



CITY OF  
**HAYWARD**  
HEART OF THE BAY

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**DATE:** July 29, 2008  
**TO:** Mayor and City Council  
**FROM:** Director of Public Works  
**SUBJECT:** Underground District No. 28 - Watkins Street from Fletcher Lane to D Street:  
Resolution of Intention to Establish

**RECOMMENDATION**

That the City Council adopts the attached resolution declaring its intention to establish Underground District No. 28 - Watkins Street from Fletcher Lane to D Street, and sets September 23, 2008, for a public hearing on the proposed district.

**BACKGROUND**

The Improvement Act of 1911 granted the City the authority to establish underground districts. As a result, over the years, the City has established various districts based on City priorities and most recently has been working on a program to underground all utilities along Mission Boulevard from downtown to Industrial Parkway. The timeline of prior improvements along Mission Boulevard is as follows:

- In 1998, the City Council established Underground District No. 24 - Mission Boulevard from Overhill Drive south. The actual work was completed as part of the Measure B spot widening project at Mission Boulevard and Industrial Parkway.
- In 2001, the City Council established Underground District No. 25 - Mission Boulevard from Sycamore Avenue to Harder Road. The actual work in this area was postponed to better coordinate with plans for the Route 238 Corridor Improvement Project.
- In 2002, the City Council established Underground District No. 26 - Mission Boulevard from Harder Road to Calhoun Street. Pacific Gas & Electric Company (PG&E) managed this project and, after several delays, PG&E has completed their undergrounding work; however, undergrounding work pertaining to AT&T and Comcast is presently under construction and scheduled for completion in August 2008.
- In 2007, the City Council established Underground District No. 27 - Mission Boulevard from Calhoun Street to Overhill Drive. The City will be the lead agency for this project.

The funding of underground districts is made possible through Rule 20A funds. PG&E is required to annually allocate such funds to each city that has overhead wires. Allocation is based on a calculation method that takes into account the number of existing overhead distribution facilities and Hayward's allocation has been approximately \$845,000 per year. The other utility companies, such as Comcast and AT&T, do not have a similar allocation process, but they are required to budget for their costs associated with Rule 20A work.

As noted in the City approved Capital Improvement Program FY09-FY13, all present and future Rule 20A funding through 2012 will be used for work on Mission Boulevard. Watkins Street from Fletcher Lane to D Street falls within the general scope of the Route 238 Corridor Improvement Project. With the exception of Watkins Street, all utilities within the Route 238 Corridor are already underground or will be underground by the time of project construction. Therefore, staff proposes to include the undergrounding of utilities on Watkins Street as part of the Route 238 Corridor Improvement Project. In order to underground this section of Watkins Street and pay for it with Rule 20A funds, it is necessary for Council to establish an Underground District No. 28 for Watkins Street from Fletcher Lane to D Street.

## **DISCUSSION**

Staff has worked with the affected utility companies to define the specific boundaries for the underground district, as shown on Exhibit A. As the design process with the utility companies proceeds, the estimated project cost will be defined in more detail. At this time, PG&E reports that the City has \$4,550,000 available in unallocated Rule 20A funds, which represents over 5 years of accumulated allocations. However, that amount plus the next three year's allocation will be reserved for Mission Boulevard. A rough estimate for this district is that it will require allocating our Rule 20A funds through 2013.

Each property owner will be responsible for undergrounding their electrical, telephone, and cable-television facilities from the property line to the building service. Staff and representatives from the included utility companies will work with each property owner to ensure knowledge of this requirement. Costs for individual residential service conversion will range from \$2,000 to \$4,000, depending on the circumstances involved. Commercial building service conversions could range from \$3,000 to \$6,000. The proposed district includes 17 properties: 12 residential and 5 commercial. In all previous conversion projects, property owners paid the cost of undergrounding any and all service runs to their properties. In consideration of past practices and in order to avoid a potentially costly precedent, it is recommended that the City continue the practice of not paying for individual or commercial service conversions.

In order to best coordinate this undergrounding project with the Route 238 Corridor Improvement Project, the City will assume the role of lead agency, prepare the composite plans for the undergrounding work, and administer the eventual construction contract.

## **PUBLIC CONTACT**

Notices will be mailed to all affected property owners, as well as all utility companies impacted, regarding the September 23 public hearing. Notices will include staff point of contact for any questions.

## **FISCAL AND ECONOMIC IMPACT**

As indicated above, costs for this project will either be covered under the design and construction of the Route 238 Corridor Improvement project or through Rule 20A funds. A project cost estimate will be determined after the design. Staff does not anticipate any new General Fund expenditures as a result of this project.

## **SCHEDULE**

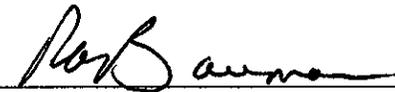
Public hearing on district boundary	September 23, 2008
Begin construction	May 10, 2010
Property owners to connect	March 30, 2011

Prepared by:



Morad Fakhrai, Deputy Director of Public Works/Engineering

Recommended by:



Robert A. Bauman, Director of Public Works

Approved by:



Gregory T. Jones, City Manager

Attachment: Exhibit A: Underground District No. 28 Boundary Map

**THE REFERENCED EXHIBIT(S) IS/ARE  
ATTACHED AS A SEPARATE LINK**

**DRAFT**

NK  
7/24/08

HAYWARD CITY COUNCIL

RESOLUTION NO. 08-

Introduced by Council Member \_\_\_\_\_

**RESOLUTION OF INTENTION TO ESTABLISH  
UNDERGROUND DISTRICT NO. 28 - WATKINS STREET  
FROM FLETCHER LANE TO D STREET AND SETTING A  
TIME AND PLACE FOR THE PUBLIC HEARING**

WHEREAS, it has been recommended to the City Council of the City of Hayward by the Public Works Department that an underground district be established for Watkins Street from Fletcher Lane to D Street in Hayward, California, more particularly described as follows:

**UNDERGROUND DISTRICT NO. 28 -  
WATKINS STREET: FLETCHER LANE TO D STREET**

The underground wiring system proposed and connection to be made to the same shall be completed in March 2011. The removal of all poles and overhead wires shall be completed by December 2011. These dates may be postponed by the City upon notification to the affected property owners; and

WHEREAS, the area proposed to be included in the district is shown on that certain map entitled "Underground District No. 28"; and

WHEREAS, the project is categorically exempt under the "Minor Alteration of Existing Investor and Publicly-owned Utilities" section of the California Environmental Quality Act.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that, pursuant to the authority under Chapter 11, Article 4 of the Hayward Municipal Code, the Council intends to consider the establishment of Underground District No. 28 and that a public hearing shall be held in the Council Chambers, City Hall, 777 "B" Street, Second Floor, Hayward, California, on Tuesday, September 30, 2008, at the hour of 8:00 p.m., at which time and place the Council shall afford interested persons an opportunity to be heard prior to its taking any action in connection with the establishment of Underground District No. 28 as described in this resolution of intention. The Public Works Department of the City of Hayward, telephone number (510) 583-4762, is hereby designated as the department to answer any inquiries regarding the hearing proceedings.

