

STANDARD OPERATING PROCEDURES FOR SEWER AND WATER BACKUPS



Colorado Special Districts
Property and Liability Pool

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Overview

This Standard Operating Procedure was put together to help Water and Sanitation Districts communicate best practices when responding to a potential water damage or sewer backup claim. This could be an incident inside a constituent's home or business. Whatever the case may be, it is important that you plan for each possible scenario by understanding who needs to be contacted and what information must be recorded and relayed.

Colorado Special Districts Property and Liability Pool (CSD Pool) provides a benefit for Cleanup (No-Fault) coverage for water and sewer intrusion damage to all Member Districts. This means that there is \$10,000 available to homeowners to help clean up their home (excess of any available homeowner's coverage) in the case of a flooded basement no matter whose fault it is. Please note that backups caused by acts of nature are excluded.

The No-Fault coverage is offered for damages (physical injury to tangible property) and cleanup services that occurs from a water intrusion and/or sewer backup event regardless of fault. The coverage is in **excess** of any other collectible coverage that may apply, and is in no event contributing coverage. Out of pocket expenses, including deductible paid under the homeowner's insurance policy, that are **incurred** within one (1) year from the date of the initial event/occurrence will be considered for the No-Fault coverage. The District's No-Fault Water and/or Sewer Back-up coverage is subject to a \$10,000 limit per residential premises and \$10,000 limit per commercial premises, up to a \$200,000 maximum per intrusion and/or backup event.

The CSD Pool has negotiated pre-disaster pricing, the use of certified technicians, and quality control standards with SERVPRO of Greater Boulder for timely and professional restoration services in order to provide members with a quality cleanup effort covered at a reasonable cost.

Where SERVPRO cannot get to the location of the water intrusion and/or sewer backup within two (2) hours they will coordinate with a water extraction service in the area to start the process. Where your District does not wish to use SERVPRO then we recommend that your District should try to negotiate with a local service provider for similarly reduced pricing. However, on many occasions, we have seen pricing from local service providers that is two and three times higher than the CSD Pool's negotiated discounted price with SERVPRO. This could mean your District's resident may only receive one-third of the value of the cleanup services performed by a different provider, in comparison with the discounted prices negotiated with SERVPRO.

Sewer and Water Backup Standard Operating Procedure

Proper response by District personnel when a home or business owner reports a sewer backup can greatly minimize anguish and loss from such incidents. A stressed caller should be treated with consideration and empathy. The call should be accepted, quickly referred, and follow these guidelines:

- 1) Verify homeowner is a District resident
- 2) Get and document pertinent information, including:
 - a. Name, address, phone number, and time called
- 3) Verify situation and description of the break
 - a. Water or sewer?
 - b. How long has there been water or sewage flowing into the home or business?
 - c. If the sewage or water is not from the homeowner's lateral line, what is the source?
 - d. Is there standing water or sewage?
 - i. If yes, how much? (i.e.: 2 inches or 1 foot)
 - ii. How large is the area that is flooded? (i.e.: approx. square footage)
 - e. What part of the property is flooded? (i.e.: basement)
- 4) Determine if you (the District) or the homeowner will call SERVPRO or another cleanup contractor
 - a. The homeowner can choose to call the cleanup provider of their choosing but the CSD Pool has special pricing with SERVPRO
 - i. SERVPRO of Greater Boulder: contact <http://www.servprogreaterboulder.com/> or (303) 494-2000 (SERVPRO will coordinate cleanup statewide)
 - b. Homeowner **must sign** SERVPRO or other contractor agreement when they arrive on the scene taking financial responsibility for the cleanup. SERVPRO benefits are:
 - i. Pre-disaster negotiated pricing/preferred pricing
 - ii. SERVPRO will extend to the homeowner the preferred pricing of its agreement with the CSD Pool.
 - iii. Certified Technicians

iv. Guaranteed Quality Control

5) Discuss field personnel response to a sewer backup:

- a. Timely action taken by field personnel will vary, depending upon the situation
 - i. It is vital that the individual who reported the backup be met calmly, and that full respect is shown for the owner's property and possessions.
- b. **Do not admit fault.** A determination of fault will take time and analysis.
- c. Leave a hand out with the Homeowner explaining how cleanup, liability, and the conditional Cleanup/No-Fault program works.
- d. Investigate the problem and determine the next steps that should be taken.

6) Review water extraction options and discussion points:

- a. Water extraction should have been dispatched as soon as standing water was confirmed on the initial phone report of incident.
- b. **Do not admit fault and do not say that you "will take care of everything."** Again, discussion of fault or unlimited offers of assistance are premature.
- c. Discuss with the homeowners that their homeowners insurance is primary and district cleanup program is excess.
 - i. \$10,000 of conditional damages and clean up services coverage may be available in excess of the homeowners coverage
- d. There may be some instances where, if district was negligent, they may be required to pay for damages.
- e. If the District was not negligent, the homeowner pays for damages.
- f. Do not wait to determine cause before initiating water extraction.
- g. Homeowners insurance must be put on notice.
 - i. Let the homeowner know they need to notify their homeowners' insurance carrier about the incident and the steps being taken to mitigate the damage and cleanup. The homeowner's insurer may have further instructions or need more information.
- h. Collect homeowners' information for the District's records.
- i. Hand out the Pool's *Cover Your Flush* brochure to show the options available and educate homeowner on lateral service lines.

