

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



January 3, 2008

Advice Letter 3154-E

Brian K. Cherry  
Vice President, Regulatory Relations  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177

Subject: County of Santa Cruz Sidewalk Easement –  
Request for Approval Under Section 851

Dear Mr. Cherry:

Advice Letter 3154-E is effective December 20, 2007.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director  
Energy Division



**Brian K. Cherry**  
Vice President  
Regulatory Relations

77 Beale Street, Room 1087  
San Francisco, CA 94105

*Mailing Address*  
Mail Code B10C  
Pacific Gas and Electric Company  
P.O. Box 770000  
San Francisco, CA 94177

Fax: 415.973.7226

November 7, 2007

**Advice 3154-E**

(Pacific Gas and Electric Company ID U 39 E)

**Subject: County of Santa Cruz Sidewalk Easement – Request for  
Approval Under Section 851**

Public Utilities Commission of the State of California

**Purpose**

Pacific Gas and Electric Company (“PG&E”) submits this advice letter seeking approval under Public Utilities Code §851 to grant the County of Santa Cruz (“the County”) a non-exclusive easement to construct and maintain a sidewalk for public use within a portion of PG&E electric substation fee property.

**Background**

PG&E owns and operates an electric substation, known as Roland Substation, located at 900 30<sup>th</sup> Avenue near the city of Santa Cruz, CA (“The City”). The County has planned a road improvement project for 30<sup>th</sup> Avenue in the Live Oak Area, which includes plans for the construction of a sidewalk along both sides of 30<sup>th</sup> Avenue beginning 140 feet north of Portola Drive and ending north of Brommer Street. A portion of the sidewalk planned for construction crosses PG&E’s Roland Substation fee property. Thus, the County is requesting a non-exclusive easement within PG&E’s Roland Substation fee property to construct and maintain a sidewalk for public use. The City of Santa Cruz has an area of 12 square miles and is located in the County of Santa Cruz. The City is situated on the northern part of the Monterey Bay, which is about 74 miles south of San Francisco and 30 miles southwest of San Jose.

In accordance with Resolution ALJ-202, Appendix A, Section IV, PG&E provides the following information related to the proposed transaction:

**(1) Identity and Addresses of All Parties to the Proposed Transaction:**

Pacific Gas and Electric Company  
Andrew L. Niven

County of Santa Cruz  
Joel La Cagin

Peter Van Mieghem  
Law Department  
P.O. Box 7442  
San Francisco, CA 94120  
Telephone: (415) 973-2902  
Facsimile: (415) 973-5520  
Email: PPV1@pge.com

Department of Public Works  
701 Ocean Street, Room 410  
Santa Cruz, CA 95060  
Telephone: (831) 454-2799  
Email: dpw117@co.santa-cruz.ca.us

**(2) Complete Description of the Property Including Its Present Location, Condition and Use:**

PG&E's Roland Substation fee property ("the Property") (Assessor's Parcel Number (APN) 028-401-05) is more particularly described in the Easement Agreement (Attachment 1-Exhibit A and Exhibit B). The County desires to acquire a non-exclusive easement to construct and maintain a public sidewalk as part of a planned road improvement project located on a portion of the lands shown as a 0.367 acre lot in Volume 56, of Maps, Page 9, Santa Cruz County Records, and is currently zoned for use as a public facility. The Property has been maintained in good condition. The proposed easement area is a vacant dirt area currently being used by the public for parking and as a shoulder walkway. There is no vegetation or improvements located in this area.

**(3) Intended Use of the Property:**

The sidewalk proposed for construction is part of a planned road improvement project on 30th Avenue in the Live Oak area to be completed by the County of Santa Cruz. As part of the planned road improvement project, approximately half of a 4 foot wide concrete sidewalk is planned to be constructed on the Property along 30<sup>th</sup> Avenue, for a total length of approximately 100 feet. A portion of the proposed project crosses the Property, which requires granting of an easement to the County. (Attachment 1 – Exhibit B and C)

**(4) Complete Description of Financial Terms of the Proposed Transaction:**

As provided in the Agreement, the County has agreed to pay a one-time fee of Two Thousand Five Hundred Dollars (\$2,500.00) for the easement.

**(5) Description of How Financial Proceeds of the Transaction Will Be Distributed:**

The Property is non-depreciable land used for electric substation service and is currently included in PG&E's rate base. All costs for PG&E's electric substation system are part of Federal Energy Regulatory

Commission ratemaking in PG&E's transmission owner cases. In consideration for the easement, the County has agreed to pay PG&E a one-time fee of Two Thousand Five Hundred Dollars (\$2,500.00). PG&E will account for the payment as Electric Other Operating Revenue. No PG&E property is being sold or disposed of, and as such, there are no changes to PG&E's rate base as a result of granting the proposed easement.

**(6) Impact of the Transaction on Ratebase and Any Effect on the Ability of the Utility to Serve Customers and the Public:**

There are no changes to PG&E's ratebase as a result of the proposed transaction. The grant of easement, as proposed in the Agreement, will not interfere with the use of the Property by PG&E.

**(7) The Original Cost, Present Book Value, and Present Fair Market Value for Sales of Real Property and Depreciable Assets, and a Detailed Description of How the Fair Market Value Was Determined (e.g., Appraisal):**

Not applicable.

**(8) The Fair Market Rental Value for Leases of Real Property, and a Detailed Description of How the Fair Market Rental Value Was Determined:**

Not applicable.

**(9) The Fair Market Value of the Easement or Right-of-Way and a Detailed Description of How the Fair Market Rental Value Was Determined:**

The fair market value for the easement was determined by an appraisal, details of which are provided in the Easement Agreement (Attachment 1).

**(10) A Complete Description of any Recent Past (Within the Prior Two Years) or Anticipated Future Transactions that May Appear To Be Related to the Present Transaction:**

To PG&E's knowledge, there are no recent past transactions that appear to be related to the subject transaction.

**(11) Sufficient Information and Documentation (Including Environmental Documentation) to Show that All Criteria Set Forth in Section II of Resolution ALJ-202 Are Satisfied:**

PG&E has provided information in this advice letter to meet the eligibility criteria under the advice letter pilot program. Under the CEQA requirements specified in ALJ-202, the activity proposed in the transaction will not require environmental review by the CPUC as a lead agency. PG&E believes the proposed transaction will not have an adverse effect on the public interest. In fact, the proposed transaction will serve the public interest because it will provide a safe sidewalk for public use by pedestrians. The County merely desires to acquire an easement to construct and maintain a public sidewalk as part of a planned road improvement project. Payment for the proposed easement is well below the \$5 million threshold set forth for fee property and lease equivalents. Finally, the transaction does not involve the transfer or change in ownership of facilities currently used in utility operations.

**(12) Additional Information to Assist in the Review of the Advice Letter:**

PG&E is not aware of any additional relevant information other than what is included with this advice letter.

**(13) Environmental Information**

Pursuant to ALJ-202, the advice letter program only applies to proposed transactions that (a) will not require environmental review by the CPUC as a lead agency or responsible agency under CEQA either because a statutory or categorical exemption applies or (b) because the transaction is not a project under CEQA.

a. Exemption

(1) Has the proposed transaction been found exempt from CEQA by a government agency?

(a) If yes, please attach notice of exemption. Please provide name of agency, date of Notice of Exemption, and State Clearinghouse number.

Not applicable.

(b) If no, does the applicant contend that the project is exempt from CEQA? If yes, please identify the specific CEQA exemption or exemptions that apply to the transaction, citing to the applicable State CEQA Guideline(s) and/or Statute(s).

In accordance with the CEQA Guidelines adopted in Rule 2.4 of the Commission's Rules of Practice and procedure, PG&E contends that the project is exempt from CEQA. (Cal. Code

Regs., tit. 14, §§15300, et seq.) Among the classes of exempt projects are existing facilities for “existing highways and streets, sidewalks, gutters, bicycles and pedestrian trails, and similar facilities (this includes road grading for the purposes of public safety). (*Id.*, § 15301.) The proposed project falls within Class 1 which includes but is not limited to the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or expansion of use beyond that existing at the time of the lead agency’s determination. Therefore, the proposed project in accordance with CEQA Guideline 15301(c) is categorically exempt from CEQA.

b. “Not a Project” Under CEQA

(1) If the transaction is not a “project” under CEQA, please explain why.

Not Applicable.

**Protests**

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than 20 days after the date of this filing, which is **November 27, 2007**. Protests should be mailed to:

CPUC Energy Division  
Attention: Tariff Unit, 4<sup>th</sup> Floor  
505 Van Ness Avenue  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: [mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov) and [jnj@cpuc.ca.gov](mailto:jnj@cpuc.ca.gov)

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

Pacific Gas and Electric Company  
Attention: Brian Cherry  
Vice President, Regulatory Relations  
77 Beale Street, Mail Code B10C

P.O. Box 770000  
San Francisco, California 94177

Facsimile: (415) 973-7226  
E-mail: PGETariffs@pge.com

**Effective Date**

Pursuant to the review process outlined in Resolution ALJ-202, PG&E requests that this advice filing become effective by Commission Resolution as soon as possible. PG&E submits this as a Tier 3 filing.

