



PO Box 12910
San Luis Obispo, CA. 93406
☎ 805.781.3133
📠 805.781.3233

Covelop, Inc.
PO Box 12910
San Luis Obispo, CA 93406

02/07/25

Timothea Tway
Community Development Director
City of San Luis Obispo
600 Palm Street
San Luis Obispo, CA 93401

Re: 600 Tank Farm - Electrical Undergrounding Condition

Hello Timmi,

The above referenced project is entitled as 280 residential units combined with mixed use along the Tank Farm Frontage, consisting of 26 buildings total. It was entitled with a condition to underground electrical utility lines along the frontage in a way that did not yield a net increase in poles. Covelop has since worked with PG&E and their electrical designer to determine the scope of work that is required to comply with that condition of approval. To comply with the condition, PG&E has deemed that there are various improvements required that extend well beyond the project frontage. This Off-Site Undergrounding scope is typically the responsibility of the property owners whose property contains the poles. See Attachment A for the areas of Project Undergrounding and Off-Site Undergrounding. This additional work centers around the undergrounding of one pole at the SE corner of the project site, and if implemented, is infeasible. Due to the scope of work required by PG&E in order to underground this pole, the developer has asked for a modification to the project condition to leave the pole in place/slightly modify the pole location while keeping overhead lines to it.

The purpose of this letter is to provide an outline of:

- The Conditions of Approval for our project relating to Electrical Undergrounding of overhead utility transmission lines, as well as sections of the SLO Airport Area Specific Plan (SLOAASP) that are relevant to the issue.
- Our efforts to comply with the Conditions as well as the roadblock we have encountered.
- Our proposed solution to overcome the issues we've identified.

Conditions Of Approval - COA

Below are the project specific COAs related to undergrounding of overhead utilities.

- COA 75 - All new wire utilities shall be placed underground. The underground placement shall be completed without a net increase in utility poles located within the public right-of-way unless specifically approved to the satisfaction of the Public Works and Community Development Departments.

- COA 76 - The existing overhead wire services and service poles that are located on this parcel and along the Tank Farm Road frontage shall be removed or services placed underground within the limits and standards of the supplying utility companies.

The standards of PG&E as the supplying utility company requires obtaining easements from affected property owners. Please see Attachment B for a copy of the letter requesting easements. We were unable to obtain an easement from one property, owned by United Rentals. This was despite continued effort over a period spanning one year.

Covelop first reached out to the local United Rentals branch in July of 2023, and were referred to the Branch Manager, who put us in contact with the District Manager, Matt Tackett. We then were eventually referred to United Rentals Senior Real Estate & Construction Manager, Phil Brown. After several months, Phil then got us in contact with Associate General Council & Director of Legal Affairs, Allen Roberts, III. After multiple emails with Mr. Roberts outlining the request, our emails and phone calls eventually went unanswered, despite several attempts in August of 2024. All told we have sent more than two dozen emails and similar number of phone calls and voicemails in our attempts to get the easement signed off.

Given that we were not able to obtain the easement, PG&E's proposed solution involves a total of 800 feet of undergrounding along other property frontages. This would essentially be completing undergrounding for four neighboring properties. All of this work would be their frontage responsibility, to be completed when they develop. Furthermore, the cost of the Off-Site Undergrounding along these frontages amounts to a total of \$1,371,000, which is infeasible and unfair for us to be responsible for. Again, these improvements will be the responsibility of the respective property owners when they choose to develop.

SLOAASP – SLO Airport Area Specific Plan

Below are the sections of the SLOAASP relating to undergrounding of utilities.

- Section 7.7 requires undergrounding of all new service **on-site**. “All new development shall be served on-site with underground power, telephone, and cable communications lines. All new development shall be responsible for undergrounding of existing overhead utility lines along that development’s frontage or constructing underground utility line along new roadways **concurrent with** the construction of **new** roadways.”
- Section 7.8 allows phasing as well as interim solutions. “Development of individual ownership areas may occur as components of the overall infrastructure phasing scheme. To ensure that the later projects build upon systems that are properly located and sized when installed by earlier project, extensions of streets and utility lines will need to be coordinated among owners, the City, and utility companies. **The initial project may need to provide interim utility solutions**, if the permanent systems cannot be made available at the time of development. Such interim systems must be consistent with the planned permanent systems.

