

1 [Sale of Easement - Public Utilities Commission to Pacific Gas and Electric Company -
2 Watershed Lands Near the Caltrans I-280 Crystal Springs Rest Stop - Unincorporated San
3 Mateo County - \$15,400]

4 **Resolution approving and authorizing the sale of an easement on the City and County**
5 **of San Francisco's property, consisting of approximately 23,000 square feet of**
6 **watershed lands in unincorporated San Mateo County near the Caltrans I-280 Crystal**
7 **Springs Rest Stop (the Easement Area or Crystal Springs Station) by the San Francisco**
8 **Public Utilities Commission, for the price of \$15,400; adopting findings under the**
9 **California Environmental Quality Act; adopting findings that the conveyance is**
10 **consistent with the General Plan and eight priority policies of Planning Code, Section**
11 **101.1; and authorizing the Director of Property to execute documents, make certain**
12 **modifications, and take certain actions in furtherance of this Resolution.**

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

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

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

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

1 WHEREAS, To complete the safety upgrades, PG&E is required to install automated
2 valves, remote-monitoring equipment, and in-line inspection technologies on its existing gas
3 lines, and PG&E requires additional space to install this equipment near the Caltrans I-280
4 Crystal Springs Rest Stop in San Mateo County in a secured and fenced valve lot (Crystal
5 Springs Station or Easement Area); and

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

8 WHEREAS, The SFPUC recommends selling the Easement to PG&E for Crystal
9 Springs Station, because SFPUC has found the Easement Area to be surplus to SFPUC's
10 utilities needs and because enhanced natural gas pipeline safety within the Peninsula
11 Watershed is important to protecting SFPUC's watershed and water system; and

12 WHEREAS, A third party appraiser established a fair market value for the Easement of
13 \$15,400 in January of 2013 (Appraisal), and the City's Director of Property reviewed and
14 approved the Appraisal; and

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

18 WHEREAS, SFPUC staff and PG&E have negotiated proposed terms and conditions of
19 the Easement, set forth in the form of Easement Agreement, a copy of which is on file with the
20 Clerk of the Board of Supervisors in File No. 130703, including a purchase price of \$15,400
21 and the reservation to the City of rights to use the Easement Area for uses that are compatible
22 with PG&E's valve station and pipelines; and

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

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

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

14 WHEREAS, On June 25, 2013, the SFPUC Commission approved the sale of the
15 Easement and the form of the Easement Agreement, by Resolution No. 13-0107, a copy of
16 which is on file with the Clerk of the Board of Supervisors in File No. 130703; and

17 WHEREAS, The Director of the Planning Department, by letter dated May 27, 2013,
18 found that this sale of the Easement is consistent with the City's General Plan and with the
19 Eight Priority Policies of City Planning Code Section 101.1, and is categorically exempt from
20 Environmental Review, a copy of which findings is on file with the Clerk of the Board of
21 Supervisors under File No. 130703 and is incorporated herein by reference; now, therefore,
22 be it

23 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
24 hereby finds that the Easement is consistent with the General Plan and with the Eight Priority
25 Policies of City Planning Code Section 101.1, and is categorically exempt from Environmental

1 Review for the same reasons as set forth in the letter of the Director of Planning dated August
2 30, 2012 and the COD dated August 30, 2012; and, be it

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

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

12 FURTHER RESOLVED, That in accordance with the recommendation of the General
13 Manager of the SFPUC and Director of Property, the Board of Supervisors hereby approves
14 the sale of the Easement for the appraised value of \$15,400, and the terms and conditions of
15 the Easement in substantially the form of the Easement Agreement presented to the Board
16 and authorizes the Director of Property or the SFPUC General Manager, in the name and on
17 behalf of the City and County, to execute the Easement Agreement; and, be it

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

20 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
21 Property or the SFPUC General Manager to enter into any amendments or modifications to
22 the Easement Agreement (including, without limitation, the attached exhibits) that the Director
23 of Property determines, in consultation with the City Attorney and SFPUC General Manager,
24 are in the best interest of the City, do not otherwise materially diminish the benefits to the City
25 or increase the obligations or liabilities of the City, are necessary or advisable to effectuate the

1 purposes of the Easement Agreement and are in compliance with all applicable laws,
2 including City's Charter; and, be it

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

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19 Recommended:

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21 _____
22 General Manager
23 San Francisco Public Utilities Commission

24 _____
25 Director of Property