

BOARD of SUPERVISORS



City Hall
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MEMORANDUM

TO: Anne Pearson, Deputy City Attorney, City Attorney
Dennis Herrera, General Manager, San Francisco Public Utilities
Commission

FROM: Stephanie Cabrera, Assistant Clerk

DATE: December 15, 2023

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Stefani on December 12, 2023:

File No. 231273

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

If you have any additional comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: Alisa.Somera@sfgov.org.

cc:

Pamela Cheeseborough, City Attorney
Masood Ordikhani, San Francisco Public Utilities Commission
Jeremy Spitz, San Francisco Public Utilities Commission
Donna Hood, San Francisco Public Utilities Commission

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:

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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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Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor inquiries"
- 5. City Attorney Request.
- 6. Call File No. from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Subject:

The text is listed:

Signature of Sponsoring Supervisor: