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**MAR 28 2019**

**PUBLIC SERVICE  
COMMISSION**

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**TARIFF FILING OF WEBSTER )  
COUNTY WATER DISTRICT TO )  
IMPLEMNT THE SERVLNE ) CASE NO. 2019-00048  
LEAK PROTECTION PROGRAM )  
)  
)  
)**

**RESPONSE OF  
WEBSTER COUNTY WATER DISTRICT  
TO  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
DATED MARCH 18, 2019**

**FILED: MARCH 28, 2019**

RECEIVED

MAR 28 2019

PUBLIC SERVICE  
COMMISSION

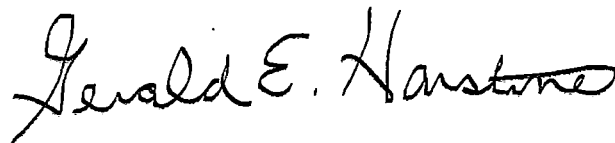
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BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

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**CERTIFICATION OF RESPONSE OF WEBSTER COUTNY WATER  
DISTRIT TO  
COMMISSION'S REQUEST FOR INFORMATION**

This is to certify that I have supervised the preparation of Webster County Water District's Response to the Commission's Request for Information. The response submitted on behalf of Webster County Water District is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



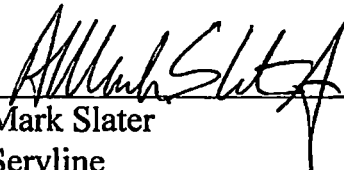
Date: 03/27/19

\_\_\_\_\_  
Gerry Harstine  
Servline

**CERTIFICATION OF RESPONSE OF WEBSTER COUTNY WATER  
DISTRITTO  
COMMISSION'S REQUEST FOR INFORMATION**

This is to certify that I have supervised the preparation of Webster County Water District's Response to the Commission's Request for Information. The response submitted on behalf of Webster County Water District is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

Date: 3/27/19

  
\_\_\_\_\_  
Mark Slater  
Servline

**WEBSTER COUNTY WATER DISTRICT**

**CASE NO. 2019-00048**

**Response to Commission's Request for Information**

**Question No. 1**

**Responding Witness: Gerry Harstine and Mark Slater, Servline**

**Q-1. Provide a detailed explanation of the proposed Servline Leak Protection Program.**

A-1. The ServLine proposal outlines the cost per customer to insure and administer the Webster County Water District (WCWD)leak program. Their costs are broken down by benefit amount and residential occupancy versus commercial occupancy. Please see attached proposal (Attachment A).

**WEBSTER COUNTY WATER DISTRICT**

**CASE NO. 2019-00048**

**Response to Commission's Request for Information**

**Question No. 2**

**Responding Witness: Gerry Harstine and Mark Slater, Servline**

**Q-2. Explain in detail the relationship between Servline and Webster District.**

A-2. ServLine is a Water Utility program developed by Sunbelt Insurance. ServLine insures and administers each water utility's leak protection and water line protection program through an insurance company and administers the leak adjustment program for the utility. The ServLine program will allow WCWD to offer significant savings on customer leaks and can offer their customers water line repair and replacement coverage which is an opt-in program. This allows WCWD to provide these programs at no cost to the utility and allows the customer to decide if they would like the coverage or not. ServLine also handles customer questions/complaints associated with leaks by taking customer calls with regards to questions about the program and the actual claim calls. These calls are all recorded to assure top quality customer service. ServLine is in a support role for WCWD and works in cooperation with WCWD. Since the leak program is WCWD's program insured and administered by ServLine, WCWD will bill each participating customer and pay Servline for cost of the program on a monthly basis. The Servline program pays the utility for the leak costs for the customer participating in the Water Leak

Protection up to the agreed limit and will pay the plumber or homeowner for line repairs or replacement costs for those customers participating in Water Line Protection Program. ServLine assumes the risks of paying leaks and line repairs even during higher than normal leak years. Once again, ServLine is insuring WCWD's protection program and providing support, each customer decides whether or not to participate in the program.

**WEBSTER COUNTY WATER DISTRICT**

**CASE NO. 2019-00048**

**Response to Commission's Request for Information**

**Question No. 3**

**Responding Witness: Gerry Harstine and Mark Slater, Servline**

**Q-3. Provide a detailed description of ServLine, including, but not limited to: corporate structure; business model; and years in existence.**

A-3. ServLine is a trademarked brand owned by Sunbelt Group LLC. ServLine operates as a division of Sunbelt Group LLC. Sunbelt is an independent insurance agency owned by Mark Slater, however the ServLine program is owned by Mark Slater and Gerry Harstine. ServLine was established in late 2013. Our business model is simple: we work with water and wastewater utilities across the country to dramatically reduce the financial burden of customer water leaks to both the utility customer and the utility while simultaneously improving utility work flow, reducing stress and frustration, and improving customer relations. We primarily work with the rural and suburban water communities.

**WEBSTER COUNTY WATER DISTRICT**

**CASE NO. 2019-00048**

**Response to Commission's Request for Information**

**Question No. 4**

**Responding Witness: Gerry Harstine and Mark Slater, Servline**

**Q-4. Provide verification that Servline is authorized to conduct business in Kentucky.**

A-4. Our insurance carriers are admitted insurance carriers in Kentucky and our agents have resident and non-resident licenses. Please find attached (Attachment B) information for Sunbelt Group LLC, Hanover Insurance, Sompo, and our agent Allie Terrell.



**WEBSTER COUNTY WATER DISTRICT**

**CASE NO. 2019-00048**

**Response to Commission's Request for Information**

**Question No. 5**

**Responding Witness: Gerry Harstine and Mark Slater, Servline**

**Q-5. Provide a listing of the states in which Servline operates, the utilities with which Servline partners; the programs that Servline offers for each utility, the utilities for which the Servline program is "opt out", and the utilities for which the Servline program is "opt in."**

A-5. Our full customer list is confidential but we can provide some general information. We currently are partnered with 144 utilities in 18 States (Alabama, Arkansas, Arizona, Georgia, Iowa, Illinois, Indiana, Maryland, Michigan, Mississippi, North Carolina, New Mexico, Nevada, Ohio, South Carolina, Tennessee, Utah, and Virginia.) All Utilities with the exception of one utility in Tennessee have elected to place a charge on the customer's bill for their service with the leak protection as an opt-out and the line protections as an opt-in. One utility in Tennessee incorporated leak protection into their base rate as a benefit of the utility with no ability to opt-out and placed the line protection as an opt-in service.

