



December 9, 2021

Angela Calvillo  
 Clerk of the Board of Supervisors  
 1 Dr. Carlton B. Goodlett Place  
 City Hall, Room 244  
 San Francisco, CA 94102

**Subject: Release of \$865,000 Reserve For Wastewater Enterprise Flood Claims, Per Ordinance No. 114-17**

I would like to request your assistance to calendar the release of \$865,000 on Budget and Finance Committee reserve from the WW December 2014 Storm reserve.  
 (Authority 17722)

In October 2015, by Ordinance 184-15, the Board of Supervisors appropriated \$5,000,000 in the Public Utilities Commission Wastewater Enterprise to pay the claims, settlements, legal expenses and related costs due to the extraordinary expenses incurred as a result of the December 2014 rainstorms.

In May 2017, by Ordinance No. 114-17, the Board of Supervisors appropriated \$5,000,000 from Wastewater Enterprise designated for general reserve in the Public Utilities Commission Wastewater Enterprise to pay the claims, settlements, legal expenses and related costs due to the large volume of claims arising from the winter 2016-2017 storms in FY2016-2017 and placed \$3,000,000 of the appropriation on Budget and Finance Committee reserve.

In June 2020, by Ordinance No. 114-17, the Board of Supervisors released \$2,135,000 from reserve in the Public Utilities Commission Wastewater Enterprise to pay the claims, settlements, legal expenses and related costs due to the large volume of claims arising from the winter December 2014 storms and the storms from the winter of 2016-2017.

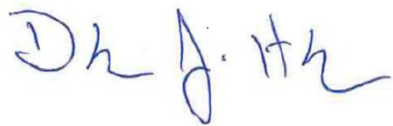
In late November 2021, PUC was notified of 12 settlements totaling \$4,946,480, approved by Ordinance No. 181-21 thru 192-21. The 12 settlements are for the David Alfaro et al v CCSF Case No. CGC-15-547492 relating to inverse condemnation arising out of flood damage during major rainstorms in December 2014 and the winter of 2016-2017. Given the urgency of the payment, Wastewater Enterprise used its fund balance, under the City’s Budget and Appropriation Ordinance, No. 165-20 (section 10.10 Litigation Reserve, Payments), which states: Amounts required to pay settlements of claims or litigation involving the Public Utilities Commission are hereby appropriated from the Public Utilities Commission Wastewater Enterprise fund balance or the Public Utilities Commission Water Enterprise fund balance, as appropriate, for the purpose of paying such settlements following final approval of those settlements by resolution or ordinance. The remaining \$865,000 on reserve is

- London N. Breed**  
Mayor
- Anson Moran**  
President
- Newsha Ajami**  
Vice President
- Sophie Maxwell**  
Commissioner
- Tim Paulson**  
Commissioner
- Ed Harrington**  
Commissioner
- Dennis J. Herrera**  
General Manager



requested to be released and will be used to reimburse the Wastewater Enterprise's fund balance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dh J. Herrera". The signature is written in a cursive, flowing style.

Dennis J. Herrera,  
General Manager