

City of Fayetteville Staff Review Form

2020-0272

Legistar File ID

4/7/2020

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Tim Nyander

3/20/2020

WATER SEWER (720)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

Staff recommends a damage claim payment to Matthew and Frankie Cheadle in the amount of \$33,825.00 for water damage that occurred to their residence located at 329 E. Sycamore St.

Budget Impact:

5400.720.4310-5311.04

Water and Sewer

Account Number

Fund

N/A

N/A

Project Number

Project Title

Budgeted Item? Yes

Current Budget \$ 70,000.00

Funds Obligated \$ 200.00

Current Balance **\$ 69,800.00**

Does item have a cost? Yes

Item Cost \$ 33,825.00

Budget Adjustment Attached? No

Budget Adjustment \$ -

Remaining Budget **\$ 35,975.00**

V20180321

Purchase Order Number: _____

Previous Ordinance or Resolution # _____

Change Order Number: _____

Approval Date: _____

Original Contract Number: _____

Comments:



MEETING OF APRIL 7, 2020

TO: Mayor and City Council
THRU: Susan Norton, Chief of Staff
FROM: Tim Nyander, Utilities Director
DATE: March 20, 2020
SUBJECT: **Water Damage Claim at 329 E. Sycamore St.**

RECOMMENDATION:

Staff recommends a damage claim payment to Matthew Cheadle in the amount of \$33,825.00 for water damage that occurred to his residence located at 329 E. Sycamore St.

BACKGROUND:

On February 13, 2020, the City experienced a water main break in the area of Mr. Cheadle's residence. This water main break caused extensive water damage to his pool, retaining wall, landscape, and under his home.

DISCUSSION:

The reimbursement detail is on the attached sheet. The reimbursement includes repairs to the pool, water to refill it, and the retaining wall including surrounding landscaping. Burton Pools was selected as the sole source pool vendor to maintain the existing warranty. It also includes repairs to the crawlspace area of the home. Staff recommends reimbursing Matthew Cheadle in the amount of \$33,825.00 to cover the damage costs that resulted from the City water main break.

BUDGET/STAFF IMPACT:

Funds are available from the Non-Vehicular Damages account within the Water & Sewer Fund.

Attachments:

Reimbursement Detail
Insurance Document
Photos of Damage



LOSS:	VENDORS:	BID:	Explanation:
Pool and surrounding landscape	Burton Pools	\$27,500	This bid includes warranty.
	Phillips Masonry, Inc.	\$26,000	
	Brock Boyd	NO BID	
Crawlspace restoration	John Frye	\$6,225	
	Clean Tech NWA	6,372	
	Cale Nicholson	\$6,450	
Water to refill pool	City of Fayetteville	\$100	Based on previous usage.
	Total=	\$33,825	



March 13, 2020

Matthew Cheadle
329 E. Sycamore St.
Fayetteville, AR 72703

Subject: Water Claim (329 E. Sycamore Street, Fayetteville)

Dear Mr. Cheadle,

The City of Fayetteville is in receipt of your claim form concerning a water main break at 329 E. Sycamore Street in Fayetteville on February 13, 2020, which resulted in damage to your pool, retaining wall, landscape, and under your home.

The City of Fayetteville offers to settle your claim for the amount of \$33,825.00 by reimbursing you directly. In accordance with the City of Fayetteville Ordinance No. 5504. This offer is contingent upon approval by the Mayor and City Council. In order to take this to the City Council, the attached Acceptance of Offer needs to be signed and returned to me.

The reimbursement detail is on the attached sheet. The reimbursement includes repairs to your pool, water to refill it, and the retaining wall including surrounding landscaping. Burton Pools was selected as the sole source pool vendor to maintain your existing warranty. It also includes repairs to the crawlspace area of your home. In order to settle this claim, a release form prepared by the City Attorney's Office must be signed and notarized. The City Attorney's Office will be contacting you to resolve this matter.

The City sincerely regrets this incident and the inconvenience it has caused. If you experience no water, an issue inside the meter box, a sewer blockage, or something similar in the future, please contact the City of Fayetteville Water & Sewer Department at 479-575-8386 as your first course of action in identifying and solving the problem.

Sincerely,

City of Fayetteville

A handwritten signature in blue ink, appearing to read "Tim Nyander", is positioned above the printed name.

Tim Nyander
Utilities Director



CITY OF
FAYETTEVILLE
ARKANSAS

ACCEPTANCE OF OFFER

The undersigned does hereby accept the offer, contingent upon final approval by the Fayetteville City Council, of \$33,825 in full settlement and satisfaction of, and as sole consideration for, the final release and discharge of all actions, rights, causes of action, claims and demands whatsoever that now exist or may hereafter accrue against the City of Fayetteville, a municipal corporation, and the elected officials and employees thereof, charged or who or which may be charged with responsibility for injuries to the person and property of the undersigned, the treatment thereof, and all consequences following therefrom, as a result of the event which occurred on or about the 13th day of February, 2020 at or near 329 E. Sycamore, Fayetteville, Arkansas, and for which the undersigned claims the above-named parties are legally liable in damages (which legal liability and damages are disputed and denied), and acknowledging that nothing herein shall be construed to alter, limit or otherwise compromise the immunity afforded the City of Fayetteville und the Constitution and Statutes of the State of Arkansas, and;

The undersigned agrees as further consideration and inducement for this settlement, that is shall apply to all known, unknown and unanticipated injuries and damages resulting from said accident, casualty or event, as well as those now asserted and disclosed.

Signed this 19th day of MARCH, 2020

By: Frankie Cheadle
Matthew or Frankie Cheadle
329 E. Sycamore St.
Fayetteville, AR 72703



MATTHEW CHEADLE

Page 1 of 2

Date prepared February 28, 2020
Notice of loss date February 13, 2020
Claim number 217612-GK
Policy number 6303HO015289
Questions? Contact Claims Associate
Jarrod Nelson
NELSJ13@nationwide.com
PO BOX 182068,
columbus, OH 43218-2068
Phone 501-428-4718
Fax 368-434-3211

MATTHEW CHEADLE
329 E SYCAMORE ST
FAYETTEVILLE, AR 72703-2629

**Your
Homeowners(HO-03-B)
claim has been denied**

Dear MATTHEW CHEADLE,

We've reviewed the available information for this Homeowners(HO-03-B) claim and have determined there's no coverage for this loss under your homeowners(HO-03-B) policy. As a result, we respectfully deny this claim.

Claim details

Insurer: Nationwide Mutual Fire Insurance Company
Policyholder: MATTHEW CHEADLE
Claimant: MATTHEW CHEADLE
Claim number: 217612-GK
Loss date: February 12, 2020

Policy details

The Homeowners(HO-03-B) policy states the following:

Property Exclusions
(Section I)

1. We do not cover loss to any property resulting directly or indirectly from any of the following. Such a loss is excluded even if another peril or event contributed concurrently or in any sequence to cause the loss.

b) Water or damage caused by water-borne material. Loss resulting from water or water-borne material damage described below is not covered even if other perils contributed, directly or indirectly to cause the loss. Water and water-borne material damage means:

(1) flood, surface water, waves, tidal waves, overflow of a body of water, spray from these, whether or not driven by wind.

(2) water or water-borne material which:

(a) backs up through sewers or drains from outside the dwelling's plumbing system; or

(b) overflows a sump pump, sump pump well or other system designed to remove subsurface water or water-borne material from the foundation area.

(3) water or water-borne material below the surface of the ground, including water or water-borne material which exerts pressure on, seeps or

leaks through a building, sidewalk, driveway, foundation, swimming pool, or other structure.

Resulting direct loss by fire, explosion, or theft is covered.

2. We do not cover loss to any property resulting directly or indirectly from the following if another excluded peril contributes to the loss:

a) A fault, weakness, defect or inadequacy in the:

(2) design, workmanship, construction, materials;

3. We do not cover loss to property described in Coverages A and B resulting directly from any of the following:

f) (1) wear and tear, marring, deterioration;

(2) inherent vice, latent defect, mechanical breakdown;

About our decision

Our review showed that your property suffered damages from the city's water main rupture located on the property. The damages discovered to your property was the result of earth movement and ground surface water from outside of the dwelling. However the resulting damages discovered to your property are specifically excluded under the policy with earth movement and ground surface water being the policy exclusions. Therefore a payment would not be issued under the policy for the damages discovered to you policy during my recent inspection . We expressly reserve all other rights, defenses, or contentions, which are available to us under the policy of insurance, by law or otherwise, and do not waive any such rights or defenses which we now have or which may become known to us in the future.

If you have information about this claim that may affect our current decision, please forward it to us as soon as possible.

Additional information

If you have any questions or concerns about this claim, please contact me at 501-428-4718 or NELSJ13@nationwide.com.

Sincerely,

Jarrod Nelson
Nationwide Mutual Fire Insurance Company
PO BOX 182068,
columbus, OH 43218-2068

Arkansas law requires the following notice: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.





