

**New York City Water Board: Request for Expressions of Interest to Provide Water Service Line
Protection for Residential Properties in New York City
Addendum #1
Responses to Inquiries**

Customer Service:

- 1) What percent of the billed 760,000 residential water accounts are renters vs. owners? Of the renters, what percent have responsibility for their service lines?
- 2) To the extent available, please provide additional detail regarding the 760,000 residential accounts.
 - a. Number of owner occupied residences
 - i. Single family
 - ii. Multi-family
 - b. Number of renter occupied residences
 - i. Single family
 - ii. Multi-family
 - c. Number of vacant residences
 - i. Single family
 - ii. Multi-family

DEP does not track or distinguish between owner-occupied and renter-occupied residences. DEP does not bill renters for water or sewer charges, and renters are never responsible for their service lines. Each account is associated with the owner of the property, and all charges constitute a lien on the property and are considered in rem charges rather than in persona charges. Ultimately, the owner is responsible for the water and sewer charges attached to the account, regardless of whether or not a renter is occupying the property.

- 3) Please provide the number of Residential Properties or Single Family Homes with a single water service from the main to the residence.

Approximately 93% of all DEP accounts have a single service line from the main.

- 4) Please define the term “Residential Property”. We would like to know if these are homes with a single water service line running from the main line to the home.

The 760,000 residential accounts identified are distinguished as belonging to Tax Class 1 and Tax Class 2 only. Tax Class 1 includes most residential property of up to three units (family homes and small stores or offices with one or two apartments attached), vacant land zoned for residential use in boroughs other than Manhattan, and most condominiums that are not more than three stories. Tax Class 2 includes all other property that is primarily residential, such as cooperatives and condominiums. There are properties in both Tax Class 1 and Tax Class 2 that would have multiple service lines running from the main line to the property. Below is a breakout of the number of accounts by Tax Class.

Total No. Accounts in Tax Class 1 – 663,114

Total No. Accounts in Tax Class 2 – 106,558

- 5) What percent of the billed 760,000 residential accounts meet your requirements for low income homeowners?
- 6) What percentage of the 760,000 residential accounts qualifies for low income assistance programs?

DEP does not track this information; however we do have data regarding the number of water and sewer customers who also qualify for the Home Energy Assistance Program (HEAP), which could serve as a proxy for "low income homeowners."

Based on 2009-2010 HEAP data provided by the City's Human Resources Administration (HRA), DEP estimates that there are approximately 18,059 residential accounts that receive HEAP benefits from the federal government.

- 7) What is the delinquency rate for water customers?

88% of our customers pay within two billing cycles.

System Characteristics and Repair Requirements:

- 1) "In light of the System's unique characteristics" – please clarify?

Any repairs made to the service connections require a licensed master plumber (LMP) to obtain a permit for the work. Service lines 2" and over are required to schedule an inspection. The service lines less than 2" in diameter can be self-certified by the LMP.

- 2) In your Expressions of Interest for the above referenced RFEI due April 22, 2011, you indicated there are 1400 Master Plumbers able to do subsurface work in the City but only a couple dozen "regularly perform such work." Where can I obtain the Master Plumber list and more importantly, who can identify the couple dozen that regularly perform this type of work in the City?

We cannot identify specific plumbers since that could present an unfair advantage to certain plumbers. But, there is a list of 45 plumbers that currently perform permitted work with the connections section. The complete list of licensed plumbers is kept by the City's Department of Buildings ("DOB").

- 3) It is noted that a partial repair/replacement can be made with the same size line. The following sentence reads that any line under 2" must be replaced in full. I am assuming that if a partial repair/replacement cannot be sustained, then the contractor must fully replace the service line with 1" Copper or Brass instead of having multiple repairs?

Title 15, Chapter 20, §20-03 of the Rules of the City of New York requires any repair of greater than half to be a replacement. Any replacement must be "in-kind", unless there is DOB approval for an increase in the service size. See DOB Schedule B – www.nyc.gov/html/dob/html/forms/forms_permits.shtml.

- 4) Can the DEP tell us what percentage of service lines are lead, galvanized, copper, PVC, etc.?

The number of service lines of each material is unknown.

- 5) When replacing lead pipes, are there any requirements for a specialized contractor to do the work, or can any of our licensed network contractors complete the job?

There are no special requirements for doing lead service line replacement work, but lead service lines must be replaced with lines of other materials.

6) How many water service lines have been repaired in the past 2 years?

In 2010, there were nearly 6,000 repair/relay permits approved. In 2009, there were 4,200.

7) How many lead water service lines have been replaced in the past 2 years?

Hundreds of lead water service lines have been replaced in the past 2 years, but exact numbers are not available. This would be a subset of the replacements noted above.

8) How many water service line repairs required work in the street in the past 2 years?

In the past 2 years, 10,200 service line repairs required sidewalk or street work.

9) Can the DEP provide guidance with local codes, costs of repairs, frequency of repairs, etc.?

Cost estimates by borough are approximate and can vary depending on the obstacles encountered on each specific site. The cost of repairs ranges from \$3,300 to \$5,700 depending on the contractor, the size and type of the service to be repaired/replaced, and the location of the line. Also, the type of street and other variations encountered can affect the cost of repairs.