**WEBSTER COUNTY WATER DISTRICT**

**CASE NO. 2019-00048**

**Response to Commission's Request for Information**

**Question No. 6**

**Responding Witness: Gerry Harstine and Mark Slater, Servline**

**Q-6. State whether Webster District will enter into a written contract with Servline or any independent party. If yes, provide a copy of the contract. -2-**

**Case No. 2019-00048**

**A-6. WCWD will purchase an insurance policy. No contract with ServLine other than the purchase of insurance.**

**WEBSTER COUNTY WATER DISTRICT**

**CASE NO. 2019-00048**

**Response to Commission's Request for Information**

**Question No. 7**

**Responding Witness: Gerry Harstine and Mark Slater, Servline**

**Q-7. State whether Webster District considered implementing the Servline program as an opt-in program instead of an opt-out program. If so, explain why Webster District decided to offer the program as an opt-out program.**

A-7. The ServLine program has been offered to WCWD and all other utilities across the country as an opt-out program for the leak protection. However, the water line repair/replacement is an opt-in program. WCWD's program is structured so that the water leak protection is an opt-out program and the line protection is offered as an opt-in program.

The decision to implement the leak protection portion of the program by customers having to decline participation was recommended by the Board of Commissioners.

The existing utility program requires the customers to pay part of the leak, WCWD wants to implement ServLine in order to remove the burden from the customers.

By opting out it would be seamless and be an improvement to their existing program.

Customers currently do not get a choice with the current program offered by WCWD, but now the customer is in charge and can make their own decision to be protected or not.

A significant portion of the customer base will miss the information regardless of how and how many times the new procedure is advertised meaning many of their customers will “fall through the cracks” causing a financial mistake potentially totaling thousands of dollars. As a result, implementing as an opt-out is actually a consumer protection.

Our experience shows that very few people have a problem with the decline participation (opt-out) approach. That means after the initial roll out and addressing these few concerns the utility does not have to deal with leaks adjustments. Customers are no longer requesting WCWD to help them pay for their leaks. Also, WCWD is no longer losing money which now helps to financially strengthen the utility.

Decline participation helps eliminate a public relations concern of opt in format. For example, with opt in some will say they lost their paperwork, or they would have signed up but didn't know about it or weren't properly notified. They may claim that they mailed in the sign-up form and it must have been lost by the utility. With this scenario there isn't any documentation. Only under the decline participation is the response able to be recorded and insure that no one is left out

that either wanted to be protected, intended to be protected, or needed to be protected and was not sure what to do.

Keep in mind that the leaks are not the Utilities responsibility, leaks are the customer's responsibility. So, this gives the customer the choice as to whether they want protection and removes the utility from having to deal with this problem.

**WEBSTER COUNTY WATER DISTRICT**

**CASE NO. 2019-00048**

**Response to Commission's Request for Information**

**Question No. 8**

**Responding Witness: Gerry Harstine and Mark Slater, Servline**

**Q-8. Refer to the Servine Information Flyer that was mailed to Webster District's customers on February 6, 2019.**

- a. Indicate whether Webster District has received any customer feedback from the mailing of this flyer. If so, indicate how many customers contacted the utility regarding the program and how many indicated that they wished to decline protection.**
- b. State whether line repair and replacement will be completed by Webster District employees.**
- c. Explain why commercial customers that are served by a meter size larger than two inches are not eligible for the Leak Protection Program.**
- d. State whether the Line Protection Program is a separate program from the Leak Protection Program. If so, explain.**
- e. State whether the phone number (888) 204-7681 will be monitored by district employees 24 hours a day, seven days a week.**

**f. Explain why there is a 30-day waiting period for those who enroll after March 1, 2019.**

A-8. a. WCWD issued written instructions to their customer base to inform them that the ServLine program has been delayed and is pending PSC approval.

Additional information will be forthcoming. However, some customers did contact both ServLine and WCWD. The results of the customer feedback were approximately 75 – 100 people, based on phone calls and customer walk-ins when paying their bills, gave feedback to WCWD. 100 customers added additional coverage and 12 opted out of basic protection coverage.

b. The water line repair and replacement will not be completed by WCWD's employees. If a customer is enrolled in the line repair program, they will file a claim. When approved, ServLine will reimburse the customer directly for the repair or replacement of the water line.

c. The insurance company is uncomfortable insuring the risk and does not think the premium would be acceptable in the marketplace.

d. Both of these programs are included in the ServLine program; however, the customer has the choice to participate in either of these programs. This means that the customer can choose one or both and is not required to choose any.

e. WCWD has access to customer service and claims. If they need access to the customer service claims coordinator, they can reach claims coordinator during

regular business hours (Monday-Friday 8:00 a.m. – 4:00 p.m.). The customer service phone number is answered during regular business hours but the claims extension is 24/7.



**WEBSTER COUNTY WATER DISTRICT**

**CASE NO. 2019-00048**

**Response to Commission's Request for Information**

**Question No. 9**

**Responding Witness: Gerry Harstine and Mark Slater, Servline**

**Q-9. Describe how the Servline program would be beneficial to both customers and Webster District.**

A-9. WCWD benefits in many ways financially, lowers risk, reduces administrative work load, increases efficiency, and improves customer relationships. Financially WCWD reduces customer bills approximately \$18,000. In essence reducing revenue by \$18,000 per year. Because ServLine does not charge WCWD for the program, immediately WCWD would be able to improve their financial situation by \$18,000 annually. With ServLine, all risks are borne by ServLine and WCWD no longer has to incur that risk. Because many customers are unable to pay the leak bill, they are usually given an option of a payment plan or potentially could be in a situation where their water has to be shut off. Servline removes the burden of payment plans, bad debt, and water shut off, from the utility and the customer. Under the current WCWD leak program, the customer still pays 50% of the leak bill once every 12 months.

As mentioned above, the customer benefits in many ways especially financially by removing the burden of unexpected costs from leaks, so the stress factor of dealing with leaks is removed

**WEBSTER COUNTY WATER DISTRICT**

**CASE NO. 2019-00048**

**Response to Commission's Request for Information**

**Question No. 10**

**Responding Witness: Gerry Harstine and Mark Slater, Servline**

**Q-10. Describe how the Servline program would be beneficial to both customers and Webster District.**

**a. Provide a copy of the quote received from Servline. -3- Case No. 2019-00048**

**b. The Board minutes indicate that Webster District selected Option 3.**

**Provide the details of the other options that were considered.**

**c. The Board minutes indicate that Option 3 offered residential and commercial customers \$2,500 in coverage. (1) State whether the \$2,500 is an annual or lifetime limit. (2) Explain what happens if a customer incurs repair costs in excess of \$2,500.**

A-10. a. See Attached Proposal (Attachment C)

b. See Attached Proposal (Attachment D)

c. The \$2,500 coverage is a per occurrence limit. A customer can make a claim once every 12 months that goes over 2 billing cycles. For the leak coverage, a customer will pay their monthly average bill and ServLine will pay the utility the amount exceeding the average bill up to \$2,500. The customer is responsible for paying anything over the \$2,500 limit.

**WEBSTER COUNTY WATER DISTRICT**

**CASE NO. 2019-00048**

**Response to Commission's Request for Information**

**Question No. 11**

**Responding Witness: Gerry Harstine and Mark Slater, Servline**

**Q-11. Refer to proposed tariff sheet 39. The proposed tariff sheet does not contain any language concerning the \$2,500 benefit coverage limit as stated in the November 8, 2018 board minutes. Provide a revised tariff sheet including this condition.**

**A-11. See attached updated tariff sheet (Attachment E)**

**WEBSTER COUNTY WATER DISTRICT**

**CASE NO. 2019-00048**

**Response to Commission's Request for Information**

**Question No. 12**

**Responding Witness: Gerry Harstine and Mark Slater, Servline**

**Q-12. Explain whether there is any financial risk for Webster District in offering the Servline program.**

A-12. WCWD is not under any contractual obligation and can stop the program at any time. Financial risk is borne by ServLine. All claims that meet the qualifications of the given utility's leak guidelines are paid, so ServLine honors 100% of qualified leaks. Any spikes in leaks in a given year are all borne by the ServLine program. Leak adjustment risks that WCWD currently has under their current tariff are all eliminated up to the benefit amount by the ServLine program.

**WEBSTER COUNTY WATER DISTRICT**

**CASE NO. 2019-00048**

**Response to Commission's Request for Information**

**Question No. 13**

**Responding Witness: Gerry Harstine and Mark Slater, Servline**

**Q-13. State whether Webster District will be obligated to make any payments to Servline**

A-13. WCWD is required to make the payments on a monthly reporting basis for the participants in the program.

**WEBSTER COUNTY WATER DISTRICT**

**CASE NO. 2019-00048**

**Response to Commission's Request for Information**

**Question No. 14**

**Responding Witness: Gerry Harstine and Mark Slater, Servline**

**Q-14. Explain the extent of customer responsibility for payment of a higher-than normal water bill resulting from a leak covered under this program.**

A-14. Once a customer identifies a leak at their property, the customer is responsible to fix the leak. If the leak occurs outside the home and they have water line protection, ServLine will cover the cost of repair as well as the leak.

However, regardless of where the leak occurs the customer is still responsible to have the leak fixed. The customer is also responsible to report the leak to ServLine. ServLine will contact the utility to determine the customer's average bill without the leaks. ServLine will then contact the customer and inform them that they are responsible to still pay their average monthly water bill and that ServLine will pay the remainder of the bill. The customer is responsible to send their payment of their average monthly bill to the utility. ServLine will send the remainder of the bill up to the benefit limit directly to the utility.

**WEBSTER COUNTY WATER DISTRICT**

**CASE NO. 2019-00048**

**Response to Commission's Request for Information**

**Question No. 15**

**Responding Witness: Gerry Harstine and Mark Slater, Servline**

**Q-15. Describe the process under which a customer would apply for and receive a leak adjustment.**

**A-15. See response to question 14**



**WEBSTER COUNTY WATER DISTRICT**

**CASE NO. 2019-00048**

**Response to Commission's Request for Information**

**Question No. 16**

**Responding Witness: Gerry Harstine and Mark Slater, Servline**

**Q-16. State whether Webster District will provide additional information to its customers with details of the proposed program if the Commission approves the program. If so, provide the information that will be provided to Webster District's customers.**

A-16. Attached flyer (Attachment F) that explains the flyer will be issued 2 months prior to the launch of the program. On the flyer, is a local phone number for ServLine customer service. This information allows for customers to make a local call to ask questions and further investigate the program at their own leisure. We have allowed 2 months for customers to explore the program prior to launch. Further protection for the customer is embedded in the fact the customer can be on the program opt out of the program at any time, which allows them experience with the program at low or no cost. More precisely, if a customer was on unaware or unintentionally on the program, we will reimburse the utility for that customer's fees up to the first 12 months of the program. Therefore, the customer will then be reimbursed by the utility. Also, WCWD will have additional information available

in their office. When the utility's website is launched, the flyer will be posted there.

**WEBSTER COUNTY WATER DISTRICT**

**CASE NO. 2019-00048**

**Response to Commission's Request for Information**

**Question No. 17**

**Responding Witness: Gerry Harstine and Mark Slater, Servline**

**Q-17. If customers have complaints about the program, state whether they will contact Webster District directly or if they will contact Servline. -4- Case No. 2019-00048.**

A-17. If a customer has a complaint about the program, they may contact ServLine using the local phone number (888) 204-7681) or contact Webster District. The customer can choose whichever option they feel most comfortable with. ServLine will work with the customer to understand their issue(s) and to rectify those.

**WEBSTER COUNTY WATER DISTRICT**

**CASE NO. 2019-00048**

**Response to Commission's Request for Information**

**Question No. 18**

**Responding Witness: Gerry Harstine and Mark Slater, Servline**

**Q-18. Provide all calculations and state all assumptions made in establishing the \$1.80 per month amount determined for the residential customers participating in the program.**

A-18. Calculations are confidential work product of the program and insurance company.

**WEBSTER COUNTY WATER DISTRICT**

**CASE NO. 2019-00048**

**Response to Commission's Request for Information**

**Question No. 19**

**Responding Witness: Gerry Harstine and Mark Slater, Servline**

**Q-19. Provide all calculations and state all assumptions made in establishing the \$1.80 per month amount determined for the residential customers participating in the program.**

A-19. Calculations are confidential work product of the program and insurance company.

**WEBSTER COUNTY WATER DISTRICT**

**CASE NO. 2019-00048**

**Response to Commission's Request for Information**

**Question No. 20**

**Responding Witness: Gerry Harstine and Mark Slater, Servline**

**Q-20. Provide all calculations and state all assumptions made in establishing the \$10.00 per month program cost for the multiple occupancy commercial customers.**

A-20. Calculations are confidential work product of the program and insurance company.

**WEBSTER COUNTY WATER DISTRICT**

**CASE NO. 2019-00048**

**Response to Commission's Request for Information**

**Question No. 21**

**Responding Witness: Gerry Harstine and Mark Slater, Servline**

**Q-21. Provide a list of the expenses and the amount of each expense incurred by Webster District to provide the proposed service.**

A-21. All literature will be provided by ServLine at no cost to WCWD. The literature will be distributed along with the monthly bills. Therefore, there may be a marginal increase in postage. All other costs associated with set-up and additional information will be covered by ServLine.

WCWD paid \$789.19 for postage when mailing the flyer on February 6<sup>th</sup>, 2019.

They also paid for the envelopes to put the flyers in along with the customer's bill was \$172.49. The affidavit to run legal notice for 3 weeks was \$189.00.

**WEBSTER COUNTY WATER DISTRICT**

**CASE NO. 2012019-00048**

**Response to Commission's Request for Information**

**Question No. 22**

**Responding Witness: Gerry Harstine and Mark Slater, Servline**

**Q-22. Explain why the proposed service would not be a disincentive to customers to maintain their facilities properly.**

A-22. The program offers incentives to maintain and improve their facilities. That incentive occurs because the high water bill is paid only after the leak is fixed.

Furthermore, providing line repair replacement allows for a line that has failed or aging to be repaired or in many cases fully replace, thus updating and improving their existing facilities. Therefore, this program actually over time reduces water losses and should lower the cost of the operations of the utility. Reducing lost water will reduce the cost of replacing that water.



**WEBSTER COUNTY WATER DISTRICT**

**CASE NO. 2019-00048**

**Response to Commission's Request for Information**

**Question No. 23**

**Responding Witness: Gerry Harstine and Mark Slater, Servline**

**Q-23. Webster District proposed the tariff revisions as new non-recurring charges through the Commission's electronic Tariff Filing System. The proposed charges are recurring monthly charges. Explain how the proposed charges comply with 807 KAR 5:006, Section 1 (6), Section 9, and 807 KAR 5:011 , Section 10.**

A-23. Non-recurring charges are to recover the customer-specific incurred costs that would result in monetary loss to the utility or increase rates to other customers whom no benefits accrue from the service provided. So a leak adjustment (when requested) will result in a loss to Webster County Water District and by giving the customer the option to opt-out should make it a non-recurring charge due to it does not apply to all customers. If a customer decided to not opt-out then the customer will pay for an insurance that will give the utility the ability to recover the costs of service (leak). Webster County Water District is only passing the insurance fee onto customers who do not opt-out. If the customer decides to opt-out then the customer will not be charged for the leak protection, however, the customer will not have the ability to request a leak adjustment.

**WEBSTER COUNTY WATER DISTRICT**

**CASE NO. 2019-00048**

**Response to Commission's Request for Information**

**Question No. 24**

**Responding Witness: Gerry Harstine and Mark Slater, Servline**

**Q-24. Explain what services a Webster District customer will receive from the Servline program, beyond those directly related to leak repair.**

A-24. Due to the ServLine program customers will no longer have to find money for unexpected repair bills. They will benefit from improved infrastructure.

ServLine offloads the utility workload thus freeing up staff to work on improving other service and infrastructure which then delivers a better product for the customer. The savings provided by ServLine will allow for lower rate increases in the future.

# Attachment A



ServLine

A Division of **SUNBELT**  
INSURANCE GROUP

Underground Utilities Coverage  
INSURANCE PROPOSAL

**Proposal for:**  
Webster County Water District  
P.O. Box 320  
Dixon, KY 42409

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.

Proposal Date  
11/26/2018

*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

#### WATER LEAK COVERAGE

Water Leak Coverage covers excess water 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.*

#### SEWER LEAK COVERAGE

Sewer Leak Coverage covers excess sewer bills in the event of a leak on the customer's side of the property line 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 meter 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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## **PRIMARY COVERAGE**

*IMAGINE WHAT YOU COULD DO IF YOU WERE PAID FOR EVERY  
CUSTOMER'S HIGH-WATER BILL AND NO LONGER HAD TO MANAGE  
THEIR FRUSTRATION OVER HAVING TO PAY FOR IT.*

# WATER LEAK COVERAGE

## RESIDENTIAL WATER LEAK COVERAGE

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Limit of Insurance	Option 1: \$500 (Per Occurrence) Option 2: \$1,000 (Per Occurrence) Option 3: \$2,500 (Per Occurrence)
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Deductible	Waived
Reporting Conditions	Customer Schedule
Reporting & Adjustment Period	Monthly

### Special Terms and Conditions

- Coverage will be designed to reflect Webster County Water District Leak Adjustment Guidelines and eligibility established with ServLine.

Rate: (Choose Option)	Option 1: \$1.45 Option 2: \$1.70 Option 3: \$1.80
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## COMMERCIAL WATER LEAK COVERAGE

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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 Webster County Water District Leak Adjustment Guidelines and eligibility established with ServLine.

Rates:	<b>Single Occupancy</b>	<b>Multiple Occupancy</b>
	Option 1: \$2.50	Option 1: \$5.00
	Option 2: \$3.50	Option 2: \$7.00
	Option 3: \$5.00	Option 3: \$10.00

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**IMPORTANT:** Water Leak Coverage is the primary offering being decided on by the utility. Water Leak Coverage is offered as a utility provided customer service which can be applied automatically to all customer's bills with their freedom to decline coverage. Optionally Water Leak Coverage can be incorporated into your base rate at a discount with no opportunity to decline.

