

1 [Settlement of Lawsuit - RES System 3, LLC - \$2,600,000]

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3 **Ordinance authorizing settlement of the lawsuit filed by RES System 3, LLC against the**  
4 **City and County of San Francisco for \$2,600,000; the lawsuit was filed on September**  
5 **26, 2022, in San Francisco Superior Court, case number CGC-22-601949, and later**  
6 **transferred to Alameda County Superior Court, case number 23-CV-037877; entitled**  
7 **RES System 3, LLC v. City and County of San Francisco Public Utilities Commission;**  
8 **the lawsuit involves alleged breach of contract and related cost impacts arising from**  
9 **the design and construction of the Warnerville electrical substation in Oakdale,**  
10 **California; other material terms of the settlement are a mutual release of claims**  
11 **between the parties with limited exceptions for latent defects and warranty items.**

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

14 Section 1. Pursuant to Charter Section 6.102(5), the Board of Supervisors hereby  
15 authorizes the City Attorney to settle the action entitled RES Systems 3, LLC v. City and  
16 County of San Francisco Public Utilities Commission, Alameda County Superior Court, Case  
17 No. 23-CV-037877 by the payment of \$2.6 million. The lawsuit involves alleged breach of  
18 contract and related impacts arising from the design and construction of the Warnerville  
19 electrical substation in Oakdale, California.

20 Section 2. The above-named action was filed in San Francisco Superior Court on  
21 September 26, 2022, and later transferred to Alameda County Superior Court, and the  
22 following parties were named in the lawsuit: RES System 3, LLC and the City and County of  
23 San Francisco's Public Utilities Commission.

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APPROVED AS TO FORM AND  
RECOMMENDED:

DAVID CHIU  
City Attorney

/s/  
ELAINE O'NEIL  
Team Leader Construction and Public  
Contracts

FUNDS AVAILABLE:

/s/ Greg Wagner  
GREG WAGNER  
Controller

RECOMMENDED:

SAN FRANCISCO PUBLIC UTILITIES  
COMMISSION

/s/  
DENNIS HERRERA  
General Manager

APPROVED/RECOMMENDED

/s/  
CIRILO ESPINOZA  
Acting Commission Secretary, San Francisco  
Public Utilities Commission