Date: April 7, 2016

To: Recreation and Park Commission
   Operation Committee

Through: Philip A. Ginsburg, General Manager
         Dana Ketcham, Director of Property Management and Reservations

From: Andrew Smothers, Property Manager

Subject: Sigmund Stern Grove Park, Memorandum of Understanding with San Francisco Public Utilities Commission regarding San Andreas Pipeline No. 2.

Agenda Item Wording:

Discussion and possible action to approve a Memorandum of Understanding with the San Francisco Public Utilities Commission for the seismic modification of the San Andreas Pipeline No. 2 situated within Sigmund Stern Grove Park.

Background:

In 1935, the San Francisco Public Utilities Commission (the “SFPUC”) constructed a 54-inch water transmission main across Sigmund Stern Grove Park (the “Stern Grove”) as part of the San Andreas Pipeline No. 2 (the “SA2”). This transmission pipeline delivers water from the SFPUC Regional Water System to approximately forty percent (40%) of San Francisco. The SA2 is a vital component of the SFPUC water system and its continued operation is critical to the health and safety of San Francisco residents.

Currently, SA2 requires replacement in order for the SFPUC to accomplish system-wide seismic reliability goals as established under the SFPUC Water System Improvement Program (the “WSIP”). The proposed replacement of SA2 in Stern Grove is one of seven (7) other modifications as part of the larger Peninsula Pipeline Seismic Upgrade Project.

After comprehensive study, it was decided that the best method to replace SA2 was to build a new pipeline adjacent to the existing pipeline as it would have less impact. The Department and SFPUC engaged in significant discussion, and a new route was identified. Pursuant to the proposed Memorandum of Understanding, the San Francisco Recreation and Park Department (“the Department”) and SFPUC have mutually agreed on the alignment of the new underground pipeline that will best mitigate detrimental effects and recreational use of the parkland during construction.
As part of this project, certain trees will have to be removed for construction. Without removal of these trees during construction, the existing root structures would be compromised. It should be noted that the new alignment of SA2 provides the least impact on existing trees. Upon completion of construction, the SFPUC will replace the removed tree, re-landscape the surrounding areas, and make certain improvements to site restoration that will further support ancillary and recreational use in Stern Grove.

The SFPUC has engaged in community outreach with local residents and the Pine Lake Neighborhood Association (the “PNLA”) to solicit input and community feedback regarding the Project. An initial project fact sheet was mailed to all local residents, and the PNLA Board of Directors discussed the Project at their March 8, 2016 meeting. No further information or outreach was requested by local resident or the PNLA. In addition, construction and project updates will be mailed and posted upon confirmation of Project commencement dates. The SFPUC has also designated a Communications Staff member to be available for residents and park users to address and resolve their concerns.

Pending approval of the MOU, the SFPUC anticipates beginning construction in late August 2016 with completion by early February 2018. In order to avoid disruption of planned events, no construction will occur during the Annual Stern Grove Music Festival, Department summer camps and Scaregrove Halloween Festival.

**PROPOSED MEMORANDUM OF UNDERSTANDING:**

<table>
<thead>
<tr>
<th>Term</th>
<th>Anticipated start date of late August 2016 with completion date of early February 2018.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective of Agreement</td>
<td>Coordinate review of plans and construction for the proposed pipeline by SFPUC on lands managed by the Department. Allocate all capital costs, operation costs, and maintenance expenses to the SFPUC.</td>
</tr>
<tr>
<td>Conduct of Work in Stern Grove</td>
<td>All construction work shall be subject to: 1) <em>San Francisco Noise Ordinance</em>; and 2) <em>SFPUC Standard Construction Measures</em>.</td>
</tr>
<tr>
<td>Construction Schedule</td>
<td>SFPUC anticipates beginning construction in late August 2016 with completion by early February 2018. In order to avoid disruption of planned events, no construction will occur during the Annual Stern Grove Music Festival, Department summer camps and Scaregrove Halloween Festival.</td>
</tr>
<tr>
<td>Restoration of Project Areas</td>
<td>Per Department approval, SFPUC will re-grade, compact, install irrigation, and install landscaping in the Project Area.</td>
</tr>
<tr>
<td>Tree Guidelines and Restoration</td>
<td>SFPUC will require its contractors to strictly comply with tree protection contract specifications. To compensate the Department for the potential loss of</td>
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</tbody>
</table>
any trees within the Project Area, SFPUC will plant new trees in a designated area. New Trees will include a 2-year warranty and SFPUC will assume responsibility of the new trees during the 2-year warranty period.

