

DATE: December 4, 2006

TO: Mayor and City Council Members

FROM: Public Works Department

SUBJECT: **RESOLUTION NO. 7963 - A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 2 TO THE MEMORANDUM OF AGREEMENT WITH THE SACRAMENTO MUNICIPAL UTILITY DISTRICT FOR THE RELOCATION OF THE ELECTRIC TOWERS FOR THE FOLSOM BRIDGE BELOW THE DAM PROJECT PROJECT NO. 2319**

BACKGROUND

On November 22, 2006 the City of Folsom executed a Project Cooperation Agreement (PCA) with the Department of the Army (Government) that covers the obligations of the Government and the City related to the design and construction of a new permanent bridge below Folsom Dam by the end of 2008. One of the City's obligations of the PCA is to arrange for the relocation of utilities, as determined by the Government, that are in conflict with the construction, operation, and maintenance of the permanent bridge. One of these utility relocations involves the relocation of the Sacramento Municipal Utility District's (SMUD) double circuit 230-kV overhead transmission line and towers.

On August 23, 2005, the City Council approved Resolution No. 7639 which authorized the execution of a Memorandum of Agreement (MOA) with SMUD for the relocation of their transmission lines and towers. It was originally estimated that only two SMUD electric towers needed to be relocated. SMUD estimated their costs for both design and construction to be \$500,000 and incorporated the terms and conditions into a MOA. The MOA required deposits of funds for design work to begin, followed by additional deposits for the purchase of poles and before construction would take place. It was recommended at that time to only deposit funds in the amount of \$70,000 for the design work, which amount was previously approved by the City Council. Staff was to return to the Council at a later date for further financial authorization to proceed.

On October 24, 2006, the City Council approved Resolution No. 7923 which authorized the execution of Amendment No. 1 to the MOA. This amendment approved depositing funds in the amount of \$313,000 with SMUD for the purchase of new poles for the relocation project. It also called for a future amendment to the MOA to accommodate the changes in cost, schedule, and cost sharing for the project as a result of the road re-alignment caused by the Joint Spillway Project.

The City now seeks additional funding due to project modifications and cost increases since the initial MOA.

POLICY/RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, agreements costing \$41,750 or greater shall be approved by the City Council.

ANALYSIS

Amendment No. 2 to the MOA is required to account for the overall change in scope of this relocation project due to the road re-alignment caused by the Joint Spillway Project.

A schedule was previously developed which resulted in the towers being relocated before the start of bridge construction. However, as a result of the Joint Spillway Project, the road alignment has undergone several adjustments which have resulted in the need to relocate an additional six SMUD towers. In addition, SMUD has determined that it is in the best interest of the public to change the route of their tower and transmission lines and follow a more northern alignment, rather than a route parallel to the new roadway, referred to as the southern alignment. This northern alignment will require a total of eleven new SMUD towers at an estimated total project cost of \$2,467,000. SMUD is willing to share in any additional costs associated with this northern alignment since the southern alignment only requires a total of eight towers at an estimated total project cost of \$1,909,000.

The MOA shall be amended to reflect agreement between the City and SMUD to proceed with the northern alignment, account for the City's deposits to date, and limit the City's funding obligation to the estimated total project costs for the southern alignment.

Therefore, staff seeks authorization from the City Council authorizing the City Manager to execute Amendment No. 2 to the MOA, which will include the following deal points:

- SMUD will complete the design for the northern alignment.
- SMUD acknowledges that the City has deposited with SMUD a total of \$383,000 towards the relocation project.
- Based on the estimated southern alignment costs, the City shall provide an additional \$1,526,000 upon execution of Amendment No. 2.
- SMUD will complete the relocation of their 230 kV towers along the northern alignment no later than May 1, 2007.
- Upon project completion, the City's final cost obligation will be determined based on the actual total project costs pro-rated by the ratio of the estimated southern alignment costs to the estimated northern alignment costs.
- Any over-deposit will be refunded to the City.
- If SMUD determines that the City's final cost obligation exceeds the not to exceed amount of \$1,909,000, the City and SMUD will meet and confer on resolving the cost difference and, if appropriate, staff would seek further Council approval for additional expenditures.
- All other terms of the prior MOA will remain in place.

The specific form of Amendment No. 2 to the MOA will be subject to approval by the City Attorney's Office.

FINANCIAL IMPACT

Sufficient funds for the City's portion of the relocation of the required SMUD facilities, in the amount of \$1,526,000, are in the FY 06-07 Budget in the Transportation Fund (Fund 446), Project No. 2319 – New Bridge Below the Dam.

ENVIRONMENTAL REVIEW

The proposed action of amending the MOA does not require further environmental review. The City has complied with the provisions of the California Environmental Quality Act by certifying the Final Environmental Impact Report for the Folsom Bridge Road Project on September 12, 2006, by Resolution No. 7892. In addition, SMUD is completing an Initial Study and Mitigated Negative Declaration for this relocation project and will approve it prior to the start of their relocation construction.

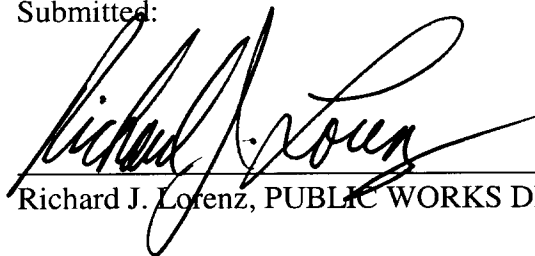
ATTACHMENT

Resolution No. 7963 - A Resolution Authorizing the City Manager to Execute Amendment No. 2 to the Memorandum of Agreement with the Sacramento Municipal Utility District for the Relocation of the Electric Towers for the Folsom Bridge Below the Dam Project

CITY COUNCIL ACTION/RECOMMENDATION

The Public Works Department recommends that the City Council pass and adopt Resolution No. 7963 - A Resolution Authorizing the City Manager to Execute Amendment No. 2 to the Memorandum of Agreement with the Sacramento Municipal Utility District for the Relocation of the Electric Towers for the Folsom Bridge Below the Dam Project.

Submitted:



Richard J. Lorenz, PUBLIC WORKS DIRECTOR/CITY ENGINEER

RESOLUTION NO. 7963

**A RESOLUTION AUTHORIZING THE CITY MANAGER
TO EXECUTE AMENDMENT NUMBER 2
TO THE MEMORANDUM OF AGREEMENT
WITH THE SACRAMENTO MUNICIPAL UTILITY DISTRICT
FOR THE RELOCATION OF THE ELECTRIC TOWERS
FOR THE FOLSOM BRIDGE BELOW THE DAM PROJECT**

WHEREAS, the City of Folsom desired to have the Sacramento Municipal Utility District (SMUD) relocate their electric towers that are in conflict with the proposed new Folsom Dam Bridge Project; and,

WHEREAS, on August 23, 2005, the City of Folsom approved a Memorandum of Agreement (MOA) with SMUD which included the terms and conditions related to the design, construction, and funding for this relocation project; and,

WHEREAS, on October 24, 2006, the City of Folsom approved Amendment No. 1 to the MOA which included funding the purchase of concrete poles for the proposed relocation alignment; and,

WHEREAS, the City of Folsom and SMUD now desire to further amend this MOA to accommodate the changes in cost, schedule, and cost sharing for the project, taking into account the amounts paid by the City for the project so far; and,

WHEREAS, sufficient funds for the City's portion of the relocation project, in the amount of \$1,526,000, are available in the Transportation Fund (Fund 446):

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute Amendment Number 2 to the Memorandum of Agreement with SMUD in a total amount not to exceed \$1,909,000 for the relocation of electric towers to allow construction of the new Folsom Dam Bridge Project, all in a form approved by the City Attorney.

PASSED AND ADOPTED on this 12th day of December 2006, by the following roll-call vote:

AYES: Council Member(s)

NOES: Council Member(s)

ABSENT: Council Member(s)

ABSTAIN: Council Member(s)

Andrew J. Morin, MAYOR

ATTEST:

Christa Schmidt, CITY CLERK