

WEBSTER COUNTY WATER DISTRICT

P.O. BOX 320

DIXON, KENTUCKY 42409

270-639-9010

wcwater@bellsouth.net

RECEIVED

APR 25 2019

**PUBLIC SERVICE
COMMISSION**

April 25, 2019

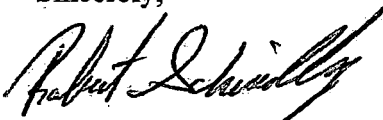
Gwen R. Pinson, Executive Director
KY Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

**RE: TARIFF FILING OF WEBSTER COUNTY WATER DISTRICT TO IMPLEMENT THE
SERVLNE LEAK PROTECTION PROGRAM**

Dear Ms. Pinson:

Please find Webster County Water District's responses to Commission order in reference to Case
No. 2019-00048.

Sincerely,



Robert Schindley
Manager

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

RECEIVED

APR 25 2019

PUBLIC SERVICE
COMMISSION

In the Matter of:

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

**RESPONSE OF
WEBSTER COUNTY WATER DISTRICT
TO
PUBLIC SERVICE COMMISSION ORDER
DATED APRIL 15, 2019**

FILED: APRIL 25, 2019

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

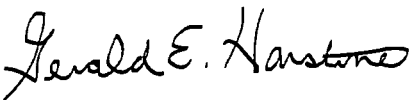
In the Matter of:

TARIFF FILING OF WEBSTER)	
COUNTY WATER DISTRICT TO)	
IMPLEMENT THE SERVLIN)	CASE NO. 2019-00048
LEAK PROTECTION PROGRAM)	
)	
)	

**CERTIFICATION OF RESPONSE OF WEBSTER COUNTY WATER
DISTRICT
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: 4/24/19

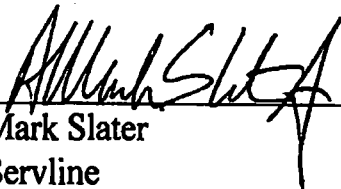


Gerry Harstine
Servline

**CERTIFICATION OF RESPONSE OF WEBSTER COUNTY WATER
DISTRICT
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: 4/24/19



Mark Slater
Servline

**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: 4/25/19



Robert Schindley
Manager, Webster County Water District

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. Explain whether the monthly fees will be revised in the future. If so, explain the process that will be used to determine the new fee and how customers will be informed.

1. A-1. ServLine insures (through admitted insurance carriers) and administers the Utility leak adjustment policy/procedure but does not determine the amount the Utility charges for the service provided to the customer. ServLine's procedure with the Webster County Water District and all other utility customers around the United States allows for an annual review and potential adjustment in the insurance rate. Monthly fees for the service to the customer are determined by the Webster County Water District Board of Commissioners. However, to date there have been no insurance rate increases administered to any ServLine participating utility. ServLine works hard on the front end to analyze each utility's history of leaks to determine the best insurance rate for that utility. When a utility does not have a documented leak history, a rate is assigned based on the average rate of similar utilities across the nation. After ServLine has some

experience with a utility, rates can be raised or lowered as in the case of two utilities that were initially given the national average rates. These two insurance rates were lowered, because there was a clear pattern of less than expected leaks. Understanding a utility's leak history has a big impact on the pricing. Qualifications and guidelines of the leak adjustment policy can also be reviewed and amended as needed to maintain rate stability.

If fees are to be adjusted, the utility provides proper notice to all customers indicating the adjustment in fees, date of effectiveness and contact information. Customers that wish to opt in or opt out of the program due to the fee adjustment will follow the normal established guidelines.

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. If a customer opts out of the leak protection program, explain the process the customer would have to go through to sign back up for the program and whether there would be a waiting period

A-2. Once a customer opts out of the ServLine program, the customer can sign back up at any time. Once the customer notifies ServLine of their intention to sign up, the customer will have a 30-day waiting period before protection begins. A call to ServLine customer service is all the notification that is needed. If the customer calls Webster County Water District's office, Webster County Water District can transfer them to ServLine Customer Service or provide the customer with ServLine's Customer Service number. ServLine will then notify the utility that this customer has been added to the protection.

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. Refer to Webster District's response to Staff's First Request for Information (Staff's First Request), Item 2. Webster District indicates that Servline will pay Webster District for the leak costs for participating customers up to the agreed limit. Indicate whether Servline will pay its share of the leak costs at Webster District's regular rates or at a reduced rate.

A-3. Once a customer's leak occurs and is fixed, the utility is reimbursed for the total amount of the leak up to the selected benefit limit chosen by the utility. This reimbursement is at the retail price of the water as reflected on the customer's bill. There is not a discounted price. Our intent is to make the utility whole and to improve their financial position.

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. Refer to Webster District's response to Staff's First Request, Item 4.

State whether Webster District contacted the Kentucky Department of Insurance to determine if the proposed insurance plan complies with the statutes and regulations governing the provision of insurance in Kentucky.

A-4 No, Webster County has not contacted the Kentucky Department of Insurance. The insurance companies are admitted carriers in Kentucky and their companies and policies are regulated by the Department of Insurance. As an example, the primary insurance form used by Sompo is an inland marine form - AAIS IM 7500 10 09, Copyright, American Association of Insurance Services, Inc, which is an approved form. ServLine is a trademarked brand for the program and is not an insurance company, simply the brand name for the Sunbelt Group, LLC which is the agency. The same concept behind an insurance company calling a personal insurance package their Platinum Plus Program. The insurance companies and Sunbelt Group LLC are able to (and presently do) have other insurance products sold in the State of Kentucky.

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. Refer to Webster District's response to Staff's First Request, Item 5.

Webster District was nonresponsive to the question citing confidentiality for its reasoning. A utility may request confidential treatment of information provided in a public record such as the present case.

a. Respond to the original request.

b. State whether the 144 utilities are subject to the individual state Utility Commissions.

c. Provide a breakdown of the 144 utilities by type, municipal, investor owned, non-profit district, and others.

d. Provide the Docket Number and a hyperlink for any proceedings to review/approve the Servline program, if any, before the Utility Commissions of the states listed.

A-5. a. ServLine partners with 144 utilities in 18 States and all utilities are opt-out except for one utility in Tennessee that incorporated the leak protection program into their monthly rates with no ability to opt-out. The States which ServLine operates and the utilities which ServLine partners is as follows:

Alabama- 8 utility partners, Arkansas- 3 utility partners, Arizona- 2 utility partners, Georgia-18 utility partners, Iowa-7 utility partners, Illinois-7 utility partners, Indiana-6 utility partners, Michigan-1 utility partner, Mississippi-2 utility partners, North Carolina-9 utility partners, New Mexico-2 utility partners, Nevada-1 utility partner, Ohio-4 utility partners, South Carolina-1 utility partner, Tennessee-66 utility partners, Utah-1 utility partner, and Virginia-1 utility partner.

A-5. b. ServLine does not have access to information related to Utility interaction with individual State Utility Commissions. There have been no known issues related to the ServLine program with any regulatory bodies with any of the Utilities utilizing the ServLine program.

A-5. c. ServLine does not collect specific category of ownership between municipal, non-profit, public-private partnerships, private or others. The ServLine Program is applicable to all classifications of ownership and anecdotally through conversations we believe ServLine works for utilities in all categories.

A-5 d. There have been no proceedings to review/approve the ServLine program.

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. Refer to Webster District's response to Staff's First Request, Item 6.

a. Indicate whether there will be a premium for the insurance policy. If so, indicate the amount of the premium and how often it will be paid.

b. Provide a copy of the policy.

A-6. a. The District will pay a monthly premium of \$1.80 per participating Residential customer per month, \$5.00 per participating commercial Single Occupancy customer per month, and \$10.00 per participating Commercial Multiple Occupancy customer per month.

A-6. b. See Attachment A.

