



# Residential Private

Water and Sewer Leak Protection

Water Service Line Protection

Sewer Lateral Protection

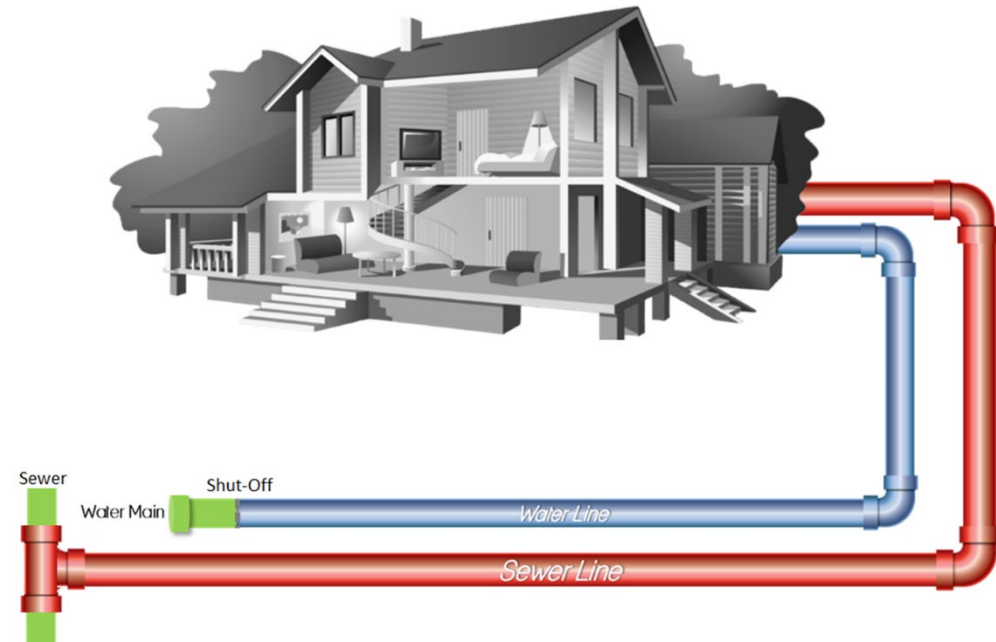


Jim Karch, P.E., MPA,  
Director of Public Works

Committee of the Whole  
November 19, 2018

# 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.



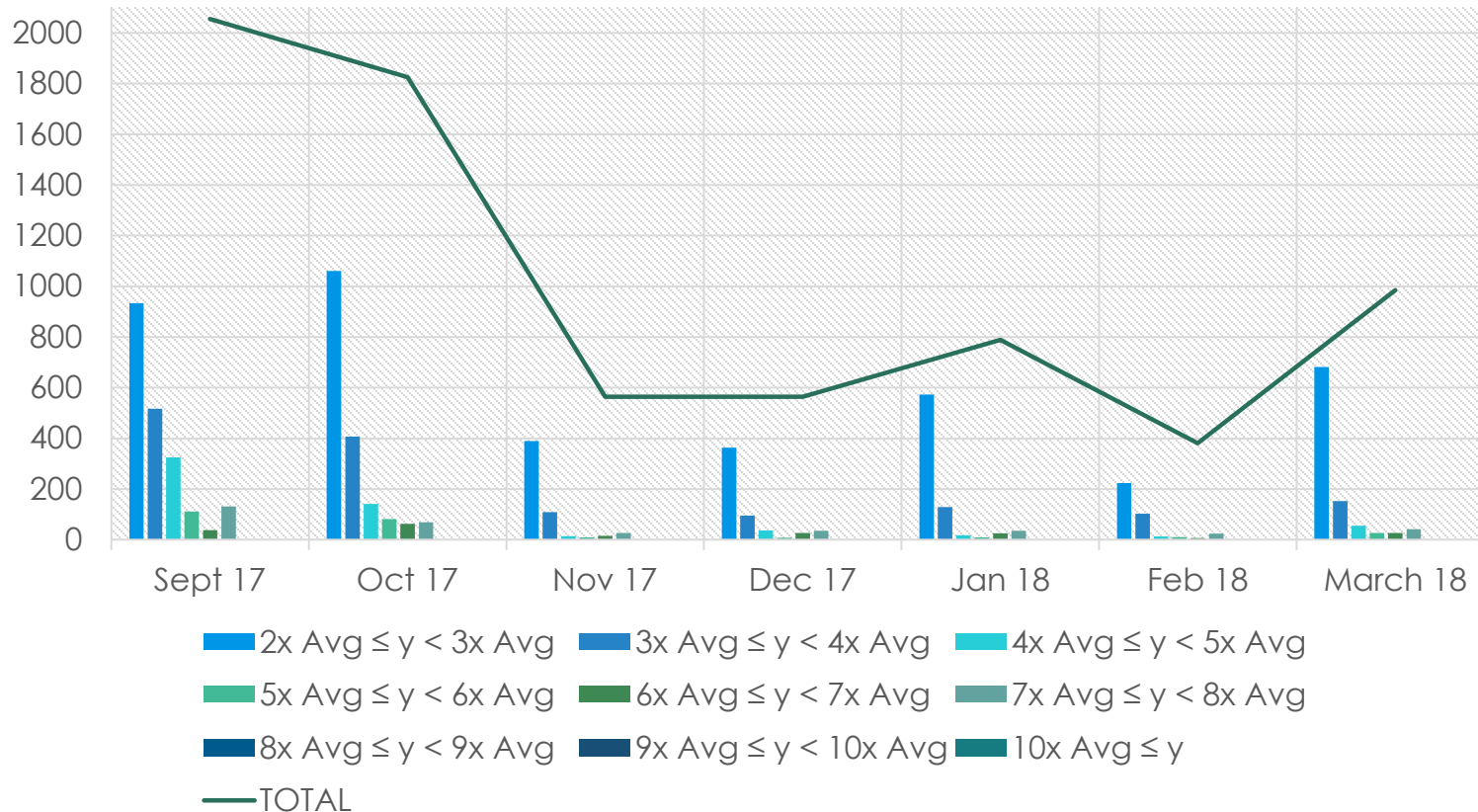
# WATER LEAK PROTECTION PROGRAM

<p>\$1.05/month</p> <p>Includes 10% admin fee*</p> <p>\$0 deductible</p> <p>Covers water, sewer, BNWRD, and utility tax charges</p> <p>1 qualifying leak event per year</p> <p><b>\$500 Protection Limit</b></p>	<p>\$1.32/month</p> <p>Includes 10% admin fee*</p> <p>\$0 deductible</p> <p>Covers water, sewer, BNWRD, and utility tax charges</p> <p>1 qualifying leak event per year</p> <p><b>\$1,000 Protection Limit</b></p>	<p>\$1.54/month</p> <p>Includes 10% admin fee*</p> <p>\$0 deductible</p> <p>Covers water, sewer, BNWRD, and utility tax charges</p> <p>1 qualifying leak event per year</p> <p><b>\$2,500 Protection Limit</b></p>
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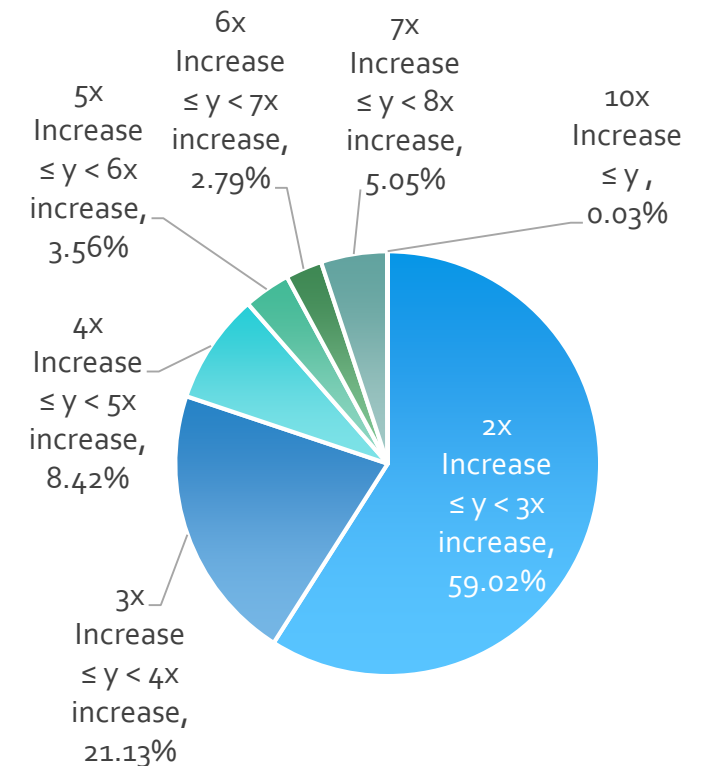


# WATER LEAK HISTORICAL DATA

**Figure 1: Monthly Consumption Increases (Twice or More than Average) by Multiple of Average Consumption from September 2017 to March 2018**

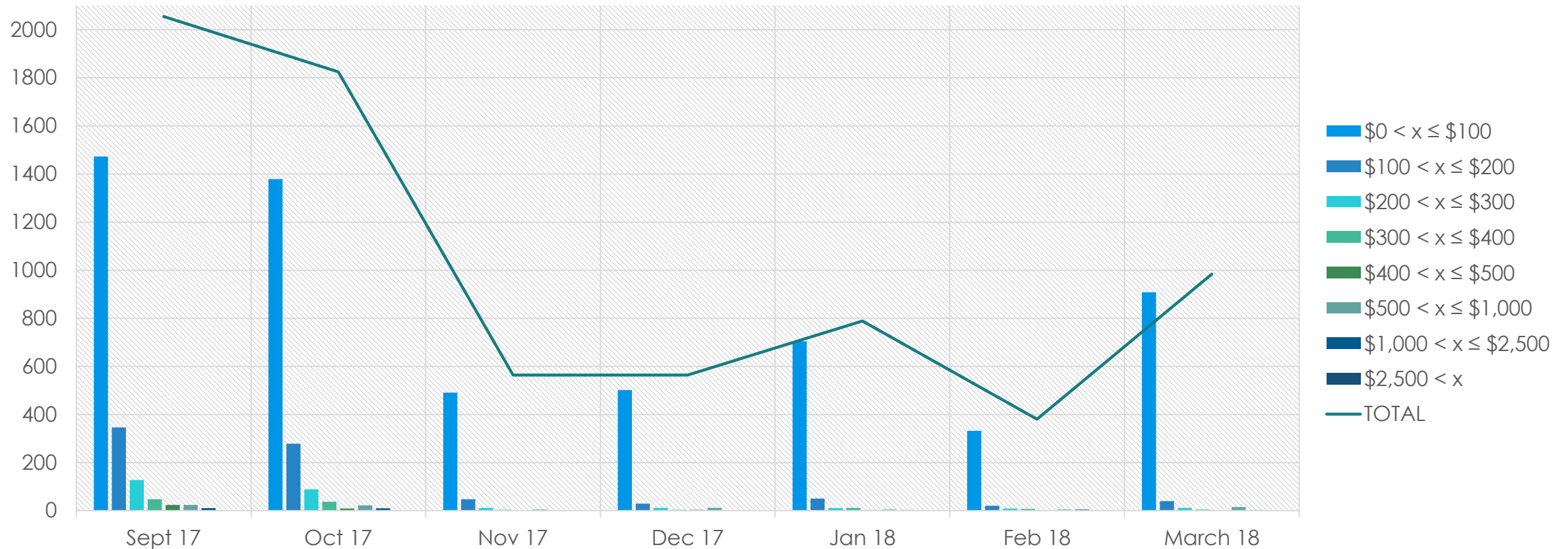


**Figure 2: % Total Consumption Increases (Twice or More than Average) by Multiple of Average Consumption from Sept 17 to March 18**



