



Council Agenda Item

Meeting Date: January 7, 2025

Agenda Item: Sewer Backup Reimbursement Claim

Staff Contact (name, email, phone): Rachelle Blicht, rblitch@whitewater-wi.gov, 262-473-1380

BACKGROUND

(Enter the who, what when, where, why)

The City's No-Fault Sanitary Sewer Backup Damage Reimbursement Policy provides financial assistance of up to \$7,500 to residents who experience damages due to sewer backups, provided they meet specific requirements.

In November, the City received a claim from Jorge Islas Martinez related to an incident on August 29, 2024, at 303 S. Summit. Staff confirmed that the cause of the backup was not Mr. Martinez's fault. Following the policy, a letter was sent requesting additional documentation, including a letter from his insurance company either denying the claim or stating the deductible, as well as proof of actual expenses incurred. Mr. Martinez indicated he would obtain the necessary information from his insurance provider.

On December 16, 2024, the City received a letter from Farmers Insurance requesting reimbursement for \$2,500, the amount they had paid to Mr. Martinez. While the policy stipulates that payments can only be made directly to the resident, after consulting with CVMIC, it is recommended that the City issue \$2,500 to Farmers Insurance and the remaining \$5,000 directly to Mr. Martinez. Both parties would be required to sign a release of liability before receiving these funds.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

4/2/2016 – Council approved a resolution establishing a No-Fault Sanitary Sewer Backup Damage Reimbursement Policy

FINANCIAL IMPACT

(If none, state N/A)

The total cost would be \$7,500 with \$2,500 paid to Farmers Insurance and \$5,000 paid to Mr. Martinez.

STAFF RECOMMENDATION

While the City is not liable for the damages, the existence of this policy complicates the situation. CVMIC recommends that we proceed with making the payments and subsequently review the policy to evaluate its effectiveness moving forward.

ATTACHMENT(S) INCLUDED

(If none, state N/A)

1. Sewer Reimbursement Policy
2. Reimbursement Claim from Mr. Martinez
3. Letter sent to Mr. Martinez
4. Sewer Report Form
5. Farmers Insurance Demand Letter
6. CVMIC's recommendations