

CITY OF OAKLAND

AGENDA REPORT

2010 MAY 13 PM 1:37

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Public Works Agency
DATE: May 25, 2010

RE: **A Report From The Public Works Agency Electrical Services Division
Presenting A Utility Undergrounding Project Prioritization Action Plan For The
City Of Oakland**

SUMMARY

Following a presentation by PWA Electrical Services Division at the Public Works Committee on the Prioritization of Utility Undergrounding Projects on March 23, 2010, the Committee requested that Electrical Services return to provide further description of the CPUC criteria for underground utility projects, the policies and funding mechanism for utility undergrounding projects in Oakland, the execution of and prioritization of utility undergrounding projects in selected municipalities, and an action plan for the prioritization of utility undergrounding projects in the City of Oakland.

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC) RULE 20 – REPLACEMENT OF OVERHEAD WIRES WITH UNDERGROUND ELECTRICAL FACILITIES

CPUC Rule 20 provides that PG&E shall replace its existing overhead electric facilities with underground electric facilities along public streets and roads in Oakland provided that Oakland's City Council adopts an ordinance creating an underground district and determines that one of the following four conditions apply:

1. Undergrounding will eliminate an unusually high concentration of overhead electric facilities.
2. The street carries a heavy volume of pedestrian or vehicle traffic
3. The street passes through an area of unusual scenic interest;
4. The street is considered an arterial street or major collector.

The full text of Rule 20 is included in Attachment A

Item: _____
Public Works Committee
May 25, 2010

COSTS OF UTILITY UNDERGROUNDING

When PG&E undergrounds its electrical services, other utilities are also placed underground. This includes TV/Cable, telephone and wiring to City owned street lights. At the same time, property owners must pay to change wiring in their houses to receive utility services from underground connections instead of overhead.

On a typical undergrounding project, costs are distributed as follows:

Work in the street:

PG&E (Electrical)	42%
AT&T (Telephone)	23%
Comcast (TV/Cable)	16%
Property Owner (City Street Lights)	19%

Work on private property:

PG&E	Up to \$1500.00 per property
Property Owner	Balance of cost

PG&E allocates \$3.1M per year to pay for their share of undergrounding work. Unless grant, redevelopment, or other funds are available, property owners pay for undergrounding of wires to City street lights and half of the cost of rewiring their own houses. Currently costs to property owners can range from \$9000.00 to \$12,000.00 per property.

OAKLAND'S POLICY ON UTILITY UNDERGROUNDING PROJECTS

Oakland prioritizes utility undergrounding by offering the process to those neighborhoods that are willing to pay for undergrounding of street lights and rewiring of their properties on a "first come, first served" basis (*Attachment B: City of Oakland Undergrounding Decision Matrix and Flow Chart*). Currently there are 23 locations on the priority list (*Attachment H*).

UTILITY UNDERGROUNDING PROJECT PRIORITIZATION IN OTHER CALIFORNIA CITIES

Staff reviewed prioritization policies of five other California cities. Findings are included in *Attachment C: City of Pasadena; Attachment D: City of Santa Barbara; Attachment E: City of San Francisco; Attachment F: City of San Diego; Attachment G: City of Alameda*

Each of the municipalities identified starts with at least one of the CPUC criteria set forth in Rule 20. Each City then implements projects using varied strategies to prioritize locations, allocate funding and process residents requests.

SUSTAINABLE OPPORTUNITIES

Economic: A utility undergrounding project provides the opportunity to use local contractors and employs Oakland residents, thus strengthening the local economy. It is generally perceived that utility undergrounding projects can revitalize commercial business districts and increase property values.

Environmental: Implementation of utility undergrounding projects eliminates unsightly overhead utility lines in the public-right-of-way. It improves the livability, aesthetics, and safety of the neighborhood and reduces the potential for fire, electric danger, or utility outage resulting from tree limbs touching overhead wires. The undergrounding of overhead cables and equipment and removal of wood poles enhances emergency evacuation in the event of a catastrophe.

Social Equity; The infusion of a sizable utility upgrade project in an area in Oakland results in new equipment systems and cable plant which benefit the immediate users as well as the community at large.

DISABILITY AND SENIOR CITIZEN ACCESS

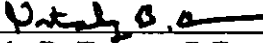
The replacement of overhead lines and wood poles with a new underground system and underground street lighting will allow the disabled and senior citizens to move safely along unobstructed walkways.

RECOMMENDATIONS AND RATIONALE

Given the current financial situation of the City of Oakland, the City's inability to pay for undergrounding street lights, the desire to continue spending PG&E's \$3.1M undergrounding

allocation, and the length of time neighborhoods have been on the priority list, no changes to the existing “first come, first served” policy are recommended at this time.

Respectfully submitted,



Vitaly B. Troyan, P.E.
Interim Public Works Agency Director

Reviewed by:
Bruce Saunders, Interim Assistant Director
Daniel Clanton, Manager, Electrical Service Division

Prepared by:
Paul Chan, Project Manager, Electrical Service Division

Attachments:

- Attachment A: CPUC Rule 20 – Replacement of Overhead with Underground Electric Facilities
- Attachment B: City of Oakland Undergrounding Decision Matrix and Flow Chart
- Attachment C: City of Pasadena Utility Undergrounding Projects Prioritization Plans
- Attachment D: City of Santa Barbara Utility Undergrounding Projects Prioritization Plans
- Attachment E: City of San Francisco Utility Undergrounding Projects Prioritization Plans
- Attachment F: City of San Diego Utility Undergrounding Projects Prioritization Plans
- Attachment G: City of Alameda Utility Undergrounding Projects Prioritization Plans
- Attachment H: City of Oakland Approved & Proposed Undergrounding Projects Priority List

APPROVED AND FORWARDED TO
THE PUBLIC WORKS COMMITTEE:



Office of the City Administrator

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Public Works Committee
May 25, 2010



ATTACHMENT "A"

RULE 20—REPLACEMENT OF OVERHEAD WITH UNDERGROUND ELECTRIC FACILITIES

A. PG&E will, at its expense, replace its existing overhead electric facilities with underground electric facilities along public streets and roads, and on public lands and private property across which rights-of-ways satisfactory to PG&E have been obtained by PG&E, provided that:

1. The governing body of the city or county in which such electric facilities are and will be located has:

a. Determined, after consultation with PG&E and after holding public hearings on the subject, that such undergrounding is in the general public interest for one or more of the following reasons:

- 1) Such undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric facilities;
- 2) The street or road or right-of-way is extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic;
- 3) The street or road or right-of-way adjoins or passes through a civic area or public recreation area or an area of unusual scenic interest to the general public; and
- 4) The street or road or right-of-way is considered an arterial street or major collector as defined in the Governor's Office of Planning and Research General Plan Guidelines.

(T)
(N)
|
(N)

b. Adopted an ordinance creating an underground district in the area in which both the existing and new facilities are and will be located requiring, among other things, (1) that all existing overhead communication and electric distribution facilities in such district shall be removed, (2) that each property served from such electric overhead facilities shall have installed in accordance with PG&E's rules for underground service, all electrical facility changes on the premises necessary to receive service from the underground facilities of PG&E as soon as it is available, and (3) authorizing PG&E to discontinue its overhead service.