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

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## **ENHANCED CUSTOMER COVERAGE**

*CONSIDER HOW A CUSTOMER WILL FEEL ABOUT YOU WHEN THEY  
REALIZE THAT YOU HAD THE FORESIGHT TO PROVIDE A CUSTOMER  
SERVICE THAT HELPS THEM WITH THEIR RESPONSIBILITY.*



# 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>\$5.00</b>

### Additional Terms and Options

#### Option 1:

<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)

#### Option 2:

<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.*

# COMMERCIAL LINE COVERAGES

## COMMERCIAL WATER LINE COVERAGE

---

<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>Rates:</b>	
	<b>Single Occupancy      \$13.50</b>
	<b>Multiple Occupancy    \$27.00</b>

# OUTCOMES OF THE PROPOSED SOLUTION

## SERVLINE BENEFITS & SERVICES

---

### 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

---

**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.

**Commercial is defined as 2" meters or less with business or agricultural occupancy.**

*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.*

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

**When a customer decides to add an Enhanced Customer Coverage (Water Line, Sewer Lateral) 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 Primary Coverage.**

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

---

## **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:** Webster County Water District  
**Date of Notice:** 11/26/2018

**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.

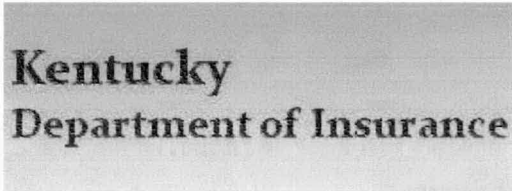
**Acceptance or Rejection of Terrorism Insurance Coverage**

- 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

# Attachment B



Home | Licensee Search | Company Search | Provider Search

**LICENSEE SEARCH DETAILS**

[View Affiliations](#) [Continuing Education Information](#)

Name	Terrell, Allison Elizabeth	DOIID	998512	NAIC NPN	18823713
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**License - Line of Authority Information**

Status	Residency	Class	Line of Authority	Active Date	Inactive Date	License Expiration Date	Designated Home
Active	Resident	Agent	Casualty	7/16/2018		12/31/2019	
Active	Resident	Agent	Property	7/17/2018		12/31/2019	

\*If a status is **Pending, Pending Replacement**, or the record displays **Affidavit on File**, click on them for more details.

**No License Renewal Information**

NOTE: Licensee may renew up to 6 months prior to Next Compliance Date. Licensees subject to CE must complete CE requirements before Next Compliance Date in order to successfully complete the License Renewal Process.

**Address Information**

Type	Address
Residence	Not Public Information
Business / Home Office	700 Clearfork Rd Morehead, KY 40351

# Kentucky Department of Insurance



[Home](#) | [Licensee Search](#) | [Company Search](#) | [Provider Search](#)

## LICENSEE SEARCH DETAILS

[View Affiliations](#)

Name	Sunbelt Group LLC DBA : Sunbelt Insurance Group	DOIID	819668	NAIC NPN	16453383
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## License - Line of Authority Information

Status	Residency	Class	Line of Authority	Active Date	Inactive Date	License Expiration Date	Designated Ho
Active	Non Resident	Agent	Property	9/5/2013		3/31/2021	
Active	Non Resident	Agent	Casualty	9/5/2013		3/31/2021	

\*If a status is **Pending**, **Pending Replacement**, or the record displays **Affidavit on File**, click on them for more details.

## License Renewal Information

Class	Invoice Date	Response Due / Expiration Date	Response Received Date	Payment Received Date	Renewal C
Agent	01/15/2019	03/31/2019	11/30/2018	11/30/2018	Yes

NOTE: Licensee may renew up to 6 months prior to Next Compliance Date.

## Address Information



**Type**

**Address**

Business / Home Office

114 Lee Parkway Dr Chattanooga, TN 37421


# Kentucky Department of Insurance



[Home](#) | [Licensee Search](#) | [Company Search](#) | [Provider Search](#)

## INSURER DETAILS

[View Affiliations](#)

<b>NAME</b>	Sompo America Insurance Company
<b>DOI ID</b>	300149
<b>FEIN #</b>	132554270
<b>ALIEN #</b>	
<b>State of Domicile</b>	NY
<b>Domicile Country</b>	
<b>Merged Into</b>	
<b>NAIC #</b>	11126
<b>NAIC Group #</b>	3219
<b>Entity Type</b>	Insurer
<b>Admitted</b>	12/18/1980
<b>AM Best Rating</b>	<p><b>How Does Your Insurer Rate?</b></p> <p>Enter Company </p> <p>▶ More Options</p>
<b>President</b>	Seiya Tsuruta

**Process Agent**

John Calotta  
 Date Assigned : 10/27/2016  
 (See address table below for process agent address)

**Authorized Insurer** – these insurers are authorized to do the business of insurance by holding a Kentucky Certificate of

**Line(s) of Authority**

Property	Surety	Casualty	Marine & Transportation
		Vehicle Insurance	
		Liability Insurance	
		Workers' Compensation & Employer's Liability	
		Burglary & Theft	
		Personal Property Floater	
		Glass	
		Boiler & Machinery	
		Leakage & Fire Extinguishing Equipment	
		Elevator	
		Livestock	
		Automobile Guaranty	
		Miscellaneous	

Type	Address
Process Agent	11405 North Community House Road 6th Floor Charlotte, NC 2
Consumer Complaint	11405 North Community House Rd. Suite 600 Charlotte, NC 28
Statutory Home Office	777 Third Ave. 24th Floor New York, NY 10017
Additional Business Location 1	11405 North Community House Rd. Suite 600 Charlotte, NC 28
Additional Business Location 1	11405 Community House Rd. Suite 600 Charlotte, NC 2827715
Agent Licensing Address	11405 North Community House Rd. Suite 600 Charlotte, NC 28
Annual Statement	11405 North Community House Road Suite 600 Charlotte, NC :
Premium Tax Address	11405 North Community House Road Suite 600 Charlotte, NC :

Catastrophe/Disaster Coordinator Address	11405 North Community House Rd. Suite 600 Charlotte, NC 28
Local Domestic/Foreign State Contact Address	11405 North Community House Rd. Suite 600 Charlotte, NC 28
Managing General Agent	11405 North Community House Rd. Suite 600 Charlotte, NC 28
Policyholder Information Contact Address	11405 North Community House Rd. Suite 600 Charlotte, NC 28
Regulatory Compliance/Gvmt Relations Contact Address	11405 North Community House Rd. Suite 600 Charlotte, NC 28
Company Licenses/Fee Contact Address	11405 North Community House Rd. Suite 600 Charlotte, NC 28
U.S. Legal Counsel for Aliens	11405 North Community House Rd. Suite 600 Charlotte, NC 28
P & C Form and Rate Filing	11405 North Community House Rd. Suite 600 Charlotte, NC 28

