



Connie Jackson
City Manager

CITY OF SAN BRUNO
OFFICE OF THE CITY MANAGER

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Dear Crestmoor 2 Neighborhood Resident,

Over the last few weeks, the City has received numerous questions from residents of your neighborhood regarding progress on the City of San Bruno's rebuild of the neighborhood following the devastating 2010 Pacific Gas & Electric (PG&E) explosion, use of the Trust Funds obtained by the City, and other related issues. This letter attempts to provide an update on these and other topics. To view the specific questions and responses please visit the City's website at www.sanbruno.ca.gov/gov/crestmoor or www.rebuildcrestmoor.org.

Rebuilding the Crestmoor neighborhood remains a top priority for the City. There have been some recent concerns raised related to the available funding to complete the neighborhood reconstruction. Funding is available and the City will complete all of the work within the neighborhood to rebuild the streets, sidewalks, and replacement park.

Recovery and Rebuilding Trust Fund

Several residents have asked about the Trust Fund that is being used to rebuild the neighborhood. Immediately following the 2010 explosion, the City faced enormous costs associated with a disaster of unprecedented magnitude. As a result, the City fought for and secured emergency funding from PG&E to reimburse the City for the extraordinary effort and costs required not only to rebuild damaged infrastructure but also to manage and participate in several, multi-year state and federal investigations and regulatory proceedings. The City's participation in these proceedings has been critical and ultimately resulted in clear accountability by PG&E for numerous violations of state and federal law and a \$1.6 billion penalty and fine against PG&E for its role in this disaster.

To account for this multi-purpose function, the Trust Agreement, signed on March 24, 2011, intentionally set broad definitions for the City's use of the \$50 million Trust Fund, allowing it to apply to a wide range of costs incurred directly as a result of the explosion. Again, while the City has, and will continue, to pursue the neighborhood reconstruction as a top priority, the Trust was not established solely for the benefit of the Crestmoor neighborhood. Some of the costs that are currently being questioned are the precise costs that were contemplated and specifically included in the Trust agreement (staff time, legal and professional fees, travel expenses, etc.). To date, more than two-thirds of expenditures from the fund have been to complete all community infrastructure repairs; the balance has been spent for the legal, staff and other expenses in connection with this incident. In addition to the Trust Fund, PG&E also dispersed funds directly to Crestmoor 2 neighborhood residents to support the rebuilding of damaged homes and properties.

Restitution Settlement

In 2012, the City fought for and secured \$70 million from PG&E as restitution to benefit the entire San Bruno community. This fund, completely separate and unrelated to the \$50 Million Trust Fund, is managed by the San Bruno Community Foundation. You can find information about their activities and the projects being funded by the Foundation on their website at www.sbcf.org.

Neighborhood Reconstruction Update

The final phases of the Crestmoor 2 neighborhood reconstruction effort are starting now. Roadway and sidewalk replacement work will begin this spring. Planning for replacement of the Earl/Glenview park began this month. All work is expected to be completed by fall 2017.

When the explosion struck five years ago, it left a crater-size hole requiring a complete rebuild of all underground infrastructure, including water, sewer and drainage pipes, sidewalks and streets. In addition to rebuilding the infrastructure in the immediate damaged area, the City committed to extend the rebuild to the entire neighborhood. To date, more than \$20 million in neighborhood underground infrastructure has been completed, including:

- 3.5 miles of water lines
- 4.5 miles of sewer lines
- 2 miles of storm drain lines
- Two new water pressure regulating stations
- Replacement of over 300 private sewer laterals

While the next and final phase of the Crestmoor Neighborhood reconstruction begins this spring, several unexpected factors have delayed completion of neighborhood reconstruction to date. These delays have resulted from incidents far beyond the City's control and have all since been resolved. These include:

- The contractor in charge of replacing underground utilities within Crestmoor inadvertently hit a recently installed gas distribution pipeline in the street. Thankfully no one was injured, however this resulted in a shutdown of work, a re-evaluation of jobsite safety and implementation of additional safety procedures.
- Difficult soil conditions reduced the utility contractor's production.
- The private upper sewer lateral project, involving paying for the replacement of over 300 privately owned sewer lines, and added at the neighborhood's request, delayed the project's schedule an additional year.

Please be aware that the City is working as expeditiously as possible to complete this project while maintaining safety as a first priority.

Meanwhile, 22 homes have been rebuilt, 2 families are in the process of rebuilding, and Castle Co., a residential builder, is constructing new homes on the 10 lots that were owned either by PG&E or the City. The Castle Co. homes will be completed and available for sale beginning this spring. Once these homes and the two neighborhood family homes are built, home construction in the neighborhood will be completely finished.

As work begins on the completion of surface infrastructure in the neighborhood, including sidewalks, streets and street lighting, many residents have asked about the inclusion of traffic-calming measures. After exploring multiple options, including speed bumps, raised intersections, bulb-outs and traffic circles, and hearing opposition from members of the neighborhood, the City has chosen to utilize enhanced colored pavement at the Earl/Glenview, Glenview/Claremont, and Claremont/Fairmont intersections and wide-edge striping. Additionally, a radar speed sign will remain in the neighborhood, possibly at new and added locations.

Additional Proposed Projects

The City previously identified several potential additional projects (i.e., Fire Station #52 replacement, Crestmoor Canyon trails and slope repairs, etc.) that may be considered should there be available funding upon the completion of the neighborhood reconstruction. Based upon the latest construction budget forecast, and the anticipated escalation of construction costs for the remaining streets and park projects, it is not anticipated that there will be funding to perform these additional projects. Again, monies are reserved in the Trust Fund and are available to complete the infrastructure rebuild and park replacement projects.

Community Participation and Next Steps

As always, we encourage residents to join us at the various community meetings available for the public to ask specific questions and raise concerns related to the neighborhood reconstruction effort. In coming months, the City will hold a pre-construction "open house" to inform residents of the specific project schedule once this phase begins. An update will be provided as the project gets closer to construction.

Input from the community is also sought in the "visioning" of the new park at Earl and Glenview, which is in the preliminary design phase. A community meeting was held on February 2, 2016, and the next meeting is scheduled for March 21, 2016. A schedule of upcoming meetings will be available on the City's website.

For additional questions or information regarding the neighborhood reconstruction effort, please visit www.sanbruno.ca.gov/gov/crestmoor or www.rebuildcrestmoor.org. Thank you for your interest and your continued patience.

Sincerely,



Connie Jackson
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