**Notice**

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Address changes should be directed to Rose de la Torre at (415) 973-4716. Advice letter filings can also be accessed electronically at:

**<http://www.pge.com/tariffs>**



Vice President, Regulatory Relations

Attachments: 1-2

cc: Service List – Advice Letter 3154-E

\*\*\*\*\* SERVICE LIST Advice 3154-E \*\*\*\*\*  
**APPENDIX A**

## \*\*\*\*\* STATE EMPLOYEES \*\*\*\*\*

Angela K. Minkin  
 Administrative Law Judge Division  
 505 VAN NESS AVE  
 San Francisco CA 94102 3298  
 (415) 703-2008  
[ang@cpuc.ca.gov](mailto:ang@cpuc.ca.gov)

Myra J. Prestidge  
 Administrative Law Judge Division  
 505 VAN NESS AVE  
 San Francisco CA 94102 3298  
 (415) 703-2629  
[tom@cpuc.ca.gov](mailto:tom@cpuc.ca.gov)

Jonathan Reiger  
 Legal Division  
 505 VAN NESS AVE  
 San Francisco CA 94102 3298  
 (415) 355-5596  
[jzr@cpuc.ca.gov](mailto:jzr@cpuc.ca.gov)

Chloe Lukins  
 Energy Division  
 505 VAN NESS AVE  
 San Francisco CA 94102 3298  
 (415) 703- 1637  
[clu@cpuc.ca.gov](mailto:clu@cpuc.ca.gov)

Kenneth Lewis  
 Energy Division  
 505 VAN NESS AVE  
 San Francisco CA 94102 3298  
 (415) 703-1090  
[kl1@cpuc.ca.gov](mailto:kl1@cpuc.ca.gov)

Brewster Fong  
 Division Ratepayer Advocates  
 505 VAN NESS AVE  
 San Francisco CA 94102 3298  
 (415) 703- 2187  
[bfs@cpuc.ca.gov](mailto:bfs@cpuc.ca.gov)

## \*\*\*\*\* AGENCIES \*\*\*\*\*

City of Santa Cruz  
 Leslie Cook  
 809 Center Street, Room 9  
 Santa Cruz, California 95060  
 Telephone: (831) 420-5030  
 Email: [cityclerk@ci.santa-cruz.ca.us](mailto:cityclerk@ci.santa-cruz.ca.us)

\*\*\*\*\* 3<sup>rd</sup> Party \*\*\*\*\*

County of Santa Cruz  
 Joel La Cagin  
 Department of Public Works  
 701 Ocean Street, Room 410  
 Santa Cruz, CA 95060  
 Telephone: (831) 454-2799  
 Email: [dpw117@co.santa-cruz.ca.us](mailto:dpw117@co.santa-cruz.ca.us)

County of Santa Cruz  
 Peter Porfido  
 Department of Public Works  
 701 Ocean Street, Room 410  
 Santa Cruz, CA 95060  
 Telephone: (831) 454-2331  
 Email: [dpw038@co.santacruz.ca.us](mailto:dpw038@co.santacruz.ca.us)

**(END OF APPENDIX A)**

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 M)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: David Poster

Phone #: (415) 973-1082

E-mail: DXPU@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **3154-E**

Tier: **[3]**

Subject of AL: County of Santa Cruz Sidewalk Easement – Request for Approval Under Section 851

Keywords (choose from CPUC listing): Section 851

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL:

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: No

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information:

Resolution Required?  Yes  No

Requested effective date: **ASAP by Commission Resolution**

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed: N/A

Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

**CPUC, Energy Division**

**Tariff Files, Room 4005**

**DMS Branch**

**505 Van Ness Ave., San Francisco, CA 94102**

**jnj@cpuc.ca.gov and mas@cpuc.ca.gov**

**Pacific Gas and Electric Company**

**Attn: Brian K. Cherry, Vice President, Regulatory Relations**

**77 Beale Street, Mail Code B10C**

**P.O. Box 770000**

**San Francisco, CA 94177**

**E-mail: PGETariffs@pge.com**

Advice 3154-E

Attachment 1

**LD 2311-01-2763**  
2007128 (22-07-083) 7 07 1  
Roland Substation  
Public Pedestrian Walkway Easement  
to County of Santa Cruz

RECORDING REQUESTED BY, AND  
WHEN RECORDED RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY  
356 East Alisal Street  
Salinas, CA 93901  
Attention: Land Agent

Location: City/Uninc \_\_\_\_\_  
Recording Fee \$0.00 (Government Code Section 27383)  
Document Transfer Tax \$0.00 (Revenue and Taxation Code Section 11922)

\_\_\_\_\_  
Signature of declarant or agent determining tax

(A portion of APN 028-401-05)

**EASEMENT AGREEMENT**  
**(Public Pedestrian Walkway Easement to County of Santa Cruz)**

This Easement Agreement ("**Agreement**") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_ (the "**Effective Date**") by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called "**PG&E**", and the COUNTY OF SANTA CRUZ, a political subdivision of the State of California, hereinafter called "**Grantee**."

**RECITALS**

A. PG&E owns certain real property in fee within the County of Santa Cruz, State of California, described in **EXHIBIT "A"** and shown on **EXHIBIT "B"**, both of which are attached hereto and made a part hereof (hereinafter, the "**Easement Area**").

B. Grantee proposes to a construct a public pedestrian walkway, regulatory traffic signs, and water utility facilities within the Easement Area and in connection therewith, Grantee has requested that PG&E grant an easement for the installation, construction, reconstruction, replacement, repair, maintenance and use of such walkway, signs, and water utility facilities.

C. PG&E is willing to grant such easement on the terms and subject to the conditions set forth herein.

Now, therefore, in consideration of Grantee's agreement to pay the sum of Two Thousand Five Hundred Dollars (\$2,500), and for other good and valuable consideration, PG&E and Grantee agree as follows:

1. Grant of Easement: PG&E hereby grants to Grantee, upon the terms and conditions set forth in this Agreement, a non-exclusive easement to install, construct, reconstruct, repair, replace, maintain and use a public pedestrian walkway, regulatory traffic signs, and water utility facilities within said Easement Area.

2. Limitations on Use.

(a) The Easement Area, and the public pedestrian walkway, regulatory traffic signs, and water utility facilities permitted to be constructed therein, are to be used by Grantee only for those uses permitted in Section 1 above, and for no other purpose.

(b) PG&E reserves the right to restrict access to the Easement Area or any portion or portions thereof in the event of fire, earthquake, storm, riot, civil disturbance, or other casualty or emergency, or in connection with PG&E's response thereto, or if emergency repairs or maintenance are required to PG&E facilities within or in the vicinity of the Easement Area, or otherwise when PG&E deems it advisable to do so, including in connection with events and emergencies occurring or affecting PG&E's business operations located elsewhere than in the immediate vicinity of the Easement Area or PG&E's adjacent property.

(c) Grantee shall not erect or construct any building or other structure other than those specifically authorized by this Agreement, nor shall Grantee drill or operate any well, within five (5) feet of any of PG&E's electric or gas facilities.

3. Condition of Easement Area. Grantee accepts the Easement Area in its existing physical condition, without warranty by PG&E or any duty or obligation on the part of PG&E to maintain the Easement Area. Grantee acknowledges that one or more of the following (collectively, "**Potential Environmental Hazards**") may be located in, on or underlying PG&E's adjacent property and/or the Easement Area:

(a) electric fields, magnetic fields, electromagnetic fields, electromagnetic radiation, power frequency fields, and extremely low frequency fields, however designated, and whether emitted by electric transmission lines, other distribution equipment or otherwise ("**EMFs**");

(b) **Hazardous Substances** (as hereinafter defined). For purposes hereof, the term "**Hazardous Substances**" means any hazardous or toxic material or waste which is or becomes regulated by Legal Requirements (as hereinafter defined) relating to the protection of human health or safety, or regulating or relating to industrial hygiene or environmental conditions, or the protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, including, but not limited to, laws, requirements and regulations pertaining to reporting, licensing, permitting, investigating and remediating emissions, discharges, releases or threatened releases of such substances into the air, surface water, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of

such substances. Without limiting the generality of the foregoing, the term Hazardous Substances includes any material or substance:

(1) now or hereafter defined as a "hazardous substance," "hazardous waste," "hazardous material," "extremely hazardous waste," "restricted hazardous waste" or "toxic substance" or words of similar import under any applicable local, state or federal law or under the regulations adopted or promulgated pursuant thereto, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§9601 et seq. ("CERCLA"); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§6901 et seq.; the Clean Air Act, 42 U.S.C. §§7401 et seq.; the Clean Water Act, 33 U.S.C. §§1251 et seq.; the Toxic Substance Control Act, 15 U.S.C. §§2601 et seq.; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §§136 et seq.; the Atomic Energy Act of 1954, 42 U.S.C. §§2014 et seq.; the Nuclear Waste Policy Act of 1982, 42 U.S.C. §§10101 et seq.; the California Hazardous Waste Control Law, Cal. Health and Safety Code §§25100 et seq.; the Porter-Cologne Water Quality Control Act, Cal. Water Code §§13000 et seq.; the Carpenter-Presley-Tanner Hazardous Substance Account Act (Health and Safety Code §§25300 et seq.); and the Medical Waste Management Act (Health and Safety Code §§25015 et seq.); or

(2) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous, and is now or hereafter regulated as a Hazardous Substance by the United States, the State of California, any local governmental authority or any political subdivision thereof, or which cause, or are listed by the State of California as being known to the State of California to cause, cancer or reproductive toxicity; or

(3) the presence of which on the Easement Area or PG&E's adjacent property poses or threatens to pose a hazard to the health or safety of persons on or about the Easement Area or PG&E's adjacent property or to the environment; or

(4) which contains gasoline, diesel fuel or other petroleum hydrocarbons; or

(5) which contains lead-based paint or other lead contamination, polychlorinated biphenyls ("PCBs") or asbestos or asbestos-containing materials or urea formaldehyde foam insulation; or

(6) which contains radon gas;

(c) fuel or chemical storage tanks, energized electrical conductors or equipment, or natural gas transmission or distribution pipelines; and

(d) other potentially hazardous substances, materials, products or conditions.

