



# City of La Quinta

**CITY / SA/ HA/ FA MEETING DATE:** May 5, 2015

**ITEM TITLE:** DENY CLAIM FOR DAMAGES FILED BY HACIENDAS OF LA QUINTA, DATE OF LOSS – SEPTEMBER 8, 2014

**AGENDA CATEGORY:**

**BUSINESS SESSION:**

**CONSENT CALENDAR:** 5

**STUDY SESSION:**

**PUBLIC HEARING:**

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## **RECOMMENDED ACTION:**

Deny the claim for damages of Haciendas at La Quinta in its entirety.

## **EXECUTIVE SUMMARY:**

- A claim was filed by Haciendas at La Quinta (“Haciendas”) with a reported date of loss of September 8, 2014.
- It was forwarded for review to Carl Warren & Company (“CW”), the City’s claims administrator, and they recommended denial of the claim.

## **FISCAL IMPACT:**

Stated damages are approximately \$46,900 for damage to the Hacienda’s entry gate motors and costs related to cleaning debris and pumping out storm drains.

## **BACKGROUND/ANALYSIS:**

The claimant alleges the City failed to correct a storm drainage problem at the intersection of Avenue 50 and Eisenhower Drive, thereby allowing floodwater to back up from the intersection into the Haciendas Homeowners Association’s (HOA) storm drain, which was then overwhelmed, causing damage to HOA property and homes.

CW recommends denying the claim, stating the cause of the damage was partially due to the La Quinta Resort & Club pumping the evacuation channel and by the Resort’s lack of maintenance of the overflow pipes.

**ALTERNATIVES:**

As CW is relied on to perform an accurate and thorough preliminary assessment of the claim from a liability standpoint and has recommended rejection of this claim, staff does not recommend an alternative action.

Report prepared by: Terry Deeringer, Human Resources/Risk Manager

Report approved for submission by: Frank J. Spevacek, City Manager