(Continued)



RULE 20—REPLACEMENT OF OVERHEAD WITH UNDERGROUND ELECTRIC FACILITIES
(Continued)

A. (Cont'd.)

2. PG&E's total annual budgeted amount for undergrounding within any city or the unincorporated area of any county shall be allocated as follows: (N)

a. The amount allocated to each city and county in 1990 shall be the highest of:

1) The amount allocated to the city or county in 1989, which amount shall be allocated in the same ratio that the number of overhead meters in such city or unincorporated area of any county bears to the total system overhead meters; or

2) The amount the city or county would receive if PG&E's total annual budgeted amount for undergrounding provided in 1989 were allocated in the same ratio that the number of overhead meters in each city or the unincorporated area of each county bears to the total system overhead meters based on the latest count of overhead meters available prior to establishing the 1990 allocations; or

3) The amount the city or county would receive if PG&E's total annual budgeted amount for undergrounding provided in 1989 were allocated as follows:

a) Fifty percent of the budgeted amount allocated in the same ratio that the number of overhead meters in any city or the unincorporated area of any county bears to the total system overhead meters; and

b) Fifty percent of the budgeted amount allocated in the same ratio that the total number of meters in any city or the unincorporated area of any county bears to the total system meters. (N)

(Continued)



RULE 20—REPLACEMENT OF OVERHEAD WITH UNDERGROUND ELECTRIC FACILITIES
(Continued)

A. (Cont'd.)

2. (Cont'd.)

b. Except as provided in Section 2.c., the amount allocated for undergrounding within any city or the unincorporated area of any county in 1991 and later years shall use the amount actually allocated to the city or county in 1990 as the base, and any changes from the 1990 level in PG&E's total annual budgeted amount for undergrounding shall be allocated to individual cities and counties as follows: (N)

1) Fifty percent of the change from the 1990 total budgeted amount shall be allocated in the same ratio that the number of overhead meters in any city or unincorporated area of any county bears to the total system overhead meters; and

2) Fifty percent of the change from the 1990 total budgeted amount shall be allocated in the same ratio that the total number of meters in any city or the unincorporated area of any county bears to the total system meters.

c. When a city incorporates, resulting in a transfer of utility meters from the unincorporated area of a county to the city, there shall be a permanent transfer of a prorata portion of the county's 1990 allocation base referred to in Section 2.b. to the city. The amount transferred shall be determined:

1) Fifty percent based on the ratio that the number of overhead meters in the city bears to the total system overhead meters; and

2) Fifty percent based on the ratio that the total number of meters in the city bears to the total system meters.

When territory is annexed to an existing city, it shall be the responsibility of the city and county affected, in consultation with the Utility serving the territory, to agree upon an amount of the 1990 allocation base that will be transferred from the county to the city, and thereafter to jointly notify PG&E in writing. (N)

(Continued)



RULE 20—REPLACEMENT OF OVERHEAD WITH UNDERGROUND ELECTRIC FACILITIES
(Continued)

A. (Cont'd.)

2. (Cont'd.)

d. However, Section 2 a, b, and c shall not apply to PG&E where the total amount available for allocation under Rule 20-A is equal to or greater than 1.5 times the previous year's statewide average on a per customer basis. In such cases, PG&E's total annual budgeted amount for undergrounding within any city or the unincorporated area of any county shall be allocated in the same ratio that the number of overhead meters in the city or unincorporated area of any county bears to the total system overhead meters.

e. Upon request by a city or county, the amounts allocated may be exceeded for each city or county by an amount up to a maximum of five years' allocation at then-current levels where PG&E establishes additional participation on a project is warranted and resources are available. Such allocated amounts may be carried over for a reasonable period of time in communities with active undergrounding programs. In order to qualify as a community with an active undergrounding program the governing body must have adopted an ordinance or ordinances creating an underground district and/or districts as set forth in Section A.1.b. of this Rule. Where there is a carry-over or additional requested participation, as discussed above, PG&E has the right to set, as determined by its capability, reasonable limits on the rate of performance of the work to be financed by the funds carried over. When amounts are not expended or carried over for the community to which they are initially allocated they shall be assigned when additional participation on a project is warranted or be reallocated to communities with active undergrounding programs.

(N)
|
(N)

(T)
(T)

(Continued)



RULE 20—REPLACEMENT OF OVERHEAD WITH UNDERGROUND ELECTRIC FACILITIES
(Continued)

A. (Cont'd.)

3. The undergrounding extends for a minimum distance of one block or 600 feet, whichever is the lesser. (L)

Upon request of the governing body, PG&E will pay from the existing allocation of that entity for: (T)
(T)

a. The installation of no more than 100 feet of each customer's underground electric service lateral occasioned by the undergrounding. (T) (L)

b. The conversion of electric service panels to accept underground service, up to \$1,500 per service entrance, excluding permit fees. (N) (N)

The governing body may establish a smaller footage allowance, or may limit the amount of money to be expended on a single customer's electric service, or the total amount to be expended on all electric service installations in a particular project. (L) (L)

(Continued)



RULE 20—REPLACEMENT OF OVERHEAD WITH UNDERGROUND ELECTRIC FACILITIES
(Continued)

B. In circumstances other than those covered by A above, PG&E will replace its existing overhead electric facilities with underground electric facilities along public streets and roads or other locations mutually agreed upon when requested by an applicant or applicants when all of the following conditions are met:

1. a. All property owners served from the overhead facilities to be removed first agree in writing to have the wiring changes made on their premises so that service may be furnished from the underground distribution system in accordance with PG&E's rules and that PG&E may discontinue its overhead service upon completion of the underground facilities; or

b. Suitable legislation is in effect requiring such necessary wiring changes to be made and authorizing PG&E to discontinue its overhead service.

2. The applicant has:

a. Furnished and installed the pads and vaults for transformers and associated equipment, conduits, ducts, boxes, pole bases and performed other work related to structures and substructures including breaking of pavement, trenching, backfilling, and repaving required in connection with the installation of the underground system, all in accordance with PG&E's specifications, or, in lieu thereof, paid PG&E to do so;

b. Transferred ownership of such facilities, in good condition, to PG&E; and

c. Paid a nonrefundable sum equal to the excess, if any, of the estimated costs, of completing the underground system and building a new equivalent overhead system. (T)

3. The area to be undergrounded includes both sides of a street for at least one block or 600 feet, whichever is the lesser, and all existing overhead communication and electric distribution facilities within the area will be removed.

(Continued)



RULE 20—REPLACEMENT OF OVERHEAD WITH UNDERGROUND ELECTRIC FACILITIES
(Continued)

B. (Cont'd)

- 4. PG&E may, when requested by the city or county and mutually agreed upon by such government entity and PG&E, initially fund any required engineering/design costs for conversion projects under this section. In the event such a project proceeds, the requesting city or county shall reimburse PG&E for such engineering/design costs before PG&E shall be required to commence further work on the project. In the event the project is not approved to proceed within two and one-half years of PG&E's delivery of such engineering/design study, the requesting city or county shall reimburse PG&E for its costs of such engineering/design study within 90 days of a demand by PG&E. In the event payment is not received PG&E shall expense such costs as an operational cost and shall reduce the city or county's allocations provided under Section A of this Schedule by the amount. (N)
- 5. The costs of removal of the overhead poles, lines, and facilities are the responsibility of PG&E and will be paid by PG&E. Such payments shall not operate to reduce Rule 20-A allocations. (N)

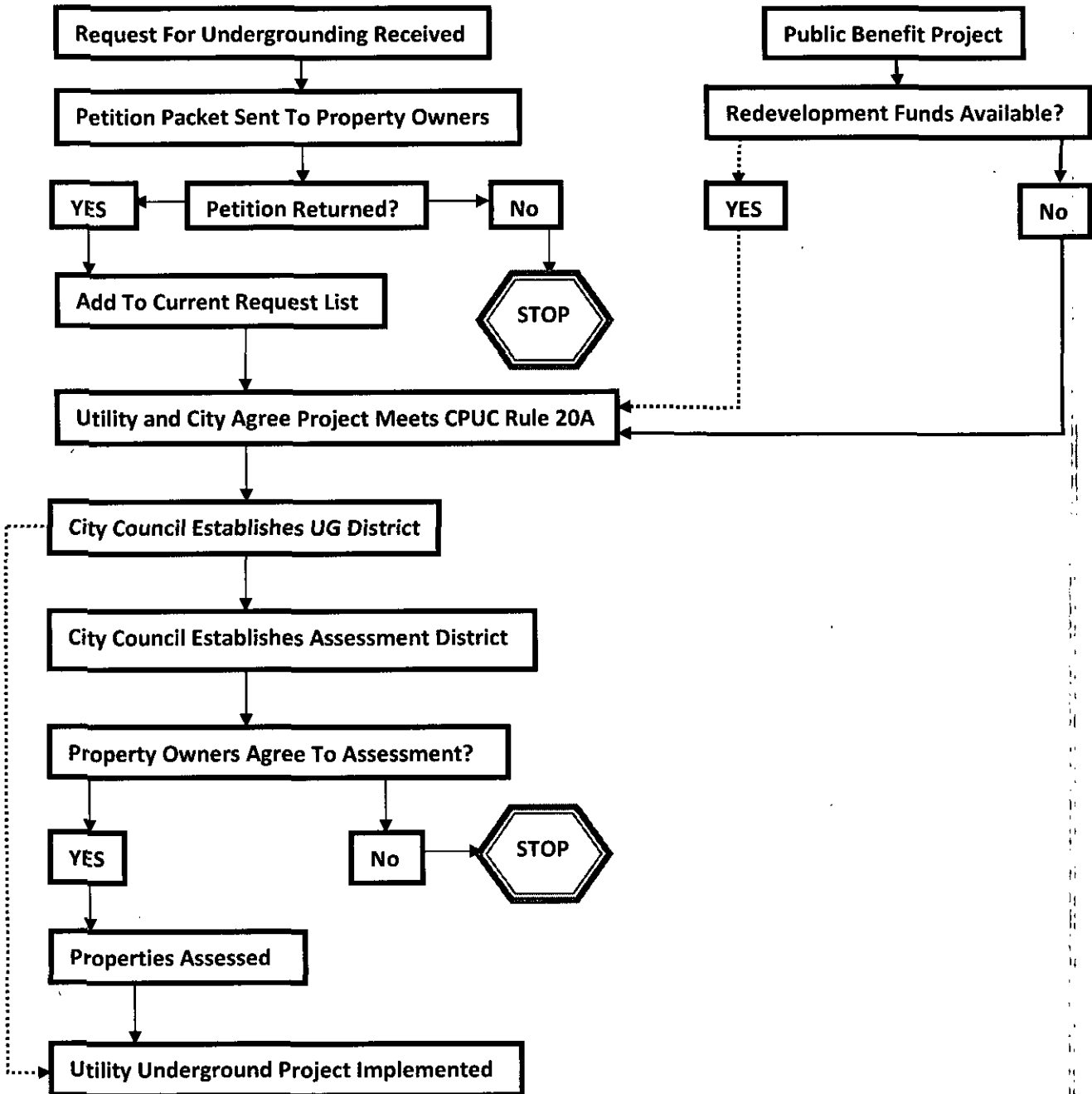
C. In circumstances other than those covered by A or B above, when mutually agreed upon by PG&E and an applicant, overhead electric facilities may be replaced with underground electric facilities, provided the applicant requesting the change pays, in advance, a nonrefundable sum equal to the estimated cost of the underground facilities less the estimated net salvage value and depreciation of the replaced overhead facilities. Underground services will be installed and maintained as provided in PG&E's rules applicable thereto.

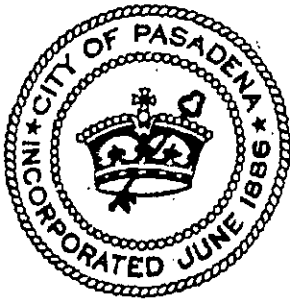
D. The term "underground electric system" means an electric system with all wires installed underground, except those wires in surface mounted equipment enclosures.

ATTACHMENT B

Undergrounding Decision Matrix and Flow Chart

(Current City Process)





Agenda Report

TO: City Council DATE: April 14, 2003
THROUGH: Finance Committee (4/14/2003)
FROM: City Manager
SUBJECT: Revised Priorities and Criteria for Undergrounding Overhead Utilities

RECOMMENDATION:

It is recommended that City Council direct City Staff to:

- Redirect the priority for the underground of utilities from Phase 1 Arterial and Collector Streets to Phase 2 Residential Streets and
- Adopt the criteria for setting priority of streets within the Residential Streets category and
- Return to the City Council with an established list in priority order of residential streets for underground as a part of the recommended FY 04 Capital Improvement Program.

BACKGROUND:

Historically, since the inception of the Underground Utility Program in 1968, the basic criterion used to develop the multi-year Capital Improvement Program was for Beautification. This program involved undergrounding of city and other local utilities overhead lines, allowing the removal of utility poles, which generally improves the visual character of the area.

An underground surtax based on a customer's electric bill for the use of electricity finances the undergrounding program. The tax is 3.40% of the first \$1,000 on the monthly bill, 3.70% on the next \$4,000, 2.47% on the next \$20,000 and 1.21% on all charges above \$25,000. The funds are collected as part of the City's municipal services bill. The City currently collects approximately \$3.2 million per year from this surtax.

When the program began, City streets were divided into 3 primary categories: 1) Arterial and Collector Streets; 2) Residential Streets; and 3) Alleys and Rear Properties.

The initial priority selected for the use of underground funds was Arterial and Collector Streets. All streets within this category are shown on Attachment A. Priority was established based on the following:

1. Beautification of streets, to enhance major view corridors.
2. Street volume (based on the premise that more people will enjoy the results).
3. Streets where new or expanded power facilities are needed (to avoid installation of additional overhead lines).
4. Streets that can be completed in conjunction with major street work (To reduce impacts of multi construction projects on businesses and residents).
5. Streets where expanded underground facilities will enhance new development.
6. Streets needing new street lighting.

Each year a list of streets in priority order was recommended and ultimately adopted by the City Council as a part of the annual Capital Budget. Upon completion of these designated streets, the major emphasis would then focus on residential streets, followed by alleyways and rear property.

Between 1968 and 2001, the City has completed the undergrounding of arterial streets totaling 21 miles as identified on Attachment A. This is approximately 55% of the total 47 miles of Arterial and Collector streets. The completion of the first construction phase of Avenue 64 in 2001 represented the beginning of undergrounding on Collector Streets.

Recently the City Council has raised concern about the increasing number of overhead utility lines being added in neighborhoods, which has resulted in reexamining the current priority and criteria that are set for the underground of utilities. If the City Council approves the redirection of undergrounding to residential streets, it would then be appropriate to also revise the criteria as proposed below:

1. Streets where overhead lines are deteriorated and need replacement.
2. Streets where power lines are in conflict with tree and structural clearance.
3. Streets where there is a higher risk of fire hazards.
4. Streets where major street construction is planned.

However, if the City Council decides not to move undergrounding work to residential streets, staff will resume undergrounding of collector streets in the order previously approved by the City Council as shown on Attachment B.

The current undergrounding program revenue allows the city to fund approximately 1.2 miles of undergrounding per year. Some underground districts may be less than this amount and therefore will allow the city to work in more than one district per year. In some years, however, the districts will be much larger and it may take more than one year to generate the funds needed to completely underground a district. Considering there are approximately 93 miles of residential streets, at the current collection rate it would take 78 years to complete this component of the utility undergrounding program (Please see Attachment C).

The underground surtax for an average customer consuming 1,000 kwh bimonthly is \$4.97 on a bimonthly basis or \$29.82 annually. Private utilities are required to underground at their cost, when the City establishes an underground District. Individual property owners are required to underground the facilities on their private property, in which the City reimburses each property owner up to \$1,000 to offset their costs. The

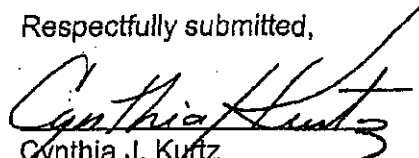
average cost is estimated at \$1,500 to \$5,000 per property. The distance from the property line to the meter panel determines these costs.

