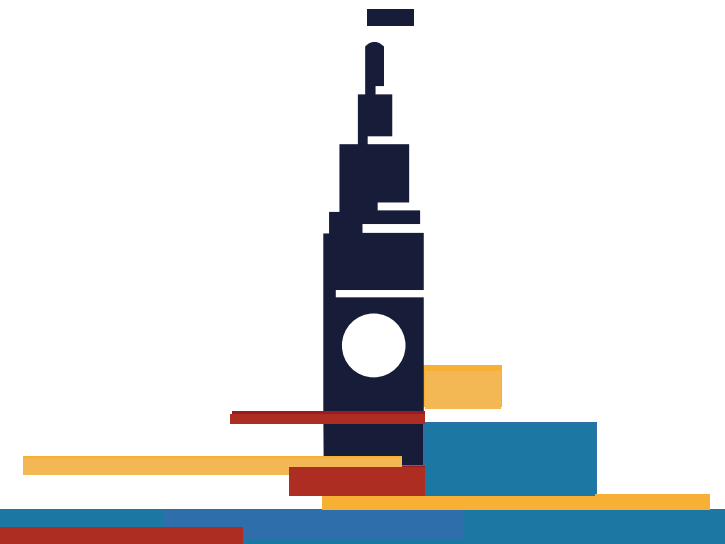


# Potrero Power Plant - Pier 70 Shoreline and Sediment Cost Reimbursement Agreement with PG&E

**Item 7** - Requesting Approval of Cost Reimbursement Agreement between the Port and Pacific Gas and Electric Company for Management of Residual Petroleum Hydrocarbons on Port Property within the shoreline and submerged land near the former Potrero Power Plant Site and Pier 70 in San Francisco

