[Renegotiation of Modesto and Turlock Irrigation District Contracts]

RESOLUTION DIRECTING THE CITY ATTORNEY TO EXAMINE THE WAYS IN WHICH SAN FRANCISCO COULD TERMINATE ITS OBLIGATIONS TO PROVIDE POWER FROM THE HETCH HETCHY DAM TO THE MODESTO AND TURLOCK IRRIGATION DISTRICTS AS STIPULATED IN THE AGREEMENTS APPROVED IN 1988 AND TO EXAMINE THE WAYS IN WHICH THE CITY COULD TERMINATE ITS CONTRACT WITH PACIFIC GAS AND ELECTRIC TO DISTRIBUTE THIS POWER TO THE MODESTO AND TURLOCK IRRIGATION DISTRICTS, AND TO INFORM THE MODESTO AND TURLOCK IRRIGATION DISTRICTS OF SAN FRANCISCO'S INTENT TO BEGIN RENEGOTIATION OF THESE CONTRACTS.

WHEREAS, San Francisco will lose an estimated \$17 million this fiscal year due to its obligations under contracts with the Modesto and Turlock Irrigation Districts to supply electric power to the Irrigation Districts; and

WHEREAS, San Francisco pays the Pacific and Gas and Electric Company to distribute electricity generated at its Hetch Hetchy Dam to the Central Valley Irrigation Districts of Modesto and Turlock; and

WHEREAS, The Modesto and Turlock Districts currently receive 50% of Hetch Hetchy's total hydroelectric output; and

WHEREAS, This diverted electricity is desperately needed in San Francisco to mitigate the severity of the current energy crisis which has forced blackouts in the city disrupting the transit system, schools, businesses and adversely affecting the welfare of the citizenry; and

WHEREAS, The San Francisco Public Utility Commission was forced to expend its total budget for purchasing power at Hetch Hetchy Dam as of December 31, 2000 in order to fulfill SUPERVISOR, MATT GONZALEZ, NEWSOM, McGOLDRICK, PESKIN BOARD OF SUPERVISORS

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its obligation to provide the Modesto and Turlock Irrigation Districts with the requisite power; and

WHEREAS, These expenditures will result in less money available to address problems in San Francisco; and

WHEREAS, The unusually dry winter has resulted in lower levels of water at Hetch
Hetchy Dam, thereby causing less electricity to be generated; and
WHEREAS, The San Francisco Public Utility Commission cannot predict how much electricity
its plants will be able to generate in the spring and summer; now, therefore, be it

RESOLVED, That the Board of Supervisors directs the City Attorney to examine the ways that San Francisco could void the contracts with the Modesto and Turlock Irrigation Districts, and be it

FURTHER RESOLVED, That the Board of Supervisors directs the City Attorney to notify the Modesto and Turlock Irrigation Districts of its intent to renegotiate these contracts.



City and County of San Francisco Tails

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

Resolution

File Number:

010123

Date Passed:

Resolution directing the City Attorney to examine the ways in which San Francisco could terminate its obligations to provide power from the Hetch Hetchy Dam to the Modesto and Turlock Irrigation Districts as stipulated in the agreements approved in 1988 and to examine the ways in which the City could terminate its contract with Pacific Gas and Electric to distribute this power to the Modesto and Turlock Irrigation Districts, and to inform the Modesto and Turlock Irrigation Districts of San Francisco's intent to begin renegotiation of these contracts.

January 29, 2001 Board of Supervisors — ADOPTED

Ayes: 9 - Ammiano, Daly, Gonzalez, Hall, Maxwell, McGoldrick, Leno, Newsom,

Peskin

Absent: 2 - Sandoval, Yee

File No. 010123

I hereby certify that the foregoing Resolution was ADOPTED on January 29, 2001 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young

Clerk of the Board

FEB 08 2001

Date Approved

Mayor Willie L. Brown Jr.