Grantee shall be solely responsible for the health and safety of, and shall take all necessary precautions to protect, its employees, contractors, consultants, agents and invitees, including, without limitation, the general public ("**Grantee's Representatives**") from risks of harm from Potential Environmental Hazards. Grantee acknowledges that it has previously evaluated the condition of the Easement Area and all matters affecting the suitability of the Easement Area for

the uses permitted by this Agreement, including, but not limited to, the Potential Environmental Hazards listed herein.

4. Grantee's Covenants. Grantee hereby covenants and agrees:

(a) Construction of Improvements. Grantee agrees to construct and install, at no cost to PG&E, such public pedestrian walkway, regulatory traffic signs, water utility facilities, and improvements ("**Improvements**") as may be necessary and appropriate for Grantee's permitted use, as specified in Section 1. All such construction shall be performed in accordance with detailed plans and specifications ("**Plans**") previously approved by PG&E, and shall comply with all Legal Requirements, as defined below in Section 4(b). Before commencing construction of any Improvements, Grantee shall obtain all permits, authorizations or other approvals, at Grantee's sole cost and expense as may be necessary for such construction. Without limiting the generality of the foregoing, Grantee shall be responsible for complying with any and all applicable requirements of the National Environmental Policy Act ("**NEPA**") and the California Environmental Quality Act ("**CEQA**") and satisfying, at Grantee's sole expense, any and all mitigation measures under CEQA that may apply to Grantee's proposed occupancy and use of the Easement Area, and to the construction, maintenance and use of Grantee's proposed Improvements. Grantee shall promptly notify PG&E of any and all proposed mitigation measures that may affect PG&E, the Easement Area or PG&E's adjacent property. If PG&E determines in good faith that any such mitigation measures may adversely affect PG&E, the Easement Area or PG&E's adjacent property, or impose limitations on PG&E's ability to use PG&E's adjacent property as specified in Section 8, then PG&E shall have the right, without liability to Grantee, to give notice of termination of this Agreement to Grantee, whereupon this Agreement and the rights granted to Grantee shall terminate and revert in PG&E, unless within ten (10) days following delivery of such notice, Grantee gives notice to PG&E by which Grantee agrees to modify its proposed Project (as that term is defined under CEQA) so as to eliminate the necessity for such mitigation measures. In the event of such termination, PG&E and Grantee shall each be released from all obligations under this Agreement, except those which expressly survive termination. Grantee acknowledges and agrees that PG&E's review of Grantee's Plans is solely for the purpose of protecting PG&E's interests, and shall not be deemed to create any liability of any kind on the part of PG&E, or to constitute a representation on the part of PG&E or any person consulted by PG&E in connection with such review that the Plans or the Improvements contemplated by such Plans are adequate or appropriate for any purpose, or comply with applicable Legal Requirements. Grantee shall not commence construction or installation of any Improvements without the prior written consent of PG&E, which consent shall not be unreasonably withheld, conditioned or delayed, and the prior consent, to the extent required by applicable law or regulation, of the California Public Utilities Commission (hereinafter, "**CPUC**");

(b) Compliance with Laws. Grantee shall, at its sole cost and expense, promptly comply with (a) all laws, statutes, ordinances, rules, regulations, requirements or orders of municipal, state, and federal authorities now in force or that may later be in force, including, but not limited to, those relating to the generation, use, storage, handling, treatment, transportation or disposal of Hazardous Substances, as defined herein, or to health, safety, noise, environmental protection, air quality or water quality; (b) the conditions of any permit, occupancy certificate, license or other approval issued by public officers relating to Grantee's use or occupancy of the Easement Area; and (c) with any liens, encumbrances, easements, covenants, conditions,

restrictions and servitudes (if any) of record, or of which Grantee has notice, which may be applicable to the Easement Area (collectively, "**Legal Requirements**"), regardless of when they become effective, insofar as they relate to the use or occupancy of the Easement Area by Grantee. Grantee shall furnish satisfactory evidence of such compliance upon request by PG&E. The judgment of any court of competent jurisdiction, or the admission of Grantee in any action or proceeding against Grantee, whether or not PG&E is a party in such action or proceeding, that Grantee has violated any Legal Requirement relating to the use or occupancy of the Easement Area, shall be conclusive of that fact as between PG&E and Grantee.

(c) Notice of Enforcement Proceedings. Grantee agrees to notify PG&E in writing within three (3) business days of any investigation, order or enforcement proceeding which in any way relates to the Easement Area or PG&E's adjacent property, or to any contamination or suspected contamination on, within or underlying the Easement Area or PG&E's adjacent property. Such notice shall include a complete copy of any order, complaint, agreement, or other document which may have been issued, executed or proposed, whether draft or final;

(d) Non-Interference. Grantee agrees not to interfere in any way or permit any interference with the use of PG&E's adjacent property by PG&E and other entitled persons. Interference shall include, but not be limited to, any activity by Grantee that places any of PG&E's gas or electric facilities in violation of any of the provisions of General Order Nos. 95 (Overhead Electric), 112E (Gas), and 128 (Underground Electric) of the CPUC or to any other Legal Requirements under which the operations of utility facilities are controlled or regulated. Grantee shall not erect, handle, or operate any tools, machinery, apparatus, equipment, or materials closer to any of PG&E's high-voltage electric conductors than the minimum clearances set forth in the High-Voltage Electrical Safety Orders of the California Division of Industrial Safety; which minimum clearances are incorporated herein by reference; but in no event closer than ten (10) feet to any energized electric conductors or appliances. Grantee shall not drill, bore, or excavate within thirty (30) feet of any of PG&E's underground facilities, including, but not limited to, gas pipelines, valves, regulators, electric conduits, tower footings or foundations. Grantee shall provide notice to Underground Service Alert at 1-800-227-2600 at least two (2) business days prior to commencing any drilling, boring or excavating permitted hereunder to assist Grantee with locating any and all underground facilities, including, but not limited to, gas pipelines, valves, regulators or electric conduits;

(e) Avoiding Dangerous Activities. Grantee agrees to conduct its activities and operations within and on the Easement Area in such a manner so as not to endanger the Easement Area or PG&E's adjacent property, PG&E's utility facilities, the environment and human health and safety. Grantee shall not cause or permit any Hazardous Substances, as defined herein, to be brought upon, produced, stored, used, discharged or disposed of on, or in the vicinity of the Easement Area or PG&E's adjacent property, except in compliance with all applicable Legal Requirements. Grantee shall be responsible for the cost of remediating any discharge or release of Hazardous Substances resulting from or arising in connection with Grantee's use of the Easement Area, and shall immediately notify PG&E and the appropriate regulatory authorities where required by law, of any such release. If PG&E determines that Grantee's activities in any way endanger the Easement Area or PG&E's adjacent property, PG&E's utility facilities, the environment, or human health and safety, PG&E may, in PG&E's sole and absolute discretion, require that Grantee halt such activities until appropriate protective measures are taken to PG&E's

satisfaction. Grantee shall hold PG&E harmless from any claims resulting from any delay under this paragraph. PG&E's right to halt activities under this paragraph shall not in any way affect or alter Grantee's insurance or indemnity obligations under this Agreement, nor shall it relieve Grantee from any of its obligations hereunder that pertain to health, safety, or the protection of the environment;

(f) Maintenance. Grantee agrees to maintain its Improvements in good condition and repair, and be responsible for the security of, the Improvements installed hereunder;

(g) Repairing Damage. Grantee agrees to repair any damage it may cause to PG&E's facilities and improvements in or around said Easement Area;

(h) Coordination. Grantee agrees to coordinate all activities regarding the easements granted herein to reasonably minimize any interference and inconvenience with the use by PG&E of the Easement Area and PG&E's adjacent property, and;

(i) PG&E Right to Cure. Grantee agrees that if Grantee fails to perform any act or other obligation on its part to be performed hereunder, and such failure is not remedied within fifteen (15) days following notice from PG&E (or in the case of an emergency, following such notice, if any, as may be reasonably practicable under the existing circumstances), PG&E may (but without obligation to do so, and without waiving or releasing Grantee from any of its obligations) perform any such act or satisfy such obligation, or otherwise remedy such emergency or such failure on the part of Grantee. All costs incurred by PG&E in responding to or remedying such failure by Grantee shall be payable by Grantee to PG&E on demand.

