



Contra
Costa
County

To: Board of Supervisors
From: Brian M. Balbas, Public Works Director/Chief Engineer
Date: June 7, 2022

Subject: Approve and Authorize settlement agreement between Contra Costa County and PG&E

RECOMMENDATION(S):

APPROVE and AUTHORIZE the Public Works Director or designee to execute a settlement agreement between Contra Costa County, on behalf of the Public Works Department ("Public Works"), and PG&E Corp and Pacific Gas and Electric Company (collectively "PG&E") to settle a matter relating to unpaid permit fees.

FISCAL IMPACT:

The County, on behalf of its Public Works Department, will be paid four hundred sixteen thousand three hundred one dollars and thirteen cents (\$416,301.13), plus interest. There is no net cost to the County.

BACKGROUND:

When PG&E filed for bankruptcy on January 29, 2019, it owed the County unpaid permit fees related to various permits that it had taken out from the Public Works Department since 2003. Contra Costa County, on behalf of its Public Works Department ("Public Works"), submitted a claim with the bankruptcy court for six hundred seventy-six thousand five hundred four dollars and 98 cents (\$676,504.98), which represents the amount the Public Works Department determined was owed by PG&E for unpaid fees prior to the bankruptcy

APPROVE OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **06/07/2022** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: June 7, 2022

Monica Nino, County Administrator and Clerk of the Board of Supervisors

By: Stacey M. Boyd, Deputy

Contact: Diana Oyler,
925-313-2122

cc:

(the "Pre-Petition Amount").

BACKGROUND: (CONT'D)

Since the claim was filed with the bankruptcy court, PG&E has paid approximately \$223,000 of the Pre-Petition Amount.

Under the terms of the proposed settlement agreement, PG&E will pay the County, on behalf of its Public Works Department, an additional four hundred sixteen thousand three hundred one dollar and thirteen cents (\$416,301.13), plus interest. Interest will be paid at a rate of approximately two and one-half percent (2.5%) from the date of bankruptcy through distribution of funds. The difference between the amount claimed and the settlement amount of approximately \$37,000, consists primarily of claims that were difficult to substantiate because they were more than 10 years old. In exchange for payment, the County authorizes PG&E to adjust the bankruptcy claims register to show that the claim is no longer at issue. The proposed settlement agreement also contains a term whereby the parties mutually release each other from any claim or liability relating to the Pre-Petition amount, except for amounts incurred on two permits that were listed in the Pre-Petition amount and remain open.

The parties have agreed that going forward, a designated PG&E representative will be sent information about owed permit fees, which will facilitate prompt repayment of amounts owed. Additionally, the parties continue to negotiate the recovery of permit fees that are accrued after PG&E filed for bankruptcy (the "Post-Petition Amounts"). The amount of Post-Petition Amounts currently owing is estimated to be \$615,000.

PG&E and the Public Works Department agree that it is in their mutual best interests to settle and resolve repayment of the Pre-Petition Amount to avoid the expense of litigation.

CONSEQUENCE OF NEGATIVE ACTION:

The claim against PG&E for monies due to the County will remain unresolved.