



MEMORANDUM

October 23, 2020

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Willie Adams, Vice President
Hon. John Burton
Hon. Gail Gilman
Hon. Doreen Woo Ho

FROM: Elaine Forbes
Executive Director

SUBJECT: Informational presentation on PG&E Sediment Remedial Action Planning for Pier 39 to Pier 43½ Offshore Sediment Site

DIRECTOR'S RECOMMENDATION: Information Only – No Action Required

EXECUTIVE SUMMARY

On March 26, 2019, Port staff provided a Port Commission informational presentation on a Pacific Gas & Electric Company (“PG&E”) remedial action planning effort to remediate contaminated sediments in the Bay in the area between Pier 39 and Pier 43½ in Fisherman’s Wharf.¹ This staff report provides a status report to the Port Commission and public about the remediation work which PG&E is carrying out in compliance with requirements of the San Francisco Bay Regional Water Quality Control Board (“Water Board”) with Port cooperation and oversight.

PG&E and its predecessor entities formerly operated the Beach Street Manufactured Gas Plant (“MGP”) in the block bounded by Beach, Jefferson, Mason, and Powell Streets at what was historically the waterfront. The area extends into Port jurisdiction, including land and offshore areas adjacent to the former Beach Street MGP, where polycyclic aromatic hydrocarbon (“PAH”) contaminants are known to be present in the

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¹ <https://sfport.com/file/38514>

sediment. In 2011 and 2013, elevated PAH concentrations were measured in sediment samples collected from the Pier 39 Marina. As a result, the Water Board required additional studies and required PG&E and the Port to investigate sediment contamination.

PG&E has responded to the Water Board, with Port cooperation and oversight. The investigations found that PAH contamination is present in sediment from Pier 39 East Basin to Pier 43½, extending from the shoreline to approximately 1,000 feet offshore (see Exhibit A – Site Plan).

Since the March 26, 2019 informational presentation, PG&E has completed upland and in-water investigations and, in January 2020, submitted the Final Remedial Investigation Report to the Water Board, which identified five sub-areas where PAH contamination warrants sediment remediation. The Water Board issued an Order in June 2020 and in compliance with the Order, PG&E is preparing a Feasibility Study and Remedial Action Plan (“FS/RAP”) for submittal to the Water Board by October 31, 2020. The Water Board will complete the CEQA Initial Study (IS) in the first quarter 2021.

This staff report provides a status report of the work completed to date by PG&E with Port coordination and oversight, and the next stages of work to advance the remediation to be proposed in the FS/RAP. As part of the engineering design effort, PG&E will need to conduct geotechnical sampling in the offshore area between Pier 41 to Pier 43½, which will begin in late October 2020. The objective of this work is to collect additional data to support the design and construction planning of the remediation work.

Port and PG&E staff are actively engaged with the goal to achieve the cleanup as quickly as possible while minimizing impacts to the Port and tenant operations and the environment. Port staff continue to work with PG&E to engage and provide updates to the Pier 39, 41½ and Pier 43½ tenants regarding Water Board required investigations and to ensure remedial design plans will meet Port and tenant maritime operational requirements.

Port staff anticipates returning to the Port Commission in the fourth quarter of 2021 following public comment and Water Board approval of the FS/RAP and CEQA IS to provide further information on PG&E’s progress with remediation project permitting, design and construction schedule.

STRATEGIC OBJECTIVE

PG&E’s proposed Pier 39 to 43½ sediment remediation, with coordination and oversight by the Port, will contribute objectives of the Port’s Strategic Plan as follows:

- **Productive** - Attract and retain tenants that build an economically viable Port. PG&E has been identified as the primary party legally responsible for cleaning up sediment contamination that would otherwise make the Port and tenant’ dredging more expensive due to increased characterization and disposal costs of contaminated sediment.

- **Stability** - Maintain the Port's financial strength by addressing deferred maintenance, maximizing the value of Port property, and increasing revenue. PG&E's remedial design plans will meet Port and tenant maritime operational requirements, allow for future tenant waterside improvement projects, and ensure Port property values and revenues.
- **Sustainability** - Practice environmental stewardship to protect the Bay. Remediation of contaminated sediment will reduce risk to water quality and marine life in the Pier 39-43½ area.

