



Board Policy No. 605

Claims and Lawsuits: Settlement Authorizations

ADOPTED: 05/79

RECENT AMENDMENT: 7/8/20

SEE ALSO: N/A

SUBJECT CATEGORY: SECTION 600, LEGAL MATTERS

SUBSECTION: CLAIMS AND LAWSUITS

CONTROL DEPARTMENT: GENERAL COUNSEL

I. PURPOSE

The purpose of this policy is to identify (1) the authority delegated by the Board of Directors to the Claims and Liability Manager, the Human Resources Manager responsible for workers' compensation, the Workers' Compensation Third Party Administrator, the General Counsel and the General Manager regarding the settlement of claims and lawsuits, of any type, brought against the District, and (2) the duties of the Controller-Treasurer in paying settlements.

II. PERSONS AFFECTED

Human Resources Manager responsible for workers' compensation and his/her designee; Workers' Compensation Third Party Administrator; Claims and Liability Manager and his/her designee; General Counsel and his/her designee; the General Manager and his/her designee and the Controller-Treasurer.

III. DEFINITIONS

None

IV. POLICY

In accordance with Government Code Sections 935.4 and 949, and Public Utilities Code Sections 24938 and 25702, the Board of Directors delegates to the Claims and Liability Manager, the Human Resources Manager in charge of workers' compensation, the Workers' Compensation Third Party Administrator, the General Counsel and the General Manager the authority to settle claims and lawsuits, of any type, brought against the District as identified below.

V. AUTHORITY and DUTIES

A. Board Authority

1. Claims (Excluding Workers' Compensation):

The approval of the Board of Directors shall be required for any allowance, compromise or settlement of a claim of any type in excess of one hundred thousand dollars (\$100,000), as recommended by the General Counsel, with the concurrence of the General Manager and Claims and Liability Manager. The Board's decision is not contingent upon the

recommendation of the General Counsel or the concurrence of the General manager and Claims and Liability Manager.

2. Litigation (Excluding Workers' Compensation):

The approval of the Board of Directors shall be required for any compromise or settlement of a suit of any type against the District in excess of one hundred thousand dollars (\$100,000), based on the recommendation of the General Counsel, with the concurrence of the General Manager and input of the Claims and Liability Manager. The Board's decision is not contingent upon the recommendation of the General Counsel or the concurrence of the General Manager and Claims and Liability Manager.

3. Claims and Litigation of any Type Involving More than One Party Arising from a Single Accident/Incident (Aggregate Cases):

Property damage settlements will be processed as separate matters even if injury claims arise from the same accident/incident. Thus, it will not be required to add the amount of a property damage settlement to a personal injury settlement in determining the settlement authority thresholds contained in Sections A-C herein.

Multiple claims/lawsuits arising from the same accident/incident which have an aggregate exposure in excess of thirty thousand dollars (\$30,000) will be reported to the Board in the Quarterly Litigation Report.

Individual claims/lawsuits arising from the same accident/incident whose settlements exceed one hundred thousand dollars (\$100,000) will be approved by the Board of Directors.

After all individual claims/lawsuits that arise from a single accident/ incident have been resolved; a final tally of the number of claimants/plaintiffs and the aggregate amount of the combined settlements will be reported to the Board in the Quarterly Litigation Report.

4. Workers' Compensation Claims and Litigation:

The approval of the Board of Directors shall be required for any compromise or settlement of a workers' compensation claim or litigation in excess of one hundred thousand dollars (\$100,000) based on the recommendation of the Human Resources Manager who is in charge of the District's Workers' Compensation Program with the concurrence of the General Counsel and General Manager. The Board's decision is not contingent upon the recommendation of the General Counsel or the concurrence of the General Manager.

B. General Manager's Authority

Questions concerning interpretation of this Policy are to be referred to the General Counsel.

1. Claims (excluding workers' compensation):

The General Manager, with the concurrence of the Claims and Liability Manager and General Counsel, shall approve any allowance, compromise or settlement of a claim of any type which exceeds fifteen thousand dollars (\$15,000), but does not exceed one hundred thousand dollars (\$100,000.)

