



Private Water Service Line Repair Plans

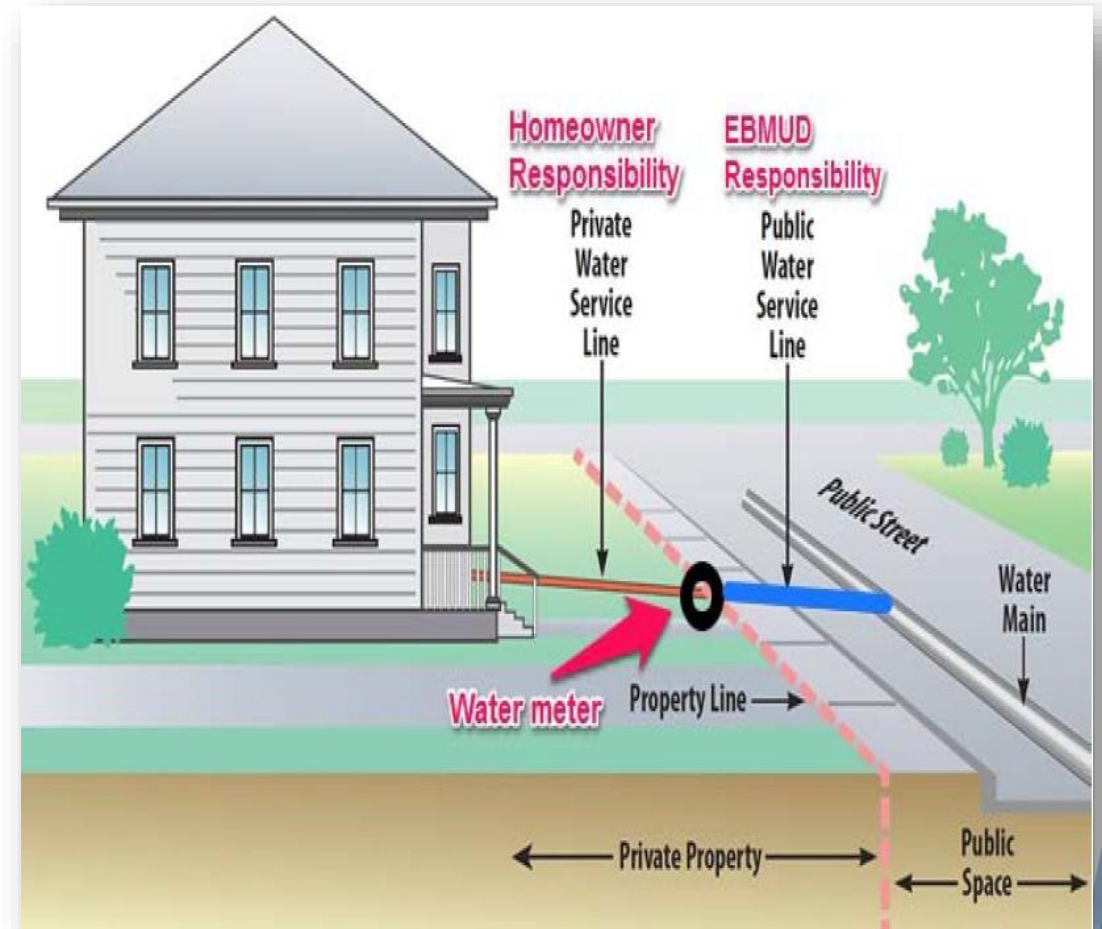
Finance/Administration Committee

June 24, 2025

Sherilyn Tran, Customer Support Program Administrator

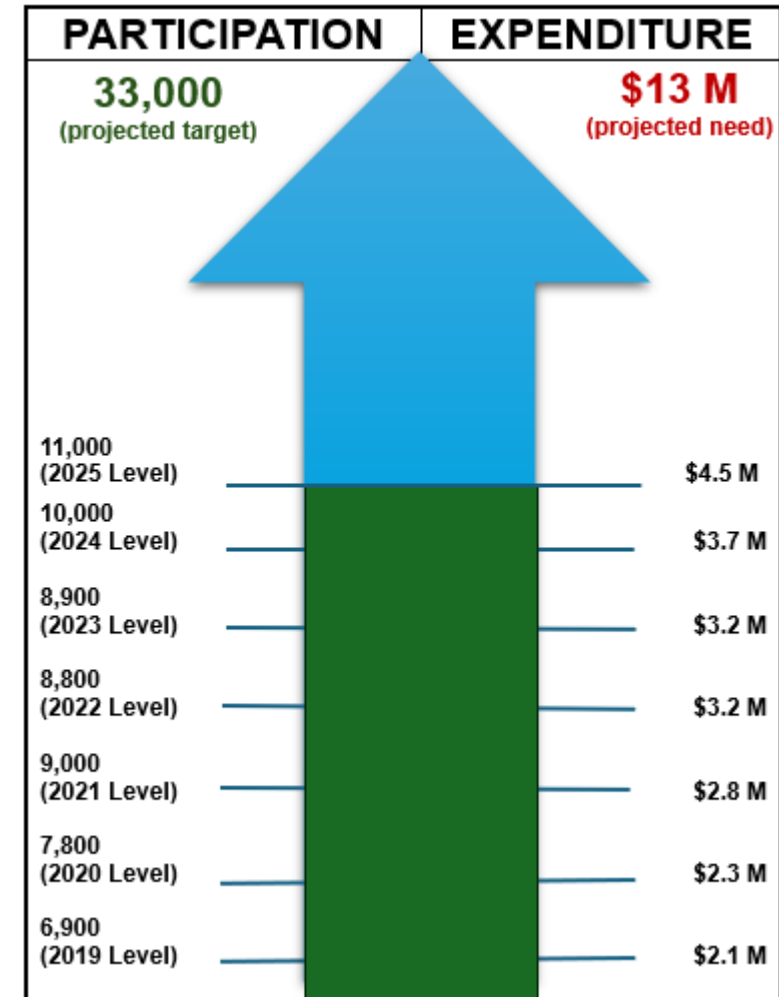
Agenda

- Customer Assistance Program Funding Needs
- Overview of Private Water Service Line Repair Plans
- Marketing Approach
- Provider Selection Process
- Recommendation



Customer Assistance Program Funding Needs

- 11,000 active CAP customers
- Approximately \$406,000 to fund every 1,000 eligible CAP household
- Current Funding Source: \$5 million (Real Estate Leases)
- Projected eligible households: 33,000
- Projected funding need: \$13 million

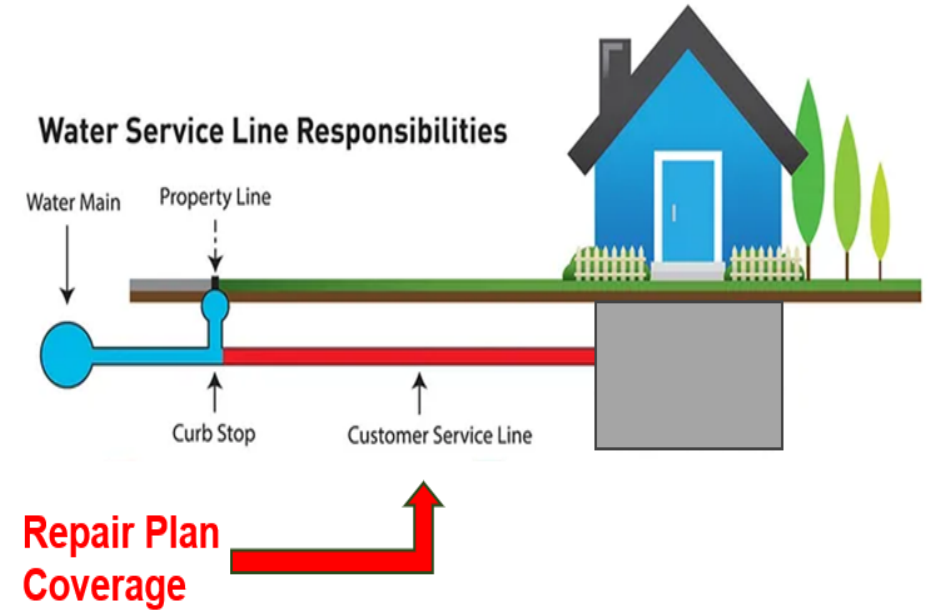


New Non-Rate Revenue Source to Support CAP

- Investigated the viability of partnering with a Provider to market a Private Water Service Line Repair Plans (Plans) to customers
- Partnership would generate a source of non-rate revenue to support the CAP
- Staff presented the approach at Finance/Administration Committee Meeting on August 27, 2024
- Committee approved staff to explore a potential partnership through a request for proposal process

Overview of Plans

- Plans are offered by a private home warranty Provider
 - Covers the cost of repair or replacement of exterior private water service lines
- Cost is approximately \$3-4/month, billed directly by the Providers
- Plans are optional and independent of the District



Overview of Marketing Approach

- District allows Provider to use its brand and logo for marketing
- Provider has exclusive rights to market to District customers
- Provider pays District a flat fee
