

TO: Thomas Frutchey, City Manager

FROM: Warren Frace, Community Development Director

SUBJECT: Southern California Gas Company Advanced Meters

DATE: February 2, 2016

Needs: For City Council consideration of a second amendment of an agreement with Southern California Gas Company ("Gas Company") to install communications devices on one (1) additional street light pole owned by the City in the public right-of-way in conjunction with Gas Company's upgrade of advanced residential and business gas meters.

Facts:

1. Gas Company is an investor-owned public utility that provides gas utility services to residents of the City.
2. On April 17, 1979, the City granted to the Gas Company a franchise to lay and use pipes and appurtenances necessary and convenient for the operation of a gas utility across public right-of-ways in the City.
3. Advanced meters are cost-effective for the Gas Company and have the capability to provide customers with more detailed information that may lead to opportunities for conservation.
4. On April 1, 2014, the City Council authorized an agreement with Southern California Gas Company to install communications devices on eight (8) street light poles owned by the City in conjunction with the Gas Company's upgrade of advanced residential and business gas meters.
5. On September 1, 2015, the City Council authorized a first amendment to the attachment agreement with Southern California Gas Company to install communications devices on three (3) additional poles owned by the City.
6. The Gas Company has since upgraded local meters to transmit usage data wirelessly. Data collector units (DCUs) allow for the wireless control and monitoring of natural gas transmission pipelines and valves.
7. In order for the Advanced Meter system to work properly, the Gas Company has identified one more DCU that must be installed on Creston Road near Beechwood Drive.
8. The City Engineer has reviewed and approved the location of the additional street light pole to be fitted with the DCU.
9. Gas Company has approved and executed the proposed second amendment to the Agreement.

Analysis &

Conclusion: Gas Company representatives recently contacted John Falkenstien to request placement of one additional DCU on a street light pole on Creston Road at Beechwood Drive to augment the Advanced Meter program. Mr. Falkenstien has determined that this street light pole could be used to house the DCU in lieu of installing a new pole.

The City Attorney has drafted the Second Amendment to the 2014 Agreement that would reimburse the City for ongoing monitoring of these facilities over the 20-year term of the Agreement. The Gas Company has approved the Amendment.

The City Council may want to consider authorizing the City Manager to approve subsequent amendments to this agreement to expedite future changes. Staff has added a clause to the attached resolution that would allow the City Manager to approve future amendments.

Policy

Reference: Ordinance No. 421 N. S. Southern California Gas Company Franchise Agreement

Fiscal

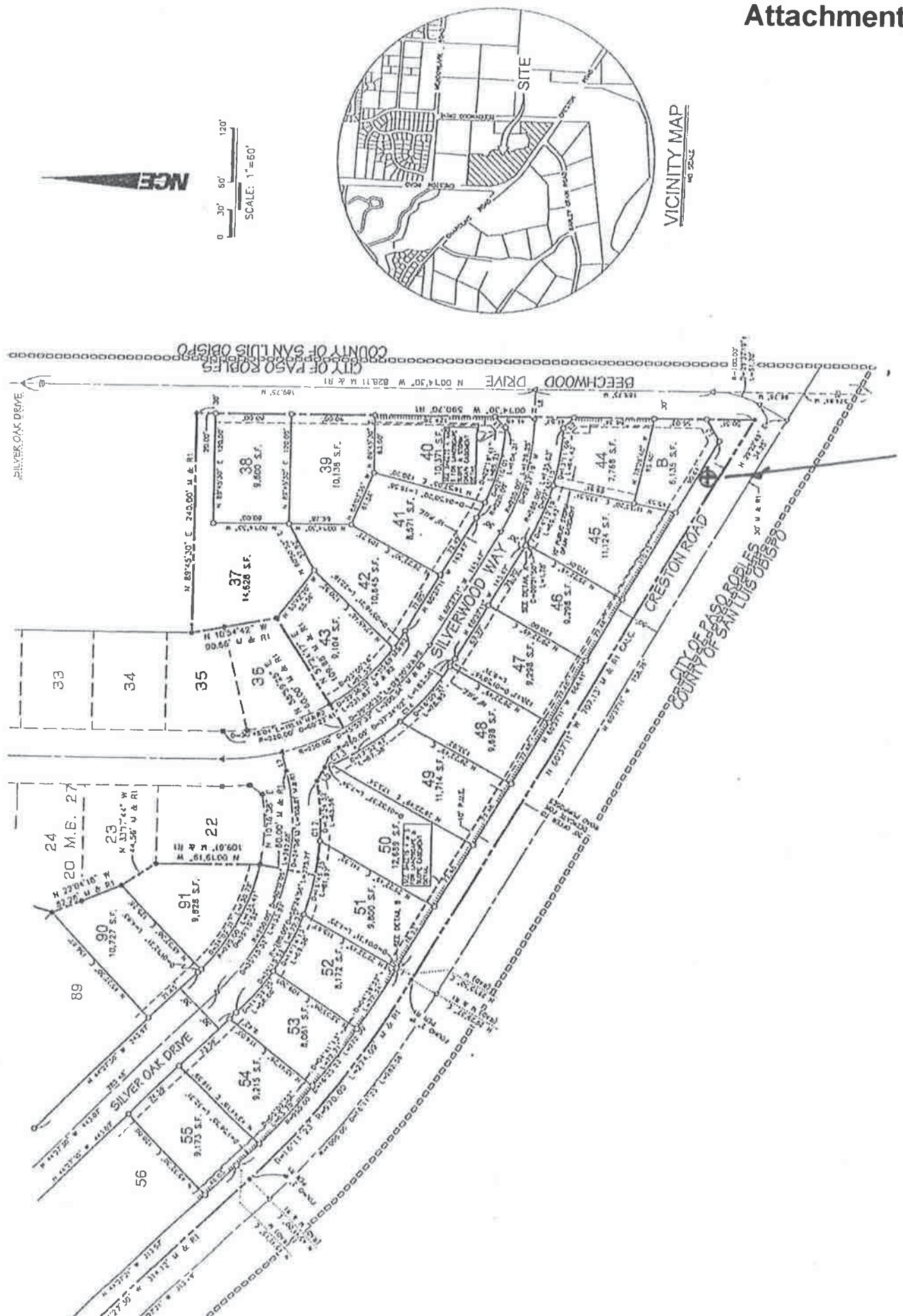
Impact: Minimal fiscal impact on the City. Southern California Gas bears all costs of installation, must repair any damage caused by any installation, cannot interfere with the street light operations and must indemnify the City for any claims. In addition, Southern California Gas is paying \$3,720 to the City in advance for the 20-year term to cover costs incurred in drafting the Amendment, license fee and City's staff time for routine inspections and monitoring.

