



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

DATE	January 16, 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/Risk
FROM	Alma Balmes, Risk Manager Allyson Cook, AGM Human Resources
APPROVED	Sabrina Landreth, General Manager 

RECOMMENDATION

The General Manager recommends that the Board of Directors authorize payment not to exceed \$698,215.77 to Touchstone Golf, LLC (Touchstone) in exchange for a settlement agreement to include a release reflecting Touchstone’s expenses incurred and the payment received.

BACKGROUND

In January 2023, the 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 an insurance claim 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 maintains a self-insured retention limit of \$25,000 for scheduled properties.

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 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.

ANALYSIS

The Park District continues to work with PRISM and McLarens, PRISM’s insurance adjuster, to evaluate losses and the 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 two 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 Park District recently received a second round of insurance proceeds totaling \$673,215.77. A substantial portion of that amount is associated with Touchstone’s expenses incurred in storm clean-up and repairs to the golf course. PRISM issued this payment after McLarens completed an initial financial analysis of expenses incurred by Touchstone.

McLarens continues to review 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.

FISCAL IMPACT

Based on McLarens’ review of the Touchstone documentation, staff seeks authorization of a reimbursement payment to Touchstone Golf related to damages from the 2023 winter storms in the amount not to exceed \$698,215.77 of which up to \$673,215.77 is from PRISM excess insurance proceeds and \$25,000 is from the Park District’s self-insured funds. Touchstone Golf will be required to sign a settlement agreement containing a release of the Park District reflecting Touchstone’s expenses incurred and the payment received.

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 and planning with other stakeholders and will be 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	\$698,215.77
Claim Deductible	(\$25,000.00)
Insurance Proceeds / Cost Recovery to Date	\$873,215.77

ATTACHMENTS

None.



**EAST BAY REGIONAL PARK DISTRICT
RESOLUTION NO. 2024-01-
JANUARY 16, 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 has received two insurance payments from PRISM to date in the amount of \$200,000 and \$673,215.77; and

WHEREAS, a substantial portion of the second payment of \$673,215.77 is associated with Touchstone's expenses incurred in storm clean-up and repairs to RCGC and also reflects the Park District's \$25,000 deductible; and

WHEREAS, the Park District will issue payment to Touchstone Golf in the amount not to exceed \$698,215.77 of which all but \$25,000 will come from the PRISM excess insurance proceeds, with the remaining \$25,000 coming from Park District self-insured funds; and

WHEREAS, in order to receive this payment, Touchstone must sign a settlement agreement containing a release of the Park District reflecting Touchstone's expenses incurred and the payment received; and

WHEREAS, the Park District will continue to work with PRISM to review and reconcile eligible expenses incurred related to the 2023 winter storm recovery; and

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the East Bay Regional Park District hereby authorizes payment to Touchstone from insurance funds related to the 2023 winter storms in an amount not to exceed \$698,215.77 after executing a settlement agreement releasing and waiving claims against 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 January 16, 2024, by the following vote:

FOR:

AGAINST:

ABSTAIN:

ABSENT: