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## Policies and Procedures

No. 16

SUBJECT:

Board Approval: 1/28/15

LEGAL ACTION BY OR AGAINST THE BOARD

PURPOSE:

To establish procedures for filing claims and institution and maintenance of lawsuits for damage to or destruction of MTS property and to establish procedures for settlement of such lawsuits.

BACKGROUND:

MTS owns the capital facilities and equipment used for operation of the trolley as well as other property. Damage to or destruction of that property may require legal action.

Under Public Utilities Code 120201, MTS may sue and be sued, except as provided by law, in all actions and proceedings, in all courts and tribunals of competent jurisdiction. There is no law that prevents MTS from filing claims or lawsuits for damage to its property.

POLICY:

### 16.1 Filing of Administrative Claims; Litigation

The Chief Executive Officer is authorized to file administrative claims and to initiate and maintain lawsuits on behalf of the Board to recover for damage to or destruction of MTS property. The Chief Executive Officer shall report to the Board concerning all claims and lawsuits filed on behalf of the Board.

### 16.2 Settlement of Lawsuits

The Chief Executive Officer shall have the authority to settle claims or lawsuits for \$50,000 per claim or lawsuit or less without Board approval. The Chief Executive Officer shall report to the Board concerning all settlements made for \$50,000 or less. Prior Board approval shall be required to settle any claim or lawsuit for more than \$50,000.

Original Policy approved on 10/26/81.  
Policy revised on 2/7/85.  
Policy revised/renumbered on 2/12/04.  
Policy revised on 1/28/15.

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Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc., San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations), and San Diego Vintage Trolley, Inc., a 501(c)(3) nonprofit corporation, in cooperation with Chula Vista Transit. MTS is the taxicab administrator for seven cities. MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.