



COUNCIL AGENDA: 03-15-05
ITEM: 2.10

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen

SUBJECT: SEE BELOW

DATE: 02-23-05

Approved

Date

3/1/05

Council District: 7
SNI Area: King / Ocala

SUBJECT: PACIFIC GAS & ELECTRIC COMPANY AGREEMENT FOR KING ROAD UNDERGROUND UTILITY DISTRICT

RECOMMENDATION

Approval of the agreement with Pacific Gas & Electric Company (PG&E) for the conversion of overhead facilities to underground facilities within the Rule 20B Underground Utility District at King Road, from Story Road to Marsh Street in the amount of \$134,427.
CEQA: Exempt, PP01-03-059.

BACKGROUND

In June 1989, Council adopted an ordinance establishing the In-Lieu Utility Undergrounding Fee Program (Rule 20B). Under Rule 20B, the public agency requesting the undergrounding will provide the majority of funding for the project. The requesting agency provides substructure, conduits, and utility boxes. The participating utilities (PG&E, Pacific Bell, Comcast) provide all required transformers, meters, wires, and cables at their own cost.

The San José Redevelopment Agency (SJRA) requested Public Works' participation in a proposed Rule 20B undergrounding utility project in conjunction with the SJRA funded King/Story Road Street and Sidewalk Improvement Project. Subsequently in 2001, Council approved the ordinance establishing an underground utility district along King Road, from Story Road to Marsh Street. SJRA provided funds to the Public Works Department in the amount of \$1,069,263 for the initial undergrounding project and streetscape project. On June 18, 2002, Council approved an agreement with PG&E in the amount of \$625,661 from the SJRA funds for the project.

PG&E started construction of the utility undergrounding project on King Road in late 2002.

Work was suspended for the southerly end of the project when uncertainty arose regarding the future plans for the use of property at the southwest corner of King and Story Roads. SJRA requested a redesign of the project after use of the aforementioned property was resolved. PG&E completed the initial work, design and construction of the requested redesigned work before the SJRA streetscape project. As a result, PG&E incurred an additional \$134,427 in expenses for the requested changes in undergrounding work.

ANALYSIS

The initial project included the conversion of approximately 840 linear feet of aerial facilities to underground facilities along King Road from Story Road to Marsh Street. The additional work included additional trenching and the installation of vaults and conduits. In addition, three temporary poles were installed outside the underground utility district to maintain temporary overhead services. These poles will be removed once the properties are developed. Approval of this agreement will compensate PG&E \$134,427 for the completed work.

The undergrounding of existing utilities and removal of utility poles will allow for the successful roadway and streetscape improvements along King Road from Lido Way to Marsh Street, including Lido Way. This project provides for the undergrounding and removal of poles that otherwise would have been relocated to accommodate roadway improvements.

PUBLIC OUTREACH

A public hearing was held on June 12, 2001, to establish the Underground Utility District. On July 27, 2001, a notice of establishment was sent to all property owners and occupants notifying them of the Underground District. PG&E notified all property owners and occupants adjacent to the Underground District of construction start date, project duration, and pertinent city contact information.

COORDINATION

The establishment of this District and the proposed project schedule have been coordinated with PG&E, Pacific Bell and Comcast. The establishment of this District, the format of this agreement and memorandum have been coordinated with the City Attorney's Office, City Manager's Budget Office, Planning, Building and Code Enforcement Department and SJRA.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$134,427

2. COST OF PROJECT:

Pacific Gas & Electric Company Agreements	
A. Rule 20B (First Agreement) and 20C	\$625,661
C. Rule 20B (Second Agreement)	134,427
Pacific Bell Agreement	35,323
Project Delivery	<u>38,000*</u>
 TOTAL PROJECT COSTS	 \$833,411
 PRIOR YEAR EXPENDITURES	 (698,984)
 REMAINING PROJECT COSTS	 \$134,427

* Project delivery includes \$38,000 for construction management and inspection for fiscal years 2000-05.

3. SOURCE OF FUNDING: 450 – Services for Redevelopment Capital Projects Fund

4. FISCAL IMPACT: This project is consistent with the Council-approved Budget Strategy for Economic Recovery section in that it will spur construction spending in our local economy and have no impact on the General Fund. The annual operating and maintenance costs will be the responsibility of utility companies.

BUDGET REFERENCE

Fund #	App n #	Appn. Name	Total Appn.	Amt. For Contract	Adopted Budget Page	Last Budget Action (Date, Ord. No.)
Remaining Project Costs			\$134,427			
Current Funding Available						
450	5320	King and Story Road Improvements	2,583,740	\$134,427	Capital V-1053	01/25/05 Ord. No. 27337
Total Current Funding Available			2,583,740			
Additional Funding Recommended						
Total Funding for Remaining Project Costs			2,583,740			

HONORABLE MAYOR AND CITY COUNCIL

02-23-05

Subject: Pacific Gas & Electric Company Agreement for King Road Underground Utility District

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CEQA

Exempt, PP01-03-059

A handwritten signature in black ink, appearing to read "D. O. S. L. for", is written above the typed name.

KATY ALLEN

Director, Public Works Department

MO: SK:LAR:dfc

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Attachment

