$50. There will be a lower tiered pass for Holiday Pool that would remain \$30. However, with the upgrades to O'Neil Pool, the cost of the pass would be \$50 per person for the season. Alderman Sage requested to have the cost sheet sent to Council for review.

Alderman Mwilambwe asked what would attract someone to come to the O'Neil Pool who does not currently live in the community. Mr. Tetzloff stated there are a number of people who bypass the O'Neil Pool to go to Fairview Pool in the Town of Normal. This new center would certainly attract more visitors to the area. Alderman Mwilambwe asked whether there had been any thought given to indoor pool. Mr. Tetzloff stated the comparison that the consultants had done, comparing apples to apples, would cost \$6.1 million just for the Aquatics Center to be

outdoors. To do it indoors would be \$13.8 million. That was outside of their scope to run those numbers.

Alderman Schmidt stated she appreciates the vision but has concerns with spending the \$75,000 to do some of those items listed—that it would be money lost. She asked whether there were opportunities in reconceptualizing the park area. Just doing the necessary renovations rather than taking on the park...the Aquatics Center. Mr. Tetzloff stated with the current pool, there is nothing that he would salvage as it is in its original state—45 years old. It is recommended to demo and build new.

Alderman Black ask whether there will be a resolution for Council to consider regarding the pool and he had asked referring to the library. Mr. Gleason stated these two items rose to this level as there are immediate needs. It would be unfair to Council to make a decision on these items as the City does not know what is projected next year or over the next five year at this time. Although there needs to be some updates to the Capital Improvement Plan, Council needs to be aware of the wish list. If the City does not have the funding, it does not want to plant that seed of expectation in the community that there are projects that the City can do. The City will provide additional information to Council later with budget projections to move forward.

Alderman Black spoke in support of the Aquatics Center stating it should be a premier center for the community, that will likely result in economic growth for Bloomington.

Alderman Painter asked for clarification on replacement of the pool. Mr. Tetzloff stated to just replace the pool would cost the City \$5.1 million. Alderman Painter asked to build out the Aquatics Center would cost \$10 million. Mr. Tetzloff stated pool-to-pool would cost be inclusive of the pool and other amenities.

Mayor Renner spoke of the economic attraction to the community with any new project, especially having the O'Neil Pool updated on the west side of town. It is sure to be an attraction.

Alderman Bray asked of the narrow use period for pool. She asked whether some thought had been given to extend the use period as compared to other pools. Is there something in this plan of lower cost that would to make it a year-round facility? Mr. Tetzloff stated many of the parks are seasonal parks. He spoke of some of the amenities of the park and the connection of the parks to other parks in the area. She commented about the \$75,000 shortfall, asking is there something in the plan that can be a revenue raiser and pay for itself, that is would not be a wash. Mr. Tetzloff commented on the skate park and the parking lot and opportunities for it such as moving the existing skate park to the new site rather than build new.

7. Presentation, discussion, and direction on Future Agenda Topics.

a. City Manager Report (10 minutes)

Mr. Gleason provided an overview of his Three Month Report. *(The City Manager Three Month Report is available on the city's website at [www.cityblm.org](http://www.cityblm.org)).*

b. Council Initiatives

- i. Alderman Karen Schmidt: explore adding an additional seat to the Transportation Commission to include representation from our City disabled population or disabled services professional. (*Presentation by Alderman Karen Schmidt, 3 minutes, City Council discussion, 5 minutes.*)

Council expressed a consensus in moving forward with this initiative.

8. Closed Session

A. Claims Settlement - Per Section 2(c)(12) of 5 ILCS 120/2 (5 minutes)

Mayor Renner asked for a motion to enter into a Closed Session Meeting for the purpose of Section 2(c)(12) of 5 ILCS 120/2 - Claims Settlement.

**Alderman Hauman motion seconded by Alderman Painter to enter into a Closed Session Meeting for the purpose of Section 2(c)(12) of 5 ILCS 120/2 - Claims Settlement.**

**Ayes: Aldermen Hauman, Painter, Bray, Schmidt, Sage, Mwilambwe, Black, and Buragas.**

**Nays: None.**

**Motion carried.**

9. Adjourn Closed Session

Mayor Renner asked for a motion to adjourn the Closed Session Meeting.

**Alderman Schmidt motion seconded by Alderman Hauman to adjourn the Closed Session Meeting.**

**Motion carried: Viva Voce**

10. Return to Open Session

Mayor Renner asked for a motion to return to Open Session and adjourn the meeting.

**Alderman Schmidt motion seconded by Alderman Hauman to return to the Open Session and adjourn the meeting.**

**Motion carried: Viva Voce**

**Meeting adjourned at 8:05 p.m.**

CITY OF BLOOMINGTON

ATTEST

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Tari Renner, Mayor

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Cherry L. Lawson, City Clerk





COMMITTEE OF THE WHOLE  
AGENDA ITEM NO. 6

FOR COUNCIL: November 19, 2018

**SPONSORING DEPARTMENT:** Police Department

**SUBJECT:** Presentation and discussion by the Police Department regarding Axon Body Worn Cameras, Axon Fleet and Evidence.com, as requested by the Police Department

**RECOMMENDATION/MOTION:** This is a video presentation and discussion only.

**STRATEGIC PLAN LINK:** 1. Financially Sound City Providing Quality Basic Services

**STRATEGIC PLAN SIGNIFICANCE:** 1. e. Partnering with others for the Most Cost Effective Service Delivery

**BACKGROUND:** The Police Department has spent approximately two years testing body worn cameras to be deployed. After a poor showing by another vendor with two different camera models, a third camera by Axon Enterprise Inc. has been identified as the right fit for the police department, along with a solution for the outdated in car video systems. The presentation is a broad overview highlighting the numerous positive items the proposed system brings.

**COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED:** The State's Attorney's Office is supportive of the use of the system and are currently using the free prosecutor's version of Evidence.com. User officers request Axon's platform be used if implementing body worn cameras.

**FINANCIAL IMPACT:** For presentation purposes only

**COMMUNITY DEVELOPMENT IMPACT:** *PS-1 Reduce crime and the fear of crime. PS-1.2 Develop personnel and increase departmental efficiencies; review and research relevant technologies. PS-1.5 Develop strategies to address high crime areas.*

**FUTURE OPERATIONAL COST ASSOCIATED WITH NEW FACILITY CONSTRUCTION:** *For presentation purposes only.*

Respectfully submitted for Council consideration.

Prepared By: Kenneth Bays, Assistant Chief of Police

Reviewed By: Clay Wheeler, Chief of Police

Finance & Budgetary Review By: Chris Tomerlin, Budget Manager  
Scott Rathbun, Finance Director

Water/Community Dev. Review By: Katie Simpson, City Planner

Legal Review By: Jeffrey R. Jurgens, Corporation Counsel


Recommended by:

A handwritten signature in black ink, appearing to read 'T. Gleason', with a stylized flourish at the end.

Tim Gleason  
City Manager

**Attachments:**

- None

 **CITY OF**  
*Bloomington* **ILLINOIS**  
**COMMITTEE OF THE WHOLE MEETING**  
**AGENDA ITEM NO. 7**

FOR COUNCIL: November 19, 2018

**SPONSORING DEPARTMENT:** Public Works

**SUBJECT:** Presentation, discussion, and direction regarding the implementation of several proposed insurance programs for private residential water and sewer leak protection, water service line protection, and sewer lateral protection, as requested by the Public Works Department.

**RECOMMENDATION/MOTION:** The City Council provide staff direction regarding the implementation of several proposed insurance programs for private residential water and sewer leak protection, water service line protection, and sewer lateral protection.

**STRATEGIC PLAN LINK:** Goal 1. Financially Sound City Providing Quality Basic Services; Goal 4. Strong Neighborhoods

**STRATEGIC PLAN SIGNIFICANCE:** Objective 1d. City services delivered in the most cost-effective, efficient manner; Objective 4e. Strong partnership with residents and neighborhood associations; Objective 4f. Residents increasingly sharing/taking responsibility for their homes and neighborhoods

**BACKGROUND:** The Public Works Department is seeking direction regarding the implementation of several proposed insurance programs for private residential water and sewer leak protection, water service line protection, and sewer lateral protection.

Working with the Administration Department, the Water Division of the Public Works Department found that Sunbelt Insurance Group in Chattanooga, Tennessee offers a program called ServLine. This program includes a water and sewer leak protection, water line protection, and sewer lateral protection. With each of these options, the City collects the premiums, tracks the number of customers, and provides other background information directly to ServLine. The City remits the payments, minus the administrative charges, and sends the number of customers to Sunbelt Insurance Group each month.

Jim Karch, Bob Yehl, and representatives from Sunbelt Insurance Group presented their proposal on August 27, 2018 in order for the City to offer Water Leak Protection, Water Line Protection, and Sewer Lateral Protection through ServLine. The City Council gave direction to continue researching the proposals and provided several specific questions to answer. Staff continued to look into these programs in order to answer those

questions. A list of questions and answers, along with a program detail document is attached.

**COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED:** N/A

**FINANCIAL IMPACT:** Presentation only. No financial impact at this time.

**COMMUNITY DEVELOPMENT IMPACT:** The Utilities chapter of the City's Comprehensive Plan 2035 (Adopted August 24, 2015) includes multiple goals and objectives related to this item.

*UEW-1 Provide quality public infrastructure within the City to protect public health, safety and the environment.*

UEW-1.5 Reliable water supply and distribution system that meets the needs of the current and future residents

UEW-1.7 Reliable and efficient collections systems (sanitary sewer, combined sewer, and storm water sewer) to protect public health, safety and the environment

**FUTURE OPERATIONAL COST ASSOCIATED WITH NEW FACILITY CONSTRUCTION:** N/A

Respectfully submitted for Council consideration.

Prepared By: Michael Hill, Miscellaneous Technical Assistant

Reviewed By: Jim Karch, P.E., MPA, Director of Public Works

Finance & Budgetary Review By: Chris Tomerlin, Budget Manager

Water/Community Dev. Review By: Katie Simpson, City Planner

Legal Review By: Jeffrey R. Jurgens, Corporation Counsel

Recommended by:



Tim Gleason  
City Manager

**Attachments:**

- Answer Document
- Program Detail Document



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## MEMORANDUM

To: Mayor Renner and Members of the City Council

From: Jim Karch, P.E., MPA, Director of Public Works

Date: November 9, 2018

Subject: Answers to ServLine Questions from Council

Representatives from Sunbelt Insurance Group, Bob Yehl, and I presented a proposal at the Regular Council Meeting on August 27, 2018 to evaluate the City offering Water Leak Protection, Water Line Protection, and Sewer Lateral Protection through ServLine. Staff has continued research on these programs in order to answer questions asked by aldermen at the meeting. Below is a list of questions and answers, some of which provide page numbers within the program detail document, which is attached.

### **1. What valuation will be given to covered property?**

Page 28 of the ServLine-provided Sampo Policy includes an Actual Cash Value statement. In addition, the sample policy information provided includes a Replacement Cost Endorsement which supersedes the Actual Cash Value endorsement included on the Scheduled Property Floater. The Replacement Cost Endorsement indicates the value of the covered property will be based on the replacement costs without any deduction for depreciation. (Appendix B)

### **2. Can program participants combine ServLine with other insurance coverage?**

Program participants may supplement the coverage offered through ServLine with additional coverage from a private insurance provider or utility. (p. 10)

### **3. Can you provide data showing the number of times users had a spike in their usage?**

This data is provided in the attached program detail document. (p. 15-18)

### **4. What is the expected public outreach timeline?**

Public Works is seeking direction from the City Council on whether public outreach should occur before the final proposal is brought back to the council. Once the item is approved, public outreach will occur as staff prepares to implement the program internally, which would take about 5 months. (p. 20)

### **5. Will a one-page summary of coverage be available to customers?**

ServLine will send a flyer similar to the one attached to the program detail document (Appendix C).

**6. Would program users receive a discount if they enroll in all three programs?**

Program users would receive a 25 percent discount if all three programs become opt-out and if the user retains all three services. If all programs become opt-out, but the user cancels one of the services, the previous rate would be used (see the next question for more information).

**7. If aldermen decided to make it so that the Water Line Protection and Sewer Lateral Protection programs are opt-out, rather than opt-in, would there be a fee discount?**

If the City were to decide to use an opt-out program for Water Line Protection and Sewer Lateral Protection, the fees would be reduced by 25 percent if the user retains all three services. The fee would decrease from \$4.84 per month (including a 10% admin fee) to \$3.63 per month (including a 10% admin fee) for Water Line Protection as long as the program user retains all three services. In addition, the fee for Sewer Lateral Protection would be reduced from \$6.60 per month (including a 10% admin fee) to \$4.95 per month (including a 10% admin fee) as long as the program user retains all three services. If the user cancels one of the programs, they will have to pay the original monthly fees (\$4.84 and/or \$6.60) moving forward.

**8. Are landlords able to opt-out of these programs if they own a multi-unit home?**

Any proposed change requiring the landlords to participate in the Servline program may be an issue for the city, but it would not have an impact on the proposal or the pricing from Servline.

**9. How would the monthly fees change if the City paid a portion?**

*Water Lines*

By practice, the Water Division of Public Works currently maintains the portion of the service line from the water main to the curb stop for residential properties. Current City code clearly indicates that the private home owner is responsible for the service from the home to the water main, including connection to the main. This practice thereby already reduces the cost of the water service line protection program being offered to residential customers, since the program is designed to cover from the home to the curb stop and not the full length of their responsibility as defined by code.

As an option, the Division could change its practice to mirror code and utilize operational savings realized from not maintaining from the curb stop to the main to pay for a portion of the protection program costs. If this option were chosen, the City would need to ask ServLine to update their proposal to cover the entirety of the water service line.

*Sewer Laterals*

Staff estimates that the City spends over \$350,000 per year, on average, for private sewer lateral repairs. Public Works would be open to a \$1 per month subsidy of an opt-out program for lateral coverage so that the City no longer takes care of these issues.

**10. Does ServLine offer per-incident coverage above \$10,000 for a water line or sewer lateral?**

The Servline sewer lateral coverage offered by Servline is \$10,000 per incident and cannot offer a higher limit with their existing program. They have found that their coverage limit has addressed most needs around the country and there has not been a need to change the limit, which would then be an unnecessary additional cost to the customers. In most cases, \$10,000 will be enough to cover a water line or sewer lateral repair or replacement. In rare cases, repair or replacement costs could be \$15,000 or more. Unfortunately, ServLine does not offer coverage limits above \$10,000. However, users may supplement the coverage with coverage from a private insurance provider or utility. (p. 10, 12-14)

**11. Can you provide a list of other communities and how many they serve with ServLine?**

Unfortunately, due to marketplace conditions and non-disclosure agreements, ServLine cannot provide an extensive list of other communities or utilities that offer ServLine. However, a table with number of utilities sorted by services available and total number of customers is located in the program detail document (p. 1)

**12. What are private insurance options to cover water leaks, water lines, and sewer laterals?**

The Department is not aware of water leak coverage offered by private insurance companies at this time. However, with help from Chad Thoma at Troxell Insurance, staff compiled a list of private insurance options for water lines and sewer laterals. (p. 12-14)

**13. How does a program user opt out of water leak protection?**

Users can opt out of the water leak protection program by calling ServLine within one year of the program start to receive a refund for up to twelve months of fees, depending on when it is cancelled. Once a year has passed, refunds for monthly fees for water leak protection will not be issued. Once a person opts out of the program, any high water bills that result from water leaks will have to be paid out-of-pocket by the person who is listed on the city utility bill. They can opt back in at any time. A 30-day waiting period would apply before coverage starts again. (p. 6)

**14. What is the process for adding or declining coverage?**

A flowchart with this process is provided in the attached program detail document. (p. 11)

**15. What happens when a customer calls ServLine to make a claim?**

A flowchart with these processes are provided in the attached program detail document. (p. 3, 9)

**16. Where can I see a list of frequently asked questions with answers?**

Three lists of frequently asked questions with answers are listed within the program detail document. (p. 6, 10, 11)

**17. What are the coverages for water leak protection, water line protection, and sewer lateral protection? (p. 2, 7, 8)**

Water Leak Protection (p.2)

*\$500 Protection Limit*

- \$0 deductible
- Covers water, sewer, BNWRD, and utility tax charges
- 1 qualifying leak event per year

*\$1,000 Protection Limit*

- \$0 deductible
- Covers water, sewer, BNWRD, and utility tax charges
- 1 qualifying leak event per year

*\$2,500 Protection Limit*

- \$0 deductible
- Covers water, sewer, BNWRD, and utility tax charges
- 1 qualifying leak event per year

Water Line Protection (p. 7)

\$0 deductible

Up to \$10,000 per occurrence for total repair cost, including:

- Up to \$500 for re-seeding and landscaping
- Up to \$500 for restoration of private paved surfaces
- Value of covered property based on replacement cost without depreciation

No limit on number of repairs per year

30-day waiting period to begin coverage

Available Options (Chosen by City):

1 Water Service Line Thawing per Year  
\$0.25 per month, \$500 per incident

Unlimited Water Service Line Thawing per Year  
\$0.50 per month, \$500 per incident

Sewer Line Protection (p. 8)

\$0 deductible

Up to \$10,000 per occurrence for total repair cost, including:

- Up to \$500 for re-seeding and landscaping
- Up to \$500 for restoration of private paved surfaces
- Value of covered property based on replacement cost without depreciation

No limit on number of repairs per year

30-day waiting period to begin coverage

**18. Are “wild cat” private sewers covered by the sewer lateral protection program?**

A “wild cat” sewer, or a pipe that connects multiple homes to a public sewer, would be covered by ServLine’s sewer lateral protection program. (p. 10)

**19. What can the City do to enhance the City utility bill?**

The Water Division is transitioning from using Springbrook for billing to using Tyler MUNIS. Samples of enhanced utility bills are provided in the program detail document. (Appendix D)





# Residential Private

## Water and Sewer Leak Protection

## Water Service Line Protection

## Sewer Lateral Protection



City of Bloomington, Illinois  
109 East Olive Street  
Bloomington, Illinois 61702

Sunbelt Insurance Group  
114 Lee Parkway Drive  
Chattanooga, Tennessee 37421

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## What is ServLine?

