

1 [Lease of Real Property]

2 ADOPTING FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY
3 ACT; AND AUTHORIZING THE PUBLIC UTILITIES COMMISSION TO ENTER INTO A
4 FORTY-YEAR LEASE WITH MISSION VALLEY ROCK COMPANY FOR MINING CERTAIN
5 REAL PROPERTY LOCATED IN ALAMEDA COUNTY, CALIFORNIA.

6 WHEREAS, The City and County of San Francisco owns certain real property under
7 the jurisdiction of the San Francisco Public Utilities Commission ("SFPUC") consisting of
8 approximately 242 acres in Alameda County, California, referred to as a portion of Parcel 65,
9 Alameda County Lands, in Sunol (the "Premises"); and,

10 WHEREAS, Mission Valley Rock Company, a California corporation ("Tenant"),
11 currently leases a 69-acre portion of the Premises for mining and the remainder of the
12 Premises for agricultural uses under existing leases with the SFPUC; and,

13 WHEREAS, Tenant has applied for and obtained a surface mining permit from
14 Alameda County ("SMP-32") to mine the Premises to a depth of 200 feet, and the preferred
15 mining plan adopted by the SFPUC incorporates Alameda County's conditions of approval for
16 SMP-32; and,

17 WHEREAS, The preferred mining plan was designed to maximize water storage and
18 revenue to the SFPUC, while minimizing the impact to the Sunol Temple and surrounding
19 lands; and,

20 WHEREAS, The SFPUC approved a forty (40) year mining lease for the Premises with
21 Tenant, a copy of which is on file with the Clerk of the Board in File No. 001698 (the "MVR
22 Lease"), based upon the significant addition to the SFPUC's water storage capacity resulting
23 from the proposed mining as well as the revenue benefits to San Francisco's retail water rate
24 payers; and,

25

Supervisor Becerril

PUBLIC UTILITIES COMMISSION
BOARD OF SUPERVISORS

1 WHEREAS, Pursuant to the MVR Lease, (i) Tenant shall use the Premises for the
2 operation and maintenance of a quarry, and incidental vineyard and orchard uses, all in
3 accordance with the SFPUC preferred mining plan and an approved landscape and recreation
4 plan, (ii) pay to the SFPUC an annual base rent of \$100,000 per year for the first twenty (20)
5 years of the term, (iii) pay to the SFPUC a percentage rent equal to 10.5% of the average
6 sales price per ton charged by Tenant for sand and gravel, with adjustments to the
7 percentage rate on the fifth (5th) anniversary of the commencement date and every five (5)
8 years thereafter, and (iv) perform all mitigation measures as set forth in SMP-32, other
9 approved plans and permits, and the Lease, in order to minimize the impact of its mining
10 activity on surrounding lands; and,

11 WHEREAS, The Board of Supervisors of Alameda County certified a final
12 Environmental Impact Report ("SMP-32 EIR") on December 8, 1994, Resolution R-94-461,
13 adopted findings and a statement of overriding considerations, and approved SMP-32, all in
14 accordance with California Public Resources Code Sections 21000 et. seq. ("CEQA") and
15 Title 14 of the California Code of Regulations Sections 15000 et seq. ("CEQA Guidelines");
16 and,

17 WHEREAS, On August 3, 2000, the San Francisco Planning Commission certified the
18 final EIR for the Alameda Watershed Management Plan ("Watershed Management Plan
19 EIR"), a program EIR for the comprehensive management of the Alameda Watershed lands
20 under the jurisdiction of the SFPUC, including but not limited to the proposed mining activities
21 on the Premises, as complete under CEQA; and,

22 WHEREAS, On September 26, 2000, the SFPUC adopted findings and a statement of
23 overriding considerations and approved the Alameda County Watershed Management Plan in
24 Resolution No. 00-0229, all in accordance with CEQA and the CEQA Guidelines, a copy of
25 which is on file with the Clerk of the Board in File No. 001698; and,

