

Notes on The National League of Cities Service Line Warranty Program

NEWS & NOTES

2014 Issue 1

An Invitation from Clarence Anthony

Executive Director, National League of Cities



Our goal at the National League of Cities (NLC) is to be a resource and advocate for your city and its residents. The National League of Cities Service Line Warranty Program is one of our partnership programs that can offer your residents a home protection solution while also addressing the aging infrastructure in your city.

You know as well as anyone, that our cities still face difficult economic times and as city leaders we must find creative, innovative ways to assist and strengthen our communities. In 2010, NLC recognized the growing problem of aging infrastructure and the dire need to find a solution for not only cities, but residents as well. As a result, NLC and Utility Service Partners created the NLC

Service Line Warranty Program to help city residents save money, ease the frustration over utility line failures and introduce a new service offering to your community.

The NLC Service Line Warranty Program is offered at no cost to city, municipal and utility partners and helps residents save thousands of dollars on the cost of fixing broken – or leaking – water or sewer lines.

The National League of Cities is proud to partner with Utility Service Partners because we've found it to be the most reputable and reliable program – one that will educate your residents on their water and sewer line responsibilities.

Visit us at the **2014 NLC CONGRESSIONAL CITY CONFERENCE** in Washington, D.C.

March 8TH – 12TH
Marriott Wardman Park Hotel

Serving the Public

Jim Hunt, Past President, National League of Cities

As I ended my 27-1/2 year career in municipal government, one of the things that I missed most was the relationships developed with city officials throughout the country. When I was asked to work as an advisor to the National League of Cities Service Line Warranty Program I was very pleased since I had followed the growth and development of this NLC Program and saw the positive results to member cities.

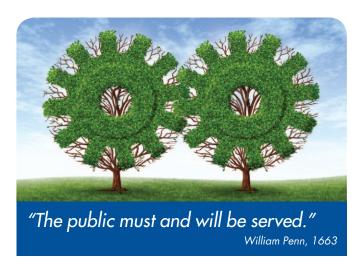


As I now meet with cities in all parts of the country, many are excited to look at this public/private partnership and provide the opportunity

for their citizens to be protected from catastrophic expense associated with failed water and sewer lines. The National League of Cities continues to provide quality programs to member cities which address critical problems for our citizens and I am proud to be a part of the team.

Jim Hunt, Past President of the National League of Cities and Advisor to the National League of Cities Service Line Warranty Program

Public Private Partnerships – A WAY FORWARD



According to the National Council for Public Private Partnerships (NCPPP), a PPP is defined in part as an agreement through which "the skills and assets of each sector (public and private) are shared in delivering a service or facility for the use of the general public." Through this agreement, the skills and assets of each sector (public and private) are shared in delivering a service or facility for the use of the general public.

Nearly 200 cities are participating in the National League of Cities (NLC) Service Line Warranty Program, administered by Utility Service Partners (USP), a collaborative partnership that educates homeowners about their utility line responsibilities.

Cities, towns and municipalities across the country are facing tremendous challenges in an environment of increasing demand on aging infrastructure struggling against reduced budgets.

For many cities, public private partnerships, or P3s (PPP), are an alternative worth exploring.

The Economic Challenge – Doing More With Less

According to a report by the National League of Cities, "Coming into 2013, cities were experiencing the sixth year in a row of year-over-year declines in revenues." While there are signs of improvement, the report states that "cities are still struggling in significant ways, signaling that growth is not keeping pace at a level that is needed for a sustained recovery."

The Market Responds

For these reasons, many cities have sought alternative solutions. Public private partnerships provide an optional service delivery mechanism when budgets are tight.

A few years ago, Kentucky Fried Chicken (KFC) launched a "pilot infrastructure renewal program" in Louisville, KY, hiring a road crew to fill potholes, which were stenciled with the KFC brand. With budgets tight, Louisville found it great to have "a concerned corporation like KFC create innovative private/public partnerships like this pothole refresh program."

In a recently published report, Huntington Beach, CA is said to have "saved more than \$500,000 over the past several years as a result of its partnership with Toyota Motor Sales U.S.A., Inc., which provides 17 vehicles for the city's Marine Safety and Beach Operations Divisions." Simone Slifman, Economic Development Project Manager with the city, links these decisions to the customer experience: "it is important to demonstrate to the public a benefit of more than just dollars generated, but how the program or service enhances the quality of life in the community overall, and perhaps even to them on an individual basis."

In Nashville, TN, the city council recently passed an ordinance making it easier for the city's park director to work with business sponsors of the city's parks. The goal of the program is to help fund sustainable development, improvements and future park development.

And San Diego, CA, has been described as a model for private sector partnership. In 2001, Cardiac Science became the city's "Automated External Defibrillator Partner." The revenue from that partnership operates

"A partnership by definition involves two or more parties committed to a common task, sharing risk and yielding a reward to all the partners."

Eugene Schiller, Deputy Executive Director, Southwest Florida Water Management San Diego Project
Heart Beat, the
city's Public Access
Defibrillation (PAD)
Program, which
strives to improve the
survivability of sudden
cardiac arrest victims
by making AEDs
more accessible.
According to the

project's website, San Diego Project Heart Beat has helped save 107 lives.

Leadership in many cities has sought such innovative partnerships for one simple reason, according to the NCPPP, "because the American people want timely and efficient service."

