



# City of Del Mar Agenda Report

TO: Honorable Mayor and City Council Members

FROM: Martin Boyd, Project Manager II  
Joe Bride, Public Works Director  
Via Ashley Jones, City Manager

DATE: June 3, 2023

SUBJECT: Undergrounding Program Update and Task Order Approval for Utility Specialists Southwest, Inc. to Perform Utility Underground District (UUD) Pre-Formation Services for UUD 3 (South Hill)

## REQUESTED ACTION/RECOMMENDATION:

Staff recommends the City Council: 1) Receive an update regarding the City's Undergrounding Program; 2) Approve a \$84,810 Task Order (Attachment A) with Utility Specialists Southwest, Inc. to perform utility underground district (UUD) pre-formation services for UUD 3 (South Hill); and 3) Authorize the City Manager to execute the Task Order and make amendments by up to \$8,490 for extended consulting services.

## BACKGROUND:

The City of Del Mar is moving forward with the citywide Undergrounding Program (UP), which will remove utility poles and replace overhead cables for electricity and telecommunications with underground lines. A map of the planned citywide Utility Undergrounding Districts (UUDs) is included with report as Attachment B for reference.

At City Council meetings held on April 15 and August 5, 2019, staff presented a Project Delivery Plan (Plan), which included a comprehensive set of recommendations from staff and the Undergrounding Project Advisory Committee (UPAC) to accomplish the citywide UP. The Council-adopted Plan included the designation of City blocks (i.e., areas) as Utility Undergrounding Districts (UUDs), an approach for prioritizing the order for UUD completion, and other guidelines and policies associated with how the project is implemented. The Plan prioritizes UUD work by service density (i.e., number of service connections to number of poles) and fire safety (in the case of UUD X1A).

Staff are currently working on different stages of UUDs 1A, X1A, 1B and 2, with UUD 3 identified as the next priority area. UUD 3 is located between Camino Del Mar and Crest Road (Attachment B). It includes an estimated 169 poles and 19,481 linear feet of overhead conversion to underground from approximately 8th Street to just north of 15<sup>th</sup> Street, covering 382 parcels. The pre-formation services will finalize the district boundary for UUD 3 and provide more accurate statistics for the project.

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## City Council Action:

**IT WAS MOVED BY DEPUTY MAYOR GAASTERLAND, SECONDED BY COUNCILMEMBER WORDEN TO APPROVE A \$84,810 TASK ORDER WITH UTILITY SPECIALISTS SOUTHWEST, INC. TO PERFORM UTILITY UNDERGROUND DISTRICT (UUD) PRE-FORMATION SERVICES FOR UUD 3 (SOUTH HILL). (VOTE 5-0)**

**IT WAS MOVED BY DEPUTY MAYOR GAASTERLAND, SECONDED BY COUNCILMEMBER MARTINEZ TO AUTHORIZE THE CITY MANAGER TO EXECUTE THE TASK ORDER AND MAKE AMENDMENTS BY UP TO \$8,490 FOR EXTENDED CONSULTING SERVICES. (VOTE 5-0)**

June 3, 2024

Item 15

DISCUSSION/ANALYSIS:

***Update on Active Undergrounding Districts***

*Tewa Court/10th Street UUD*

On February 8, 2023, the Tewa Court/10th Street UUD project was officially completed, with the removal of the final pole as part of a pole removal ceremony. The City's contract with San Diego Gas & Electric (SDG&E) is for actual cost billing for installation of cable & connections, pole removals, service cutovers, and engineering fees. The City is responsible for trenching and installation of conduit and substructures.

As part of the actual cost billing process, SDG&E provides the City with an initial estimated cost invoice prior to construction and then a final reconciliation invoice based on the actual costs after construction is complete. SDG&E's initial estimated invoice was for \$147,595 and the final reconciliation invoice was for an additional \$97,002 (66%), resulting in a final cost of \$244,597. The final reconciliation invoice was sent to the City in March 2024, and is included as Attachment C. SDG&E stated the reason for the significant increase in the final reconciliation invoice is because they have experienced enterprise-wide cost increases due to labor cost increases, inflation, and supply chain challenges.

Furthermore, the Tewa Court/10<sup>th</sup> Street project was small enough where SDG&E billed on a time and materials basis, whereas the upcoming districts are large enough where they will obtain fixed bids. The fixed bid process will have more control of reconciliation costs as the only expected changes in costs are for change orders due to unforeseen field conditions, need for specialty inspections, or any other unanticipated costs during construction.

SDG&E's final cost to the City of \$244,597, represents \$182 per linear feet of trench. The final overall total project cost is \$928,879, which is \$691 per linear feet of trench. The total project cost includes required professional services during the design phase in preparation for the bid process, cost for City construction, costs paid to the utility companies for their engineering fees and construction work, and the cost for third party construction management services during construction. The final reconciliation invoice informs and revises the City's previous understanding of UP costs. Staff is also considering SDG&E's alternative net cost billing process for future projects, which would provide the City with more certainty in SDG&E costs on the front end of the project, as there would be no back end cost reconciliation.

*UUD 1A – Stratford Court South*

UUD 1A includes 56 poles and 7,650 linear feet of overhead conversion to 11,165 linear feet of underground trench from 4th Street to 12th Street, including 227 properties and 464 residences. 64 of the homes or buildings require undergrounding of their private service lateral at the expense of the property owner.

Staff presented on the City's pre-bid process for UUD 1A to City Council on December 4, 2023, and is currently in the bid phase that precedes construction. The pre-bid process included acceptance of the Design Review Permit and Land Conservation Permit. A California Environmental Quality Act (CEQA) notice of exemption (NOE) was processed after the pre-bid process meeting. Staff and SDG&E are also in the process of obtaining easements, which is necessary to complete prior to the start of construction.

The City Construction bidding process commenced on March 20, 2024, and five bids were received on May 13, 2024. The bids ranged from \$4.72 million (lowest responsive/responsible bid) to \$8.80 million. The lowest base bid received of \$4.72 million is \$1.68 million higher than the engineer's estimate of \$3.04 million.

The following are some reasons for cost differences between the engineer's estimate and actual bids received according to the UP consultants and contractor:

- Inflation of 20% since Tewa Court/10th Street UUD bids according to the California Construction Cost Index. The UUD 1A bid is 23% higher than the Tewa Ct/10<sup>th</sup> St UUD bid on a linear feet of trench basis;
- The project location is difficult for construction and traffic/pedestrian control since it is located within congested streets with a lot of utilities and near the beach;
- Hand digging within proximity of protected trees, parallel existing utilities, and for exploratory potholes when crossing existing utilities;
- Shoring for deep trenches when crossing existing utilities; and
- Anticipated effort for scheduling and coordination with SDG&E during construction.

SDG&E completed their preliminary designs in April 2023, and finalized those designs and material quantities in March 2024. The City, AT&T, Charter, and Crown Castle used SDG&E's joint trench layout to complete their final designs. SDG&E provided the City with an estimate of \$3.56 million in March 2024, for costs associated with their work, included as Attachment D. SDG&E's estimate of cost is significantly greater than the \$1 million originally budgeted for UUD 1A, which was based on SDG&E's initial estimate invoice for Tewa Court/10th Street UUD. However, SDG&E's final reconciliation invoice brings the cost to \$182 per linear foot of trench. Applying this rate to the 11,165 linear feet of trench for UUD 1A brings the estimate cost to \$2.03 million. SDG&E's cost estimate is 77% higher than the Tewa Ct/10<sup>th</sup> Street UUD final reconciled costs on a linear feet of trench basis. SDG&E's reasoning for cost increases is due to labor cost increases, inflation, and supply chain challenges. It is important to note that, unfortunately, the City does not have control over SDG&E's design process and costs.

The total project cost for UUD 1A is now estimated to be \$10.13 million based on the cost increases related to City construction and SDG&E. Attachment E includes a budget summary reflecting the estimated project costs from initial district formation to the current estimate for comparison. The cost estimate now includes a 10% project contingency for change orders due to unforeseen field conditions, need for specialty inspections, or any other unanticipated costs during construction. The prior total project cost estimate provided on December 4, 2023, was \$5.36 million based on costs from the Tewa

Court/10<sup>th</sup> Street UUD, prior to receiving SDG&E's final reconciliation invoice and without the 10% project contingency. The cost per linear foot of overhead conversion is now estimated at \$1,325, and the cost per linear foot of joint trench is estimated at \$908. 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 services during construction.

On August 5, 2019, City Council approved recommendations made by the UPAC and staff pertaining to the preliminary undergrounding boundary map (i.e., blocks) and prioritization of the blocks related to the Plan. As part of this process, consultant Lee & Ro developed a program cost estimate of \$51.6 million for approximately 77,135 linear feet of overhead in the City, which is a cost per linear foot of overhead conversion of \$719. This estimated cost was significantly higher than those provided by the City's current consultant Utility Specialists.

As part of developing the Plan, the City Council instructed staff and the UPAC to complete a deeper review of the costs to reconcile the differences in the program cost estimates between Utility Specialists and Lee & Ro. Through the review, UPAC developed a program cost estimate of \$32 - \$42 million, based on an estimated cost per linear foot of overhead conversion of \$464 - \$609. At that time, UPAC also acknowledged SDG&E provided a stated estimated range of \$700 - \$1,000 per linear foot of overhead conversion. Inflation is at 42% since August 2019, according to the California Construction Cost Index, which, when applied to the original per linear foot cost estimates provided by SDG&E in 2019, would result in costs ranging from \$994 - \$1,420 per linear foot, which are aligned with the current market. UUD 1A serves as an important UP milestone by providing additional procedural lessons learned and updated cost information to better understand the financial implications of the UP moving forward.

