

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 18-0170

**ADOPTION OF THE FINAL MITIGATED NEGATIVE DECLARATION FOR THE PG&E LINE 101 IN-LINE INSPECTION UPGRADE AND LOMITA PARK REGULATOR STATION REBUILD; ADOPTION OF THE MITIGATION MONITORING AND REPORTING PROGRAM AND IMPROVEMENT MEASURES; AND APPROVAL OF A PIPELINE EASEMENT & QUITCLAIM OF EXISTING EASEMENT WITH PG&E ON THE WEST-OF-BAYSHORE**

- WHEREAS, the Pacific Gas & Electric Company (“PG&E”) Line 101 Upgrade phase of the PG&E Line 101 In-Line Inspection (“ILI”) Upgrade and Lomita Park Regulator Station Rebuild involves the expansion and rebuild of the existing station, the replacement of existing regulator, monitors, and associated piping, installation of an ILI tool at the Station, and the installation of approximately 3,200 linear feet of 24-inch in diameter steel fusion bonded, epoxy-covered pipe and retiring of approximately 3,700 linear feet of existing 20-inch diameter pipe; and
- WHEREAS, the San Francisco Planning Department, Environmental Planning Division (the “Planning Department”) issued a Final Mitigated Negative Declaration (“FMND”) (File No. 2013.0522), dated July 23, 2014, for the PG&E Line 101 ILI Upgrade and Lomita Park Regulator Station Rebuild, of which the Line 101 Upgrade is the second phase, in accordance with the California Environmental Quality Act (California Public Resources Code Section 21000 *et seq.*) (“CEQA”), the State CEQA Guidelines (15 Cal. Code Regs. Section 15000 *et seq.*) and Chapter 31 of the San Francisco Administrative Code, to evaluate the impact of the project; and
- WHEREAS, in issuing the FMND, on file at the Planning Department, 1650 Mission Street, Fourth Floor, San Francisco, California, the Planning Department determined that the project could not have a significant effect on the environment, and the Commission desires now to adopt as its own the CEQA findings made by the Planning Department in the FMND; and
- WHEREAS, the upgrades are necessary to conduct inspections in accordance with a U.S. Department of Transportation mandate concerning pipeline integrity located on the Airport’s West-of-Bayshore property; and
- WHEREAS, PG&E is not proceeding with, nor is the Commission authorizing by this action or otherwise, implementation of upland habitat mitigation on San Francisco’s West-of-Bayshore property, one of the potential options for mitigating impacts to biological resources under Mitigation Measure M-BI-1: Compensatory Upland Habitat Mitigation, and PG&E will coordinate with the U.S. Fish & Wildlife Service to provide the required compensatory upland habitat mitigation at another location as allowed under Mitigation Measure M-BI-1; and

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 18-0170**

- WHEREAS, to accommodate the pipeline replacement work, Staff has negotiated an Easement Agreement & Quitclaim of Existing Easement (“Easement Agreement”) with PG&E to be executed and recorded following completion of the pipeline replacement work based on final as-built drawings, under which agreement PG&E will relinquish its rights to an existing pipeline easement and the City will convey a new pipeline easement with a new total easement area commensurate with the old total easement area; now, therefore, be it
- RESOLVED, the Commission has reviewed and considered the information in the FMND, and based upon the record as a whole, the Commission finds that the FMND reflects the independent judgment and analysis of the Planning Department and the Commission, is adequate and complete for purposes of acting on the Easement Agreement for the Line 101 Upgrade phase, and that there is no substantial evidence that the Line 101 Upgrade phase, given the mitigation measures as stated in the FMND applicable to the Line 101 Upgrade phase, could have a significant effect on the environment; and, be it further
- RESOLVED, that the Commission further finds that, since the FMND was finalized, there has been no substantial changes to the Line 101 Upgrade phase and no substantial changes in circumstances that would require major revisions to the FMND due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and that there is no new information of substantial importance that would change the conclusions set forth in the FMND; and, be it further
- RESOLVED, that this Commission hereby adopts the FMND and adopts as its own the CEQA findings made therein by the Planning Department; and, be it further
- RESOLVED, that this Commission has reviewed and considered, and hereby adopts the Mitigation Monitoring and Reporting Program (“MMRP”) prepared for the PG&E Line 101 ILI Upgrade and Lomita Park Regulator Station Rebuild to the extent applicable to the Line 101 Upgrade phase and Improvement Measures I-TR-1 (Best Management Practices for Work Zone Buffers) and I-HZ-3 (Notify and Consult with Affected Schools) described in the FMND and MMRP, to be implemented in connection with the Line 101 Upgrade phase; and, be it further
- RESOLVED, that this Commission hereby approves the Easement Agreement with Pacific Gas & Electric Company in substantially the form of the Easement Agreement presented to the Commission and authorizes the Airport Director to execute and record the Easement Agreement; and, be it further
- RESOLVED, that the Commission authorizes the Airport Director to enter into any modifications to the Easement Agreement that the Airport Director determines, in consultation with the City Attorney and City’s Director of Property, are in the best interest of the City, do not otherwise materially increase the obligations or liabilities of the City, are necessary or