ServLine is a specialty insurance program insured offered by Sunbelt Insurance Group that offers:

### Water and Sewer Leak Protection

- Insurance program that covers excess water charges, utility taxes, sewer charges, and BNWRD charges resulting from water leaks

### Water Line Protection

- Insurance program that covers the portion of the service line between the curb stop (generally in the parkway) and the home / meter (generally in the basement / crawlspace).

### Sewer Line Protection

- Insurance program that covers the portion of the sewer lateral between the sewer main, including the connection to the main, and the home.

ServLine Customer Breakdown		
Utility Number of Connections	Number of Utilities with Water Leak/Line Program	Number of Utilities with Sewer Line Program
20,000 to 30,000	3	0
10,000 to 20,000	4	0
5,000 to 10,000	19	19
0 to 5,000	100	41

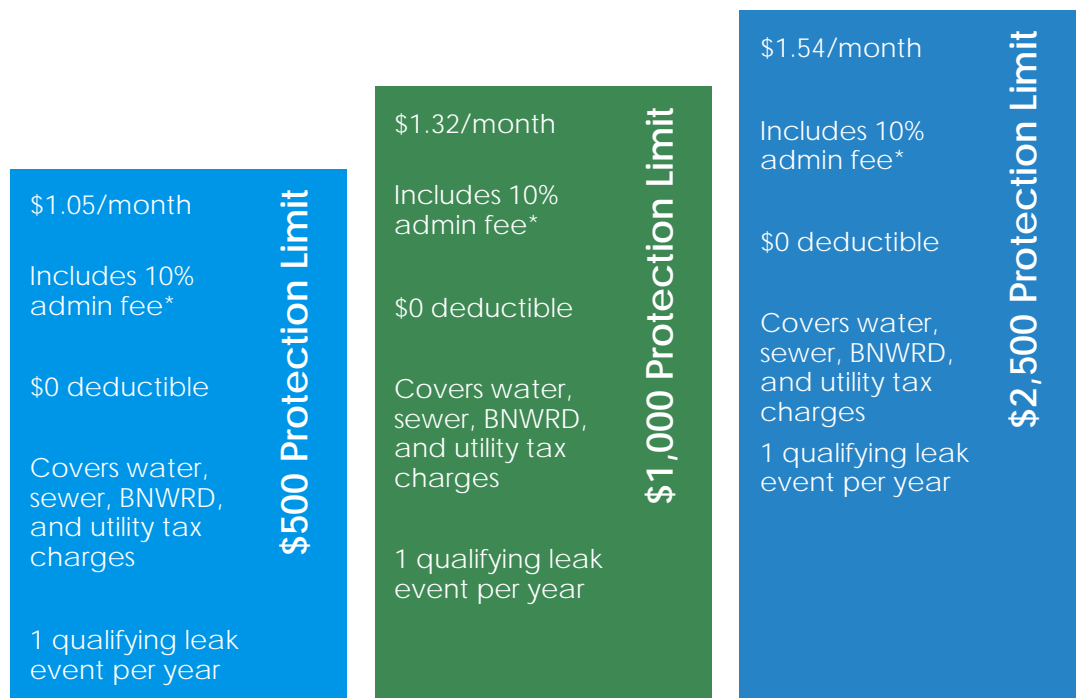


## How do the ServLine Programs Work?

### Water and Sewer Leak Protection

The Water and Sewer Leak Protection Program is an opt-out program that uses the proposed leak adjustment policy and eligibility requirements to credit customers' monthly bill when a water leak occurs. Opt-out means that customers are automatically enrolled in the program and **must** contact ServLine to cancel. A draft Leak Adjustment Policy is listed later in this section.

The following protection limits are available from ServLine:



\*The City of Bloomington will include a 10 percent administrative fee beyond the fee that ServLine charges. This fee will cover the cost to collect premiums, track the number of customers, and provide other background information to ServLine.

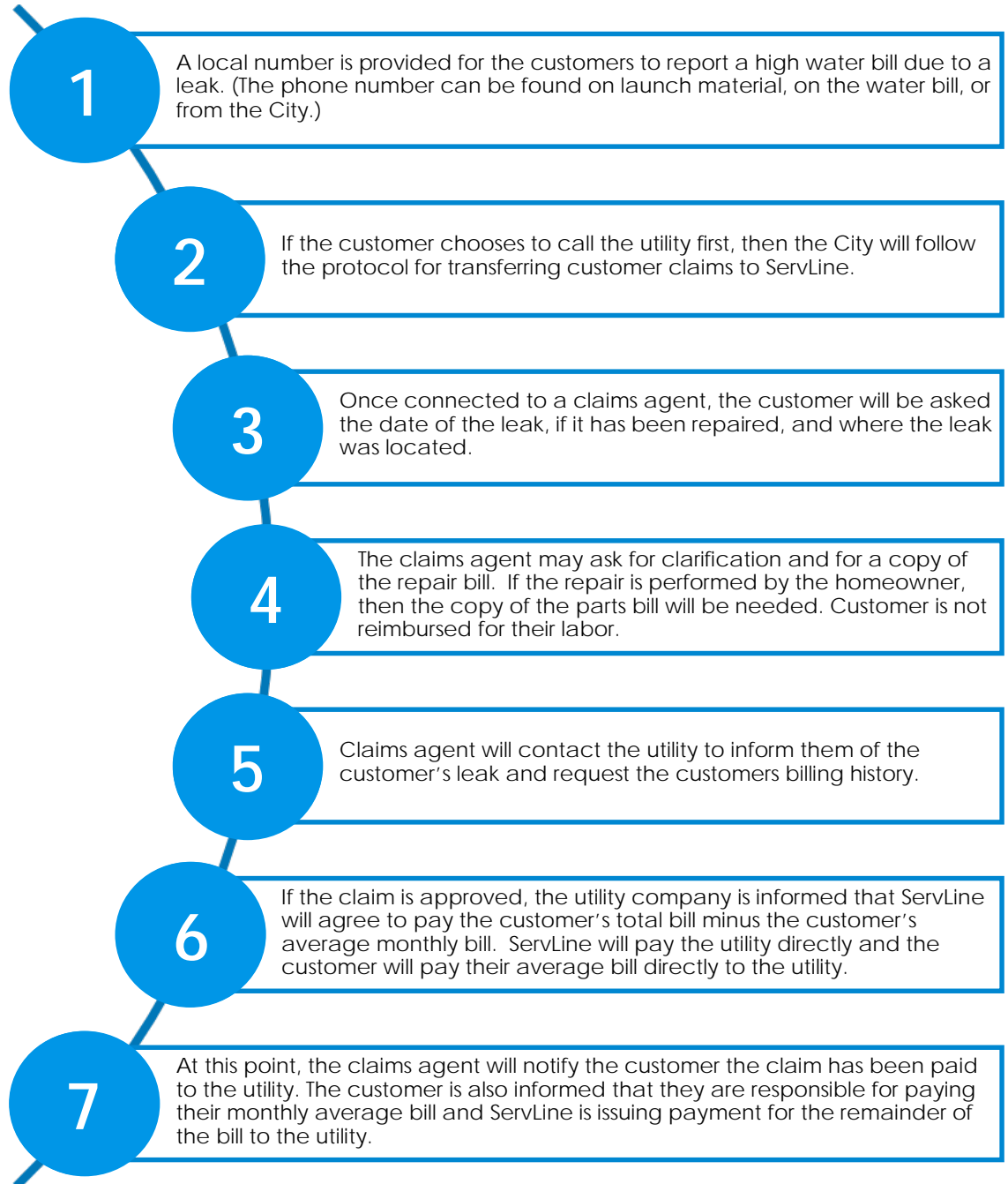
### Average Usage and Billing Amount

For reference, the average City of Bloomington household uses 500 cubic feet (3,740 gallons) of potable water, a 95-gallon refuse container, and live in a single-family, medium-sized parcel. Using this information, the average total monthly bill is \$84.83 per month.

#### City Utility Monthly Billing Outline (Average Household) Beginning May 1, 2018

Water	+	Water Service	+	Utility Tax	+	Sewer	+	BNWRD	+	Refuse Fee	+	Storm Water	=	TOTAL
\$20.05		\$5.00		\$0.90		\$14.25		\$9.92		\$29.00		\$5.67		\$84.83

## How to Report a High Water Bill Due to a Leak



### Draft City of Bloomington Leak Adjustment Policy

1. It is the customer's responsibility to keep their plumbing system in good working order.
2. No customer shall receive more than one (1) leak adjustment that incorporates a maximum of two (2) billing cycles during any twelve (12) month period.
3. In order to qualify for a leak adjustment, the eligible plumbing leak must generate a minimum additional charge of two (2) times the average twelve (12) month bill, up to a maximum adjustment of \$[protection limit here].
4. Adjustments on water bills will NOT be made for the following:
  - a. Residential customers who do not have a water meter and/or who are not the responsible party for the utility bill.
  - b. Commercial or Industrial Customers.
  - c. Premises left or abandoned without reasonable care for the plumbing system. For example, unattended home that have not had meter turned off and water drained from plumbing system, or homes that have been left for any period of time without heat.
  - d. Leaks on irrigation systems or irrigation lines, leaks in water features such as fountains, etc.
  - e. Negligent acts such as leaving water running. For example, leaving the outside water faucet on, interior faucets left running, and/or any other water left on in the home without a faulty plumbing issue. There must be an actual break and repair for leak reimbursement.
  - f. Filling of swimming pools or leaks in swimming pools.
  - g. Watering of lawns or gardens.
5. The UTILITY shall not be obligated to make adjustments of any bills not submitted for adjustment within ninety (90) days from the billing date.
6. Customers must present proof that a leak has been repaired before an adjustment will be made. (ie, copy of invoice for materials, bill from plumber, or receipt for repair parts utilized by the homeowner for repair, meter consumption information (when available))
7. In any case where a customer might incur a leak before there is three (3) months of average usage, an adjustment will not be made until they have established three (3) months of average usage.
8. Leak adjustments approved are applicable to water, utility tax, sewer and Bloomington Normal Water Reclamation District charges.



Residential customers are automatically enrolled when a new account is established. There is a thirty (30) day waiting period for leak adjustment coverage to take effect after the new account is established. Each residential account enrolled in the leak adjustment program will be charged \$\_\_\_\_ per month. This charge will be included on the monthly City of Bloomington utility bill.

Any residential customer may decline to participate in our ServLine Leak Protection Program by calling [phone number here]. Any customer declining to participate in the program will be responsible for the full amount of their water bill with no adjustments being made. Our new City of Bloomington Water Department ServLine Program is the only way qualifying leak adjustments will be made for leaks occurring after [date here].

### Water Leak Estimated Costs

Leaking toilets are the most common cause of leaks inside a home. A running toilet can waste thousands of gallons a year, which will cost money each month. Most often, leaky toilets can be fixed with little cost and time. The Water Division of Public Works recommends testing each toilet in a home for leaks once a year.

Toilet Usage and Leak Rates*			
Leak Rate	Water Wasted Per Month	Water Wasted Per Year	Annual Cost for Water, Sewer, BNWRD, Utility Tax†
300 gal/day (silent leak)	9,000 gal	108,000 gal	\$1,026.63
500 gal/day (audible leak)	15,000 gal	180,000 gal	\$1,711.05

Sink, Shower, and Faucet Usage and Leak Rates*			
Drips Per Minute, Trickle	Water Wasted Per Month	Water Wasted Per Year	Annual Cost for Water, Sewer, BNWRD, Utility Tax†
10	43 gal	516 gal	\$4.91
60	259 gal	3,108 gal	\$29.54
300	1,296 gal	15,552 gal	\$147.83
1/16" Trickle	24,667 gal	296,000 gal	\$2,813.73

\*Based on Water, Sewer, BNWRD, and Utility Tax rates effective February 1, 2018

†Leak rates vary based on water pressure and size of drips





## Water Leak Protection Q&A

### **Why would I want water leak protection?**

In the past, the City of Bloomington offered bill credits for water leaks. If ServLine is adopted, the city will no longer offer bill credits, meaning that ServLine is the only way to receive a credit if your bill goes up as a result of a leak.

### **Does my homeowners' insurance include water leak protection?**

Homeowners' insurance typically does not provide water leak protection.

### **How much is the deductible when I make a claim?**

There is no deductible for water leak protection. The coverage limit per occurrence has not been determined at this time.

### **How many times per year can I make a water leak protection claim?**

Leak Protection follows the guidelines of our leak adjustment policy, which allows for one claim every 12 months.

### **Does Leak Protection pay for excess water bills from leaks that happen because of plumbing leaks inside my house?**

Leak Protection follows the guidelines of our leak adjustment policy, which means the program will pay for excess water bills resulting from leaks that occur in interior plumbing. These leaks, along with leaks from the water line, must be repaired quickly.

### **Are irrigation system leaks or other connection exterior water line leaks covered?**

Excess water charges from leaks on sprinkler water lines, irrigation system water lines, water lines to swimming pools, water lines to other structures, or other water line connections to the main water line from the meter to the house are not covered.

### **How do I opt out of the water leak protection program?**

You can opt out of the water leak protection program by calling ServLine within one year of the program start to receive a refund for up to twelve months of fees, depending on when you cancel. Once a year has passed, refunds for monthly fees for water leak protection will not be issued. Please keep in mind that any high water bills that result from water leaks will have to be paid out-of-pocket by the person who is listed on the city utility bill.

### **What is the waiting period for leak protection to take effect?**

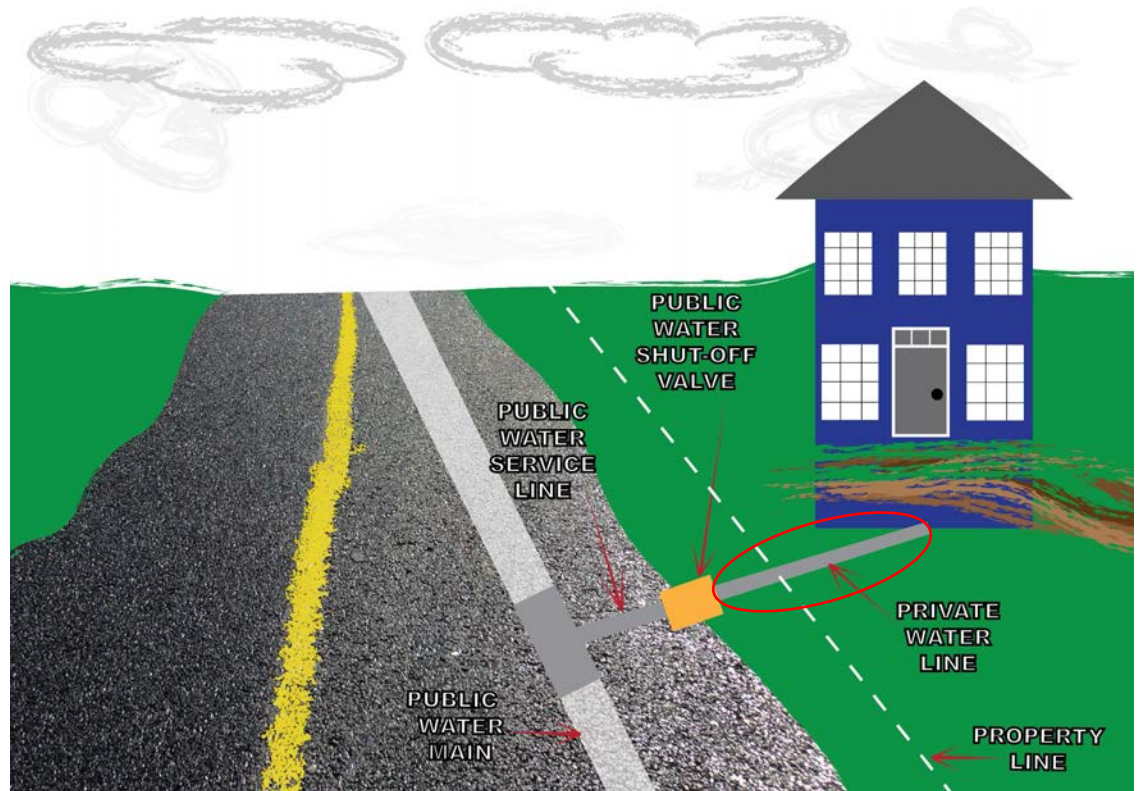
Water Leak Protection will have a 30 day waiting period, with limited exceptions, unless you sign up before the initial start date.

### **How do these programs differ from a service line warranty?**

These insurance programs offered through the City of Bloomington and Sunbelt Insurance Group, unlike warranty programs, are funded and supported by an insurance agency, which is regulated by the Illinois Department of Insurance. If you receive a letter regarding a service line warranty, it is not being offered by the City of Bloomington and Sunbelt Insurance Group.

## Water Line Protection

ServLine offers the opt-in Water Line Protection Program at a cost of **\$4.84 per month** (including a 10% admin fee) that helps pay for repairs when a residential, private water line fails. The red circle in the graphic below indicates the limits of the water line that would be covered by this protection:



This Water Line Protection Program features:

\$0 deductible

Up to \$10,000 per occurrence for total repair cost, including:

- Up to \$500 for re-seeding and landscaping
- Up to \$500 for restoration of private paved surfaces
- Value of covered property based on replacement cost without depreciation

No limit on number of repairs per year

30-day waiting period to begin coverage

### Available Options (Chosen by City):

#### 1 Water Service Line Thawing per Year

- \$500 per incident
- \$0.25 per month

#### Unlimited Water Service Line Thawing

- \$500 per incident
- \$0.50 per month

## Sewer Lateral Protection

Similar to the Water Line Protection Program, the Sewer Lateral Protection program is an opt-in program offered for **\$6.60 per month** (including a 10% admin fee) that helps pay for repairs to private sewer laterals and private sewer connection tees on residential property. The covered pieces are circled in red in the graphic below:



The Sewer Lateral Protection Program features:

\$0 deductible

Up to \$10,000 per occurrence for total repair cost, including:

- Up to \$500 for re-seeding and landscaping
- Up to \$500 for restoration of private paved surfaces
- Value of covered property based on replacement cost without depreciation

No limit on number of repairs per year

30-day waiting period to begin coverage

## How to Report a Water Line or Sewer Lateral Break





## Water Line and Sewer Lateral Protection Q&A

### **Why would I want coverage for the water line or sewer lateral connected to my house?**

The City of Bloomington is only responsible for public water and sewer infrastructure within the city. Property owners are responsible for the private water line and private sewer lateral that connect from their home to the public infrastructure.

