



## Finance Committee Agenda Item

Meeting Date:	February 17, 2025
Agenda Item:	No-Fault Sanitary Sewer Backup Damage Reimbursement Policy
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### BACKGROUND

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

In April 2016, the Common Council approved a resolution establishing the No-Fault Sanitary Sewer Backup Damage Reimbursement Policy. The intent of this policy was to assist homeowners in addressing the financial burden associated with sewer backups, thereby reducing health hazards by encouraging timely property cleanup. While the policy explicitly states that the City is voluntarily offering this program without legal liability for damages, it inadvertently creates the potential for litigation from insurance companies that may have covered portions of the damages.

Attached is an internal procedure document for claims to serve as a replacement to the current policy to ensure there is consistency applied when processing any future claims. Many of the original policy's eligibilities are included in this document however; instead of using, "the City will" we are using, "the City can" as it is an important distinction to the voluntary payment. This is a working document and suggestions or questions are welcomed. Once it has the Finance Committee's recommendation it will be presented to Common Council with a request to rescind the original resolution.

### PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

April 7, 2016 – Common Council approved the resolution

### FINANCIAL IMPACT

(If none, state N/A)

This policy offers reimbursement of up to \$7,500 (lifetime) to residents who have experienced damages from a sewer backup that was no-fault of their own.

### STAFF RECOMMENDATION

CVMIC and staff recommend that the City review this policy and consider discontinuing the program. Residents would still retain the option to file claims, which would be evaluated on a case-by-case basis, consistent with the City's standard process for handling liability claims.

### ATTACHMENT(S) INCLUDED

(If none, state N/A)

1. Resolution Establishing No-Fault Sanitary Sewer Backup Damage Reimbursement Policy
2. CMVIC's recommendation email
3. Procedure for Processing a Liability Claim – Internal Guide