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 18-0170

advisable to effectuate the purposes of the Easement Agreement and this resolution and are in compliance with all applicable laws, including the City's Charter; and, be it further

RESOLVED, that the Airport Director and City's Director of Property are hereby authorized and urged, in the name and on behalf of the City and County, to accept the quitclaim of the Original Pipeline Easement (as defined in the Easement Agreement), in accordance with the terms and conditions of the Easement Agreement, and to take any and all steps (including, but not limited to, the execution, delivery, and recording of any and all certificates, agreements, notices, consents, escrow instructions, closing documents, and other instruments or documents) as the Director of Property and the Airport Director deem necessary or appropriate in order to consummate the quitclaim of the Original Pipeline Easement and conveyance of the Modified Pipeline Easement pursuant to the Easement Agreement, or to otherwise effectuate the purpose and intent of this Resolution; and, be it further

RESOLVED, that the Commission Secretary is hereby directed to request approval of the Easement Agreement by Resolution of the Board of Supervisors pursuant to Section 9.118 of the Charter of the City and County of San Francisco.

Page 3 of 3

*I hereby certify that the foregoing resolution was adopted by the Airport Commission*

*at its meeting of* \_\_\_\_\_

*JUN 05 2018*

*Jean Caronatti*  
Secretary



**MEMORANDUM**

June 5, 2018

TO: AIRPORT COMMISSION  
 Hon. Larry Mazzola, President  
 Hon. Linda S. Crayton, Vice President  
 Hon. Eleanor Johns  
 Hon. Richard J. Guggenlime  
 Hon. Peter A. Stern

FROM: Airport Director

SUBJECT: Adoption of the Final Mitigated Negative Declaration for the PG&E Line 101 In-Line Inspection Upgrade and Lomita Park Regulator Station Rebuild; Adoption of the Mitigation Monitoring and Reporting Program and Improvement Measures; and Approval of a Pipeline Easement & Quitclaim of Existing Easement with PG&E on the West-of-Bayshore

DIRECTOR'S RECOMMENDATION: ADOPT THE FINAL MITIGATED NEGATIVE DECLARATION FOR THE PG&E LINE 101 IN-LINE INSPECTION UPGRADE AND LOMITA PARK REGULATOR STATION REBUILD; ADOPT THE MITIGATION MONITORING AND REPORTING PROGRAM AND IMPROVEMENT MEASURES; AND APPROVE A PIPELINE EASEMENT & QUITCLAIM OF EXISTING EASEMENT WITH PG&E ON THE WEST-OF-BAYSHORE.

**Executive Summary**

The attached Resolution approves (1) the environmental requirements, and (2) an easement to PG&E to replace and relocate a gas pipeline on Airport property. Previously in 2015, PG&E rebuilt a regulator station connected to this pipeline system.

**Background**

PG&E proposed to the Airport, in early 2014, to replace a portion of the 20-inch natural gas line and rebuild the Lomita Park Regulator Station (the "Station") located in the City's West-of-Bayshore property to accommodate an in-line inspection tool and the pipeline replacement. The project, as proposed, was in two components:

- i. Lomita Park Regulator Station Rebuild. This first component expanded and rebuilt the existing station, from approximately 4,810 square feet to approximately 8,300 square feet. PG&E also replaced existing regulator, monitors and associated piping, and installed an in-line inspection tool at the Station. PG&E completed this first component of the work on May 31, 2015.

THIS PRINT COVERS CALENDAR ITEM NO. 13

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

MARK FARRELL MAYOR    LARRY MAZZOLA PRESIDENT    LINDA S. CRAYTON VICE PRESIDENT    ELEANOR JOHNS    RICHARD J. GUGGENHIME    PETER A. STERN    IVAR C. SATERO AIRPORT DIRECTOR

- ii. Line 101 Pipeline Replacement. The second component involves the installation of approximately 3,200 linear feet of 24-inch diameter steel fusion bonded, epoxy-covered pipe via horizontal directional drilling, and the retiring of approximately 3,700 linear feet of the existing 20-inch diameter pipe.

PG&E is now returning to the Airport to coordinate the completion of the second component. The second component of the work will require the Airport to modify the existing PG&E easement to reflect the replacement of a segment of the current 20-inch natural gas line with 24-inch diameter steel fusion bonded, epoxy-covered pipe gas transmission line, which is outside of the existing easement area. Once the new segment is completed, in accordance with the terms of the Easement Agreement, PG&E will quitclaim to the City the entire original pipeline easement, and the City will convey to PG&E a like-kind replacement easement to replace the original pipeline easement. The parties have negotiated and agreed upon the form of Easement Agreement, but the legal description of the new easement area, which will be based on as-built drawings of the relocated pipeline, will not be available until the pipeline work is completed.