Learn more. To link to more resources on public private resources, visit our website at www.utilitysp.net/ppp.

Program Spotlight:

Moon Valley Plumbing and Rooter



The National League of Cities (NLC) Service Line Warranty Program was created with a vision to not only help homeowners save thousands on the high cost of service line repairs, but to also provide a steady stream of work to local contractors and a solution to municipalities across the nation for addressing their aging infrastructure.

The NLC Service Line Warranty Program has repaired water and sewer lines for over 60,000 homeowners across the United States. Parag of Phoenix, AZ, was thankful to have enrolled in the program before disaster struck.

After receiving the NLC Service Line Warranty Program offer letter in the mail, Parag did some research to determine if there truly was a need for such service line protection.

After his due diligence and research, Parag felt the coverage was a good investment and enrolled in the water and sewer line product warranties to ensure both service lines on his property were protected.

Shortly after signing up, Parag discovered a water leak and filed a claim with just one call. Moon Valley Plumbing, a local contractor, was dispatched to his home to investigate the leak and make the repair. People often think, "It will never happen to me," but in fact, water and sewer lines are subjected to the elements, ground shifting, clogs, and more, which cause the

line to leak, back-up or break – often when it is least expected. Parag is thankful for the quick response from the contractor and the ease of filing the claim. "The whole process was extremely easy," said Parag. "The process was done in about three hours from the first phone call to completion. This warranty is well worth getting. You never know when you're going to need it."

The NLC Service Line Warranty Program benefits homeowners and the city by using area contractors, which keeps money in the local economy. Contractors, like Travis Mingle of Moon Valley Plumbing, feel that it has provided a steady stream of work and has helped improve customer acquisition. "It's helped us tremendously. For 12 years by the time we did payroll and taxes, you work for almost nothing. Since I have worked with the NLC Service Line Warranty Program, I do not feel like I have to worry about it every week. I have consistent work and it's incredible."

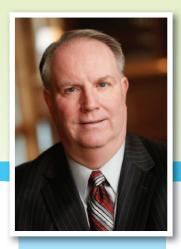
For plumbers like Travis, the reward is also about the benefits the program has brought to the community. "There are so many people I've met that I know couldn't have made the repairs without this program," said Travis. "It's been extremely beneficial for so many people." City of Phoenix Public Information Office Director, Toni Maccarone, shared, "The NLC Service Line Warranty Program, developed through the City's Marketing Partnership Program, has saved the more than 31.000 enrolled Phoenix homeowners more than \$306,000."

The National League of Cities
Service Line Warranty Program
serves as an educational tool –
informing homeowners of their
service line responsibilities while
addressing the aging infrastructure
within their community. In Phoenix,
where water is a precious resource,
educating homeowners about the
impacts of leaks and breaks in water
lines is a valuable conservation tool.





Visit us at www.utilitysp.net for exciting updates from the Better Business Bureau!



A message from Philip E. Riley, Jr. President and Chief Executive Officer

Standing Apart, Together

A message from Philip E. Riley, Jr., President and CEO

A common misconception about the National League of Cities (NLC) Service Line Warranty Program is that we're only a replacement program – and that's simply not true. What is true is we will replace your line if necessary, but our Terms & Conditions cover far more

than just a broken line – we also cover leaks, clogs and even the portion of the line buried under a concrete slab.

When Utility Service Partners, Inc. (USP), the administrator for the NLC Service Line Warranty Program, was founded ten years ago, it was with the mission and vision that we would bring peace of mind to communities and their residents by ensuring our warranty products would provide generous coverage when customers need it most. Our warranty program is there to cover failures of any type – which is how we have kept our promises and why we approve more than 98% of all claims filed.

Our coverage isn't the only differentiating factor from similar programs – it's also our approach. Some companies impose costly service fees and deductibles to keep claim costs down. Other warranty providers will limit how many claims you can file annually or how many dollars you can spend – creating more headaches for the customer. We simply couldn't build peace of mind imposing such strict limits, which is why we only have a coverage cap per incident – that way no matter how many times you need service to your line, you're covered.

Our team always looks out for #1 and that's the customer. Rather than just dig, dig, dig – our team works directly with the customer and contractor to locate the problem, not just find a "temporary" fix, even if it takes just a bit more leg work. This process not only allows our team to work more efficiently, but has left customers with virtually no additional out of pocket expense – a vital source to our customer satisfaction.

Many also believe that water and sewer lines will never fail. Our program is living proof that these lines can and will fail and for reasons beyond the homeowners control. Where our program differs is we cover normal wear and tear and ground shifting – a homeowner can't help these things. There are so many factors that contribute to a service line failure.

Finally, one of the biggest factors that sets the NLC Service Line Warranty Program apart from the competition is the National League of Cities itself. This program personifies what NLC stands for – being a resource to help community leaders build better communities. This program contributes to the portfolio of offerings NLC provides members for low-cost, affordable community solutions to the problems communities are facing every day.

Together, USP and the NLC are dedicated to providing a viable solution for addressing the aging infrastructure of the nation. We put a great deal of work into building a trustworthy and reliable brand and hope your homeowners will see the value in our outstanding program.

The National League of Cities Service Line Warranty Program Stats

190 cities participating

Over **60,000** homeowners across the country have received service

Claims approval rating of more than **98%**

Customer Satisfaction rating of over **95%** for 10 years in a row

Accredited BBB rating of A+