

File No. 190879

Committee Item No. 5

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date October 2, 2019

Board of Supervisors Meeting

Date _____

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER (Use back side if additional space is needed)

- General Plan Referral
- Airport Commission Resolution
- _____
- _____
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Completed by: Linda Wong

Date September 27, 2019

Completed by: Linda Wong

Date _____

1 [Grant of Easement and Acceptance of Quitclaim - Pacific Gas & Electric Company - Airport
2 West-of-Bayshore Property - Replacement of Natural Gas Pipeline - \$0]

3 **Resolution approving an Easement Agreement and Quitclaim of Easement between the**
4 **City and County of San Francisco, acting by and through its Airport Commission, and**
5 **Pacific Gas & Electric Company, for the exchange of easement areas at San Francisco**
6 **International Airport's West-of-Bayshore property, for zero dollars, to accommodate**
7 **the replacement of a natural gas pipeline; authorizing the Airport Director and the**
8 **Director of Property to execute documents, make certain modifications, and take**
9 **actions in furtherance of this Resolution, as defined herein; finding the proposed**
10 **transaction is in conformance with the General Plan, and the eight priority policies of**
11 **Planning Code, Section 101.1; and adopting California Environmental Quality Act**
12 **findings.**

13
14 WHEREAS, Under an Exchange Deed dated July 14, 1953, approved by the Board of
15 Supervisors on April 7, 1952, by Ordinance No. 7253, as modified by an Exchange Deed
16 dated June 6, 1962, approved by this Board of Supervisors on June 21, 1962, by Ordinance
17 No. 8862 (collectively, the "Exchange Deeds"), Pacific Gas & Electric Company ("PG&E") has
18 an existing 15' wide easement (the "Original Easement") over and across the West-of-
19 Bayshore property at the San Francisco International Airport (the "Airport") for natural gas
20 pipelines and related appurtenances; and

21 WHEREAS, Within the Original Easement, PG&E currently operates a 20-inch natural
22 gas transmission line, a portion of which PG&E desires to replace, and the pipeline
23 replacement work contemplated by PG&E will result in the realignment of the new pipeline
24 outside of the Original Easement; and
25

1 WHEREAS, PG&E has agreed to relinquish and quitclaim to the City and County of
2 San Francisco (the "City") the Original Easement as identified in the Exchange Deeds, and
3 City has agreed to grant to PG&E a new easement of the same width in a new alignment to
4 replace the Original Easement (the "New Easement"), at no cost to either party, on the terms
5 and conditions of an Easement Agreement and Quitclaim of Easement ("Agreement"), a copy
6 of which is on file with the Clerk of the Board of Supervisors in File No. 190879; and

7 WHEREAS, On June 5, 2018, by Resolution No. 18-0170, the Airport Commission
8 approved the Agreement and adopted the Final Mitigated Negative Declaration for the PG&E
9 pipeline replacement work, and the Mitigation Monitoring and Reporting Program and
10 Improvement Measures in connection with the work, a copy of which is on file with the Clerk of
11 the Board of Supervisors in File No. 190879; and

12 WHEREAS, The Planning Department, by letter dated October 23, 2018, found that the
13 Agreement is consistent with the General Plan, and the eight priority policies of Planning
14 Code, Section 101.1, which letter is on file with the Clerk of the Board of Supervisors in File
15 No. 190879, and incorporated herein by this reference; and

16 WHEREAS, The City's Director of Property has determined that the grant of the New
17 Easement in exchange for PG&E's surrender of the Original Easement back to the City, both
18 of which are 15' wide and traverse the Airport's West-of-Bayshore property, are of equal or
19 greater value to the City; now, therefore, be it

20 RESOLVED, That the Board of Supervisors finds that the public interest or necessity
21 will not be inconvenienced by the grant of the easement or acceptance of the quitclaim of
22 easement, and that offering the easement by competitive bidding process or auction would be
23 impractical because the New Easement is granted in exchange for the Original Easement,
24 both of which are located on undevelopable parcels of Airport property; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors finds that the grant of the New
2 Easement to PG&E for zero dollars in exchange for the relinquishment of the Original
3 Easement will serve the public purpose of accommodating PG&E's safety upgrades to its
4 natural gas transmission pipeline; and, be it

5 FURTHER RESOLVED, The Board of Supervisors affirms the Planning Department
6 and Airport Commission's determination under California Environmental Quality Act and finds
7 that the proposed Agreement between City and the Airport is consistent with the General
8 Plan, and with Planning Code, Section 101.1, for the reasons set forth in the Director of
9 Planning's letter; and, be it

10 FURTHER RESOLVED, That in accordance with the recommendation of the Director
11 of Property and the Airport Director, the Board of Supervisors hereby approves the Agreement
12 and the transaction contemplated thereby in substantially the form of such Agreement
13 presented to the Board of Supervisors, and authorizes the Director of Property and the Airport
14 Director, in the name and on behalf of the City, to execute the Agreement; and, be it

15 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
16 Property and the Airport Director to enter into any amendments or modifications to the
17 Agreement that the Director of Property and the Airport Director determine, in consultation
18 with the City Attorney, are in the best interest of the City, do not otherwise materially diminish
19 the benefits to the City or increase the obligations or liabilities of the City, are necessary or
20 advisable to effectuate the purposes of the Agreement and are in compliance with all
21 applicable laws, including City's Charter; and, be it

22 FURTHER RESOLVED, That the Director of Property and the Airport Director are
23 hereby authorized and urged, in the name and on behalf of the City, to take any and all steps
24 (including, but not limited to, the execution and delivery of any and all certificates,
25 agreements, notices, consents, escrow instructions, closing documents and other instruments

1 or documents) as the Director of Property and the Airport Director deem necessary or
2 appropriate in order to consummate the grant of the easement and acceptance of the
3 quitclaim pursuant to the Agreement, or to otherwise effectuate the purpose and intent of this
4 resolution, such determination to be conclusively evidenced by the execution and delivery by
5 the Director of Property and Airport Director of any such documents; and, be it

6 FURTHER RESOLVED, That within thirty (30) days of the execution of the Agreement,
7 the Airport Director shall provide a copy to the Clerk of the Board for the Board's file.

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RECOMMENDED:



Ivar C. Satero
Airport Director
San Francisco Airport Commission



Andrico Q. Penick *8/14/18*
Director of Property
Real Estate Division

**LICENSE AGREEMENT
TO
PACIFIC GAS AND ELECTRIC COMPANY**

License No. 4723

THIS LICENSE AGREEMENT (this “**License**”) dated as of **JUN 15** , 2018 (“**Effective Date**”), is entered into by and between the City and County of San Francisco, acting by and through its Airport Commission (“**City**”), and Pacific Gas and Electric Company (“**PG&E**”) with reference to the following facts:

Recitals:

A. City owns and operates the San Francisco International Airport (the “**Airport**”), which is located in the County of San Mateo, State of California and which includes that certain real property commonly referred to as the West of Bayshore, as shown on Exhibit A.

B. On the West of Bayshore, PG&E has an existing easement for the operation of a 20-inch natural gas transmission line, which PG&E desires to replace. The pipeline replacement work contemplated by PG&E will result in the realignment of the new pipeline outside of the existing easement area, with such new pipeline and related appurtenances and facilities being collectively referred to herein as the “**Realigned Gas Pipeline**”. The pipeline replacement work contemplated by PG&E will take place between the Lomita Park Station and the Aviator Site and occur in two phases. In the first phase, PG&E will replace the segment of pipeline from Mile Point 33.06 to Mile Point 33.68 (the “**Phase 1 Work**”). The Phase 1 Work is anticipated to commence on June 11, 2018 and to be completed by October 31, 2018. In the second phase, PG&E will replace the pipeline from Mile Point 32.57 to Mile Point 33.06 (the “**Phase 2 Work**”). The Phase 2 Work is anticipated to commence on June 1, 2020 (the “**Phase 2 Commencement Date**”) and to be completed by October 31, 2020. The Phase 1 Work and the Phase 2 Work are collectively referred to in this License as the “**Work**”.

C. To accommodate the Work in the short term, City will grant a license to PG&E on, over and across certain property owned by City where the Realigned Gas Pipeline is anticipated to be located (the “**License Area**”), as shown on Exhibit A, on the terms and conditions set forth below.

D. Following completion of the Work, PG&E will relinquish and quitclaim to City its existing pipeline easement and City will grant to PG&E a new easement, fifteen feet in width, to be accomplished through the execution and recording of an Easement Agreement & Quitclaim of Existing Easement (Conveyance of Gas Pipeline Easement and Quitclaim of Existing Gas Pipeline Easement), in the form attached hereto as Exhibit C (the “**Easement**”), subject to approval of the Easement by the San Francisco Airport Commission, San Francisco Board of Supervisors, San Francisco Director of Property and San Francisco City Attorney. The final legal description of the new easement location will be prepared by City based on as-built

drawings of the Realigned Gas Pipeline provided to City by PG&E following completion of the Work to be reviewed and approved by a licensed PG&E surveyor.

E. PG&E and City are collectively referred to in this License as the "Parties".

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants set forth herein, and other good and valuable consideration, receipt of which is hereby acknowledged, the parties do mutually agree as follows:

1. **Grant of License.** City grants to PG&E a non-exclusive, revocable license on, over and across the License Area subject to the terms, conditions and restrictions set forth in this License for constructing the Realigned Gas Pipeline. This License grants PG&E a license only and does not constitute a grant by City of any ownership, leasehold, easement or other property interest or estate whatsoever in the License Area, any portion thereof or any other City property. Nothing in this License shall be construed as granting or creating any franchise rights pursuant to any federal, state or local laws.

2. **As-Is Condition.** PG&E ACCEPTS THE LICENSE AREA PURSUANT TO THIS LICENSE IN ITS "AS IS" CONDITION, WITH ALL FAULTS AND ACKNOWLEDGES AND AGREES THAT CITY HAS NOT MADE ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE LICENSE AREA. Without limiting the foregoing, this License is made subject to all Applicable Law (defined in Section 13) governing the use of the License Area and any and all covenants, conditions, restrictions, easements, encumbrances, claims of title and other title matters affecting the License Area, whether foreseen or unforeseen, and whether such matters are of record or would be disclosed by an accurate inspection or survey. It is PG&E's sole obligation to conduct an independent investigation of the License Area and all matters relating to its use of the License Area hereunder. PG&E, at its own expense, shall obtain such permission or other approvals from any third parties with existing rights as may be necessary for PG&E to make use of the License Area in the manner contemplated hereby.

3. **Non-exclusivity.** This License is nonexclusive. City may use the License Area and grant additional rights at its sole discretion, in, on, under, across, over or about the License Area to other parties in any form, including but not limited to, licenses, permits, easements, or transfer of the underlying property, so long as such future uses do not unreasonably interfere with PG&E's permitted use of the License Area in accordance with this License.

4. **Ingress and Egress Rights.** PG&E shall have the rights of ingress and egress to and from the License Area over and across adjacent City lands by means of existing roads and lanes if possible, but otherwise by such route that would cause the least possible damage and inconvenience to City or other occupants of City lands. Access shall be subject to such other conditions as City may reasonably require relating to hours of work, security and concurrent use of access roads. In addition, off-road access shall be subject to City's conditions relating to watershed management, including protection of sensitive and endangered species and habitat and prevention of erosion.

5. Pipeline Easement Agreement & Quitclaim of Existing Pipeline Easement.

Within 30 days of completion of the Phase 1 Work and within 30 days of completion of the Phase 2 Work, PG&E will deliver to City two complete copies of final as-built drawings of the Realigned Gas Pipeline for the completed portion of the Work, which drawings shall include sufficient detail so as to allow City to locate all facilities installed by PG&E and prepare a legal description for the Easement. After delivery of the as-built drawings for Phase 2 of the Work, City will finalize the Easement exhibits and provide such exhibits to a licensed PG&E surveyor for approval. Upon approval of the easement exhibits, City will deliver an execution copy of the Easement with completed exhibits to PG&E. Within 10 days of receipt of the Easement, PG&E will deliver to City an original Easement duly executed and acknowledged by PG&E for counter-signature by City and recording. The Parties agree that the final form of Easement will be in the form attached hereto as Exhibit C; provided, however, the Easement remains subject to the approval of the San Francisco Airport Commission, San Francisco Board of Supervisors, San Francisco Director of Property and San Francisco City Attorney. In the event PG&E does not commence the Phase 2 Work within 60 days following the Phase 2 Commencement Date, the Parties will execute and record an Easement for the Phase 1 Work only (subject to the approvals referenced in the previous sentence), and if and when the Phase 2 Work is completed, the parties will cooperate to amend the Easement by execution and recording of an amended and restated easement and quitclaim.

6. Construction and Maintenance.

(a) PG&E shall maintain the Realigned Gas Pipeline in a good, safe and secure condition.

(b) PG&E shall obtain all necessary approvals and permits from the Airport for the Work, and shall use, and shall cause its Agents (as defined in Section 16) to use, due care at all times to avoid any damage or harm to City's facilities or other property. PG&E shall perform all work in accordance with the Permit, applicable codes and industry standards, including performing adequate testing and inspections as the work progresses.

(c) In the event that PG&E or its agents or consultants prepares any environmental, seismic, geophysical or other written report relating to the physical condition of the License Area, PG&E shall furnish to City a complete copy of such report, including any schedules, exhibits and maps, promptly upon completion of the same.

7. Approvals for Future Improvements. Any installation of facilities, construction, or improvements within the License Area by or for PG&E shall require consent by City, including approval from the Airport's Building Inspection and Code Enforcement.

8. Covenants. PG&E covenants and agrees to the following provisions:

(a) **Tree and Shrub Planting.** Neither City nor PG&E shall plant any trees, shrubs or vines within the License Area without the other's prior approval.

(b) **Tree Trimming.** PG&E's exercise of the rights under this License may result in damage to or the removal or trimming of trees and landscaping, including shrubs, flowers, plants, and grass within the License Area. City grants PG&E the right to trim or cut down any trees, brush, and other vegetation within the License Area and to trim trees, brush, and vegetation along each side of the License Area, without compensation to City unless otherwise required under Applicable Law, if PG&E determines it is a safety hazard or if required by Applicable Law. PG&E shall have no obligation to replace any such affected vegetation on the West of Bayshore, except as required by Applicable Law. After any work performed under this subsection, PG&E shall remove all debris produced as a result of the work.

(c) **Interference with City's Uses.** PG&E shall not interfere with or impede City's or an authorized third party's access or use of City property surrounding the License Area or unreasonably interfere with City's or an authorized third party's use of the License Area. PG&E shall not do anything in, on, under or around the License Area that could damage, endanger or interfere with any existing City facilities or City property.

(d) **Markers.** PG&E shall have the right to mark the location of the pipeline and/or the License Area, using suitable markers in the ground, provided that any installation or removal of markers shall be in accordance with applicable avoidance and minimization measures.

(e) **Construction & Drilling.** City shall not construct new permanent structures on or drill wells within the License Area without obtaining PG&E's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. As to other types of construction, including non-permanent structures, repair of existing structures, and construction of aerial structures over the License Area, City shall first consult with PG&E and submit copies of plans for PG&E's review, but PG&E shall have no approval right over any such project.

(f) **Fences.** In the event City constructs new fencing across the License Area, it shall provide PG&E with gate access in a mutually agreeable location.

(g) **Mutual Cooperation.** The Parties shall work with each other to minimize any potential disturbance of the facilities in the License Area and the surrounding areas.

(h) **Damage to Property.** PG&E shall promptly repair, at its sole cost, any damage to the License Area or adjacent City land or any City improvements, personal property, fixtures or facilities that are damaged by PG&E or its contractors, agents, or employees. If PG&E fails to perform such repairs within a reasonable period of time designated in writing by City, and thereafter fails to cure such default within fifteen (15) business days after written notice from City to PG&E specifying the nature of the repair work (or, if it reasonably would require more than fifteen (15) business days to remedy such default, if PG&E fails to commence to cure such default within such fifteen (15) business day period or fails to diligently pursue such cure to completion), then City may, but shall not be obligated to, perform the repairs in which event PG&E shall reimburse City for the cost of repairs plus an additional amount equal to ten percent (10%) thereof for administrative overhead, within 30 days after receipt of invoice. The demand for payment by City shall be prima facie evidence that the expense incurred was necessary and reasonable and that such expense was incurred by City on behalf of PG&E. The foregoing to the

contrary notwithstanding, in the event of an emergency as reasonably determined by City, no such prior notice shall be required before City may perform such repairs at PG&E's expense.

(i) **Restricting Access.** While conducting any construction or maintenance activities pursuant to its rights under this Agreement, PG&E may restrict access to portions of the License Area to protect the health and safety of the public, and City shall cooperate with such restrictions to the extent they are reasonable in scope and duration.

