



# City of Del Mar Agenda Report

TO: Honorable Mayor and City Councilmembers

FROM: Martin Boyd, Principal Engineer  
Joe Bride, Public Works Director  
Via Ashley Jones, City Manager

DATE: September 22, 2025

SUBJECT: Consideration of San Diego Gas & Electric Cost Agreement for the Crest Canyon (X1A) Utility Undergrounding District

## REQUESTED ACTION/RECOMMENDATION:

Staff recommends the City Council approve the San Diego Gas & Electric (SDG&E) Cost Agreement for the Crest Canyon (X1A) Utility Undergrounding District with a cost of \$2,776,128 (Attachment A) and authorize the City Manager to execute the Agreement.

## BACKGROUND:

The City of Del Mar continues to implement the citywide Undergrounding Program (UP), which will remove utility poles and replace overhead cables for electricity and telecommunications with underground lines. As part of the UP, the City Council authorized the formation of Crest Canyon (X1A) Utility Undergrounding District (UUD) on July 12, 2021.

Crest Canyon includes 77 poles and 12,520 linear feet of overhead conversion to 19,610 linear feet of underground trench involving 152 properties and 114 residences. There are eighty properties requiring undergrounding of their private service lateral at the expense of the property owner. A map of Crest Canyon is included as Attachment B.

Following completion of the design for Crest Canyon, the City issued a competitive public bid solicitation in July 2025, for the City's construction activities for the project, which closed on August 27, 2025. On September 8, 2025, the City Council awarded a construction contract to TC Construction Company, Inc. for \$7,128,770, approved related task orders for construction support services totaling \$906,313, and authorized \$712,877 in project contingency.

The City's undergrounding construction activities are primarily for trenching and installation of conduit and substructures, and completion of the project necessitates close coordination with the utility companies – SDG&E, AT&T, and Charter Communications/Spectrum.

The City's construction activities for the Crest Canyon project will begin after the City's construction contract is executed, a Notice to Proceed is issued, and SDG&E has assigned an inspector. The project duration for City construction is estimated at 12 months from October 2025 to October 2026.

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## City Council Action:

IT WAS MOVED BY MAYOR GAASTERLAND AND SECONDED BY COUNCILMEMBER SPELICH TO APPROVE THE SDG&E COST AGREEMENT FOR THE CREST CANYON (X1A) UTILITY UNDERGROUNDING DISTRICT WITH A COST OF \$2,776,128 AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT. (VOTE 4-0)

Following the City contractor's phased work, the homeowners will be required to install their portion of the service laterals and upgrade electrical panels, as necessary, including obtaining SDG&E and City inspector approvals. Extensive coordination has already occurred with residents, and they will have approximately two months to complete their work to connect to the point of connection established by the City's contractor.

Cable and connections, services cutovers, cable poles, and overhead removals by the utility companies will be completed after all homeowners have completed their lateral installations. Overall, the homeowner installations and utility agency work are expected to take approximately six to eight months following completion of the City contractor's work with project completion expected between March and May 2027. However, the utility companies will confirm their schedules.

#### DISCUSSION/ANALYSIS:

##### ***SDG&E Cost Agreement***

SDG&E provided the Crest Canyon cost agreement (Attachment A) to City staff on September 5, 2025, with a final pre-construction estimate amount of \$2.8 million (Attachment C), which is the initial cost due to SDG&E. The City's contract with SDG&E is based on actual cost billing for the installation of cable and connections, service cutovers, cable poles, pole removals, and engineering and inspection fees. As part of the actual cost billing process, SDG&E provides the City with an initial estimated cost invoice prior to construction, followed by a final reconciliation invoice based on actual costs after construction is completed.

In May 2025, SDG&E provided the City with a pre-bid cost estimate of \$3.7 million (Attachment D). Thus, the updated September 2025 cost estimate from SDG&E for Crest Canyon is \$0.9 million less, or 24% lower, than the pre-bid cost estimate.

The SDG&E costs for Crest Canyon has a cost per linear foot of joint trench of \$161, which excludes the joint communications trench along San Dieguito Drive. For comparison, the Tewa Ct/10<sup>th</sup> St and Stratford Court South (1A) costs per linear foot of joint trench were \$223 and \$145, respectively, when adjusted for 23% and 0.1% inflation based on the California Construction Cost Index (CCCI) from the cost agreement approval dates of February 2022 and April 2025.

However, it is important to note that this metric is a simplified view, as multiple cost drivers (e.g., poles, transformers, homes, etc.) contribute to the overall cost. Note that, unlike Stratford Court South (1A), the Crest Canyon project includes cable poles, which increase overall costs by \$688,948. Cable pole work is required as part of the project at transition points between the new underground system and the existing overhead system. This is necessary either to intercept the underground lines at a new cable pole or due to structural loading requirements on the existing poles to remain. When this cost is excluded, the cost per linear foot of joint trench is \$121, which is actually less than Stratford Court South (1A).

***Crest Canyon – Project Costs***

The total project cost for Crest Canyon is now estimated to be \$12.78 million based on the City construction and SDG&E bids. Attachment E includes a budget summary reflecting the estimated project costs from initial district formation to the current estimate for comparison. The prior total project cost estimate on June 2, 2025, was \$15.75 million. Hence, the total project cost has decreased by \$2.97 million since the pre-bid cost estimates from June 2025.

The cost per linear foot of overhead conversion is now estimated at \$1,021, and the cost per linear foot of joint trench is estimated at \$652. This includes the cost of required professional services during the design phase in preparation for the bid process, cost for construction, costs paid to the utility companies for their engineering fees and construction work, and the cost for third party construction management and support services during construction. For comparison, the Tewa Ct/10th St and Stratford Court South (1A) costs per linear foot of joint trench were \$864 and \$753, respectively, when adjusted for inflation based on the CCCI.

**FISCAL IMPACT:**

Council approval of the recommended action will result in execution of the SDG&E Cost Agreement and payment of \$2,776,128 to SDG&E for Crest Canyon (Attachment A). There are sufficient funds available in the adopted Fiscal Year 2025-26 Capital Budget to cover the cost of the Agreement.

**ENVIRONMENTAL IMPACT:**

Pursuant to requirements of the California Environmental Quality Act (CEQA), a Notice of Exemption was filed for both the Utility Undergrounding District X1A - Crest Canyon Undergrounding District Project (State Clearinghouse No. 2024101301). The project was adopted by Council on October 7, 2024. The SDG&E Cost Agreement being considered for construction work falls under the scope of work considered under both exemptions. Pursuant to CEQA Guidelines Section 15162, no further environmental documentation is necessary in that there have been no substantial changes proposed involving new significant effects or an increase in the severity of previously identified effects; no substantial changes have occurred with respect to the circumstances under which the project is being adopted; and no new information has demonstrated that new significant effects will occur.

**NEXUS TO CITY COUNCIL GOALS AND PRIORITIES:**

Utility Undergrounding is listed as a Tier 1 City Council priority for Fiscal Year 2025-2026.

**ATTACHMENTS:**

- Attachment A – SDG&E Crest Canyon (X1A) Cost Agreement
- Attachment B – Crest Canyon (X1A) Map
- Attachment C – SDG&E Crest Canyon (X1A) Final Cost Estimate
- Attachment D – SDG&E Crest Canyon (X1A) Pre-Bid Cost Estimate
- Attachment E – Crest Canyon (X1A) Project Budget



Submitted to Applicant by: Ilario Romano  
SDG&E Job Number(s): 3-436959,  
3-437041, 3-474347, 3-596989,  
3-474233, 3-474234, 3-474235, 3-597036

AGREEMENT FOR REPLACEMENT OF OVERHEAD  
WITH UNDERGROUND FACILITIES

THIS AGREEMENT, made and entered into, by and between SAN DIEGO GAS & ELECTRIC COMPANY, a corporation, hereinafter called "Utility", and City of Del Mar, hereafter called "Applicant(s)".

WITNESSETH:

WHEREAS, Applicant(s) are the owners, lessees, or others having a legal interest in those certain premises known as 20B CONVERSION – CREST CANYON, located along portions of CREST ROAD, DEL MAR, CA 92014; and

WHEREAS, Applicant's desire that existing overhead facilities be replaced with underground facilities, and in consideration of the desirability and value which said underground facilities will add and contribute to the above premises;

NOW, THEREFORE, it is agreed by and between Utility and Applicants as follows:

1. Subject to the conditions hereinafter provided, Utility, upon obtaining satisfactory easements for any required rights of way, shall remove its existing overhead electric power facilities serving Applicants and shall replace these facilities with underground facilities, in accordance with its Rule 20.B for Replacement of Overhead with Underground Facilities as filed with the California Public Utilities Commission.
2. All work performed by the Utility and Applicants pursuant to this Agreement shall be in conformity with the General Conditions and the Specifications attached hereto and by this reference made a part hereof. Utility shall furnish underground electric service to the premises shown on Specifications and, upon completion of the work specified herein, Utility shall not furnish overhead electric service to any of such premises.
3. This Agreement shall become effective only upon compliance with all of the following conditions:
  - a) All Applicants shall execute this Agreement and shall perform all of the conditions herein contained.
  - b) All Applicants shall execute a companion agreement with each company, municipality, or agency that is a joint user with Utility of poles, or maintains other poles, within the area from which Utility's pole will be removed pursuant to Section 1, for providing communication service, traffic signals, police or fire alarm boxes, or street or safety lighting supplied by overhead wiring. Such agreement or agreements will provide for such service to be discontinued or converted and maintained through underground circuits or other appropriate and lawful means, so that all of said poles can be removed from the area within a reasonable time after Utility has removed its poles.
  - c) Applicants will, at their expense and in conformity with the Contract Documents as defined in the General Conditions, furnish and install the material, and facilities and perform the work indicated below by a check mark. The material facilities and work listed below which are not indicated with a check mark shall be furnished, installed and performed by Utility at Applicants' expense.

Excavation, backfill and compaction

Conduits

Concrete substructures

- d) Utility shall notify Applicants, in writing, of final acceptance of the work specified herein. Applicants hereby grant to Utility all facilities installed by Applicants pursuant to this Agreement, said grant to be effective upon receipt of Utility's written final acceptance.
- e) Each Applicant shall, at his expense, promptly provide any necessary changes to the existing facilities on his property so as to receive underground electric service at the points specified on the Specifications. The Applicants' work shall be in accord with Utility's Rule on Service Connections filed with the California Public Utilities Commission effective as of the date of this Agreement, and in accord with the Contract Documents. Underground electric service will not be supplied until all affected premises are equipped to receive electric service in accordance with said plan and specifications.
4. Receipt is acknowledged from Applicant(s) of \$2,776,128 which is an amount equal to the estimated cost of Utility's conversion work computed in accordance with its Filed Rule on Replacement of Overhead with Underground Facilities. Said amount includes any engineering fee or fees that may have been paid to Utility in contemplation of the work provided for in Section 2. The conversion work will be tracked and billed on an actual cost basis, meaning that all costs will be reconciled at completion of the work and SDG&E will bill or refund to Applicant any differences larger than \$100.
5. In the event any additions, rearrangements, or changes to the electric wiring are required or performed on Applicants' several premises, other than the work pursuant to Section 3.e) above, Applicants shall cause said additions, rearrangements, and changes to be made at their expense.
6. All wires, cables, conductors, conduits, ducts, connectors and appurtenances installed by Utility, or its agents, on the premises of Applicants, or elsewhere, and all facilities granted to Utility by Applicants, shall become and remain the property of Utility notwithstanding any payment made under this Agreement. Such facilities will be maintained and operated by Utility in accordance with its Rules for the Sale of Electric Energy on file with the California Public Utilities Commission.
- a) Utility shall be under no obligation to perform and complete the work undertaken by it pursuant to this Agreement until Applicants' obligations incurred pursuant to Paragraphs 3.b) and 3.e) of this Agreement shall have been fulfilled.
- b) If the Specifications attached hereto require the installation of new street lighting standards, Utility shall be under no obligation to remove and cease operating its overhead electric facilities nor to furnish underground electric service to any of the premises shown on the Specifications until said street lighting standards have been installed and energized.
- c) Utility at its sole election, may undertake to perform the work to be performed by it prior to the occurrence of the conditions specified in section 7. and subsection b) of this Section. The commencement of any such work by Utility under the provisions of this subsection shall not constitute a waiver of any of the requirements imposed upon any Applicants under section 7. or subsection b) of this Section, or under any other provisions of this Agreement.
- d) If any Applicants shall, within one year of the date of this Agreement, fail or refuse to comply with any of the conditions hereof or to perform all work required under the contracts executed pursuant to Paragraph 3.b) of this Agreement, Utility shall have the right to make such changes and to impose such further conditions upon the Applicants as may be necessary to protect its rights under any existing agreement for any increase in its costs of installation, and to provide in any other manner for the accomplishment of the purposes of this Agreement consistent with applicable rules, laws, ordinances and its contractual obligations hereunder.
7. Once Applicant has started to perform the work required by the Contract Documents, Applicants agree to exercise reasonable diligence in pursuing such work to completion within one year after the effective date of the Contract Documents. If such work has not been completed within one year after the effective date of the Contract Documents, Utility shall have the right, upon giving written notice to Applicants, to cancel and terminate the Contract Documents. Utility shall return to Applicants, an amount equal to the above cash advance, minus Utility's costs. Utility's costs are

defined as the actual cost (including but not limited to labor, materials and overhead) incurred by Utility prior to such cancellation and termination in connection with work done in furtherance of Applicant's project, plus the actual cost of removing any of the Utility installed facilities which Utility desires to salvage, minus the salvage value of such facilities. Upon exercise of this right to cancel and terminate, and upon payment to Applicants, all of Utility's obligations under the Contract Documents shall cease.

8. This Agreement shall at all times be subject to such changes or modifications by the California Public Utility Commission as said Commission may, from time to time, direct in the exercise of its jurisdiction.
9. All terms and situations heretofore made and agreed to by the parties in relation to said electric line replacement are set forth in this Agreement and no representation of any agent or employees shall be binding upon Utility except as expressed herein. Appendix A attached hereto is solely for use by Utility and nothing contained therein shall in any way alter or vary any term, condition or stipulation contained in this Agreement.
10. If Applicant is a corporation, partnership, joint venture or a group of individuals, the subscriber hereto represents that he has the authority to bind said corporation, partners, joint venture or individuals as the case may be. Each Applicant signing this Agreement agrees that he shall be jointly and severally liable under the terms of this Agreement with every other applicant signing the Agreement.
11. All of the terms and conditions of this Agreement shall be binding upon and shall insure to the benefit of the parties hereto, their heirs, administrators, executors, personal representatives, trustees, successors and assigns.
12. The Contract Documents shall become effective only upon the date signed by the authorized representative of Utility.

IN WITNESS WHEREOF, the parties hereto have individually executed, or have caused this Agreement to be executed for and on behalf of each, by and through their responsible agents, partners, or duly authorized corporate officers, as the case may be.

APPLICANT: CITY OF DEL MAR,  
a municipal corporation

SAN DIEGO GAS & ELECTRIC COMPANY,  
a corporation

By:

By \_\_\_\_\_

Date Executed: \_\_\_\_\_

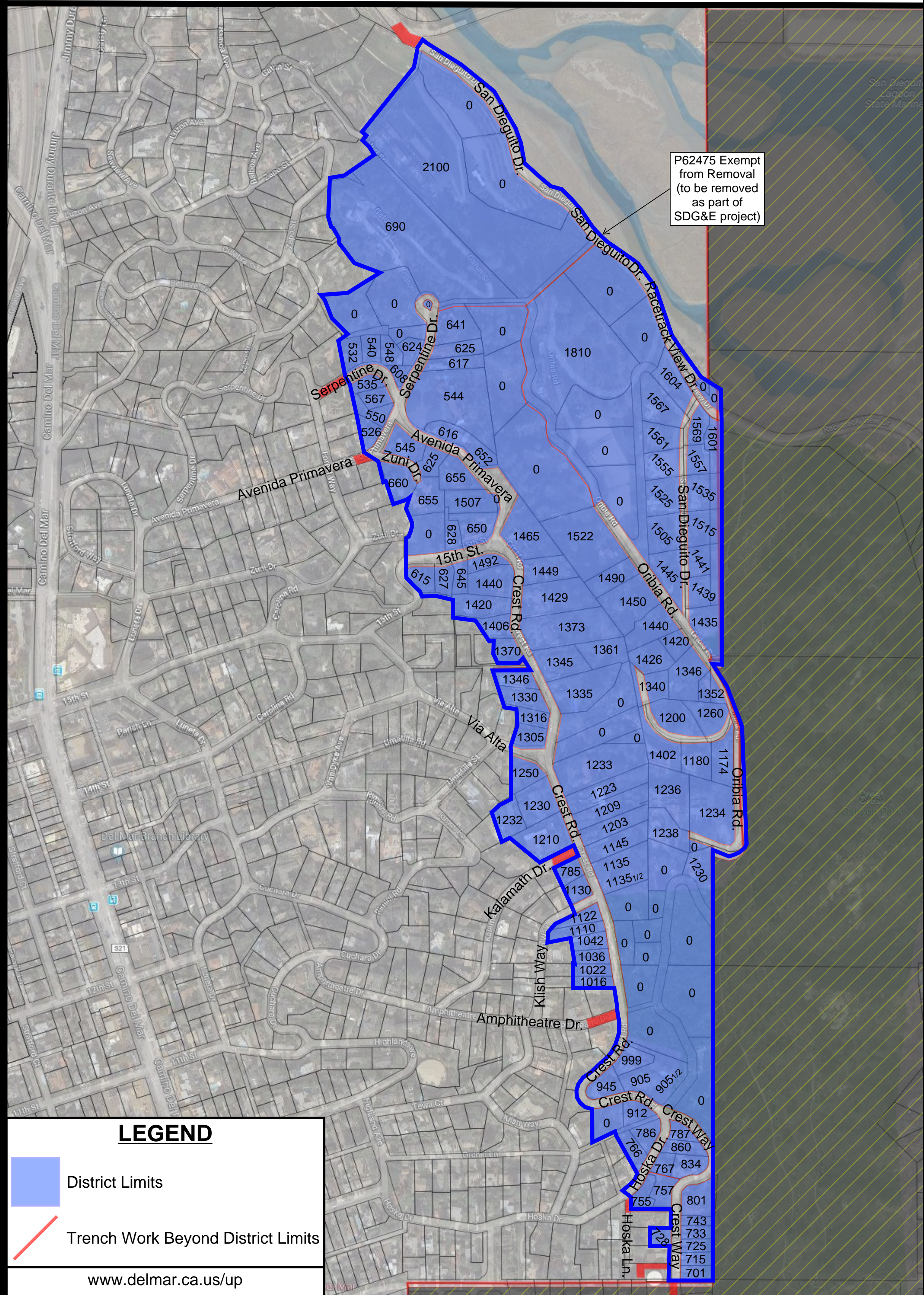
Name: Ashley Jones

Title: City Manager

Date:

