

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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# City and County of San Francisco

## Tails Resolution

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

**File Number:** 220143

**Date Passed:** March 22, 2022

Resolution approving the 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, for a 20-year term or reimbursement of \$5,000,000 whichever comes first, to commence upon Board approval.

March 16, 2022 Budget and Finance Committee - REFERRED WITHOUT RECOMMENDATION

March 22, 2022 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 220143

I hereby certify that the foregoing  
Resolution was ADOPTED on 3/22/2022 by  
the Board of Supervisors of the City and  
County of San Francisco.

  
\_\_\_\_\_  
Angela Calvillo  
Clerk of the Board

  
\_\_\_\_\_  
London N. Breed  
Mayor

3/31/22  
\_\_\_\_\_  
Date Approved