

**Diamond Springs Parkway
Underground Utility District Formation
Engineer's Report
August 14, 2013**

Recommendation

Conduct a public hearing and adopt an ordinance to establish an Underground Utility District along Diamond Road (State Route 49) and the proposed Diamond Springs Parkway.

Background

The Diamond Springs Parkway Project (Project) was initiated to improve traffic circulation, safety and operations through and around the historic town of Diamond Springs and has been in various stages of planning and design for more than 15 years. The Project consists of widening and realigning Diamond Road (State Route 49) and constructing a new connector from Diamond Road, west to Missouri Flat Road. On February 24, 2009, the Board approved a list of proposed projects identified as potential recipients of Rule 20A funds, and authorized the Division to move forward with local utilities and establish an UUD. The project list included in this Board item included the Diamond Springs Connector (Project). In 2011, the Board approved and adopted the Project Final Environmental Impact Report (EIR). The EIR includes discussion of a potential Underground Utility District (UUD) included as part of the Project.

Utility Participation

Currently, a number of overhead utility lines exist adjacent to Diamond Road and within the future alignment of the Diamond Springs Parkway. These utility owners include Pacific Gas and Electric (PG&E), Pacific Bell Telephone Company, dba AT&T California (AT&T), and Comcast Corporation (Comcast). In order to accommodate the Project improvements, these overhead utilities will require relocation. Division staff have concluded that relocating these utilities to alternate overhead locations will be a complex effort, and require considerable tree and brush removal that would significantly impact the adjacent residential properties on Diamond Road. Overhead utility poles and guy wires can be considered roadside hazards; a UUD can eliminate these risks. Due to the complexity of this effort, the utility companies, Caltrans, and County staff have proposed the formation of an UUD within the limits of the Project, in an effort to avoid additional negative impacts to the adjacent residences, simplify construction sequencing operations, and improve the aesthetics of the Project area by eliminating the heavy concentration of overhead utility lines.

Funding for the design and construction of UUD facilities is available from the Rule 20A tariff program, which is managed by PG&E. This program was established in 1967 by the California Public Utilities Commission (CPUC), so that privately owned utility companies would set aside a small portion of billings into a fund available to be used for UUD projects. As these funds accrue, the various cities and counties with PG&E's service area are allocated a proportional amount of funds. A similar Rule 32A.1 tariff program exists for AT&T facilities. Comcast does not have a tariff program for underground purposes, however is responsible for its relocation costs as it is part of the UUD, since the overhead poles will be removed.

Funding Summary

Preliminary costs for the UUD are as follows:

Design: \$310,000 (\$27,000 of which is estimated as reimbursable from tariff funds)

Right of Way: \$160,000 (non-reimbursable)

Construction: \$5,900,000 (\$5,870,000 of which is estimated as reimbursable from tariff funds)

The total estimated UUD costs are \$6,370,000 of which \$5,897,000 (approximately 93%) would be paid for from tariff funds. The estimated \$473,000 County share of the UUD would be covered by the various funding sources for the Project.

As of January 28, 2013, the account balance of the Rule 20A program available to El Dorado County is \$14,212,193. The Division has received confirmation from PG&E that the Project is eligible to utilize Rule 20A program funds for the UUD, and PG&E has acknowledged notification of the proposed UUD. Staff have coordinated with AT&T and Comcast representatives regarding the proposed UUD and their associated financial responsibilities. Neither utility company indicated how much funding was available for El Dorado County but indicated that sufficient funds were available to cover whatever expenses were necessary.

Cost Breakdown

Underground Relocations (Alternative 1):

Design: Individual utilities will complete their own design work and cover costs.
Only County staff costs for UUD plan preparation work is 100% reimbursable by tariff funds. No reimbursement for PM or admin costs. Work must be completed after the UUD is established to be eligible for reimbursement.
Pre-UUD formation staff work = \$55,000 (non-reimbursable)
Post-UUD formation staff work = \$255,000
Phase 1A = \$140,000 (\$15,000 reimbursable)
Phase 1B/2 = \$115,000 (\$12,000 reimbursable)
Total Design Costs = \$310,000
County Share = \$283,000
Reimbursement = \$27,000

Right of Way: Right of Way costs are the County's responsibility.
Right of Way acquisition costs for the Parkway (Phase 2) are negligible since the County will be acquiring property necessary to construct the project.
Acquisition of a public utilities easement for SR 49 (Phase 1A) is as follows -
1000' x 30' = 30,000 sf x \$2.50/sf = \$75,000 (PUE acquisition)
25 x \$1000 = \$25,000 (TCEs)
Appraisals for 3 parcels x \$10k/parcel = \$30,000
County staff costs \$15k/yr x 2 years = \$30,000
Total R/W Costs = \$160,000
County Share = \$160,000

Construction: The total UUD length is 7300 feet
Estimating \$700/lf for total trench construction costs (per PG&E)
7300' x \$700/lf = \$5,110,000 (add 15% for service connections) = \$5,876,500
County pays for AT&T & Comcast service conduit greater than 100' =
270 lf x \$110/lf = \$29,700
Total Construction Costs = \$5,900,000 (rounded)
County Share = \$30,000 (rounded)
Reimbursement = \$5,870,000

Total Underground Relocation Cost = \$6,370,000
Total Underground Relocation Reimbursement (Rule 20A) = \$5,897,000
Total Underground Relocation County Share = \$473,000

Overhead Relocations (Alternative 2):

Design: \$160,000 (County Share)

Right of Way: 1000' x 15' PUE = \$15,000

Appraisals = \$30,000

County staff = \$30,000

TCE = \$25,000

Additional Damages = \$60,000 (12 residences x \$5k/ea)

TOTAL = \$160,000 (rounded) (County Share)

Construction: \$360,000 (Phase 1A) – utilities pay 100% (estimation)

\$400,000 (Phase 1B/2) – County pays \$200k (50% estimation)

TOTAL = \$760,000 (County Share \$200k)

Total Overhead Relocation Cost = \$1,080,000

Total County Share for Overhead Relocations = \$520,000

UUD Formation Steps

The following is a list of the steps necessary in formation of the Diamond Springs Parkway Project UUD:

	Step	Note	Total Cost (1000's)	County Cost (1000's)	Utility Cost (1000's)
1.	Identify the project envelope Completed	These have been established with design of Diamond Springs Parkway project 72334. This task has been completed.	\$15	\$15	\$0
2.	Map the project boundaries Completed	From the parcels, a property owner mailing list was developed for later use. Admin & Finance staff have obtained the parcel list for the Diamond Springs Lighting Zone of Benefit 98549, which encompasses most of the land included in both UUDs. Mailing lists for each UUD were extracted from this data. This task has been completed.	\$10	\$10	\$0
3.	Create engineer's report Completed	The report will outline the estimated costs to the County and utility participation. This step has been completed.	\$5	\$5	\$0
4.	Conduct public outreach prior to the formation hearing	Rule 20A procedures recommend conducting public outreach with the affected communities. Division staff are scheduled to make presentation regarding the proposed UUD formation at the August 15, 2013 meeting of the Diamond El Dorado Community Citizens Advisory Committee (CAC). Letters have	\$5	\$5	\$0

	Complete: August 2013	been mailed to 38 affected parcel owners in the Diamond Springs Parkway UUD. This step has no financial obligation to the County.			
5.	Meet with other interested agencies Complete: September 2013	Including Caltrans, PG&E, and El Dorado Irrigation District to coordinate undergrounding. Staff met with AT&T, PG&E, Comcast, and EID representatives on August 7, 2013 to discuss the proposed UUD formation, and initiate correspondence between agencies. Staff will meet with the utilities and Caltrans together, immediately following the next utility coordination meeting on September 4, 2013. This step has no financial obligation to the County.	\$10	\$10	\$0
6.	Prepare an informational Board item regarding formation of the UUD Complete: September 2013	The item will provide a brief history of the project, and discuss estimated costs and the future formation hearing that is necessary to establish the UUD. This item will also request the Board to direct the Acting CDA Director to sign the application documents so that PG&E can initiate UUD formation on their end. It is anticipated the Board informational item will be in September, 2013. This step has no financial obligation to the County to reimburse PG&E.	\$5	\$5	\$0
7.	Conduct the Formation Hearing Complete: November 2013	A hearing at the Board is required for establishment of the UUD. All affected parcel owners are required to be notified by Certified Mail in advance of the formation hearing. Comments received at the August 15, 2013 CAC meeting will be incorporated with the staff report accompanying the Resolutions forming the districts. Once all public comments have been heard and considered, the Board will decide whether to establish the UUD. If the UUD is established, staff and the utility companies will begin working on the specific design of the UUD, and implement into the Project contract documents. Only after UUD establishment is design work eligible for reimbursement. It is anticipated the Board hearing date will be in November or December 2013.	\$5	\$5	\$0
		District is Formed	\$55	\$55	\$0

8.	30% Design Complete: November 2013	Phase 1A	\$30	\$30	\$0
9.	60% Design Complete: January 2014	Phase 1A	\$40	\$35	\$5
10	Right of Way Complete: January 2015	Phase 1A	\$160	\$160	\$0
11	90% Design Complete: July 2014	Phase 1A	\$40	\$35	\$5
12	100% Design Complete: January 2015	Phase 1A	\$30	\$25	\$5
13	Construction Complete: October 2015	Phase 1A	\$2,006	\$10	\$1,996
		Phase 1A District Complete	\$2,306	\$295	\$2,011

14	30% Design Complete: September 2014	Phase 1B/2	\$30	\$27	\$3
15	60% Design Complete: June 2017	Phase 1B/2	\$30	\$27	\$3

16	Right of Way Complete: October 2019	Phase 1B/2	\$0	\$0	\$0
17	90% Design Complete: September 2019	Phase 1B/2	\$30	\$27	\$3
18	100% Design Complete: October 2019	Phase 1B/2	\$25	\$22	\$3
19	Construction Complete: October 2020	Phase 1B/2	\$3,894	\$20	\$3,874
		Phase 1B/2 District Complete	\$4,009	\$123	\$3,886