

**RESOLUTION NO. _____
OF THE BOARD OF DIRECTORS OF
NEVADA COUNTY SANITATION DISTRICT NO. 1**

**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**

WHEREAS, tort liability refers to third party damages to personal and real property, which includes inverse condemnation, as well as bodily and personal injury, including but not limited to, general liability, auto liability, employment practices liability, pollution liability, cyber liability, and public entity errors and omissions liability; and

WHEREAS, Government Code sections 990, 990.4, 990.6, and 990.8 authorize the Nevada County Sanitation District No. 1 (District) to obtain coverage from insurance with any insurer authorized to transact such insurance in California or self-insurance, or any combination, or by participating in self-insured risk pools by a joint powers authority (JPA); and the associated costs for coverage is a proper charge against the District; and

WHEREAS, the District on July 13, 2021 agreed, by Resolution SD 21-007, to join the California Sanitation Risk Management Authority (CSRMA) JPA and participate in their Pooled Liability Program for general liability, automobile liability, employment practices liability and public entity errors and omissions liability; and

WHEREAS, the District now determines that adopting a formal risk financing plan is necessary to provide the District with comprehensive coverage for tort liability; and

WHEREAS, Resolution SD 94-22 authorized the Risk Management Committee to approve the settlement of all claims against the District as allowed in Government Code section 935.2; and

WHEREAS, Government Code section 935.4 allows the District to authorize an employee of the District to allow, compromise, or settle a claim against the District; and

WHEREAS, the District desires to update the delegation of settlement authority.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Directors of Nevada County Sanitation District No. 1 adopts the following Risk Financing Plan for providing comprehensive coverage for tort liability:

SECTION 1. Agree to continue participation in CSRMA's Pooled Liability Program for general liability, automobile liability, employment practices liability and public entity errors and omissions liability, and any other CSRMA program that serves the best interest of the District; and

SECTION 2. Agree to continue participating under the County of Nevada's cyber liability coverage and pollution coverage; and

SECTION 3. Agree to build and maintain reserves for uncovered tort claims occurring on or after September 1, 2021 ("retained liabilities") in an amount to be recommended each fiscal year by the Community Development Agency Director, or their designee, through the County's budget process; and

SECTION 4. Agree that the ten (10) unique sewer service areas within the District (the "Zones") share in exposure to both covered and uncovered tort liability through shared District resources, and as such, shall contribute to shared

comprehensive tort liability coverage, and to establishing and maintaining reserves for retained liabilities in a manner consistent with practices used for other administrative cost apportionment among the Zones; and

SECTION 5. Agree that the Zones shall have equal access to the benefits of comprehensive tort liability coverage and District reserves for retained tort liability.

BE IT, FURTHER RESOLVED that the Board of Directors of Nevada County Sanitation District No. 1 approves the followings changes to the settlement authority:

SECTION 1. Resolution No. SD 94-22 is hereby rescinded and said authorization is no longer valid or of any effect.

SECTION 2. Grant authority to the County of Nevada County Executive Officer as Ex-Officio District Administrator (Administrator), or their designee, with the concurrence from the County of Nevada County Counsel, to allow, compromise, or settle 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, and provide the County of Nevada Auditor with a written order to issue a warrant upon the treasury in accordance with the terms of settlement.

SECTION 3. Grant authority to the Administrator, or his/her designee, with the concurrence from the County of Nevada County Counsel, to allow, compromise, or settle uncovered tort liability against the District for up to fifty thousand dollars (\$50,000).