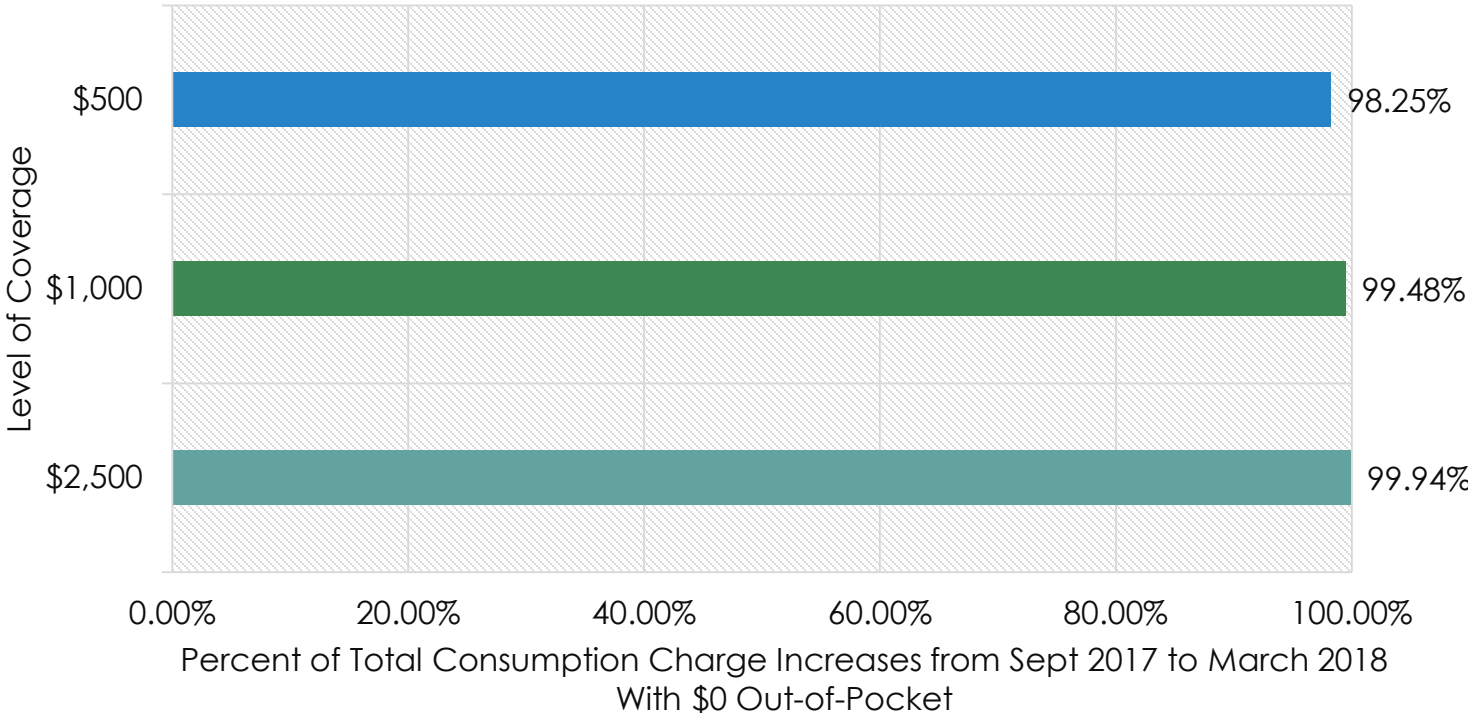
# WATER LEAK HISTORICAL DATA

**Figure 3: Monthly Consumption Charge Increases (by Amount) for Customers with Monthly Consumption Increases (Twice or More than Average) from September 2017 to March 2018**



# WATER LEAK HISTORICAL DATA

**Figure 4: Percent of Total Consumption Charge Increases (Twice or More) from Sept 2017 to March 2018 With \$0 Out-of-Pocket by Level of Coverage**



**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%

# WATER LEAK PROTECTION PROGRAM

<p>\$1.05/month</p> <p>Includes 10% admin fee*</p> <p>\$0 deductible</p> <p>Covers water, sewer, BNWRD, and utility tax charges</p> <p>1 qualifying leak event per year</p> <p><b>\$500 Protection Limit</b></p>	<p>\$1.32/month</p> <p>Includes 10% admin fee*</p> <p>\$0 deductible</p> <p>Covers water, sewer, BNWRD, and utility tax charges</p> <p>1 qualifying leak event per year</p> <p><b>\$1,000 Protection Limit</b></p>	<p>\$1.54/month</p> <p>Includes 10% admin fee*</p> <p>\$0 deductible</p> <p>Covers water, sewer, BNWRD, and utility tax charges</p> <p>1 qualifying leak event per year</p> <p><b>\$2,500 Protection Limit</b></p>
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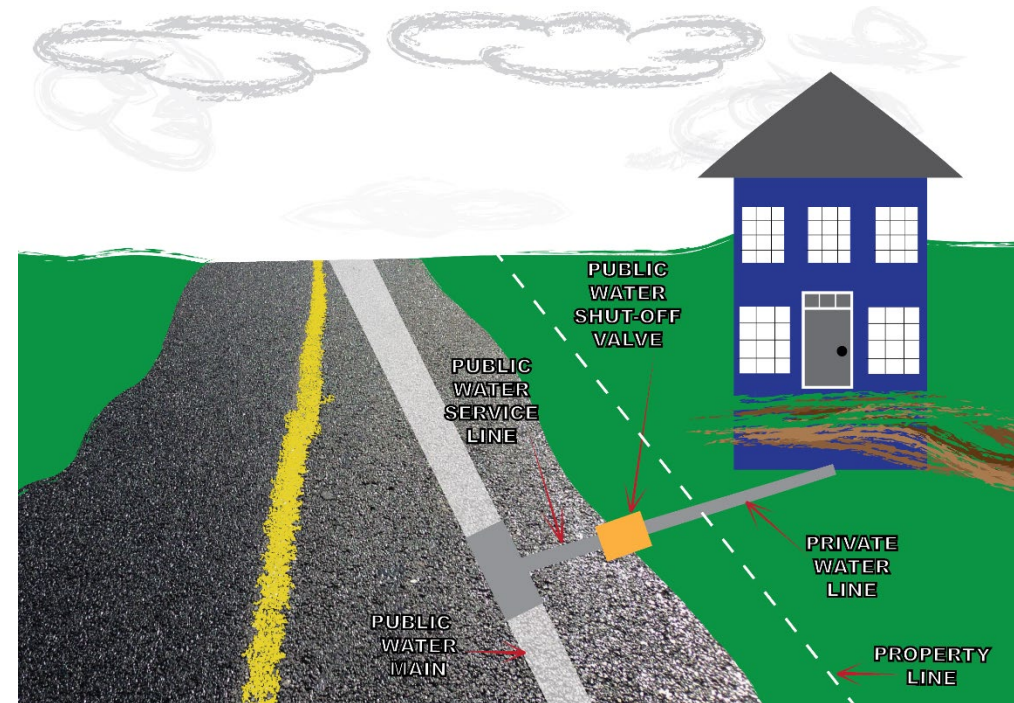
# HOW TO REPORT HIGH WATER BILL DUE TO A LEAK





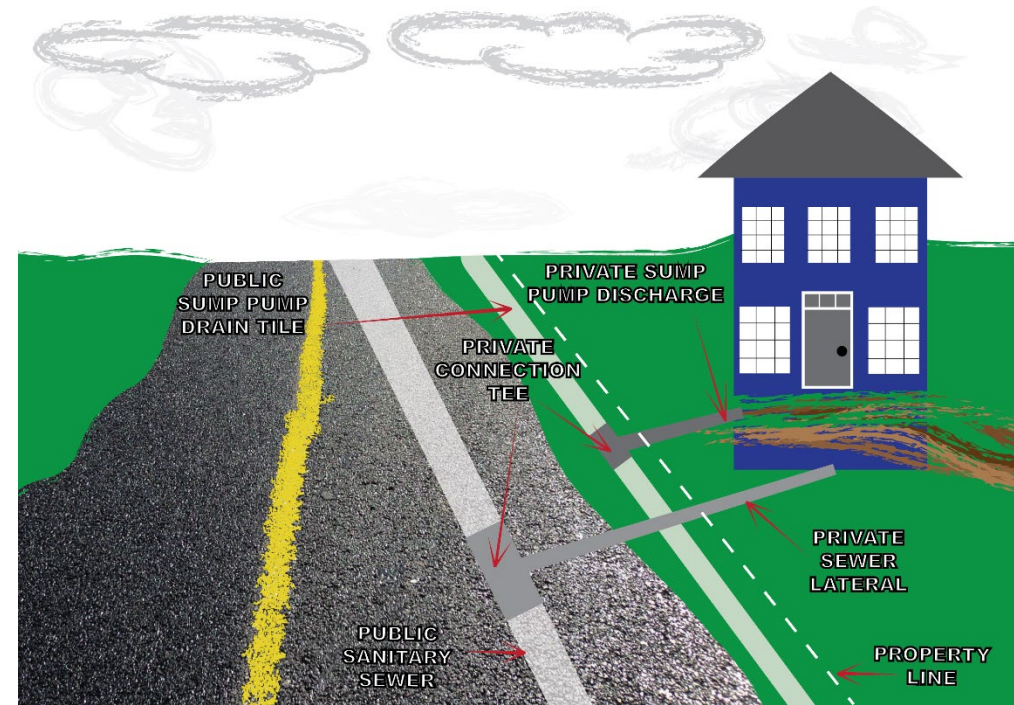
# WATER LINE PROTECTION PROGRAM

- 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.
  - \$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



# SEWER LATERAL 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.
  - \$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



# PRIVATE INDUSTRY OPTIONS



# SAMPLE FLYER/MAILER



**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**

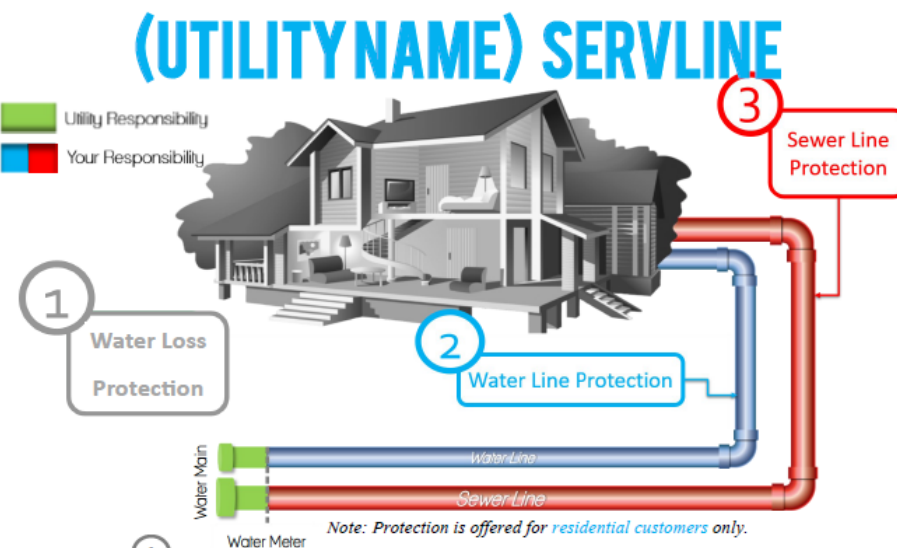
As a residential customer, you are automatically protected by our Water Loss Program. This is the only way residential leaks will be adjusted that occur after [Date Format MM/DD/YY].

