



City of Del Mar Staff Report



TO: Honorable Mayor and City Council Members

FROM: Mohsen Maali, Deputy Public Works Director
Kristen M. Crane, Assistant City Manager
Via Scott W. Huth, City Manager

DATE: October 1, 2018

SUBJECT: Update on Citywide Utility Undergrounding Project (UP) and Discussion of Utility Project Undergrounding Advisory Committee (UUPAC) Recommendations

REQUESTED ACTIONS:

Receive the presentation, approve the recommendations from UUPAC, and direct staff to continue forward with the Citywide Utility Undergrounding Project.

DISCUSSION/ANALYSIS:

Background

The Council's Vision 2020 plan, which involved extensive surveys of the community, identified undergrounding of utilities as a top priority for the City, with the goal of converting every residential overhead utility line in Del Mar to underground service.

In November 2016, Del Mar voters approved an additional one-cent general sales tax, referred to as Measure Q. It has been widely discussed that one of the projects that should be funded using revenue from the additional sales tax revenue is community-wide undergrounding of utility poles. In April 2017, collection of this additional sales tax began and was estimated to generate approximately \$1.8 million annually. The current estimate for revenue in FY 2018-2019 is \$2,154,000.

In December 2017, the City Council formed the UUPAC to ensure the Undergrounding Project (UP) moves forward in a timely manner and that the goals of the project are achieved. The Committee is one component of the Utility Undergrounding Project Team (Team) that includes City staff, neighborhood representatives, City Council liaisons, utility companies, and consultants.

In March 2018, eight out of nine members were appointed to serve on UUPAC. Since March 2018, UUPAC has played an increasingly active role assisting staff with formulating a framework for the project by addressing many important policy questions and identifying recommendations for the City Council's consideration. UUPAC divided into three working subcommittees focused on scheduling and process, communications, and project finance/budget.

City Council Action:

IT WAS MOVED BY COUNCIL MEMBER HAVILAND, SECONDED BY COUNCIL MEMBER PARKS TO ENDORSE STAFF RECOMMENDATION, AND REQUEST THAT PUBLIC HAZARD AND SAFETY BE GIVEN HIGHER PRIORITY, AND REIMBURSEMENT AT STAFF LEVEL. (VOTE 4-0)

Ayes: Mayor Worden, Deputy Mayor Druker, Council Members Haviland and Parks; Noes: None;

Absent: Council Member Sinnott; Abstain: None

UUPAC Recommendations

Twenty-two recommendations have been made by UUPAC for City Council consideration to shape how the project moves forward. The recommendations were formulated by each of the three subcommittees and reviewed with/endorsed by the entire UUPAC in preparation for presentation to the City Council. The recommendations are included in Attachments A, B and C.

While some of the recommendations present a general approach but require the development of more specificity, others are ready for City Council consideration and acceptance (identified with a bold, red "A"). Those poised for further refinement following the start of detailed work by the Consultant and when new information becomes available are identified with a bold, red "B". While staff will present future modifications of the "B" items to the City Council for approval, staff seeks approval of the "A" items as part of the direction in moving forward.

Work and recommendations of each of the three subcommittees is summarized as follows:

- *Scheduling Subcommittee* - To plan, prioritize, and schedule undergrounding projects, the Scheduling Subcommittee made seven guiding recommendations regarding prioritization methodology, project grouping, project scope, Consultant procurement, logistics for service laterals, coordination with City Capital Improvement Program (CIP) projects, and development of a project delivery plan. Recommendations are included as Attachment A.
- *Finance/Budget Subcommittee* - To address the funding and financial aspects of the UP, the Finance/Budget Subcommittee made nine recommendations that cover the following areas: overall project budget, financing options, cash flow forecast, use of California Public Utilities Commission (CPUC) Rule 20 Money, financing options for service lateral conversions, means to address non-paying/non-complying homeowners, financial responsibilities of the utility companies, and previously privately-designed/converted undergrounding projects. Recommendations are included as Attachment B.
- *Residential Communication/Education Subcommittee* - To address public information, outreach, and community-related issues, the Residential Communication/Education Subcommittee made six recommendations, including a recommendation that the project be referred to as the "Undergrounding Project" or "UP," development of a recommended communications framework identifying different communication methods for different phases/target audiences, a recommended list of Frequently Asked Questions (FAQs) to use as part of the communications effort, developed a project icon for branding, identified recommendations to enhance the UP page on the City website, and came up with protocols for release of information. Recommendations are included as Attachment C.

Staff has worked with each of the three subcommittees, participating in all of their working group meetings, and concurs with the recommendations. If the City Council accepts the UUPAC's recommendations, that policy direction will be incorporated into the direction staff gives the Consultant as they develop the Project Delivery Plan. The timing of these decisions at this point are critical to keeping UP moving forward in a timely manner.

Additionally, staff worked closely with UUPAC on the scope of work for the recruitment of a project management consultant, and two UUPAC members participated in the selection process. A separate item on the agenda for the October 1, 2018 City Council meeting pertains to this topic and recommended award of a consulting contract to proceed with next steps of the UP.

Next Steps

The high-level project timeline for the next five years is as follows:

Project Step	Fiscal Year
Project organization and development of implementation guidelines	2018-2019
Select and hire a project management Consultant	2018-2019
Develop the Project Delivery Plan (Master Plan)	2018-2019
Prepare Construction-Ready Project(s) for Implementation (Early Birds)	2018-2019
Begin Construction of "Early Bird" Projects	2019-2020
Design One New Project	2019-2020
Design and Construct Remaining Projects per Master Plan	2020-2021 and Beyond

FISCAL IMPACT

While there is no direct fiscal impact associated with this item, staff would like to make the City Council aware of the following important information:

- Significant staff time working on this project will be redirected from other Council priorities until the new Consultant is on board.
- Due to the many variables involved and based on the information currently known, the citywide undergrounding conversion could significantly exceed the 2016 Consultant's costs estimate of \$21,000,000 for the life of the program. One of the new Consultant's key tasks will be to evaluate the variables, refine the program cost estimate, and develop a reasonable forecast of the budgetary requirements.
- The expected initial two-year budgetary requirements from Measure Q money (Account 40-6414.5900) is as follows:
 - FY 2018-2019 \$424,500
 - FY 2019-2020 \$2,504,000

These estimates will be revisited once the Consultant is on board and has put together a new costs estimate in working with staff, UUPAC and Finance Committee.

ENVIRONMENTAL IMPACT:

This item is not subject to CEQA review.

PRIOR CITY COUNCIL REVIEW:

On December 4, 2017, the City Council established the UUPAC. On September 7, 2018, the City Council established a budget for Fiscal Year 2018-2019 for Measure Q monies, which included the UP.

NEXUS TO CITY COUNCIL GOALS AND PRIORITIES:

The UP is a City Council priority project.

ATTACHMENTS:

Attachment A – UUPAC – Scheduling Subcommittee Recommendations

Attachment B – UUPAC – Finance/Budget Subcommittee Recommendations

Attachment C – UUPAC – Communications/Education Subcommittee Recommendations

UTILITY UNDERGROUNDING PROJECT ADVISORY COMMITTEE

RECOMMENDATIONS

City Council Staff Report
Attachment A
Undergrounding Project Report
October 1, 2018

The UUPAC's recommendations include 22 key items in three different areas, many of which require additional detailed work to refine, while others are ready for adoption. Therefore, they are noted in this attachment as follows:

- (A) Adopt Now
- (B) Approve Now (subject to future refinement)

SCHEDULING SUBCOMMITTEE RECOMMENDATIONS

1. Prioritization Methodology (B)

- a) The draft criteria generated by the Undergrounding Project (UP) Scheduling Subcommittee, included as attached Exhibit A, outlines the framework for scoring and prioritizing projects. However, the proposed criteria still needs to be expanded into a policy for the following reasons:
 - 1. A policy would guide the City Council and staff in UP deliberations e.g., scheduling projects.
 - 2. A policy would establish a planning process ultimately leading to decisions that optimize use of available resources for projects competing for completion, resulting in maximum benefit from projects delivered.
 - 3. A policy would address consideration for the criteria/factors which have been identified by the group, including Citizen Density (Service Level), SDG&E Hazard Assessment (Safety), Efficiency, Total Cost (Value), Other City Projects, and Construction Readiness. Exhibit A includes the worksheet with the Criteria, Weights (Points), and Guidelines to assign points.
 - 4. A policy would also provide guidelines and procedures to maintain consistency in application across UP delivery, by requiring specific scoring methodology using a more objective scoring tool.
- b) Individual projects or a group of projects (e.g., predesignated districts/blocks) will have to compete for timing of completion because it is not feasible to complete them all simultaneously.
- c) Prior to inclusion in the CIP Budget, a simple high-level project score will be developed to aide in the determination of whether or not the project will be included in the next fiscal year CIP Budget. Once included in the CIP Budget, projects will compete only with projects within the same level of completion or project development phase (i.e., Planning, Design, and Construction).
- d) Project Priority Scores will be updated as the condition of the project changes or other information becomes available.
- e) Low scoring projects may proceed due to unique restrictions approved by the Council.
- f) Projects that have been already designed by SDG&E in working directly with property owners may proceed as soon as possible unless SDG&E's capacity to deliver dictates otherwise. However, once other projects in the earlier stages of development reach the design phase, they all will be treated equally i.e., subject to prioritization process.

