

**CITY COUNCIL REGULAR SESSION**

Resolution authorizing execution of all documents necessary to implement settlement of the lawsuit Western National Insurance Group v. City of Bellevue et al. (King County Superior Court Cause No. 20-2-05373-2 SEA).

Kathryn Gerla, City Attorney, 452-7220

Chad Barnes, Assistant City Attorney, 452-2061

*City Attorney's Office*

**EXECUTIVE SUMMARY**

This Resolution authorizes settlement in the amount of \$240,000 to resolve a lawsuit brought by Western National Insurance Group to recover the costs it paid to three homeowners whose property was damaged by flooding due to allegedly improperly marked utilities.

**RECOMMENDATION**

Move to adopt Resolution No. 10031

**BACKGROUND/ANALYSIS**

On May 21, 2018, Professional Horizontal Drilling struck a City watermain while boring under SE 10<sup>th</sup> Street to install electrical service to several new homes. The damage to the watermain resulted in flooding to three downhill residences adjacent to the construction site. Professional Horizontal Drilling, through its insurance carrier, Western National Insurance Group, paid in excess of \$440,000 for damage to the three affected homeowners and then filed a subrogation lawsuit against the City seeking to recover those sums and its attorney's fees. Western National Insurance Group alleges that the City did not properly mark the underground utilities in the area.

**POLICY & FISCAL IMPACTS****Policy Impact**

Pursuant to Bellevue City Code 4.36.030, settlement and payment of claims exceeding \$75,000 requires the authorization of City Council.

**Fiscal Impact**

The settlement of the claims brought by Western National Insurance will require a total payment of \$240,000 by the City. Sufficient funds exist within the City's General Self-Insurance Fund for this payment.

**OPTIONS**

1. Adopt the Resolution authorizing execution of all documents necessary to implement settlement of the lawsuit Western National Insurance Group v. City of Bellevue et al. (King County Superior Court Cause No. 20-2-05373-2 SEA).
2. Do not adopt the Resolution and provide alternative direction to staff.

## **ATTACHMENTS & AVAILABLE DOCUMENTS**

Proposed Resolution No. 10031

## **AVAILABLE IN COUNCIL LIBRARY**

N/A