

File No. 100688

Committee Item No. 3

Board Item No. 28

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: BUDGET AND FINANCE

Date: July 14, 2010

BOARD OF SUPERVISORS MEETING

Date: 7/20/10

Cmte Board

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget Analyst Report |
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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report* |
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OTHER

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Completed by: Andrea S. Ausberry

Date Friday, July 9, 2010

Completed by: _____

Date _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

1 [Agreement to Purchase Permanent Subsurface Easements for the Sunnydale Sewer
2 Improvement Project totaling \$174,001]

3 **Resolution approving and authorizing agreements for the acquisition of permanent**
4 **subsurface sewer easements required for the Sunnydale Sewer Improvement Project**
5 **No. CENMSCIC2362 (the "Project") over APN 5104/1 and portions of San Francisco**
6 **APN 5104/4, 4991/7/8, 4991/9 and 4991/68 from Recology Properties, Inc. (fka Macor,**
7 **Inc.) and Recology San Francisco (fka SF Recycling & disposal, Inc./fka Sanitary Fill**
8 **Co.) totaling \$174,001., comprising 31,826.19 square feet; adopting findings under**
9 **the California Environmental Quality Act ("CEQA"); adopting findings that the**
10 **conveyance is consistent with the City's General Plan and Eight Priority Policies of**
11 **City Planning Code Section 101.1; and authorizing the Director of Property to**
12 **execute documents, make certain modifications and take certain actions in**
13 **furtherance of this resolution.**

14
15 WHEREAS, The San Francisco Public Utilities Commission (SFPUC) has developed
16 a project known as the Sunnydale Sewer System Improvement Project, (also commonly
17 referred to as Project No. CENMSMSCI23, and herein as the "Project"), that includes the
18 construction of new and replacement sewer facilities in the Visitation Valley-Sunnydale
19 neighborhood in San Francisco to provide improvements to the collection and
20 transportation of sewage and storm water; and

21 WHEREAS, The objectives of the Project are to construct new and replacement sewer
22 facilities in the Visitation Valley/Sunnydale neighborhood to improve conditions to reduce
23 incidents of flooding. The Project will be constructed in two phases. Phase I will include
24 construction of a sewer tunnel from the intersection of Sunnydale Avenue and Talbert Street
25 to the Sunnydale Storage Facility and Pump Station at Harney Way and will include

1 installation of approximately 4,000 feet of new pipeline. Phase II will include construction of
2 sewer pipelines along Talbert Street between Visitacion Avenue and the former Union Pacific
3 (UP) railroad right-of-way, along Visitacion Avenue between Rutland Street and Talbert
4 Street, and along the former UP railroad right-of-way between Schwerin Street and Talbert
5 Street and will include installation of approximately 2,800 feet of pipeline; and

6 WHEREAS, The Project is located primarily within the City and County of San
7 Francisco, except for approximately 200 feet of pipeline near the southern end of Talbert
8 Street within an existing sewer easement in Daly City in San Mateo County and a staging
9 area located partially in the City of Brisbane. The sewers will be constructed in street rights-of-
10 way and in easements across private property; and

11 WHEREAS, A Final Mitigated Negative Declaration (FMND) was approved by the San
12 Francisco Planning Department by on April 8, 2010, a copy of which is on file with the Clerk of
13 the Board of Supervisors in File No. 100688; and

14 WHEREAS, On May 11, 2010, as required by the California Environmental Quality
15 Act ("CEQA"), the SFPUC by Resolution No. 10-0082, a copy of which is included in Board
16 of Supervisors File No. 100688 and is incorporated herein by this reference, (1) approved
17 the Project, (2) adopted the FMND, the CEQA findings and the Mitigation Monitoring and
18 Reporting Program ("MMRP") required by CEQA, and (3) authorized the General Manager
19 to seek the Board of Supervisors' approval of and, if approved, to execute certain
20 necessary agreements and deeds; and

21 WHEREAS, The Project files, including the FMND, the CEQA findings, the MMRP
22 and SFPUC Resolution No. 10-0082 have been made available for review by the Board
23 and the public, and those files are considered part of the record before this Board; and

24 WHEREAS, The Board of Supervisors has reviewed and considered the information
25 and findings contained in the FMND, the CEQA findings, the MMRP and SFPUC

1 Resolution No. 10-0082, and all written and oral information provided by the Planning
2 Department, the public, relevant public agencies, SFPUC and other experts and the
3 administrative files for the Project; and

4 WHEREAS, This Board, by Resolution No. 100607 adopted on , 2010, a copy of
5 which is on file with the Clerk of the Board of Supervisors in File No. 100688 and which is
6 incorporated herein by this reference and considered part of the record before this Board,
7 adopted findings under CEQA related to the Project, including the statement of overriding
8 considerations and the MMRP; and

9 WHEREAS, In accordance with the SFPUC Resolution and pursuant to the terms
10 and conditions of the Agreements for Purchase and Sale and temporary Licenses to Enter
11 and Use Property, copies of which are on file with the Clerk of the Board of Supervisors in
12 File No. 100688, the Sellers have agreed to a total acquisition costs of \$2,459,664, which
13 was determined by independent appraisal and approved by the Director of Property; and

14 WHEREAS, The subject real property rights required for the Project and the
15 breakdown of the related areas and acquisition costs are:

16 (1) a permanent subsurface sewer easements over a portion of San Francisco APN
17 5104/1 comprising 5,955 s.f. at the fair market value of \$35,000,

18 (2) a permanent subsurface sewer easement over a portion of San Francisco APN
19 5104/4 comprising 4,470 s.f. at the purchase price of \$22,000, (3) a permanent subsurface
20 easement over a portion of San Francisco APN 4991/7/8 comprising 15,437 s.f., at the
21 purchase price of \$82,000, and

22 4) a permanent subsurface easement over a portion of San Francisco APN 4991/9
23 comprising 5,964 s.f. at a purchase price of \$35,000, and

24 (5) a permanent subsurface easement over a portion of San Francisco APN
25 4991/68 comprising 0.19 s.f. at a purchase price of \$1; and

1 WHEREAS, Copies of the Agreements For Purchase and Sale of the easement
2 rights (the "Purchase Agreements") between the City, as buyer, and Recology Properties,
3 Inc. (fka Macor, Inc.) and Recology San Francisco (fka SF Recycling & Disposal, Inc. (fka
4 San Francisco Recycling & Disposal, Inc., fka Sanitary Fill Co.) (the "Sellers"), as the
5 Sellers, are on file with the Clerk of the Board of Supervisors under File No. 100688; and
6

7 WHEREAS, The Director of Property has determined, based on an independent MAI
8 appraisal, that the Purchase Agreements reflect the fair market value of the subject
9 property rights; and,

10 WHEREAS, The Director of Planning, by letter dated May 13, 2010, found that the
11 purchase of all the necessary property rights for the Project, is consistent with the City's
12 General Plan and with the Eight Priority Policies of City Planning Code Section 101.1,
13 which letter is on file with the Clerk of the Board of Supervisors under File No. 100688, and
14 which letter is incorporated herein by this reference; now, therefore, be it

15 RESOLVED, The Board, after review and consideration of the FMND, the CEQA
16 findings and record as a whole, finds that the FMND is adequate for its use as the decision
17 making body for the action taken herein and hereby incorporates by reference the CEQA
18 findings contained in Resolution No.10-0607; and be it

19 FURTHER RESOLVED, The Board finds that the Project mitigation measures adopted
20 by the SFPUC will be implemented as reflected in and in accordance with the MMRP; and be
21 it

22 FURTHER RESOLVED, The Board finds that since the FMND was finalized, there
23 have been no substantial Project changes and no substantial changes in the Project
24 circumstances that would require major revisions to the FMND due to the involvement of
25 new significant environmental effects or an increase in the severity of previously identified

1 significant impacts, and there is no new information of substantial importance that would
2 change the conclusions set forth in the FMND; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors of the City and County of
4 San Francisco hereby finds that the Purchase Agreements are consistent with the General
5 Plan and with the Eight Priority Policies of City Planning Code Section 101.1 for the same
6 reasons as set forth in the letter from the Director of Planning dated May 13, 2010, and
7 hereby incorporates such findings by references as though fully set forth in this resolution;
8 and, be it

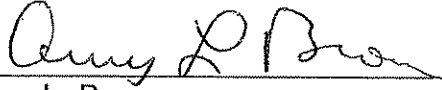
9 FURTHER RESOLVED, That in accordance with the recommendations of the Public
10 Utilities Commission and the Director of Property, the Board of Supervisors hereby
11 approves the Purchase Agreements and the transaction contemplated thereby in
12 substantially the form of such agreements presented to this Board; and, be it

13 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
14 Property to enter into any additions, amendments or other modifications to the Purchase
15 Agreements (including, without limitation, the attached exhibits) that the Director of
16 Property determines are in the best interest of the City, that do not increase the purchase
17 price for the easements or otherwise materially increase the obligations or liabilities of the
18 City, and are necessary or advisable to complete the transaction contemplated in the
19 Purchase Agreements to effectuate the purpose and intent of this resolution, such
20 determination to be conclusively evidenced by the execution and delivery by the Director of
21 Property of the Purchase Agreements and any amendments thereto; and, be it

22 FURTHER RESOLVED, That the Director of Property is hereby authorized and
23 urged, in the name and on behalf of the City and County, to accept the deeds to the
24
25

1 easements acquired from the Sellers upon the closing in accordance with the terms and
2 conditions of the Purchase and Sale Agreements and to take any and all steps (including,
3 but not limited to, the execution and delivery of any and all certificates, agreements,
4 notices, consents, escrow instructions, closing documents and other instruments or
5 documents) as the Director of Property deems necessary or appropriate in order to
6 consummate the conveyance of the easements pursuant to the Purchase and Sale
7 Agreements, or to otherwise effectuate the purpose and intent of this resolution, such
8 determination to be conclusively evidenced by the execution and delivery by the Director of
9 Property of any such documents.

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12 RECOMMENDED:

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14 Amy L. Brown
15 Director of Property

\$2,459,664 Available
Appropriation: Index CodeCWPX5CCPF1

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Controller

1 easements acquired from the Sellers upon the closing in accordance with the terms and
2 conditions of the Purchase and Sale Agreements and to take any and all steps (including,
3 but not limited to, the execution and delivery of any and all certificates, agreements,
4 notices, consents, escrow instructions, closing documents and other instruments or
5 documents) as the Director of Property deems necessary or appropriate in order to
6 consummate the conveyance of the easements pursuant to the Purchase and Sale
7 Agreements, or to otherwise effectuate the purpose and intent of this resolution, such
8 determination to be conclusively evidenced by the execution and delivery by the Director of
9 Property of any such documents.

