



## TRENCH CUTS

In April 2023, the City of Davis adopted Article 35.08 to Chapter 35 of the Davis Municipal Code, requiring that any time construction in the street requires a trench cut, the applicant shall pay a trench restoration fee as described in the Fee Implementation section. The ordinance also provides that the amount of the fee shall be established by resolution of the City Council. This fee became effective in June 2023.

## FEE STUDY

Utility companies often need to cut existing pavements to install, access and service underground equipment. Research has shown that utility cuts can reduce pavement life by 15 to 55 percent, which consequently costs local agencies millions of dollars in premature street repair and remediation expenses. Studies have also shown that underground utility work affects not only the excavated area, but often weakens the adjacent pavement.

To recover the cost of pavement damage associated with performing underground utility work, many agencies impose trench cut fees. In 2022, the City of Davis' on-call engineering consultant, Nichols Consulting Engineers (NCE), completed a study to assess and quantify pavement damage caused by utility cuts in the City of Davis (City) and to develop an appropriate fee schedule for the City to recover any costs associated with such damage.

A link to the Trench Cut Fee Study is available on the City of Davis website on the Fee Schedule page:

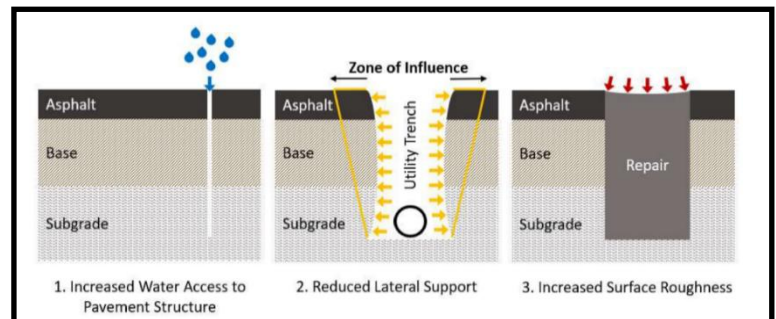
[www.cityofdavis.org/city-hall/finance/fee-schedules](http://www.cityofdavis.org/city-hall/finance/fee-schedules)



## FEE IMPLEMENTATION

The fees adopted by the City Council through this ordinance are collected at different times depending on the entity performing the work. For encroachment permits, the fee is paid at the time of permit issuance. For work defined by improvement plans for developments, the fee will be paid at time of Final or Parcel Map approval. For City utilities, the fee is paid quarterly based any excavation of a paved City street during the previous three months.

All monies paid to the City, pursuant to Davis Municipal Code Section 35.08.030, shall be deposited in a special fund or funds and shall be expended only for the resurfacing, maintenance, administration and protection of City streets where excavation has occurred after adoption of the proposed ordinance.



# FEE CALCULATION

Cut areas greater than 10 percent of a management section area trigger a PCI drop sufficient to result in a section-wide mill and overlay. Consequently, in such cases a full recovery fee is appropriate. This means that for utility work in which the affected area (cut area plus zone of influence) constitutes more than 10 percent of the management section area, the damage fee should be multiplied by the full section area. In contrast, for utility work in which the affected area (cut area plus zone of influence) constitutes less than 10 percent of the management section, the recovery fee should be pro-rated.

Based on the City's pavement management inventory in StreetSaver®, the average management section area for arterial streets is approximately 58,000 square feet (sf) while the average management section area for collectors and residential is approximately 25,000 sf. Consequently, the fee implementation equations are as follows:

### TIERED DAMAGE FEE SCHEDULE 2024/25

Functional Class	PCI	Damage Fee (\$/SF)
Arterial	All	\$1.06
Collector & Residential	≥70	\$1.16
	≤70	\$1.54

Note: the fees in this schedule are fees established in 2023. The trench cut fee shall be indexed annually based on the Engineering News-Record Construction Cost Index for San Francisco, or its equivalent, to ensure that the fee continues to reflect actual costs of construction.

**For Affected Area ≥ 10% average management area**  
(5,800 sf for arterials or 2,500 sf for collectors or residential)

TRF = UC \* AMA  
where

TRF: Total Recovery Fee (\$)

UC: Unit Cost (from Table above)

AMA: Average Management Area (58,000 sf for arterials or 25,000 sf for collectors or residential)

**For Affected Area < 10% average management area**  
(5,800 sf for arterials or 2,500 sf for collectors or residential)

PRF = UC \* AA / 0.1

where

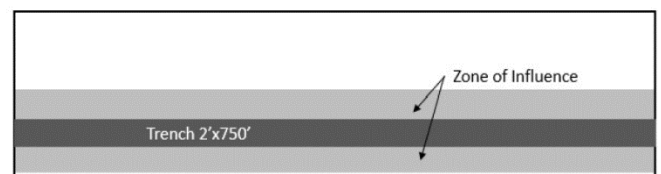
PRF: Pro-rated Recovery Fee (\$)

UC: Unit Cost (from Table above)

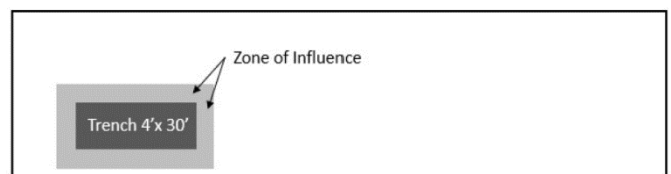
AA: Affected Area (cut area + zone of influence)

# EXAMPLES

**Example 1:** Residential street with a PCI of 60. A longitudinal trench cut 2feet wide is performed the length of the section, which is 750 feet. Since the zone of influence extends at least 2 feet from the edge of the cut, the affected area is 6 ft x 750 ft, which represents an affected area of 4,500 square feet, or approximately 18 percent ( $6 \times 750 / 25,000 = 0.18$ ) of the average management area for residential. Since the affected area is greater than the critical value of 10 percent, the total recovery fee is \$1.54/sf.



**Example 2:** Residential street with a PCI of 60. However, in this case the utility cut is only 4 feet wide and 30 feet long. Since the zone of influence extends at least 2 feet (ft) from the edge of the cut, the affected area is 8 ft x 34 ft, which represents an affected area of 272 square feet, or approximately 1 percent ( $8 \times 34 / 25,000 = 0.01$ ) of the average management area for residential. Since the affected area is less than the critical value of 10 percent, or 2,500 square feet for collectors or residential, the pro-rated recovery fee is \$1.54/sf (from Table 6) \*  $(8 \text{ft} \times 34 \text{ft}) / 0.1 = \$4,107$ .



# QUESTIONS

Please contact the Public Works Engineering and Transportation Department with any questions.

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