

EAST BAY MUNICIPAL UTILITY DISTRICT

DATE: August 7, 2025

MEMO TO: Board of Directors

THROUGH: Clifford C. Chan, General Manager *CCC*

FROM: Sophia D. Skoda, Director of Finance *SDS*

SUBJECT: Follow-up Regarding Tappan Terrace Residents' Complaints

SUMMARY

This memorandum provides additional information requested by the Board regarding public comments made about Tappan Terrace at its July 8, 2025 meeting.

DISCUSSION

At the July 8, 2025 Board meeting, two residents of Tappan Terrace provided public comment requesting the District direct a settlement fund account trustee to disperse monies to them to pay for property damage they allege resulted from work performed on Tappan Terrace following the March 2020 land subsidence. One commenter requested \$21,000 for various cleanup and landscaping work, while the other commenter requested \$4,500 to repair a mailbox.

The commenters shared that the alleged damages are associated with repair work performed by Engineered Soil Repairs, Inc (ESR), a contractor retained by the individual homeowners and the Tappan Terrace Homeowners Association (HOA). The damage is not a result of any work done by the District. Furthermore, both commenters were plaintiffs in a lawsuit against the District related to the original incident and signed a Release of All Claims in connection with the settlement of the original incident. This release bars them from seeking any further recovery against the District.

Under the terms of the settlement agreement, the contingency amount paid by the District is held by the plaintiffs' counsel, Miles, Westbrook & Deal. These funds were specifically set aside to cover contractor payments, permit costs, and related expenses. The agreement provides that any unused contingency funds must be refunded to the District. However, the agreement does not grant the District discretion over how the contingency funds are disbursed; that responsibility remains with plaintiffs' counsel.

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Staff contacted the commenters and advised them of the District's position. The District has no obligation to pay any additional amounts requested by commenters and no authority to direct disbursement of funds from the settlement account. Any further requests should be directed either to their contractor, ESR, or their counsel.

CCC:SDS\VB

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