

PUBLIC WORKS AND UTILITIES COMMITTEE

09-0254R

RESOLUTION APPROVING SETTLEMENT OF CLAIM OF NORTH SHORE  
BANK OF COMMERCE IN THE AMOUNT OF \$54,359.29.

CITY PROPOSAL:

RESOLVED, that the proper city officials are authorized to pay to North Shore Bank of Commerce the sum of \$54,359.29 in full and final settlement of the claim which arose out of a break in a city watermain valve occurring near 131 West Superior Street on May 12, 2008; payment to be made from the Self Insurance Fund 610-036-1652-5841.

Approved:

Approved for presentation to council:

\_\_\_\_\_  
Department Director

\_\_\_\_\_  
Chief Administrative Officer

Approved as to form:

Approved:

\_\_\_\_\_  
Attorney

\_\_\_\_\_  
Auditor

PW&U/ATTY MAL:blj 4/15/2009

STATEMENT OF PURPOSE: On May 12, 2008, a city water main ruptured causing water to penetrate and damage the elevator of property located at 131 West Superior Street and owned by North Shore Bank of Commerce.

The city's liability is based upon the legal principle that it is under a duty to maintain its watermain valves in a reasonably safe condition. The city of Duluth has investigated this claim and verified the damages and expenses. The civil division of the city attorney's office analyzed the city's loss exposure. Settlement negotiations were conducted and an agreement has been reached in the amount of \$54,359.29. The city attorney's office recommends this settlement.