

Underground Utility Fund**Fund 416****PURPOSE OF THE FUND:**

The Underground Utility Fund is used to account for developer fees collected when the developer opts out of placing utility facilities underground at the time of development. The fund is then used to establish Rule 20B Underground Utility Districts. These districts combine several smaller undergrounding projects into one large project so as to minimize the piecemeal undergrounding of utility facilities throughout the City. The Underground Utility Program implements the City's General Plan goals and policies, which state that the City should encourage the movement of existing overhead utilities underground.

The Underground Utility Fund is also responsible for the administration of the Rule 20A Program. Through Rule 20A, the California Public Utilities Commission requires Pacific Gas and Electric (PG&E) to annually set aside funds to finance the undergrounding of overhead facilities located on public streets within the City of San José. AT&T (SBC) and Comcast also budget funds to participate in projects in which PG&E Rule 20A funds are programmed. City staff oversees the underground utility districts, reviews plans and designs, and coordinates and inspects undergrounding projects.

AUTHORITY FOR THE FUND:

San José Municipal Code sections 4.80.1950 through 4.80.1980. Revenue and expenditure estimates are budgeted via Council funding sources resolution and appropriation ordinance, respectively.

SOURCE OF FUNDS:

All revenues received as assessment and fees for the City's costs and expenses related to undergrounding overhead utilities underground (Underground Utility Fees).

FUND RESTRICTIONS:

While the use of moneys within this fund is not subject to Proposition 218, certain moneys in this fund may be restricted by other policies and guidelines, which are described below.

The City Council may only use interest earnings in the fund for the direct payment to or reimbursement to the General Fund for the costs and expenses related to the performance of work necessary to place certain utility facilities underground.

LEAD RESPONSIBILITY:

Public Works Department

Underground Utility Fund

Fund 416

FINANCIAL INFORMATION AND LOCATION:

Comprehensive Annual Financial Report (CAFR) Designation:

Governmental Fund-Special Revenue

Budget Location:

Adopted Capital Budget and Capital Improvement Program (Developer Assisted Projects Capital Program)

Funding Sources Resolution and Appropriation Ordinance Location:

Section 26.01