Should the City Council wish to accelerate the undergrounding program, Council would need to increase the amount charged to utility customers or dedicate other sources of revenues. Any increase to the current rate would be subject to Proposition 218 and thus would require voter approval. Since this is a special tax, it would require approval by at least two-thirds of those voting. Another option staff could explore could be the creation of special assessment districts throughout the City. A special assessment would be levied against each property owner within the district's boundary and would be based upon "benefit". Greater analysis would need to be done to arrive at an equitable formula but generally speaking it would be based upon the property owners proximity to the lines proposed for underground. Unlike an increase in the current tax, districts can be formed by the City Council. Those property owners being assessed would have the right to protest and should the City receive a majority protest from those being assessed (based upon actual assessments), the City could not proceed with that particular district.

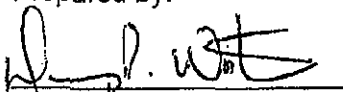
FISCAL IMPACT

There is no cost for adopting this recommendation for changing the priority for undergrounding of utility lines.

Respectfully submitted,


Cynthia J. Kurtz
City Manager

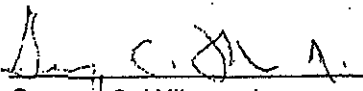
Prepared by:



Danny R. Wooten
Management Analyst III
Public Works Department

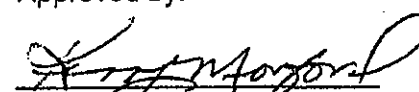


Daniel A. Rix
City Engineer
Public Works Department

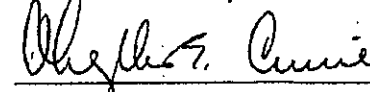


George C. Wilson, Jr.
Director, Power Delivery
Water and Power Department

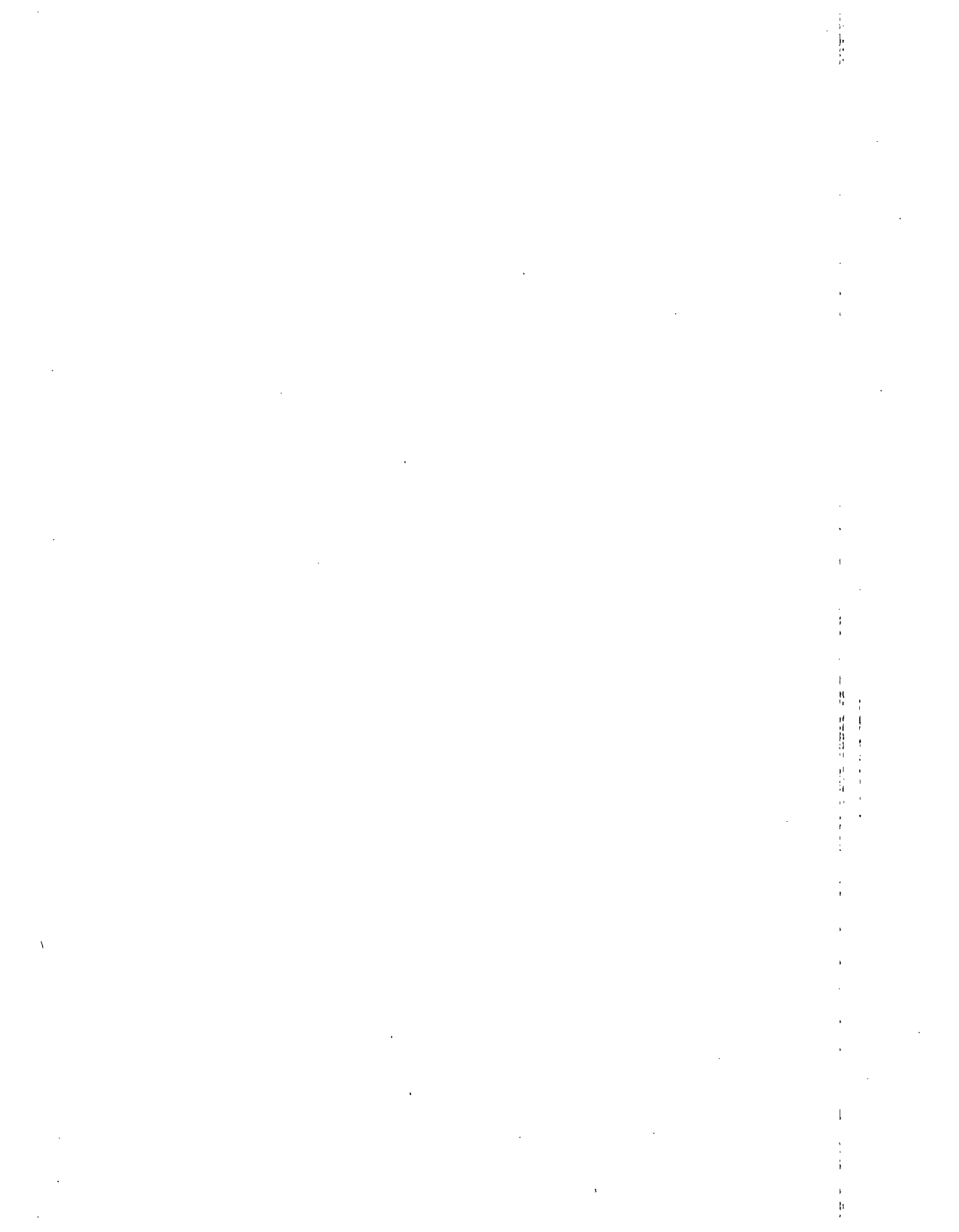
Approved by:

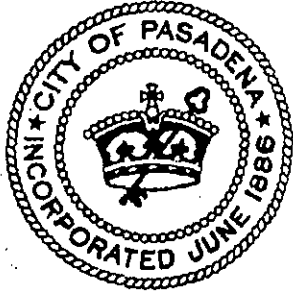


Kerry Morford
Interim Director
Public Works Department



Phyllis E. Currie
General Manager
Water and Power Department





Agenda Report

TO: City Council

July 28, 2003

THROUGH: Finance Committee

FROM: City Manager

SUBJECT: Adoption of the FY 2004 - 2008 Capital Improvement Program Budget and Approval of New Criteria for Utility Undergrounding Priorities

RECOMMENDATIONS

It is recommended that the City Council:

1. Adopt by resolution the FY 2004 - 2008 Capital Improvement Program as amended by the Finance Committee;
2. Approve a journal voucher amending the FY 2003 CIP budget resulting in a decrease of \$2,302,902, as detailed in Attachment III of this report;
3. Adopt the proposed criteria for establishing priority of streets for undergrounding of overhead utilities and the partial listing in priority order of Category 1 streets, as explained in Attachment IV of this report; and
4. Approve the addition of a new project in the *Municipal Buildings and Facilities* section -- "Regulatory Repairs of Four Fuel Sites" with a total estimated cost of \$300,000.

COMMISSION RECOMMENDATIONS

The Recommended FY 2004 - 2008 Capital Improvement Program was presented to and received the support of the following commissions: Recreation and Parks, Transportation Advisory (TAC), Northwest, Old Pasadena Parking Meter Zone Advisory Commission and Planning.

- Recreation and Parks Commission - Recommended approval of the *Parks and Landscaping* and the *Arroyo Projects* sections.

MEETING OF 7/28/2003

AGENDA ITEM NO. 6.A. 8:00 P.M.

- Transportation Advisory Commission (TAC) – Recommended approval of the *Streets and Streetscape*, and *Traffic Control and Facilities* sections.
- Northwest Commission – Recommended approval of all projects located in Northwest Pasadena.
- Old Pasadena Parking Meter Zone Advisory Commission – Recommended approval of the three projects under their purview in the *Traffic Control and Facilities* section.
- Planning Commission - Found all new projects in the Recommended FY 2004 – 2008 CIP to be in compliance with the General Plan.

BACKGROUND

On July 14, 2003, a public hearing on the Recommended FY 2004 – 2008 CIP budget was open. Concurrently, copies of the recommended appropriations for the Recommended FY 2004 – 2008 CIP were placed in all public libraries.

The Finance Committee began discussions of the Recommended FY 2004 – 2008 Capital Improvement Program budget on July 14, 2003 and continued these discussions on July 21st, and July 28th. The Finance Committee has completed its review of the thirteen categories of the Capital Improvement Program and the budget is now ready for adoption by the City Council.

Attachment I contains a summary of each project category showing the total dollars funded in the Recommended FY 2004 – 2008 CIP and recommended appropriations by project for FY 2004. The following adjustments in the printed Recommended FY 2004 – 2008 CIP, have been made and are included in Attachment I.

1. **Washington Park – Implement Master Plan (78529)** - The City has been awarded a \$331,544 grant from the San Gabriel Rivers and Mountains Conservancy to assist with the development and restoration of Washington Park facilities. Staff recommends this grant be appropriated to this project.
2. **Centralized Athletic Field Lighting Equipment - Villa Parke, Allendale, Jefferson, and Robinson Parks** - The total estimated cost of this project was increased from \$45,000 to \$326,000 because the scope was expanded to include the cost of replacing light poles at Villa Parke and Allendale Park and the replacement of equipment cabinets at Allendale and Robinson parks. The following appropriations totaling \$175,660 have been added to this project: \$128,092 of Residential Impact Fees; \$24,668 from a Proposition A (1996) grant; \$5,900 from the Recreation and Parks Foundation; \$5,000 from an American Youth Soccer Organization; \$5,000 from the Power Fund; \$4,000 from a Villa Adult Soccer League; and \$3,000 from the Southwest Pasadena Little League.
3. **Replacement of Athletic Field Lighting Poles – Villa Park, Allendale** - This project has been consolidated into the *Centralized Athletic Field Lighting Equipment* project.
4. **Brookside Park – Upgrade Lighting** - An appropriation of \$5,000 from the Los Angeles Dodgers and an appropriation of \$4,100 from the Recreation and Parks Foundation have

been added to this project, and the original recommended appropriation of \$7,000 of Residential Impact Fees has been removed. This project will provide for the installation of a centralized lighting control system at the Brookside play fields.

5. **Old Pasadena Parking Structures - Improvements (71664)** - An appropriation of \$122,000 from the Old Pasadena Parking Fund has been added to this project. This project will provide for maintenance of the Schoolhouse, Delacey, and Mariott parking structures.
6. **Old Pasadena Parking Structures - Energy Efficient Improvements (71722)** - An appropriation of \$100,000 from the Old Pasadena Parking Fund has been added to this project. This project will provide for the installation of energy efficient lighting systems at the Delacey and Schoolhouse parking structures.
7. **Purchase Seven Alternative Fuel, Medium Duty Transit Vehicles (75058)** - The City has been awarded an \$85,000 Carl Moyer Program Grant from the South Coast Air Quality Management District and \$396,000 from the Federal Transportation Administration to aide in the purchase of alternative fuel transit vehicles that will support the Pasadena Area Rapid Transit System (ARTS) expanded service plan. Staff recommends this funding be appropriated to this project.
8. **Gold Line Pedestrian Enhancements (75059)** - The City had been approved by the MTA to receive a grant for \$399,000 for pedestrian enhancements to the Gold Line. Due to State budget issues, the MTA has put this money on-hold and the city will not receive the funding this fiscal year. As a result, this funding will not be recommended for appropriation to this project as part of the FY 2004 CIP budget.
9. **Distribution System Life Cycle Management (3034)** - At the Finance Committee's request, this project, which originally included the development of a Power Distribution Master Plan, has been split into two projects. The "Power Distribution System Master Plan" project, which provides for the development of a master plan, has a total estimated cost of \$750,000 with a recommended appropriation of \$550,000 in FY 2004. The "Distribution System Life Cycle Management" project, which provides for the implementation of the master plan, has a total estimated project cost of \$5,569,000 with a recommended appropriation of \$629,000 in FY 2004.
10. **Street Lighting and Electrical System Undergrounding** section of the CIP, which was not completed at the time the Recommended FY 2004 - 2008 CIP budget was printed, has now been included for adoption. This section will now contain eight projects with a recommended appropriation for FY 2004 of \$5,914,789 in Underground Surtax Funds.

The resolution contains Exhibit B which sets the specific spending limits for each capital project for FY 2004. This process of adopting a formal resolution complies with City Ordinances.

Attachment II contains the transmittal letter from the City Manager that highlights the FY 2004 – 2008 Capital Improvement Program budget.

Attachment III represents changes made to the prior years' appropriations. The budgetary changes listed below must be recognized through the journal voucher process so that they can be incorporated and reflected in the FY 2004 CIP budget.

1. **Gold Line Pedestrian Enhancements (75059)** – This project was created in FY 2002 with a total estimated project cost of \$1,000,000. The project was fully funded with MTA funds totaling \$900,000 and \$100,000 in Light Rail Reserve Funds. The city was going to receive the MTA grant for \$900,000 to fund the installation of four-quadrant railroad crossing gates and various pedestrian enhancements. The Blue Line Construction Authority decided to fund the installation of the quad gates during the construction of the Gold Line. As a result, the city no longer will receive the \$900,000 grant from the MTA. Staff request the appropriation of \$900,000 in MTA funding be removed from the project.
2. **Arroyo Parkway Enhancement (73201)** – In FY 2002, the State of California relinquished Arroyo Parkway to the City of Pasadena. As a part of the relinquishment, the city received \$6,440,000 from Caltrans to pay for improvements needed to bring it up to the standards of a major arterial street. The improvements will include modifications to the median islands to add/lengthen left turn pockets and to widen through traffic lanes, parkway and median landscaping, pedestrian and street lighting, crosswalk treatments, pedestrian amenities, miscellaneous sidewalk, curb and gutter reconstruction and information kiosks (pods). This project is also within the area of the SR710 mitigation program funded by the federal government. Staff requests that \$1,402,902 of the Caltrans funds be removed from this project and reappropriated in the FY 2004 CIP budget to six SR710 mitigation projects to be used as the City's match for the federal money. This recommendation was reviewed and supported by the DAG.
3. **Walnut Street Improvements – Foothill Blvd to Altadena Drive, and Daisy Avenue to Sunnyslope Avenue (NEW)** – This was a part of the East Pasadena Specific Plan Project and includes street improvements on Walnut Street from Foothill Boulevard to Altadena and Daisy Avenue to Sunnyslope Avenue. In FY 2003, \$800,000 from the sale of land was appropriated to the East Pasadena Specific Plan project to complete this work. Due to the complexity and cost of this project, and for tracking purposes, staff recommends that a separate stand-alone project be created. The \$800,000 needs to be transferred from the East Pasadena Specific Plan (75939) project to the newly created project.
4. **East Pasadena Specific Plan (75939)** – Staff requests \$800,000 of revenue from the sale of land along Walnut Street be removed from this project and transferred to a new CIP project, **Walnut Street Improvements – Foothill Blvd to Altadena Drive, and Daisy Avenue to Sunnyslope Avenue**, as described above.

REVISED PRIORITY AND CRITERIA FOR UTILITY UNDERGROUNDING

The City Council requested that staff reexamine the criteria used for setting the utility undergrounding priority list. The Council was concerned about the increasing number of overhead utility lines being added in neighborhoods and wanted to know if it was possible to redirect the undergrounding priorities to residential streets. However, based on recent information provided by SBC (formerly Pacific Bell), staff does not recommend a redirection of the undergrounding program at this time. According to the California Public Utilities Commission (CPUC), utility companies are given the authorization to set their own tariff rules pertaining to utility undergrounding. SBC classifies residential streets as Category 2 streets, and therefore, SBC is not required to pay for the undergrounding of utilities in these areas. Based on this discovery, staff does not recommend redirecting the City's existing undergrounding priorities to residential streets.

