DATE:       July 16, 2008

TO:         City Council

FROM:       Cynthia Daniels, Project Manager, Development Services Department

SUBJECT:    Agreement with Southern California Gas Co. for the Rice Avenue/Santa Clara Avenue Interchange Improvements on Highway 101

RECOMMENDATION

That City Council approve and authorize the Mayor to execute an agreement with Southern California Gas Co. (SCG) in the amount of $1,586,260 for relocation of a 30-inch high pressure gas line at the Rice Avenue/Santa Clara Avenue Interchange Improvements at Highway 101 (Agreement No. A-6844).

DISCUSSION

SCG has a 30-inch high pressure gas line under Rice Avenue, Highway 101, and Santa Clara Avenue. The line cannot remain in place because of the construction of the Rice Avenue/Highway 101 interchange; in fact, the line must be moved ahead of the interchange construction. The City issued a notice to SCG to relocate the gas line in December 2006 with a deadline of December 2007, but SCG did not comply. SCG and the City disagree on who is responsible for the cost of the relocation.

As a compromise, City staff negotiated an agreement to pay 50 percent of the cost of the relocation, with the possibility that some or all of the money will be returned by SCG. The gas line traverses three jurisdictions: the City, California Department of Transportation (Caltrans), and County of Ventura. Each agency has either a franchise agreement or a contract for use of its right of way by SCG.

The City’s franchise is described in City Ordinance No. 1299 effective September 4, 1970. The City’s proposed agreement describes a process for the City to be reimbursed either as a negotiated settlement, along with attorneys’ fees, interest, and expenses, or through a judicial or regulatory determination.

FINANCIAL IMPACT

The total estimated cost of the recommendation is $1,586,260. There are sufficient funds in Account Nos. 212-9718-826-8605 and 301-9718-826-8605 to fund this request.

CD
Attachment #1 - Agreement No. A-6844

Note: The Agreement No. A-6844 has been provided to the City Council. Copies are available for review at the Circulation Desk in the Library after 6:00 p.m. on the Thursday prior to the Council meeting and at the City Clerk's Office after 8:00 a.m. on Friday.