Address: 1050 Camino Del Mar,  
Del Mar, CA 92014

# Utility Undergrounding District (UUD X1A) - Crest Canyon



P62475 Exempt from Removal  
(to be removed as part of SDG&E project)

## LEGEND



District Limits



Trench Work Beyond District Limits

[www.delmar.ca.us/up](http://www.delmar.ca.us/up)





September 5, 2025

Martin Boyd  
City of Del Mar  
1050 Camino Del Mar  
Del Mar, CA 92014

**RE: City of Del Mar | Rule 20B | District X1A – Crest Canyon | Final Cost Estimate**

Thank you for your continued partnership with San Diego Gas & Electric (SDG&E) to underground our overhead electric power lines to help improve community aesthetics and meet our commitment to provide clean, safe and reliable energy to our customers. This responds to your request for a final cost estimate for the City of Del Mar's Crest Canyon (District X1A) Rule 20 project.

Crest Canyon (District X1A) is a Rule 20B project and will utilize an Actual Cost Billing Contract, whereby in advance of construction SDG&E will collect from the City an amount equal to the estimated cost of the conversion work computed in accordance with its Filed Rule on "Replacement of Overhead with Underground Facilities", including engineering fees. The conversion work will be tracked and billed on an actual cost basis, meaning that all costs will be reconciled at completion of the work and SDG&E will bill or refund to the City any differences larger than \$100.00.

Please note, SDG&E is providing the following cost estimates for reference purposes only and makes no representations, warranties or promises regarding the accuracy, timeliness, quality or completeness of the estimates. Estimates are based on known, current information and existing circumstances. SDG&E will not be liable for any damages, causes of action or losses arising or claimed to arise out of the use of these estimates.

**District X1A | Crest Canyon | Final Cost Estimate**

Description.	Final Estimate	Contingency (10%)	Total
Cable & Connections	\$ 1,943,335	\$ 194,334	\$ 2,137,669
Cable Pole installation	\$ 626,316	\$ 62,632	\$ 688,948
Service Cutovers	\$ 273,989	\$ 27,399	\$ 301,388
Overhead Removals (Non-Billable)	\$ 773,135	\$ 77,313	\$ 850,448
<b>Subtotal Electric Scope</b>	<b>\$ 3,616,775</b>	<b>\$ 361,678</b>	<b>\$ 3,978,453</b>
Less Overhead Equivalent (Credit)	\$ 319,888	\$ 31,989	\$ 351,877
Less Overhead Removals (Credit)	\$ 773,135	\$ 77,313	\$ 850,448
<b>BILLABLE TOTAL</b>	<b>\$ 2,523,752</b>	<b>\$ 252,376</b>	<b>\$ 2,776,128</b>

Please contact Ilario Romano or me with any questions or concerns.

Sincerely,



Kelli Fitzgerald  
 Franchise Planning & Project Management  
 Manager  
 M 858.239.5764



cc:

Joe Gabaldon – SDG&E | Regional Public Affairs | Senior Public Affairs Manger  
 Kate Loreda, PMP – SDG&E | Design & Proj Mgmt | Franchise Project Manager  
 Ilario Romano, PMP – SDG&E | Design & Proj Mgmt | Franchise Project Manager



May 5, 2025

Martin Boyd  
City of Del Mar  
1050 Camino Del Mar  
Del Mar, CA 92014

**RE: City of Del Mar | Rule 20B | District X1A – Crest Canyon | Revised Preliminary Cost Estimate**

Thank you for your continued partnership with San Diego Gas & Electric (SDG&E) to underground our overhead electric power lines to help improve community aesthetics and meet our commitment to provide clean, safe and reliable energy to our customers. This responds to your request for a revised preliminary cost estimate for the City of Del Mar's Crest Canyon (District X1A) Rule 20 project, following the final pre-construction estimate for the Stratford Ct. South (District 1A) coming in lower than initially projected.

Crest Canyon (District X1A) is a Rule 20B project and will utilize an Actual Cost Billing Contract, whereby in advance of construction SDG&E will collect from the City an amount equal to the estimated cost of the conversion work computed in accordance with its Filed Rule on "Replacement of Overhead with Underground Facilities", including engineering fees. The conversion work will be tracked and billed on an actual cost basis, meaning that all costs will be reconciled at completion of the work and SDG&E will bill or refund to the City any differences larger than \$100.00.

Please note, SDG&E is providing the following cost estimates for reference purposes only and makes no representations, warranties or promises regarding the accuracy, timeliness, quality or completeness of the estimates. Estimates are based on known, current information and existing circumstances. SDG&E will not be liable for any damages, causes of action or losses arising or claimed to arise out of the use of these estimates.

**District X1A | Crest Canyon | Preliminary Cost Estimate**

Description.	Preliminary Estimate	Contingency (30%)	Total
Cable & Connections	\$ 2,529,509	\$ 758,853	\$ 3,288,362
Cable Pole installation	\$ 278,778	\$ 83,633	\$ 362,411
Service Cutovers	\$ 336,285	\$ 100,885	\$ 437,170
Overhead Removals (Non-Billable)	\$ 1,112,655	\$ 333,796	\$ 1,446,451
<b>Subtotal Electric Scope</b>	<b>\$ 4,257,226</b>	<b>\$ 1,277,168</b>	<b>\$ 5,534,394</b>
Less Overhead Equivalent (Credit)	\$ 319,888	\$ 95,966	\$ 415,854
Less Overhead Removals (Credit)	\$ 1,112,655	\$ 333,796	\$ 1,446,451
<b>BILLABLE TOTAL</b>	<b>\$ 2,824,684</b>	<b>\$ 847,405</b>	<b>\$ 3,672,089</b>

Please contact Ilario Romano or me with any questions or concerns.

Sincerely,

Kelli Fitzgerald  
 Franchise Planning & Project Management  
 Manager  
 M 858.239.5764



cc:

Joe Gabaldon – SDG&E | Regional Public Affairs | Senior Public Affairs Manger  
 Kate Loreda, PMP – SDG&E | Design & Proj Mgmt | Franchise Project Manager  
 Ilario Romano, PMP – SDG&E | Design & Proj Mgmt | Franchise Project Manager

### UUD X1A Estimated Total Project Costs (02-7000-7203)

Does not include costs for internal staff time or necessary City personnel for project management

Work Categories	District Formation Budget 7-12-21	Budget as of 10-16-23	UP Update Budget 11-18-24	Pre-Bid Budget 6-2-25	Contract Award Budget 9-8-25
<b>Pre-Construction Phase - Professional Services</b>					
<b>Utility Specialists - Pre-Construction Services (Includes US, KCM, Fuscoe)</b>	\$663,985	\$731,085	\$893,692	\$910,652	\$910,652
1. City and Agency Coordination	\$27,820	\$45,440	\$56,600	\$56,600	\$56,600
2. District X1A Design	\$542,015	\$591,495	\$717,416	\$722,591	\$722,591
3. Resident Interface and Project Status Tracking	\$56,160	\$56,160	\$81,686	\$87,656	\$87,656
4. Public Bidding Support	\$37,990	\$37,990	\$37,990	\$43,805	\$43,805
<b>City Arborist Review</b>	\$5,000	\$5,000	\$3,525	\$3,525	\$3,525
<b>Environmental Review</b>	\$18,500	\$52,588	\$52,588	\$52,588	\$52,588
<b>Additional Pre-Construction Services</b>	\$7,000	\$7,000	\$5,000	\$5,000	\$5,000
<b>Subtotal for Pre-Construction Professional Services</b>	<b>\$694,485</b>	<b>\$795,673</b>	<b>\$954,805</b>	<b>\$971,765</b>	<b>\$971,765</b>
<b>Utility Companies - Estimates for City Paid Design and Construction Costs</b>					
<b>SDG&amp;E</b> 7-12-21 and 10-16-23 estimated by Staff based on UUD Tewa per LF of overhead and then trench. 11-18-24 estimated by Staff based on UUD 1A per LF of trench. 6-2-25 & 9-8-25 estimate provided by SDG&E.	\$1,324,736	\$1,378,650	\$5,543,229	\$3,672,089	\$2,776,128
<b>AT&amp;T</b> 7-12-21 estimated by Staff based on UUD Tewa. 10-16-23 to current updated based on UUD X1A specific including contingency.	\$993,552	\$223,560	\$238,788	\$238,788	\$238,788
<b>Spectrum/Charter</b>	\$408,793	\$0	\$0	\$0	\$0
<b>Crown Castle</b>	\$0	\$0	\$0	\$0	\$0
<b>Subtotal for Utility Company Costs</b>	<b>\$2,727,081</b>	<b>\$1,602,210</b>	<b>\$5,782,017</b>	<b>\$3,910,877</b>	<b>\$3,014,916</b>
<b>Construction Phase</b>					
<b>City's General Contractor</b> (Actual amount will be determined via City bid process). 7-12-21 estimate based on \$120/LF of overhead. 10-16-23 estimate based on UUD Tewa \$344.40/LF of trench. 11-18-24 & 4-21-25 estimate based on engineer's estimate using UUD 1A bids. 9-8-25 based on actual bids.	\$1,344,000	\$4,946,639	\$8,836,700	\$8,937,074	\$7,128,770
<b>Construction Management and Support</b> (18-month construction) 7-12-21 for as needed for duration of construction. 10-16-23 to current for full-time for City construction and as-needed for remainder.	\$240,680	\$624,860	\$624,860	\$687,346	\$663,280
<b>Additional Construction Management Services</b> For any additional professional services during construction (geotechnical / environmental)	\$60,170	\$80,140	\$122,594	\$255,853	\$243,033
<b>Subtotal for Construction Phase</b>	<b>\$1,644,850</b>	<b>\$5,651,639</b>	<b>\$9,584,154</b>	<b>\$9,880,273</b>	<b>\$8,035,083</b>
<b>Project Contingency</b> 10% of Construction Phase Costs at City Contract Award	\$0	\$0	\$1,466,982	\$988,027	\$712,877
<b>Measure Q Credits to CIP Projects</b>					
<b>San Dieguito Drive Improvements Project</b>					\$22,000
<b>Crest Canyon Asphalt Improvements Project</b>					\$23,200
<b>Subtotal for Construction Phase</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$45,200</b>
<b>Total Project Estimate for UUD X1A</b>	<b>\$5,066,416</b>	<b>\$8,049,522</b>	<b>\$17,787,957</b>	<b>\$15,750,942</b>	<b>\$12,779,841</b>

