

WORKSHOP ITEM *Jon Haukaas, Director of Public Works*

..Title

POTENTIAL CITY ENDORSEMENT OF UTILITY SERVICE PARTNERS, INC. SERVICE LINE WARRANTY PROGRAM

..Background

Staff has been contacted by Utility Service Partners, Inc. to request endorsement by the City of Blaine to market their Service Line Warranty program to our residents.

The Service Line Warranty program is a third party insurance program which provides homeowners with repair protection for leaking, clogged, or broken private water and sewer lines between the city main to the home. The program also educates homeowners about their service line responsibilities as homeowners are often unaware that these lines are the responsibility of the property owners and can be expensive to repair. Additional program options are available for wells, septic systems, and in home plumbing. The program is endorsed by the National League of Cities.

The company provides 24/7/365 bilingual customer support and all repairs meet city code requirements and are completed by local, licensed contractors. Our current process for responding to sewer backups is to respond to the scene immediately, investigate to see if the plugged sewer is in the city main or on private property. City staff ensures that the city main is clear and operating properly. A plug in the private service line is the responsibility of the homeowner to hire a contractor to clean that line. Once things are clear, then the clean-up begins. Homeowners must coordinate the cleaning and can submit the costs as a claim to the city insurance if the backup was in the city main.

The Marketing agreement would allow Utility Service Partners to use the City's name and logo on letterhead, bills, and marketing materials that are sent to residential property owners in the city. In return the City would receive a royalty from each policy sold. The use of the revenues from this royalty program are at the discretion of the Council or the royalty may be waived. Other cities have used the revenues for such things as low income utility payment assistance programs, payment of the initial 'non-destructive' cleaning of a sewer backup, or general fund revenue.

Twenty three cities in Minnesota have adopted this program including Rochester,

Edina, St. Louis Park, Richfield, Columbia Heights, Mounds View, New Brighton; with over 1000 repairs completed in the last three years.

The attached materials and draft agreement provide additional information for the Council to review and help determine if this is something the City of Blaine is interested in approving. Staff will provide a brief presentation and be prepared to answer any additional questions.