

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
3A	08/27/12	Open	Action	08/23/12

Subject: Delegating Authority to the General Manager/CEO to Execute an Agreement for Relocation Reimbursement (Gas Line) with Pacific Gas and Electric Company for the South Sacramento Corridor Phase 2 Project.

ISSUE

Whether or not to delegate authority to the General Manager/CEO to execute an Agreement for Relocation Reimbursement (Gas Line) with Pacific Gas and Electric for the South Sacramento Corridor Phase 2 Project.

RECOMMENDED ACTION

Adopt Resolution No. 12-08-_____, Delegating Authority to the General Manager/CEO to Execute an Agreement for Relocation Reimbursement (Gas Line) with Pacific Gas and Electric for the South Sacramento Corridor Phase 2 Project.

FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	0
Budget Source:	Capital	Next FY:	\$	2,478,673.42
Funding Source:	New Starts/MSA/STA/Prop1B	Annualized:	\$	N/A
Cost Cntr/GL Acct(s) or	910800	Total Amount:	\$	2,478,673.42
Capital Project #:	410.06.05.04			
Total Budget:	\$2,478,673.42			

DISCUSSION

The South Sacramento Corridor Phase 2 Project (Project) will extend Sacramento Regional Transit District (RT)'s light rail service from its existing terminus at Meadowview Road south and east 4.3 miles to Cosumnes River College (CRC). The extension will link the fastest growing portion of Sacramento County, the South Corridor, with Downtown, the northeast Sacramento corridor and Rancho Cordova or Folsom in the east corridor. The project includes four stations located at Morrison Creek, Franklin Boulevard, Center Parkway, and Cosumnes River College. The current estimated project cost is \$270 million.

As part of the original Project, the existing Pacific Gas and Electric Company (PG&E) 20" gas line was to be relocated within the Detroit Boulevard. As a result of feedback received at the April 13, 2011 Detroit Boulevard Neighborhood Association meeting and the recommendations from the Initial Study/Environmental Assessment (IS/EA), RT and PG&E agreed that the existing gas line will remain in place within the Union Pacific Railroad (UPRR) Corridor. As part of the IS/EA

Approved:

Presented:

Final 8/24/12

General Manager/CEO

Director, Civil and Track Design

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recommendations, the work necessary to keep the gas line in place includes the construction of a subsurface retaining wall (soldier pile and lagging) to allow the RT tracks to remain in service if it is necessary to replace/repair the pipeline. There is a 400' section of pipe and a valve lot that will be relocated within the UPRR corridor to accommodate the track construction.

PG&E must promptly begin construction to relocate the valve lot and section of pipe that is still in conflict with the track alignment. Staff is requesting that the Board approve an agreement to reimburse PG&E for its costs to complete the relocation. PG&E's commencement of construction will be contingent upon receipt of a "Notice to Proceed" from RT.

The estimated cost for PG&E's relocation and reconstruction of its gas line for the Project is for a "not to exceed" reimbursable amount of \$2,478,673.42. Under the Agreement, PG&E would be required to provide notice to RT if it expects to exceed that amount and the parties would negotiate an amendment to the Agreement, if appropriate.

The Agreement would obligate RT to pay 100% of PG&E's submitted costs for the gas line relocation under a limited reservation of rights to audit such costs.

The Federal Transit Administration has communicated that the execution of 3rd-party agreements, specifically naming the PG&E Agreement, are necessary to advance the Project through to the Full Funding Grant Agreement (FFGA). RT must be able to demonstrate execution of 3rd-party agreements no later than September 6, 2012 in order to meet the December 2012 FFGA execution date. Although the final terms of the Agreement are not complete as of this date, staff will complete negotiations in advance of September 6th.

Staff recommends delegating authority to the General Manager/CEO to execute the Agreement between Pacific Gas and Electric and Sacramento Regional Transit District to relocate the gas line for the South Sacramento Corridor Phase 2 Project.

RESOLUTION NO. 12-08-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

August 27, 2012

**DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO EXECUTE
AN AGREEMENT FOR RELOCATION REIMBURSEMENT (GAS LINE) WITH
PACIFIC GAS AND ELECTRIC FOR
THE SOUTH SACRAMENTO CORRIDOR PHASE 2 PROJECT**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the General Manager/CEO is hereby authorized to execute an Agreement for Relocation Reimbursement (Gas Line) between the Sacramento Regional Transit District, therein referred to as "RT," and the Pacific Gas and Electric, therein referred to as "PG&E," whereby PG&E agrees to complete the construction work to relocate its 20" gas line and valve lot to accommodate the South Sacramento Corridor Phase 2 Project under the conditions set forth therein, upon completion of contract negotiations.

THAT, the General Manager/CEO is hereby authorized to execute said Agreement upon satisfaction of the foregoing contingency.

BONNIE PANNELL, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary