

1 [Settlement of Lawsuit – Bayshore Sanitary District - \$407,000]

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3 **Ordinance authorizing settlement of the lawsuit entitled Bayshore Sanitary District v.**  
4 **City and County of San Francisco, et al., filed on November 21, 2007, in San Francisco**  
5 **Superior Court, Case No. 07-469434. Pursuant to the proposed settlement, the City will**  
6 **execute a revenue refund adjustment for the Bayshore Sanitary District's sewer**  
7 **services billings in the amount of \$407,000. In return, the Bayshore Sanitary District**  
8 **will implement measures to ensure that future errors in measuring wastewater flow are**  
9 **promptly detected and corrected and limit its recovery of any overcharges due to**  
10 **equipment error in the future.**

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

12 Section 1. Findings:

13 (1) On November 21, 2007, plaintiff Bayshore Sanitary District filed a lawsuit in San  
14 Francisco Superior Court entitled "Bayshore Sanitary District v. City and County of San  
15 Francisco et al." The complaint alleged causes of action for: (1) breach of contract; (2)  
16 negligence; (3) money had and received; (4) money paid; (5) declaratory relief; and (6)  
17 accounting. The lawsuit claimed that, due to a faulty meter at the Carlyle Pump Station, the  
18 City overcharged plaintiff for sewer services from 1997 through 2006.

19 (2) In settlement of plaintiff's lawsuit, the parties have negotiated an agreement,  
20 pursuant to which the City will execute a revenue refund adjustment in the amount of  
21 \$407,000 for plaintiff's sewer services billings. In return, plaintiff, at its own expense, will  
22 implement measures designed to ensure that errors in measuring wastewater flow are  
23 promptly detected and corrected in the future. Plaintiff will also limit its recovery of any future  
24 overcharges due to equipment error to one year prior to the date the error has been corrected.  
25 A copy of the settlement agreement is contained in Board File No. 100691.

1 Section 2. The above-named lawsuit was filed in San Francisco Superior Court on  
2 November 21, 2007, and the following parties were named in the lawsuit: Plaintiff Bayshore  
3 Sanitary District; Defendants the City and County of San Francisco, and the San Francisco  
4 Public Utilities Commission.

5 Section 3. The Board of Supervisors approves and authorizes the City's execution,  
6 delivery, and performance of the settlement agreement.

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APPROVED AS TO FORM AND  
RECOMMENDED:

DENNIS J. HERRERA  
City Attorney

RECOMMENDED:

SAN FRANCISCO PUBLIC UTILITIES  
COMMISSION

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DANNY CHOU  
Deputy City Attorney

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EDWARD HARRINGTON  
General Manager

FUNDS AVAILABLE:

APPROVED:

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BEN ROSENFELD  
Controller

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SECRETARY  
SAN FRANCISCO PUBLIC UTILITIES  
COMMISSION