WEBSTER COUNTY WATER DISTRICT

CASE NO. 2019-00048

Response to Commission's Request for Information

Question No. 7

Responding Witness: Robert Schindley, Webster County Water District

Q-7. Refer to Webster District's response to Staff's First Request, Item 7.

Webster District indicates it was the Board of Commissioners decision to offer the leak protection portion on an opt-out basis. If the Commission were to approve the leak protection portion but require that it be on an opt-in basis, indicate whether Webster District would still offer the program to its customers.

A-7. The Board reviewed the program and compared it with the District's existing program for relief of customer leaks. Our current program is limited in its coverage because it only relieves 50% of the leak, and the customer will pay for their average monthly bill plus 50% of the leak. Since most customers are not prepared financially for a leak it is usually a burden for the customer even with 50% relief. Therefore, we think it is essential to include everyone at the beginning and give them an option to decline protection. We believe that an opt in approach would inadvertently leave many customers without protection. We feel that this is the fairest and most consumer-minded approach and therefore we would not be interested in an opt in approach.

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 Webster District's response to Staff's First Request, Item 8.

Webster District was nonresponsive to the question. Respond to the original request.

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. Is 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. The District 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 the District. 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 the District. 100 customers added additional coverage and 12 opted out of the Water Leak Protection coverage.

A-8 b. The water line repair and replacement will not be completed by the District'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.

A-8 c. The insurance company declined insuring the risk and does not think the premium would be acceptable in the marketplace.

A-8 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. The Leak Protection Program is an opt out choice and the Line Protection Program is an opt in program.

A-8 e. The District 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 ServLine customer service phone number is answered during regular business hours but the claims extension is 24/7.

A-8 f. Once the program begins, a new customer is able to join the program and have immediate access without a waiting period. However, a customer who declines coverage and later decides to re-enroll in the program requires a 30-day waiting period. The 30-day waiting period is to protect the program from people who have a leak and then decide to enroll after the discovery of the leak. The 30-day waiting period reduces fraudulent behavior and adverse selection. Similar to automobile insurance, a person must have coverage prior to an accident not after. If the program was not structured this way, no customer would enroll in the program.

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. Refer to Attachment E of Webster District's response to Staff's First Request, Item 11. In number 4 it states "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." Indicate whether this is stating that the customer's Appendix Case No. 2019-00048 bill must be at least two (2) times their average

a. Refer to Webster District's response to Staff's First Request, Item 14

Webster District indicates that customers are responsible for having the leak fixed and reporting the leak to Servline. Explain how customers will be informed of the terms of the program and how they will be informed of what their responsibilities will be.

b. Webster District indicates that the customer will be responsible for paying their average monthly bill. Indicate how the average monthly bill will be determined.

A-9. Yes, the customer's leak must be a minimum of two (2) times their average bill to be eligible for a leak adjustment. Leak adjustment qualifications are determined by each Utility independently.

A-9. a. Customers are informed of the program in advance of the start date and have access to a customer service number related to questions and claims for the ServLine Program. If the Public Service Commission approves the District's tariff update a flyer with an updated effective date (Attachment E) will be mailed to each customer. In the event of a leak the customer can call the customer service number or the utility which can transfer the call to a customer service or claims representative who will explain the program terms.

A-9. b. The average is calculated by taking the billing history for the 12 months preceding the leak and averaging the number. In the event there is less than 12 months, the available months are used. A qualifying leak is set at two (2) times the average bill calculated over the previous 12 month customer bills.

WEBSTER COUNTY WATER DISTRICT

CASE NO. 2019-00048

Response to Commission's Request for Information

Question No. 10

Responding Witness: Robert Schindley, Webster County Water District

Q-10. Refer to Webster District's response to Staff's First Request, Items 18, 19, and 20. Webster District was nonresponsive to the question citing confidentiality for its reasoning. A utility may request confidential treatment of information provided in a public record such as the present case. Respond to the original request or file a petition for confidential treatment conforming to the requirements of 807 KAR 5:001.

A-10. In response to Staff's First Request, Items 18, 19, 20, the Webster County Water District completed the ServLine Utility Overview Application (Attachment B). The application and requested data were provided to ServLine (Attachment C). It is our understanding that the application was provided to the underwriting insurance company, which reviewed the information, factored in a risk and service component to establish a rate. The Webster County Water District was provided with three different options of coverage: Option 1. \$1.45 per customer/month for \$500 coverage; Option 2. \$1.70 per customer/month for \$1,000 coverage; Option 3. \$1.80 per customer/month for \$2,500 coverage (Attachment D). The Webster County

Water District Board of Commissioners decided the best leak adjustment coverage for its customers was Option 3. \$1.80 per customer/month for the \$2,500 maximum coverage once per 12 months. The Webster County Water District does not have access to the underwriting insurance calculations.

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 Webster District's response to Staff's First Request, Item 16.

Attachment F.

a. Confirm that the Line protection program is not being proposed by Webster District in this application.

b. Explain why information being provided to Webster District's customers includes information about a Line protection program.

A-11. a. The line protection program is not being proposed by the Webster County Water District in this application. The only portion that is included in this application is for the leak protection.

A-11. b. The Line protection information provided on the fliers (to the customers) is to inform them, that if they would like this coverage they can call and add the line protection. This is separate from the leak program and is an opt in for any customers that would like this protection. We believe that offering as much protection as possible is the best way to improve the customer's infrastructure and reduce leaks in the community.

Attachment A

POLICYHOLDER NOTICE

U. S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's website – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations; if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

POLICYHOLDER NOTICE

CLAIM NOTICE

In the event of claim to which this policy may apply, please give immediate notice in either of the following ways, to:

Endurance U.S. Insurance - Claims
750 Third Avenue, 18th Floor,
New York, NY 10017
E-Mail addressed to: Insuranceclaims@sompo-intl.com
Toll Free Reporting: 866-227-1784
Fax: 877-710-1784

E-mail is the preferred method of receiving claim notice information, but any of the above methods of notification will generate an acknowledgement of receipt of claim with a claim number and all of the claim adjusters' contact information.

INLAND MARINE DECLARATIONS

In consideration for the payment of premium and subject to all of the provisions of this policy, we agree to provide you the insurance as stated in this policy.

POLICY NUMBER:**PRIOR POLICY NUMBER:** New**Insurer:** Endurance Risk Solutions Assurance Co.**Producer:** Sunbelt Insurance Group
Address: 114 Lee Parkway Drive
Chattanooga, TN 37421**Producer Code:****Sub-Producer Code:****Producer Contact:****Producer Phone Number:** 423-855-1234**Producer E-Mail:****Named Insured:****Address:****Policy Period:** From: To:
(12:01 AM Standard Time on both dates, at the address of the
Named Insured noted above.)**Business Description:** Utility**Additional Insureds:** N/A**Mortgagees:** N/A**Loss Payable Name and Address:** N/A



Endurance Risk Solutions Assurance Co.
750 3rd Avenue
New York, NY 10017

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its President and Senior Vice President and countersigned where required by law on the Declarations page by its duly authorized representative.

Richard M. Appel

Senior Vice President

Christopher Spans

President

COMMON POLICY CONDITIONS

1. **Assignment** -- This policy may not be assigned without "our" written consent.
2. **Cancellation** -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel this policy, or one or more of its parts, by written notice sent to "you" at "your" last mailing address known to "us". If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

If "we" cancel this policy for nonpayment of premium, "we" will give "you" notice at least ten days before the cancellation is effective. If "we" cancel this policy for any other reason, "we" will give "you" notice at least 30 days in advance of cancellation. The notice will state the time that the cancellation is to take effect.

"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.
3. **Change, Modification, or Waiver of Policy Terms** -- A waiver or change of the "terms" of this policy must be issued by "us" in writing to be valid.
4. **Inspections** -- "We" have the right, but are not obligated, to inspect "your" property and operations at any time. This inspection may be made by "us" or may be made on "our" behalf. An inspection or its resulting advice or report does not warrant that "your" property or operations are safe, healthful, or in compliance with laws, rules, or regulations. Inspections or reports are for "our" benefit only.
5. **Examination of Books and Records** -- "We" may examine and audit "your" books and records that relate to this policy during the policy period and within three years after the policy has expired.

CL 0100 03 99

Copyright, American Association of Insurance Services,
1998

SCHEDULE OF COVERAGES SCHEDULED PROPERTY FLOATER

(The entries required to complete this schedule
will be shown below or on the "schedule of coverages".)

COVERED PROPERTY

Item No.	DESCRIBED PROPERTY	"Limit"
<u>1</u>	<u>Water Service Line Coverage</u>	<u>\$10,000</u>
<u>2</u>	<u>Leakage Coverage, excluding sewer usage costs</u>	<u>\$LIMIT per occurrence and annual aggregate limit</u>
<u>3</u>	<u>Leakage Coverage, sewer usage Costs only</u>	<u>\$LIMIT per occurrence and annual aggregate limit</u>
<u>4</u>	<u>Sewer Service Line Coverage</u>	<u>\$10,000</u>

COVERAGE EXTENSIONS

Additional Debris Removal Expenses INCLUDED

SUPPLEMENTAL COVERAGES

Newly Acquired Property N/A

Pollutant Cleanup And Removal \$500

DEDUCTIBLE AND COINSURANCE

DEDUCTIBLE

Deductible Amount \$0_____

COINSURANCE

Not Applicable

80% 90% 100% Other_____%

ADDITIONAL INFORMATION

SCHEDULED PROPERTY FLOATER

In this coverage form, the words "you" and "your" mean the persons or organizations named as the insured on the declarations and the words "we", "us", and "our" mean the company providing this coverage.

Refer to the Definitions section at the end of this coverage form for additional words and phrases that have special meaning. These words and phrases are shown in quotation marks.

AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Scheduled Property Floater. This coverage is also subject to the "schedule of coverages" and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Endorsements and schedules may also apply. They are identified on the "schedule of coverages".

PROPERTY COVERED

"We" cover the following property unless the property is excluded or subject to limitations.

1. **Coverage** -- "We" cover direct physical loss caused by a covered peril to:
 - a. "your" property; and
 - b. property of others in "your" care, custody, and control.

2. **Coverage Limitation** -- "We" only cover "your" property and property of others that are described on the "schedule of coverages".

PROPERTY NOT COVERED

1. **Aircraft Or Watercraft** -- "We" do not cover aircraft or watercraft.
2. **Buildings And Land** -- "We" do not cover buildings or land including land on which covered property is located.
3. **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.
4. **Money And Securities** -- "We" do not cover accounts, bills, currency, food stamps, or other evidences of debt, lottery tickets not held for sale, money, notes, or securities.
5. **Vehicles** -- "We" do not cover automobiles or any self-propelled vehicles that are designed for highway use.
6. **Waterborne Property** -- "We" do not cover property while waterborne except while in transit in the custody of a carrier for hire.

COVERAGE EXTENSIONS

Provisions That Apply To Coverage Extensions -- The following Coverage Extensions indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Coverage Extension within this coverage form, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, the coverages provided below are part of and not in addition to the applicable "limit" for coverage described under Property Covered.

The "limit" provided under a Coverage Extension cannot be combined or added to the "limit" for any other Coverage Extension or Supplemental Coverage, including a Coverage Extension, Supplemental Coverage, or other coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following Coverage Extensions are not subject to and not considered in applying coinsurance conditions.

Debris Removal --

1. **Coverage** -- "We" pay the cost of debris removal. Debris removal means the costs for the demolition, clearing, and removal of debris of covered property if such debris results from a covered peril.
2. **We Do Not Cover** -- This coverage does not include costs to:
 - a. extract "pollutants" from land or water; or
 - b. remove, restore, or replace polluted land or water.
3. **Limit** -- "We" do not pay any more under this coverage than 25% of the amount "we" pay for the direct physical loss or damage exclusive of the costs for debris removal. "We" will not pay more for loss to property and debris removal combined than the "limit" for the damaged property.

4. **Additional Limit** -- "We" pay up to an additional \$5,000 for debris removal expense when the debris removal expense exceeds 25% of the amount "we" pay for direct physical loss or when the loss to property and debris removal combined exceeds the "limit" for the damaged property.
5. **You Must Report Your Expenses** -- "We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.

SUPPLEMENTAL COVERAGES

Provisions That Apply To Supplemental Coverages -- The following Supplemental Coverages indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Supplemental Coverage within this coverage form, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, a "limit" for a Supplemental Coverage provided below is separate from, and not part of, the applicable "limit" for coverage described under Property Covered.

The "limit" available for coverage described under a Supplemental Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for a Supplemental Coverage and the "limit" for coverage described under Property Covered.

- a. **Civil Authority** -- Order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

"We" do cover loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

- b. **Earth Movement** -- Any "earth movement".

However, if eruption, explosion, or effusion of a volcano results in "volcanic action", "we" will pay for the loss or damage caused by that "volcanic action".

If "earth movement" results in fire, "we" will pay for the loss or damage caused by that fire. If "earth movement" (other than eruption, explosion, or effusion of a volcano) results in explosion, "we" will pay for the loss or damage caused by that explosion.

This exclusion does not apply to covered property while in transit.

- c. **Flood** -- "Flood".

"We" also do not cover waterborne material carried or otherwise moved by "flood", whether or not driven by wind, including storm surge, or material carried or otherwise moved by mudslide or mudflow.

However, if "flood" results in fire, explosion, or sprinkler leakage, "we" will pay for the loss or damage caused by that fire, explosion, or sprinkler leakage.

This exclusion does not apply to covered property while in transit.

- d. **Nuclear Hazard** -- Nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. Direct loss by fire resulting from the nuclear hazard is covered.

- e. **Sewer, Septic Tank, Sump, Or Drain Backup And Water Below The Surface** --

- 1) Water or waterborne material that backs up, overflows or is otherwise discharged through a sewer or drain, sump or septic tank, eaves trough or downspout; or
- 2) water or waterborne material below the surface of the ground, whether naturally or artificially occurring, including but not limited to water or waterborne material that exerts pressure on or flows, seeps, or leaks through or into a building or structure, sidewalk, driveway, foundation, swimming pool, or other structure.

But if sewer, drain, sump, septic tank, eaves trough, or downspout backup and water or waterborne material below the surface results in fire, explosion, or sprinkler leakage, "we" cover the loss or damage caused by that fire, explosion, or sprinkler leakage.

This exclusion does not apply to covered property while in transit.

- f. **War And Military Action** --

- 1) War, including undeclared war or civil war; or
- 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or

- h. **Pollutants** -- "We" do not pay for loss or damage caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants":

- 1) unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "specified peril"; or
- 2) except as specifically provided under the Supplemental Coverages - Pollutant Cleanup and Removal.

"We" do cover any resulting loss caused by a "specified peril".

- i. **Temperature/Humidity** -- "We" do not pay for loss or damage caused by or resulting from dryness, dampness, humidity, or changes in or extremes of temperature.

But if dryness, dampness, humidity, or changes in or extremes of temperature result in a "specified peril", "we" do cover the loss of damage caused by that "specified peril".

- j. **Theft From An Unattended Vehicle** -- "We" do not pay for theft from an unattended vehicle except when it is securely locked, its windows are fully closed, and there is visible evidence that entry into the vehicle was forced.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- k. **Voluntary Parting** -- "We" do not pay for loss or damage caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.

- l. **Wear And Tear** -- "We" do not pay for loss or damage caused by or resulting from wear and tear, marring, or scratching.

