



City of Blaine Anoka County, Minnesota

Blaine City Hall
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Legislation Details (With Text)

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Title: APPROVE MARKETING AGREEMENT WITH UTILITY SERVICE PARTNERS, INC. FOR A SERVICE LINE WARRANTY PROGRAM
Sponsors: Jon Haukaas
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Attachments: 1. US Product Marketing & Royalty Agreement (Blaine MN)

Date	Ver.	Action By	Action	Result
7/8/2019	1	City Council	Approved	Pass

ADMINISTRATION - *Jon Haukaas, Director of Public Works*

APPROVE MARKETING AGREEMENT WITH UTILITY SERVICE PARTNERS, INC. FOR A SERVICE LINE WARRANTY PROGRAM

Staff has been approached by Utility Service Partners, Inc. to request endorsement by the City of Blaine to market their Service Line Warranty program to our residents. This item was discussed at the May 20 and June 10, 2019 City Council Workshops. The attached Marketing Agreement would allow Utility Service Partners to use the City’s name and logo on marketing materials that are sent to residential property owners in the city. The agreement limits the number of mail campaigns to twice per year - one introductory mailing and one reminder mailing for each, for a total of four mailings per year.

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 states that the City would receive a royalty from each policy sold. General workshop discussion was for the payment to be used toward the initial ‘non-destructive’ cleaning of a sewer backup regardless of cause.

Twenty three cities in Minnesota have adopted this program including Rochester, Edina, St. Louis Park, Richfield, Columbia Heights, Mounds View, and New Brighton; with over 1000 repairs completed in the last three years. Staff reached out to the cities of Edina, New Brighton, Richfield, Columbia Heights, and St. Louis Park. The feedback was consistent with all of the cities.

- The cities allow either the use of their letterhead or just their logo when soliciting the residents of the city.
- A strong FAQ document is necessity as the mailings generate a lot of calls questioning the program and its validity.
- Most use the fee to offset clean up from leaks.
- USP has a very good Customer Service Line and all cities felt the feedback was 95% positive.
- Any complaints have generally been due to miscommunications, misunderstanding of what is covered by the programs, or misunderstanding of who manages the program.

The attached Marketing Agreement and explanatory materials were provided for the Council to review.

By motion, authorize the Mayor and City Manager to approve attached Marketing Agreement with Utility Service Partners, Inc. for their Service Line Warranty program.