### **Does my homeowners' insurance include coverage for the water line or sewer lateral connected to my house?**

In most cases, homeowners' insurance does not cover water lines and sewer laterals.

### **If I choose to purchase water line and sewer lateral protections, how much is the deductible when I have a repair?**

There is no deductible for water line and sewer lateral protection, which offers up to \$10,000 of insurance coverage per incident with certain exclusions.

### **Is \$10,000 enough coverage for a water line or sewer lateral?**

In most cases, \$10,000 will be enough to cover a water line or sewer lateral repair or replacement. In rare cases, repair or replacement costs could be \$15,000 or more. Unfortunately, ServLine does not offer coverage limits above \$10,000. However, you may supplement the coverage with additional coverage from a private insurance provider or utility.

### **How many repairs or replacements can I claim before coverage runs out?**

There is no limitation on the number of claims that can be made under the water line and sewer lateral coverages.

### **Can I make a claim if my water line or sewer lateral is damaged while digging?**

Breaks that result from digging will be covered as long as you or the person who performed the digging called the JULIE number prior to digging, received a ticket number, and had the line marked.

### **Does the Water Line Protection include repairs to internal plumbing, sprinkler system water lines, other irrigation lines, water lines to my swimming pool, or other structures?**

Water Line Protection covers the portion of the service line between the curb stop (generally in the parkway) and the home / meter (generally in the basement / crawlspace).

### **Are my water line and sewer lateral covered for absolutely everything that might make them leak or break?**

Unfortunately, no. Certain events such as sewer backups, plugs, clogs earthquakes, floods, or landslides are excluded from the Water Line and Sewer Line Protection Programs. For a complete list of coverage and exclusions please call (706) 894-9050.

### **Are "wild cat" private sewers covered by the sewer lateral protection program?**

A "wild cat" sewer, or a pipe that connects multiple homes to a public sewer, would be covered by ServLine's sewer lateral protection program.



### General Q&A

**What is the waiting period for protection to take effect?**

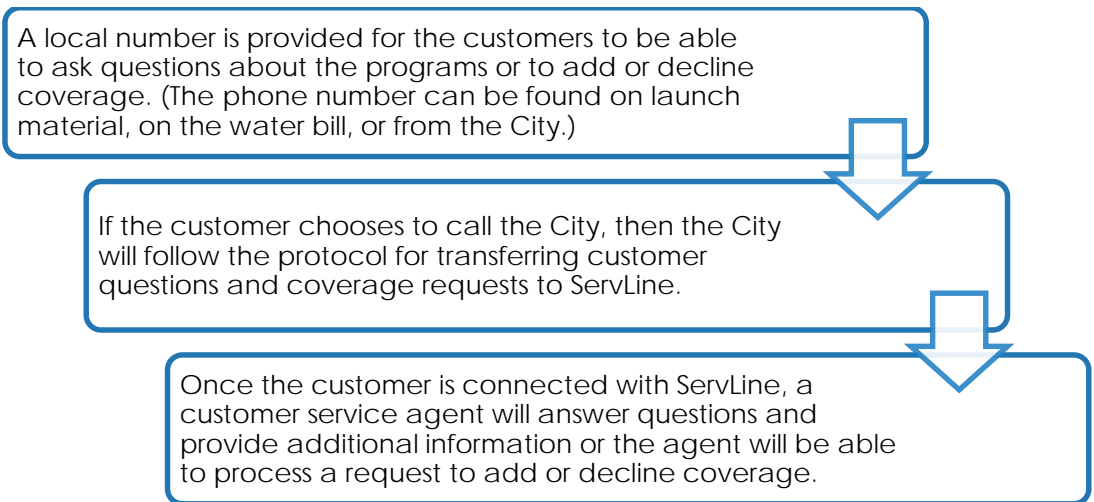
Water Leak Protection, Water Line Protection, and Sewer Lateral Protection will have a 30 day waiting period, with limited exceptions, unless you sign up before the initial start date.

**How do these programs differ from a service line warranty?**

These insurance programs offered through the City of Bloomington and Sunbelt Insurance Group, unlike warranty programs, are funded and supported by an insurance agency, which is regulated by the Illinois Department of Insurance. If you receive a letter regarding a service line warranty, it is not being offered by the City of Bloomington and Sunbelt Insurance Group.

**What is the process to add or decline coverage?**

The process to enroll in or cancel coverage is outlined below.





## Why Should the City Use ServLine?

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### These Programs are Exclusive to ServLine

ServLine, offered through Sunbelt Insurance Group, is the only set of insurance programs that features leak adjustment protection and direct billing through the City's utility bill.

### Homeowners are Responsible for their Property

Water leaks, water lines, and sewer laterals are the sole responsibility of the owner of a property. The City does not take any responsibility for covering water leaks, water line repairs, or sewer lateral repairs. These repairs will need to be covered by ServLine, by an outside insurance provider, or by the property owner. Typically, these items are not covered by Homeowners' Insurance (with the exception of State Farm; see below). However, some insurance providers, though limited, offer separate coverage.

### Options are Limited

The following is a summary of private industry options for water line or sewer lateral insurance companies. Any rates, coverages, exclusions, or deductibles are subject to change and are not a guarantee of available coverage. Apart from SWIP and USP, these providers do not offer municipal billing. None of these providers offer water leak protection.

#### American Modern\*

This optional coverage is available on homeowner policies in IL. The most they will pay for loss, damage or expense under this endorsement arising from any one service line failure is \$10,000.

#### Auto Owners\*

This optional coverage provides up to \$10,000 for loss or damage to underground service lines caused by wear and tear, rust or other corrosion, collapse (not including sinkhole), electrical and mechanical or pressure systems breakdown, and freezing. A \$500 deductible applies.

#### Central Insurance Company\*

Utility Line Coverage endorsement is now available w/ \$20,000 limit and \$1,000 DED, full endorsement, "Utility Line Covered Property" means underground piping and wiring (including permanent connections, valves or attached devices) located on the "residence premises" and the customer is legally responsible for the repair or replacement.

#### Nicor Home Solutions

Nicor Home Solutions offers Outside Sewer Line Protection and Outside Water Line Protection. Bundling the two together costs \$14.95 per month, but the services are offered individually at the prices listed below:

Outside Sewer Line Protection on its own is offered for \$9.95 per month for the following coverages:

- Up to \$4,000 to repair, replace, or clear clogs and blockages for outside sewer lines
- Up to \$4,000 for public sidewalk/driveway/road opening repairs
- Up to an additional \$500 for back filling, leveling, seeding and raking, due to an outside sewer repair

The company also offers Outside Water Line Protection on its own for \$6.95 per month for the following coverages:

- Up to \$4,000 per year for parts and labor to repair or replace a leaking or broken water line
- Up to \$1,000 for outside water lines in public sidewalk/driveway/road opening repairs
- Up to \$500 for landscape restoration reimbursement related to covered water line repairs

### Cincinnati Insurance Companies\*

Service Line Coverage is available on Executive and Executive Capstone Endorsements. Service line failure: freezing, frost heave, root invasion, rupture, breakage, wear and tear, and rust or corrosion. It will cover losses to underground utility lines between the street and an insured's home. Coverage limits: \$10k limit for \$25 annual premium and \$25k limit for \$40 annual premium.

### The Hanover Insurance Group\*

Coverage is available in TAP sales in the Select Plus & Select Premium packages only. The Select Plus provides \$10,000 of coverage and Select Premium provides \$20,000 of coverage.

### National General Premier\*

This company offers service line coverage at \$10,000 or \$20,000 limits subject to a \$500 deductible. The coverage is \$31 for \$10,000 and \$35 for \$20,000.

### Sewer and Water Insurance Plans (SWIP)

SWIP offers up to \$15,000 in coverage per year for sewer lateral repairs and also offers water line coverage. The coverage includes restoration of landscaping, sidewalks, driveways, public roads, floods, landslides, and sinkholes. SWIP offers marketing and billing through the City utility bill or it can be individually marketed and billed to residents.

### State Farm

State Farm customers can add Service Line Coverage to their homeowners' insurance that offers coverage for up \$10,000 per occurrence with a \$500 deductible. The coverage includes excavation costs, expediting costs, loss of use, and outdoor property.



### Utility Service Partners (USP)

This organization offers the Service Line Warranties program on a city-wide basis, but participation is optional for individual households and can be obtained for a low monthly fee of between \$4 and \$6 dollars per month for each warranty. Homeowners who participate are not required to sign a long-term contract and they may opt out of the coverage at any time.

Implementing the water and sewer line protection program in Bloomington would require a marketing agreement with USP, which includes a non-exclusive license to use the City's name and logo on marketing materials to be used in advertising, all at USP's expense and subject to the City's prior review and approval. All customer mail-outs, customer billing, plumber selection, call taking, plumber dispatching, and payments to vendors remain the responsibility of USP.

Plumbing services are provided by local, city-based vendors. USP screens and selects local plumbers based on criteria such as response times, adherence to mutually-agreed upon costs for services, and reputation with the Better Business Bureau.

### Research Notes

Chad Thoma, CIC, LUTCF, AFIS, who is an Insurance Consultant at Troxell Insurance, provided the research for the insurance providers listed above that have an asterisk (\*) next to the company name. Their website is: [www.troxellins.com](http://www.troxellins.com)

# TROXELL

City staff, including Greg Kallevig, PE, Joshua Ftacek, Steve Arney, Michael Hill, and others helped provide the information for the providers without an asterisk next to the company name.

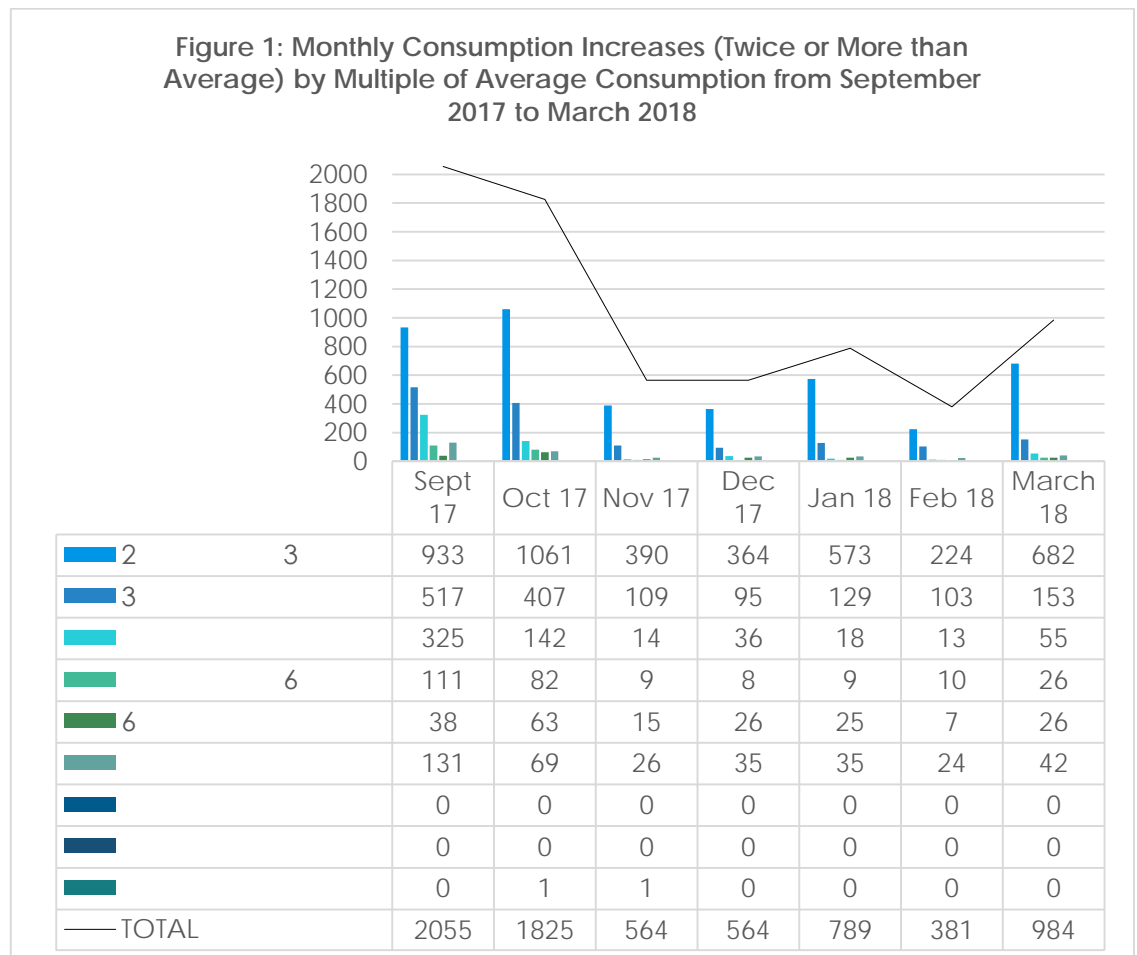
### Cost-Sharing is Not Equitable

If the City continues to use cost-sharing to pay for water leaks, water lines, and sewer lines, taxpayers will continue to be liable for private property maintenance, which is the responsibility of the private property owner. In addition, it would be unfair to expect a property owner to pay the full cost or partial cost of a leak that could be over one thousand dollars or a repair that could be over five thousand dollars.

### Water Leak Historical Data

The Water Division of Public Works used a seven-month date range with comparable data to examine water leak historical data. This range is from September 2017 to March 2018. Using these months helps to eliminate counting pool fill-ups, outdoor sprinkler systems, and other seasonal uses of water that may cause an increase in consumption that is not caused by a leak. The figures in this section most accurately examine increases in monthly consumption and monthly costs that could indicate a leak.

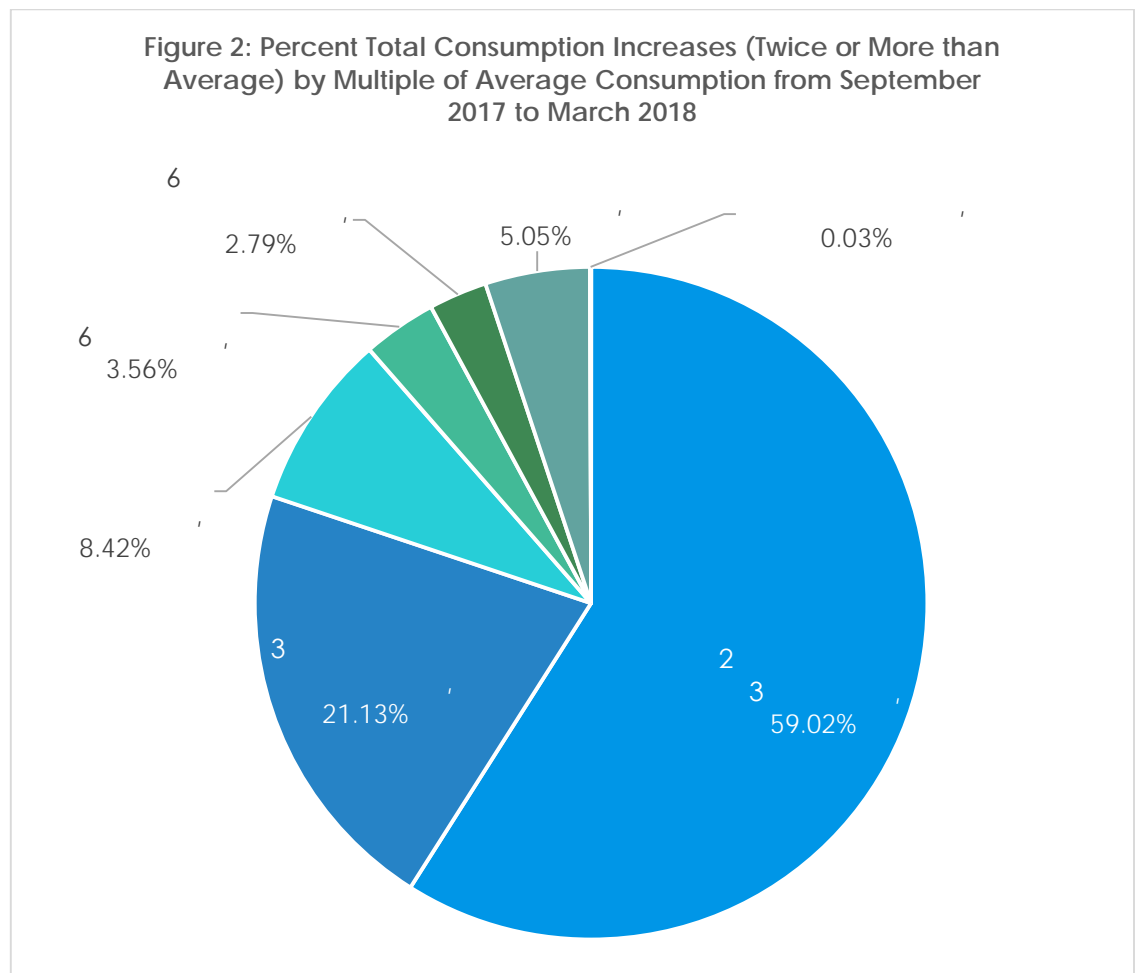
Figure 1 below shows the number of customers that had a monthly consumption increase that was at least twice or more than the average monthly consumption for the seven-month period. The data shows a decline in water leaks during fall and winter, with an incline beginning in spring.



Within each month in Figure 1, the number of customers within each multiple of average consumption decreases as the multiple increases, until the multiple is greater

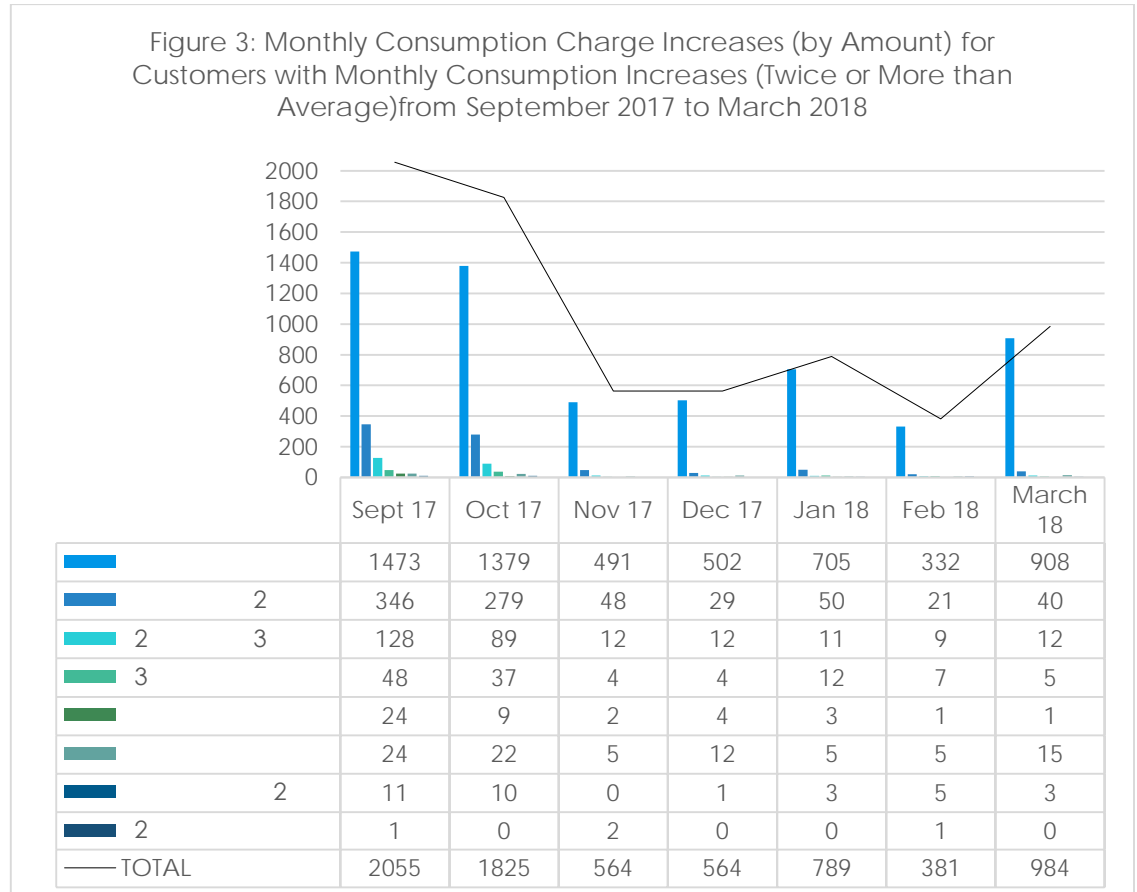
than or equal to six times the average monthly consumption but less than nine times the average monthly consumption. The numbers fluctuate within these two categories, so they are not consistently higher or lower than the previous categories. Another interesting fact is that there were zero customers that had consumption greater than or equal to eight times the average monthly consumption but less than ten times the average monthly consumption. Finally, only two customers had consumption greater than or equal to ten times the average monthly consumption.

Figure 2 shows the percent of total consumption increases that were greater than or equal to two times the average monthly consumption from September 2017 to March 2018, sorted by multiple.



As shown in Figure 2, 59.02 percent of monthly consumption increases are greater than or equal to two times the monthly average and less than three times the monthly average, while the remaining 40.98 percent are greater than or equal to three times

the monthly average. This means that it is more likely that a bill will be double the average monthly consumption rather than three times or more. This pairs with the additional cost and coverage data in Figure 3, Figure 4, and Table 1 to demonstrate the amount of coverage required to cover the majority of property owners.



When looking at the number of consumption charge increases (sorted by amount) shown in Figure 3, the majority of the charge increases are 100 dollars or less for each month. September 2017 had the highest total number of consumption charge increases, with 1,473 consumption charge increases less than or equal to 100 dollars and 582 consumption charge increases more than 100 dollars. February 2018 had the lowest total number of consumption charge increases. In that month, 332 consumption charge increases were less than or equal to 100 dollars, while the remaining 49 consumption charge increases were over 100 dollars. Interestingly, four increases were more than 2,500 dollars within the date range, and 33 increases were greater than 1,000 but less than or equal to 2,500 dollars. This data is used to figure out the amount of coverage required to cover the majority of water leak charges, which is rationalized using Figure 4 and Table 1 on the next page.

Since ServLine offers three levels of protection for water leaks: 500 dollars, 1,000 dollars, and 2,500 dollars, it's important to examine the data more closely and sort it by the ranges that fall into these protection limits. As shown in Figure 4, a coverage level of 500 dollars would provide 98.25 percent of consumption charge increases (twice or more) in the date range with \$0 in out-of-pocket expenses, a coverage level of 1,000 dollars would cover 99.48 percent of the same increases with \$0 in out-of-pocket expenses, and a coverage level of 2,500 dollars would cover 99.94 percent of the same increases with \$0 in out-of-pocket expenses. At the highest level of coverage, about 0.06 percent of water bill increases would have more than \$0 in out-of-pocket expenses beyond the ServLine coverage for water leaks.

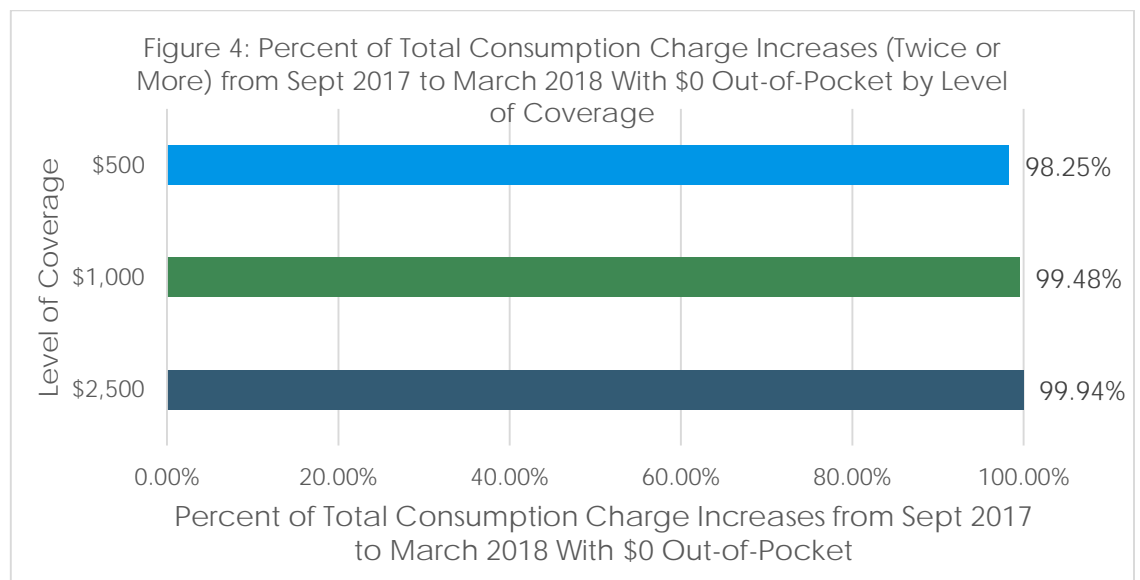


Table 1: Percent Increase in Monthly Price Based on Level of Coverage

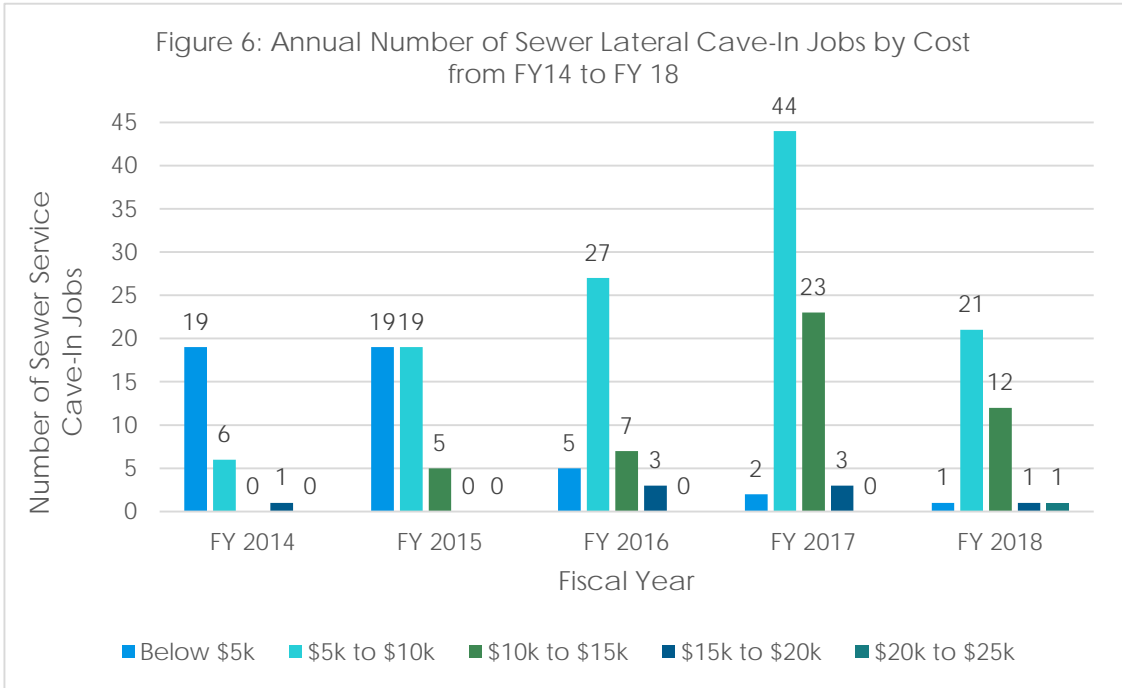
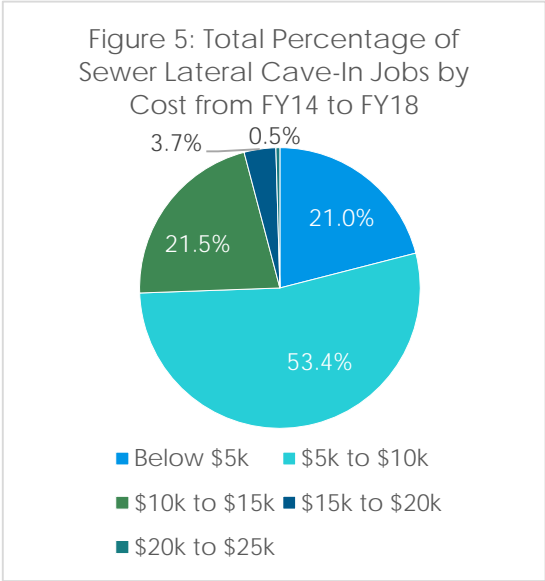
Amount of Coverage	\$500 (Base)	\$1,000	\$2,500
Price / Month	\$1.05 (Base)	\$1.32	\$1.54
% Increase from Base	-	25.71%	46.67%

Using the data in Figure 4 and Table 1, a 25.71 percent increase in monthly fees from the base coverage monthly fees would result in covering an additional 1.23 percent of consumption charge increases (twice or more) when compared to the base coverage, and a 46.67 percent increase in monthly fees from the base coverage monthly fees would result in covering an additional 1.69 percent of consumption charge increases (twice or more) when compared to the base. Therefore, the 500 dollar coverage amount would be the most equitable in terms of monthly fee and annual leak coverage.

### Sewer Line Repair Historical Data

The below figures show historical data for in-house sewer line repairs. The figures do not include repairs done by contractors, and they sometimes include other work, such as manhole repairs, but they give insight into how much a typical repair costs. Based on the information gathered from Figure 5, 74.4 percent of sewer lateral repairs from FY 2014 to FY 2018 cost less than ten thousand dollars. However, that leaves 25.6 percent of repairs that cost over 10 thousand dollars. Figure 6 demonstrates that, year over year, the majority of repairs have changed from costing less than five thousand dollars to between five thousand and ten thousand dollars. For example, in FY 2014, 19 out of the 26 repairs cost below five thousand dollars. However, in FY 2018, 21 out of the 36 repairs cost between five thousand and ten thousand dollars, with 12 repairs between ten and fifteen thousand, and 1 repair in each of the other categories.

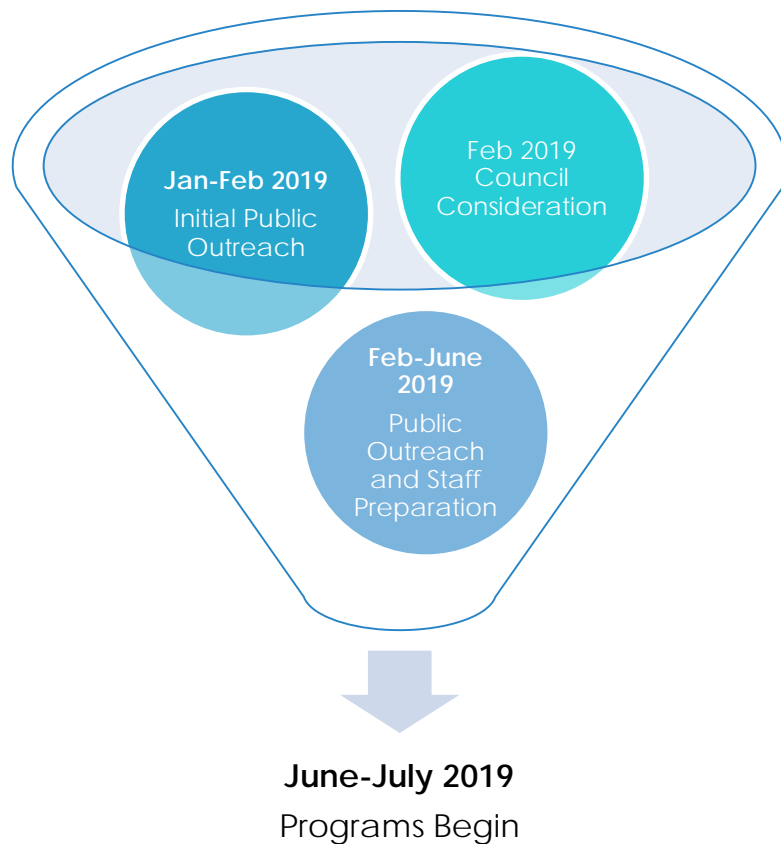
This data means that ServLine will cover the majority of repairs with their ten thousand dollar limit, but other coverage may be required for larger repairs. ServLine does not offer more than a ten thousand dollars in coverage for sewer lateral repairs.



## When Can Customers Sign Up for ServLine?

### Timeline

The Public Works Water Division and Engineering Division brought ServLine to the Bloomington City Council on August 27, 2018, for initial direction. Aldermen gave staff approval to move forward. The following timeline indicates the next steps if city council members approve the final ServLine proposal in February 2019.



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## Appendix

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Appendix A: ServLine Proposal

Appendix B: Sompo Policy

Appendix C: Sample ServLine Flyer

Appendix F: MUNIS Bill Samples



Appendix A: ServLine Proposal



Underground Utilities Coverage  
INSURANCE PROPOSAL

**Proposal for:**  
City of Bloomington  
603 W. Division St.  
Bloomington, IL 61701

This proposal shows the premiums for the general coverage described, but in no way changes or affects any terms, conditions or exclusions of policies as actually issued. Premiums shown are based on information furnished to the company. For terms and conditions please refer to your utilities Leak Adjustment Policy and the insurance policy documentation.

Proposal Date  
9/17/2018

***An Affinity Program of***



***and the***



# INTRODUCTION

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Thank you for your interest in becoming a valuable client of ServLine. We exist to make your utility stronger and help you achieve your goals. One of our chief goals is to serve you and to earn the privilege of being one of your favorite service providers. The ServLine team is always looking to establish long-term meaningful relationships with the opportunity to serve your utility and your customers with integrity and excellence.

## OVERVIEW

*ServLine is a full-service customer leak solution. We pay for high water bills caused by customer leaks by insuring the Utility. Specifically, by insuring the Leak Adjustment Policy and then administrating it on your behalf.*

## UTILITY OUTCOMES OF THE PROPOSED SOLUTION

1. Strengthen Financial Position
2. Raise Level of Independence
3. Increase Overall Customer Satisfaction
4. Extend Office Efficiency
5. Gain New Paths for Opportunity

## SOLUTION DESCRIPTIONS

### PRIMARY COVERAGE

#### LEAK COVERAGE

Leak Coverage covers excess water & sewer bills caused by a leak on the customer's side of the meter according to the utility's leak adjustment guidelines.

*All enhanced customer coverage offerings are a customer decision to add a la carte if they so choose.*

### ENHANCED CUSTOMER COVERAGE

#### WATER LINE COVERAGE

Water Line Coverage is offered by the Utility as a customer service. This protects a customer by providing repair and replacement coverage in the event of a water line break from the property line to the foundation.

*This service is only applied when a customer makes a decision to add a la carte if they so choose.*

#### SEWER LATERAL COVERAGE

Sewer Lateral Coverage is offered by the Utility as a customer service. This protects a customer by providing repair and replacement coverage in the event of a sewer lateral. break from the property line to the foundation.

*This service is only applied when a customer makes a decision to add a la carte if they so choose.*

***The Primary Coverage must be approved by the Utility before the Enhanced Customer Coverage is made available to your customers.***

**WE PAY HIGH WATER BILLS  
CAUSED BY CUSTOMER LEAKS**

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# WATER & SEWER LEAK COVERAGE COMBINED

## Residential Water & Sewer Leak coverage Combined

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**Limit of Insurance**

Option 1: \$500 (Per Occurrence)  
Option 2: \$1,000 (Per Occurrence)  
Option 3: \$2,500 (Per Occurrence)

**Deductible**

Waived

**Reporting Conditions**

Customer Schedule

**Reporting & Adjustment Period**

Monthly

**Special Terms and Conditions**

- Coverage will be designed to reflect City of Bloomington Leak Adjustment Guidelines and eligibility established with ServLine. Please see attached Leak Adjustment Policy.

**Rate:**

*(Choose Option)*

**Option 1: \$.95**  
**Option 2: \$1.20**  
**Option 3: \$1.40**

- The leak coverage has been designed to cover water, sewer, and Bloomington Normal Water Reclamation (BNWRD) charges, as well as utility tax on water charge.
- All residential customers will be enrolled in the primary coverage program with the option to opt out of leak coverage (primary coverage).



## City of Bloomington Leak Adjustment Policy

City of Bloomington Water Department is changing our leak adjustment policy effective To Be Determined.

