

1 [Cost Reimbursement Agreement - Pacific Gas and Electric Company - Management of
2 Residual Petroleum Hydrocarbons - Pier 70]

3 **Resolution approving the Cost Reimbursement Agreement between the Port and**
4 **Pacific Gas and Electric Company for management of residual petroleum hydrocarbons**
5 **on Port property within the shoreline and submerged land near the former Potrero**
6 **Power Plant Site and Pier 70, for a 20-year term or reimbursement of \$5,000,000**
7 **whichever comes first, to commence upon Board approval.**

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9 WHEREAS, Charter, Section B3.581 empowers the Port Commission with the power
10 and duty to use, conduct, operate, maintain, manage, regulate and control Port area of the
11 City and County of San Francisco; and

12 WHEREAS, The California Regional Water Quality Control Board, San Francisco Bay
13 Region (“Water Board”) has regulatory authority to oversee environmental site investigation
14 and remedial action within the Port area of the City and County of San Francisco; and

15 WHEREAS, Between 2006 and 2019, Pacific Gas and Electric Company (PG&E),
16 under a voluntary cleanup agreement with the Water Board, completed site investigation,
17 remedial action planning, and execution of remedial action to treat and remove polycyclic
18 aromatic hydrocarbon contamination in upland and intertidal soil and subtidal sediment in the
19 vicinity of the former Potrero Power Plant and Pier 70; and

20 WHEREAS, PG&E has assessed the potential human health and environmental risk
21 and demonstrated to the satisfaction of the Port and the Water Board that any remaining
22 residual hydrocarbons can be safely managed through implementation of long-term risk
23 management measures specified by an approved Risk Management Plan (“RMP”) and Risk
24 Monitoring and Management Plan (“RMMP”); and

1 WHEREAS, A recorded Land Use Covenant is required to ensure that the remediation
2 remains effective and the RMP and RMMP remain in place; and

3 WHEREAS, The Port and other users may incur additional costs to construct new or
4 maintain existing improvements to comply with the Land Use Covenant, RMP and RMMP;
5 and

6 WHEREAS, The proposed Cost Reimbursement Agreement (“Agreement”) provides a
7 process for obtaining reimbursement from PG&E for costs incurred to comply with the RMP
8 and RMMP for a term of 20 years or reimbursement of up to \$5,000,000 (increased annually
9 by 2.5%) whichever comes first; and

10 WHEREAS, The Agreement does not release PG&E from any liability for residual
11 contamination or otherwise; and

12 WHEREAS, On January 11, 2022, the San Francisco Port Commission, by its
13 Resolution No. 22-04, approved the Agreement; and

14 WHEREAS, A copy of the Agreement is on file with the Clerk of the Board of
15 Supervisors in File No. 220143; and

16 WHEREAS, Charter, Section 9.118 requires Board of Supervisors approval for
17 contracts with a term of ten or more years; now, therefore, be it

18 RESOLVED, That the San Francisco Board of Supervisors hereby approves the
19 Agreement between the Port and PG&E in the form approved by the City Attorney’s Office;
20 and, be it

21 FURTHER RESOLVED, That the Port Commission authorizes the Executive Director
22 or her designee to enter into any additions, amendments or other modifications to the
23 Agreement that the Executive Director, in consultation with the City Attorney determines are in
24 the best interest of the Port, do not materially increase the obligations or liabilities of the City
25 or Port or materially decrease the benefits to the City or Port, and are necessary or advisable

1 to complete the transactions which the Agreement contemplates and effectuate the purpose
2 and intent of this Resolution, such determination to be conclusively evidenced by the
3 execution and delivery by the Executive Director or her designee of the Agreement, and any
4 such amendments thereto; and, be it

5 FURTHER RESOLVED, That within thirty (30) days of the Agreement being fully
6 executed by all parties, the Port Executive Director shall provide the final agreement to the
7 Clerk of the Board of Supervisors for inclusion into the official file.

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