

## **TOWN COUNCIL STAFF REPORT**

Title: Approve Settlement Agreement with Village Lodge Phase 1 HOA.

Meeting Date: March 19, 2025

Prepared by: Andrew Morris, Town Attorney  
Haislip Hayes, PE Public Works Director

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### **RECOMMENDATION:**

Approve Settlement Agreement with Village Lodge Phase 1 HOA.

### **BACKGROUND:**

During the summer of 2020 the Town contracted with Walker Industries to complete sidewalk improvements along Forest Trail near the Village. During the demolition of the existing sidewalks the contractor struck and severed glycol lines that serve the Village HOA snowmelt system. The lines were located in the public right-of-way (ROW) and were immediately plugged.

### **ANALYSIS:**

In August of 2021 staff received an invoice from the HOA demanding payment for the repairs. The invoice included over \$20,000 in glycol and over \$10,000 in labor. Staff documented the line strikes and equipment was on hand to stop the leaks so only a small amount of material was lost. Staff sent a response to the HOA offering to pay significantly more than the amount of glycol lost. The letter offered to pay for 2 barrels of glycol (110 gallons) far more than the few gallons that were lost. Staff did not receive a response to this letter. Furthermore, since the damage occurred in public right-of-way it was determined that the HOA had no rights or permits to have the line on public property. The lines were not marked.

On or about July 20, 2023, the HOA filed a complaint for damages in the Mono County Superior Court, against Contractor alleging one cause of action for Negligent Property Damage. The Town informally agreed to indemnify Contractor concerning the damage caused to the Glycol Line and has the authority to settle this dispute on behalf of Contractor. The attorneys representing the Town and HOA worked out an agreement to bring closure to the dispute. The Town will pay \$3,000 for the damage and provide an encroachment permit to the HOA for the glycol lines in the ROW. In turn the HOA will dismiss its complaint against the Contractor.

### **FINANCIAL CONSIDERATIONS:**

The subject project was closed out years ago. Funds from the settlement will be taken from the General Services Special Operations Fund.