5. Indemnification; Release.

(a) Grantee shall, to the maximum extent permitted by law, indemnify, protect, defend and hold harmless PG&E; its parent corporation, subsidiaries and affiliates, and their respective officers, managers, directors, representatives, agents, employees, transferees, successors and assigns (each, an "**Indemnitee**" and collectively, "**Indemnitees**") from and against all claims, losses (including, but not limited to, diminution in value), actions, demands, damages, costs, expenses (including, but not limited to, experts fees and reasonable attorneys' fees and costs) and liabilities of whatever kind or nature (collectively, "**Claims**"), which arise from or are in any way connected with the occupancy or use of the Easement Area by Grantee or Grantee's Representatives, or the exercise by Grantee of its rights hereunder, or the performance of, or failure to perform, Grantee's duties under this Agreement, including, but not limited to, Claims arising out of: (1) injury to or death of persons, including but not limited to employees of PG&E or Grantee (and including, but not limited to, injury due to exposure to EMFs and other Potential Environmental Hazards in, on or about the Easement Area and PG&E's adjacent property); (2) injury to property or other interest of PG&E, Grantee or any third party; (3) violation of any applicable federal, state, or local laws, statutes, regulations, or ordinances, including all Legal Requirements relating to human health or the environment, and including any liability which may be imposed by law or regulation without regard to fault; excepting only with respect to any Indemnitee, to the extent of any Claim arising from the sole negligence or willful misconduct of such Indemnitee. Without limiting the generality of the foregoing, Grantee shall, to the maximum extent permitted by law, indemnify, protect, defend and hold Indemnitees harmless from and

against Claims arising out of or in connection with any work of improvement constructed or installed at or on, labor performed on, or materials delivered to, or incorporated in any improvements constructed on, the Easement Area by, or at the request or for the benefit of, Grantee. In the event any action or proceeding is brought against any Indemnitee for any Claim against which Grantee is obligated to indemnify or provide a defense hereunder, Grantee upon written notice from PG&E shall defend such action or proceeding at Grantee's sole expense by counsel approved by PG&E, which approval shall not be unreasonably withheld, conditioned or delayed.

(b) Grantee acknowledges that all Claims arising out of or in any way connected with releases or discharges of any Hazardous Substance, or the exacerbation of a Potential Environmental Hazard, occurring as a result of or in connection with Grantee's use or occupancy of the Easement Area, or any of the activities of Grantee and Grantee's Representatives, and all costs, expenses and liabilities for environmental investigations, monitoring, containment, abatement, removal, repair, cleanup, restoration, remediation and other response costs, including reasonable attorneys' fees and disbursements and any fines and penalties imposed for the violation of Legal Requirements relating to the environment or human health, are expressly within the scope of the indemnity set forth above.

(c) Grantee's use of the Easement Area shall be at its sole risk and expense. Grantee accepts all risk relating to its occupancy and use of the Easement Area. PG&E shall not be liable to Grantee for, and Grantee hereby waives and releases PG&E and the other Indemnitees from, any and all liability, whether in contract, tort or on any other basis, for any injury, damage, or loss resulting from or attributable to any occurrence on or about the Easement Area, the condition of Easement Area, or the use or occupancy of the Easement Area.

(d) Grantee shall, to the maximum extent permitted by law, indemnify, protect, defend and hold Indemnitees harmless against claims, losses, costs (including, but not limited to, attorneys' fees and costs), liabilities and damages resulting from the failure of Grantee, or any of its contractors or subcontractors, to comply with the insurance requirements set forth in **Exhibit C**, attached hereto and made a part hereof. If Grantee fails to so indemnify, protect, defend or hold harmless any Indemnitee, then at PG&E's option, this Agreement shall terminate, and the estate and interest herein granted to Grantee shall revert to and revest in PG&E, if such failure continues for five (5) days following the giving of written notice of termination to Grantee, unless within such time such failure is cured to the reasonable satisfaction of PG&E.

(e) The provisions of this Section 5 shall survive the termination of this Agreement.

6. Additional Facilities. Grantee shall not install any additional facilities or improvements in, on, under or over the Easement Area without the prior written consent of PG&E, which consent may be granted or withheld in PG&E's sole and absolute discretion, and the prior consent, to the extent required by applicable law or regulation, of the CPUC. Grantee shall submit plans for installation of any proposed additional facilities within the Easement Area to PG&E for its written approval at the address specified in Section 12.

7. Abandonment; Termination. In the event Grantee abandons the Improvements installed hereunder, this Agreement shall terminate and all of the easements and other rights of Grantee hereunder shall revert to PG&E. The non-use of such Improvements for a continuous period of two (2) years, unless such nonuse is due to factors outside Grantee's reasonable control, in which case such period is extended to four (4) years, shall be conclusive evidence of such abandonment. Upon any termination of this Agreement, Grantee shall remove, at no cost to PG&E, such of Grantee's Improvements installed pursuant to this Agreement as PG&E may specify. Upon any termination of this Agreement, Grantee shall execute, acknowledge and deliver to PG&E a quitclaim deed or such other documents or instruments, in a form reasonably acceptable to PG&E, as may be reasonably necessary to eliminate this Agreement as an encumbrance on the title to the Easement Area or any larger parcel of property containing the Easement Area.

8. Reserved Rights. PG&E reserves the right to use the Easement Area for any and all purposes which will not unreasonably interfere with Grantee's Improvements. Without limiting the generality of the foregoing:

(a) PG&E reserves the right to make use of the Easement Area for such purposes as it may deem necessary or appropriate if, and whenever, in the interest of its service to its patrons or consumers or the public, it shall appear necessary or desirable to do so.

(b) Grantee acknowledges that PG&E may have previously granted, and may in the future grant, certain rights in and across the Easement Area to others, and the use of the word "grant" in this Agreement shall not be construed as a warranty or covenant by PG&E that there are no such other rights.

(c) Grantee shall not make use of the Easement Area in any way which will endanger human health or the environment, create a nuisance or otherwise be incompatible with the use of the Easement Area or PG&E's adjacent property, by PG&E or others entitled to use such property.

(d) This grant is made subject to all applicable provisions of General Order No. 95 (Overhead Electric), General Order 112E (Gas) and General Order No. 128 (Underground Electric) of the CPUC, in like manner as though said provisions were set forth herein.

9. Governmental Approvals. This Agreement shall not become effective, notwithstanding that it may have been executed and delivered by the parties, and Grantee shall not commence construction or other activities hereunder, unless and until the CPUC approves this Agreement and the easements granted and other transactions contemplated hereby (including the adequacy of the compensation to be paid by Grantee), by an order which is final, unconditional and unappealable (including exhaustion of all administrative appeals or remedies before the CPUC). Grantee further acknowledges and agrees that PG&E makes no representation or warranty regarding the prospects for CPUC approval, and Grantee hereby waives all Claims against PG&E which may arise out of the need for such CPUC approval or the failure of the CPUC to grant such approval. This Agreement is made subject to all the provisions of such approval, as more particularly set forth in CPUC Decision D-\_\_\_\_\_ (Application No. \_\_\_\_\_), in like manner as though said provisions were set forth in full herein.

10. Compliance; Insurance. PG&E shall have a right to access and inspect the Easement Area at any time to confirm Grantee's compliance with Legal Requirements and the provisions of this Agreement. Prior to the Effective Date of this Agreement, Grantee shall procure, and thereafter Grantee shall carry and maintain in effect at all times during the term of the Agreement, with respect to the Easement Area and the use, occupancy and activities of Grantee and Grantee's Representatives on or about the Easement Area, the insurance specified in **Exhibit C**, attached hereto and made a part hereof by this reference, provided that PG&E reserves the right to review and modify from time to time the coverages and limits of coverage required hereunder, as well as the deductibles and/or self-insurance retentions in effect from time to time (but PG&E agrees that it will not increase required coverage limits more often than once in any five-year period). All insurance required under this Agreement shall be effected under valid, enforceable policies issued by insurers of recognized responsibility, as reasonably determined by PG&E, and shall be written on forms and with insurance carriers acceptable to PG&E. For so long as Grantee is an agency or instrumentality of the United States of America, the State of California or any political subdivision thereof, then Grantee may elect to self-insure for any or all of the required coverage. If Grantee is permitted to self-insure hereunder and elects to do so, Grantee shall be liable to PG&E for the full equivalent of insurance coverage which would have been available to PG&E if all required insurance policies had been obtained by Grantee from a third party insurer, in the form required by this Agreement, and shall pay on behalf of or indemnify PG&E for all amounts which would have been payable by the third party insurer. In addition, Grantee shall act with the same promptness and subject to the same standards of good faith as would apply to a third party insurance company. Grantee is also responsible for causing its agents, contractors and subcontractors to comply with the insurance requirements of this Agreement at all relevant times (provided, however, that Grantee, in the exercise of its reasonable judgment, may permit contractors and subcontractors to maintain coverages and limits lower than those required of Grantee, provided the coverages and limits required by Grantee are commercially reasonable in light of applicable circumstances). Any policy of liability insurance required to be maintained hereunder by Grantee may be maintained under a so-called "blanket policy" insuring other locations and/or other persons, so long as PG&E is specifically named as an additional insured under such policy and the coverages and amounts of insurance required to be provided hereunder are not thereby impaired or diminished. In addition, liability insurance coverages may be provided under single policies for the full limits, or by a combination of underlying policies with the balance provided by excess or umbrella liability insurance policies.

