



Atlanta Brings Money-Saving Warranty Program to Residents

September 08, 2011

by Denise Belser

City of Atlanta residents will soon have the opportunity to register for a water and sewer line protection service that will repair broken or leaking lines. On September 1, Atlanta Mayor Kasim Reed and Atlanta City Councilmembers Felicia A. Moore and Joyce M. Sheperd announced a new partnership with NLC to offer a repair warranty program to city residents. The warranty program is offered at no cost to the City of Atlanta and requires no use of public funding.

In most cases, broken or leaking pipes from the water meter or main pipe to the house are not the responsibility of the city. In addition, water line repairs are not typically covered in standard homeowner insurance policies.

“Many residents are unaware that repair costs for broken or leaking water lines on private property are the responsibility of the homeowner,” said Mayor Reed. “They mistakenly assume that the municipality is responsible and are made aware of this fact when they call the city for assistance.”

The NLC Service Line Warranty Program, administered by Utility Service Partners Inc. (USP), a Pennsylvania-based independent provider of service line warranties, offers homeowners the opportunity to pay for expensive repairs to outside water and sewer lines at a small fraction of the normal cost.

For a low monthly fee, the City of Atlanta’s warranty program will cover homeowner repairs up to \$4,000 with an additional \$500 made available in the event that sidewalk cutting is required. Without the warranty plan, estimated repair costs for standard utility line repairs can range from \$2,000 to \$4,000.

“The city’s adoption of the opt-in program could potentially save residents thousands of dollars,” said NLC Executive Director Donald J. Borut. “We are very happy to be partnering with Atlanta in offering this much-needed service.”

Councilmember Moore, who co-sponsored the legislation that brought the program to Atlanta with Councilmember Sheperd, said, “The opportunity to provide Atlanta residents

with a service that can ease the financial burden for so many families, many of whom are operating on a tight budget, was an important consideration during our discussions with USP and Atlanta's Department of Watershed Management.

"It took several months to develop an affordable solution that could still provide Atlanta residents with substantial coverage despite the city having the highest water rates in the nation," Moore continued.

Prior to this program offering, subsidized repair services were only available to low-income residents through Atlanta's Care and Conserve program. Therefore, the opportunity to help all households pay for water line breaks also resonated with city staff.

According to Jo Ann Macrina, acting commissioner of Atlanta's Department of Watershed Management, more than 83 percent of Atlanta's households do not qualify for any financial assistance. "This is a growing problem for the city," she said, "and we are looking for solutions to help all residents reduce the financial burden associated with utility water line repairs."

For cities like Atlanta that have grappled with water-related issues, the NLC program offers a valuable cost-saving solution for residents that puts the burden on USP to repair broken or damaged pipes and frees up precious city resources for other important programs.

"Atlanta is one of many cities that have communities with aging housing infrastructure, many of which still have their original water and sewer line systems in place," said Councilmember Sheperd.

Both Moore and Sheperd work closely with the Department of Watershed Management to address the city's water woes.

Atlanta joins 75 cities in 16 states that have signed up to make the NLC Service Line Warranty Program available to single-family occupied homes.

Atlanta and Milwaukee are the two largest cities to endorse the warranty program, which is licensed to operate in 42 states. Louisiana just authorized USP to offer its warranty services in the state.

USP and NLC originally planned an 18-month timeframe to roll out the program, giving the company time to complete the regulatory process to offer the program in all 48 contiguous states.

According to Brad Carmichael, vice president of business development for USP, "The roll-out is ahead of schedule because of the demand — cities recognize the program's simplicity and ability to offer 'peace of mind' to residents. The fact that it also keeps local dollars in the community by retaining a network of certified licensed local contractors to repair the pipes, usually within 24 hours of filing a claim, was another important aspect of the NLC program."

The program also offers an additional benefit to municipalities in the form of a 10-percent *revenue share of all payments collected. The shared benefit among stakeholders was a major policy objective in the overall design of the program.*

Atlanta Commissioner Macrina noted, “The portion that the City of Atlanta receives from the warranty program will go back to the Care and Conserve program that assists low-income residents with water bill payments and plumbing and line repair work.”

Notices about the new affordable protection plan will be sent to all Atlanta residents in a few days to zip codes provided by the city. The letter, which will feature the city’s logo prominently displayed to indicate the city’s endorsement, will provide details explaining how homeowners can sign up for the program.

According to Carmichael, there are three ways to sign up for the program — by phone, Web or simply returning the reply card attached to the letter from Utility Service Partners/Service Line Warranties of America (SLWA). The warranty coverage is immediate once SLWA receives the first payment.

The sewer and water line program is one of eight Enterprise Programs offered by NLC in partnership with private and nonprofit organizations to develop value-added solutions and cost-saving programs to cities and their employees and residents.

Details: For additional details about the NLC Service Line Warranty program and other Enterprise Programs, contact Denise Belser at belser@nlc.org or go to the Enterprise Programs webpage.