

REQUEST FOR COUNCIL ACTION

Date: 6/11/2012
Item No.: 12.e

Department Approval



City Manager Approval



Item Description: Adopt Cleanup Assistance Policy Regarding Sanitary Sewer Backups

BACKGROUND

On March 19, 2012 and April 16, 2012, staff discussed various education efforts we are implementing on how to prevent sewer backups and what to do if a backup occurs. We also discussed what some other cities do in the event of sanitary sewer backups to assist property owners with immediate cleanup. They include self insurance for clean up assistance and cost share assistance to upgrade the private sewer lateral. The Council requested staff return with additional information and revised draft policy for further discussion.

Staff has revised the draft sanitary sewer backup cleanup assistance policy per the previous city council discussion. (Attachment A) This policy would provide immediate cleanup/removal of wet carpet, wall materials, insulation and hard surfaces along with disinfection. Any damage claims would still be submitted to the city's insurance carrier. The policy is written to apply only to low density residential properties. Assistance would only be provided if the backup was verified due to blockage in the city mainline. The city would contract with local vendors to perform the cleanup and administer the program. The Council will need to establish an effective date if the policy is adopted. The City Attorney has expressed concern about setting an effective date prior to the adoption date. We will seek additional discussion with the Council on the effective date of this policy if adopted.

We have also added a section on reimbursement for backflow prevention devices up to \$300. The reimbursement would not include installation as those costs can vary greatly depending on the individual property's plumbing configuration. We have also checked with our Building Official as to whether backflow prevention devices could be required by code and he has determined the city cannot be more restrictive than the plumbing code unless a study identifies potential backflow areas due to flooding.

POLICY OBJECTIVE

The City has a sanitary sewer maintenance program and a capital improvement program to ensure the sanitary sewer system is operating with minimum risk of damage to private property. The city sanitary sewer system is operated to protect the health and safety of residents and visitors.

FINANCIAL IMPACTS

Staff estimates an assistance policy implementation to cost \$35,000 annually. The city currently averages 6-8 sanitary sewer backup claims per year. This would assume the per property cleanup cost averages \$3,500 and \$5,000 to \$10,000 in administrative costs annually. This would include bidding cleanup services, monitoring and contract administration, and other documentation and communication with property owners. Staff is recommending a limit per event of \$50,000 to limit the city's catastrophic exposure.

35 The Finance Director has determined that residential property sanitary sewer base rates would
36 need to be increased by 2.75% from \$30.35 to \$31.18 to cover the cost of a \$35,000 annual
37 program for backup assistance. If the annual cost of the policy then becomes \$50,000, then we
38 would need to increase the base rate by 4% from \$30.35 to \$31.56. If \$100,000, then the rate
39 increase jumps to 7.75% - from \$30.35 per quarter to \$32.70.

40 **STAFF RECOMMENDATION**

41 Staff is seeking additional Council feedback for any final changes and adoption of the draft policy.

42 **REQUESTED COUNCIL ACTION**

43 Motion to adopt the Residential Sanitary Sewer Backup Cleanup Assistance Policy.

Prepared by: Duane Schwartz, Public Works Director
Attachments: A: Draft Sanitary Sewer Cleanup Assistance Policy

CITY OF ROSEVILLE, MINNESOTA POLICY

SUBJECT: RESIDENTIAL SANITARY SEWER BACKUP CLEANUP
ASSISTANCE

POLICY NO.:

EFFECTIVE DATE:

BACKGROUND:

The majority of the City sanitary sewer system is a gravity flow system, meaning wastewater discharge from properties flows downhill in a series of underground pipes without pumping. Infrequently, blockages do occur for various reasons, causing a backup of sewage in either the City system or private service laterals and into private structures. For health and safety reasons, it is recommended that cleanup of wastewater of this nature be done as soon as possible.

Historically, property owners who have experienced sewer backups related to blockages in the City system have been provided information by the City that cleanup should be undertaken as soon as practical by the property owner, and if damages occurred as a result of the wastewater the property owner should file a claim with the City and its insurer.

PURPOSE:

To protect the health and safety of the residents by providing timely cleanup in the event of a sewer backup from the City's sanitary sewer system, without regard to liability or fault. .

POLICY:

- A. It shall be the policy of the City of Roseville to contract with private vendors to provide prompt wet extraction, removal and disposal of carpeting and carpet padding, drywall, other wall materials, insulation, and sanitizing and deodorizing of floors and walls as needed after a sanitary sewer backup into a low density residential housing unit which has been verified by the City to have occurred due to backup in the city system.

The property owner will be responsible for replacement of any damaged personal property or removed carpet or carpet padding.

To ensure the protection of health and safety, the City will not reimburse property owners for any expenses if the property owners choose to arrange for or perform the cleanup activity themselves.

Any additional work requested by the property owner beyond what is stated above will be the responsibility of the property owner and contracted separately by the property owner at their own expense.

- B. The City of Roseville will pay for this limited service up to \$5,000 per occurrence per housing unit.
- C. The City's action in undertaking or executing this policy does not constitute and shall not be interpreted as an admission of liability or fault, and there are no covenants, promises, undertakings or understandings, either expressed or implied, by the City other than those stated.
- D. Any property owner claims for damage resulting from sanitary sewer backups in the City system are to be submitted to the City for consideration by the City's insurance carrier.
- E. The city limits the total City payout to \$50,000 for cleanup services as defined above that result from any single event such as, but not limited to, major weather events. The City Council may choose to revise the limit of total City payout for cleanup services as defined above that result from any single event such as, but not limited to, major weather events. If the cleanup costs for all affected properties, from any single occurrence, exceed that City Council imposed limit, the City will pay for each qualified property a percentage of the total cleanup cost, equal to the percentage calculated by dividing the City Council imposed limit by the sum of all City provided cleanup costs for the single event as defined above. The difference between the total cost for each property and the City-covered cost as so calculated will be billed to the property owner.
- F. Property owners who qualify for this City provided clean up service will be required to sign a Cleanup Agreement prior to the City's cleanup contractor commencing work. This Agreement will outline the scope of the work to be performed, and will include an authorization to proceed. The agreement will also include a statement that the property owner understands that the City is not admitting any fault or liability for the backup by offering cleanup assistance, and that the property owner also agrees to pay for the underfunded costs of cleanup if any City-established per event limit is reached. Any payment for underfunded costs not received within 90 days of billing will be certified to property's taxes.
- G. The city will reimburse residential property owners for backflow prevention devices to be installed on their sanitary sewer service line. The reimbursement is limited to actual cost of the device not to exceed \$300. The reimbursement does not cover installation costs. Proof of purchase and installation is required.

FUNDING

91 Sanitary sewer backup cleanup assistance will be funded utilizing sanitary sewer utility
92 enterprise funds. The city will budget funds annually to be collected as a part of the sanitary
93 sewer utility rate.