UTILITY UNDERGROUNDING PROJECT ADVISORY COMMITTEE

RECOMMENDATIONS

City Council Staff Report
Attachment A
Undergrounding Project Report
October 1, 2018

2. Best Logical Undergrounding Zones or Neighborhoods (B)

- a) Currently, the only way identified to group the poles into individual projects is the approach the previous consultant (Utility Specialists) has taken in terms of “blocks.” The recommendation is to start the work (e.g., districting and prioritizing) with that definition and adjust as needed in the future based on the site conditions or other considerations.
- b) Blocks currently refer to a group of poles that have been identified as independent of each other based on logical termination points in the overhead circuitry, so each project can be constructed and energized independent of each other.

3. Coordinate Plans with City CIP projects (A)

Delay the City’s planned CIP (except urgent work) e.g., paving until after undergrounding trenching. If the trenching is far into the future i.e., more than 3 years, the CIP work may proceed as planned.

4. UP Consultant Procurement (A)

Procure the full services of a consultant to take the lead in managing and coordinating the undergrounding project. UPAC should take part in the evaluation process.

5. Full Scope of Program (A)

The scope of conversion should include the entire City and all types of third party overhead utilities e.g., transmission, distribution, communication, and related appurtenances.

6. Logistics for Work on Private Property (A)

- a) Develop a contractor referral service e.g., short-listed, pre-qualified list of contractors as an option for the homeowners to address conversion work on the private side (e.g., service laterals). Homeowners will have to contract directly with the contractor. (A)
- b) Negotiate basic scope and rates with the trenching contractors in advance. (A)
- c) **All expenses on private property will be the sole responsibility of the property owner. The City will not be responsible for any work performed on private property. (B)**
- d) For property owners that are in need of financial assistance, the City will explore options that may be made available to property owners. (A)

7. Project Delivery Plan/Master Plan Requirements (B)

A Project Delivery Plan/Master Plan should be developed, which would be a multi-year document that guides undergrounding of the overhead utilities within the City limits. The Project Delivery Plan should include analysis and recommendations for all aspects of the UP, such as policy formulation, project grouping, prioritization, goal setting, funding, scheduling, public outreach, implementation, and tracking UP projects. This should be one of the initial tasks assigned to the Consultant.

UTILITY UNDERGROUNDING PROJECT ADVISORY COMMITTEE

RECOMMENDATIONS

City Council Staff Report

Attachment A

Undergrounding Project Report

October 1, 2018

Exhibit A

(A) Order of Priority	(B) Factor/Criteria	(C) Unit of Measure	(D) Weight (%)	(E) Guidelines	(F) Awarded Points	(G) = (D) x (F) Score (Points)	(H) Description
1	Citizen Density (or Service Level)	<ul style="list-style-type: none"> Dwelling Units Served / Pole 	30	5 Pts for every Housing Unit			This factor is a measure of the number of meters (or housing units) served by the number of poles proposed to be removed.
2	Efficiency	<ul style="list-style-type: none"> # of Poles/Project/Year 	20	<15 Poles: 5 15-25: 10 Pts >25: 15 Pts			This is a measure of the speed and ease of construction operation considering mostly site conditions e.g., work space, topography, etc.
3	Construction Readiness	<ul style="list-style-type: none"> High: Design @ 90% to 100% Medium: Design @ 50% to 90% Low: Design @ <50% 	20	High: 15 Pts Med: 10 Pts Low: 5 Pts			This factor measures how ready the project is for construction primarily based on design completeness and to some degree the funding availability.
4	SDG&E Hazard Assessment (Safety)	<ul style="list-style-type: none"> High Medium Low 	10	High: 15 Pts Med: 10 Pts Low: 5 Pts			This factor considers the presence of hazard and/or prevention e.g., pole condition measures e.g., disconnect switches in place to minimize risks e.g., fire.
5	Total Cost (or Value)	<ul style="list-style-type: none"> \$/LF of Trenching 	10	<\$400: 15 Pts \$400-\$600: 10 Pts >\$700: 5 Pts			This factor measures the investment value in \$ spent per each pole.
6	Other City Projects (Opportunity)	<ul style="list-style-type: none"> High: High Leverage Medium: Moderate Leverage Low: Minimal or No leverage 	10	High: 15 Pts Med: 10 Pts Low: 5 Pts			This criterion evaluates the opportunity for bundling undergrounding projects with the other City's PW projects.
TOTAL			100				

