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2.2 Program Overview

2.2.1 Water Line Protection Program

Cleveland homeowners may enroll in the LineSaver Water Line Protection Program which, subject to its Terms & Conditions, provides for replacement/repairs of leaks and breaks caused by normal wear and tear that occurs on the customer-owned portion of the service line.

The Water Line Protection Program includes:

- Water service line coverage starting from the home's shut-off valve to the connection owned by the water service provider
- Unlimited number of service calls
- Unlimited number of claims
- Replacement of galvanized/lead service line with Type K copper for a covered claim
- Guaranteed 24/7 customer service response
- Toll-free dedicated LineSaver customer service phone number
- A high coverage limit of \$4,000 per occurrence (including up to \$500 for public easement/right-of-way sidewalk repairs)
- Contractor response within 12 hours or by 5:00 pm the next business day
- No pre-inspection of the property
- No deductible - no claim forms
- All costs for acquiring permits
- No limitation on water line length or diameter
- Basic site restoration (filling-in, raking, seeding)

- Developing IT processes and reporting
- Promoting the protection programs to homeowners

Based on Cleveland's projected Program Launch Date of February 2009, AWR anticipates implementing various phases of the Cleveland LineSaver Program according to the requested timeline?).

2.3.2 Establish a Local Contractor Network

Plumber Qualifications

AWR uses only licensed, insured professional plumbers, and will only use licensed, insured professional plumbers to perform repairs in Cleveland and the Northeast Ohio Regional Sewer district (NEORSB).

AWR does not discriminate on the basis of race, color, national origin, sex, or disability in the award and performance of plumber contracts, and will take all reasonable steps to provide certified Cleveland Small Business, Minority-owned and Female-owned businesses opportunity to compete on an equal basis with all other contractors/suppliers in the marketplace, as well as assist in developing and strengthening minority business. We will strive to fulfill the City of Cleveland's Office of Equal Opportunity requirement for using 10% CSB and union plumbers in our contractor network and anticipate success.

Approved Contractor List

AWR will provide Cleveland with a list of all approved independent and licensed contractors engaged by AWR to perform repair service work for the Cleveland LineSaver Program.

Cleveland's input is welcome in the approved contractor selection process.

See: Exhibit E - Contractor Sourcing, Set-up & Management

Contractor Selection

Because they interact directly with our customers, plumbing contractors are vital in the success of a LineSaver Program.

Selecting the right contractor for each specific job is critical, so AWR will establish and maintain a local contractor network in order to match Cleveland's requirements. Based on Cleveland area population density, claims history, contractor geographical servicing areas, and competitor programs, AWR anticipates recruiting 8-10 Cleveland area plumbers to participate in its LineSaver contractor network for the first year of the program.

Repair service providers (plumbing contractors) will be selected using several criteria, including, but not limited to:

8.3 Customer Warranties

8.3.1 Workmanship Warranty

Our commitment to providing excellent repair work and superior customer service is unsurpassed.

AWR uses industry best practices. We and our representatives adhere to the highest work standard, based upon regulated utility requirements and implements current technology to ensure customers are charged a reasonable rate for repair work.

AWR warrants that our contractors provide good workmanship on the repairs they perform.

This warranty applies only to the customer of record, is non-transferable, and ceases upon the either termination of the customer's Agreement or the transfer of the property where the repairs were completed. AWR warrants its repairs up to the coverage limit contained in the customer's agreement for each covered repair incident.

- AWR assumes responsibility for all repairs completed by our contractors
- AWR warrants all materials used in repairs meet manufacturer's specifications
- AWR will replace materials at our expense if they are found to be defective, for a period of one year from completion of the covered repair service
- AWR warrants repair work is performed in compliance with state and local codes

AWR recognizes that customer warranties are subject to good faith negotiations.

See: Exhibit O - LineSaver Sample Terms & Conditions

8.4 Revenue Collection

8.4.1 Billing and Collection

Over seven years' experience billing service line protection programs and managing the largest number of water-related service line protection contracts in the industry make AWR the most qualified billing partner for the City of Cleveland, and we are capable of working with CWD's own IT resources.

The gross revenue AWR receives will be reduced by the amount of refunds due to cancellations during the prior month. We propose that the City of Cleveland remit to AWR all LineSaver fees within fifteen (15) days following the end of each calendar month. After receiving those payments, AWR shall send the City a report outlining the administrative surcharge received for the month in question and remit those charges to the City.