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Office of the City Clerk

**Ronald D. Leonhardt**  
City Clerk

**Jim Owczarski**  
Deputy City Clerk

July 26, 2011

Mr. Ghassan Korban  
Special Deputy Commissioner  
Department of Public Works  
Room 501, Zeidler Municipal Building

Dear Mr. Korban:

On July 26, 2011, the Common Council overrode the veto of Mayor Tom Barrett of File 101142, a substitute resolution authorizing participation in the National League of Cities' Service Line Warranty Program administered and managed by Utility Service Partners, Inc. (USP)

Attached is a certified copy of the resolution and the draft marketing agreement that is attached to the file. The resolution directs the Department of Public Works to enter into the marketing agreement with USP and to provide reasonable assistance as requested by the National League of Cities and USP to initiate and maintain participation in this program for the benefit of city residents.

Sincerely,

Ronald D. Leonhardt  
City Clerk

Cc: Ald. Joe Davis, Sr.  
Kathryn Block  
✓ File 101142

Rdl  
Council/service line warranty.doc

# City of Milwaukee

Office of the City Clerk

200 E. Wells Street

Milwaukee, Wisconsin 53202

Certified Copy of Resolution

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**FILE NO: 101142**

**Title:**

**Substitute resolution authorizing participation in the National League of Cities' Service Line Warranty Program administered and managed by Utility Service Partners, Inc.**

**Body:**

Whereas, Poorly maintained sewer laterals contribute to the infiltration and inflow of storm water or groundwater into Milwaukee's dedicated sanitary sewer system, which can cause the system to overflow; and

Whereas, Leaks of water into sanitary sewers have increased since the district's deep tunnel system began operating in 1994, compromising the system's ability to store wastewater and prevent combined sewer overflows; and

Whereas, The discharge of sewer overflow into residential basements and surrounding waters negatively affects the environment and public health, and it also violates state and federal regulations; and

Whereas, As cities throughout the United States struggle to address problems of infiltration and inflow, municipal programs to encourage and assist residential private property owners in maintaining private sewer laterals are growing in popularity; and

Whereas, The average cost of repairing a broken water line or sewer line may range from \$1,200 to over \$4,000; and

Whereas, Most homeowner policies will pay to repair the damage created by failed utility lines but they generally do not pay to repair the actual broken pipes or lines; and

Whereas, After severe flooding and widespread basement backups on July 22, 2010, the Milwaukee Metropolitan Sewerage District has proposed spending \$150 million in the next 10 years to inspect and help repair private laterals in the 28 communities served by the district; and

Whereas, The National League of Cities ("NLC") launched a Utility Service Line Warranty Program in November, 2010, created, administered and managed by Utility Service Partners, Inc. (USP) to benefit residents of participating cities; and

Whereas, The national program, modeled after existing programs in Oklahoma and West Virginia, retains local, professional plumbers to perform all service line repair work;

and

Whereas, USP administers the program and is responsible for all aspects of the program including marketing, billing, customer service, and performing all repairs to local codes; and

Whereas, USP pays for all marketing materials and program administration and will pay the city a 10% royalty for every resident that participates in the program; and

Whereas, The external service line warranty covers the underground service line from the point of connection to the city main line to the point of entry to the home, with a cost of \$10.50 per month providing coverage capped per occurrence at \$6,000 plus an additional \$4,000 for public street cutting, if necessary; and

Whereas, City residents will benefit through the City's participation in the National League of Cities' Service Line Warranty Program at no cost to the City; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Department of Public Works is directed to enter into the attached marketing agreement with Utility Service Partners, Inc. (USP) for participation in the National League of Cities' Service Line Warranty Program and to provide reasonable assistance as requested by the NLC and USP to initiate and maintain this participation for the benefit of city residents; and, be it

Further Resolved, That proceeds from the Service Line Warranty Program shall be returned to the General Fund.



