



# REPORT TO COUNCIL

## City of Sacramento

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www. CityofSacramento.org

**CONSENT**  
**November 30, 2010**

**Honorable Mayor and  
Members of the City Council**

**Title: Administrative Matter: Amending Resolution 2010-532 Sacramento  
Municipal Utility District (SMUD) System Enhancement Program Priority  
List; North 7<sup>th</sup> Street Utility Underground Project (B18219400)**

**Location/Council District: Council District 1**

**Recommendation:** Adopt a Resolution amending Resolution 2010-532 to 1) establish a revenue and expenditure budget for the North 7<sup>th</sup> Street Utility Underground Project (B18219400) project in an amount not to exceed \$977,341 in the Capital Reimbursable Fund (Fund 3702) and 2) update the not to exceed estimate amounts for the SMUD contract from \$750,000 to \$809,874 to include the contingency allocation and for the AT&T contract from \$160,000 to \$167,467.

**Contact:** Diana Sasser, Project Manager, (916) 808-5519; Jim Rinehart, Economic Development Director, (916) 808-5054

**Presenters:** N/A

**Department:** Economic Development Department

**Division:** Citywide

**Organization No:** 18001031

### **Description/Analysis**

**Issue:** Resolution 2010-532, adopted on September 7, 2010, authorized the City Manager, or his designee, to undertake various actions related to the North 7<sup>th</sup> Street Underground Project. An action the Resolution did not authorize was the establishment of the revenue and expenditure budget for the project in the Capital Reimbursable Fund (Fund 3702). In addition, the not to exceed amounts included in the original resolution did not consider the contingency for SMUD's portion of the project and the cost estimate related to AT&T's portion of the project slightly increased. The amended Resolution reflects the missing budget authorization and updates the not to exceed amounts from the original Resolution 2010-532.

**Policy Considerations:** N/A

**Environmental Considerations:** N/A

**Commission/Committee Action:** N/A

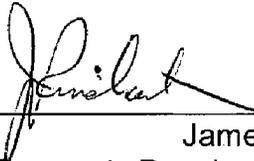
**Sustainability Considerations:** N/A

**Rationale for Recommendation:** Resolution 2010-532 was adopted on September 7, 2010 and authorized the project and the City Manager to enter into various agreements related to the North 7<sup>th</sup> Street Utility Underground Project funded by SMUD and AT&T. Resolution 2010-532 did not authorize the establishment of a new revenue and expenditure budget for the project. The total updated cost estimate for the project is \$977,341 and will be reflected in the Capital Reimbursable Fund (Fund 3702). The not to exceed amounts for the SMUD contract increased from \$750,000 to \$809,874 to include a contingency and the AT&T contract cost estimate increased from \$160,000 to \$167,467. The sources of funding for this project are SMUD and AT&T. This administrative authorization is necessary to fund and complete the project.

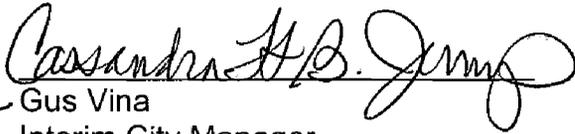
**Financial Considerations:** The amended resolution authorizes the establishment of the revenue and expenditure budget for the North 7<sup>th</sup> Street Utility Underground Project (B18219400) in the amount of \$977,341 in the Capital Reimbursable Fund (Fund 3702) and updates the not to exceed estimate amounts for the SMUD contract from \$750,000 to \$809,874 to include the contingency and the AT&T contract from \$160,000 to \$167,467. The sources of funding for this project are SMUD and AT&T.

**Emerging Small Business Development (ESBD):** Not applicable.

Respectfully Submitted by:   
Melissa Anguiano  
Economic Development Division Manager

Approved by:   
James R. Rinehart  
Economic Development Director

Recommendation Approved:

  
Gus Vina  
Interim City Manager

APPROVED AS TO FORM:  
  
CITY ATTORNEY

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## RESOLUTION NO.

Adopted by the Sacramento City Council

### **AMENDING RESOLUTION 2010-532 FOR THE NORTH 7<sup>TH</sup> STREET UTILITY UNDERGROUND PROJECT TO ESTABLISH A REVENUE AND EXPENDITURE BUDGET AND REVISE THE COST ESTIMATES FOR PROJECT IMPLEMENTATION (B18219400)**

#### **BACKGROUND**

- A. The relocation or undergrounding of primary voltage overhead power lines is very desirable to the City as it can help to improve aesthetics, economic vitality, safety and disabled access along corridors.
- B. The Sacramento Municipal Utility District (SMUD) recognized these benefits and established the System Enhancement Program in order to fund selected distribution system enhancements by relocating or undergrounding existing power lines below 69 kV.
- C. SMUD will fund the cost to relocate or underground its facilities and will fund the costs to construct the utility trench provided that: (i) the City has established the project and determined that it is in the public interest, (ii) the relocation of all telecommunication company facilities with leases and rights to the existing joint pole facilities has been funded and approved by those companies, (iii) the plans and specifications for the relocation of SMUD's facilities has been completed by others, (iv) the underground improvements have been constructed to SMUD's satisfaction, (v) all required building permits have been approved, (vi) all private property right of way requirements and easements and service relocation agreements with all affected property owners have been executed, and (viii) any easements that may be required by SMUD for its above-ground utility boxes have been granted. There is an existing SMUD utility pole on the west side of North 7<sup>th</sup> Street which could be removed as part of a relocation project.
- D. On March 9, 2010 the City Council approved the SMUD System Enhancement Program priority selection criteria and approved a list of priority ranked projects for the SMUD System Enhancement Program.
- E. In July 2010, the City was approached by SMUD and the Sacramento Regional Transit District (RT) about including the undergrounding of the utility lines along North 7<sup>th</sup> Street, between North B Street and Richards Boulevard, (the "North 7<sup>th</sup> Street Utility Underground Project") on the priority list so that the work could be funded by SMUD and undertaken as part of RT's construction of the Downtown-Natomas-Airport (DNA) Minimal Operable Segment 1 ("Green Line") project.



- F. The North 7<sup>th</sup> Street Utility Underground Project is consistent with the approved SMUD System Enhancement Program priority selection criteria and would be the second-ranked project. SMUD has funding available in its current budget to fund this project and the plans have been completed and the project is ready for construction.
- G. In order for the above-ground utilities along North 7<sup>th</sup> Street to be relocated underground, the City will need to direct AT&T to relocate its existing facilities on the SMUD pole to the new trench and to reimburse the costs incurred for placement of conduits for its facilities.
- H. Resolution 2010-532, adopted on September 7, 2010, authorized the City Manager, or his designee, to undertake various actions relating to the North 7<sup>th</sup> Street Underground Project.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. Resolution 2010-532 is amended by adding the following provisions: The City Manager, or his designee, is authorized to establish the revenue and expenditure budget for the North 7<sup>th</sup> Street Utility Underground Project (B18219400) project in an amount not to exceed \$977,341 in the Capital Reimbursable Fund (Fund 3702). The not to exceed amount for the SMUD contract is increased from \$750,000 to \$809,874 to include the contingency, and the AT&T contract amount is revised from \$160,000 to \$167,467.
- Section 2. Except as amended in Section 1 above, Resolution 2010-532 shall remain in full force and effect.