10
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12 RECOMMENDED:

\$2,459,664 Available
Appropriation: Index Code CWPX5CCPFCP1

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14 _____
Amy L. Brown
Director of Property

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Controller

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| Items 2, 3, and 4 Files 10-0687, 10-0688, and 10-0607 | Department(s): Public Utilities Commission (PUC) |
|--|---|

EXECUTIVE SUMMARY**Legislative Objectives**

- File 10-0687: Resolution authorizing the Public Utilities Commission to purchase various permanent underground easements and temporary licenses to enter and use above-ground property from Universal Paragon Corporation, or affiliate entities of Universal Paragon Corporation, for a total price of \$2,459,664, in order to allow for the construction of the Sunnydale Sewer System Improvement Project.
- File 10-0688: Resolution authorizing the Public Utilities Commission to purchase various permanent underground easements from Recology Properties, Inc. and Recology San Francisco, for a total price of \$174,001, in order to allow for the construction of the Sunnydale Sewer System Improvement Project (SSSIP).
- File 10-0607: Resolution adopting findings under the California Environmental Quality Act for the Sunnydale Sewer System Improvement Project, and directing the Clerk of the Board of Supervisors to notify the Controller of this action.

Key Points

- The existing Sunnydale Sewer Tunnel transports wastewater and stormwater from a 720 acre drainage basin in southeast San Francisco to a pump station near the San Francisco Bay. According to Mr. Manfred Wong, Project Manger for the PUC, this sewer tunnel has inadequate capacity to meet drainage needs during significant storms, such that temporary flooding occurs in Visitacion Valley. The PUC's SSSIP is a \$57,700,000 project which would provide an additional 6,800 feet of sewer pipeline to increase the capacity of the Sunnydale Sewer System, such that flooding would be prevented or minimized.
- The proposed easement acquisitions would provide the PUC with (a) permanent access to the underground area where the new pipeline will be constructed, and (b) temporary access, during the SSSIP construction period, to additional areas above and adjacent to the new underground pipeline to allow for construction of the new pipeline.

Fiscal Impacts

- The proposed total easement purchases of \$2,633,665 (\$2,459,664 plus \$174,001) would be funded from Wastewater Revenue Bond proceeds for the PUC's SSSIP as previously appropriated by the Board of Supervisors.
- Through multiple previous appropriations, the Board of Supervisors appropriated a total of \$57,700,000 to the Sunnydale Sewer System Improvement Project, including \$1,500,000 for the purchase of permanent easements. The total cost to acquire the proposed easements is \$2,633,665, or \$1,133,665 more than the previous appropriation of \$1,500,000, which was approved in August of 2009 (File 09-0546). The increased costs of \$1,133,665 have resulted because (a) the PUC did not anticipate paying \$675,000 above fair market value for one

underground easement in order to compensate the seller for modifications to the foundation of the seller's building which sits above the easement area, and (b) the PUC had underestimated the total acquisition costs by an additional \$458,665. While the cost of the proposed easements have increased since August of 2009 (when the \$1,500,000 for the proposed easement acquisitions was appropriated by the Board of Supervisors), other project costs have decreased such that the overall SSSIP budget remains at \$57,700,000.

Recommendations

- Amend the title of the proposed resolution (File 10-0688) to include reference to the purchase of a permanent subsurface easement at Assessor's Parcel Number 5104/1, which was included in the body of the resolution but inadvertently excluded from the title of the proposed resolution.
- Approve (a) the proposed resolution (File 10-0687), and (b) the proposed resolution (File 10-0688), as amended.
- Amend the proposed resolution (File 10-0607) adopting findings under the California Environmental Quality Act (CEQA) to reference the appropriation ordinance which placed funds on reserve pending completion of environmental review, as shown in the Recommendations Section of this report.
- Approve the proposed resolution (File 10-0607), as amended.

MANDATE STATEMENT AND BACKGROUND

Mandate Statement

The proposed easement purchases are subject to Board of Supervisors approval pursuant to Section 23.1 of the City's Administrative Code.

Background

The existing Sunnydale Sewer Tunnel, constructed in 1913, transports wastewater and stormwater from a 720 acre drainage basin in southeast San Francisco (consisting of residential areas of Visitacion Valley, open space in McLaren Park, and industrial areas east of Bayshore Boulevard) to a pump station near the San Francisco Bay. This sewer tunnel has inadequate capacity to meet drainage needs during significant storms, such that temporary flooding occurs within Visitacion Valley. The PUC's Sunnydale Sewer System Improvement Project (SSSIP) is a \$57,700,000 project which would provide for an additional 6,800 feet of sewer pipeline to increase the capacity of the Sunnydale Sewer System, such that flooding would be prevented or minimized.

The proposed easement purchases (Files 10-0687 and 10-0688) would provide the PUC with (a) permanent access to the underground the area where the new pipeline will be constructed, and (b) temporary access, during the SSSIP construction period, to additional areas above and adjacent to the new underground pipeline to allow for construction of the new pipeline.

Through previous multiple appropriations, the Board of Supervisors appropriated a total of \$57,700,000 to the Sunnydale Sewer System Improvement Project. In the most recent appropriation, in the amount of \$7,000,000 for the SSSIP (out of a total appropriation of \$348,064,054 to various PUC wastewater capital improvement projects), the Board of Supervisors placed the entire \$7,000,000 on a Controller's reserve pending the completion of the environmental review required by the California Environmental Quality Act (CEQA). Environmental review was completed on April 8, 2010. The proposed resolution (File 10-0607) would approve the findings of that environmental review, and notify the Controller of the approval to allow the Controller to release the \$7,000,000 of funds on reserve.

Construction of the SSSIP is estimated to begin in August of 2010 and be completed in December of 2012.

DETAILS OF PROPOSED LEGISLATION

The PUC is requesting authorization to purchase various easements, totaling \$2,633,665, as shown in Table 1 below.

Table 1: Easements Proposed To Be Purchased

| File | Seller | Property | Duration | Square Feet | Purchase Price | Price Per Square Foot |
|---------------------------|--------------------------------|--|------------------------|-------------------|--------------------|-----------------------|
| 10-0687 | Universal Paragon ¹ | APN 4991/24/65 | Permanent | 11,677.70 | \$654,000 | \$56.00 |
| | | APN 5100/3, 5101/7, and 5102/9 | Permanent | 24,468.00 | 1,020,000 | 41.69 |
| | | APN 4991/24,61,65 and Brisbane APN (005-153-030) | 24 Months ² | 69,783.00 | 639,212 | 9.16 |
| | | APN 5100/3 and 5107/1 | 24 Months ³ | 24,613.70 | 146,452 | 5.95 |
| Subtotal for File 10-0687 | | | | 130,542.40 | \$2,459,664 | * |
| 10-0688 | Recology ⁴ | APN 5104/1 | Permanent | 5,955.00 | 35,000 | 5.88 |
| | | APN 5104/4 | Permanent | 4,470.00 | 22,000 | 4.92 |
| | | APN 4991/7,8 | Permanent | 15,437.00 | 82,000 | 5.31 |
| | | APN 4991/9 | Permanent | 5,964.00 | 35,000 | 5.87 |
| | | APN 4991/68 | Permanent | 0.19 | 1 | 5.26 |
| Subtotal for File 10-0688 | | | | 31,826.19 | \$174,001 | ** |
| Total | | | | 162,368.59 | \$2,633,665 | \$16.22 |

*Average price per square foot for the easements included in File 10-0687 is \$18.84.

** Average price per square foot for the easements included in File 10-0688 is \$5.47.

¹ For the purposes of Table 1 above, the term "Universal Paragon" refers to either (a) Universal Paragon Corporation, or (b) one of their affiliate organizations (Visitation Development, LLC or EP Associates, LLC).

² According to Ms. Claudine Venegas of the Real Estate Division, the 24 month term of this temporary easement at a total cost of \$639,212 includes (a) an 18 month term at a cost of \$479,409, and (b) an optional 6 month extension at an additional cost of \$159,803.

³ According to Ms. Venegas, the 24 month term of this temporary easement at a total cost of \$146,452 includes (a) an 18 month term at a cost of \$109,839, and (b) an optional 6 month extension at an additional cost of \$36,613.

⁴ For the purposes of Table 1 above, the term "Recology" refers to either Recology Properties, Inc. or Recology San Francisco.

As discussed above, the easements shown in Table 1 above would provide the PUC with (a) permanent access to the underground the area where the new pipeline will be constructed, and (b) temporary access, during the SSSIP construction period, to additional areas above and adjacent to the new underground pipeline to allow for construction of the new pipeline.

As shown in Table 1 above, the average price per square foot of the easements to be purchased from Universal Paragon is \$18.84, which is \$13.37 per square foot, or 244.4 percent, more than the average price per square foot for easements purchased from Recology at \$5.47 per square foot. Ms. Venegas stated that the easements purchased from Universal Paragon are 244.4 percent more expensive because the easements impose a greater limit on the value of Universal Paragon's property since (a) the easements extend through the center of the property rather than the periphery, (b) the easements impact the ability of the owner to develop the property underground (which would be necessary for developments such as an underground parking garage), and (c) the zoning for three of the parcels to be purchased from Universal Paragon (specifically APN 5100/3, 5101/7, and 5102/9) allows for high-density housing and retail development, which, according to Ms. Venegas, is much more valuable than the industrial zoning found at the other locations.

The PUC is also requesting approval of CEQA findings for the Sunnydale Sewer System Improvement Project (File 10-0607). Environmental review was completed by the Planning Department on April 8, 2010. The proposed resolution (File 10-0607) would approve the findings of that environmental review, and notify the Controller of the approval to allow the Controller to release the \$7,000,000 of funds on reserve, as discussed above.

FISCAL IMPACTS

The purchase of the proposed easements total \$2,633,665 which would be funded from the proceeds of Wastewater Revenue Bonds previously appropriated by the Board of Supervisors on August 18, 2009 (File 09-0546), to the PUC's Sunnydale Sewer System Improvement Project (SSSIP).

The debt service on such Wastewater Revenue Bonds is paid through wastewater rates⁵ charged to PUC's wastewater customers.

According to Ms. Claudine Venegas, Senior Real Property Officer at the Real Estate Division, the prices paid for each easement shown in Table 1 above represent the fair market value for each easement, as calculated by an independent appraisal⁶.

⁵ Wastewater rates through FY 2013-2014 were considered approved by the Board of Supervisors on June 5, 2009 because, pursuant to Proposition E approved by the voters on November 5, 2002, the rates were not rejected by the Board of Supervisors within 30 days of their submission to the Board.

⁶ The purchase price of all easements is equal to the fair market value as determined by an independent appraisal except for the proposed easement purchase at APN 5100/3, 7, 9 at a total cost of \$1,020,000, which is the sum of (a) \$345,000 for the fair market value of the easement according to an independent appraisal, and (b) \$675,000 to compensate the seller for the anticipated costs of foundation modifications necessary as a result of the SSSIP.

