



Date: August 8, 2023

Honorable Mayor and Council Members:

Author and title: Dan Wilkins, Public Works Director/Town Engineer

Title: **West River Streetscape Utility Reimbursement Agreements**

Approved By: _____ Jen Callaway, Town Manager

Recommended Action: Authorize the Town Manager to enter into utility reimbursement agreements with TDPUD, AT&T, and CEQUEL III Communications for a combined amount of up to \$300,000.

Discussion: As a part of the West River Streetscape Project, one of the project goals is to relocate existing overhead utilities to underground locations as a means of eliminating utility poles in the sidewalk areas and roadway edges, and to eliminate overhead utility lines along West River Street within the project limits and along a 200' long section of East River Street just to the east Bridge Street. Towards that end, the Town has committed to constructing the underground infrastructure necessary to allow the existing utilities to be relocated to the underground locations. Once that infrastructure is in place, the individual utility providers would then take on the responsibility of relocating their wirelines to the underground locations and then removing the existing overhead utility lines and utility poles.

Both the portion of East River Street and the portion of West River Street between Mill Street and Bridge Street that is within the West River Streetscape project limits are located on Union Pacific Railroad (UPRR) right-of-way. As a result, the utility undergrounding needs to be approved by UPRR in the form of "Wireline License Agreements" that Union Pacific would grant to each of the utility providers. Each of the three utility providers has submitted a "Wireline License Agreement Application" with UPRR. As a part of the review process for those applications, UPRR has notified the utility providers that it will require payment of fees in order to execute the agreements.

Because the Town and the utility providers are sharing the costs of the utility undergrounding, and because the Town does not own the road rights-of-way along East and West River Streets, the utility providers are requesting that the Town either fund, or help fund, the cost of the railroad license agreements. These conversations with the utility providers are ongoing as of the writing of this staff report, as are the negotiations with UPRR regarding the cost of the license fees for each of the utilities. In order to increase the likelihood that all of these agreements can be finalized in time for the utility undergrounding work to occur this Fall, staff is requesting that the Town Council authorize the Town Manager to enter into reimbursement agreements with the individual utility providers for a combined amount of up to \$300,000.

Priority:

<input type="checkbox"/> Enhanced Communication	<input checked="" type="checkbox"/> Climate and Greenhouse Gas Reduction	<input type="checkbox"/> Housing
<input checked="" type="checkbox"/> Infrastructure Investment	<input type="checkbox"/> Emergency and Wildfire Preparedness	<input checked="" type="checkbox"/> Core Service

Fiscal Impact: The West River Streetscape Project Budget for Fiscal Year 2023/2024 includes approximately \$600,000 in contingency funding, most of which was identified as construction contingency. The requested magnitude of the utility license fees was significantly greater than was anticipated as staff was anticipating that the railroad would be requesting an ongoing annual license fee of a much smaller amount, as opposed to the one time fee that they are currently requiring. However, staff is not recommending a budget amendment to the overall project budget to cover this unanticipated expense at this time. The final amount of the utility reimbursements is still being determined through ongoing negotiations with the utility providers and the railroad, and it is staff's goal to reduce the Town's expenses to a level that is significantly below the maximum amount of \$300,000 which would then allow that expense to be covered through the existing construction contingencies.

Public Communication: Ongoing communications with UPRR, TDPUD, AT&T, and CEQUEL III Communications

Attachments:None