

CITY COUNCIL COMMITTEE

SPECIAL MEETING

INFRASTRUCTURE & FRANCHISE

Dan Helix, Chair

Edi Birsan, Committee Member

5:30 p.m.

Tuesday, October 18, 2016

Building A, Garden Conference Room

1950 Parkside Drive, Concord

AGENDA

ROLL CALL

PUBLIC COMMENT PERIOD

- 1. CONSIDERATION** – Development Code Standards for Driveways Serving Single-Family Residential Properties and Recreational Vehicle (RV) Parking with a Request for Direction from the Committee. Report by Frank Abejo, Principal Planner.
- 2. CONSIDERATION** – Continuation of Subject: Voluntary Home Repair Service Plans For Privately Owned and Maintained Sewer Laterals with a Request for Direction from the Committee. Report by Justin Ezell, Director of Public Works.
- 3. ADJOURNMENT**

In accordance with the Americans with Disabilities Act and California Law, it is the policy of the City of Concord to offer its public programs, services and meetings in a manner that is readily accessible to everyone, including those with disabilities. If you are disabled and require a copy of a public hearing notice, or an agenda and/or agenda packet in an appropriate alternative format; or if you require other accommodation, please contact the ADA Coordinator at (925) 671-3361, at least five days in advance of the meeting. Advance notification within this guideline will enable the City to make reasonable arrangements to ensure accessibility.

Distribution: City Council
Valerie Barone, City Manager
Susanne Brown, City Attorney
Victoria Walker, Director, Community & Economic Development
Laura Simpson, Planning Manager
Frank Abejo, Principal Planner
Justin Ezell, Director of Public Works
Robert Ovardia, City Engineer
Kevin Marstall, Senior Civil Engineer, Current Development Manager

Renee Williams, Police Sergeant
Joelle Fockler, City Clerk



Staff Report

Date: October 18, 2016

To: Council Committee on Infrastructure and Franchise

From: Valerie J. Barone, City Manager

Prepared by: Frank Abejo, Principal Planner
frank.abejo@cityofconcord.org
(925) 671-3128

Subject: **Development Code Standards for Driveways Serving Single-Family Residential Properties and Recreational Vehicle (RV) Parking**

Report in Brief

On June 28, 2016, the City Council directed staff to evaluate possible modifications to the Development Code that would allow: (1) the addition of a second driveway for single-family residential properties, and (2) grandfathering recreational vehicle (RV) parking on residential driveways.

Recommended Action

Staff recommends that the Committee take no action on current standards regarding residential driveways for single-family residential properties nor on standards for recreational vehicle parking on driveways.

Background

Second Driveway

Mr. Dennis Dorando of 5521 Colorado Drive recently purchased a large recreational vehicle (RV) that he stores in a side yard behind an opaque fence as required by the Development Code. He has also installed grass-filled pavers in his front yard to facilitate driving the RV through his front lawn to the side yard parking area.

In June 2016, Mr. Dorando inquired with City staff about constructing a second curb cut for the grass pavers so that it could be used as a second driveway for his RV.

Development Code Section 18.160.110 contains standards for residential driveways that are intended to "*minimize driveway curb cuts and maximize street parking through*

the use of alleys and/or by spacing driveway curb cuts to maximize the amount of street parking spaces between driveways.” Accordingly, the majority of single-family residential lots in Concord are allowed one driveway and curb cut. Larger lots in the RR-20 or RR-40 zoning district (i.e., 20,000 – 40,000 square foot lots) are eligible for second driveways provided the property has at least 200 feet of street frontage and can provide a minimum separation of 100 feet between the driveways.

Mr. Dorando’s property is a 70’ x 100’ parcel located in a Planned District that is not eligible for a second driveway and curb cut. Mr. Dorando has requested the City Council to direct staff to prepare a Development Code Amendment that would create a discretionary permit process to allow more than one driveway/curb cut when it can be demonstrated that the curb cut “does not impact the city.”

RV Parking

A second issue raised by Mr. Dorando is a request to be allowed a permit to park his boat in his driveway. Parking of recreational vehicles, which by definition of the Code also includes boats, is regulated by Development Code Section 18.160.160 (“RV Parking Ordinance”). The RV Parking Ordinance was adopted by the City Council on October 27, 2008, and became effective December 31, 2008. The RV Parking Ordinance prohibits RV parking in driveways and front yards. RVs may only be parked within side and rear yard areas enclosed by an opaque fence. The City Council granted a 12-month period from the Ordinance’s effective date in 2008 for RV owners to obtain a permit that “grandfathered” RV’s so that they could continue to be parked in the front driveway. To be eligible, the permitted RV must have been owned prior to the Ordinance’s effective date. The “grandfathering” clause period ended in January 2010 and all other RV parking must now comply with the current Code.

Code Enforcement issued a notice to Mr. Dorando on August 29, 2016 that his boat was parked in the home’s driveway in violation of the RV Parking Ordinance. Mr. Dorando asserts that he was not notified of the RV Parking Ordinance and the permitting process to grandfather the boat parking in 2008. Mr. Dorando proposes extending the grandfathering clause to current RV owners who were not aware of the RV Parking Ordinance.