#### UUD X1A – Crest Canyon

UUD X1A includes 77 poles and 13,096 linear feet of overhead conversion to 19,610 linear feet of underground trench, including 152 properties and 114 residences. Approximately 85 of the homes or buildings require undergrounding of their private service lateral at the expense of the property owner.

UUD X1A is currently in the design phase. Design phase activities include surveying existing conditions, utility company designs, city civil engineering design, homeowner service lateral design coordination, easement coordination/recordation, and environmental evaluation. SDG&E completed their preliminary designs in June 2023, and are currently finalizing those designs. AT&T, Charter, and Crown Castle are using SDG&E's joint trench layout to complete their designs. The City's undergrounding consultants are finalizing the civil engineering design and environmental studies anticipated to for completion in June 2024.

The project requires Planning Commission and Design Review Board review prior to City Council. The City Council meeting for the pre-bid process is currently anticipated for August 2024, followed by the public bidding process, and City Council consideration of construction contract award is planned for November 2024. Construction contract award is contingent upon receiving all necessary easements.

This District is within the City's Lagoon Overlay and Bluff, Slope, and Canyon Overlay Zones, which means that in addition to any Design Review and Land Conservation Permits for retaining walls, as has been required in other Districts, the City must also process a Conditional Use Permit (CUP) and Coastal Development Permit (CDP). Upon City Council approval of the CDP staff will send a Notice of Final Action (NOFA) to the California Coastal Commission (CCC). Once CCC receives the City's NOFA, a 10-business day appeal period with the CCC will begin.

Furthermore, the City is required to evaluate the project for any potential environmental impacts pursuant to CEQA. City staff anticipates being able to use a Categorical Exemption informed by the Biological and Cultural reports prepared by Helix Environmental Consultants.

Additionally, it has been determined there is one telecommunication pole located in the San Dieguito Lagoon that is in the CCC Original Jurisdiction. The removal of this pole will require a separate CDP application directly with the CCC. This CDP will be submitted after the City Council approves the local permits for the project. Since the actual undergrounding of the lines is done in the City's right-of-way, processing of the separate CDP for the one pole can occur concurrent with the City's start of the project provided that the CDP approved by the Council for the UUD X1A project otherwise is not appealed by the CCC.

Using the updated costs from UUD 1A, the estimated total project cost for UUD X1A is projected to be \$16.63 million and includes a 10% project contingency. The cost per linear feet of overhead conversion is \$1,484, and the cost per linear feet of joint trench is \$848. As with UUD 1A, more precise cost estimates will be provided at the completion of the design phase and actual construction costs will be determined through the competitive public bidding process to select and award the construction contract for the project.

It is important to note that while a more refined cost estimate will be provided by the City's undergrounding consultant once the design is finalized, it is ultimately the construction market that will determine the actual cost of the project. Like all City construction projects, the cost of construction will be determined through the competitive bidding process that the City is required to undertake in order to identify the lowest qualified bidder for the project. Prior to the start of construction, the City Council will ultimately consider the lowest bid for the project and determine whether to award the contract.

*UUD 1B – Stratford Court North*

UUD 1B (Stratford Court North) includes approximately 40 poles and 4,297 linear feet of overhead conversion from 11th Street to just north of 15th Street (L’Auberge Del Mar), including 175 properties and 239 residences and businesses. Approximately 50 of the homes or buildings require undergrounding of their private service lateral at the expense of the property owner. The City Council formed the district on October 16, 2023, and the district is currently in the SDG&E preliminary design phase. Once SDG&E completes the preliminary design phase, the City will coordinate the City civil engineering design, utility companies designs, homeowner service lateral design, easement coordination/recordation, and City entitlement/environmental permitting.

*UUD 2 – Beach Colony*

UUD 2 (Beach Colony) includes approximately 96 poles and 11,795 linear feet of overhead conversion from approximately 18th Street to 29th Street, including 318 properties and 642 residences and businesses. UUD 2 is located west of railroad right-of-way and north of UUD 1B. Approximately 124 of the homes or buildings require undergrounding of their private service lateral at the expense of the property owner. The project team, which includes staff, City consultants, and utility company representatives, visited UUD 2 in February 2024, to verify boundaries based on field conditions, system circuitry, and project efficiency. Staff is working with SDG&E to utilize the remaining \$351,742 of 20A funds as part of this district, since this program is ending and these funds will expire. The rest of the district will be funded via the typical 20B process. Staff is anticipating district formation as part of the City Council meetings in the next couple of months; however, this is contingent on coordination with SDG&E.

***UUD 3 – South Hill (Pre-Formation Services)***

*Required Steps to Form District*

The California Public Utilities Commission (CPUC) has an established regulation known as “Rule 20” that pertains to undergrounding of utility poles. Pursuant to Rule 20, UUDs can be created by the City or by property owners and include three specific types: Rule 20A: 100% Utility Funding; Rule 20B: Partial Utility Funding (Typically 20-40%); and Rule 20C: Partial Utility Funding (De Minimis Amount).

The UUD 3 project generally fits under the category of Rule 20B, which is anticipated to be the most common way to achieve undergrounding in Del Mar, with costs mostly paid by the City (i.e., public side of the property line) via Measure Q revenue (sales tax measure revenue source partially dedicated to the UP). SDG&E will credit the City approximately 20% of their construction costs for eligible Rule 20B projects, which is approximately the cost of removing the poles.

To form a UUD, Chapter 23.54 of the Del Mar Municipal Code requires a two-step process:

1. A public hearing is the first step by which the City Council, following a public hearing, will adopt a resolution that forms the UUD, and includes a finding that removal of the aboveground facilities is necessary to protect public health, safety, or general welfare.
2. The second step is for the City Council to adopt a resolution declaring the date by which all poles within the UUD must be removed. This step will occur in the future when the district is fully formed, and at which time it will become unlawful to construct or maintain above-ground facilities beyond the date established by the City Council for removal of such facilities. That will likely coincide with the time the design is finalized, and the project is advancing to the construction phase.

### Pre-Formation Services

The City has an agreement in place with Utility Specialists Southwest, Inc. for as-needed specialized electrical engineering and consulting services related to implementation of the citywide UP. As such, staff recommends issuing a Task Order to Utility Specialists Southwest, Inc. to proceed with district pre-formation services for UUD 3 (South Hill). The district pre-formation services will include agency meetings and coordination, district formation support, and resident interface and communications. These services will assist the City in adopting a resolution that forms the UUD following a public hearing. The proposed Task Order, which has a total cost of \$84,810 for the services (see Exhibit A), is included with this agenda report as Attachment A. Staff also recommends allocating \$8,490 for Task Order extended services as deemed necessary and approved by the City Manager. If authorized to proceed, the City Council hearing for formal UUD 3 formation is expected to take place in December 2024.

### ***Undergrounding Project Advisory Committee (UPAC)***

The UPAC was reengaged by the City Council in 2023 and has since held four meetings in 2023 and one meeting in 2024. The UPAC currently has two active subcommittees for UP financing and review of property owner communication procedures. The first subcommittee was formed on April 27, 2023, to work with staff to complete a long-term project schedule and cash-flow analysis to ensure financial resources are available when needed throughout the life of the UP. The subcommittee conducted an initial analysis of program costs in 2023, with the goal of updating the analysis based on UUD 1A costs. Staff and the subcommittee can now proceed with updating the analysis based on updated City construction and SDG&E costs. The second subcommittee was formed on March 14, 2024, to review and provide feedback to staff on processes and protocols for communications with property owners. The subcommittee has met once thus far in May 2024, and is preparing for an update to UPAC. The next UPAC meeting is scheduled for June 13, 2024, and staff will continue to update the City Council on UPAC activities.

### ***SDG&E Roadmap***

Staff is currently working with SDG&E to identify lessons learned and develop a roadmap to help deliver the undergrounding projects in a more efficient and timely manner. The roadmap will detail SDG&E's and the City's milestones and timelines and will incorporate lessons learned from the active undergrounding districts. Unfortunately, this process is taking longer than originally anticipated by City staff due to staffing changes at SDG&E and extensive internal review by SDG&E prior to being finalized for presentation to the City Council. Staff will continue to provide updates on this process as they become available.

#### **FISCAL IMPACT:**

Approval of the recommended action for this agenda item will require City Council authorization to amend the Fiscal Year (FY) 2023-2024 Operating and Capital Budget to allocate \$93,300 from the Measure Q Fund as shown below:

PROJECT	FUND	ACCOUNT	AMOUNT
UUD 3 – South Hill	Measure Q Fund	02.7000.7206	\$93,300

#### **ENVIRONMENTAL IMPACT:**

The proposed City Council action does not constitute a “project” under the definition set forth in the California Environmental Quality Act (CEQA) Guidelines Section 15378 because it will not have a potential to result in a direct or indirect physical change in the environment and is, therefore, not subject to CEQA.

#### **NEXUS TO CITY COUNCIL GOALS & PRIORITIES:**

Utility Undergrounding is listed as a Tier 1 City Council priority for FYs 2022-2023 and 2023-2024.