UTILITY UNDERGROUNDING PROJECT ADVISORY COMMITTEE

RECOMMENDATIONS

City Council Staff Report
Attachment B
Undergrounding Project Report
October 1, 2018

FINANCE SUBCOMMITTEE RECOMMENDATIONS

1. Overall Project Budget (B)

Adopt the two-year budget forecast including the Fiscal Year 2018-2019 budget previously approved by the Finance Committee and the FY 2019-2020 forecast submitted to the Finance Committee. See attached Exhibit A.

2. Financing Options (A)

Pay cash through Measure Q funds and supplement the remaining need through financing, which is consistent with the Measure Q Funding Strategy approved by the Finance Advisory Committee. See attached Exhibit B.

[Note from Staff: Staff will not proceed with financing until the Project Delivery Plan is complete and approved by the City Council, which will include a financing plan.]

3. Cash Flow Forecast (A)

Follow the General Fund format and process for long-term forecasting and planning.

4. Rule 20 Money (A)

Staff should to explore the possibility of using Rule 20 money (available through SDG&E for certain types of eligible projects) to reduce the overall costs of the UP in the most efficient way. Pooling Rule 20 money to compensate qualified homeowners is an example. See (6) below.

5. Finance for Service Lateral Conversions (B)

Service lateral conversions on the private property are the responsibility of the homeowners due to the legal requirements associated with public funds, such as Measure Q money.

6. Means to Address Non-Paying Homeowners (A)

City (through the selected Consultant) will develop for City Council consideration options for programs to assist qualified homeowners who need financial assistance.

7. Non-Complying Homeowners (B)

Regarding non-compliance, the City will explore legal options for fronting the cost and collecting it later (e.g., via levied assessment and lien, or the placement of a lower pole on the non-compliant site to facilitate the progress on an undergrounding project in that neighborhood).

8. Financial Responsibilities of Utilities (A)

Staff will clearly identify the financial responsibilities of all utilities with help from the Consultant and document the results in the project files e.g., Project Delivery Manual.

9. Privately Implemented UP Areas (currently six) (A)

There will be no reimbursement for undergrounding works completed by homeowners prior to, during, or after the formation of the UPAC committee (i.e., work performed within the City's Right of Way by private entities that is generally under the City's purview and cannot be delegated). Following is a list of justifications:

- The work was not completed in compliance with the contracting and labor laws that City's projects funded with public funds are subject to.
- It is not feasible to go back and separate and identify costs that could potentially be eligible or to verify the work was let for bid and awarded properly.

UTILITY UNDERGROUNDING PROJECT ADVISORY COMMITTEE
RECOMMENDATIONS

City Council Staff Report
Attachment B
Undergrounding Project Report
October 1, 2018

- It is unknown how to define the qualified owner such as current owner, previous owner, or even future one.
- The homeowners have already benefited from the investment and received contributions (i.e., resources) from the City during the work.
- There is no way of knowing if the costs spent were well spent and the City would get a good value.

**UTILITY UNDERGROUNDING PROJECT ADVISORY COMMITTEE
RECOMMENDATIONS**

City Council Staff Report
Attachment B
Undergrounding Project Report
October 1, 2018

Exhibit A

PROPOSED 2-YEAR UNDERGROUNDING BUDGET

	FY 2019	FY2020
<i>ITEM</i>	AMOUNT	AMOUNT
<i>City Project Staffing</i>	\$60,000	\$83,000
<i>Legal</i>	\$4,500	\$15,000
<i>Undergrounding Consultant</i>	\$150,000	\$100,000
<i>GIS Consultant</i>	\$10,000	\$2,000
<i>SDG&E Design Fee Deposit</i>	\$86,000	TBD
<i>SDG&E Design Fee Balance</i>	\$114,000	TBD
<i>Sub-Total</i>	\$424,500	\$200,000
<i>Construction</i>	\$0	\$2,304,000 (A)
<i>Total</i>	\$424,500	\$2,504,000

(A) This figure was based on an “All-in Cost” of \$600 per linear foot multiplied by 3,840 linear feet of main trench work anticipated to be shovel ready. This figure may vary based on the projects that are ready for construction in FY 2019-2020, pending project prioritization and available capacity.