Analysis

Second Driveway

Table 1 provides a comparison of driveway allowances under the following scenarios:

- One curb cut for a driveway serving a two-car garage (i.e., current standards);
- Dual curb cuts for two-car garage and single-car garage driveways; and
- Dual curb cuts for two-car garage driveways.

The scenarios are based on an RS-6 zoned lot (i.e., minimum 6,000 square foot single family residential lot area with 60 ft. x 100 ft. lot dimensions). The RS-6 lot was chosen because it is the most prevalent single-family lot in Concord, is similar in size to Mr. Dorando’s property, and because neighborhoods with narrower and smaller lots would be the most impacted by reduced on-street parking if two driveways were allowed. The scenarios also assume driveways will be constructed of concrete per City specifications.

Table 1: Single and Dual Curb Cut Scenarios for RS-6 Lots

	One curb cut, 2-car driveway (current standards)	Dual curb cuts, 2-car + 1-car driveways	Dual curb cut, 2-car + 2-car driveways
Driveway Dimension	22' x 20'	22' x 20' + 12' x 20'	22' x 20' x 2
Curb Cut ¹	28'-8"	47'-4"	57'-4"
Remaining Curb Length	31'-4"	12'-8"	2'-8"
On-street Parking ²	1 space	0 space	0 space
Front Yard Area ³	1,200 sq. ft.		
Driveway Paving Area	440 sq. ft.	680 sq. ft.	880 sq. ft.
Paving % of front yard	37%	56%	73%

¹Total curb cut includes 3'-4" flares on each side of the driveway per City Standard Specifications

²Based on 19 foot curb per on-street parking space

³Front Yard Area = 20 ft. setback x 60 ft. lot width

Table 1 shows that additional curb cuts will reduce or eliminate on-street parking, in conflict with the Development Code’s intent of maximizing street parking. Additional impacts to consider with allowing for two curb cuts and driveways through a discretionary permit include:

- 1) Pedestrian and bicycle safety. Allowing more curb cuts and driveways conflicts with polices in the General Plan, and Bicycle and Pedestrian Plan, to promote safe and usable sidewalks and streets by pedestrians and bicyclists.
- 2) Aesthetic impacts. The Development Code minimizes the impact of paving on the character and appearance of residential neighborhoods by limiting paving to 50% of the front yard area. Dual driveways can be constructed within the paving limit in the case of larger lots. However, allowing for additional driveways that will be used for uncovered parking will compound the impact such paved areas will have

on neighborhood character. Driveway curb cuts could also result in the removal of existing street trees and landscaping within rights-of-way that enhance neighborhood character.

- 3) Stormwater runoff impacts. Depending on the materials used, the increase in impervious surfaces from new driveway approaches and driveways will increase runoff volumes and could have significant cumulative impacts on the City's public stormdrain system. Additionally, the use of these driveways for vehicle parking will contribute automotive oils and fluids to the runoff that will degrade the water quality discharging into downstream facilities. If the code were amended as discussed in 4) below, pervious paving materials could be used for a portion of the driveway, but the actual curb cut area connecting to the street should remain in concrete and would be impervious.
- 4) Alternate design standards of secondary driveways. The City could consider an alternate pervious surface, such as the grass pavers that Mr. Dorando installed for his property, as a requirement for second driveways to reduce aesthetic and stormwater impacts. However, there are different types of pervious driving surfaces such as pavers, decomposed granite, porous concrete, concrete strips, etc., that have varying aesthetic and water retention qualities. Engineering and Planning staff would need to adopt design standards for acceptable secondary driveway designs.

RV Parking

Recreational vehicle storage on residential lots has been a significant topic in Concord since the mid-2000's. The City Council first reviewed the issue in late 2006 and again in early 2007. The City's review evolved into the development of a task force to explore the issue, and many public input sessions that involved hundreds of public comments and e-mail messages on the topic.

This work resulted in City Council adoption of the current RV Parking Ordinance on October 27, 2008. The City Council built in a grandfathering clause available through a permit if applied for within a one-year window (before January 2010). The RV Parking Ordinance has remained unchanged since adoption.

The public hearings on the RV Parking Ordinance were duly noticed in the Contra Costa Times and agendas were posted in accordance with State law. The City Council passed the RV Parking Ordinance at a duly noticed public hearing, and otherwise in accordance with the law.

Mr. Dorando did not apply for grandfathering and asserts that he did not know of the Ordinance change. As such, he has asked that the grandfathering period be revised. Staff does not recommend this course of action. As discussed above, the RV Parking

Ordinance underwent a vigorous public process, complied with applicable laws,¹ and was, in part, aimed at reducing blight in the City of Concord. Allowing a new grandfathering period is likely to undermine the City's policy goals and efforts.

Public Contact

The Council Committee Agenda was posted.

¹ In 2011, the City successfully defended a constitutionality challenge to the RV Parking Ordinance.



Staff Report

Date: October 18, 2016

To: Infrastructure and Franchise Council Committee

From: Valerie J. Barone, City Manager

Prepared by: Justin Ezell, Director of Public Works
justin.ezell@cityofconcord.org
(925) 671-3231

Subject: **Continuation of Subject: Voluntary Home Repair Service Plans for Privately Owned and Maintained Sewer Laterals with a Request for Direction from the Committee**

Report in Brief

This report provides the information that was requested by Committee Members during the September 29, 2016 Infrastructure and Franchise Committee meeting on optional privately-purchased, sewer lateral service plans offered by Home Emergency Insurance Solutions, a partner of the Contra Costa Water District (CCWD).