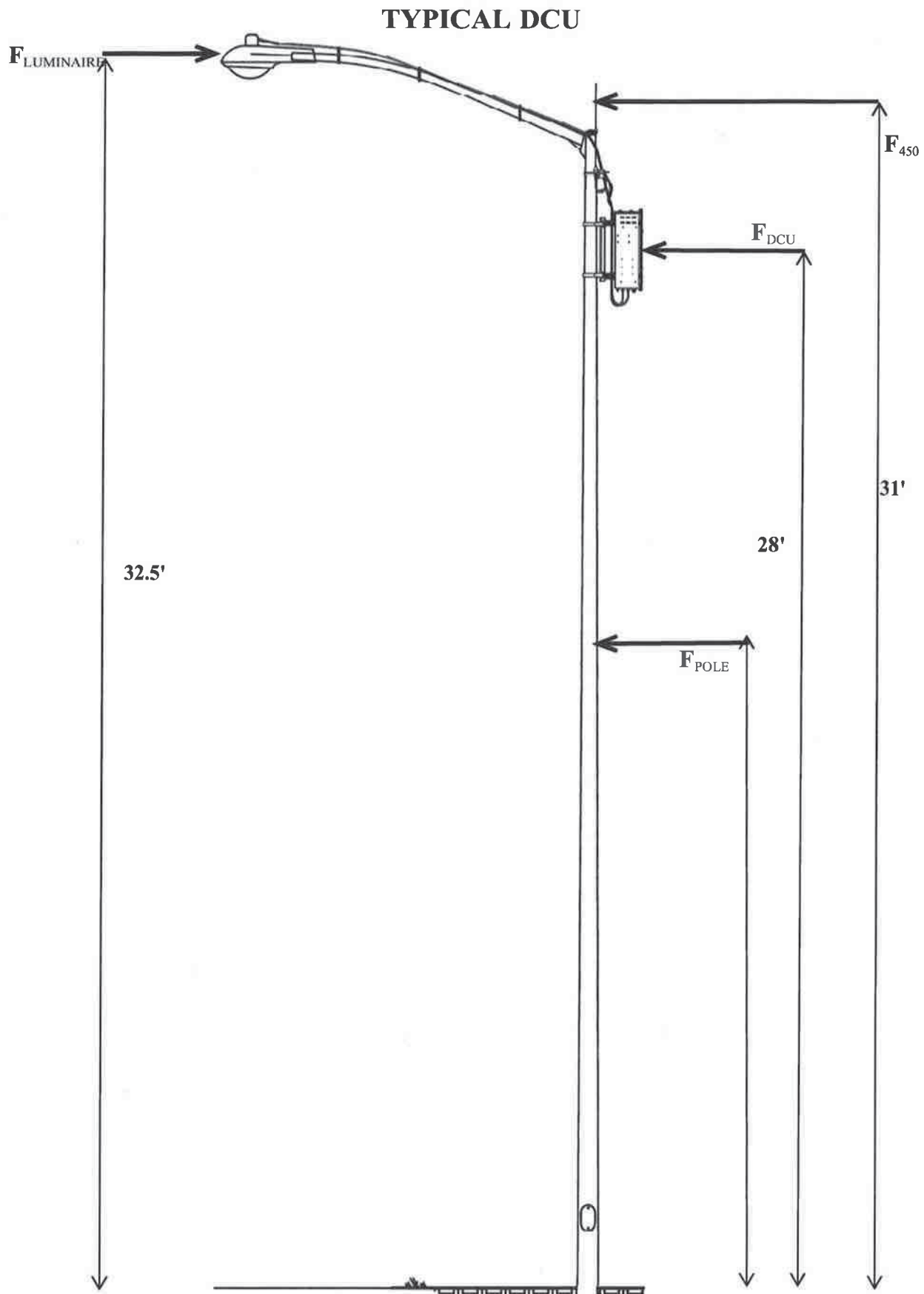
- Options:**
- a. Council Adopt Resolution No. 16-XXX authorizing the City Manager to execute the Second Amendment to the Street Light Attachment License Agreement with Southern California Gas Company to allow the installation of communication devices on one (1) additional City street light pole, and authorizing the City Manager to approve subsequent amendments.
 - b. Amend the above option.
 - c. Refer back to staff
 - d. Take no action