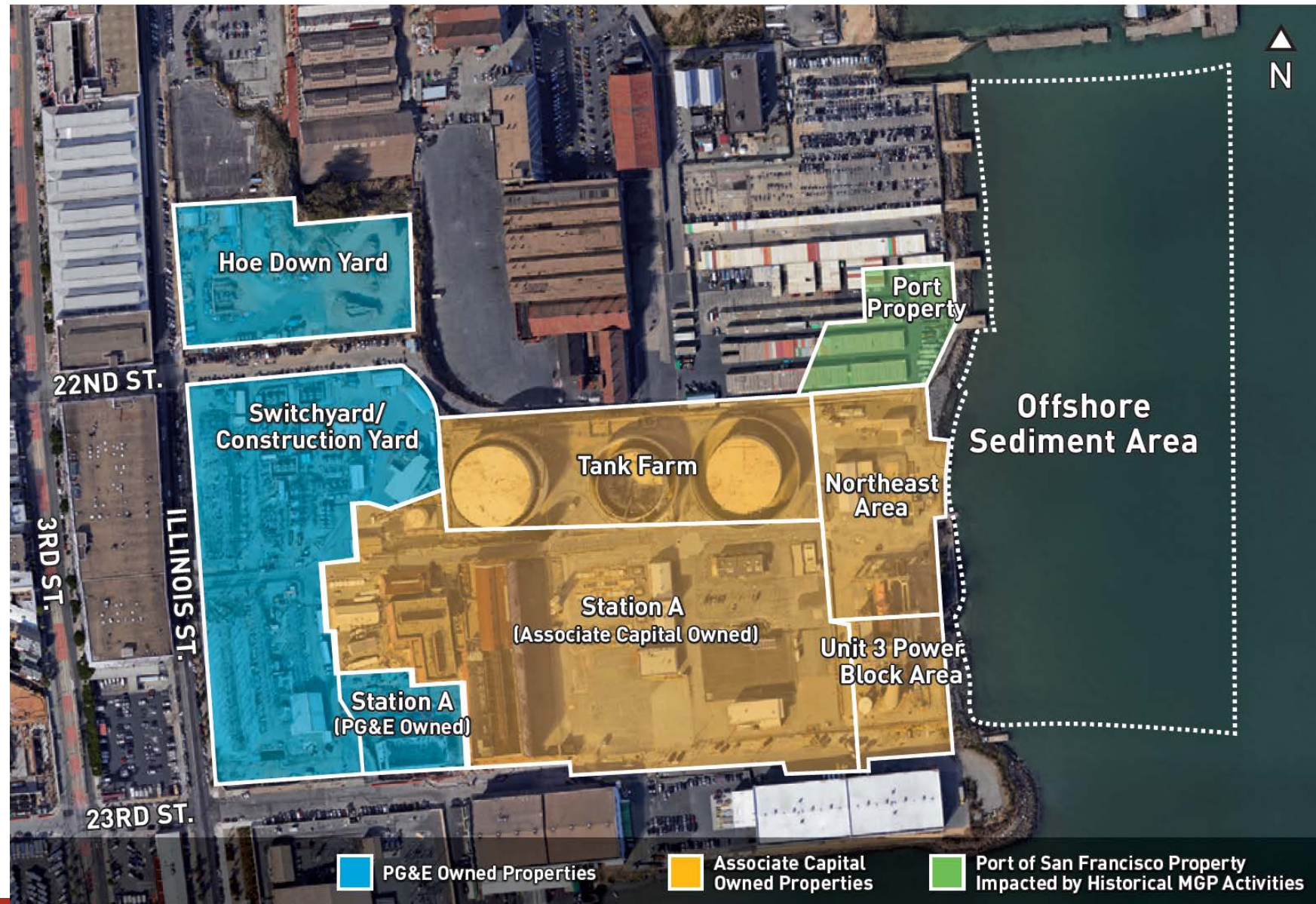
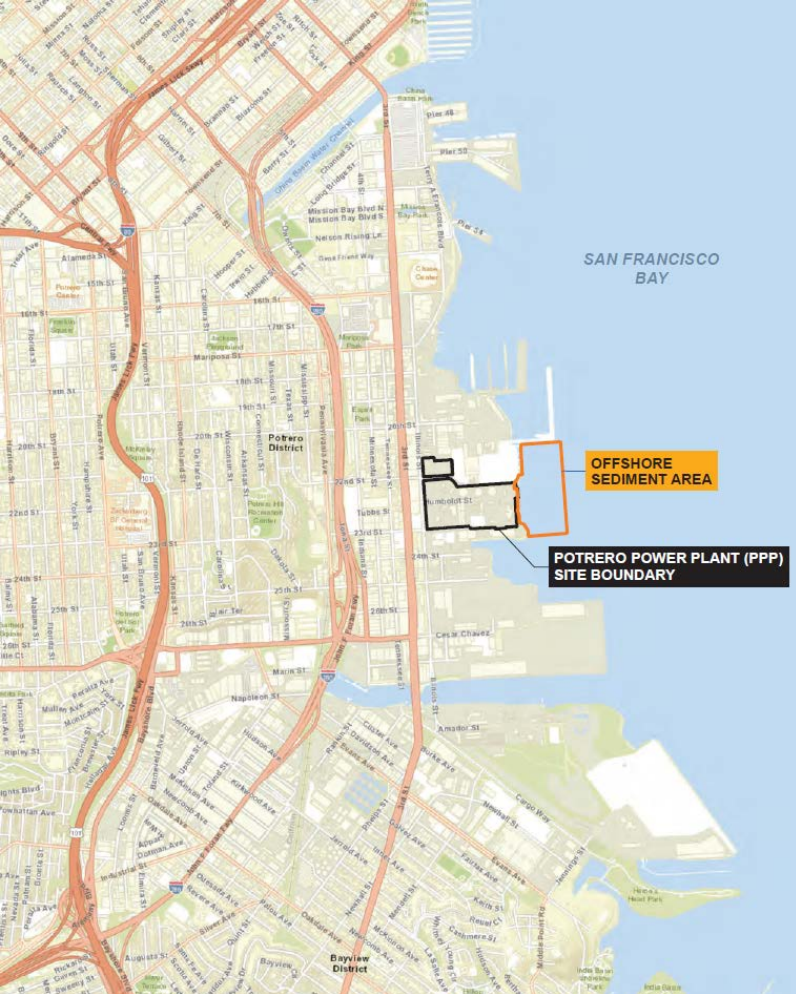
**March 16, 2022**

