

City Council endorses water, sewer insurance program

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Decorah residents will soon have the option of purchasing water and sewer line insurance protection.

Monday night the Decorah City Council watched a Power Point presentation and discussed the proposal from Oscar Arras, representing the Service Line Warranty Program.

The program is endorsed by the National League of Cities and the Iowa League of Cities, according to City Manager Chad Bird.

The program provides coverage from the water or sewer main back to the foundation of the home, which is the homeowner's responsibility. The cost for coverage averages about \$5.95 per month for the sewer line and \$4.95 per month for the water line. Exact rates depend on what the prevailing wage is for local plumbers, Arras said.

Mayor Don Arendt asked if rates would increase after the initial year.

"We look at maintaining the rates at a consistent level. There is a possibility it could be raised in three or four years - for the homeowners, we want to keep it consistent," Arras responded.

If there is a problem with the line, local contractors do the work and the Service Line Warranty Program pays the contractor directly, he said.

Arras said Service Line Warranty would implement the program with mailings and pay for postage.

The Council unanimously approved Arras' request to proceed. The marketing piece from the company will have the city of Decorah logo on the letterhead.

Arras said his company would purchase the mailing list for city residents, which will not be shared with any other company.

The city will have a one-year agreement with the company, which can be renewed or canceled after that time.

Council member Paul Wanless asked if a local insurance company could provide the same coverage.

Arras said nothing would preclude a local firm from offering the insurance, but that he hasn't seen other firms come forward with the same type of coverage.

Council member Julie Fischer reported she had consulted with a member of the Cresco City Council, which also has endorsed the insurance program. Fischer said they'd had three claims that were all taken care of promptly by a local contractor who was reimbursed by the Service Line Warranty Program.

"The Cresco Council member said the homeowners were gratified they had insurance ... they had nothing negative to say," Fischer said.

Arras said Service Line Warranty offers a 10 percent rebate to the city from the premiums paid by citizens or that money can be used instead to reduce the cost of insurance to the homeowners. Council members indicated they would prefer to reduce the cost to citizens.