

September 20, 2005

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**RECOMMENDATION:**

Authorize the City Manager to approve payment of \$95,000 to Dr. and Mrs. Bernard Gantes for property damage sustained at their residence. (Citywide)

**DISCUSSION**

On January 25, 2005, Dr. and Mrs. Bernard Gantes filed a claim with the City of Long Beach for damages resulting from an incident that occurred on June 3, 2003. The Gantes' alleged that the Long Beach Energy Department (LBE) damaged their house, specifically that their sewer line was ruptured when LBE used "pierce arrow" equipment to set a gas line. As a result of the rupture, the house, which was near completion as a remodel, sustained structural subsidence to one side and required sewage clean up. The resulting claim for damages related directly to the repairs and clean up paid for by Dr. Gantes.

LBE did not dispute that it caused the damage, but did dispute the damage claim amount, which was in excess of \$200,000. After review by the City Attorney of the documentation presented by Dr. Gantes, a \$95,000 compromise was reached.

Both parties have agreed to this settlement. The City and Dr. and Mrs. Gantes signed a Release and Settlement of Claim on August 24, 2005. The release was not an admission of liability and prohibits the Gantes' from claiming any further damages related to this incident.

This matter was reviewed by Deputy City Attorney Richard Anthony and by Budget Management Officer Dave Wodynski on September 9, 2005.

TIMING CONSIDERATIONS

City Council action is requested on September 20, 2005. There are no exigent circumstances regarding this claim; however, immediate payment on this claim is requested.

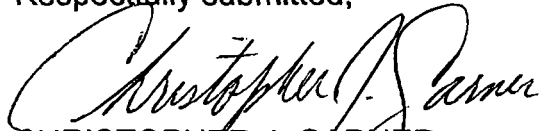
FISCAL IMPACT

The \$95,000 settlement will be paid out of the Gas Fund (EF 301) in the Department of Long Beach Energy (EN).

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTOPHER J. GARNER  
DIRECTOR OF LONG BEACH ENERGY AND OIL PROPERTIES

CJG: gis  
CCL 9-27-2005-Damage Claim Dr. Gantes.doc

APPROVED:



GERALD R. MILLER  
CITY MANAGER