

## No Fault Sewer Backup Insurance Committee

March 21, 2016

6:00 pm – 7:30 pm

City Manager Meeting Room

312 W Whitewater St. 2<sup>nd</sup> Floor

### Minutes

1. Roll Call
  - a. Meeting was called to order by L. Binnie at 6:03 pm.
  - b. Present: Cameron Clapper, Christopher McDonell, Lynn Binnie, Chris Grady, Wally McDonell and Doug Saubert. Tim Reel was excused from meeting by C. Clapper.
2. Approval of minutes from 2-29-16
  - a. Grady approved the minutes from 2-29-16, L. Binnie seconds the motion, motion passed, All-0.
3. Update on proposed release of lateral insurance
  - a. C. McDonell notes the materials are being updated for sewer lateral insurance. At this time National has received everything they need from the City and they should be sending proofs for approval. C. McDonell hasn't received anything to date for review and will try to pin National down for an exact date.
4. Review of draft No Fault Sewer Backup Insurance Policy
  - a. C. McDonell reviews all changes made to draft No Fault Sewer Backup Insurance Policy.
    - i. Section 4.1, page 2: \$7500 of cleanup costs, damages, and mechanical equipment, essential to the habitation of the residence, damages caused by a sanitary sewer backup, irrespective of whether the City is legally liable for those damages. \$7500 limit for personal property and/or possessions, up to \$1000 with an aggregate limit of \$30,000 per all occurrences annually.
    - ii. Section 4.1 page 3 Item C: C. McDonell will clarify with T. Reel if "more than 72 hours" is reasonable or if it should be less than 72 hours?"
    - iii. Section 4.1, page 3, Item K3: W. McDonell makes correction from "employer" to "employee".
    - iv. Section 4.1 page 3 Item G: remove "these" from sentence to partially read "only be extended to customers"
    - v. Section 4.1 page 3 Item L: Language included to "encourage" owners to install backflow preventers.
    - vi. Section 4.1 page 3 Item N: insert "real" in front of property.
    - vii. Section 4.1, page 4, Item M: Correct wording to read "but will jointly be restricted to the \$7500 limit with a \$1000 limit for personal property and possessions. Discussion moves to addresses multiple claimants per lateral. W. McDonell suggests including wording such as "for claimants with

multiple tenants/owners include a statement the City will determine a fair and equitable way of allocating the funds per lateral”

5. Discuss different funding options researched by C. McDonell.
  - a. D. Saubert recommends segregating funds from sewer operational. Fund will maintain a \$30,000 cap. L. Binnie questions if the policy is approved this year where is the money coming from for 2016 claims. D. Saubert is unsure where the funds will come from at this time except Wastewater Utility. C. Clapper would like to review this policy if approved again in 3, 5 or 7 years to determine if funding is adequate. The Policy needs to clarify the maximum set aside in this fund will be \$30,000 so if there is no claims in a year no additional money will be added to the fund since it will still have a \$30,000 balance. If the fund drops below \$30,000 it will be brought back up to \$30,000 annually. Committee proposes the policy to begin immediately.
6. Discuss next steps for the task force
  - a. L. Binnie would like this brought forward at the next council meeting April 7<sup>th</sup>.
  - b. Besides some small issues which L. Binnie will address with C. McDonell privately, the rest of the committee is in agreement with the way the draft policy is written.
  - c. C. Grady motions to bring policy to council 1/1/17 and motions for the policy to be reviewed at a later date for reevaluation and potential for reviewing or rescinding policy; L. Binnie seconds, motion passed, All-0.
  - d. C. McDonell to complete final draft and send out to committee so everyone can review before the council meeting on the April 7<sup>th</sup>.
7. Select next meeting date.
  - a. No future committee meetings needed.
8. Adjournment.
  - a. Motion to adjourn by L. Binnie, second by C. Grady, motion passed, All-0. Meeting concluded at 6:53 pm.