Recommended Action

Staff recommends that the Infrastructure and Franchise Committee review and discuss participation in the service plan program for sewer laterals administered by CCWD and HEIS and provide direction to staff.

Background

On September 29, 2016 the Infrastructure and Franchise Committee met to discuss participation in the sewer lateral service plan program offered through Home Emergency Insurance Solutions (HEIS). While deliberating this subject the Committee Members requested additional information so that they could give full consideration to the facts involved. The attached staff report provides the sewer lateral service plan detail and background which was submitted to the Committee at the September 29, 2016 meeting.

Analysis

The Infrastructure and Franchise Committee Members posed questions and requested additional information on the subjects of service plan rates, rate increases, coverage

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exclusions, and the statistical data of claims. The following subject areas address the questions and information requested by the Committee.

Service plan rates and increases:

The Committee was interested in knowing which factors necessitate the need for rate increases and what considerations HEIS takes into account prior to raising service plan rates. HEIS reports that rate increases reflect a rise in the cost of customer repair and service claims. Rates escalate when an increase in the frequency and severity of consumer claims occur, and or market factors associated with service and repair force an increase in the rates.

A misconception that HEIS wanted to make clear is that their service plan rate increases are never tied to a municipality or district's service rate increase. When HEIS determines that an increase is necessary, it is completely independent from the municipality or district, and measures are taken to avoid rates increasing around the same time. When rates do need to increase, HEIS notifies all customers approximately 45 days prior to the increase, giving them an option to opt out.

During the September 29, 2016 meeting, Committee Members were clear that a three-year moratorium on rate increases would be necessary in order to garner Committee support for the service plans. As of the writing of this staff report, the representatives from HEIS had not had enough time to provide City staff with a written response to this need; however, HEIS committed to providing a response that can be reported out during this October 18, 2016 Committee meeting.

Coverage exclusions:

One of the questions asked by the Committee was whether or not coverage would extend to damage caused by an earthquake. The service plans offered by HEIS exclude coverage for unusual circumstances including natural disasters and acts of God. Therefore, sewer lateral damage that is known to have been caused by an earthquake would not be covered.

The Committee also had questions regarding pre-existing conditions and the limitations of coverage. HEIS reports that coverage of any pre-existing conditions, defects or deficiencies with a consumer's sewer lateral would be excluded if the condition was previously known. A common problem with sewer laterals is blockage caused by tree roots. When asked if tree roots would be considered a "pre-existing condition," HEIS reported that customers who are aware of a previous de-rooting of their line are not eligible to enroll in a service plan.

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With that said HEIS considers tree roots to be a permanent blockage and de-rooting is covered by their service plan, as long as the consumer was initially eligible to enroll in a plan, and was not aware of a previous de-rooting issue. HEIS provided the attached Terms and Conditions which provide additional background on coverage and limitations.

Statistical data of claims:

The Infrastructure and Franchise Committee was interested in knowing the frequency of claims and the cost of the claims which translate into savings for the consumer. Once again, HEIS was not able to provide written information for this staff report in the allowable timeframe and the requested data will be reported out during the Committee meeting.

Other anecdotal data:

Following the September 29, 2016 Committee Meeting, staff learned that HEIS acquired Utility Service Partners, Inc. (USP). USP is also a provider of home repair service plans for North American municipal and utility clients. USP was founded in 2003 and has developed partnerships with over 330 utilities, primarily through a strategic relationship with The National League of Cities (NLC). NLC is a resource and advocate for 19,000 cities, towns and villages across the United States of which the City of Concord is a member. Now that the acquisition has occurred, the HEIS combined businesses will service over 2.7 million customers with 4 million service plans, in 48 US States and Canada, through more than 400 municipal and utility partnerships.

Alternatives

Many other providers of similar service plans do exist and are available to property owners. The difference is that the HEIS program, if chosen, would establish a partnership between the City of Concord, CCWD and HEIS, and now, the National League of Cities, but would not eliminate the ability of private property owners to independently choose other means of protection.

Additionally, the Infrastructure and Franchise Committee could direct staff to conduct a request-for-proposal (RFP) process instead of making a decision to participate in the HEIS/CCWD/National League of Cities program. To do so staff would need to develop specifications, solicit proposals, and conduct interviews of potential providers. Staff would write a report with the pros and cons of each provider to bring back to this Committee for consideration. This process will take approximately three months to complete.

**Continuation of Subject: Voluntary Home Repair Service Plans
for Privately Owned and Maintained Sewer Laterals with a
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Financial Impact

All program costs are borne by HEIS. CCWD conducts billing for the program and provides customer service calls related to charges on its utility bills. If the City chooses to receive royalties, the annual revenue to the City's Sewer Enterprise is estimated by HEIS as \$12,000 in Year 1 increasing to \$21,000 by Year 3. HEIS estimates this revenue through past experience of participation in similar programs at levels of 2-4% each year.

Public Contact

The City Council Agenda was posted.

Attachments

1. September 29, 2016 Staff Report
2. HEIS Exterior Sewer/Septic Line Plus Terms and Conditions

CITY COUNCIL COMMITTEE

SPECIAL MEETING

INFRASTRUCTURE & FRANCHISE

Dan Helix, Chair

Edi Birsan, Committee Member

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Staff Report

Date: September 29, 2016

To: Infrastructure and Franchise Council Committee

From: Valerie J. Barone, City Manager

Prepared by: Justin Ezell, Director of Public Works
Justin.ezell@cityofconcord.org
925 671-3231

Subject: **Voluntary Home Repair Service Plans for Privately Owned and Maintained Sewer Laterals with a Request for Direction from the Committee**

Report in Brief

This report provides information regarding an optional privately-purchased, sewer lateral service plan offered by Home Emergency Insurance Solutions, a partner of the Contra Costa Water District (CCWD).

Background

For the last five years CCWD has been partnering with Home Emergency Insurance Solutions (HEIS) to provide homeowners with financial protection from repair costs associated with exterior water service line failures through water lateral service plans. The service plans operate just like insurance, wherein a consumer is protected from unforeseen costs when damage or failure occurs. However these service plans are classified under the California Department of Insurance as “Home Protection” rather than “Insurance;” which is why the protection is being referenced as a “service plan” rather than “insurance” in this report.

More than 12,600 CCWD water customers currently participate in this voluntary program by purchasing a service plan. Of the 12,600 participants, 7,193 of them are Concord households and 1,041 are located Clayton. CCWD and HEIS have proposed establishing a similar service plan opportunity for Concord residents for sewer lateral failures. Homeowners that voluntarily participate in a sewer lateral protection program would benefit from insured coverage for repairs to failed sewer laterals. Sewer laterals are the pipes carrying wastewater that extend from a

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home to the main line in the street. This report focuses on establishing a service plan program for Concord households only. A separate discussion to establish a sewer lateral service plan in the City of Clayton will need to occur between HEIS, CCWD and Clayton.

Discussion

Sewer laterals are referred to in two sections: the “upper” and the “lower” (see Sewer Lateral Illustration on Page 5). The “upper” portion of the sewer lateral extends from the property line to the house. The “lower” portion of a sewer lateral extends from the main line in the street to the property line. In all cases the home owner is responsible for the upper lateral. If the lower lateral has been properly installed with a clean-out at the property line, under a valid encroachment permit, the City assumes maintenance responsibility of the *lower* lateral. The minority of lower sewer laterals fall into this category. If a properly installed cleanout does not exist, maintenance responsibility of the lower lateral falls on the home owner. The majority of home owners are responsible for the maintenance and repair of both the upper and lower portions of their sewer laterals.

In 2011 the Contra Costa Water District (CCWD) began partnering with a company called Home Emergency Insurance Solutions (HEIS) to provide repair service plans for the repair of water service lateral lines. Like sewer laterals, the water service lateral is broken into two sections: the lower portion that extends from the water main to the water meter, which is always maintained and repaired by CCWD; and the upper portion that extends from the water meter to the house, which is always maintained and repaired by the home owner. HEIS offers service plans for the emergency repair of the upper water lateral; the benefit of the program is that it protects home owners from expensive water service line repairs for that upper portion of the water service line they are responsible for, and that is typically not covered by homeowners insurance.

HEIS is a Better Business Bureau accredited company with an A rating. The company uses local, licensed and insured contractors and provides a one-year guarantee on their work. The cost to a homeowner for voluntary participation in the exterior water service line coverage is \$5.25 per month and is included on their CCWD utility bill. The coverage excludes repairs to any exterior water service line that branches off the lateral line, and accidents and damage (or negligence) caused by the home owner and or others. The benefit amount is \$12,000 annually. Coverage includes leak repair, pipe replacement, and basic property restoration, and can involve multiple service calls.

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CCWD has proposed that the City extend the HEIS service plan as an option to property owners that receive their sewer service from the City of Concord. Sewer lateral repairs can be costly; the typical cost of sewer lateral replacement is in the \$8,000-\$12,000 range. Replacement or repair costs will depend upon the sewer lateral's length, location, depth and complexity of restoration. Sewer lateral coverage through HEIS would include repair or replacement of leaking or blocked laterals due to normal wear and tear. Coverage under this voluntary program would include both the upper and lower sewer lateral and basic restoration of asphalt and concrete both in the public right-of-way and on private property (excluding decorative paving and pathways). The coverage excludes sewer lateral damage cause by accident or negligence, septic tanks, and leaching fields. The premium cost to a homeowner for voluntary participation in the exterior sewer lateral insurance program is currently \$10.99 per month and would be included on the homeowners' CCWD utility bill. There are no callout fees or deductibles for claims and no waiting period once enrolled. The contractors conducting the repairs on behalf of HEIS would be required to obtain applicable permits associated with their work, and to have a business license for working in the City of Concord.

The program for sewer laterals would be administered entirely by CCWD and HEIS; City of Concord staff would review and approve advertising and informational materials sent to homeowners by HEIS. HEIS provides a 24/7 repair hotline for homeowners, 365 days a year. CCWD will receive 10% of every dollar (\$24k-\$42k in years 1-3 respectively) to cover its cost of administering the program including billing and customer service. In addition, 5% of every dollar collected through the program can be used for one of two purposes: (1) a payment to the City of Concord Sewer Enterprise for use to support the overall sewer program; or (2) to supplement a care fund administered by HEIS to assist disadvantaged homeowners who are faced with a sewer lateral service emergency. Such a program would be developed in association with the City and would incorporate features such as: homeowner's income is below an established income limit; homeowner does not have a service plan from HEIS; homeowner does not have the necessary funds to cover emergency home repairs and has no other funding sources available for the repairs; and a delay in repairs would cause a serious health and safety hazard.

Potential benefits of participating in the sewer lateral insurance program include:

- The program is entirely voluntary; giving homeowners an option to be free from the worry and inconvenience of sewer lateral failure
- Because the program is voluntary, homeowners are not forced to participate and could opt in or out at any time, giving them a choice of whether or not to choose coverage

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- Billing occurs directly on the CCWD utility bill; eliminating an additional bill for enrollees
- There are no waiting periods for claims; once enrolled sewer lateral coverage begins
- The program is already established and administered by HEIS and CCWD; the City's only commitment is to review and approve advertising and informational materials sent to home owners by HEIS
- HEIS has a large customer pool established through CCWD; creating greater accountability
- The coverage amount is \$12,000 annually and participants receive the added benefit of \$1,250 reimbursement for reasonable hotel accommodation (room only) if HEIS is unable to carry out a covered repair within 24 hours of notification and the participant is left completely without use of their exterior sewer line until such repair can be made and up to \$500 reimbursement for the temporary housing of pets in such circumstances

The downside to this program is that decorative paving not restored to its original condition when repairs are made, and the City has no control over future monthly premiums.

Alternatives

Many other providers of similar services plans do exist and are available to property owners. The difference is that the HEIS program, if chosen, would establish a partnership between the City of Concord, CCWD and HEIS, but would not eliminate the ability of private property owners to independently choose other means of protection.

Additionally, the Infrastructure and Franchise Committee could direct staff to conduct a request-for-proposal (RFP) process instead of making a decision to participate in the HEIS/CCWD program. To do so staff would need to develop specifications, solicit proposals, and conduct interviews of potential providers. Staff would write a report with the pros and cons of each provider to bring back to this Committee for consideration. This process will take approximately three to four months to complete.

Financial Impact

All program costs are borne by HEIS. CCWD conducts billing for the program and provides customer service calls related to charges on its utility bills. If the City chooses to receive royalties, the annual revenue to the City's Sewer Enterprise is estimated by HEIS as \$12,000 in Year 1 increasing to \$21,000 by Year 3. HEIS estimates this revenue through past experience of participation in similar programs at levels of 2-4% each year.

**VOLUNTARY HOME REPAIR SERVICE PLANS FOR PRIVATELY OWNED AND MAINTAINED
SEWER LATERALS WITH A REQUEST FOR DIRECTION FROM THE COMMITTEE**

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Public Contact

The City Council Committee Agenda was posted.

