

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: November 18, 2025	☒ Consent	☐ Regular
	☐ Workshop	☐ Public Hearing
Department: Water Utilities Department		
Submitted By: County Attorney's Office		

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: the Settlement Agreement in the case styled Hinterland Group, Inc. v. Palm Beach County, Case No. 502024CA011696XXXAMB, in the total amount of \$568,429.23, consisting of \$125,000 to resolve disputed claims in the Lawsuit, and \$443,429.23 for amounts otherwise due and payable under the Contract.

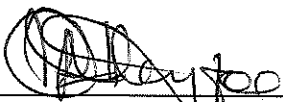
Summary: Plaintiff, Hinterland Group, Inc., filed a lawsuit against Palm Beach County alleging breach of contract for \$2.5 million, arising from the Western Region Sanitary Sewer System Rehabilitation Project (Water Utilities Department Project No. 21-031R). The parties have entered into a Settlement Agreement to resolve all claims for a total of \$568,429.23, which includes \$125,000 for the disputed claims and \$443,429.23 in undisputed retainage and other amounts otherwise payable under the contract, pending approval by the Palm Beach County Board of County Commissioners (BCC). Countywide (TEJ)

Background and Justification: Plaintiff, Hinterland Group, Inc., filed a breach of contract lawsuit against Palm Beach County arising from work performed under the Western Region Sanitary Sewer System Rehabilitation Project (Water Utilities Department Project No. 21-031R). Hinterland alleged that the County failed to pay for portions of the sewer-line repair work performed under a pay item and sought damages exceeding \$2.5 million. The County denied all liability, asserting that the work Hinterland billed did not meet the required depth criteria and were otherwise outside the contract scope.

The parties participated in settlement discussions to avoid the cost and uncertainty of continued litigation. The County has reached a settlement agreement resolving all claims for a total payment of \$568,429.23. Of this amount, \$125,000 represents a negotiated compromise of disputed claims associated with the pay item, and \$443,429.23 represents retainage and other amounts that are undisputedly due under the contract.

The project work is substantially complete, and no claims are pending. Approval of the Settlement Agreement will resolve all claims related to the project, eliminate exposure to additional attorney's fees and expert costs, and bring final closure to this litigation. The agreement provides for full release of all claims in exchange for payment, and no admission of liability by the County.

- Attachments:**
- 1. Settlement Agreement
 - 2. Budget Availability Statement
-

Recommended by:		<u>10-22-25</u>
	County Attorney	Date

Approved by:	<u>N/A</u>	
	County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2026	2027	2028	2029	2030
Capital Expenditures					
Operating Costs	\$125,000				
External Revenues					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT	\$125,000				
#ADDITIONAL FTE					
POSITIONS (CUMULATIVE)					

Is item included in Current Budget? Yes ☒ No ☐

Is this item using Federal Funds? Yes ☐ No ☒

Is this item using State Funds? Yes ☐ No ☒

Budget Account No.: Fund 4001 Department 720 Unit 1110 Object 4905

B. Recommended Sources of Funds/Summary of Fiscal Impact:

C. Departmental Fiscal Review:

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

Leser-Mat 10/23/2025
OFMB
B 10/23
10/23

Comments:

Brenda Smith 10/29/25

Contract Dev. and Control

267 10-29-25

10-29-25 RD

B. Legal Sufficiency:


Assistant County Attorney

C. Other Department Review:

N/A

Department Director

THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.

SETTLEMENT AGREEMENT

This Settlement Agreement is made this 6th day of November 18th 2025, by and between HINTERLAND GROUP, INC. ("Hinterland"), and PALM BEACH COUNTY, FLORIDA ("County") (hereinafter collectively the "Parties").

RECITALS

WHEREAS, on or about June 7, 2022, Hinterland and the County entered into a contract ("Contract") for the Western Region Sanitary Sewer System Rehabilitation, WUD Project No. 21-031R ("Project");

WHEREAS, on December 11, 2024, Hinterland filed its lawsuit against the County in the Fifteenth Judicial Circuit, titled Hinterland Group, Inc. v. Palm Beach County, Case No. 502024CA011696XXXAMB, alleging claims for breach of the Contract ("Lawsuit");

WHEREAS, the County has denied any liability for the claims asserted in the Lawsuit;

WHEREAS, the County has not alleged any claims against Hinterland regarding this Project and represents that Hinterland's work was substantially completed.

WHEREAS, it is the intention of the Parties to this Settlement Agreement to resolve all claims, issues, and disputes by and among the Parties related to the Lawsuit, as expressed herein, and to avoid the expense and burden of continued litigation;

1. **Incorporation of Recitals.** The above recitals are true and correct and are herein incorporated by reference.

2. **Settlement Payment.** The County agrees to pay Hinterland the total sum of \$568,429.23 ("Settlement Payment"), subject to board approval by the County. The Settlement Payment comprises of the following:

- a. \$125,000.00 in full and final settlement of all claims asserted, or that could have been asserted, in the Lawsuit; and
- b. \$443,429.23 for amounts otherwise due and payable under the Contract, inclusive of retainage and undisputed amounts.

3. **Board Approval.** This Settlement Agreement is subject to final board approval by the County. The County shall not be obligated to release funds until such approval is obtained. Once approval is given Settlement Payment shall be made in 14 days.

4. **Dismissal of Lawsuit.** Within three business days of the receipt and clearance of the Settlement Payment, Hinterland shall dismiss all claims asserted in the Lawsuit, with prejudice.

5. **Release by Hinterland.** In consideration of the covenants contained herein and the County's agreement to make the Settlement Payment (and conditioned on the clearance of the full Settlement Payment), and except for the obligations and rights expressly set forth and reserved in this Settlement Agreement, Hinterland, for itself and its legal representatives, successors, and assigns, hereby voluntarily, knowingly, and upon the advice of counsel, remises, releases, acquits, satisfies, and forever discharges the County, together with its officials, commissioners, employees, agents, engineers, attorneys, insurers, successors, and assigns, from any and all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims, and demands whatsoever, whether existing or not at the time of execution of this Settlement Agreement, known or unknown, contingent

or non-contingent, at law, in tort, and/or in equity, which Hinterland ever had, now has, or hereafter can, shall, or may have arising out of or relating to the Contract, the Project, or the Lawsuit. The undersigned further agrees to indemnify, save, and hold Harmless the releasees from any request for Payment or attempts for collection arising out of or relating to the Contract, the Project, or the Lawsuit.

6. Non-Admission of Liability; No Creation of Third-Party Liability.

Execution of this Agreement and the transactions contemplated herein will not be construed or represented to be an admission of liability of any kind on the part of any Party, and that nothing contained herein will be construed to be an admission by any Party that they have any liability to any other Party, or to any other person or entity in connection with or in any way relating to the Action.

7. Acknowledgments. Each of the Parties acknowledges and agrees that:

a. This Settlement Agreement is entered into and executed voluntarily by such Party and without any duress or undue influence on the part of, or on behalf of, any such Party;

b. Each Party has been represented by counsel of its own choice, or has had the opportunity to be represented by counsel and to seek advice in connection with the negotiation, understanding, and preparation of this Settlement Agreement;

c. By executing this Settlement Agreement, each of the Parties warrants and represents that they have fully reviewed and understand the content of this Settlement Agreement and the legal effect of this Settlement

Agreement and intend to be fully bound by the terms and conditions of this Settlement Agreement; and

d. The drafting and negotiation of this Settlement Agreement has been undertaken by both Parties and their respective counsel. For all purposes, this Settlement Agreement shall be deemed to have been drafted jointly by both Parties with no presumption in favor of one Party over another in the event of any ambiguity.

