

CAPISTRANO BAY DISTRICT
AGENDA REPORT
March 1, 2016

Old Business

ITEM 10c

Undergrounding of Utilities – What's Next

Last summer Director Muller worked with an undergrounding consultant, Utility Specialists Inc., to prepare a cost estimate for conversion of the community overhead power and communications utilities. The District paid \$4500 to the consultant for an Initial Assessment of the proposed project.

The attached 7 pages outline Utility Specialists description of the full scope of work involved and the various steps for bringing this project to completion, from entitlements to bidding to course of construction. This material was presented back in August and is again being discussed now to bring the Board and the community up to date on progress and to see if there is interest in moving forward.

Below is a summary of the consultant's assessment: **Estimated Overall Cost of Project - \$3.8M**
(*this does not include costs for formation of an assessment district)

- **Initial Assessment - \$4500** to evaluate the client-provided construction plans and provide a cost opinion representing real-market costs in 2015 (already paid in August)
- **Design Mgmt and Coordination - \$29,600** update the original design drawings in coordination with the power, cable TV and phone service providers, provide a detailed scope of work description for bidding purposes
- **Bid Mgmt and Course of Construction Consulting - \$15,000** assist with public bid process, bid selection, construction critical path scheduling, consulting with project supervision during course of construction, consulting for verification of completed work for construction progress payments, etc.

At this point the District has some idea of the overall cost of the project and could now present this to the community to get a sense of the community's willingness to pay for the project. As was done for the road improvement project in 2002, the community would have to form another Assessment District to create the capital for covering the cost.

In compliance with Proposition 218, an officially sanctioned vote of the community would eventually have to be performed in order to create the Assessment District but before that process is launched, an informal vote of the community is advised to assess where the community stands on this proposal.

Assessment District formations are expensive to put together and this cost would have to be included on top of the estimated \$3.8 Million for construction. In 2002 the actual formation costs which included the Assessment Engineer, Bond Counsel, Financial Advisor and Trust Consultants, etc., came to about \$450,000. It is now twelve years later and with a larger project, the formation costs would be much higher.



4429 Morena Boulevard
San Diego, California 92117

858.581.2250

RECEIVED 9-29-15

BEACH ROAD CONVERSION

Utility Specialists Southwest, Inc. has reviewed information provided by the Client as well as maps and data received from SDG&E relative to the proposed conversion of the existing overhead pole line within the project area. The following is our assessment of findings and proposed "next steps:"

1. The preliminary electrical conversion design as produced by Larry Hinck in April of 2000 is still a good representation of the necessary conduit and cable work required. A couple of minor corrections to current SDG&E standards and practices were identified and incorporated into our opinion of probable costs. As was discussed on the site, the siting of the SDG&E equipment (particularly the transformers) will need to be seriously addressed by SDG&E when producing the actual required work order. Larry tried to find areas with the most likelihood of being successfully sited. A few of these may impact existing homeowners and they will need to be in agreement. Others will require SDG&E to grant standards deviations in order to safely site and operate the equipment. Generally speaking all locations are an adequate attempt to meet SDG&E specifications and slight deviations in these locations will not impact the cost opinions in any appreciable way.
2. The costs will be higher than previously anticipated based on two major factors: (a) SDG&E has had several significant cost increases since 2000, and (b) the street improvements were completed previously and street repair costs will be extra from what was anticipated in 2000.
3. Our opinion of probable costs to do the project as currently designed is **\$3,830,000**. This number includes work by a private contractor to provide all trenching, excavation, backfill, conduit and substructure work for the electric, telephone, and CATV systems. Each utility would complete all cabling, connections/splicing, and equipment. Our opinions of probable cost are made on the basis of our experience and qualifications and represents our best judgement based on direction, plans, and information provided by the client. Utility Specialists, cannot and does not guarantee that proposals, bids or the construction costs will not vary from the opinions that we have prepared.
4. We did look at whether the system as designed could be reduced in scope to help mitigate the high costs. The existing overhead system through the project may be slightly overbuilt for the actual use that is being applied to it. This is a complicated subject that should definitely be discussed with SDG&E since it could reduce the project

cost opinions by as much as **\$490,000** if we could get them to agree. Unfortunately they do have a legal basis to retain the system as designed so our cost opinions and the Power Plus design are based on the more expensive situation.