10) What are the NYC Department of Transportation basic restoration requirements for hard surfaces?

The restoration requirements can be found in the Highway Rules that comprise Chapter 2 of Title 34 of the Rules of the City of New York. See www.nyc.gov/html/dot/downloads/pdf/hwyrules.pdf.

11) What are the City's requirements for restoration of the trench?

The rules regarding restoration of the trench are included in the Highway Rules noted above.

12) Who is responsible for meter pits and curb stops?

The property owner is responsible for the maintenance and repair of meter pits and the curb valve. DEP expects this to be covered by the protection policy offered.

13) It is also referenced that the service line is customer's responsibility from the City Main Tap at the street. In knowing this, is it assumed that the curb box and corporation line are part of this customer owned service line? The corporation line I am referring is the line from the curb box to the main connection or tie-in at street.

The service line from just after the tap/connection to the building is the responsibility of the property owner.

14) Please clarify the homeowner's responsibility for their service line to the extent known:

- a. Meter to the house? The homeowner is responsible for protection of the meter (e.g., from damage or freezing). Repair due to malfunction, breakage or wear is the responsibility of DEP.
- b. Curb box to the house? The homeowner is responsible.
- c. Main line to the house? The homeowner is responsible.

15) What portion of the water service line is the City responsible for and repairs, if any

None. The City is only responsible for and makes repairs to a leaking tap or wet connection.

16) Are local contractors required to pull permits for repairs to customer owned service lines? To the extent known, what is the cost of permit and the time needed to acquire?

Yes; DEP's repair permits are free. Street permits must also be pulled through DOT: www.nyc.gov/html/dot/html/permits/stpermit.shtml#standard_requirements.

17) What service is utilized to locate underground utility lines? To the extent known, what is the time required to have these lines located and marked?

For a majority of the water service lines, there are records of the connection at the Borough Records Offices of DEP; and when applying for a repair permit, the plumber can get information on the water service line that same day. Additionally, Section 119-B of the New York State Public Service Law and Chapter 7 Part 753 of the Codes, Rules and Regulations of the State of New York address the protection of underground facilities, and there are two membership organizations that work to coordinate excavations and have information on utility lines in the City:

- Dig Safely New York: www.digsafelynewyork.com
- DigNet: www.dignetnycli.com

Public Relations/Communications:

- 1) What brand / logo will you provide to assist with marketing the Program?
- 2) Will we have use of the brand or logo that is used to mail out DEP water bills? We prefer to use a brand or logo that the customer is familiar with.

DEP will allow the DEP brand/logo to use used in conjunction with marketing of the program.

- 3) What access can we have to customer data for marketing purposes?
- 4) Will NYC Water Board provide use of the residential customer mailing list, to help ensure accurate mailing of Program marketing material?

If recommended by the program provider, DEP will provide use of the residential customer mailing list or include mailings along with our water bills to help ensure accurate mailing of Program marketing material. If requesting access to our mailing list, please provide specific examples of how your firm has handled mailings in a similar program before.

- 5) Can we use bill inserts for marketing purposes?

A firm or company offering a Service Line Protection Program to DEP's customers would be allowed to include bill inserts for marketing purposes. If you are/are not recommending this, please provide detailed examples from your experience why we should/should not do this.

- 6) Does the DEP have the ability to use billing statement messages for marketing purposes?
- 7) Does the DEP have the ability to add a line item to the existing water bill? We would prefer to be able to bill for the water line service protection on the existing bill.

DEP does have the ability to use the billing statement for marketing purposes and add a line item for billing the water service line protection program on the existing bill. If you are/are not recommending this, please provide detailed examples from your experience why we should/should not do this.

- 8) Are we allowed to use newsletters or email events for marketing purposes?

A firm or company offering a Service Line Protection Program to DEP's customers would be allowed to include bill inserts for marketing purposes. If you are recommending this, please provide specific examples from your experience of where you have done so successfully.

Other:

- 1) There are questions in the RFEI that pertain specifically to pricing much like an RFP. Is the intent to gather information or could a contract be awarded based off of RFEI response?

The intent for gathering pricing information is to inform our potential development of an RFP and preliminary discussions about how a Service Line Protection Program offering might be best structured. A contract cannot be awarded based off of an RFEI response.

- 2) Does the DEP have any interest in a multi-family product offering?

If your company/firm would like to propose a multi-family product offering, DEP would definitely consider such an offering.

- 3) Is the DEP or Board opposed to offering other value added services to home owners?

DEP and the Board would consider additional services related to our provision of water and wastewater service as long as they would provide value to our customers and us.

- 4) Are we able to have a meeting with the Board to discuss this in a work session?

Following the submission of Expressions of Interest, DEP and the Board may ask selected firms to meet to discuss their responses.

- 5) To the extent possible, please rate each of the following attributes of a service line protection plan on a scale of 1 through 5 with 5 being very important and 1 be somewhat important:
 - a. Compensation to the City – 3
 - b. Price to the consumer – 5
 - c. Response to the program / overall penetration rate in the market (defined as number of warranties sold divided by the number of residential accounts) – 5
 - d. Providing access to the program for low income families that cannot afford to pay for the product – 5