11. Mechanics' Liens. Grantee shall keep the Easement Area free and clear of all mechanics', material suppliers' or similar liens, or claims thereof, arising or alleged to arise in connection with any work performed, labor or materials supplied or delivered, or similar activities performed by Grantee or at its request or for its benefit. If any mechanics' liens are placed on the Easement Area or PG&E's adjacent property in connection with the activities or Improvements set forth in this Agreement, Grantee shall promptly cause such liens to be released and removed from title, either by payment or by recording a lien release bond in the manner specified in California Civil Code Section 3143 or any successor statute.

12. Notice. Any notices or communications hereunder shall be in writing and shall be personally delivered or sent by first class mail, certified or registered, postage prepaid, or sent by national overnight courier, with charges prepaid for next business day delivery, addressed to the addressee party at its address or addresses listed below, or to such other address or addresses for a

party as such party may from time to time designate by notice given to the other party. Notices shall be deemed received upon actual receipt by the party being sent the notice, or on the following business day if sent by overnight courier, or on the expiration of three (3) business days after the date of mailing.

If to PG&E:

Pacific Gas and Electric Company  
Attention: Land Agent  
356 East Alisal Street  
Salinas, CA 93901

With a copy to:

Pacific Gas and Electric Company  
P.O. Box 7442, Mail Code B30A  
San Francisco, California 94120  
Attention: Wendy T. Coleman

If to Grantee:

County of Santa Cruz  
Attention: Joel La Cagnin  
Department of Public Works  
701 Ocean Street, Room 410  
Santa Cruz, CA 95060  
Telephone: (831) 454-2799  
Email: dpw117@co.santa-cruz.ca.us

With a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

13. Governing Law. This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California.

14. Entire Agreement. This Agreement supersedes all previous oral and written agreements between and representations by or on behalf of the parties and constitutes the entire agreement of the parties with respect to the subject matter hereof. This Agreement may not be amended except by a written agreement executed by both parties.

15. Binding Effect. This Agreement and the covenants and agreements contained herein shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, successors and assigns (subject to the provisions of Section 16). No assignment or delegation by Grantee, whether by operation of law or otherwise, shall relieve Grantee of any of its

duties, obligations or liabilities hereunder, in whole or in part. The covenants of PG&E hereunder shall run with the land.

16. Assignment. Grantee shall not assign, convey, encumber (other than as may be specifically permitted by the terms of this Agreement), or otherwise transfer the easements and other rights herein conveyed, or any portion thereof or interest herein, without the prior written consent of PG&E. Such consent may be given or withheld by PG&E for any reason or for no reason, provided, however, that notwithstanding the foregoing, PG&E agrees that its consent will not be unreasonably withheld, delayed or conditioned in the case of a proposed transfer or dedication to a governmental agency. Grantee acknowledges and agrees that in any instance where PG&E is required not to unreasonably withhold its consent, it shall be reasonable for PG&E to withhold its consent if any regulatory agency having or asserting jurisdiction over PG&E or the Easement Area, or having or claiming a right to review and/or approve the proposed transfer, fails to grant approval thereof (or imposes conditions on such approval which are not acceptable to PG&E, in its reasonable discretion). Grantee further acknowledges and agrees that in any instance where PG&E is required not to unreasonably delay giving or withholding its consent, it shall be reasonable for PG&E to make application for approval to any regulatory agency having or asserting jurisdiction, and to defer the giving or withholding of consent, without liability hereunder for delay, during the pendency and for a reasonable time following the conclusion of any such regulatory proceedings.

17. Attorneys' Fees. Should either party bring an action against the other party, by reason of or alleging the failure of the other party with respect to any or all of its obligations hereunder, whether for declaratory or other relief, then the party which prevails in such action shall be entitled to its reasonable attorneys' fees (of both in-house and outside counsel) and expenses related to such action, in addition to all other recovery or relief. A party shall be deemed to have prevailed in any such action (without limiting the generality of the foregoing) if such action is dismissed upon the payment by the other party of the sums allegedly due or the performance of obligations allegedly not complied with, or if such party obtains substantially the relief sought by it in the action, irrespective of whether such action is prosecuted to judgment. Attorneys' fees shall include, without limitation, fees incurred in discovery, contempt proceedings and bankruptcy litigation, and in any appellate proceeding. The non-prevailing party shall also pay the attorney's fees and costs incurred by the prevailing party in any post-judgment proceedings to collect and enforce the judgment. The covenant in the preceding sentence is separate and several and shall survive the merger of this provision into any judgment on this Agreement. For purposes hereof, the reasonable fees of PG&E's in-house attorneys who perform services in connection with any such action shall be recoverable, and shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the relevant subject matter area of the law, in law firms in the City of San Francisco with approximately the same number of attorneys as are employed by PG&E's Law Department.

18. No Waiver. No waiver with respect to any provision of this Agreement shall be effective unless in writing and signed by the party against whom it is asserted. No waiver of any provision of this Agreement by a party shall be construed as a waiver of any subsequent breach or failure of the same term or condition, or as a waiver of any other provision of this Agreement.

19. No Offsets. Grantee acknowledges that PG&E is executing this Agreement in its capacity as the owner of the Easement Area, and not in its capacity as a public utility company or provider of electricity and natural gas. Notwithstanding anything to the contrary contained herein, no act or omission of Pacific Gas and Electric Company or its employees, agents or contractors as a provider of electricity and natural gas shall abrogate, diminish, or otherwise affect the respective rights, obligations and liabilities of PG&E and Grantee under this Agreement. Further, Grantee covenants not to raise as a defense to its obligations under this Agreement, or assert as a counterclaim or cross-claim in any litigation or arbitration between PG&E and Grantee relating to this Agreement, any claim, loss, damage, cause of action, liability, cost or expense (including, but not limited to, attorneys' fees) arising from or in connection with Pacific Gas and Electric Company's provision of (or failure to provide) electricity and natural gas.

20. No Dedication. Nothing contained in this Agreement shall be deemed to be a gift or dedication of land or rights to the general public. The right of the public or any person, including Grantee, to make any use whatsoever of the Easement Area or any portion thereof, other than as expressly permitted herein or as expressly allowed by a recorded map, agreement, deed or dedication, is by permission and is subject to the control of PG&E in its sole discretion.

21. No Third Party Beneficiary. This Agreement is solely for the benefit of the parties hereto and their respective successors and permitted assigns, and, except as expressly provided herein, does not confer any rights or remedies on any other person or entity.

22. Captions. The captions in this Agreement are for reference only and shall in no way define or interpret any provision hereof.

23. Time. Except as otherwise expressly provided herein, the parties agree that as to any obligation or action to be performed hereunder, time is of the essence.

24. Severability. If any provision of this Agreement shall be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each provision of this Agreement shall be valid and enforced to the full extent permitted by law, provided the material provisions of this Agreement can be determined and effectuated.

25. Counterparts. This Agreement may be executed in identical counterpart copies, each of which shall be an original, but all of which taken together shall constitute one and the same agreement.

26. Other Documents. Each party agrees to sign any additional documents or permit applications which may be reasonably required to effectuate the purpose of this Agreement. Provided, however, that PG&E will not be required to take any action or execute any document that would result in any cost, expense or liability to PG&E.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

PACIFIC GAS AND ELECTRIC COMPANY,  
a California corporation

County of Santa Cruz,  
a political subdivision of the State of  
California

By: \_\_\_\_\_  
Richard A. Gigliotti

By: \_\_\_\_\_  
THOMAS L. BOLICH

Its: Manager, Land Energy Delivery  
Technical & Land Services

Its: Director of Public Works

Exhibits A, B and C attached

APPROVED AS TO FORM:

  
7.20.07  
Office of County Counsel

Area 3, Central Coast Division  
Land Service Office: GO  
Operating Department: Electric Transmission  
T11S, R01W, MDM  
NW 1/4 of NE 1/4 of Sec. 21  
FERC License Number(s): N/A  
PG&E Drawing Number(s): D2953  
PLAT NO. 015-21SC  
LD of any affected documents: 2311-01-1378  
LD of any Cross-referenced documents:  
TYPE OF INTEREST: 11C  
SBE Parcel Number: 135-44-19, Pcl. 1  
(For Quitclaims, % being quitclaimed): N/A  
Order # or PM #: 40694915  
JCN: 22-07-083  
County: Santa Cruz  
Utility Notice Numbers:  
851 Approval Application No. \_\_\_\_\_ Decision \_\_\_\_\_  
Prepared By: DQT1  
Checked By: TEP4  
Revision Number:

Pacific Gas & Electric Company  
(SELLERS)

Property No.: 2  
APN: 028-401-05  
Project: 30<sup>TH</sup> AVENUE IMPROVEMENTS -  
PORTOLA DRIVE TO BROMMER STREET

**CONTRACT**  
**COUNTY OF SANTA CRUZ**

This contract is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the COUNTY OF SANTA CRUZ, hereinafter called **COUNTY**, and PACIFIC GAS & ELECTRIC COMPANY, hereinafter called **SELLERS**. The parties mutually agree as follows:

1. The parties herein set forth the whole of their agreement. The performance of this agreement constitutes the entire consideration for this transaction.