The following are the qualifications for residential leak adjustments for the City of Bloomington Water Department:

1. It is the customer's responsibility to keep their plumbing system in good working order.
2. No customer shall receive more than one (1) leak adjustment that incorporates a maximum of two (2) billing cycles during any twelve (12) month period.
3. In order to qualify for a leak adjustment, the eligible plumbing leak must generate a minimum additional charge of two (2) times the average twelve (12) month bill, up to a maximum adjustment of \$\_\_\_\_\_.
4. Adjustments on water bills will NOT be made for the following:
  - a. Residential customers who do not have a water meter and/or who are not the responsible party for the utility bill.
  - b. Commercial or Industrial Customers.
  - c. Premises left or abandoned without reasonable care for the plumbing system. For example, unattended home that have not had meter turned off and water drained from plumbing system, or homes that have been left for any period of time without heat.
  - d. Leaks on irrigation systems or irrigation lines, leaks in water features such as fountains, etc.
  - e. Negligent acts such as leaving water running. For example, Leaving the outside water faucet on, interior faucets left running, and/or any other water left on in the home without a faulty plumbing issue. There must be an actual break and repair for leak reimbursement.
  - f. Filling of swimming pools or leaks in swimming pools.
  - g. Watering of lawns or gardens.
5. The UTILITY shall not be obligated to make adjustments of any bills not submitted for adjustment within ninety (90) days from the billing date.
6. Customers must present proof that a leak has been repaired before an adjustment will be made. (ie, copy of invoice for materials, bill from plumber, or receipt for repair parts utilized by the homeowner for repair, meter consumption information (when available))
7. In any case where a customer might incur a leak before there is three (3) months of average usage, an adjustment will not be made until they have established three (3) months of average usage.
8. Leak adjustments approved are applicable to water, utility tax, sewer and Bloomington Normal Water Reclamation District charges.

Residential customers are automatically enrolled when a new account is established. There is a thirty (30) day waiting period for leak adjustment coverage to take effect after the new account is established. Each residential account enrolled in the leak adjustment program will be charged \$\_\_\_\_ per month. This charge will be included on the monthly City of Bloomington utility bill.

Any residential customer may decline to participate in our ServLine Leak Protection Program by calling \_\_\_\_\_. Any customer declining to participate in the program will be responsible for the full amount of their water bill with no adjustments being made. Our new City of Bloomington Water Department ServLine Program is the only way qualifying leak adjustments will be made for leaks occurring after\_\_\_\_\_.

# RESIDENTIAL LINE COVERAGES

## RESIDENTIAL WATER LINE COVERAGE

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<b>Limit of Insurance</b>	\$10,000 (Per Occurrence)
<b>Coverage Extensions</b>	
Re-seeding and Landscaping Expense	\$500 (Included within Limit of Insurance)
Restoration of Private Paved Surfaces	\$500 (Included within Limit of Insurance)
<b>Deductible</b>	Waived
<b>Valuation</b>	Replacement Cost
<b>Reporting Conditions</b>	Customer Schedule
<b>Reporting Period</b>	Monthly
<b>Rate:</b>	<b>\$4.40</b>

### Additional Terms and Options

<b>Option 1:</b>	
<b>Thawing of Water Service Line</b>	\$500 (Maximum Per Occurrence)
Occurrence Term	One Occurrence per Year
Rate (In Addition to Water Line Coverage)	\$0.25 (Monthly)

<b>Option 2:</b>	
<b>Thawing of Water Service Line</b>	\$500 (Maximum Per Occurrence)
Occurrence Term	No Limit on Occurrences per Year
Rate (In Addition to Water Line Coverage)	\$0.50 (Monthly)

### Thawing of Service Line Terms

*Option, if selected, will be added to the water line rate for all residential customers. Only one of the options can be selected. If selected by the City, all customers who desire to enroll into the water line program will be subject to our selection.*

*The residential customer's responsible portion of the service line is between the curb stop (generally in the parkway) and the home / meter (generally in the basement / crawlspace).*

## RESIDENTIAL SEWER LATERAL COVERAGE

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<b>Limit of Insurance</b>	\$10,000 (Per Occurrence)
<b>Coverage Extensions</b>	
Re-seeding and Landscaping Expense	\$500 (Included within Limit of Insurance)
Restoration of Paved Surfaces	\$500 (Included within Limit of Insurance)
<b>Deductible</b>	Waived
<b>Valuation</b>	Replacement Cost
<b>Reporting Conditions</b>	Customer Schedule
<b>Reporting Period</b>	Monthly
<b>Rate:</b>	<b>\$6.00</b>

*The residential customer's responsible portion of the sewer lateral is between the sewer main, including the connection to the main, and the home.*

***Auto enrollment reduces line rate by 25%***

## SERVLIN BENEFITS & SERVICES

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### UTILITY BENEFITS

- ✓ **No Cost to Utility**
- ✓ Direct Cost Savings on Leaks
- ✓ Direct Cost Savings on Personnel Time
- ✓ **Recoup what is currently written off as loss**
- ✓ Payment for Leak Claim sent directly to Utility
- ✓ Turnkey Solution
- ✓ **All Leak Claims Handled by Claims Department**
- ✓ Minimize Leak Liability
- ✓ Customer Leak Adjustment Calculations
- ✓ Customer Leak Claim Frequency Handled
- ✓ Monitors Claims Fraud
- ✓ Consistent Application (Record Keeping & Documentation)
- ✓ **Potential to Add Additional Revenue**
- ✓ Reduce Legal Exposure
- ✓ Unique Customer Service Phone Number and Associated Fees
- ✓ 12/5 Customer Service for Leak Claims/ Customer Questions
- ✓ Printing Fees
- ✓ Announcement Flyers
- ✓ Announcement Postage Upcharge Fees
- ✓ Announcement Envelopes
- ✓ Print Handling
- ✓ **Dedicated Utility Customer Service**
- ✓ Customized Staff Training
- ✓ Insurance Application Walkthrough
- ✓ Program Launch Walkthrough and Start-Up Guide
- ✓ Leak Adjustment Review & Proposed Water Industry Standard Guidelines
- ✓ **Hands on Guided Walkthrough and Processes Setup**
- ✓ Public Relations Initiative
- ✓ Reduction in Overall Office Workload
- ✓ Strict Regulations and Guidelines by State Department of Insurance
- ✓ Reclaim lost Opportunity Cost
- ✓ Reduces Requests for Staff Favors
- ✓ **Increases Customer Loyalty and Satisfaction**

### CUSTOMER BENEFITS

- ✓ **Customer Freedom to Participate or Decline**
- ✓ Customer Education and Responsibility Awareness
- ✓ Equality in Financial Dispensation
- ✓ **Reduction in Customer Interaction in Dealing with Water Leaks**
- ✓ Financial Water Leak Protection up to Utility Selected Limit
- ✓ No Out of Pocket Expense up to Utility Selected Limit Outside of Customer Average
- ✓ **Happier Utility Customer**
- ✓ Reduces Angry interactions to lost Opportunity Cost
- ✓ Peace of Mind
- ✓ 12/5 Leak Claims and Questions Customer Service
- ✓ Insurance Packet and Leak Adjustment Policy Mailed to Customer by Request
- ✓ **Covered Even if Late on Bill**
- ✓ No Deductible

## SUMMARY

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### **Billing**

**Agency: Monthly**

This quote is valid for thirty (30) days from the date of this letter.

All rates are per participating customer per month.

**Residential is defined as single line, single meter residential occupancy.**

By choosing to implement ServLine and providing this customer service to protect your customers from financial hardship they will only be charged for the rate on the Water & Sewer Leak Combined charges that you choose to offer.

When a customer decides to add Water Line and/or Sewer Lateral protection they will be charged for the additional coverages they have chosen. Otherwise, if they elect to do nothing they will only be charged for the Water & Sewer Leak Protection.

*Terms and conditions outlined in the quote may differ from the specifications submitted; please review the specific coverage part for details on coverage and exclusions. Please refer to sample policy for terms and conditions.*



## **Terrorism Risk Insurance Act of 2002 Disclosure**

The "Terrorism Risk Insurance Act of 2002" establishes a program within the Department of Treasury in which the Federal Government will share the risk of loss from terrorist attacks with the insurance industry. Federal participation will be triggered when the Secretary of the Treasury certifies an act of terrorism, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism committed by an individual(s) acting on behalf of any foreign interest, provided the terrorist act results in aggregate losses in excess of \$5 million. With respect to insured losses resulting from a certified act of terrorism, the Federal Government will reimburse individual insureds for 90% of the losses in excess of the insurer's retention, which is based on a specified percentage of the insurer's earned premium for the year preceding the loss. Insured losses covered by the program are capped at \$100 billion per year unless subsequent action of Congress changes that amount; this provision serves to limit insurers' liability for losses. All insurers providing commercial property insurance are required to participate in the program to the extent of offering and making available coverage for certified acts of terrorism in accordance with the terms and conditions of coverage which apply to other perils.

**Terrorism Premium: \$ 10% of premium**

This quote outline coverages and does not necessarily include all coverages requested on the application provided. Only coverages outlined above will be provided.

Name of Applicant: City of Bloomington

Date of Notice:

## **POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act, as reauthorized and amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury - in concurrence with the Secretary of State, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THIS FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS REAUTHORIZED AND AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

### **Acceptance or Rejection of Terrorism Insurance Coverage**

- I hereby elect to purchase Terrorism coverage for certified acts of terrorism for a prospective premium of \$ 10% of premium
- I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

\_\_\_\_\_  
Policy Holder Signature

\_\_\_\_\_  
Date

Appendix B: Sompo Policy

# POLICYHOLDER NOTICE

## U. S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's website – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

# POLICYHOLDER NOTICE

## CLAIM NOTICE

In the event of claim to which this policy may apply, please give immediate notice in either of the following ways, to:

Endurance U.S. Insurance - Claims

750 Third Avenue, 18<sup>th</sup> Floor,

New York, NY 10017

E-Mail addressed to: [Insuranceclaims@sompo-intl.com](mailto:Insuranceclaims@sompo-intl.com)

Toll Free Reporting: 866-227-1784

Fax: 877-710-1784

E-mail is the preferred method of receiving claim notice information, but any of the above methods of notification will generate an acknowledgement of receipt of claim with a claim number and all of the claim adjusters' contact information.

## INLAND MARINE DECLARATIONS

In consideration for the payment of premium and subject to all of the provisions of this policy, we agree to provide you the insurance as stated in this policy.

**POLICY NUMBER:**

**PRIOR POLICY NUMBER:** New

**Insurer:** Endurance Risk Solutions Assurance Co.

**Producer:** Sunbelt Insurance Group  
**Address:** 114 Lee Parkway Drive  
Chattanooga, TN 37421

**Producer Code:**  
**Sub-Producer Code:** N/A  
**Producer Contact:** A. Mark Slater, Jr  
**Producer Phone Number:** 423-855-1234  
**Producer E-Mail:** [mark@sunbeltinsurance.net](mailto:mark@sunbeltinsurance.net)

**Named Insured:**

**Address:**

**Policy Period:** From: To:  
(12:01 AM Standard Time on both dates, at the address of the  
Named Insured noted above.)

**Business Description:** Utility

**Additional Insureds:** N/A

**Mortgagees:** N/A

**Loss Payable Name and Address:** N/A

**Forms made a part of this policy at inception:**

PN 0001 07 12	OFAC Notice
PN 0007 01 15 MAN	Claim Notice
IMG 0001 04 13	Declaration Page
IL 10 07 01 14	Signature Page
CL 0100 03 99	Common Policy Conditions
IM 7506 01 12	Schedule Of Coverages, Scheduled Property Floater
IM 7500 10 09	Scheduled Property Floater
EIM 3009 08 15	Utility Line Coverage, Reporting Schedule And Conditions
EIM 3008 08 15	Utility Line Coverage
IM 7855 02 09	Replacement Cost Endorsement
CL 0700 10 06	Virus or Bacteria Exclusion
CL 0610 01 15	Certified Act of Terrorism Exclusion

**Premium:**

Inland Marine	
Terrorism	Rejected

**Premium Due at Policy Inception:**



\_\_\_\_\_  
Authorized Representative

6/15/2018

\_\_\_\_\_  
Date

Policy Issuance Date: June 19, 2018  
Policy Issuance Office: Alpharetta, GA

Endurance Risk Solutions Assurance Co.  
IMG 0001 0413



**Endurance Risk Solutions Assurance Co.**  
**750 3<sup>rd</sup> Avenue**  
**New York, NY 10017**

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its President and Senior Vice President and countersigned where required by law on the Declarations page by its duly authorized representative.

A handwritten signature in black ink that reads "Richard M. Appel". The signature is written in a cursive style with a large initial 'R'.

**Senior Vice President**

A handwritten signature in black ink that reads "Christopher Spaw". The signature is written in a cursive style with a large initial 'C'.

**President**



## COMMON POLICY CONDITIONS

1. **Assignment** -- This policy may not be assigned without "our" written consent.
2. **Cancellation** -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.
3. **Change, Modification, or Waiver of Policy Terms** -- A waiver or change of the "terms" of this policy must be issued by "us" in writing to be valid.
4. **Inspections** -- "We" have the right, but are not obligated, to inspect "your" property and operations at any time. This inspection may be made by "us" or may be made on "our" behalf. An inspection or its resulting advice or report does not warrant that "your" property or operations are safe, healthful, or in compliance with laws, rules, or regulations. Inspections or reports are for "our" benefit only.
5. **Examination of Books and Records** -- "We" may examine and audit "your" books and records that relate to this policy during the policy period and within three years after the policy has expired.

"We" may cancel this policy, or one or more of its parts, by written notice sent to "you" at "your" last mailing address known to "us". If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

If "we" cancel this policy for nonpayment of premium, "we" will give "you" notice at least ten days before the cancellation is effective. If "we" cancel this policy for any other reason, "we" will give "you" notice at least 30 days in advance of cancellation. The notice will state the time that the cancellation is to take effect.

"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

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## SCHEDULE OF COVERAGES SCHEDULED PROPERTY FLOATER

(The entries required to complete this schedule will be shown below or on the "schedule of coverages".)

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### COVERED PROPERTY

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Item No.	DESCRIBED PROPERTY	"Limit"
<u>1</u>	<u>Water Service Line Coverage</u>	<u>\$10,000</u>
<u>2</u>	<u>Leakage Coverage, excluding sewer usage costs</u>	<u>\$LIMIT per occurrence and annual aggregate limit</u>
<u>3</u>	<u>Leakage Coverage, sewer usage Costs only</u>	<u>\$LIMIT per occurrence and annual aggregate limit</u>
<u>4</u>	<u>Sewer Service Line Coverage</u>	<u>\$10,000</u>

### COVERAGE EXTENSIONS

Additional Debris Removal Expenses INCLUDED

### SUPPLEMENTAL COVERAGES

Newly Acquired Property N/A

Pollutant Cleanup And Removal \$500

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**DEDUCTIBLE AND COINSURANCE**

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**DEDUCTIBLE**

Deductible Amount \$0\_\_\_\_\_

**COINSURANCE**

Not Applicable

80%       90%       100%       Other\_\_\_\_\_%

**ADDITIONAL INFORMATION**

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## SCHEDULED PROPERTY FLOATER

In this coverage form, the words "you" and "your" mean the persons or organizations named as the insured on the declarations and the words "we", "us", and "our" mean the company providing this coverage.

Refer to the Definitions section at the end of this coverage form for additional words and phrases that have special meaning. These words and phrases are shown in quotation marks.

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### AGREEMENT

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In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Scheduled Property Floater. This coverage is also subject to the "schedule of coverages" and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Endorsements and schedules may also apply. They are identified on the "schedule of coverages".

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### PROPERTY COVERED

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"We" cover the following property unless the property is excluded or subject to limitations.

1. **Coverage** -- "We" cover direct physical loss caused by a covered peril to:
  - a. "your" property; and
  - b. property of others in "your" care, custody, and control.

2. **Coverage Limitation** -- "We" only cover "your" property and property of others that are described on the "schedule of coverages".
- 

### PROPERTY NOT COVERED

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1. **Aircraft Or Watercraft** -- "We" do not cover aircraft or watercraft.
  2. **Buildings And Land** -- "We" do not cover buildings or land including land on which covered property is located.
  3. **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.
  4. **Money And Securities** -- "We" do not cover accounts, bills, currency, food stamps, or other evidences of debt, lottery tickets not held for sale, money, notes, or securities.
  5. **Vehicles** -- "We" do not cover automobiles or any self-propelled vehicles that are designed for highway use.
  6. **Waterborne Property** -- "We" do not cover property while waterborne except while in transit in the custody of a carrier for hire.
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### COVERAGE EXTENSIONS

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**Provisions That Apply To Coverage Extensions** -- The following Coverage Extensions indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Coverage Extension within this coverage form, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, the coverages provided below are part of and not in addition to the applicable "limit" for coverage described under Property Covered.

The "limit" provided under a Coverage Extension cannot be combined or added to the "limit" for any other Coverage Extension or Supplemental Coverage, including a Coverage Extension, Supplemental Coverage, or other coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following Coverage Extensions are not subject to and not considered in applying coinsurance conditions.

#### **Debris Removal --**

1. **Coverage** -- "We" pay the cost of debris removal. Debris removal means the costs for the demolition, clearing, and removal of debris of covered property if such debris results from a covered peril.
2. **We Do Not Cover** -- This coverage does not include costs to:
  - a. extract "pollutants" from land or water;  
or
  - b. remove, restore, or replace polluted land or water.
3. **Limit** -- "We" do not pay any more under this coverage than 25% of the amount "we" pay for the direct physical loss or damage exclusive of the costs for debris removal. "We" will not pay more for loss to property and debris removal combined than the "limit" for the damaged property.

4. **Additional Limit** -- "We" pay up to an additional \$5,000 for debris removal expense when the debris removal expense exceeds 25% of the amount "we" pay for direct physical loss or when the loss to property and debris removal combined exceeds the "limit" for the damaged property.
5. **You Must Report Your Expenses** -- "We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.

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## **SUPPLEMENTAL COVERAGES**

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**Provisions That Apply To Supplemental Coverages** -- The following Supplemental Coverages indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Supplemental Coverage within this coverage form, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, a "limit" for a Supplemental Coverage provided below is separate from, and not part of, the applicable "limit" for coverage described under Property Covered.

The "limit" available for coverage described under a Supplemental Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for a Supplemental Coverage and the "limit" for coverage described under Property Covered.

