

PUBLIC WORKS AND UTILITIES COMMITTEE

09-0694R

RESOLUTION APPROVING SETTLEMENT OF CLAIM OF GARY A. MERILA IN THE AMOUNT OF \$22,435.

CITY PROPOSAL:

RESOLVED, that the proper city officials are authorized to pay to Gary A. Merila the sum of \$22,435 in full and final settlement of the claim which arose out of a break in a city watermain occurring near 8622 Lenroot Street on December 18, 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 11/5/2009

STATEMENT OF PURPOSE: On December 18, 2008, a city watermain ruptured causing water to penetrate and damage the structure and contents items located at 8622 Lenroot Street and owned by Gary A. Merila.

The city's liability is based upon the legal principle that it is under a duty to maintain its watermains 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 \$22,435. The city attorney's office recommends this settlement.