2. SELLERS agree to execute and deliver a document in the form of an Easement Deed covering a portion of the property located on 30<sup>th</sup> Avenue in the County of Santa Cruz (APN 028-401-05), more particularly described in Exhibit "A", attached hereto and made a part hereof and a W-9 Form, Request for Taxpayer Identification Number and Certification. Said documents shall be delivered to Real Property Division of the COUNTY, State of California.

3. The COUNTY shall:

(A) Pay the undersigned SELLERS the sum of \$ 2,500.00 for the property interest therein (including all improvements existing thereon unless removal is specifically authorized hereinafter in this Contract) as conveyed by said Deed within thirty (30) days after date title to said property interest vests in the COUNTY, free and clear of all liens, encumbrances, assessments, easements and leases (recorded and/or unrecorded), and taxes, except:

1. Covenants, conditions restrictions and reservations of record, if any,
2. Easements or rights of way over said land for utility or street purposes, if any.

(B) Pay all escrow and recording fees incurred in this transaction, and if Title Insurance is required by the COUNTY, the premium charge therefor, except that the payment of any reconveyance fees, trustee's fee, or forwarding fees for any full reconveyance of deed of trust or full release of mortgage shall be the responsibility of the SELLERS.

4. SELLERS agree to indemnify, defend, and hold harmless the COUNTY from and against any claim, action, suit, proceeding, loss, cost, damage, deficiency, fine, penalty, liability, or expense (including without limitation, attorney's fees), arising out of any of the following matters in, on, or about the Property occurring during SELLERS' ownership of the Property:

(A) The release, use, generation, discharge, storage, disposal, or transportation of any Hazardous Materials, or

(B) The violation of any statute, ordinance, order, rule, regulation, permit, judgement, or license relating to the release, use, generation, discharge, storage, disposal, or transportation of any Hazardous Materials.

The term "Hazardous Materials" shall mean any substance, material, or waste which is regulated by any governmental authority, including, but not limited to, any material or substance which is defined as a "hazardous substance", "hazardous waste", "extremely hazardous waste", or "restricted hazardous waste" in the California Health and Safety Code.

The purchase of the property interest shall not be construed as limiting SELLERS' responsibility and/or the COUNTY'S rights concerning hazardous materials discovered before or after

purchase of said property interests.

5. It is agreed and confirmed by the parties hereto that notwithstanding other provisions in this contract, the right of possession and use of the subject property by the COUNTY including the right to remove and dispose of improvements, shall commence on the date the COUNTY delivers said total amount shown in clause 3(A) to the SELLERS or deposits said amount in escrow, and that the amount shown in Clause 3(A) herein includes, but is not limited to, full payment for such possession and use and interest from said date.

6. On the day title of said property interests vests in the name of the COUNTY, the condition of the property described in Exhibit "A", including the existence or nonexistence of any improvements, shall be the same as the condition of said property on the date SELLERS executed this document.

7. SELLERS warrant that there are no oral or written leases on any portion of the real property described in Exhibit "A" exceeding a period of one month, and SELLERS further agree to hold harmless and reimburse the COUNTY for any and all losses or expenses resulting or arising from any lease on the property exceeding a period of one month.

8. It is understood and agreed that the COUNTY shall have the right to enter on SELLERS' land in the vicinity of the land described in the attached Exhibit "A", as necessary for construction purposes, but that this temporary right-of-entry will be left in a clean and orderly condition. Any existing improvements located on the SELLERS' property outside of the permanent easement area describe in Exhibit "A", and not including those improvements already compensated for as specified herein and also in the appraisal, that may have been disturbed or removed during the course of the work will be restored or replaced in kind. The right-of-entry will terminate at the completion of the project or on December 31, 2008, whichever occurs first.

9. The provisions of this agreement shall inure to the benefit of and bind the respective successors, heirs, and assigns of the parties hereto.

IN WITNESS WHEREOF, the COUNTY has caused this contract to be duly executed as of the \_\_\_\_ day of \_\_\_\_\_, 20 \_\_; and the SELLERS have executed this agreement as of the \_\_\_\_ day of \_\_\_\_\_, 20 \_\_.

RECOMMENDED FOR APPROVAL

By: \_\_\_\_\_  
KENNTH A. HILL  
Chief, Real Property

Pacific Gas & Electric Company

APPROVED AS TO FORM:

By: \_\_\_\_\_

By: \_\_\_\_\_  
Office of County Counsel

\_\_\_\_\_

\_\_\_\_\_

COUNTY

By: \_\_\_\_\_  
THOMAS L. BOLICH  
Director of Public Works

(SELLERS)

## APPRAISAL SUMMARY STATEMENT - PACIFIC GAS & ELECTRIC

Property No.: 2  
Report Date: April 20, 2007  
Project: 30<sup>th</sup> Avenue Improvements – Portola Drive to Brommer Street  
Assessor's Parcel No.: 028-401-05  
Owner: Pacific Gas & Electric Company  
Property Address: next to: 866 – 30<sup>th</sup> Avenue, Live Oak area of the County of Santa Cruz  
Locale: Live Oak  
Zoning: Public Facility Present Use: Electrical Sub-station  
Highest and Best Use: Public Utility Sub-station  
Total Property Area: 16,010 +/- \_\_\_\_\_ Full Take  Partial  
Total Acquisition Area: Permanent Easement: 315 sf; Temporary Right-of-Entry  
Incl. Access Rights  Yes  No

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This is a summary of the basis of the amount being offered as just compensation for the portion of your property required by the County and is presented in compliance with State law and has been derived from a formal appraisal prepared by the Real Property Division of the Department of Public Works of the County of Santa Cruz.

The subject larger parcel is a mid block lot of approximately 16,010 sq. ft. in size and is rectangular in shape. Most of the parcel is considered useable for development. The parcel is currently improved as a public utility electrical sub-station. No improvements will be affected by the project, including the utilities, access and parking. The property has been kept in good condition. The acquisition on this parcel consists of an easement for sidewalk, retaining wall, utility, and street sign purposes. The permanent easement take is located within the frontyard setback area of the parcel.

### HIGHEST AND BEST USE

The Subject Property is currently developed as a public utility facility. The parcel is currently zoned for use as a public facility. The General Plan is in conformance with this. The potential highest and best use would be for a public utility facility. According to current law, larger parcels whose Highest and Best Use would require dedication of the proposed take areas must be valued under current zoning regulations and a value reached using existing use rather than under Highest and Best Use. Therefore, the Highest and Best Use of the Subject Property is as developed, a public facility for electrical utilities.

### VALUATION

The rights to be acquired are for permanent easement for sidewalk, retaining wall, public utilities, and street sign purposes. The subject property is considered a public facility site for public utilities which are not commonly bought or sold in the market place. Being designated as a public facility area, the property owner's use of the easement area is already restricted to this use and it also lies within the frontyard setback area of the parcel. The take will have no effect on the existing use or

any future use of the property and will have no effect on the existing utility facilities or landscape improvements. There are no severance damages or special benefits due to the project. The acquisition area will function in the same way in the after condition as it does now, a landscaped to the remainder. This take will have no affect on the value of the larger parcel. Therefore, the above indicates a nominal value for the permanent easement.

The temporary construction easement is located directly behind and adjacent to the permanent easement area and covers an additional area outside of the easement area. It is needed to construct the new sidewalk and to conform the existing driveway to the new sidewalk grade. This temporary easement is needed only during the construction phase of the project and will terminate thereafter. There are no improvements located within this temporary area that will be affected. At the completion of the project, this area will be left in a similar condition as it was before the project and will function the same as in the before condition. This temporary easement will have no impact on the current or any future use of the parcel. Access to the remainder will not be affected. There are no special benefits or severance damages accruing to the remainder due to this temporary easement. This temporary easement will have no affect on the value of the larger parcel. Therefore, the above indicates a nominal value for the temporary construction easement.

The total fair market value of the for easement areas are calculated as follows:

Permanent Easement: 315 sq.ft. - Nominal Value	= \$ 2,000
Temporary Construction Easement: Nominal Value	= \$ 500
Total Just Compensation for Parcel:	= \$ 2,500

**Exhibit "A"**

**Pacific Gas & Electric Company**

**APN 028-401-05**

Situate in the County of Santa Cruz, State of California, and described as follows:

Being an easement over a portion of a the lands shown as a 0.367 acre lot in Volume 56, of Maps, Page 9, Santa Cruz County Records, and more particularly described as follows:

**PARCEL A**

Being an easement for sidewalk, utility, retaining wall, and sign purposes described as follows:

Beginning at the southwest corner of said lands on the easterly boundary of 30<sup>th</sup> Avenue; thence from said point of beginning North 0° 05' East 100.00 feet along said boundary to the northeast corner of said lands; thence along the northerly boundary of said lands South 89° 36' East 3.61 feet; thence South 2° 28' 37" West 6.34 feet; thence South 34° 34' 49" East 5.82 feet; thence South 2° 28' 37" West 20.16 feet; thence South 32° 39' 21" West 5.89 feet; thence South 0° 05' West 63.44 feet to a point on the southerly boundary of said lands; thence along said southerly boundary North 89° 36' West 2.12 feet to the point of beginning.

