



**Request for City Council Committee Action
From the City Attorney's Office**

Date: October 30, 2013
To: Ways & Means/Budget Committee
Referral to:

Subject: Claim against Xcel Energy re: 1st Avenue North Water Main leak

Recommendation: That the City Council approve the settlement of the City's claim against Xcel Energy arising out of damage to the 1st Avenue North water main in October 2011 in exchange for payment from Xcel in the amount of \$137,747.96, and authorize the City Attorney's Office to execute any documents necessary to effectuate settlement.

Previous Directives:

Prepared by: Andrea K. Naef Phone: (612) 673-2429

Approved by: 
Susan L. Segal
City Attorney

Presenter in Committee: Susan L. Segal, City Attorney

Financial Impact (Check those that apply)

- No financial impact (If checked, go directly to Background/Supporting Information).
- Action requires an appropriation increase to the ___ Capital Budget or ___ Operating Budget.
- Action provides increased revenue for appropriation increase.
- Action requires use of contingency or reserves.
- Business Plan: ___ Action is within the plan. ___ Action requires a change to plan.
- Other financial impact (Explain):
- Request provided to department's finance contact when provided to the Committee Coordinator.

Community Impact

- Neighborhood Notification
- City Goal(s):
- Comprehensive Plan
- Zoning Code
- Other

Background/Supporting Information

On or about October 17, 2011, Public Works staff observed that a water main on 1st Avenue North in the vicinity of 4th Street North and 5th Street North had become electrically charged with DC current. The City staff concluded that the source of the electrical charge was an Xcel Energy electrical conduit. The electrical charge caused damage to the water main. The City submitted a claim to Xcel Energy for the costs of repairing the damage, which are estimated at \$137,000. Xcel has offered to settle the claim in exchange for payment of \$137,747.96. The City Attorney's Office and the Public Works department believe settling this claim is in the best interests of the City.