



TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: Mike Pagni, Legal Counsel
DATE: January 7, 2013
SUBJECT: Discussion and possible approval of a settlement between TMWA and Campbell Construction regarding resolution of a dispute involving claims during the construction of the Sparks Feeder Main Phase IV-B

Discussion

A dispute arose with Campbell Construction, the low bid contractor, during construction of the Sparks Feeder Main IV-B project, which lead to Campbell asserting various claims for additional payment for its work. When the parties were unable to resolve their dispute, Campbell commenced an arbitration proceeding in accordance with the dispute resolution process in the construction contract.

Campbell has asserted various claims totaling approximately \$1.4 million. The parties have engaged in settlement negotiations, and Campbell has agreed to settle all claims for the amount of \$570,000. The proposed settlement is not an admission of liability, but is purely a proposed compromise of disputed claims.

Staff requests Board direction and possible action on approval of the proposed settlement agreement, and if approved, authorization for the General Manager to execute a settlement agreement consistent with such terms.