<table>
<thead>
<tr>
<th>Parking Lot Restoration</th>
<th>SFPUC will re-surface the existing parking lot and Vale Avenue in Stern Grove upon completion of proposed pipeline.</th>
</tr>
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<td>Damages</td>
<td>Any and all damages caused by SFPUC and its contractors during the project construction will be restored to its pre-project condition.</td>
</tr>
<tr>
<td>Continued Maintenance Obligations</td>
<td>The following conditions shall survive the Term of the MOU:</td>
</tr>
</tbody>
</table>
|                         | 1. SFPUC shall have the sole responsibility and obligation to operate, maintain and repair the proposed pipeline and related appurtenances.  
2. If any park property is damaged by post-construction activity, SFPUC shall restore the damaged property to the pre-existing condition without costs to the Department  
3. Once the construction of the proposed pipeline is complete, SFPUC shall cause the existing SA2 to be capped in place and filled with slurry to prevent surface slumping within Stern Grove. |

**Staff Recommendation:**

Department Staff recommends that the Commission approve the Memorandum of Understanding with the San Francisco Public Utilities Commission for the seismic modification of the San Andres Pipeline No. 2 situated within Sigmund Stern Grove Park.

**Supported By:**
San Francisco Public Utilities Commission

**Opposed By:**
None known at this time

**Attachments:**
Memorandum of Understanding
MEMORANDUM OF UNDERSTANDING
by and between the
SAN FRANCISCO PUBLIC UTILITIES COMMISSION
and the
SAN FRANCISCO RECREATION AND PARK DEPARTMENT
Regarding
PIPELINE CONSTRUCTION IN STERN GROVE PARK

THIS MEMORANDUM OF UNDERSTANDING ("Agreement"), dated hereof for reference purposes only as of ___________ 2016, is entered into by and between the City and County of San Francisco Recreation and Park Commission on behalf of the San Francisco Recreation and Park Department ("SFRPD") and the San Francisco Public Utilities Commission ("SFPUC") to describe the parties' responsibilities and obligations with regard to the construction and operation of a portion of the SFPUC's Peninsula Pipeline Seismic Upgrade Project within Stern Grove Park.

RECITALS

A. The SFRPD has jurisdiction over parks in San Francisco, including the Sigmund Stern Grove Park ("Stern Grove").

B. The SFPUC has exclusive jurisdiction over water supplies in San Francisco in accordance with City Charter Sections 8B.120 and 8B.121.

C. In 1935, the San Francisco Public Utilities Commission ("SFPUC") constructed the underground 54-inch water transmission main across Stern Grove from Sloat Boulevard to 25th Avenue, as part of the San Andreas Pipeline No. 2. ("SA2"). This transmission pipeline delivers water from the SFPUC Regional Water System to about 40% of San Francisco.

D. SA2 is a vital component of the SFPUC’s water system. Its continued operation is critical to the health and safety of residents of San Francisco.

E. SA2 is deteriorated and replacement with a similarly-sized pipeline in a parallel alignment is needed for the SFPUC to accomplish necessary water system wide seismic reliability goals established under the SFPUC’s Water System Improvement Program ("WSIP") approved in SFPUC resolution no. 08-0200 on October 30, 2008.

F. The SFPUC investigated the feasibility of constructing a replacement SA2 pipeline outside Stern Grove and determined the alternatives were infeasible.

