



Council Meeting: October 20, 2009

SUBJECT: Approve Qualification Criteria and Reprioritization of Underground Utility Projects – Study Issue

REPORT IN BRIEF

This report addresses issues and questions raised by the City Council about the Utility Undergrounding program, funded by the California Public Utilities Commission (CPUC) Rule 20A program. Qualification and priority ranking criteria for the overhead utility undergrounding projects is discussed. A revised set of criteria and ranking, along with a new prioritized list of projects are proposed for approval.

BACKGROUND

Since 1968, utility companies such as PG&E have been required by the CPUC under Rule 20A to make annual allocations to local governments for conversion of overhead lines to underground. Adjoining overhead utilities, such as communications and cable companies, are also required, at their expense, to underground their facilities at the same time PG&E undergrounding occurs. New developments are required to place new utilities underground and relocate existing overhead utilities underground in the development area.

In order to qualify for use of Rule 20A funds, the City must designate an area to form an Underground Utility District (UUD) that complies with the Rule 20A criteria. Generally, the rules allow placing existing overhead lines underground within the public right-of-way, along with service lines that extend from the main lines in the public right-of-way to private property. The UUDs must be established in order of priority. The priorities may be modified by local government as long as they conform to the minimum requirements of the Rule 20A. Prioritization is based upon: the type of street, the amount of traffic, and the impact on the public.

Some residential neighborhoods in Sunnyvale have overhead utility lines running along the common property boundaries at the back yards of private property. Rule 20A funds cannot be used for overhead utilities where the main lines are on private property or within easements over private property.

The Rule 20A funds may be used to place overhead service lines from the qualifying main lines underground to serve individual properties, up to 100 feet

towards the service panel, plus up to \$1,500 per service connection to modify the service panel to accept the underground feed. In the past the City has chosen to pay for any additional costs to individual owners as part of the City's Capital Improvement Program. The City must also pay for other costs to relocate services for street lights and traffic signals. Where existing streetlights are on utility poles to be removed, new streetlights are installed at City expense.

PG&E acts as lead for design of the joint utility trench, coordinating with other utility companies such as telecommunications or cable TV providers. PG&E schedules the design and construction work within the total program on a PG&E District basis. PG&E has informed us that due to the backlog in their design and construction process, project completion may take as long as five years after the UUD is formed.

As of June 30, 2009, the City of Sunnyvale had a Rule 20A balance of \$11,063,121. The recently approved UUD for Fair Oaks Avenue, Phase II, from El Camino Real to Evelyn Avenue will use approximately \$2.2 million (RTC 09-159). The next project to be considered in November by the Council, Wolfe Road between Homestead and Old San Francisco, will use approximately \$4 million. Staff will recommend creation of this district early so that implementation may occur as tentatively scheduled in the capital project budget. Subtracting these two UUDs would leave a balance of approximately \$5.8 million in the Rule 20A fund. The fund receives annual allocations of approximately \$800,000 to \$900,000. At an average cost of about \$3 million per district, the City could form two more districts presently. However, creating the next UUD, (beyond the Wolfe Road project,) would require a budget modification to cover the City's costs, earlier than budgeted.

In the past, the City's Capital Budget called for formation of one UUD every three years. At the time the City's costs were estimated from \$700,000 to \$1,800,000 for each district. This large cost to the General Fund was seen as the main limiting factor. Since 2002, Rule 20A funds can be used for a greater portion of undergrounding individual services and service connections. The current Capital Budget, Project No. 826730 includes \$200,000 for each UUD, scheduled every 3 years. Actual costs will not be known until PG&E completes the design. Limiting factors in moving forward are the backlog of PG&E projects, and the availability of City funds to cover the City's costs associated with each project.

Rule 20A projects in the City

Completed:

1. Mathilda; El Camino Real to Washington
2. El Camino Real; West City Limit to East City Limit

3. Mathilda; SPRR to Almanor Avenue (HWY 101)
4. Sunnyvale-Saratoga Road; Homestead to Sunnyvale Avenue
5. Mary Avenue; Bidwell Avenue to 500 feet north of Evelyn Avenue
6. Fair Oaks Avenue; Maude Ave. to Birch Ave. (completed 1998/1999)
7. Hollenbeck Avenue; vicinity of Conway Road (completed in 2003)

UUD approved June 2009 – under design by PG&E:

8. Fair Oaks Avenue; El Camino Real to Evelyn Ave

UUD in the formation process – scheduled for Public Hearing November 2009:

9. Wolfe Road; Homestead Road to Old San Francisco

Eligibility and Priority Criteria

Prior to 1986, staff recommended the priority listing to place overhead facilities underground based on two main criteria (RTC 86-605):

1. In conjunction with major street widening projects
2. To improve the visual aesthetics of the street.

On November 25, 1986, at a Council Study Session of Utility Undergrounding Priority Setting for the Purpose of Neighborhood Revitalization, staff provided a revised approach in the priority determination with three criteria:

1. Vehicular traffic volume
2. Visual effect of overhead wires
 - Effect of overhead main lines along the street or if hidden by mature street trees.
 - Effect of overhead wires crossing the street (“spaghetti” effect)
3. Providing a catalyst for neighborhood enhancement.
 - Effect on neighborhood revitalization
 - Criteria being considered in the function and appearance/public sub-element to the General Plan would give special emphasis to entrances to the City, the downtown area and the civic center area.

The most recent revision was made on November 14, 2006, when City Council approved the current priority criteria and adopted a priority list (Attachment A) for use of Rule 20A funds (RTC 06-339).

Current Priority Criteria:

- Traffic volume
- Visual effect of overhead wires
- Serving as a catalyst for neighborhood enhancement
- Safety of pedestrians
- Preservation and protection of street trees
- Americans with Disability Acts (ADA) compliance

DISCUSSION

Study Issue DPW 08 (Attachment B) suggests coordination of undergrounding overhead utilities with local utility companies to provide an incentive for earlier implementation. To the extent allowed by the CPUC this process is already incorporated into the program. The Rule 20A process is used by PG&E and other utility companies to organize and coordinate such schedules. Some telecommunications companies consider their future plans for improvement and expansion as confidential and do not wish to share them until the time of implementation. In the past, the limiting factor has been the City's budget for the City's share of costs. After PG&E completes design and cost estimates for the existing UUD, the City will have better information on which to estimate the City's costs for future UUD projects. Staff will recommend formation of the next UUDs on the new priority list along with what budget modifications are necessary to use all of the existing Rule 20A funds. After that, the limiting factor will likely be our annual allotment of future Rule 20A funds.

The latest Rule 20A qualification criteria was approved by the CPUC in 1968 and revised in 2002. They are:

- Undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric facilities.
- The street or road or right-of-way is extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic.
- The street, road or right-of-way adjoins or passes through a civic area or public recreation area or an area of unusual scenic interest to the general public.
- The street or road or right-of-way is considered an arterial street or major collector as defined in the Governor's Office of Planning and Research General Plan Guidelines.

Proposed Qualification and Ranking Criteria for Rule 20A projects

Staff proposes that the City selection and ranking criteria follow the Rule 20A qualification criteria. Roadway type is determined by Traffic and Transportation staff using the State guidelines. Pedestrian and vehicle traffic is also determined by the Traffic and Transportation staff. The more subjective criteria of unusually heavy concentration of overhead facilities, and determination of civic, recreational, or scenic interest is determined by City planners.

1. The street, road, or right-of-way is designated an arterial street or major collector as defined in the City's officially adopted Roadway Classification Map with priority given to designated arterials over designated collectors.
2. Undergrounding avoids or eliminates an unusually heavy concentration of overhead electric facilities as compared to other roadways.

3. The street, road, or right-of-way is extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic as compared to other similar facilities, particularly to emphasize public safety, as well as, appearance.
4. The street, road or right-of-way adjoins or passes through a civic area, is adjacent to school(s), or public recreation area or an area of unusual scenic interest to the general public.
5. Projects that complement other public capital improvement projects, such as major improvement to an arterial, where a later undergrounding project would disrupt or denigrate the relatively new improvements.
6. Projects that front newly planned City facilities, such as: parks, libraries, and fire stations.
7. To protect or preserve existing street trees.

Based on the proposed qualification criteria, a matrix was performed by City staff to create a revised priority list. The new priority list is in Attachment C, along with the ranking scores.

FISCAL IMPACT

There is no fiscal impact to the recommended actions.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

ALTERNATIVES

1. Approve the revised Utility Undergrounding Rule 20A Project Qualification and Ranking Criteria .
2. Approve the revised Utility Undergrounding Rule 20A Priority List.
3. Provide input to staff to revise the Qualification and Ranking Criteria

RECOMMENDATION

Staff recommends Alternative No. 1 and 2. Approve the revised Utility Undergrounding Rule 20A Project Qualification and Ranking Criteria, and approve the revised Utility Undergrounding Rule 20A Priority List.

The revised Utility Undergrounding Rule 20A Project Qualification and Ranking Criteria conforms with the latest rule 20A provisions. Pedestrian as well as vehicular traffic is now included, along with an emphasis toward public safety. The revised list was derived with objective input such as street type and average traffic, along with more subjective evaluation of the impact of the amount of overhead wires and how they affect public attractions.

If the Council desires any modification to the qualification and ranking criteria, staff would make the necessary revisions to both the criteria and the priority list as applicable.

Reviewed by:

Marvin Rose, Director of Public Works

Prepared by: Mark Rogge, Assistant Director of Public Works

Approved by:

Gary M. Luebbers

City Manager

ATTACHMENTS

- A. 2006 Utility Undergrounding Rule 20A Project Priority List.
- B. Study Issue DPW 08 Reprioritization of Underground Utility Projects
- C. 2009 Utility Undergrounding Rule 20A Project Priority List,
and ranking scores

2006 Utility Undergrounding Rule 20A Project Priority List

No.	Street	Start	End	Budget FY	Current Status
1	Fair Oaks	Evelyn	El Camino Real	2008/09	UUD formed, in PG&E design
2	Wolfe	Homestead	El Camino Real	2011/12	UUD scheduled for formation November 2009
3	Wolfe	El Camino Real	Old San Francisco	2014/15	UUD scheduled for formation November 2009
4	Maude	Fair Oaks	Mathilda		
5	Sunnyvale	Maude	Evelyn		
6	Pastoria	El Camino Real	Evelyn		
7	Duane	Mathilda	San Juan		
8	Bernardo	El Camino Real	Evelyn		
9	Evelyn	Bernardo	Mathilda		
10	Evelyn	Sunnyvale	Fair Oaks		
11	Homestead	Wolf	Swallow		
12	California	Mathilda	Fair Oaks		
13	Washington	Sunset	Charles		
14	Taaffe	El Camino Real	Olive		
15	Frances	El Camino Real	Olive		
16	Arques	Fair Oaks	Mathilda		

Proposed 2009 Council Study Issue

DPW 08 Reprioritization of Underground Utility Projects

Lead Department Public Works
Element or Sub-element Community Development, Community Design
New or Previous Previous
Status Pending **History** 1 year ago Below the line 2 years ago None

1. What are the key elements of the issue? What precipitated it?

Council Member Moylan has suggested that where a utility company is providing new facilities for their infrastructure that the City reprioritize its Rule 20 project list to offer the formation of an underground utility district for the purpose of under grounding the new facilities as well as all existing facilities with the use of the City's Rule 20 allocation. This would be a voluntary program to provide incentives for the early conversion of overhead utilities to underground. The study would look at any legal or institutional obstacles to this type of program and assess the willingness of the utility companies to participate in such a program. This study issue fell below the line in 2008. Therefore, it is being carried forward for reconsideration in the 2009 study issue process. The work would be included as part of the 3-year Rule 20a process.

Background Information on Rule 20:

Rule 20A funds are allocated to Cities from utility company revenues as required by the State Public Utility Commission to pay for undergrounding of their existing overhead utilities along major streets and in downtown areas. Local agencies establish underground utility districts in accordance with Rule 20 provisions. Projects are designed, coordinated, and constructed by PG&E. The City must pay to underground its own facilities and any costs beyond applicable and available Rule 20 funds.

The current program allows use of the City's allocation of Rule 20A to underground utilities within a district established by the City through a qualified prioritization process. The latest prioritization list was approved by the City Council on November 14, 2006 (RTC No. 06-344).

2. How does this relate to the General Plan or existing City Policy?

2.5 Community Design - Goals, Policies and Action Statements
 GOAL B: Create an attractive street environment which will compliment private and public properties and be comfortable for residents and visitors.
Policy B.3 Minimize elements which clutter the roadway and look unattractive.

Action Statements

B.3a. Maintain the requirements for undergrounding overhead utility wires.

3. Origin of issue

Council Member(s) Moylan
General Plan
City Staff
Public
Board or Commission none

4. Multiple Year Project? No **Planned Completion Year** 2009

5. Expected participation involved in the study issue process?

Does Council need to approve a work plan? No
 Does this issue require review by a Board/Commission? Yes
 If so, which?
 Planning Commission
 Is a Council Study Session anticipated? No
 What is the public participation process?
 Hold meetings with the public and affected utility companies prior to the development of any new policy.

6. Cost of Study

Operating Budget Program covering costs
 Project Budget covering costs
 Budget modification \$ amount needed for study
 Explain below what the additional funding will be used for

7. Potential fiscal impact to implement recommendations in the Study approved by Council

Capital expenditure range \$501K or more
 Operating expenditure range None
 New revenues/savings range None
 Explain impact briefly
 This policy could accelerate or slow the process on the use of the City's Rule 20 funds. At this time, it is unknown what fiscal impact this change in policy may have on the City.

8. Staff Recommendation

Staff Recommendation None
 If 'For Study' or 'Against Study', explain

9. Estimated consultant hours for completion of the study issue

0

Managers	Role	Manager	Hours	
Lead	Rogge, Mark	Mgr CY1:	20	Mgr CY2: 0
		Staff CY1:	0	Staff CY2: 0
Support	Raina, Hira	Mgr CY1:	30	Mgr CY2: 0
		Staff CY1:	0	Staff CY2: 0
Interdep	Ryan, Trudi	Mgr CY1:	10	Mgr CY2: 0
		Staff CY1:	0	Staff CY2: 0
Total Hours CY1:			60	
Total Hours CY2:			0	

Note: If staff's recommendation is 'For Study' or 'Against Study', the Director should note the relative importance of this Study to other major projects that the Department is currently working on or that are soon to begin, and the impact on existing services/priorities.

Reviewed by

Marilyn A. Reed

Department Director

1/14/09

Date

Approved by

Ann Linn

City Manager

1/14/09

Date

Addendum

A. Board / Commission Recommendation

Issue Created Too Late for B/C Ranking

Board or Commission	Rank	Rank	Rank
		1 year ago	2 years ago
Arts Commission			
Bicycle and Pedestrian Advisory Committee			
Board of Building Code Appeals			
Board of Library Trustees			
Child Care Advisory Board			
Heritage Preservation Commission			
Housing and Human Services Commission			
Parks and Recreation Commission			
Personnel Board			
Planning Commission			

Board or Commission ranking comments

B. Council

Council Rank (no rank yet)
Work Plan Review Date (blank)
Study Session Date (blank)
RTC Date (blank)
Actual Complete Date (blank)
Staff Contact

Attachment "C" - 2009 Underground Utility Project Ranking

Final Priority Rank	Street	Start	End	Street Classification	Traffic Volume	Impact on Pedestrian Environment	Visual Effect	Neighborhood Benefit	Preservation/Protection of Street Trees	Final Score	Anticipated Fiscal Year
				Traffic	Traffic	Traffic	Planning	Planning	Field Services		
1	Wolfe	Homestead	El Camino Real	4	5	5	4	5	5	28	11/12
2	Wolfe	El Camino Real	Old San Francisco	4	5	4	5	4	5	27	11/12
3	Homestead	Sunnyvale/Saratoga	Western City Limit	4	5	5	3	2	5	24	14/15
4	Homestead	Eastern City Limit	Sunnyvale/Saratoga	4	5	4	3	2	5	23	17/18
5	Maude	Fair Oaks	Mathilda	2	4	4	4	5	3	22	20/21
6	Sunnyvale	Evelyn	Maude	3	2	4	4	5	3	21	23/24
7	Mary	Blair	Bidwell	4	4	4	2	1	5	20	26/27
8	Bernardo	El Camino Real	Evelyn	3	2	4	3	4	3	19	29/30
9	Evelyn	Bernardo	Mathilda	4	3	4	3	3	2	19	32/33
10	Evelyn	Sunnyvale	Fair Oaks	4	3	4	3	3	1	18	35/36
11	Pastoria	El Camino Real	Evelyn	3	1	3	4	5	1	17	38/39
12	Duane	Mathilda	San Juan	3	2	2	4	4	2	17	41/42
13	Washington	Carson	Charles	3	1	2	4	2	4	16	44/45
14	Arques	Fair Oaks	Commercial	4	3	2	2	1	3	15	47/48
15	California	Mathilda	Fair Oaks	3	1	5	1	2	2	14	50/51
16	Weddell	Ross	Kiel	2	2	2	1	1	1	9	53/54

Note: 1 = Low, 5 = High

Street classification:

- Class I Arterial - 5
- Class II Arterial - 4
- Residential Collectors - 3
- Commercial/Industrial Collectors - 2
- Local Streets - 1

Traffic Volume Scoring:

Average Weekday Traffic (Trips)	Score
>20,000	5
20,000-15,000	4
15,000-10,000	3
10,000-5,000	2
<5,000	1