



Finance Committee Agenda Item

Meeting Date: January 28, 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.

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