

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: March 24-25, 2021

From: STEVEN KECK, Chief Financial Officer

Reference Number: 4.38, Action Item

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Division of Budgets

Subject: **ALLOCATION FOR CANYON FIRES INVERSE CONDEMNATION
SETTLEMENTS
RESOLUTION FP-20-64**

ISSUE:

Should the California Transportation Commission (Commission) approve a final inverse condemnation allocation of \$1,441,750 for the settlement of individual plaintiffs' property damage and personal injury lawsuits brought against the California Department of Transportation (Department) resulting from the 2017 Canyon Fires in Orange County?

RECOMMENDATION:

The Department recommends that the Commission approve a final inverse condemnation allocation of \$1,441,750 for the settlement of individual plaintiffs' property damage and personal injury lawsuits resulting from the 2017 Canyon Fires.

BACKGROUND:

On September 25, 2017, one or more roadway flares deployed during a Department sweeping operation were knocked into dry roadside brush by oncoming traffic, starting a fire in Anaheim, California. The fire (Canyon Fire 1) spread from the roadside and ultimately burned 2,662 acres and damaged or destroyed 6 structures and utility equipment. It was declared contained on October 4, 2017.

On October 9, 2017, windblown embers from an oak tree, still smoldering from Canyon Fire 1, ignited a second fire. This second fire (Canyon Fire 2) spread and burned 9,217 acres over the next 8 days and damaged or destroyed 80 structures. Fire investigators determined that the roadway flares were the probable cause of Canyon Fire 1, and that Canyon Fire 2 was sparked by the smoldering remnants of the first fire.

*"Provide a safe, sustainable, integrated and efficient transportation system
to enhance California's economy and livability"*

This requested settlement allocation of \$1,441,750 to the Commission concerns the following:

Scott Drew, et al. v. CA Dept of Transportation, et al.

(Orange County Superior Court Case No. 30-2018-01022558-CU-PO-CXC): This lawsuit involved approximately 105 plaintiffs. The requested allocation will fund settlements reached for damages to the final two homes, and associated plaintiffs, that remain in the lawsuit.

The Commission has previously approved \$27,740,000 at the December 2019 meeting, \$7,241,600 at the May 2020 meeting, \$4,913,630 at the June 2020 meeting, and \$2,660,850 at the August 2020 meeting to settle with other Canyon Fire claimants.

With this final allocation, litigation related to the 2017 Canyon Fires will be complete.

FINANCIAL RESOLUTION:

Resolved that \$1,441,750 be allocated from the Budget Act of 2020, Budget Act Item 2660-302-0042 for Canyon Fires inverse condemnation property damage settlements.