



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: SUSANA ALCALA WOOD,
City Attorney

**SUBJECT: SETTLEMENT OF
GOVERNMENT CLAIM BY
GORDON BIRSCH BREWING
COMPANY**

DATE: June 1, 2026

RECOMMENDATION

Approve the settlement of a government claim filed by Gordon Biersch Brewing Company in the total amount of \$400,000 and authorize the City Attorney to execute a Settlement Agreement.

OUTCOME

Settlement of a government claim filed by Gordon Biersch Brewing Company in the total amount of \$400,000. Each side will bear its own costs and attorneys' fees.

BACKGROUND

The City of San Jose's sanitary sewer billing program is the system used to recover the costs of operating and maintaining the City's sanitary sewer collection system. It is a cost-recovery program that establishes costs in the budget for both operating and capital costs in accordance with Proposition 218 requirements.

Gordon Biersch Brewing Company, a brewery located in San Jose, is a monitored industrial customer for purposes of its sanitary sewer rate billing. Monitored industrial users are non-residential users of the sanitary sewer collection system that discharge more than 25,000 gallons per day and/or have a discharge with excessive or highly variable strength.

On October 17, 2025, Gordon Biersch filed a government claim with City alleging it was owed certain sums of money for alleged sanitary sewer rate overbilling since 1997.

The City disputes all allegations relating to sanitary sewer rate methodology and rates including that Gordon Biersch's sanitary sewer bills are inaccurate or excessive or that they have been overbilled for any of its sanitary sewer rates.

HONORABLE MAYOR AND CITY COUNCIL

June 16, 2026

Subject: Settlement of Government Claim by Gordon Biersch Brewing Company

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CEQA

Not a Project; File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

By 

SUSANA ALCALA WOOD
City Attorney

cc: Jennifer Maguire, City Manager

For questions, please contact SUSANA ALCALA WOOD, City Attorney, at (408) 535-1900.