G. Modifications to SA2 are occurring in six other distinct areas in San Mateo and San Francisco counties as part of a larger Peninsula Pipeline Seismic Upgrade Project approved by the SFPUC in resolution no. 13-0161 as a WSIP project.
H. For the purposes of this Agreement, the "Project” is defined as and limited to the portion of the Peninsula Pipeline Seismic Upgrade Project occurring within Stern Grove.

I. The SFPUC and SFRPD have agreed on a new underground alignment for the new pipeline (the "Project Alignment") shown on Exhibit A-1 attached, which Project Alignment does not follow the alignment of the existing SA2. The Project Alignment for the new pipeline was selected to minimize detrimental effects to the park land and recreational use in Stern Grove.

J. It is anticipated that the Project will require removal of certain trees and vegetation in Stern Grove. The SFPUC and SFRPD have reached a general agreement regarding tree and vegetation removal and minimization of disruption to park operations. SFRPD requirements for pipeline alignment, landscaping, SFPUC access, and surface and subsurface restoration of the affected area within Stern Grove have been incorporated into this Agreement.

K. The SFPUC has included certain improvements to the Project scope related to site restoration required by the SFRPD that will support or are ancillary to recreational use in Stern Grove.

L. The SFPUC and SFRPD desire to enter into this Agreement to set forth the conditions under which the SFPUC will construct, operate and maintain the new pipeline through Stern Grove, the restrictions on SFRPD’s future use of the area over the new pipeline, the agreement regarding tree and vegetation removal and restoration, and certain other matters relating to the Project set forth below.

M. This Agreement shall be of no force and effect until completion of Project environmental review under the California Environmental Quality Act (CEQA) by the San Francisco Planning Department, Project approval by the SFPUC, and execution of this Agreement by the SFPUC and the SFRPC.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

AGREEMENT

1. Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference.

2. Definitions. Abbreviations and technical terms used in this Agreement are defined as follows:

   A. Agreement. This Memorandum of Understanding.
B. **Project.** The portion of the Peninsula Pipeline Seismic Upgrade Project within Stern Grove, generally involving installation of a new 54-inch diameter, 560-foot long pipeline aligned in parallel to the existing pipeline.

C. **Project Alignment.** The alignment shown in Exhibit A-1 for the new pipeline.

D. **Project Area.** The areas within Stern Grove that are required for construction of the Project that are shown in Exhibits A-1, A-2a, A-2b, B-1, B-2 and C attached hereto, including staging areas and limits of work areas for construction activities and the footprint of the completed Project.

E. **SFPUC.** The San Francisco Public Utilities Commission.

F. **SFRPD.** The San Francisco Recreation and Park Department.

G. **SFRPC.** The San Francisco Recreation and Park Commission.

H. **WSIP.** The SFPUC's Water System Improvement Program adopted in SFPUC Resolution No. 08-0200.

3. **Effective Date; Term; Termination of Use.** The term of this Agreement shall commence on ______________ 2016, and terminate at such time as SFPUC determines that the portion of the water transmission pipeline (San Andreas No. 2) in Stern Grove is no longer required for transmission of water. Upon such event the SFPUC will de-commission any inactive pipelines by filling the pipelines with mortar-based material to avoid any subsidence.

4. **Objectives of Agreement.** The parties agree to pursue the following objectives:

   A. **Coordination of Construction.** Coordinate review of plans and construction for the proposed Project pipeline by the SFPUC on park land managed by the SFRPD, including the implementation of SFPUC standard construction measures to minimize or eliminate Project construction adverse effects on park lands and visitors, the protection of park resources and infrastructure during construction, and the repair of any park facilities damaged by Project construction at the expense of the SFPUC.

   B. **Allocation of Project Costs.** Allocate all Project capital costs and Project operations and maintenance expenses to the SFPUC, and fund agreed upon SFRPD expenses referenced in Section 10 of this Agreement incurred as a result of Project construction as an aspect of Project capital costs.

   C. **Grant of Access Rights by SFRPD to the SFPUC.** Grant the SFPUC necessary access rights for construction, operation, repair and maintenance of Project facilities, shown on Exhibits A-1, B-1, and B-2 under the terms and conditions set forth in this agreement.
5. **Access to and Conduct of Work in Stern Grove During Project Construction.** The SFRPD hereby grants to the SFPUC and its contractors the right to enter the Project Area shown in Exhibits A-1, B-1 and B-2 attached hereto for purposes of constructing, operating, repairing and maintaining the new SA 2 water pipeline. All construction work within the Project Areas shall be in accordance with the plans and Project construction technical specifications attached hereto, unless modification is jointly approved during construction.

Access to the Project Area and all construction work within the Project Area shall be subject to limitations on construction hours specified in the *San Francisco Construction Noise Ordinance and SFPUC Standard Construction Measures* (Issued February 7, 2007 or more current version), unless modification is jointly approved during construction.

A. **Traffic and Pedestrian Circulation Plan.** The SFPUC and its construction contractor will coordinate with SFRPD to minimize disruptions to traffic movement into and out of Stern Grove during construction. The SFPUC shall cause its construction contractor to provide a pedestrian and vehicle circulation plan within the Project Area for SFRPD approval that is designed to maintain access to park facilities and public recreational use during construction. In particular, the circulation plan will identify signage and routing to maintain public access into and within Stern Grove during Project construction.

B. **Construction Schedule and Periods.** The SFPUC anticipates beginning Project construction in January 2016 and completing work by the fall of 2017. In order to avoid disruption of planned and day-to-day events within Stern Grove, staging and construction within the Project Area will be limited to the areas shown in Exhibit B-1. Between the Friday before Memorial Day Weekend and August 25, and between October 1 and October 31, the staging and construction area will be reduced as shown on Exhibit B-2 to avoid disruption of the planned events that occur within Stern Grove during these periods.

C. **Staging and Construction Areas.** Exhibits B-1 and B-2 identify the agreed upon staging and construction areas within the Project Area. These areas will be used by the contractor for temporary on-site storage of equipment, materials, spoils, and employee vehicles and shall be restored to their pre-Project condition following completion of Project construction unless otherwise provided for in this Agreement.

D. **Restoration of Project Areas.** Following the completion of segments of excavation work by the SFPUC’s contractor in the Project Area, the contractor, in accordance with the Project construction plans and specifications, will re-grade, compact and install drainage in paved areas and shall install landscaping the Project Area. Contract plans and specifications related to grading, paving, drainage and landscaping in the Project Area have been reviewed and approved by the SFRPD, and shall not be materially modified without the approval of SFPUC staff.
E. Protection of Storage Sheds. The SFPUC or its contractor will temporarily relocate any affected storage containers/moveable sheds in the Project Area to a SFRPD-designated location, and return them to their respective pre-Project location following Project completion. SFRPD staff will either remove contents from the storage sheds prior to relocation and then store said contents in the new location, or the SFPUC will perform this function at SFRPD’s direction.

F. General Obligations Regarding Existing Trees; Contract Requirements. The SFPUC has mandated Project contract specifications that will minimize damage to existing trees and their root systems not identified for removal in the attached Exhibits A-2a and A-2b, including installation of protective fencing where necessary. The SFPUC shall require its construction contractor to comply with such tree protection contract specifications. The SFPUC shall require the construction contractor to protect or trim overhead tree branches that could be damaged by heavy equipment based on recommendations provided by the SFRPD arborist. Further, the SFPUC shall specify that the construction contractor shall not place excavated spoils within the drip line of a tree or on top of any plantings without prior approval of the designated SFRPD representative.

G. Tree Removal and Site Restoration. Notwithstanding paragraph F above, trees shown in Exhibits A-2a and A2-b overlap with excavation zones or necessary contractor access areas and are anticipated to be removed in January 2016 prior to the onset of bird nesting season. Trees designated as being “Potentially Impacted by Construction” will be removed on an as-needed basis during construction or during the warranty period after impacts have been verified, but will be saved if possible. The site restoration plan shown in Exhibit C agreed to by both parties is intended to compensate SFPRD for the loss of any tree that is negatively impacted regardless if the impact was known ahead of time or unanticipated. New trees will include a 2-year warranty period beginning the day of Project substantial completion. SFPUC will assume maintenance responsibility for new trees during the warranty period.

H. Parking Lot Restoration. The SFPUC agrees to re-surface the existing parking lot and Vale Avenue in Stern Grove after construction of the pipeline is completed.

I. Park Property Damage. If any park property, including but not limited to irrigation piping, utilities, paving, and landscaping is damaged by the SFPUC’s contractor during Project construction, the damaged property shall be restored to its pre-Project condition unless otherwise provided by this Agreement. Utilities and irrigation systems shall be restored or resolved by a temporary connection within 48 hours of such damage, or shall provide a temporary connection within 48 hours of such damage if the permanent system cannot be repaired immediately due to construction activities occurring at that immediate location.

6. SFPUC Operation, Maintenance and Repair Obligations Following Completion of Project Construction. The SFPUC shall have the sole responsibility and obligation to operate, maintain and repair the pipeline and related appurtenances within the Project Area. When the SFPUC is required to enter Stern Grove to operate or maintain the new SA2 pipeline the SFPUC
will request a no-fee minor encroachment permit from SFRPD to perform the required work. Access will not be unreasonably denied by SFRPD.

A. **Park Property Damage.** If any park property, including but not limited to irrigation piping, utilities, paving, and landscaping is damaged by any post construction maintenance, repair or other activity of SFPUC permitted hereunder, the SFPUC shall restore the damaged property to its preexisting condition without cost to SFRPD. Utilities and irrigation systems shall be restored or resolved by a temporary connection within 48 hours of such damage.

B. **De-commissioning existing Pipeline.** Once the new pipeline is operational, the SFPUC shall cause the existing SA2 to be capped in place and filled with slurry to prevent surface slumping within Stern Grove.

7. **Designation of SFRPD Representative During Project Construction.** The SFRPD shall designate a representative to act on SFRPD’s behalf during Project construction, including approving the satisfactory completion of construction work as applicable to the SFRPD. The SFRPD shall notify the SFPUC of the change of the designated representative.

8. **Restrictions on SFRPD Use of Project Areas.** In order to safeguard the SFPUC’s assets in the Project area shown on Exhibit A-1, the SFRPD shall not:

   A. Excavate above the SA2 pipeline alignment to depths below 18 inches without notifying the SFPUC,

   B. Overburden the pipeline with vehicle loading above the standard H20 state highway weight (32,000 lbs), or

   C. Undermine the SA2 pipeline with excavations adjacent to the pipeline alignment.

Additionally if the SFPUC determines that any structure, buildings, monuments, play structures, light poles, fountains, trees, or other improvements within 15 feet of the centerline of the new pipeline alignment could potentially damage the facilities then the SFPUC will request permission from SFRPD, whose permission shall not be unreasonably withheld, to remove or relocate it. Notwithstanding the immediate above, the storage sheds which will be temporarily relocated during construction may be returned to the present location after the project, as outlined in section 5.E.

9. **Reserved Rights with Respect to Project Area.** The SFRPD reserves the right to use the Project Areas for all purposes which are not inconsistent with SFPUC’s rights hereunder.

10. **Reimbursement of SFRPD Project Related Staff Costs by the SFPUC.** The parties expect that the SFRPD will incur expenses in reviewing plans, inspecting construction activities, and similar tasks during Project construction. The SFPUC and SFRPD shall jointly negotiate a scope of work and budget for the expenses anticipated to be incurred by SFRPD. The SFPUC agrees to reimburse the SFRPD for these expenses on a time-and-materials basis upon submittal of invoices by the SFRPD and within the budget mutually agreed by both parties.
11. Restrictions on Use; Compliance with Law. The SFPUC, at the SFPUC's expense, shall comply with all laws, regulations and requirements of federal, state, county and municipal authorities, now in force or which may hereafter be in force, including compliance with Recreation & Park Commission Resolution Number XXXX-XXX (attached hereto as Exhibit D), and all laws relating to Hazardous Materials, which impose any duty upon SFPUC with respect to the use, occupation or alteration of the Project Area.