**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) SERVLIN



**1 Water Loss Protection** **3 Sewer Line Protection**

**2 Water Line Protection**

**Water Meter** *Note: Protection is offered for residential customers only.*

**1 Water Loss Protection** **AUTOMATICALLY ENROLLED (SO.) 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 (SO.)/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 (SO.)/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.

# FREQUENTLY ASKED QUESTIONS PAGES

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## How do the ServLine Programs Work?



### 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 you 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, irrigations 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.

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## How do the ServLine Programs Work?



### 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 DigSafe 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 water lines to other structures?

Water Line Protection covers repair or replacement of the exterior water line from the meter to the foundation of your home. There is no coverage for connecting water lines or the plumbing inside your home.

#### 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.

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## How do the ServLine Programs Work?



### General Q&A

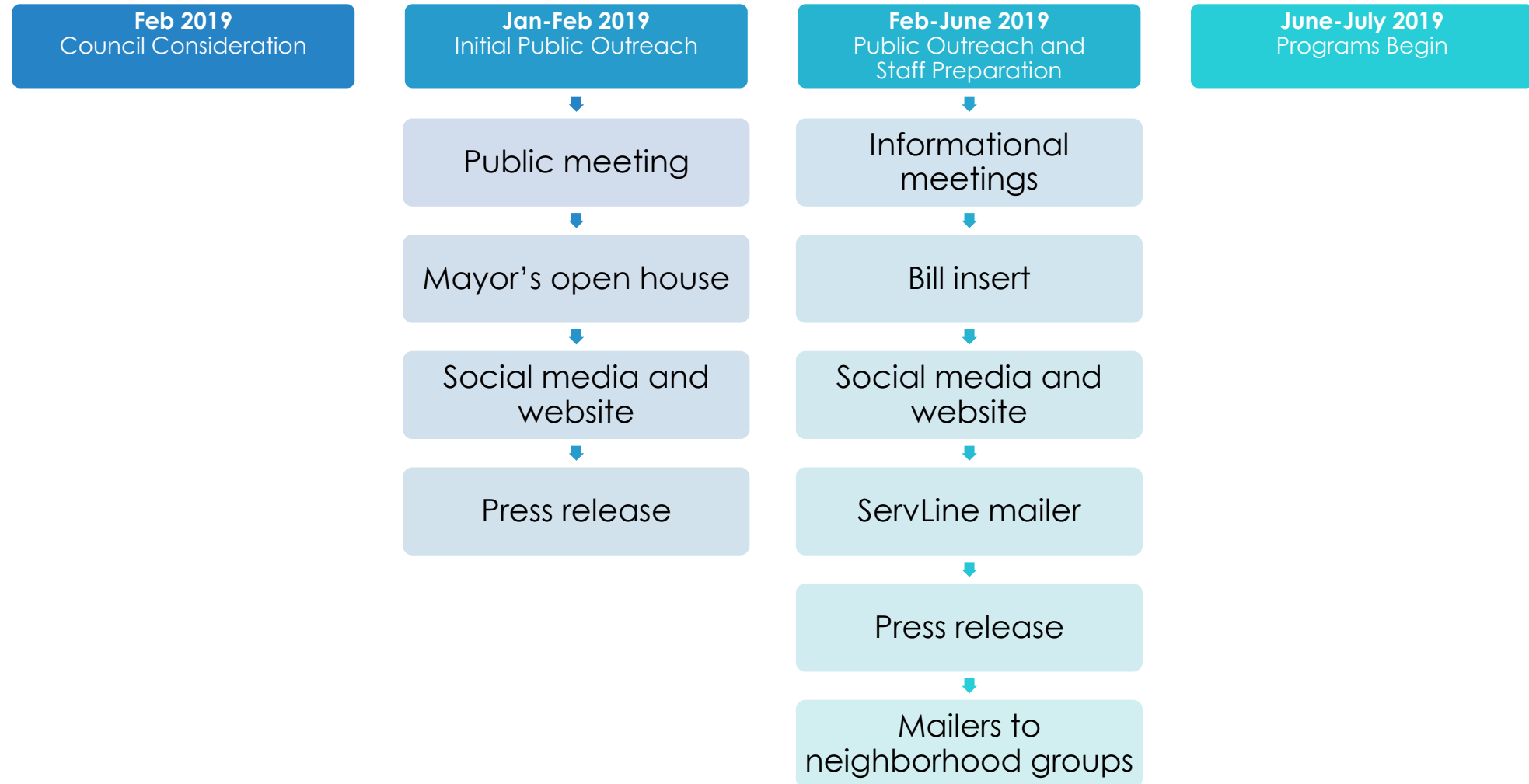
#### What is the waiting period for protection to take effect?

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.

# PROPOSED TIMELINE



# WHY SHOULD THE CITY USE SERVLINE?

- Leak protection exclusive to ServLine
- Homeowners are responsible for their property
- Limited private industry options for water and sewer line protection





# SEWER LINE REPAIR HISTORICAL DATA

Figure 6: Annual Number of Sewer Lateral Cave-In Jobs by Cost from FY14 to FY 18

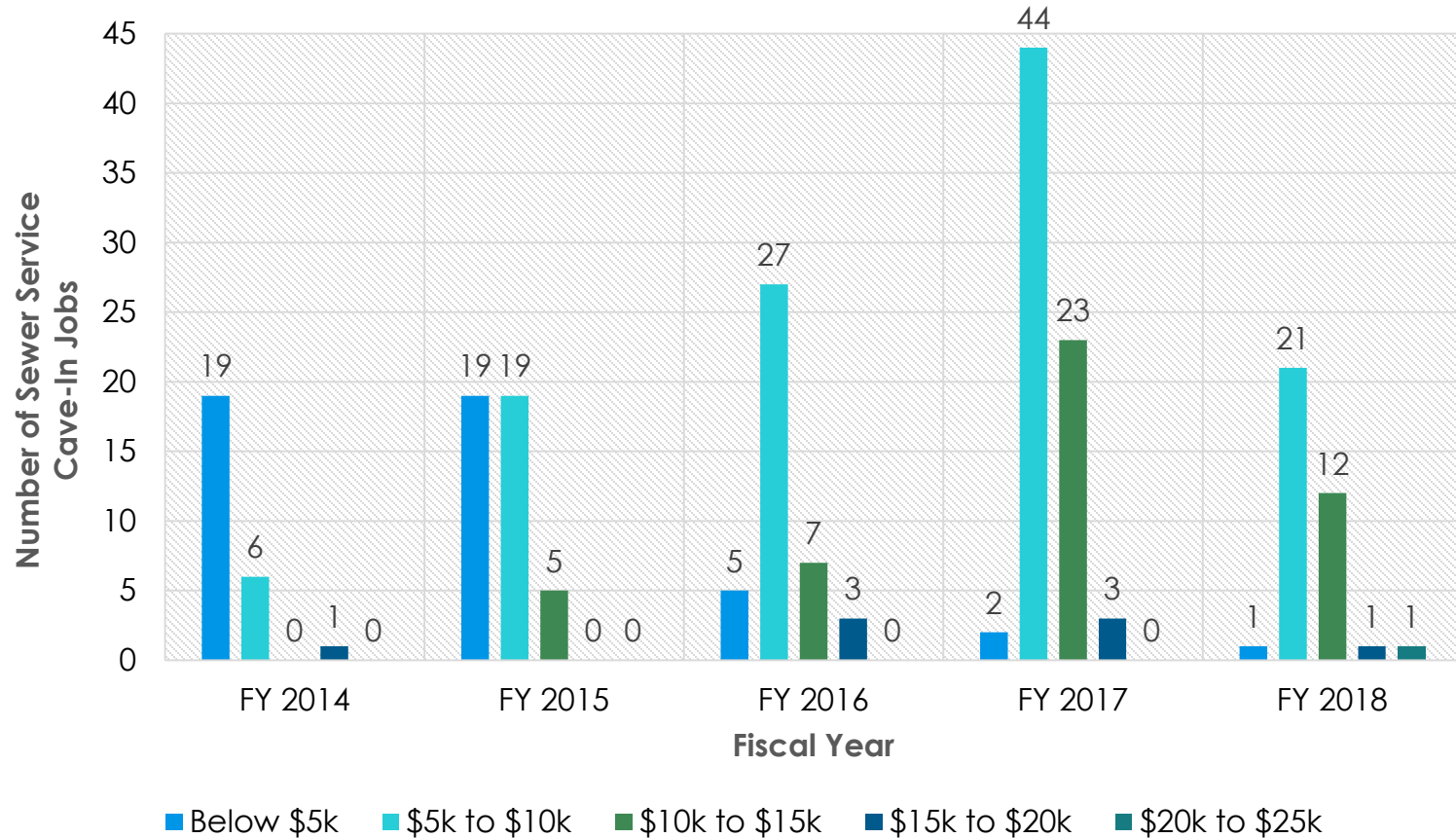
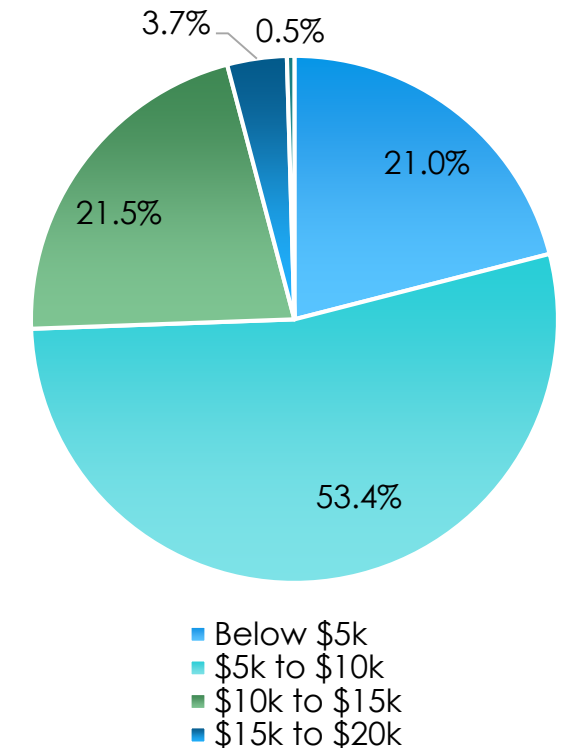


Figure 5: Total Percentage of Sewer Lateral Cave-In Jobs by Cost from FY14 to FY18



# IN-HOUSE CAVE-IN COSTS

Fiscal Year	Sewer Service Cave-Ins	Percent Private Sewer Cave-ins	Total Cave-Ins	Total Cost
2014	26	31%	84	\$126,297.18
2015	43	74%	58	\$262,602.82
2016	42	66%	64	\$354,440.42
2017	72	63%	114	\$679,519.83
2018	36	100%	36	\$341,173.05
			<b>Total FY14 to FY18</b>	<b>\$1,764,033.30</b>
			<b>Average Cost Per Year</b>	<b>\$352,806.66</b>

# PRIVATE, RESIDENTIAL WATER LEAK PROTECTION

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

- Based on 500 cubic feet (3,740 gallons) of potable water consumption, 95-gallon refuse container, and single-family, medium-size parcel

Water Charges	\$20.05
Water Service Charges	\$5.00
Utility Tax	\$0.90
Sewer Charges	\$14.25
BNWRD	\$9.92
Refuse Fee	\$29.00
Storm Water Charge	\$5.67
<b>TOTAL</b>	<b>\$84.83</b>



**STOP THAT  
RUNNING TOILET!**

### *Why is it important to fix a leak?*

Leaking toilets are the most common cause of leaks inside your home. A running toilet can waste thousands of gallons a year, which will cost you money each month! Most often, leaky toilets can be fixed with little cost and time. The Department recommends you test each toilet in your home for leaks once a year. Please see the reverse side for more information on how to check your leaky toilet.

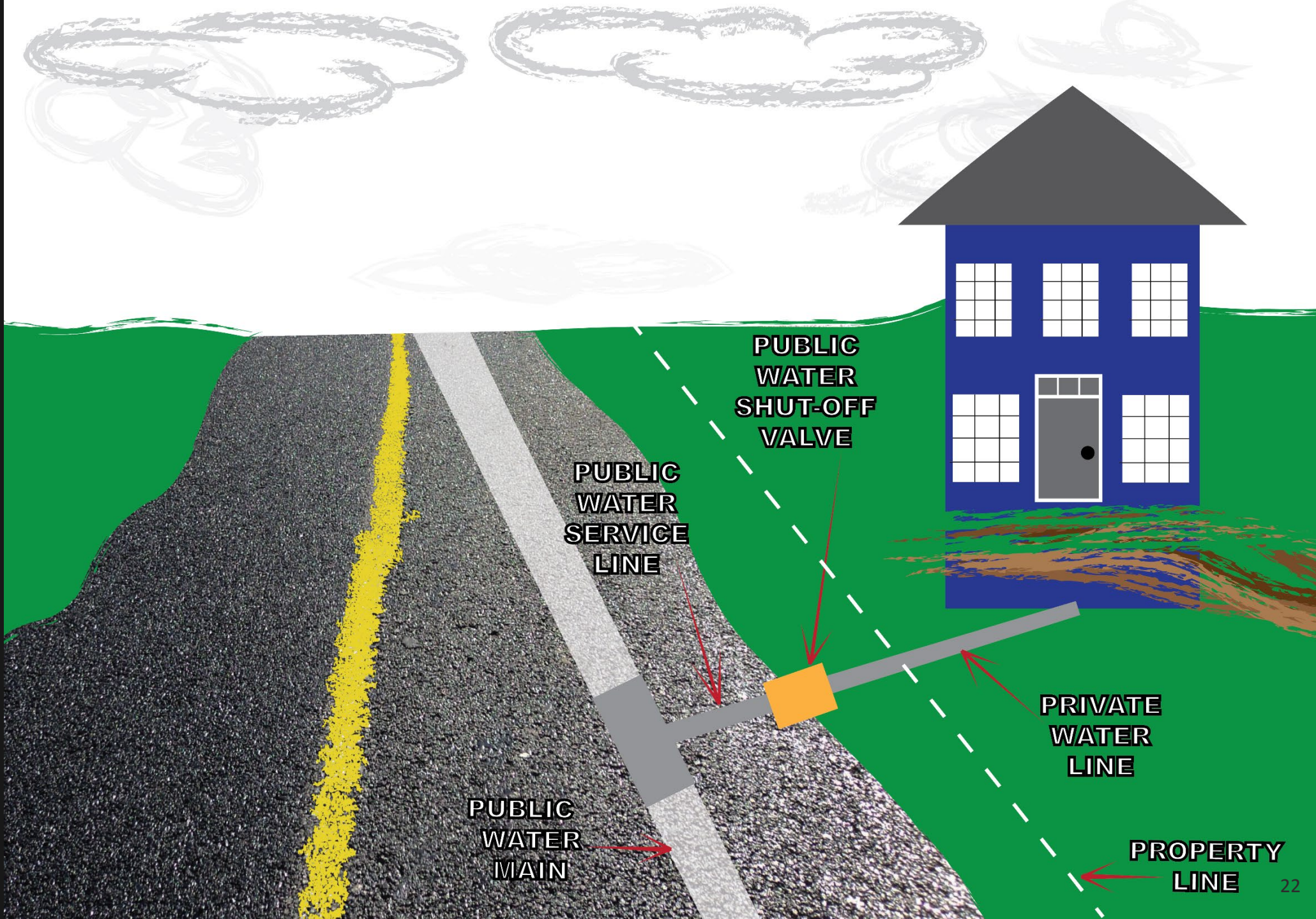
**WATER RATE  
COST OF SERVICE STUDY**

**WATER DEPARTMENT  
CITY OF BLOOMINGTON, ILLINOIS**

**AB&H**  
A DONOHUE GROUP

# PRIVATE, RESIDENTIAL WATER LINE PROTECTION





**PUBLIC  
WATER  
SHUT-OFF  
VALVE**

**PUBLIC  
WATER  
SERVICE  
LINE**

**PRIVATE  
WATER  
LINE**

**PUBLIC  
WATER  
MAIN**

**PROPERTY  
LINE**

# PRIVATE, RESIDENTIAL SEWER LINE PROTECTION



**CITY OF Bloomington ILLINOIS**

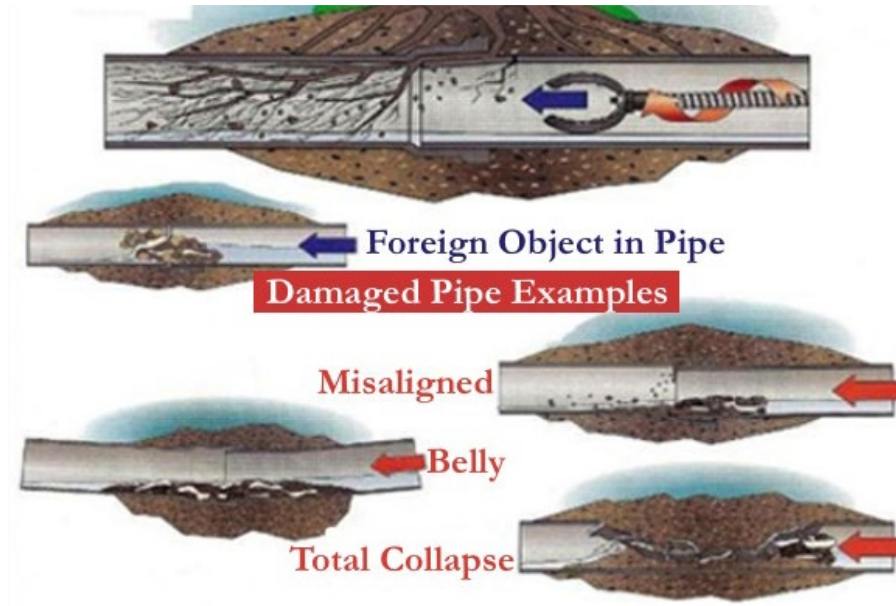
**2014 City of Bloomington Stormwater and Sanitary Sewer Master Plans**

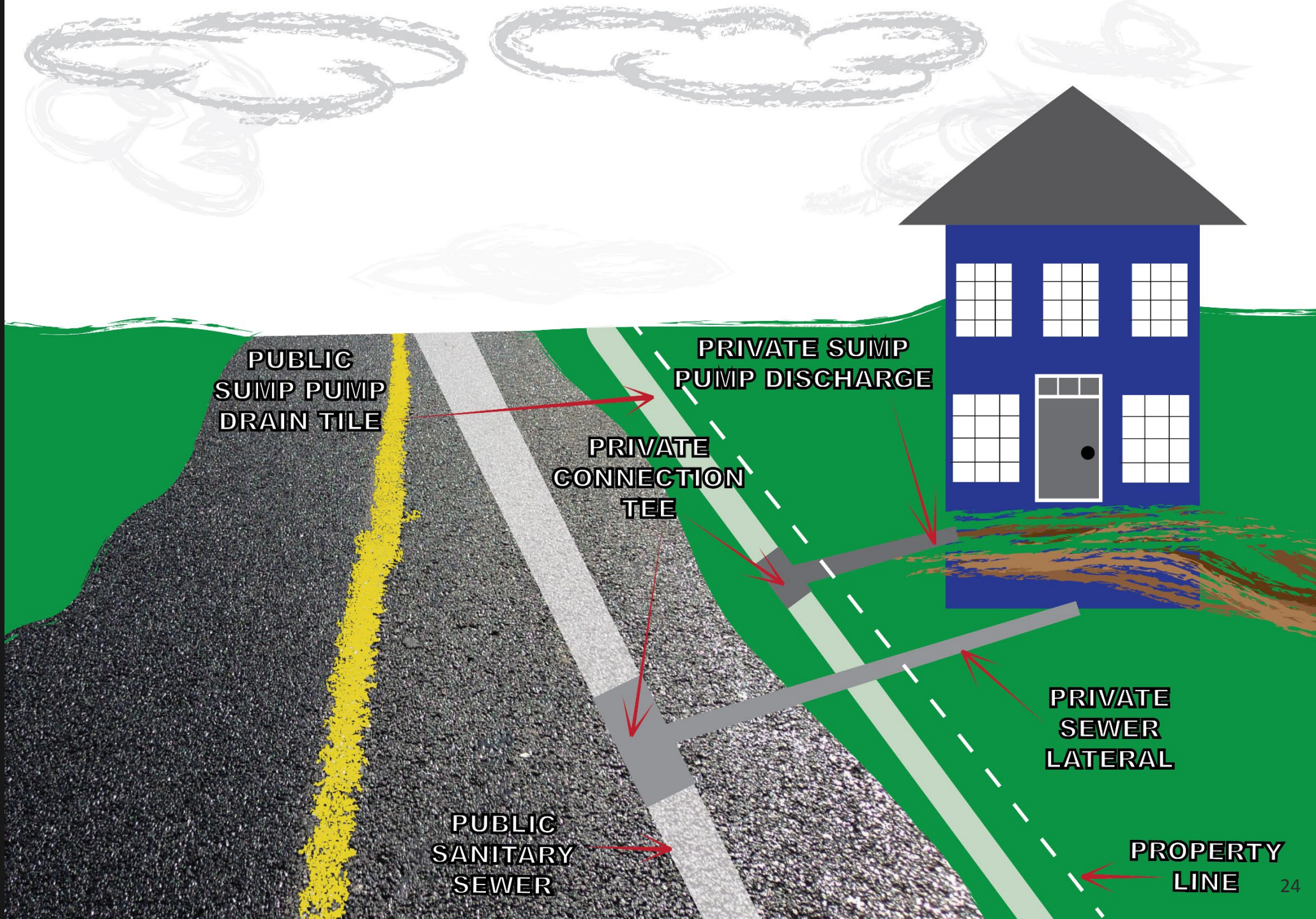
January 2014  
Foth No. 12B005

**Foth**

**OHM**

**Baker**





**PUBLIC  
SUMP PUMP  
DRAIN TILE**

**PRIVATE SUMP  
PUMP DISCHARGE**

**PRIVATE  
CONNECTION  
TEE**

**PRIVATE  
SEWER  
LATERAL**

**PUBLIC  
SANITARY  
SEWER**

**PROPERTY  
LINE**





# RESIDENTIAL LEAK ADJUSTMENT AND SERVICE LINE PROGRAM

*An Affinity Program of the*  **IRWA** *and*  
ILLINOIS RURAL WATER  
ASSOCIATION



NATIONAL RURAL WATER ASSOCIATION

NRWA™

America's Largest Utility Membership



# WHAT IS SERVLINER?

ServLine is a full service specialty insurance program insured by an “A” rated insurance company that:

- Recaptures lost revenue from leak adjustments and bad debts.
- Pays excess water bills from leaks.
- Reduces utility workload associated with customer water leaks.
- Pays for the repair or replacement of residential utility customers exterior water service line and/or sewer lateral.



