

City of Oceanside

Development Services Department

Memorandum

DATE: May 6, 2015
TO: Downtown Advisory Committee
FROM: Gary Kellison, Senior Civil Engineer
SUBJECT: Information about Oceanside Funds for Undergrounding Overhead Utilities

Introduction

The City of Oceanside works with SDG&E to underground overhead utilities by one of two programs referenced by their respective sections in the Public Utilities Commission (PUC) code:

20A Refers to projects funded by SDG&E ratepayers and allocated to cities to underground utilities within a special district. Oceanside's undergrounding district is along Oceanside Boulevard between I-5 and El Camino Real.

20B Refers to projects funded by anyone other than a utility, such as a developer or city. Oceanside and the owner of Eternal Hill Cemetery are currently working on a 20B undergrounding project along Fire Mountain Drive between the City reservoir and Via Esmarca.

Available Fund Balances

SDG&E 20A SDG&E currently allocates about \$320,000 annually for Oceanside projects. These funds are held entirely and spent directly by SDG&E on Oceanside's behalf on any project within an undergrounding district. SDG&E's budget for current work is \$1,594,644. The total unallocated balance (work not yet assigned) is \$30,867.

City In-Lieu Undergrounding Funds Oceanside holds a currently balance of \$388,567 in its Undergrounding In-Lieu fund. Of that amount, \$79,000 and \$160,000 are currently budgeted towards the Oceanside Boulevard and the Fire Mountain Drive projects, respectively. The \$79,000 pays for costs that are not reimbursable by SDG&E on Oceanside Boulevard. The \$160,000 sum pays for undergrounding work that is not Eternal Hill's responsibility: end poles across from the cemetery and poles on the City reservoir property.

The City's current budgeting of the Undergrounding In-Lieu funds is as follows:

Current Balance		\$388,567
Less Current Budget Projects		
Oceanside Boulevard (streetlight replacement, curb ramps)	\$79,000	
Fire Mountain Drive	<u>\$160,000</u>	
	Balance	<u>\$149,567</u>

Current Status of Active Undergrounding Projects

SDG&E completed the design of their self-funded 20A underground conversion work at Crouch Street and Oceanside Boulevard. The next step is for AT&T and Cox Communication to begin the design to remove their respective overhead lines. Oceanside will need to spend budgeted In-Lieu funds in FY 2017 to replace streetlights mounted on wood utility poles.

SDG&E also completed the design of the 20B project on Fire Mountain Drive last month. The majority of the work is funded by Eternal Hills Cemetery, but Oceanside is responsible for pole removal work beyond the cemetery's frontage. The May 20, 2015, Oceanside City Council agenda tentatively includes a request for approving for the City's share of SDG&E's costs. The City will later share costs for converting overhead wires for AT&T and Cox Communications and installing service drops to homes and the control systems for the Fire Mountain Reservoir.

On May 25, 2011, the City Council exempted residential projects of four and fewer lots from having to underground overhead utilities. This change reduced the number of development project choosing to offer in-lieu payments for utility undergrounding work.

Recommendation

Continue to reserve the balance of Underground In-Lieu funds for active projects, and for extending the limits of future development-driven undergrounding projects.