COUNCIL AGENDA: 04-14-09
ITEM: 4.4

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Katy Allen

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

DATE: 03-23-09

Approved Jeanne Sartee

Date 3/25/09

Council District: 7

RECOMMENDATION

Conduct a public hearing and adopt an ordinance to establish a Rule 20A Underground Utility District along Tully Road, between Kenoga Drive and 720 feet west of Senter Road, and along Senter Road between Parrott Street and 170 feet south of Tully Road.

OUTCOME

Approval of this ordinance will establish the Tully 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.

BACKGROUND

Through Rule 20A, the California Public Utilities Commission (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 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 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 Tully Road between Kenoga Drive and 720 feet west of Senter Road. The actual underground utility district boundary, as depicted in Attachment A, is located

along Tully Road between Kenoga Drive and 720 feet west of Senter Road, and on Senter Road between Parrott Street and 170 feet south of Tully Road. This proposed project will compliment the newly constructed Tully Community Branch Library, the Tully Community Ball Fields, 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 CPUC and the City's franchise agreement with Comcast.

The proposed Tully Road Rule 20A Underground Utility District (District) is included in the revised 2007/2008 – 2012/13 Rule 20A and Rule 20B (In-Lieu Fee) Underground Utility Program Three-Year 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 March 11, 2009, 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 the new 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 August 19, 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 and electrical service, if desired by the property owner, would require additional non-reimbursable costs.

PG&E may assume the responsibility of converting the electrical service panels instead of requiring the property owners to hire an electrical contractor. If PG&E performs the service conversion work, delays caused by some of the property owners' for non-compliance would be eliminated.

Furthermore, 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 on the City's website for the April 14, 2009, Council agenda. On April 6, 2009, 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, County of Santa Clara, Santa Clara Valley Water District, City Manager's Budget Office, and Planning, Building and Code

Enforcement Department. The required ordinance to set the establish District 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	$1,776,000
AT&T Rule 32A.1	592,000
Comcast	592,000
Total Cost to Utility Companies	2,960,000
COST TO CITY:	
Project Development, Administration and Construction Inspection (Fund 416)	100,000
City Facilities Conversion (20A) (Fund 429)	60,000
Total Cost to City	160,000
TOTAL PROJECT COSTS (ESTIMATED):	**$3,120,000**

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: This project has no significant impact on the General Fund operating budget.

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. for Contract	2008-2009 Adopted Capital Budget (Page)	Last Budget Action (Date, Ord. No.)
416	4786	Underground Utility Admin. (20A)	$350,000	N/A	V-26	N/A
429	5063	Underground Utilities-City Conversions	$987,000	N/A	V-1167	10/21/08 Ord. No. 28422
Total Current Funding Available			**$1,337,000**			

CEQA

CEQA: Addendum to a Mitigated Negative Declaration, PP08-160.

Planning has issued an addendum to a mitigated negative declaration for this project. The Mitigated Negative Declaration identifies a number of mitigation measures that need to be implemented in order to address environmental impacts. These measures and their manner of implementation are identified in the Mitigated Negative Declaration, File No. PP08-257. These measures will be incorporated into the project design and the encroachment permit.

Katy Allen

KATY ALLEN
Director, Public Works Department

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

MO:SK:RV
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Attachments

CITY OF SAN JOSE

TULLY ROAD
UNDERGROUND UTILITY DISTRICT

N

NOT TO SCALE

LEGEND

RULE 20A BOUNDARY

C - ELECTRICAL CONVERSION

ATTACHMENT A

ATTACHMENT B

UNDERGROUND UTILITY DISTRICT along Tully Road, between Kenoga Drive and 720 feet west of Senter Road, and along Senter Road, between Parrott Street and 170 feet south of Tully Road.

Establishment Schedule

March 10, 2009	City Council adopts a resolution setting a time and place for a Public Hearing.
March 11, 2009	Director of Public Works mails a notice of Public Hearing to all adjacent property owners.
April 6, 2009	Director of Public Works transmits a report of comments and/or protests received for consideration at the Public Hearing.
April 14, 2009	City Council conducts a Public Hearing and at its conclusion approves an Ordinance establishing Tully Road Rule 20A Underground Utility District.

Project Implementation Schedule

August 2009	Utility companies begin design of substructure, conduit, vaults, electric and cable facilities.
March 2010	Utilities obtain environmental clearances.
November 2010	Construction starts.
January 2012	Utility companies complete connections and remove overhead wires and poles.