

City of Hesperia

STAFF REPORT



DATE: October 5, 2021

TO: Mayor and Council Members

FROM: Nils Bentsen, City Manager

BY: Rachel Molina, Assistant City Manager
David R. Burkett, Project Construction Manager

SUBJECT: Formation of Underground Utility District 21-01

RECOMMENDED ACTION

Staff recommends that the City Council adopt Resolution No. 2021-045 establishing an underground utility district at the Northwest corner of the intersection of Seventh Avenue and Ranchero Road (per Exhibits A1 & A2).

BACKGROUND

In response to local government interest in enhancing the aesthetics of their communities, in 1967 the California Public Utilities Commission (CPUC) established electric tariff Rule 20A. This program provides for the conversion of overhead utility lines to underground. Conversion projects under Rule 20A are funded by all of the utility's ratepayers throughout their service territory. Rule 20A conversion projects are intended to underground existing distribution and sub-transmission voltage lines and poles under CPUC jurisdiction in areas that benefit the public interest as defined by criteria set by the CPUC.

Each year Southern California Edison (SCE) establishes an annual allocation of "work credits". These work credits are allocated to cities and counties using a formula found under Rule 20. Staff identified the Northwest corner of the intersection of Seventh Avenue and Ranchero Road as an ideal location for a conversion project. SCE determined the City's available work credits and provided an estimate of the cost of the proposed Rule 20A underground project. Undergrounding is generally undertaken for primarily aesthetic reasons.

ISSUES/ANALYSIS

The creation of an Underground Utility District will enable the City to use Southern California Edison Rule 20A funds to relocate unsightly utility lines underground. Rule 20A establishes the methodology for converting overhead utility lines to underground. Generally, the project must meet criteria that serves a general public benefit to all electric ratepayers.

In order to underground the utility lines at the proposed location using Rule 20A funding, the City Council must make a determination that such undergrounding is in the general public interest for a minimum of one of the 5 reasons outlined under CPUC Rule 20A. Staff has established that 2 of the 5 criteria are met at the proposed location as follows:

1. The street, road, or right of way serves as a major thoroughfare for the general public and carries a heavy volume of pedestrian, bicycle, rail, vehicular or other traffic. Heavy traffic volume means a minimum of 5,000 average trips per day.
2. The street, or road, or right of way is considered an arterial street or major collector as defined by the California Department of Transportation's California Road System functional classification system.

Ranchero Road far exceeds 5,000 average trips per day and meets the first criteria listed. Both Ranchero Road and Seventh Avenue are classified as arterial streets and therefore both roadways meet the second criteria listed.

Conversion of overhead utilities to underground facilities will provide a substantial aesthetic benefit to the City of Hesperia along the Ranchero Road corridor. Staff is recommending that the Council adopt Resolution 2021-045 establishing an underground utility district at the Northwest corner of the intersection of Seventh Avenue and Ranchero Road as described in Exhibits A1 & A2.

FISCAL IMPACT

There are no fiscal impacts to the City of Hesperia for this work. The undergrounding work is estimated by Southern California Edison (SCE) to cost approximately \$900,000, which will be completely funded with SCE Rule 20A set-aside funds. The use of Rule 20A set-aside funds are restricted to utility undergrounding.

ALTERNATIVE(S)

1. Provide alternative direction to staff

ATTACHMENT(S)

1. Resolution 2021-045
2. Exhibit A1
3. Exhibit A2