Prepared by: John Falkenstien, City Engineer

Attachments: (3)

- (1) Vicinity Map
 - (2) Typical DCU
 - (3) Resolution No. 16-XXX
- Exhibit A: Second Amendment to Street Light Attachment Agreement





Attachment 3:

RESOLUTION NO. 16-XXX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
EL PASO DE ROBLES APPROVING A SECOND AMENDMENT TO STREET LIGHT
ATTACHMENT LICENSE AGREEMENT WITH
SOUTHERN CALIFORNIA GAS COMPANY FOR INSTALLATION OF ADDITIONAL
COMMUNICATION DEVICES ON A CITY STREET LIGHT POLE

WHEREAS, on April 14, 2014, the City of El Paso de Robles (“City”), approved entering into a Street Light Attachment License Agreement (“Agreement”) with Southern California Gas Company (“Gas Company”) to install its Advanced Meter Facilities on eight (8) designated street light poles owned by the City, in a manner approved by the City Engineer; and

WHEREAS, on September 1, 2015, the City Council authorized a first amendment to the Agreement authorizing installation of Advanced Meter Facilities on three (3) additional designated street light poles owned by the City, in a manner approved by the City Engineer; and

WHEREAS, Gas Company has requested a second amendment to the Agreement to allow for the installation of Advanced Meter Facilities on (1) additional designated street light pole owned by the City;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES:

Section 1. The City Council hereby approves the second amendment to the Street Light Attachment License Agreement, attached hereto as Exhibit A and incorporated herein by reference, and authorizes the City Manager to execute the Agreement, subject to any minor technical and non-substantive changes as approved by the City Attorney.

Section 2. The City Council hereby authorizes the City Manager to execute any future amendments to the License Agreement allowing Advanced Meter Facilities on additional street light pole owned by the City without City Council approval.

PASSED AND ADOPTED by the City Council of the City of El Paso De Robles this 2nd day of February, 2016 by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steven W. Martin, Mayor

ATTEST:

Kristen L. Buxkemper, Deputy City Clerk

Attachment 3:

Exhibit A

**Second Amendment to Street Light Attachment License Agreement
[to be inserted]**

**SECOND AMENDMENT TO STREET LIGHT ATTACHMENT LICENSE
AGREEMENT BY AND BETWEEN THE CITY OF EL PASO DE ROBLES,
CALIFORNIA AND
SOUTHERN CALIFORNIA GAS COMPANY**

This Second Amendment to the Street Light Attachment License Agreement (“Second Amendment”) is entered into as of this ____ day of January, 2016 (“Effective Date”) between the City of El Paso De Robles, California, a California municipal corporation (“City”) and Southern California Gas Company, a California corporation (“Gas Company”), each being referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, City and Gas Company entered into a Street Light Attachment License Agreement dated April 1, 2014 (“Agreement”) to attach wireless data collection units (“DCUs”) to street light poles owned by City; and

WHEREAS, City and Gas Company executed the First Amendment to the Agreement, dated August 16, 2015, to amend the Agreement to attach additional DCUs to street light poles owned by City; and

WHEREAS, City and Gas Company desire to enter into this Second Amendment to attach an additional DCU to a street light pole owned by City;

NOW, THEREFORE, in consideration of the promises and the mutual obligations and covenants contained in this Second Amendment, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, City and Gas Company agree to amend the Agreement as follows:

Section 1. The following paragraph shall be added to Section 5 (a) of the Agreement:

In addition, Gas Company shall pay an Attachment Fee and reimburse City in the amounts set forth in Exhibit C-2 for the use of one (1) additional Street Light Poles for installation of Advance Meter Facilities.