#### **ATTACHMENTS:**

- Attachment A – Utility Specialists Southwest, Inc. Task Order
  - Exhibit A to Attachment A – UUD 3 Pre-Formation Services Scope of Work
- Attachment B – UP Citywide Map
- Attachment C – SDG&E Tewa Court/10th Street UUD Project Cost Reconciliation
- Attachment D – SDG&E UUD 1A Cost Estimate
- Attachment E – UUD 1A Project Budget





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 San Diego, California 92117  
 858.581.2250

5/28/2024

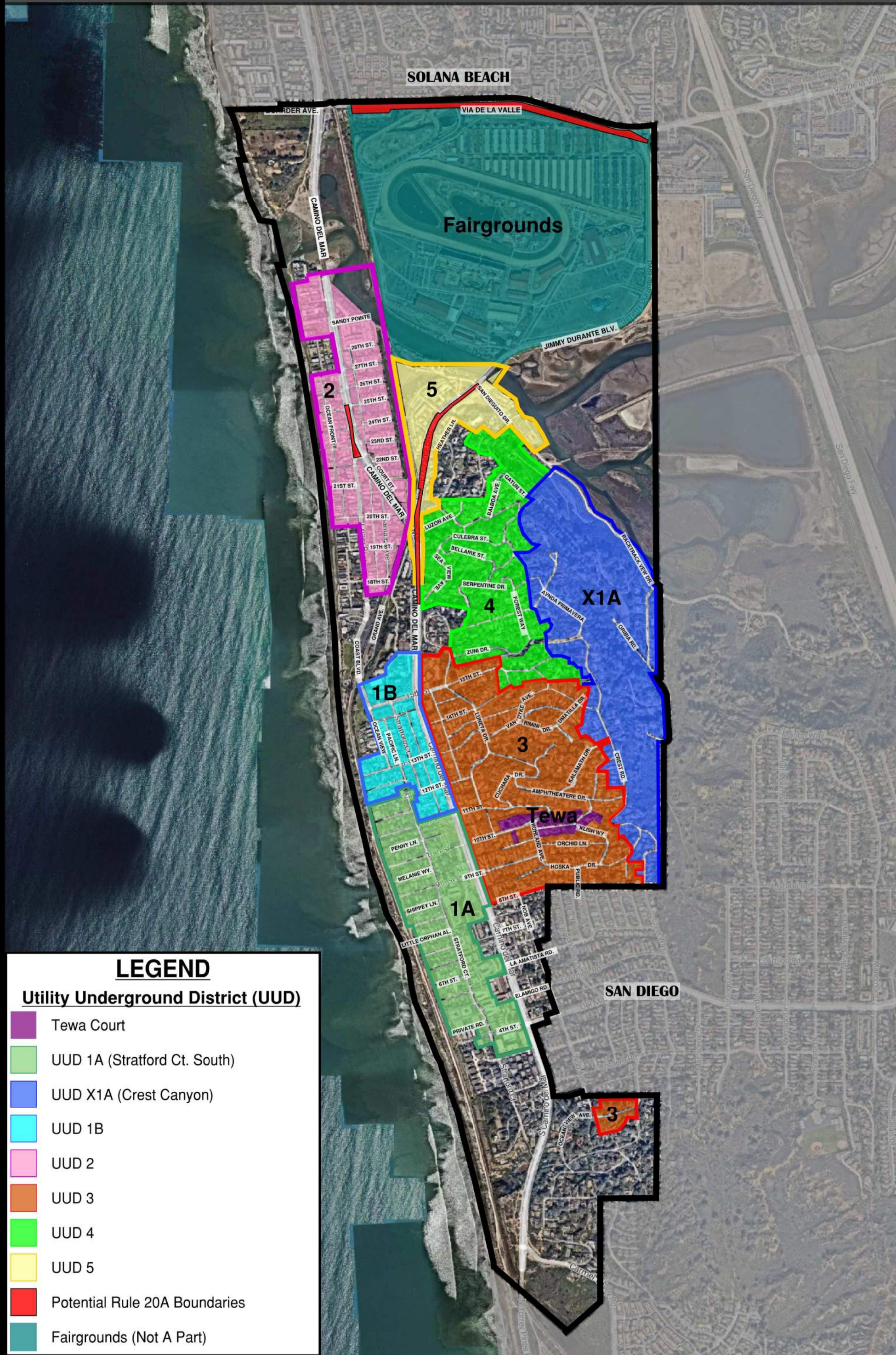
**City of Del Mar Undergrounding Program - Task Order #06 R2  
 Utility Specialists & KCM Hourly Assumptions**

Task Order #06R1 includes services from the District 3 project kickoff in June 2024 through the City Council's formation of the District (anticipated through November 2024).

Task Order #06: District 3 Formation Services									
Item #	Description	US Principal	US Sr. PM	KCM Sr. PM	US PM	KCM PM	US Asst PM	KCM PE	Total Cost
<b>1</b>	<b>Agency Meetings and Coordination</b>								
a	Attend bi-weekly coordination Zoom meetings with CDM staff for 5 months (time divided between District 1A, X1A, 1B, 2 & 3).	3.0	3.0	3.0		3.0			\$2,220
b	Prepare and distribute meeting agendas and minutes for by-weekly coordination meetings (time divided between District 1A, X1A, 1B, 2 & 3)			2.0		3.0			\$915
c	Meet with SDGE and other utilities, during their initial and follow-up site visit, to provide value-added engineering insights and SOQ's. Assumes four (4) field walks at 4 hours each plus travel.	12.0	32.0			20.0		20.0	\$14,840
d	Attend City Council meetings, includes two meetings.	8.0				8.0			\$2,920
e	Filing and document management						10.0	4.0	\$1,860
	<b>Total Hours</b>	<b>23.0</b>	<b>35.0</b>	<b>5.0</b>	<b>0.0</b>	<b>34.0</b>	<b>10.0</b>	<b>24.0</b>	<b>\$22,755</b>
<b>2</b>	<b>District Formation Support</b>								
a	Coordinate to prepare materials for City Council Meeting as required for the formation of District 3.	4.0		4.0		8.0	4.0		\$3,420
b	Develop concept schedule for District 3.	2.0		2.0		6.0			\$1,820
c	Complete quantity takeoffs for District 3 summary stats for narrative (number of poles, linear feet of overhead, estimated linear feet of undergrounding, number of parcels/properties, and number of residences/businesses.).					16.0		24.0	\$6,760
d	Prepare District 2 status reports and other handout materials, as requested by City staff, for City Council hearings.		4.0	2.0		16.0		24.0	\$7,870
e	Site visits to verify homes/buildings requiring lateral undergrounding and input of site visit results into database and narrative.	24.0			24.0	2.0		8.0	\$9,590
	<b>Total Hours</b>	<b>30.0</b>	<b>4.0</b>	<b>8.0</b>	<b>24.0</b>	<b>48.0</b>	<b>4.0</b>	<b>56.0</b>	<b>\$29,460</b>
<b>3</b>	<b>Resident Interface and Communications</b>								
a	Populate database with City GIS parcel and property owner information.					8.0		24.0	\$5,360
b	Complete quality control review of GIS data.			2.0		8.0		24.0	\$5,750
c	Prepare Mailer List for use in distributing Notices to within District 3 and within 300' of each District. Prepare exhibits of Plot GIS exhibits of withing District and within 300' limits. Download City GIS data for properties within the district and within 300'. Reformat excel data for envelop/label printing (eg Delete duplicates and fix street address column information (eg move C/O)). Do not check against water billing at this stage. Site visits for address verifications to supplement missing information from City GIS data including added rental units, condo and apartment unit numbers, and public building addresses.			2.0		20.0		60.0	\$13,790
d	Setup individual property correspondence file folders.			1.0		2.0		24.0	\$4,505
e	Provide resident inquiry responses.			2.0		16.0			\$3,190
	<b>Total Hours</b>	<b>0.0</b>	<b>0.0</b>	<b>7.0</b>	<b>0.0</b>	<b>54.0</b>	<b>0.0</b>	<b>132.0</b>	<b>\$32,595</b>
<b>Total Overall Hours</b>		<b>53.0</b>	<b>39.0</b>	<b>20.0</b>	<b>24.0</b>	<b>136.0</b>	<b>14.0</b>	<b>212.0</b>	
<b>Average Hours per Week (based upon 6 month schedule)</b>		<b>2.2</b>	<b>1.6</b>	<b>0.8</b>	<b>1.0</b>	<b>5.7</b>	<b>0.6</b>	<b>8.8</b>	
<b>Rate Per Hour</b>		<b>\$190</b>	<b>\$180</b>	<b>\$195</b>	<b>\$140</b>	<b>\$175</b>	<b>\$120</b>	<b>\$165</b>	
<b>Total Cost</b>		<b>\$10,070</b>	<b>\$7,020</b>	<b>\$3,900</b>	<b>\$3,360</b>	<b>\$23,800</b>	<b>\$1,680</b>	<b>\$34,980</b>	
<b>Task Order #06: District 3 Formation Services</b>						<b>\$84,810</b>			

# Citywide Utility Undergrounding Map

ATTACHMENT B



## LEGEND

### Utility Underground District (UUD)

- Tewa Court
- UUD 1A (Stratford Ct. South)
- UUD X1A (Crest Canyon)
- UUD 1B
- UUD 2
- UUD 3
- UUD 4
- UUD 5
- Potential Rule 20A Boundaries
- Fairgrounds (Not A Part)

NOTE: UUD numbers shown on this exhibit indicate priority ranking, by the City Council.



