

1 [Sale of Easement - Public Utilities Commission to Pacific Gas & Electric Company -
2 Watershed Lands Near Edgewood Road, Unincorporated San Mateo County - \$2,200]

3 **Resolution approving and authorizing the sale of an easement on the City and County**
4 **of San Francisco’s property, consisting of approximately 7,800 square feet of**
5 **watershed lands in unincorporated San Mateo County, near Edgewood Road, by the**
6 **Public Utilities Commission, for the price of \$2,200; adopting findings under the**
7 **California Environmental Quality Act; adopting findings that the conveyance is**
8 **consistent with the General Plan and the priority policies of Planning Code, Section**
9 **101.1; and authorizing the Director of Property to execute documents, make certain**
10 **modifications, and take certain actions in furtherance of this Resolution.**

11
12 WHEREAS, The mission of the San Francisco Public Utilities Commission (SFPUC) is
13 to provide SFPUC customers with high quality, efficient and reliable water, power and sewer
14 services, while sustaining our precious resources; and

15 WHEREAS, The SFPUC owns and operates dams and reservoirs on the San
16 Francisco Peninsula (the Peninsula Watershed) to fulfill this mission; and,

17 WHEREAS, The Pacific Gas and Electric Company (PG&E), the supplier of gas and
18 electric utilities to most of Northern California, has multiple easements within the Peninsula
19 Watershed lands for natural gas transmission pipelines; and

20 WHEREAS, Pursuant to certain California Public Utilities Commission mandates,
21 PG&E is required to upgrade the operational and seismic safety of its pipeline infrastructure
22 by this summer; and

23 WHEREAS, To complete the safety upgrades, PG&E is required to install automated
24 valves, remote-monitoring equipment, and in-line inspection technologies on its existing gas
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1 lines, and PG&E requires additional space to install this equipment near Edgewood Road in a
2 secured and fenced valve lot (Edgewood Valve Lot or Easement Area); and

3 WHEREAS, Pursuant to Charter Section 8B.121(a), the SFPUC has exclusive charge
4 of the real property assets under its jurisdiction; and

5 WHEREAS, The SFPUC recommends selling PG&E the Easement for the Edgewood
6 Valve Lot, because SFPUC has found the Easement Area to be surplus to SFPUC's utilities
7 needs and because enhanced natural gas pipeline safety within the Peninsula Watershed is
8 important to protecting SFPUC's watershed and water system; and

9 WHEREAS, A third party appraiser assessed the Easement as having a fair market
10 value of \$2,200 in January of 2013 (Appraisal), and the City's Director of Property reviewed
11 and approved the Appraisal; and

12 WHEREAS, PG&E has agreed to update the language of its existing pipeline easement
13 at this location to grant the SFPUC indemnity and insurance protections it did not have before;
14 and

15 WHEREAS, SFPUC staff and PG&E have negotiated proposed terms and conditions of
16 the Easement, set forth in the form of Easement Agreement that is part of the record before
17 this Board, including a purchase price of \$2,200 and the reservation to the City of rights to use
18 the Easement Area for uses that are compatible with PG&E's valve station and pipelines; and

19 WHEREAS, On August 30, 2012, the City Planning Department issued a Certificate of
20 Determination (COD) under the California Environmental Quality Act (CEQA), a copy of which
21 is part of the record before this Board, and determined that this proposed conveyance of an
22 easement to PG&E would fall under a Class 1 Categorical Exemption (CEQA Guidelines
23 Section 15301) for minor alterations of existing facilities to provide natural gas service
24 involving negligible expansion of use, and would not have a significant effect on the
25 environment; and

1 WHEREAS, On January 7, 2013, the SFPUC's Bureau of Environmental Management
2 concurred with the City Planning Department's COD under CEQA by memorandum; and

3 WHEREAS, Offering the Easement by competitive bidding process or auction would be
4 impractical because the Easement is located on top of and immediately adjacent to PG&E's
5 existing easement containing a major subsurface gas transmission pipeline and surface valve
6 lot equipment; and

7 WHEREAS, On April 9, 2013, the SFPUC Commission approved the sale of the
8 Easement and the form of the Easement Agreement, by Resolution No. 13-0052, a copy of
9 which is on file with the Clerk of the Board of Supervisors in File No. 130359; and

10 WHEREAS, The Director of the Planning Department, by letter dated _____,
11 found that this sale of the Easement is consistent with the City's General Plan and with the
12 Eight Priority Policies of City Planning Code Section 101.1, and is categorically exempt from
13 Environmental Review, a copy of which findings is on file with the Clerk of the Board of
14 Supervisors under File No. _____ and is incorporated herein by reference; now,
15 therefore, be it

16 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
17 hereby finds that the Easement is consistent with the General Plan and with the Eight Priority
18 Policies of City Planning Code Section 101.1, and is categorically exempt from Environmental
19 Review for the same reasons as set forth in the letter of the Director of Planning dated
20 _____ and the COD dated August 30, 2012; and, be it

21 FURTHER RESOLVED, That the Board of Supervisors finds that the public interest or
22 necessity will not be inconvenienced by the conveyance of the Easement, because SFPUC
23 does not need the Easement Area for utility facilities and because conveyance of the
24 Easement will enable PG&E to enhance the safety of its gas pipeline facilities in the Peninsula
25 Watershed; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors finds that an auction or
2 competitive bidding process would be impractical, because the subject real property is not
3 capable of independent development given its location over and adjacent to an existing PG&E
4 gas transmission pipeline and valve equipment; and, be it

5 FURTHER RESOLVED, That in accordance with the recommendation of the General
6 Manager of the SFPUC and Director of Property, the Board of Supervisors hereby approves
7 the sale of the Easement for the appraised value of \$2,200, and the terms and conditions of
8 the Easement in substantially the form of the Easement Agreement presented to the Board
9 and authorizes the Director of Property or the SFPUC General Manager, in the name and on
10 behalf of the City and County, to execute the Easement Agreement; and, be it

11 FURTHER RESOLVED, That all actions heretofore taken by any employee or official of
12 the City with respect to this acquisition are hereby approved, confirmed and ratified; and, be it

13 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
14 Property or the SFPUC General Manager to enter into any amendments or modifications to
15 the Easement Agreement (including, without limitation, the attached exhibits) that the Director
16 of Property determines, in consultation with the City Attorney and SFPUC General Manager,
17 are in the best interest of the City, do not otherwise materially diminish the benefits to the City
18 or increase the obligations or liabilities of the City, are necessary or advisable to effectuate the
19 purposes of the Easement Agreement and are in compliance with all applicable laws,
20 including City's Charter; and, be it

21 FURTHER RESOLVED, That the Director of Property or the SFPUC General Manager
22 is hereby authorized and urged, in the name and on behalf of the City and County, to take any
23 and all steps (including, but not limited to, the execution and delivery of any and all
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1 certificates, agreements, notices, consents, escrow instructions, closing documents and other
2 instruments or documents) as the Director of Property deems necessary or appropriate in
3 order to consummate the conveyance of the Easement pursuant to the Easement Agreement,
4 or to otherwise effectuate the purpose and intent of this resolution, such determination to be
5 conclusively evidenced by the execution and delivery by the Director of Property of any such
6 documents.

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15 Recommended:

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17 _____
18 General Manager
19 San Francisco Public Utilities Commission

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20 _____
21 Director of Property

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