

PUBLIC WORKS AND UTILITIES COMMITTEE

11-0662R

RESOLUTION APPROVING SETTLEMENT OF CLAIM OF STATE FARM INSURANCE, AS SUBROGEE OF JASON AND AMANDA EASTY, IN THE AMOUNT OF \$25,495.43.

CITY PROPOSAL:

RESOLVED, that the proper city officials are authorized to pay to State Farm Insurance, as subrogee of Jason and Amanda Easty, the sum of \$25,495.43 in full and final settlement of the claim which arose out of a failure of a city sanitary sewer main occurring near 5012 Colorado Street on June 8, 2010; payment to be made from the Self Insurance Fund 610-036-1653-5841 (Self Insurance-Liabilities, Insurance Accounts, Insurance - Sewer).

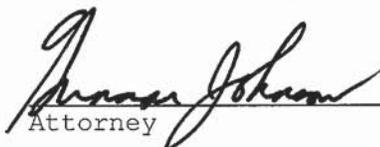
Approved:

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

Approved for presentation to council:

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

Approved as to form:

  
\_\_\_\_\_  
Attorney

Approved:

  
\_\_\_\_\_  
Auditor

PW&U/ATTY DD:dma 12/05/2011

STATEMENT OF PURPOSE: On June 8, 2010, a city sanitary sewer main failed causing sewage to penetrate and damage the basement of property located at 5012 Colorado Street and owned by Jason and Amanda Easty.

The city's liability is based upon the legal principle that it is under a duty to maintain its sanitary sewer system 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 \$25,495.43. The city attorney's office recommends this settlement.