Section 7.8 of the SLOAASP allows interim utility solutions. The interim solution we propose is to:

- Leave one utility pole in place in the SE corner of our project, leaving utilities overhead to the East until the properties to the East develop.

- Install underground conduit East of our property, crossing Acacia Creek for ease of future tie in by others.

Conclusions

- We are requesting that one pole is to remain on the SE portion of our property as an interim solution. COA is to be amended to say that the pole in the SE corner of the property is to be left in place or moved slightly while keeping overhead lines to it due to the limits and standards required by PG&E to remove it.
- PG&E's requirement for easements is not obtainable, and the alternate solution is infeasible, therefore we are limited to leaving the pole in place as an interim solution.
- When the four nearby properties develop, the utility undergrounding will be completed as a part of their frontage improvements under a similar COA to comply with the SLOAASP. So the undergrounding will be completed, but by each property owner that bears the responsibility.
- Allowing one pole to remain in the SE corner of our property will still result in a net decrease of two power poles. It will also remove and replace one pole 115 feet beyond our frontage to the West. Please note that seven poles will also be removed as part of the on-site portion of the project.
- We will install conduit to cross Acacia Creek on the culvert extension. This puts in place the infrastructure to permanently underground the entirety of our frontage, in the future. This can be completed when neighboring properties make improvements that require their frontage utilities to be undergrounded.
- Covelop to install a vault and/or other infrastructure on 600 Tank Farm property to facilitate the pole removal without conflicts to our design or the public improvements put in place. The future infrastructure will be designed for future tie-in to be turnkey.
- The remaining pole is considered an interim solution as allowed under Section 7.8. The pole that will remain, will not conflict with any temporary or permanent public improvements that will be built along the project's frontage.

Thank you for your consideration of this matter.

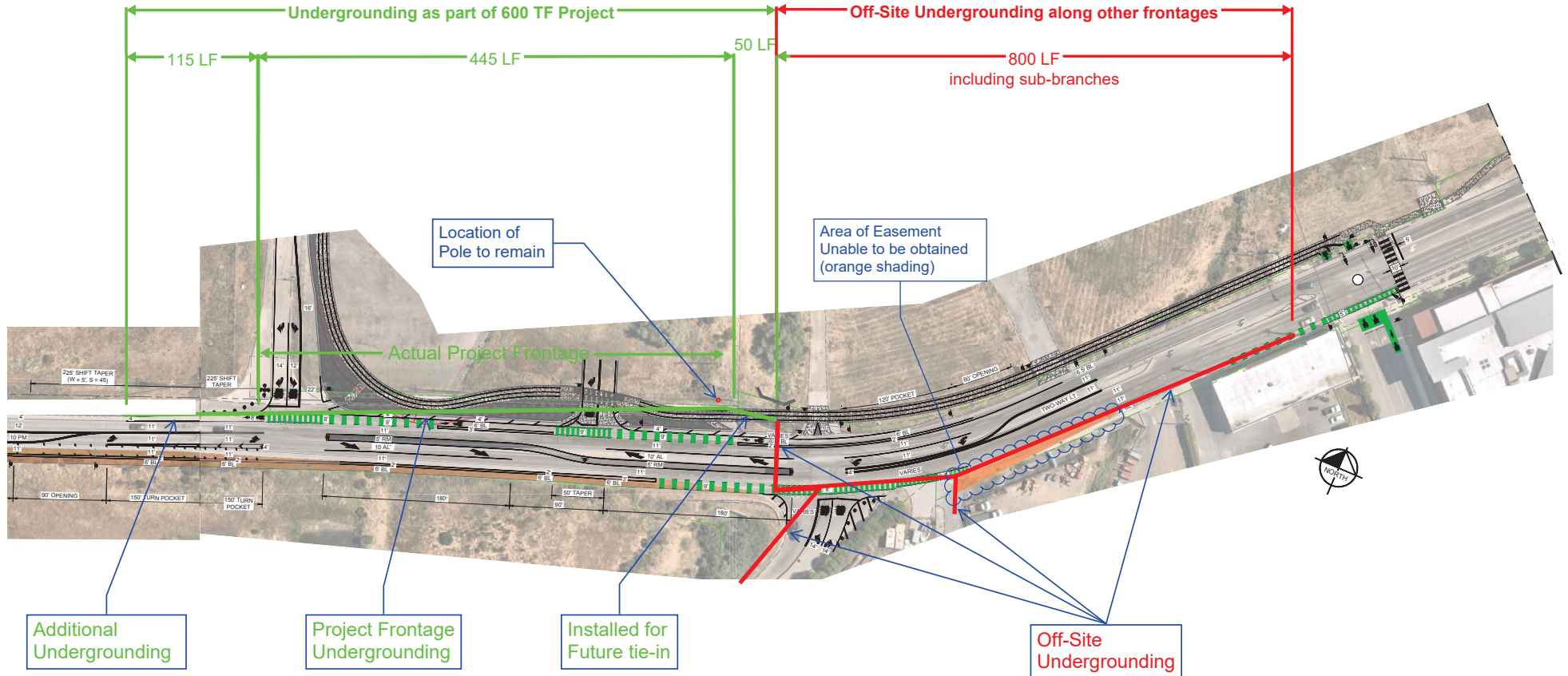
Sincerely,



Pat Arnold
CEO
Covelop, Inc.

Attachment A

600 Tank Farm
Electrical Undergrounding Condition



Total Off-Site Undergrounding - Estimated Cost = \$1,371,000

Legend:
GREEN - Underground to be installed in project scope
RED - Off-Site Undergrounding requesting exemption (responsibility of other property owners)

Attachment B



***Pacific Gas and
Electric Company***

WE DELIVER ENERGY.

Land Services Office
4325 S. Higuera St.
San Luis Obispo, CA 93401

August 31, 2023

Mr. Patrick Arnold
PO Box 12910
San Luis Obispo, CA 93406

Dear Mr. Arnold:

You have requested that PG&E provide overhead/underground electric service to your property on Tank Farm. In order to do so it will be necessary to acquire an easements from your neighbors. As the applicant, I am providing the document set to you for coordination of signature execution.

Please print the document out one sided and at actual size. Then have the property owner review the document and if it meets with their approval:

- Sign as indicated on the signature page.
- Have the signature(s) notarized and return the signed document to the address below.

Note:

- Please don't mail back as USPS "Certified Mail".
- Please don't staple pages. Paperclip is preferred.

Pacific Gas & Electric
Attn: Land Department
4325 S. Higuera Street
San Luis Obispo, CA 93401

If you have any questions, please call me at (805) 263-3115 or email me at m22f@pge.com.

Sincerely,

Matt Millhorn

Matt Millhorn
Land Technician

PM 35428966

Public

RECORDING REQUESTED BY AND RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY
245 Market Street, N10A, Room 1015
P.O. Box 770000
San Francisco, California 94177

Location: City/Uninc _____
Recording Fee \$ _____
Document Transfer Tax \$ _____

- This is a conveyance where the consideration and Value is less than \$100.00 (R&T 11911).
- Computed on Full Value of Property Conveyed, or
- Computed on Full Value Less Liens & Encumbrances Remaining at Time of Sale
- Exempt from the fee per GC 27388.1 (a) (2); This document is subject to Documentary Transfer Tax

(SPACE ABOVE FOR RECORDER'S USE ONLY)

Signature of declarant or agent determining tax

LD# 2231-12-10039

EASEMENT DEED

UNITED RENTALS NORTHWEST, INC., an Oregon Corporation,

Hereinafter called Grantor, hereby grants to PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called Grantee, the right from time to time to excavate for, construct, reconstruct, replace (of initial or any other size), remove, maintain, inspect, and use facilities and associated equipment for public utility purposes, including, but not limited to electric, gas, and communication facilities, together with a right of way therefor, on, over, and under the easement area as hereinafter set forth, and also ingress thereto and egress therefrom, over and across the lands of Grantor situated in the City of San Luis Obispo, County of San Luis Obispo, State of California, described as follows:

(APN 053-422-002)

The parcel of land described in the deed from Donald Earnest Madsen and Donna Ruth Madsen to Grantor dated August 14, 2008 and recorded as Document No. 2008043386, San Luis Obsipo County Records.

