

File No. 150409

Committee Item No. 2
Board Item No. 11

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee

Date May 13, 2015

Board of Supervisors Meeting

Date May 19, 2015

Cmte Board

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____

Completed by: Linda Wong Date May 6, 2015
Completed by: Linda Wong Date May 14, 2015

[Appropriation - Wastewater Enterprise General Reserve for Claims Settlements and Related Expenses as a Result of December 2014 Storms - \$1,750,000 - FY2014-2015]

Ordinance appropriating \$1,750,000 from Wastewater Enterprise designated for general reserve in the Public Utilities Commission Wastewater Enterprise Department budget to pay the claims settlements, legal expenses, and related costs due to the extraordinary expenses incurred as a result of the December 2014 storms in FY2014-2015.

Note: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in *single-underline italics Times New Roman font*.
Deletions to Codes are in ~~italics Times New Roman font~~.
Board amendment additions are in double underlined Arial font.
Board amendment deletions are in ~~Arial font~~.
Asterisks (*)** indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1. The uses of funding outlined below are herein appropriated reflect the funding available for Fiscal Year 2014-2015.

SOURCES Appropriation

Fund	Index Code / Project Code	Subobject	Description	Amount
5CAAAAAA	920109	098GR	DESIGNATED FOR	\$1,750,000
Wastewater Enterprise -			GENERAL	
Non Project Controlled			RESERVE	
Total SOURCES Appropriation				\$1,750,000

1 Section 2. The uses of funding outlined below are herein appropriated in Subobject 06700
 2 (Buildings Structures and Improvements), and reflect the projected uses of funding to pay the
 3 cost for claims settlements, legal expenses, litigation, judgments, and expenses related to
 4 mitigating damage alleged to be caused by Wastewater's operations or facilities for Fiscal
 5 Year 2014-15. Additional funding is required in the Wastewater Enterprise budget for such
 6 expenses due to the extraordinary expenses incurred in response to the December 2014
 7 storms.

8
 9 **USES Appropriation**

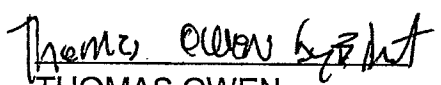
Fund	Index Code / Project Code	Subobject	Description	Amount
5C AAA ACP –	*CWP5CAAAACP	06700	Claims Settlements	\$1,750,000
Wastewater Continuing Capital Project Fund	PWW10301		and related expenses as a result of the December 2014 Storms	
Total USES Re-Appropriation				\$1,750,000

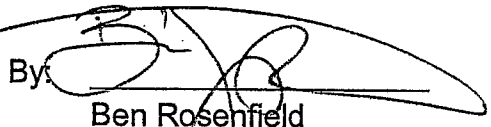
18
 19
 20
 21 Section 3: The Controller is authorized to record transfers between funds and adjust
 22 the accounting treatment of sources and uses appropriated in this ordinance as necessary to
 23 conform to Generally Accepted Accounting Principles.
 24
 25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

FUNDS AVAILABLE
BEN ROSENFELD, Controller

By: 
THOMAS OWEN
Deputy City Attorney

By: 
Ben Rosenfield
Controller

<p>Item 2 File 15-0409</p>	<p>Department: Public Utilities Commission (PUC)</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p> <p>The proposed ordinance would appropriate \$1,750,000 from Public Utilities Commission (PUC) Wastewater Enterprise funds designated for general reserve to pay the claims settlements, legal expenses, and related costs due to the extraordinary expenses incurred as a result of the December 2014 storms in FY 2014-15.</p> <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • As a result of the December 2014 storms, the Public Utilities Commission (PUC) has exhausted budgeted funds in Wastewater Enterprise responding to claim settlement and damage mitigation costs mainly related to flooding. • The City Attorney’s Office estimates that an additional \$1,750,000 will be needed to cover all outstanding claims, settlements, and judgements for Wastewater Enterprise through the end of FY 2014-15. • The City Attorney’s cost estimate for claims and litigation expenses involves active legal cases and will be reported to the Board of Supervisors in closed session. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • This request has no new impact on the General Fund, as all funds are currently appropriated to reserve funds in Wastewater Enterprise. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> • Approve the proposed ordinance. 	

