

**CITY OF ALBANY  
CITY COUNCIL AGENDA  
STAFF REPORT**

Agenda Date: December 19, 2011  
Reviewed by: BP

**SUBJECT:** Amendment of Buchanan/Marin Overhead Utility Conversion District and Approval of Agreements with PG & E

**REPORT BY:** Jeff Bond, Community Development Director  
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**STAFF RECOMMENDATION**

Approve Resolution No. 2011- 57 amending the Buchanan /Marin Overhead Utility Conversion District, providing for Phased Construction and approving Agreements with PG&E.

**BACKGROUND**

In California, overhead utility undergrounding projects are funded by the Rule 20 Program established by the California Public Utilities Commission. This Program enables PG&E to recover costs from rates paid by its electric ratepayers for certain types of undergrounding projects.

On March 25, 2010, the Traffic and Safety Commission held a public meeting on the subject of initiating proceedings for a proposed undergrounding district on Buchanan Street and Marin Avenue. Notice of the proposed meeting was mailed in advance to all property owners within the proposed district boundary. Comments by Commission members and meeting attendees were favorable to the proposed undergrounding district. The Commission encouraged staff to construct the undergrounding project simultaneously with the segment of the proposed bikeway between San Pablo and Cornell Avenues.

On June 21, 2010, the City Council following a duly noticed public hearing adopted Resolution No. 2010-32 establishing the Buchanan/Marin Overhead Utility Conversion District.

On October 4, 2010, the Council approved a consultant services agreement with Robert Gray and Associates (RGA) for the Design of the Buchanan/Marin Overhead Utility Conversion District and authorized the City Engineer to proceed with surveys and coordination of the work by RGA and the utility companies.

## **DISCUSSION**

Since adoption of Resolution No. 2010-32 the following progress and developments have occurred:

1. Staff met with representatives of the utility companies and RGA. The total estimate for the anticipated work was increased by PG&E from \$2.7 to approximately \$4 million. The total amount of the credit currently available including a 5-year borrow is approximately \$3 million. The increase in the estimate was in part due to the discovery that power is supplied from more than one system east of San Pablo Avenue.
2. PG&E indicated that the work could be phased in order to address the funding shortfall, i.e. Phase 1 could be constructed with a portion of the Rule 20-A funds while additional funds accrue for Phase 2.
3. The City received a Bike to Transit Act (BTA) grant to construct the proposed bike lanes on Marin Avenue from San Pablo to Cornell Avenues. The grant must be used within three years.
4. PG&E requested that parcels on the south side of Buchanan Street between Cleveland Avenue and Jackson Street (USDA, Ocean View Park and Ocean View Elementary School) be included within the District Boundary. This would insure that both sides of this important corridor would be limited to underground facilities only in the future. The public properties south of Buchanan Street and Marin Avenue are already served underground, so this is just a formality. The USDA and the School District were contacted and expressed no objection to being included in the District.
5. PG&E clarified that certain parcels within the District are being served from outside the District Boundary. The District Engineer has corrected the Boundary Map to reflect this.
6. PG&E provided the City with the following agreements to Perform Tariff Scheduled Related Work: Form 79-1113, Electric Panel Service Conversions and Form 79-1127, Rule 20A General Conditions

It is therefore necessary to amend the District Boundary and Scope to a) allow the work to be performed in two phases b) clarify that certain parcels within the District will continue to be served overhead from outside the District Boundary and c) include the parcels on the south side of Buchanan Street between Cleveland Avenue and Jackson Street. It is also necessary for the City to enter into agreements with PG&E in order for the work to begin.

The attached Resolution amends the District and Boundary Map to 1) provide for the phasing of the work 2) clarify that certain parcels will continue to be served overhead from outside the District and 3) include the additional public properties on Buchanan Street. The Resolution also authorizes the City Manager to execute two agreements with PG&E on behalf of the City and directs the City Clerk to forward them to PG&E.

Notices of the public hearing on the subject of proposed amendments to the District and the Boundary were mailed to all property owners within the District Boundary.

**SUSTAINABILITY IMPACT**

Utility undergrounding has a number of benefits for a community including beautification, vehicular safety, and elimination of power line interference with trees. It will also improve visibility and accessibility for pedestrians and bicyclists. The undergrounding project will facilitate the construction of the bike lanes on Marin between San Pablo Ave. and Cornell Ave.

**FINANCIAL IMPACT**

The majority of the estimated \$4 million expenditure will be paid with Rule 20 funds. The estimated City portion of the Phase 1 costs that are to be borne by the City are as follows:

<b>Description</b>		<b>Estimated Cost</b>
Street Lights	10 Each	\$60,000
Robert Gray & Associates	50% composite plan	\$25,000
Supplemental Surveys	East of Cornell	\$ 5,000
City Project Engineering	Coordination & Meetings	\$ 10,000
City Project Management		\$ 20,000
Contingencies		\$ 20,000
	Total:	\$140,000

The City’s Capital Improvement Plan (Project P63) provides \$271,300 for design and construction in FY 2011-12 and 2012-13. A portion of these funds will be applied to the Phase 1 non-participating Rule 20 expenses, which include streetlights and the City costs for inspecting the non-utility work and managing the Construction Program. The source for the Phase 2 City funds has yet to be identified.

Attachments

1. Resolution No. 2011-57 with attached Exhibits A, B & C
2. Notice of Public Hearing