



AGENDA REPORT
SAN CLEMENTE CITY COUNCIL MEETING
 Meeting Date: July 17, 2012

Agenda Item 7A
 Approvals: [Signature]
 City Manager [Signature]
 Dept. Head [Signature]
 Attorney _____
 Finance _____

Department: Public Works / Engineering
Prepared By: Tom Bonigut, Assistant City Engineer TB

Subject: *PROPOSAL TO EXPAND THE EXISTING DEL MAR PHASE I UNDERGROUND UTILITY DISTRICT NO. 02-01 AND INCLUDE CUSTOMER SERVICES IN THE DISTRICT.*

Summary: In 2002 the City Council adopted Resolution No. 02-17 to establish the Del Mar/Downtown Area Phase I Underground Utility District No. 02-01, which is the area generally bounded by El Camino Real, Avenida Del Mar, the Community Center and Avenida Cabrillo (refer to attached map). SDG&E submitted a preliminary design for the undergrounding project to the City for review. During this time staff received a request to extend the undergrounding district several blocks south along the alley from Avenida Del Mar to Avenida Rosa. SDG&E determined that the additional area could be added to the existing Phase I undergrounding district, so long as the actual district is extended to just past Avenida Mateo (see attached map) to provide for a more suitable termination of the undergrounded facilities. The design for the additional area could be completed by the end of September and there are sufficient SDG&E funding allocations for the cost of the expanded project. Staff recommends that the City Council approve the additional area via the attached Resolution.

This underground utility district was established as a Rule 20A project¹ in which the cost of undergrounding overhead lines within the public right-of-way is paid by SDG&E. When it was formed, the district excluded costs related to customer service laterals or meter panel modifications. Since this is allowable under Rule 20A, staff recommends that the Del Mar Phase I underground district be changed to include customer service laterals and service meter panel modifications. In September 2011 the City Council established that inclusion of customer services on Rule 20A utility undergrounding projects shall be the City's standard practice. However, since the enabling Resolution for the Del Mar Phase I district was adopted many years ago, staff recommends City Council approval of the attached Resolution to formally include customer services in the Del Mar Phase I undergrounding district.

SDG&E anticipates finalizing the design by the end of September, after which formal coordination with other overhead utilities (phone and cable) will begin. A coordination meeting with affected property owners and customers will be scheduled this Fall to advise on the upcoming project. Construction could begin in the second quarter of 2013, although construction timing will be further coordinated with the Downtown Business Association to help minimize construction impacts.

¹ Refer to attachment for an overview of Rule 20A.

Recommended

Action:

STAFF RECOMMENDS THAT the City Council adopt Resolution No. ____ entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, AMENDING THE EXISTING DEL MAR/DOWNTOWN AREA PHASE I UNDERGROUND UTILITY DISTRICT NO. 02-01 TO INCLUDE CUSTOMER SERVICE CONNECTIONS AND ADDITIONAL PROPERTIES INTO THE DISTRICT."

Fiscal Impact:

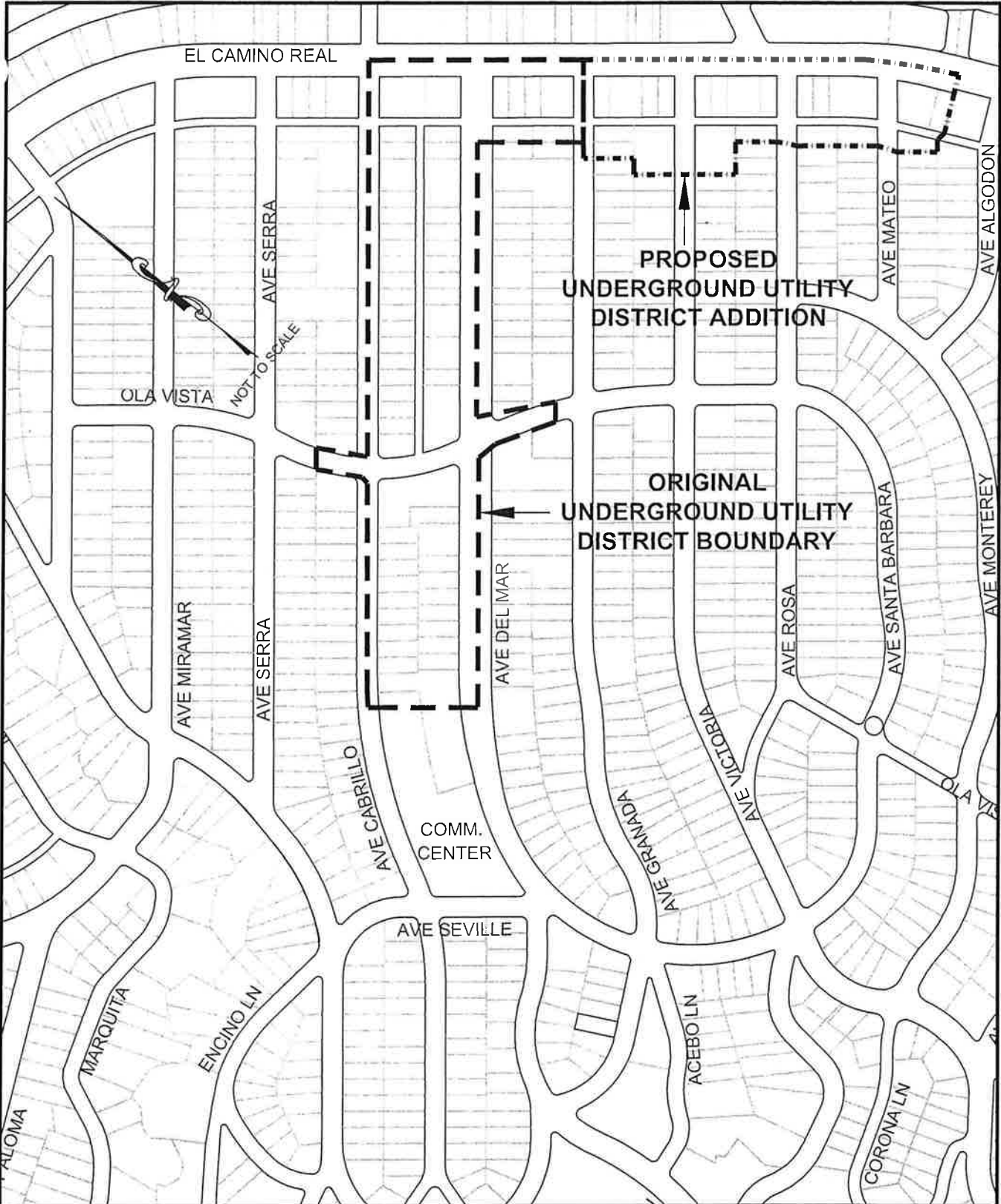
Yes. There is no impact to City funds, however inclusion of additional area and customer services in the Del Mar/Downtown Phase I project will reduce the City's Rule 20A allocation balance. Per SDG&E there are sufficient allocations for an expanded district that includes the customer services.

Attachments:

Boundary map: Del Mar Phase I Underground Utility District No. 02-01
Rule 20A overview
Resolution

Notification:

Property owners within the existing Del Mar Phase I Underground Utility District No. 02-01 and proposed additional area have been notified in accordance with Municipal Code Section 13.36.020.



City of San Clemente

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BOUNDARY MAP
Del Mar / Downtown
Underground Utility District
(Phase I)

Rule 20A Overview

The California Public Utilities Commission (CPUC) has established a set of policies and procedures known as "Rule 20" to regulate the conversion of overhead electric equipment to underground facilities. Rule 20 determines the level of utility ratepayer funding for the following three undergrounding arrangements:

1. Rule 20A – Provides for City-directed projects which are paid for by SDG&E using fees collected from all ratepayers, not just those in the area to be undergrounded. To qualify for funding, projects must provide a benefit to the general public by satisfying one or more of the following criteria:
 - Unusually heavy concentration of overhead facilities;
 - Heavily-traveled area;
 - The public street qualifies as an arterial or major collector road in the City's General Plan; or
 - The public street is within or passing through a civic, recreational, or scenic area.

For Rule 20A projects, SDG&E typically pays for all undergrounding costs for the facilities within the public right-of-way (including removal of overhead facilities and installation of new underground facilities), with customers responsible for service trenches and meter panel modifications on private property. However, upon request by the City (via inclusion in the Underground Utility District Resolution), SDG&E can use Rule 20A allocations to install customer service laterals (up to 100 feet) and modify customer meter panels.

Some examples of completed Rule 20A undergrounding projects in the City include Avenida Pico (from Los Molinos to Frontera/Presidio), Avenida de la Estrella (Presidio to Palizada), and El Camino Real (Palizada to Canada).

2. Rule 20B – Allows property owners to elect to form an underground utility assessment district when Rule 20A does not apply. SDG&E pays for the removal of overhead facilities and property owners pay for installation of the new underground facilities. The Calle de Los Alamos undergrounding project completed in 2001 was a Rule 20B project.
3. Rule 20C – Enables property owners to privately fund undergrounding if neither of the above situations applies.

When an underground conversion of overhead electric facilities occurs, any overhead telephone lines are also converted following a similar set of CPUC tariff rules. Conversion of any overhead cable facilities is required at no cost by the existing cable franchise agreement.

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, AMENDING THE EXISTING DEL MAR/DOWNTOWN AREA PHASE I UNDERGROUND UTILITY DISTRICT NO. 02-01 TO INCLUDE CUSTOMER SERVICE CONNECTIONS AND ADDITIONAL PROPERTIES INTO THE DISTRICT.

WHEREAS, on February 20, 2002, the City Council adopted Resolution No. 02-17 to establish the Del Mar/Downtown Area Phase I Underground Utility District No. 02-01 in accordance Chapter 13.36 of the Municipal Code of the City of San Clemente; and

WHEREAS, in response to a property owner request City and San Diego Gas & Electric (SDG&E) staff determined that the existing Del Mar/Downtown Area Phase I Underground Utility District No. 02-01 could be expanded by several blocks along the El Camino Real alley as depicted in the attached Exhibit A; and

WHEREAS, following notification to all affected property owners as required by law, a public hearing was held by the San Clemente City Council on July 17, 2012 at 6:00 p.m. in the Council Chambers, 100 Avenida Presidio, San Clemente, California, to ascertain whether the public health, safety or welfare requires the removal of poles, overhead wires and associated overhead structures and the underground installation of wires and facilities for supplying electric, communication or similar or associated services, within the area shown in the attached Exhibit A; and

WHEREAS, such hearing has been duly and regularly held, and all persons interested have been given an opportunity to be heard; and

WHEREAS, Chapter 13.36 of the Municipal Code of the City of San Clemente provides that the supplying utility shall furnish all facilities and equipment as required by applicable rules, regulations and tariffs on file with the California Public Utilities Commission (CPUC); and

WHEREAS, the approved CPUC Rule 20A tariff for SDG&E allows, upon request by the City of San Clemente, use of the City of San Clemente's Rule 20A allocations for the cost to: a) install no more than 100 feet of each customer's underground electric service lateral occasioned by the undergrounding; and/or b) convert a customer's meter panel to accept underground service occasioned by the undergrounding, excluding permit fees; and

WHEREAS, based on the Rule 20A allocation summary provided by SDG&E there are sufficient uncommitted allocations in the City of San Clemente's Rule 20A balance to provide for the expected cost of the customer service connections and expanded project area for the Del Mar/Downtown Area Phase I Underground Utility District No. 02-01; and

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WHEREAS, inclusion of customer service connections in the Rule 20A cost of the Del Mar/Downtown Area Phase I Underground Utility District No. 02-01 will ensure timely completion of the project and realization of the intended project benefits.

NOW, THEREFORE, The City Council of the City of San Clemente does hereby resolve as follows:

Section 1. The City of San Clemente hereby finds and determines that the public health, safety, and welfare requires the removal of poles, overhead wires, and associated overhead structures and the underground installation of wires and facilities for supplying electric, communication, or similar or associated services, and that pursuant to Chapter 13.36 of the Code of the City of San Clemente, the area depicted in the attached Exhibit A shall be included into the existing Del Mar/Downtown Phase I Underground Utility District No. 02-01 (the "Underground Utility District").

Section 2. The City Council does hereby order the removal of all poles, overhead wires, and associated overhead structures and the underground installation of wires and facilities for supplying electric, communication, or similar or associated services within the Underground Utility District no later than December 31, 2014.

Section 3. The City Clerk is hereby instructed to notify all affected utilities and all affected property owners within said Underground Utility District of the adoption of this resolution. The City Clerk shall further notify the affected property owners that if they or any person occupying such property desires to continue to receive electric, communication, or other similar or associated service, they or any occupant at the property shall, by the date fixed in this resolution, provide all necessary facility changes on their premises so as to receive such service from the lines of the supplying utility or utilities at a new location, subject to applicable rules, regulations, and tariffs of the respective utility or utilities on file with the CPUC as of the date of adoption of this resolution. Such notification shall be made by mailing a copy of this resolution, together with a copy of said Chapter 13.36, to affected property owners as such are shown on the last equalized assessment roll and to the affected utilities.

Section 4. The City Council hereby finds that the Underground Utility District herein created is in the general public interest for the following reasons:

1. That undergrounding to be accomplished will avoid or eliminate an unusually heavy concentration of overhead distribution facilities; and
2. That the Underground Utility District is in an area extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic.

Section 5. The City Council desires and formally directs that the customer service connections and panels, and associated costs related to the Del Mar/Downtown Area Phase I Underground Utility District No. 02-01 be provided by SDG&E using the City of San

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Clemente's available Rule 20A allocations.

Section 6. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED this _____ day of _____, _____.

ATTEST:

City Clerk of the City of
San Clemente, California

Mayor of the City of San
Clemente, California

STATE OF CALIFORNIA)
COUNTY OF ORANGE) §
CITY OF SAN CLEMENTE)

I, JOANNE BAADE, City Clerk of the City of San Clemente, California, do hereby certify that Resolution No. _____ was adopted at a regular meeting of the City Council of the City of San Clemente held on the _____ day of _____, _____, by the following vote:

AYES:

NOES:

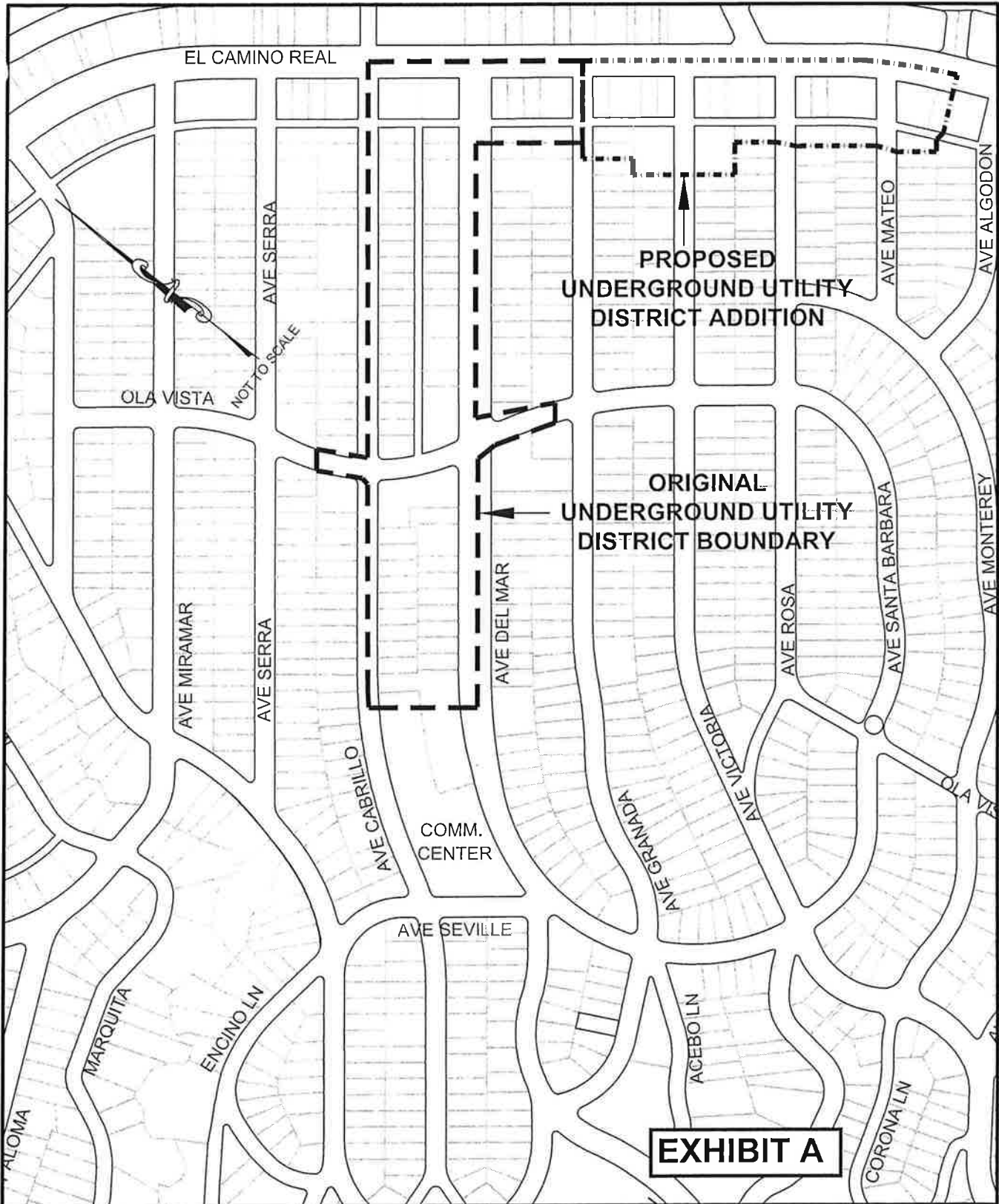
ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Clemente, California, this _____ day of _____, _____.

CITY CLERK of the City of
San Clemente, California

Approved as to form:

City Attorney



City of San Clemente

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BOUNDARY MAP

**Del Mar / Downtown
 Underground Utility District
 (Phase I)**

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