**UTILITY UNDERGROUNDING PROJECT ADVISORY COMMITTEE
RECOMMENDATIONS**

City Council Staff Report
Attachment B
Undergrounding Project Report
October 1, 2018

Exhibit B

Measure Q Funding Strategy
August 21, 2018

Motion by the Finance Committee (Unanimously Approved)

- 1) That the Council pass a Resolution to dedicate the use of Measure Q funds for the costs associated with Streetscape, City-wide Undergrounding Project and Shores Park Master Plan / development. The funds would be dedicated to these projects until they are completed at which time the funds may be used for other City needs as directed by City Council.
- 2) That the City Council set up a separate fund specifically for Measure Q. This Measure Q Fund would be separate from the General Fund for the purpose of accounting and financing. It would be established as a Governmental fund similar to CIP and would be funded by transferring all Measure Q Revenues from the General Fund to the Measure Q Fund.
- 3) That the management of the Measure Q Funds will include the following controls:
 - a) Maintain a projected Cash Flow model for all Measure Q projects;
 - b) Maintain a cash reserve of \$500,000;
 - c) Minimize Debt whenever possible; and
 - d) Use short-term loans to cover funding shortfalls (such as for the Streetscape project in FY 2019).

**UTILITY UNDERGROUNDING PROJECT ADVISORY COMMITTEE
RECOMMENDATIONS**

City Council Staff Report
Attachment C
Undergrounding Project Report
October 1, 2018

COMMUNICATION SUBCOMMITTEE RECOMMENDATIONS

1) Name/Titles (A)

Recommendation: Use the following Titles and Acronyms in future communication and key official documents such as Charter:

- *Undergrounding Project (UP)*
- *Undergrounding Project Advisory Committee (UPAC)*

2) Communication Framework (A)

Recommendation: To guide and provide a consistent approach to communication with public, the Subcommittee recommends using the attached structure. See Exhibit A.

3) Develop Frequently Asked Questions (FAQs). See attached for draft (B)

Recommendation: Develop FAQ to for the City website to help clarify the program and minimize inquiries. See attached draft as Exhibit B.

4) UP Icon (A)

Recommendation: The Communications Subcommittee recommends use of an icon for the UP attached as Exhibit C to help give the project its own identity. The icon would be used in conjunction with the City-approved "City of Del Mar"/Torrey Pine logo.

5) Redesign of the UP Page on the City Website (A)

Recommendation: Re-design and develop the UP page on the City web site to serve as the information hub. See attached Exhibit D for the overall structure. Exhibit E is the current project page from the City's web site.

6) Information Release Protocol (A)

Recommendation: All communications should be cleared through staff or City Council.

UTILITY UNDERGROUNDING PROJECT ADVISORY COMMITTEE

RECOMMENDATIONS

City Council Staff Report
Attachment C
Undergrounding Project Report
October 1, 2018

Exhibit B

Frequently Asked Questions

1. Measure Q will fund the citywide project of undergrounding the utility poles and wires. How will I find out when poles in my area will be removed?

The City will prioritize the individual projects using a methodology approved by the City Council. The City will post the schedule information on the City website as it becomes available.

2. Will Measure Q cover the costs of running the power from the undergrounded utilities to my home?

Measure Q money will pay for the undergrounding of overhead utilities within the City's right-of-way. The homeowners will pay for the cost of converting and connecting the overhead utilities from the property line to the service connection at the house i.e., laterals.

3. How much will these 'laterals' cost me?

The cost varies depending on the site condition e.g., on how far the lines need to run and any obstacles or surface improvements. For planning and budgeting purposes individual homeowners' cost should range from \$2500 to \$5,000. There are also City of Del Mar permit fees yet to be determined.

4. If I cannot afford to pay for these laterals, how can I get assistance?

The City will work with the homeowners to provide resources for securing financing. Guidelines for qualification will be established.

5. Who decides which areas of the City get undergrounding?

Staff will prioritize the projects using the prioritization process recommended by the Utility Undergrounding Advisory Committee and approved by the City Council.

6. If my area timetable is too far out for me, can I go on and underground myself?

Yes. However, since undergrounding work is under the purview of the City, it cannot be delegated. Timing is also subject to SDG&E's capacity. Municipal services for which the City is responsible will not be delegated to others without due process. Therefore, any independent work may not be compensated with public funds such as Measure Q money.

7. I have just recently undergrounded my poles. Can I get reimbursed?

The City will not reimburse those properties that have previously undergrounded at their own expense. The City will not reimburse those homeowners who have expended funds currently and are in the process to underground. The City will only take over the financial responsibility for work within the City's right-of-way going forward as scheduled by the City. Privately-initiated and led efforts within the City's

UTILITY UNDERGROUNDING PROJECT ADVISORY COMMITTEE

RECOMMENDATIONS

City Council Staff Report

Attachment C

Undergrounding Project Report

October 1, 2018

right-of -way do not qualify for compensation as the work falls within the City's purview and may not be delegated. Following are some of the reasons for this:

- ***The work was not completed in compliance with the contracting and labor laws that City's projects funded with public funds are subject to.***
- ***It is not feasible to go back and separate and identify costs that could potentially be eligible or to verify the work was let for bid and awarded properly.***
- ***It is unknown how to define the qualified owner such as current owner, previous owner, or even future one.***
- ***The homeowners have already benefited from the investment and received contributions (i.e., resources) from the City during the work.***
- ***There is no way of knowing if the costs spent were well spent and the City would get a good value.***

8. What is the timeline, once a neighborhood has been selected for the poles to come down?

An overall master plan timeline is expected to be ready by January 1, 2019. The implementation will be in approximately 15 projects.

The design phase for each project by SDG&E, in conjunction with other utilities, requires 6-12 months. Following design another 12-18 months will be required to advertise, complete construction, and switch over. While the project is being designed, the neighborhood will meet, select a team captain, and review the details of the project with the City staff.

9. Will the City be adding any of their planned projects for the community into each of the approved undergrounding projects?

The City is evaluating all of its projects in an effort to coordinate with the undergrounding projects to potentially consolidate the work and save money and minimize neighborhood disruption in the process. However, these other City projects will not slow any approved undergrounding project except in an emergency case where public safety and well-being always takes precedence.

10. If I have further questions, whom should I contact?

The City has established an email address to receive, distribute, and respond to inquiries. The address is UP@delmar.ca.us. Also, when specific neighborhoods have been identified for undergrounding, a 'team captain' from the neighborhood will be identified to act as a point of contact and to distribute information.

**UTILITY UNDERGROUNDING PROJECT ADVISORY COMMITTEE
RECOMMENDATIONS**

City Council Staff Report
Attachment C
Undergrounding Project Report
October 1, 2018

Exhibit C



UTILITY UNDERGROUNDING PROJECT ADVISORY COMMITTEE

RECOMMENDATIONS

City Council Staff Report

Attachment C

Undergrounding Project Report

October 1, 2018

Exhibit D

Utilities Undergrounding Program Home (Website Framework)

1. **Overview/ History**
2. **Underground Process**
 - a. Process Flow
 - b. Project Planning
 - Delivery Plan
 - Facility Maps
 - Staff Reports
 - Studies
 - c. Public Hearing Process
 - d. Design Process
 - e. Notification Process
 - f. Construction of Undergrounding Process
 - g. Post Construction
3. **Documents**
 - a. Ordinance
 - b. Policies
4. **Project Updates**
5. **Resources**
 - a. Prequalified Undergrounding Contractors
 - b. Financial Assistance Programs
6. **FAQs**
 - a. Cost
 - b. Schedule
 - c. Financial Responsibility
 - d. Private Undergrounding
 - e. Work on Private Property Options
 - f. Funding Sources e.g., Rule 20 and Measure Q
7. **Contact Information**

UTILITY UNDERGROUNDING PROJECT ADVISORY COMMITTEE
RECOMMENDATIONS

City Council Staff Report
Attachment C
Undergrounding Project Report
October 1, 2018

The screenshot shows the Del Mar website interface. At the top is the Del Mar logo and a search bar. Below is a green navigation bar with links for City Services, Business, Community, Public Meetings, and How Do I... The main content area is titled 'Undergrounding Project (UP)' and contains the following text and list:

Home > City Services > City Projects > Utility Undergrounding Program

Undergrounding Project (UP)

The Council's Vision 2020 plan, which involved extensive surveys of the community, identified the undergrounding of utilities as a top priority for the City. The City's goal is to convert every residential overhead utility line in Del Mar to underground service.

