




**EAST BAY REGIONAL PARK DISTRICT
BOARD OF DIRECTORS MEETING
AGENDA STAFF REPORT**

DATE	September 17, 2024
TITLE	Authorization to Enter Into Settlement Agreement With Touchstone Golf, LLC for 2023 Winter Storm Damage at Redwood Canyon Golf Course
DIVISION	Human Resources
FROM	Alma Balmes, Risk Manager Allyson Cook, Assistant General Manager Human Resources
APPROVED	Sabrina Landreth, General Manager 

RECOMMENDATION

The General Manager recommends that the Board of Directors authorize payment not to exceed \$443,335.12 to Touchstone Golf, LLC (Touchstone) in exchange for entering into a settlement agreement to include a full release reflecting Touchstone's expense in connection with the 2023 winter storm-related damage.

BACKGROUND

In January 2023, the East Bay Regional Park District (Park District) experienced significant damage related to the winter storms. On January 10, 2023, the General Manager declared a state of emergency for the Park District that was adopted by the Board of Directors on January 17, 2023. The Park District submitted insurance claims through Public Risk Innovation, Solutions and Management (PRISM), the Park District's excess insurance authority, for all eligible losses that may be covered by insurance proceeds.

The Park District also submitted claims to the Governor's California Office of Emergency Services (CalOES) and FEMA for those storm recovery projects which are not covered by insurance. Such projects may be eligible for state or federal cost recovery. CalOES and FEMA are in the process of reviewing those claims.

The Park District's insurance claim included the costs to clean up and repair the greens and cart bridges at Redwood Canyon Golf Course (RCGC). The operator of the golf course, Touchstone, performed the cleanup and repair at its own expense and is seeking reimbursement from the Park District for those costs.

On January 16, 2024, the Board approved a payment to Touchstone not to exceed \$698,215.77 in exchange for entering into a settlement agreement. That release in that first settlement agreement excluded certain storm-related expenses incurred by Touchstone as the documentation pertaining to those expenses was still being review by PRISM.

ANALYSIS

The Park District has worked with PRISM and McLarens, PRISM's insurance adjuster, to evaluate losses and work related to repair and/or replacement costs related to properties covered under the insurance claim. Coverage under the claim includes eligible expenses incurred and/or recovery estimates at Redwood Canyon Golf Course, Redwood School House, Fire Station No. 2, Del Valle Visitor Center, and several properties at Del Valle Regional Park. All other losses not covered under the insurance claim have been referred to FEMA to be considered as projects for federal cost recovery.

The Park District has received three Partial Proof of Losses from PRISM to date. The first round of insurance proceeds in the amount of \$200,000, received in July 2023, was deposited into a designated project that was established to hold insurance proceeds that are allocated to offset the use of general fund expenses incurred in response to storm damages among various Park District properties. The second round of insurance proceeds totaled \$673,215.77, which was used to pay Touchstone as part of a settlement in early 2024. Following that second round of insurance proceeds, McLarens continued to review the additional documentation submitted by Touchstone for other expenses incurred by Touchstone related to labor and materials for debris removal, irrigation repair, re-seeding, and other site renovations at RCGC.

McLarens recently completed its review of that additional documentation provided by Touchstone. Based on that review, PRISM issued a third Partial Proof of Loss and issued payment of \$443,335.12 to the Park District.

FISCAL IMPACT

Based on McLarens' final review of the Touchstone documentation, staff seeks authorization of a reimbursement payment to Touchstone related to damages from the 2023 winter storms in the amount not to exceed \$443,335.12 which will come from PRISM excess insurance proceeds. In exchange for this payment, Touchstone will be required to sign a settlement agreement containing a full release of the Park District reflecting all of Touchstone's damages related to the 2023 storms.

Recovery of the Del Valle marina concession is part of this property claim pending with PRISM. However, restoration of this area, including the docks, will require greater coordination with other agencies, planning, and time as a significant future capital project. The Park District will continue to work with PRISM on the overall 2023 winter storm property claim and reconciliation of eligible expenses related to covered properties under the policy.

Property Damage	Insurance Proceeds
Misc. District-Wide Storm Property Damages (<i>internal costs incurred</i>)	\$200,000.00
Redwood Canyon Golf Course	\$1,116,550.89
Claim Deductible	(\$25,000.00)
Cost Recovery to Date from Insurance Proceeds	\$1,291,550.89

ATTACHMENTS

No attachments.



**EAST BAY REGIONAL PARK DISTRICT
RESOLUTION NO. 2024 – 09 -
SEPTEMBER 17, 2024**

**AUTHORIZATION TO ENTER INTO SETTLEMENT AGREEMENT WITH
TOUCHSTONE GOLF, LLC FOR 2023 WINTER STORM DAMAGE
AT REDWOOD CANYON GOLF COURSE**

WHEREAS, the 2023 winter storms caused damage to Redwood Canyon Golf Course (RCGC) within the East Bay Regional Park District (Park District); and

WHEREAS, the operator of RCGC, Touchstone Golf, LLC (Touchstone) performed clean-up and repairs to RCGC at its own expense; and

WHEREAS, Touchstone is now seeking reimbursement of its 2023 winter storm clean-up and repair expenses from the Park District;

WHEREAS, the Park District is self-insured and filed a property insurance claim for 2023 winter storm damage with PRISM, the Park District's excess insurance authority, which included Touchstone's expenses; and

WHEREAS, the Park District received an insurance payment from PRISM in the amount of \$673,215.77; and

WHEREAS, a substantial portion of the payment of \$673,215.77 was associated with Touchstone's expenses incurred in storm clean-up and repairs to RCGC; and

WHEREAS, the Park District issued payment to Touchstone Golf in February 2024 in the amount not to exceed \$698,215.77 in return for Touchstone signing a settlement agreement containing a release of the Park District reflecting Touchstone's expenses incurred and the payment received; and

WHEREAS, after PRISM's final review of Touchstone's documentation of additional storm-related expenses, the Park District received an additional insurance payment from PRISM in the amount of \$443,335.12; and

WHEREAS, the Park District will issue payment to Touchstone Golf in the amount not to exceed \$443,335.12 which will come from recovered insurance proceeds; and

WHEREAS, in order to receive this payment, Touchstone must sign a settlement agreement containing a full release of the Park District reflecting all of Touchstone's 2023 storm-related damages; and

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the East Bay Regional Park District hereby authorizes payment to Touchstone from the appropriation of insurance funds related to the 2023 winter storms in an amount not to exceed \$443,335.12 after signing a settlement agreement containing a full release of the Park District; and

BE IT FURTHER RESOLVED, that the General Manager is hereby authorized and directed, on behalf of the Park District and in its name, to execute and deliver such documents and to do such acts as may be deemed necessary or appropriate to accomplish the intentions of this resolution.

Moved by Director _____, and seconded by Director _____, and adopted
September 17, 2024, by the following vote:

FOR:

AGAINST:

ABSTAIN:

ABSENT: