

**Memorandum of Understanding between the Treasure Island Development Authority
(TIDA) and the San Francisco Public Utilities Commission (SFPUC)
Regarding Naval Station Treasure Island Utility Services during the Term of the Base
Caretaker Cooperative Agreement between TIDA and the U.S. Navy**

THIS MEMORANDUM OF UNDERSTANDING (this "MOU") is entered into as September___, 2013, by and between the **CITY AND COUNTY OF SAN FRANCISCO** ("City"), a municipal corporation acting by and through the San Francisco Public Utilities Commission ("SFPUC"), and the **TREASURE ISLAND DEVELOPMENT AUTHORITY**, a California non-profit public benefit corporation ("TIDA"), collectively, the "parties", upon the following facts, intentions and understandings of the parties:

RECITALS

A. In 1993, Naval Station Treasure Island ("NSTI"), consisting of both Treasure Island and portions of Yerba Buena Island, was designated for closure and disposition by the Base Realignment and Closure Commission acting under Public Law 101-510 and its subsequent amendments. The Department of Defense subsequently designated the City and County of San Francisco ("City"), and later TIDA, as the Local Reuse Authority ("LRA") responsible for the conversion of NSTI under the federal disposition process.

B. TIDA was created in 1997 to serve as a single-purpose entity responsible for the redevelopment of NSTI. Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (1) designated TIDA as a redevelopment agency under the California Community Redevelopment Law with authority over NSTI, and (2) with respect to those portions of NSTI that are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust" or "Trust"), vested in TIDA the authority to administer the Tidelands Trust as to such property in accordance with the terms of the Act.

C. The City and the Navy entered into the Base Caretaker Cooperative Agreement executed March 12, 1997, as amended from time to time (collectively, the "Cooperative Agreement"), for the interim management and operation of NSTI during the disposition process. Under the Cooperative Agreement, the City assumed responsibility for certain caretaker duties at NSTI including the operation, maintenance and repair of the Navy's utility systems that service NSTI. These caretaker responsibilities were later assumed by TIDA in 1998.

D. In January 2012 in response to AB26, the Board of Supervisors rescinded its designation of the TIDA as the redevelopment agency under California Community Redevelopment Law, but preserved TIDA's status as the LRA for NSTI and all other powers and authority that the City had granted to TIDA or that TIDA otherwise had.

E. The Cooperative Agreement includes various Function Annexes that describe in detail the caretaker duties for which TIDA is responsible under the Cooperative Agreement. Functional Annex 6 – Utilities Services – describes the Caretaker responsibilities for the

operation and maintenance of utilities systems at NSTI that TIDA is responsible to provide. The SFPUC has provided utility services on NSTI on behalf of TIDA, including the operation and maintenance of the active NSTI utility systems and the delivery of utilities to the occupants and users of NSTI. SFPUC activities include delivery of electricity, gas, water, stormwater and the operation and maintenance of the existing wastewater treatment plant and related facilities and pipe network on NSTI. Because the utility related facilities are not owned by the City or TIDA and have not been accepted by the Board of Supervisors pursuant to City ordinances, these utilities are not under the jurisdiction of the SFPUC. The SFPUC has been performing utility services for TIDA to the extent it can be reimbursed by NSTI utility revenues imposed or collected by TIDA, or other TIDA revenues. To date, the SFPUC has performed utility services at NSTI without a formal agreement with TIDA, and the purpose of this MOU is to memorialize the terms and conditions of continued performance of certain defined utility services.

F. In 2011, the City, TIDA and Treasure Island Community Development, LLC. ("TICD"), entered into three related agreements: a Disposition and Development Agreement (the "DDA") between TIDA and TICD; a Development Agreement (the "DA") between the City and TICD; and an Interagency Cooperation Agreement (the "ICA") between the City and TIDA (for reference purposes, all of these agreements are dated as of June 28, 2011). The DDA details a phased program for the development of NSTI including an Infrastructure Plan, Exhibit FF to the DDA, which describes the future utilities to be constructed by TICD as part of the development project.

G. TIDA is negotiating with the Navy an Economic Development Conveyance Memorandum of Agreement (the "EDC MOA") seeking conveyance of all of NSTI other than the portions that the Navy previously conveyed to the United States Department of Labor Job Corps, the United States Coast Guard and the Federal Highway Administration through federal-to-federal transfers. The portions of NSTI that are subject to the EDC Application are collectively referred to in this MOU as the "Property". Following execution of the EDC MOA, the Navy will transfer the Property to TIDA, as the designated LRA, in phases in accordance with the conditions set forth in the EDC MOA (the "Transfer"). The EDC MOA will address the obligations of the Navy and TIDA with respect to maintenance, operation, and replacement of utility systems during the course of the Transfer process through a Utility Agreement that is being negotiated between TIDA and the Navy. The parties anticipate that TIDA and the SFPUC will negotiate a new MOU, or an amendment to this MOU, related to utility services provided under the term of the EDC MOA and Utility Agreement.

H. For purposes of this MOU utility infrastructure on the Property that has not yet been transferred to the City is referred to as "Pretransfer Infrastructure."

I. The parties acknowledge that the existing infrastructure on NSTI was built by the Navy and does not meet current SFPUC standards. Given the state of the existing infrastructure, the SFPUC may not be able to provide utility services on NSTI equivalent to the services that SFPUC provides in the other areas of San Francisco, pending construction, dedication and acceptances of new utility systems. SFPUC has worked with TIDA on plans for long term capital improvements to the substandard infrastructure through the redevelopment of NSTI.

NOW, THEREFORE, the parties hereto agree as follows:

1. **Term**. The term of this MOU will commence on the date on which the parties hereto have executed and delivered this MOU and will expire, unless sooner terminated, on September 30, 2014, unless amended by the parties in writing.

2. **Provision of Utility Services**.

(a) During the Term, the SFPUC agrees that it will continue to provide utility services for, and on behalf of, TIDA on NSTI consistent with past practices, and to the extent feasible given the condition of the utility systems and related infrastructure (the "Services"). These Services are described in Functional Annex 6 of the current Cooperative Agreement with noted exceptions and amendments as shown on Exhibit A, attached hereto, and subject to the terms and conditions of this MOU. The scope of the Services may be amended by written agreement between the parties hereto. In no event shall the SFPUC be required to continue to provide the Services if TIDA fails to fulfill its payment obligations set forth in Section 3 below.

(b) The parties acknowledge that all Services rendered by the SFPUC to TIDA hereunder are as a contractor, not as a public utility provider, and the SFPUC's expenditure authority in providing the Services is limited to the funds realized under Section 3 below as payment for the Services. These payments are expected to include funds for the day-to-day operation and maintenance of the Pretransfer Infrastructure, including any claims or judgments, so that the SFPUC is made whole.

(c) The Navy, as the owner of NSTI, has responsibility for investigating and remediating Hazardous Materials consistent with Federal and State law, and the terms of the pending EDC MOA. TIDA is responsible for conveying information concerning Navy activities to SFPUC and developing and distributing Health and Safety Plans for the use of SFPUC employees performing services under this MOU. TIDA agrees to inform SFPUC as soon as practicable of any work that the Navy is performing as part of the remediation or otherwise, that will impact Navy infrastructure that the SFPUC is responsible under this MOU to service. TIDA agrees to convey as built drawings of any repaired or replaced Navy infrastructure to the SFPUC as soon as practicable. Upon SFPUC's request, TIDA will schedule meetings with the persons most knowledgeable about the Navy's remediation activities in order to provide current information to the SFPUC.

(d) The SFPUC will inform TIDA of all known conditions related to providing Services that could result in threats to public health and safety or regulatory violations due to infrastructure failure. The SFPUC conducted a condition assessment of certain utility infrastructure on NSTI, and provided those reports to TIDA. In addition, the SFPUC provided TIDA an assessment and cost estimate for the most immediate necessary capital improvements for the existing utilities on NSTI, including system reliability, regulatory compliance, and public/worker safety. TIDA is pursuing Board approval of capital funding in the amount of \$10 Million to address critical near term repairs to the existing infrastructure. SFPUC will coordinate with TIDA in the implementation of those capital repair projects.

(e) SFPUC will not continue to provide Services if conditions at NSTI work locations present a threat to the health and safety of SFPUC staff or contractors. SFPUC shall notify TIDA when it becomes aware of circumstances that pose an immediate or near term threat to the health or safety of SFPUC staff or others. Immediate threats to the health or safety of SFPUC staff will result in the immediate cessation of applicable Services until TIDA, or a third party, remedies the unsafe situation to a satisfactory level to permit the continuation of the applicable Services. Near term threats to the health or safety of SFPUC staff will be reported by the SFPUC to TIDA with a summary of work needed to remedy the unsafe situation, including an estimated timeframe for how long the SFPUC will be able to safely provide utility services before the situation must be remedied.

(f) As noted in Recital I above, the existing infrastructure on NSTI was built by the Navy and does not meet current SFPUC standards. SFPUC is not responsible for permit or regulatory violations that result from facilities that the SFPUC has notified TIDA are in need of repair or replacement. SFPUC currently prepares, and will continue to prepare, the reports for state and federal wastewater, stormwater, air emissions and drinking water permits for the Navy, but the Navy is responsible for certifying and submitting those reports. The Navy is also responsible for meeting any permit violation reporting requirements. The SFPUC currently uploads, and will continue to upload data to C.I.W.Q.S, but the Navy is ultimately responsible for certifying all monitoring data and reporting.

(g) TIDA is responsible under the Cooperative Agreement for communications with the Navy and all third parties on NSTI regarding the conditions of the utility systems, and any interruptions to Services. The SFPUC will assist as needed in any such communications.

3. **Compensation.**

(a) TIDA shall pay, or cause the SFPUC to be paid by the occupants of NSTI, for the costs to perform the Services, including any claims or judgments arising from such performance, such that the SFPUC is made whole (without penalty or profit). The SFPUC shall recommend to TIDA annual budgets and supplemental budgets as needed to perform the Services and the parties will meet and discuss all recommended repairs, upgrades and ongoing utility costs, and continue to make adjustments to budgets and charges as needed. The SFPUC agrees to invoice NSTI residents and businesses consistent with existing practices. The parties will meet and confer to discuss recommended changes to charges. All amounts collected by the SFPUC from NSTI residents and businesses shall be credited against amounts otherwise due and owing from TIDA to the SFPUC under this MOU.

(b) In January 2009, the Board of Supervisors approved an agreement between the SFPUC and TIDA, where TIDA agreed to make payments to the SFPUC in the amounts set forth in the Memorandum of Understanding Regarding Utility Rate Adjustments, to reimburse the SFPUC for unpaid amounts of utility services provided during Fiscal Years 1997/1998 through 2005/2006 over a term extending to the Fiscal Year 2018/2019, and TIDA shall continue to make those payments pursuant to such MOU until all the payments have been made.

(c) The parties further agree to meet and confer on a regular basis to review charges and payment amounts and make recommendations as to changes if appropriate.

4. **Cooperation.** The SFPUC and TIDA agree to cooperate with one another to implement the terms of this MOU in good faith, and shall meet regularly to discuss utilities operations and maintenance matters at NSTI.

5. **Notices.** Any notice given under this Agreement shall be in writing and given by delivering the notice in person, by commercial courier or by sending it by regular mail, with postage prepaid, to the mailing address listed below or any other address notice of which is given. For the convenience of the parties, copies of notices may also be given by facsimile, to the telephone number listed below or such other numbers as may be provided from time to time.

Address for SFPUC: 525 Golden Gate Ave,
13th Floor
San Francisco, CA 94103
Attn: Harlan L. Kelly Jr., General Manager
Telephone No: (415) 554-4704
Email: HKelly@sfgov.org

Address for the Authority: 1 Avenue of the Palms, Suite 241
Treasure Island
San Francisco, CA 94130
Attn: Robert Beck, Treasure Island Director
Fax No: (415) 274-0662
Telephone No: (415) 274-0660
Email: bob.beck@sfgov.org

7. **Miscellaneous Provisions.**

a. **California Law.** This Agreement shall be construed and interpreted in accordance with the laws of the State of California and the City, including the City's Charter.

b. **Entire Agreement.** Subject to any subsequent agreements authorized pursuant to this Agreement, this Agreement contains all of the representations and the entire agreement between the parties with respect to the subject matter of this Agreement. No prior drafts of this Agreement or changes from those drafts to the executed version of this Agreement shall be introduced as evidence in any litigation or other dispute resolution proceeding by any party or other person, and no court or other body should consider those drafts in interpreting this Agreement.

c. **Amendments.** No amendment of this Agreement or any part hereof shall be valid unless it is in writing and signed by all of the parties hereto.

d. **No Party Drafter; Captions.** The provisions of this Agreement shall be construed as a whole according to their common meaning and not strictly for or against any party in order to achieve the objectives and purposes of the parties. Any caption preceding the text of any

section, paragraph or subsection or in the table of contents is included only for convenience of reference and shall be disregarded in the construction and interpretation of this Agreement.

e. Further Assurances. The parties hereto agree to execute and acknowledge such other and further documents as may be necessary or reasonably required to carry out the mutual intent of the parties as expressed in this Agreement.

f. Necessary Approvals. This Agreement may be subject to approval by the San Francisco Public Utilities Commission and the Treasure Island Development Authority, each in its sole and absolute discretion.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

SFPUC:

THE AUTHORITY:

CITY AND COUNTY OF SAN FRANCISCO, acting by and through its Public Utilities Commission

TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit corporation

By: _____
Harlan L. Kelly, Jr.
General Manager

By: _____
Robert Beck
Treasure Island Director

Approved as to form:

Dennis J. Herrera,
City Attorney

By: _____
Deputy City Attorney

Exhibit A

Description of the Services

The attached Functional Annex 6 from the Cooperative Agreement between the US Navy and the City and County of San Francisco outlines “Caretaker” responsibilities for the maintenance and operation of existing utility systems on the for Naval Station Treasure Island / Yerba Buena Island (NAVSTA TI/YBI) assumed by the City and County under the Cooperative Agreement.

Bold parenthetical comments **[Example]** are provided to clarify the Caretaker roles assumed by the Treasure Island Development Authority (TIDA) and San Francisco Public Utilities Commission (SFPUC) under this MOU and to provide clarifying language for certain other terms.

FUNCTIONAL ANNEX 6

UTILITIES SERVICES

6.1. Description

6.1.1. The Utilities Services function provides for maintenance and operation of electric, natural gas, sanitary sewer, sewage treatment and storm sewer systems by the Caretaker as well as for establishment of rates and collection of revenue to offset operating costs.

6.1.2. The Caretaker may use Building 264 and storage lot 292 at Treasure Island for performance of the Utilities Services function.

6.2. Concept of Operations

6.2.1. Lease of Utility Systems to the Treasure Island Development Authority: It is the intent of the Caretaker to enter into a lease for Navy owned utility systems serving Naval Station Treasure by the signing of EDC/LIFOC for the property. Prior to execution of the planned lease, and within the term of this agreement, the Caretaker will operate utility systems in accordance with requirements of this Annex and of the Technical Execution Plan for Utilities Management which is attached to and made part of this agreement. After execution of the lease, provisions of this agreement pertaining to utilities operations will be extinguished and requirements of the lease will prevail.

6.2.2. Assumption of Environmental and Operating Permits by the Caretaker: The Caretaker agrees to cooperate with the Navy and regulators to support the timely transfer of the permits required for the continuing operations of the Caretaker. This includes updating the permits to provide the organizational name(s) of the current operators for purposes of reporting required under the permits. The Caretaker will operate utilities in conformance with applicable permits and will perform regular monitoring and reporting required by these permits. All responses (written or oral) to violations or operations outside the permit limits will be brought to the immediate attention of the Navy, however, the responsibility to operate within the permit limits rests with the Caretaker. Specific schedules for transfer of the below listed permits shall be included in the EDC MOA, LIFOC and any other leases entered into by the Navy and the Caretaker. **[The SFPUC will perform the services described in this section in accordance with Sec 2(f) of this MOU]**

- State of Calif. – Health and Welfare Agency, Water Supply Permit No. 02-04-96P-3810702
- BAAQMD Permit to Operate Air Emissions Sources for Plant # 479
- RWQCB NPDES General Storm Water Permit No. CAS000001 for Facility WDID No. 238S012140
- RWQCB NPDES Waste Water Treatment Plant Permit No. CA0110116 Operations Under This Agreement Prior to Leasing
- California Department of Public Works Permit S.F.O.B.B. #16 of 22 November 1944

6.2.3. Operations

6.2.3.1. The Caretaker [SFPUC] will operate and maintain utility systems at Treasure Island and

Yerba Buena Island, as described in the applicable Technical Execution Plan (see paragraph 6.2.3.3), including electric, natural gas, water, sanitary sewer, storm sewer and sewage treatment systems. The Caretaker [TIDA] will defray associated costs through revenue generated by charging uniform rates established by the Caretaker [TIDA].

6.2.3.2. All storage and handling of materials and equipment necessary for utility maintenance shall be done in accordance with the Treasure Island Storm Water Pollution Prevention Plan.

6.2.3.3 The Technical Execution Plan (TEP) for this annex is attached and made part of this agreement. The Caretaker [SFPUC] agrees to conform to the requirements and guidelines of the TEP that defines the extent of Caretaker [SFPUC] responsibility for utilities operations as well as specific operating procedures.

6.2.4. Purchase of Utility Commodities: The Caretaker [SFPUC] will be responsible for purchase of all electricity, natural gas and water consumed on TI and YBI and for purchase of electric power provided to the east water pump station serving the base. **[East water pump station is currently inactive; back-up electrical power provisions already fulfilled]**The Caretaker remains responsible per modification P00009 of this agreement, and agrees to make payment for back-up electrical power delivered to Treasure Island under Navy contract during fiscal year 1999. Payment will be made by the Caretaker directly to the Pacific Gas and Electric Co. upon submission of invoices by that company to the Navy.

6.2.5. Recovering Funds for Consumption by the Navy: Consumption for which the Navy is responsible have been determined through estimates mutually agreed upon by the Navy and the Caretaker. Estimated Navy consumption is itemized in figure 6-1. Total annual charges will not exceed \$48,139.92 annually or \$4,011.66 per month.

Annex 6, Figure 6-1 Navy Liability for Utilities Consumption September 99					
Notes	Use	Consumption Chargeable Monthly	Rate	Monthly cost	Annual Cost
[1]	Electricity for CSO (B's 1 and 570)	24 MWH	\$121.34	\$2,912.16	\$34,945.92
[2]	Natural gas for CSO (B's 1 and 570)	197 MCF	\$5.10	\$1,004.70	\$12,056.40
[3]	Water for CSO	10KGAL	\$4.59	\$45.90	\$550.80
[4]	Sewer for CSO	10KGAL	\$4.89	\$48.90	\$586.80
Totals				\$4,011.66	\$48,139.92

Notes:

[1] B's 1 & 570 = 10w / sq ft x 9,000 sq ft, 12 hrs per day, 22 days per month = 24MWH / month

[2] 30 btu's / sq ft / hr x 9,000 sq ft, 24 hrs per day 365 days per year

[3] 30 GPD / person, 22 days per month assuming average staff including contractors of 15.

[4] equal to domestic water consumption by CSO

6.2.5 System Extension and Provision of New Service

6.2.5.1. New Services Requested by the Navy and other Federal Users: Subject to the availability of funds for such purpose, the Caretaker [SFPUC] will provide any extension or alteration of systems along with any metering or service connections requested by the Navy or as concurred to by the Navy for other Federal users on the base. The Caretaker [TIDA] will recover costs for such work for other Federal users directly from the *benefiting* agency. Costs incurred for any such work requested by and executed for the Navy will be reimbursed via the provisions of this agreement or by amendment of this agreement as may be required.

6.2.5.2. New Services Required by Lessees or Licensees: The Caretaker [TIDA] may also provide **[authorize]** system extensions and alterations along with metering and service connections required to fully and exclusively meter use of water, electricity and natural gas within any premises which may be under license or lease from the Navy during the term of this agreement. Costs for any such work will be recovered by the Caretaker [TIDA] directly from the benefiting Lessee or Licensee and will not be charged to the Navy. **[All utility connections, extensions and alterations will only be performed by the SFPUC after a building permit and occupancy certificate are obtained from the authorities having jurisdiction (i.e., Department of Building Inspection) and all utility service connection, inspection, and building costs and fees are paid in full.]**

**TECHNICAL EXECUTION PLAN
UTILITES MANAGEMENT**

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TECHNICAL EXECUTION PLAN UTILITIES MANAGEMENT

Ref : (a) Cooperative Agreement between the City and County of San Francisco and the U.S. Navy, N62474-97-2-0003, Mod P00012 (period of 01 October 2001 through 30 September 2001)

1.0 Purpose

This document provides general operational procedures for the management of the electric, water, natural gas, and sewer systems on Treasure Island (TI) and Yerba Buena Island (YBI).

2.0 Background (Not used)

3.0 Systems Definitions, Extent of Caretaker Responsibility for Utilities Distribution

The physical extent of each utility system that will be maintained by the Caretaker [SFPUC] is as described below. These descriptions apply to all elements of systems on Treasure Island and Yerba Buena Island and water and electric systems deriving in Emeryville and Oakland respectively with the exception of elements of systems serving the U.S. Coast Guard on Yerba Buena Island which are beyond designated service points and within the boundaries of Coast Guard owned property. The Caretaker [TIDA] will establish responsibilities within the Coast Guard boundaries through direct negotiations with the Coast Guard.

3.1 Water System: Facilities that are operated and maintained by the Caretaker [SFPUC] under the Cooperative agreement consist of the existing water delivery facilities at NAVSTA TI/YBI including:

3.1.1. Supply and delivery pipelines, originating at the supply points for NAVSTA TI/YBI from San Francisco City Distribution System and from the East Bay Municipal Utility District (EBMUD). The Caretaker [SFPUC; if/when connection utilized] agrees to conform to all requirements of California Department of Transportation S.F.O.B.B. Permit No. 16 Dated 22 November 1944 as it pertains to operation of the pipeline originating at the East Bay Municipal Utility District service point in Emeryville to the last (upstream) point of attachment of the Bay Bridge on YBI.

3.1.2. Water storage facilities

3.1.3. Water pumping and chlorinating stations

3.1.4. The water pumping station located in pier E23 of the east span of the San Francisco Bay Bridge.

3.1.5. All supply lines that cross through or under any leased or non-leased building or facility that do not serve that building or facility.

3.1.6 For metered buildings and facilities, the Caretaker [SFPUC] responsibility ends at the first valve or meter upstream of the building or facility.

3.1.5. For building and Facilities that are not metered, the Caretaker [SFPUC] responsibility will include all supply lines and water system facilities up to five (5) feet from any building or facility.

3.2 Sanitary Sewer System: Facilities which are operated and maintained by the Caretaker [SFPUC] consist of the existing sanitary sewer collection and pumping facilities at NAVSTA TI/YBI, including:

3.2.1. Waste water treatment plant including all facilities within the perimeter fence of the plant and including all piping and appurtenant facilities to the point of discharge to San Francisco Bay.

3.2.2 Waste water-pumping stations [**and associated control rooms**]

3.2.3 Mainline sewers

3.2.4 Forced mains

3.2.5 Collection and service sewers to the limit of lease holding for leased facilities.

3.2.6 For buildings and facilities which are not leased or otherwise occupied, or which are in use by the Navy or Navy Customers; Collection and service sewers to either [a] the last cleanout upstream of the mainline sewer along the service to the building or facility, or [b] a point five (5) feet from the foundation of the building or facility.

3.3 Storm Water System: Facilities which are operated and maintained by the Caretaker [SFPUC] consist of the existing storm water collection and discharge facilities at NAVSTA TI/YBI including:

3.3.1 Storm water collections system from the transition structure of surface flow entering the below surface piping (including drop inlets and other collection structures). Surface and street flows are not included.

3.3.2 Storm water-pumping stations

3.3.3 Storm water outfalls

3.4 Natural Gas System: Natural gas is delivered to NAVSTA TI/YBI by a supply line owned by the Pacific Gas and Electric Co. (PG&E). PG&E also owns and operates the main meters and pressure reducing stations at the point of delivery. The responsibility of the Caretaker [SFPUC] is for all facilities downstream of PG&E facilities including:

3.4.1 Supply and delivery pipeline downstream of the main meter and pressure reduction station located on NAVSTA TI/YBI.

3.4.2 Supply lines to and including that last valve or corporation stop leading to all leased, non-leased, occupied or non-occupied buildings and facilities.

3.5 Electrical Distribution System: Facilities that are operated and maintained by the Caretaker [SFPUC] consist of the existing transformational and distribution facilities at NAVSTA TI/YBI including:

3.5.1 The entire high voltage transmission line serving Treasure Island originating at the point of connection to the breakers at the Port of Oakland's Davis Substation at Point Arnold including overhead and underground elements of the line located on the Fleet and Industrial Supply Center and the Oakland Army Base [**now Port of Oakland and City of Oakland**], the underground element extending from the Oakland Army Base including the junction with the submarine section of the line and the submarine

section including the junction and the underground section of line at Treasure Island to the point of connection at the main Treasure Island substation.

3.5.2 Main substation at NAVSTA TI/YBI.

3.5.3 Distribution system and related equipment between the substations and the end users.

3.5.4 For metered buildings and facilities, service up to and including the meter.

3.5.5 For building and facilities which are not metered or which have dedicated switch-gear or transformers at the building or facility, service to the low side of the dedicated switch-gear or transformer and shall include the dedicated switch gear or transformer.

3.5.6 For buildings and facilities which are not metered and which do not have dedicated switch-gear or transformers at buildings or facilities, service to the weatherhead, building perimeter, or equipment connection.

3.5.7 The Davis Substation at the Fleet and Industrial Supply Center [**Now Port of Oakland**], Oakland, CA.

4.0 Organization and Communication

4.1 Caretaker and Navy: Although there is no requirement for regular meetings between the Caretaker [**TIDA**] and the Navy, all essential communications (status of environmental clean-up projects, etc.) with the Navy shall be conducted with the appropriate Navy SWDIV ("Southwest Division," the Navy's Facilities Management Headquarters located in San Diego) representative. Notification of planned outages or any other pertinent utilities information shall be forwarded to the Navy Caretaker Site Office with the same consideration and priority as extended to any other utility customer served by the Caretaker.

4.1.1 The Caretaker's Representative is:

Robert Beck
Office: Treasure Island, Building 1
Phone: (415) 274-0662

4.1.2 The Navy Representative is:

Patricia McFadden
Office: Treasure Island, Building 1
Phone: (415) 743-4720

5.0 Preventative Maintenance & Repair Work: Regularly scheduled preventive maintenance and all non-emergency repair work will be executed as determined necessary by the Caretaker [**SFPUC; subject to funding availability**]. Financial reporting [**by TIDA**] to the appropriate Navy representative is required by provisions of the Cooperative Agreement.

6.0 Trouble Call Response and Reporting

6.1 Origin and Reception of Trouble Calls: Trouble calls may be initiated by any customer by calling 311. The 311 Operator will, in turn, direct calls requiring response that falls within the scope of the CA to the appropriate Caretaker department or subcontractor.

6.2 Caretaker Points of Contact: In addition to the 311 telephone number, the Caretaker shall provide to the Navy Caretaker Site Office an up to date list of telephone numbers for primary Caretaker managers responsible for utilities operations at NAVSTA TI/YBI. This list includes the responsible utility group and will be used by the Navy in cases of emergency and when responses to trouble calls do not occur within a reasonable time period (see response targets of Table 6-2). Note: Appendix 'A' provides operational procedures for Trouble Calls and Emergency Response in addition to key points of contact – both Caretaker and Navy.

TABLE 6-2 Labor Hour and Response Targets			
Type of action	TEP paragraph	Urgency and response targets	
		Routine [1]	Emergency, note [2]
		RegHours / AfterHours	RegHours / AfterHours
Minor, unscheduled repairs	5.0	8hr / NA	4hr / NA
Major repair work	5.0	8hr / NA	4hr / NA

NOTES: [1] Response required during normal working hours only
 [2] Response required 24 hours / day, seven days / week
 [3] N/A – No After Hour

6.3 Caretaker Trouble Call Reception, Response Targets and Reporting: Upon receiving a request from the CSO or other authorized party for trouble call, the Caretaker reception desk will issue a Trouble Call (TC) number which will serve as a key identifier for the call and will be used to track and report on response. The Caretaker will maintain records of all TC#'s issued along with pertinent details on response and resolution and will provide summaries of this information to the Navy Utilities PM as requested.

7.0 Emergency Response

7.1 Emergency Requirements

7.1.1 Definition: 911 should be called where it has been determined or is suspected that immediate action is required to eliminate a threat to human health, the environment, to protect property or to avoid disruption of essential operations.

