

# UTILITY COMMITTEE MINUTES

March 19, 2001

The Utility Committee of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on March 19, 2001 at 3:00 p.m.

## COMMITTEE PRESENT

Mike Whalen, Chairman  
Bill Jaffa  
Claudia Walters

## COUNCIL PRESENT

Jim Davidson  
Dennis Kavanaugh

## OFFICERS PRESENT

Mike Hutchinson

1. Discuss and consider the establishment of a new City policy regarding joint/shared trenching for public utility providers.

Development Services Administrator Jeff Welker addressed the Utility Committee relative to this agenda item and provided a brief historical synopsis regarding the lack of choices that Mesa's residents have had in the past regarding the selection of entities to provide electric, telephone, cable television and natural gas services.

Mr. Welker advised that the City currently has three cable television providers, five telecommunications providers and one natural gas provider licensed to install, operate and maintain utility services within Mesa's corporate limits. Mr. Welker commented that Salt River Project and Qwest also have historic legal rights to provide their utility services to the City. Mr. Welker explained that 10 to 15 additional companies are in the process of seeking various licenses from Mesa and that staff anticipates an increase in the number of companies that will ultimately be operating within the City.

Mr. Welker noted that while deregulation offers consumers the advantage of choice regarding a growing number of service providers, it also results in Mesa's existing residential neighborhoods continuing to be subjected to the inconvenience and nuisance of their property being damaged during construction activities by these providers. Mr. Welker added that repeated construction within the same neighborhoods has escalated and resulted in a negative perception by Mesa's residents towards the City to coordinate and control such activities within their neighborhoods. Mr. Welker said that staff also has concerns regarding the increased disruption and degradation to the City's arterial and collector streets.

Mr. Welker informed the Committee that in an effort to address both issues, staff advocates approval of Recommendations "A" and "B" as follows:

- A. Establish and adopt a formal City policy prescribing requirements for joint/shared trenching by Public Utility Providers in residential neighborhoods. Said policy would apply to all Public Utility

Providers licensed and/or otherwise legally authorized to install, operate and maintain utility services within Mesa's corporate limits. Generally, said policy would contain requirements as follows:

1. Prior to permit approval and issuance, any Public Utility Provider seeking to install utility services within an existing residential neighborhood shall contact all other Public Utility Providers and seek participation in joint/shared trenching.
2. The Public Utility Provider seeking permit approval/issuance shall provide the City with documentation that all other Public Utility Providers have been contacted and identifying their decision whether or not to participate in joint/shared trenching.
3. Any Public Utility Provider formally declining the opportunity for joint/shared trenching within a residential neighborhood shall be prohibited from obtaining a permit to install facilities (other than service "drops") within said neighborhood for a period of five (5) years.

Mr. Welker noted that this recommendation would give the City the ability to effectively minimize property damage and neighborhood disruption, but would not apply to the performance of regular repairs and maintenance to existing facilities by the providers.

- B. Establish a small task force with the mission to develop a strategic "technical" plan for promoting collocation of public utilities within Mesa's arterial and collector street rights-of-ways. The task force should include representatives from the City and Public Utility Provider industry. The strategic "technical" plan should identify the key elements necessary to successfully plan a joint/shared trench in conjunction with a City capital improvement project, a Public Utility Provider transmission/distribution project, or a large private development project. Once the strategic plan is developed and approved by the Utility Committee, it can be used to frame a formal City collocation policy for adoption by the City Council.

Mr. Welker stated that it is the opinion of staff that this recommendation will offer the City an effective manner in which to decrease its costs for pavement maintenance, reduce congestion in rights-of-way and minimize inconvenience to the traveling public.

Mr. Welker advised that with regard with fiscal impacts, Recommendation A will represent little, if any, increase in financial responsibility to Mesa. Mr. Welker said that relative to Recommendation B, while a fiscal impact cannot be determined until the formation of a task force, it is the opinion of staff that on a long-term basis, there will be substantial savings to the City.

Committeemember Jaffa spoke in support of staff's recommendations and noted that the implementation of Recommendations A & B will enable the City to more efficiently coordinate the efforts of the providers and also diminish the cost and damage to the residential neighborhoods.

In response to a question from Committeemember Jaffa, Mr. Welker advised that the cities of Phoenix, Tempe and Scottsdale are currently in the process of implementing policies for collocation and joint/shared trenching. Mr. Welker explained that it is the intent of staff to work with those municipalities to establish a policy which

will be consistent Valley wide. Mr. Welker added that relative to Mesa charging fees for their coordination efforts, the City has formed a group under the e-Streets initiative to focus on cost recovery issues, and although the study is being conducted independently of this matter, it will examine costs associated with issuing permits and staff time. Mr. Welker stressed that it is imperative that the City implement a policy to assist the residential neighborhoods, and once that has been approved, a fee schedule will be implemented at a future time.

It was moved by Committeemember Jaffa, seconded by Committeemember Walters, to recommend to the Council that staff's recommendations (A & B) relative to the establishment of a new City policy regarding joint/shared trenching for public utility providers be approved.

Discussion ensued relative to the fact that in an effort not to impede new technology in residential neighborhoods, the policy will require that transmission media must be installed in conduit which will allow for easy removal to upgrade such media and minimize the disruption to the neighborhoods; charging fees to recoup services provided by the City; the fact that Mesa's registered neighborhood groups will have the ability to request that the City accommodate their needs for new technology services; the fact that Cox Communications and Qwest are supportive of staff's efforts to implement a policy similar to one currently being utilized by the City of Phoenix, and the fact that Salt River Project (SRP) must abide by City policy regarding residential neighborhoods.

