



**REPORT TO MAYOR AND CITY COUNCIL**

AGENDA ITEM

TO: THE HONORABLE MAYOR  
AND CITY COUNCIL

DATE: March 3, 2009

SUBJECT: Authorize City Manager to Execute Utility Agreement with PG&E  
for I-5/CR-102 Interchange Project, Project No. 97-24

**Report in Brief**

A PG&E tower located on CR-102 south of the I-5 interchange is in conflict with the I-5/CR-102 Interchange Project and needs to be relocated. The City has been working with PG&E and Caltrans regarding the tower relocation since October 2006 to meet Caltrans' utility relocation requirements. A Utility Agreement between the City and PG&E is required to pay for the tower relocation and other related expenses. This is a key requirement which must be accomplished prior to State and Federal construction authorization due to grant requirements. The cost of relocating this PG&E tower is to be reimbursed to the City by Petrovich Development Company (PDC) in accordance with the terms of the Development Agreement (DA).

Staff recommends that the City Council authorize the City Manager to execute the Utility Agreement between the City and PG&E in the amount of \$267,750 as described herein and approve a contingency amount not to exceed 25% of the original agreement value.

**Background**

The I-5 & CR-102 (5/102) Interchange Improvement Project consists of the construction of a southbound I-5 on-ramp, modifications to the existing on-ramps and off-ramps, widening of CR-102 from two to four lanes between the NB ramp terminal and the SB ramp terminal and a widening to six lanes for CR-102 from the SB ramp terminal to Maxwell Avenue. This project is needed to serve regional traffic and traffic growth stemming mainly from development south of the interchange. Construction of portions of this project is required by the environmental document for the Gateway project. The project has been identified in the current Streets Master Plan and Major Projects Financing Plan (MPFP).

The environmental documents for the project have been approved, design plans are being updated for final Caltrans/FHWA review and approval, right-of-way acquisitions are complete, and Caltrans' utility relocation requirements are being met for right-of-way certification. The project is scheduled to begin construction summer 2009.

A PG&E tower along CR-102 is in conflict with the project and needs to be relocated. The City has been working with PG&E and Caltrans regarding the tower relocation since October 2006 to meet Caltrans' utility relocation requirements. A Utility Agreement between the City and PG&E needs to be executed for this tower relocation prior to sending Caltrans a request for right-of-way certification for the project.

The City has also been working with PG&E regarding a gas main that must be relocated around the above mentioned tower because the gas is in conflict with the new tower location. PG&E discovered the gas conflict in November 2008 and the City has been working with PG&E since then. Once PG&E completes the gas relocation estimate, the City will be required to enter into a separate Utility Agreement for the gas relocation around the tower.

### **Discussion**

Since the project includes federal funds, the City must meet Caltrans' requirements for utility relocations. The PG&E tower relocation Utility Agreement contains standard Caltrans language, as required. PG&E's and Caltrans' revisions have been incorporated into the agreement.

The City contacted PG&E in October 2006 to notify them of the PG&E tower conflict with the City's 5/102 project due to the road alignment. The current tower location will be in the proposed outside roadway lane. The tower will need to be moved thirteen (13) feet to the east. The City entered into a \$40,000 contract with PG&E in December 2006 as an advance payment for PG&E to begin designing the tower relocation. The City then paid PG&E the \$40,000 in one payment and PDC has reimbursed the City that amount. The above cost of \$267,750 for the tower relocation already takes into account that PG&E was paid \$40,000.

The 25% contingency is required per standard Caltrans language, page 14-34 of the Caltrans Local Assistance Procedures Manual. This standard language was previously approved by utility companies and Caltrans. The City attempted to negotiate with PG&E to reduce the contingency to 10%. However, PG&E recently told the City that they are requiring 25% contingency per the previously approved standard Caltrans language. The Utility Agreement states that PG&E will bill the City the actual cost not to exceed 125% of the estimate. Since PG&E is billing actual cost, there is a possibility the amount could actually be less.

In November 2008 PG&E notified the City that a PG&E gas main (installed by PDC for the Gateway project) is in conflict with the new tower location. PG&E proposes to relocate the gas around the tower to the west prior to relocating the tower. PG&E has been working on their design and cost estimate for the gas relocation since November 2008. Once PG&E's gas relocation design and estimate are complete, the City can enter into a separate utility agreement with PG&E for the gas relocation. Per Caltrans' requirements, there must be a separate utility agreements for electric and gas relocations. The City also expects the gas relocation to be reimbursed by PDC because it is a tower relocation cost. The tower cannot be relocated without relocating the gas main. Staff will return to Council with this Gas Relocation Agreement when it is ready.

If the Council approves the Utility Agreement, the City can send the executed agreement to Caltrans as part of the request for right-of-way certification package. Caltrans' right-of-way certification is required prior to advertising the project. The project is scheduled to begin construction summer 2009.

**Fiscal Impact**

This project is currently funded in the Mid-Year Capital Budget approved January 20, 2009 at a total cost of \$14,541,114, with \$6,039,651 budgeted in Fiscal Year 08/09 and \$8,501,463 budgeted in Fiscal Year 09/10. These estimates include the costs for the tower relocation and gas line relocation.

The funding source for this specific action is fund 501 Capital Projects, which will then be reimbursed by PDC per the Development Agreement between the City and PDC. The approved Mid-Year Capital Budget assumed a 10% contingency because the City was negotiating with PG&E at that time for a 10% contingency. If needed, the additional 15% to make up a total 25% contingency will be reimbursed by PDC per the Development Agreement. The amount included in the Mid-Year Capital Budget for the gas relocation (under the future tower) is \$25,000 including a 10% contingency for the gas relocation out of fund 501 to be reimbursed by PDC. If PG&E's estimate for the gas relocation is higher, PDC will still be required to pay the total amount per the Development Agreement.

**Public Contact**

Posting of the City Council agenda.

**Recommendation for Action**

Staff recommends that the City Council authorize the City Manager to execute the Utility Agreement between the City and PG&E in the amount of \$267,750 as described herein and approve a contingency amount not to exceed 25% of the original agreement value.

Prepared by: Diana R. Ayón, P.E.  
Associate Civil Engineer

Reviewed by: Michael Karoly, P.E.  
Senior Civil Engineer

Reviewed by: Barry Munowitch, AICP  
Assistant City Manager

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Mark G. Deven  
City Manager

Attachment: Utility Agreement

**UTILITY AGREEMENT**

RW 13-5 (Rev. 10/95)

City of Woodland

Dist	Co	Rte	KP (P.M.)	EA
03	Yolo	5	8..1-9.6/5.0-6.0	369301
Federal Aid No.:N/A				
Owners File: N/A				
FEDERAL PARTICIPATION: On the Project <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No On the Utilities <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				

**UTILITY AGREEMENT NO. 2444.1 DATE \_\_\_\_\_**

The City of Woodland hereinafter called "CITY" proposes to construct a southbound Interstate 5 (I-5) on-ramp from County Road 102 (CR 102), modify existing on-ramps and off-ramps from CR 102, widen CR 102 from two to four lanes between the northbound ramp terminal and the southbound ramp terminal, and widen CR 102 to six lanes from the southbound ramp terminal to Maxwell Avenue, in the City of Woodland, Yolo County, California.

And Pacific Gas and Electric Company

hereinafter called "OWNER", owns and maintains electric facilities; within the limits of CITY's project that requires relocation of said facilities to accommodate CITY's project.

It is hereby mutually agreed that:

**I. WORK TO BE DONE**

In accordance with Notice to Owner No. 2444.1 dated February 12, 2009, OWNER shall relocate tower #23/380 13 feet east, which is in conflict with the CITY's project described above. All work shall be performed substantially in accordance with OWNER's Plan No. 30604610 dated January 27, 2009 consisting of 1 sheet, a copy of which is on file in the Office of the CITY at 300 First Street, Woodland, CA 95695. Deviations from the OWNER's plan described above initiated by either the CITY or the OWNER, shall be agreed upon by both parties hereto under a Revised Notice to Owner. Such Revised Notices to Owner, approved by the CITY and agreed to/acknowledged by the OWNER, will constitute an approved revision of the OWNER's plan described above and are hereby made a part hereof. No work under said deviation shall commence prior to receipt by the OWNER of the Revised Notice to Owner. Changes in the scope of the work will require an amendment to this Agreement in addition to the revised Notice to Owner.

**II. LIABILITY FOR WORK**

The existing facilities described in Section I above will be relocated at 100% CITY's expense in accordance with Section 5 (A) of the Freeway Master Contract dated November 1, 2004 between the California Department of Transportation (STATE) and OWNER.

**III. PERFORMANCE OF WORK**

OWNER agrees to perform the herein-described work with its own forces or to cause the herein described work to be performed by the OWNER's contractor, employed by written contract on a continuing basis to perform work of this type, and to provide and furnish all necessary labor, materials, tools, and equipment required therefore; and to prosecute said work diligently to completion.

UTILITY AGREEMENT NO.

2444.1

Pursuant to Public Works Case No. 2001-059 determination by the California Department of Industrial Relations dated October 25, 2002, work performed by OWNER's contractor is a public work under the definition of Labor Code Section 1720(a) and is therefore subject to prevailing wage requirements. OWNER shall verify compliance with this requirement in the administration of its contracts referenced above.

#### IV. PAYMENT FOR WORK

The CITY shall pay its share of the actual and necessary cost of the herein described work within 90 days after receipt of five (5) copies OWNER's itemized bill, signed by a responsible official of OWNER's organization and prepared on OWNER's letterhead, compiled on the basis of the actual and necessary cost and expense incurred and charged or allocated to said work in accordance with the uniform system of accounts prescribed for OWNER by the California Public Utilities Commission (PUC) or Federal Communications Commission (FCC), whichever is applicable.

It is understood and agreed that the CITY will not pay for any betterment or increase in capacity of OWNER's facilities in the new location and that OWNER shall give credit to the CITY for on the "used life" or accumulated depreciation of the replaced facilities and for the salvage value of any material or parts salvaged and retained or sold by OWNER.

Not more frequently than once a month, but at least quarterly, OWNER will prepare and submit progress bills for costs incurred not to exceed OWNER's recorded costs as of the billing date less estimated credits applicable to completed work. Payment of progress bills not to exceed the amount of this Agreement may be made under the terms of this Agreement. Payment of progress bills which exceed the amount of this Agreement may be made after receipt and approval by CITY of documentation supporting the cost increase and after an Amendment to this Agreement has been executed by the parties to this Agreement.

The OWNER shall submit a final bill to the CITY within 360 days after the completion of the work described in Section I above. If the CITY has not received a final bill within 360 days after notification of completion of OWNER's work described in Section I of this Agreement, and CITY has delivered to OWNER fully executed Easement Deeds, Consents to Common Use or Joint Use Agreements as required for OWNER's facilities; CITY will provide written notification to OWNER of its intent to close its file within 30 days and OWNER hereby acknowledges, to the extent allowed by law that all remaining costs will be deemed to have been abandoned.

The final billing shall be in the form of an itemized statement of the total costs charged to the project, less the credits provided for in this Agreement, and less any amounts covered by progress billings. However, the CITY shall not pay final bills, which exceed the estimated cost of this Agreement without documentation of the reason for the increase of said cost from the OWNER. If the final bill exceeds the OWNER's estimated costs solely as the result of a revised Notice to Owner as provided for in Section I, a copy of said revised Notice to Owner shall suffice as documentation.

In any event if the final bill exceeds 125% of the estimated cost of this Agreement, an amended Agreement shall be executed by the parties to this Agreement prior to the payment of the OWNER'S final bill. Any and all increases in costs that are the direct result of deviations from the work described in Section I of this Agreement shall have the prior concurrence of CITY.

Detailed records from which the billing is compiled shall be retained by the OWNER for a period of three years from the date of the final payment and will be available for audit by City and/or State/Federal auditors. Owner agrees to comply with Contract Cost Principals and Procedures as set forth in 48 CFR, Chapter 1, Part 31.

#### V. GENERAL CONDITIONS

All costs accrued by OWNER as a result of CITY's request of October 12, 2006 to review, study and/or prepare relocation plans and estimates for the project associated with this Agreement may be billed pursuant to the terms and conditions of this Agreement.

If CITY's project which precipitated this Agreement is canceled or modified so as to eliminate the necessity of work by OWNER, CITY will notify OWNER in writing, and CITY reserves the right to terminate this Agreement by Amendment.

UTILITY AGREEMENT NO.

2444.1

The Amendment shall provide mutually acceptable terms and conditions for terminating the Agreement.

OWNER shall submit a Notice of Completion to the CITY within 30 days of the completion of the work described herein.

CITY will acquire new rights of way in the name of either the CITY or OWNER through negotiation or condemnation and when acquired in CITY's name, shall convey same to OWNER by Director's Easement Deed. CITY's liability for such rights of way will be at the proration shown for relocation work involved under this Agreement.

Where OWNER has prior rights in areas which will be within the highway right of way and where OWNER's facilities will remain on or be relocated on CITY/STATE highway right of way, a Joint Use Agreement or Consent to Common Use Agreement shall be executed by the appropriate parties.

All notices to be given by the parties hereto shall be in writing and served by depositing in the United States Post Office, postage prepaid. Notices to CITY shall be in duplicate and addressed as follows:

To CITY:

City of Woodland  
CDD – Engineering  
300 First Street  
Woodland, CA 95695  
Attn: Diana Ayon  
Associate Civil Engineer

With a Copy to:

City of Woodland  
CDD – Engineering  
300 First Street  
Woodland, CA 95695  
Attn: Michael Karoly  
Senior Civil Engineer

or to such other location as the CITY directs.

Notices to Owner shall be addressed as follows:

To OWNER:

PG&E  
343 Sacramento Street  
Auburn, CA 95603  
Attn: Donald Kennedy, Land Agent  
Land Services – North Valley Area

Or to such other location as OWNER directs.

UTILITY AGREEMENT NO.

2444.1

THE ESTIMATED COST TO CITY FOR ITS SHARE OF THE ABOVE DESCRIBED WORK IS \$ 267,750.

IN WITNESS WHEREOF, the above parties have executed this Agreement the day and year above written.

CITY OF WOODLAND:

PACIFIC GAS AND ELECTRIC COMPANY:

By \_\_\_\_\_  
Mark G. Deven, City Manager

By \_\_\_\_\_  
Gary P. Dorigi, Director, Technical & Land Services

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Attest: \_\_\_\_\_  
Sue Vannucci, City Clerk

Date: \_\_\_\_\_

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Distribution: 3 originals to R/W Program Accounting & Analysis  
3 originals returned to R/W Planning & Management

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