# WHAT IS SERVLINE?

- We are the **only** leak adjustment protection available.
- ServLine was developed specifically for Utilities
- ServLine was developed from the feedback, needs, and ideas of NRWA member Utilities
- ServLine is Not a warranty
- ServLine is customized to each Utilities needs to match or enhance their current policies.

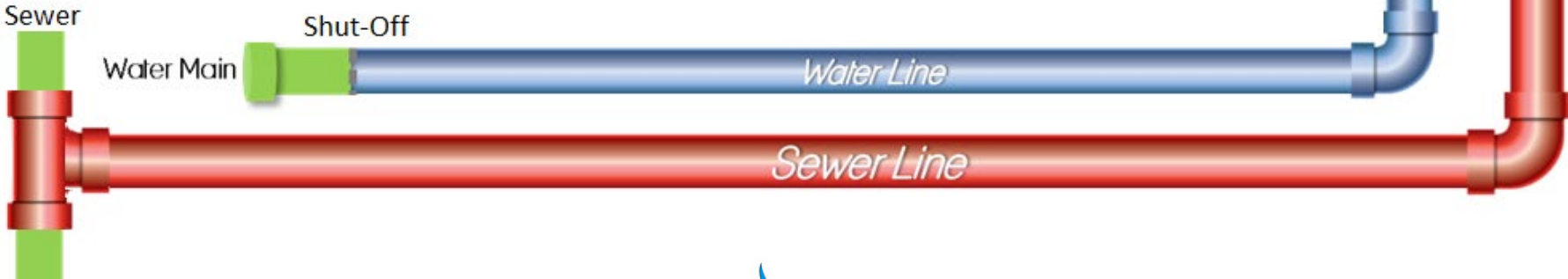


# HOW DOES LEAK ADJUSTMENT PROTECTION WORK?

1 Leak Adjustment Protection

2 Water Line Protection

3 Sewer Line Protection



# LEAK ADJUSTMENT PROTECTION

- ✓ Utility Chooses its Protection limit: \$500, \$1,000, or \$2,500
  - ✓ 1 qualifying leak event per 12 month period
- ✓ Monthly Cost per customer is either \$1.05 (\$0.95 ServLine charge / \$0.10 City administrative fee); \$1.32 (\$1.20 ServLine charge / \$0.12 City administrative fee); or \$1.54 (\$1.40 ServLine charge / \$0.14 City administrative fee)
- ✓ Enhances your current leak policy
- ✓ Customer now has the option not to participate (*decline participation*)
- ✓ No deductible to the customer or utility
- ✓ Follows the Utility's leak adjustment guidelines on number of qualifications for leak adjustments

# LEAK ADJUSTMENT PROTECTION

- ✓ ServLine Program is customized to each Utility
- ✓ No cost to Utility / Low Cost to Customer
- ✓ Utility retains all money currently lost on residential leak adjustments
- ✓ Utility reduces workload associated with leak adjustments
- ✓ Customer / Utility do not pay out-of-pocket for leaks up to protection limit

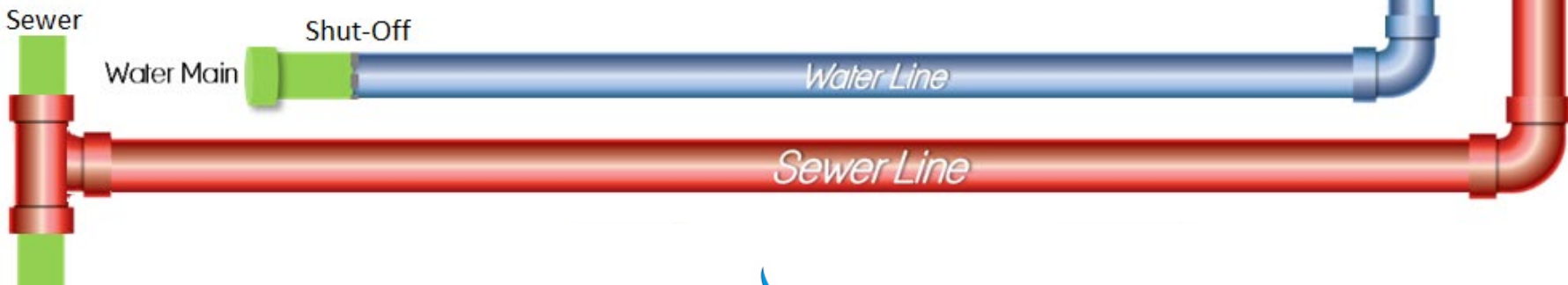
# HOW DOES THE WATER LINE AND SEWER LINE PROTECTION WORK?



1 Leak Adjustment Protection

2 Water Line Protection

3 Sewer Line Protection





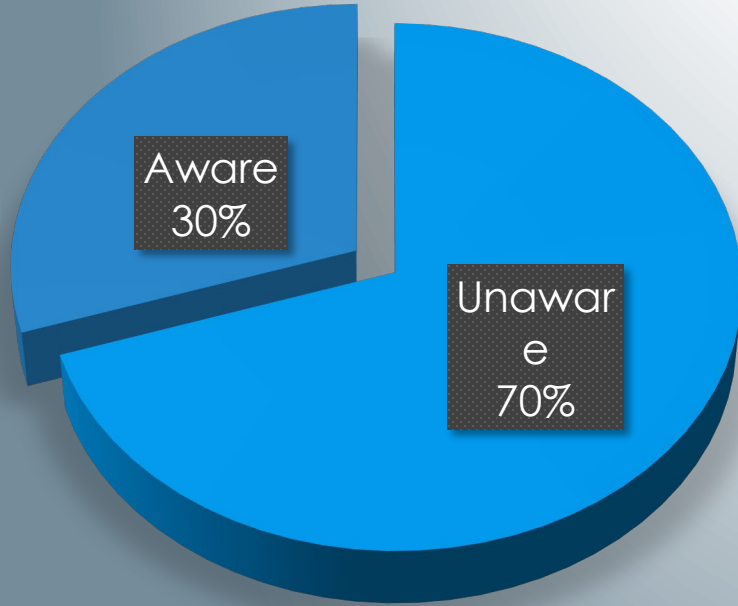
# WATER LINE & SEWER LINE PROTECTION

- ✓ No cost to Utility
- ✓ No deductible
- ✓ New protection for customers (positive customer relations)
- ✓ Customer pays nothing out of pocket to repair or replace service lines within limits
- ✓ Protection up to \$10,000 for water line and an additional \$10,000 for sewer line
- ✓ No limit to number of repairs in a year
- ✓ Monthly per customer charge -
  - ✓ Water Line Protection Cost: \$4.84 (\$4.40 ServLine charge / \$0.44 City administrative fee)
  - ✓ Sewer Line Protection Cost: \$6.60 (\$6.00 ServLine charge / \$0.60 City administrative fee)
- ✓ Water & sewer line protection require sign up

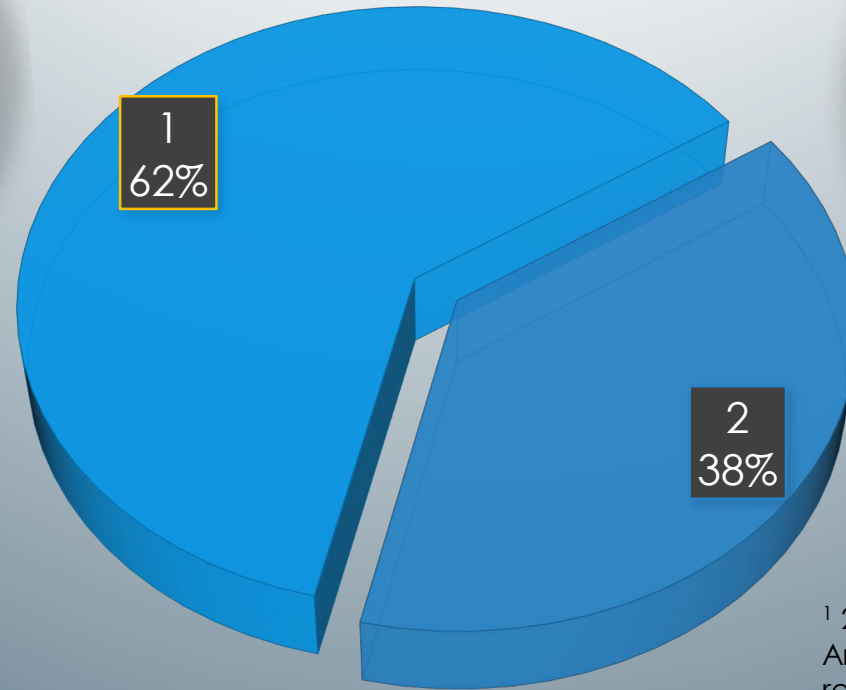
# SERVICE LINE COVERAGE COMPARISON

Coverage Issue	AWR Warranty	Service Line Warranty	ServLine Program
Exterior single lateral water service line	Yes	Yes	Yes
Exterior line break due to Normal Wear & Tear	Yes	Yes	Yes
Repair and Replacement Limits Up to \$10,000	Available	No	Yes
Payment of Increased Water Bill up to selected limit	No	No	Yes
Coverage if late on Water Bill	No	No	Yes
Line Breaks after calling Dig Safe 811 with ticket and lines marked	No	No	Yes
Defective or recalled materials	No	Unknown	Yes
Restoring sidewalks, driveways or paved surfaces up to \$500	No	No	Yes
Strictly regulated and protected as an Insurance Policy by State Department of Insurance	No	No	Yes
Lines connecting to main water line (sprinklers / irrigation systems)	No	No	No
Water meter, water meter pit, and/or water vault, pumps, valves, or backflow meters	No	No	No
Earthquake, Flood, Sinkhole, War, Civil Authority, Dishonest/Illegal Acts, Pollutants backing up into residence	No	No	No

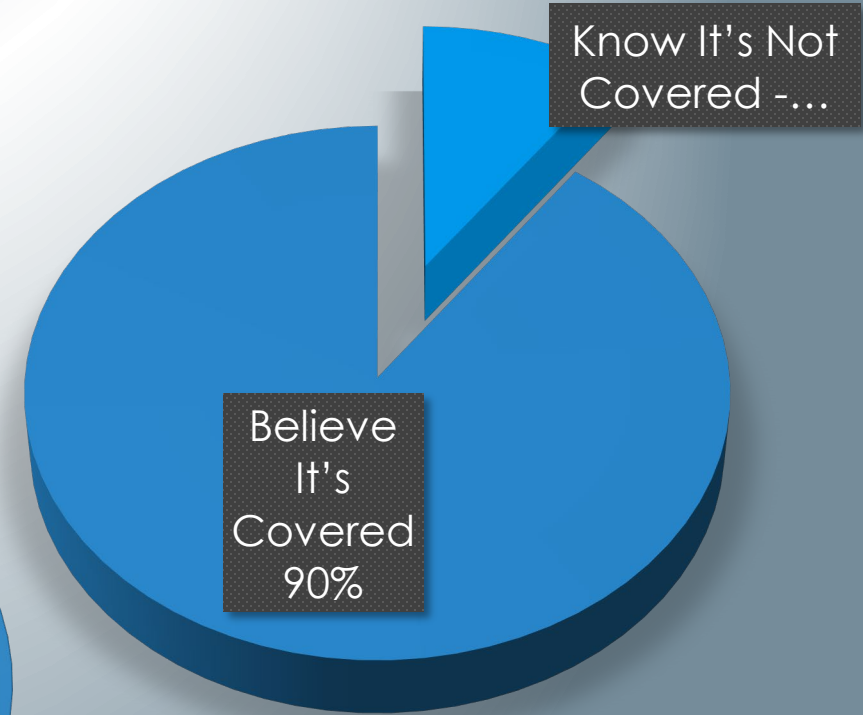
## Utility Customer Awareness Of Responsibility



## Americans Unable to Cover an Unexpected Expense of \$500 <sup>1</sup>



## Customers believe Home Owners Insurance Covers Water Lines



<sup>1</sup> 2015 CNBC Article referencing

# MORE THAN INSURANCE



# HOMEOWNER FEEDBACK

- “Smooth, painless & very efficient” “saved me \$2042.52” **Mike Stinnett**
- “Happy I got the insurance coverage. Very satisfied with the customer Service, and more than satisfied with how quickly things were processed.” “Saved him \$1,075.00” **Alan Foster**
- “Had a good experience and the claim was paid quickly. Pleased with the way Michael Bartkus (with Hanover) handled our problem.” “Glad Ocoee told us about this program & the chance to sign up for coverage. This saved us \$555.30, the cost for a plumber to repair our pipes.” **Patsy & Jerry Black**
- “Couldn’t have gone any better” “Saved him \$442.46” “Mark Harvey with Hanover was real nice & took care of my claim.” **Richard Harris**

# QUESTIONS?



**Kris Schulz**

Phone: 616-813-2911

Email: [kris@servline.com](mailto:kris@servline.com)

**Gerry Harstine**

Phone: 423-421-1271

Email: [gerry@servline.com](mailto:gerry@servline.com)



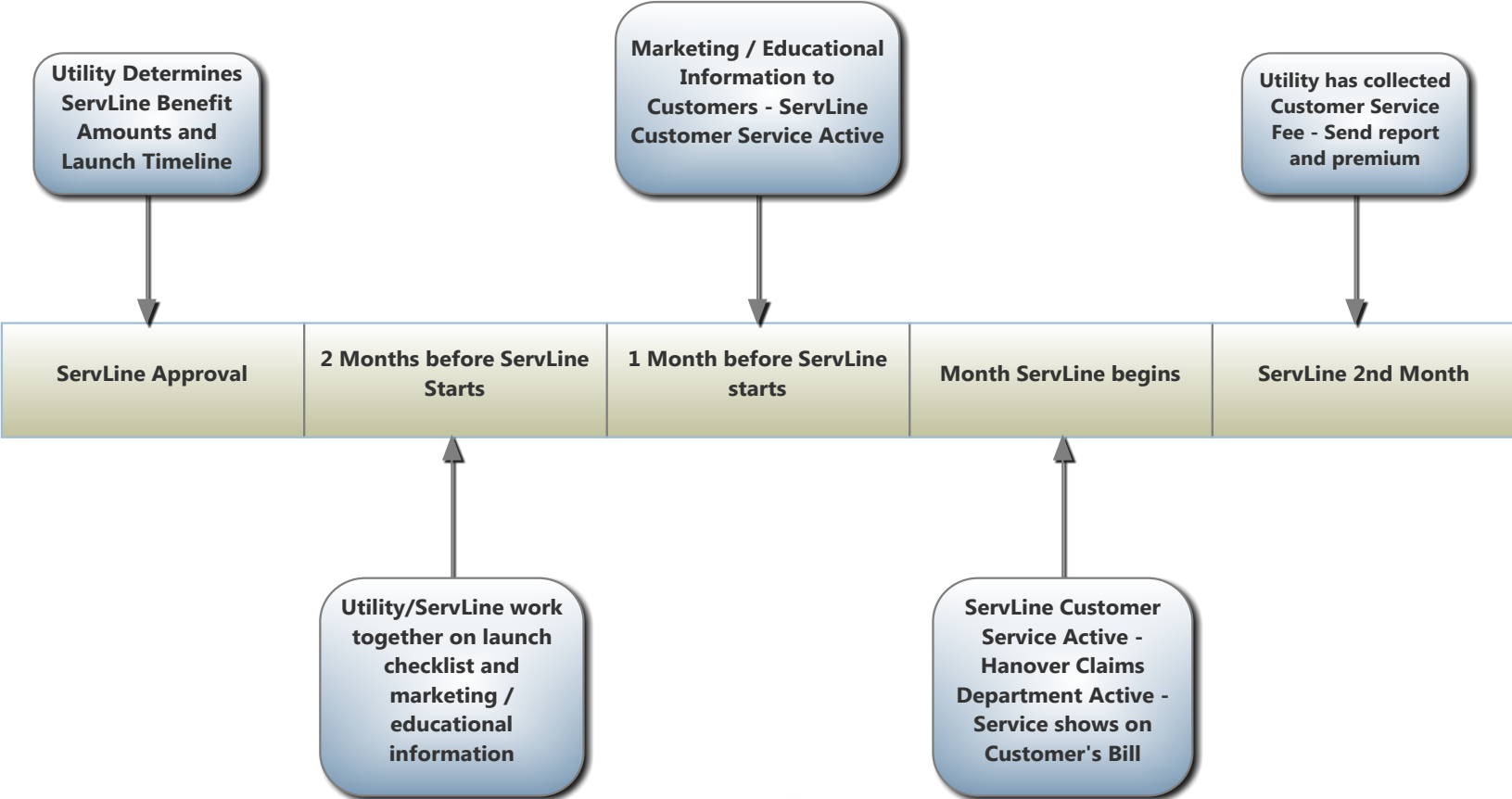


# SERVLINE ENHANCES CURRENT LEAK ADJUSTMENT PROGRAM/POLICY

	Current Program/Policy	Enhanced Policy w/ ServLine
Customer Leaks Impact Utility	Lost Revenue	Additional Revenue
Customer Cost Of Excess Water Bill	High	None
Who Is Enrolled	All	All / With Choice
Utility Staff Involvement	Many Hours (High Cost)	Very Little
Water Line Repair Coverage	None	Available
Sewer Line Repair Coverage	None	Available
Customer Feedback After Incident	Still Frustrated	Relieved