Committeemember Jaffa expressed concerns regarding the five-year requirement in Recommendation A3.

Discussion ensued relative to utility deregulation.

Carried unanimously.

Chairman Whalen thanked Mr. Welker for his presentation.

2. Discuss and consider authorizing the Utilities Manager to submit an application for up to 40 MW of electric capacity and associated energy from the Arizona Public Power Pool.

Utilities Manager Dave Plumb addressed the Committee regarding this agenda item and stated that the City of Mesa Utilities Department, Electric Division, provides electrical service to approximately 16,000 customers in a 5.5 square mile area of Mesa. In order to provide the energy for its customers, the Division contracts for a variety of resources. Two of the City's current contracts have recently expired or are about to expire and the Division issued a Request for Proposals (RFP) for replacement power and is currently in the process of evaluating those proposals. He noted that the costs for replacement power are higher than anticipated and staff is continuing to negotiate with the various entities.

Mr. Plumb stated that aside from the City's RFP, the Salt River Project (SRP) has offered to all public power entities in Arizona the opportunity to join an Arizona Public Power Pool. He explained that the Pool will make available, as of September 1, 2001, 100 MW of power at prices which are substantially lower than those received in response to the City's recently issued RFP. Mr. Plumb said that SRP will begin accepting

applications at 9:00 a.m. on April 2, 2001. He commented on the fact that it is widely believed that the initial offering will be oversubscribed and said that while SRP reserves the right to allocate the resource, the initial offering is being made on a first-come, first-served basis. Mr. Plumb reported that the Electric Division will need 25 to 40 MW, depending on the outcome of ongoing negotiations relating to the RFP and stated the opinion that contracting with SRP may produce substantial savings for the City's electric customers.

Mr. Plumb requested that the Committee recommend to the Council that the Utility Manager be authorized to submit an application for up to 40 MW of electric capacity and associated energy from the Arizona Public Power Pool.

Committeemember Walters thanked Mr. Plumb for his presentation.

In response to a question from Chairman Whalen, Mr. Plumb reported that during the hot summer months, the average peak load is 90 and added that during the remainder of the year, the average is half of that amount, approximately 45 to 50.

Committeemember Jaffa questioned whether the City should request more than the 40 MW from SRP. Mr. Plumb stated that the requested amount will be more than sufficient to handle the needs of the City and added that he would be hesitant to request a higher amount.

It was moved by Committeemember Walters, seconded by Committeemember Jaffa, to recommend to the Council that the Utility Manager be directed to submit an application for up to 40 MW of electric capacity and associated energy from the Arizona Public Power Pool.

Carried unanimously.

3. Hear a presentation from Cox Cable regarding cable TV service.

Ivan Johnson and Steve Wright, representatives of Cox Cable, addressed the Committee regarding this agenda item and stated that Mark Warden and Ron Wells of Cox are also present in the audience. Mr. Johnson advised that it is his intention to discuss Dobson Ranch and Cox Cable's efforts to improve customer service.

Discussion ensued relative to the updated current technology that is available through Cox Cable; the fact that when cable was installed at Dobson Ranch, the builder buried the cables in the homeowners' rear yards and Cox Cable's intention to redo that and place the cables out front, the added time that is required to accomplish this feat; the fact that the Company is at a standstill right now based on the fact that they are unable to obtain permits to proceed with their work, and the fact that at this point, Cox Cable is estimating that their rebuild project is 60-days behind schedule.

Mr. Johnson also commented on the number of complaints that have been received regarding Cox Cable and explained that growth and demands for the various services is driving the volume of complaint calls. He noted that a typical homeowner can receive up to four separate cable services versus the one they received in the past, and said that added time is required to install all of the updated technology. Mr. Johnson reported that the company is involved in over 1300 miles of rebuilds and said that this type of work generates a lot of citizen calls.

Mr. Johnson discussed efforts to address complaints and said that Cox has changed the “down time” when service is shut down to allow cable to be laid to 2:00 a.m. to 6:00 a.m. and said that this is the least disruptive time for this to occur. He urged City staff to contact Cox with any specific problems and noted that a team of staff members has been appointed to work with the various neighborhood groups, explain the processes that are occurring and respond to their questions and concerns.

Additional discussion ensued relative to efforts to expand staffing levels in their customer call center, the expansion of trunk lines, enhancing training for their staff, and efforts that have been expended to simplify the company’s automatic response system.

Committeemember Walters complimented Cox Cable on their customer service improvements and said that she had the occasion to personally interact with this department and staff was exceptionally pleasant and helpful. Committeemember Walters agreed that interaction with the various neighborhood groups is important and said that she has not recently received any complaint calls regarding Cox Cable.

In response to a question from Committeemember Jaffa, Mr. Johnson commented on the fact that the City is considering a change in its policy, which Cox supports, but said that in the meantime, there are certain types of licenses that the company needs to complete rebuild work and the delay is impacting the timeframe for the rebuild project.

City Manager Mike Hutchinson stated that staff is pursuing the establishment of a joint trenching policy with other municipalities and hopes to have a policy in effect by April.

Chairman Whalen commented on the establishment of “metropolitan technology centers” and thanked Mr. Johnson and the other representatives of Cox Cable for their update and efforts to address the concerns of Mesa’s citizens and provide them with optimum service.

4. Adjournment.

Without objection, the Utility Committee Meeting adjourned at 4:05 p.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Utility Committee Meeting of the City of Mesa, Arizona, held on the 19th day of March, 2001. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this \_\_\_\_ day of \_\_\_\_\_ 2001

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BARBARA JONES, CITY CLERK

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