- In June 2016 a study was also completed by Utility Specialists Southwest, Inc. identifying the estimated cost to underground all remaining utility poles within the City of Del Mar. Here is a [link to the report](#).
- In November 2016, Del Mar voters approved an additional one-cent general sales tax, referred to as Measure Q. It has been widely discussed that one of the projects that should be funded using revenue from the additional sales tax revenue is community-wide undergrounding of utility poles. Collection of this additional sales tax began in April 2017 and is estimated to generate approximately \$1.8 million annually.
- In December 2017, the City Council formed the Undergrounding Project Advisory Committee (UPAC) to ensure UP moves forward in a timely manner and that the goals of the project are achieved. The Committee is one component of the Utility Undergrounding Project Team (Team) that includes City staff, neighborhood representatives, City Council liaisons, utility companies, and utility consultants. Here is a [link to the staff report](#) establishing the UPAC, which includes the committee charter.
- In March 2018, eight members were appointed to serve on the Committee. Here is a [link to the web page](#) for the Committee, which includes committee member names, links to meeting agendas, and the option to subscribe to automatically receive a notification of the posted meeting agenda via email.

For more information about UP, we encourage you to do the following:

1. Visit the committee meetings which are held on the second Thursday of each month at the City Hall.
2. Sign up to receive any email or text message updates from the City at this website link: <https://www.delmar.ca.us/list.aspx>. Once you are either signed in or signed up for the first time, scroll down the page to UP and click the email or telephone icon. You will be then signed up for any information that is released by the City about UP.
3. Send an email to: up@delmar.ca.us for questions or comments.

The sidebar on the left contains the following links:

- Weather Forecast
- Beach Camera
- Del Mar Alerts
- [DRAFT] Underground Process
- [DRAFT] Underground Documents
- [DRAFT] Project Updates
- [DRAFT] Resources
- [DRAFT] FAQs
- [DRAFT] Contact Information
- Add Page
- STAY INFORMED
- AGENDAS & MINUTES
- ONLINE SERVICES
- MUNICIPAL CODE
- BEACHES & PARKS
- REPORT A CONCERN



Undergrounding Project

Status Update & Recommendations

City Council
October 1, 2018



BACKGROUND



842
Services

538 Poles

14 Miles of
Trenches



Current



Future

Utility Undergrounding Project Advisory Committee



- Purpose is making policy recommendations to City Council
- Members appointed by City Council in March 2018
- Committee began meeting in May 2018
- Formed three subcommittees:
 - Scheduling
 - Finance
 - Communications



UUPAC RECOMMENDATIONS

- **7 Scheduling Recommendations**
- **6 Communication Recommendations**
- **9 Finance/Budget Recommendations**

SCHEDULING SUBCOMMITTEE



- 1. Project Scope**
- 2. Project Grouping**
- 3. Consultant Procurement**
- 4. Logistics for Service Laterals**
- 5. Coordination With CIP Projects**
- 6. Project Delivery Plan**
- 7. Prioritization Methodology**



PRIORITIZATION CRITERIA

1. **Citizen Density (# homes)**
2. **Efficiency (speed)**
3. **SDG&E Hazard Assessment (safety)**
4. **Total Cost (value)**
5. **Other City Projects (opportunity)**
6. **Construction Readiness (status)**

FINANCE SUBCOMMITTEE



- 1. Overall Project Budget**
- 2. Financing Options**
- 3. Cash Flow Forecast**
- 4. Rule 20 Money**
- 5. Finance for Service Lateral Conversions**
- 6. Means to Address Non-Paying Homeowners**
- 7. Non-Complying Homeowners**
- 8. Financial Responsibilities of Utilities**
- 9. Privately Implemented UP Areas (early birds)**

UNDERGROUNDING PROJECT BUDGET



	FY 2019	FY2020
ITEM	AMOUNT	AMOUNT
City Project Staffing	\$60,000	\$83,000
Legal	\$4,500	\$15,000
Undergrounding Consultant	\$150,000	\$100,000
GIS Consultant	\$10,000	\$2,000
SDG&E Design Fee Deposit	\$86,000	TBD
SDG&E Design Fee Balance	\$114,000	TBD
Sub-Total	\$424,500	\$200,000
Construction	\$0	\$2,304,000
Total	\$424,500	\$2,504,000

