



DATE: September 11, 2023

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Jeff Stutsman, PE, TE, Deputy Director of Operations, Public Works & Utilities (PW&U)
Christopher J. Bolt, MPA, PE, CPM, ICMA-CM, Director, PW&U
Eric Danly, City Attorney

SUBJECT: Introduction (First Reading) of an Ordinance Granting Temporary and Permanent Easements and Adoption of a Resolution Granting a License for Replacement of PG&E Gas Main Facilities on the City's Shollenberger Park Property and Making Findings in Accordance with Section 21081 of the Public Resources Code and Section 15096 of the CEQA Guidelines that Changes or Alterations Have Been Incorporated into the Project which Mitigate or Avoid Potentially Significant Impacts of the Project on the Environment, and that Those Changes or Alterations Are Within the Responsibility and Jurisdiction of the State Lands Commission as Lead Agency for the Project Pursuant to CEQA, and Have Been Adopted by the Commission on August 17

RECOMMENDATION

It is recommended that the City Council consider the record, including the environmental documents prepared by the State Lands Commission as lead agency for purposes of the California Environmental Quality Act (CEQA), introduce (give the First Reading) of an Ordinance granting temporary and permanent easements, Attachment 1 to this staff report, and adopt the Resolution approving a license agreement, Attachment 2 to this staff report, both of which attachments include CEQA findings of the City as a responsible agency under CEQA, for replacement of PG&E Gas Main Facilities on the City's Shollenberger Park property.

BACKGROUND

Pacific Gas and Electric (PG&E) is upgrading its R-708 gas transmission pipeline in a continuing effort to provide safe and reliable service to its customers. As part of the project, they will be installing 1,852 feet of 16-inch steel pipeline to replace an existing section of pipe that goes under the Petaluma River. To replace the segment of pipe under the Petaluma River, a new alignment is required paralleling the existing line in order to keep the existing line active during construction. The new alignment would connect into the existing pipeline on the west side of Petaluma River

near Petaluma Boulevard South, go under the Petaluma River and connect back to the existing pipeline within Shollenberger Park (APN 017-170-001). Once the new alignment is operational the old segment of pipe under the river will be removed. The removal of the existing pipe is a requirement of the Dredged Material Management Office (DMMO) as the shallow depth puts more restrictions on dredging activities in the river. The new line will be approximately 60' to 70' below the river and eliminates dredging restrictions around the gas main.

Section 46 of the Charter of the City of Petaluma requires that actions for the acquisition, sale, or lease of real property be taken by ordinance except for such actions involving sums less than \$3,000 or actions pursuant to general state law. As the appraisal for the easements is \$100,000 for the City to complete the sale (Offer Letter is attached as Attachment 3), the granting of the temporary and permanent easements PG&E requires for the project must be approved by ordinance. (Attachment 1). The resolution approving a right of entry agreement (Attachment 2) will provide PG&E access to the project site before the ordinance takes effect, consistent with the requirements of PG&E's project construction schedule. Because the right of entry agreement is a license agreement and does not grant real property interests, the right of entry agreement is not subject to Section 46 of the Petaluma Charter and may be approved by resolution.

DISCUSSION

To facilitate this project, a new easement and six-month temporary construction easement (two terms, each term is three-months) is required to replace the existing gas pipeline that is currently located on City Property (Shollenberger Park). PG&E (Grantee) prepared an appraisal report dated June 6, 2023, in conformance with, and subject to, the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute, which incorporate the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, requirements related to the Uniform Relocation Assistance and Real Property Acquisition Act and state and federal statutes.

Chapman & Patton an independent, licensed appraiser completed the appraisal. PG&E offers to pay the City of Petaluma a total of \$100,000 (one hundred thousand dollars) as compensation for the new easements acquired. The offer is believed to be fair and just compensation.

PUBLIC OUTREACH

This agenda item appeared on the City's tentative agenda document on August 7, 2023, which was a publicly noticed meeting in compliance with the California Brown Act. No public comments have been received as of posting.

State Lands Commission is the CEQA Lead Agency that prepared the Mitigated Negative Declaration (MND) for the project. The document was published on June 15, 2023, for its 30-day review period and comments were due back to the State Lands Commission on July 17, 2023. The City commented on the MND as a responsible agency under CEQA concerning the project. The Commission responded in writing to the City's comments.

COUNCIL GOAL ALIGNMENT

The proposed action supports the following Council Goals, Objectives, and Workplan Items through upgrading the roadways, signals, and walking surfaces; creating safer paths of travel; and increasing public safety in the city right of way. These improvements will enhance the safety and comfort of all roadway users, especially pedestrians and bicyclists.

A SAFE COMMUNITY THAT THRIVES

Support facilities and design programs that create a healthy, resilient, and engaged community that is prepared, safe, and housed.

Workplan item #81. Promote emergency preparedness and resiliency strategies to our residents and businesses.

A ECONOMY THAT PROSPERS

Encourage a thriving business environment that results in a strong, diverse, resilient economy and supports community prosperity.

Workplan item #117. Identify short and long-term funding solutions for dredging of the Turning Basin and federal channel by coordinating with other dredging efforts in the Bay Area; dredge the City Marina coordinate with Bay Area wide dredging efforts.

Workplan item #118. Support Federal dredging efforts of the river channel by maintaining a viable dredge disposal site option at Shollenberger and explore sustainable long-term beneficial reuse sites for disposal.

CLIMATE ACTION/SUSTAINABILITY EFFORTS

When PG&E upgrades its R-708 Transmission pipeline it will provide safe and reliable service to its customers and promote dredging activities in the Petaluma River.

ENVIRONMENTAL REVIEW

PG&E has been working closely with several different federal and state agencies to account for all impacts to wetlands and waters, special status species, and wildlife. PG&E has acquired or is in the process of acquiring the following permits:

- Bay Area Operation and Maintenance Habitat Conservation Plan (USFWS)
- Bay Area Operation and Maintenance Incidental Take Permit (CDFW)
- BCDC Maintenance Agreement
- CWA Section 404 - Nationwide Permit 12 (USACE)
- CWA Section 10 (USACE)
- USACE Section 408 Authorization
- Section 401 Certification (RWQCB)
- Lake and Streambed Alteration Agreement (CDFW)
- Stormwater Pollution Prevention Plan/SWPPP

PG&E's project was analyzed by the State Lands Commission as lead agency under CEQA regarding its potential environmental impacts. The Commission prepared an Initial Study and Mitigated Negative Declaration ("MND"), assigned State Clearing House Number 202306440, concerning the potential impacts of the Project on the environment pursuant to CEQA, and determined that, although the Initial Study identifies potentially significant impacts of the Project concerning air quality, biological resources, cultural resources, geology, soils and paleontological resources, hazards and hazardous materials, hydrology and water quality, recreation, transportation, wildfire, and mandatory findings of significance, mitigation measures incorporated into the Project proposal and agreed to by PG&E as the Project applicant would avoid or mitigate those impacts to the point where no significant impacts would occur. The Commission on June 15, 2023 gave notice of a 30 day public review period and intent to adopt the Project MND in accordance with the requirements of CEQA. The City submitted comments on the Project MND on July 17, 2023 (Attachment 6). The Commission adopted the Project MND on August 17, 2023.

The attached ordinance and resolution include findings to be made by the City Council, in accordance with Section 21081 of the Public Resources Code, Section 15096 of the CEQA Guidelines, and the Project MND, that changes or alterations have been incorporated into the Project which mitigate or avoid potentially significant impacts of the project on the environment, as listed and discussed in the MND and summarized in the MND executive summary, and that those changes or alterations are within the responsibility and jurisdiction of the Commission as lead agency for the project pursuant to CEQA, and have been adopted by the Commission on August 17, in accordance with and in fulfillment of CEQA requirements applicable to the Project.

FINANCIAL IMPACTS

This action has no impact on the existing budget and is considered cost-neutral. Staff resources expended in the processing of the easement are reimbursed by the applicant as a cost-recovery item.

ALTERNATIVES

The City Council could elect to not approve the agreements sought by PG&E to permit the project to proceed on schedule. In response, PG&E would likely proceed with condemnation proceedings to obtain the needed access rights. If that course of action were necessary, PG&E's and the City's transaction costs, including attorney's fees and expert costs, would be significantly increased, and the project and its public safety benefits would be delayed.

ATTACHMENTS

1. Ordinance with Exhibits
2. Resolution with Exhibits
3. Location Map
4. Project Map
5. Offer Letter
6. City MND Comment Letter

LINKS

1. Entire Project CEQA document set, including appendices: Replacement Project (L 021G/R-708) Across the Petaluma River | CA State Lands Commission
2. Project MND:
https://slcprdwordpressstorage.blob.core.windows.net/wordpressdata/2023/08/L-021G_R-708-MND_Aug23_webacc.pdf
3. MND Executive Summary:
https://slcprdwordpressstorage.blob.core.windows.net/wordpressdata/2023/08/L-021G_R-708-ES_Aug23_webacc.pdf
4. Notice of Availability:
https://slcprdwordpressstorage.blob.core.windows.net/wordpressdata/2023/06/Line-021G-NOI_webacc.pdf