



MEETING OF MARCH 7, 2023

TO: Mayor Jordan and City Council
THRU: Susan Norton, Chief of Staff
FROM: Timothy Nyander, Utilities Director
DATE:
SUBJECT: Lawrence Schemel Sewer Damage Claim at 2143 West Loren Circle

RECOMMENDATION:

Staff recommends approval of a damage claim payment to Lawrence Schemel in the amount of \$33,347.65 for water damage remediation at 2143 West Loren Circle after a City sewer overflow caused damage to the property.

BACKGROUND:

On November 21, 2022, the City of Fayetteville experienced a sewer overflow on Loren Circle. Lawrence Schemel owns the home located at 2143 West Loren Circle. The sewer overflow caused water damage to the property.

DISCUSSION:

Per City Code Section 39.10 – Water and Wastewater Damage Claims, “The Utilities Department Director may not authorize any payment greater than \$10,000.00 for any claim pursuant to this section. The Mayor may request the City Council to authorize an amount greater than \$10,000.00 by resolution, but in no case shall the city pay more than \$25,000.00 pursuant to this claims procedure for a damage claim related to a water or wastewater utility infrastructure occurrence unless in an extraordinary case the Mayor recommends and the City Council by two-thirds ($\frac{2}{3}$) majority approves an exemption from the \$25,000.00 damage cap and approves a payment up to \$50,000.00.”

Mr. Schemel’s property received extensive damage due to the overflow, requiring the tenants to move out so renovations can take place. The water damage occurred in the living room, kitchen, bedrooms and bathrooms of the home. Floors, cabinets, sheetrock, and trim were damaged and will require repair and then painting.

Three competitive bids were obtained for repairs, with JM Roofing & Construction being the most economical at \$35,847.65. Mr. Schemel’s insurance paid his limit of \$2,500.00 toward the claim, leaving a total reimbursement of \$33,347.65. Staff requests approval to reimburse Lawrence Schemel in the amount of \$33,347.65 to pay for the necessary repairs.

BUDGET/STAFF IMPACT:

Funds are available in the Insurance Self (Non-Vehicle Damage) account within the Water & Sewer fund.

ATTACHMENTS: SRF Lawrence Schemel Sewer Damage Claim, Insurance Documentation, Construction

Mailing address:

113 W. Mountain Street
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Estimates

Mailing address:
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