



Legislation Details (With Text)

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On agenda: 2/14/2018 **Final action:**
Title: Great Lakes Water Authority Settlement Policy
Sponsors: Randal Brown
Indexes: General Counsel
Code sections:
Attachments: 1. GLWA Proposed Settlement Policy

| Date | Ver. | Action By | Action | Result |
|-----------|------|-------------------------------------|--------|--------|
| 2/14/2018 | 1 | Board of Directors Workshop Meeting | | |

Great Lakes Water Authority Settlement Policy

Agenda of: February 14, 2018
Item No.: **2018-615**
Amount: N/A

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Randal M. Brown, General Counsel

DATE: February 12, 2018

RE: Great Lakes Water Authority Settlement Policy

MOTION

Upon recommendation of Randal M. Brown, General Counsel, the Board of Directors (Board) of the Great Lakes Water Authority ("GLWA") authorizes and adopts the attached settlement policy ("Settlement Policy") for resolving claims, administrative proceedings, mediations, arbitrations, and litigation ("Actions"):

- (1) For and against GLWA ("GLWA Action(s)"); and
- (2) Against the City of Detroit and/or the Detroit Water and Sewerage Department ("DWSD"), which allege liabilities in existence on or before December 31, 2015 and were transferred and/or assumed by GLWA, pursuant to Article IV of Regional Sewage Disposal System Lease and/or the Regional Water Supply System Lease ("DWSD Action(s)").

JUSTIFICATION

Currently, GLWA does not have a policy outlining the authority of GLWA's staff to settle claims and lawsuits without the Board's approval. This issue became relevant after the Board learned of two lawsuits, *Michigan Warehousing v City of Detroit* and *United House of Prayer v City of Detroit* in which GLWA's General Counsel recommended GLWA contribute to the settlement. To avoid any ambiguity in the GLWA staff's authority, Board Member Robert Daddow presented a proposed policy. GLWA's General Counsel used the framework of Board Member Daddow's proposed policy to draft the attached policy.

In drafting the attached policy, GLWA's General Counsel asked water supply and waste collection general counsels across the country for details on their respective settlement policies. The settlement authority granted without Board approval to others in GLWA's service sector ranged from \$0.00 to \$500,000.00. Many of the general counsels wished their settlement authority was higher.

In addition, GLWA's General Counsel reviewed prior settlements by GLWA. A majority of the settlements were below \$250,000.00.

Last, the Settlement Policy includes reporting requirements by the GLWA General Counsel on actions that impact GLWA.

BUDGET IMPACT

The Settlement Policy does not impact the GLWA's budget.

COMMITTEE REVIEW

This matter is being presented directly to the Board.

SHARED SERVICES IMPACT

The Settlement Policy does not impact the Shared Services Agreement.