8. **Severability.** If any of the provisions of this Settlement Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions shall not be affected thereby.

9. **Binding Effect.** This Settlement Agreement shall be binding on, and shall inure to the benefit of, the Parties and their respective administrators, representatives, successors, and assigns.

10. **Governing Law.** This Settlement Agreement shall be governed by the laws of the State of Florida and any disputes arising hereunder shall be construed or determined according to such law. Any litigation related to the enforcement of this Settlement Agreement shall be filed in Palm Beach County, Florida.

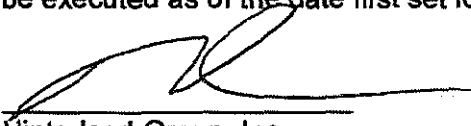
11. **Further Assurances.** The Parties agree to do all acts and things and to make, execute, acknowledge and deliver such reasonable written documents, instructions, and/or instruments in such reasonable form as shall from time to time be reasonably required to carry out the terms and provisions of this Settlement Agreement. Each Party further agrees to give reasonable cooperation and assistance to the other

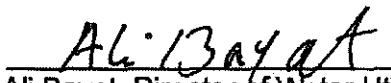
Parties in order to enable such Party to secure the intended benefits of this Settlement Agreement.

12. **Integration Clause.** This Settlement Agreement contains the entire agreement between and among the Parties, and supersedes all prior and contemporaneous discussions, negotiations, understandings, and agreements, whether oral or written, express or implied, between or among them relating to the subject matter of this Settlement Agreement. This Settlement Agreement may not be amended orally, nor shall any proposed oral amendment (even if accompanied by partial or complete performance in accordance therewith) be of any legal force or effect or constitute an amendment of this Settlement Agreement, but rather this Settlement Agreement may be amended only by an agreement in writing signed by the Parties.

13. **Counterparts.** This Settlement Agreement may be executed by the Parties in any number of counterparts, and each of which shall be deemed an original and all of which, collectively, shall be deemed to be one and the same instrument. Delivery of an executed signature page to this Settlement Agreement via email shall be effective as delivery of an originally executed signature page of this Settlement Agreement.

IN WITNESS WHEREOF, the parties have caused this Settlement Agreement to be executed as of the date first set forth above.


Hinterland Group, Inc.
Plaintiff


Ali Bayat, Director of Water Utilities

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

PALM BEACH COUNTY,
a Political Subdivision of the State of Florida

By: 
Assistant County Attorney

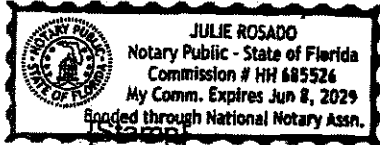
By: _____
Mayor, Board of County Commissioners

ATTEST:
MIKE CARUSO, Clerk and Comptroller

By: _____

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing document was acknowledged before me by means of ☒ physical presence or ☐ online notarization, this 6th day of November 2025, by DANIEL DUKE who is ☒ personally known to me or has produced _____ as identification.



Julie Rosado

Notary Public, State of Florida

11/6/2025
Date

INTEROFFICE COMMUNICATION
PALM BEACH COUNTY WATER UTILITIES DEPARTMENT
BUDGET AVAILABILITY STATEMENT

DATE: October 15, 2025

TO: County Attorney's Office- Litigation

FROM: Ebony Foreman, Director of Finance & Administration 
Water Utilities Department

RE: Hinterland Group, Inc. v. Palm Beach County
Case No.: 502024CA011696XXXAMB
Amount: \$125,000
WUD Project #21-031

FISCAL IMPACT ANALYSIS:

Budget Account Number:

Fund	Dept	Unit	Object	Total
4001	720	1110	4905	\$125,000

Recommended Sources of Funds/Summary of Fiscal Impact:

Water Utility user fees.

cc: Jane House
Claudia Coyne
Krystin Bernstein
File WUD 21-031