

1 [Second Extension Agreement - Long Term Energy Sales - Modesto Irrigation District]

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3 **Resolution approving a Second Extension Agreement between the City and County of**  
4 **San Francisco, acting by and through its Public Utilities Commission, and the Modesto**  
5 **Irrigation District, to extend the term of the existing Long Term Energy Sales**  
6 **Agreement to the earlier of the approval of a replacement agreement by both parties, or**  
7 **June 30, 2017.**

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9 WHEREAS, Section 9(l) of the Raker Act obligates the City and County of San  
10 Francisco to sell or supply excess Hetch Hetchy electrical energy, upon request, to the  
11 Modesto Irrigation District (MID) for the District's municipal public purposes and irrigation  
12 pumping needs; and

13 WHEREAS, In 1987, San Francisco entered into a Long Term Energy Sales  
14 Agreement (LTESA) with MID; and

15 WHEREAS, On February 21, 2003, San Francisco and MID amended and restated the  
16 Power Sales Agreement whereby the Parties agreed to enter into a new LTESA by December  
17 31, 2007, to continue certain provisions of their amended and restated agreement; and

18 WHEREAS, On October 9, 2007, by Resolution No. 07-0179, the SFPUC authorized its  
19 General Manager to execute the LTESA between the City and County of San Francisco and  
20 MID; and

21 WHEREAS, On December 17, 2007, by Resolution No. 689-07 this Board approved  
22 the LTESA; and

23 WHEREAS, The LTESA became effective on January 1, 2008, and expires on June  
24 30, 2015; and

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1           WHEREAS, The Parties have agreed that additional time is necessary to reach a final  
2 agreement on the terms and conditions of a new energy sales agreement and intend to  
3 extend the existing LTESA for a limited period; and

4           WHEREAS, On April 28, 2015, per Resolution No. 15-0099, the SFPUC approved an  
5 Extension Agreement with MID and authorized its General Manager to execute the Extension  
6 Agreement; and

7           WHEREAS, On June 18, 2015, by Resolution No. 226-15 this Board approved an  
8 Extension Agreement with MID; and

9           WHEREAS The Parties made much progress during the one-year extension but have  
10 agreed that additional time is necessary to reach final agreement on the terms and conditions  
11 of a new agreement; and

12           WHEREAS, On May 24, 2016, by Resolution No. 16-0103, the SFPUC approved a  
13 Second Extension Agreement with MID and authorized its General Manager to execute the  
14 Second Extension Agreement; now therefore, be it

15           RESOLVED, That this Board hereby approves the Second Extension Agreement  
16 between the City and County of San Francisco and MID, and authorizes the General Manager  
17 of the SFPUC to execute this Extension Agreement, pursuant to Charter, Section 9.118; and,  
18 be it

19           FURTHER RESOLVED, That within thirty (30) days of the Extension Agreement being  
20 fully executed by all parties the SFPUC shall provide the final Extension Agreement to the  
21 Clerk of the Board for inclusion into the official file.