2. Litigation (Excluding Workers' Compensation):

The General Manager, with the concurrence of the General Counsel and input of the Claims and Liability Manager, shall approve any compromise or settlement of a suit of any type against the District, which does not exceed one hundred thousand dollars (\$100,000).

3. Claims and Litigation of any Type Involving More than One Party Arising from a Single Accident/Incident (Aggregate Cases):

Property damage settlements will be processed as separate matters even if injury claims arise from the same accident/incident. Thus, it will not be required to add the amount of a property damage settlement to a personal injury settlement in determining the settlement authority thresholds contained in Sections A-C herein.

Claims or lawsuits whose individual settlement amount is one hundred thousand dollars (\$100,000) or below will be approved by the appropriate administrative level set forth in Sections B and C herein.

4. Workers' Compensation Claims and Litigation:

The Human Resources Manager, who is in charge of the District's Workers' Compensation Program, may compromise or settle a workers' compensation claim or litigation against the District, which does not exceed one hundred thousand dollars (\$100,000) with the concurrence of the General Counsel and the General Manager.

C. General Counsel's Authority

1. Litigation (Excluding Workers' Compensation):

The General Counsel, or his/her designee, may compromise or settle a suit of any type against the District, which does not exceed fifteen thousand dollars (\$15,000).

2. Claims and Litigation of any Type Involving More than One Party Arising from a Single Accident/Incident (Aggregate Cases):

Property damage settlements will be processed as separate matters even if injury claims arise from the same accident/incident. Thus, it will not be required to add the amount of a property damage settlement to a personal injury settlement in determining the settlement authority thresholds contained in Sections A-C herein.

Claims or lawsuits whose individual settlement amount is one hundred thousand dollars (\$100,000) or below will be approved by the appropriate administrative level set forth in Sections A-C herein.

D. Claims and Liability Manager

1. Claims (excluding workers' compensation)

The Claims and Liability Manager, or his/her designee, may allow compromise or settle a claim for personal injury or property damage which does not exceed fifteen thousand dollars (\$15,000) with the concurrence of the General Counsel.

E. Human Resources Manager in charge of Workers' Compensation

1. Workers' Compensation Claims and Litigation

The Human Resources Manager, who is responsible for the District's Workers' Compensation Program, may compromise or settle a workers' compensation claim or litigation against the District, which does not exceed fifty thousand dollars (\$50,000) with the concurrence of the General Counsel.

F. Workers' Compensation Third Party Administrator

1. Workers' Compensation Claims and Litigation

The workers' compensation third party administrator (TPA) shall have authority up to ten percent (10%) of a permanent disability rating, which monetary amount is based upon the California Labor Code. The TPA shall provide the Human Resources Manager responsible for the District's Workers' Compensation Program with a quarterly report of all settlements entered into that quarter.

G. Risk Management/Office of General Counsel Review of Claims/Lawsuits

Prior to the consideration of allowing, compromising or settling any claims or lawsuits, of any type, in excess of fifteen thousand dollars (\$15,000), as identified above, the Risk Management Department and the Office of the General Counsel shall meet and discuss the advantages and disadvantages of any proposed allowance, compromise or settlement. The views of the individuals from each department shall be considered by the Claims and Liability Manager and

the General Counsel in making the determination of the disposition of the claim or litigation in accordance with the provisions of this resolution as set forth above.

H. Treasurer Controller Duties Regarding Settlements

The Treasurer-Controller of the District shall cause a warrant to be issued upon the treasury of the District in the following circumstances:

1. Upon the written order of the Claims and Liability Manager, or his/her designee, for allowances, compromises or settlements within the Claims and Liability Manager's authority as specified above.
2. Upon the written order of the General Counsel, or his/her designee, for allowances, compromises or settlements within the General Counsel's authority as specified above.
3. Upon the written order of the General Manager, or his/her designee, for allowances, compromises or settlements within the General Manager's authority as specified above.
4. Upon the written order of the Human Resources Manager for allowances, compromises or settlements within the Human Resources Manager's authority as specified above.
5. Upon approval by the Board of Directors, as specified above.

VI. ATTACHMENTS

None