



City of Detroit

CITY COUNCIL

JAMES E. TATE JR.
CITY COUNCIL PRESIDENT PRO-TEMPORE

DISTRICT 1

MEMORANDUM

TO: Gary Brown, Director, Detroit Water and Sewage Department

THRU: Public Health and Safety Standing Committee

FROM: Council President Pro Tempore James E. Tate Jr.

DATE: Monday, February 10, 2025

RE: American Water Resources – Follow Up Questions

Thank you for the initial responses to my questions, Director Brown. Please respond to the follow up questions and requests for information below:

- Answer #3 on the memo below includes 2024 customer satisfaction (CSAT) data. Please provide data on the number of claims that were submitted by month in 2024 and the number of American Water Resources (AWR) service subscribers that completed the CSAT form by month.
- Answer #4 states “AWR is not a vendor of DWSD. AWR and DWSD have an endorsement contract.” Please provide the terms and conditions of the endorsement contract.
- How does DWSD assess AWR’s work.

If there are any questions, please contact my Policy Analyst, Jai Singletary, at jai.singletary@detroitmi.gov.

Thank you,

CC: Mr. Malik Washington, Mayor’s Office

1. How does AWR address concerns and complaints from residents enrolled in the insurance program?

AWR takes great pride in **providing resolution for 100% of eligible claims** (claims covered under the [Terms and Conditions](#)). AWR had 98% customer satisfaction score among Detroit customers in 2024.

In the event a customer is not happy with the resolution, they can reach out to our **Customer Advocacy Team** to get a secondary review of their request. The Customer Advocacy Team's role is to **actively listen to the customer's concerns, acknowledge and empathize with their situation, gather necessary information, conduct a review of the matter, communicate clearly with the customer, provide practical solutions, and follow-up with the customer** to check on their satisfaction with the resolution and document the problem to prevent future issues.

The Customer Advocacy Team **determines the resolution based on the Terms and Conditions associated** with customers' protection programs. However, in some **ineligible cases**, the Customer Advocacy Team may choose to **fulfill a customer's request** as a part of **AWR's good will efforts**.

2. How many residents have been enrolled in AWR? Please provide figures for each year the program has been available.

AWR protection programs **were introduced to Detroit residents in May 2022**. AWR received, and continues to receive, **interest from Detroit residents given the old private pipes and frequent need for repairs**.

See below chart for customer figures for each year after the partnership inception.

Year end	Customer Count
2022	15,797
2023	19,669
2024	20,886

3. What is the efficacy of the AWR insurance program?

AWR offers home warranty programs (not insurance) **covering repairs and replacements of external private water and sewer lines for normal wear and usage**. Our customers **contact us** when they run into an issue with their water and sewer lines, and we **schedule a visit from a contractor from our network to customers' house to resolve the issue and restore service**.

AWR has completed **7,565 water & sewer line claims** in Detroit since 2022. AWR completes **repairs and replacements for 100% of eligible claims**. AWR programs **have unlimited coverage** – i.e., there is no cap to dollar amount for covered items. Customers can file claims **as many times as needed** during their warranty period.

Year	Claim count
2022	729
2023	3,130
2024	3,706
Total	7,565

AWR also assesses **customer satisfaction after each claim** by sending customers an email and a text asking for their satisfaction on a 1-5 scale. The following are the customer satisfaction (CSAT) results for our services. 2024 resulted in an average **score of 98%** - a best-in-class score in the home warranty market.

Month	CSAT (%)
Jan-24	98.1%
Feb-24	99.0%
Mar-24	98.6%
Apr-24	97.5%
May-24	96.9%
June-24	98.0%
July-24	97.1%
Aug-24	96.0%
Sept-24	98.4%
Oct-24	100.0%
Nov-24	98.3%
Dec-24	98.7%

4. When does the contract expire with AWR?

AWR is not a vendor of DWSD. AWR and DWSD has an endorsement contract. The initial five year term expires **October 3, 2026 and renews at the election of Partner for one five-year renewal term.**

5. What have been the types of services that have been requested versus those that have been rendered by AWR?

AWR coverage terms are set forth in the Terms and Conditions.

Typical coverage items are:

- Water Line Programs: Burst pipe, Leaking pipe, Leak due to pipe erosion, Normal wear and usage, Excavating, Equipment, Backfilling holes, Reseeding yard, Inspections
- Sewer Line Programs: Clogs, Blockages, Burst pipe due to normal wear and tear, Pipe collapse, Pipe damage from tree roots, Leaking Pipe, Pipe Corrosion, Excavating, Equipment, Backfilling holes, Reseeding yard, Inspections

Typical exclusion items are:

- Water line Programs: Preexisting conditions, third party damage, branch line off the main water line and code upgrades
- Sewer Line Programs: Preexisting conditions, third-party damage, bellies, taps and code upgrades
- Permanent restoration of private disrupted concrete, asphalt or structures is responsibility of the homeowner after the repair

As an example of a customer claim and resolution, we recently resolved a customer's issues by performing the following actions:

- Replacement of **entire water line** from the street to the house
- Replacement of **compromised lead line** (with 40 feet of 1'k copper by excavating the curb stop location and connecting it to the meter inside)
- Turned the **water on and verified no leaks** (DWSD approval and green tag inspection were completed)
- The area was **backfilled to grade**
- **Private paved surfaces** were **cold patched with asphalt** (as per Terms and Conditions below) vs. customer's **request of cement**
 - As a part of our goodwill efforts, later this customer's paved surfaces were repaired to their request

6. When residents apply for AWR's insurance program, please explain what contractual language states they are responsible when repair crews damage pavement on private property?

"Pursuant to the Terms and Conditions, **private paved surfaces will be cold patched with asphalt once per occurrence.** If a customer is concerned that a contractor did not follow the Terms and Conditions, then the customer should reach out to AWR so AWR can investigate. AWR welcomes feedback on contractors and will review the contractor's restoration work if it is not compliant with the Terms and Conditions. "

7. Please list all the repair companies contracted with AWR for water and sewer line repairs.

A strong contractor network is paramount to timely resolution of customers' repair needs and to a good customer experience. Therefore, AWR **only chooses to work with local contractors with the following qualifications:**

- \$1M insurance for each of the following: general liability, vehicle, umbrella and worker's compensation
- Licensed in their trade and licensed with the secretary of the state
- Must be able to accept emergency calls and provide some level of after-hours response

Currently, there are **4 active contractors in our network**, and we are in the process of adding 2 additional contractors:

- Hartmann & Sons Water and Sewer LLC
- 2nd Gen Plumbing LLC
- Royal Plumbing LLC
- Slade's Plumbing & Sewer Service
- Motor City Plumbing and Drain – **in process**
- JD Home Improvement – **in process**

We conduct **formal reviews with our contractors regularly** to review their performance and iterate on our program expectations. All our contractors are **coached within 24 hours of receiving a 1-star rating** from the customers to ensure timely improvement.

8. **How many residents insured by AWR submitted claims for damage to their property after a contractor repairs a home's water and sewer lines?**

In 2023, we received **3 damage** (to property) claims from Detroit residents. The same number for **2024 was 9**.

9. **The same Outlier Media Article also states “under an agreement with the city, which is trying to eradicate all lead water pipes to protect public health, AWR directs contractors to replace any lead pipes they encounter.” How many lead pipes have been replaced by contractors with AWR?**

As per the request of DWSD upon adoption of the endorsement contract in 2022, when **a lead or galvanized line is discovered** during the repair process, AWR replaces it **at no additional cost to the customer**. AWR have replaced **21 Lead or Galvanized lines** for Detroit customers since the start of the program.