



COUNCIL AGENDA: 06-24-08

ITEM: 3.10

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen

SUBJECT: WHITE ROAD RULE 20A
UNDERGROUND UTILITY
DISTRICT

DATE: 06-02-08

Approved

Date

6/6/08

COUNCIL DISTRICT: 5

RECOMMENDATION

Conduct a Public Hearing and adopt an ordinance to establish a combination Rule 20A Underground Utility District along White Road, between Rose Avenue and 150 feet north of Alum Rock Avenue.

OUTCOME

Approval of this ordinance will establish the White Road Underground Utility District in accordance with the San José Municipal Code. In addition, it will enable City staff to direct utility companies to begin design of the project. Establishment of this district will improve the appearance, pedestrian mobility and ease of utility equipment maintenance within the area described above.

EXECUTIVE SUMMARY

The proposed underground utility district, as specifically described above and depicted in Attachment A, will require utility companies to remove utility poles and aerial cables from the public right-of-way and install a new improved underground system. The proposed underground utility district is located along White Road, between Rose Avenue and 150 feet north of Alum Rock Avenue. This proposed project will compliment the newly constructed Dr. Roberto Cruz-Alum Rock Library Branch, and other improvements by businesses and residents in the neighborhood. The project will be funded by utility company funds designated by Rules 20A and 32 of the California Public Utilities Commission (CPUC) and the City's franchise agreement with Comcast.

BACKGROUND

Through Rule 20A, the CPUC requires Pacific Gas and Electric Company (PG&E) to annually set aside funds for financing the undergrounding of overhead distribution facilities located on public streets within the City of San José. The CPUC also requires AT&T, through Rule 32, to set aside funds for undergrounding its facilities where PG&E has been required to underground. Comcast is required by its agreement with the City to budget funds to similarly participate in projects where the PG&E Rule 20A and AT&T Rule 32 funds are programmed for undergrounding.

The proposed White Road Rule 20A Underground Utility District (District) is included in the 2007/2008 – 2012/13 Rule 20A and Rule 20B (In-Lieu Fee) Underground Utility Program Workplan approved by Council in April 2008. It meets criteria approved by the CPUC and the criteria established by the City in 1978 to complete projects that front city facilities, such as parks, libraries, and fire stations.

ANALYSIS

On May 21, 2008, notices of a public hearing were mailed to all utility companies, owners of property, and owners adjacent to the proposed District.

A schedule for establishment and implementation of the proposed Underground Utility District is presented in Attachment B.

EVALUATION AND FOLLOW-UP

Upon City Council's approval of the ordinance at the public hearing, utility companies will begin design of the project. Once the design is near completion, Public Works will mail electrical service conversion packets to all property owners that need their electrical service panel converted to receive service from an underground system. Public Works and utility companies will closely coordinate design and electrical conversion work with the property owners. In addition, continuous coordination will occur during the design and construction phases of the project with the adjacent property owners and other stakeholders, such as the San José Redevelopment Agency.

PUBLIC OUTREACH/INTEREST



Criterion 1: Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**

- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

The action requested by Council does not meet any of the three criteria listed above, but the following outreach will be conducted as part of Section 15.24 of the Municipal Code for the purposes of establishing underground districts.

A community meeting was held on April 1, 2008, to inform the public of this undergrounding project. The property owners attending were concerned with the cost of conversions, process to upgrade services, and phasing of construction (service interruptions). Staff provided information on options to minimize cost of conversions and explained the PG&E policy and procedure for the \$1,500 service conversion reimbursement. Property owners were informed that staff would provide contact information and deadlines to ensure upgrades were appropriately incorporated into the undergrounding design. Upgrades to existing panels, if desired by the property owner, would require additional non-reimbursable costs.

Property owners were assured that the utilities would minimize impacts of service interruptions and provide approximately one-month notification of service interruptions. It was explained that power interruptions typically last 3 to 4 hours and other utility interruptions are shorter duration. In general, the attendees supported the undergrounding and were satisfied with the responses from staff.

Upon Council's approval of the ordinance at the public hearing, Public Works will mail a notice of adoption of ordinance to all utility companies, and property owners of property adjoining the proposed District.

Prior to the start of construction activities, PG&E will place "Door Hanger" construction notices on properties adjoining the proposed District and those affected by construction.

This memorandum will be posted to the City's website for the June 24, 2008 Council agenda. On June 17, 2008, staff will transmit a supplemental memo should any comments or protest be received for consideration at the public hearing.

COORDINATION

The establishment of the proposed District and project schedule has been coordinated with the Department of Transportation, PG&E, AT&T, Comcast, Caltrans, County of Santa Clara, City

Manager's Budget Office, and Planning, Building and Code Enforcement Department. The required ordinance has been reviewed by the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: None

COST TO UTILITIES:

PG&E Rule 20A Allocation	\$500,000
AT&T Rule 32A.1	150,000
Comcast	150,000
Total Cost to Utility Companies	800,000

COST TO CITY:

Project Development, Administration and Construction Inspection (Fund 416)	70,000
City Facilities Conversion (20A) (Fund 429)	60,000

Total Cost to City 130,000

TOTAL PROJECT COSTS (ESTIMATED): \$930,000

2. COST ELEMENTS 0

3. SOURCE OF FUNDING: Fund 416 - Underground Utility Fund
Fund 429 - Building and Structure Construction Tax Fund

4. OPERATING COSTS: This project will have no significant impact on the General Fund Operating budget.

BUDGET REFERENCE

The table below identifies the fund and appropriations proposed to fund the District described in this memo, including project delivery, construction, and contingency costs.

HONORABLE MAYOR AND CITY COUNCIL

06-02-08

Subject: White Road Rule 20A Underground Utility District

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Fund #	Appn. #	Appn. Name	Total Appn.	Amt. for Contract	2007-2008 Adopted Budget (Page)	Last Budget Action (Date, Ord. No.)
Remaining Project Costs			\$930,000			
Current Funding Available						
416	4654	Underground Utility Program	\$910,000	N/A	Capital, V-19	N/A
416	5147	Underground Utility Admin. (20B)	\$130,000	N/A	Capital, V-27	N/A
416	4786	Underground Utility Admin. (20A)	\$250,000	N/A	Capital, V-26	N/A
429	5063	Underground Utilities City Conversions	\$418,000	N/A	Capital V-1156	10/16/07, Ord. No. 28143
Total Current Funding Available			\$1,708,000			

