

File No. 231273

Committee Item No. 10

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

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Committee: Government Audit and Oversight

Date: January 18, 2024

Board of Supervisors Meeting: \_\_\_\_\_

Date: \_\_\_\_\_

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- Legislative Digest
- Budget and Legislative Analyst Report
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- Introduction Form
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#### OTHER

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- \_\_\_\_\_
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Prepared by: Monique Crayton

Date: January 11, 2024

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

1 [Settlement of Claims, Litigation - SFPUC Water Pipeline Break - Fillmore Street and Green  
2 Street - Not to Exceed \$7,000,000]

3 **Ordinance authorizing the San Francisco Public Utilities Commission (SFPUC) and the**  
4 **Office of the City Attorney to approve settlements of claims arising out of the**  
5 **September 10, 2023 break of the SFPUC's water transmission pipeline at the**  
6 **intersection of Fillmore and Green Streets for amounts exceeding \$25,000 per claim,**  
7 **notwithstanding Administrative Code, Section 10.22, et. seq., but not to exceed**  
8 **\$1,000,000 per claim, and delegating authority under Charter, Section 6.102(5) for the**  
9 **settlement of related litigation, if any, up to an aggregate total settlement amount not to**  
10 **exceed \$7,000,000, subject to periodic reporting to the Board of Supervisors**  
11 **Government Audit and Oversight Committee.**

12 NOTE: Additions are *single-underline italics Times New Roman*;  
13 deletions are ~~*strike-through italics Times New Roman*~~.  
14 Board amendment additions are double-underlined;  
15 Board amendment deletions are ~~strikethrough normal~~.

16 Be it ordained by the People of the City and County of San Francisco:

17 Section 1. Findings. On September 10, 2023, at approximately 11:29 p.m., a San  
18 Francisco Public Utilities Commission (SFPUC) 16" high pressure water main broke at the  
19 intersection of Fillmore and Green Streets. Water flowed down Fillmore Street, flooded streets  
20 and catch basins in the area, and damaged approximately 43 residential and commercial  
21 properties (September 10th Incident). The purpose of this ordinance is to enable prompt  
22 payment to those impacted by the September 10th Incident, by establishing an expedited  
23 settlement procedure to facilitate the timely resolution of anticipated damages claims or  
24 litigation directly resulting from the September 10th Incident.

1 Section 2. Upon investigation and evaluation of claims directly resulting from the  
2 September 10th Incident by the City Attorney Bureau of Claims Investigation and  
3 Administration (as provided under Charter Section 6.102(9)), the City Attorney, with the  
4 approval of the SFPUC, is authorized to settle claims and related litigation for amounts less  
5 than or equal to \$1,000,000 for each claim and for an aggregate total amount not-to-exceed  
6 \$7,000,000, notwithstanding Administrative Code Sections 10.22, *et seq.*, which require Board  
7 of Supervisors approval of each settlement of a litigated or unlitigated claim in excess of  
8 \$25,000, and Charter Section 6.102(5), which requires Board of Supervisors approval for  
9 settlements of litigation by ordinance upon recommendation of the City Attorney.

10 Section 3. The total amount authorized under this Ordinance may not exceed  
11 \$7,000,000 for all such settlements; provided, however, that the Board of Supervisors may by  
12 resolution increase the \$7,000,000 limit. In all cases, the Controller must first certify that  
13 sufficient funds are available from the proper funds or appropriation to pay each claim as  
14 compromised and settled. At least once every six months, the SFPUC and the City Attorney  
15 shall submit periodic reports to the Board of Supervisors Government Audit and Oversight  
16 Committee on the settlement of claims or litigation arising out of the September 10th Incident.

17 Section 4. Effective Date. This ordinance shall become effective 30 days after  
18 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
19 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
20 of Supervisors overrides the Mayor's veto of the ordinance.

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1 \$7,000,000 Available per Budget and Appropriation Ordinance #144-23 Administrative  
2 Provision Section 10.10 Litigation Reserve, Payments.

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4 APPROVED AS TO FORM AND  
5 RECOMMENDED:

RECOMMENDED:

5

6 DAVID CHIU  
7 City Attorney

SAN FRANCISCO PUBLIC UTILITIES  
COMMISSION

7

8 /s/ Sheryl L. Bregman  
9 SHERYL L. BREGMAN  
10 Utilities General Counsel

  
11 DENNIS J. HERRERA  
12 General Manager

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10 FUNDS AVAILABLE

11 /s/  
12 BEN ROSENFELD  
13 Controller

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