March 19, 2024

Martin Boyd  
City of Del Mar | Project Manager  
1050 Camino del Mar  
Del Mar, CA 92014

SUBJECT: RULE 20B | Tewa Court | Project Cost Reconciliation

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.

As noted in the attached Agreement for Replacement of Overhead with Underground Facilities, duly executed on April 28, 2022, California Public Utility Commission Rule 20B projects, including the City's Tewa Court 20B Project, utilize an Actual Cost Billing methodology. The Agreement states at paragraph 4, "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 difference larger than \$100."

Prior to the start of construction, a payment of \$147,595.00 was received from the City, which was the then-estimated cost of SDG&E's conversion work for the approved design. The City was issued a credit of \$192,518.00 for this payment which includes the actual payment receipt (\$147,595.00) and credits for work performed by the city (\$44,923.00).

Over the last several years, SDG&E has experienced enterprise-wide cost increases due to labor cost increases, inflation, and supply chain challenges. At this time, SDG&E's construction is considered full and complete, and we are ready to complete the noted Actual Cost Billing Reconciliation.

SDG&E incurred total actual project costs of \$560,788.86 for construction of the Tewa Court 20B project. As you are aware, the Rule 20B tariff provides the City a credit for the estimated cost to build a new equivalent overhead system. SDG&E also absorbs the costs associated with the removal of existing overhead facilities.

We are respectfully requesting the City comply with its contractual obligations and promptly issue payment for the remaining unpaid costs incurred by SDG&E, less the payment previously collected, less any credit for the estimated cost to build a new equivalent overhead system, and less the actual cost incurred to date for the removal of overhead facilities. The breakdown is illustrated in the table below.

<b>Project Costs (Actuals)</b>	<b>\$560,788.86</b>
Payments & Credits	(\$192,518.00)
OH Equivalent Credit (Non-Billable)	(\$113,274.00)
OH RFS (Non-Billable)	(\$157,994.74)
<b>Current Balance (Billable)</b>	<b>\$97,002.12</b>

Thank you in advance for your prompt attention to this matter. Please reach out with any questions or concerns and I will work with my team to provide answers.

Sincerely,



Allison McEachen  
Design & Project Management  
Franchise Planning | Proj Planning Supervisor  
M 619.372.7734



cc:

- Ashley Jones | City of Del Mar | City Manager
- Joe Bride | City of Del Mar | Director of Public Works
- Kelli Fitzgerald | SDG&E | Design & Project Mgmt Manager
- Kate Loreda | SDG&E | Design & Project Mgmt | Contract Project Manager
- Ilario Romano | SDG&E | Design & Project Mgmt | Contract Project Manager



March 21, 2024

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

**RE: City of Del Mar | Rule 20B | District 1A - Stratford Court South | 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 an initial cost estimate for the City of Del Mar's Rule 20 project, Stratford Court South 20B.

Del Mar City Council has established Utility Underground District (UUD) No.1A: West of Camino Del Mar to the coast and from 4th Street to 12th Street. The City has opted to utilize municipal trenching to complete this district and will be responsible for all civil work and all community outreach activities.

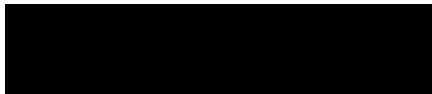
Stratford Court South (UUD 1A) is a Rule 20B project and will utilize an Actual Cost Billing Contract, whereby in advance of construction SDG&E will collect from the City an amount equal to the estimated cost of the conversion work computed in accordance with its Filed Rule on "Replacement of Overhead 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 1A | Stratford Court South**

SDG&E Electrical Contractor – Cable & Connections	\$	2,807,102
SDG&E Electrical Contractor – Cable Poles	\$	601,879
SDG&E Electrical Contractor – Service Cutovers	\$	176,775
<b>BILLABLE TOTAL</b>	<b>\$</b>	<b>3,585,756</b>
SDG&E Contractor - Overhead Removals (SDG&E Responsibility)	\$	1,298,812
<b>NONBILLABLE TOTAL</b>	<b>\$</b>	<b>1,298,812</b>

Sincerely,



Allison McEachen  
Design & Project Management  
Franchise Planning | Proj Planning Supervisor  
M 619.372.7734



cc:

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

**UUD 1A Estimated Total Project Costs (02-7000-7202)**

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	Pre-Bid Budget 12-4-23	Budget as of 6-3-24
<b>Pre-Construction Phase - Professional Services</b>				
<b>Utility Specialists - Pre-Construction Services (Includes US, KCM, Fuscoe)</b>	\$543,900	\$576,700	\$647,878	\$647,878
1. City and Agency Coordination	\$27,100	\$43,370	\$43,370	\$43,370
2. District 1A Design	\$423,010	\$439,540	\$505,352	\$505,352
3. Resident Interface and Project Status Tracking	\$56,160	\$56,160	\$68,926	\$68,926
4. Public Bidding Support	\$37,630	\$37,630	\$30,230	\$30,230
<b>City Arborist Review</b>	\$5,000	\$5,000	\$3,525	\$3,525
<b>Environmental Review; City to complete in-house</b>	\$0	\$0	\$0	\$0
<b>GIS Services As-Needed</b>	\$2,000	\$2,000	\$0	\$0
<b>Communications Consultant Services</b>	\$5,000	\$5,000	\$5,000	\$5,000
<b>Subtotal for Pre-Construction Professional Services</b>	<b>\$555,900</b>	<b>\$588,700</b>	<b>\$656,403</b>	<b>\$656,403</b>
<b>Utility Companies - Estimates for City Paid Design and Construction Costs</b>				
<b>SDG&amp;E</b> 7-12-21 to 12-4-24 estimated per LF of overhead or trench from UUD Tewa. 6-3-24 estimate provided by SDG&E.	\$904,842	\$959,175	\$1,004,850	\$3,585,756
<b>AT&amp;T</b> 7-6-21 estimated based on UUD Tewa. 7-6-23 to 6-3-24 updated based on UUD 1A specific including 15% contingency	\$678,632	\$180,000	\$163,944	\$163,944
<b>Spectrum/Charter</b>	\$284,297	\$0	\$0	\$0
<b>Crown Castle</b>	\$0	\$0	\$0	\$0
<b>Subtotal for Utility Company Costs</b>	<b>\$1,867,771</b>	<b>\$1,139,175</b>	<b>\$1,168,794</b>	<b>\$3,749,700</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. 7-6-23 estimate based on UUD Tewa \$344.40/LF of trench. 12-4-23 estimate based on engineer's estimate. 6-3-24 based on actual bid.	\$1,344,000	\$3,146,108	\$3,049,746	\$4,717,395
<b>Utility Specialists Construction Management and Support</b> (12-month construction) 7-12-21 for as needed for duration of construction. 7-6-23 to 6-3-24 for full-time City construction and as-needed for remainder of construction .	\$210,200	\$423,740	\$423,740	\$415,250
<b>Storm Water Compliance Services</b> 7-12-21 included as part of line item. 7-6-23 to 6-3-24 removed as to be done by contractor.	\$30,480	\$22,080	\$22,080	\$0
<b>Additional Construction Management Services</b> For any additional necessary professional services during construction.	\$48,136	\$33,964	\$84,748	\$71,513
<b>Subtotal for Construction Phase</b>	<b>\$1,632,816</b>	<b>\$3,625,892</b>	<b>\$3,580,314</b>	<b>\$5,204,158</b>
<b>Combined Estimated Total</b>	<b>\$4,056,487</b>	<b>\$5,353,767</b>	<b>\$5,405,511</b>	<b>\$9,610,261</b>
<b>Project Contingency</b> 10% of Construction Phase Costs	\$0	\$0	\$0	\$520,416
<b>Combined Estimated Total + Contingency</b>	<b>\$4,056,487</b>	<b>\$5,353,767</b>	<b>\$5,405,511</b>	<b>\$10,130,676</b>

**Item 15: Undergrounding Program Update and Task Order Approval for Utility Specialists Southwest, Inc. to Perform Utility Underground District (UUD) Pre-Formation Services for UUD 3 (South Hill)**