1 WHEREAS, On September 26, 2000, the SFPUC adopted findings and approved the
2 MVR Lease in Resolution No. 00-0230, all in accordance with CEQA and the CEQA
3 Guidelines, a copy of which is on file with the Clerk of the Board in File No. 001698; and,

4 WHEREAS, The City is the Lead Agency under CEQA for purposes of the Watershed
5 Management Plan EIR, and a responsible agency under CEQA for purposes of the SMP-32
6 EIR and the MVR Lease, and, in accordance with CEQA Guidelines (Title 14 of the California
7 Code of Regulations) Section 15096, the City adopted certain CEQA findings as set forth in
8 PUC Resolution Nos. 00-0229 and 00-0230, which findings are incorporated herein by this
9 reference as though fully set forth herein; and,

10 WHEREAS, The SMP-32 EIR, the Watershed Management Plan EIR, and the above
11 CEQA findings are available in the office of the SFPUC's Secretary for public review; now,
12 therefore, be it

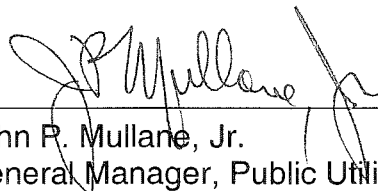
13 RESOLVED, That the Board hereby finds and declares (a) that it has reviewed and
14 relied upon the record before it, including but not limited to the SMP-32 EIR and the CEQA
15 findings set forth above, and, in its independent judgment, it concurs with and adopts said
16 findings and conclusions, and (b) that, it has reviewed and relied on the record before it,
17 including but not limited to the SMP-32 EIR, and pursuant to Public Resources Code § 21166
18 and CEQA Guidelines § 15162, and based on substantial evidence in light of the whole
19 record, for the actions set forth in this Resolution, there is no need to prepare a supplemental
20 or subsequent EIR because there have been no substantial project changes, no substantial
21 changes to project circumstances, and no new information of substantial importance, since
22 the certification of the SMP-32 EIR and/or the SFPUC adoption of Resolution Nos. 00-0229
23 and 00-0230 on September 26, 2000 that would alter the conclusions set forth therein; and be
24 it
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1 FURTHER RESOLVED, That the Board approves the MVR Lease, and authorizes the
2 General Manager of the PUC to execute and perform all of the City's obligations under the
3 MVR Lease in substantially the form presented to this Board, and to take all actions set forth
4 therein; and be it

5 FURTHER RESOLVED, That the Board authorizes the General Manager of the PUC
6 and other City officials to take any and all steps necessary and advisable to effectuate the
7 purpose and intent of this Resolution; and be it

8 FURTHER RESOLVED, That any and all acts previously performed by employees of
9 the City and County of San Francisco in furtherance of this Resolution are hereby ratified and
10 confirmed.

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12 Recommended:

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14 _____
15 John R. Mullane, Jr.
16 General Manager, Public Utilities Commission
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City and County of San Francisco

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

Tails

Resolution

File Number: 001698

Date Passed:

Resolution adopting findings pursuant to the California Environmental Quality Act; and authorizing the Public Utilities Commission to enter into a forty-year lease with Mission Valley Rock Company for mining certain real property located in Alameda County, California.

November 6, 2000 Board of Supervisors — SUBSTITUTED

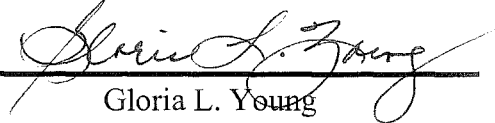
November 20, 2000 Board of Supervisors — ADOPTED

Ayes: 9 - Becerril, Bierman, Brown, Katz, Kaufman, Newsom, Teng, Yaki, Yee

Noes: 2 - Ammiano, Leno

File No. 001698

I hereby certify that the foregoing Resolution was ADOPTED on November 20, 2000 by the Board of Supervisors of the City and County of San Francisco.



Gloria L. Young
Clerk of the Board

NOV 23 2000

Date Approved



Mayor Willie L. Brown Jr.