9. **Hazardous Materials.** PG&E shall not cause, nor shall PG&E allow any of its Agents or Invitees (as such terms are defined below) to cause, any Hazardous Material (as defined below) to be brought upon, kept, used, stored, generated, released or disposed of in, on, under or about the License Area, or transported to, from or over the License Area, except to the extent reasonably necessary for PG&E's operation of its gas transmission pipeline facilities within the License Area, and then only in such quantities as are reasonably necessary for such operations and only if handled, used, transported and disposed of in accordance with Applicable Law. PG&E shall immediately notify City when PG&E learns of, or has reason to believe that, a release of Hazardous Material has occurred in, on, under or about any part of the License Area or adjacent City property. PG&E shall further comply with all Applicable Law requiring notice of such releases or threatened releases to governmental agencies, and shall take all action necessary or desirable to mitigate the release or minimize the spread of contamination. In the event that PG&E or its Agents or Invitees cause a release of Hazardous Material, PG&E shall, without cost to City and in accordance with all Applicable Law, promptly return the License Area to the condition immediately prior to the release. In connection therewith, PG&E shall afford City a full opportunity to participate in any discussion or negotiations with governmental agencies and environmental consultants regarding any settlement agreement, cleanup or abatement agreement, consent decree or other compromise proceeding involving Hazardous Material, and any other abatement or clean-up plan, strategy and procedure.

"Hazardous Material" means material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to public health, welfare or the environment. "Hazardous Material" includes, without limitation, any material or substance defined as a "hazardous substance, pollutant or contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seq., or pursuant to Section 25316 of the California Health & Safety Code; a "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the License Area or are naturally occurring substances in the License Area, and any petroleum, including, without limitation, crude oil or any fraction thereof, natural gas or natural gas liquids. The term "release" or "threatened release" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under or about the License Area. PG&E shall have no cleanup liability, nor any obligation to defend, hold harmless or indemnify hereunder from and against any claims resulting from any pre-existing Hazardous Material conditions not caused by PG&E, or its Agents or Invitees, unless PG&E's or its Agents' or

Invitees' handling, excavation, relocation, investigation, disposal or other exercise of control over the License Area exacerbates such pre-existing Hazardous Material which results in City incurring new or additional costs, liability or other Claims (as defined in Section 16), in which event PG&E shall be responsible for cleanup and shall indemnify, defend and hold City and its officers, agents, employees and contractors harmless from such new or additional Claims only to the extent of such new or additional costs, liability and/or other Claims. The term "exacerbates" means an act that causes the increased migration of a plume of Hazardous Material in sediments, groundwater, or surface water or causes a release of Hazardous Material that had been contained until that act.

10. **No Costs to City.** PG&E shall bear all costs or expenses of any kind or nature in connection with its use of the License Area, and shall keep the License Area free and clear of any liens or claims of lien arising out of or in any way connected with its use of the License Area.

11. **Revocation & Termination.** This License is revocable by City at any time in the sole and absolute discretion of City. Such revocation shall be accomplished by giving thirty (30) days' advance notice to PG&E. Notwithstanding the foregoing, this License will automatically terminate without further action by either party as of the date the Easement is executed by City and delivered to PG&E.

12. **Restoration.** After any entry by PG&E in the License Area, PG&E shall restore any affected portion of the License Area and surrounding area to substantially the same condition and grade it was in immediately prior to such entry (to the extent that such condition complies with the conditions set forth in this License).

13. **Applicable Law; Reasonable Care.** PG&E, at its sole expense, shall comply with all applicable laws, statutes, ordinances, rules, regulations, permits, orders and requirements of federal, state, county and municipal authorities, and all other regulatory agencies, now in force or which may hereafter be in force ("**Applicable Law**") with respect to PG&E's activities in the License Area. PG&E shall conduct, or shall cause its Agents to conduct, all activities in the License Area in a safe and reasonable manner.

14. **Insurance.** PG&E shall procure and keep current at all times, insurance according to the requirements in Exhibit B. PG&E assumes the risk of damage to any of its personal property.

15. **Notices and Contacts.**

(a) **Notices.** Unless expressly otherwise provided in this License, notices under this License shall be in writing and transmitted by personal delivery, reputable commercial courier, or U.S. mail, first class postage paid, addressed as follows.

If to City: San Francisco International Airport
Building 100, International Terminal
North Shoulder Building, 5th Floor

P.O. Box 8097
San Francisco, CA 94128
Attention: Airport Director

If to PG&E: Pacific Gas and Electric Company (PG&E)
245 Market Street, Mail Code N10A
San Francisco, CA 94105

(b) Emergency Contacts.

- i) PG&E shall immediately notify Airport's 24-hour Communications Center at (650) 876-2323 of any emergency or incident requiring emergency response.

16. **Indemnity.** PG&E shall indemnify, defend, reimburse and hold harmless City, its officers, agents, employees and contractors, and each of them, from and against any and all demands, claims, legal or administrative proceedings, losses, costs, penalties, fines, liens, judgments, damages and liabilities of any kind (collectively, "**Claims**"), arising in any manner out of (a) any injury to or death of any person or damage to or destruction of any property occurring in, on or about City's property, including the License Area, or any part thereof, whether such injury, death, damage or destruction is caused by the person or property of PG&E, its officers, directors, members, employees, agents, consultants, contractors or subcontractors (collectively, "**Agents**"), its invitees, guests or business visitors (collectively, "**Invitees**") relating to any use or activity under this License, (b) any failure by PG&E to faithfully observe or perform any of the terms, covenants or conditions of this License, (c) the use of the License Area or any activities conducted thereon by PG&E, its Agents or Invitees (except to the extent caused by the use or activities conducted thereon by any other third party), (d) any release or discharge, or threatened release or discharge, of any Hazardous Material caused or allowed by PG&E, its Agents or Invitees, on, in, under or about the License Area, any improvements or into the environment, or (e) City's environmental review and approval of this License, except to the extent such Claims result directly from the active negligence or willful misconduct of City or City's authorized representatives. In addition to PG&E's obligation to indemnify City, PG&E specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim that actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to PG&E by City and continues at all times thereafter. The foregoing indemnity shall include, without limitation, reasonable attorneys', experts' and consultants' fees and costs, investigation and remediation costs and all other reasonable costs and expenses, incurred by the indemnified parties, including, without limitation, damages for decrease in the value of the License Area and claims for damages or decreases in the value of adjoining property. PG&E's obligations under this section shall survive the revocation or other termination of this License.

17. **Waiver of Claims.**

(a) Neither City nor any of its commissions, departments, boards, officers, agents or employees shall be liable for any damage to the property of PG&E, its officers, agents, employees, contractors or subcontractors, or their employees, or for any bodily injury or death to such persons, resulting or arising from the condition of the License Area or the use of such area by PG&E.

(b) PG&E fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action arising in any manner in connection with this License or the uses authorized hereunder, against, and covenants not to sue, City, its departments, commissions, officers, directors and employees, and all persons acting by, through or under each of them, under any present or future laws, statutes, or regulations, including, without limitation, (i) any and all Claims for consequential, incidental or punitive damages (including without limitation, lost profits), and covenants not to sue for such damages, (ii) any and all Claims for any interference with the uses conducted by PG&E pursuant to this License, regardless of the cause, except for material interference by City with such uses in violation of the terms, covenants or conditions applicable to City under this License, and (iii) any and all Claims in any way connected with the physical or environmental condition of the License Area or any law or regulation applicable thereto or the suitability of the License Area for PG&E's intended use. Nothing herein shall relieve City from liability for actual direct damages or injunctive relief (1) related to City's failure to faithfully observe or perform any of the terms, covenants or conditions of this License applicable to City, or (2) to the extent caused directly by the active negligence or willful misconduct of City or its Agents. PG&E expressly acknowledges and agrees that City would not be willing to enter into this License in the absence of a waiver of liability for consequential and incidental damages due to the acts or omissions of City or its Agents, and PG&E expressly assumes the risk with respect thereto.

In connection with the foregoing releases, PG&E acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

PG&E acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. PG&E realizes and acknowledges that it has agreed upon this License in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of California Civil Code Section 1542, or any statute or other similar law now or later in effect. The releases contained herein shall survive the revocation or other termination of this License.

18. **No Assignment.** This License is personal to PG&E and shall not be assigned, conveyed or otherwise transferred by PG&E under any circumstances. Any attempt to assign, convey or otherwise transfer this License shall be null and void.

19. **No Joint Ventures or Partnership; No Authorization.** This License does not create a partnership or joint venture between City and PG&E as to any activity conducted by PG&E on, in or relating to the License Area. PG&E is not a state actor with respect to any activity conducted by PG&E on, in, under or around the License Area. The giving of this License by City does not constitute authorization or approval by City of any activity conducted by PG&E on, in, around or relating to the License Area.

