



Date: October 5, 2007

Committee Meeting Date: October 18, 2007

Board Meeting Date: November 1, 2007

BOARD MEMORANDUM

ACTION X DISCUSSION INFO

TO: Transit Planning and Operations Committee
 Santa Clara Valley Transportation Authority
 Board of Directors

THROUGH: Michael T. Burns
 General Manager

FROM: Jack J. Collins
 Chief Engineering & Construction Officer

SUBJECT: Utility Relocation Agreements with Pacific Gas & Electric and San Jose Water Company for the Capitol Expressway Light Rail Project

Policy-Related Action: No

Government Code Section 84308 Applies: No

RECOMMENDATION:

Authorize the General Manager to execute Utility Relocation Agreements with Pacific Gas & Electric (PG&E) in an amount not to exceed \$3,500,000 and San Jose Water Company (SJWC) in an amount not to exceed \$1,500,000 to clear the alignment for the Eastridge extension of the Capitol Expressway Light Rail Project.

BACKGROUND:

The Eastridge extension of the Capitol Expressway Light Rail Project will require the relocation of various PG&E and San Jose Water Company facilities. To support this effort, VTA has entered into agreements with PG&E and SJWC in amounts of \$450,000 and \$115,000 respectively to perform engineering analysis and develop utility relocation construction cost estimates to clear the alignment for the light rail project. The project is advancing into the utility relocation construction phase and it is necessary for the Board to authorize utility agreements in excess of \$1,000,000. Therefore, the proposed agreements with PG&E and SJWC in amounts of \$3,500,000 and \$1,500,000 respectively are necessary for the construction of the utility relocation work.

DISCUSSION:

For the 1996 Measure B Light Rail Projects, VTA entered into an Agreement with PG&E to Reimburse for Facilities Relocation required by the light rail projects. This agreement was the result of a negotiated compromise between the parties and set forth the procedures and share of costs for the relocation of PG&E utilities. Specifically, the agreement provided for a 50/50 sharing of costs between VTA and PG&E for relocation of facilities located in public easements or right of way and VTA payment for the entire cost of relocation for facilities located in areas where PG&E has existing property, such as an easement on private property.

For the SJWC relocations, VTA paid the entire amount of SJWC utility relocations for the various projects. This arrangement was based on the SJWC position that their rate structure does not include relocations of this nature. Furthermore, SJWC has stated that they are expressly prohibited from passing on rate increases to recover these costs unless approved by the California Public Utilities Commission (CPUC).

PG&E and SJWC have agreed to extend the provisions of the 1996 Measure B Light Rail Projects agreement to the Eastridge Extension of the Capitol Expressway Light Rail Project. This will be accomplished through new Agreements that continue the current working relationships between VTA and the utility companies and will preserve the previously agreed-to cost sharing arrangement.

The estimated cost to VTA for the Agreements to construct the relocation of PG&E and SJWC utilities for the Eastridge Extension of the Capitol Expressway Light Rail Project is \$3,500,000 and \$1,500,000 respectively. This cost includes the following summary of items:

- \$1,250,000 Procurement of PG&E electrical transmission poles and wires
- \$2,250,000 Relocation of PG&E transmission and distribution facilities
- \$1,500,000 Relocation of SJWC facilities

Actual costs will be supported with monthly invoices from the utility companies.

ALTERNATIVES:

There are no practical alternatives to the recommended action.

The project is currently proceeding according to the schedule included in the Revenue and Expenditure Plan for the 2000 Measure A Transit Improvement Program. A delay to the fabrication and procurement of the PG&E electrical transmission poles and wires will result in a delay to the delivery date of the project and an associated increase in total project cost.

FISCAL IMPACT:

Funds for utility relocations are included in the adopted FY08 and FY09 – 2000 Measure A Program Capital Budget.

Operating Budget Impact: The Capitol Expressway Light Rail Project's annual operating cost, that would start in FY 2011, has been included in the approved 2000 Measure A Revenue and Expenditure Plan.

Prepared by: Kenneth Ronsse, Design & Construction Manager