WHAT MUST BE DONE IN CASE OF LOSS

1. **Notice** -- In case of a loss, "you" must:
 - a. give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice); and
 - b. give notice to the police when the act that causes the loss is a crime.
2. **You Must Protect Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss.
 - a. **Payment Of Reasonable Costs** -- "We" do pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. "Our" payment of reasonable costs does not increase the "limit".
 - b. **We Do Not Pay** -- "We" do not pay for such repairs or emergency measures performed on property that has not been damaged by a peril insured against.
3. **Proof Of Loss** -- "You" must send "us", within 60 days after "our" request, a signed, sworn proof of loss. This must include the following information:
 - a. the time, place, and circumstances of the loss;
 - b. other policies of insurance that may cover the loss;

- b. **Notice Of Our Intent To Rebuild, Repair, Or Replace** -- "We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.

2. **Your Losses** --

- a. **Adjustment And Payment Of Loss** -- "We" adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy.
- b. **Conditions For Payment Of Loss** -- An insured loss will be payable 30 days after:
- 1) a satisfactory proof of loss is received; and
 - 2) the amount of the loss has been established either by written agreement with "you" or the filing of an appraisal award with "us".

3. **Property Of Others** --

- a. **Adjustment And Payment Of Loss To Property Of Others** -- Losses to property of others may be adjusted with and paid to:
- 1) "you" on behalf of the owner; or
 - 2) the owner.
- b. **We Do Not Have To Pay You If We Pay The Owner** -- If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits brought by the owners at "our" expense.

OTHER CONDITIONS

1. **Appraisal** -- If "you" and "we" do not agree on the amount of the loss or the value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three, sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

2. **Benefit To Others** -- Insurance under this coverage will not directly or indirectly benefit anyone having custody of "your" property.

ENDORSEMENT

Named Insured:

Policy Number:

Endorsement
Effective Date:

Endorsement
Number: N/A

(12:01 AM Standard Time at the address of the
Named Insured as shown in the Declarations)

UTILITY LINE COVERAGE REPORTING SCHEDULE AND CONDITIONS

Reporting Schedule:

Reporting Period -- (check one)

- Monthly
 Quarterly
 Annual

Additional Premium Due After Expiration -- When the premium for the coverage provided by this policy is based upon reports of value, any additional premium owed to "us" is due on the due date that appears on the billing notice.

Adjustment Period -- (check one)

- Monthly
 Quarterly
 Annual

Reports: Customer and Coverage Information

Rates and Premium --

Monthly Rate (per Customer)	<u>\$Rate Water Service Line Coverage, Residential</u>
	<u>\$Rate Leakage Coverage, Residential excluding sewer usage</u>
	<u>\$Rate Leakage Coverage, Residential sewer usage only</u>
	<u>\$Rate Sewer Service Line Coverage, Residential</u>
	<u>\$Rate Leakage Coverage, Commercial Single excluding sewer usage</u>
	<u>\$Rate Leakage Coverage, Commercial Multi excluding sewer usage</u>
	<u>\$Rate Water Service Line Coverage, Commercial Single</u>
	<u>\$Rate Water Service Line Coverage, Commercial Multi</u>
	<u>\$Rate Leakage Coverage, Commercial Single sewer usage only</u>
	<u>\$Rate Leakage Coverage, Commercial Multi sewer usage only</u>
	<u>\$Rate Leakage Coverage, Master metered habitational, excluding sewer usage</u>
	<u>\$Rate Leakage Coverage, Master metered habitational, sewer usage only</u>
	<u>\$Rate Sewer Service Line Coverage, Commercial Single</u>
	<u>\$Rate Sewer Service Line Coverage, Commercial Multi</u>

ENDORSEMENT

Deposit Premium \$ _____

Minimum Premium N/A _____

Reporting Conditions -- The following reporting conditions are added to this policy.

1. Reports --

a. **You Will Report To Us** -- Within 30 days after the end of each reporting period, "you" will report to "us", as indicated on the **Reporting Schedule**, the following:

- 1) Customer name
- 2) Customer address
- 3) The type of protection selected by the customer in accordance with the provisions of **Property Covered** -- a., b., or c.

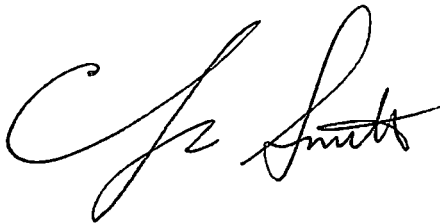
b. **Cancellation** -- If "your" coverage is canceled, "you" will report the information up to and including the date of cancellation and pay any additional premium due.

2. Premium Computation And Adjustment -- The premium will be adjusted as of each adjustment period indicated on the **Reporting Schedule**. The computed premium will be determined by multiplying the number of enrolled customers shown on the report by the rate indicated on the Reporting Schedule.

"We" will apply the computed premium to the deposit premium until it is exhausted. "You" will pay us" all premiums that exceed the deposit premium. At the end of the policy period, if the computed premium is less than the deposit premium, "we" will pay "you" the difference subject to the minimum premium indicated on the Reporting Schedule.

3. Provisions That Affect How Much We Pay -- The following provisions apply to reports that are submitted and may affect **How Much We Pay**:

If you fail to report any customer, no coverage will apply to any property applicable to that unreported customer.



Authorized Representative

This endorsement does not change any other provision of the policy. The title and any headings in this endorsement are solely for convenience and do not affect its meaning.

ENDORSEMENT

Named Insured:

Policy Number:

**Endorsement
Effective Date:**

**Endorsement
Number: N/A**

(12:01 AM Standard Time at the address of the
Named Insured as shown in the Declarations)

UTILITY LINE COVERAGE

This endorsement modifies insurance provided under the following:

SCHEDULED PROPERTY FLOATER IM 7500

It is agreed that:

In this coverage form, the words "you" and "your" mean the persons or organizations named as the insured on the declarations or shown on the applicable monthly report(s) provided in accordance with the Reporting Conditions and the words "we", "us" and "our" mean the company providing this coverage.

Refer to the Definitions section at the end of this coverage form for additional words and phrases that have special meaning. These words and phrases are shown in quotation marks.

PROPERTY COVERED is amended to read as follows:

PROPERTY COVERED

"We" cover the following property unless the property is excluded or subject to limitations.

1. **Coverage**—"We" cover direct physical loss caused by a covered peril to:
 - a. **Water Service Line Coverage**—"We" will pay for repair or replacement of damaged exterior underground water service line. The covered service line begins at the exterior source owned by the utility company/district and ends at the customer's foundation.
 - b. **Leakage Coverage**—"We" will pay costs resulting from water loss from a damaged exterior underground water service line. The most "we" will pay for any loss under this coverage is the least of:
 - i. The excess billed water charge stated in the customer's water bill statement; or
 - ii. The excess water charge as determined by the utility company's leak adjustment policy; or
 - iii. \$LIMIT.

We do not cover any loss resulting from leaking plumbing or fixtures not repaired by the customer.

ENDORSEMENT

- c. **Sewer Service Line Coverage**—"We" will pay for repair or replacement of damaged exterior underground sewer service line. The covered service line begins at the exterior wall of the customer's structure to the point where it connects to the utility company/district's sewer main.
2. **Coverage Limitation**—"We" only cover "your" property and property of others that are described on the "schedule of coverages" if the customer is shown on the applicable monthly report(s) provided in accordance with the Reporting Conditions.

PROPERTY NOT COVERED is amended to add the following:

7. **Sprinklers And Irrigation Systems.** "We" do not cover sprinklers and irrigation systems, back-flow preventers, pressure reducing valves that are not a part of the line replacement, main shut-off valves, water meters.
8. **Third Party Water Or Sewer Service Lines.** "We" do not cover third party water or sewer service lines.
9. **Service Lines Not Connected To A Public Or Municipal Water Utility System.** "We" do not cover service lines not connected to a public or municipal water utility system.
10. **Septic Tanks.** "We" do not cover septic tanks including components and attachments, lift stations and pumps.
11. **Water Or Sewer Service Lines.** "We" do not cover water or sewer service lines at a location that is abandoned. Abandoned means property at a location left behind intentionally and permanently with no intention to occupy.