The "limit" provided under a Supplemental Coverage cannot be combined or added to the "limit" for any other Supplemental Coverage or Coverage Extension, including a Supplemental Coverage, Coverage Extension, or other coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following Supplemental Coverages are not subject to and not considered in applying coinsurance conditions.

**1. Newly Acquired Property --**

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to additional property that:
  - 1) is similar to the property described on the "schedule of coverages"; and
  - 2) "you" acquire during the policy period.
- b. **Limit** -- The most that "we" pay for any loss under this supplemental coverage is the least of:
  - 1) the value of covered property as described in the Valuation section of this coverage form; or
  - 2) \$15,000.
- c. **Time Limitation** -- "We" extend coverage to the additional property that "you" acquire for up to 60 days.

This supplemental coverage will end when any of the following first occur:

  - 1) this policy expires;
  - 2) 60 days after "you" obtain the additional property; or
  - 3) "you" report the additional property to "us".
- d. **Additional Premium** -- "You" must pay any additional premium due from the date "you" acquire the additional property.

**2. Pollutant Cleanup And Removal --**

- a. **Coverage** -- "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by a covered peril that occurs during the policy period.
- b. **Time Limitation** -- The expenses to extract "pollutants" are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs.
- c. **We Do Not Cover** -- "We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants".

However, "we" pay the cost of testing that is necessary for the extraction of "pollutants" from land or water.
- d. **Limit** -- The most "we" pay for each location is \$10,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12-month period of this policy.

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**PERILS COVERED**

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"We" cover risks of direct physical loss or damage unless the loss is limited or caused by a peril that is excluded.

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**PERILS EXCLUDED**

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- 1. "We" do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.

- a. **Civil Authority** -- Order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

"We" do cover loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

- b. **Earth Movement** -- Any "earth movement".

However, if eruption, explosion, or effusion of a volcano results in "volcanic action", "we" will pay for the loss or damage caused by that "volcanic action".

If "earth movement" results in fire, "we" will pay for the loss or damage caused by that fire. If "earth movement" (other than eruption, explosion, or effusion of a volcano) results in explosion, "we" will pay for the loss or damage caused by that explosion.

This exclusion does not apply to covered property while in transit.

- c. **Flood** -- "Flood".

"We" also do not cover waterborne material carried or otherwise moved by "flood", whether or not driven by wind, including storm surge, or material carried or otherwise moved by mudslide or mudflow.

However, if "flood" results in fire, explosion, or sprinkler leakage, "we" will pay for the loss or damage caused by that fire, explosion, or sprinkler leakage.

This exclusion does not apply to covered property while in transit.

- d. **Nuclear Hazard** -- Nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. Direct loss by fire resulting from the nuclear hazard is covered.

- e. **Sewer, Septic Tank, Sump, Or Drain Backup And Water Below The Surface** --

- 1) Water or waterborne material that backs up, overflows or is otherwise discharged through a sewer or drain, sump or septic tank, eaves trough or downspout; or
- 2) water or waterborne material below the surface of the ground, whether naturally or artificially occurring, including but not limited to water or waterborne material that exerts pressure on or flows, seeps, or leaks through or into a building or structure, sidewalk, driveway, foundation, swimming pool, or other structure.

But if sewer, drain, sump, septic tank, eaves trough, or downspout backup and water or waterborne material below the surface results in fire, explosion, or sprinkler leakage, "we" cover the loss or damage caused by that fire, explosion, or sprinkler leakage.

This exclusion does not apply to covered property while in transit.

- f. **War And Military Action** --

- 1) War, including undeclared war or civil war; or
- 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or

- 3) insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the "terms" of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War And Military Action exclusion will apply in place of the Nuclear Hazard exclusion.

2. "We" do not pay for loss or damage that is caused by or results from one or more of the following:

- a. **Contamination Or Deterioration --**

"We" do not pay for loss or damage caused by or resulting from contamination or deterioration including corrosion, decay, fungus, mildew, mold, rot, rust, or any quality, fault, or weakness in the covered property that causes it to damage or destroy itself.

- b. **Criminal, Fraudulent, Dishonest, Or Illegal Acts --** "We" do not pay for loss or damage caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed alone or in collusion with another by:

- 1) "you";
- 2) others who have an interest in the property;
- 3) others to whom "you" entrust the property;
- 4) "your" partners, officers, directors, trustees, joint venturers, or "your" members or managers if "you" are a limited liability company; or
- 5) the employees or agents of 1), 2), 3), or 4) above, whether or not they are at work.

This exclusion does not apply to acts of destruction by "your" employees, but "we" do not pay for theft by employees.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- c. **Electrical Currents --** "We" do not pay for loss or damage caused by or resulting from arcing or by electrical currents other than lightning.

But if arcing or electrical currents other than lightning result in a "specified peril", "we" do cover the loss or damage caused by that "specified peril".

- d. **Explosion, Rupture, Or Bursting --**

"We" do not pay for loss or damage caused by or resulting from explosion, rupture, or bursting of steam boilers, steam or gas turbines, steam pipes, or steam engines. This exclusion applies only to loss or damage to the steam boilers, steam or gas turbines, steam pipes, or steam engines in which the loss occurred.

- e. **Loss Of Use --** "We" do not pay for loss or damage caused by or resulting from loss of use, delay, or loss of market.

- f. **Mechanical Breakdown --** "We" do not pay for loss or damage caused by or resulting from any mechanical, structural, or electrical breakdown or malfunction including a breakdown or malfunction resulting from a structural, mechanical, or reconditioning process.

- g. **Missing Property --** "We" do not pay for missing property where the only proof of loss is unexplained or mysterious disappearance of covered property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the covered property.

This exclusion does not apply to covered property in the custody of a carrier for hire.



- h. **Pollutants** -- "We" do not pay for loss or damage caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants":

- 1) unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "specified peril"; or
- 2) except as specifically provided under the Supplemental Coverages - Pollutant Cleanup and Removal.

"We" do cover any resulting loss caused by a "specified peril".

- i. **Temperature/Humidity** -- "We" do not pay for loss or damage caused by or resulting from dryness, dampness, humidity, or changes in or extremes of temperature.

But if dryness, dampness, humidity, or changes in or extremes of temperature result in a "specified peril", "we" do cover the loss of damage caused by that "specified peril".

- j. **Theft From An Unattended Vehicle** -- "We" do not pay for theft from an unattended vehicle except when it is securely locked, its windows are fully closed, and there is visible evidence that entry into the vehicle was forced.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- k. **Voluntary Parting** -- "We" do not pay for loss or damage caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.

- l. **Wear And Tear** -- "We" do not pay for loss or damage caused by or resulting from wear and tear, marring, or scratching.

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## WHAT MUST BE DONE IN CASE OF LOSS

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1. **Notice** -- In case of a loss, "you" must:
  - a. give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice); and
  - b. give notice to the police when the act that causes the loss is a crime.
2. **You Must Protect Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss.
  - a. **Payment Of Reasonable Costs** -- "We" do pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. "Our" payment of reasonable costs does not increase the "limit".
  - b. **We Do Not Pay** -- "We" do not pay for such repairs or emergency measures performed on property that has not been damaged by a peril insured against.
3. **Proof Of Loss** -- "You" must send "us", within 60 days after "our" request, a signed, sworn proof of loss. This must include the following information:
  - a. the time, place, and circumstances of the loss;
  - b. other policies of insurance that may cover the loss;

- c. "your" interest and the interests of all others in the property involved, including all mortgages and liens;
  - d. changes in title of the covered property during the policy period; and
  - e. estimates, specifications, inventories, and other reasonable information that "we" may require to settle the loss.
4. **Examination** -- "You" must submit to examination under oath in matters connected with the loss as often as "we" reasonably request and give "us" sworn statements of the answers. If more than one person is examined, "we" have the right to examine and receive statements separately and not in the presence of others.
  5. **Records** -- "You" must produce records, including tax returns and bank microfilms of all canceled checks relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.
  6. **Damaged Property** -- "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.
  7. **Volunteer Payments** -- "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.
  8. **Abandonment** -- "You" may not abandon the property to "us" without "our" written consent.
  9. **Cooperation** -- "You" must cooperate with "us" in performing all acts required by this policy.

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## VALUATION

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1. **Actual Cash Value** -- The value of covered property will be based on the actual cash value at the time of loss (with a deduction for depreciation).
2. **Pair Or Set** -- The value of a lost or damaged article that is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
3. **Loss To Parts** -- The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.

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## HOW MUCH WE PAY

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1. **Insurable Interest** -- "We" do not cover more than "your" insurable interest in any property.
2. **Deductible** -- "We" pay only that part of "your" loss over the deductible amount indicated on the "schedule of coverages" in any one occurrence.
3. **Loss Settlement Terms** -- Subject to paragraphs 1., 2., 4., 5., and 6. under How Much We Pay, "we" pay the lesser of:
  - a. the amount determined under Valuation;
  - b. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
  - c. the "limit" that applies to the covered property.

4. **Coinsurance --**

- a. **When Coinsurance Applies --** "We" only pay a part of the loss if the "limit" is less than the percentage of the value of the covered property that is indicated on the "schedule of coverages".
- b. **How We Determine Our Part Of The Loss --** "Our" part of the loss is determined using the following steps:
- 1) multiply the percent indicated on the "schedule of coverages" by the value of the covered property at the time of loss;
  - 2) divide the "limit" for covered property by the result determined in b.1) above;
  - 3) multiply the total amount of loss, after the application of any deductible, by the result determined in b.2) above.

The most "we" pay is the amount determined in b.3) above or the "limit", whichever is less. "We" do not pay any remaining part of the loss.

- c. **If There Is More Than One Limit --** If there is more than one "limit" indicated on the "schedule of coverages" for this coverage part, this procedure applies separately to each "limit".
- d. **If There Is Only One Limit --** If there is only one "limit" indicated on the "schedule of coverages" for this coverage, this procedure applies to the total of all covered property to which the "limit" applies.
- e. **When Coinsurance Does Not Apply --** Conditions for coinsurance do not apply unless a coinsurance percentage is indicated on the "schedule of coverages".

5. **Insurance Under More Than One Coverage --**

If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.

6. **Insurance Under More Than One Policy --**

- a. **Proportional Share --** "You" may have another policy subject to the same "terms" as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.
- b. **Excess Amount --** If there is another policy covering the same loss, other than that described above, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" do not pay more than the applicable "limit".

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## LOSS PAYMENT

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1. **Loss Payment Options --**

- a. **Our Options --** In the event of loss covered by this coverage form, "we" have the following options:
- 1) pay the value of the lost or damaged property;
  - 2) pay the cost of repairing or replacing the lost or damaged property;
  - 3) rebuild, repair, or replace the property with other property of equivalent kind and quality, to the extent practicable, within a reasonable time; or
  - 4) take all or any part of the property at the agreed or appraised value.

- b. **Notice Of Our Intent To Rebuild, Repair, Or Replace** -- "We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.
2. **Your Losses** --
- a. **Adjustment And Payment Of Loss** -- "We" adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy.
  - b. **Conditions For Payment Of Loss** -- An insured loss will be payable 30 days after:
    - 1) a satisfactory proof of loss is received; and
    - 2) the amount of the loss has been established either by written agreement with "you" or the filing of an appraisal award with "us".
3. **Property Of Others** --
- a. **Adjustment And Payment Of Loss To Property Of Others** -- Losses to property of others may be adjusted with and paid to:
    - 1) "you" on behalf of the owner; or
    - 2) the owner.
  - b. **We Do Not Have To Pay You If We Pay The Owner** -- If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits brought by the owners at "our" expense.

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## OTHER CONDITIONS

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1. **Appraisal** -- If "you" and "we" do not agree on the amount of the loss or the value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three, sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

2. **Benefit To Others** -- Insurance under this coverage will not directly or indirectly benefit anyone having custody of "your" property.

3. **Conformity With Statute** -- When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.
4. **Estates** -- This provision applies only if the insured is an individual.
  - a. **Your Death** -- On "your" death, "we" cover the following as an insured:
    - 1) the person who has custody of "your" property until a legal representative is qualified and appointed; or
    - 2) "your" legal representative.

This person or organization is an insured only with respect to property covered by this coverage.
  - b. **Policy Period Is Not Extended** -- This coverage does not extend past the policy period indicated on the declarations.
5. **Misrepresentation, Concealment, Or Fraud** -- This coverage is void as to "you" and any other insured if, before or after a loss:
  - a. "you" or any other insured have willfully concealed or misrepresented:
    - 1) a material fact or circumstance that relates to this insurance or the subject thereof; or
    - 2) "your" interest herein; or
  - b. there has been fraud or false swearing by "you" or any other insured with regard to a matter that relates to this insurance or the subject thereof.
6. **Policy Period** -- "We" pay for a covered loss that occurs during the policy period.
7. **Recoveries** -- If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:
  - a. "you" must notify "us" promptly if "you" recover property or receive payment;
  - b. "we" must notify "you" promptly if "we" recover property or receive payment;
  - c. any recovery expenses incurred by either are reimbursed first;
  - d. "you" may keep the recovered property but "you" must refund to "us" the amount of the claim paid, or any lesser amount to which "we" agree; and
  - e. if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be pro rated between "you" and "us" based on "our" respective interest in the loss.
8. **Restoration Of Limits** -- A loss "we" pay under this coverage does not reduce the applicable "limits".
9. **Subrogation** -- If "we" pay for a loss, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" do not pay for a loss if "you" impair this right to recover.

"You" may waive "your" right to recover from others in writing before a loss occurs.
10. **Suit Against Us** -- No one may bring a legal action against "us" under this coverage unless:
  - a. all of the "terms" of this coverage have been complied with; and

- b. the suit has been brought within two years after "you" first have knowledge of the loss.

If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.

- 11. **Territorial Limits** -- "We" cover property while it is in the United States of America, its territories and possessions, Canada, and Puerto Rico.
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## DEFINITIONS

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- 1. "Earth movement" means:
  - a. earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
  - b. landslide, mudslide or mudflow;
  - c. mine subsidence whether or not the non-natural mine is currently in use;
  - d. any other movement of earth, including sinking (other than "sinkhole collapse"), shifting, or rising of earth including, but not limited to, erosion, expansion, shrinking, freezing, thawing, improper soil compaction, and movement of water under the surface of the ground that cause cracking, settling, or shifting of foundations, buildings, or structures; or
  - e. eruption, explosion, or effusion of a volcano.
- 2. "Flood" means an overflowing or inundation by water of an area that was previously and normally dry or not covered by water, whether caused artificially or naturally, by human or animal forces or by an act of nature. "Flood" includes, but is not limited to:
  - a. overflow of inland or tidal waters, waves, tidal waves, or tsunamis, or spray that results from any of these, all whether driven by wind or not, including but not limited to storm surge;
  - b. unusual and rapid accumulation or runoff of surface waters from any source; or
  - c. mudslides or mudflows if caused by:
    - 1) unusual and rapid accumulation or runoff of surface waters or waves; or
    - 2) currents of water exceeding anticipated cyclical levels.
- 3. "Limit" means the amount of coverage that applies.
- 4. "Pollutant" means:
  - a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
  - b. electrical or magnetic emissions, whether visible or invisible, and sound emissions.
- 5. "Schedule of coverages" means:
  - a. all pages labeled "schedule of coverages" or schedules that pertain to this coverage; and
  - b. declarations or supplemental declarations that pertain to this coverage.

6. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.
7. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.

Falling objects does not include loss to:

- a. personal property in the open; or
- b. the interior of buildings or structures or to personal property inside buildings or structures unless the exterior of the roofs or walls are first damaged by a falling object.

Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.

8. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply.
9. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow.

"Volcanic action" does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss or damage to the covered property.

---

**IM 7500 10 09**

# ENDORSEMENT

Named Insured:

Policy Number:

Endorsement  
Effective Date:

Endorsement  
Number: N/A

(12:01 AM Standard Time at the address of the  
Named Insured as shown in the Declarations)

## UTILITY LINE COVERAGE REPORTING SCHEDULE AND CONDITIONS

### Reporting Schedule:

Reporting Period -- (check one)

- Monthly  
 Quarterly  
 Annual

**Additional Premium Due After Expiration** -- When the premium for the coverage provided by this policy is based upon reports of value, any additional premium owed to "us" is due on the due date that appears on the billing notice.

**Adjustment Period** -- (check one)

- Monthly  
 Quarterly  
 Annual

**Reports:** Customer and Coverage Information

**Rates and Premium** --

Monthly Rate (per Customer)    \$Rate Water Service Line Coverage, Residential  
\$Rate Leakage Coverage, Residential excluding sewer usage  
\$Rate Leakage Coverage, Residential sewer usage only  
\$Rate Sewer Service Line Coverage, Residential  
\$Rate Leakage Coverage, Commercial Single excluding sewer usage  
\$Rate Leakage Coverage, Commercial Multi excluding sewer usage  
\$Rate Water Service Line Coverage, Commercial Single  
\$Rate Water Service Line Coverage, Commercial Multi  
\$Rate Leakage Coverage, Commercial Single sewer usage only  
\$Rate Leakage Coverage, Commercial Multi sewer usage only  
\$Rate Leakage Coverage, Master metered habitational, excluding sewer usage  
\$Rate Leakage Coverage, Master metered habitational, sewer usage only  
\$Rate Sewer Service Line Coverage, Commercial Single  
\$Rate Sewer Service Line Coverage, Commercial Multi



## ENDORSEMENT

Deposit Premium \$ \_\_\_\_\_

Minimum Premium N/A

**Reporting Conditions** -- The following reporting conditions are added to this policy.

1. **Reports** --

a. **You Will Report To Us** -- Within 30 days after the end of each reporting period, "you" will report to "us", as indicated on the **Reporting Schedule**, the following:

- 1) Customer name
- 2) Customer address
- 3) The type of protection selected by the customer in accordance with the provisions of **Property Covered** -- a., b., or c.

b. **Cancellation** -- If "your" coverage is canceled, "you" will report the information up to and including the date of cancellation and pay any additional premium due.

2. **Premium Computation And Adjustment** -- The premium will be adjusted as of each adjustment period indicated on the **Reporting Schedule**. The computed premium will be determined by multiplying the number of enrolled customers shown on the report by the rate indicated on the Reporting Schedule.

"We" will apply the computed premium to the deposit premium until it is exhausted. "You" will pay us" all premiums that exceed the deposit premium. At the end of the policy period, if the computed premium is less than the deposit premium, "we" will pay "you" the difference subject to the minimum premium indicated on the Reporting Schedule.

3. **Provisions That Affect How Much We Pay** -- The following provisions apply to reports that are submitted and may affect **How Much We Pay**:

If you fail to report any customer, no coverage will apply to any property applicable to that unreported customer.



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Authorized Representative

This endorsement does not change any other provision of the policy. The title and any headings in this endorsement are solely for convenience and do not affect its meaning.

# ENDORSEMENT

**Named Insured:**

Policy Number:

Endorsement

Endorsement

Effective Date:

Number:

N/A

(12:01 AM Standard Time at the address of the  
**Named Insured** as shown in the Declarations)

## UTILITY LINE COVERAGE

This endorsement modifies insurance provided under the following:

### SCHEDULED PROPERTY FLOATER IM 7500

It is agreed that:

In this coverage form, the words “you” and “your” mean the persons or organizations named as the insured on the declarations or shown on the applicable monthly report(s) provided in accordance with the Reporting Conditions and the words “we”, “us” and “our” mean the company providing this coverage.

Refer to the Definitions section at the end of this coverage form for additional words and phrases that have special meaning. These words and phrases are shown in quotation marks.

**PROPERTY COVERED** is amended to read as follows:

### PROPERTY COVERED

“We” cover the following property unless the property is excluded or subject to limitations.

1. **Coverage**—“We” cover direct physical loss caused by a covered peril to:
  - a. Water Service Line Coverage – “We” will pay for repair or replacement of damaged exterior underground water service line. The covered service line begins at the exterior source owned by the utility company/district and ends at the customer’s foundation.
  - b. Leakage Coverage—“We” will pay costs resulting from water loss from a damaged exterior underground water service line. The most “we” will pay for any loss under this coverage is the least of:
    - i. The excess billed water charge stated in the customer’s water bill statement; or
    - ii. The excess water charge as determined by the utility company’s leak adjustment policy; or
    - iii. \$LIMIT.

We do not cover any loss resulting from leaking plumbing or fixtures not repaired by the customer.

## ENDORSEMENT

- c. Sewer Service Line Coverage—"We" will pay for repair or replacement of damaged exterior underground sewer service line. The covered service line begins at the exterior wall of the customer's structure to the point where it connects to the utility company/district's sewer main.
2. **Coverage Limitation**—"We" only cover "your" property and property of others that are described on the "schedule of coverages" if the customer is shown on the applicable monthly report(s) provided in accordance with the Reporting Conditions.

**PROPERTY NOT COVERED** is amended to add the following:

7. **Sprinklers And Irrigation Systems.** "We" do not cover sprinklers and irrigation systems, back-flow preventers, pressure reducing valves that are not a part of the line replacement, main shut-off valves, water meters.
8. **Third Party Water Or Sewer Service Lines.** "We" do not cover third party water or sewer service lines.
9. **Service Lines Not Connected To A Public Or Municipal Water Utility System.** "We" do not cover service lines not connected to a public or municipal water utility system.
10. **Septic Tanks.** "We" do not cover septic tanks including components and attachments, lift stations and pumps.
11. **Water Or Sewer Service Lines.** "We" do not cover water or sewer service lines at a location that is abandoned. Abandoned means property at a location left behind intentionally and permanently with no intention to occupy.

**COVERAGE EXTENSIONS** is amended as follows:

**Debris Removal 4. Additional Limit** and **5. You Must Report Your Expenses** are deleted.

The following **COVERAGE EXTENSIONS** are added:

**Re-seeding and Landscaping Expense**

"We" will pay to re-seed a lawn or re-landscape the yard at a covered location following necessary excavation to uncover a covered water or sewer line due to a covered cause of loss. The most "we" will pay is the least of:

- a. The reasonable and necessary amount "you" spend to restore the covered location lawn or yard to its condition immediately before loss; or
- b. \$500.

# ENDORSEMENT

## **Restoration of Paved Surfaces on Private Property**

If it is necessary to remove paved surfaces or a portion thereof to repair or replace a covered water or sewer line as a result of a covered loss, "we" will pay to restore those paved surfaces at the covered location. The most "we" will pay is the least of:

- a. The reasonable and necessary amount "you" spend to restore the paved surfaces with material of like kind and quality; or
- b. \$500.

Paved surfaces means sidewalks, driveways or roads that are composed of any paved or asphalt surface or another type of commonly used materials including crushed stone or brick. This coverage does not apply to any foundation or slab of any building or structure, or any deck or patio of any building or structure that must be broken or removed in order to gain access to covered property.

**SUPPLEMENTAL COVERAGES 2. Pollutant Cleanup And Removal** is deleted and replaced by the following:

### **Pollutant Cleanup And Removal --**

- a. **Coverage** -- "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" outside of the customer's premises is caused by a covered peril that occurs during the policy period.
- b. **Time Limitation** -- The expenses to extract "pollutants" are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs.
- c. **We Do Not Cover** -- "We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants". However, "we" pay the cost of testing that is necessary for the extraction of "pollutants" from land or water.
- d. **Limit** -- The most "we" pay for each location is \$500 for the sum of all such expenses arising out of a covered peril occurring during each separate 12-month period of this policy.

**PERILS EXCLUDED** is amended as follows:

**PERILS EXCLUDED, 1. e. Sewer, Septic Tank, Sump, Or Drain Backup And Water Below The Surface** is deleted and replaced with the following:

- e. **Sewer, Septic Tank, Sump, Or Drain Backup And Water Below The Surface** --
  - 1) Water or waterborne material that backs up, overflows or is otherwise discharged through a sewer or drain, sump or septic tank, eaves trough or downspout; or
  - 2) water or waterborne material below the surface of the ground, whether naturally or artificially occurring, including but not limited to water or waterborne material that exerts

## ENDORSEMENT

pressure on or flows, seeps, or leaks through or into a building or structure, sidewalk, driveway, foundation, swimming pool, or other structure.

This exclusion does not apply to covered property if Sewer Service Line Coverage is selected on the "schedule of coverages" and the customer is shown on the applicable monthly report(s) provided in accordance with the Reporting Conditions.

**PERILS EXCLUDED, 2. a Contamination Or Deterioration** is deleted.

**PERILS EXCLUDED, 2. I. Wear And Tear** is deleted and replaced with the following:

**I. Marring or Scratching** – "We" do not pay for loss or damage caused by or resulting from marring or scratching.

**PERILS EXCLUDED, 2.** is amended to add the following:

**m. Work to Line** – "We" do not cover loss or damage to any water line, or any component of any water line, that is caused by or results from any work completed by the customer or any contractor hired by any customer.

This provision does not apply to any loss caused by any independent contractor approved by "us"; or when the customer, his contractor, or "you", has called the federally mandated national call-before-you-dig number, Digsafe 811, or the state specific call-before-you-dig number prior to any loss or damage and the water line location has been marked and a ticket has been documented.

**n. Costs** – Costs to remove plugs or clogs from covered property.

**DEFINITIONS, 1.** "Earth Movement" is deleted and replaced with the following:

1. "Earth Movement" means:

- a. earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b. landslide, mudslide or mudflow;
- c. mine subsidence whether or not the non-natural mine is currently in use;
- d. any other movement of earth, including sinking (other than "sinkhole collapse"), shifting, or rising of earth but does not include erosion, expansion, shrinking, freezing, thawing, improper soil compaction, and movement of water under the surface of the ground that cause cracking, settling, or shifting of foundations, buildings, or structures; or
- d. eruption, explosion, or effusion of a volcano.

## ENDORSEMENT



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Authorized Representative

This endorsement does not change any other provision of the policy. The title and any headings in this endorsement are solely for convenience and do not affect its meaning.

## REPLACEMENT COST ENDORSEMENT

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### VALUATION

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The Actual Cash Value provision under Valuation is replaced by the following:

**Replacement Cost** -- The value of covered property will be based on the replacement cost without any deduction for depreciation.

1. **Replacement Cost Limitation** -- The replacement cost is limited to the cost of repair or replacement with similar materials and used for the same purpose. The payment will not exceed the amount "you" spend to repair or replace the damaged or destroyed property.
2. **Replacement Cost Does Not Apply Until Repair Or Replacement** -- Replacement cost valuation does not apply until the damaged or destroyed property is repaired or replaced.
3. **Time Limitation** -- "You" may make a claim for actual cash value before repair or replacement takes place, and later for the replacement cost if "you" notify "us" of "your" intent within 180 days after the loss.

## VIRUS OR BACTERIA EXCLUSION

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### DEFINITIONS

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#### Definitions Amended --

When "fungus" is a defined "term", the definition of "fungus" is amended to delete reference to a bacterium.

When "fungus or related perils" is a defined "term", the definition of "fungus or related perils" is amended to delete reference to a bacterium.

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### PERILS EXCLUDED

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The additional exclusion set forth below applies to all coverages, coverage extensions, supplemental coverages, optional coverages, and endorsements that are provided by the policy to which this endorsement is attached, including, but not limited to, those that provide coverage for property, earnings, extra expense, or interruption by civil authority.

1. The following exclusion is added under Perils Excluded, item 1.:

#### Virus or Bacteria --

"We" do not pay for loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

This exclusion applies to, but is not limited to, any loss, cost, or expense as a result of:

- a. any contamination by any virus, bacterium, or other microorganism; or
  - b. any denial of access to property because of any virus, bacterium, or other microorganism.
2. **Superseded Exclusions** -- The Virus or Bacteria exclusion set forth by this endorsement supersedes the "terms" of any other exclusions referring to "pollutants" or to contamination with respect to any loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.
- 

### OTHER CONDITIONS

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#### Other Terms Remain in Effect --

The "terms" of this endorsement, whether or not applicable to any loss, cost, or expense, cannot be construed to provide coverage for a loss, cost, or expense that would otherwise be excluded under the policy to which this endorsement is attached.

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**CL 0700 10 06**



## CERTIFIED ACT OF TERRORISM EXCLUSION

1. The following definition is added.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States:

- a. to be an act of terrorism;
- b. to be a violent act or an act that is dangerous to human life, property, or infrastructure;
- c. to have resulted in damage:
  - 1) within the United States; or
  - 2) to an air carrier (as defined in section 40102 of title 49, United States Code); to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or at the premises of any United States mission;
- d. to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion; and
- e. to have resulted in insured losses in excess of five million dollars in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended.

2. The following exclusion is added.

### CERTIFIED ACT OF TERRORISM EXCLUSION

"We" will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

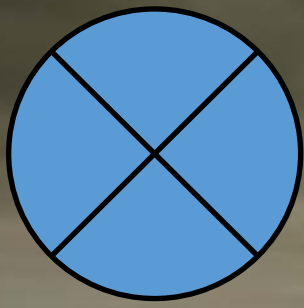
3. The following provisions are added.

- a. Neither the "terms" of this endorsement nor the "terms" of any other terrorism endorsement attached to this Coverage Part provide coverage for any loss that would otherwise be excluded by this Coverage Part under:
  - 1) exclusions that address war, military action, or nuclear hazard; or
  - 2) any other exclusion; and
- b. the absence of any other terrorism endorsement does not imply coverage for any loss that would otherwise be excluded by this Coverage Part under:
  - 1) exclusions that address war, military action, or nuclear hazard; or
  - 2) any other exclusion.

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CL 0610 01 15

Appendix C: Sample ServLine Flyer



# LEAKS HIT YOUR WALLET LIKE A Flood

(Utility District) is expanding our water loss coverage through our new ServLine Program and providing our residential customers the opportunity to add line repair and replacement coverage.

*For more information on Water Loss Protection and to add Line Protection*



**CALL US:**

**(UNIQUE CUSTOMER SERVICE NUMBER)**

## *Water Loss Protection*

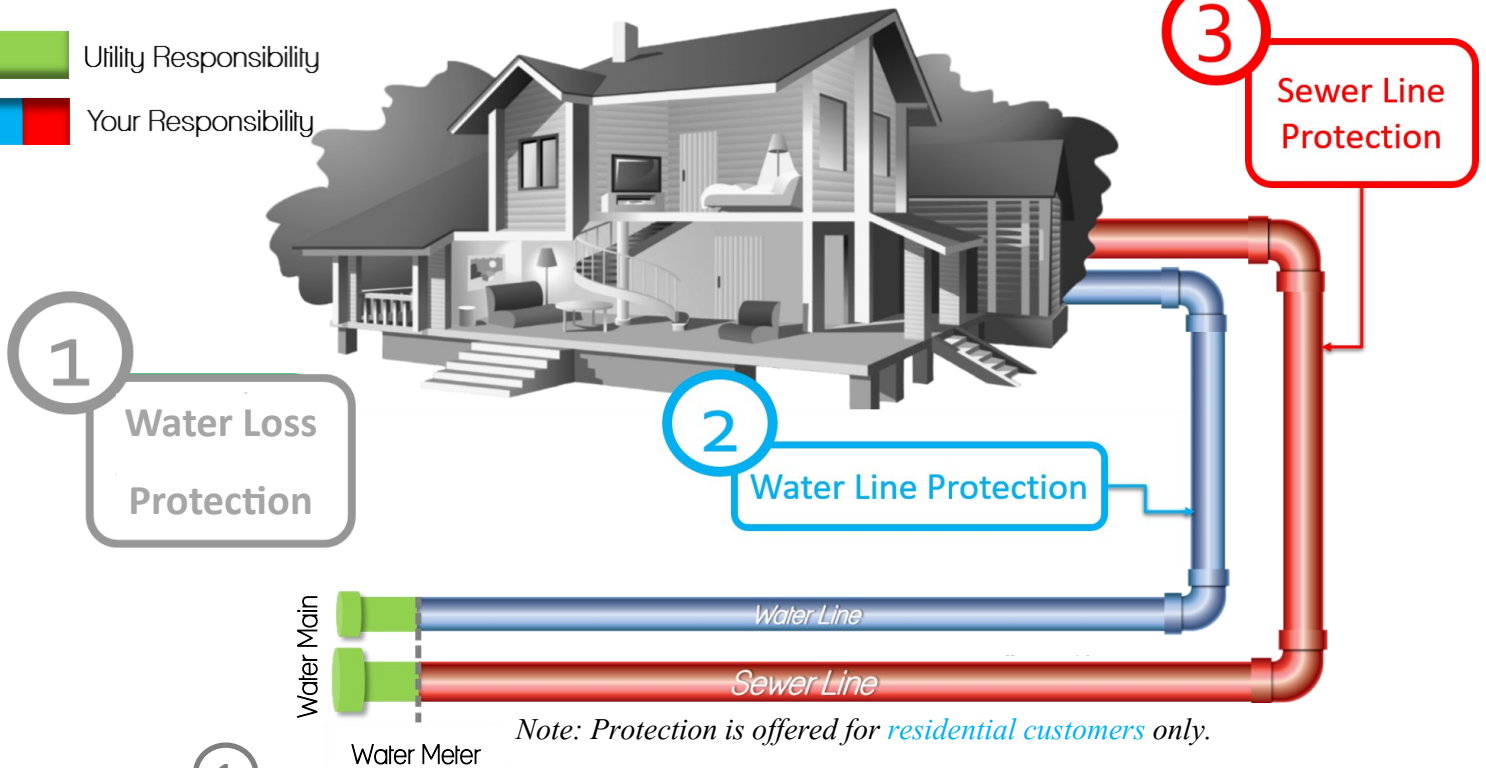
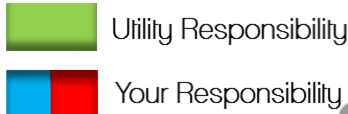
As a residential customer, you are automatically protected by our *Water Loss Program*. This is the only way residential leaks will be adjusted that occur after *[Date Format MM/DD/YY]*.

## *Line Protection*

Enroll in the *Line Protection Programs* to avoid water line repair/replacement costs. There is a 30 day waiting period for those who enroll after *[Date Format MM/DD/YY]*

*Utility Name } ServLine Begins  
(MONTH DAY YEAR)*

# (UTILITY NAME) SERVLINE



Note: Protection is offered for residential customers only.

1

## Water Loss Protection

**AUTOMATICALLY ENROLLED  
(\$0.) MONTH**

- ◆ Water Loss Protection from excess water charges resulting from eligible plumbing leaks, up to (Protection Level). No deductible.
- ◆ Loss Protection from excess water & sewer charges resulting from eligible plumbing leaks, up to \$2,500. No deductible.
- ◆ Call us to decline protection and accept full responsibility for water bills resulting from eligible plumbing leaks .
- ◆ Please refer to our leak adjustment policy for guidelines and qualifications for leak adjustments.
- ◆ All qualifying residential leaks occurring after (Date)Month Day)) will only be adjusted through our ServLine Program.

2

## Water Line Protection

**SIGN-UP BY CALLING  
(\$0.) /MONTH**

- ◆ Covers repair or replacement of water line up to \$10,000. No deductible. No annual limit.
- ◆ Includes public paved surfaces and \$500 for basic site restoration and \$500 for private paved surfaces like sidewalks or driveways.
- ◆ Provides Water Line Protection from your meter to the foundation of your home.
- ◆ Does Not Provide Protection For: Water Meter, Water Pit, Water Vault, Pumps, Valves, Or Backflow Assemblies.
- ◆ Contact Us To Request A Full Copy Of Program Protections And Exclusions.
- ◆ Be protected from these expensive repairs! Enrollment after (Date)Month Day)) requires a 30 day waiting period.

3

## Sewer Line Protection

**SIGN-UP BY CALLING  
(\$0.) /MONTH**

- ◆ Covers repair or replacement of sewer line up to \$10,000. No deductible. No annual limit.
- ◆ Includes public paved surfaces and \$500 for basic site restoration and \$500 for private paved surfaces like sidewalks or driveways.
- ◆ Provides Sewer Line Protection from your meter to the foundation of your home.
- ◆ Does Not Provide Protection For: Water Meter, Water Pit, Water Vault, Pumps, Valves, Or Backflow Assemblies.
- ◆ Contact Us To Request A Full Copy Of Program Protections And Exclusions.
- ◆ Be protected from these expensive repairs! Enrollment after (Date)Month Day)) requires a 30 day waiting period.

