

Agenda Report

TO: City Council

DATE: October 6, 2003

THROUGH: Finance Committee (September 29, 2003)

FROM: City Manager

SUBJECT: An Ordinance Amending Section 13.14.110 of the Pasadena Municipal Code, Underground Utility Districts.

RECOMMENDATION:

It is recommended that City Council direct the City Attorney to prepare an ordinance amending Section 13.14.110 of the Pasadena Municipal Code to increase the City's underground reimbursement fee from \$1,000 to \$2,000 to property owners for the cost of electrical contract work performed on their private property in conjunction with underground utility districts.

BACKGROUND:

Since the inception of the Underground Utility Program in 1968, individual property owners are required to underground facilities on their private property, which includes the distance from the property line to the meter pole box. Upon completion of the underground conversion, the City reimburses each property owner a designated rate to offset his or her costs.

On June 11, 1991, City Council approved Ordinance No. 6433 increasing the city's cost reimbursement to property owners within an established underground utility district from \$800 to \$1,000.

On November 3, 1992, City Council approved Resolution No. 6844 to authorize a cost reimbursement to all single-family residents located outside an established underground utility district for costs in converting service from overhead to underground. This rebate was the same amount for residents who were required to convert to underground service as the result of being located within an established underground utility district and was based on the following conditions:

1. Resident presently receiving overhead service;
2. Resident desiring to upgrade electrical service;
3. Underground service connection located within two-hundred feet of property; and
4. Resident required by Municipal Code to convert to underground service.

Recently, staff conducted a cost analysis based on material, labor and permit expenses to underground facilities on private property. The average cost of an underground conversion is estimated at \$2,000 to \$5,000 per property. As a result, it is recommended that City Council direct the City Attorney to prepare an ordinance amending Section 13.14.110 of the Pasadena Municipal Code increasing the city's reimbursement rate from \$1,000 to \$2,000. By increasing the reimbursement rate, residential customers will benefit an additional \$1,000 to offset their undergrounding expense. In addition, an increase would provide incentive to residential customers to cooperate with staff in expediting the undergrounding conversion without timely delays.

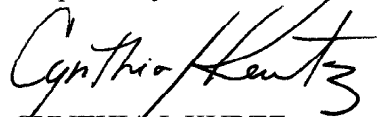
FISCAL IMPACT:

Residential customers located within the Avenue 64/La Loma Road and Raymond Avenue utility districts will not be able to take advantage of the rebate in FY 2004 since the underground duct system will not be completed until FY 2005. However, it is estimated that 40 residential customers located outside an established utility district will take advantage of the rebate during FY 2004. Each customer would receive an additional \$1,000 totaling an additional cost of \$40,000.

Capital Improvement Budget Account 74569 entitled "Miscellaneous Electrical System Undergrounding Various Locations" will provide funding for these projects. Funding to cover reimbursement costs for residential customers located within an established utility district will be allocated from the FY 2005 underground utility surtax fund.

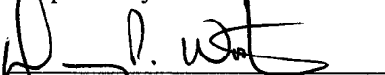
The amendment should not result in any policy changes or substantial delays in the City's underground program due to the cost impact on the City's underground program.

Respectfully submitted,



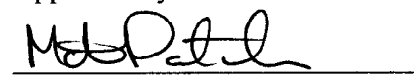
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