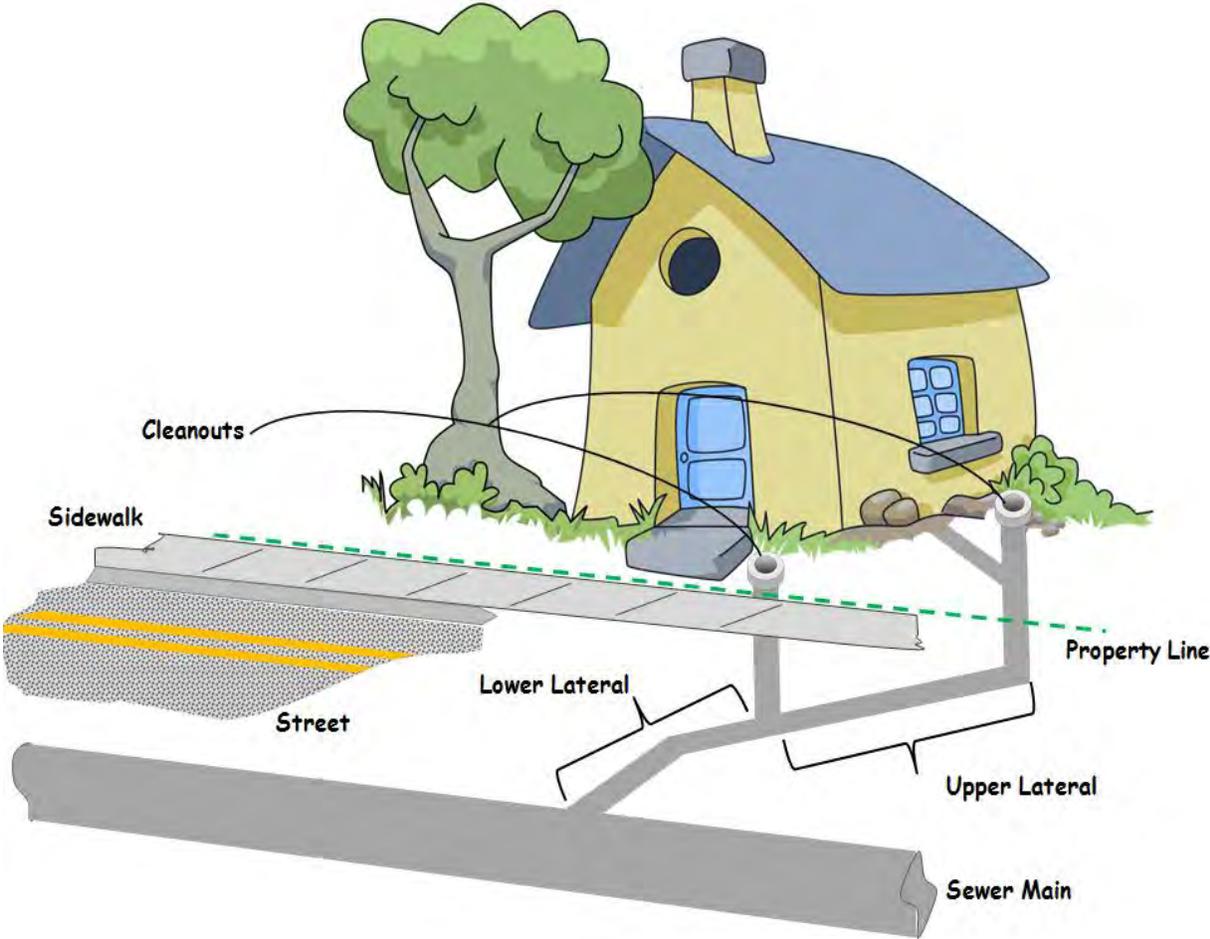
Recommendation for Action

Staff recommends that the Infrastructure and Franchise Committee Review and discuss participation in the insurance program for sewer laterals administered by CCWD and HEIS and provide direction to staff.

**VOLUNTARY HOME REPAIR SERVICE PLANS FOR PRIVATELY OWNED AND MAINTAINED
SEWER LATERALS WITH A REQUEST FOR DIRECTION FROM THE COMMITTEE**

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SEWER LATERAL ILLUSTRATION



Exterior Sewer/Septic Line Plus Terms and Conditions

YOUR ENCLOSED DECLARATION PAGE IS AN INTEGRAL PART OF YOUR SERVICE AGREEMENT AND ALONG WITH THESE TERMS AND CONDITIONS CONSTITUTE YOUR ENTIRE AGREEMENT

HomeServe USA Repair Management Corp. ("HomeServe") is the entity that will administer the service under this Service Agreement. You may contact HomeServe by mail at 1232 Premier Drive, Chattanooga, TN 37421 or by calling toll-free 1- 877-444-7750. AMT Warranty Corp. ("AMT", "Provider", "We", "Us" or "Our") is the entity obligated to provide service under this Service Agreement. You may contact AMT by mail at 59 Maiden Lane, 43rd Floor, New York, NY 10038 or by calling toll-free 1-866-327-5818.

What's Covered: We will arrange and pay for the repair or replacement due to normal wear and tear of a leaking or permanently blocked Exterior Sewer Line or Exterior Septic Line for which You have sole responsibility, that supports Your Residence. You must call HomeServe to arrange for service in order for repairs to be covered. See "How to Call for Repairs" below. An Exterior Sewer Line is the line that takes waste water from the external wall of Your Residence to Your utility's responsibility. An Exterior Septic Line is the line that takes waste water from the external wall of Your Residence to the point of connection to Your septic tank on Your Property. Any part of Your Exterior Sewer/Septic Line beyond these linear limits will not be covered. In addition, We will arrange and pay for the repair or replacement of non-functioning grinder pumps.

Restoration: Restoration to any area disturbed by the repair that is on Your Property and outside Your Residence is limited to: filling, raking and reseeding of grass, reinstallation of existing soft landscaping and shrubbery and patching of paved surfaces. We cannot guarantee the survival of any living materials disturbed by the repair and will not be responsible for the replacement of any decorative paving, pathways or landscaping features.

Benefit Limit: The maximum benefit limit is \$12,000 per Term. Any repair or replacement charges beyond Your benefit limit are Your responsibility.

Additional Benefits: In addition, We will provide up to \$1,250 reimbursement for reasonable hotel accommodation (room only) if We are unable to carry out a covered repair within 24 hours of notification and You will be left completely without use of Your Exterior Sewer/Septic Line until such repair can be made. We will also provide up to \$500 reimbursement for the temporary housing of pets in such circumstances. You will only be reimbursed for hotel and pet expenses that We have approved in advance.

What's Not Covered: We will not be responsible for any of the following:

1. **Damages, losses and expenses, whether from negligence or otherwise, caused by: (a) You or any person or entity other than Us or HomeServe or (b) unusual circumstances, including a natural disaster, or an act of God;**
2. **Consequential, incidental, or punitive damages arising from conducting repair work or as a result of the covered repair, for example damages necessary to reasonably access the repair area. Your rights and remedies may vary depending on the state where Your Property is located;**
3. **Any correction or upgrade of Your existing Exterior Sewer/Septic Line, not directly related to the necessary covered repair, in order to meet any code, law, regulation or ordinance;**
4. **Repairs to any section of Your Exterior Sewer/Septic Line that You share with any third party or is covered by a homeowners', condominium or like association;**
5. **Repairing or replacing septic tanks; leaching fields; or any non-conforming drain line, such as a basement or storm drain, connected to Your Exterior Sewer/Septic Line.**

Eligible property types: A single structure owned by You, used and zoned for residential occupancy ("Residence") that is permanently secured to the ground, and the land it is located on is also owned by You ("Property"). Any recreational vehicle or other type of home on wheels that is intended to be moved and/or property used for commercial purposes is not eligible. If You are aware of any pre-existing conditions, defects or deficiencies with Your Exterior Sewer/Septic Line, or have had any roots removed from Your Exterior Sewer/Septic Line prior to the Start Date of Your first Term, then Your Property is not eligible for this coverage.