Section 2. Exhibit “A-2, attached hereto, replaces Exhibit “A-1” and is hereby incorporated into the Agreement.

Section 3. Exhibit “C-2,” attached hereto, replaces Exhibit “C” and is hereby incorporated into the Agreement.

Section 4. Survival of All Other Provisions. Except as otherwise provided for in this Second Amendment, all terms, covenants, and conditions of the Agreement shall remain in full force and effect and shall apply to the terms, covenants, and conditions of this Second Amendment. In the event of any inconsistency between the Agreement and this Second Amendment, this Second Amendment shall control.

Section 5. Successors and Assigns. This Second Amendment shall be binding upon and shall inure to the benefit of City, Gas Company, and their respective successors and assigns.

Section 6. Counterparts. This Second Amendment may be executed in any number of counterparts, each of which when so executed and delivered, shall be deemed an original, but all such counterparts taken together shall constitute only one instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their duly authorized representatives as of the date set forth above.

CITY OF EL PASO DE ROBLES, CALIFORNIA

Date: _____

By: _____
Meg Williamson
Acting City Manager

APPROVED AS TO FORM:

By: _____
Iris P. Yang, City Attorney

SOUTHERN CALIFORNIA GAS COMPANY

Date: _____

By: _____
Dave Mercer, Manager
Advanced Meter Deployment

EXHIBIT A-2

Advanced Meter Facilities may be installed on specific City-owned Street Light Poles located in the Rights of Way as identified below.

Gas Company ID #	City Pole ID #	Latitude	Longitude	Street Location
RL016	1090	35.60944444	-120.67041666	Rambouillet Road
RL017	674	35.61401111	-120.65215555	Commerce Way
RL018	641	35.62518888	-120.67086111	Nickerson Drive
RL020	2410	35.63203200	-120.69172600	Spring Street
RL028	2614	35.63964444	-120.65868333	Union Road
RL029	1351	35.64158611	-120.68861666	Riverside Avenue
RL034	49830	35.64669400	-120.67234100	Buena Vista Drive
RL037	1864	35.63535800	-120.67037300	Union Road
RL5172	929	35.62348600	-120.66302400	Creston Road
RL019	1602	35.61687600	-120.69070500	Spring Street
RL030	1757	35.63954000	-120.64254600	Union Road
RL014	2399	35.59508330	-120.65482222	Creston Road

EXHIBIT C-2

FEES PERTAINING TO GAS COMPANY'S STREET LIGHT ATTACHMENTS IN CITY OF PASO ROBLES

Processing and Review Fee

Fee for City's initial processing and review of the Agreement for all costs incurred prior to the Effective Date of the Agreement, including Improvement Plans and inspections for the attachments Advanced Meter equipment to eight (8) Street Light Poles: for a total of \$5,760.

Fee for City's initial processing and review of the First Amendment for all costs incurred prior to the Effective Date of the First Amendment, including Improvement Plans and inspections for the attachments Advance Meter Equipment to three (3) Street Light Poles: for a total of \$2,160.

Fee for City's initial processing and review of the Second Amendment for all costs incurred prior to the Effective Date of the Second Amendment, including Improvement Plans and inspections for the attachments Advance Meter Equipment to one (1) Street Light Poles: for a total of \$720.

Maintenance Inspections

In addition, reasonable costs incurred by City subsequent to the date of this Agreement related to any necessary maintenance inspections related to Gas Company equipment shall be paid by Gas Company. Gas Company shall pay a lump-sum amount of (i) \$24,000 in advance of the Effective Date of the Agreement; (ii) \$9,000 in advance of the Effective Date of the First Amendment; and (iii) \$3,000 in advance of the Effective Date of the Second Amendment to cover City's anticipated routine administrative maintenance costs for the term of this 20-year Agreement in regard to the twelve (12) poles. As used herein, "routine administrative costs" include but are not limited to, periodic inspections by City personnel of the Licensed Sites and monitoring Gas Company compliance with the terms of this Agreement. No other routine administrative costs shall be charged to Gas Company. "Routine administrative costs" shall not include any costs incurred by City to enforce the terms of this Agreement or to cure any breach of the Agreement. Gas Company shall pay all costs within thirty (30) days of execution of this Agreement. City staff time is currently billed at the rate of \$125 charged by City to third parties.