BACKGROUND

As detailed in the March 26, 2019 Staff Report, PG&E and its predecessor entities formerly operated the Beach Street Manufactured Gas Plant (MGP) in the block bounded by Beach, Jefferson, Mason, and Powell Streets, at what was historically the waterfront.

In 1900, the San Francisco Coke and Gas Company acquired the property and began coke and coal gas production. In 1904 or 1905, the plant was purchased by the Standard Oil Company and converted to carbureted water and oil gas works. PG&E purchased the Beach Street MGP in November 1911 and operated it until 1931. Natural gas became available in San Francisco and gas manufacturing ceased at this location, although the gas holders and oil tanks were reportedly used to the mid-1950s, when the property was sold.

The gas holder and oil tanks were subsequently dismantled, and in 1963-1964 the former MGP site at 250 Beach Street was developed into a motel with retail and restaurant facilities. In 1997-1999, construction of a four-story hotel addition at 250 Beach Street site prompted remediation including removal of contaminated soil, installation of a vapor barrier under the new hotel to mitigate potential impacts from underlying residual contamination.

In 2010, PG&E began its voluntary MGP cleanup program, under the oversight of the California Environmental Protection Agency – Department of Toxic Substances Control (DTSC), to test for residuals from former MGP plants located in San Francisco's Marina and Fisherman's Wharf Districts, including the 250 Beach St MGP. Since 2011, PG&E has investigated soil, gas, and groundwater contamination at the former MGP sites under a Voluntary Cleanup Agreement with the DTSC.

In 2011 and 2013, Pier 39 Marina found elevated PAH concentrations in sediment samples collected for permitting maintenance dredging of the Pier 39 Marina East and West Basins. As a result, the Water Board required additional studies and, in August 2017, formally required PG&E (as the former operator of the nearby Beach St. MGP site suspected to be the source of the PAH contamination) and the Port (as the property owner) to investigate the nature and extent of sediment contamination. During the course of the investigation, the "Investigation Area" was expanded to encompass the

intertidal and subtidal areas between Pier 39 East Basin and Pier 43½ extending from the shoreline to approximately 1,000 feet offshore (see Exhibit B).

Port tenants within the Investigation Area include Pier 39 LLC, Blue & Gold Fleet, and Red & White Fleet. Port staff has actively worked with PG&E to engage each of these tenants to facilitate the review of DTSC and Water Board investigation requirements, evaluate PG&E's findings and documents, and represent the Port's and its tenants' interests in the investigation and remediation process.

KEY MILESTONES ACHIEVED

Since we last reported to the Port Commission, PG&E, with Port cooperation and oversight, continues to respond to the Water Board orders, and has achieved the following:

- ✓ *Summary of Non-Intrusive Upland and Offshore Site Surveys Pier 39 to Pier 43½ Investigation Area.* August 15, 2019
- ✓ *Fisherman's Wharf Inner Lagoon Sediment Investigation.* Dec 27, 2019
- ✓ *Final Remedial Investigation Report, Pier 39 to Pier 45 Investigation.* Jan 20, 2020
- ✓ *Pre-Design Sediment Investigation, Pier 39 to Pier 45 Investigation.* Aug 28, 2020
- ✓ *Draft Feasibility Study/Remedial Action Plan, Pier 39 to Pier 45 Investigation.* Oct 31, 2020
- ✓ *Interagency Project Status Meetings.* August 2018, September 2018, June 2020

While PG&E's January 29, 2019 notice of Chapter 11 bankruptcy case resulted in a pause in work, by March 2019, PG&E resumed work and has continued to complete project milestones as noted above. PG&E exited Chapter 11 bankruptcy on July 1, 2020, after implementing the financial restructuring plan that was previously approved in court and by state regulators.

In addition to meeting the site investigation and remedial action planning requirements under both Water Board and DTSC orders, PG&E also continues to investigate contamination and develop remedial plans on both Port and other City properties as required under the Revised Consent Decree Between the Plaintiff San Francisco Herring Association and Defendants (PG&E), Case No. 14-cv-04393 WHO (JCS), filed Sept 27, 2018.

NEXT STEPS

As noted above, PG&E completed the Pier 35 to Pier 45 investigations in late 2019 and submitted to the Water Board the Final Remedial Investigation Report presenting a comprehensive data set and documenting the extent of PAH-impacted sediment in the investigation area. PG&E has identified five areas that warrant further remediation (see Exhibit B):

- Area A: Pier 43½ waterside areas

- Area B: Shoreline and nearshore areas extending from Pier 43½ to Pier 43 Ferry Arch
- Area C: Shoreline and nearshore areas at Pier 41 ½ and waterside alignment along Pier 41 fishing pier/breakwater
- Area D: Shoreline and waterside areas at Pier 39 Marina West Basin
- Area E: Shoreline and waterside areas at Pier 39 Marina East Basin

PG&E is preparing the Draft FS/RAP for submittal to the Water Board by October 31, 2020 and a Public Project Fact Sheet by December 4, 2020. The objective of the project is to remediate Bay sediments impacted with PAHs to protect human health and the environment. As part of the site analysis required to support the FS/RAP, PG&E will need to further determine soil and geotechnical conditions for Areas A – E. PG&E will start this geotechnical assessment in late October 2020, which will include staging of marine equipment to collect soil bore samples from various locations in Areas A-C. Note, additional geotechnical assessment in Areas D and E is anticipated in 2025 during engineering design for these areas.

The FS/RAP will present remedial alternatives for each of these areas and shown in Exhibit B. The FS/RAP recommended remedial alternative includes marine debris removal, focused dredging to remove contaminated sediments, placement of capping materials including sand, amendments, and/or armoring, post construction monitoring, and institutional controls.

The Port anticipates the Water Board will issue the Public Project Fact Sheet and Draft FS/RAP for Public Comment in first quarter 2021. The Water Board is also preparing a CEQA Initial Study/Mitigated Negative Declaration for public comment in the first quarter 2021.

TENANT AND AGENCY ENGAGEMENT AND OUTREACH

Port and PG&E staff are actively engaged in completing the above studies, with the goal to design and implement remedial alternatives in a manner that will achieve the cleanup as quickly as possible while minimizing impacts to the Port and tenant operations and the environment. In addition to the three interagency project status meetings noted above, Port staff continue to work with PG&E to engage and provide updates to the Pier 39, 41½ and Pier 43½ tenants regarding Water Board required investigations and to ensure remedial design plans will meet Port and tenant maritime operational requirements.

REMEDATION PROJECT DESIGN, PERMITTING & CONSTRUCTION SCHEDULE

PG&E in coordination with the Port, has developed a Remediation Project Design, Permitting & Construction Schedule (see Exhibit C) that plans for the following:

- Multi-year design, permitting and construction planning to achieve remedial objectives and cleanup requirements for each of the five remedial areas.

- 2020-2022: Geotechnical investigation, engineering design and permitting the remediation program
- Construction scheduled by remedial area during the in-water regulatory work windows (June 1 through November 30 of each year)
 - 2023: Remediation of Area A (Pier 43.5 Red & White) and Area B (Pier 43 Ferry Arch)
 - 2024: Remediation of Area C (Pier 41.5 Blue & Gold Fleet / SF Bay Ferry)
 - 2025-2026: Engineering Design and Permit Amendments for Area D and Area E
 - 2027-2029: Remediation of Area D (Pier 39 West Marina)
 - 2028-2029: Remediation of Area E (Pier 39 East Marina)

We also anticipate that Red & White Fleet waterside improvement plans would follow the completion of the sediment remediation. PG&E is working directly with tenants on costs associated with tenant impacts due to the contamination.

Port staff anticipates returning to the Port Commission in the fourth quarter of 2021 following public comment and Water Board approval of the FS/RAP and CEQA IS to provide further information on PG&E's progress with project permitting, remediation engineering plans and bid and construction schedules.

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ATTACHMENTS

Exhibit A: Site Plan

Exhibit B: Areas Identified for Evaluation of Remedial Alternatives

Exhibit C: Remediation Project Design, Permitting & Construction Schedule

Exhibit A: Site Plan

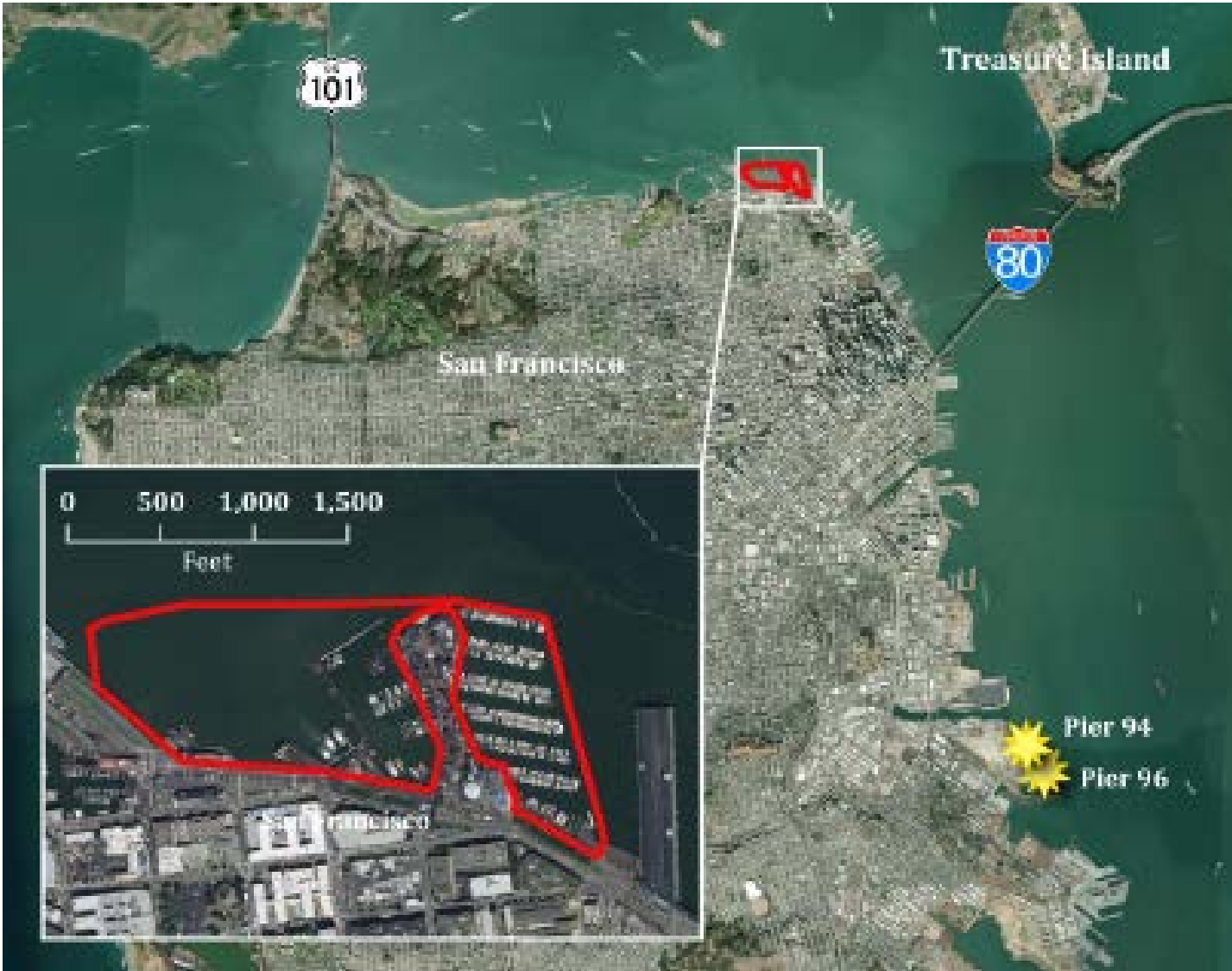


Exhibit B: Areas Identified for Evaluation of Remedial Alternatives

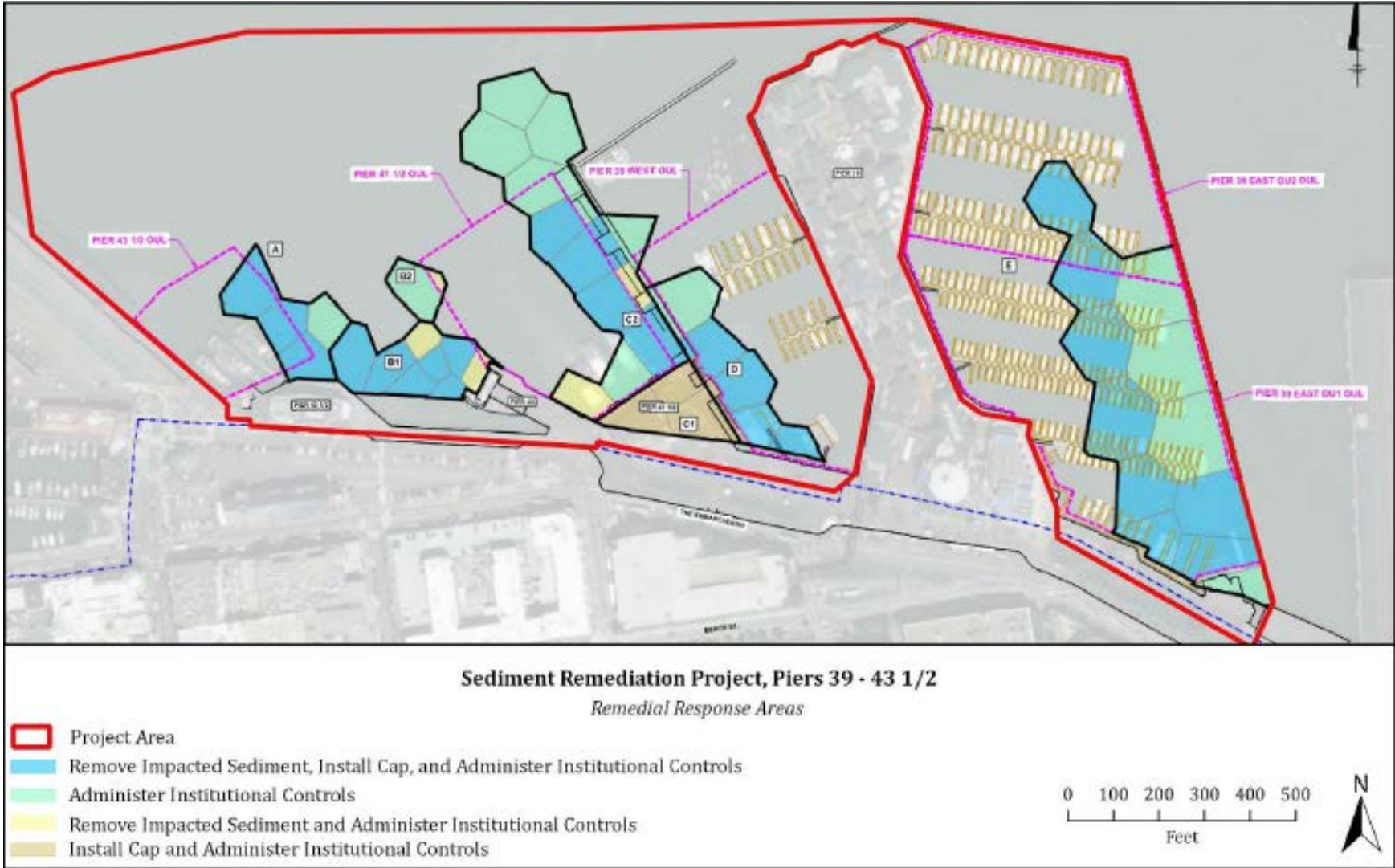


Exhibit C: Remediation Project Design, Permitting & Construction Schedule

		2020 to 2022				2023				2024				2025				2026				2027				2028				2029			
AREA		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
A	Pier 43 1/2	Geotech, Design & Permitting				Mob	Construction			Demob																							
B	Pier 43	Geotech, Design & Permitting				Mob	Construction			Demob																							
C	Pier 41 1/2					Design & Permitting				Mob	Construction		Demob																				
D	Pier 39 East Basin													Geotech, Design & Permitting				Mob	Construction		Demob												
E	Pier 39 West Basin																	Design & Permitting				Mob	Construction		Demob	Mob	Construction		Demob				

