



COUNTY OF HUMBOLDT

For the meeting of: 8/30/2022

File #: 22-1167

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Consent

SUBJECT:

Approval of Settlement Agreement with the State Controller Regarding Case CV2200584 The People vs. Karen Paz Dominguez and the County of Humboldt

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve the settlement agreement with the State Controller Regarding Case CV2200584 The People vs. Karen Paz Dominguez and the County of Humboldt; and
2. Authorize the Chair of the Board to sign the settlement agreement.

SOURCE OF FUNDING:

General Fund and Liability Fund

DISCUSSION:

On May 2, 2022, your Board was served with a Complaint for Failure to Comply With Financial Reporting Requirements, and petition for writ of mandamus, wherein the State of California filed suit against Karen Paz Dominguez, in her personal capacity, and in her official Capacity as the Auditor-Controller for the County of Humboldt, and the County of Humboldt. Since that time, as authorized by your Board, staff and legal counsel have been negotiating settlement terms with the state.

Settlement terms are as follows:

1. Within 14 days of full execution of this agreement, plaintiffs will file a dismissal without prejudice. The parties agree that the dismissal will request that Humboldt County Superior Court retain jurisdiction under California Code of Civil Procedure section 664.6 for the purpose of enforcing this agreement.
2. On Aug. 10, 2022, the parties negotiated a detailed action plan that includes milestones for filing county's overdue and currently due adopted budgets and FTRs with SCO. Within 7 days of entry of dismissal, county will provide SCO with an update to the action plan.

3. On Oct. 31, 2022, Jan. 31, 2023, March 31, 2023, and May 1, 2023, county will provide updates to SCO that demonstrate county's progress toward meeting the milestones set out in their action plan. If county's updates are unsatisfactory to SCO, the parties will, within 14 days, meet and confer to resolve their dispute. If the parties are unable to resolve their dispute within 14 days of their first meeting, plaintiffs may seek judicial enforcement of the terms of this agreement without further notice to defendants.
4. Within 14 days of entry of dismissal, county will pay \$12,000 to SCO in satisfaction of the forfeitures sought under Government Code sections 29093, subdivision (b) and 53895, subdivision (a)(3), as set out in Cause of Action One and Cause of Action Two in the complaint.
5. Within 14 days of confirmation by SCO that the forfeitures are paid and all tasks on the action plan are completed, plaintiffs will file a dismissal with prejudice. The parties agree that once county has fulfilled its obligations under this agreement, the court will no longer retain jurisdiction over the case.
6. Plaintiffs and defendants shall each bear their own attorney's fees and all other costs associated with litigating this action.

Accordingly, before your Board today is a request to approve the final settlement terms and authorize the Chair of the Board to execute the settlement document.

FINANCIAL IMPACT:

The attached settlement agreement with the State Controller has a total payable amount of \$12,000. In addition, the county will be responsible for legal fees and other actions resulting from the county's defense in this matter.

There are sufficient expenditure appropriations related to the attached agreement included in the Fiscal Year 2022-23 Recommended Budget for Risk Management - Liability Fund (3524-354). Funding for the attached settlement agreement with the State Controller is available through Risk Management's Charges for Current Services (800870) and fund balance in the Liability Fund (Fund No. 3524).

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by managing our resources to ensure sustainability of services .

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

At Board discretion

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ATTACHMENTS:

Separation Agreement
Action Plan
SCO Lawsuit

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A
Meeting of: N/A
File No.: N/A