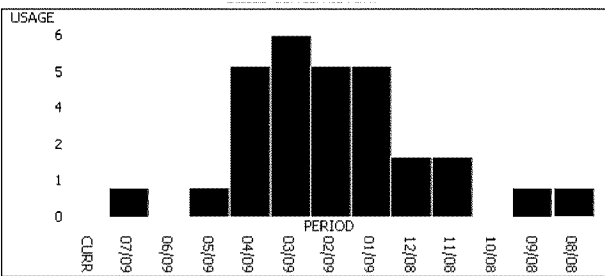
Appendix D: MUNIS Bill Samples



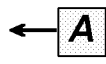
**Department of Utilities**  
 123 Main Street  
 Falmouth, ME 04105  
 (207) 367-3409

**UTILITY BILL**  
**Customer Copy**  
 Keep this portion for your records

Customer Name				Service Address					
FLAT STANLEY TRAVELS				1996 AVENIDA DE ANTIGUA					
Bill Number	Bill Date	Account Number - Customer Number				Current Billing Due Date			
100289	08/12/2009	123456789 - 987654				09/05/2009			
Description	Meter	Previous Read Date	Current Read Date	Previous Meter Reading	Current Meter Reading	Read Code	Usage (100 cu. ft.)	Charge	
TYLER TOWN GAS	0222557	07/14/2009	08/11/2009	897	898	E		14.78	
CITY GAS FRANCHISE FEE								.30	
COST OF GAS OF TYLER TOWN								3.83	
COST OF GAS FRANCHISE FEE								.08	
TYLER TOWN GAS TAX								1.41	
WATER	43677227	07/14/2009	08/11/2009	536	543	E	7	15.35	
WATER FRANCHISE FEE								.31	
WATER RIGHTS ACQUISITION								.42	
WATER RIGHTS MANAGEMENT								.35	
WATER TAX								.82	
SEWER BASED ON WATER								7.86	
SEWER FRANCHISE FEE								.16	
SEWER TAX								.40	
SOLID WASTE									
SENIOR RATE CONTRIBUTION								.78	
RECYCLING FEES								3.03	
SOLID WASTE FRANCHISE FEE								.08	
SOLID WASTE TAX								.19	



100 cu. ft. equals 748 gallons



READ CODE:	Total Current Billing	Amount
A = Actual	Previous Balance	53.40
E = Estimate	Adjustments	.00
F = Final	Less Payments Received	.00
W = Water Co. Estimate	<b>Total Amount Due</b>	<b>\$103.55</b>

**CONTENTS OF EFT COMMENT FIELD UP TO 70 CHARACTERS IN LENGTH**  
 CONTENTS OF REPRINT MESSAGE 70 CHARACTERS  
 CONTENTS OF COPY-TO MESSAGE 70 CHARACTERS  
 CONTENTS OF BILL MESSAGE 1 RUN CONTROL 70 CHARACTERS  
 CONTENTS OF BILL MESSAGE 2 RUN CONTROL 70 CHARACTERS  
 CONTENTS OF BILL MESSAGE 3 RUN CONTROL 70 CHARACTERS  
 CONTENTS OF BILL MESSAGE 4 RUN CONTROL 70 CHARACTERS  
 CONTENTS OF SPECIFIC BILL MESSAGE 2 BY ACCT TYPE OR GROUP 70 CHARACTERS  
 CONTENTS OF SPECIFIC BILL MESSAGE 3 BY ACCT TYPE OR GROUP 70 CHARACTERS  
 CONTENTS OF SPECIFIC BILL MESSAGE 4 BY ACCT TYPE OR GROUP 70 CHARACTERS  
 THIS IS THE CONTENTS OF THE CREDIT BALANCE MESSAGE 70 CHARACTERS

✂ Detach and return the portion below with your payment ✂



**Department of Utilities**  
 123 Main Street  
 Falmouth, ME 04105  
 (207) 367-3409

**UTILITY BILL**  
**REMIT PORTION**  
 Please write your Account Number on your check and enclose this portion of bill with your payment.

Service Address	Bill Number	Account # - Customer #	Current Billing Due Date	Amount Due
1996 AVENIDA DE ANTIGUA	100289	123456789 - 987654	09/05/2009	\$103.55

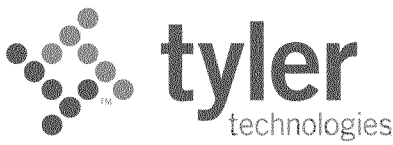
**CONTENTS OF EFT COMMENT FIELD UP TO 70 CHARACTERS IN LENGTH**

# Cut Sheet Bottom Remit

FLAT STANLEY TRAVELS  
 34 YOUNG AVE  
 CROTON-ON-HUDSON, NY 10520-3928



00006042010700100289800000103556



**Department of Utilities**  
 123 Main Street  
 Falmouth, ME 04105  
 (207) 367-3409

**UTILITY BILL  
 REMIT PORTION**

Please write your Account Number on your check and enclose this portion of bill with your payment.

Service Address	Bill Number	Account # - Customer #	Current Billing Due Date	Amount Due
1996 AVENIDA DE ANTIGUA	100289	123456789 - 987654	09/05/2009	\$103.55

CONTENTS OF EFT COMMENT FIELD UP TO 70 CHARACTERS IN LENGTH

# Cut Sheet Top Remit

FLAT STANLEY TRAVELS  
 34 YOUNG AVE  
 CROTON-ON-HUDSON, NY 10520-3928



00006042010700100289800000103556

✂ Detach and return the portion above with your payment ✂



**Department of Utilities**  
 123 Main Street  
 Falmouth, ME 04105  
 (207) 367-3409

**UTILITY BILL  
 Customer Copy**

Keep this portion for your records

Customer Name		Service Address																						
FLAT STANLEY TRAVELS		1996 AVENIDA DE ANTIGUA																						
Bill Number	Bill Date	Account Number - Customer Number						Current Billing Due Date																
100289	08/12/2009	123456789 - 987654						09/05/2009																
Description	Meter	Previous Read Date	Current Read Date	Previous Meter Reading	Current Meter Reading	Read Code	Usage (100 cu. ft.)	Charge																
TYLER TOWN GAS	0222557	07/14/2009	08/11/2009	897	898	E		14.78																
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SOLID WASTE																								
SENIOR RATE CONTRIBUTION								.78																
RECYCLING FEES								3.03																
HISTORY PERIOD	BILLED USAGE	100 cu. ft. equals 748 gallons						<table border="1"> <tr> <td>READ CODE:</td> <td>Total Current Billing</td> <td>50.15</td> </tr> <tr> <td>A = Actual</td> <td>Previous Balance</td> <td>53.40</td> </tr> <tr> <td>E = Estimate</td> <td>Adjustments</td> <td>.00</td> </tr> <tr> <td>F = Final</td> <td>Less Payments Received</td> <td>.00</td> </tr> <tr> <td>W = Water Co. Estimate</td> <td><b>Total Amount Due</b></td> <td><b>\$103.55</b></td> </tr> </table>		READ CODE:	Total Current Billing	50.15	A = Actual	Previous Balance	53.40	E = Estimate	Adjustments	.00	F = Final	Less Payments Received	.00	W = Water Co. Estimate	<b>Total Amount Due</b>	<b>\$103.55</b>
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CURR	0	← <b>A</b> CONTENTS OF REPRINT MESSAGE 70 CHARACTERS CONTENTS OF COPY-TO MESSAGE 70 CHARACTERS CONTENTS OF BILL MESSAGE 1 RUN CONTROL 70 CHARACTERS CONTENTS OF BILL MESSAGE 2 RUN CONTROL 70 CHARACTERS CONTENTS OF BILL MESSAGE 3 RUN CONTROL 70 CHARACTERS CONTENTS OF BILL MESSAGE 4 RUN CONTROL 70 CHARACTERS CONTENTS OF SPECIFIC BILL MESSAGE 2 BY ACCT TYPE OR GROUP 70 CHARACTERS CONTENTS OF SPECIFIC BILL MESSAGE 3 BY ACCT TYPE OR GROUP 70 CHARACTERS CONTENTS OF SPECIFIC BILL MESSAGE 4 BY ACCT TYPE OR GROUP 70 CHARACTERS THIS IS THE CONTENTS OF THE CREDIT BALANCE MESSAGE 70 CHARACTERS						<b>CONTENTS OF EFT COMMENT FIELD UP TO 70 CHARACTERS IN LENGTH</b>																
07/09	1																							
06/09	0																							
05/09	1																							
04/09	5																							
03/09	6																							
02/09	5																							
01/09	5																							
12/08	2																							
11/08	2																							
10/08	0																							
09/08	1																							
08/08	1																							

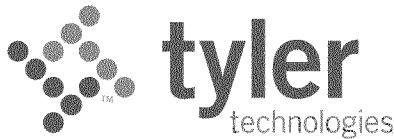
**TYLER TOWN UTILITY BILL**

Keep this portion for your records

Customer Copy

<b>Customer Name</b> FLAT STANLEY TRAVELS					<b>Service Address</b> 1996 AVENIDA DE ANTIGUA									
<b>Bill Number</b> 100289	<b>Bill Date</b> 08/12/2009	<b>Account Number - Customer Number</b> 123456789 - 987654			<b>Current Billing Due Date</b> 09/05/2009									
<b>Description</b>	<b>Meter</b>	<b>Previous Read Date</b>	<b>Current Read Date</b>	<b>Previous Meter Reading</b>	<b>Current Meter Reading</b>	<b>Read Code</b>	<b>Usage (100 cu. ft.)</b>	<b>Charge</b>						
TYLER TOWN GAS	0222557	07/14/2009	08/11/2009	897	898	E		14.78						
CITY GAS FRANCHISE FEE								.30						
COST OF GAS OF TYLER TOWN								3.83						
COST OF GAS FRANCHISE FEE								.08						
CONTENTS OF BILL MESSAGE 1 RUN CONTROL 70 CHARACTERS CONTENTS OF BILL MESSAGE 2 RUN CONTROL 70 CHARACTERS CONTENTS OF BILL MESSAGE 3 RUN CONTROL 70 CHARACTERS CONTENTS OF BILL MESSAGE 4 RUN CONTROL 70 CHARACTERS THIS IS THE CONTENTS OF THE CREDIT BALANCE MESSAGE 70 CHARACTERS CONTENTS OF REPRINT MESSAGE 70 CHARACTERS CONTENTS OF COPY-TO MESSAGE 70 CHARACTERS CONTENTS OF SPECIFIC BILL MESSAGE 2 BY ACCT TYPE OR GROUP 70 CHARACTERS CONTENTS OF SPECIFIC BILL MESSAGE 3 BY ACCT TYPE OR GROUP 70 CHARACTERS CONTENTS OF SPECIFIC BILL MESSAGE 4 BY ACCT TYPE OR GROUP 70 CHARACTERS						<b>READ CODE:</b> A = Actual E = Estimate F = Final W = Water Co. Estimate	<b>Total Current Billing</b> <b>Previous Balance</b> <b>Adjustments</b> <b>Less Payments Received</b> <b>Total Amount Due</b>		50.15 53.40 .00 .00 <b>\$103.55</b>					
CONTENTS OF EFT COMMENT FIELD UP TO 70 CHARACTERS IN LENGTH														
<b>HISTORY PERIOD</b>	<b>CURR</b>	07/09	06/09	05/09	04/09	03/09	02/09	01/09	12/08	11/08	10/08	09/08	08/08	<b>A</b>
<b>BILLED USAGE</b>	0	1	0	1	5	6	5	5	2	2	0	1	1	

✂ Detach and return the portion below with your payment ✂



**Department of Utilities**  
 123 Main Street  
 Falmouth, ME 04105  
 (207) 367-3409

**UTILITY BILL  
 REMIT PORTION**

Please write your Account Number on your check and enclose this portion of bill with your payment.

CONTENTS OF EFT COMMENT FIELD UP TO 70 CHARACTERS IN LENGTH

<b>Service Address</b>	<b>Bill Number</b>	<b>Account # - Customer #</b>	<b>Current Billing Due Date</b>	<b>Amount Due</b>
1996 AVENIDA DE ANTIGUA	100289	123456789-987654	09/05/2009	\$103.55

Pay 103.55 by 09/05/2009  
 After 09/05/2009 Pay 103.55

<b>Amount Paid</b>
\$

FLAT STANLEY TRAVELS  
 34 YOUNG AVE  
 CROTON-ON-HUDSON, NY 10520-3928

NSF Check Charge: \$20.00 per account

00006042010700100289800000103556

NO PRINT AREA - STOCK MESSAGE APPEARS HERE



**Department of Utilities**  
 123 Main Street  
 Falmouth, ME 04105  
 (207) 367-3409

FIRST CLASS  
 U. S. POSTAGE  
 PAID 1 OZ.  
 PERMIT ###

**11" Self Mailer**

**IMPORTANT  
 BILLING  
 ENCLOSED**

FLAT STANLEY TRAVELS  
 34 YOUNG AVE  
 CROTON-ON-HUDSON, NY 10520-3928





# UTILITY BILL Overflow Report

Customer Name				Service Address					
FLAT STANLEY TRAVELS				1996 AVENIDA DE ANTIGUA					
Bill Number	Bill Date	Account Number - Customer Number				Current Billing Due Date			
100289	08/12/2009	123456789 - 987654				09/05/2009			
Description	Meter	Previous Read Date	Current Read Date	Previous Meter Reading	Current Meter Reading	Read Code	Usage (100 cu. ft.)	Charge	
TYLER TOWN GAS TAX								1.41	
WATER	43677227	07/14/2009	08/11/2009	536	543	E	7	15.35	
WATER FRANCHISE FEE								.31	
WATER RIGHTS ACQUISITION								.42	
WATER RIGHTS MANAGEMENT								.35	
WATER TAX								.82	
SEWER BASED ON WATER								7.86	
SEWER FRANCHISE FEE								.16	
SEWER TAX								.40	
SOLID WASTE									
SENIOR RATE CONTRIBUTION								.78	
RECYCLING FEES								3.03	
SOLID WASTE FRANCHISE FEE								.08	
SOLID WASTE TAX								.19	



COMMITTEE OF THE WHOLE MEETING  
AGENDA ITEM NO. 8

FOR COUNCIL: November 19, 2018

SPONSORING DEPARTMENT: Administration - Finance

SUBJECT: Presentation of Property Tax Levy considerations related to Public Safety Pension funding.

RECOMMENDATION/MOTION: Presentation Only.

STRATEGIC PLAN LINK: Goal 1. Financially Sound City Providing Quality Basic Services;

STRATEGIC PLAN SIGNIFICANCE: 1a. Budget with adequate resources to support defined services and level of services.

BACKGROUND: The City adopted a policy for Public Safety Pensions to be 100% funded by the year 2041; the State mandate is 90%. Two revenue sources have been dedicated to this policy: Property Tax and Utility Tax (related to a 2014 rate increase). Most municipalities fund pensions 100% with Property Taxes due to the reliability of that revenue source. Considerations will be presented related to that process.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: N/A

FINANCIAL IMPACT: Presentation only. No financial impact at this time.

COMMUNITY DEVELOPMENT IMPACT: N/A

FUTURE OPERATIONAL COST ASSOCIATED WITH NEW FACILITY CONSTRUCTION: N/A

Respectfully submitted for Council consideration.

Prepared By: Scott Rathbun, Finance Director

Reviewed By: Chris Tomerlin, Budget Manager

Water/Community Dev. Review By: Katie Simpson, City Planner

Legal Review By: Jeffrey R. Jurgens, Corporation Counsel

Recommended by:

A handwritten signature in black ink, appearing to read 'T. Gleason', with a stylized flourish at the end.

Tim Gleason  
City Manager

**Attachments:**

- None

## City Manager Report Upcoming Agenda Items

The City Code provides that a portion of each Committee of the Whole meeting will be dedicated to previewing upcoming non-routine items being proposed by City staff. These items include: (1) the expenditure of money over \$250,000; (2) development agreements; (3) amendments to the City Code; (4) implementation or modification of City policies; and (5) other items of interest as determined by the City Manager. This report is designed to provide the above-required preview and is for informational purposes only. It is, however, preliminary and subject to modification.

Note it is often difficult to predict what issues may arise before a meeting and therefore it is likely some non-routine agenda items are not identified on this report. It should be noted the failure to include an item on this report, whether routine or not, does not prohibit it from being placed on either of the meetings listed below or any other future meeting. In addition, the items listed on this report may be rescheduled or removed from the originally designated meeting agenda based on a variety of factors.

November 26, 2018	
1	B-N Air Bed and Breakfast/Hotel-Motel Taxes and Safety (Admin)
2	Proposed Property Tax Levy (Admin)
3	Bond Refinancing (Finance)
4	
5	
December 10, 2018	
1	Agenda Management Follow Up (Administration)
2	Adopt Tax Levy Ordinance (Finance)
3	Adopt Tax Levy Abatement (Finance)
4	
5	



MAYOR & ALDERMANIC  
AGENDA INITIATIVE PROPOSAL FORM

SPONSOR: Jamie Mathy, Ward 1

PROPOSED INITIATIVE:

Smart Street Lighting - Request that the City Manager, Public Works, and Information Services explore if Bloomington can save money by moving to a Smart Street Lighting program.

At the recent Illinois Municipal League meeting, I spoke with the IL Dept of Innovation & Technology presenters about their Smart Street Lighting program. The national average cost of using HID lamps in street lights is \$20 /pole /month. The program shows that LED street lighting has a lower energy use and 20 year life-span, resulting in significant energy and maintenance cost savings, as much as 50% per year, with a 4 year ROI on the upgrade of lighting system.

ESTIMATED CITY STAFF TIME TO RESEARCH & PREPARE FULL COUNCIL MEMO ON PROPOSED INITIATIVE INCLUDING BACKGROUND AND ANY NECESSARY RESEARCH:

- Nominal (less than 5 hours)
- Moderate (5 to 10 hours)
- Significant (more than 10 hours)

ESTIMATED COST OF PROPOSED INITIATIVE: tbd

WILL THE PROPOSED INITIATIVE REQUIRE A BUDGET AMENDMENT:

- Yes
- No

WHAT CITY PROGRAMS OR STAFF ACTIVITIES ARE PROPOSED TO BE CUT OR REDUCED IN LIEU OF THE PROPOSED INITIATIVE, IF ANY:

Energy costs currently used to pay for more expensive HID lamps.

DATE SUBMITTED: 11/6/18

Jamison J Mathy  
SIGNATURE