

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 6/5/2012	(3) CONTACT/PHONE Diana Matula, Utility Coordinator (805) 781-4776	
(4) SUBJECT Submittal of a resolution authorizing the Public Works Director to sign Underground Utility Implementation agreements with Pacific Gas & Electric and a request authorizing \$100,000 from the current year budget for District No. 28 (Los Osos Valley Road, Los Osos) and District No. 29 (El Camino Real, Santa Margarita).			
(5) RECOMMENDED ACTION It is our recommendation that your Honorable Board: <ol style="list-style-type: none"> 1. Approve the attached resolution authorizing the Public Works Director to sign Underground Utility Implementation agreements with Pacific Gas & Electric; and 2. Authorize \$100,000, from the current year budget in Public Works Special Services (FC 201) for Public Works staff to complete agency responsibility tasks associated with the Agreement to Perform Tariff Scheduled Related Work Rule 20A General Conditions. 			
(6) FUNDING SOURCE(S) PW Special Services (FC 201)	(7) CURRENT YEAR FINANCIAL IMPACT \$50,000.00	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A		(12) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(13) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(14) W-9 <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	
(15) LOCATION MAP Attached	(16) BUSINESS IMPACT STATEMENT? No	(17) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date _____	
(18) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(19) SUPERVISOR DISTRICT(S) District 2 - District 5 -			

Reference: 12JUN05-C-9

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works
Diana Matula, Utility Coordinator

VIA: Dave Flynn, Deputy Director of Public Works

DATE: 6/5/2012

SUBJECT: Submittal of a resolution authorizing the Public Works Director to sign Underground Utility Implementation agreements with Pacific Gas & Electric and a request authorizing \$100,000 from the current year budget for District No. 28 (Los Osos Valley Road, Los Osos) and District No. 29 (El Camino Real, Santa Margarita).

RECOMMENDATION

It is our recommendation that your Honorable Board:

1. Approve the attached resolution authorizing the Public Works Director to sign Underground Utility Implementation Agreements with Pacific Gas & Electric; and
2. Authorize \$100,000, from the current year budget in Public Works Special Services (FC 201) for Public Works staff to complete agency responsibility tasks associated with the Agreement to Perform Tariff Scheduled Related Work Rule 20A General Conditions.

DISCUSSION

In September 2004, your Board adopted resolutions 2004-309 and 2004-310 establishing Underground Utility Districts No. 28 and No. 29. The limits of the Underground Districts are as follows:

District No. 28 – Los Osos Valley Road between Oak Ridge Avenue and Los Osos Creek, in the community of Los Osos.

District No. 29 – El Camino Real between Wilhelmina Avenue and Estrada Road in the community of Santa Margarita.

The County is the local agency authorized to oversee the formation of the District as required under the County Code. The proposed area meets the California PUC Tariff criteria for eligibility for the 20A Program.

Subsequent to the 2004 creation of these underground districts, the California Public Utilities Commission (CPUC) has established rules under the Rule 20A Tariff program allowing Pacific Gas & Electric Company (PG&E) to require that local agencies pay a portion of project development costs for Underground Utility Districts and or perform engineering, surveying and other work that was not previously a local agency responsibility.

The authorization to increase local agency obligations came in the form of the CPUC's December 30, 2010, approval of letter 3767-E – "Agreement to Perform Tariff Scheduled Related Work, Rule 20A General Conditions" (General Conditions). This agreement defines the responsibilities of the local agency and PG&E for all Rule 20A projects. As such, the CPUC has authorized PG&E to withhold work on any Rule 20A project (excluding projects currently in the construction phase) until the General Conditions has been signed by both the local agency and PG&E. This also applies to all underground utility districts to be established in the future. The General Conditions define 20 items as the responsibility of the local agency. The estimated cost for the Public Works Department to complete the agency responsibility items for each Underground Utility District project is \$50,000. The General Conditions will need to be signed for all future underground utility districts once they have been established. A copy of the General Conditions is provided as Exhibit "A" of the resolution.

While staff seeks to work with PG&E on continuing the development of these underground utility projects, it is also noted that PG&E should have initiated this work prior to the December 2010 CPUC ruling on project development expense. As such, staff will seek a CPUC determination to see if the projects may be processed without the agreement and associated costs. If the CPUC is favorable to our appeal, we will seek Rule 20A Tariff credit payments of costs incurred to date.

The attached supplemental conditions to PG&E's General Conditions are intended to clarify our understanding of the County's responsibilities relative to the General Conditions. A copy of the Supplemental Conditions is provided as Exhibit "B" of the resolution.

The attached resolution will delegate authority to the Director of Public Works to sign on behalf of the County agreements with PG&E for all current and future Underground Utility District projects. Authorizing the Public Works Director to sign these agreements will expedite the process for future established underground utility districts. Such PG&E agreements include the following:

- Authorizing the Director of Public Works to sign the attached General Conditions, as recommended, will result in resumption of work efforts on the current utility undergrounding projects by PG&E.
- Authorizing the Public Works Director to sign the attached supplemental conditions which clarify the responsibilities between the County and PG&E relating to the General Conditions for the current utility undergrounding project as well as for Agreements for other undergrounding utility projects.
- Authorizing the Public Works Director to sign the attached Streetlight Agreement and Panel Conversion Agreement or other agreements with PG&E related to Rule 20A underground utility projects should they apply to the specific projects.

The exhibits to the resolution have been provided as information to the Board as a reference to future agreements with PG&E.

OTHER AGENCY INVOLVEMENT/IMPACT

The Los Osos Community Services District, County Service Area No. 23 (Santa Margarita), all effected utility companies and the Underground Utility Coordination Committee were notified of these matters. County Counsel has reviewed the agreements and resolution for legal form and effect.

The CPUC oversees implementation of the Rule 20A Tariff program.

AT&T will be lead agency for the Underground Utility District No. 29 project due to their predominant use of existing above ground facilities in Santa Margarita. AT&T has agreed to pursue the project under their costs.

FINANCIAL CONSIDERATIONS

The estimated cost for Public Works Department staff time to complete the articles in the agreement with PG&E is \$50,000 per project, for a total request of \$100,000. We are asking for authorization to use \$100,000 of current year budget savings in Public Works Special Services (FC 201) to cover the cost for County staff to complete the articles listed as agency responsibility in the PG&E agreement. Any unspent appropriation will be carried forward to subsequent fiscal years until the project is completed. Design and construction costs of the Underground District Improvement will be covered by PG&E as governed by the California State Public Utilities Commission, under Tariff Rule 20A and related sections and within the County's Tariff Rule 20A credit allocation for performing underground projects.

RESULTS

Approval of the recommended action will result in Underground Utility District No. 28 and Underground Utility District No. 29 progressing forward toward completion. These projects will create a more livable community in the town of the Los Osos and the town of Santa Margarita.

File: CF 390.108.01 Los Osos, 28
 CF 390.171.01 Santa Margarita, 29

Reference: 12JUN05-C-9

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ATTACHMENTS

1. Vicinity Maps
2. Resolution Establishing the County of San Luis Obispo Signing Authority for all Underground Utility District Project Implementation Agreements Funded under Tariff Rule 20A along County Roads
3. Exhibit A to Resolution - General Conditions
4. Exhibit B to Resolution - Supplemental Agreement
5. Exhibit C to Resolution - Letter of Streetlight Agreement
6. Exhibit D to Resolution - Panel Conversion Agreement