7.1.2 Reporting: Direct reporting to the Navy is not required during an event, however, the Caretaker [TIDA] will provide the Navy with a written summary of any "significant event" (major personal injury or death, major property damage, "large" fires for example) that has occurred at TI/YBI.

8.0 System Extension, Provision of New Service

8.1 New Services Requested by the Navy and other Federal Users: Subject to the availability of funds for such purpose, the Caretaker [SFPUC] will provide any extension or alteration of systems along with any metering or service connections requested by the Navy or as concurred to by the Navy for other federal users on the base. The Caretaker [TIDA] will recover costs for such work for other Federal users directly from the other Federal users. Costs incurred for any such work requested by and executed for the Navy will be reimbursed via the provisions of this agreement or by amendment of this agreement as may be required

8.2 New Services Required by the Lessees or Licenses: The Caretaker [TIDA] may also provide **[authorize]** system extensions and alterations along with metering and service connections required to fully and exclusively meter use of water, electricity and natural gas within any premises which may be under license or lease. Costs for any such work will be borne by the Lessee or Licensee. The Cooperative Agreement (paragraph 6.2.5) forbids delivery of any utility commodity to a premise under lease or license that is not fully and exclusively metered (exceptions may be granted if plans are in place for the installation of subject meter.). **[All utility connections, extensions and alterations will only be performed by the SFPUC after a building permit and occupancy certificate are obtained from the authorities having jurisdiction (i.e., Department of Building Inspection) and all utility service connection, inspection, and building costs and fees are paid in full.]**

9.0 Purchase of Utility Commodities: The Caretaker [SFPUC] will be responsible for purchase of all electricity, natural gas and water consumed on TI and YBI and for purchase of electric power provided to the east water pump station serving the base **[Currently inactive]**

10.0 Billing and Payment for Utilities Consumption: The Caretaker [TIDA] will defray costs of utility commodities purchased and costs of the operation and maintenance of the utility systems through revenues generated by charging uniform rates established by the Caretaker [TIDA]. The Caretaker [TIDA] will enter into Utility Service Contracts (USC's) with all Federal users including the Navy or the Navy's contractors as required. The USC shall contain pertinent information regarding the utilities agreement between the Caretaker [TIDA] and the specific Federal user, including rates. The Caretaker [SFPUC] will purchase electricity, natural gas and water including electric power for the east water pump station serving TI and YBI **[East water pump station is currently inactive]**.

10.1 Billing Non-Navy Tenants: The Caretaker **[SFPUC if requested by TIDA]** will be responsible for billing and **[TIDA will be responsible for]** obtaining payment from all Lessees, Licensees and non-Navy Federal activities permitted to receive utilities services on the base. Charges to these tenants for use of electricity, natural gas, water and sewer service will be determined by the Caretaker [TIDA] (per Annex 6, paragraph 6.2.3.1). In general, consumption will be read from meters which fully and exclusively measure permitted consumption. Where determined to be more economic, consumption may be determined through engineered estimates prepared by the Caretaker [SFPUC].

10.2 Recovering Funds for Consumption by the Navy: Units of consumption for which the Navy is responsible have been determined through estimates mutually agreed upon by the Navy and the Caretaker [TIDA]. The Cooperative Agreement lists estimated uses and the annual/monthly charges to be billed by the Caretaker.

10.3 Charging for Sanitary Sewer Service: Deleted.

11.0 Outage Management

11.1 Scheduled Outages: The following procedures will be used by the Caretaker **[TIDA]** for any utility outage not resulting from an emergency or unplanned failure:

11.1.1 Caretaker Action: The Caretaker **[TIDA]** shall coordinate all outages directly with the applicable parties including the Navy and its contractors. Prior to a scheduled outage, the Caretaker **[TIDA]** shall contact all customers (including those who may be impacted) that will be impacted and provide the following information:

- Purpose of outage
- Utilities commodities affected
- Buildings and facilities affected
- Proposed start and completion dates and times

11.1.2 Coordination by Navy: Navy representative will coordinate the outage request for Navy managed facilities. The Caretaker **[TIDA]** will coordinate the outage all non-Navy and any affected utilities customers.

11.1.3 Planned Outages: The Caretaker **[SFPUC]** will execute the outage at the agreed upon time. Authorization from the Navy is not required

11.1.4 Disapproved or Cancelled Outages: In cases in which the outage cannot be executed, the Caretaker **[TIDA]** will revisit all impacted customers and advise them of cancellation or revised outage schedule and why it was necessary.

11.1.5 Unscheduled Outages: The Caretaker **[SFPUC]** will take immediate action to restore service. Authority from the Navy is not required. An "information-only" notice to the Navy representative is required after the event (verbal or written ok).

12.0 Excavation Management

12.1 Scheduled Excavations: The Caretaker **[TIDA]** will serve as the initial point of contact for all parties seeking to perform excavations at TI/YBI and will implement procedures to assure that no excavation is permitted without advance clearance with regard to underground utilities (see Annex 6. TEP paragraph 13.0) and from the designated Navy representative for environmental conditions. The following procedure will be used by the Caretaker **[TIDA]** to obtain Navy concurrence for any excavation not resulting from an emergency or unplanned system failure:

12.1.1 Excavation Process: The Caretaker **[TIDA]** shall retain established Underground Service Alert (USA) membership for the area encompassing TI/YBI and shall be the initial point of contact for all excavation activities within said region. The Caretaker **[SFPUC]** will locate and, within 48 hours of notification, clearly mark all utilities in the vicinity of proposed excavation prior to start.

12.1.2 Excavation Coordination/Navy Concurrence: Where necessary, the Caretaker **[TIDA]** will

refer evacuation requests to the designated Navy representative to ensure environmental conditions of soil in and around the area of the planned excavation site can be conveyed to all parties so that they may plan accordingly

12.1.3 “Approved” Evacuation Requests: In cases in which the excavation plan is acceptable as proposed, the Navy will immediately inform the Caretaker **[TIDA]** of its concurrence and will provide the Caretaker **[TIDA]** with any special requirements which may be imposed by the Navy **[TIDA to inform original requestor of any special requirement]**. The Caretaker **[TIDA]** will then perform the excavation or permit the excavation to be performed by the original requestor at the agreed upon time and in accordance with any special requirements which may be imposed by the Navy.

12.1.4 "Disapproved" Excavation Requests: In cases in which the excavation notification or request cannot be concurred to for environmentally related reason(s), the Navy will propose alternatives in writing to the Caretaker **[TIDA]** for coordination.

13.0 Marking Utilities Locations:

13.1. Electric, Gas, Water, and Sewer: The Caretaker Utilities Manager **[SFPUC]** will locate and clearly mark all electric, natural gas, water, and sewer utilities. Requests for marking and response handled through the trouble call procedure described in paragraph 6.0, above will conform to the response targets of Table 6-2. In addition, the Caretaker **[SFPUC]** will locate and clearly mark all electric, natural gas, water, and sewer utilities in any area in which the Caretaker **[TIDA]** proposes performing an excavation (see Excavation Management, paragraph 12.0). Marking shall be made based on the Navy provided base maps and the best available local knowledge. The Caretaker **[SFPUC]** will take best efforts to mark abandoned lines to include steam distribution based on available drawings.

13.2 Telephone and abandoned lines: For telephone and other lines that are not Navy owned, the USA Dig will be notified. Caretaker Utilities Manager **[TIDA]** will provide San Francisco Telecommunications with copy of approved Dig Permit (primary 415-550-2725, sec 415-550-2747). The Utilities Manager **[TIDA]** will coordinate marking of these lines. Abandoned lines will be marked if known based on Navy maps.

14.0 Maintenance of Government Furnished Vehicles: The Caretaker has full responsibility for maintenance and repair of Navy-provided vehicles, tools and equipment. The Navy may provide additional equipment, as it becomes available, to support the operation and maintenance at T1 and YBI.

15.0 Environmental and Operating Permit Management: The Caretaker agrees to cooperate with the Navy and regulators to support the timely transfer of the permits required for the continuing operations of the Caretaker. This includes updating the permits to provide the organizational name(s) of the current operators for purposes of reporting required under the permits. The Caretaker will operate utilities in conformance with applicable permits and will perform regular monitoring and reporting required by these permits. All responses (written or oral) to violations or operations outside the permit limits will be brought to the immediate attention of the Navy, however, the responsibility to operate within the permit limits rests with the Caretaker. The Caretaker will comply with all regulatory requirements. **[The SFPUC will perform the services described in this section in accordance with Sec. 2(f) of this MOU.]**

15.1 Storm Water Permit: The Caretaker [SFPUC] will completely oversee all monitoring and reporting requirements of the Storm Water General Discharge Permit (issued by RWQCB) and the TI Storm Water Pollution Prevention Plan (sampling, laboratory analysis, and annual report preparation), For the entire duration of the Cooperative Agreement, the Caretaker [SFPUC] will support the Navy in the enforcement of permit requirements and the abatement of non-compliance violations noted during tenant/lessee inspections.

Table 15-1

ENVIRONMENTAL PERMITS FOR WHICH THE CARETAKER WILL PERFORM MONITORING AND REPORTING

<u>Item</u>	<u>Permit Type</u>	<u>Issuing Agency</u>	<u>Permit Number</u>	<u>Monitoring Required</u>	<u>Reporting Required</u>
001	NPDES permit for waste water treatment plant	California Regional Water Quality Control Board	CA0110116	Yes	Yes
002	Domestic Water Supply Permit	California Health and Welfare Agency	System No. 3810702	Yes	Yes
003	Permit to Operate all Air Emissions Sources	Bay Area Air Quality Management District	Plant #479	Yes	Yes
004	NPDES permit for storm water discharge	California Regional Water Quality Control Board	CA S000001 Order No.97-03-DWQ Facility WDID No. 238S012140	Yes	Yes

16.0 Responding to Environmental Hazards

16. 1 Definition: Environmental hazards, for the purpose of this discussion, are defined as spills or releases of hazardous substances to the soil which pose potential hazards to Caretaker personnel attempting to perform utility systems maintenance or repair or which may pose a threat to human health in general or to the environment. This definition does not include hazardous materials that may be part of utility system equipment or facilities near utility system equipment such as lead or asbestos insulation or lead based paint.

16.2 Awareness: The Navy has undertaken an extensive program under its Installation Restoration Program (IRP) to document and remedy environmental hazards as defined above. Environmental conditions on the base are documented by the *BASEWIDE ENVIRONMENTAL BASELINE SURVEY*

(1995), *SITE SPECIFIC ENVIRONMENTAL BASE LINE SURVEYS (SSEBS)*, and by the *BRAC CLEAN-UP PLAN (BCP)*. Caretaker [TIDA & SFPUC] personnel engaged in utilities operations should be aware of these sources which show locations and types of contamination at NAVSTA TI/YBI in order to avoid unnecessary contact with contaminated soil. The Caretaker [TIDA] will coordinate with the Navy to obtain the most current maps and characterization of the hazards.

16.3 Procedures: Safety procedures normally observed by the Caretaker should be observed at all times in order to minimize contact with contaminated soil. The following procedures should be followed by Caretaker [TIDA & SFPUC] personnel in the event work is required in an area documented to contain contamination or if undocumented contamination is encountered or suspected.

16.3.1 Planned Excavations

16.3.1.1 In conformance with excavation permit request procedures provided under paragraph 12.0, above, the Caretaker [TIDA] will inform the Navy of the location and planned schedule for any excavation (see 12.1.1).

16.3.1.2 The Navy will provide disclosure of environmental conditions in or adjacent to the excavation area. Disclosure will be communicated to the Caretaker [TIDA] in writing in accordance with excavation request/permit procedures (see 12.1.3).

16.3.1.3 The Caretaker [SFPUC] will perform the excavation in accordance with Caretaker [SFPUC] health and safety practices, and any applicable Federal, State, or local regulations. The Caretaker [SFPUC] will perform the excavation using any required protective equipment.

16.3.2 Unplanned Evacuations

16.3.2.1 When soil contamination is encountered or suspected in the course of unplanned excavations, the Caretaker [SFPUC] will cease work and immediately contact its Environmental oversight office [TIDA]. The Caretaker [TIDA] and the Navy may then evaluate conditions and determine a course of action.

16.3.3 Disposal

16.3.3.1 In any case in which contaminated excavation spoils [**where contamination did not arise from Navy occupancy/activity of NAVSTA TI/YBI**] are produced (either through an approved planned excavation or through an unplanned excavation) determination of proper management and disposition of the spoils will be the responsibility of the Caretaker [TIDA].

16.3.3.2 The Caretaker [TIDA] shall be responsible for disposal of soil, water, and other contaminated materials [**where contamination did not arise from Navy occupancy/activity of NAVSTA TI/YBI**] generated as a result of Caretakers excavations.

Appendix A

UTILITIES TROUBLE/EMERGENCY CALL REPORTING PROCEDURES
AND IMPORTANT CARETAKER/NAVY CALL LIST
August 30, 2013

GENERAL EMERGENCY NUMBER: **311 OR 911 (as appropriate)**
San Francisco City Distribution Division (CDD): (415) 550-4956

Call 911, as appropriate, where it has been determined or is suspected that immediate action is required to eliminate a threat to human health, the environment, to protect property, to avoid disruption of essential operations, or for specific problems including civil disturbance, traffic and fire and safety. All other utility trouble calls should be placed to 311.

1. 311 will receive a utility trouble call and contact CDD Dispatch at (415) 550-4956. The CDD Dispatch will assign a Trouble Call Number (TC#) and record information in TI book.
2. CDD will dispatch trouble call to the appropriate unit:
 - a. Water Problems – to on call team
 - b. Sewer Problems – (415) 648-6882
 - c. Electrical Problems – (209) 989-2099
 - d. Natural Gas Problems (415) 760-5179 for SFPUC and DPW “natural gas” plumbers, NOT PG&E
3. CDD will notify in the order below the following individuals for emergencies involving environmental issues, broken water mains, downed electrical lines, loss of electric power to an area, any sewer overflow/spill, fire, or other emergency involving personal injury or significant property damage:
 - a. Joseph Carlevaris (TI Buildings & Grounds Supervisor)
(415) 554-1572 (office) |
(415) 238-8549 (cell)
If unavailable, notify:
 - b. Sam Larano (SFPUC Project Manager)
(415) 554-0724 (office)
(415) 370-2549 (cell)
 - c. Richard Stephens (Utility Services Manager)
(415) 227-8501 (office)
(415) 238-5600 (cell)
4. If directed, CDD dispatch shall notify:
 - a. SFPUC Communications
Tyrone Jue (Manager, Communications)
(415) 554-3247 (office)
(415) 290-0163 (cell)

- b. Treasure Island Development Authority
Robert Beck
(415) 274-0662 (office)
(415) 794-1129 (cell)
- c. Treasure Island Development Authority
Peter Summerville
(415) 274-0665 (office)
(415) 740-8488 (cell)
- d. Doug De Long (Environmental Compliance Safety & Security Manager, Navy CSO)
(415) 743-4713 (office)
(510) 772-8832 (cell)
If unavailable, notify:
- e. Patricia McFadden (BRAC Leader, Navy CSO)
(415) 743-4720 (office)
(415) 599-9961 (cell)

APPENDIX B

Glossary of Terms and Abbreviations		
Term/abbreviation	Full term	Definition
BRAC	Base Realignment and Close	Department of Defense initiative to “right size” the inventory of U.S. military installations. BRAC also refers to a set of laws passed with the FY93 and 94 defense appropriations acts which establish processes for promoting interim reuse of closed bases and for accelerating transfer of base property to the affected communities.
CA	Cooperative Agreement	A quasi-contractual instrument under which DOD components, such as the U.S. Navy can financially reimburse reuse authorities or affected communities for performing caretaking functions on closed bases.
Caretaker		The term used to refer to the reuse authority or community agency that takes over base caretaker functions under a cooperative agreement. In the case of NAVSTA TI/YBI, the Caretaker is the City and County of San Francisco.
EBMUD	East Bay Municipal Utility District	Local not-for-profit water company providing water to the east end of the Bay Bridge.
EFA West	Engineering Field Activity West	Field activity of the Naval Facilities Engineering Command which has responsibility for closure and disposal of Navy bases in the San Francisco Bay Area. All CSO’s are organizational components of EFA West Code 60.
lessee / licensee		Holder of a lease or license issued by EFA West for use of facilities aboard a closed or closing BRAC installation. In general the lessee is the local reuse authority such as ARRA in the case of NAVSTA TI/YBI, Alameda.
NAVSTA TI/YBI	Naval Station Treasure Island	For the purpose of this SOP, NAVSTA TI/YBI is defined as Treasure Island and Yerba Buena Island.
CSO	Caretaker Site Office	The Navy office established at a closed base to oversee the caretaker mission. This duty includes coordination of any Cooperative Agreement which may be established.
Navy Public Works	Navy, Public Works Center, San Francisco Bay	The Navy’s public works organization in the San Francisco Bay Area. PWCSFB has been the owner and operator of utility systems on BRAC bases. The command was disestablished under the BRAC initiative on 26 Sept 1997.
PG&E	Pacific Gas and Electric Company	Local for-profit gas and electric utility provider.
Utilities PM	Utilities Project Manager	Individual assigned to utilities project management.
Sublessee, sublicense		Holder of a sublease or sublicense for use of facilities on NAVSTA TI/YBI