COVERAGE EXTENSIONS is amended as follows:

Debris Removal 4. Additional Limit and **5. You Must Report Your Expenses** are deleted.

The following **COVERAGE EXTENSIONS** are added:

Re-seeding and Landscaping Expense

"We" will pay to re-seed a lawn or re-landscape the yard at a covered location following necessary excavation to uncover a covered water or sewer line due to a covered cause of loss. The most "we" will pay is the least of:

- a. The reasonable and necessary amount "you" spend to restore the covered location lawn or yard to its condition immediately before loss; or
- b. \$500.

ENDORSEMENT

Restoration of Paved Surfaces on Private Property

If it is necessary to remove paved surfaces or a portion thereof to repair or replace a covered water or sewer line as a result of a covered loss, "we" will pay to restore those paved surfaces at the covered location. The most "we" will pay is the least of:

- a. The reasonable and necessary amount "you" spend to restore the paved surfaces with material of like kind and quality; or
- b. \$500.

Paved surfaces means sidewalks, driveways or roads that are composed of any paved or asphalt surface or another type of commonly used materials including crushed stone or brick. This coverage does not apply to any foundation or slab of any building or structure, or any deck or patio of any building or structure that must be broken or removed in order to gain access to covered property.

SUPPLEMENTAL COVERAGES 2. Pollutant Cleanup And Removal is deleted and replaced by the following:

Pollutant Cleanup And Removal --

- a. **Coverage** -- "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" outside of the customer's premises is caused by a covered peril that occurs during the policy period.
- b. **Time Limitation** -- The expenses to extract "pollutants" are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs.
- c. **We Do Not Cover** -- "We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants". However, "we" pay the cost of testing that is necessary for the extraction of "pollutants" from land or water.
- d. **Limit** -- The most "we" pay for each location is \$500 for the sum of all such expenses arising out of a covered peril occurring during each separate 12-month period of this policy.

PERILS EXCLUDED is amended as follows:

PERILS EXCLUDED, 1. e. Sewer, Septic Tank, Sump, Or Drain Backup And Water Below The Surface is deleted and replaced with the following:

- e. **Sewer, Septic Tank, Sump, Or Drain Backup And Water Below The Surface --**
 - 1) Water or waterborne material that backs up, overflows or is otherwise discharged through a sewer or drain, sump or septic tank, eaves trough or downspout; or
 - 2) water or waterborne material below the surface of the ground, whether naturally or artificially occurring, including but not limited to water or waterborne material that exerts

ENDORSEMENT

pressure on or flows, seeps, or leaks through or into a building or structure, sidewalk, driveway, foundation, swimming pool, or other structure.

This exclusion does not apply to covered property if Sewer Service Line Coverage is selected on the "schedule of coverages" and the customer is shown on the applicable monthly report(s) provided in accordance with the Reporting Conditions.

PERILS EXCLUDED, 2. a Contamination Or Deterioration is deleted.

PERILS EXCLUDED, 2. I. Wear And Tear is deleted and replaced with the following:

I. Marring or Scratching – "We" do not pay for loss or damage caused by or resulting from marring or scratching.

PERILS EXCLUDED, 2. is amended to add the following:

m. Work to Line – "We" do not cover loss or damage to any water line, or any component of any water line, that is caused by or results from any work completed by the customer or any contractor hired by any customer.

This provision does not apply to any loss caused by any independent contractor approved by "us"; or when the customer, his contractor, or "you", has called the federally mandated national call-before-you-dig number, Digsafe 811, or the state specific call-before-you-dig number prior to any loss or damage and the water line location has been marked and a ticket has been documented.

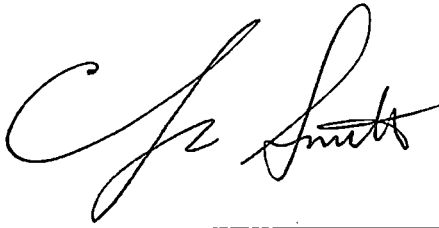
n. Costs – Costs to remove plugs or clogs from covered property.

DEFINITIONS, 1. "Earth Movement" is deleted and replaced with the following:

1. "Earth Movement" means:

- a. earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b. landslide, mudslide or mudflow;
- c. mine subsidence whether or not the non-natural mine is currently in use;
- d. any other movement of earth, including sinking (other than "sinkhole collapse"), shifting, or rising of earth but does not include erosion, expansion, shrinking, freezing, thawing, improper soil compaction, and movement of water under the surface of the ground that cause cracking, settling, or shifting of foundations, buildings, or structures; or
- d. eruption, explosion, or effusion of a volcano.

ENDORSEMENT



Authorized Representative

This endorsement does not change any other provision of the policy. The title and any headings in this endorsement are solely for convenience and do not affect its meaning.

REPLACEMENT COST ENDORSEMENT

VALUATION

The Actual Cash Value provision under Valuation is replaced by the following:

Replacement Cost -- The value of covered property will be based on the replacement cost without any deduction for depreciation.

1. **Replacement Cost Limitation** -- The replacement cost is limited to the cost of repair or replacement with similar materials and used for the same purpose. The payment will not exceed the amount "you" spend to repair or replace the damaged or destroyed property.
2. **Replacement Cost Does Not Apply Until Repair Or Replacement** -- Replacement cost valuation does not apply until the damaged or destroyed property is repaired or replaced.
3. **Time Limitation** -- "You" may make a claim for actual cash value before repair or replacement takes place, and later for the replacement cost if "you" notify "us" of "your" intent within 180 days after the loss.

VIRUS OR BACTERIA EXCLUSION

DEFINITIONS

Definitions Amended --

When "fungus" is a defined "term", the definition of "fungus" is amended to delete reference to a bacterium.

When "fungus or related perils" is a defined "term", the definition of "fungus or related perils" is amended to delete reference to a bacterium.

PERILS EXCLUDED

The additional exclusion set forth below applies to all coverages, coverage extensions, supplemental coverages, optional coverages, and endorsements that are provided by the policy to which this endorsement is attached, including, but not limited to, those that provide coverage for property, earnings, extra expense, or interruption by civil authority.

1. The following exclusion is added under Perils Excluded, item 1.:

Virus or Bacteria --

"We" do not pay for loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

This exclusion applies to, but is not limited to, any loss, cost, or expense as a result of:

- a. any contamination by any virus, bacterium, or other microorganism; or
- b. any denial of access to property because of any virus, bacterium, or other microorganism.

2. **Superseded Exclusions** -- The Virus or Bacteria exclusion set forth by this endorsement supersedes the "terms" of any other exclusions referring to "pollutants" or to contamination with respect to any loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.
-

OTHER CONDITIONS

Other Terms Remain in Effect --

The "terms" of this endorsement, whether or not applicable to any loss, cost, or expense, cannot be construed to provide coverage for a loss, cost, or expense that would otherwise be excluded under the policy to which this endorsement is attached.

CL 0700 10 06

CERTIFIED ACT OF TERRORISM EXCLUSION

1. The following definition is added.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States:

- a. to be an act of terrorism;
- b. to be a violent act or an act that is dangerous to human life, property, or infrastructure;
- c. to have resulted in damage:
 - 1) within the United States; or
 - 2) to an air carrier (as defined in section 40102 of title 49, United States Code); to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or at the premises of any United States mission;
- d. 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; and
- e. to have resulted in insured losses in excess of five million dollars in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended.

2. The following exclusion is added.

CERTIFIED ACT OF TERRORISM EXCLUSION

"We" will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

3. The following provisions are added.

- a. Neither the "terms" of this endorsement nor the "terms" of any other terrorism endorsement attached to this Coverage Part provide coverage for any loss that would otherwise be excluded by this Coverage Part under:
 - 1) exclusions that address war, military action, or nuclear hazard; or
 - 2) any other exclusion; and
- b. the absence of any other terrorism endorsement does not imply coverage for any loss that would otherwise be excluded by this Coverage Part under:
 - 1) exclusions that address war, military action, or nuclear hazard; or
 - 2) any other exclusion.

