



## **Board Policy No. 605**

### **Claims and Lawsuits: Settlement Authorizations**

**ADOPTED:** 05/79

**RECENT AMENDMENT:** 7/8/20,  
9/10/25

**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 the authority delegated by the Board of Directors to settle claims and lawsuits against the District. More specifically, this Policy identifies the settlement authority delegated to the following: the Claims and Liability Manager; the Workers' Compensation Program Manager; and the Claims Board. This Policy also establishes the duties of the Controller in paying settlements.

#### **II. PERSONS AFFECTED**

The General Manager; the General Counsel; the, Workers' Compensation Program Manager; the Claims and Liability Manager; the Third-Party Administrator; and the Controller.

#### **III. DEFINITIONS**

**"Claims Board"** refers to the General Manager; the General Counsel; the Claims and Liability Manager (for claims/lawsuits not involving workers' compensation); and the Workers' Compensation Program Manager (for workers' compensation claims/lawsuits) who are responsible for reviewing and approving the settlement of all claims and lawsuits over \$50,000.00 and up to \$100,000.00 pursuant to Resolution No.25-0032.

#### **IV. POLICY**

##### **A. Objectives**

In accordance with Government Code sections 935.2, 935.4 and 949, and Public Utilities Code sections 24883, 24884, 24938 and 25702, the Board of Directors delegates to the Claims and Liability Manager, the Program Manager, Workers' Compensation, and the Claims Board the authority to settle claims and lawsuits, of any type, brought against the District as identified below.

**B. Roles and Responsibilities****1. Board of Directors**

- a. Any allowance, compromise, or settlement of a claim or lawsuit of any type over one hundred thousand dollars (\$100,000.00) requires Board approval. The Board shall consider the recommendation of the General Counsel and the concurrence of the General Manager. The Board's decision is not contingent upon neither the recommendation of the General Counsel nor the concurrence of the General manager.
- b. Any claim or lawsuit, other than Workers' Compensation, that has an exposure above fifty thousand dollars (\$50,000.00) shall be reported to the Board in the Semi-Annual Litigation Report.

**2. Claims Board**

- a. The approval of the majority of the Claims Board shall be required for any allowance, compromise, or settlement of a claim or lawsuit of any type over \$50,000.00 and up to \$100,000.00. The members of the Claims Board shall discuss the advantages and disadvantages of any proposed allowance, compromise, or settlement.

**3. Claims and Liability Manager**

- a. The Claims and Liability Manager may compromise or settle a claim or lawsuit, not involving workers' compensation, against the District, up to fifty thousand dollars (\$50,000.00) with the approval of the General Counsel.

**4. Workers' Compensation Program Manager**

- a. The Workers' Compensation Program Manager may compromise or settle a workers' compensation claim or lawsuit against the District, up to fifty thousand dollars (\$50,000.00) with the approval of the General Counsel.
- b. The Workers' Compensation Program Manager may delegate to the Third-Party Administrator (TPA) up to twenty thousand dollars (\$20,000.00) to compromise or settle a workers' compensation claim or lawsuit against the District. The TPA

shall provide the Program Manager with a quarterly report of all settlements agreed to that quarter.

### **C. Aggregation of Claims**

1. For purposes of determining settlement authority under this Policy, all claims arising from the same accident/incident, except for property damage, will be aggregated.
2. 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 to determine the applicable settlement authority thresholds under this Policy.
3. For workers' compensation claims, all claims settling as part of one settlement agreement will be aggregated.

### **D. Controller Duties Regarding Settlements**

The Controller of the District shall cause a warrant to be issued upon the treasury of the District upon the written order of the Claims and Liability Manager, the Workers' Compensation Program Manager, or a representative of the Claims Board for allowances, compromises, or settlements within the authority as specified above.

## **V. AUTHORITY**

### **A. Board Authority**

Any modification to this Policy shall be approved by the Board.

### **B. General Manager's Authority**

The Board of Directors authorizes and directs the General Manager to take all actions necessary to implement this Policy, including the development of any necessary Administrative Regulations.

### **C. ATTACHMENTS**

None.