Staff recommends the City Council adopt the proposed criteria and undergrounding priority list as defined in Attachment IV.

REGULATORY REPAIRS OF FOUR FUEL SITES

In February 2003 the Air Quality Management District (AQMD) inspected the City's four fueling sites and issued a Notice of Violation (NOV) for each site because they employ a remote fill design. This design is not certified by the California Air Resources Board and is therefore disallowed by the AQMD. On July 1, 2003 the City was granted a variance allowing the sites to operate in non-compliance for 105 days and fined \$11,640 in remediation fees for excess emissions for operations during the variance period. If the site modifications are not completed during this time, the City will face additional fines of at least \$400,000 and the closure of the fueling sites. It is important to note that prior to this year's annual inspection by the AQMD, the sites passed all required testing and certifications when they were installed and each year thereafter. Attachment V contains a copy of the recommended new CIP project. Because of the urgency of this project it has not yet been reviewed by the Planning Commission for consistency with the General Plan. If the City Council approves this project, it will be submitted to the Planning Commission for their consideration at their August meeting.

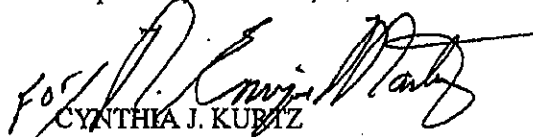
The location of the fuel sites are:

- City Yards, 323 W. Mountain Street
- Civil Defense Center, 2783 Eaton Canyon Drive
- Police Department, 207 N. Garfield Avenue
- Fire Station 33, 515 N. Lake Avenue

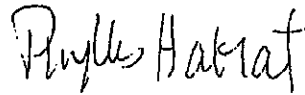
FISCAL IMPACT

The appropriations recommended in the FY 2004 Capital Improvement Program total \$37,644,694. The net decrease to the FY 2003 CIP budget is \$2,302,902.

Respectfully submitted,

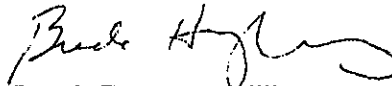

CYNTHIA J. KURITZ
City Manager

Prepared by:



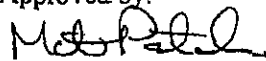
Phyllis Habrat, Management Analyst
Finance and Management Services
Department of Public Works

Reviewed by:



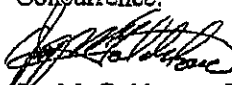
Brenda E. Harvey-Williams
Finance and Management Services Administrator
Department of Public Works

Approved by:



Martin Pastucha, Director
Department of Public Works

Concurrence:



Jay M. Goldstone, Director of Finance

ATTACHMENT IV

ATTACHMENT IV

Revised Priorities and Criteria for Undergrounding Overhead Utilities

Historically, since the inception of the Underground Utility Program in 1968, the basic criterion used to develop the multi-year Capital Improvement Program was for beautification. This program involved undergrounding of city and other local utilities overhead lines, this allowing the removal of utility poles, which improves the visual character of the area.

An underground surtax based on a customer's electric bill for the use of electricity finances the undergrounding program. The tax is 3.40% of the first \$1,000 on the monthly bill, 3.70% on the next \$4,000, 2.47% on the next \$20,000 and 1.21% on all charges above \$25,000. The funds are collected as part of the City's municipal services bill. The City currently collects approximately \$3.8 million per year from this surtax.

The underground surtax for an average customer consuming 1,000 kWh bimonthly is \$4.97 bimonthly or \$29.82 annually. Private utilities are required to underground at their own cost, when the City establishes an Underground District. Individual property owners are required to underground the facilities on their private property, in which the City reimburses each property owner up to \$1,000 to offset their costs. The average cost is estimated at \$1,500 to \$5,000 per property. The distance from the property line to the meter pole box determines these costs.

When the program began, City streets were divided into three primary categories: 1) Principal and Minor Arterial; 2) Residential Streets; and 3) Alleys and Rear Properties. The initial undergrounding priority was established based on the following criteria:

1. Beautification of streets, to enhance major view corridors;
2. Street volume (based on the premise that more people will enjoy the results);
3. Streets where new or expanded power facilities are needed (to avoid installation of additional overhead lines);
4. Streets that can be completed in conjunction with major street work (to reduce impacts of multi-construction projects on businesses and residents);
5. Streets where expanded underground facilities will enhance new development; and
6. Streets needing new street lighting.

Between 1968 and 2001, the City has completed 21 miles of undergrounding on arterial streets. This is approximately 45% of the total 47 miles of arterial and collector streets. The completion of Phase I construction of Avenue 64 in 2001 represented the beginning of undergrounding on collector streets.

Recently, the City Council raised concerns about the increasing number of overhead utility lines being added in neighborhoods, which resulted in reexamining the current priority and criteria. As a result, City Council proposed a possible redirection of the undergrounding priority to residential streets.

However, based on recent information provided by SBC (formerly Pacific Bell), staff does not recommend a redirection of the undergrounding program at this time. According to SBC Tariff Rule No. 32, residential streets are classified as Category 2 streets, in which redirection would result in the City incurring all of SBC's undergrounding expense estimated between 30 to 40 percent of total undergrounding cost.

Therefore, staff recommends that City Council approve the listing of Category 1 streets as shown on Attachment A as the next undergrounding priority. According to the California Public Utilities Commission (CPUC) Tariff Rule No. 20, Category 1 are defined as follows:

- a. Street, road, or right-of-way extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic; and
- b. Street, road, or right-of-way that adjoins or passes through a civic area, public recreation area or an area of unusual scenic interest to the general public; and
- c. Streets with unusual heavy concentration of overhead electric facilities.

In addition, staff is recommending that City Council adopt the proposed new criteria for undergrounding of overhead utilities as outlined below:

1. Streets where overhead lines are deteriorated and need replacement.
2. Streets where power lines are in conflict with tree and structural clearance.
3. Streets where there is a higher risk of fire hazards.
4. Streets where major street construction is planned.

ATTACHMENT - 4B

**FY 2004-2008 Capital Improvement Program
Street Lighting and Electric System Undergrounding**

<u>Priority</u>	<u>Description</u>
1	Fair Oaks Avenue - Electric System Undergrounding, 210 Freeway to Mountain Street and Washington Blvd. to North City Limits
2	Miscellaneous - Electric System Undergrounding, Various Locations
3	Avenue 64 / La Loma Road - Street Lighting and Electric System Undergrounding, Colorado Blvd. to South City Limits and Ave. 64 to San Rafael Avenue
4	Raymond Avenue - Street Lighting and Electric System Undergrounding, Del Mar Boulevard to Glenarm Street
5	Los Robles Avenue - Electric System Undergrounding, Washington Blvd. to North City Limits
6	Hill Avenue - Street Lighting and Electric System Undergrounding, Villa Street to North City Limits
7	Michillinda Avenue - Street Lighting and Electric System Undergrounding, Foothill Blvd. to North City Limits
8	Raymond Avenue - Street Lighting and Electric System Undergrounding, Washington Boulevard to North City Limits

RESOLUTION NO. 8274

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA
ADOPTING THE CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEAR 2004**

WHEREAS, the City Council of the City of Pasadena has received and reviewed the City Manager's recommendations for the Capital Improvement Program for Fiscal Year 2004 (FY 2004); and

WHEREAS, pursuant to Section 903 of the City Charter, a notice of public hearing on the proposed Capital Improvement Program for FY 2004 was published in the *Pasadena Weekly* on June 30, 2003, and the public hearings thereon were held on July 14, July 21, and July 28, 2003.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pasadena that:

Section 1. In conformance with Section 904 of the Charter of the City of Pasadena, the recommended Capital Improvement Program for FY 2004, as submitted by the City Manager and reviewed by the City Council, is approved and adopted, and the City Clerk is directed to file a certified copy thereof in the Office of City Clerk and to file another copy, likewise certified, with the Director of Finance. The Capital Improvement Program for FY 2004 is shown on Exhibit B which is attached hereto and made part hereof.

