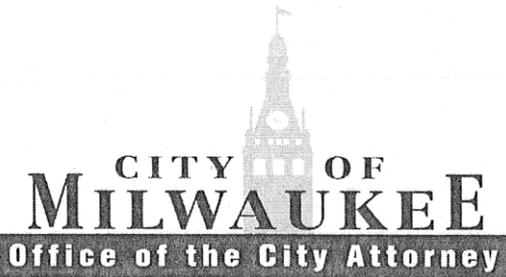


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January 4, 2023

To the Honorable Common Council  
of the City of Milwaukee  
Room 205 -City Hall

Re: CO1nmunication Re: Potential Settlement of City of Milwaukee v.  
Gestra Engineering, Inc., et al.  
Case No. 22-cv-1966  
C.I. File No. 1048-2022-319

Dear Council Members:

Enclosed please find a proposed resolution. We ask that it be introduced and referred to the Co1ntnittee on Judiciary and Legislation for the Comn1ttee to take appropriate action, with the following recomtnendation.

On February 7, 2019, the City of Milwaukee issued Gestra Engineering, Inc. (Gestra) a Public Way Excava ion Pern1it No. PWEN-19-00033, which is attached. The pennit had certain tern1s and conditions, n1ost pertinent to sections of Chapter 115 of the 1\1ilwaukee Code of Ordinances, which stated Gestra must reitnburse the City of Milwaukee for all dan1ages to any city property resulting frotn their work. On June 6, 2019, Gestra bored into a 60" water 1nain located at 4320 S. 6th Street, \Nhich resulted in the city deploying an emergency response in conjunction with Mid City Corporation.

The City's total dan1ages clain1 from this incident are \$617, 889.76. \$578,870.23 of the total dan1age repays the an1ount the City paid to Mid-City Corporation. City adn1inistrative costs and other engineering costs of \$39,019.53 are the ren1aining balance.

The City served notice of its clain1 on Gestra West Bend Mutual Insurance Co. (West Bend), and due to the lack of a settle1ment, filed suit on March 25, 2022. Gestra and West Bend filed a general denial answer on April 20, 2022. During this tin1e, settle1ment negotiations continued, and the defendants agreed to a final settle1ment offer to the City in the amount of \$575,000.00. The City Attorney reco1nn1ends the acceptance of this offer.



To the Honorable Common Council  
Of the City of Milwaukee  
January 4, 2023  
Page Two

Considering the time and expense of our office obtaining depositions from inspectors and possible court appearances, time away from work for the inspectors versus the cost of continuing the lawsuit, the settlement amount is reasonable.

Sincerely,

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TEARMAN SPENCER  
City Attorney

•

S. TODD FARRIS  
Deputy City Attorney

TYLER HELSEL  
Assistant City Attorney

STF/TH/MC  
Enclosure