OTHER CONSIDERATIONS

The proposed easement purchases in the amount of \$2,633,665, exceed the cost anticipated at the time funds were appropriated for such easement purchases of \$1,500,000 by \$1,133,665.

According to Mr. Manfred Wong, PUC Project Manager for the SSSIP, the cost of the proposed easement acquisitions totaling \$2,633,665 is \$1,133,665 more than the \$1,500,000 cost which was estimated at the time the funds were appropriated for such easement purchases. Mr. Wong stated that this is because at the time of the \$1,500,000 estimate in August of 2009, (a) the PUC did not anticipate paying \$675,000 above fair market value for one underground easement in order to compensate the seller for modifications to the foundation of the seller's building which sits above the easement area (see Footnote 6 above), and (b) the PUC had underestimated the total acquisition costs by an additional \$458,665, resulting in total increased costs of \$1,133,665 (\$675,000 plus \$458,665),

The title of the proposed resolution (File 10-0688) does not include reference to one of the easements proposed for purchase

The title of File 10-0688 does not include reference to Assessor's Parcel Number (APN) 5104/1. However, the body of the proposed resolution (File 10-0688) includes the authorization to purchase the proposed easement on APN 5104/1. According to Ms. Venegas, the title of the proposed resolution (File 10-0688) should include reference to the proposed easement on APN 5104/1. Therefore the Budget and Legislative Analyst recommends amending the title of the proposed resolution (File 10-0688) to include reference to the purchase of a permanent subsurface easement at APN 5104/1.

The proposed resolution (File 10-0607) refers to a reserve which is not relevant to environmental review.

As discussed above, in the most recent appropriation to the SSSIP in File 10-0339 (Ordinance 95-10), the Board of Supervisors appropriated \$7,000,000 to the SSSIP (out of a total appropriation of \$348,064,054 to various PUC wastewater capital improvement projects) and placed the entire \$7,000,000 on a Controller's reserve pending the completion of the environmental review required by the California Environmental Quality Act.

However, the proposed resolution (File 10-0607) refers to \$119,800,000 which was placed on reserve by the Board of Supervisors in File 09-0546 (Ordinance 201-09). This reference, while technically correct, is not relevant to the proposed resolution because File 09-0546 placed funds on Controller's reserve pending sale of Wastewater Revenue Bonds, not completion of environmental review. Therefore, the Budget and Legislative Analyst recommends amending the proposed resolution (File 10-0607) as shown below.

Delete paragraph, beginning on page 3 line 14:

“WHEREAS, This Board of Supervisors adopted Ordinance No. 201-09, approving a supplemental appropriation of \$119,800,000, including funds for the Project, subject to Controller’s reserve; now, therefore, be it”

New paragraph, to begin on page 3, line 14 (changes underlined):

“WHEREAS, This Board of Supervisors adopted Ordinance No. 95-10, approving a supplemental appropriation of \$348,064,054, including funds for the Project, subject to Controller’s reserve; now, therefore, be it”

RECOMMENDATIONS

1. Amend the title of the proposed resolution (File 10-0688) to include reference to the purchase of a permanent subsurface easement at APN 5104/1, which was included in the body of the resolution but inadvertently excluded from the title of the proposed resolution.
2. Approve (a) the proposed resolution (File 10-0687), and (b) the proposed resolution (File 10-0688), as amended.
3. Amend the proposed resolution (File 10-0607) adopting findings under the California Environmental Quality Act (CEQA) to reference the appropriation ordinance which placed funds on reserve pending completion of environmental review, as shown below.

Delete paragraph, beginning on page 3 line 14:

“WHEREAS, This Board of Supervisors adopted Ordinance No. 201-09, approving a supplemental appropriation of \$119,800,000, including funds for the Project, subject to Controller’s reserve; now, therefore, be it”

New paragraph, to begin on page 3, line 14 (changes underlined):

“WHEREAS, This Board of Supervisors adopted Ordinance No. 95-10, approving a supplemental appropriation of \$348,064,054, including funds for the Project, subject to Controller’s reserve; now, therefore, be it”

4. Approve the proposed resolution (File 10-0607), as amended.

**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)**

| | |
|--|---|
| City Elective Officer Information <i>(Please print clearly.)</i> | |
| Name of City elective officer(s): SF Board of Supervisors | City elective office(s) held: Members, SF Board of Supervisors |
| Contractor Information <i>(Please print clearly.)</i> | |
| Name of contractor: Recology San Francisco, Recology Properties Inc | |
| <i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i> | |
| Michael J. Sangiacomo Roxanne L. Frye | |
| Contractor address: So California St., 24 th Fl., SF 94111 | |
| Date that contract was approved: | Amount of contract: \$174,001 |
| Describe the nature of the contract that was approved: Purchase and Sale Agreement | |
| Comments: | |

This contract was approved by (check applicable):

- the City elective officer(s) identified on this form (Mayor, Gavin Newsom)
- a board on which the City elective officer(s) serves San Francisco Board of Supervisors
Print Name of Board
- the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

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Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

Attachment to Form SFEC-126: Notification of Contract Approval

RECOLOGY PROPERTIES INC. ("Recology Properties")

AND

RECOLOGY SAN FRANCISCO ("Recology SF")

- (1) The Members of the Board of Directors for each of Recology Properties and Recology SF are: Michael J. Sangiacomo and Mark R. Lomele

- (2) The Chief Executive Officer, Chief Financial Officer and Chief Operating Officer for each of Recology Properties and Recology SF are:

| | |
|------------------------|-------------------------|
| Michael J. Sangiacomo: | Chief Executive Officer |
| George P. McGrath: | Chief Operating Officer |
| Mark R. Lomele: | Chief Financial Officer |

Initial Study
Planning Department Case No. 2009.0311E
Sunnydale Sewer System Improvement Project

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LIST OF ABBREVIATIONS AND ACRONYMS

| | |
|-----------------|--|
| ABAG | Association of Bay Area Governments |
| ADRP | Archaeological Data Recovery Plan |
| APE | Area of Potential Effects |
| ASC | Anthropological Studies Center |
| ATMP | Archaeological Testing and Monitoring Plan |
| BAAQMD | San Francisco Bay Area Air Quality Management District |
| BAOS | Bay Area 2005 Ozone Strategy |
| BART | Bay Area Rapid Transit |
| BCDC | San Francisco Bay Conservation and Development Commission |
| bgs | below ground surface |
| BMP | best management practice |
| BRT | Bus Rapid Transit |
| BSD | Bayshore Sanitary District |
| BWD | batch wastewater discharge |
| CAA | Clean Air Act |
| Caltrans | California Department of Transportation |
| CARB | California Air Resources Board |
| CCR | California Code of Regulations |
| CCSF | City and County of San Francisco |
| CEQA | California Environmental Quality Act |
| CH ₄ | methane |
| City | City and County of San Francisco |
| CO ₂ | carbon dioxide |
| CRHR | California Register of Historic Places |
| cy | cubic yards |
| dBA | A-weighted decibel |
| DPM | diesel particulate matter |
| DTSC | Department of Toxic Substances Control, California Environmental Protection Agency |

| | |
|-------------------|--|
| EIR | Environmental Impact Report |
| EMFAC | Emission Factors Model |
| EPBM | earth pressure balance machine |
| ERO | Environmental Review Officer |
| ESL | Environmental Screening Level |
| FARR | Final Archaeological Resources Report |
| FEMA | Federal Emergency Management Agency |
| GHG | greenhouse gas |
| GWP | global warming potential |
| IS/MND | Initial Study/Mitigated Negative Declaration |
| Leq | equivalent steady sound level that provides an equal amount of acoustical energy as the time-varying sound |
| Lmax | instantaneous maximum noise level measured during the measurement period of interest |
| LOS | level of service |
| LUST | leaking underground storage tank |
| MEA | Major Environmental Analysis Division, San Francisco Planning Department |
| MID | Municipal Improvement District |
| MLD | Most Likely Descendant |
| MND | mitigated negative declaration |
| MRZ | Mineral Resource Zone |
| N ₂ O | nitrous oxide |
| NAHC | Native American Heritage Commission |
| NHPA | National Historic Preservation Act |
| NO _x | nitrogen oxides |
| NPDES | National Pollutant Discharge Elimination System |
| NRHP | National Register of Historic Places |
| O ₃ | ozone |
| PM ₁₀ | particulate matter less than 10 micrometers in diameter |
| PM _{2.5} | particulate matter less than 2.5 micrometers in diameter ("fine" particles) |

| | |
|---------|--|
| PPV | peak particle velocity |
| PRG | preliminary remediation goal |
| RCRA | Resource Conservation and Recovery Act |
| ROG | reactive organic gas |
| ROW | right-of-way |
| RWQCB | San Francisco Bay Regional Water Quality Control Board |
| SEP | Southeast Water Pollution Control Plant |
| SFDPW | San Francisco Department of Public Works |
| SFPUC | San Francisco Public Utilities Commission |
| SOMA | South of Market Area |
| SRF | State Revolving Fund |
| STLC | California Soluble Threshold Limit Concentration |
| SWPPP | Storm Water Pollution Prevention Plan |
| SWRCB | State Water Resources Control Board |
| TCLP | toxicity characteristic leaching procedure |
| TPH | total petroleum hydrocarbons |
| T/S | transport/storage [structure] |
| TTLC | California total threshold limit concentration |
| UP | Union Pacific |
| UPC | Universal Paragon Corporation |
| URBEMIS | urban emissions model |
| US-101 | U.S. Highway 101 |
| USEPA | U.S. Environmental Protection Agency |
| VOC | volatile organic compound |
| WSA | William Self Associates |

GLOSSARY

5-year design storm—A storm event that has the probability of occurring once every 5 years, thus requiring installation of sewers large enough in diameter to collect and transport the expected runoff from such an event. In any given year, there is a 20 percent chance that a 5-year storm will occur.

Alluvium—Unconsolidated mixtures of gravel, sand, clay, and silt typically deposited by streams.

AM and PM peak hour—The morning (8:00 AM to 9:00 AM) and evening (5:00 to 6:00 PM) rush hour times when roadways are most congested.

Asbestos—A term used for several types of naturally occurring fibrous materials found in many parts of California, some of which have been found to be cancer-causing agents.

A-weighted decibel, dBA—Refers to a scale of noise measurement that approximates the range of sensitivity of the human ear to sounds of different frequencies. The human ear is not equally sensitive to all sound frequencies within the entire spectrum; thus, human response is factored into sound descriptions in a process called "A-weighting," expressed as "dBA." On this scale, the normal range of human hearing extends from about 0 dBA to about 140 dBA. A 10-dBA increase in the level of a continuous noise represents a perceived doubling of loudness.

Barkentine—A sailing vessel with three or more masts.

Capacity—Engineering term for describing volume or flow of structures. There are multiple uses of the term. This document uses the term "design capacity," which is the maximum capacity or flow rate to which a treatment facility or transmission system component is designed to operate, under a specified set of regulatory criteria, engineering standards, or other engineering assumptions.

Channel—A natural or artificial watercourse with a defined bed and banks to confine and convey continuously or periodically flowing water.

Cultural resource—A nonrenewable remain of human activity that is valued by or significantly representative of a culture, or that contains significant information about a culture. Cultural resources encompass archaeological, traditional, and built environmental resources, including landscapes or districts, sites, buildings, structures, objects, or cultural practices that are usually greater than 50 years of age and possess architectural, historic, scientific, or other technical value.

Cumulatively considerable—A California Environmental Quality Act (CEQA) term used to indicate whether or not a cumulative impact is significant.

Cut-and-Cover construction—Soil and pavement would be removed to install the pipeline along the planned alignment. Prior to the start of construction, the construction boundary and the location of all underground utilities would be identified. Soil would be removed to the required

depth, and the bottom of the trench would be compacted. A crushed rock layer would be placed at the base of the trench after the compaction process has been completed. After placement of the crushed rock layer, the new pipeline would be installed and the pipe segments connected, and the trench would be backfilled with imported sand or native soil. The backfill would be compacted, and the disturbed surface over the trench would be restored to the pre-construction condition.

Dewatering—Process of removing water from a pipeline for repair and maintenance or removing groundwater from a trench during construction.

Discharge—The flow of surface water in a stream or canal or the outflow of groundwater from a flowing artesian well, ditch, or spring. Also refers to the discharge of liquid effluent from a facility or to chemical emissions into the air through designated venting mechanisms.

Disturbance—Any event or series of events that disrupt ecosystem, community, or population structures and alter the physical environment.

Early Holocene period—11,600 – 7,700 years before present.

Easement—The right to use another's property for a particular purpose.

Ecosystem—A geographically identifiable area that encompasses unique physical and biological characteristics. It is the sum of the plant community, animal community, and environment in a particular region or habitat.

Enhancement—Measures that develop or improve the quality or quantity of existing conditions or resources beyond a condition or level that would have occurred without an action.

Exit Portal—A vertical shaft excavated to the depth of the sewer.

Floruit—Period or date at which a person/thing was active/working.

Flow—The volume of water passing a given point per unit of time.

Flow control structures—Underground concrete boxes connecting pipelines or other utilities.

Fugitive dust— Small airborne particles that are released to the atmosphere by some means other than through a stack or tailpipe (non-point source emissions).

Fugitive emissions—See Fugitive dust above. **Greenhouse gas**—A gas that contributes to the greenhouse effect by absorbing or trapping heat from the sun as it is reflected back into the atmosphere, much like what a greenhouse does. By capturing heat in this manner, greenhouse gases (GHGs) contribute to global climate change. Some examples of greenhouse gases are carbon dioxide (CO₂), methane (CH₄), ozone (O₃), nitrous oxide (N₂O), and water vapor (H₂O).

Groundwater recharge—Inflow to aquifers from precipitation, infiltration, through-flow, and/or other means that replaces groundwater lost through pumping or other forms of discharge. The process of water being added to the saturated zone or the volume of water added by this process.

Habitat—The specific area or environment in which a particular type of animal or plant lives.

Lead agency—The public agency that has the principal responsibility for carrying out or approving a project that may have a Potentially Significant effect upon the environment.

Level of service (LOS)—A road's LOS in the transportation analysis is defined as a qualitative description of a facility's performance based on average delay per vehicle, vehicle density, or volume-to-capacity ratios. The operational characteristics associated with each LOS category are defined by descriptions from the Transportation Research Board's *Highway Capacity Manual* (2000). LOS ranges from LOS A, which indicates free-flow or excellent conditions with short delays, to LOS F, which indicates congested or overloaded conditions with extremely long delays. 4

Lithology—The gross physical character of a rock or rock formation.

Lmax—The instantaneous maximum noise level measured during a measurement period of interest.

Midden—A mound or deposit containing shells, animal bones, and other refuse that indicates the site of a human settlement.

Middle Holocene period—5,500 – 2,200 years before present.

Missionized—Native Americans living within the Franciscan mission compound or one of its ancillary facilities.

Mitigation—Measure for: (1) Avoiding an impact altogether by not taking a certain action or parts of an action; (2) minimizing impacts by limiting the degree or magnitude of an action and its implementation; (3) rectifying an impact by repairing, rehabilitating, or restoring the affected environment; or (4) compensating for an impact by replacing or providing substitute resources or environments.

Ozone precursors—Ozone is not emitted directly but formed by the effect of the sun's energy on other chemicals, primarily volatile organic compounds (VOCs) and nitrogen oxides (NO_x). These chemicals are known as ozone precursors.

Paleosols—Buried, formerly relatively stable land surfaces.

Peak particle velocity (PPV)—To assess the potential for structural damage associated with vibration, the vibratory ground motion in the vicinity of the affected structure is measured in terms of peak particle velocity (PPV) in the vertical and horizontal directions (vector sum), typically in units of inches per second (in/sec).

Pipe-jacking construction—A trenchless pipe installation method that involves laying underground pipelines by assembling the pipes at the foot of an access shaft and pushing them through the ground.

Pleistocene era—The earlier epoch of the Quaternary period extending from the end of the Pliocene, about 2 million years ago, to the beginning of the Holocene, about 10,000 years ago.

Reverse-slip fault—A geological fault in which the upper side appears to have been pushed upward by compression.

Right-of-way—The area of land (usually a strip) acquired for and devoted to the provision of utilities.

Ruderal habitat—An artificial habitat associated with disturbance from construction, including disturbance from grading, excavating, dumping of dirt, and vehicle traffic. The plant species composition in ruderal habitat varies greatly, depending on microhabitat conditions and disturbance history where the area is not occupied by developed facilities or landscaping. Ruderal habitat is often dominated by an assortment of weedy, non-native annual and perennial herbs. Ruderal sites often have a considerable amount of bare ground.

Seiche—An oscillation of a body of water. Seiches occur most frequently in enclosed or semi-enclosed basins, such as lakes, bays, or harbors, and may be triggered by strong winds, changes in atmospheric pressure, earthquakes, tsunamis, or tides. A seiche of approximately 4 inches occurred during the 1906 earthquake, an event of magnitude 8.3 on the Richter scale.

Sensitive receptor—Noise-sensitive land uses and/or receptors including residences of all types, schools, hospitals, convalescent facilities, rest homes, hotels, motels, and places of worship as defined by the City and County of San Francisco. Sensitive uses from a noise perspective include places where there is a reasonable expectation that individuals could be sleeping, learning, worshipping, or recuperating.

Shipbreaking—A type of ship disposal involving the breaking up of ships for scrap recycling.

Spoil—Excess soil and rock from excavations.

Strike-slip fault—A geological fault in which one of the adjacent surfaces appears to have moved horizontally.

Subsidence—The lowering, settling or sinking of the land surface.

Surface water—All water that is naturally open to the atmosphere (i.e., rivers, lakes, reservoirs, ponds, streams, impoundments, seas, estuaries, etc.).

Suspended particulates (PM₁₀ and PM_{2.5})—Particulate matter is a class of air pollutants that consists of solid and liquid airborne particles in an extremely small size range. Particulate matter is measured in two size ranges: PM₁₀ for particles less than 10 micrometers in diameter, and PM_{2.5} for particles less than 2.5 microns in diameter. One micron is equal to 0.00003937 inches.

Sustainability—Sustainability or sustainable development can be identified as development that meets the needs of the present without compromising the ability of future generations to meet their needs.

Troposphere—The lowest level of the earth's atmosphere.

Volume-to-Capacity Ratio—A measure of road congestion. Volume refers to the level of traffic on a road, and capacity refers to the level of traffic a road can handle. The volume divided by the capacity equals the volume-to-capacity ratio. A volume-to-capacity ratio of 1.00 means the roadway segment has reached capacity.

Wetland—A zone periodically or continuously submerged or having high soil moisture, which has aquatic and/or riparian vegetation components and is maintained by water supplies significantly in excess of those otherwise available through local precipitation.

INITIAL STUDY
Planning Department Case No. 2009.0311E
Sunnydale Sewer System Improvement Project

A. PROJECT SETTING

Introduction

The San Francisco Public Utilities Commission (SFPUC) is proposing the Sunnydale Sewer System Improvement Project (Project). The proposed Project includes the construction of new and replacement sewer facilities in the Visitacion Valley/Sunnydale neighborhood to address conditions that have led to past flooding. The proposed Project would be constructed in two phases. Phase I would include construction of a sewer tunnel from the intersection of Sunnydale Avenue and Talbert Street to convey wastewater eastward to the Sunnydale Transport/Storage (T/S) structure, located adjacent to the San Francisco Bay near Harney Way and Alana Way. Phase II would include construction of sewer pipelines along Talbert Street between Visitacion Avenue and the former Union Pacific (UP) railroad right-of way (ROW), along Visitacion Avenue between Rutland Street and Talbert Street, and along the former UP railroad ROW between Schwerin Street and Talbert Street.

