



**COUNTY OF NEVADA**  
**COMMUNITY DEVELOPMENT AGENCY**  
**DEPARTMENT OF PUBLIC WORKS**  
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Trisha Tillotson  
Community Development Agency Director  
And  
Acting Director of Public Works

**NEVADA COUNTY SANITATION DISTRICT NO.1 BOARD OF DIRECTORS**  
**Board Agenda Memo**

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**MEETING DATE:** October 12, 2021  
**TO:** Board of Directors  
**FROM:** Panos Kokkas, Director of Public Works  
**SUBJECT:** Resolution approving the Nevada County Sanitation District No. 1 Risk Financing Plan for tort liability and amending settlement authority for covered and uncovered tort claims

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**RECOMMENDATION:** Approve the Resolution.

**FUNDING:** There is no direct fiscal impact from this Resolution. Funding for the reserves, as described below, will be District Zone funds. A budget amendment may be required in the future, depending on the reserve accumulation timeline, which will be determined by the Sanitation District (District) in a manner which preserves the overall health of District finances.

**BACKGROUND:** On July 13, 2021, the Sanitation District Board of Directors adopted Resolution SD 21-007, declaring its intention to join the California Sanitation Risk Management Authority (CSRMA) and participate in their Pooled Liability Program for general liability, automobile liability, employment practices liability, and public entity errors and omissions liability coverage. Prior to Resolution SD 21-007, the District was a participant in the County's General Liability Pool and claims against the district were subject to the management policies and methodologies therein.

In order to clarify how eventual tort liability claims will be managed and financed under the CSRMA Pooled Liability Program, this Resolution presents a Risk Financing Plan (Plan) to the Board of Directors for consideration. Highlights of the Plan include the following:

- Provides authority to establish and maintain reserves for paying District's retained tort liabilities
- Allows for the accumulation of said reserves over time, if necessary, to ensure the overall health of District finances
- Clarifies that all Zones of the District, share in exposure to liability, and as such shall contribute to, and benefit from, liability coverage and retained reserves in a manner consistent with practices used for other administrative cost apportionment within the District

This Resolution also amends the settlement authority to grant authority to the County of Nevada County Executive Officer, or their designee, with the concurrence from the County of Nevada County Counsel, to allow, compromise, or settle claims as follows:

- Covered small property damage claims of five thousand dollars (\$5,000) or less against the District subject to the limits imposed by CSRMA's Small Property Damage Claim Settlement Policy
- Uncovered tort liability against the District up to fifty thousand dollars (\$50,000)

All other claims will be brought to the Board of Directors for direction.

**Item Initiated by:** Nick Poole, Risk Manager  
**Approved by:** Panos Kokkas, Director of Public Works