Central Davis Sewer District
NO-FAULT SEWAGE BACKUP CLAIMS POLICY

Purpose:
The purpose of this chapter is to assist in the cleanup of real and personal property, and/or compensate persons for the loss of real or personal property, destroyed or damaged as the result of a backup of District facilities, regardless of fault, within the restrictions, limitations and other provisions of this policy.

Cleanup Of Real And Personal Property:
(A) The Manager shall, in accordance with the District’s standard procurement procedures, engage the services of one or more cleanup contractors to perform cleanup services at the direction of the Manager on an as-needed basis.

(B) Upon discovering backup described in this Policy, a property owner shall immediately notify the Manager of such event.

(C) Upon notification of the occurrence of the event, the Manager shall contact a cleanup contractor under contract with the District pursuant to subsection (A) above, and direct the cleanup contractor to perform all cleanup work at the premises, in accordance with established cleanup criteria.

(D) In the event the property owner engages the services of a cleanup contractor prior to notifying the Manager of the event, the District shall reimburse the property owner for actual expenses incurred by the property owner, but only up to the amount the District would have paid its own cleanup contractor under subsection (C) above.

(E) In the event any real or personal property cannot, in the reasonable judgment of the Manager, be restored to its pre-event condition, in accordance with the cleanup criteria, the District shall pay to the property owner the estimated fair market value (not the replacement value) at the time of the event, of such real or personal property, with the exception that carpet and major appliances will be replaced with new like-kind items.

(F) In no event shall the District pay, or reimburse the property owner for the payment of special or consequential damages.

Establishment of Cleanup Criteria:
The Manager shall, from time to time, establish cleanup criteria which shall govern the District’s cleanup and payment responsibilities under this Policy. In establishing such cleanup criteria, the Manager shall give due consideration to generally available health
guidelines, recommendations from governmental and academic experts, and other sources of guidance reasonably deemed by the Manager to be balanced, unbiased, and protective of health and safety.

**Application - Time Limitations:**
Any request for reimbursement of cleanup expenses under this policy, or payment of fair market value, shall be made by filing a written application in such form as shall be prescribed by the Manager. Such application shall be submitted to the District Manager within ninety (30) days after the occurrence of the event.

**Qualification For Assistance:**
An application or request for assistance or payment under this Policy shall qualify only if the Manager, after due inquiry or investigation, makes an affirmative determination that the event was the result of a backup of District facilities, and that none of the following circumstances apply:

(A) The loss was the result of a force majeure including but not limited to acts of God, acts of public enemies, insurrections, riots, war, landslides, lightning, earthquakes, fires, storms, floods, washouts, droughts, civil disturbances, explosions, acts of terrorism, sabotage, or any other similar cause or event not reasonably within the District’s control;

(B) The loss was caused by either an act or omission of the property owner, the property owner’s agent, or a member of the property owner’s family or business;

(C) The property owner failed to file a claim hereunder in a timely manner, or failed to comply with any other procedural requirements of this Policy;

(D) The loss is the result of intentional or negligent acts of third parties; or

(E) The loss is wholly covered by private insurance.

**Reduction In Assistance:**
The District may limit any assistance, or reduce any payment, under this Policy based upon any of the following:

(A) The property owner did not act responsibly to prevent, avoid or minimize the loss;

(B) The property owner is unable to fully substantiate or document the extent of the loss;

(C) The loss is partially covered by private insurance.
**Maximum Payments:**
Without the express action of the District Board of Trustees, no assistance or payment under this Policy shall exceed any of the following:

(A) Twenty-five thousand dollars ($25,000) per application or location; or

(B) One-Hundred Fifty thousand dollars ($150,000 ) per incident.

Should a catastrophic event occur, the $150,000 per incident limitation will be prorated against all losses where assistance is requested unless additional funding is approved by the Board of Trustees.

**Payment Does Not Imply Liability:**
Any assistance or payment made under this Policy shall not be construed as, and does not imply, an admission of negligence or responsibility on the part of the District for any damage or loss. Any assistance or payment made under this Policy is strictly voluntary on the part of the District. This Policy shall not in any way supersede, change or abrogate the state government immunity act, Utah Code Annotated, section 63-30-1 et seq., as amended, or its successor, and its application to the District, or establish in any person a right to sue the District under this Policy. Any assistance or payment made under this Policy and accepted shall constitute a full and complete release of any and all claims against the District, its officers, employees and agents arising from the incident.

**Budget Expenditures:**
The District authorizes a fund from which amounts may be drawn to make the foregoing assistance or payments. Such fund shall be established from the ordinary rate structure of the District.

**Claims From Other Governmental Agencies:**
Notwithstanding any other provisions of this Policy, no application shall be accepted from the United States or any of its agencies, the State of Utah or any political subdivision.

Approved by the Board of Trustees March 9, 2006