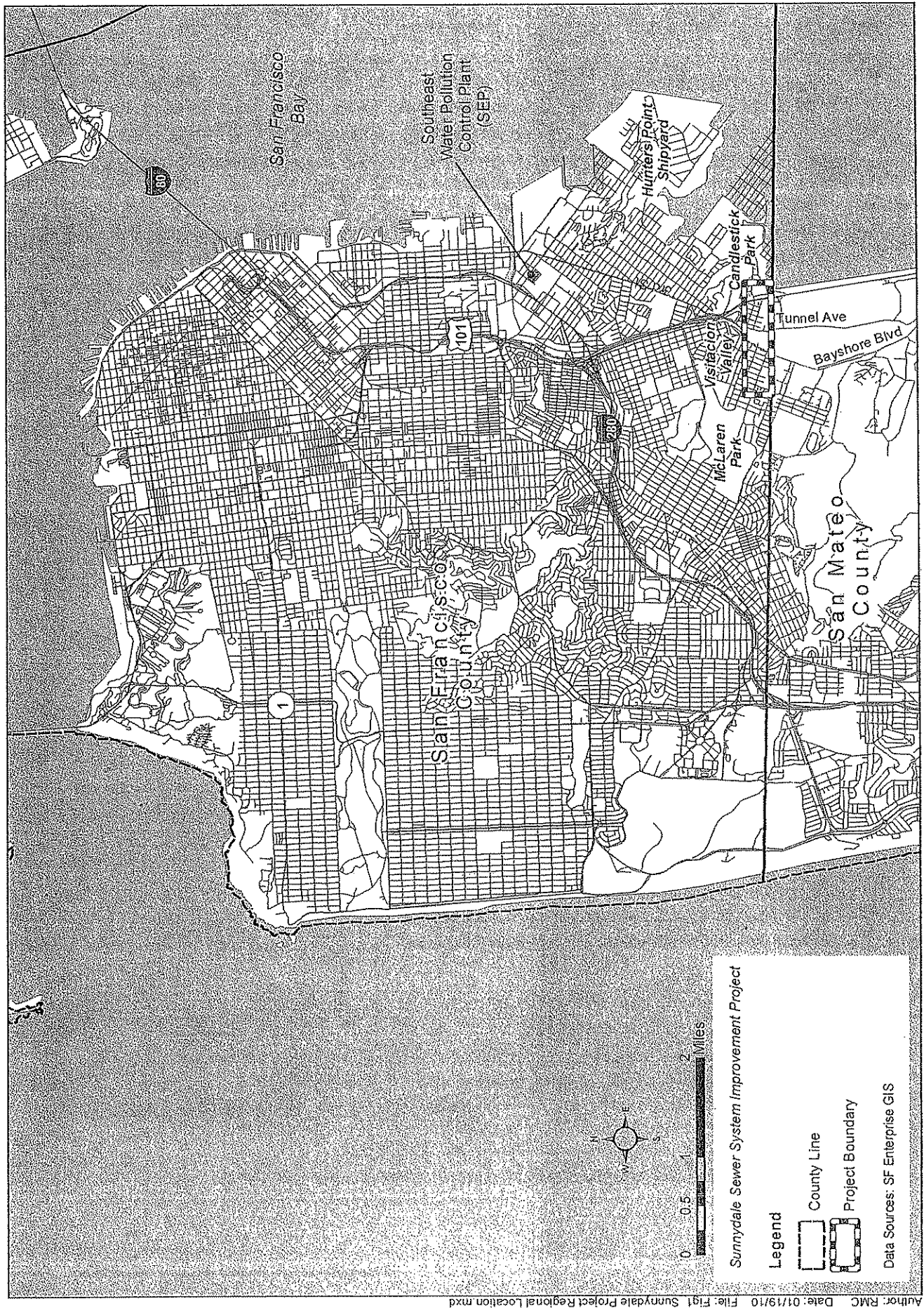
In Phase I of the proposed Project, all sewers constructed would be new, and there would be no replacement of existing sewers. Approximately 4,000 feet of pipeline would be constructed in Phase I. In Phase II, approximately 2,800 feet of pipeline would be constructed, including 1,600 feet of new pipeline and 1,200 feet of replacement pipeline. The Project is located primarily within the City and County of San Francisco (CCSF), except for approximately 200 linear feet of pipeline near the southern end of Talbert Street, which is within an existing sewer easement in Daly City in San Mateo County. The sewers would be constructed in the street ROW and in easements across private property. Construction methods include tunneling in Phase I and cut-and-cover construction in Phase II.

The total time to construct the proposed Project, including site preparation, is estimated at approximately 18 months: Phase I construction involving excavation activities would start around August 2010 and be completed by November 2011; Phase II would begin in late 2010 and be completed at about the same time as Phase I.

Background

The Sunnydale area of San Francisco is located in the Visitacion Valley in southeastern San Francisco, and includes the area generally south of Sunnydale Avenue and west of Bayshore Boulevard (Figure 1: Project Regional Location). The area has experienced recurrent flooding during heavy rain events. The Sunnydale Avenue sewer currently transports wastewater from an approximately 720-acre area; about 72 percent of the area is residential, 24 percent is open space (McLaren Park), and 4 percent consists of paved roadways and parking areas. Because the City's municipal wastewater system collects both dry weather flows (residential and industrial wastewater) and wet weather flows (rain water and infiltration), the volume of flow in the system

FIGURE 1 PROJECT REGIONAL LOCATION



Author: RMC Date: 01/19/10 File: Fig1 Sunnydale Project Regional Location.mxd

increases dramatically during wet weather conditions. The wastewater system was built mostly in the 1910s and requires capacity improvements to convey the increased surface flow resulting from residential and commercial development that has occurred in the area since the 1920s. The existing wastewater collection system in the Sunnysdale area has the capacity to convey only about 40 percent of the City's 5-year design storm flows,¹ resulting in periodic flooding.

In November 1994, San Francisco voters approved the \$146-million Sewerage Improvement Bond Program. The Sunnysdale Sewer System Improvement Project was the largest project in the program. Subsequently, in June 1998, San Francisco voters approved Proposition H, which prohibited rate increases for water and sewer services for 5 years. As a result, the \$146-million bond program was reduced to \$50 million. A Mitigated Negative Declaration (MND) was adopted for the Sunnysdale Sewer System Improvement Project in April 1999,² but the project was not constructed due to the reduction of the bond program funding. Proposition E was approved by voters on November 5, 2002, which allowed for rate increases and resulted in the reactivation of the Project. The design for Phase I of the Project was completed in June 2009. The design for Phase II of the Project is targeted for completion in June 2010. The 1999 MND and supporting Initial Study (IS/MND) prepared for the Project to comply with California Environmental Quality Act (CEQA) requirements have been used for the analyses conducted in this current IS/MND, which reflects current conditions and Project refinements.

Project Location and Setting

The Project area is located in southeastern San Francisco near the boundary of San Francisco and San Mateo counties (see Figure 1). The proposed location of the Phase I and Phase II Project areas is shown in **Figure 2: Proposed Project Location and Facilities**.

The Phase I Project area extends along Sunnysdale Avenue between Talbert Street and Bayshore Boulevard, continuing eastward below private land between Bayshore Boulevard and Harney Way. The area between Bayshore Boulevard and Talbert Street is primarily residential, with some commercial uses near the intersection of Bayshore Boulevard and Sunnysdale Avenue. East of Bayshore Boulevard, the Phase I Project area contains commercial and industrial land uses, including the Recology (formerly NorCal Waste Systems³) solid waste transfer facility and private commercial/industrial vacant land. The residential area around Little Hollywood Park and the Executive Park development lie to the north of the Phase I Project area; to the east is the San Francisco Bay; to the south are industrial land uses.⁴

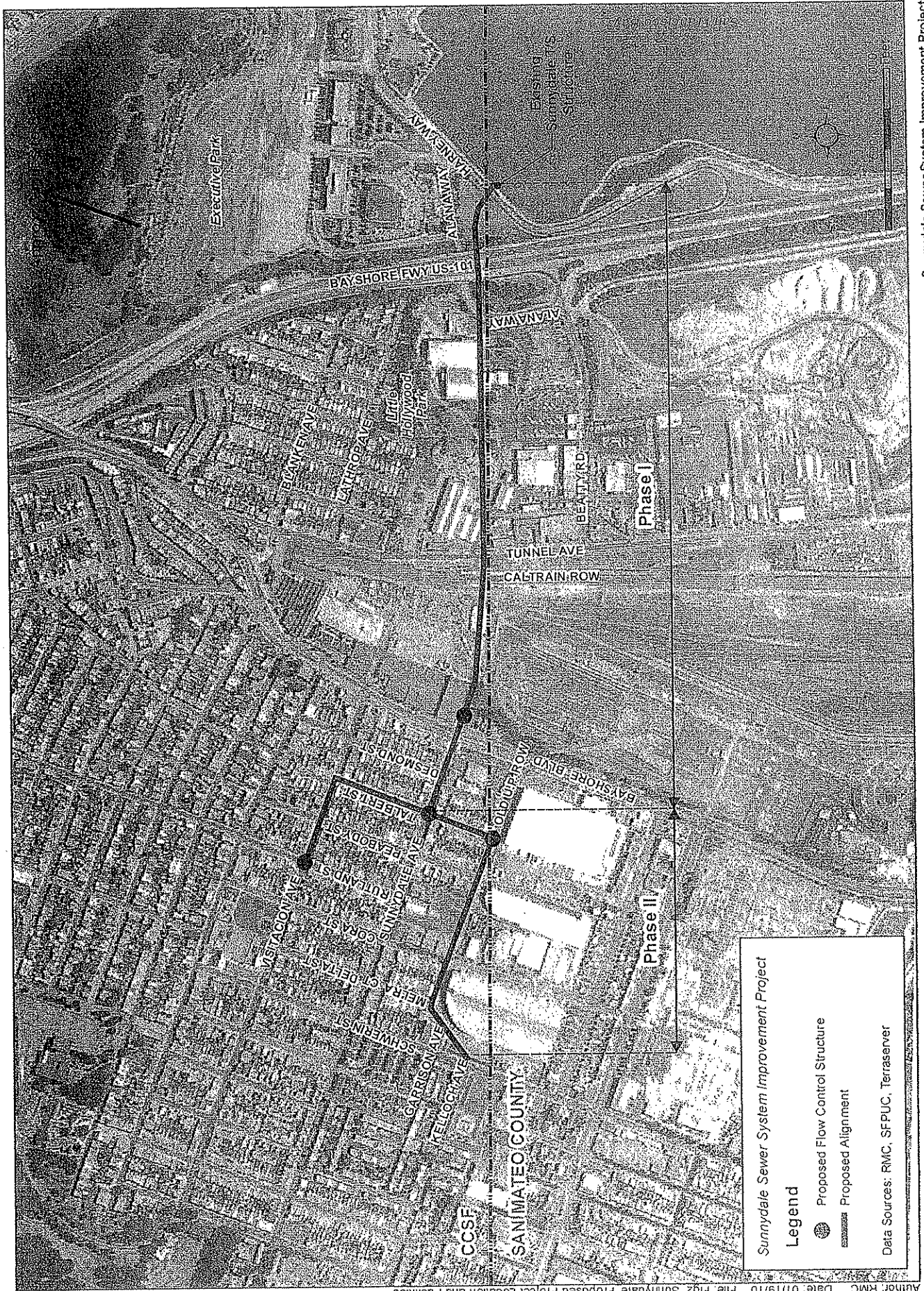
¹ A 5-year storm event is one that has the probability of occurring once every 5 years. In any given year, there is a 20 percent chance that a 5-year storm will occur.

² San Francisco Planning Department. 1999. *Sunnysdale Sewer Improvement Project Negative Declaration*. February 27. This document is on file and available for public review at the Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2009.0311E.

³ On April 27, 2009, Norcal Waste Systems, Inc. formally changed its name to Recology.

⁴ San Francisco Planning Department. 2004. Land use classification and residential information by parcel number.

FIGURE 2: PROPOSED PROJECT LOCATION AND FACILITIES



Author: RMC Date: 01/19/10 File: Fig2 Sunnydale Proposed Project Location and Facilities

The Phase II Project area is located immediately west of Phase I and includes: Talbert Street between Visitacion Avenue and the former UP railroad ROW; Visitacion Avenue between Rutland Street and Talbert Street; and the former UP railroad ROW between Schwerin Street and Talbert Street (see Figure 2).

