

SUBJECT

BOARD RESOLUTION NO. 18-769

Pertaining to a Settlement of a claim by Sentinel Property Management Corporation as subrogee regarding a loss at 445 Minnesota St in the City of Saint Paul.

BACKGROUND INFORMATION

Staff and the Office of Risk Management is recommending that \$40,840.88 be paid to Sentinel Property Management as final settlement of a claim for property damages resulting from a November 29, 2017 water service pipe failure in which leaking water rushed into the basement area of the building at 445 Minnesota St.

Summary of Incident and Claim

On November 29, 2017, Saint Paul Regional Water Services responded to a report of a water main break near the intersection of Cedar St and 7th St. Upon shutting down and controlling the water, SPRWS excavated and found improper workmanship to the 6-inch water pipe serving 445 Minnesota St. A pipe joint, constructed in December 2011, when the water service was first installed, had come apart and it was evident the bolts designed to hold the joint together had not been properly tightened. At the time of installation, the crew was unaware of this oversight.

The flooding water rushed into the basement of the property requiring extensive clean-up and sanitation. In addition, materials stored and equipment operating in the area were damaged. Some baseboard and wallboard required replacement.

At this time, Sandra Bodensteiner of Saint Paul Risk Management recommends \$40,840.88 be paid to Sentinel Property Management as final settlement of a claim for property damage related to this incident.

RECOMMENDATION

Approval is recommended.