### **Required Actions**

The Airport Commission (“Commission”) must review and consider the environmental evaluation of the proposal of Pacific Gas & Electric Company (“PG&E”), issued by the San Francisco Environmental Review Officer, before adopting the proposed Resolution and, in adopting the Resolution, must make findings under the California Environmental Quality Act (“CEQA”). Therefore, transmitted herewith for your approval is the proposed Resolution adopting the Final Mitigated Negative Declaration (“FMND”) for the PG&E Line 101 In-Line Inspection (“ILI”) Upgrade and Lomita Park Regulator Station Rebuild, the Mitigation Monitoring and Reporting Program (“MMRP”), and the Improvement Measures identified in the FMND and the MMRP; and approving an Easement Agreement & Quitclaim of Existing Easement with PG&E to accommodate the relocation and replacement of an existing natural gas transmission pipeline located in the West-of-Bayshore property.

The Lomita Park Regulator Station Rebuild phase of the overall project addressed in the FMND was completed on May 31, 2015, following adoption of the FMND for this initial phase and issuance of a permit by the Airport Director. At this time, in connection with the Line 101 Upgrade phase, the Commission would adopt the FMND as it relates to the Line 101 Upgrade, the MMRP to the extent applicable to the Line 101 Upgrade, and Improvement Measures I-TR-1 (Best Management Practices for Work Zone Buffers) and I-HZ-3 (Notify and Consult with Affected Schools). PG&E will not proceed with, nor is the Commission being asked to authorize, implementation of upland habitat mitigation on San Francisco’s West-of-Bayshore property, one of the potential options for mitigating impacts to biological resources under Mitigation Measure M-BI-1: Compensatory Upland Habitat Mitigation. While PG&E will be required, under Mitigation Measure M-BI-1, to restore existing wetland or habitat disturbed on the West-of-Bayshore property during the Line 101 Upgrade project activities, it will coordinate with the U.S. Fish & Wildlife Service to satisfy the compensatory upland habitat mitigation at another location.

As part of the Line 101 Upgrade, PG&E’s current pipeline easement at the West-of-Bayshore property needs to be modified to accommodate the replacement and realignment of the gas transmission line outside of the original pipeline easement area. The pipeline replacement work will take place between

the Lomita Park Station and the Aviator Site. PG&E intends to perform the work in two phases, with the first phase anticipated to start on June 11, 2018 and to be completed by October 31, 2018, and the second phase work anticipated to commence on June 1, 2020 and completed on October 31, 2020. The Airport Director will issue a temporary license to accommodate the easement realignment during the construction phase, as well as a space permit for construction laydown space.

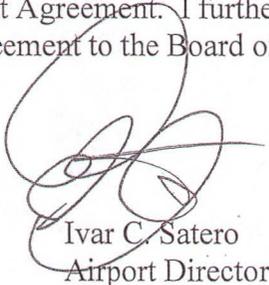
Upon completion of the pipeline work, PG&E will provide the Airport with as-built drawings, at which time the parties will execute and record an Easement Agreement & Quitclaim of Easement (the "Easement Agreement"), in a form which has been negotiated by the parties. Under the Easement Agreement, PG&E will relinquish all rights to its existing pipeline easement under the Exchange Deed dated July 14, 1953 and recorded in the Official Records of San Mateo County on September 25, 1953 in Volume 2477 at Page 231, as modified by a subsequent Exchange Deed dated June 6, 1962 and recorded in the Official Records of San Mateo County in Volume 4237 at Page 183. Under the Easement Agreement, the City will convey to PG&E a new easement, which tracks the relocated pipeline but will not increase the easement area, which will remain 15 feet wide.

### **Environmental Review**

On July 23, 2014, the San Francisco Planning Department, Environmental Planning Division the ("Planning Department"), under File No. 2013.0522, issued the FMND for the PG&E Line 101 ILI Upgrade and Lomita Park Regulator Station Rebuild, in accordance with the requirements of the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*; "CEQA"); Title 14, Section 15000 *et seq.* of the California Code of Regulations ("CEQA Guidelines"); and Chapter 31 of the San Francisco Administrative Code, which FMND is on file with the Planning Department at 1650 Mission Street, Fourth Floor, San Francisco, California. The impacts of the Line 101 Upgrade phase are addressed in the FMND. The Planning Department determined that the Line 101 ILI Upgrade and Lomita Park Regulator Station Rebuild could not have a significant effect on the environment, which includes the Line 101 Upgrade phase.

### **Recommendation**

Based on the above, I recommend that the Commission adopt the FMND; adopt the mitigation measures and improvements measures contained therein and in the MMRP, as they relate to the Line 101 Upgrade; and approve the Easement Agreement. I further recommend directing the Commission Secretary to forward the Easement Agreement to the Board of Supervisors for approval, in accordance with City Charter Section 9.118.



Ivar C. Satero  
Airport Director

Prepared by: Leo Fermin  
Chief Business and Finance Officer