City Council

June 3, 2024



CITY OF  
DELMAR™

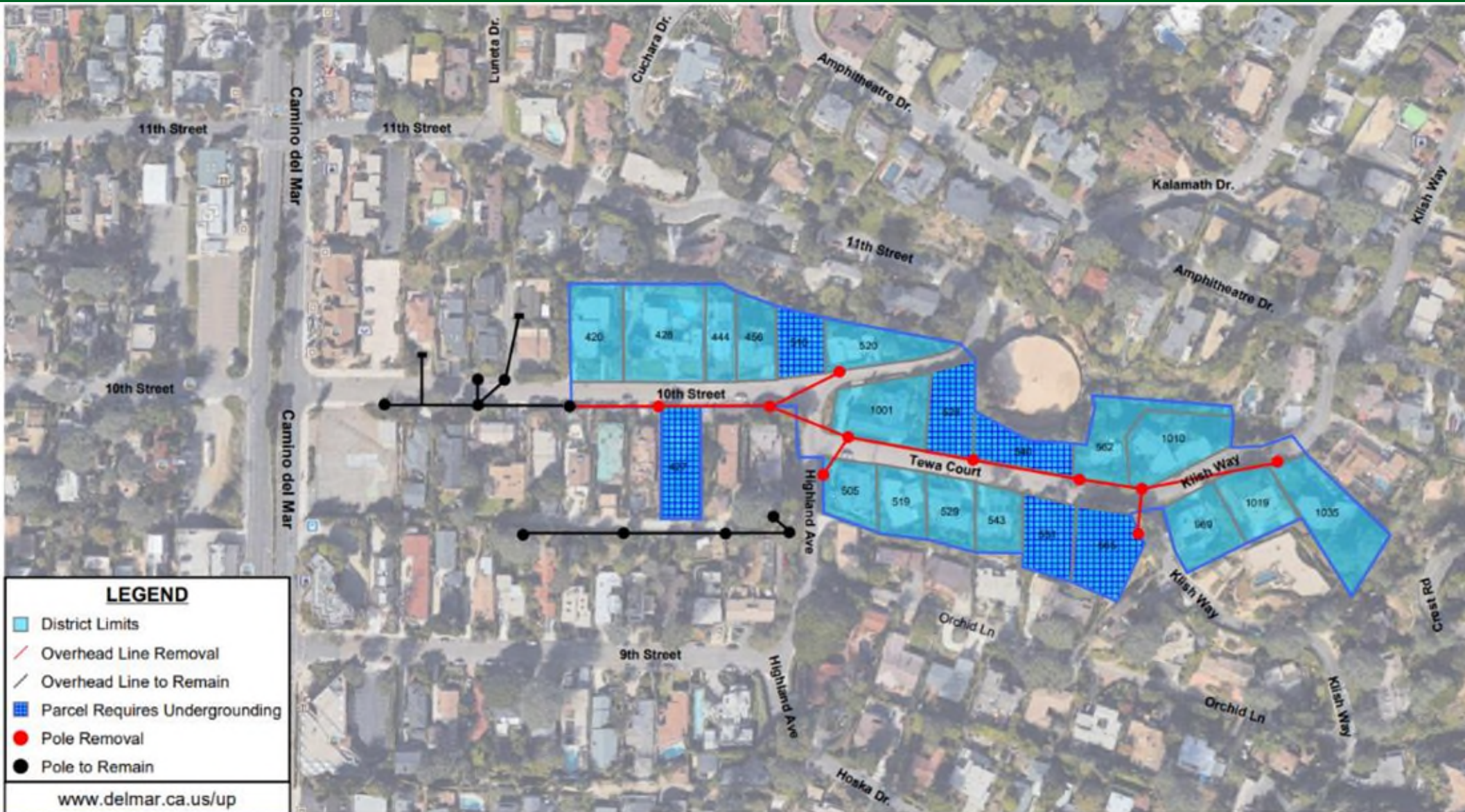


# Active Districts

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1. Tewa Court / 10<sup>th</sup> Street UUD
2. UUD 1A (Stratford Court South)
3. UUD X1A (Crest Canyon)
4. UUD 1B (Stratford Court North)
5. UUD 2 (Beach Colony)

# Tewa Court/10th Street UUD



**LEGEND**

- District Limits
- Overhead Line Removal
- Overhead Line to Remain
- ▨ Parcel Requires Undergrounding
- Pole Removal
- Pole to Remain

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

**TEWA COURT SUMMARY**

Total number of parcels (private, public, and vacant) = 21

# Tewa Court/10th Street UUD – SDG&E Invoice

- SDG&E contract is for actual cost billing for installation of cable & connections, pole removals, service cutovers, and engineering fees.
- SDG&E actual cost billing process –
  - Initial estimated cost invoice prior to construction
  - Final reconciliation invoice based on the actual costs after construction is complete.
- SDG&E's initial estimated invoice was for \$147,595 and the final reconciliation invoice was for an additional \$97,002 (66%), resulting in a final cost of \$244,597.
- Significant increase in the final reconciliation invoice is because SDG&E has experienced enterprise-wide cost increases due to labor cost increases, inflation, and supply chain challenges.

# Tewa Court/10th Street UUD – SDG&E Invoice

- Time and materials versus fixed bids
- SDG&E's final cost to the City of \$244,597 = \$182 per linear feet of trench
- Final overall total project cost is \$928,879 = \$691 per linear feet of trench
- The final reconciliation invoice informs and revises the City's previous understanding of UP costs.
- Staff is also considering SDG&E's alternative net cost billing process for future projects.

*Location: Stratford Court from 4<sup>th</sup> to 12<sup>th</sup> Street and Alleys West of Camino Del Mar*

- 56 Poles
- 7,650 LF of Overhead
- 11,165 LF Trenching
- 64 Laterals
- 227 properties
- 464 residences



# UUD 1A (Stratford Court South) Status

- Currently in the Bid Phase that precedes the Construction Phase. Bidding process from March 20, 2024 to May 13, 2024.
- Staff and SDG&E are also in the process of obtaining easements, which is necessary to complete prior to the start of construction.
- Five bids ranging from \$4.72 million to \$8.80 million. The lowest base bid received of \$4.72 million is \$1.68 million higher than the engineer's estimate of \$3.04 million.
  - Inflation, project location, congested streets, hand digging, shoring, and SDG&E scheduling and coordination.
- SDG&E completed their preliminary designs in April 2023 and finalized those design in March 2024.
- City, AT&T, Charter, and Crown Castle used SDG&E's joint trench layout to complete their final designs.

# UUD 1A (Stratford Court South) SDG&E Costs

- \$1 million original budget estimate based on SDG&E's initial estimate invoice for Tewa Court/10th Street UUD
- \$2.03 million estimate based on SDG&E's final reconciliation invoice for Tewa Court/10th Street UUD
- \$3.56 million estimate provided by SDG&E in March 2024, which is 77% increase from Tewa Court/10th Street UUD
- SDG&E cost increases is due to labor cost increases, inflation, and supply chain challenges.
- City does not have control over SDG&E's design process and costs.

# UUD 1A (Stratford Court South) Project Costs

Work	District Formation Budget 7-12-21	Budget as of 10-16-23	Pre-Bid Budget 12-4-23	Budget as of 6-3-24
Pre-Construction Phase	\$555,900	\$588,700	\$656,403	\$656,403
Utility Companies Costs	\$1,867,771	\$1,139,175	\$1,168,794	\$3,749,700
Construction Phase	\$1,130,275	\$3,625,892	\$3,580,314	\$5,204,158
Project Contingency	-	-	-	\$520,416
Combined Estimated Total	<b>\$3,553,946</b>	<b>\$5,353,767</b>	<b>\$5,405,511</b>	<b>\$10,130,676</b>

# UUD 1A (Stratford Court South) Project Costs

- The cost per linear foot of overhead conversion is now estimated at \$1,325
- The cost per linear foot of joint trench is now estimated at \$908.

	Utility Specialists (2016 - 2019)	Lee & Ro (2019)	UPAC (2019)	SDG&E (2019)
Program Estimate	\$26.5 M	\$51.6 M	\$32 - \$42 M	
Cost per Linear Feet of Overhead	\$323	\$719	\$464 - \$609	\$700 - \$1000

- Utility Specialists original program estimate is not applicable since overlying assumptions were preliminary and different.
- 42% inflation since August 2019 (California Construction Cost Index)
- SDG&E increased cost range of \$994 - \$1,420



# UUD X1A (Crest Canyon) Status

- SDG&E completed their preliminary designs in June 2023 and are currently finalizing those designs.
- AT&T, Charter, and Crown Castle are using SDG&E's joint trench layout to complete their final designs.
- Civil engineering design and environmental studies anticipated for completion in June 2024
- Planning Commission and Design Review Board prior to City Council
- City Council pre-bid process anticipated August 2024
- City Council construction contract award anticipated November 2024

*Location: 11<sup>th</sup> Street to just n/o 15<sup>th</sup> Street,  
west of Camino Del Mar to the coast*

- 40 Poles
- 4,297 LF of Overhead
- 50 Laterals
- 175 properties
- 239 residences/businesses



# UUD 1B (Stratford Court North) Status

- The City Council formed the district on October 16, 2023.
- District is currently in the SDG&E preliminary design phase.
- Once SDG&E completes the preliminary design phase, the City will coordinate –
  - City civil engineering design
  - Utility companies designs
  - Homeowner service lateral design
  - Easement coordination/recordation
  - City entitlement/environmental permitting

## Utility Undergrounding District 2 (UUD 2)



*Location: 18<sup>th</sup> Street to 29<sup>th</sup> Street, west of railroad right-of-way to the coast*

- 96 Poles
- 11,795 LF of Overhead
- 124 Laterals
- 318 properties
- 642 residences and businesses

# UUD 2 (Beach Colony) Status

- Project team site visits for UUD 2 in February 2024
- Verify boundaries based on field conditions, system circuitry, and project efficiency.
- Staff is working with SDG&E to utilize the remaining \$351,742 of 20A funds as part of this district.
- Rule 20A (100% SDG&E Funding) program is ending and funds will expire.
- Staff is anticipating district formation as part of the City Council meetings in the next couple of months; however, this is contingent on coordination with SDG&E.