5. Our opinions of probable cost data was developed for situations in undeveloped land and our experience has shown that actual contractor bids can vary, in some cases significantly, from our numbers when dealing with existing improved streets. The contractor portion of the Utility specialists' cost opinion is **\$1,810,000**. If you would like to get a better view of actual projected costs, it may be good to get a few bids from interested contractors based on the Power Plus design.
6. Please remember that our opinions of probable cost are based on the conversion of all three utility systems on the pole line. Typically any quote that you may have received from SDG&E only covers their facilities and will be, therefore, understated as to total project costs.

We would be happy to meet with you to explain further how we arrived at our opinions and discuss the potential cost reductions mentioned herein. Please call Duane Strooboscher at (858) 581-2250, ext. 121 to set up an appointment.

Preliminary Opinion of Probable Cost

Beach Road Conversion

August 26, 2015

The following is an opinion of probable gas, electric, telephone, and CATV costs. Utility Specialists' opinion of probable costs is made on the basis of our experience and qualifications and represents our best judgement based on direction, plans, and information provided by the client. Utility Specialists, cannot and does not guarantee that proposals, bids or the construction costs will not vary from the opinions that we have prepared. This information is proprietary and not for distribution without the written consent of Utility Specialists.

		REFUNDABLE OPTION COST OPINIONS	NON- REFUNDABLE OPTION COST OPINIONS
A.	ELECTRIC DISTRIBUTION SYSTEM (UTILITY CHARGES)		
1.	Electric Deposit	\$0	\$0
2.	Tax on Value of Trench & Conduit	\$0	\$0
3.	Tax on Value of Substructures	\$0	\$0
4.	Electric Line Relocations & Removals	\$0	\$0
5.	Electric Conversion	\$1,488,840	\$1,488,840
6.	Right-of-Way Fees	\$0	\$0
7.	Excess Electric Service Cable/Service Delivery Point	\$0	\$0
B.	GAS DISTRIBUTION SYSTEM (UTILITY CHARGES)		
1.	Gas Deposit	\$0	\$0
2.	Gas/Fuel Line Relocations	\$0	\$0
3.	Excess Gas Service Pipe	\$0	\$0
C.	TELEPHONE DISTRIBUTION SYSTEM (UTILITY CHARGES)		
1.	Telephone Deposit	\$0	\$0
2.	Tax on Value of Customer Work	\$0	\$0
3.	Telephone Relocations	\$0	\$0
4.	Telephone Conversion	\$475,560	\$475,560
5.	Secondary M.P.O.E.	\$0	\$0
D.	CATV DISTRIBUTION SYSTEM (UTILITY CHARGES)		
1.	CATV Deposit	\$0	\$0
2.	CATV Relocations	\$0	\$0
3.	CATV Conversions	\$51,560	\$51,560
E.	CONTRACTOR INSTALLATION COSTS		
1.	Trench, Backfill, Conduit & Substructure Installation		
	-Mains	\$0	\$0
	-Services	\$0	\$0
	-Conversions	\$1,813,860	\$1,813,860
2.	Street Lights & Installation Cost	\$0	\$0
3.	Consulting Fees	\$0	\$0
F.	TOTAL CAPITAL COST	\$3,829,820	\$3,829,820
G.	ESTIMATED REIMBURSEMENTS		
1.	Electric Facilities (given as a refund based on allowance)	\$0	\$0
2.	Gas Trench	\$0	\$0
3.	Telephone Trench, Conduit & Substructures	\$0	\$0
4.	CATV Facilities	\$0	\$0
H.	ESTIMATED REFUNDS		
1.	Electric Deposit (refundable option only)	\$0	N/A
2.	Gas Deposit (refundable option only)	\$0	N/A
3.	Telephone Deposit	\$0	\$0
I.	TOTAL REFUNDS AND REIMBURSEMENTS	\$0	\$0
J.	NET COST- Total Cost Minus Estimated Refunds & Reimbursements	\$3,829,820	\$3,829,820



4429 Morena Boulevard
San Diego, California 92117
858.581.2250

August 10, 2015

The Muller Company
Attention: Steve Muller
18881 Von Karman Avenue, Ste. 400
Irvine, CA 92612

PROPOSAL: Dry Utility Consulting Services – Beach Rd. Conversion District

Steve,

It was a pleasure speaking with you on the phone. Based on our discussion, we believe we can provide you with some much needed assistance relative to the conversion of Beach Rd. At the conclusion of our initial assessment, we will provide recommendations by which the District members maintain control of the Rule 20A overhead conversion process, produce lower costs and maximize allotted funds.

