



DES MOINES WATER WORKS
Board of Water Works Trustees

Agenda Item No. III-G
Meeting Date: October 25, 2016
Chairperson's Signature Yes No

AGENDA ITEM FORM

SUBJECT: HomeServe Service Line Maintenance Agreement Amendment

SUMMARY:

- DMWW signed an agreement with HomeServe USA on December 19, 2012.
- The initial term of the agreement was three years. Provisions were included in the agreement for two one-year extensions. The second one-year extension will expire on December 19, 2017.
- To date, our experience with HomeServe has been positive. They have provided prompt, high quality service and they have been responsive to any concerns we have raised.
- In anticipation of the end of the original agreement, with extensions, in December of 2017, HomeServe has offered a proposal for three additional years of service.
- They are offering the same level of service for three more years with the addition of frozen service line coverage and a continuation of the pricing structure used during the first five years of the program - \$0.50 increase in the monthly charge every other year.
- The monthly rate at the end of the proposed 3-year extension would be \$5.99. As a comparison, in 2012 the second low bidder bid \$5.99 for the first year of the program.
- The proposed Amendment is currently in final legal review.

FISCAL IMPACT:

There is no direct fiscal impact to Des Moines Water Works. Our customers will continue to be eligible for HomeServe coverage at what we believe is an attractive monthly rate.

RECOMMENDED ACTION:

Authorize the CEO & General Manager to execute the First Amendment to Program Agreement with HomeServe USA, subject to final approval by legal counsel.

BOARD REQUIRED ACTION:

Motion Authorizing the CEO & General Manager to execute the First Amendment to Program Agreement with HomeServe USA subject to final approval by legal counsel.

<p>_____/_____ (date)</p>	<p>_____/_____ (date)</p>	<p>_____/_____ Ted Corrigan, P.E. Chief Operating Officer (date)</p>
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Attachments: None.