I, **Ronald D. Leonhardt**, City Clerk, do hereby certify that the foregoing is a true and correct copy of a(n) Resolution Passed by the COMMON COUNCIL of the City of Milwaukee, Wisconsin on July 26, 2011.

*Ronald D. Leonhardt*

Ronald D. Leonhardt

July 26, 2011

Date Certified

[DATE]

The Honorable John Sample  
Mayor  
City of Sample  
1 Sample Way  
Sample, WV 11111

**RE: Marketing Agreement with Utility Service Partners Private Label,  
Inc. d/b/a Service Line Warranties of America ("SLWA")**

Dear Mayor Sample:

We have discussed entering into a marketing agreement between the City of Milwaukee (the "City") and SLWA.

SLWA provides affordable utility service line warranties to consumers. It is SLWA's understanding that, in consideration of the License Fee (as defined below) to be paid by SLWA to City, City has agreed to cooperate with SLWA in marketing SLWA's water and sewer line services (the "Service Program") to City's residents and homeowners (the "Residents") as described below:

1. City hereby grants to SLWA a non-exclusive license to use City's name and logos on letterhead and marketing materials to be sent to the Residents from time to time, and to be used in advertising, all at SLWA's sole cost and expense and subject to City's prior review and approval, which will not be unreasonably conditioned, delayed, or withheld. Such license shall not include use of City's corporate seal.
2. As consideration for such license, SLWA will be liable to pay to City, within 30 days of the end of the final calendar quarter, 10% of the revenue from USP warranty subscriptions collected from the Residents during such calendar year (the "License Fee"), together with a statement certifying collections of such SLWA revenue, so long as this marketing agreement remains in effect. City will have the right, at its expense, to conduct audits, upon reasonable notice and during normal business hours, of SLWA's books and records pertaining to sales and rentals to the Residents while this marketing agreement is in effect and for one year after any termination of this marketing agreement.
3. The term of this marketing agreement will be for one year from the date of the execution of the acknowledgement below and this agreement will then renew on an annual basis unless one of the parties gives the other advance written notice of at least 90 days that it wishes to terminate the marketing agreement. City may terminate this marketing agreement 30 days after giving notice to SLWA that SLWA is in material breach of this agreement if such breach is not cured during such 30-day period. SLWA will be permitted to complete any marketing initiative initiated prior to the date of the notice of termination of this marketing agreement and shall pay the License Fee to the City for the calendar year in which this marketing agreement is terminated after which

time, except as herein provided, neither party will have any further obligations to the other and the license described in this letter will terminate.

4. SLWA shall indemnify, hold harmless, and defend City, its elected officials, appointed officials, and employees from and against any loss, claim, liability, damage, or expense that any of them may suffer, sustain or become subject to in connection with any third party claim (each a "Claim") resulting from the negligence or willfulness of SLWA in connection with, arising out of or by reason of this marketing agreement or a Resident's participation in the Service Program, provided that the applicable indemnitee notifies SLWA of any such Claim of which it has knowledge within a time that does not prejudice the ability of SLWA to defend against such Claim. Any indemnitee hereunder may participate in its, his, or her own defense, but will be responsible for all costs incurred, including reasonable attorneys' fees, in connection with such participation in such defense.

5. SLWA shall be solely responsible to meet SLWA's insurance needs as required by the City, including general and professional liability and property damage, during the term of this marketing agreement or any extension thereof. A Certificate of Insurance shall be provided to the City as evidence thereof naming the City as an additional insured for public liability and property damage, and providing for a thirty (30) day notice to the City prior to termination or cancellation of the policy. The City reserves the right to require review and approval of the actual policy of insurance before it executes this marketing agreement. The minimum limits of insurance required by the City under this marketing agreement are as follows:

Bodily Injury	\$1,000,000 per occurrence \$1,000,000 in aggregate
Property Damage	\$500,000 per occurrence \$500,000 in aggregate
Professional Liability	\$2,000,000 any one claim

6. SLWA agrees that for so long as this marketing agreement is in effect, any changes to the Terms, Limitations, and Exclusions for External Sewer Line and External Water Line of the Service Program or to rates for the Service Programs now in effect and attached to this marketing agreement as Exhibit 1, that could be construed to increase the cost of the Programs to Residents, or to provide Residents with lesser service, shall not be implemented without prior review by City and, if applicable, approval by the State of Wisconsin.

7. Records shall be maintained in accordance with requirements prescribed by City with respect to all matters covered by this marketing agreement. Both parties understand that City is bound by the Wisconsin Public Records Law, and as such, all of the terms of this agreement are subject to and conditioned on the provisions of Wis. Stat. Section 19.21, et seq. SLWA acknowledges that it is obligated to assist City in retaining and

producing records that are subject to the Wisconsin Public Records Law, and that the failure to do so shall constitute a material breach of this agreement, and that SLWA must defend and hold City harmless from liability under that law arising from SLWA's action or inaction. Except as otherwise authorized, these records shall be maintained for a period of seven years after receipt of the final payment under this agreement.

8. Prior to execution of this marketing agreement, SLWA shall execute an affidavit verifying that it has searched its records and those of any predecessor company regarding any records of investments of profits from slavery or slaveholder insurance policies during the slavery era, and disclosing the names of any enslaved persons or slaveholders described in those records.

9. In all hiring or employment made possible by or resulting from this marketing agreement there will not be any discrimination against any qualified employee or qualified applicant for employment because of sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status, sexual orientation, gender identity or expression, past or present membership in the military service, familial status, or based upon affiliation with, or perceived affiliation with, any of these protected categories. This requirement shall apply to but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. SLWA shall include or cause to be included in each subcontract covering any of the services to be performed under this agreement a provision similar to the above paragraph, together with a clause requiring such insertion in further subcontracts that may in turn be made.

10. SLWA agrees that it will: (a) engage contractors located in the City to perform repairs and replacements pursuant to the Service Program; (b) encourage its contractors to employ City residents to perform such repairs and replacements; (c) cooperate with the City in engaging qualified Emerging Business Enterprise Contractors; and (d) report to the City from time to time as reasonably requested by the City on the foregoing.

11. No officer, employee, or agent of City who exercises any functions or responsibilities in connection with the carrying out of any matters or requirements to which this marketing agreement pertains, shall have any personal interest, direct or indirect, in this agreement. No member of the governing body of the locality and no other public official of such locality who exercises any functions or responsibilities in the review or approval of the carrying out of this agreement, shall have any personal interest, direct or indirect, in this agreement. SLWA covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of the matters hereunder. SLWA further covenants that in the performance of this agreement no person having any conflicting interest shall knowingly, after reasonably diligent inquiry, be employed by SLWA. Any conflicting interest on the part of SLWA or its employees that may arise must be disclosed to City.

12. This marketing agreement shall be binding on the heirs, successors, and assigns of each party hereto. SLWA shall not assign, sublet or transfer SLWA's interest or obligations under the provisions of this agreement without the prior written consent of City.

13. This marketing agreement and all questions arising in connection herewith shall be governed by and construed in accordance with the internal laws of the State of Wisconsin. Venue for any action arising out of or in any way related to this agreement shall be exclusively in the City of Milwaukee.

If City agrees that the foregoing fully and accurately describes the agreement between City and SLWA, please arrange to have a duly authorized representative of City execute and date the acknowledgement below in each of the duplicate original versions of this letter and return one to me in the enclosed self-addressed stamped envelope.

If you have any questions or wish to further discuss this marketing agreement, please do not hesitate to contact me.

Very truly yours,

**Utility Service Partners Private Label, Inc.**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Acknowledged and Agreed:**

City hereby acknowledges and agrees that the foregoing letter fairly and accurately describes the agreement between City and SLWA as of the date of this acknowledgement.

**[Full name of city]:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_