12. Insurance. The SFPUC shall require any contractor or subcontractor it hires in connection with its use of the Project Area to secure such insurance as is recommended by the City Risk Manager and approved by the SFRPD. If necessary to protect the interests of the SFRPD, the SFRPD shall be included as an additional insured in any such insurance.

13. Indemnification. The SFPUC shall include the SFRPD as an indemnified party in any indemnification provision between SFPUC and any agent, contractor or subcontractor it hires in connection with its use of the Project Areas, to the extent the indemnification in such contract is not broad enough to cover the SFRPD as a department of the City and County of San Francisco.

14. Damages. It is the understanding of the parties that the SFRPD shall not expend any funds due to or in connection with SFPUC's construction activities in the Project Area or the use of the Project Area following completion of Project construction. Therefore, the SFPUC agrees to be responsible for all costs associated with all claims, damages, liabilities or losses which arise (i) as a result of the handling of Hazardous Materials on or about the Project Area by SFPUC, its agents or invitees, and its contractor's assignees or sublessees, or (ii) out of any injury or death of any person or damage of any property occurring in, on or about the Project Area resulting from the exercise of the SFPUC's rights hereunder or the operation of the Project pipeline and appurtenances, other than to the extent resulting from the gross negligence or willful misconduct of the SFRPD. The foregoing obligation of the SFPUC shall survive the termination of this Agreement. As used herein, "Hazardous Materials" shall mean any substance, water or material which has been determined by any state, federal or local government authority to be capable of posing a risk of injury to health, safety or property.

15. Notices. All notices, demand, consents or approvals which are or may be required to be given by either party to the other under this Agreement shall be in writing and shall be deemed to have been fully given when delivered in person to such representatives of the SFRPD and the SFPUC as shall from time to time be designated by the parties for the receipt of notices, or when deposited in the United States mail, postage prepaid, and addressed, if to the SFRPD to:

General Manager
San Francisco Recreation and Park Department
501 Stanyan Street, McLaren Lodge
San Francisco, CA 94117

and if to the SFPUC to:

General Manager
San Francisco Public Utilities Commission
or such other address with respect to either party as that party may from time to time designate by notice to the other given pursuant to the provisions of this Section.

16. **Resolutions.** Following approval of this Agreement by the SFRPC and SFPUC, the respective resolutions indicating such approval shall be attached hereto as, respectively, Exhibit D and Exhibit E.

17. **Dispute Resolution.** If a party determines that the other has failed to fulfill its obligations under this Agreement, that party shall provide the other with written notice detailing the alleged breach, and within ten (10) days of receipt of such notice, the General Managers (or their designees) of SFRPD and SFPUC shall meet and confer to resolve any such breach.
IN WITNESS WHEREOF, the parties have caused this agreement to be executed as of the date first written above.

SAN FRANCISCO RECREATION AND PARK DEPARTMENT

By: _____________________________

PHILIP A. GINSBURG
General Manager

Date: ____________________________

Authorized by SFRPD
Resolution No.

SAN FRANCISCO PUBLIC UTILITIES COMMISSION

By: _____________________________

HARLAN L. KELLY, JR.
General Manager

Date: ____________________________

Authorized by SFPUC
Resolution No.:
Exhibits:

Exhibit A-1: Project Area and Project Alignment
Exhibit A-2a: Trees Impacted on Southern Slope
Exhibit A-2b: Trees Impacted at Northern Connection

Exhibit B-1: General Staging Plan
Exhibit B-2: Restricted Staging Plan

Exhibit C: Project Restoration Plan for Impacted Trees
Exhibit D: Recreation and Park Commission Resolution
Exhibit E: San Francisco Public Utilities Commission Resolution
Exhibit F: San Francisco Public Utilities Commission Standard Construction Measures
EXHIBIT B-1: GENERAL STAGING PLAN