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

City Charter Section 9.105 states that amendments to the Annual Appropriation Ordinance are subject to Board of Supervisors approval by ordinance after the Controller certifies the availability of funds.

BACKGROUND

The San Francisco Public Utilities Commission (SFPUC) Wastewater Enterprise operates a combined stormwater and sewer system. The December 2014 storms that hit San Francisco caused overflow of the stormwater system and flooding that resulted in damage to private property throughout the City. Property owners who suffered damage as a result of flooding can file claims against the City for compensation. Claims are handled by the City Attorney's Office and paid for through the operating budget of Wastewater Enterprise.

According to Mr. Carlos Jacobo, SFPUC Budget Manager, claims of \$25,000 and less, which do not require the approval of the Board of Supervisors, have been paid out and depleted the originally-appropriated funds of \$160,000 for this purpose. Payments for claims, legal expenses, and vendor payments including cleaning, repairs, and sanitizing have totaled \$4,098,164, and Wastewater Enterprise has had to use funds budgeted for other services to cover costs associated with the December 2014 storms. Claims of \$25,000 and more require the approval of the Board of Supervisors and have not yet come before the Board of Supervisors. The time limit to file claims is six months from the time of damage for personal property or approximately June 2015 and one year from the time of damage for real property or approximately December 2015. The City Attorney expects that a majority of claims have been reported but it is possible that more claims will be made before the deadlines.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would appropriate \$1,750,000 to SFPUC Wastewater Enterprise reserve funds to pay future claims to private property owners for damages to their property, resulting from the December 2014 storms in San Francisco. These funds would pay claims settlements, legal expenses and related costs. According to Ms. Noreen Ambrose, Deputy City Attorney, legal expenses and related costs include services such as appraisals for personal property losses, but do not include outside legal counsel.

According to Ms. Ambrose the City Attorney's Office cannot disclose the amount of pending claims due to the confidentiality of active legal cases. Ms. Ambrose will provide a confidential memo to the Board of Supervisors detailing the estimated costs of these claims to the Board of Supervisors.

FISCAL IMPACT

The requested appropriation of \$1,750,000 would create and fund a new programmatic project budget dedicated to legal expenses caused by the December 2014 storms in San Francisco. The

requested appropriation of \$1,750,000 would decrease PUC Wastewater Unappropriated Reserve Funds by 8%, from \$21,931,665 to \$20,181,665.

RECOMMENDATION

Approve the proposed ordinance.



**San Francisco
Water Power Sewer**
Services of the San Francisco Public Utilities Commission

525 Golden Gate Avenue, 13th Floor
San Francisco, CA 94102
T 415.554.3155
F 415.554.3161
TTY 415.554.3488

April 16, 2015

The Honorable Edwin M. Lee

The Honorable Board of Supervisors

The Honorable Ben Rosenfield, Controller

**Subject: SFPUC – Wastewater Claims Settlements
Supplemental Appropriation Request \$1,750,000**

Ladies and Gentlemen:

Attached is a completed copy of the Request for Supplemental Appropriation in the amount of \$1,750,000 for claims settlements and legal expenses related to the December 2014 storm.

The Wastewater Enterprise regularly budgeted funds to pay claims and related expenses which have been depleted due to the large volume of claims arising from the December 2014 extreme storm events.

The requested funding will allow the SFPUC to pay claims settlements, legal expenses, litigation, judgements, and expenses related to mitigating damage alleged to be caused by Wastewater's operations or facilities.

Funding for this supplemental request will come from the Wastewater Enterprise's General Reserve.

Regards,

Harlan L. Kelly Jr.
General Manager

Attachments

Edwin M. Lee
Mayor

Ann Moller Caen
President

Francesca Vietor
Vice President

Vince Courtney
Commissioner

Anson Moran
Commissioner

Ike Kwon
Commissioner

Harlan L. Kelly Jr.
General Manager



REQUEST FOR SUPPLEMENTAL APPROPRIATION

DEPARTMENT SFPUC DIVISION Wastewater DATE 4/16/2015

the Mayor:

Request is hereby made for supplemental appropriation from the following appropriations(s) or fund(s) in the amount(s) indicated:

APPROPRIATION NUMBER	DESCRIPTION OF APPROPRIATION OR FUND	AMOUNT
FD/GROUP FD 5CAAAAAA DEPT-DIV-SEC CWP0101 INDEX 920109 CHAR/SUB-OBJ 098GR	Designated For General Reserve	\$1,750,000

to the credit of the following appropriation(s) or fund(s) in the amount(s) indicated:

APPROPRIATION NUMBER	DESCRIPTION OF APPROPRIATION OR FUND	AMOUNT REQUESTED	AMOUNT APPROVED MAYOR
FD/GROUP FD 5CAAAACP DEPT-DIV-SEC CWPAA INDEX *CWP5CAAAACP CHAR/SUB-OBJ 06700 PROJECT RWW103_01	December 2014 Storm		\$1,750,000

There are no surpluses in any of this department's appropriations available for transfer for the requested purposes(s). Complete detail as to the necessity for THIS appropriation is stated below.

APPLICABLE BOXES MUST BE CHECKED.

- This request includes capital projects (s.o.2020 or 2030); a separate copy has been sent to the Chair, Capital Improvement Advisory Committee
- These funds have not been previously requested.
- These funds were previously requested by: Supplemental Appropriation or
- Budget Estimate and were reduced or denied by: The Mayor, or The Board of Supervisors.

CERTIFIED AS TO FACTS AND AMOUNTS AS ABOVE STATED, AND

RECOMMENDED: _____ (Department Head)
Nancy Hom, Interim AGM Business Services & CFO, SFPUC

APPROVED: _____ (C.A.O., Board or Commission)
Harlan L. Kelly, Jr., General Manager, SFPUC

Recorded Controller's Budget Division

By _____ Date _____ Request No. _____

FOR MAYOR'S USE

To the Controller:

The above request meets with my approval, as indicated above. You are hereby requested to prepare the necessary appropriation ordinance.

APPROVED: _____
Edwin M. Lee By _____ Date _____
MAYOR

OFFICE OF THE MAYOR
SAN FRANCISCO



RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

EDWIN M. LEE
MAYOR

2015 APR 21 PM 3:21

TO: Angela Calvillo, Clerk of the Board of Supervisors ^{BT}

FROM: *for* Mayor Edwin M. Lee ^{NLD}

RE: Appropriation – \$1,750,000 from Wastewater Enterprise General Reserve for Claims Settlements and related expenses as a result of December 2014 Storms - FY 2014-2015

DATE: April 21, 2015

Attached for introduction to the Board of Supervisors is an ordinance appropriating \$1,750,000 from Wastewater Enterprise designated for general reserve in the Public Utilities Commission Wastewater Enterprise Department budget to pay the claims settlements, legal expenses and related costs, due to the extraordinary expenses incurred as a result of the December 2014 Storms in FY2014-2015.

I respectfully request that this item be calendared in Budget & Finance Committee.

I respectfully request a waiver of the 30-day hold on this legislation.

Should you have any questions, please contact Nicole Elliott (415) 554-7940.

President, District 5
BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244 Mayor,
San Francisco 94102-4689
Tel. No. 554-7630
Fax No. 554-7634
TDD/TTY No. 544-5227
BOSII, COB, aires
Leg Dep, Dep CA,
B+F Clerk

London Breed

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
MAY - AM 11:47
BJ

PRESIDENTIAL ACTION

Date: 5/7/15

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,

Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No. 150409 SFPUC
(Primary Sponsor)

Title. Wastewater appropriation

Transferring (Board Rule No. 3.3)

File No. _____
(Primary Sponsor)

Title. _____

From: _____ Committee

To: _____ Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor _____

Replacing Supervisor _____

For: _____ Meeting
(Date) (Committee)

London Breed, President

Board of Supervisors

