

AMENDED IN COMMITTEE

10/28/15

FILE NO. 150953

RESOLUTION NO. 415-15

1 [Interconnection Agreement - Port of Oakland - Davis Electric Transmission Substation -
2 Delivery of Electricity to Treasure Island and Yerba Buena Island - Maximum Cost of
3 \$7,000,000]

4 **Resolution authorizing the General Manager of the Public Utilities Commission and the**
5 **Treasure Island Director to enter into a long-term interconnection agreement with the**
6 **Port of Oakland for the use of the Davis Electric Transmission Substation to serve**
7 **Treasure Island and Yerba Buena Island for a term of 20 years to commence following**
8 **Board approval, with a guaranteed maximum cost of \$7,000,000.**

9
10 WHEREAS, Former Naval Station Treasure Island is a military base located on
11 Treasure Island and Yerba Buena Island (together, the "Base"); and

12 WHEREAS, The Base was selected for closure and disposition by the Base
13 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
14 subsequent amendments; and

15 WHEREAS, The City and County of San Francisco (the "City") and the United States
16 Department of the Navy ("Navy") executed the Base Caretaker Cooperative Agreement on
17 March 12, 1997, which has been amended from time to time (the "Cooperative Agreement"),
18 for the management and operation of Treasure Island and Yerba Buena Island ("TI/YBI"), and
19 in November 1998, the San Francisco Board of Supervisors adopted Resolution No. 938-98
20 authorizing the Treasure Island Development Authority ("TIDA") to enter into the Cooperative
21 Agreement with the Navy and to assume responsibility for certain caretaker duties at TI/YBI
22 including the operation, maintenance and repair of the Navy's utility systems; and

23 WHEREAS, The Cooperative Agreement includes various Functional Annexes that
24 describe in detail the caretaker duties for which TIDA is responsible under the Cooperative
25 Agreement, among which Functional Annex 6 - Utilities Services describes the operation and

1 maintenance of the utility systems and the delivery of utilities to the occupants and users of
2 TI/YBI; and

3 WHEREAS, By agreement, the San Francisco Public Utilities Commission (“SFPUC”)
4 has performed many of TIDA's responsibilities under the Cooperative Agreement, Functional
5 Annex 6 – Utilities Services – since 1997, including the operation and maintenance of the
6 utility systems and the delivery of utilities services to TI/YBI; and

7 WHEREAS, The SFPUC purchases low-cost Federal National Defense Act (“NDA”)
8 power from the U.S Department of Energy’s Western Area Power Administration (“WAPA”) to
9 provide electric service to TI/YBI; and

10 WHEREAS, In 1998 in order to deliver WAPA power to Treasure Island, the SFPUC
11 entered into an interconnection agreement with the Port of Oakland to use the Davis
12 Substation, an electric transmission facility owned and operated by the Port of Oakland,
13 where power is metered and transformed for use at TI/YBI; and

14 WHEREAS, A proposed replacement to the 1998 interconnection agreement is on file
15 with the Clerk of the Board of Supervisors in File No. 150953 and available on the Board of
16 Supervisors’ website (the “Interconnection Agreement”), substantially in final form, with all
17 material terms and conditions included, and only remains to be executed by the parties upon
18 approval of this Resolution; and

19 WHEREAS, The proposed Interconnection Agreement provides for the continued use
20 of one-third of the capacity of the Davis Substation over a period of 20-years for an annual
21 charge of \$125,000 with an annual escalation based on the San Francisco Area Consumer
22 Price Index, the payment of \$567,792 over four years for uncollected operation and
23 maintenance charges by the Port of Oakland, and a guaranteed maximum cost of \$7,000,000;
24 and

1 WHEREAS, On January 15, 2015, the TIDA Board of Directors adopted Resolution
2 No. 15-1-1/14 authorizing the Treasure Island Director to enter into the Interconnection
3 Agreement; and

4 WHEREAS, On February 10, 2015, the SFPUC Commission adopted Resolution
5 No. 15-0041 authorizing the SFPUC General Manager to enter into the Interconnection
6 Agreement; now, therefore, be it

7 RESOLVED, That the Board of Supervisors approves the Interconnection Agreement
8 between TIDA, the SFPUC, and the Port of Oakland for the use of the Davis Electric
9 Transmission Substation in Oakland, California to deliver the low-cost Federal NDA power
10 supplied by the Western Area Power Administration to TI/YBI; and, be it

11 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the SFPUC
12 General Manager and the Treasure Island Director (each, an "Authorized Officer") to execute
13 and deliver the Interconnection Agreement in substantially the form on file with the Clerk of
14 the Board of Supervisors together with such additions, amendments or other modifications
15 that the Authorized Officers determine, following consultation with the City Attorney, are in the
16 best interest of the City, do not materially increase the obligations or liabilities of the City, do
17 not materially reduce the rights of the City, and are necessary or advisable, such
18 determination to be conclusively evidenced by the execution and delivery by the Authorized
19 Officers of the Interconnection Agreement; and, be it

20 FURTHER RESOLVED, That within 30 days of the Interconnection Agreement being
21 executed by all parties, the Treasure Island Director shall submit to the Clerk of the Board of
22 Supervisors a completely executed copy for inclusion in File No. 150953; and, be it

23 FURTHER RESOLVED, This requirement and obligation resides with the Treasure
24 Island Director, and is for purposes of having a complete file only, and in no manner affects
25 the validity of the approved contract.



City and County of San Francisco

**Tails
Resolution**

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 150953

Date Passed: November 03, 2015

Resolution authorizing the General Manager of the Public Utilities Commission and the Treasure Island Director to enter into a long-term interconnection agreement with the Port of Oakland for the use of the Davis Electric Transmission Substation to serve Treasure Island and Yerba Buena Island for a term of 20 years to commence following Board approval, with a guaranteed maximum cost of \$7,000,000.

October 28, 2015 Budget and Finance Committee - AMENDED

October 28, 2015 Budget and Finance Committee - RECOMMENDED AS AMENDED

November 03, 2015 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Christensen, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 150953

I hereby certify that the foregoing
Resolution was ADOPTED on 11/3/2015 by
the Board of Supervisors of the City and
County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor

11/10/15
Date Approved