Type	Number
Annual Statement - Annual Statement	(704) 759-2551
Annual Statement - Fax	(704) 759-1003
Premium Tax Contact - Other	(704) 759-2549
Premium Tax Contact - Fax	(704) 759-2160
Company Licenses/Fees Contact - Other	(704) 759-2549
Company Licenses/Fees Contact - Fax	(704) 759-2160
U.S. Legal Counsel for aliens - Other	(704) 759-2549
Managing General Agent - Other	(704) 759-2549
Managing General Agent - Fax	(704) 759-2160
Local Office in Domestic/Foreign State Contact - Other	(704) 759-2549
Local Office in Domestic/Foreign State Contact - Fax	(704) 759-2160
P & C Form and Rate Filing - Other	(704) 759-2536
P & C Form and Rate Filing - Fax	(704) 759-2160
Catastrophe/Distaster Coordination Contact - Other	(704) 759-2530
Catastrophe/Distaster Coordination Contact - Fax	(704) 972-1002
Consumer Complaint - Other	(704) 972-1029
Consumer Complaint - Fax	(704) 759-2549
Policyholder Information Contact - Other	(704) 759-2549
Policyholder Information Contact - Fax	(704) 759-2160
Licensing - Agent Licensing Phone	(704) 759-2549
Licensing - Fax	(704) 759-2160

Regulatory Compliance/Gvmt Relations Contact - Other	(704) 759-2549
Regulatory Compliance/Gvmt Relations Contact - Fax	(704) 972-2160
U.S. Legal Counsel for aliens - Fax	(704) 759-2160
Business / Home Office	(704) 759-2200
Claim Information Contact - Other	(704) 972-1011
Claim Information Contact - Fax	(704) 972-1001
Deposits Contact - Other	(704) 759-2551
Deposits Contact - Other	(704) 972-1003

**Type**

**Internet Information**

U.S. Legal Counsel for aliens - Email	DGriffin@sompo-japan-us.com
Premium Tax Contact - Email	DGriffin@sompo-japan-us.com
Company Licenses/Fees Contact - Email	DGriffin@sompo-japan-us.com
Managing General Agent - Email	DGriffin@sompo-japan-us.com
Local Office in Domestic/Foreign State Contact - Email	DGriffin@sompo-japan-us.com
Policyholder Information Contact - Email	DGriffin@sompo-japan-us.com
Licensing - Email	DGriffin@sompo-japan-us.com
Regulatory Compliance/Gvmt Relations Contact - Email	DGriffin@sompo-japan-us.com
Catastrophe/Disaster Coordination Contact - Email	lmoon@sjnk-us.com
Consumer Complaint - Email	DGriffin@sompo-japan-us.com
P & C Form and Rate Filing - Email	DGriffin@sompo-japan-us.com
Claim Information Contact - Email	carmistead@sjnk-us.com
Deposits Contact - Email	jworkman@sompo-japan-us.com

# Attachment C



ServLine

A Division of **SUNBELT**  
INSURANCE GROUP

Underground Utilities Coverage  
INSURANCE PROPOSAL

**Proposal for:**  
Webster County Water District  
P.O. Box 320  
Dixon, KY 42409

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.

Proposal Date  
11/26/2018

*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

##### WATER LEAK COVERAGE

Water Leak Coverage covers excess water 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.*

##### SEWER LEAK COVERAGE

Sewer Leak Coverage covers excess sewer bills in the event of a leak on the customer's side of the property line 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 meter 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**

---



## **PRIMARY COVERAGE**

*IMAGINE WHAT YOU COULD DO IF YOU WERE PAID FOR EVERY  
CUSTOMER'S HIGH-WATER BILL AND NO LONGER HAD TO MANAGE  
THEIR FRUSTRATION OVER HAVING TO PAY FOR IT.*

# WATER LEAK COVERAGE

## RESIDENTIAL WATER LEAK COVERAGE

---

<b>Limit of Insurance</b>  <b>Deductible</b> <b>Reporting Conditions</b> <b>Reporting &amp; Adjustment Period</b>	Option 1: \$500 (Per Occurrence) Option 2: \$1,000 (Per Occurrence) Option 3: \$2,500 (Per Occurrence)  Waived Customer Schedule Monthly
---	--

**Special Terms and Conditions**

- Coverage will be designed to reflect Webster County Water District Leak Adjustment Guidelines and eligibility established with ServLine.

<b>Rate:</b> (Choose Option)	Option 1: \$1.45 Option 2: \$1.70 Option 3: \$1.80
---------------------------------	--

## COMMERCIAL WATER LEAK COVERAGE

---

<b>Limit of Insurance</b>  <b>Deductible</b> <b>Reporting Conditions</b> <b>Reporting &amp; Adjustment Period</b>	Option 1: \$500 (Per Occurrence) Option 2: \$1,000 (Per Occurrence) Option 3: \$2,500 (Per Occurrence)  Waived Customer Schedule Monthly
---	--

**Special Terms and Conditions**

- Coverage will be designed to reflect Webster County Water District Leak Adjustment Guidelines and eligibility established with ServLine.

<b>Rates:</b>	<b>Single Occupancy</b> Option 1: \$2.50 Option 2: \$3.50 Option 3: \$5.00	<b>Multiple Occupancy</b> Option 1: \$5.00 Option 2: \$7.00 Option 3: \$10.00
---------------	---	--

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**IMPORTANT:** *Water Leak Coverage is the primary offering being decided on by the utility. Water Leak Coverage is offered as a utility provided customer service which can be applied automatically to all customer's bills with their freedom to decline coverage. Optionally Water Leak Coverage can be incorporated into your base rate at a discount with no opportunity to decline.*

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

---

## **ENHANCED CUSTOMER COVERAGE**

*CONSIDER HOW A CUSTOMER WILL FEEL ABOUT YOU WHEN THEY  
REALIZE THAT YOU HAD THE FORESIGHT TO PROVIDE A CUSTOMER  
SERVICE THAT HELPS THEM WITH THEIR RESPONSIBILITY.*

# RESIDENTIAL LINE COVERAGES

## RESIDENTIAL WATER LINE COVERAGE

---

<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>\$5.00</b>

### Additional Terms and Options

#### Option 1:

<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)

#### Option 2:

<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.*

# COMMERCIAL LINE COVERAGES

## COMMERCIAL WATER LINE COVERAGE

---

<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>Rates:</b>	
	<b>Single Occupancy      \$13.50</b>
	<b>Multiple Occupancy    \$27.00</b>

# OUTCOMES OF THE PROPOSED SOLUTION

## SERVLINE BENEFITS & SERVICES

---

### 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
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  - ✓ 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

---

**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.

**Commercial is defined as 2" meters or less with business or agricultural occupancy.**

*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.*

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

**When a customer decides to add an Enhanced Customer Coverage (Water Line, Sewer Lateral) 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 Primary Coverage.**

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

---

## **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:** Webster County Water District

**Date of Notice:** 11/26/2018

**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



# Attachment D

**Webster County Water District  
Minutes of Regular Meeting**

**November 8, 2018**

Chairman Buchanan called the **meeting to order** at 10 a.m. with Commissioner Robertson leading in prayer. Commissioners, Jimmy Goff, Larry Villines and Tommy Robertson, Ryan Hammack, Superintendent Paul Lashbrooke, Assistant Superintendent Robert Schindley, Administrative Assistant Tammy Harkins, Tony Catlett of *The Sebree Banner* and Matt Hughes of *The Journal Enterprise* were in attendance.

Chairman Buchanan called for the approval of the **minutes**. Commissioner Hammack moved to approve the October meeting minutes and Commissioner Goff gave the second, motion carried.

Commissioner Robertson made a motion to approve the **agenda** with the deletion of Variable Speed Drive –Dixon Side under old business. Commissioner Villines gave the second, motion carried.

Commissioner Villines made a motion to approve the **payment vouchers** and Commissioner Robertson gave the second, motion carried.

Under old business, Assistant Superintendent Schindley gave the **operations report**. In October, the plant produced 32,219,000 gallons of water, which is 1,577,250 gallons less than in October 2017 and hours were up by 78.1.

Superintendent Lashbrooke reported the **North Hopkins Interconnect** was still moving along.

Superintendent Lashbrooke presented a final pay request from Sam Estes Painting on the **Vandersburg Tank Rehab** project for \$117,517.03 (\$118,660 minus \$1,142.97 to cover replacement cost of a damaged antenna). Commissioner Robertson made a motion to approve pay request. Commissioner Hammack gave the second, motion carried.

Superintendent Lashbrooke updated the board on the District's **Vacant Position**. He said he "would like to hire one person now before he leaves and another one after the first of year".

Superintendent Lashbrooke went over a quote received from **ServLine** on the new leak protection program (see attachment). After discussion and a consensus that this program would be beneficial to both customers and the District, Commissioner Robertson made a motion to go with Option 3 which offers residential customers \$2,500 coverage at a rate of \$1.80 per month and for commercial customers \$2,500 coverage at a rate of \$5.00 for single occupancy and \$10.00 for Multiple Occupancy. Commissioner Goff gave the second, motion carried.

Superintendent Lashbrooke reported that the **1400 gpm Raw Water Pump Rehab** had successfully been completed and the pump was currently running at 1780 gpm.

Under new business, Superintendent Lashbrooke told the Board that the **700 gpm Raw Water Pump** had been pulled by Layne and taken for repairs.

Superintendent Lashbrooke went over the **2019 Budget** line by line with the Board. Commissioner Goff made a motion to approve the proposed 2019 budget as presented. Commissioner Villines gave the second, motion carried.

Under other, Superintendent Lashbrooke announced his **retirement**, effective on November 30, 2018.

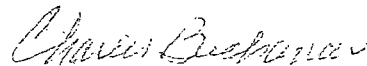
Commissioner Hammack made a motion to enter **closed session** to discuss personnel. Commissioner Robertson gave the second, motion carried.

Commissioner Robertson made a motion to return to **open session**. Commissioner Goff gave the second, motion carried.

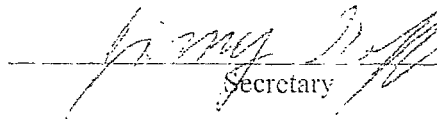
Chairman Buchanan reported the position of **Interim Superintendent** had been offered to Robert Schindley and that he had accepted. New position is effective December 1, 2018.

Commissioner Villines made a motion to **adjourn**. Commissioner Goff gave the second, motion carried.

Meeting Adjourned.

  
\_\_\_\_\_  
Chairman

12-13-18  
\_\_\_\_\_  
Date Approved

  
\_\_\_\_\_  
Secretary

# Attachment E

FOR Webster County, Kentucky

Community, Town or City

P.S.C. KY. NO. \_\_\_\_\_ 2

Original SHEET NO. 39

Webster County Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_ 1

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

W. **Leak Adjustment.** Residential customers and commercial customers with 2" meter size or less are automatically enrolled in the ServLine Leak Protection Program. The following are the qualifications for leak adjustments:

1. It is the customer's responsibility to keep his plumbing system in good working order.
2. No customer shall receive more than one leak adjustment that could incorporate a maximum of two billing cycles during any twelve (12) month period.
3. Maximum amount of excess water charges is \$2,500 once per 12 months.
4. In order to qualify for a leak adjustment, the eligible plumbing leak must generate a minimum additional charge of two (2) times the average of the twelve (12) month bill.
5. Adjustments on water bills will NOT be made on the following:
  - a. Residential customers who do not have their own water meter.
  - b. Commercial customers with a meter larger than 2".
  - c. Industrial customers
  - d. Premises left or abandoned without reasonable care for the plumbing system.
  - e. Leaks on irrigation systems or irrigation lines, leaks in water features such as fountains, etc., leaks on any water lines coming off the primary water service line, plumbing leaks in any structure other than the primary residence.
  - f. Negligent acts such as leaving water running.
  - g. Excess water charges not directly resulting from a qualifying plumbing leak.
  - h. Filling of swimming pools or leaks in swimming pools.
  - i. Watering of lawns or gardens.
6. The UTILITY shall not be obligated to make adjustments of any bills not submitted for adjustment within Ninety (90) days from the billing date.
7. Customers must present proof that a leak has been repaired before an adjustment will be made. (ie, copy of invoice for materials or bill from plumber)
8. In any case where a customer might incur a leak before there is three months of average usage, an adjustment will not be made until they have established three months of average usage.