FINANCE SUBCOMMITTEE



- 1. Overall Project Budget**
- 2. Financing Options**
- 3. Cash Flow Forecast**
- 4. Rule 20 Money**
- 5. Finance for Service Lateral Conversions**
- 6. Means to Address Non-Paying Homeowners**
- 7. Non-Complying Homeowners**
- 8. Financial Responsibilities of Utilities**
- 9. Privately Implemented UP Areas (early birds)**

COMMUNICATION SUBCOMMITTEE RECOMMENDATIONS



- 1. Communication Framework**
- 2. Project name references**
- 3. Project Icon / Project Branding**
- 4. City Website Re-Design**
- 5. Frequently Asked Questions**
- 6. Protocol for Information Release**

COMMUNICATION PLAN



Project Phases:

I	II	III
General Del Mar Community	Neighborhoods Preparing For UG (Design Phase)	Neighborhoods Under Construction

Communications Methods

1	Email To Residences		A	A
2	Email To Property Owners		A	A
3	City Web Page	A	B	
4	Newsletter		A	B
	City Manager Weekly Update	A		
5	Community Workshops	B		
6	Door To Door Canvas		B	
7	Neighborhood Meetings		B	B
8	City Hotline	C	C	C
9	Press Releases	B	B	
10	Neighborhood Rep Meetings		A	A

Education Methods

1	City Webpage	A	A	C
2	Handouts / Flyers		B	
3	Community Workshops		C	
4	Neighborhood Meetings		A	B

Priorities
A = Urgent
B = Important
C = Beneficial



COMMUNICATION SUBCOMMITTEE RECOMMENDATIONS

**Project should be referred to as
“Undergrounding Project” or UP**



Recommended Project Icon



ENHANCEMENTS TO PROJECT WEB PAGE



Process

Document Repository

Project Updates

Link to Resources

FAQs

Contact Info

The screenshot displays the Del Mar California website's navigation and content for the Undergrounding Project (UP). The header includes the city logo, social media icons, and a search bar. The main navigation bar lists 'City Services', 'Business', 'Community', 'Public Meetings', and 'How Do I...'. The page title is 'Home > City Services > City Projects > Utility Undergrounding Program'. The main content area is titled 'Undergrounding Project (UP)' and contains a paragraph about the Council's Vision 2020 plan, followed by a bulleted list of project milestones and updates. A sidebar on the left lists various city projects, with 'Utility Undergrounding Program' highlighted. Below the sidebar is a 'STAY INFORMED' section with links for 'AGENDAS & MINUTES', 'ONLINE SERVICES', 'MUNICIPAL CODE', 'BEACHES & PARKS', and 'REPORT A CONCERN'. The bottom of the page includes 'Reference Information' with links to 'City Council Report - 10-1-18 - Undergrounding Project Status Update and Recommendations' and 'City Council Report - 10-1-18 - Award of Contract for Undergrounding Project Consulting Assistance'.

LOOKING AHEAD



Project Step	Fiscal Year
Project organization /develop implementation guidelines	2019
Select and hire a project management Consultant	2019
Develop the Project Delivery Plan (Master Plan)	2019
Prepare Construction-Ready Project(s) for Implementation	2019
Begin Construction of “Early Bird” Projects	2020
Design One New Project	2020
Design & Construct Remaining Projects per Master Plan	2021 and Beyond

CONSULTANT ROLE



- **Multi-Faceted Role Managing the Project:**
 - Project Planning
 - Program Facilitation e.g., Utility Coordination, Communication Management & Outreach
 - Civil/Electrical Engineering Design & Inspection
 - Overall Project Management
 - Construction Management
 - Environmental Assessment And Permitting
- **First Step for Consultant:**
 - Develop Project Delivery Plan based on recommendations approved this evening

LOOKING AHEAD



Project Step	Fiscal Year
Project organization /develop implementation guidelines	2019
Select and hire a project management Consultant	2019
Develop the Project Delivery Plan (Master Plan)	2019
Prepare Construction-Ready Project(s) for Implementation	2019
Begin Construction of “Early Bird” Projects	2020
Design One New Project	2020
Design & Construct Remaining Projects per Master Plan	2021 and Beyond



NEXT STEPS

- 1. Approve UUPAC's Recommendations**
- 2. Approve the as-needed consultant agreement and Authorize City Manager to award the contract to Lee & Ro, Inc.**
 - Preparation of a Project Delivery Plan incorporating recommendations approved this evening**



Q/A

CONSULTANT CONTRACT





☰_Design-OH-FireAll8-2



TIMELINE

842 Services

538 Poles

14 Miles of Trenches



Facility Map