- j. Hand out **EMERGENCIES FAQ** outlining how the CSD Pool program works and explain to the homeowner that they will have to sign the agreement with the cleanup contractor to start water extraction.
 - k. Inform the homeowner they will have to sign the *Emergency Work Authorization and Direction to Pay* form on page 9 in order to begin water extraction.
- 7) It is the District's responsibility to report the claim on behalf of the homeowner to the CSD Pool's claims adjusters, Sedgwick at:
- a. 1-800-318-8870, ext. 1, option 2.
 - b. Sedgwick will contact the homeowner to inspect the property. Sedgwick cannot make a final decision regarding coverage until it completes its investigation. The homeowner must keep all receipts and expenses that are incurred out-of-pocket. The homeowners' insurance carrier and/or Sedgwick will request those from the homeowner as a part of the investigation.
 - i. Upon completion of the investigation, claimant/homeowner will be notified of the cause of the incident and determination of liability. Under the Colorado Governmental Immunity Act, Section 24-10-101 et seq., Colorado Revised Statutes the District is immune from many types of liability claims unless negligent in certain contexts.

What District Employees Should Say to Homeowners

- **Do not admit fault or offer to pay damages**
- Explain limited Water Intrusion Cleanup program with SERVPRO and leave handout explaining:
 - Homeowner must sign the SERVPRO or other contractor agreement taking financial responsibility for the cleanup.
 - Where there is not a lateral line issue, the district has a water cleanup program to identify excess of property owner's homeowner's coverage
 - Homeowners coverage is primary
 - Backups in main line are often caused by acts of others
 - District does have a proactive maintenance program so often are not at fault
- Explain Water Extraction Service program:
 - SERVPRO should be dispatched statewide from Greater Boulder (303-494-2000) where standing water was determined from initial call at the homeowner's request.
 - Explain the benefits of a designated service provider as:
 - Pre disaster negotiated pricing
 - Certified technicians conducting clean up
 - Guaranteed Quality Control standards
 - Ensure you communicate with the homeowner that by dispatching SERVPRO you are not admitting fault; by dispatching SERVPRO you are helping them get the cleanup started so there is reduced damage to their property.
 - SERVPRO can either be dispatched by you or by the homeowner.
 - Determine who will notify cleanup services in the initial calling process.
- Provide homeowner with the following documents:
 - Cover Your Flush brochure
 - EMERGENCIES FAQ
 - SERVPRO handout outlining SERVPRO capabilities
 - Cleanup (No-Fault) program hand-out
- Ask to investigate cause of water or sewer intrusion and document scene
 - Take pictures of water intrusion
 - Take measurements of how much water is coming into the home or business

- Identify the source of the water
- Explain (No-Fault) cleanup program coverages:
 - Excess of homeowners' insurance policy, up to \$10,000 per location
 - \$200,000 towards all claimants in one incident
- Explain service policy on:
 - Lateral line vs. main line
 - TV line
 - Line cleaning schedule
- Explain exclusions:
 - Does not cover lateral lines of acts of nature, such as flooding
 - With lateral service line, clean-up is the property owner's responsibility
- Explain quality control standards:
 - **Homeowner must notify their property insurance carrier as the CSD Pool cleanup/ no-fault coverage is in excess to the homeowner's coverage**
- Explain liability limited to negligence
 - There is no responsibility for acts of nature, neighbors, vandals, or system design errors.
- Provide information on what to expect from the district

EMERGENCIES FAQ (Handout to Home or Business Owner)

In the event of a sewer backup or water line break

What should I do?

Call **FILL IN DISTRICT NAME** 24 hour on-call service: **Insert the District's phone number for emergencies** during normal business hours to report the incident. **After hours** – you will be automatically connected with the emergency service. Give address or location of issue, what is occurring and your contact name/telephone number and whether you've reported to the District during the day.

To clean up the water or sewage, contact the emergency service teams below or contact someone of your choosing.

Names and telephone contacts for 24/7 Emergency Restoration/Remediation Services:

- SERVPRO of Greater Boulder State Wide Dispatch <http://www.servprogreaterboulder.com/>
 - **(303) 494-2000 – SERVPRO State Wide Dispatch**

When the service company arrives you will be asked to sign an Authorization Form by the emergency service performing the cleanup. The restoration company cannot enter your premises without permission or perform its services until you have signed the form. By signing the authorization, you are accepting financial responsibility for the cleanup; however, you do not need to pay at the time of the mitigation. Regardless of fault your insurance carrier must be notified immediately. Depending upon applicable coverage you or your insurance carrier will be billed when the cleanup is completed.

In some circumstances your district does have limited conditional cleanup coverage available;

- Acts of Nature excluded
- Homeowners coverage claim must be submitted and is primary
- Damage from homeowners own lines is excluded
- \$10,000 location limit with \$200,000 all location limit

What else should I do? What else do I need to know?

