

# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Katy Allen

**SUBJECT:** ABORN ROAD RULE 20A  
UNDERGROUND UTILITY  
DISTRICT

**DATE:** 08-25-08

Approved

*Christine J. Stuppely*

Date

*8-28-08*

**COUNCIL DISTRICT:** 8

## RECOMMENDATION

Conduct a Public Hearing and adopt an ordinance to establish a Rule 20A Underground Utility District along Aborn Road, between Pumpherstons Way and White Road.

## OUTCOME

Approval of this ordinance will establish the Aborn 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 an underground system. The actual underground utility district boundary, as depicted in Attachment A, is located along Aborn Road, from Pumpherstons Way to 170 feet east of White Road, and on White Road extends 150 feet south and 200 feet north from the intersection with Aborn Road. This proposed project will complement the Evergreen Branch Library 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. Comcast is required by the City's franchise agreement 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 Aborn 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 August 13, 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 others, such as the Santa Clara Valley Water District.

### **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 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 July 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 would also require additional costs to the individual property owners based upon the increased level of service.

Property owners were assured that the utility companies 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 in 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 memo will be posted on the City's website for the September 16, 2008 Council agenda. On September 8, 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, Santa Clara Valley Water District, City Manager's Budget Office, and Planning, Building and Code Enforcement Department. The required ordinance has been reviewed by the City Attorney's Office.

**COST SUMMARY/IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: None

COST TO UTILITIES:

PG&E Rule 20A Allocation	\$950,000
AT&T Rule 32A.1	490,000
Comcast	<u>160,000</u>
Total Cost to Utility Companies	1,600,000

COST TO CITY:

Project Development, Administration and Construction	
Inspection (Fund 416)	170,000
City Facilities Conversion (20A) (Fund 429)	<u>120,000</u>
Total Cost to City	290,000

**TOTAL PROJECT COSTS (ESTIMATED): \$1,890,000**

2. COST ELEMENTS OF AGREEMENT/CONTRACT: 0

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

4. OPERATING COSTS: The proposed operating and maintenance costs of this project have been reviewed and will have no significant impact on the General Fund operating budget.

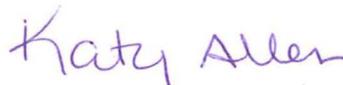
**BUDGET REFERENCE**

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. for Contract	2008-2009 Proposed Capital Budget (Page)*	Last Budget Action (Date, Ord. No.)
416	4786	Underground Utility Admin. (20A)	\$350,000	N/A	Capital, V-24	N/A
429	5063	Underground Utilities-City Conversions	\$650,000	N/A	Capital V-906	N/A
<b>Total Current Funding Available</b>			<b>\$1,000,000</b>			

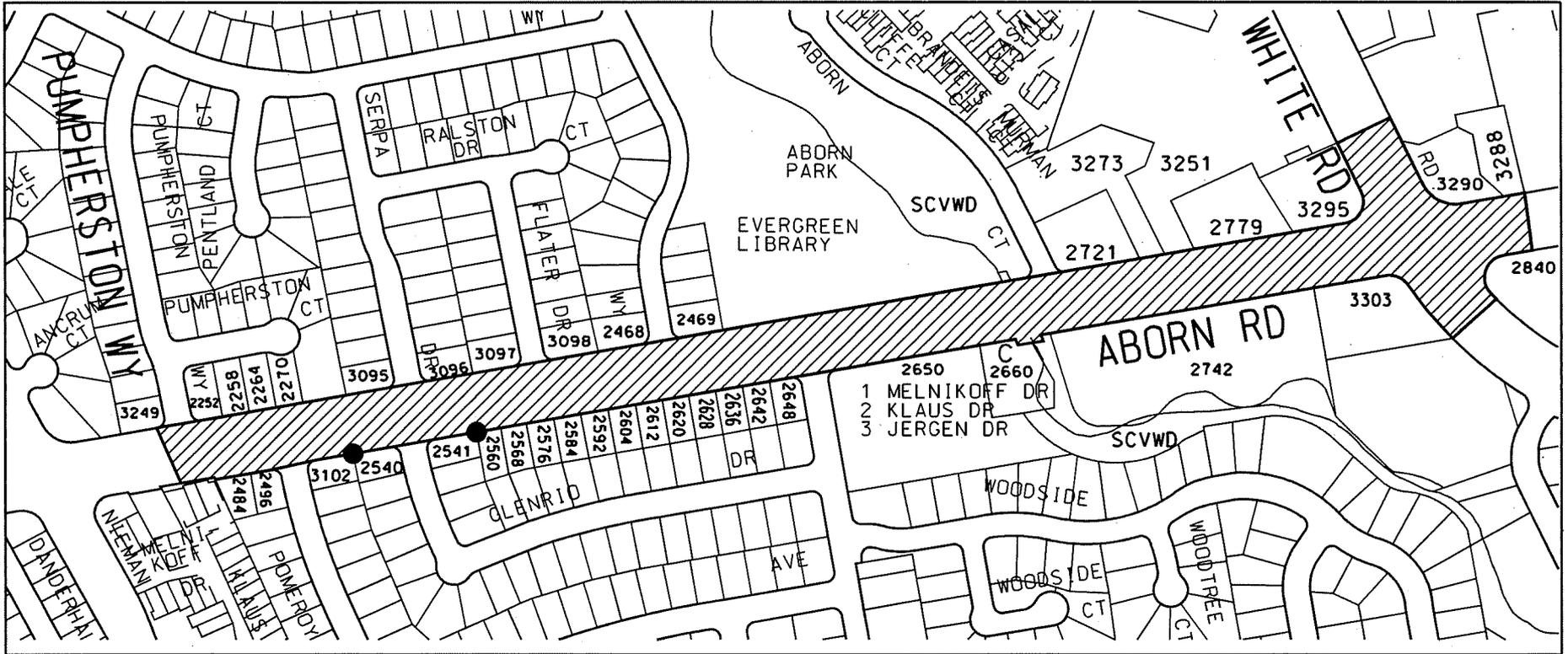
\*The 2008-2009 Capital Budget was adopted by City Council on June 24, 2008.

**CEQA**

CEQA: Exempt, PP08-128.



KATY ALLEN  
Director, Public Works Department



CITY OF SAN JOSE

ABORN ROAD  
UNDERGROUND UTILITY DISTRICT

LEGEND

↑  
N  
NOT TO SCALE

▨ RULE 20A BOUNDARY

C - ELECTRICAL CONVERSION  
● ANCHOR WIRE EXEMPTION

UNDERGROUND UTILITY DISTRICT along Aborn Road, between Pumpherston Way and White Road.

Establishment Schedule

- |                    |  |
|--------------------|--|
| August 12, 2008    | City Council adopts a resolution setting a time and place for a Public Hearing.  |
| August 13, 2008    | Director of Public Works mails a notice of Public Hearing to all adjacent property owners.   |
| September 8, 2008  | Director of Public Works transmits a report of comments and/or protests received for consideration at the Public Hearing.                        |
| September 16, 2008 | City Council conducts a Public Hearing and at its conclusion approves an Ordinance establishing Aborn Road Rule 20A Underground Utility District |

Project Implementation Schedule

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