# UUD 3 (South Hill) Pre-Formation Services

*Location: 8th Street to just n/o 15th Street, between Camino Del Mar and Crest Road*

- 169 Poles
- 19,481 LF of Overhead
- 382 properties



# Undergrounding Process

1. District Formation
2. Design Phase
3. Public Bidding
4. Construction



# CPUC “Rule 20”

The California Public Utilities Commission (CPUC) has an established regulation known as “Rule 20” that pertains to undergrounding of utility poles.

1. Rule 20A: 100% Utility Funding
2. Rule 20B: Partial Utility Funding (Typically 20-40%)
3. Rule 20C: Partial Utility Funding (De Minimis Amount)

# Required Steps to Form District

DMMC Chapter 23.54 requires a two-step process:

1. City Council holds a public hearing to form the UUD. (*December 2024*)
2. City Council adopts a resolution declaring the date by which all poles within the UUD must be removed. (*After Design Phase*)

# District Pre-Formation Services

- Agency meetings and coordination
- District formation support
- Resident interface and communications.
- City Council to adopt resolution that forms UUD 3.

# Undergrounding Project Advisory Committee (UPAC)

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- UPAC was re-engaged by the City Council in 2023
- Four meetings in 2023 and one meeting in 2024
- Undergrounding Program Financing Subcommittee
- Property Owner Communication Procedures Subcommittee

# SDG&E Roadmap

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- Staff is working with SDG&E on a Roadmap
- Identify and incorporate lessons learned
- SDG&E's and the City's milestones and timelines

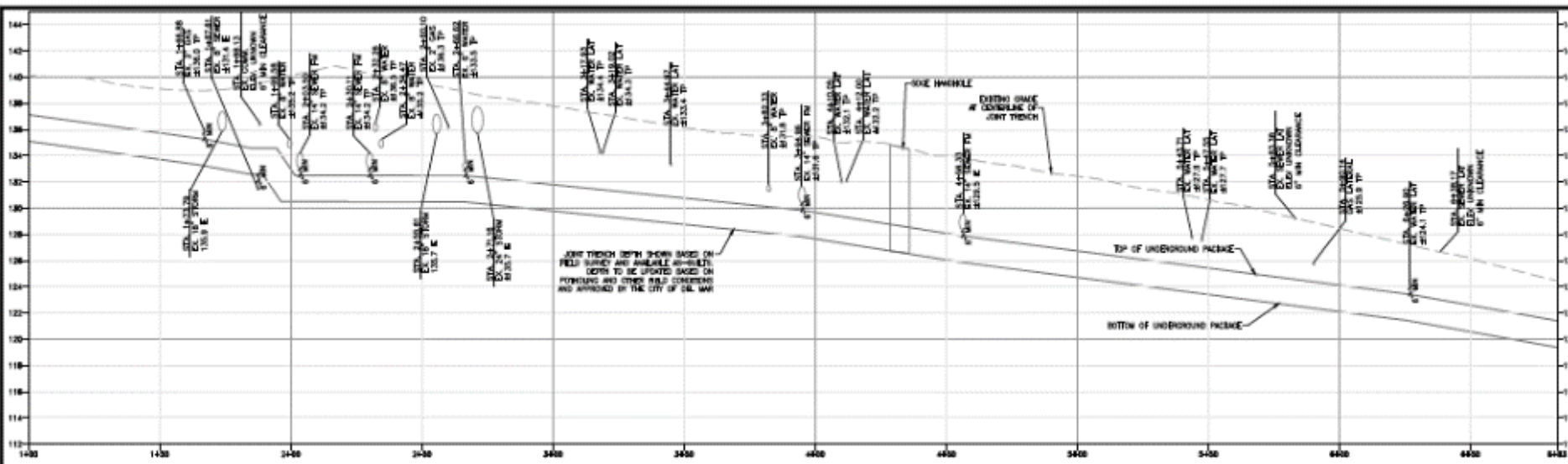
## Requested Action/Recommendation:

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1. Receive an update regarding the City's Undergrounding Program;
2. Approve a \$84,810 Task Order (Attachment A) with Utility Specialists Southwest, Inc. to perform utility underground district (UUD) pre-formation services for UUD 3 (South Hill); and
3. Authorize the City Manager to execute the Task Order and make amendments by up to \$8,490 for extended consulting services.



<b>UUD 1A Project Costs Analysis</b>	<b>12/4/2023</b>	<b>6/3/2024</b>	<b>Difference</b>	<b>% of Diff</b>	<b>% of Cost</b>
<b>Pre-Construction Phase</b>	\$ 656,403	\$ 656,403	\$ -	0.00%	6%
<b>Utility Companies Costs</b>	\$ 1,168,794	\$ 3,749,700	\$ 2,580,906	54.62%	37.01%
SDG&E	\$ 1,004,850	\$ 3,585,756	\$ 2,580,906	54.62%	35.40%
AT&T	\$ 163,944	\$ 163,944	\$ -	0.00%	1.62%
<b>Construction Phase</b>	\$ 3,580,314	\$ 5,204,158	\$ 1,623,844	34.37%	51.37%
City's General Contractor	\$ 3,049,746	\$ 4,717,395	\$ 1,667,649	35.29%	46.57%
Utility Specialists Construction Management	\$ 423,740	\$ 415,250	\$ (8,490)	-0.18%	4.10%
Stormwater Compliance Services	\$ 22,080	\$ -	\$ (22,080)	-0.47%	0.00%
Additional Construction Management Services	\$ 84,748	\$ 71,513	\$ (13,235)	-0.28%	0.71%
<b>Project Contingency</b>	\$ -	\$ 520,416	\$ 520,416	11.01%	5.14%
<b>TOTAL PROJECT COST ESTIMATE</b>	<b>\$ 5,405,511</b>	<b>\$ 10,130,677</b>	<b>\$ 4,725,166</b>		

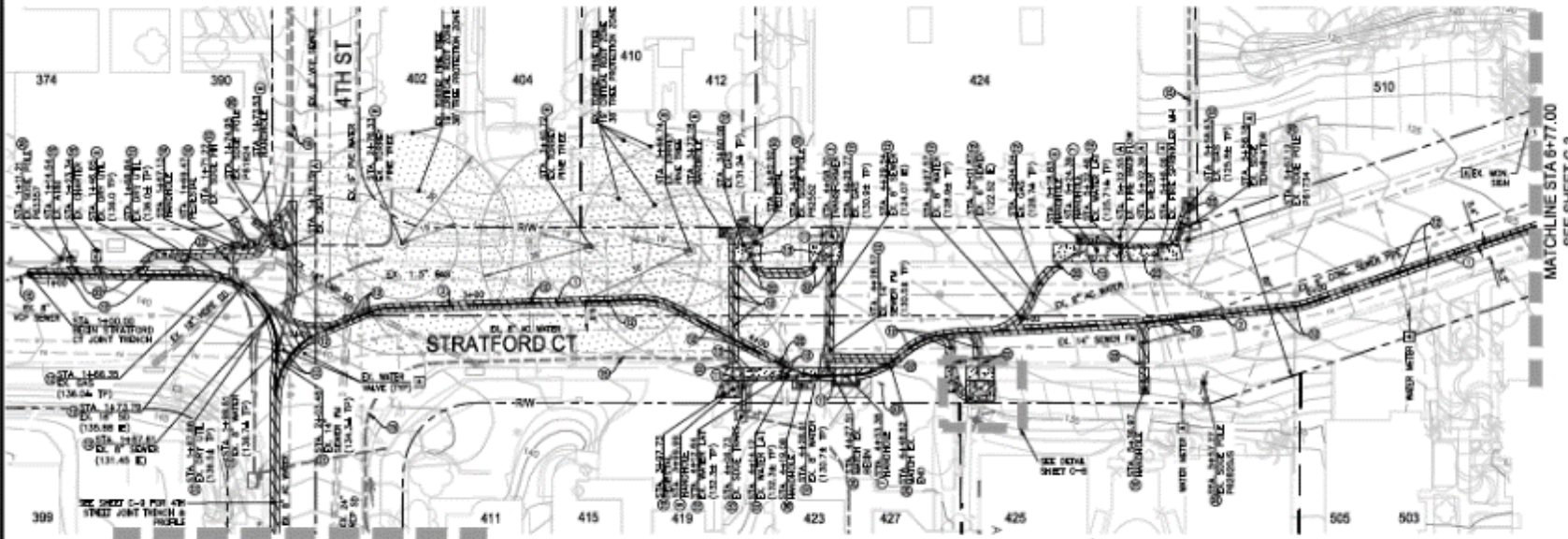


SEE SHEET C-3



KEY MAP  
SCALE 1"=400'

PROFILE - JOINT TRENCH  
HORIZONTAL SCALE 1"=40'  
VERTICAL SCALE 1"=4'



PLAN VIEW: STRATFORD COURT  
SCALE 1"=20'

CONSTRUCTION NOTES:

