

EXHIBIT "A"



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August 15, 2016

Mr. Steve White, Director
Fresno County Public Works Department
2220 Tulare Street
Fresno, CA 93721

RE: City of Parlier's Request to Transfer County's Rule 20A Credits
City of Parlier's Request for Additional County Rule 20A Credits

Dear Mr. White:

The City of Parlier has two (2) Undergrounding Utility District Projects: 1) Mendocino Avenue Underground Utility District project (City of Parlier Underground Utility District No. 2), and 2) Parlier Avenue Underground Utility District project (City of Parlier Underground Utility District No. 3). The Fresno County Board of Supervisors approved Resolution #06-013 transferring \$750,000 of the County of Fresno Underground Utility Credits (commonly referred to as "Rule 20A" credits) to the Mendocino Avenue Underground Utility District Project and approved Resolution #09-164 transferring \$920,000 Rule 20A credits to the Parlier Avenue Underground Utility District Project

The City of Parlier is requesting the transfer of \$920,000 of the County of Fresno Rule 20A credits from the Parlier Avenue Underground Utility District Project to the Mendocino Avenue Underground Utility District Project and that this request be added to the agenda for the next Fresno County Board of Supervisors meeting in September.

Because of the current costs to underground utilities and the City of Parlier's annual PG&E credit allotment (approximately \$25,000 credits per year), it is not feasible for the City of Parlier to complete both the Mendocino Avenue and Parlier Avenue undergrounding projects. With that, the City of Parlier's only hope to complete one project is to transfer the County Rule 20A credits from the Parlier Avenue project to the Mendocino Avenue project. In order to facilitate the transfer, the City of Parlier has dissolved Underground Utility District No. 3 (Parlier Avenue Underground Utility District project) per City of Parlier Resolution 2016-16 in order to request from the County of Fresno the transfer of the Rule 20A credits from the Parlier Avenue Underground Utility District project to the Mendocino Avenue Underground Utility project.

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After meeting with PG&E to discuss the current project costs of the Mendocino Avenue Underground Utility District project, PG&E expressed to the City of Parlier a change in their contingency calculation model. PG&E's new model will increase the project contingency. The Mendocino Avenue Underground Utility District Project with the new contingency model will now cost \$3,060,722. Per the email dated August 15, 2016 from PG&E, they are now excluding the new contingency calculation model for the Mendocino Avenue Underground Utility District project, which will reduce the project cost to \$2,262,639. Using Parlier's existing credits of \$422,439, a five year borrow of \$120,670, the \$750,000 Fresno County Credits per Resolution #06-013 and the \$920,000 Fresno County Credits per Resolution #09-164 from the Parlier Avenue Underground Utility District project (if approved), the City of Parlier will have a total of \$2,213,109 credits. This will leave a shortfall of \$49,530 credits to complete the Mendocino Avenue Underground Utility District project.

The City of Parlier is requesting an additional \$49,530 credits from the County of Fresno Rule 20A credits to complete the Mendocino Avenue Underground Utility District Project and this request be added to the agenda for the next Fresno County Board of Supervisors meeting in September.

The City of Parlier Mendocino Avenue Underground Utility District project design has been completed by PG&E, the City of Parlier, PG&E and contractors have completed pre-construction meetings for the project, and construction was scheduled to begin July 25, 2016. With the status of the Mendocino Avenue Underground Utility District project and the ability to start immediately based on availability of crews, the City of Parlier feels that this project is a good candidate to receive the Transfer of the \$920,000 credits and the request for the additional credits for the City of Parlier to complete an underground project.

Please contact me if you have additional questions or if you need additional information.

Sincerely,



Philip Romero, City Engineer
Yamabe & Horn Engineering, Inc.

Sincerely,



Israel Lara, Jr., City Manager
City of Parlier

Cc: Mohammad H. Alimi, Ph.D., PE, Sebastian Artal, John Donmyer