The easement area is described as follows:

The strip of land of the uniform width of 15 feet, lying 7.5 feet on each side of the alignment of the facilities as initially installed hereunder. The approximate locations of said facilities are shown upon Grantee's Drawing No. S-3112178 attached hereto and made a part hereof.

Grantee agrees that on receiving a request in writing, it will at Grantor's expense, survey, prepare and record a "Notice of Final Description" referring to this instrument and setting forth a description of said strip of land.

Grantor further grants to Grantee the right, from time to time, to trim or to cut down, without Grantee paying compensation, any and all trees and brush now or hereafter within said easement area, and shall have the further right, from time to time, to trim and cut down trees and brush along each side of said easement area which now or hereafter in the opinion of Grantee may interfere with or be a hazard to the facilities installed hereunder, or as Grantee deems necessary to comply with applicable state or federal regulations.

Grantor also grants to Grantee the right to use such portion of said lands contiguous to said easement area as may be reasonably necessary in connection with the excavation, construction, reconstruction, replacement, removal, maintenance and inspection of said facilities.

Grantor hereby covenants and agrees not to place or construct, nor allow a third party to place or construct, any building or other structure, or store flammable substances, or drill or operate any well, or construct any reservoir or other obstruction within said easement area, or diminish or substantially add to the ground level within said easement area, or construct any fences that will interfere with the maintenance and operation of said facilities.

Grantor further grants to Grantee the right to apportion to another public utility (as defined in Section 216 of the California Public Utilities Code) the right to excavate for, construct, reconstruct, replace, remove, maintain, inspect, and use the communications facilities within said easement area including ingress thereto and egress therefrom.

Grantor acknowledges that they have read the "Grant of Easement Disclosure Statement", Exhibit "A", attached hereto and made a part hereof.

The legal description herein, or the map attached hereto, defining the location of this utility distribution easement, was prepared by Grantee pursuant to Section 8730 (c) of the Business and Professions Code.

This document may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto, and all covenants shall apply to and run with the land.

Dated: _____, _____.

UNITED RENTALS NORTHWEST, INC.,
an Oregon Corporation,

By:

Print Name: _____

Title: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _____)

On _____, before me, _____ Notary Public,
Insert name
personally appeared _____

_____ ,
who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

(Seal)

CAPACITY CLAIMED BY SIGNER

- Individual(s) signing for oneself/themselves
- Corporate Officer(s) of the above named corporation(s)
- Trustee(s) of the above named Trust(s)
- Partner(s) of the above named Partnership(s)
- Attorney(s)-in-Fact of the above named Principal(s)
- Other _____



EXHIBIT "A"

GRANT OF EASEMENT DISCLOSURE STATEMENT

This Disclosure Statement will assist you in evaluating the request for granting an easement to Pacific Gas and Electric Company (PG&E) to accommodate a utility service extension to PG&E's applicant. **Please read this disclosure carefully before signing the Grant of Easement.**

