

1 [Renegotiation of Modesto and Turlock Irrigation District Contracts]

2

3 **RESOLUTION DIRECTING THE CITY ATTORNEY TO EXAMINE THE WAYS IN**
4 **WHICH SAN FRANCISCO COULD TERMINATE ITS OBLIGATIONS TO PROVIDE**
5 **POWER FROM THE HETCH HETCHY DAM TO THE MODESTO AND TURLOCK**
6 **IRRIGATION DISTRICTS AS STIPULATED IN THE AGREEMENTS APPROVED IN**
7 **1988 AND TO EXAMINE THE WAYS IN WHICH THE CITY COULD TERMINATE ITS**
8 **CONTRACT WITH PACIFIC GAS AND ELECTRIC TO DISTRIBUTE THIS POWER TO**
9 **THE MODESTO AND TURLOCK IRRIGATION DISTRICTS, AND TO INFORM THE**
10 **MODESTO AND TURLOCK IRRIGATION DISTRICTS OF SAN FRANCISCO'S INTENT**
11 **TO BEGIN RENEGOTIATION OF THESE CONTRACTS.**

12

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

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

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

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

24 WHEREAS, The San Francisco Public Utility Commission was forced to expend its total
25 budget for purchasing power at Hetch Hetchy Dam as of December 31, 2000 in order to fulfill

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

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

5 WHEREAS, The unusually dry winter has resulted in lower levels of water at Hetch
6 Hetchy Dam, thereby causing less electricity to be generated; and

7 WHEREAS, The San Francisco Public Utility Commission cannot predict how much electricity
8 its plants will be able to generate in the spring and summer; now, therefore, be it

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

12 FURTHER RESOLVED, That the Board of Supervisors directs the City Attorney to
13 notify the Modesto and Turlock Irrigation Districts of its intent to renegotiate these contracts.
14
15
16
17
18
19
20
21
22
23
24
25



City and County of San Francisco

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

Tails 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.

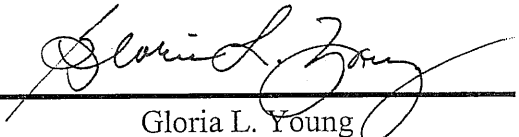
January 29, 2001 Board of Supervisors — ADOPTED

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

Absent: 2 - Sandoval, Yee

File No. 010123

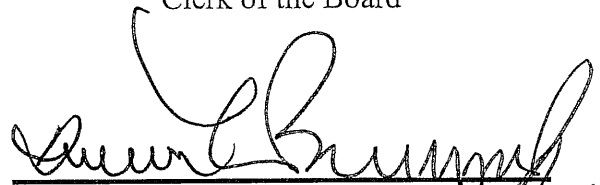
I hereby certify that the foregoing Resolution was ADOPTED on January 29, 2001 by the Board of Supervisors of the City and County of San Francisco.



Gloria L. Young
Clerk of the Board

FEB 08 2001

Date Approved



Mayor Willie L. Brown Jr.