

**COURT UPHOLDS NEW YORK CITY WATER BOARD'S WATER AND SEWER  
SERVICE LINE PROTECTION PROGRAM, RULING THAT ITS PRIMARY  
OBJECTIVE IS TO BENEFIT CITY HOMEOWNERS**

***CONTRACT WITH AMERICAN WATER RESOURCES (AWR) PRESERVES AN INNOVATIVE, VOLUNTARY PLAN  
THAT PROTECTS CITY HOMEOWNERS FROM THE COSTS OF  
SUDDEN, EXPENSIVE AND UNEXPECTED REPAIRS***

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New York, N.Y. October 4, 2013 – A State Supreme Court judge has found for the City in a case that will protect and preserve an innovative program that helps insulate homeowners from expensive water and sewer line repairs.

In a decision dated Sept. 26th (but entered into the court system yesterday), New York State Supreme Court Justice Alice Schlesinger granted the NYC Water Board's petition against Comptroller John Liu and vacated his determination that repair work performed for City homeowners by a company called American Water Resources (AWR), Inc. is "public work" subject to the State prevailing wage requirements governing public works (New York State Labor Law Section 220).

"I find it obvious that the primary objective of this contract is to offer private homeowners an affordable plan to cover large, unexpected repairs on the sewer [and/or water] service lines they own," the judge wrote in her decision.

The Water Board entered into a contract with AWR that permitted AWR to offer a voluntary water and sewer service line protection plan to City homeowners. City homeowners own the water and sewer service lines that run from their homes to the City's water and sewer main, and homeowners are responsible to maintain and repair their lines. Typical repairs to a water line can be \$3,000 to \$5,000 and to a sewer line \$10,000 to \$15,000. AWR offers a service line protection plan for either water or sewer service lines or both, at a monthly cost of \$3.99 to \$11.98; when a homeowner enrolls, AWR will arrange and pay for repairs to the covered service line.

Approximately 653,000 homeowners are eligible to enroll in the program, and tens of thousands have already enrolled.

"The program is an innovative, affordable vehicle for homeowners to be protected from the sudden and expensive costs that can emerge when they're faced with sewer and water line problems," noted Steven Stein Cushman, Chief of the Law Department's Contracts & Real Estate Division. "The City is committed to providing the best possible service to all New Yorkers."

The New York City Water Board was represented by Andrew Gelfand, Senior Counsel in the Law Department's Commercial & Real Estate Litigation Division, along with DEP's Steven Lawitts, who's also Executive Director of the Water Board. AWR was represented by Joanna A. Diakos, Esq., of K&L Gates LLP.

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