West of Talbert Street, the Phase II Project area is primarily residential, with some institutional and mixed land uses. South of the former UP railroad ROW, land uses include industrial and mixed uses, and open space (parks).⁵ Approximately 200 feet of the proposed Phase II sewer would cross briefly into San Mateo County within an existing sewer easement at the southern end of Talbert Street. Existing land uses in the Project vicinity within San Mateo County are mainly commercial mixed-use and manufacturing.⁶

Existing Facilities

San Francisco has a combined sewer system that carries both sanitary sewage and storm water. Wastewater is collected through sewer lines connecting residential, industrial, and commercial properties to the sewer system. Storm water runoff is collected by a system of 23,000 catch basins located throughout the City. Close to 1,000 miles of combined sewer pipelines run under the streets of San Francisco. The combined flows are conveyed to three treatment facilities located in the City: the Oceanside Wastewater Treatment Plant located near the San Francisco Zoo in southwestern San Francisco, which treats wastewater and storm water collected on the west side of the City; the Southeast Water Pollution Control Plant (SEP)⁷ located in the Bayview-Hunters Point neighborhood, which treats wastewater and storm water collected on the east side of the City, including the Project area; and the North Point Wet Weather Facility located near lower Telegraph Hill in northeastern San Francisco, which operates only when heavy rains occur. On each dry weather day more than 80 million gallons of wastewater are collected and transported to the treatment plants where pollutants such as human waste, oil, and pesticides are removed before the treated water is discharged to the San Francisco Bay and the Pacific Ocean.

The existing sewer collection system in Visitacion Valley west of Bayshore Boulevard conveys both dry and wet weather flows and consists of 8-inch- to 12-inch-diameter pipes located under most streets. These sewers empty into a large 5.5-foot-diameter sewer pipeline located beneath Sunnydale Avenue. East of Bayshore Boulevard, the 5.5-foot-diameter sewer below Sunnydale Avenue connects to a 6.5-foot-diameter tunnel (built in the 1910s) that continues eastward to the existing Sunnydale T/S structure located near the shore of San Francisco Bay, parallel to Harney

⁵ Ibid.

⁶ City of Daly City. 2003. *Official City Map*. 2003. This document is on file and available for public review at the Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2009.0311E.

⁷ The SEP is located on the blocks bounded by Evans Avenue to the northeast, Phelps Street to the southeast, McKinnon Avenue to the southwest, and the Caltrain tracks to the west in the Bayview District. The SEP was constructed in 1952 and has been expanded several times since its original construction. It treats an average dry weather flow of approximately 67 million gallons per day and can treat up to 250 million gallons per day during wet weather. The SEP treats wastewater from the east side of San Francisco, which represents approximately 80 percent of the City's total wastewater flow. Treated wastewater is discharged through a 900-foot-long outfall pipe into San Francisco Bay near Pier 80.

Way. Wastewater from the Sunnydale T/S structure is subsequently conveyed via the Candlestick and Hunters Point tunnels to the SEP for treatment prior to discharge into San Francisco Bay.

In addition to conveying dry and wet weather flows from the Sunnydale area, the Sunnydale Avenue sewer also conveys dry weather flows from the Bayshore Sanitary District (BSD) and the Brisbane/Guadalupe Valley Municipal Improvement District (MID) in northern San Mateo County. The discharges from BSD and Brisbane/Guadalupe Valley MID connect to the existing sewer tunnel near the intersection of Bayshore Boulevard and Sunnydale Avenue and at Tunnel Avenue (adjacent to the Caltrain tracks), pursuant to agreements between the two districts and SFPUC.

East of Bayshore Boulevard, the City has several easements ranging from 10 feet to 25 feet wide and located between the eastern end of Sunnydale Avenue and the Sunnydale T/S structure. These easements traverse properties currently owned by Universal Paragon Corporation (UPC), Recology, the Peninsula Corridor Joint Powers Board and California Department of Transportation (Caltrans). The existing 6.5-foot-diameter Sunnydale sewer tunnel is located within these easements.

The existing sewers are located both under public roadways and in sewer easements. West of Bayshore Boulevard, the City has two 10-foot-wide easements. The first easement extends from near the corner of Kellogg Avenue and Schwerin Street to the southern end of Merla Court, then eastward to the San Mateo County border within the former UP railroad ROW. An existing irregular-shaped 3-foot- by 4.5-foot sewer occupies this section of the ROW. The second easement continues from the San Mateo County line along the former UP railroad ROW to the southern end of Talbert Street; this section is currently occupied by an irregular-shaped 3.5-foot- by 5.25-foot sewer. Other existing sewers west of Bayshore Boulevard are located under public roadways.

B. PROJECT DESCRIPTION

Project Purpose and Need

The proposed Project would involve the construction of new and replacement sewer facilities to alleviate local flooding in the Visitacion Valley/Sunnydale neighborhood in San Francisco. The current wastewater collection system has the capacity to convey only about 40 percent of the City's 5-year design storm flows, resulting in periodic flooding. Between 1987 and 2006, the City received 162 complaints of flooding in the Sunnydale area. The most serious issues were at the southern end of Talbert Street, near the San Francisco and San Mateo County boundary. The proposed Project is intended to address flooding issues in the low-lying areas from Visitacion Avenue southward to the San Mateo County line, and from Schwerin Street eastward to Bayshore Boulevard. The proposed Project has been designed to contain flows from a 5-year design storm.

Project Objectives

The primary objective of the proposed Project is to address potential flooding in the Visitacion Valley/Sunnydale neighborhood in San Francisco through the installation of new and replacement sewer facilities. Other Project objectives include:

- Design and construct a sewer system to contain flows from a 5-year design storm;
- Improve system capacity to address potential flooding;
- Serve as a dry weather (sanitary) flow bypass for future repair and rehabilitation work on the existing 6.5-foot sanitary sewer; and
- Improve the reliability of the combined sewer system.

Proposed Improvements

The proposed Project consists of construction of new and replacement sewer facilities in the Visitacion Valley/Sunnydale neighborhood. The sewers would be constructed in easements beneath private property east of Bayshore Boulevard and, primarily, in the street ROW and sewer easements west of Bayshore Boulevard. The Project would be constructed in two phases. In Phase I of the proposed Project, approximately 4,000 feet of new tunnel pipeline would be constructed. In Phase II, approximately 2,800 feet of pipeline would be constructed, including 1,600 feet of new pipeline and 1,200 feet of replacement pipeline. The new pipelines would operate primarily in wet weather conditions and supplement existing pipelines that would continue to be used for dry weather conveyance.

The existing 6.5-foot-diameter sewer tunnel that currently carries flow from the Sunnydale area to the Sunnydale T/S structure would continue to convey dry weather flows. During wet weather, excess combined storm/sanitary flows in the existing 6.5-foot-diameter sewer tunnel would overflow into the proposed new system improvements and convey these excess flows into the Sunnydale T/S structure. Use of the new tunnel would be limited to wet weather flow conditions. Dry weather flows from the BSD and the Brisbane/Guadalupe Valley MID in northern San Mateo County would continue to discharge into the existing sewer tunnel in accordance with agreements between these two districts and the SFPUC.

Table 1: Proposed Pipeline Improvements and Construction Methods outlines the major improvements associated with the proposed Project by segment (from east to west) and the proposed construction methods. **Figure 3: Proposed Project Construction Method** shows the alignments and proposed construction methods graphically. **Figure 4: Proposed Staging Areas and Shafts** shows the construction staging areas and shafts along the pipeline alignment. (The flow control structures are shown in Figure 2.) A discussion of the specific improvements in Phase I and Phase II is provided separately below.

TABLE 1 PROPOSED PIPELINE IMPROVEMENTS AND CONSTRUCTION METHODS

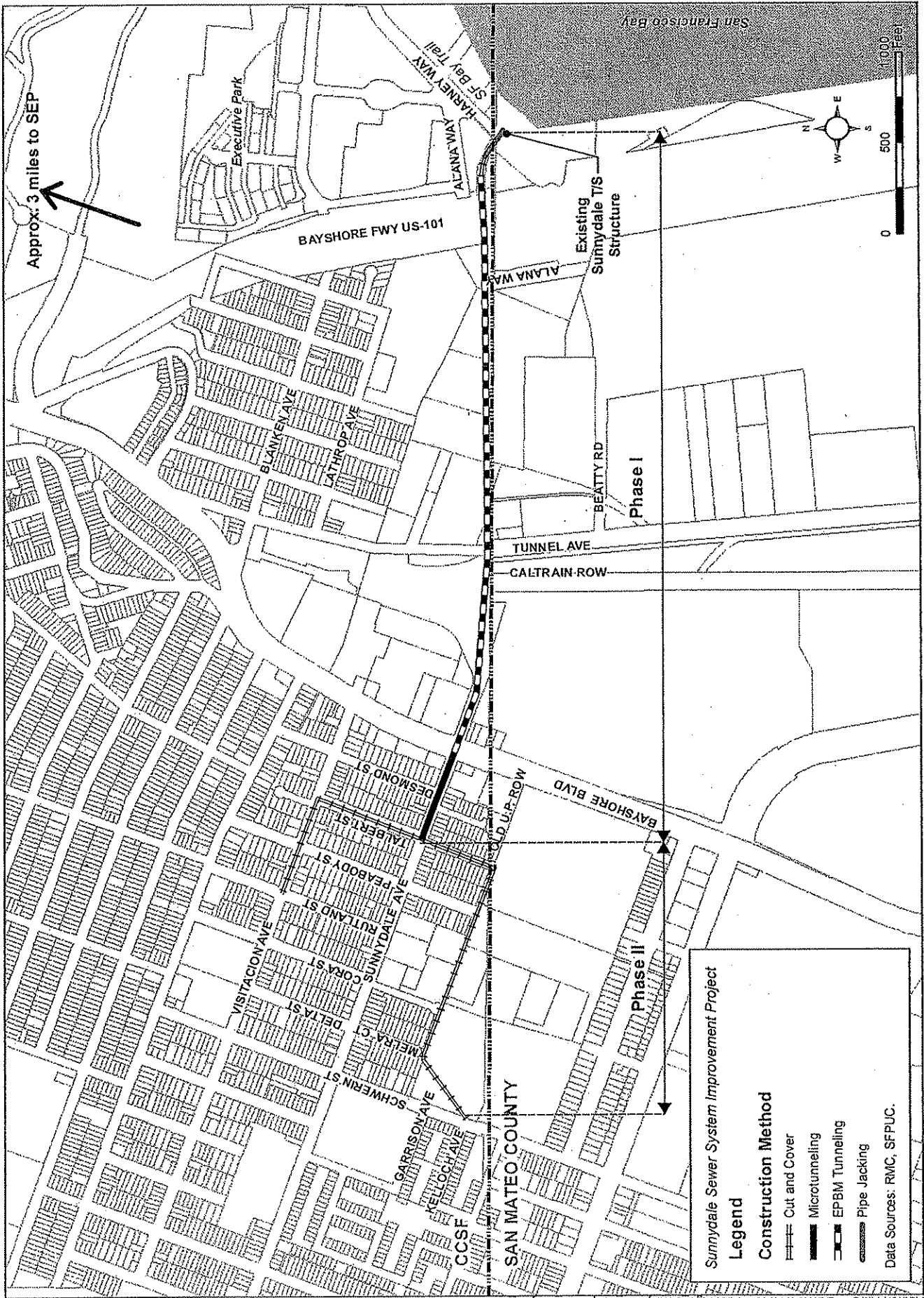
| Segment Name | Location | Proposed Improvements | Construction Method |
|------------------------|--|---|--|
| <i>PHASE I</i> | | | |
| Sunnydale T/S | Sunnydale T/S structure to east end of Harney shaft | 9.5-foot- to 11-foot-diameter sewer (approximately 75 feet of new pipeline) | Pipe Jacking |
| Harney Shaft | East end of Harney shaft to west end of Harney shaft | 9.5-foot-diameter sewer (approximately 180 feet of new pipeline) | Cut-and-Cover |
| Sunnydale | Below private and public land between Bayshore Boulevard to the west end of Harney shaft | 9.5-foot- to 11-foot-diameter sewer (approximately 3,070 feet of new pipeline) | Earth Pressure Balance Machine Tunneling |
| Sunnydale Avenue | Sunnydale Avenue between Talbert Street and Bayshore Boulevard | 8-foot-diameter sewer (approximately 650 feet of new pipeline); | Microtunneling |
| <i>PHASE II</i> | | | |
| Talbert North | Talbert Street between Visitacion Avenue and Sunnydale Avenue | 5-foot-diameter sewer (approximately 620 feet of new pipeline) | Cut-and-Cover |
| Talbert South | Talbert Street between the former UP railroad ROW and Sunnydale Avenue | 6.5-foot-diameter sewer (approximately 450 feet of new pipeline or equivalent infrastructure) | Cut-and-Cover |
| Visitacion Avenue | Visitacion Avenue between Rutland Street and Talbert Street | 5-foot-diameter sewer (approximately 560 feet of new pipeline) | Cut-and-Cover |
| Former UP Railroad ROW | Former UP railroad ROW between Schwerin Street and Talbert Street | 5-foot- to 6-foot-diameter sewer (approximately 1,150 feet of replacement pipeline) | Cut-and-Cover |

Phase I Project Area

Phase I would include construction of a new sewer tunnel in four segments (see Table 1 and Figure 3). The first segment would extend from the Sunnydale T/S structure adjacent to the San Francisco Bay to the eastern end of the Harney shaft (Sunnydale T/S segment). The second segment would extend from the eastern to western end of the Harney shaft underneath the existing unpaved parking/gravel area (Harney Shaft segment). The third segment would begin from the western end of the Harney shaft and extend to the eastern intersection of Sunnydale Avenue and Bayshore Boulevard (Sunnydale segment). The fourth segment would be constructed within the street ROW from the eastern intersection of Sunnydale Avenue and Bayshore Boulevard to the intersection of Sunnydale Avenue and Talbert Street (Sunnydale Avenue segment).

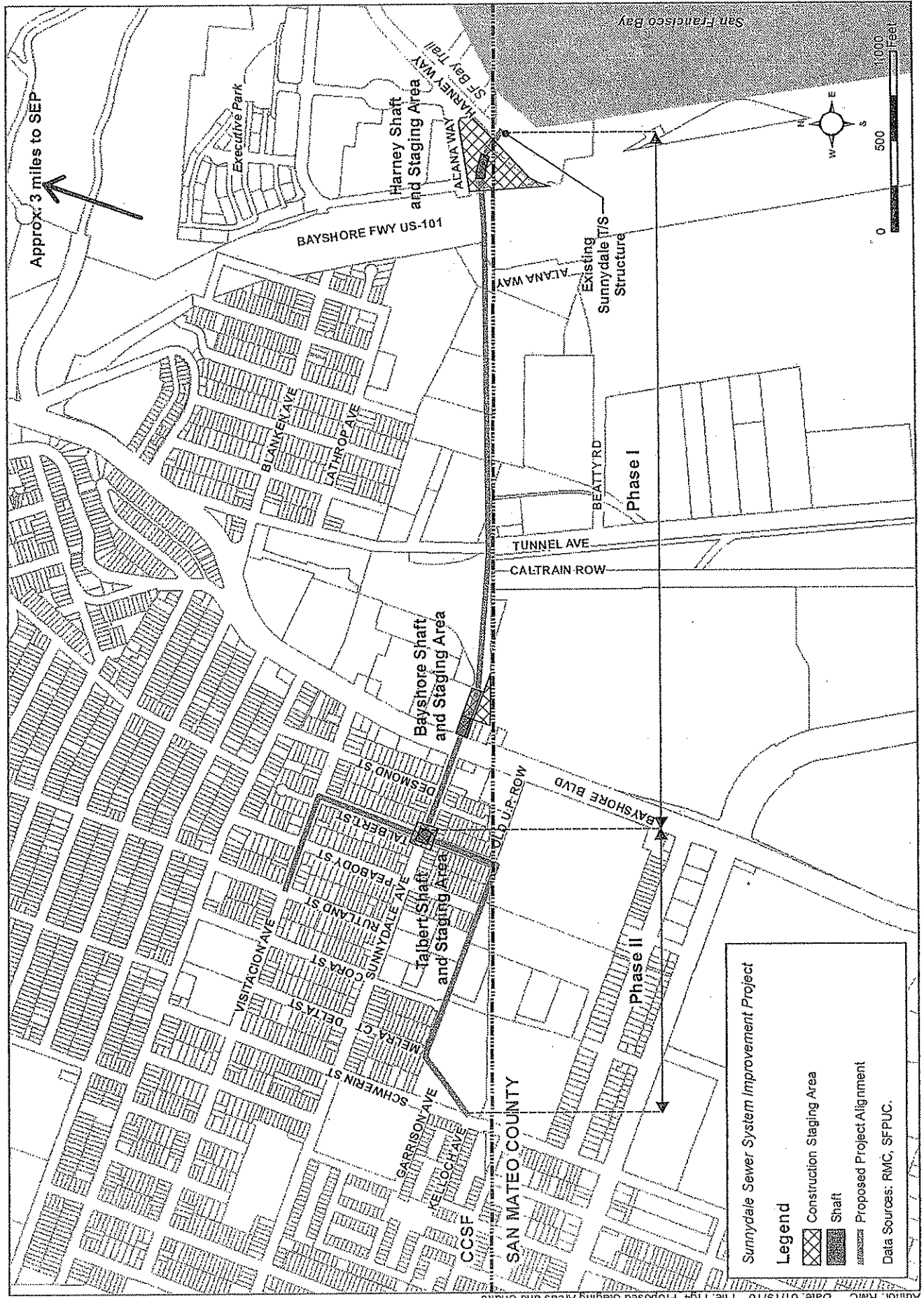
The inner diameter of the Sunnydale T/S segment would be between 9.5 feet and 11 feet, and this segment would be approximately 75 feet long. Actual diameter of the sewer would be determined by the Project construction contractor prior to construction, based on availability of tunnel boring equipment. The Sunnydale T/S segment would be constructed using a pipe-jacking method underneath Harney Way (see Construction Methods section below for further discussion of construction methods for each segment) to connect to the existing Sunnydale T/S structure.

FIGURE 3: PROPOSED PROJECT CONSTRUCTION METHOD



Author: RMC Date: 01/19/10 File: Fig3 Sunnydale Proposed Project Construction Method

FIGURE 4: PROPOSED STAGING AREAS AND SHAFTS



The Harney Shaft segment (located within the Harney shaft) would have an inner diameter of 9.5 feet and would be constructed via cut-and-cover construction. The Harney shaft would measure approximately 180 feet by 35 feet with a depth of 30 feet below ground surface (bgs).

The inner diameter of the Sunnydale segment would be between 9.5 feet and 11 feet, and this segment would be approximately 3,070 feet long. Actual diameter of the sewer would be determined by the Project construction contractor prior to construction, based on availability of tunnel boring equipment. The Sunnydale segment would be constructed using an earth pressure balance machine (EPBM). Electrical grid power would be used to operate the EPBM during the tunneling of this segment. The Sunnydale segment of the sewer alignment would be largely below property owned by UPC and Recology. This segment would also cross below U.S. Highway 101 (US-101) and the Caltrain ROW. Construction of the Sunnydale segment would include soil modifications to improve the ground and foundation underneath US-101. Soil modification would consist of jet grouting, a procedure that would partially replace and mix the soil mass with cement grout to add strength. The intent is to provide a more uniform ground and foundation material to aid in the tunnel excavation beneath US-101. The depth below ground surface would vary from a minimum of 25 feet to a maximum of 60 feet due to changes in surface topography. Construction of the Sunnydale segment would require the City to obtain easements along the new alignment. Future land use restrictions at the ground surface above the tunnel would prohibit pile driving directly above/into the tunnel. This restriction would be incorporated into the easement acquisition documents. The width of the easement would be the outside diameter of the tunnel (about 13 feet) plus 5 feet on each side.

The inner diameter of the Sunnydale Avenue segment would be 8 feet; this segment would be approximately 650 feet long. This segment would be constructed within the street ROW using microtunneling from the eastern intersection of Sunnydale Avenue and Bayshore Boulevard to the intersection of Sunnydale Avenue and Talbert Street. Two shafts would be excavated, one located near the intersection of Sunnydale Avenue and Bayshore Boulevard (Bayshore shaft), and the other at the intersection of Sunnydale Avenue and Talbert Street (Talbert shaft). The Bayshore shaft would be approximately 40 feet by 25 feet and excavated to 35 feet bgs. The Talbert shaft would be approximately 25 feet by 20 feet and excavated to 30 feet bgs. Construction of the Talbert shaft would require lane closures. However, local access would be maintained for residents and businesses along the Phase I alignment throughout Project construction.

Flow control structures joining existing and proposed sewers would be constructed within the Bayshore and Talbert shafts (see Figure 2). The flow control structures would allow (1) dry weather flows to continue eastward in the existing pipeline, and (2) wet weather flows to divert into the new tunnel under wet weather conditions. The proposed Bayshore flow control structure would measure approximately 8 feet by 12 feet with a maximum depth of 18 feet bgs. The proposed Talbert flow control structure would measure approximately 18 feet by 26 feet with a maximum depth of 18 feet bgs. In addition, to provide access, a removable cover and frame would be constructed at the proposed Bayshore flow control structure, and a new manhole would be constructed at the proposed Talbert flow control structure. The tops of the structures would be flush with the ground surface.

Following construction, the new tunnel would convey wet weather flows (diverted from the existing sewer pipeline) into the Sunnydale T/S structure. Use of the new tunnel would be limited to wet weather flow conditions. However, in the event that the existing 6.5-foot sanitary sewer east of Bayshore Boulevard required future repair and rehabilitation, the proposed sewer would be used as a temporary dry weather sanitary flow bypass. During normal operations the existing sewer would continue to convey dry weather flows to the Sunnydale T/S structure.

Phase II Project Area

Phase II of the proposed Project would include construction of 5-foot- to 6.5-foot-diameter sewer pipelines along the alignments as outlined in Table 1 and shown in Figure 3. The proposed sewer pipelines would extend along Talbert Street between Visitacion Avenue in the north and the former UP railroad ROW in the south. These segments would connect to new sewer pipelines along Visitacion Avenue between Rutland Street and Talbert Street, and replacement sewer pipelines along the former UP railroad ROW between Schwerin Street and Talbert Street. Pipelines installed west of Bayshore Boulevard would connect to existing sewers that drain the Visitacion Valley/Sunnydale neighborhood. The proposed sewer pipelines would cross into San Mateo County within an existing easement at the southern end of Talbert Street for a distance of approximately 200 linear feet.

As shown in Table 1, the new sewer pipeline along the Talbert North segment would be 5 feet in diameter and 620 feet long. The Talbert South segment would be 6.5 feet in diameter and 450 feet long; this segment would be either new pipeline or an equivalent replacement of the existing pipeline, pending final design. The Visitacion Avenue segment would be a new 560-foot-long pipeline that is 5 feet in diameter. The new sewer pipelines would only carry wet weather flows, and the existing sewer pipelines would remain in service to carry dry weather flows. The sewer pipeline along the former UP railroad ROW segment would range from 6 feet to 6.5 feet in diameter and extend approximately 1,150 feet. This segment would replace the existing cast-in-place concrete sewer and would carry both dry and wet weather flows.

Flow control structures consisting of modified standard manhole type structures would be constructed at the intersections of Visitacion Avenue and Rutland Street and Talbert Street and the former UP railroad ROW (dead-end access). The flow control structures would measure approximately 10 feet by 14 feet with a maximum depth of 18 feet bgs. The tops of the structures would be flush with the ground surface. The structures would contain a small weir for overflow of storm water into the newly constructed sewers. Construction of the flow control structure at Visitacion Avenue and Rutland Street may require temporary closure of the intersection, but access would be provided to local residents through methods such as traffic control/flaggers or a dedicated travel lane.

Construction Schedule and Activities

Construction Schedule

The Phase I construction period is expected to last approximately 18 months from June 2010 through November 2011. Phase II construction activities are expected to occur within the 18-month Phase I construction period, starting in late 2010. A breakdown of the proposed

construction schedule is shown in Table 2: Estimated Duration and Timing of Construction Activity.

TABLE 2 ESTIMATED DURATION AND TIMING OF CONSTRUCTION ACTIVITY

| Construction Activity | Estimated Duration and Timing |
|--|---|
| Site Preparation | June 2010 – July 2010 |
| Harney shaft construction and soil modifications beneath US-101 | August 2010 – November 2010 |
| Pipe jacking (Sunnydale T/S segment) and connection to the Sunnydale T/S structure | April 2011 – May 2011 |
| EPBM tunneling activities (Sunnydale segment) | December 2010 – July 2011 |
| Microtunneling activities (Sunnydale Avenue segment) | January 2011 – April 2011 |
| Talbert flow control structure construction | May 2011 – June 2011 |
| Talbert cross-connection | June 2011 (occurs during dry weather only) |
| Bayshore flow control structure construction and cross connection | August 2011 – October 2011 |
| Cut-and-cover activities (Harney Shaft segment) | September 2011 – October 2011 |
| Complete Phase I Project | November 2011 |
| Phase II construction | Begin in late 2010 – September 2011 (timing of the individual segments is not yet determined) |

Typical Project work hours would be Monday through Friday from 7:00 AM to 6:00 PM, but construction might take place during weekends if necessary. Nighttime construction is expected in the Phase I Project area during construction of the Sunnydale segment to accommodate the EPBM tunneling process; two 10-hour weekday shifts are anticipated from 6:00 AM to 4:00 PM and 4:00 PM to 2:00 AM (subject to contractor's shift scheduling). Nighttime construction is also proposed along the Sunnydale Avenue segment to accommodate the microtunneling process. Weekend work shifts are not identified but may occur during the course of construction. The Project construction contractor would be responsible for obtaining the necessary permits to conduct weekend and nighttime activities. Standard SFPUC practice requires advance notification to area residents and businesses prior to weekend and nighttime activities.

Construction Methods

As described above, different construction methods would be employed for the various segments. The proposed Project construction methods are discussed in more detail below.

Pipe-Jacking Construction

The Sunnydale T/S segment would be constructed using the pipe-jacking method to complete the tie-in (connection) to the existing Sunnydale T/S structure. Pipe jacking is a "trenchless" pipe installation method that involves laying underground pipelines by assembling the pipes at the foot of an access shaft and pushing them through the ground. A precast, reinforced concrete pipe 9.5 feet to 11 feet in diameter⁸ would be jacked from the Harney shaft to tie in to the existing

⁸ Actual diameter of the sewer would be determined by the construction contractor prior to construction, based on availability of tunnel boring equipment.

Sunnydale T/S structure. Hydraulic jacking equipment would be placed in the shaft, and the concrete pipe would be prepared for the jacking operation. The end of the pipe would be pushed up against the jacking frame, and the material would be removed by hand/mechanical means. The pipe would be pushed forward as material is removed. This process would be repeated until the pipe reaches the T/S structure. After break-in to the T/S structure, the pipe-jacking equipment would be removed via an 8-foot by 11-foot access cover located approximately 95 feet to the southwest of the break-in location.

Spoil (soil and rock) that is excavated during pipe jacking would be used on site for backfilling. A total of approximately 240 cubic yards (cy) of soil would be excavated and stored on site for backfill material, as shown in Table 3: Summary of Workers and Trucks per Day Required for Proposed Project. Spoil would be characterized to confirm that hazardous materials are not present before the spoil could be used as backfill. Any material that would not be reused as backfill would be stored temporarily at the construction staging area until characterized and then hauled away to a permitted disposal site.⁹ During these activities, there would be approximately six trucks per day (12 trips) to deliver equipment to and from the site, and one truck per day (two trips to and from the site) to deliver equipment for the tie-in connection to the Sunnydale T/S structure.

Earth Pressure Balance Machine Tunneling

The Sunnydale segment would be bored using an EPBM. The EPBM excavation mode would provide continuous support to the tunnel face by balancing the earth pressure against the forward pressure of the tunneling machine. The soil excavated by the cutting head is accumulated under pressure in the cutting head chamber and is then excavated by a rotating conveyor. As the tunnel is mined by the EPBM, the segmented concrete sewer liner is continuously constructed in rings within the tail shield of the machine. As the machine moves forward, the rings are grouted in place. The EPBM would be assembled and launched from the Harney shaft and would be recovered from the Bayshore shaft (see Figures 3 and 4).

A total of approximately 30,600 cy of spoil, including soil and rock, would be generated by the EPBM tunneling process. Spoil would be stored temporarily at the construction staging areas until characterized and transported to a permitted disposal site. On a daily basis, approximately 200 cy of spoil would be excavated during EPBM tunneling. There would be approximately 15 trucks per day (30 trips to and from the site) to deliver materials/equipment and transport spoil at the EPBM tunnel site.

⁹ SFPUC has obtained landfill pre-approval letters from various solid waste facilities, including Ox Mountain Landfill in Half Moon Bay, Altamont Landfill in Livermore, and Tri Cities Landfill in Fremont, to receive the waste, pending certain conditions are met. Waste Management. 2009. Letter to Kenneth Leung regarding Profile Sunnydale Auxiliary Sewer Project. April 29. Republic Services Inc. 2009. Letter to Kenneth Leung regarding acceptance of 40,000 tons of soil/rock from Sunnydale Auxiliary Sewer Project, San Francisco, CA. May 6, 2009. These documents are on file and available for public review at the Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2009.0311E.



Amy L. Brown
Director of Real Estate



May 21, 2010

File 100688

Through Edwin Lee, City Administrator

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

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2010 MAY 24 AM 11:43
BY *[Signature]*

Re: Resolution to approve a Purchase and Sales Agreement for various permanent subsurface easements from Recology Properties, Inc. and Recology San Francisco

Dear Board Members:

The San Francisco Public Utilities Commission (SFPUC) has developed the Sunnydale Sewer System Improvement Project, also known as Project No. CENMSMSC12362 (the "Project"). It includes the construction of new and replacement sewer facilities in the San Francisco Visitacion Valley-Sunnydale neighborhood to address conditions that have led to past flooding.

On behalf of the SFPUC, enclosed for your consideration is a Resolution authorizing the acquisition of the subsurface easement rights for the Project totaling \$174,001. An independent MAI appraisal was obtained by the City to determine the fair market value of the following property rights, which was approved by the Director of Property:

- (1) a permanent subsurface sewer easement over a portion of San Francisco APN 5104/1 comprising 5,955 s.f. at a purchase price of \$35,000,
- (2) a permanent subsurface sewer easement over a portion of San Francisco APN 5104/4 comprising 4,470 s.f. at a purchase price of \$22,000,
- (3) a permanent subsurface sewer easement over a portion of San Francisco APN 4991/7/8 comprising 15,437 s.f. at a purchase price of \$82,000,
- 4) a permanent subsurface sewer easement over a portion of San Francisco APN 4991/9 comprising 5,964 s.f. at a purchase price of \$35,000, and
- 5) a permanent subsurface sewer easement over a portion of San Francisco APN 4991/68 comprising 0.19 s.f. at a purchase price of \$1.

cvh:norcalbos

In addition to the Resolution, enclosed find a copy of the Purchase and Sale Agreement for the above-described subsurface easements, SFPUC Resolution No. 10-XXX approving the acquisition of all the property interests required for this Project, City Planning's letter dated May 13, 2010, stating that the proposed acquisition of both the temporary and permanent property rights for the Project is in conformity with the General Plan and the Final Mitigated Negative Declaration approved by City Planning on April 8, 2010. Also enclosed is form SFEC-126: Notification of Contract Approval.

We are advised funds are available in index code CWPX5CCPFCP1.

If you have any questions or require further information, please contact Claudine O. Venegas of my staff at 554-9872.

Very truly yours,



Amy L. Brown
Director of Property

cvh:norcalbos

Enclosures as stated

cc: Evan Gross, Deputy City Attorney
Manfred Wong, SFPUC

