

CITY OF MILLBRAE, COUNTY OF SAN MATEO  
STATE OF CALIFORNIA

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RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILLBRAE  
APPROVING AN AMENDMENT TO THE WATER SUPPLY AGREEMENT  
WITH THE CITY AND COUNTY OF SAN FRANCISCO

**WHEREAS**, the City and County of San Francisco, acting by and through its Public Utilities Commission, entered into a Water Supply Agreement with Wholesale Customers in Alameda County, San Mateo County and Santa Clara County in June 2009 (WSA); and

**WHEREAS**, Proposition F, the "Water Sustainability and Environmental Restoration Act" appeared on the November 2012 ballot and, if enacted, would have required the City of San Francisco to evaluate how to drain the Hetch Hetchy Reservoir; and

**WHEREAS**, the San Francisco Charter acknowledges that the Hetch Hetchy Water System, including O'Shaughnessy Dam, is an irreplaceable asset such that San Francisco could not drain Hetch Hetchy Reservoir or abandon or decommission O'Shaughnessy Dam absent a Charter amendment as well as additional regulatory and administrative approvals; and

**WHEREAS**, the parties, at the time of entering into the WSA, contemplated that Hetch Hetchy Reservoir and O'Shaughnessy Dam were both integral parts of the Regional Water System and were considered Existing Assets as that term is used in the WSA, and were included in the calculation of the Wholesale Revenue Requirement; and

**WHEREAS**, the parties, at the time of entering into the WSA, also contemplated that the reliability and quality of the water to be delivered was premised on the shared assumption of the continued use of Hetch Hetchy Reservoir and O'Shaughnessy Dam as integral components of the Regional Water System; and

**WHEREAS**, the parties, at the time of entering into the WSA, did not contemplate that an alternate water delivery system created as a result of draining Hetch Hetchy Reservoir, or abandoning or decommissioning O'Shaughnessy Dam, would be considered part of New Regional Assets described by the WSA; and

**WHEREAS**, the parties now desire to amend the WSA to reaffirm the water reliability and quality requirements set forth therein, and to acknowledge that Hetch Hetchy Reservoir and O'Shaughnessy Dam will continue to be used as integral components of the Regional Water System, unless both San Francisco and the Wholesale Customers approve any alternate water storage and delivery system to be used for delivery of water under the WSA; and

**WHEREAS**, said amendment to the WSA was approved by the San Francisco Public Utilities Commission on January 22, 2013 and its General Manager was authorized to execute it, provided the amendment is approved by the Wholesale Customers; and

**WHEREAS**, the amendment is not subject to the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) (CEQA) pursuant to Section 15378(b)(5) (the activity is not a project as it involves an administrative activity that will not result in direct or indirect physical changes in the environment) of the State CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3; and

**WHEREAS**, the staff recommends the approval of the attached amendment.

**NOW, THEREFORE, BE IT RESOLVED:**

1. The attached amendment to the Water Supply Agreement between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County (Amendment) is approved.
2. The Mayor is authorized and directed to execute the Amendment, in the form attached hereto, on behalf of the City.

**REGULARLY PASSED** and adopted this 12th day of March, 2013.


  
MAYOR

ATTEST:

  
CITY CLERK

I do hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Millbrae this 12<sup>th</sup> day of March 2013, by the following vote:

AYES:	COUNCILMEMBERS:	Papan, Holober, Lee, Colapietro, and Gottschalk
NOES:	COUNCILMEMBERS:	None
ABSENT:	COUNCILMEMBERS:	None
ABSTAIN:	COUNCILMEMBERS:	None
EXCUSED:	COUNCILMEMBERS:	None

  
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CITY CLERK