#### Notes:

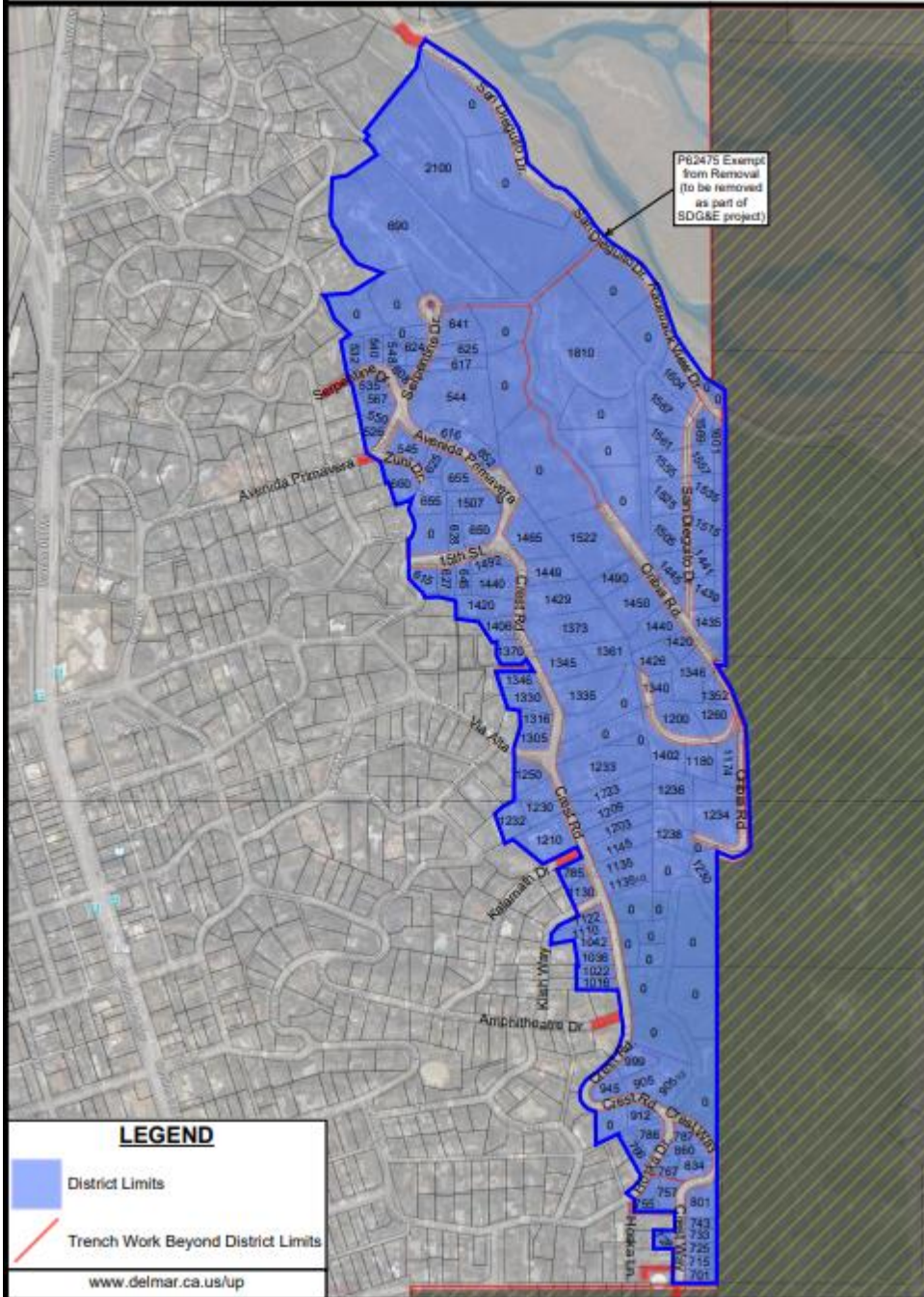
- (1) The pre-bid budget shown in the table has been revised to 6/2/25, reflecting the most recent SDG&E pre-bid cost estimate received by the City. Previously, on 4/21/25, the City reported an earlier SDG&E pre-bid estimate of \$4.89 million and a total project budget of \$16.97 million.
- (2) The contract award budget has been updated to incorporate SDG&E's final cost estimate received on 9/5/25, prior to construction.