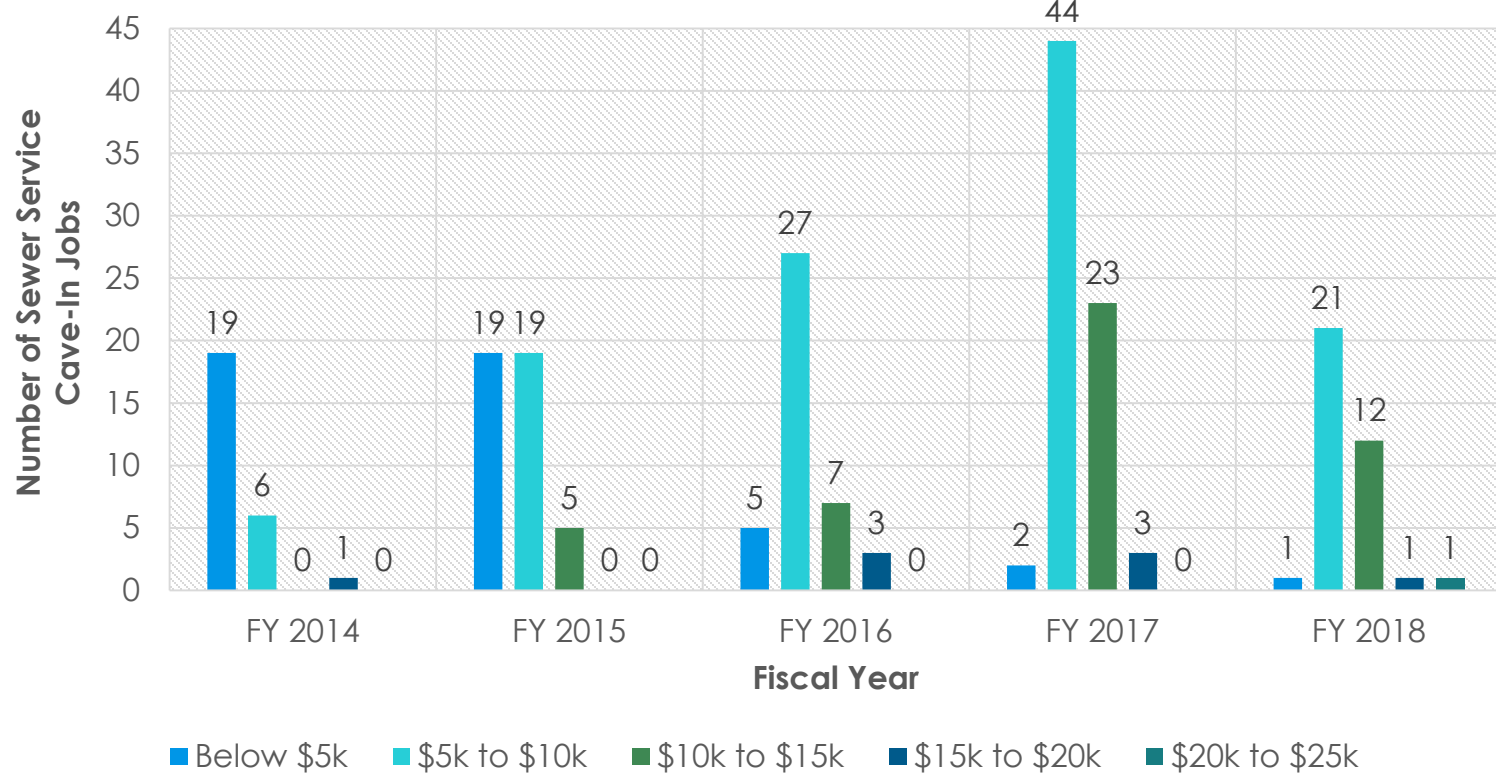
# SAMPLE IMPLEMENTATION TIMELINE



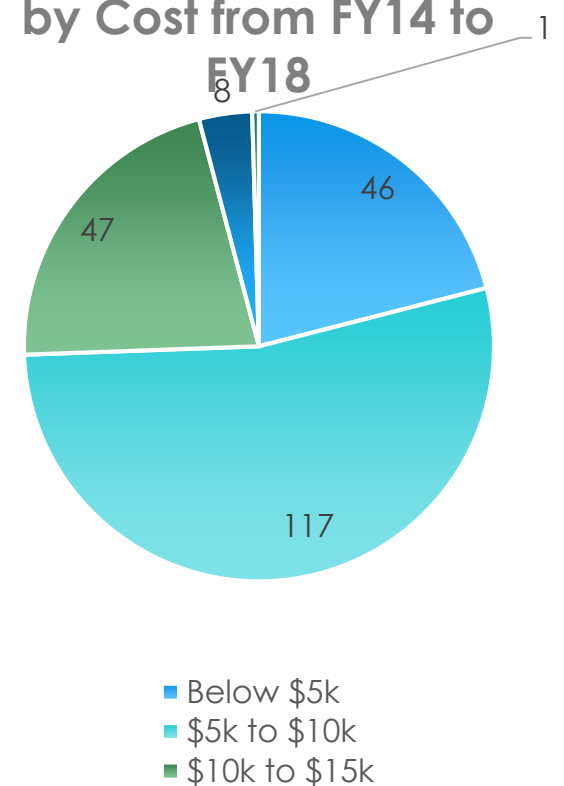


# IN-HOUSE PRIVATE SEWER CAVE-IN JOB NUMBERS

Annual Number of Sewer Lateral Cave-In Jobs by Cost from FY14 to FY 18

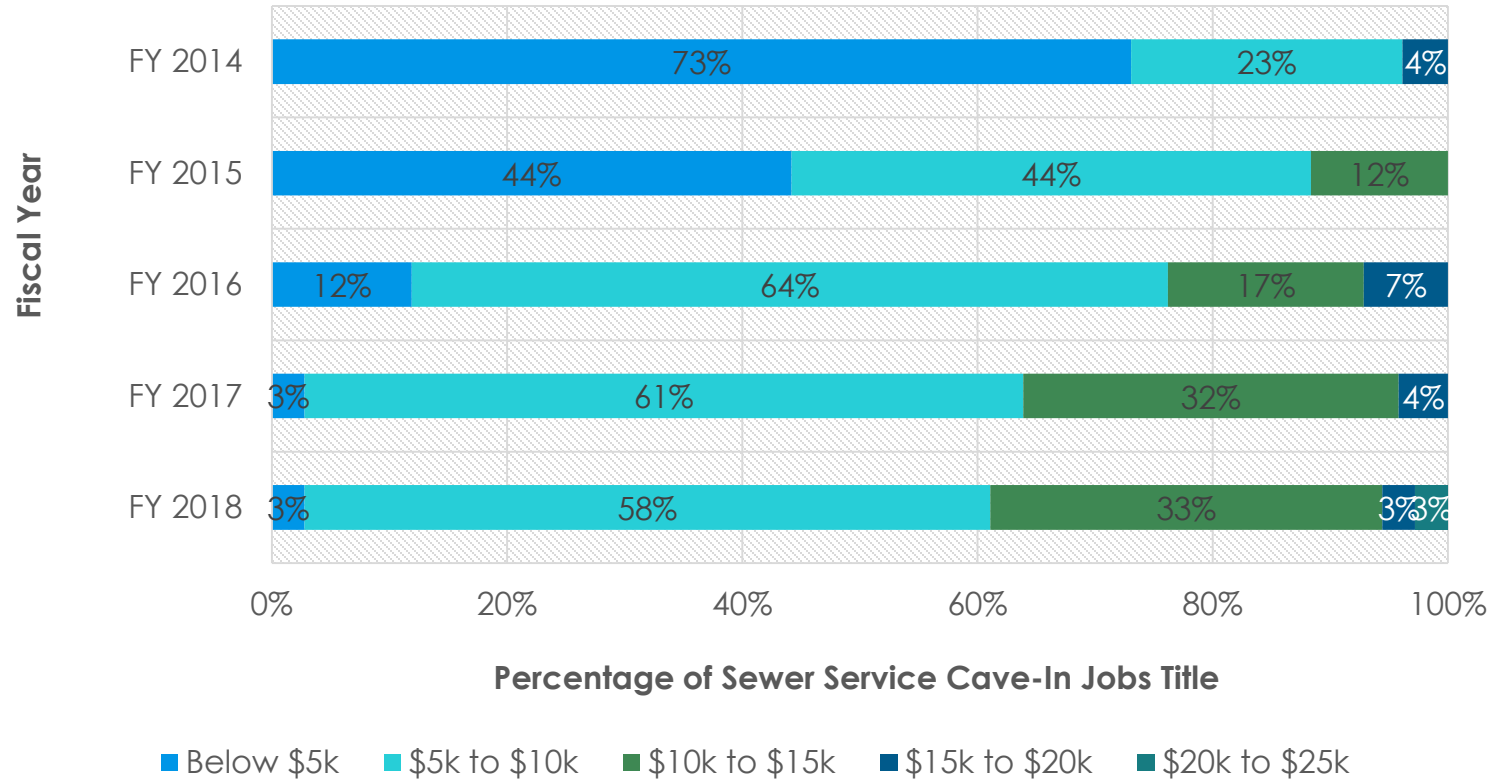


Total Number of Sewer Lateral Cave-In Jobs by Cost from FY14 to FY18

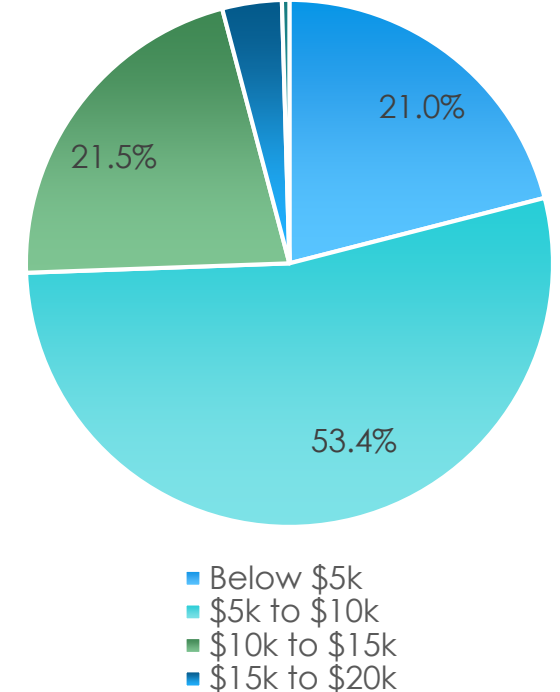


# IN-HOUSE PRIVATE SEWER CAVE-IN JOB PERCENTAGES

Annual Percentage of Sewer Lateral Cave-In Jobs  
by Cost from FY14 to FY 18



Total Percentage of  
Sewer Lateral Cave-In  
Jobs by Cost from FY14  
to FY18

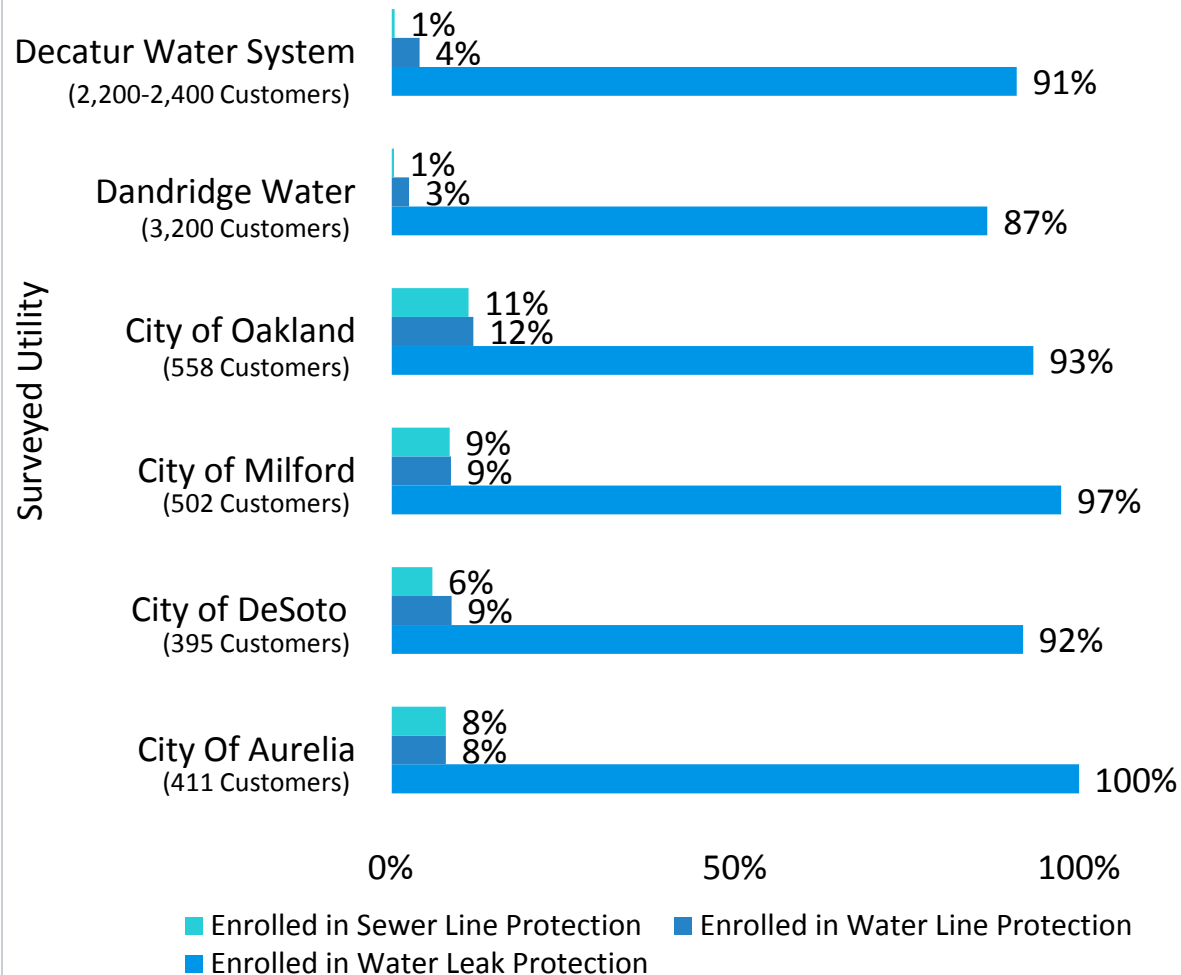


# SERVLINE SURVEY RESULTS

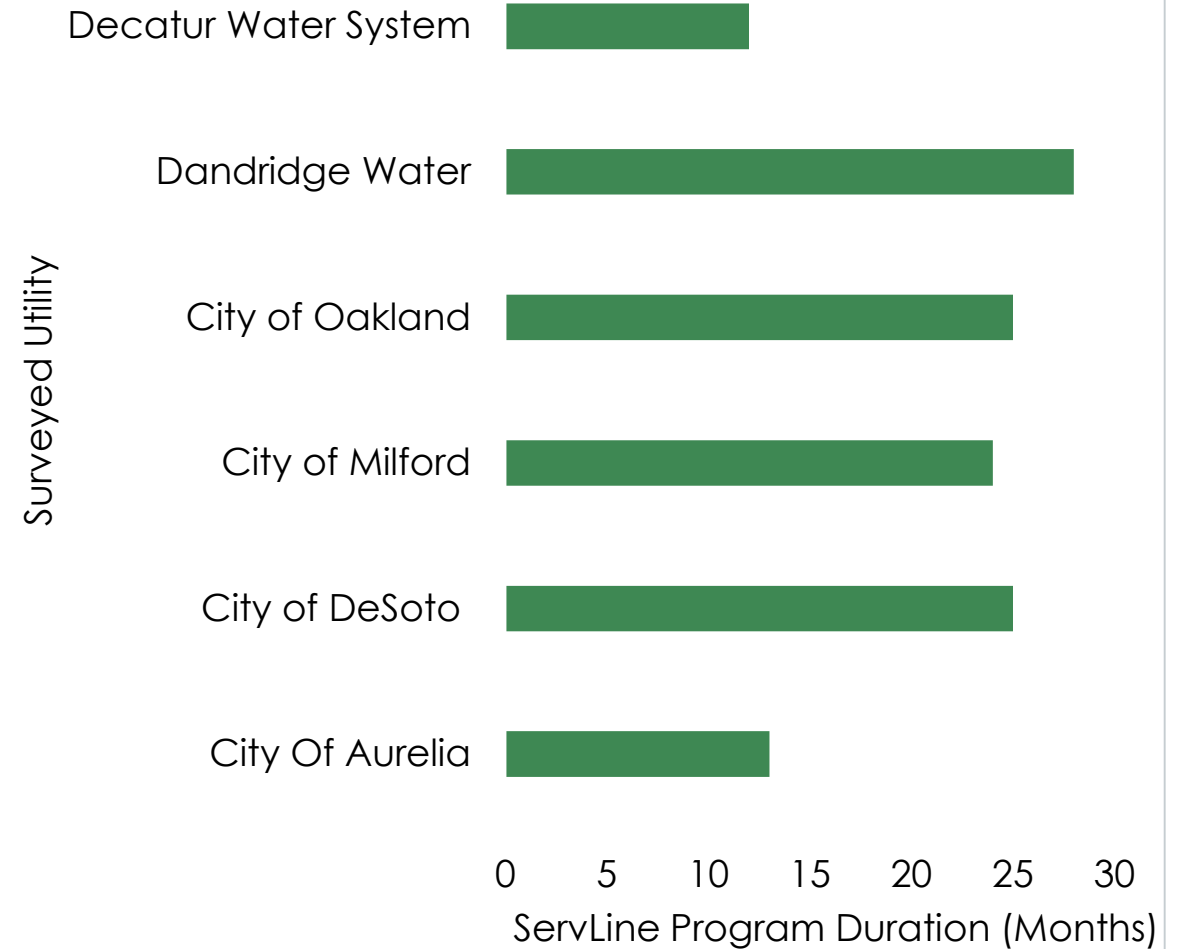
Question Code	City Of Aurelia, IA	City of DeSoto, IA	City of Milford, UT	City of Oakland, IA	Dandridge Water (Dandridge, TN)	Decatur Water System (Decatur, TN)
MonthYearStarted	July 2017	July 2016	August 2016	July 2016	April 2016	August 2017
OfferWaterLoss	x	x	x	x	x	x
OfferWaterLine	x	x	x	x	x	x
OfferSewerLine	x	x	x	x	x	x
TotalCustomers	411	430	502	645 total / 558 residential	3200	2200-2400
CustomersWaterLoss	411	395	489	521	2774	2092
CustomersWaterLine	33	38	44	67	86	97
CustomersSewerLine	33	26	43	63	16	13
ClaimsWaterLoss	7	16	No answer	4	Avg 5 to 7 per month	97
ClaimsWaterLine	0	4	No answer	2	Avg 1 per quarter	4
ClaimsSewerLine	2	1	No answer	1	Avg 1 per quarter	0
ClaimsDeniedWaterLoss	0	0	No answer	0	1 per quarter	0
ClaimsDeniedWaterLine	0	0	No answer	0	N/A	0
ClaimsDeniedSewerLine	0	0	No answer	0	N/A	0
ClaimsExceedWaterLoss	0	0	No answer	1	Maybe 1 per year	1
ClaimsExceedWaterLine	0	0	No answer	0	N/A	0
ClaimsExceedSewerLine	0	0	No answer	0	N/A	0
AdditionalComments	No answer	Overall we have been very happy with the ability to offer our users this service. We will continue to encourage all of our customers to sign up for the additional coverage.	We are unable to provide the data for the claims processed and/or denied as they are handled 100% by ServLine. We are contacted for verification of an account and coverage(s) only. We have not received any negative feedback from our consumers regarding the claims process. They have been pleased with how efficient and timely their claims have been handled. We are not aware of any claims that have been denied.	No answer	We require customers to pay 6 months average on the bill each month if they have a servline claim	We have been very pleased with the service. Both the water system and the customers have benefited.  We also offer the sewer loss protection, and have 403 enrolled.

# SERVLINE SURVEY RESULTS

Percent Residential Customers Enrolled in ServLine Water Leak Protection, Water Line Protection, and Sewer Line Protection at Each Surveyed Utility



ServLine Program Duration from Starting Month to July 31, 2018 for Surveyed Utilities





# WATER & SEWER LEAK COVERAGE COMBINED

**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

**Rate:**

*(Choose Option)*

Option 1: \$0.95 per month + \$0.10 (City administrative fee) = \$1.05

Option 2: \$1.20 per month + \$0.12 (City administrative fee) = \$1.32

**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.
- 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).



# SAMPLE LEAK ADJUSTMENT POLICY

City of Bloomington Water Department is changing our leak adjustment policy effective \_\_\_\_\_.

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 \$\_\_\_\_\_.

# SAMPLE LEAK ADJUSTMENT POLICY

## 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.

# SAMPLE LEAK ADJUSTMENT POLICY

- 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.

# SERVLINER UTILITY BENEFITS

- ✓ No Cost to Utility
- ✓ Recoup what is currently written off as loss
- ✓ All Leak Claims Handled by Claims Department
- ✓ Direct Cost Savings on Leaks