Length of Service Agreement: Your Service Agreement begins on the Start Date listed on Your Declaration Page and will continue for twelve (12) months ("Term") provided neither You nor We cancel. See "Cancellation/Refund" below.

There is an initial waiting period of thirty (30) days, within which You will not be able to request a Service Call, giving You eleven (11) months of coverage during the first year. Upon renewal (if applicable), You will not be subject to a waiting period.

How to call for repairs: You must call HomeServe and a service representative will assist in the diagnosis of Your repair and the scheduling of a visit from one of HomeServe's approved local technicians. You will not be reimbursed for work done by technicians who are not authorized by HomeServe. Technicians must have safe and clear access to, and safe working conditions at and around the work area. There is no Service Call fee.

Covered repairs: Covered repairs are guaranteed against defects in materials and workmanship for one year. Under the guarantee we will arrange at Our expense and discretion for repair or replacement. We disclaim any and all statutory or common law warranties (whether express or implied) other than Our covered repair guarantee and any implied warranties that cannot be excluded under applicable law.

Receiving Documents Electronically: You can receive Your Service Agreement and all related documents electronically. If You consented to electronic delivery, these documents will be sent to the email address listed on Your Declaration Page ("Email Address"). Documents sent to the Email Address will be deemed to have been received by You. You may stop receiving documents electronically by calling HomeServe or by updating Your preferences in Your profile on HomeServe's website. You may also call HomeServe to update Your Email Address or to receive a paper copy of Your Service Agreement.

Renewal: If You pay through Your utility bill, by credit/debit card or by direct debit this Service Agreement will automatically renew for a further term of 12 months. If You paid by check, or if You pay by credit/debit card and requested that We not automatically renew this Service Agreement, You must renew this Service Agreement prior to the end of the Term to ensure continuous coverage. Your claims history will be considered as part of Our determining the price for Your next Service Agreement term. We reserve the right to not offer this Service Agreement upon renewal.

Cancellation/Refund: You may cancel this Service Agreement at any time by calling HomeServe. If You cancel within thirty (30) days of the Start Date, You will receive a full refund less any claims paid by Us. If You cancel more than thirty (30) days after the Start Date, Your cancellation will be effective at the end of the then current billing month. If applicable, You will be entitled to a pro-rata refund less any claims paid by Us.

If Your local utility company or municipality provides similar coverage to You at no charge, You can contact HomeServe to cancel and You will receive a refund of the payments You have made less any claims paid by Us. You may be required to provide evidence of the similar coverage. If We find that You have such coverage or are otherwise ineligible for the coverage provided by this Service Agreement, We may cancel on no less than fifteen (15) days' written notice to You and will refund the payments You have made less any claims paid by Us.

We may cancel for any reason on sixty (60) days' written notice to You. We can also cancel, on no less than fifteen (15) days' written notice to You for: (a) non-payment of the Price; or (b) Your fraud or misrepresentation of facts that are material to this Service Agreement or benefits provided under it. If We cancel under (b) above, You will be entitled to a pro-rata refund less any claims paid by Us.

Written notices from Us under this section will tell You exactly when Your Service Agreement will be cancelled and why it has been cancelled. The notice periods referred to in this section begin when We send the notice to You.

Key Terms:

"Declaration Page" - The enclosed document that forms a part of this Service Agreement, listing important information regarding You, Your Property and other vital information.

"Price" - The amount You agree to pay for this Service Agreement, as listed on Your Declaration Page.

"Service Agreement" - The documents that constitute all of Your rights and responsibilities as a Service Agreement holder; which consist of these terms and conditions and Your Declaration Page.

"Service Call" - A visit to Your Property by one of HomeServe's approved local technicians, where work is performed to diagnose and complete a single covered repair, or where it is determined the repair is not covered.

"You" or **"Your"** - The purchaser of this Service Agreement who is the Service Agreement holder listed on the Declaration Page.

Privacy Policy: Any information You provide HomeServe will be accessed, collected, used, transmitted, disclosed,

stored, maintained and otherwise handled to administer Your Service Agreement by HomeServe or its group of companies, including, but not limited to, disclosing Your address, telephone number, and other contact information to third parties who conduct services on HomeServe's behalf. HomeServe or its group of companies and their selected partners may also use Your data to keep You informed by mail, telephone or email of any products or services which they consider may be of interest to You. For further details on how HomeServe uses Your information, please see their Privacy Policy at www.homeserveusa.com/Customer_Data_Privacy_Policy.html. Should You have any questions or concerns about HomeServe's Privacy Policy or how they are using Your information or to update Your privacy preferences, please contact HomeServe.