Containing 315 square feet

**RECORDED AT THE REQUEST OF:**  
COUNTY OF SANTA CRUZ

**WHEN RECORDED RETURN TO:**  
COUNTY OF SANTA CRUZ  
DEPT. OF PUBLIC WORKS  
701 OCEAN STREET  
SANTA CRUZ, CA 95060

**ATTN: Real Property Division**  
**PORTION APN: 028-401-05**

## EASEMENT DEED

For value received **PACIFIC GAS & ELECTRIC COMPANY**

**GRANTS** to } **COUNTY OF SANTA CRUZ**, a political subdivision of the State of California  
all that real property situate in the County of Santa Cruz, State of California described below:

For Legal Description see Exhibit "A", attached hereto and made a part hereof

<p>CERTIFICATE OF ACCEPTANCE --</p> <p style="text-align: center;">Govt. Code Sec. 27281</p> <p>This is to certify that the interest in real property conveyed by the within deed to the County of Santa Cruz, a political subdivision of the State of California, is hereby accepted by Resolution No. 700-57 of the Board of Supervisors dated Nov. 12, 1957, and the Grantee consents to recordation thereof by its duly authorized officer.</p> <p>Dated _____</p> <p>By _____ Chairperson Board of Supervisors</p>
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**STATE OF CALIFORNIA**

County of \_\_\_\_\_  
On \_\_\_\_\_, 20\_\_\_\_ before me,  
\_\_\_\_\_, Notary Public, personally appeared

\_\_\_\_\_,  
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) **is/are** subscribed to the within instrument and acknowledged to me that **he/she/they** executed the same in **his/her/their** authorized capacity(ies), and that by **his/her/their** signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

**WITNESS** my hand and official seal.

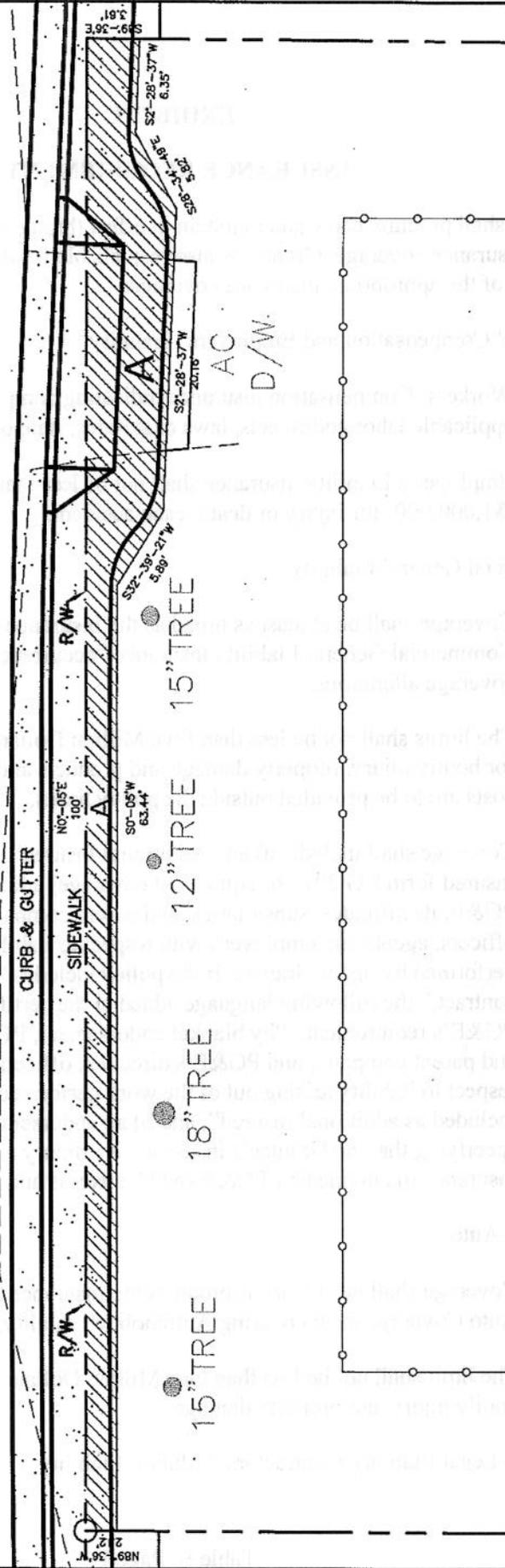
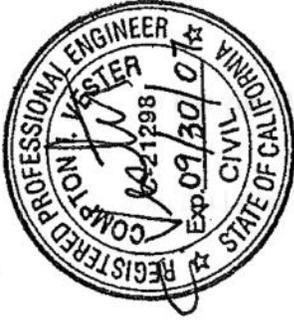
Signature \_\_\_\_\_

Pacific Gas & Electric Company:

\_\_\_\_\_  
By:

Dated: \_\_\_\_\_, 20\_\_\_\_

# EXHIBIT "B"



PROJECT 30TH AVE IMPROVEMENTS-PORTOLA DR TO BROMMER ST		ACQUISITION LEGEND		COUNTY OF SANTA CRUZ APPRAISAL MAP	
PARCEL INFORMATION		TYPE	AREA (SQFT)	LEGEND	
APN# 026-401-05		PARCEL A-EASEMENT	315	---	PROPERTY BOUNDARY
SITUS: N/A				- - -	EXISTING PAVEMENT EDGE
ASSEESSE: PACIFIC GAS & ELECTRIC COMPANY				- - -	EXISTING FENCE
A PORTION OF *0.367 ACRES				- - -	PROPOSED CURB, GUTTER & SIDEWALK
*ESTIMATED TOTAL LOT AREA FROM ASSESSOR'S DATABASE/MAP		MAP SCALE: 1" = 10'			

## EXHIBIT C

### INSURANCE REQUIREMENTS

Grantee shall procure, carry and maintain in effect throughout the term of this Agreement the following insurance coverage. Grantee is also responsible for its subcontractors maintaining sufficient limits of the appropriate insurance coverages.

- A. Workers' Compensation and Employers' Liability
  - 1. Workers' Compensation insurance indicating compliance with any and all applicable labor codes, acts, laws or statutes, state or federal.
  - 2. Employer's Liability insurance shall not be less than One Million Dollars (\$1,000,000) for injury or death, each accident.
  
- B. Commercial General Liability
  - 1. Coverage shall be at least as broad as the Insurance Services Office (ISO) Commercial General Liability insurance "occurrence" form with no additional coverage alterations.
  - 2. The limits shall not be less than Five Million Dollars (\$5,000,000) per occurrence for bodily injury, property damage and products and completed operations. Defense costs are to be provided outside the policy limits.
  - 3. Coverage shall include: a) an "Additional Insured" endorsement (ISO Additional Insured form CG 2010 or equivalent coverage) adding as additional insureds PG&E, its affiliates, subsidiaries, and parent company, and PG&E's directors, officers, agents and employees with respect to liability arising out of work performed by or for Grantee. If the policy includes "blanket endorsement by contract," the following language added to the certificate of insurance will satisfy PG&E's requirement: "by blanket endorsement, PG&E, its affiliates, subsidiaries, and parent company, and PG&E's directors, officers, agents and employees with respect to liability arising out of the work performed by or for the Grantee are included as additional insured"; and b) an endorsement or policy provision specifying that the Grantee's insurance is primary and that any insurance or self-insurance maintained by PG&E shall be excess and non-contributing.
  
- C. Business Auto
  - 1. Coverage shall be at least as broad as the Insurance Services Office (ISO) Business Auto Coverage form covering Automobile Liability, code 1 "any auto."
  - 2. The limit shall not be less than One Million Dollars (\$1,000,000) each accident for bodily injury and property damage.
  
- D. Pollution Legal Liability/Contractors Pollution Liability

1. In the event the scope of work involves environmental type exposures, the following insurance will be required.
2. Coverage for bodily injury, property damage, including clean up costs and defense costs resulting from sudden and gradual pollution conditions including the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, hydrocarbons, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water.
3. The limit shall not be less than \$1,000,000 each occurrence for bodily injury and property damage.
4. The policy shall endorse PG&E as additional insured.

E. Additional Insurance Provisions

1. Upon the Effective Date of the Easement Agreement Grantee shall furnish PG&E with two (2) sets of certificates of insurance including required endorsements.
2. Documentation shall state that coverage shall not be canceled except after thirty (30) days prior written notice has been given to PG&E.
3. The documents must be signed by a person authorized by that insurer to bind coverage on its behalf and submitted to:

Pacific Gas and Electric Company  
Insurance Department - B24H  
Post Office Box 770000  
San Francisco, California 94177

Pacific Gas and Electric Company  
356 East Alisal Street  
Salinas, CA 93901  
Attention: Land Agent

4. Upon request, Grantee shall furnish PG&E evidence of insurance for its agents or contractors.
5. PG&E may inspect the original policies or require complete certified copies at any time.



