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January 25, 2023

Common Council Members
Room 205
Milwaukee, WI 53202

Re: Potential Settlement of City of Milwaukee v. Gestra Engineering, Inc. et al
Case No. 22-CV-1966

Dear Honorable Council Members:

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

On February 7, 2019, the City of Milwaukee issued Gestra Engineering, Inc. (Gestra) a Public Way Excavation Permit No. PWEN-19-00033, which is attached. The permit had certain terms and conditions, most pertinent to sections of Chapter 115 of the Milwaukee Code of Ordinances, which stated Gestra must reimburse the City of Milwaukee for all damages to any city property resulting from their work. On June 6, 2019, Gestra bored into a 60" water main located at 4320 S. 6th Street, which resulted in the city deploying an emergency response in conjunction with Mid City Corporation.

The City's total damages claim from this incident are \$617, 889.76. \$578,870.23 of the total damage repays the amount the City paid to Mid City Corporation. City administrative costs and other engineering costs of \$39,019.53 are the remaining balance.

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



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.

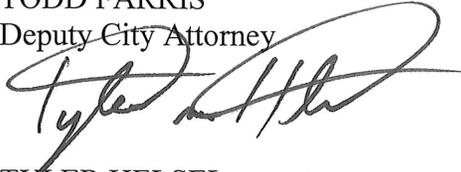
Sincerely,



TEARMAN SPENCER
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STF/TH/mc

Enclosures

1048-2022-319/282980