20. **Pesticide Prohibition.** PG&E shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "Pesticide Ordinance") which (a) prohibit the use of certain pesticides on City property, (b) require the posting of certain notices and the maintenance of certain records regarding pesticide usage, and (c) require PG&E to submit to the Airport an integrated pest management ("IPM") plan that (i) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that PG&E may need to apply to the License Area during the term of this License, (ii) describes the steps PG&E will take to meet the City's IPM Policy described in Section 300 of the Pesticide Ordinance, and (iii) identifies, by name, title, address and telephone number, an individual to act as the PG&E's primary IPM contact person with City. In addition, PG&E shall comply with Sections 303(a) and 303(b) of the Pesticide Ordinance.

21. **Covenant Not to Discriminate.** In the performance of its obligations under this License, PG&E covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, height, weight, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with PG&E.

22. **General Provisions.**

(a) This License may be amended or modified only by a writing signed by City and PG&E.

(b) No waiver by any party of any of the provisions of this License shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. No waiver shall be deemed a subsequent or continuing waiver of the same or any other provision of this License.

(c) Except as expressly provided to the contrary, all approvals, consents and determinations to be made by City hereunder may be made in the sole and absolute discretion of City.

(d) This License contains the entire agreement between the parties and all prior written or oral negotiations, discussions, understandings and agreements are merged herein.

(e) This License has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have this License reviewed and revised by legal counsel. No party shall be considered the drafter of this License, and no presumption or rule that an

ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this License.

(f) The section and other headings of this License are for convenience of reference only and shall be disregarded in the interpretation of this License.

(g) Time is of the essence in all matters relating to this License.

(h) This License shall be governed by California law and City's Charter.

(i) If either party commences an action against the other or a dispute arises under this License, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof and for purposes of the indemnifications set forth herein, reasonable attorneys' fees of City shall be based on the fees regularly charged by private attorneys in San Francisco with comparable experience notwithstanding City's use of its own attorneys.

(j) If PG&E consists of more than one person then the obligations of each person shall be joint and several.

(k) PG&E may not record this License or any memorandum hereof.

(l) Subject to the prohibition against assignments or other transfers by PG&E hereunder, this License shall be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors and assigns.

[Remainder of Page Intentionally Blank – Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this License, in duplicate by their duly authorized officers, as of the Effective Date written above.

LICENSEE:

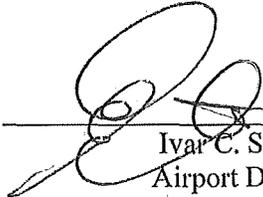
PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

By: 
Name: Chris Medders
Title: Manager, Land Acquisition

Dated: 5/22/2018

CITY AND COUNTY OF SAN FRANCISCO:

a municipal corporation,
acting by and through its Airport Commission

By: 
Ivar C. Satero
Airport Director *Refer to
KK for LK*

Dated: 6/15/19

APPROVED AS TO FORM:
DENNIS J. HERRERA,
City Attorney

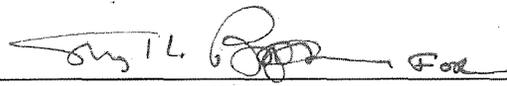
By: 
Luke W. Bowman
Deputy City Attorney

EXHIBIT A
LICENSE AREA

[Attached]

Exhibit A

EXHIBIT B
INSURANCE

PG&E shall procure and keep in effect at all times during the term of the License, at PG&E's expense, and cause its contractors and subcontractors to maintain at all times during any construction activities on the License Area, insurance as follows:

a. Required Insurance. (i) Commercial General Liability Insurance with limits not less than \$5,000,000 each occurrence combined single limit for bodily injury and property damage, including coverages for contractual liability, personal injury, independent contractors, explosion, collapse and underground (XCU), Broadform Property Damage, Sudden and Accidental Pollution, Products Liability and Completed Operations; (ii) Business Automobile Liability Insurance with limits not less than \$2,000,000 each occurrence combined single limit for bodily injury and property damage, including coverages for owned, non-owned and hired automobiles, as applicable, if PG&E uses or causes to be used any vehicles in connection with its use of the License Area, and (iii) Statutory Workers' Compensation Insurance, including employer's liability coverage with limits of not less than \$1,000,000 each accident.

PG&E shall maintain pollution legal liability, environmental remediation liability and other environmental insurance, including coverage for bodily injury, sickness, disease, mental anguish or shock sustained by any person, including death; Environmental Damages; property damage including but not limited to physical injury to or destruction of tangible property including the resulting loss of use thereof, clean-up costs, and the loss of use of tangible property that has not been physically injured or destroyed; defense costs, charges and expenses incurred in the investigation, adjustment of defense claims for such compensatory damages; sudden and non-sudden pollution conditions including the discharge, dispersal, release or escape of Hazardous Materials into or upon City's property, the atmosphere or watercourse or body of water, which results in Environmental Damages; transportation coverage for the hauling of any Hazardous Materials by PG&E or PG&E's Contractors or Agents, from the License Area to the final disposal location; and first party environmental remediation that pays for the cost of cleanup and remediation of the License Area required to comply with all Applicable Law. Such insurance shall be endorsed to provide third party disposal site coverage that covers third party bodily injury, property damage and cleanup coverage for pollution conditions emanating from a disposal site or landfill used by the PG&E or PG&E's Agents. PG&E shall maintain limits no less than: Four Million Dollars (\$4,000,000) per accident and Eight Million Dollars (\$8,000,000) annual aggregate for bodily injury and property damage. City and County of San Francisco, acting by and through its Airport Commission and its officers, agents and employees shall be included as additional insureds on the policy as loss payees under the Pollution Legal Liability/Environmental Remediation/Cleanup Liability Insurance Policy.

All of the insurance required shall be issued by one or more companies of recognized responsibility authorized to do business in the State of California with financial rating of at least a Class A-, VIII (or its equivalent successor) status, as rated in the most recent edition of A.M. Best's "Best's Insurance Reports."

b. Self Insurance. PG&E shall have the right to self-insure with respect to any of the insurance requirements required under this License, to the extent permitted by Applicable Law. In the event that PG&E elects to self-insure with respect to any of the insurance requirements required under this License, on or before the Effective Date and upon written request by City, within thirty (30) days of the commencement of each year thereafter, PG&E shall submit to City a certificate of self insurance signed by a duly authorized representative of PG&E, such certificate evidencing that PG&E's self-insurance program is adequately funded, in full force and effect and in compliance with and subject to all the terms, agreements, covenants, conditions and provisions of this License. If PG&E elects to self-insure, PG&E shall give City prompt written notice of any significant change in or the depletion of its self-insurance fund. Notwithstanding the foregoing, PG&E is also responsible for causing any contractors, subcontractors and/or agents to maintain commercially reasonable insurance coverages and coverage limits as required under this License.

With respect to any claim, loss or liability that would have been covered by the insurance policies (including but not limited to the City and County of San Francisco, acting by and through its Airport Commission and its officers, agents and employees' status as an "additional insured" thereunder) required by this License to be maintained by PG&E but within the self-insured retention or deductible amount, PG&E shall cover such claim, loss or liability on the same basis as the insurance arrangements or deductibles on such insurance policies, including but not limited to such insurance carrier responsibility to protect the City and County of San Francisco, acting by and through its Airport Commission and its officers, agents and employees as an "additional insured."

Any deductibles or self-insured retentions must be declared. All deductibles and self-insured retentions shall be paid by PG&E.

c. Additional Insured Parties. All policies required hereunder shall provide for the following: (i) name as additional insureds the City and County of San Francisco, acting by and through its Airport Commission and its officers, agents and employees, as it may direct; (ii) specify that such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this License and that insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limit of liability, and (iii) include a waiver of subrogation endorsement or provision wherein the insurer acknowledges acceptance of PG&E's waiver of claims against City. Such policies shall also provide for severability of interests and that an act or omission of one of the named insureds which would void or otherwise reduce coverage shall not reduce or void the coverage as to any insured, and shall afford coverage for all claims based on acts, omissions, injury or damage which occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period. Sudden and accidental pollution coverage in the liability policies required hereunder shall be limited to losses resulting from the activities of PG&E and/or PG&E's Agents and/or Invitees under this License (excluding nonnegligent aggravation of existing conditions with respect to Hazardous Materials).

- d. Endorsement. All policies shall be endorsed to provide thirty (30) days prior written notice to City of cancellation or intended non-renewal.
- e. Delivery. Prior to the Effective Date of this License, PG&E shall deliver to City certificates of insurance and additional insured policy endorsements from insurers in a form satisfactory to City, evidencing the coverages required hereunder, together with complete copies of the policies at City's request. In the event PG&E shall fail to procure such insurance, or to deliver such policies or certificates, City may procure, at its option, the same for the account of PG&E, and the cost thereof shall be paid to City within five (5) days after delivery to PG&E of bills therefore.
- f. General Aggregate Limits. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general aggregate limit shall double the occurrence or claims limits specified above.
- g. Continuation of Coverage. Should any of the required insurance be provided under a claims made form, PG&E shall maintain such coverage continuously throughout the term of this License and, without lapse, for a period of three (3) years beyond the License revocation or other termination, to the effect that should any occurrences during the License term give rise to claims made after revocation or other termination of the License, such claims shall be covered by such claims-made policies.
- h. Insurance Review. Upon City's request, PG&E and City shall periodically review the limits and types of insurance carried pursuant to this exhibit. If the general commercial practice in the County of San Francisco is to carry liability insurance in an amount or coverage materially greater than the amount or coverage then being carried by PG&E for risks comparable to those associated with the License Area, then City in its sole discretion may require PG&E to increase the amounts or coverage carried by PG&E hereunder to conform to such general commercial practice.
- i. No Release of Indemnity. PG&E's compliance with the provisions of this exhibit shall in no way relieve or decrease PG&E's indemnification obligations under this License or any of PG&E's other obligations hereunder. Notwithstanding anything to the contrary in this License, the License shall terminate immediately, without notice to PG&E, upon the lapse of any required insurance coverage. PG&E shall be responsible, at its expense, for separately insuring PG&E's personal property.

EXHIBIT C
FORM OF EASEMENT AGREEMENT & QUITCLAIM OF EXISTING EASEMENT

[attached]

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City and County of San Francisco
San Francisco Airport Commission
Building 100, International Terminal
North Shoulder Building, 5th Floor
P.O. Box 8097
San Francisco, CA 94128
Attn: Airport Director

The undersigned City declares this instrument to be exempt
from recording fees (Govt. Code §6103 and 27383)

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

EASEMENT AGREEMENT & QUITCLAIM OF EASEMENT
(Conveyance of Gas Pipeline Easement and Quitclaim of Existing Gas Pipeline Easement)

This **EASEMENT AGREEMENT & QUITCLAIM OF EASEMENT** (“**Agreement**”), dated for reference purposes only as of _____, is made by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, acting through its Airport Commission (“**City**”), and PACIFIC GAS AND ELECTRIC COMPANY, a California corporation (“**PG&E**”).

RECITALS

A. City owns and operates the San Francisco International Airport (the “**Airport**”), which is located in the County of San Mateo, State of California and which includes that certain portion of real property commonly referred to as the West of Bayshore, as described in deeds: Vol. 532 P. 437, Vol. 602 P. 480, Vol. 634 P. 175, Vol. 657 P. 349, Vol. 711 P. 43, Vol. 755 P. 214, Vol. 813 P. 246, Vol. 862 P. 78, Vol. 1294 P. 45, and Vol. 1301 P. 397, all recorded in the Official Records of San Mateo County (the “**Property**”), as further described on the attached **Exhibit A** and shown on the attached **Exhibit B**.

B. Pursuant to that certain Exchange Deed dated July 14, 1953 and recorded in the Official Records of San Mateo County on September 25, 1953 in Volume 2477 at Page 231 (“**1953 Exchange Deed**”), as modified by that certain Exchange Deed dated June 6, 1962 and recorded in the Official Records of San Mateo County on or around June 21, 1962 in Volume 4237 at Page 183 (“**1962 Exchange Deed**”) (collectively, the “**Exchange Deeds**”), PG&E has an existing easement (the “**Original Pipeline Easement**”) over and across that portion of the Property identified as “Parcel E” in the 1953 Exchange Deed as modified by the 1962 Exchange Deed (the “**Original Pipeline Easement Area**”) for PG&E gas pipelines and related appurtenances.

C. Within the Original Pipeline Easement Area, PG&E currently operates a 20-inch natural gas transmission line, a portion of which PG&E desires to replace. The pipeline replacement work contemplated by PG&E will result in a realignment of the new pipeline outside of the Original Pipeline Easement Area. As such, PG&E has requested from City a modification to the Original Pipeline Easement. In order to effectuate such modification, the Parties have agreed that PG&E will relinquish and quitclaim to City the Original Pipeline Easement as identified in the Exchange Deeds, and City will

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation, acting through its Airport
Commission

By: _____
Manager, Land Acquisition

By: _____
Ivar C. Satero
Airport Director

Date: _____

Date: _____

AUTHORIZED BY
AIRPORT COMMISSION

Resolution No.: __-__

Adopted: _____

Attest: _____

Secretary
Airport Commission

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney of San Francisco

By: _____
Deputy City Attorney

RECOMMENDED:

By: _____
Andrico Penick
Director of Property

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss
County of San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A – Airport Property Legal Description

EXHIBIT B – Airport Property Surveyed Drawing

EXHIBIT C – Modified Pipeline Easement Area Legal Description

EXHIBIT D – Modified Pipeline Easement Area Surveyed Drawing

EXHIBIT E – Relinquished Pipeline Easement Area Legal Description

EXHIBIT F – Relinquished Pipeline Easement Area Surveyed Drawing

EXHIBIT G – Description and Drawings of PG&E’s Improvements

EXHIBIT H – Insurance Requirements

PG&E shall procure and keep in effect at all times during the term of the Easement, at PG&E's expense, and cause its contractors and subcontractors to maintain at all times during any construction activities on the Modified Pipeline Easement Area, insurance as follows:

a. **Required insurance.** (i) Commercial General Liability Insurance with limits not less than \$5,000,000 each occurrence combined single limit for bodily injury and property damage, including coverages for contractual liability, personal injury, independent contractors, explosion, collapse and underground (XCU), Broadform Property Damage, Sudden and Accidental Pollution, Products Liability and Completed Operations; (ii) Business Automobile Liability Insurance with limits not less than \$2,000,000 each occurrence combined single limit for bodily injury and property damage, including coverages for owned, non-owned and hired automobiles, as applicable, if PG&E uses or causes to be used any vehicles in connection with its use of the Modified Pipeline Easement Area, and (iii) Statutory Workers' Compensation Insurance, including employer's liability coverage with limits of not less than \$1,000,000 each accident.

PG&E shall maintain pollution legal liability, environmental remediation liability and other environmental insurance, including coverage for bodily injury, sickness, disease, mental anguish or shock sustained by any person, including death; Environmental Damages; property damage including but not limited to physical injury to or destruction of tangible property including the resulting loss of use thereof, clean-up costs, and the loss of use of tangible property that has not been physically injured or destroyed; defense costs, charges and expenses incurred in the investigation, adjustment of defense claims for such compensatory damages; sudden and non-sudden pollution conditions including the discharge, dispersal, release or escape of Hazardous Materials into or upon the City's property, the atmosphere or watercourse or body of water, which results in Environmental Damages; transportation coverage for the hauling of any Hazardous Materials by PG&E or PG&E's Contractors or Agents, from the Modified Pipeline Easement Area to the final disposal location; and first party environmental remediation that pays for the cost of cleanup and remediation of the Modified Pipeline Easement Area required to comply with all Applicable Laws. Such insurance shall be endorsed to provide third party disposal site coverage that covers third party bodily injury, property damage and cleanup coverage for pollution conditions emanating from a disposal site or landfill used by the PG&E or PG&E's Agents. PG&E shall maintain limits no less than Four Million Dollars (\$4,000,000) per accident and Eight Million Dollars (\$8,000,000) annual aggregate for bodily injury and property damage. City and County of San Francisco, acting by and through its Airport Commission and its officers, agents and employees shall be included as additional insureds on the policy as loss payees under the Pollution Legal Liability/Environmental Remediation/Cleanup Liability Insurance Policy.

All of the insurance required shall be issued by one or more companies of recognized responsibility authorized to do business in the State of California with financial rating of at least a Class A-, VIII (or its equivalent successor) status, as rated in the most recent edition of A.M. Best's "Best's Insurance Reports."

b. **Self Insurance.** PG&E shall have the right to self-insure with respect to any of the insurance requirements required under this Agreement, to the extent permitted by applicable law. In the event that PG&E elects to self-insure with respect to any of the insurance requirements required under this Agreement, on or before the Commencement Date and upon written request by City, within thirty (30) days of the commencement of each year thereafter, PG&E shall submit to City a certificate of self-insurance signed by a duly authorized representative of PG&E, such certificate evidencing that PG&E's self-insurance program is adequately funded, in full force and effect and in compliance with and subject to all the terms, agreements, covenants, conditions and provisions of this Agreement. If PG&E

elects to self-insure, PG&E shall give City prompt written notice of any significant change in or the depletion of its self-insurance fund. Notwithstanding the foregoing, PG&E is also responsible for causing any contractors, subcontractors and/or agents to maintain commercially reasonable insurance coverages and coverage limits as required under this Agreement.