Presented By: Carol Bach, Environmental Affairs Manager



# Potrero Power Plant Site

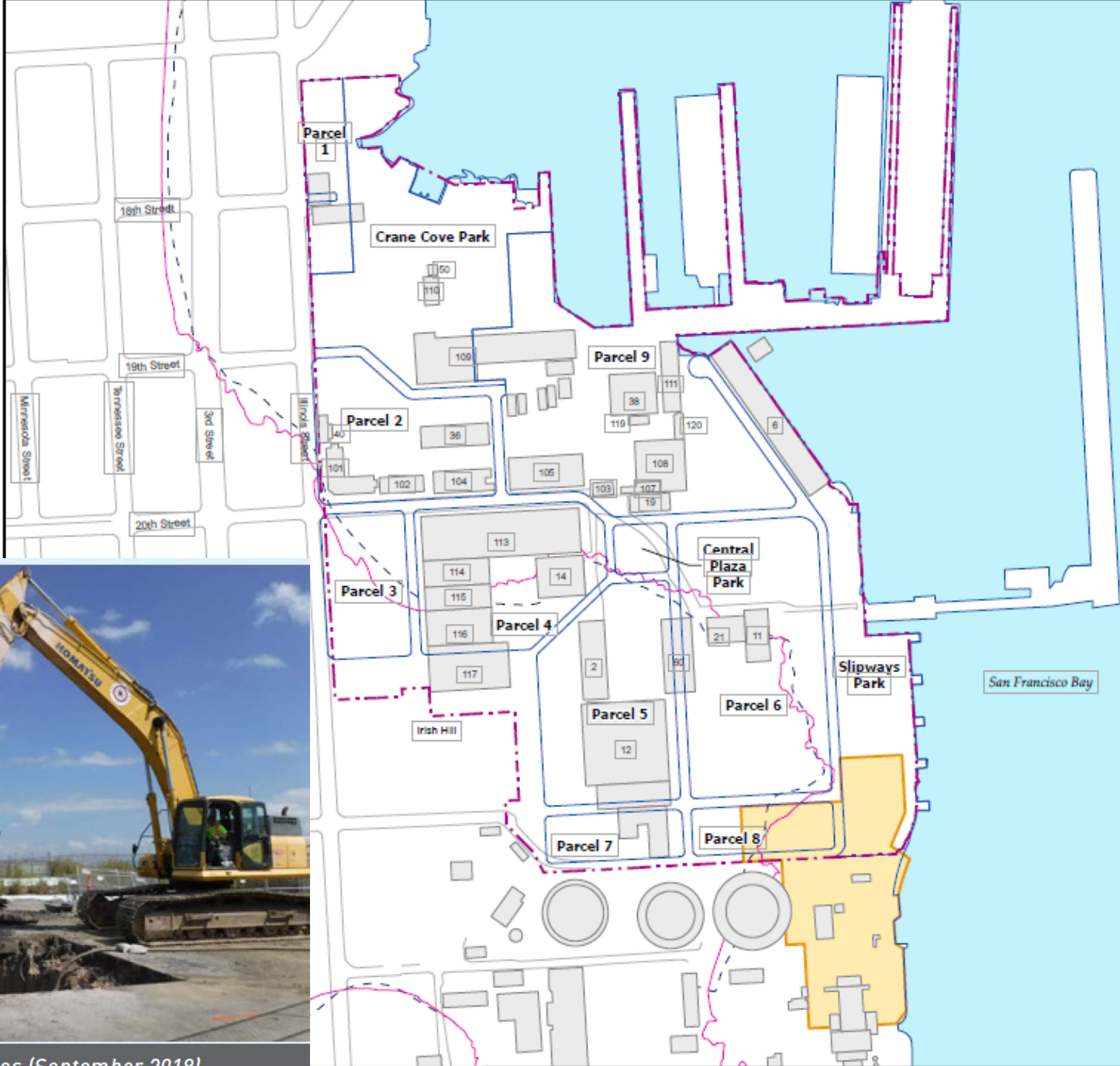
## Privately owned property adjacent to Port's Pier 70 Area





Historic MGP Operations contaminated soil throughout the Potrero Site and the southeast portion of Pier 70.

Contamination in Pier 70 was excavated and removed in 2019. No significant residual remains.



Pier 70 excavation activities (September 2018)

