



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 13-1315, Version: 1

Introduce, waive the reading, and set January 7, 2014 at 1:30 p.m. as the date and time to consider adoption of an ordinance renewing the County of Monterey's grant of a nonexclusive franchise pursuant to Ordinance No. 1278 to the California-American Water Company for a period of twenty-five (25) years on the terms specified, including the right to install and thereafter maintain, replace, and use underground water pipelines and appurtenances for the distribution of water to the public for any and all purposes in so many and such parts of the public highways, roads, streets, and ways within the unincorporated territory of Monterey County, and adding pipelines for the collection of wastewater to the franchise.

RECOMMENDATION:

It is recommended that the Board of Supervisors introduce, waive the reading, and set January 7, 2014 at 1:30 p.m. as the date and time to consider adoption of an ordinance renewing the County of Monterey's grant of a nonexclusive franchise pursuant to Ordinance No. 1278 to the California-American Water Company for a period of twenty-five (25) years on the terms specified, including the right to install and thereafter maintain, replace, and use underground water pipelines and appurtenances for the distribution of water to the public for any and all purposes in so many and such parts of the public highways, roads, streets, and ways within the unincorporated territory of Monterey County, and adding pipelines for the collection of wastewater to the franchise.

SUMMARY:

By Ordinance No. 1278, adopted on February 11, 1963, the County of Monterey granted to California Water & Telephone Company, a corporation, California-American Water Company's predecessor in interest, a nonexclusive franchise for a period of fifty (50) years to install and thereafter operate, maintain, replace, and use underground water pipelines and appurtenances for the distribution of water to the public for any and all purposes in so many and in such parts of the public highways, roads, streets, and ways within the unincorporated territory of the County of Monterey as the grantee may from time to time elect to use. On November 19, 2012, California-American Water Company (Cal-Am) requested to renew its franchise due to expire on or about February 11, 2013. This Ordinance is proposed to renew the Franchise on specified terms and conditions for a period of twenty-five years.

DISCUSSION:

By Ordinance No. 1278, adopted on February 11, 1963, the County of Monterey granted to California Water & Telephone Company, a corporation, California-American Water Company's predecessor in interest, a nonexclusive franchise for a period of fifty (50) years to install and thereafter operate, maintain, replace, and use underground water pipelines and appurtenances

for the distribution of water to the public for any and all purposes in so many and in such parts of the public highways, roads, streets, and ways within the unincorporated territory of the County of Monterey as the grantee may from time to time elect to use. Cal-Am pays to the County two percent of its gross annual receipts arising from the use, operation, or possession of this Franchise. The Franchise allows Cal-Am to place its pipes within the County highways and roads. Cal-Am will still be required to obtain any other permits required by State and local law.

On November 19, 2012, Cal-Am requested to renew its franchise due to expire on or about February 11, 2013. The Franchise was extended for a period of twelve (12) months, specified to be from February 11, 2013 through February 10, 2014 per Resolution No. 13-023, to allow the County adequate time for thorough review of the terms and conditions of this long-term Franchise. Cal-Am and County staff determined that renewal for a period of twenty five (25) years is appropriate. The Franchise granted under Ordinance No. 1278 did not include underground wastewater pipes that Cal-Am owns and operates within the unincorporated territory of the County of Monterey, and therefore these pipes are to be included in this renewal of the Franchise.

The Ordinance granting the renewal of the existing Franchise to Cal-Am is exempted under CEQA Guidelines Section 15301(c) which exempts: operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing highways and streets, gutters, bicycles and pedestrian trails, and similar facilities (including road grading for the purpose of public safety). This grant of renewal of the Franchise does not govern increases to service as that subject matter is governed by the California Public Utilities Commission.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel has approved the ordinance as to form.

FINANCING:

There is no financial impact to the General Fund. Fees will continue to be collected annually and deposited in the General Fund (Fund 001, Department 1050, Unit 841, Revenue Code 4270) in accordance with the terms and conditions of the Franchise.

Prepared by: Saba Engineer, M.S., P.E, Senior Civil Engineer, (831)755-4940

Approved by:

Robert K. Murdoch, P.E., Director of Public Works

Approved by:

Benny J. Young, RMA Director

Dated: December 11, 2013

Attachments: Ordinance; Resolution No. 13-023; 1963 Ordinance No. 1278; Cal-Am Letter; Location Map