With respect to any claim, loss or liability that would have been covered by the insurance policies (including but not limited to the City and County of San Francisco, acting by and through its Airport Commission and its officers, agents and employees' status as an "additional insured" thereunder) required by this Agreement to be maintained by PG&E but within the self-insured retention or deductible amount, PG&E shall cover such claim, loss or liability on the same basis as the insurance arrangements or deductibles on such insurance policies, including but not limited to such insurance carrier responsibility to protect the City and County of San Francisco, acting by and through its Airport Commission and its officers, agents and employees as an "additional insured."

c. **Deductibles and Self-Insured Retentions.** Any deductibles or self-insured retentions must be declared. All deductibles and self-insured retentions shall be paid by PG&E.

d. **Additional insured parties.** All policies required hereunder shall provide for the following: (i) name as additional insureds the City and County of San Francisco, acting by and through its Airport Commission and its officers, agents and employees, as it may direct; (ii) specify that such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this Agreement and that insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limit of liability, and (iii) include a waiver of subrogation endorsement or provision wherein the insurer acknowledges acceptance of PG&E's waiver of claims against City. Such policies shall also provide for severability of interests and that an act or omission of one of the named insureds which would void or otherwise reduce coverage shall not reduce or void the coverage as to any insured, and shall afford coverage for all claims based on acts, omissions, injury or damage which occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period. Sudden and accidental pollution coverage in the liability policies required hereunder shall be limited to losses resulting from the activities of PG&E and/or PG&E's Agents and/or Invitees) under this Agreement (excluding nonnegligent aggravation of existing conditions with respect to Hazardous Materials).

e. **Endorsement.** All policies shall be endorsed to provide thirty (30) days prior written notice to City of cancellation or intended non-renewal.

f. **Delivery.** Prior to the Effective Date of this Agreement, PG&E shall deliver to City certificates of insurance and additional insured policy endorsements from insurers in a form satisfactory to City, evidencing the coverages required hereunder, together with complete copies of the policies at City's request. In the event PG&E shall fail to procure such insurance, or to deliver such policies or certificates, City may procure, at its option, the same for the account of PG&E, and the cost thereof shall be paid to City within five (5) days after delivery to PG&E of bills therefore.

g. **General aggregate limits.** Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general aggregate limit shall double the occurrence or claims limits specified above.

h. **Continuation of coverage.** Should any of the required insurance be provided under a claims made form, PG&E shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three (3) years beyond the Agreement expiration or termination, to the effect that should any occurrences during the Agreement term give rise to claims made

after expiration or termination of the Agreement, such claims shall be covered by such claims-made policies.

i. **Insurance review.** Upon City's request, PG&E and City shall periodically review the limits and types of insurance carried pursuant to this exhibit. If the general commercial practice in the County of San Mateo is to carry liability insurance in an amount or coverage materially greater than the amount or coverage then being carried by PG&E for risks comparable to those associated with the Modified Pipeline Easement Area, then City in its sole discretion may require PG&E to increase the amounts or coverage carried by PG&E hereunder to conform to such general commercial practice.

j. **No release of indemnity.** PG&E's compliance with the provisions of this exhibit shall in no way relieve or decrease PG&E's indemnification obligations under this Agreement or any of PG&E's other obligations hereunder. Notwithstanding anything to the contrary in this Agreement, the Agreement shall terminate immediately, without notice to PG&E, upon the lapse of any required insurance coverage. PG&E shall be responsible, at its expense, for separately insuring PG&E's personal property.

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 18-0170

ADOPTION OF THE FINAL MITIGATED NEGATIVE DECLARATION FOR THE PG&E LINE 101 IN-LINE INSPECTION UPGRADE AND LOMITA PARK REGULATOR STATION REBUILD; ADOPTION OF THE MITIGATION MONITORING AND REPORTING PROGRAM AND IMPROVEMENT MEASURES; AND APPROVAL OF A PIPELINE EASEMENT & QUITCLAIM OF EXISTING EASEMENT WITH PG&E ON THE WEST-OF-BAYSHORE

WHEREAS, the Pacific Gas & Electric Company (“PG&E”) Line 101 Upgrade phase of the PG&E Line 101 In-Line Inspection (“ILI”) Upgrade and Lomita Park Regulator Station Rebuild involves the expansion and rebuild of the existing station, the replacement of existing regulator, monitors, and associated piping, installation of an ILI tool at the Station, and the installation of approximately 3,200 linear feet of 24-inch in diameter steel fusion bonded, epoxy-covered pipe and retiring of approximately 3,700 linear feet of existing 20-inch diameter pipe; and

WHEREAS, the San Francisco Planning Department, Environmental Planning Division (the “Planning Department”) issued a Final Mitigated Negative Declaration (“FMND”) (File No. 2013.0522), dated July 23, 2014, for the PG&E Line 101 ILI Upgrade and Lomita Park Regulator Station Rebuild, of which the Line 101 Upgrade is the second phase, in accordance with the California Environmental Quality Act (California Public Resources Code Section 21000 *et seq.*) (“CEQA”), the State CEQA Guidelines (15 Cal. Code Regs. Section 15000 *et seq.*) and Chapter 31 of the San Francisco Administrative Code, to evaluate the impact of the project; and

WHEREAS, in issuing the FMND, on file at the Planning Department, 1650 Mission Street, Fourth Floor, San Francisco, California, the Planning Department determined that the project could not have a significant effect on the environment, and the Commission desires now to adopt as its own the CEQA findings made by the Planning Department in the FMND; and

WHEREAS, the upgrades are necessary to conduct inspections in accordance with a U.S. Department of Transportation mandate concerning pipeline integrity located on the Airport’s West-of-Bayshore property; and

WHEREAS, PG&E is not proceeding with, nor is the Commission authorizing by this action or otherwise, implementation of upland habitat mitigation on San Francisco’s West-of-Bayshore property, one of the potential options for mitigating impacts to biological resources under Mitigation Measure M-BI-1: Compensatory Upland Habitat Mitigation, and PG&E will coordinate with the U.S. Fish & Wildlife Service to provide the required compensatory upland habitat mitigation at another location as allowed under Mitigation Measure M-BI-1; and

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 18-0170

- WHEREAS, to accommodate the pipeline replacement work, Staff has negotiated an Easement Agreement & Quitclaim of Existing Easement (“Easement Agreement”) with PG&E to be executed and recorded following completion of the pipeline replacement work based on final as-built drawings, under which agreement PG&E will relinquish its rights to an existing pipeline easement and the City will convey a new pipeline easement with a new total easement area commensurate with the old total easement area; now, therefore, be it
- RESOLVED, the Commission has reviewed and considered the information in the FMND, and based upon the record as a whole, the Commission finds that the FMND reflects the independent judgment and analysis of the Planning Department and the Commission, is adequate and complete for purposes of acting on the Easement Agreement for the Line 101 Upgrade phase, and that there is no substantial evidence that the Line 101 Upgrade phase, given the mitigation measures as stated in the FMND applicable to the Line 101 Upgrade phase, could have a significant effect on the environment; and, be it further
- RESOLVED, that the Commission further finds that, since the FMND was finalized, there has been no substantial changes to the Line 101 Upgrade phase and no substantial changes in circumstances that would require major revisions to the FMND due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and that there is no new information of substantial importance that would change the conclusions set forth in the FMND; and, be it further
- RESOLVED, that this Commission hereby adopts the FMND and adopts as its own the CEQA findings made therein by the Planning Department; and, be it further
- RESOLVED, that this Commission has reviewed and considered, and hereby adopts the Mitigation Monitoring and Reporting Program (“MMRP”) prepared for the PG&E Line 101 ILI Upgrade and Lomita Park Regulator Station Rebuild to the extent applicable to the Line 101 Upgrade phase and Improvement Measures I-TR-1 (Best Management Practices for Work Zone Buffers) and I-HZ-3 (Notify and Consult with Affected Schools) described in the FMND and MMRP, to be implemented in connection with the Line 101 Upgrade phase; and, be it further
- RESOLVED, that this Commission hereby approves the Easement Agreement with Pacific Gas & Electric Company in substantially the form of the Easement Agreement presented to the Commission and authorizes the Airport Director to execute and record the Easement Agreement; and, be it further
- RESOLVED, that the Commission authorizes the Airport Director to enter into any modifications to the Easement Agreement that the Airport Director determines, in consultation with the City Attorney and City’s Director of Property, are in the best interest of the City, do not otherwise materially increase the obligations or liabilities of the City, are necessary or

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 18-0170

advisable to effectuate the purposes of the Easement Agreement and this resolution and are in compliance with all applicable laws, including the City's Charter; and, be it further

RESOLVED, that the Airport Director and City's Director of Property are hereby authorized and urged, in the name and on behalf of the City and County, to accept the quitclaim of the Original Pipeline Easement (as defined in the Easement Agreement), in accordance with the terms and conditions of the Easement Agreement, and to take any and all steps (including, but not limited to, the execution, delivery, and recording of any and all certificates, agreements, notices, consents, escrow instructions, closing documents, and other instruments or documents) as the Director of Property and the Airport Director deem necessary or appropriate in order to consummate the quitclaim of the Original Pipeline Easement and conveyance of the Modified Pipeline Easement pursuant to the Easement Agreement, or to otherwise effectuate the purpose and intent of this Resolution; and, be it further

RESOLVED, that the Commission Secretary is hereby directed to request approval of the Easement Agreement by Resolution of the Board of Supervisors pursuant to Section 9.118 of the Charter of the City and County of San Francisco.

Page 3 of 3

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of _____

JUN 05 2018

Jean Caronatti

Secretary



San Francisco International Airport

MEMORANDUM

June 5, 2018

TO: AIRPORT COMMISSION
Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Eleanor Johns
Hon. Richard J. Guggenhime
Hon. Peter A. Stern

FROM: Airport Director

SUBJECT: Adoption of the Final Mitigated Negative Declaration for the PG&E Line 101 In-Line Inspection Upgrade and Lomita Park Regulator Station Rebuild; Adoption of the Mitigation Monitoring and Reporting Program and Improvement Measures; and Approval of a Pipeline Easement & Quitclaim of Existing Easement with PG&E on the West-of-Bayshore

DIRECTOR'S RECOMMENDATION: ADOPT THE FINAL MITIGATED NEGATIVE DECLARATION FOR THE PG&E LINE 101 IN-LINE INSPECTION UPGRADE AND LOMITA PARK REGULATOR STATION REBUILD; ADOPT THE MITIGATION MONITORING AND REPORTING PROGRAM AND IMPROVEMENT MEASURES; AND APPROVE A PIPELINE EASEMENT & QUITCLAIM OF EXISTING EASEMENT WITH PG&E ON THE WEST-OF-BAYSHORE.

Executive Summary

The attached Resolution approves (1) the environmental requirements, and (2) an easement to PG&E to replace and relocate a gas pipeline on Airport property. Previously in 2015, PG&E rebuilt a regulator station connected to this pipeline system.

Background

PG&E proposed to the Airport, in early 2014, to replace a portion of the 20-inch natural gas line and rebuild the Lomita Park Regulator Station (the "Station") located in the City's West-of-Bayshore property to accommodate an in-line inspection tool and the pipeline replacement. The project, as proposed, was in two components:

- i. Lomita Park Regulator Station Rebuild. This first component expanded and rebuilt the existing station, from approximately 4,810 square feet to approximately 8,300 square feet. PG&E also replaced existing regulator, monitors and associated piping, and installed an in-line inspection tool at the Station. PG&E completed this first component of the work on May 31, 2015.

THIS PRINT COVERS CALENDAR ITEM NO. 13

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

MARK FARRELL MAYOR	LARRY MAZZOLA PRESIDENT	LINDA S. CRAYTON VICE PRESIDENT	ELEANOR JOHNS	RICHARD J. GUGGENHIME	PETER A. STERN	IVAR C. SATERO AIRPORT DIRECTOR
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- ii. Line 101 Pipeline Replacement. The second component involves the installation of approximately 3,200 linear feet of 24-inch diameter steel fusion bonded, epoxy-covered pipe via horizontal directional drilling, and the retiring of approximately 3,700 linear feet of the existing 20-inch diameter pipe.

PG&E is now returning to the Airport to coordinate the completion of the second component. The second component of the work will require the Airport to modify the existing PG&E easement to reflect the replacement of a segment of the current 20-inch natural gas line with 24-inch diameter steel fusion bonded, epoxy-covered pipe gas transmission line, which is outside of the existing easement area. Once the new segment is completed, in accordance with the terms of the Easement Agreement, PG&E will quitclaim to the City the entire original pipeline easement, and the City will convey to PG&E a like-kind replacement easement to replace the original pipeline easement. The parties have negotiated and agreed upon the form of Easement Agreement, but the legal description of the new easement area, which will be based on as-built drawings of the relocated pipeline, will not be available until the pipeline work is completed.

Required Actions

The Airport Commission ("Commission") must review and consider the environmental evaluation of the proposal of Pacific Gas & Electric Company ("PG&E"), issued by the San Francisco Environmental Review Officer, before adopting the proposed Resolution and, in adopting the Resolution, must make findings under the California Environmental Quality Act ("CEQA"). Therefore, transmitted herewith for your approval is the proposed Resolution adopting the Final Mitigated Negative Declaration ("FMND") for the PG&E Line 101 In-Line Inspection ("ILI") Upgrade and Lomita Park Regulator Station Rebuild, the Mitigation Monitoring and Reporting Program ("MMRP"), and the Improvement Measures identified in the FMND and the MMRP; and approving an Easement Agreement & Quitclaim of Existing Easement with PG&E to accommodate the relocation and replacement of an existing natural gas transmission pipeline located in the West-of-Bayshore property.

The Lomita Park Regulator Station Rebuild phase of the overall project addressed in the FMND was completed on May 31, 2015, following adoption of the FMND for this initial phase and issuance of a permit by the Airport Director. At this time, in connection with the Line 101 Upgrade phase, the Commission would adopt the FMND as it relates to the Line 101 Upgrade, the MMRP to the extent applicable to the Line 101 Upgrade, and Improvement Measures I-TR-1 (Best Management Practices for Work Zone Buffers) and I-HZ-3 (Notify and Consult with Affected Schools). PG&E will not proceed with, nor is the Commission being asked to authorize, implementation of upland habitat mitigation on San Francisco's West-of-Bayshore property, one of the potential options for mitigating impacts to biological resources under Mitigation Measure M-BI-1: Compensatory Upland Habitat Mitigation. While PG&E will be required, under Mitigation Measure M-BI-1, to restore existing wetland or habitat disturbed on the West-of-Bayshore property during the Line 101 Upgrade project activities, it will coordinate with the U.S. Fish & Wildlife Service to satisfy the compensatory upland habitat mitigation at another location.

As part of the Line 101 Upgrade, PG&E's current pipeline easement at the West-of-Bayshore property needs to be modified to accommodate the replacement and realignment of the gas transmission line outside of the original pipeline easement area. The pipeline replacement work will take place between

the Lomita Park Station and the Aviador Site. PG&E intends to perform the work in two phases, with the first phase anticipated to start on June 11, 2018 and to be completed by October 31, 2018, and the second phase work anticipated to commence on June 1, 2020 and completed on October 31, 2020. The Airport Director will issue a temporary license to accommodate the easement realignment during the construction phase, as well as a space permit for construction laydown space.

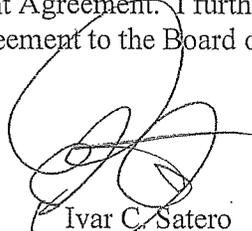
Upon completion of the pipeline work, PG&E will provide the Airport with as-built drawings, at which time the parties will execute and record an Easement Agreement & Quitclaim of Easement (the "Easement Agreement"), in a form which has been negotiated by the parties. Under the Easement Agreement, PG&E will relinquish all rights to its existing pipeline easement under the Exchange Deed dated July 14, 1953 and recorded in the Official Records of San Mateo County on September 25, 1953 in Volume 2477 at Page 231, as modified by a subsequent Exchange Deed dated June 6, 1962 and recorded in the Official Records of San Mateo County in Volume 4237 at Page 183. Under the Easement Agreement, the City will convey to PG&E a new easement, which tracks the relocated pipeline but will not increase the easement area, which will remain 15 feet wide.

Environmental Review

On July 23, 2014, the San Francisco Planning Department, Environmental Planning Division the ("Planning Department"), under File No. 2013.0522, issued the FMND for the PG&E Line 101 ILI Upgrade and Lomita Park Regulator Station Rebuild, in accordance with the requirements of the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*; "CEQA"); Title 14, Section 15000 *et seq.* of the California Code of Regulations ("CEQA Guidelines"); and Chapter 31 of the San Francisco Administrative Code, which FMND is on file with the Planning Department at 1650 Mission Street, Fourth Floor, San Francisco, California. The impacts of the Line 101 Upgrade phase are addressed in the FMND. The Planning Department determined that the Line 101 ILI Upgrade and Lomita Park Regulator Station Rebuild could not have a significant effect on the environment, which includes the Line 101 Upgrade phase.

Recommendation

Based on the above, I recommend that the Commission adopt the FMND; adopt the mitigation measures and improvements measures contained therein and in the MMRP, as they relate to the Line 101 Upgrade; and approve the Easement Agreement. I further recommend directing the Commission Secretary to forward the Easement Agreement to the Board of Supervisors for approval, in accordance with City Charter Section 9.118.



Ivar C. Satero
Airport Director

Prepared by: Leo Fermin
Chief Business and Finance Officer



SAN FRANCISCO PLANNING DEPARTMENT

General Plan Referral

Date: October 23, 2018
Case No. Case No. 2013.0522GPR
Line 101 Pipeline Replacement & Easement

Block/Lot No.: 092-030-010, 092-030-040, 092-030-060 through 090-030-090

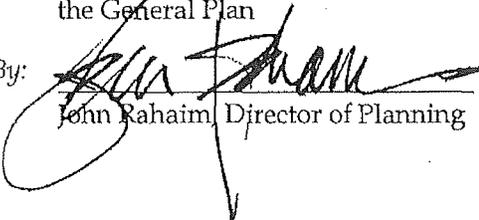
Project Sponsor: City and County of San Francisco
San Francisco International Airport
Building 100, International Terminal
North Shoulder Building, 5th Floor
San Francisco, CA 94128

Applicant: Teresa Rivor - (650) 821-4533
Teresa.rivor@flysfso.com

Staff Contact: Jeremy Shaw -- (415) 575-9135
Jeremy.shaw@sfgov.org

Recommendation: Finding the project, on balance, is **in conformity** with
the General Plan

Recommended By:


John Rahaim, Director of Planning

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

PROJECT DESCRIPTION

The Project includes replacing a portion of an existing PG&E gas line and related easement in accordance with current safety requirements as part of the PG&E Line 101 Replacement and Lomita Park Regulator Station Rebuild Project. More specifically: the PG&E Line 101 Replacement and Lomita Park Regulator Station Rebuild Project would replace an existing section of Line 101 and retrofit utility equipment at the Lomita Park Station to accommodate an in-line inspection tool in accordance with U.S. Department of Transportation requirements. A 3,700 section of gas transmission pipeline will be replaced by installing a new 3,200-foot pipe in parallel alignment outside our existing easement using horizontal direction drilling. The existing section of pipeline will be retired in place. Upgrades to the existing Lomita Park Station (8,300 sf) will include the installation of utility equipment compatible for an inline inspection.

The PG&E Line 101 easement over the Airport's West-of-Bayshore property was conveyed by the Airport through a 1953 exchange deed. Portions of the pipeline will be relocated outside of the original easement areas. PG&E will quitclaim its original pipeline easement to the Airport and the Airport will convey a new pipeline easement of comparable size. The gas line serves San Mateo, Santa Clara and San Francisco counties.

ENVIRONMENTAL REVIEW

On May 21, 2014, the Environmental Planning division of the Department determined that the Project could not have a significant effect on the environment in a Mitigated Negative Declaration under CEQA Guidelines Sections 15064 (Determining Significant Effect), 15065 (Mandatory Findings of Significance), and 15070 (Decision to Prepare a Negative Declaration), and the reasons documented in the Initial Evaluation (Initial Study) for the project. (See Case No. 2013.0522R.)

GENERAL PLAN COMPLIANCE AND BASIS FOR RECOMMENDATION

The Project is the proposed replacement of a gas pipeline and conveyance of a new easement by the Airport to PG&E. The Project is consistent with the Eight Priority Policies of Planning Code Section 101.1 as described in the body of this letter and is, on balance, **in-conformity** with the following Objectives and Policies of the General Plan:

COMMUNITY SAFETY ELEMENT

OBJECTIVE 1

REDUCE STRUCTURAL AND NONSTRUCTURAL HAZARDS TO LIFE SAFETY AND MINIMIZE PROPERTY DAMAGE RESULTING FROM FUTURE DISASTERS.

POLICY 1.18 - Identify and replace vulnerable infrastructure and critical service lifelines in high-risk areas.

POLICY 1.22 - Reduce hazards from gas fired appliances and gas lines.

POLICY 1.23 - Enforce state and local codes that regulate the use, storage and transportation of hazardous materials in order to prevent, contain and effectively respond to accidental releases.

The pipeline replacement is necessary to conduct inspections in accordance with a U.S. Department of Transportation mandate concerning pipeline integrity. The project is intended to reduce the potential for hazards from this gas line. The easement is necessary to accommodate the new line and bring the facility into compliance with the federal mandate.

PROPOSITION M FINDINGS – PLANNING CODE SECTION 101.1

Planning Code Section 101.1 establishes Eight Priority Policies and requires review of discretionary approvals and permits for consistency with said policies. The Project is found to be consistent with the Eight Priority Policies as set forth in Planning Code Section 101.1 for the following reasons:

Eight Priority Policies Findings

The proposed project is found to be consistent with the eight priority policies of Planning Code Section 101.1 in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced.

The Project would not have an adverse effect on neighborhood serving retail uses or opportunities for employment in or ownership of such businesses.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhood.

The Project would not have an adverse effect on the City's housing stock or on neighborhood character.

3. That the City's supply of affordable housing be preserved and enhanced.

The Project would not have an adverse effect on the City's supply of affordable housing.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

The Project would not result in commuter traffic impeding MUNI's transit service, overburdening the streets or altering current neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for residential employment and ownership in these sectors be enhanced.

The Project would not affect the existing economic base in this area.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The Project would not have an adverse effect on achieving the greatest possible preparedness against injury and loss of life in an earthquake. It would improve the City's ability to inspect a gas pipeline and potentially reduce the risk of hazards and injury.

7. That landmarks and historic buildings be preserved.

This site and facility are not landmarks or of historic significance.

8. That our parks and open space and their access to sunlight and vistas be protected from development.

The Project would not have an adverse effect on parks and open space or their access to sunlight and vista.

RECOMMENDATION: Finding the Project, on balance, in-conformity with the General Plan

Attachments:

Exchange Deed, San Francisco Airport
Draft Amended and Restated Easement Agreement
Site Photos

I:\Citywide\General Plan\General Plan Referrals\2013\2013.0522GPR - PG&E Line 101 Replacement and Lomita Park Station\2013.0522GPR - PG&E Line 101 Replacement.docx



San Francisco International Airport

August 16, 2019

Honorable Board of Supervisors
City and County of San Francisco
City Hall, 1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102

RE: Easement Exchange – San Francisco International Airport and Pacific Gas & Electric

Dear Board Members:

Attached for your consideration is a Resolution authorizing and approving an Easement Agreement and Quitclaim of Easement (“Agreement”) between the City and County of San Francisco (“City”), acting by and through its Airport Commission, and Pacific Gas & Electric Company (“PG&E”) for the exchange of an existing easement with a new easement to accommodate the replacement of PG&E’s natural gas pipeline.

PG&E has an existing easement to maintain and operate a natural gas pipeline at the San Francisco International Airport totaling 53,671 square feet (the “Original Easement”). To facilitate the relocation of PG&E’s existing natural gas pipeline, PG&E and the City have agreed to exchange the Original Easement for a new 50,799 square feet easement (the “New Easement”). An MAI appraisal valued the New Easement at \$30,470 and the Original Easement at \$32,203. Despite the City receiving more value in the exchange of the easements, the parties have agreed neither party shall be financially compensated to effectuate the transfers.

On June 5, 2018, by Resolution No. 18-0170, the Airport Commission approved the Agreement and adopted the Final Mitigated Negative Declaration for the associated pipeline replacement work. If you have any questions, please contact Cathy Widener, Airport Governmental Affairs Manager, at (650) 821-5023.

Very truly yours,


Corina Monzon
Commission Secretary

BOARD OF SUPERVISORS
SAN FRANCISCO
2019 AUG 16 AM 10:31


Attachments

cc: Cathy Widener, Airport Governmental Affairs
Teresa Rivor, Airport Aviation Management
Cindy Lee, City Real Estate Division

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

LONDON N. BREED MAYOR LARRY MAZZOLA PRESIDENT LINDA S. CRAYTON VICE PRESIDENT ELEANOR JOHNS RICHARD J. GUGGENHIME MALCOLM YEUNG IVAR C. SATERO AIRPORT DIRECTOR