CL 0610 01 15

Attachment B



ServLine

ServLine Utility Overview

Basic Information

Required

1. Email Address: *

Utility Name: *

Address Street: *

Address City: * 5. Address State: * 6. Address Zip: *

Office Personnel Information

General Manager Name: * 8. General Manager Phone: *

9. General Manager Email: *

10. Office Manager Name: 11. Office Manager Phone:

12. Office Manager Email:

14. Accounting Dept. Contact: 15. Accounting Dept. Phone:

16. Accounting Dept. Email: 18. FEIN:
(Federal Employer Identification Number)

17. Website

Operations Information

19. Residential Water Accounts: *
Single Line/ Single Meter

20. Commercial Water Accounts: *
Single Line/ Single Meter (2" Line or Less)

21. Total Water Accounts: *

22. Residential Sewer Accounts: *
Single Line/ Single Meter

23. Commercial Sewer Accounts: *
Single Line/ Single Meter

24. Total Sewer Accounts: *

25. Sewer Management: Billed & Managed Billed Only Managed Only N/A Other: _____
Please Check One

Utility Customer Line Information



26. Water Supply Line:

Best estimate of average length of customer water supply line

27. Water Supply Line Responsibility:

Where does the customer's responsibility for the repair/replacement of the water supply line begin?

Check all that apply

Property Line

Meter Box

Other: _____

28. Meter Type (Brand):

29. Meter Reading:

Check all that apply

How are your Meter's read?

Direct

AMR

AMI

Other: _____

30. Meter Location:

Check all that apply

If other than property line please describe

Property Line

Other: _____

31. Age of Water Lines:

Please Check One

Best estimate of average age of customer water supply line

1 - 10 yrs.

10 - 20 yrs.

20 - 30 yrs.

30 - 40 yrs.

40+ yrs.

32. Are agricultural meters required for irrigation systems/swimming pools?

Please Check One

Yes

No

N/A

Utility Customer Lateral Information

33. Sewer Lateral Length:

Best estimate of average length of customer sewer lateral

34. Age of Sewer Lateral:

Please Check One

Best estimate of average age of customer sewer lateral

1 - 10 yrs.

10 - 20 yrs.

20 - 30 yrs.

30 - 40 yrs.

40+ yrs.

N/A

35. Sewer Lateral Responsibility:

Check all that apply

Where does the customer's responsibility for the repair/replacement of the sewer lateral begin?

Property Line

N/A

Other: _____

Leak Adjustment Data

Leak Adjustment Information:

- Please provide 3 years of leak adjustment data. If you do not have 3 years of leak adjustment data or the data is difficult to obtain, please call or email us and we will find the best alternate solution:
- Most billing software can export leak adjustment detail into a .csv or .xls format. That is the best option versus fax or paper.
- Please provide the detail of leak adjustments. If only summary totals are available, we can only determine qualification for a standard rate at best. We will work with whatever data you can provide. If leak data is in hardcopy form only, please mail or fax and we will input into spreadsheet form.
- If there is no leak adjustment data available, please describe circumstances.

36. Copy of Leak Adjustment Policy:

If Leak Adjustment Policy is not written please describe specifically who/why/how leaks are adjusted

Signature: _____

Date: _____

Attachment C

WEBSTER COUNTY WATER DISTRICT

September 12, 2018

2018 – 2015 ADJUSTMENTS

2018	\$ 5,901
2017	\$ 6,878
2016	\$ 10,690
2015	\$ 9,564

Tammy Harkins

From: Google Forms <forms-receipts-noreply@google.com>
Sent: Monday, October 15, 2018 11:05 AM
To: wcwater@bellsouth.net
Subject: ServLine Utility Overview

Google Forms

Thanks for filling out ServLine Utility Overview

Here's what we got from you:

[EDIT RESPONSE](#)

ServLine Utility Overview

There are 4 sections to be completed and submitted. Estimated Completion Time - 8 Minutes

Email address *

wcwater@bellsouth.net

Basic Information

Utility Name *

Webster County Water District

Address: Street *

478 US Hwy 41A S ; P.O. Box 320

Address: City *

Dixon

Address: State *

Kentucky

Address: Zip *

42409

Office Personal Information

General Manager

Name *

Paul D. Lashbrooke

Phone *

270-639-9010

Email *

wcwater@bellsouth.net

Office Manager

Name

- Same as Above
- N/A
- Other: Myra Belle

Phone

- Same as Above
- N/A
- Other:

Email

- Same as Above
- N/A
- Other:

Fax

270-639-6074

Accounting Department Contact

Name

- Same As General Manager
- Same As Office Manager
- Other:

Phone

- Same As General Manager
- Same As Office Manager
- Other:

Email

Same As General Manager

Same As Office Manager

Other:

Website

FEIN

(Federal Employer Identification Number)

██████████

Operations Information

Water Accounts

Residential Water Accounts *

Single Line/Single Meter

1949

Commercial Water Accounts *

Single Line/Single Meter (2" Line or Less)

36

Total Water Accounts *

2082

Sewer Accounts

Residential Sewer Accounts *

Single Line/Single Meter

N/A

Other:

Commercial Sewer Accounts *

Single Line/Single Meter

N/A

Other:

Total Sewer Accounts *

N/A

Other:

Sewer Management

Billed & Managed

Billed Only

Managed Only

N/A

Other:

Utility Customer Line/Lateral Information:

Water Supply Line

Best estimate of average length of customer water supply line

50'

Water Supply Line Responsibility

Where does the customer's responsibility for the repair/replacement of the water supply line begin? If other than meter box, please describe

- Meter Box
- Property Line
- Other:

Meter Type (Brand)

Master Meter (Radio Read)

Meter Reading

How are your Meter's Read

- Direct
- AMR
- AMI
- Other:

Meter Location

If other than property line, please describe

- Property Line
- Other:

Age of Water Lines

Best estimate of average age of customer water supply line

[20 - 30 yrs ✓]

Are agricultural meters required for irrigation systems/swimming pools?

- YES
- NO

- N/A
- Other:

Sewer Lateral Length

Best estimate of average length of customer sewer lateral:

- N/A
- Other:

Age of Sewer Lateral

Best estimate of average age of customer sewer lateral

- 1 - 10 yrs

Sewer Lateral Responsibility

Where does the customer's responsibility for the repair/replacement of the sewer lateral begin?? If other than property line, please describe

- Property
- N/A
- Other:

Leak Adjustment Data

Leak Adjustment Information: Please provide 3 years of leak adjustment data. If you do not have 3 years of leak adjustment data or the data is difficult to obtain, please call or email us and we will find the best alternate solution: Most billing software can export leak adjustment detail into a .csv or .xls format. That is the best option versus fax or paper. Please provide the detail of leak adjustments. If only summary totals are available, we can only determine qualification for a standard rate at best. We will work with whatever data you can provide. If leak data is in hardcopy form only, please mail or fax and we will input into spreadsheet form. If there is no leak adjustment data available, please describe circumstances.

Leak Adjustment Data *

Please attach or send in a separate email. Attach your Leak Adjustment Data in either a .csv or .xml or any excel file. If you do not have an excel file please attach what you do have.

- Attached Separately
- Copied Below
- Do Not Have

Other:

Copy of Leak Adjustment Data:

You are welcome to attach this separately in an email if you have a word or excel document.

Leak Adjustment Policy *

Please attach or send in a separate email. Attach your Leak Adjustment Policy in either a word or excel file. If you do not have in either file please attach what you do have.

Attached Separately

Copied Below

Do Not Have

Other:

Copy of Leak Adjustment Policy:

If Leak Adjustment Policy is not written, please describe specifically who/why/how leaks are adjusted: You are welcome to attach this separately in an email if you have a word or excel document.

Signature *

I certify that the information I have given on the application is complete and correct. I approve my responses, and provide an electronic signature by (type your name).