Advice 3154-E

Attachment 2

**COUNTY OF SANTA CRUZ**  
**PLANNING DEPARTMENT**  
**MEMORANDUM**

**DATE:** January 30, 2007  
**TO:** James Davies, RDA Project Manager  
**Cc:** Ralph Norberg, DPW/RDA  
**FROM:** Melissa Allen, Planning/RDA  
**SUBJECT:** 30<sup>th</sup> Avenue Road Improvement Project – Background Planning Information Re: Planning & Environmental Permitting/Process and Applicable Exemptions

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This memo outlines the process and exemptions that can be followed for the 30<sup>th</sup> Avenue road project located between Portola Drive and Brommer Street, relevant to the discretionary permit process including Coastal Permit, Grading Review, and Environmental Review.

This determination was based on the following information provided/assumptions about this road project:

- A small portion of the project at the south end (about 180 linear feet) is located inside of Coastal Zone; all of the project is located outside of Coastal Appeals Jurisdiction
- Within the Urban Services Line (USL)
- Within Supervisorial District 1
- Zoning Designations: R-1-5, R-1-6, RM-2.5, RM-3, RM-3.5 (Residential Single and Multi-Family) and PF (Public Facility)
- General Plan designations: Urban High Residential (R-UH), Urban Medium Residential (R-UM), Urban Low Residential (R-UL) and Public Facility (P)
- Outside General Plan Industrial, Future Land Use, Public Facility and Parks mapped areas
- Not within any Special Community or any Special Design Area
- Not within any Scenic resource mapped area
- Within Arana-Rodco Watershed
- No Floodplains or Floodways in project work area
- Nearest waterway is Rodeo Creek Gulch, about 300 feet to the west at it's closest point
- Not within areas mapped as Grassland, Special Forest, or Timber Resource areas
- Very north tip at Brommer Street is mapped Riparian Woodland resource, though work is within existing road and development area
- Entire area mapped Biotic Resource and Natural Diversity Data Base Species (for the Zayante band winged grasshopper and Santa Cruz tarplant, monarch butterfly mapping also nearby)
- Project area is within a developed urban residential neighborhood and no sensitive natural habitats exist along the road work area
- Not within Fault Zone, Landslide, or Fire Hazard mapped areas
- Within mapped NRCS Soil area of 087133 and 087177
- Soils within Geologic Unit of Qel and TP (tiny portion at tip at north end)
- Elevation of area relatively flat, ranges from roughly 46 to 56 feet in elevation
- Not within mapped Ground Water Recharge, Protected Reservoir, Water Supply or Least Disturbed Watersheds
- Not within mapped Geologic/Paleontologic Resource area; small portion at north end in mapped Archaeologic Resource area
- Not within mapped Airport Clear Zone, Agricultural or Mineral Resource areas
- Total project area at the 40 foot ROW is roughly 100,000 sq. ft. (2.3 ac) in size and about 2,500 feet long
- Roughly 600 cubic yards of grading is proposed, with a maximum depth of cut or fill of 5 feet (typical about 1'); only about 61 cubic yards of grading is proposed in areas that weren't previously road or shoulder
- The project area is generally flat (elevations roughly range from 46 to 56 feet) with no slopes >30% affected
- No Significant trees are proposed to be removed within the coastal zone, some tree removal is proposed outside the coastal zone (7 acacias & 2 Cypress trees), but all other trees in the project work vicinity are to be protected

Description of project:

The 30<sup>th</sup> Avenue project includes road improvements to provide sidewalk in-fill along a portion of an existing local road. The work to be done generally consists of constructing curb, gutter, and contiguous sidewalk along both sides of the roadway, installing storm drainage improvements, roadway excavation and surfacing with asphalt concrete, and road striping on 30<sup>th</sup> Avenue beginning 140 feet north of Portola Drive and ending at Brommer Street to the north. The total project length is approximately 2,500 feet. See project discussion with Plan Line report to the Board of Supervisors dated 10/4/06 on the 10/17/06 Board Agenda.

Applicable Exemptions:

- Coastal Zone (Exemptions Code Section 13.20.060) –  
Roads Exemption per Code Section 13.20.061 regarding repair and maintenance of existing public roads including routine maintenance and those activities necessary to preserve the highway as it was constructed, provided that there is not excavation or disposal of fill outside the roadway prism and there is no addition to or expansion of the existing public road facility.
- Grading Exemption per Code Section 16.20.050(k) regarding County Public Works routine maintenance and other work undertaken by the County Department of Public Works that does not impact an environmental resource of hazardous or critical concern ...
- CEQA Environmental Exemption per Categorical Exemption No. 15301(c) – Existing Facilities for “Existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities (this includes road grading for the purpose of public safety). Class 1 consists of the operation, repair, maintenance, permitting, leasing licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination.”

Notes:

- Ken Hart recommended using the Grading Exemption per 16.20.050(k) on the 7<sup>th</sup> Avenue project as it was a public works project and they would be overseeing the grading work.
- The grading work is exempt from the provisions of the County Grading Regulations; however, it is still subject, as applicable, to County Environmental Review Regulations (Chapter 16.01), Erosion Control Ordinance (Chapter 16.22), Geological Hazard Ordinance (Chapter 16.10), Sensitive Habitat Protection Ordinance (Chapter 16.32), and County Native American Cultural Site Ordinance (Chapter 16.40).
- The CEQA 15301(c) - Existing Facilities Categorical Exemption was recommended to me for use on the 5<sup>th</sup> & Lake Road Improvement project by Environmental Coordinator, Paia Levine, instead of an Initial Study.

**PG&E Gas and Electric  
Advice Filing List  
General Order 96-B, Section IV**

ABAG Power Pool	Douglass & Liddell	PG&E National Energy Group
Accent Energy	Downey, Brand, Seymour & Rohwer	Pinnacle CNG Company
Aglet Consumer Alliance	Duke Energy	PITCO
Agnews Developmental Center	Duke Energy North America	Plurimi, Inc.
Ahmed, Ali	Duncan, Virgil E.	PPL EnergyPlus, LLC
Alcantar & Kahl	Dutcher, John	Praxair, Inc.
Ancillary Services Coalition	Dynergy Inc.	Price, Roy
Anderson Donovan & Poole P.C.	Ellison Schneider	Product Development Dept
Applied Power Technologies	Energy Law Group LLP	R. M. Hairston & Company
APS Energy Services Co Inc	Energy Management Services, LLC	R. W. Beck & Associates
Arter & Hadden LLP	Exelon Energy Ohio, Inc	Recon Research
Avista Corp	Exeter Associates	Regional Cogeneration Service
Barkovich & Yap, Inc.	Foster Farms	RMC Lonestar
BART	Foster, Wheeler, Martinez	Sacramento Municipal Utility District
Bartle Wells Associates	Franciscan Mobilehome	SCD Energy Solutions
Blue Ridge Gas	Future Resources Associates, Inc	Seattle City Light
Bohannon Development Co	G. A. Krause & Assoc	Sempra
BP Energy Company	Gas Transmission Northwest Corporation	Sempra Energy
Braun & Associates	GLJ Energy Publications	Sequoia Union HS Dist
C & H Sugar Co.	Goodin, MacBride, Squeri, Schlotz &	SESCO
CA Bldg Industry Association	Hanna & Morton	Sierra Pacific Power Company
CA Cotton Ginners & Growers Assoc.	Heeg, Peggy A.	Silicon Valley Power
CA League of Food Processors	Hitachi Global Storage Technologies	Smurfit Stone Container Corp
CA Water Service Group	Hogan Manufacturing, Inc	Southern California Edison
California Energy Commission	House, Lon	SPURR
California Farm Bureau Federation	Imperial Irrigation District	St. Paul Assoc
California Gas Acquisition Svcs	Integrated Utility Consulting Group	Sutherland, Asbill & Brennan
California ISO	International Power Technology	Tabors Caramanis & Associates
Calpine	Interstate Gas Services, Inc.	Tecogen, Inc
Calpine Corp	IUCG/Sunshine Design LLC	TFS Energy
Calpine Gilroy Cogen	J. R. Wood, Inc	Transcanada
Cambridge Energy Research Assoc	JTM, Inc	Turlock Irrigation District
Cameron McKenna	Luce, Forward, Hamilton & Scripps	U S Borax, Inc
Cardinal Cogen	Manatt, Phelps & Phillips	United Cogen Inc.
Cellnet Data Systems	Marcus, David	URM Groups
Chevron Texaco	Matthew V. Brady & Associates	Utility Resource Network
Chevron USA Production Co.	Maynor, Donald H.	Wellhead Electric Company
City of Glendale	MBMC, Inc.	White & Case
City of Healdsburg	McKenzie & Assoc	WMA
City of Palo Alto	McKenzie & Associates	
City of Redding	Meek, Daniel W.	
CLECA Law Office	Mirant California, LLC	
Commerce Energy	Modesto Irrigation Dist	
Constellation New Energy	Morrison & Foerster	
CPUC	Morse Richard Weisenmiller & Assoc.	
Cross Border Inc	Navigant Consulting	
Crossborder Inc	New United Motor Mfg, Inc	
CSC Energy Services	Norris & Wong Associates	
Davis, Wright, Tremaine LLP	North Coast Solar Resources	
Defense Fuel Support Center	Northern California Power Agency	
Department of the Army	Office of Energy Assessments	
Department of Water & Power City	OnGrid Solar	
DGS Natural Gas Services	Palo Alto Muni Utilities	