

**RESOLUTION NO. 22
SERIES 2008**

**A RESOLUTION AMENDING A CITY POLICY REGARDING
REIMBURSEMENTS FOR CLEANUP AND/OR RESTORATION EXPENSES
RESULTING FROM SEWER BACKUP OR WATER METER FAILURE**

WHEREAS, the City of Louisville is responsible for the repair and maintenance of main trunk sanitary sewer lines and City-installed water meters; and

WHEREAS, in spite of the City's ongoing maintenance and repair activities, from 2005 through 2007 there were an average of two sewer backups and water meter failures per year in Louisville; and

WHEREAS, even though a backup may occur in City sewer lines or a failure may occur with a City-installed water meter, the City typically does not have legal liability for damages caused by a backup or meter failure; and

WHEREAS, citizens sometimes do not carry the necessary insurance coverage for damage caused by a sewer backup or water meter failure; and

WHEREAS, citizen relations would be enhanced by the reimbursement of at least some of the expense that may be incurred by families who experience a City sewer line backup or water meter failure; and

WHEREAS, the City has had a policy in place since 2004 for reimbursement of cleanup expenses up to \$3,500; and

WHEREAS, that policy does not clearly provide for reimbursement of restoration expenses that may be incurred by families who may experience a City sewer line backup or a water meter failure; and

WHEREAS, the City Council has reviewed the policy and wishes to increase the maximum amount of money that may be provided for reimbursement of cleanup costs resulting from the backup of a City sewer main or failure of a City water meter and to clarify that reimbursement of restoration expenses is also allowable in these situations.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOUISVILLE, COLORADO:

Section 1. The City hereby adopts the following policy which provides for reimbursement of certain costs to residents who experience a sewer line backup or water meter failure:

**POLICY REGARDING CITY REIMBURSEMENTS FOR
CLEANUP AND/OR RESTORATION EXPENSES
RESULTING FROM SEWER BACKUP OR WATER METER FAILURE**

I. Introduction. Periodically, and in spite of the City's ongoing maintenance and repair activities, an obstruction or other blockage in a City sewer main causes a backup of sewage in the City sewer main into privately owned sewer lines and into citizen residences, or a City-installed water meter unexpectedly fails. Although the City may have no legal liability for damages in such situations, the cost to the resident of cleanup and restoration can be substantial. In an effort to maintain positive customer relations if a backup or water meter failure occurs, the City may reimburse the property owner for the cleanup and restoration required by a sewage backup which may have been caused by blockage of the sewer main or by a water meter failure. The total cost to the City for the cleanup services and restoration of a property to a condition comparable to what existed before the event may not exceed \$7,500 per occurrence.

II. Guidelines. The following guidelines shall be used in determining the circumstances under which such reimbursement may be made:

1. Reimbursement under this policy is intended for those situations where the City has no legal liability to pay for the damages caused by a backup in the main sewer line or the failure of a City-installed water meter. In those cases where the City's claim adjustor finds that the backup or meter failure was caused as a result of City negligence, the claim will be adjusted appropriately without payment under this policy.
2. Reimbursements for costs of cleanup and/or restoration will be made only to owners of residential property and only in those circumstances where a water meter fails unexpectedly or the backup occurs in the main sewer line and not when a meter fails as a result of accident, misuse or neglect by the property owner, or when the backup is caused by an obstruction in the individual property owner's service line. No payments shall be made if the City determines the backup or meter failure was the result of negligence, accident or intentional conduct on the part of any contractor or the owner or resident of the affected property.
3. The Utility Division Field Operations crew responding to the sewer backup or meter failure complaint will, to the extent possible, make the determination of whether water damage occurred as a result of a meter failure or some other cause or whether the backup occurred in the City sewer main or whether the backup occurred as a result of a blockage in the property owner's service line.
4. The amount of reimbursement made to a property owner shall be recommended by the City's insurance claims adjustor subject to approval of the City's Risk Manager, but shall not exceed \$7,500 per occurrence. The property owner, homeowner and occupant(s) as appropriate will be required to release the City from any further obligations arising out of the sewer backup prior to receiving these funds.

5. Any payments made by an insurance company or any other third party will reduce, on a dollar for dollar basis, any compensation paid under this policy. Proper documentation of costs incurred and of any insurance coverages or insurance payments received, is a condition of City reimbursement under this Policy.
6. The City does not admit, acknowledge, assume or agree to responsibility or liability whatsoever as a result of a sewer main backup or water meter failure by virtue of its payments under this policy.
7. The costs associated with the cleanup and/or restoration of the impacted properties and reimbursements made to property owners under this program shall be charged to the City's appropriate Utility Fund.

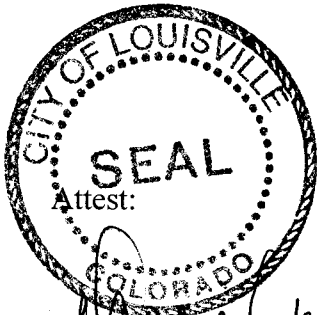
III. Administration. The City's Risk Manager shall be the main contact for request for reimbursement under this program. Questions on reimbursements for cleanup and restoration costs and process for filing claims should be directed to this office.

Section 2. The City Risk Manager and City Manager's Office are authorized to promulgate such additional forms, claims, procedures, policies, rules and regulations as are necessary to implement the foregoing policy regarding City reimbursements for expenses resulting from a sewer backup or water meter failure.

Section 3. Nothing in this Resolution or the Policy adopted herein shall be construed to create any liability, or to waive any of the limitations, rights, immunities, and protections provided by the Colorado Governmental Immunity Act, Section 24-10-101 et seq., C.R.S., as from time to time amended, or otherwise available to the City, its officers, employees or agents.

Section 4. The effective date of this policy shall be May 1, 2008, and any documented claims received after that date shall be paid pursuant to this policy.

PASSED and ADOPTED this 20th day of May, 2008.



Nancy Varra, City Clerk

By: _____

Charles L. Sisk, Mayor
City of Louisville, Colorado