Our scope is as follows:

INITIAL ASSESSMENT

\$ 4,500

- An assessment of the underground work order and its relation to the existing overhead system. We want to make sure SDG&E is not unduly reinforcing their system.
- Complete a cost opinion utilizing our own costing database providing District representatives a better understanding of "real market" costs associated with the proposed improvements.
- Strategy recommendations to District representatives for implementation.

DESIGN MANAGEMENT AND COORDINATION

\$ 29,600

- We will provide design management & consulting services relative to the Rule 20 conversion work orders for electric, telephone and Cable TV service.
- Our scope will include coordination with SDG&E, AT&T and the Cable TV provider to underground overhead facilities along Beach Rd. A detailed description of our services is described in the attached **Exhibit A**.



4429 Moreno Boulevard
San Diego, California 92117

858.581.2250

BID MANAGEMENT/ CONSTRUCTION COORDINATION

\$ 15,000.00 (Time & Material)

- Review utility prints and site construction plans. Meet with Client to obtain preliminary construction dates and needs. Assemble available information to compile Preliminary Utility Schedule.
- Provide Client with preliminary critical path schedule to assist in decision making for construction phasing and work method.
- Meet with Client and subcontractors as needed to establish and maintain realistic construction dates.
- Provide a critical path schedule for system installation using Client-supplied input and information supplied by utilities and Client's subcontractors. Critical path schedule updates to be supplied periodically based on schedule changes during construction.
- Assist in field problem resolution. Coordinate meeting with utility representatives to establish, for the Client, the best possible solutions for field problems. Attend field meeting to be available to discuss work progress, work priorities, and conflicts. The fees are based on meetings not to exceed an average of one per week during critical construction sequences.
- Provide Client with up-to-date energizing dates, compiled from information provided by each utility operating center.
- Monitor and direct all service order coordination via forwarding address/sequence lists to the utilities. Provide interface with the utilities to ensure that service trenches are opened without delay to the Client's sequential development schedule.
- Provide site investigation to verify status of work-in-progress and work completed. Provide interface with the utilities to verify that the trenching contractor's work has been released at each stage, and that utility crews have been scheduled.

TOTAL CONTRACT VALUE: \$ 49,100

We thank you for the opportunity to partner on this project. Please contact me if you have any questions or need further clarification, (858) 581-2820 x 121.

Respectfully,
UTILITY SPECIALISTS SOUTHWEST, INC.

Duane Strooboscher
Vice President

**SCOPE OF WORK
EXHIBIT A
DRY UTILITY MANAGEMENT SERVICES**

CLIENT: The Muller Company
PROJECT: beach Rd. Conversion
DATE: August 10, 2015

- Assist Client in the resolution of on and offsite dry utility conflicts between planned improvements and existing natural gas, electric, telephone and cable television systems.
- Review utility design options for advantageous tariff applications.
- Identify potential sources for temporary construction power and telephone service based on information obtained through utility representatives.
- Interface with other related professionals such as architect, civil engineer, electrical and mechanical engineers to obtain information for utilities' final design preparation. (fees based on 6 hours of interface). Additional time beyond the 6 hours allocated will be billed to Team Meetings on a time and material basis at prevailing hourly rates.
- Submit plans, track design process and maintain required interface with utility representatives to obtain preliminary design for Client approval. (Fees are based on one utility processing to obtain the designs and construction agreements.)
- Required interface with utility company representatives to establish onsite service points for special service needs of the project. Special service needs normally include pump stations, traffic signals, irrigation controller power and landscape lighting.
- Assist architect in establishing locations for dry utility onsite infrastructure relating to space requirements, aesthetic treatments and utility company specifications.
- Attend utility design conference and other related meetings as required to complete the design process.
- Review preliminary electric design and submit copies to:
 - Client & Team Members
 - Other utilities for early design initiation
- Review final designs, contracts and right-of-way documents in preparation for Client's approval and signature.

- Submit final utility documents with summary of utility deposits and potential refunds to Client.
- Prepare a maximum of four (4) bid packages with estimated material quantities, list of utility representatives, utility specifications and design.
- Coordinate and attend one (1) pre-construction meeting per work order with Utility Representatives, Client and Trenching Contractor at Client's direction. The level of effort included in the basic service is 4 hours of consultation during construction. Work related to the construction phase (i.e. resolution of field problems, attendance of meetings and other duties as directed by Client) beyond the 4 hours allocated will be considered an additional service to be billed on a time and material basis at prevailing hourly rates. Prior approval from Client will be obtained.
- Obtain and review address list from Client and coordinate Master Service Order (MSO) with SDG&E