

DEFERRED BY BOARD AT MEETING OF 9-12-95

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

7-8

August 23, 1995


**To:** Board of Directors (Executive Committee--Action)  
(Legal and Claims Committee--Action)

**From:** General Counsel and General Manager

**Subject:** Amendment of the Administrative Code to Increase the Authority of the General Counsel and General Manager to Litigate, Compromise and Settle Claims Under Administrative Code Section 9200.

**RECOMMENDATION:**

It is recommended that Administrative Code section 9200(a), (b) and (d) be amended to increase the authority of the General Manager and General Counsel to settle claims and lawsuits from \$50,000 to \$125,000.

*for*  
  
\_\_\_\_\_  
John R. Wodraska  
General Manager

  
\_\_\_\_\_  
N. Gregory Taylor  
General Counsel

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**EXECUTIVE SUMMARY AND DETAILED REPORT:**

The General Manager and General Counsel currently have authority to settle claims not to exceed \$50,000. The General Counsel has authority to contract with special counsel and experts for up to \$100,000 to litigate an action. There are an increasing number of claims and lawsuits in which settlements are reached for greater than \$50,000, but less than \$125,000. Increasing the settlement authority of the General Manager and General Counsel will allow timely responses to settlement offers that have time constraints, for example offers received on the verge of trial. There will also be savings in litigation costs as work often continues on a lawsuit pending approval by the Board of a settlement proposal.

Pursuant to Administrative Code section 6433, the settlement of claims and lawsuits under the authority granted by section 9200 are reported to the Board on a quarterly basis. These reports allow the Board to be kept informed of settlements made by the General Manager and General Counsel without expending time at monthly meetings on relatively small claims. Therefore, it is recommended that the authority of the General Manager and General Counsel to settle those claims and lawsuits described in Administrative Code section 9200(a), (b), and (d), be increased to \$125,000.

## ATTACHMENT A

## Division IX

## Chapter 2

## LITIGATION AND RELATED MATTERS

**§ 9200. Authority to Litigate, Compromise and Settle Claims By and Against the District.**

(a) Settlement of Claims or Suits Generally. - The General Manager, with the approval of the General Counsel, is authorized to allow, compromise or settle any claim or suit, by or against the District, not provided for elsewhere in this Code if the amount to be paid does not exceed ~~\$50,000~~ \$125,000. The General Manager or the General Counsel may perform any functions placed on the Board by Part 3 of Division 3.6 of Title 1 of the Government Code. The General Manager, with the approval of the General Counsel, may delegate the authority to settle claims involving payment of an amount not exceeding \$1,000 to an independent contractor.

(b) Settlement of Labor Claims or Suits. - The General Manager, with the approval of the General Counsel, is authorized to compromise and settle any claim brought against the District under Division 4 of the Labor Code and any suit arising out of proceedings against the District under Division 4, provided the amount to be paid pursuant to any such compromise and settlement shall not exceed the sum of ~~\$50,000~~ \$125,000.

(d) Prosecution of Claims. - The General Manager is authorized to do all things he deems necessary or proper to obtain payment of a claim of the District. For that purpose he may himself, with the approval of the General Counsel, institute an action within the jurisdictional limits of the small claims court and may request the General Counsel, who is hereby authorized to do so, to institute an action in the municipal court, superior court or federal district court to recover damages in any amount arising out of injury to person or property and to institute other actions in which the amount sought to be recovered does not exceed ~~\$50,000~~ \$125,000. In the case of small claims court actions, the General Manager, with the approval of the General Counsel, may, in connection with any such action, compromise, settle or dismiss such action, conduct ancillary proceedings, or appeal a judgment rendered in such action. In other actions brought under authority of this Section, the General Counsel, with the approval of the General Manager, may compromise, settle or dismiss such action, conduct ancillary proceedings, or appeal a judgment rendered in such action, provided that the amount to be paid by the District as a result of any compromise or settlement shall not exceed ~~\$50,000~~ \$125,000.

## ATTACHMENT B

## Division IX

## Chapter 2

## LITIGATION AND RELATED MATTERS

**§ 9200. Authority to Litigate, Compromise and Settle Claims By and Against the District.**

(a) Settlement of Claims or Suits Generally. - The General Manager, with the approval of the General Counsel, is authorized to allow, compromise or settle any claim or suit, by or against the District, not provided for elsewhere in this Code if the amount to be paid does not exceed \$125,000. The General Manager or the General Counsel may perform any functions placed on the Board by Part 3 of Division 3.6 of Title 1 of the Government Code. The General Manager, with the approval of the General Counsel, may delegate the authority to settle claims involving payment of an amount not exceeding \$1,000 to an independent contractor.

(b) Settlement of Labor Claims or Suits. - The General Manager, with the approval of the General Counsel, is authorized to compromise and settle any claim brought against the District under Division 4 of the Labor Code and any suit arising out of proceedings against the District under Division 4, provided the amount to be paid pursuant to any such compromise and settlement shall not exceed the sum of \$125,000.

(d) Prosecution of Claims. - The General Manager is authorized to do all things he deems necessary or proper to obtain payment of a claim of the District. For that purpose he may himself, with the approval of the General Counsel, institute an action within the jurisdictional limits of the small claims court and may request the General Counsel, who is hereby authorized to do so, to institute an action in the municipal court, superior court or federal district court to recover damages in any amount arising out of injury to person or property and to institute other actions in which the amount sought to be recovered does not exceed \$125,000. In the case of small claims court actions, the General Manager, with the approval of the General Counsel, may, in connection with any such action, compromise, settle or dismiss such action, conduct ancillary proceedings, or appeal a judgment rendered in such action. In other actions brought under authority of this Section, the General Counsel, with the approval of the General Manager, may compromise, settle or dismiss such action, conduct ancillary proceedings, or appeal a judgment rendered in such action, provided that the amount to be paid by the District as a result of any compromise or settlement shall not exceed \$125,000.