Call and report the incident to your homeowners' insurance carrier. Even if you do not know the source of the sewer backup or water release into your residence, responding to the incident and mitigating the damage is your responsibility.

The District notifies its claims adjusting service Sedgwick, and reports the claim. Sedgwick will contact you to inspect your property and cannot make a final decision regarding coverage until it completes its investigation. Keep any and all receipts for the expenses you have incurred out-of-pocket. Your insurance carrier and/or Sedgwick will request those from you as a part of the

investigation. Upon completion of the investigation, you will be notified of the cause of the incident and determination of liability. Under the Colorado Governmental Immunity Act, Section 24-10-101 *et seq.*, Colorado Revised Statutes the District is immune from many types of liability claims, unless negligent in certain contexts.

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

Emergency Work Authorization and Direction to Pay (Authorization for District to work on a resolution to issues involving emergency repair without committing District to Liability for cost where the District is not found to be negligent in their responsibility to properly maintain their utility lines)

Insert the District's Name

District's Address

District's phone number

District's website

DATE: _____

BUSINESS OR HOMEOWNER NAME: _____

ADDRESS: _____

CITY/STATE: _____ ZIP CODE: _____

TELEPHONE #: _____ CELL #: _____

EMAIL: _____

INSURANCE CO NAME & POLICY #: _____

CLAIM #: _____ ADJUSTER: _____

ADJUSTER TELEPHONE #: _____

ADJUSTER EMAIL: _____

DATE OF LOSS: _____ CAUSE OF LOSS: _____

We/I, _____, the above owner (Owner), hereby authorize

FILL IN DISTRICT NAME to perform the necessary emergency services and review of the property located at the above address as authorized by Owner as the responsible party, and/or the above named Insurance Company, relating to the loss or insurance claim (the Work).

This Work Authorization & Direction to Pay are governed solely by the remediation/restoration Contractor hired by the Owner. Except as allowed by the Colorado Governmental Immunity Act, Section 24-10-101 et seq., Colorado Revised Statute, no tort claim for damage may be made against the District. By signing this authorization, I acknowledge I may be responsible for payment and/or the loss to my property as well as allowing access to the property to review the damage.

Signed: _____

Broker Outline of Program

This section is for distribution to the Brokers so they will have notice of these SOPs should they be called by and parties to an incident

- SERVPRO of Greater Boulder has a preferred provider agreement for water and sewer intrusion events for the Colorado Special Districts Property and Liability Pool (CSD Pool) in Colorado. Greater Boulder call center will dispatch statewide and coordinate initial water extraction with local companies in those areas without a local franchise.
- The CSD Pool has 500-member locations with 100 water and another 100 sewer districts throughout Colorado. Because of this, the CSD Pool has shared its member list with SERVPRO for purposes of SERVPRO getting to know CSD Pool Members before restoration services are needed.
- SERVPRO has extended special pre disaster pricing in turn for CSD Pool advertising the use of SERVPRO for cleanup and restoration services it has to offer. SERVPRO uses only Certified Technicians and has a guarantee on Quality Control.
- CSD Pool has some 70 property losses and 40 sewer and water intrusion events annually throughout the state where CSD Pool would like to use SERVPRO resources.
- CSD Pool suggests that SERVPRO franchisees receive our list of members and meet with them prior to a loss to raise the awareness of their presence. We would like to see the SERVPRO represented at the SDA Annual conference in Keystone where 1,250 member representatives attend annually.
- Every SERVPRO Franchisee should refer initial calls to the Greater Boulder facility for consistency in charges, tracking and follow up services
- To reach the Greater Boulder Regional SERVEPRO center for CSD Pool Members, call 303-494-2000.
- CSD Pool will coordinate annual mailing and Quarterly Newsletter articles introducing differing aspects of our relationship each time.
- SERVPRO Franchises' shall have a written SOP and be visited by Greater Boulder & CSD Pool Representative
 - Franchisees' employees responding shall have a hand out for homeowner's education and reference
 - Messaging shall be periodically reviewed and kept consistent with District and CSD Pool messaging on how the no-fault coverage program for water and sewer intrusion cleanup coverage program works.

Community Education – Cover Your Flush

The CSD Pool built this site to assist its Water and Sanitation Member Districts in educating their customers about lateral service line backups. While the information on this website is public, extension of the following services is reserved exclusively for members of the CSD Pool.

Cover Your Flush (CYF) is also a resource for your Districts to help educate Member District's constituents about sewer backups including how to prevent them.

Within CYF there is information about which insurance companies provides coverage for sewer and drain backups, ways to prevent backups, and what to do if you have a backup.

To download or order your custom CYF brochures, go to the resources page at:

<http://coveryourflush.com/resources/>.

You are able to download the brochures and print them in your office or local print shop. The CYF brochures are meant to be handed out before or after a water or sewer intrusion claim to help educate constituents of your District.

However, the best practices is to send a CYF brochure to your constituents before a water or sewer intrusion claim so your homeowners and commercial businesses understand the need for purchasing backup insurance as well as what not to flush down the drain.