# Item 9: Consideration of San Diego Gas & Electric Cost Agreement for the Crest Canyon (X1A) Utility Undergrounding District

City Council  
September 22, 2025







*Location: Portions of San Dieguito Drive, Oribia Road, and Crest Road*

- 77 Poles
- 12,520 LF of Overhead
- 19,610 LF Trenching
- 80 Laterals
- 152 properties
- 114 residences

# Background

- Public Bidding Process from July to August 2025
- On September 8, 2025, the City Council awarded a construction contract to TC Construction Company, Inc. for \$7,128,770, approved related task orders for construction support services totaling \$906,313, and authorized \$712,877 in project contingency.
- The City's undergrounding construction activities are primarily for trenching and installation of conduit and substructures (*12 months*). October 2025 to October 2026.
- Homeowners' installation of private service laterals (*2 months*).
- Cable and connections, services cutovers, cable poles, and overhead removals by the utility companies.
- Overall project completion, including pole removals, is expected by Spring 2027, pending confirmation of utility company schedules.

# SDG&E Costs for Crest Canyon (X1A)

## District X1A | Crest Canyon | Preliminary Cost Estimate

Description.	Preliminary Estimate	Contingency (30%)	Total
Cable & Connections	\$ 2,529,509	\$ 758,853	\$ 3,288,362
Cable Pole installation	\$ 278,778	\$ 83,633	\$ 362,411
Service Cutovers	\$ 336,285	\$ 100,885	\$ 437,170
Overhead Removals (Non-Billable)	\$ 1,112,655	\$ 333,796	\$ 1,446,451
<b>Subtotal Electric Scope</b>	<b>\$ 4,257,226</b>	<b>\$ 1,277,168</b>	<b>\$ 5,534,394</b>
Less Overhead Equivalent (Credit)	\$ 319,888	\$ 95,966	\$ 415,854
Less Overhead Removals (Credit)	\$ 1,112,655	\$ 333,796	\$ 1,446,451
<b>BILLABLE TOTAL</b>	<b>\$ 2,824,684</b>	<b>\$ 847,405</b>	<b>\$ 3,672,089</b>

## District X1A | Crest Canyon | Final Cost Estimate

Description.	Final Estimate	Contingency (10%)	Total
Cable & Connections	\$ 1,943,335	\$ 194,334	\$ 2,137,669
Cable Pole installation	\$ 626,316	\$ 62,632	\$ 688,948
Service Cutovers	\$ 273,989	\$ 27,399	\$ 301,388
Overhead Removals (Non-Billable)	\$ 773,135	\$ 77,313	\$ 850,448
<b>Subtotal Electric Scope</b>	<b>\$ 3,616,775</b>	<b>\$ 361,678</b>	<b>\$ 3,978,453</b>
Less Overhead Equivalent (Credit)	\$ 319,888	\$ 31,989	\$ 351,877
Less Overhead Removals (Credit)	\$ 773,135	\$ 77,313	\$ 850,448
<b>BILLABLE TOTAL</b>	<b>\$ 2,523,752</b>	<b>\$ 252,376</b>	<b>\$ 2,776,128</b>

# SDG&E Costs Comparison

- SDG&E costs for Crest Canyon has a cost per linear foot of joint trench of **\$161**
- Tewa Ct/10th St and Stratford Court South (1A) costs per linear foot of joint trench were **\$223** and **\$145**, respectively, when adjusted for inflation
- Unlike Stratford Court South (1A), the Crest Canyon project includes cable poles, which increase overall costs by **\$688,948**
- Cable pole work is required as part of the project at transition points between the new underground system and the existing overhead system.
- When this cost is excluded, the cost per linear foot of joint trench is **\$121**, which is actually less than Stratford Court South (1A).

# Project Costs for Crest Canyon (X1A)

- The updated total project cost is estimated at **\$12.78 million**, based on City and SDG&E bids.
- Down from **\$15.75 million** (June 2025) which is a **\$2.97 million** decrease since pre-bid estimates.
- **\$1,021** per linear foot of overhead conversion and **\$652** per linear foot of joint trench
- Tewa Ct/10th St and Stratford Court South (1A) costs per linear foot of joint trench were **\$864** and **\$753**, respectively, when adjusted for inflation

## Requested Action/Recommendation:

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Staff recommends the City Council approve the San Diego Gas & Electric (SDG&E) Cost Agreement for the Crest Canyon (X1A) Utility Undergrounding District with a cost of \$2,776,128 (Attachment A) and authorize the City Manager to execute the Agreement.