



May 2, 2012

Plano Residents:

Many of our citizens saw the story that appeared on WFAA Channel 8 on May 1 regarding the City's participation in the Service Line Warranties of America (SLWA) program and have concerns. However there is more to the story than was presented by WFAA.

The City of Plano began monitoring Service Line Warranties of America (SLWA) in 2008 when the City was first approached about entering into a partnership. SLWA requested consideration by City staff to consider the service line protection program which would provide coverage to Plano citizens. At that time, staff determined the City did not know enough about the program, the company, and how the citizens would react to a program of this type. The City takes partnerships very seriously and after evaluating this specific opportunity, the determination was made not to enter into a partnership, but to monitor the program to determine if there was a future fit.

The reason the City of Plano would consider a program of this type is due to the number of calls the City receives from citizens regarding issues with service lines. Many houses in Plano are approaching 30-40 years in age. While many homes are being renovated, the service lines are often overlooked because they are subsurface. The deterioration of subsurface lines, the impact of trees and roots affecting lines in addition to shifting soils due to drought have created issues for many Plano citizens. Numerous requests are received each year for assistance on service lines that are the responsibility of the resident and we recognized this represented a growing community need.

In April 2010 the North Central Texas Council of Governments (NCTCOG) was approached by several service line warranty companies requesting support for their programs. The NCTCOG issued a Request For Proposal (RFP) to competitively evaluate service line warranty providers. Four companies submitted qualifications and proposals to a committee of cities (which included staff from the City of Plano) and were evaluated on a number of criteria including: philosophy of the Company, stipulations of the contract, handling of customer grievances, quality of existing partnerships with cities, communications with citizens, financial stability, experience on similar projects, references, contractor screening processes, and qualifications of key personnel. At the conclusion of the RFP process SLWA was selected as the partner. SLWA is an A+ rated company by the Better Business Bureau, Zero BBB Complaints in 8 years, they have a 96% Customer Satisfaction Rating, and deny less than 2% of claims. On January 27, 2011, the NCTCOG's Executive Board voted to adopt a shared services agreement with SLWA to allow member cities to participate through an interlocal agreement.

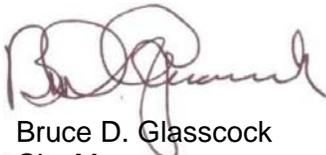
In January 2012 the City of Plano entered into a partnership agreement with SLWA to offer a service line warranty program to the citizens of Plano. There are a few details of that agreement that need clarification. First, SLWA does not have universal rights to use the City of Plano logo. Our logo is copyrighted and all materials where SLWA intends to use the logo must be preapproved by the City of Plano prior to any materials being released. Second, the City of Plano does receive revenue from the SLWA program which helps to offset rising costs, such as gas for our fleet of vehicles, without impacting the tax rates. This alternative revenue source allows the City of Plano to continue to have the lowest tax rate in the region, while addressing increasing costs.

In Plano, over 2,600 residents have enrolled in the program in the first three weeks. We have received a number of calls and e-mails after the mailing of letters by SLWA, with the majority of concerns regarding the letter's authenticity since it had the City logo and City Manager's signature on the letter. We posted information on the City's website, www.plano.gov beginning April 11 in order to reassure residents about the program and to validate our participation.

The City now realizes there are aspects to the letter that are confusing to our residents and will be taking steps to insure future mailings are clearer. We will assure that the letter readers clearly understand that it is being sent from SLWA and will use the Plano logo in association with the letter but not as a header so there is no confusion regarding who the letter is from. We will also assure that the partnership is made clear in order to eliminate any misperceptions and increase our transparency. Last, an option to be removed from all further solicitations will be included in the letter.

We continue to welcome resident feedback about this process and how we might improve our communication. Please contact Mark Israelson, Director of Policy and Government Relations, at 972-941-5112 or marki@plano.gov.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bruce D. Glasscock". The signature is fluid and cursive, with the first name being the most prominent.

Bruce D. Glasscock
City Manager