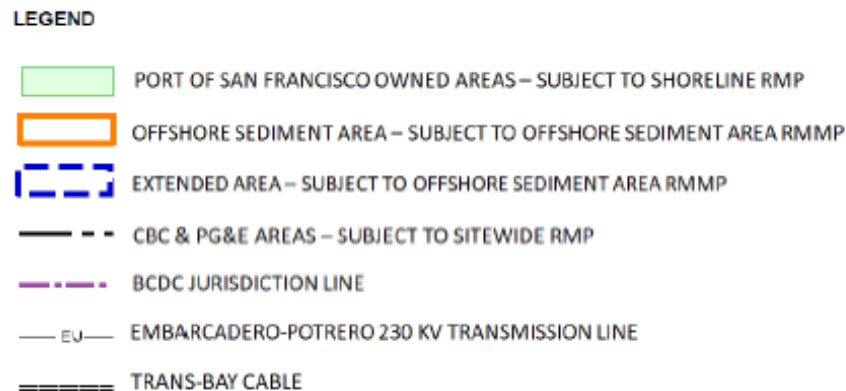
# Potrero Power Plant Site

- Remediated in phases 2016-2020
- Sediment remediated by dredging to remove, treatment in place to sequester, and capping to prevent disturbance.
- Remediation removed or sequestered PAH, eliminated risk of exposure or migration.
- Shoreline soil treated to sequester PAH, capped to prevent exposure or migration.



# Shoreline and Sediment Remediation

- Residual contamination remains beneath portions of the shoreline and offshore sediment.
- Shoreline and sediment are subject to land use restrictions and risk management measures.



REFERENCE: HALEY & ALDRICH, 2019



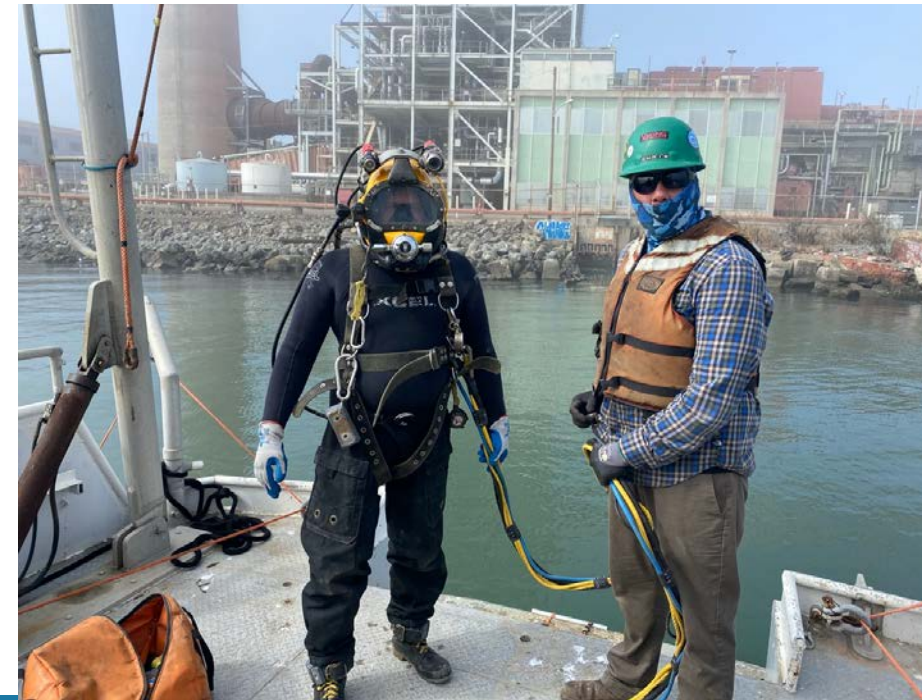
# Risk Management Measures may result in Increased Costs

To Port, tenants, development partners, their agents, or other authorized user of Port property:

- Increased disposal if excavated soil is contaminated
- More extensive worker health & safety protective measures
- Mitigate sediment disturbance during in-water construction
- Notice, reporting, other administrative or professional services

## Cost Reimbursement Agreement

- Process for PG&E to reimburse increased costs attributable to the presence of residual contamination.
- Ensures PG&E's financial responsibility for effectiveness of the remedy and long-term management measures specified by risk management plans.



# Cost Reimbursement Agreement - Key Terms

<b>Parties</b>	Process for Port or its tenants, licensees, development partners, their agents or contractors, or other authorized user of Port property
<b>Term</b>	\$5 Million reimbursement amount and 20-year term, to be extended or renegotiated when either is reached.
<b>Reimbursable Costs</b>	Increased costs and expenses related to implementation of risk management measures and other costs that would not be incurred in absence of residual contamination on Port property
<b>Pre-Authorization</b>	Requires Port or other party to propose work and related costs to PG&E except for emergency work. Protection of SF Bay environment and cost-effectiveness will be considered in determining reasonable increased cost.
<b>Disputes</b>	Will be resolved by jointly designated mediator, mediation costs split equally between the Port or party and PG&E.
<b>No Release</b>	The Agreement does not release PG&E from any claims or liability or preclude the Port from seeking judicial remedies with respect to residual contaminants on Port property