- Provider is responsible for marketing, enrolling, billing, handling all customer issues, and dispatching licensed contractors to address repairs



Provider Selection Process

- A request for proposal was issued on January 6, 2025
- Received two proposals
- HomeServe was selected through a competitive evaluation process:
 - Has offered water service line repair services in North America since 2003
 - Currently partnering with 42 utilities in California including California Water Service, San Jose Water, Alameda County Water District, and Contra Costa Water District
 - Average satisfaction rating of 4.8/5 stars

What HomeServe Will Offer?

- Source its own customer contact information
- Quarterly marketing campaigns for customers. Customers can opt out from receiving marketing materials.
- Provide 24/7/365 Call Center to respond to customer inquiries
- Dispatch locally vetted, licensed contractors
- Handle all billing and payment transactions

Monthly Pricing Plan for District Customers					
Product	# of Claims	Max Coverage per Claim	Annual Coverage	Monthly Pricing	
Exterior Water Service Line	Unlimited	\$12,000	Unlimited	Year 1	\$2.99
				Year 2+	\$3.49

Partnership Fee

- HomeServe will pay the District a flat fee of \$600,000 annually
- Fee is paid regardless of the number of District customers that enroll into their Plan
- Agreement term is three years with 4 options to renew for one-year terms
- Over the course of seven years, could generate \$4.2 million non-rate revenue

Recommendation

- Move forward with Marketing Partnership Agreement with HomeServe and bring Agreement for Board consideration at its July 8, 2025 meeting
- If approved, staff will begin working with HomeServe to market Plans to District customers

Questions?



Flowing
into the
Future