



Santa Clara Valley Water District

File No.: 22-0661

Agenda Date: 6/14/2022
Item No.: 11.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Approve Transferring Funds from the Property Self-Insurance/Catastrophic Reserve to the 2017 Presidents Day Flood Project, Project No.65052001.

RECOMMENDATION:

Approve transferring \$3,175,000 from the Property Self-Insurance/Catastrophic Reserve to the 2017 Presidents Day Flood Project, Project No.65052001.

SUMMARY:

In February 2017, flooding occurred along Coyote Creek. Several affected individuals and entities filed suit against Santa Clara Valley Water District (Valley Water) and others seeking damages related to the flooding. Several of those lawsuits were consolidated under the case name *Jean-Marie White, et al. v. Santa Clara Valley Water District*, Santa Clara County Superior Court Case No. 18CV321600 (*White v. Valley Water*).

On May 21 2022, Valley Water entered into a settlement agreement with the plaintiffs in *White v. Valley Water* for a total settlement sum of \$8,250,000. The settlement resolves all of the plaintiffs' claims in exchange for a release of claims and other considerations.

To bring a more expeditious end to the litigation and to resolve a coverage dispute with its insurer, Argonaut Insurance Company, Valley Water agreed to contribute \$3,175,000 toward the settlement with the plaintiffs in *White v. Valley Water*.

To fund this contribution toward the settlement, staff requests that the Board approve a transfer of \$3,175,000 from the Property Self-Insurance/Catastrophic Reserve to the 2017 Presidents Day Flood Project, Project No.65052001.

ENVIRONMENTAL JUSTICE IMPACT:

There are no environmental justice impacts from this action.

FINANCIAL IMPACT:

The financial impact associated with this Board item would be a transfer of \$3,175,000 from the

Property Self-Insurance/Catastrophic Reserve to the 2017 Presidents Day Flood Project, Project No.65052001, to provide the necessary funding. This action would leave a remaining balance of \$2,655,869 in the Property Self-Insurance/Catastrophic Reserve. To replenish the reserve, staff will bring a recommendation as part of the year-end budget adjustment process in August 2022, which may include an interfund transfer or adjustment to intra-district Risk Management Fund charges.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

None.

UNCLASSIFIED MANAGER:

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