1. TRENCH REPAIRS PER SERIES 0-24A AND 0-24B. FOR STRATFORD COURT, REFER TO C-18 FOR FINISH PLAN.
2. PROPOSED DRY UTILITY DESIGN FOR SOGAC PLANS.
3. SOGAC TRANSFORMER PAD.
4. AT MIDSPAN.
5. SOGAC MIDSPAN.
6. DISTINGUISH WORKRECY CROSSING OR TERRY FINE TREE TO REMAIN AND PROTECT IN PLACE. ALL EXISTING WITHIN CRITICAL ROOT ZONE PER PLAN SHALL BE MAINTAINED UNLESS APPROVED OTHERWISE. ALL EXCAVATION IN THIS PROTECTION ZONE PER PLAN MUST BE COUNTERSIGNED BY ARBORIST.
7. SPECTRUM FIBERIAL.
8. HORIZONTAL AND PER TECHNICAL PROVISIONS INCLUDING ANY NECESSARY BRACKET FORMERS. PROTECT ALL TREES IN PLACE.
9. CONTRACTOR TO FORMALIZE AND FIELD VERIFY LOCATION, DEPTH, AND SIZE PRIOR TO COMMENCING CONSTRUCTION.
10. REPLACE 4" PVC SIGNALS TO NEAREST JOINT PER SERIES 0-27.
11. DISTING DRY UTILITY.
12. TRENCH PACKAGE SMALL TUNNEL UNDER CURB & GUTTER TO PROTECT IN PLACE.
13. REPLACE CONCRETE DRIVEWAY AND ANY NECESSARY PAVEMENT, FLAGSTONE, GUTTER, OR SURFACE IN 8"RD TO NEAREST JOINT.
14. REMOVE AND REPLACE 4" TYPE C CURB AND GUTTER PER SERIES 0-22.
15. DISTING SOGAC POLE TO BE REINFORCED BY STRUTS.
16. CROWN GATE DRY UTILITY STRUCTURE.

DEMOLITION NOTES:

- 1. PROTECT IN PLACE

- GENERAL NOTES
1. ALL TREES THROUGHOUT PROJECT SHALL BE PROTECTED IN PLACE.
  2. CONTRACTOR SHALL MAINTAIN MINIMUM CLEARANCE REQUIRED BY SOGAC. ADJUST TRENCH AS NEEDED DUE TO FIELD CONDITIONS.
  3. PROVIDE SAID CLEARANCE FOR UTILITY CROSSING WITH LESS THAN 12" OF VERTICAL CLEARANCE.
  4. CONTRACTOR SHALL MAINTAIN ACCESS TO DRIVEWAYS DURING CONSTRUCTION.

REVISION	DESCRIPTION	APPROVED	DATE

SCALE	DESIGNED	DRAWN	CHECKED
AS SHOWN			
ASD FILE NO.			
PROJECT NO.			
4048-002			

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APPROVED  
JOE BRIDE, P.E. DISTRICT PUBLIC WORKS DIRECTOR

CITY OF DEL MAR  
DISTRICT 1A CONVERSION IMPROVEMENT PLANS  
STRATFORD CT IMPROVEMENT PLAN

SHEET  
C-2  
02 OF 10 SHEETS



## CITY COUNCIL AGENDA QUESTIONS

June 3, 2024

### Item 6– Biennial Review and Update of the Del Mar Conflict of Interest Code

1. *The City Attorney is listed as a category 4 filer. Does this apply to the other attorneys in her office with whom we work regularly--do they also file?*

Response: No. Only the City Attorney files a Form 700. Other attorneys in the City Attorney's Office provide advice, guidance and recommendations to the City Attorney, City Council, and staff who then make decisions on behalf of the City.

2. *Are there any city boards and commissions designated as filers other than Finance, DRB, and PC? The report says they file as directed by Resolution.*

Response: Currently, Design Review Board, Planning Commission, and Finance Committee members are designated Form 700 filers under the City's Conflict of Interest Code. The Planning Commission and Design Review Board are designated because they are quasi-judicial decision-making bodies. The Finance Committee is designated due to the financial nature of the committee and the committee's role in the budget process. The City Council has not designated any other committees as Form 700 filers because these committees are advisory to the Council, as stated in their charters, meaning they provide the Council with recommendations and are not decision-making bodies. Staff monitors committee activity to ensure committees are operating within their designated charters, and as new committees are formed staff analyzes whether they should be designated filers under FPPC regulations and guidance.

3. *Same for consultants--which ones file? Undergrounding consultants? MBI? Other?*

Response: Michael Baker International (engineering services) and True North Compliance (building services) staff who provide services to the City are designated Form 700 filers. Other consultants performing work for the City are not designated Form 700 filers because they possess no authority with respect to any City decision beyond the rendition of information, advice, recommendation, or counsel. Staff monitors the roles and activities of consultants to ensure compliance with the Conflict of Interest Code and may designate consultants as filers, as needed.

## **Item 8 – Purchase of Equipment Trailer from Sonsray Machinery**

1. *What happens to the old flatbed trailer? Sale? Trade in? Do we keep it?*

Response: It is being sold at auction and the revenues will go to the General Fund.

## **Item 10- Fiscal Year 2024-2025 Senate Bill 1 Funding for the City’s Annual Pavement Management Program**

1. *The report says these funds are "... subject to change by the State of California pending fund availability." Are these funds at risk due to the state budget shortfall? Is Del Mar at risk if we proceed to program street repairs assuming these funds before knowing the answer to that?*

Response: These funds are from per-gallon excise taxes on gasoline and diesel fuel, sales tax on diesel fuel, and registration taxes on motor vehicles. These funds are not at risk but are subject to minor adjustments after July 1, the deadline for all cities to submit their project lists. Final funding allocations are determined based on that final project list.

## **Item 12- Agreement with Townsend Public Affairs for Legislative Advocacy Services**

1. Can the staff clarify if the scope of services includes identification of grant opportunities? The scope attached to the proposed contract lists included activities: *“State and Federal Earmark Funding Opportunities: TPA will support the City in its pursuit of state and federal earmark funding by leveraging legislator and staff relationships, as well as responding to technical or administrative questions related to the applications.”* This sounds like the City will need to identify grant opportunities and TPA's scope is limited to providing support for items the city identifies. That's pretty different from helping the City identify grant opportunities.

Response: Earmark funding opportunities are different than traditional grant opportunities and are tied to the state and federal legislatures. TPA’s expertise in legislative advocacy and access to legislators and their staffs has and will help the City seek funding for shovel-ready projects that enhance the community. At both the state and federal levels, funded “earmark” projects do bear similarities to traditional grant opportunities in that once funded, awardees like the City must complete applications to access the funds and adhere to compliance requirements.

However, the scope of services in the new Townsend Public Affairs agreement does not specifically include the identification of grant opportunities outside of the state and federal legislature funding processes. While TPA provided this service previously, staff determined that grant identification and related work has been and can be managed internally. Staff monitors and pursues when appropriate funding opportunities that align with projects in the workplan and Council priorities. TPA remains a resource to the City as staff pursues funding.

### **Item 13- Preliminary Conceptual Plan for Living Levees to Provide Flood Adaptation**

1. *How will the levee on the south side of the river interface with the RR underpass to be installed for the Coast to Crest Trail as part of the SANDAG RR trestle and seasonal platform project? Will the new underpass be subject to flooding?*

Response: Any future proposed levee project would need to account for these projects and address project compatibility in the associated environmental review document prior to any decision for project approval.

The existing Riverpath trail along the south bank is in the floodplain and is subject to periodic flooding.

2. *How much will these levees protect the homes in the low area between the RR and CDM from flooding?*

Response: The levees are designed to protect property that is subject to periodic river flooding, which is applicable to properties that are mapped by FEMA as being located in the AE zone special flood hazard area.

Levee #1 (Fairgrounds) will provide flood protection during the following conditions: 1) existing sea level rise and a 10 year or 25 year storm flood event; 2) 1 foot of sea level rise and a 10 year storm flood event (projected to coincide with years 2050 to 2060); and 3) 2.5 feet of sea level rise and an annual storm flood event (projected to coincide with years 2070 to 2090).

Levee #2 (NC Zone/Public Works) will provide flood protection during the following conditions: 1) existing sea level rise and 100 year storm flood event; and 2) 3 feet of sea level rise and a 25 year storm flood event (projected to coincide with years 2080 to 2100).

Levee #3 (North Beach) will provide flood protection for homes in the AE zone in the floodplain, but will not protect the ocean front properties that are subject to ocean flooding which is applicable to properties that are mapped by FEMA as being located in the VE zone special flood hazard area. The levee protection from river flooding will apply to the following conditions: 1) existing sea level rise and a 100 year storm flood event; and 2) 3 feet of sea level rise and a 100 year storm flood event (projected to coincide with years 2050 to 2100).

3. *Especially on the north side, the amount of protection seems pretty minimal. Were options for a higher levee considered?*

Response: The Fairgrounds is a low lying area that is lower than the south bank and is subject to periodic flood inundation due to river flooding. The levees were designed to mimic existing flood conditions in accordance with federal regulations. If the levee is elevated higher on the north bank, then during a flood event the water will travel to the side with the lowest elevation.

4. *Whose responsibility is it to design and pay for the levee on the north side of the river- the City's or the 22nd DAA's, or is there joint responsibility for funding and design?*

Response: *The State is responsible for the State Fairgrounds property. Any levee project or other flood control improvements along the river will require coordination between the City and the State to ensure the improvements will comply with the federal regulations requiring a "no rise" scenario in comparison to existing flood conditions.*

5. *What is meant by " flood risk reduction?" Does this mean nothing gets wet? Things get wet but damage is not expected? Things get wet and some damage is expected? Something else?*

Response: The adjacent properties include Floodway Zone and Floodplain Overlay Zone properties. Properties in the floodway are subject to frequent inundation and properties in the adjacent flood fringe are subject to periodic flooding. Best available science projects changing climactic conditions that include sea level rise and increasing frequency and intensity of storms. The levee system was designed to mimic existing flood conditions, which means the levee will minimize damage from the increasing storm events and sea level rise, but areas that currently experience flooding will continue to experience some flooding similar to existing conditions.

