



Town of Paradise Valley

6401 E Lincoln Dr
Paradise Valley, AZ 85253

Legislation Text

File #: 18-263, Version: 1

TO: Mayor Collins and Town Council Members

FROM: Kevin Burke, Town Manager
Paul Mood, P.E., Town Engineer
Jeremy Knapp, Engineering Services Analyst

DATE: June 14th, 2018

DEPARTMENT: Engineering

AGENDA TITLE:

Authorize the Town Manager to Execute Agreements with The Salt River Project Agricultural Improvement and Power District and CenturyLink for the Undergrounding of the SRP Keim Conversion District Located Near 44th Street and Keim Drive in an Amount not to exceed \$1,483,026.29

Town Value(s):

- ☐ Primarily one-acre, residential community
- ☐ Limited government
- ☐ Creating a sense of community
- ☐ Partnerships with existing schools and resorts to enhance recreational opportunities
- ☒ Improving aesthetics/creating a brand
- ☐ Preserving natural open space

Removal of overhead powerlines improves neighborhood aesthetics

Council Goals or Statutory Requirements:

RECOMMENDATION:

Authorize the Town Manager to execute a Facility Relocation Agreement with The Salt River Project Agricultural Improvement and Power District to allow for the placement of underground facilities within the town's right-of-way.

Authorize the Town Manager to enter into a contract with CenturyLink in an amount not to exceed \$28,274.29 for the conversion of overhead cable facilities to underground.

Authorize the Town Manager to enter into a contract with The Salt River Project Agricultural Improvement and Power District in an amount not to exceed \$562,840 for the conversion of overhead power facilities to underground.

Authorize the Town Manager to expend \$891,866 of the Town's SRP Aesthetics Funds towards the funding of the conversion of overhead power facilities to underground.

SUMMARY STATEMENT:

Undergrounding of overhead utility lines has been a staple within the Town of Paradise Valley for decades. The Town has a long standing history of working with The Salt River Project (SRP) to complete overhead to underground powerline conversions. Since 1988, the Town and SRP have converted 19 districts. There are four remaining districts, the first of which programmed in the Capital Improvement Plan Budget is the Keim District located near 44th Street and Keim Drive as shown in the Project Location Map (Attachment A).

The 44th Street and Keim Conversion District includes 14 residences. The main line that feeds these residences is atop a ridgeline and can be seen from a great distance. The conversion of this district will remove eleven poles, five pole mounted transformers, and 2,500 linear feet of overhead line. Subsequent to the completion of the undergrounding, the Public Works Department will mill and overlay the streets surrounding the conversion district with funds from the Pavement Maintenance Budget.

The Town's agreement for funding undergrounding of overhead electrical lines with SRP includes the use of SRP Aesthetic Funds, Town General Funds, and resident contributions as outlined in Resolution 577 (Attachment B) and Resolution 813 (Attachment C). In addition, the town is responsible to cover expenses related to the undergrounding of CenturyLink facilities per the CenturyLink Prior Rights Tariff (Attachment D). In September of 2017, Town staff recommended clearly identifying how each of the three are applied to the total project costs. It was recommended and supported by council to utilize a formula as follows:

Town Portion = (Total Project Cost - Aesthetic Funds) x 66.7% + CenturyLink Costs
Resident Portion = (Total Project Cost - Aesthetic Funds) x 33.3%

In order for SRP to place new facilities within the town's right-of-way, the town must approve a Facility Relocation Agreement (Attachment E). This agreement has been executed between the town and SRP for prior conversions and is required to complete the project. The SRP Definitive Cost Estimate (Attachment F) outlines the final SRP project costs for conversion of this district.

In addition to the cost to underground the SRP facilities, the town also has to pay to convert the CenturyLink facilities. The cost to complete the CenturyLink conversion for the Keim District is \$28,274.29 (Attachment G).

BUDGETARY IMPACT:

This project is included in the FY18 Capital Improvement Plan Budget. The town's General Fund budget for this project was \$386,276 while the actual cost to the town will be \$398,005.29, the additional \$11,729.29 will come from CIP contingency. The funding for the project is as follows:

Town General Funds	\$ 398,005.29
Resident Contributions	\$ 193,109
SRP Aesthetic Funds	\$ 891,866

Total	\$ 1,482,980.29
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ATTACHMENT(S):

Attachment A - Project Location Map

Attachment B - Resolution 577

Attachment C - Resolution 813

Attachment D - CenturyLink Prior Rights Tariff

Attachment E - SRP Facility Relocation Agreement

Attachment F - SRP Definitive Cost Estimate

Attachment G - CenturyLink Quote N.371107

Attachment H - SRP Keim District PowerPoint Presentation