

BOARD of SUPERVISORS



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MEMORANDUM

GOVERNMENT AUDIT AND OVERSIGHT COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Dean Preston, Chair
Government Audit and Oversight Committee

FROM: Monique Crayton, Assistant Clerk

DATE: January 19, 2024

SUBJECT: **COMMITTEE REPORT, BOARD MEETING**
Tuesday, January 23, 2024

The following file should be presented as COMMITTEE REPORT at the regular Board meeting on Tuesday, January 23, 2024. This Ordinance was acted upon at the regular Government Audit and Oversight Committee meeting on Thursday, January 18, 2024, at 10:00 a.m., by the votes indicated.

Item No. 30 **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. (Public Utilities Commission)

RECOMMENDED AS A COMMITTEE REPORT

Vote: Supervisor Dean Preston - Aye
Supervisor Connie Chan - Excused
Supervisor Catherine Stefani - Aye

Cc: Board of Supervisors
Angela Calvillo, Clerk of the Board
Alisa Somera, Legislative Deputy
Anne Pearson, Deputy City Attorney

File No. 231273

Committee Item No. 10

Board Item No. 30

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: January 18, 2024

Board of Supervisors Meeting:

Date: January 23, 2024

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU - FY2022-2024 - Clean
- MOU - FY2022-2024 - Redline
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract / DRAFT Mills Act Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER

- Comm Rpt Memo 011924
- Comm Rpt Request 011124
- _____
- _____
- _____
- _____
- _____

Prepared by: Monique Crayton

Date: January 19, 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.

3

4 APPROVED AS TO FORM AND
5 RECOMMENDED:

RECOMMENDED:

6

7 DAVID CHIU
8 City Attorney

SAN FRANCISCO PUBLIC UTILITIES
COMMISSION

9

10 */s/ Sheryl L. Bregman*
11 _____
12 SHERYL L. BREGMAN
13 Utilities General Counsel

/s/

DENNIS J. HERRERA
General Manager

14

FUNDS AVAILABLE

15

16 */s/*
17 _____
18 BEN ROSENFELD
19 Controller

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Member, Board of Supervisors
District 5



City and County of San Francisco

DEAN PRESTON

DATE: January 11, 2023

TO: Angela Calvillo
Clerk of the Board of Supervisors

FROM: Supervisor Dean Preston, Chair, Government Audit and Oversight Committee

RE: Government Audit and Oversight Committee
COMMITTEE REPORT

Pursuant to Board Rule 4.20, as Chair of the Government Audit and Oversight Committee, I have deemed the following matter of an urgent nature and request it be considered by the full Board on Tuesday, January 23, 2024, as a Committee Report:

231273 [Settlement of Claims, Litigation - SFPUC Water Pipeline Break – Fillmore Street and Green Street - Not to Exceed \$7,000,000]

This matter will be heard in the Government Audit and Oversight Committee at a regular meeting on Thursday, January 18, 2024 at 10:00 a.m.

A handwritten signature in blue ink, appearing to read "Dean Preston".