Paul D. Lashbrooke

[Create your own Google Form](#)

Tammy Harkins

From: Google Forms <forms-receipts-noreply@google.com>
Sent: Tuesday, November 20, 2018 4:13 PM
To: wcwater@bellsouth.net
Subject: ServLine Utility Program Offerings

Google Forms

Thanks for filling out ServLine Utility Program Offerings

Here's what we got from you:

[EDIT RESPONSE](#)

ServLine Utility Program Offerings

There are 8 sections to be completed and submitted. Estimated Completion Time - 15 Minutes. Please fill out information to the best of your knowledge. Also feel free to call if you have any questions.

Email address *

wcwater@bellsouth.net

Items Needed to Complete

Please Gather these documents and Information before starting and you will have everything you need to complete this form. 1. Your ServLine Proposal 2. Utility Contact for Claims and Customer Service. 3. Billing Vendor Company Contact Information 4. Billing Software Company Contact Information

Basic Information

Utility Company Name *

Webster County Water District

Claims: Utility Contact for Claims Questions

Name *

Tammy Harkins or Myra Belle

Phone *

2706399010

Email *

wcwater@bellsouth.net

Customer Service: Utility Contact for Questions

Name *

Same as above

Other:

Phone *

Same as Above

Other:

Email *

Same as Above

Other:

Program Coverage Selection

In this section you are making selections to custom tailor the program to fit your utility needs. Option 1: You do not have any sewer accounts and will only offer Water Protection Services. Option 2: You already offer water protection or only have sewer accounts. Option 3: You have water and sewer accounts and want to offer separate protection limits for both. Option 4: You have water and sewer accounts and want to offer one combined protection limit. If you are not sure choose Option 3

Primary Coverage Options *

Select the Primary Coverage your Utility would like to offer to your customers.

- Option 1: Water Leak Protection Only
- Option 2: Sewer Leak Protection Only
- Option 3: Water & Sewer Leak Protection Separate Rates
- Option 4: Water & Sewer Leak Protection Combined Rates

Customer Selection - Water Leak Only

This section further customizes your protection offerings by choosing which customers you want to make coverage available to. 1. Residential Only - You Only have Residential Customers or are choosing to add Commercial at a separate time. 2. Commercial Only - You Already Offer Protection to Residential Customers and want to add Commercial Customers. 3. Residential & Commercial - You Have both Residential & Commercial Customers you want to Cover.

Customer Coverage Water Leak Protection *

Select which Customers you would like the primary coverage to be available to.

- Residential Only
- Commercial Only
- Residential & Commercial

Program Protections - Residential & Commercial - Water Only

Primary Coverage Protection Benefit

Residential Leak Protection Benefit *

Choose one of the options below for the Primary Coverage Limit of Insurance for your residential customers.

[Option 3: \$2,500.00 V]

Commercial Leak Protection Benefit *

Choose one of the options below for the Primary Coverage Limit of Insurance for your commercial customers.

[Option 3: \$2,500.00 V]

Primary Coverage Enrollment Selections

Water Leak Enrollment Selections *

Choose how your customers will be enrolled in the ServLine Program.

[Automatic Enrollment w/ Customer Freedom to Decline V]

Primary Coverage Pricing Selections

Your ServLine Proposal provides 3 options for pricing in the Primary Coverage Section. These options are based on the Leak Protection Benefit you choose to offer. As a Utility you are also able to ADD to the Proposal Rate if you wish. To stick with the Proposal Rate select "Same as your Proposal Rate," or if you choose to add a Utility Admin Rate to your Proposal Rate select the, "Other," option and write the Total Rate your customer will be charged for Leak Protection. Ex.

Protection Limit	Proposal Rate	Utility Rate	Total Rate
\$500	\$2.00	\$0.25	\$2.25
\$1,000	\$2.50	\$0.50	\$3.00
\$2,500	\$3.00	\$1.00	\$4.00

Residential Utility Pricing & Cost of Leak Protection:

Residential Water Leak Rate *

(X) Same as your Proposal Rate

() Other:

Commercial Utility Pricing & Cost of Leak Protection:

Commercial Water Leak Rate - Single Occupancy *

Same as your Proposal Rate

Other:

Commercial Water Leak Rate - Multiple Occupancy *

Same as your Proposal Rate

Other:

ENHANCED CUSTOMER COVERAGE SELECTIONS

Enhanced Customer Coverage Enrollment Selections

Residential Water Line Enrollment Selections *

Choose how your customers will be enrolled in the ServLine Program.

[Automatic Enrollment w/ Customer Freedom to Decline

Commercial Water Line Enrollment Selections *

Choose how your customers will be enrolled in the ServLine Program.

[Automatic Enrollment w/ Customer Freedom to Decline

Enhanced Customer Coverage Pricing Selections

Your ServLine Proposal provides 3 options for pricing in the Enhanced Customer Coverage Section. These options are based on the Line Protection Benefit you choose to offer. As a Utility you are also able to ADD to the Proposal Rate if you wish. To stick with the Proposal Rate select "Same as your Proposal Rate," or if you choose to add a Utility Admin Rate to

your Proposal Rate select the, "Other," option and write the Total Rate your customer will be charged for Line Protection. Ex. Protection Limit Proposal Rate Utility Rate Total Rate \$500 \$5.00 \$0.25 \$5.25 \$1,000 \$5.50 \$0.50 \$6.00 \$2,500 \$6.00 \$1.00 \$7.00

Residential Utility Pricing & Cost of Line Protection:

Residential Water Line Rate *

- Same as your Proposal Rate
- Other:

Residential Additional Terms and Options for Water Line Protection - Thawing Lines *

- Option 1: \$.25
- Option 2: \$.50
- N/A
- DECLINE
- Other:

Commercial Utility Pricing & Cost of Line Protection:

Commercial Water Line Rate - Single Occupancy *

- Same as your Proposal Rate
- Other:

Commercial Water Line Rate - Multiple Occupancy *

- Same as your Proposal Rate
- Other:

Requested Effective Date *

The desired date you want to begin the program - Effective Date must be on the 1st of the month.

[March] [1] [2019]

Staff Training & Requests

Requested Staff Training Date

Please select a preferred date that is between 10 to 15 days from today. Prior to launch we need to set up an opportunity to walk with you and your staff through our training materials for handling leaks.

[December] [4] [2018]

What is the Best Time of Day for our Customer Service Team to Reach You *

[Morning]

What Timezone are You In

[Central Standard Time (CST)]

Unique ServLine Customer Service Phone Number *

Does your Utility operate in multiple area codes (to determine whether a toll free number is best)

(X) Utilities Area Code (if Available)

() Toll Free - 1 (800) number is required

Program Announcement

Requested Announcement Date *

Lead Time for Customer Decision: when you want to start notifying your customers.

[30 Days Before Effective Date]

Announcement Options for Program Launch

Program Announcement *

What is your preferred method of delivery to your customers of a print announcement? Pick One (1)
[Letter \/]

What Type of Bill do you Send *

How is your bill printed, please select the option that applies.

- We print on a standard Letter and send in an envelope
- We print on a Postcard and send by itself
- Other:

Envelope Size *

What size envelope does your bill normally go out in?

- #10 Envelopes - Which Measure 4 1/8" by 9 1/2"
- A2 Envelopes - Which Measure 4 3/8" x 5 3/4"
- None: So we will need one
- Other:

Billing Information

Billing Vendor

If you Bill in House select the option below or fill out the necessary Information. If you are adding commercial update if information has changed.