6. *Much of the existing rip rap on both sides (except fronting the Beach Colony project) seems sporadic and in bad shape. Will it be repositioned? Will filter cloth be installed? Will sized rock be placed to interlock?*

Response: This is a preliminary design concept. These factors will be addressed in future design concept stages when a levee project is pursued.

7. *Will rock, or perhaps cobble, be placed under the living levees, like in the Cardiff Dune Field, such that during flood we might lose the plants and earth, but the rock would still provide protection and the earth and plants could be replaced if needed?*

Response: See response to #6 above.

8. *Granted, The M&N report is preliminary, but it identifies a cost estimate of \$5 to \$10 million for all three levees. I think we should discuss the options for raising this kind of money. I'm reluctant to approve something even preliminarily if I don't have some feel for how we expect it to be paid for.*

Response: This is an informational report. The City Council is not being asked to approve anything or take any action.

9. *What kind of grant opportunities are available?*

Response: There are available federal and state funding sources. This is identified in the M&N report in Attachment A to the Agenda Report. Federal sources include the NOAA Coastal Resilience Program, National Fish and Wildlife Foundation, and United States Fish and Wildlife Service. While state funding sources are currently unfunded in the state budget, it is expected that there will be future opportunities for state funding via various climate-related programs including California Department of Fish and Wildlife, Coastal Conservancy, Ocean Protection Council, and Coastal Commission. There also may be opportunities for regional funding from SANDAG and the County.

10. *Is the 22nd DAA expected to contribute?*

Response: Any levee project along the San Dieguito River within the City of Del Mar will require coordination and participation from the 22<sup>nd</sup> District Agricultural Association, including state funding.

11. *Is an assessment district or GHAD appropriate to consider for assessing properties benefited from the flood protection provided by the levees?*

Response: Establishment of a GHAD is an option that the City Council could consider as a financing strategy.

12. Are sand mitigation funds held by the CCC on Del Mar's behalf available?

Response: No, Coastal Commission does not have sand mitigation funds available.

13. Can NCTD as an affected owner, or SANDAG, be expected to participate in funding?

Response: Yes, potentially through grant funds and project mitigation funds (i.e., RR projects).

14. Would the city be better off to allocate \$5-\$10 million for sand replenishment on the beach?

Response: No, the levees and sand replenishment strategies provide different types of flood adaptation. The levees will be need to protect properties that are subject to river flooding. To protect North Beach from ocean flooding, the City is maintaining its existing system of shoreline protection along the beach front properties and is utilizing sand replenishment. The USACE project in progress has already placed significant quantities of sand in Encinitas and Solana Beach that is migrating south to the Del Mar beach. In addition, there is a regional sand replenishment project (RBSP3) in the planning stages as well as the Southern California Edison obligation for existing small quantity dredging from the river mouth for sand placement on the Del Mar beach every other year.

15. Do we need to do both as this area is exposed to flooding from both directions--from the beach and from the river?

Response: Yes, the City will need to implementation strategies to address river flooding and ocean flooding consistent with the City's adopted Sea Level Rise Adaptation Plan.

16. Will the system of levees impact sand entrainment in the lagoon mouth and SCE's obligation to dredge and keep the river mouth open?

Response: No, the levees will be located on the upland side of the respective river banks and were designed to mimic existing conditions.

**Item 15- Undergrounding Program Update and Task Order Approval for Utility Specialists Southwest, Inc. to Perform Utility Underground District (UUD) Pre-Formation Services for UUD 3 (South Hill)**

1. *Am I right that the SDG&E part of the undergrounding program has to be done by SDG&E? Even if Del Mar were to consider bringing underground work "in house," Del Mar could not bring that SDG&E portion in house, no?*

Response: Correct, SDG&E portion of the work is separate than the City's construction related to the Undergrounding and can only be done by SDG&E.

**Item 16- Review Fiscal Year 2023-24 Third Quarter and Proposed 2024-25 Operating and Capital Budget Update**

1. *Might the recommended transfer of \$2.3 million to the capital reserve account negatively impact our ability to get grants if granting agencies see that the city has already allocated funds for these capital projects? Might it be better to leave the funds in the General Fund Contingency?*

Response: No, that is not a factor in being considered for outside sources of funding. The reserve funds could be used for any projects. The funds are not being allocated to the actual projects themselves at this point, just put aside in reserves for those or other projects as may be needed.



# City of Del Mar Memorandum



TO: Honorable Mayor and City Council Members

From: Martin Boyd, Project Manager II  
Joe Bride, Public Works Director  
Via Ashley Jones, City Manager

DATE: June 3, 2024

SUBJECT: Red Dot for Item 15: Undergrounding Program Update and Task Order Approval for Utility Specialists Southwest, Inc. to Perform Utility Underground District (UUD) Pre-Formation Services for UUD 3 (South Hill)

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Item 15 on the June 3, 2024, City Council agenda includes an informational update on the Undergrounding Program, including updates on project costs for UUD 1A, and recommends approval of a Task Order with Utility Specialists Southwest, Inc. to perform utility underground district (UUD) pre-formation services for UUD 3 (South Hill).

The attached revised UUD 1A Project Budget is intended to replace Attachment E that was included in the initial agenda packet distribution on May 30, 2024 and provides highlighted corrections to the project budget shown for July 7, 2021.

Attachment: Revised UUD 1A Project Budget

## UUD 1A Estimated Total Project Costs (02-7000-7202)

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	Pre-Bid Budget 12-4-23	Budget as of 6-3-24
<b>Pre-Construction Phase - Professional Services</b>				
<b>Utility Specialists - Pre-Construction Services (Includes US, KCM, Fuscoe)</b>	\$543,900	\$576,700	\$647,878	\$647,878
1. City and Agency Coordination	\$27,100	\$43,370	\$43,370	\$43,370
2. District 1A Design	\$423,010	\$439,540	\$505,352	\$505,352
3. Resident Interface and Project Status Tracking	\$56,160	\$56,160	\$68,926	\$68,926
4. Public Bidding Support	\$37,630	\$37,630	\$30,230	\$30,230
<b>City Arborist Review</b>	\$5,000	\$5,000	\$3,525	\$3,525
<b>Environmental Review; City to complete in-house</b>	\$0	\$0	\$0	\$0
<b>GIS Services As-Needed</b>	\$2,000	\$2,000	\$0	\$0
<b>Communications Consultant Services</b>	\$5,000	\$5,000	\$5,000	\$5,000
<b>Subtotal for Pre-Construction Professional Services</b>	<b>\$555,900</b>	<b>\$588,700</b>	<b>\$656,403</b>	<b>\$656,403</b>
<b>Utility Companies - Estimates for City Paid Design and Construction Costs</b>				
<b>SDG&amp;E</b> 7-12-21 to 12-4-23 estimated per LF of overhead or trench from UUD Tewa. 6-3-24 estimate provided by SDG&E.	\$904,842	\$959,175	\$1,004,850	\$3,585,756
<b>AT&amp;T</b> 7-6-21 estimated based on UUD Tewa. 10-16-23 to 6-3-24 updated based on UUD 1A specific including 15% contingency	\$678,632	\$180,000	\$163,944	\$163,944
<b>Spectrum/Charter</b>	\$284,297	\$0	\$0	\$0
<b>Crown Castle</b>	\$0	\$0	\$0	\$0
<b>Subtotal for Utility Company Costs</b>	<b>\$1,867,771</b>	<b>\$1,139,175</b>	<b>\$1,168,794</b>	<b>\$3,749,700</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. 12-4-23 estimate based on engineer's estimate. 6-3-24 based on actual bid.	\$918,000	\$3,146,108	\$3,049,746	\$4,717,395
<b>Utility Specialists Construction Management and Support</b> (12-month construction) 7-12-21 for as needed for duration of construction. 10-16-23 to 6-3-24 for full-time City construction and as-needed for remainder of construction.	\$169,820	\$423,740	\$423,740	\$415,250
<b>Storm Water Compliance Services</b> 7-12-21 included as part of above line item. 10-16-23 to 6-3-24 removed as to be done by contractor.		\$22,080	\$22,080	\$0
<b>Additional Construction Management Services</b> For any additional necessary professional services during construction.	\$42,455	\$33,964	\$84,748	\$71,513
<b>Subtotal for Construction Phase</b>	<b>\$1,130,275</b>	<b>\$3,625,892</b>	<b>\$3,580,314</b>	<b>\$5,204,158</b>
<b>Combined Estimated Total</b>	<b>\$3,553,946</b>	<b>\$5,353,767</b>	<b>\$5,405,511</b>	<b>\$9,610,261</b>
<b>Project Contingency</b> 10% of Construction Phase Costs	\$0	\$0	\$0	\$520,416
<b>Combined Estimated Total + Contingency</b>	<b>\$3,553,946</b>	<b>\$5,353,767</b>	<b>\$5,405,511</b>	<b>\$10,130,676</b>