

Bond Case Briefs

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JURISDICTION - CALIFORNIA

Eagle Fire and Water Restoration, Inc. v. City of Dinuba

Court of Appeal, Fifth District, California - May 30, 2024 - Cal.Rptr.3d - 2024 WL 2762495

Construction company brought action against city and city engineer, alleging breach of construction contract, negligence, and negligent misrepresentation in connection with construction project to reroof city's police station and courthouse building.

City filed cross-complaint alleging company did not perform the job in a workmanlike manner, failed to adequately cover roof with protective sheeting, failed to ensure roof drains were not clogged, and failed to procure proper insurance coverage.

Engineer also filed a cross-complaint against company, alleging breach of contract and indemnity.

The Superior Court granted engineer's motion for summary judgment on claims against engineer, granted city's motion to enforce parties' oral settlement agreement, and filed a judgment dismissing complaint and cross-complaint with prejudice. Company appealed, engineer voluntarily dismissed his cross-complaint against company without prejudice, and city moved to dismiss appeal as frivolous.

The Court of Appeal held that:

- Trial court had authority to enter judgment, and was therefore not required to expressly retain jurisdiction to enforce agreement;
- Company's appearance as a cross-defendant gave the court personal jurisdiction over company to enforce settlement agreement which was made while court maintained jurisdiction over the matter and the parties;
- Trial court had subject matter jurisdiction to enter judgment enforcing terms of settlement agreement;
- Personal jurisdiction over city engineer was not necessary for trial court to have authority to enforce company's covenant in settlement agreement with city to dismiss its appeal against engineer;
- Company was estopped from arguing that reporter's transcript of settlement proceedings omitted things said at pre-trial hearing;
- Statements made by city's lawyer on the record constituted substantial evidence supporting trial court's implied finding of materiality with respect to broad settlement term that agreement barred all claims that arose out of incident that formed the basis of complaint and cross-complaint; and
- Substantial evidence supported reasonable inference that trial judge resolved ambiguity, if any, in reporter's transcript of cross-talk.