Any residential customer or commercial customer with 2" meter size or less may decline to participate in our ServLine Leak Protection Program by calling (888) 204-7681. Any customer declining to participate in the program will be responsible for the full amount of their water bill with no adjustments being made. The ServLine Leak Protection Program is the only way qualifying leak adjustments will be made for leaks occurring after March 1, 2019.

Residential \$1.80/Month

Commercial Single Occupancy \$5.00/Month

Commercial Multiple Occupancy \$10.00/Month

Note: Protection is offered for commercial customers with 2" meter size or less-does not include master metered habitational.

DATE OF ISSUE January 2, 2019  
Month / Date / Year

DATE EFFECTIVE March 1, 2019  
Month / Date / Year

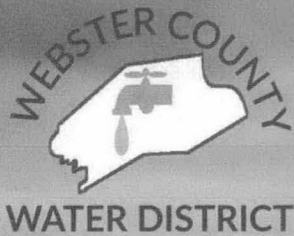
ISSUED BY /s/ Charles Buchanan  
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATE

N  
↓

# Attachment F

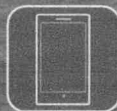


# LEAKS HIT YOUR WALLET LIKE A Flood

Webster County Water District is expanding our water loss coverage through our new ServLine Program and providing our residential and commercial\* customers the opportunity to add service line repair and replacement coverage.

*\*commercial customers with meter sizes 2" or less—does not include master metered habitational.*

*For more information on Leak Protection and to add Line Protection*



**CALL US:**  
**(888)204-7681**

## ***Leak Protection***

As a qualifying customer, you are automatically protected by our Leak Program. This is the only way residential & commercial leaks will be adjusted that occur after March 1<sup>st</sup> 2019.

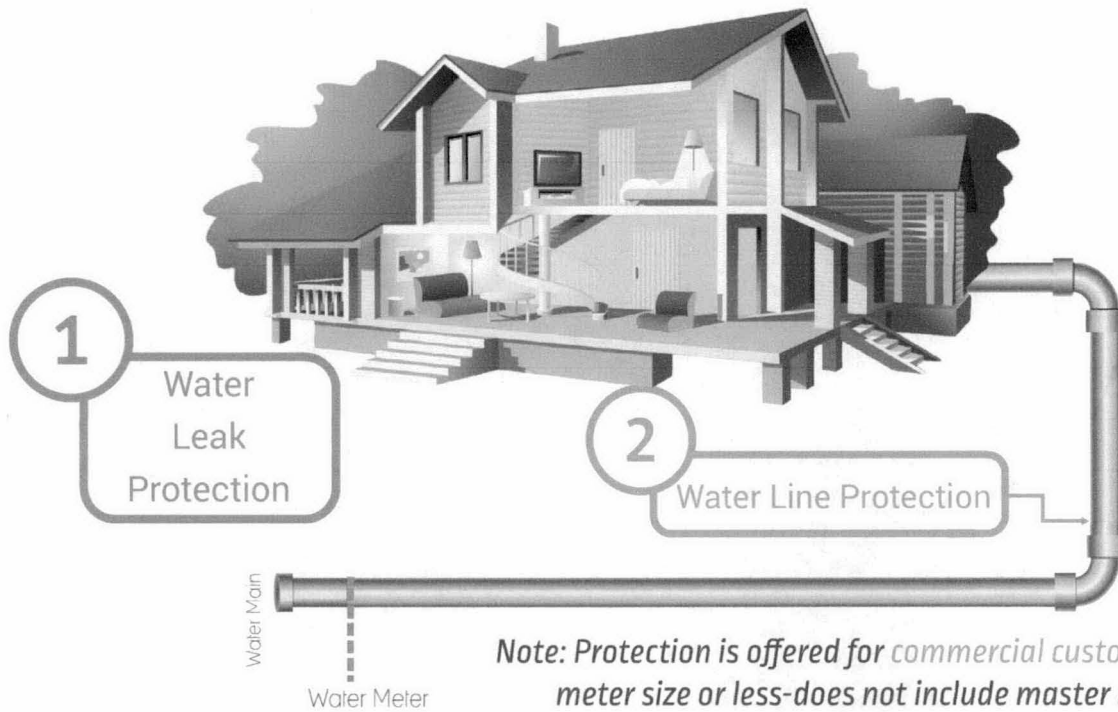
## ***Line Protection***

Enroll in the Line Protection Programs to avoid service line repair or replacement costs. There is a 30 day waiting period for those who enroll after March 1<sup>st</sup> 2019.

***Webster County Water District ServLine Begins***

**MARCH 1<sup>ST</sup> 2019**

# WEBSTER COUNTY WATER DISTRICT



*Note: Protection is offered for commercial customers with 2" meter size or less-does not include master metered habitational.*

**1** **Water Leak Protection** **AUTOMATICALLY ENROLLED**  
**RESIDENTIAL \$1.80/MONTH** **COMMERCIAL SINGLE OCCUPANCY \$5.00/MONTH**  
**COMMERCIAL MULTIPLE OCCUPANCY \$10.00/MONTH**

- ◆ Water Loss Protection from excess water 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 protection policy for guidelines and qualifications for leak adjustments.
- ◆ All qualifying leaks occurring after March 1<sup>st</sup> 2019 will only be adjusted through our ServLine Program.

**2** **Water Line Protection** **SIGN-UP BY CALLING**  
**RESIDENTIAL \$5.00/MONTH** **COMMERCIAL SINGLE OCCUPANCY \$13.50/MONTH**  
**COMMERCIAL MULTIPLE OCCUPANCY \$27.00/MONTH**

- ◆ Covers repair or necessary replacement of a cracked or broken 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 Back-flow Meters.
- ◆ Contact Us To Request A Full Copy Of Program Protections And Exclusions.
- ◆ Be protected from these expensive repairs! Enrollment after March 1<sup>st</sup> 2019 requires a 30 day waiting period.



**CALL US:**  
**(888) 204-7681**