- ✓ Direct Cost Savings on Personnel Time
- ✓ Payment for Leak Claim sent directly to Utility
- ✓ Turnkey Solution
- ✓ 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

# SERVLINE UTILITY BENEFITS

- ✓ Printing Fees
- ✓ Announcement Flyers
- ✓ Announcement Postage Upcharge Fees
- ✓ Announcement Envelopes
- ✓ Print Handling
- ✓ Customized Staff Training
- ✓ Insurance Application Walkthrough
- ✓ Dedicated Utility Customer Service
- ✓ Program Launch Walkthrough and Start-Up Guide
- ✓ Hands on Guided Walkthrough and Processes Setup
- ✓ Increases Customer Loyalty and Satisfaction
- ✓ Leak Adjustment Review & Proposed Water Industry Standard Guidelines
- ✓ 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

# SERVLINER CUSTOMER BENEFITS

✓ Customer Freedom to Participate or Decline

✓ Reduction in Customer Interaction in Dealing with Water Leaks

✓ Customer Education and Responsibility Awareness

✓ Equality in Financial Dispensation

✓ 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

✓ Covered Even if Late on Bill

✓ 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

✓ No Deductible

# ENHANCED COVERAGE: RESIDENTIAL WATER LINE COVERAGE

- The residential water line program covers repairs to private water service lines. This program limits the coverage to \$10,000 per occurrence and includes limitations related to landscaping and restoration of private paved surfaces.
- The rate for the water line coverage is \$4.40 (Servline charge) + \$0.44 (City administrative fee / 10%) = \$4.84 / residential account / per month. There are optional coverages related to thawing water service lines that can be added to the rate. This optional coverage, if selected by the City, will apply to all customers who desire to enroll in the water line program.
- Customers must request Water Line Coverage by calling the ServLine number, because it is optional. The customer must be enrolled in the Water & Sewer Leak Coverage program to be eligible to add Water Line Coverage to their account.
- See the ServLine sample insurance policy documentation for additional information, inclusions, and qualification information.

# ENHANCED COVERAGE: RESIDENTIAL SEWER LATERAL COVERAGE

- The residential sewer lateral program covers repairs to private sewer laterals. This program limits the coverage to \$10,000 per occurrence and includes limitations related to landscaping and restoration of paved surfaces.
- The rate for the sewer lateral coverage is \$6.00 (Servline charge) + \$0.60 (City administrative fee / 10%) = \$6.60 / residential account / per month.
- Customers must request Sewer Lateral Coverage by calling the ServLine number, because it is optional. The customer must be enrolled in the Water & Sewer Leak Coverage program to be eligible to add Sewer Lateral Coverage to their account.
- See the ServLine sample insurance policy documentation for additional information, inclusions and qualification information.





# CURRENT PRIVATE SEWER PRACTICE



The City fixes and pays for sewer failures when they impact the public street, alley or sidewalk.

# CURRENT PRIVATE SEWER PRACTICE

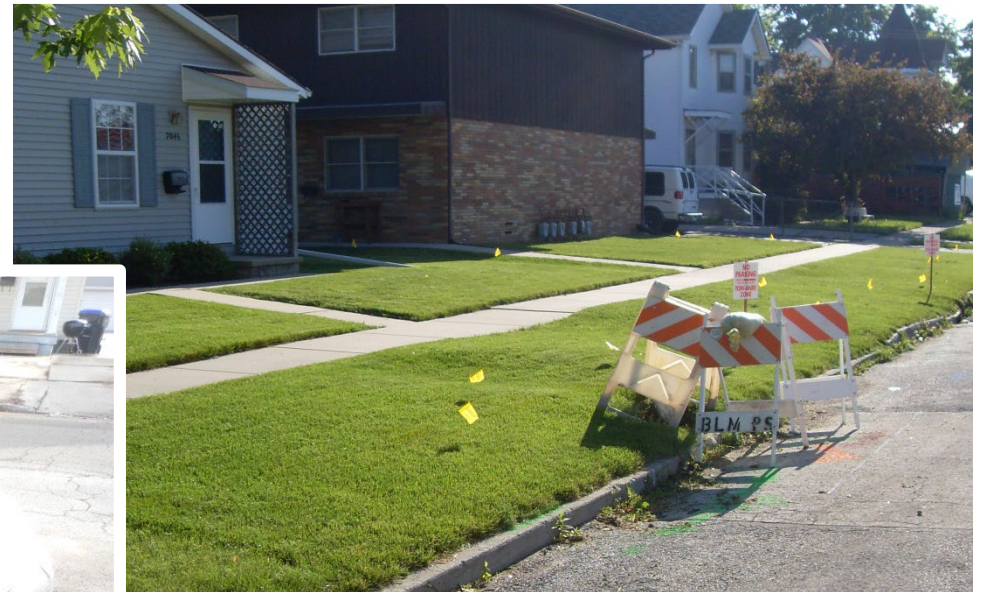


The City pays about \$350,000 per year for problems traced to private sewer services



# RAMIFICATIONS

Costly repairs often trace to broken or faulty connections



# UNANSWERED QUESTIONS



- Should the property owner pay if his/her sewer service caused the problem?
- Is it fair for the community to pay for a problem caused by a private sewer service? Is it fair for the City to impose a financial hardship on the property owner?
- Does the City “own” the sewer service in the right-of-way?
- If the owner pays, does he pick the contractor and, if so, can we be sure of quality and safety?
- **The City Code needs to be clarified.**