- You are under no obligation or threat of condemnation by PG&E to grant this easement.
- The granting of this easement is an accommodation to PG&E's applicant requesting the extension of PG&E utility facilities to the applicant's property or project. Because this easement is an accommodation for a service extension to a single customer or group of customers, PG&E is not authorized to purchase any such easement.
- By granting this easement to PG&E, the easement area may be used to serve additional customers in the area and **may be used to install additional utility facilities**. Installation of any proposed facilities outside of this easement area will require an additional easement.
- Removal and/or pruning of trees or other vegetation on your property may be necessary for the installation of PG&E facilities. You have the option of having PG&E's contractors perform this work on your property, if available, or granting permission to PG&E's applicant or the applicant's contractor to perform this work. Additionally, in order to comply with California fire laws and safety orders, PG&E or its contractors will periodically perform vegetation maintenance activities on your property as provided for in this grant of easement in order to maintain proper clearances from energized electric lines or other facilities.
- The description of the easement location where PG&E utility facilities are to be installed across your property must be satisfactory to you.
- The California Public Utilities Commission has authorized PG&E's applicant to perform the installation of certain utility facilities for utility service. In addition to granting this easement to PG&E, your consent may be requested by the applicant, or applicant's contractor, to work on your property. Upon completion of the applicant's installation, the utility facilities will be inspected by PG&E. When the facility installation is determined to be acceptable the facilities will be conveyed to PG&E by its applicant.

By signing the Grant of Easement, you are acknowledging that you have read this disclosure and understand that you are voluntarily granting the easement to PG&E. Please return the signed and notarized Grant of Easement with this Disclosure Statement attached to PG&E. The duplicate copy of the Grant of Easement and this Disclosure Statement is for your records.

Plat No. AZ-138-E02

APN: 053-421-005

Portion of Lot 57
01-RS-92

Tank Farm Road

Parcel C

Approximate Location
cL 15' Utility Easement

Parcel A
Parcel Map CO 74-270
16-PM-49

Santa Fe Road

See Detail

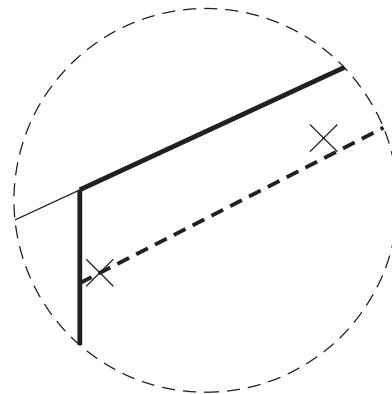
United Rentals Northwest, INC
Doc# 2008043386

APN: 053-422-002

Portion of Lot 59
01-RS-92

APN: 053-422-001

APN: 053-422-003 Parcel B



Detail: N.T.S.

Legend

- ✕ New Pole
- - - - - Easement Delineation
- Grantor's Property Line
- Property Line

Unless otherwise shown
all courses extend to or
along all boundaries or lines.

Section 12, NW¹/₄ of NW¹/₄

City, Rancho, Subdivision, Etc.

San Luis Obispo

SCALE

1" = 50'

DATE

08/29/23

| | | | | | | |
|--------------------------|------------------|---------------|-----------------|-------------------------|-----------------------------|--------------------------|
| SECTION 12 | TOWNSHIP 31 S | RANGE 12 E | MERIDIAN MDM | COUNTY: San Luis Obispo | APPLICANT: Covelop Holdings | |
| REFERENCES: 35428966.dgn | | | | F.B.: N/A | DR.BY: M22F | CH.BY: EDMO |
| | | | | PG&E | Los Padres DIVISION | 35428966 AUTHORIZ |
| | | | | | | S-3112178 DRAWING NO. |

Utility Distribution Easement (02/2020)

Attach to LD: 2231-12-10039

Area, Region or Location: 4

Land Service Office: San Luis Obispo

Line of Business: Electric Distribution (43)

Business Doc Type: Easements

MTRSQ: 22.31.12.12.44,

FERC License Number:

PG&E Drawing Number: S-3112178

Plat No.: AZ-138-E02

LD of Affected Documents:

LD of Cross Referenced Documents:

Type of interest: Electric Underground Easements (4), Utility Easement (86), Electric Pole Line Easements (3)

SBE Parcel:

% Being Quitclaimed:

Order or PM: 35428966

JCN:

County: San Luis Obispo

Utility Notice Number:

851 Approval Application No: ;Decision:

Prepared By: m22f

Checked By: edm0

Approved By:

Revised by: