

1 [Cost-Sharing Agreement - Pacific Gas and Electric Company - Dredging and Harbor
2 Reconstruction - Gas House Cove - Not to Exceed \$2,533,000]

3 **Resolution retroactively approving a cost-sharing agreement not to exceed \$2,533,000**
4 **between City and the Pacific Gas and Electric Company for environmental analysis,**
5 **planning, design, and permitting for dredging and harbor reconstruction in Gas House**
6 **Cove, for a ten-year term of October 1, 2014, through September 30, 2024.**

7
8 WHEREAS, The City owns property north of Marina Boulevard and west of Fort Mason
9 known as Gas House Cove (the "Site") which is currently used as a small craft marina under
10 the jurisdiction of the Recreation and Park Department; and

11 WHEREAS, The City seeks to renovate the Site to enhance the recreational facilities
12 and use at the Site; and

13 WHEREAS, The Pacific Gas and Electric Company (PG&E) and others previously
14 owned and operated a coal gasification plant in the vicinity of the Site that produced materials
15 which may be found at the Site; and

16 WHEREAS, As the result of subsurface investigations, the presence of chemical
17 compounds, including polycyclic aromatic hydrocarbons, has been discovered in subsurface
18 soils and sediments underlying the Site; and

19 WHEREAS, In 2001, the City filed a lawsuit against PG&E seeking recovery of costs
20 related to cleanup of the subsurface soils and sediments; and

21 WHEREAS, On June 2, 2004, the Court entered an Order Dismissing Action without
22 prejudice in order to allow the parties to attempt to carry out the terms and purposes of this
23 Agreement without the expense of litigation while giving either party the right to move to
24 reopen the case; and

1 WHEREAS, The City and PG&E continue to disagree about who is responsible for the
2 chemical compounds on the Site and who is responsible for investigation and remediation of
3 the Site, but have been cooperatively investigating the Site since October 10, 2004, under a
4 Cost-Sharing Agreement because they recognize efficiencies from addressing responsibility
5 for the chemical compounds on a cooperative basis; and

6 WHEREAS, The Recreation and Park Department completed a series of technical
7 studies between 2007 and 2014 under the terms of the initial cost-sharing agreement; and

8 WHEREAS, The City cannot renovate the Site without remediating the chemical
9 compounds identified at the Site; and

10 WHEREAS, The City and PG&E wish to enter into a new Agreement extending the
11 cost-sharing arrangement to facilitate continued Site investigation, planning, design,
12 regulatory approvals and related pre-construction activities leading to approval of a dredge
13 plan by the Dredge Material Management Office (DMMO) and a project permit from the Bay
14 Conservation and Development Commission (BCDC) to undertake dredging and
15 reconstruction of the Site; and

16 WHEREAS, The Recreation and Park Department will continue to manage and direct
17 activities to be funded by the Agreement and retains sole decision-making authority regarding
18 the design and possible reconstruction of the Site; and

19 WHEREAS, The Agreement provides for PG&E to cover 100% of "shared costs" for
20 such activities up to a maximum of \$2,533,000, subject to a possible credit upon final
21 resolution of the dispute over responsibility for remediation of the chemical compounds; and

22 WHEREAS, Upon approval of a Site dredge plan by DMMO and receipt of a project
23 permit from BCDC, the parties agree to meet and confer regarding a further amendment to
24 this Agreement regarding costs of sediment remediation, capping, containment and
25

1 monitoring costs, depending on the findings from the activities to be funded under this
2 Agreement; and

3 WHEREAS, Both PG&E and the City reserve their claims and arguments with respect
4 to the underlying responsibility for conditions at the Site subject to the City's complaint in Case
5 No. C 01-0316 SBA; and

6 WHEREAS, Both the first Cost Sharing Agreement and this Agreement reflect the
7 City's agreement to suspend prosecution of the claims in Case No. C 01-0316 SBA and
8 PG&E's agreement to toll any statute of limitations that may affect the City's claims; and

9 WHEREAS, The San Francisco Recreation and Parks Commission recommends
10 approval of this Agreement; now, therefore, be it

11 RESOLVED, That the Board of Supervisors hereby authorizes the Recreation and Park
12 Department to enter into a second agreement between the City and PG&E governing cost
13 sharing for environmental analysis, planning, design and permitting for dredging and harbor
14 reconstruction in Gas House Cove; and, be it

15 FURTHER RESOLVED, That the Board of Supervisors authorizes the Recreation and
16 Park Department to enter into amendments or modifications to the Agreement upon approval
17 from the Recreation and Park Commission to extend the cost sharing agreement through
18 completion of the harbor reconstruction project, provided that no such amendment shall call
19 for expenditure of revenues in the City treasury in an amount exceeding \$500,000 without
20 Board of Supervisor approval.



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails
Resolution

File Number: 150354

Date Passed: June 02, 2015

Resolution retroactively approving a cost-sharing agreement not to exceed \$10,000,000 between the City and County of San Francisco and the Pacific Gas and Electric Company for environmental analysis, planning, design, and permitting for dredging and harbor reconstruction in Gas House Cove for the term of October 14, 2014, through October 14, 2024.

May 13, 2015 Budget and Finance Sub-Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

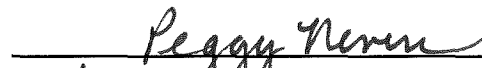
May 13, 2015 Budget and Finance Sub-Committee - RECOMMENDED AS AMENDED

June 02, 2015 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Christensen, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 150354

I hereby certify that the foregoing Resolution was ADOPTED on 6/2/2015 by the Board of Supervisors of the City and County of San Francisco.


for Angela Calvillo
Clerk of the Board


Mayor

6/12/15
Date Approved