



## Agenda Item: 5

**Date:** December 16, 2009

**Subject:** Claim Processing Policy (PL - Adm 007)

**Staff Contact:** Dan York, Operations Manager

### **Recommended Board Action:**

Adopt the new Claim Processing Policy (PL - Adm 007).

### **Discussion:**

Included with this report is a new Claim Processing Policy, for the Board's review and consideration. Under this Policy, the General Manager, or his or her designee, would be given the authority to approve or reject a claim up to a value of \$10,000. All claims exceeding \$10,000 in value will be presented for action to the Board of Directors at a regularly scheduled Board meeting. Staff's action on claims under \$10,000 will be reported to the Board at the next regular meeting.

District staff currently processes and investigates approximately ten to twenty claims annually. The claims investigation process can take anywhere from 1-2 business days to 2-3 months, depending on the documents supplied to staff and the extent of research that is required.

During the investigating process there are numerous issues that can prolong this process. As well, additional time can be added to the timeframe depending on the completion date of the investigation as related to the date of the next regular scheduled Board meeting. The adoption of this Policy will assist staff with being more efficient in responding to a claimant.

As of this date, the District is in receipt of five pending claims, which are briefly described below:

- Date of claim - October 12, 2009. Amount of claim - \$285.79  
This is a reimbursement claim for time and equipment rental for clearing a clogged sewer line. The customer's sewer line was damaged and partially blocked during the replacement of a District water service line. During the water service line replacement, a District contractor inadvertently bored through the sewer line. The District will address the issue with its contractor.

Staff recommends approving this claim.

- Date of claim - October 14, 2009. Amount of claim - \$2,855.73  
Claim submitted by a plumbing contractor who performed work at a customer's residence. This was initially considered a sewer issue. Staff initially informed the customer that the problem was not a District issue. Therefore, she contacted a plumber. The plumber performed a variety of tasks. During the tasks, the plumber felt that a portion of the issue was the responsibility of the District as they found the sewer line was damaged by a District contractor. Upon further investigation by staff, it was identified that the District was responsible for damage to the sewer line and will deal with its contractor.

Staff recommends rejecting this claim based on merit, and counter offering \$875.00 for applicable time and materials as documented in the claim.

- Date of claim - October 28, 2009. Amount of claim - \$275.00  
This is a reimbursement claim submitted by the owner of 709 Blackmer Circle for costs associated with a plumbing contractor identifying the leak. The customer contacted the District's On-Call Technician requesting assistance with a water service line leak. This leak posed difficulty in determining responsibility of the repairs as the customer misinformed the On-Call Technician on the location of the leak. A new meter and meter setter had been installed by a District contractor during the CIP Meter Retrofit Program. Upon staff's investigation, it was determined that the service line failed at the connection to the customer's service line during the installation of the meter and meter setter. The contractor took responsibility and corrected the issue at no cost to the District or customer.

Staff recommends approving this claim.

- Date of claim - November 10, 2009. Amount of claim - \$6,178.00  
This claim was submitted by an individual who fell on a sidewalk and was injured. Staff performed a Determine Responsibility Service Request at 5724 Shadow Creek Drive. A plumbing contractor had installed a new private water service line replacement for the property owners of the subject address. Upon completion of the service line replacement, the area in/or around the curb stop continued to be saturated. Therefore, the plumbing contractor requested the Determine Responsibility be performed. Staff determined that the leak was at the point of location where the plumbing contractor connected to the District's water meter. While staff was performing data input in their vehicle, he observed a woman picking herself up from the ground near the area in question. This person appeared to have fallen. However, staff did not observe the actual fall. A gentleman returned and informed staff that the person injured herself.

Staff recommends rejecting this claim based on the fact the leak was caused by the plumbing contractor.

- Date of claim - November 3, 2009. Amount of claim - \$4,171.34  
This claim was submitted by the claimant's insurance company. The location of the subject claim is 3330 & 3332 Balmoral Drive. Staff recommends no action to be taken at this time until the claimant's insurance company supplies the District with sufficient information. Until that information is received, staff cannot conduct an efficient investigation.

If the Directors approve the subject policy, staff will notify each of the claimants the status of their claims. If the Directors choose not to approve the subject policy, staff will provide all documents received from these claimants and submit them individually for action at the January 18, 2010, Board meeting.

If the Board approves the Policy, the General Manager will develop and implement an appropriate procedure to carry out this Policy.

District legal counsel reviewed the Claims Processing Policy and his comments are included in the Policy.

**Fiscal Impact:**

None.

**Strategic Plan Alignment:**

Finance – 4.A. Monitor District operations to ensure cost effective and competitive performance.

Finance – 4.C. Combine sound and efficient business procedures with regular and simple reporting, ensuring proper handling and reporting of all District financial processes.

Finance – 4.D. Pay authorized District financial obligations in a timely manner.

Having a clear policy and set of procedures established will expedite proper processing of customer claims against the District.

## Sacramento Suburban Water District

**Claims Processing Policy**

Adopted: December X, 2009

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**100.00 Purpose of the Policy**

The purpose of this policy is to establish a claims handling process that complies with the Government Claims Act, Government Code sections 810 and following. This process would be used by persons and entities that file formal claims seeking reimbursement from the Sacramento Suburban Water District for damages to personal or real property, or for personal injuries alleged to be caused by District facilities or equipment, or its directors, officers, employees or agents.

**200.00 Policy**

Pursuant to authority granted by the Government Claims Act and the County Water District Law, the District must take action on each valid claim made by a person or entity against the District for damages to personal or real property, or personal injuries before the person or entity is permitted to file legal action on such claims. Under this Policy, the Board of Directors grants the General Manager, or his or her designee, the authority to review and to approve or reject a claim for property damage or personal injury in an amount not exceeding \$10,000. The processing of all claims will be conducted in accordance with the Government Claims Act, including its time limits on claims processing and requirements for claims presentation. All claims exceeding \$10,000 in value will be presented for action to the Board of Directors at a regularly scheduled Board Meeting. District staff will present all documents received from a claimant, an investigation report, and a recommendation to approve or reject the claim. In the event that a claim against the District is rejected, District staff will prepare a letter to the claimant describing the Board of Directors' action on the claim and advising the claimant of his, her or its rights under the Government Claims Act with respect to any adverse action on the claim. Staff also will send a letter to any claimant whose claim is approved in whole or in part.

**300.00 Authority and Responsibility**

The General Manager, or designee, has the authority to approve or reject a claim up to a value of \$10,000. The Operations Manager has the responsibility to receive claim documentation and provide investigation report with recommendation. The General Manager shall adopt and implement appropriate procedures to carry out this

Policy and report to the District Board of Directors at its next regular meeting on each claim in the amount of \$10,000 or less that is processed by staff under this policy.

**400.00 Tender of Claims to Risk Pool or Insurer**

Upon receipt of any claim, District staff will provide notice of the claim and all relevant documents to ACWA-JPIA or to any risk pool or insurer from which the District may obtain any coverage or indemnity from time to time.

**500.00 Policy Review**

This Policy shall be reviewed at least biennially.