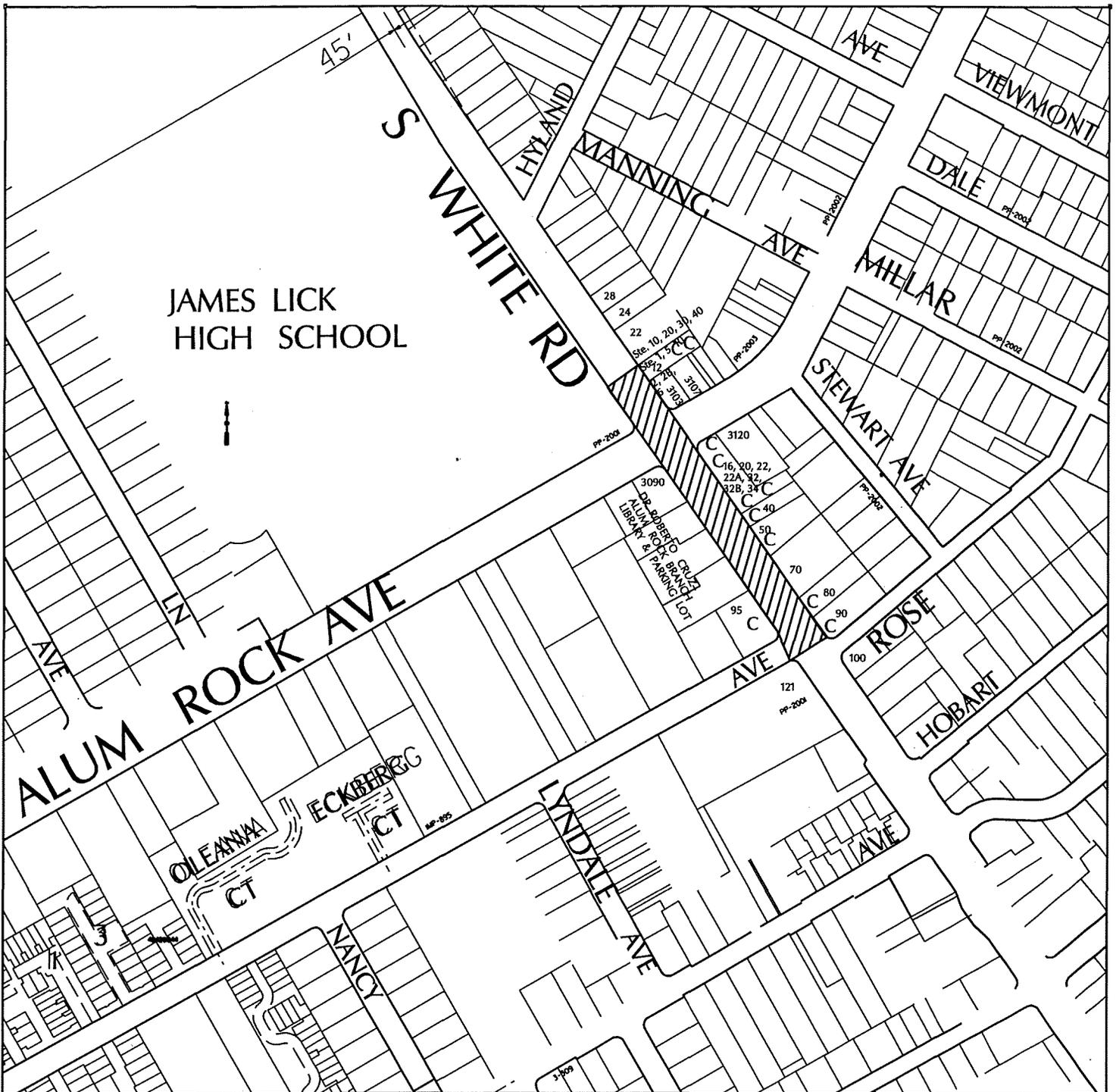
CEQA

CEQA: Exempt, PP08-042.

KATY ALLEN
Director, Public Works Department

For questions please contact TIMM BORDEN, DEPUTY DIRECTOR, at 408-535-8300.

MO:SK:og
(White Road Underground Utility District Ord.doc/util)
Attachments



CITY OF SAN JOSE

WHITE ROAD AT ALUM ROCK AVENUE UNDERGROUND UTILITY DISTRICT

LEGEND



RULE 20A BOUNDARY

C – ELECTRICAL CONVERSION

NOT TO SCALE

UNDERGROUND UTILITY DISTRICT along White Road, between Rose Avenue and 150 north of Alum Rock Avenue.

Establishment Schedule

- | | |
|---------------|--|
| May 20, 2008 | City Council adopts a resolution setting a time and place for a Public Hearing. |
| May 21, 2008 | Director of Public Works mails a notice of Public Hearing to all adjacent property owners. |
| June 16, 2008 | Director of Public Works transmits a report of comments and/or protests received for consideration at the Public Hearing. |
| June 24, 2008 | City Council conducts a Public Hearing and at its conclusion approves an Ordinance establishing White Road Rule 20A Underground Utility District |

Project Implementation Schedule

- | | |
|---------------|---|
| August 2008 | Utility companies begin design of substructure, conduit, vaults, electric and cable facilities. |
| December 2008 | Utilities obtain environmental clearances. |
| July 2009 | Construction starts |
| December 2010 | Utility companies complete connections and remove overhead wires and poles. |

