



## Board Policy No. 605

### Claims and Lawsuits: Settlement Authorizations

**ADOPTED:** 05/79

**RECENT AMENDMENT:** 7/8/20<sub>2</sub>

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 ~~(1)~~ 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~~Human Resources Manager responsible for workers' compensation, the Workers' Compensation Third Party Administrator, the General Counsel;~~ and ~~and~~ the General Manager~~Claims Board~~. This Policy also establishes 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

The General Manager; the General Counsel; the, Workers' Compensation Program Manager~~Human Resources Manager responsible for;~~ the Claims and Liability Manager; workers' compensation and his/her designee; the 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

"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.

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.~~

#### 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

###### Board of Directors ~~AUTHORITY and DUTIES~~

###### 1.

###### Board Authority

###### 1. ~~Claims (Excluding Workers' Compensation):~~

~~a. The approval of the Board of Directors shall be required for any~~Any allowance, compromise, or settlement of a claim or lawsuit of any type ~~in excess of~~over one hundred thousand dollars (\$100,000.00) requires Board approval. The Board shall consider as recommended by the recommendation of the General Counsel and, with the concurrence of the General Manager and Claims and Liability Manager. The Board's decision is not contingent upon neither the recommendation of the General Counsel nor the concurrence of the General manager ~~and Claims and Liability Manager.~~

###### a.

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~~~~2.~~~~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.~~

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- ~~— 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.~~

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- ~~— 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.~~

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- ~~— 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.~~

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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.

#### ~~A. General Manager's Authority~~

##### ~~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 rsuit of any type against the District, which does not exceed fifteen thousand dollars (\$15,000).~~

~~4. Workers' Compensation Program Manager~~

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.

a.

~~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.~~

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.

### ~~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~~

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.

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~~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.D.~~ **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, the Workers' Compensation Program Manager, or a representative of the Claims Board for allowances, compromises, or settlements within the Claims and Liability Manager's authority as specified above.~~

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~~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.~~

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~~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.~~

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~~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.~~

~~1. Upon approval by the Board of Directors, 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.

## ~~V.C.~~ ATTACHMENTS

None.