Assignment/Amendment: We reserve the right to change this Service Agreement (including the price or to charge an additional fee) and to delegate any of Our obligations at Our sole discretion provided We give You thirty (30) days' prior written notice of the changes. The changes will become effective thirty (30) days after We send You the notice. If You do not like the changes, You may cancel this Service Agreement. You may not change this Service Agreement or delegate any of Your obligations. Should certain terms or conditions in this Service Agreement be held to be invalid or unenforceable, the remainder of the terms and conditions in this Service Agreement shall remain valid.

Transfer: This Service Agreement is not transferable by You.

Responsibility for benefits owed to You: This is not an insurance policy; it is a Service Agreement. HomeServe will serve as Your point-of-contact for all questions or concerns. Our obligations under this Service Agreement are insured under a service contract reimbursement insurance policy. If We fail to pay or to deliver service on a claim within sixty (60) days after proof of loss has been filed, or in the event You cancel this Service Agreement and We fail to issue any applicable refund within sixty (60) days after cancellation, You are entitled to make a claim against the insurer, Wesco Insurance Company at 59 Maiden Lane, 43rd Floor, New York, NY 10038, 1-866-505-4048.

Our Liability: To the extent permitted by applicable law, (1) You agree that We and HomeServe, and both of our parents, successors, affiliates, approved technicians and our and their officers, directors, employees, affiliates, agents and contractors shall not be liable to You or anyone else for: (a) any actual losses or direct damages that exceed the lowest applicable per covered repair benefit limit set out above; or (b) any amount of any form of indirect, special, punitive, incidental or consequential losses or damages, including those caused by any fault, failure, delay or defect in providing services under this Service Agreement, and (2) these limitations and waivers shall apply to all claims and all liabilities and shall survive the cancellation or expiration of this Service Agreement. You may have other rights that vary from state to state.

Arbitration: YOU, AMT AND HOMESERVE ALL AGREE TO RESOLVE DISPUTES ONLY BY FINAL AND BINDING ARBITRATION OR IN SMALL CLAIMS COURT as follows:

- A. **EXCEPT FOR SMALL CLAIMS COURT CASES THAT QUALIFY, ANY DISPUTE THAT IN ANY WAY RELATES TO OR ARISES OUT OF THIS SERVICE AGREEMENT OR FROM ANY OTHER AGREEMENT BETWEEN US, OR SERVICES OR BENEFITS YOU RECEIVE OR CLAIM TO BE OWED FROM AMT OR HOMESERVE, WILL BE RESOLVED BY FINAL AND BINDING ARBITRATION BY ONE OR MORE ARBITRATORS BEFORE THE AMERICAN ARBITRATION ASSOCIATION ("AAA"), OR ANOTHER ARBITRATION ADMINISTRATOR THAT WE MUTUALLY AGREE UPON.** Arbitration will apply not only to claims against AMT or HomeServe, but also claims against the officers, directors, managers, employees, agents, affiliates, insurers, technicians, successors or assigns of AMT or HomeServe. Arbitration and this paragraph shall apply to claims that arose at any time, including claims arising before this paragraph became binding on the parties. The federal arbitration act (9 U.S.C. §§ 1 et seq.) and not any state law applies to this agreement.
- B. For claims of \$10,000 or less, the party bringing the claim can choose to proceed by way of binding arbitration pursuant to the AAA's rules or, alternatively, can bring an individual action in small claims court.
- C. **YOU GIVE UP YOUR RIGHT TO PARTICIPATE IN A CLASS ACTION.** This means that You may not be a representative or member of any class of claimants or act as a private attorney general in court or in arbitration with respect to any claim. Notwithstanding any other provision of this Service Agreement, the arbitrator shall not have the power to determine that class arbitration is permissible. The arbitrator also shall not have the power to preside over class or collective arbitration, or to award any form of class-wide or collective remedy. Instead, the arbitrator shall have power to award money or injunctive relief only in favor of the individual party seeking relief and only to the extent necessary to provide relief warranted by that party's individual claim. No class or representative or private attorney general theories of liability or prayers for relief may be maintained in any arbitration held under this Service Agreement.
- D. HomeServe will pay any filing fee, administration, service or case management fee, and arbitrator fee that the

AAA charges You for arbitration of the dispute, up to a maximum of \$1,500; provided, however, that the arbitrator may award costs and expenses to any party, if allowed by law. If You provide us with signed written notice that You cannot pay the filing fee, HomeServe will pay the fee directly to the AAA.

- E. If for some reason the prohibition on class arbitrations set forth in Subsection C cannot be enforced, then the agreement to arbitrate will not apply.
- F. **IF FOR ANY REASON A CLAIM PROCEEDS IN COURT RATHER THAN THROUGH ARBITRATION, YOU, AMT AND HOMESERVE AGREE THAT THERE WILL NOT BE A JURY TRIAL.** You, AMT and HomeServe unconditionally waive any right to trial by jury in any action, proceeding or counterclaim arising out of or relating in any way to this Service Agreement or from any other agreement between us, or the services or benefits You receive or claim to be owed from AMT or HomeServe, including as to claims asserted against any of the officers, directors, managers, employees, agents, affiliates, insurers, technicians, approved technicians, successors or assigns of AMT or HomeServe.

State variations: The following shall apply if inconsistent with any other terms and conditions of this Service Agreement:

[\[Please click here to see if any state specific variations apply to You.\]](#)