



AGENDA ITEM

Public Utilities Commission

City and County of San Francisco



DEPARTMENT Water Enterprise AGENDA NO. 10
 MEETING DATE January 27, 2015

Authorize Memorandum of Agreement: Regular Calendar
Project Manager: Sarah Rhodes

Authorize Water Service Contract with the United States Department of Energy for Lawrence Livermore National Laboratory

Summary of Proposed Commission Action:	Authorize the General Manager of the San Francisco Public Utilities Commission (SFPUC) to execute, on behalf of the City and County of San Francisco, a new 10-year water service contract with estimated revenue of \$29,865,584.00 with the United States Department of Energy for continued water service to Lawrence Livermore National Laboratory (LLNL), subject to Board of Supervisors approval pursuant to Charter Section 9.118.
Background:	On June 27, 1960, per Resolution No. 20401, the SFPUC approved the Contract for the sale and delivery of water to the U.S Department of Energy (DOE) at the LLNL. Since execution, the contract has been modified 6 times, most recently in 2010. Pursuant to the contract, Modification #2, Article III, the DOE has continued to exercise its option to renew the contract on an annual basis. In 2014, the DOE notified the SFPUC that it would like to execute a new contract for water service upon the expiration of the existing contract on June 30, 2014, rather than to renew. The terms of the new contract have been the subject of negotiations between SFPUC staff and DOE, NNSA Contracts and Procurement Division staff. This item will authorize the General Manager to execute a new 10-year water service contract with the DOE.
Description of Contract:	The contract between the SFPUC and the DOE will retroactively take effect on January 1, 2015. The contract will provide for the sale and delivery of water to the DOE/NNSA Livermore Field Office located at 7000 East Avenue, Livermore, CA 94550-0808 with a 10-year term. The water is delivered to two locations maintained and operated by the SFPUC:

APPROVAL: _____

COMMISSION SECRETARY Donna Hood

	<ul style="list-style-type: none"> • Thomas Shaft of Coast Range Tunnel for Site 300; and • Mocho Shaft of Coast Range Tunnel for Site 200. <p>The DOE shall provide all pumping energy for Site 200. The SFPUC shall provide all pumping energy for Site 300. The contract includes provisions for scheduled maintenance of the Coast Range Tunnel and additional unscheduled maintenance or repair of the system. The contract details licensed access over SFPUC property for government-owned facilities and requires the DOE to complete work at Mocho Shaft to bring DOE’s electrical facilities into compliance with code requirements by June 30, 2015.</p> <p>The SFPUC Water Enterprise will invoice according to the current schedule of rates, and/or adjusted rates as periodically updated by the SFPUC. The annual water use is projected to be 441,146 CCF. The contract covers the period from January 1, 2015 to December 31, 2024 with estimated ten (10) year revenue of \$29,865,584.00.</p>
Result of Inaction:	A delay in authorizing this contract will result in continued service without contract.
Budget & Costs:	The estimated revenue from this contract is \$29,865,584.00 over the 10 years.
Schedule:	The new contract will retroactively take effect on January 1, 2015. The total duration of this agreement is 10 years.
Recommendation:	SFPUC staff recommends that the Commission adopt the attached resolution.
Attachments:	<ol style="list-style-type: none"> 1. SFPUC Resolution 2. Contract DE-NA0002471