Billing Vendor Company Name *

- We Bill In House
- United Systems

- Southern Software, Inc
- South Data, Inc
- InfoSend
- Other:

Billing Vendor Contact Name

Billing Vendor: Address

Billing Vendor: City

Billing Vendor: State

[AL V]

Billing Vendor: Zip

Billing Vendor: Phone

Billing Vendor: Email

Billing Software

Billing Software Company/Program Name *

- United Systems
- Local Government Corp.
- Tyler Technologies
- Southern Software, Inc.
- QS/1 Governmental Solutions
- USTI – Municipal Government Software

- Alliance Utility Management
- RVS Software
- Edmunds Associates
- Citipak
- Other:

Billing Software Contact Name

Support Dept

Billing Software Phone

1-800-952--3295

Billing Details

Number of Billing Cycles *

Number of Billing Cycles in a Month

[1 V]

When do you send your Bills *

- 1st of each month
- 15th of each month
- 1st & 15th of each month
- Other:

Do you have Paperless Billing Customers *

Please select an option that applies.

[No V]

Will you require anything other than a .PDF file to email your Paperless Billing Customers? *

If yes please describe

- Yes
- No
- Other: Do not offer Paperless billing

Bill Handling

The following questions only deal with the Program Announcement Flyer's which are being placed in your customers' bills for delivery. In addition to flyers for your customers' bills, we will send additional Flyers for your Utility Office Staff's use and for Walk Ins.

Where Should We Have Your Program Announcement Flyer Shipped? *

- To Our Utility: We Will Handle Stuffing Bills In House
- To Our Billing Vendor: They Will Handle This For Us
- Other:

How do You/Your Billing Vendor Need to Receive Your Program Announcement Flyer? *

- Folded - Ready To Fit in a Billing Envelope (Our Utility Staff will Stuff)
- Flat - We have a folding machine (Our Utility will Fold and Stuff)
- Folded - Our Billing Vendor Stuffs
- Flat - Our Billing Vendor Folds and Stuffs
- Other:

File Attachments

Please attach the following Files in a separate email or indicate that you do not have them.

Customer List *

Please attach and send in a separate email. Attach your customer list in either a .csv or .xml or any excel file. If you do not have an excel file please contact our customer service team.

- Already Attached Separately
- Do Not Have a Customer List
- Will Send Customer List in Email Soon

Other:

Utility Logo *

Please attach and send in a separate email: .SVG preferred also acceptable are .PNG, .JPG, .JPEG files

Already Attached Logo Separately

Do Not Have a Logo

Will Send Logo in Email Soon

Other:

Your Primary Contact at ServLine *

[Allie Terrell ✓]

Signature *

I certify that the information I have given on the application is complete and correct. I approve my responses, and provide an electronic signature by (type your name).

Paul D. Lashbrooke

[Create your own Google Form](#)

Attachment D



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

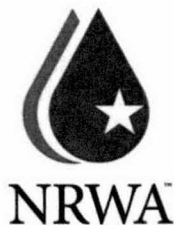
This proposal shows the premiums for the general coverage described, but in no way changes or affects any terms, conditions or exclusions of policies as actually issued. Premiums shown are based on information furnished to the company.

Proposal Date
11/26/2018

An Affinity Program of



and the



INTRODUCTION

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

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.

Rate:

(Choose Option)

Option 1: \$1.45
Option 2: \$1.70
Option 3: \$1.80

COMMERCIAL WATER LEAK COVERAGE

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:

Single Occupancy

Multiple Occupancy

Option 1: \$2.50

Option 1: \$5.00

Option 2: \$3.50

Option 2: \$7.00

Option 3: \$5.00

Option 3: \$10.00

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

Limit of Insurance	\$10,000 (Per Occurrence)
Coverage Extensions	
Re-seeding and Landscaping Expense	\$500 (Included within Limit of Insurance)
Restoration of Private Paved Surfaces	\$500 (Included within Limit of Insurance)
Deductible	Waived
Valuation	Replacement Cost
Reporting Conditions	Customer Schedule
Reporting Period	Monthly
Rate:	\$5.00

Additional Terms and Options

Option 1:	
Thawing of Water Service Line	\$500 (Maximum Per Occurrence)
Occurrence Term	One Occurrence per Year
Rate (In Addition to Water Line Coverage)	\$0.25 (Monthly)

Option 2:	
Thawing of Water Service Line	\$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

Limit of Insurance	\$10,000 (Per Occurrence)
Coverage Extensions	
Re-seeding and Landscaping Expense	\$500 (Included within Limit of Insurance)
Restoration of Private Paved Surfaces	\$500 (Included within Limit of Insurance)
Deductible	Waived
Valuation	Replacement Cost
Reporting Conditions	Customer Schedule
Reporting Period	Monthly
Rates:	
	Single Occupancy \$13.50
	Multiple Occupancy \$27.00

OUTCOMES OF THE PROPOSED SOLUTION

SERVLINER 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.

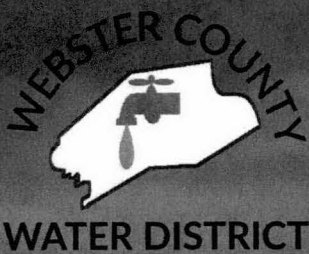
Acceptance or Rejection of Terrorism Insurance Coverage

- 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 E



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 1st 2019.

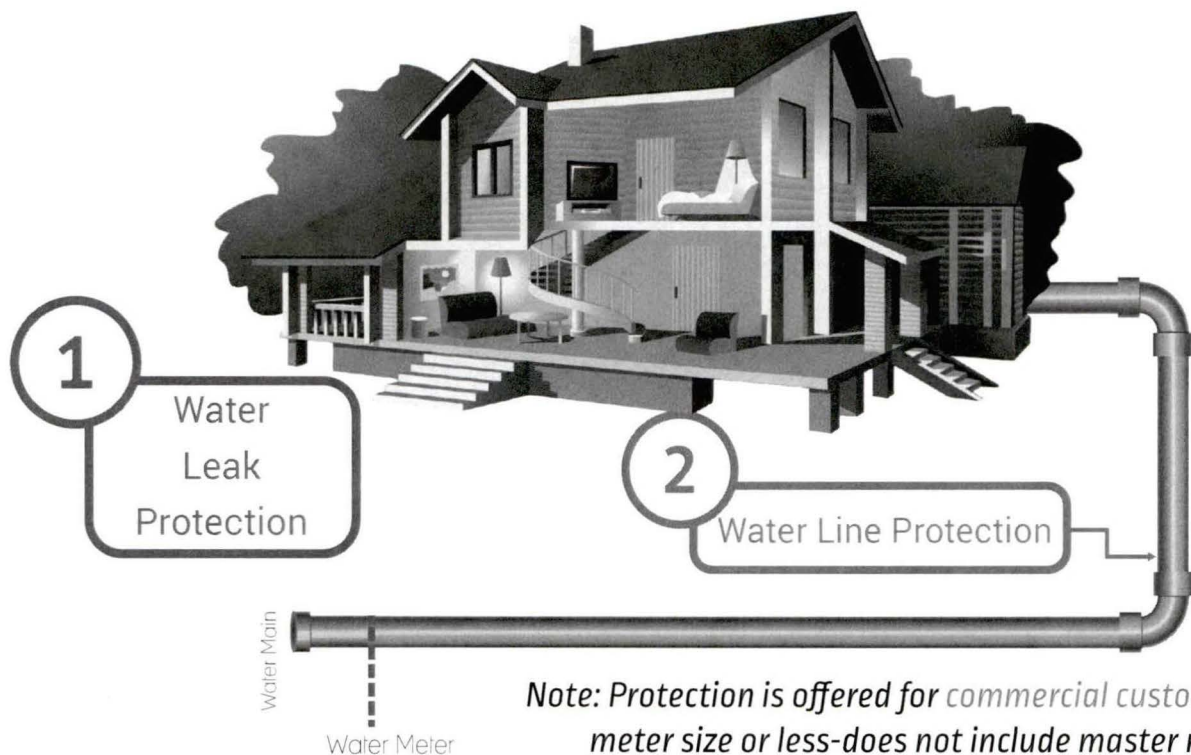
Line Protection

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 1st 2019.

Webster County Water District ServLine Begins

MARCH 1ST 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 1st 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 1st 2019 requires a 30 day waiting period.



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