



**COUNCIL POLICY 01-01**  
**SANITARY SEWER BACKUP REIMBURSEMENT POLICY**

**Date: October 1, 2001**

**April 1, 2014**

**Revision: 02**

**DISTRIBUTION:** City Council, City Manager, Executive Assistants, Department Heads, Risk Manager

**SUBJECT:** Payment for Sanitary Sewer Backups

**PURPOSE:** To establish criteria as to when the City of Hickory will reimburse property owners for damages incurred due to sanitary sewer blockages which result in reverse flow into residential or commercial dwellings or structures.

**BACKGROUND:** The City of Hickory recognizes that there are occasions where property owners will experience sanitary sewer backups onto their property, resulting in damages to the property. At times, claims are relatively low dollar amounts and there is ambiguity as to whether the backup occurred as a result of the failure of the Sewer Main or the homeowner's service line. Additionally, the total number of claims, regardless of the dollar amount, is taken into consideration when the City's liability insurance rates are calculated. It is therefore in the City's best interest to adopt a policy which establishes when more in-depth investigation should occur and when City Staff should be encouraged to negotiate and resolve claims, without submitting the same to the liability insurance carrier.

**PROCEDURES:**

A. Owners seeking reimbursement for damages incurred due to a sanitary sewer backup must submit the following information to the City in writing:

1. Name of Property owner and occupant;
2. Property Address
3. Date of damage and loss:
4. Itemized list of property damaged, and approximate value of the same:

5. Expenses incurred attempting to mitigate damages and clean the property:
  6. Such other pertinent information as may assist in evaluating the request.
- B. If a sanitary sewer backup does occur, and it is the result of infrastructure failure, it is the Policy of the City of Hickory to resolve claims resulting in actual damages of five-thousand dollars (\$5,000.00) or less without submitting the same to its insurance carrier.
- C. This policy is not to be construed as an admission of liability on the part of the City or any negligence or wrongdoing on its part, nor is it an admission of a breach of its agreement with sanitary sewer customers. It is, instead an attempt to resolve a dispute issued without the need to resort to litigation
- D. The City of Hickory may opt to retain service professionals to assist in cleanup of sanitary sewer backup events in-order to speed-up mitigation, and reduce potential damages to residential and commercial customers. This is practiced in part due to current and established relationships with service professionals, and their ability to help mitigate damages that results in expedited response to these events.
- E. In order to qualify under this policy, the following criteria must be met:
1. The sewer backup must clearly occur in the public sanitary sewer system and not in the customer's lateral line or private plumbing system.
  2. The sewer backup must have occurred through no negligence on the part of the property owner or occupant seeking damages, nor by any third party who is on the property at the invitation of the owner or occupant or otherwise.
  3. Reimbursement is limited to the actual cost incurred by the owner for damages to the property and cleanup expenses involved, and shall not exceed the amounts established herein.
  4. Reimbursement will not be paid under this policy for personal injury, loss of income, temporary lodging or meals, emotional stress, or any other consequential damages.
  5. The owner must agree to the installation of an approved water backflow valve at the expense of the owner.
  6. The owner must execute a release discharging the City from any further liability upon payment of the claim, and must certify that no other payment has been received for the damages alleged from any other source, including any other insurance policy.
- F. Owners who do not wish to limit their claims to the amounts established herein may submit their claims to the City's Risk Division pursuant to the North Carolina Governmental Tort Claims Act. Claims will thereafter be exempt from this policy and submitted to the City's Liability Carrier, for processing. Once claims are submitted the

City's liability carrier the owner is no longer eligible to have a claim processed under this policy and actual proof of damages sufficient to satisfy the insurance carrier must be submitted. If, after processing by the insurance carrier, it is determined that there is no liability or that damages are less than the amounts provided under this Policy, the claim cannot be reconsidered under the terms of this policy.

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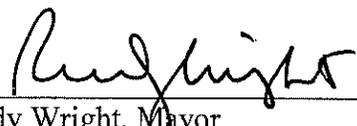
**EFFECTIVE DATE:** May 1, 2014

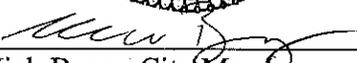
**RESPONSIBLE  
ENTITY**

  
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Todd Shoebridge, Risk Manager *3/19/14*

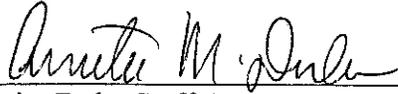
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Attest



  
\_\_\_\_\_  
Rudy Wright, Mayor

  
\_\_\_\_\_  
Mick Berry, City Manager

Approved as to form this 16<sup>th</sup> day of April, 2014

  
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Arnita Dula, Staff Attorney