



PROFESSIONAL LEGAL SERVICES AGREEMENT
POTENTIAL LITIGATION AGAINST PG&E ARISING
FROM THE WILDFIRES OF OCTOBER 2017

City Council Meeting
April 3, 2018

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City Attorney's Office

BACKGROUND

- The City of Santa Rosa suffered extensive property and economic damages as a result of wildfires that swept into the City beginning October 8, 2017.
- Evidence has emerged that points to PG&E equipment and infrastructure as the cause and origin of the fires.
- Hundreds of lawsuits have been filed against PG&E by individuals, businesses, and public entities. The cases have been consolidated in a single proceeding in the Superior Court in San Francisco.

ANALYSIS

- In light of the extensive damages suffered by the City, and the substantial evidence pointing to potential responsibility on the part of PG&E, the City Attorney recommends that the City initiate litigation against PG&E, and that the City engage outside legal counsel to assist in that lawsuit.
- Baron & Budd, P.C. has joined with a consortium of law firms to offer legal representation for public entities and individuals in connection with the Northern California wildfires.
- Baron & Budd, P.C. has extensive experience in representing public entities in similar large scale tort litigation.

ANALYSIS

- Professional Services Agreement:
 - Contingency fee agreement
 - Negotiated rate of 18% of net recovery
 - Law Firm fronts litigation costs, including expert witness fees.
 - Costs recouped only if a successful recovery is obtained.
 - If no recovery is obtained, no costs or fees will be owed.
- The Office of the City Attorney maintains oversight of the litigation and control of all key decisions in the action.
- City Attorney, legal assistant and other in-house litigation fees and costs will be reimbursed prior to calculation of any contingency fee.

RECOMMENDATION

It is recommended that the Council, by motion, approve a Professional Services Agreement with a consortium of legal firms, led by the law firm of Baron & Budd, P.C., for legal representation on behalf of the City of Santa Rosa in connection with potential litigation against PG&E arising from the wildfires of October 2017.

Questions?