Section 2. the specific sums of money set forth opposite the names of funds, activities and projects as shown on Exhibit B are appropriated to these funds, activities and projects in order to carry out the approved Capital Improvement Program for FY 2004.

Adopted at the regular meeting of the City Council on the 28th day of July, 2003, by the following votes:

AYES: Councilmembers Gordo, Holden, Little, Madison,
Streator, Vice Mayor Tyler, Mayor Bogaard

NOES: Councilmember Haderlein

ABSENT: None

ABSTAIN: None


JANE RODRIGUEZ
CITY CLERK

Approved as to form: 7/22/03

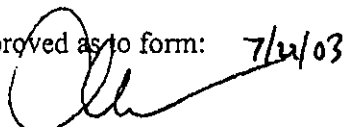

NICHOLAS GEORGE RODRIGUEZ
Assistant City Attorney

Exhibit B
City Manager's Recommended FY 2004-2008 Capital Improvement Program

		Total Estimated Cost	FY 2004 Appropriation	FY 2004 Appropriation	Funding Detail
Municipal Buildings and Facilities					
1	City Hall Seismic Upgrade and Exterior Restoration	88,795,000	5,700,000	4,600,000 1,100,000	General Fund Public Benefit Charge (Power Fund)
2	Building Maintenance	16,353,662	1,000,000	1,000,000	Building Preventive Maintenance Fund
4	Regulatory Repairs of Four Fuel Sites	300,000	300,000	300,000	Fleet Maintenance Fund
7	Installation of Light Sensors for Energy Efficiency - Various City-owned Buildings	304,080	101,360	101,360	Charter Capital Fund
12	Water and Power Yards Building Renovations - Phase I	783,560	783,560	506,314 277,246	Power Fund Water Fund
Municipal Buildings and Facilities Total Appropriations:			7,884,920		
Streets and Streetscapes					
2	Preventive Maintenance - Bridges	2,875,000	50,000	50,000	Gas Tax
3	Wheelchair Ramps - City Wide	2,696,000	122,500	65,450 22,050 35,000	Gas Tax Sewer Fund TDA Article 3
4	Improvement of Alleys and Concrete Streets - City Wide	7,498,222	586,250	113,943 205,200 170,857 96,250	Commercial Dev. Fee R920021441 Commercial Dev. Fee R920022362 Gas Tax Sewer Fund
14	East Washington Boulevard Streetscape Improvements	1,982,000	15,000	15,000	Commercial Development Fees (Interest)

City Manager's Recommended FY 2004-2008 Capital Improvement Program

	Total Estimated Cost	FY 2004 Appropriation	FY 2004 Appropriation	Funding Detail
18 Fair Oaks/Orange Grove Specific Plan - Transportation Issues	4,440,000	150,000	33,909	Commercial Dev. Fee R8a200225450
			8,211	Commercial Dev. Fee R8a20024280
			68,457	Commercial Dev. Fee R920021441
			34,925	Commercial Dev. Fee R920023677
			4,498	Commercial Dev. Fee R920024109
23 Right Turn Lane - California Boulevard and Fair Oaks Avenue	415,000	20,880	20,880	Caltrans
24 California Boulevard Right Turn Lane at Raymond Avenue	1,663,000	86,520	86,520	Caltrans
25 Raymond Avenue SR 110 (Pasadena Freeway) Connector	6,732,000	327,550	327,550	Caltrans
26 Raymond Avenue Widening	4,921,000	290,090	290,090	Caltrans
27 110 Freeway to 210 Freeway Connector/Marengo Interchange Emphasis	320,000	24,410	24,410	Caltrans
28 Lake Avenue/Walnut Street and Hill Avenue/Walnut Street Capacity Enhancements	1,017,000	31,700	31,700	Caltrans
29 Traffic Control and Monitory System - Intelligent Transportation Systems (ITS)	10,056,000	621,752	621,752	Caltrans
Streets and Streetscapes Total Appropriations:		2,326,652		

Exhibit B
City Manager's Recommended FY 2004-2008 Capital Improvement Program

		Total Estimated Cost	FY 2004 Appropriation	FY 2004 Appropriation	Funding Detail
Street Lighting					
1	Street Lighting For Residential Streets - Various Locations	3,038,000	50,000	50,000	Gas Tax
3	Repair and/or Replacement of Existing Street Lighting Systems	5,000,000	75,000	75,000	Gas Tax
Street Lighting Total Appropriations:			125,000		
Street Lighting and Electric System Undergrounding					
2	Miscellaneous - Electric System Undergrounding, Various Locations	1,889,000	208,289	208,289	Underground Surtax - Power Facilities
3	Avenue 64-La Loma Road - Street Lighting and Electric System Undergrounding, Colorado Blvd. to South City Limits and Ave. 64 to San Rafael Ave.	6,450,000	286,500	286,500	Underground Surtax - Street Lighting
4	Raymond Avenue - Street Lighting and Electric System Undergrounding - Colorado Boulevard to Glenarm Street	1,520,000	1,420,000	1,100,000	Underground Surtax - Power Facilities
				320,000	Underground Surtax - Street Lighting
5	Los Robles Avenue - Electric System Undergrounding, Washington Blvd. to North City Limits	2,500,000	1,645,000	1,645,000	Underground Surtax - Power Facilities
6	Hill Avenue - Street Lighting and Electric System Undergrounding, Villa St. to North City Limits	4,955,000	1,055,000	1,055,000	Underground Surtax - Street Lighting
7	Michillinda Avenue - Street Lighting and Electric System Undergrounding, Foothill Blvd. to North City Limits	3,555,000	600,000	600,000	Underground Surtax - Street Lighting

City Manager's Recommended FY 2004-2008 Capital Improvement Program

	Total Estimated Cost	FY 2004 Appropriation	FY 2004 Appropriation	Funding Detail
8 Raymond Avenue - Electric System Undergrounding, Washington Blvd to North City Limits	3,555,000	700,000	700,000	Underground Surtax - Street Lighting
Street Lighting and Electric System Undergrounding Total Appropriations:		5,914,789		

Traffic Control and Facilities

1 Neighborhood Traffic Management	2,233,400	300,000	215,000 85,000	Commercial Dev. Fee R920032089 Gas Tax
2 Mobility Corridor Improvements	600,000	50,000	50,000	Gas Tax
3 Old Pasadena Traffic Improvement	328,400	19,400	19,400	Parking Meter Revenue - Old Pasadena
4 Purchase Seven Alternative Fuel, Medium Duty Transit Vehicles	2,416,000	481,000	85,000 396,000	AQMD - Carl Moyer Program Grant Federal Transportation Administration
5 Bikeway Improvements	699,000	65,000	5,000 60,000	Private Capital - Pasadena Collection Office Project TDA Article 3
8 City-Wide Street and Alley Name Sign Replacement Program	620,000	250,000	250,000	Commercial Dev. Fee R920032089
17 Gold Line Pedestrian Enhancements	574,000	75,000	75,000	Light Rail Reserves (Prop. A/C)
25 Lake Avenue/Del Mar Boulevard - Smart Corridor	962,500	52,500	11,250 41,250	Private Capital - Pasadena Collection Office Project Private Capital - Shea Property - 621 Colorado Avenue

Exhibit B
City Manager's Recommended FY 2004-2008 Capital Improvement Program

		Total Estimated Cost	FY 2004 Appropriation	FY 2004 Appropriation	Funding Detail
27	Transportation System Improvements - Lake Avenue from North City Limit to California Boulevard - Phase II	639,250	311,250	136,250	Private Capital - Pasadena Collection Office Project
				117,000	Private Capital - Shea Property - 621 Colorado Avenue
				58,000	Private Capital - Western Assets - Plaza Las Fuentes II
28	Flashing Yellow Beacon - Del Mar Avenue at Halstead Street	76,000	76,000	25,000	Gas Tax
				51,000	Los Angeles County (Memo)
29	Traffic Signal Modifications - Lake Ave at Villa Street, and Lake Avenue at California Boulevard	60,000	60,000	60,000	Commercial Dev. Fee R920032089
32	Old Pasadena Parking Structures - Improvements	1,538,000	122,000	122,000	Old Pasadena Parking Fund
33	City-Owned Parking Structures & Lots Preventive Maintenance	725,000	25,000	25,000	Playhouse District Fund
34	Old Pasadena Parking Structures - Energy Efficiency Improvements	189,520	100,000	100,000	Old Pasadena Parking Fund
37	South Lake Parking Lots - Preventive Maintenance	340,000	35,000	35,000	South Lake Parking Fund
44	Installation of Permanent Chokers in Bungalow Heaven	950,000	50,000	15,000	Commercial Dev. Fee R8a20024262
				35,000	Commercial Development Fees (Interest)
Traffic Control and Facilities Total Appropriations:			2,072,150		

Sewers and Storm Drains

1	Preventative Maintenance - Sewer System	9,000,000	160,000	160,000	Sewer Fund
2	Preventive Maintenance - Corrugated Metal Pipe (CMP) Storm Drains	900,000	60,000	60,000	Sewer Fund

City Manager's Recommended FY 2004-2008 Capital Improvement Program

		Total Estimated Cost	FY 2004 Appropriation	FY 2004 Appropriation	Funding Detail
3	Sewer Inspection and Evaluation Program	2,000,000	400,000	400,000	Sewer Fund
4	Preventive Maintenance - Curbs and Gutters	3,285,000	150,000	150,000	Sewer Fund
5	Sewer Master Plan	370,000	370,000	370,000	Sewer Fund
6	Storm Drain Structure Repairs and Improvements - Various Locations	1,140,000	60,000	60,000	Sewer Fund
7	NPDES - Storm Water Pollution Prevention Program	235,000	35,000	35,000	Sewer Fund
8	East Side Storm Drain Improvements	6,548,000	500,000	500,000	Sewer Fund
12	Laguna Road Trunk Sewer - Rehabilitation	818,500	250,000	250,000	Sewer Fund
14	Holly Street Storm Drain Replacement	80,000	10,000	10,000	Sewer Fund
Sewers and Storm Drains Total Appropriations:			1,995,000		
Rose Bowl Improvements					
5	Implementation of the Master Plan for the Brookside Golf Course	2,500,000	180,000	180,000	Golf Course Fund
6	Stadium, Tunnel and Press Box Repairs	150,000	150,000	150,000	Rose Bowl Fund
7	Parking Lot "D" and "K" Concrete Repairs and Resurfacing	150,000	150,000	150,000	Rose Bowl Fund
Rose Bowl Improvements Total Appropriations:			480,000		

Exhibit B
City Manager's Recommended FY 2004-2008 Capital Improvement Program

		Total Estimated Cost	FY 2004 Appropriation	FY 2004 Appropriation	Funding Detail
Parks and Landscaping					
4	Central Park - Walkway Lights and Security Lighting System and Walkways Replacement - Phase I	1,578,960	504,000	14,000	Private Capital
				135,698	Residential Dev Fee R28a20030554
				27,897	Residential Dev Fee R8a20024280
				680	Residential Dev Fee R8a20025430
				212,209	Residential Dev Fee R8a20030552
				62,075	Residential Dev Fee R8a20030553
				680	Residential Dev Fee R8b20022027
				2,722	Residential Dev Fee R920022222
				43,546	Residential Dev Fee R920024690
				680	Residential Dev Fee R920025489
				680	Residential Dev Fee R920027212
				1,444	Residential Dev Fee R920032873
				1,689	Residential Dev Fee R920032874
6	Memorial Park - Implement Master Plan	1,768,152	21,400	12,021	Residential Dev Fee R8a20030551
				1,444	Residential Dev Fee R8a20030655
				1,444	Residential Dev Fee R8a20030656
				1,444	Residential Dev Fee R8a20030657
				2,160	Residential Dev Fee R8a20030668
				2,887	Residential Dev Fee R920032875
8	Eaton Wash Park - Improvements	1,473,454	60,000	60,000	Private Capital (POOCH)
9	Washington Park - Implement Master Plan	1,596,546	331,544	331,544	San Gabriel River and Mountains Conservancy Grant
10	Replace Park Drinking Fountains	109,919	6,123	6,123	Residential Dev Fee R920030154
18	Grant Park - Renovate Picnic Shelter	32,000	32,000	32,000	Residential Dev Fee R920026397
19	Jefferson Park - Picnic Area Renovation and Expansion	56,356	56,356	56,356	Proposition A (Parks) 1992

Exhibit B

City Manager's Recommended FY 2004-2008 Capital Improvement Program

	Total Estimated Cost	FY 2004 Appropriation	FY 2004 Appropriation	Funding Detail
21 Replace Restroom Buildings - McDonald, Jefferson, Villa Parke, and Singer	960,228	250,000	80,968	Residential Dev Fee R8a20024262
			680	Residential Dev Fee R8a20030181
			30,316	Residential Dev Fee R8a20030549
			4,331	Residential Dev Fee R8a20030669
			1,361	Residential Dev Fee R8b20022720
			680	Residential Dev Fee R8b20022884
			680	Residential Dev Fee R8b20022885
			680	Residential Dev Fee R8b20022886
			1,361	Residential Dev Fee R8b20030126
			15,604	Residential Dev Fee R8b20030447
			539	Residential Dev Fee R920023613
			680	Residential Dev Fee R920023727
			680	Residential Dev Fee R920024233
			3,402	Residential Dev Fee R920025533
			25,855	Residential Dev Fee R920027091
			19,051	Residential Dev Fee R920027095
			36,061	Residential Dev Fee R920030698
			2,887	Residential Dev Fee R920031069
			14,436	Residential Dev Fee R920032542
			680	Residential Dev Fee R920032965
			1,444	Residential Dev Fee R920032985
			4,331	Residential Dev Fee R920033022
			3,293	Residential Dev Fee R920034661
22 Centralized Athletic Field Lighting Equipment - Villa Parke, Allendale, Jefferson, and Robinson Parks	326,440	175,660	5,000	Power Fund
			5,000	Private Capital - American Youth Soccer Organization
			5,900	Private Capital - Recreation and Parks Foundation
			3,000	Private Capital - Southwest Little League
			4,000	Private Capital - Villa Adult Soccer League
			24,668	Proposition A (Parks) 1996
			681	Residential Dev Fee R8a20024853
			66,679	Residential Dev Fee R8a20025158
			6,979	Residential Dev Fee R8a20025365
			31,979	Residential Dev Fee R8b20021004
			5,444	Residential Dev Fee R8b20021216

Exhibit B
 City Manager's Recommended FY 2004-2008 Capital Improvement Program

		Total Estimated Cost	FY 2004 Appropriation	FY 2004 Appropriation	Funding Detail
				1,361	Residential Dev Fee R920023613
				3,402	Residential Dev Fee R920024651
				11,567	Residential Dev Fee R9s0025155
Parks and Landscaping Total Appropriations:			1,437,083		
Arroyo Projects - Central Arroyo					
5	Brookside Park - Upgrade Picnic Facilities	300,000	50,000	15,078	Residential Dev Fee R28a20030554
				3,368	Residential Dev Fee R8a20030548
				23,579	Residential Dev Fee R8a20030552
				6,897	Residential Dev Fee R8a20030553
				1,078	Residential Dev Fee R8a20030632
8	Brookside Park - Upgrade Lighting	220,000	9,100	5,000	Private Capital - Los Angeles Dodgers
				4,100	Private Capital - Recreation and Parks Foundation
Arroyo Projects - Central Arroyo Total Appropriations:			59,100		
Arroyo Projects - Hahamongna					
3	Restoration of Flint Wash Bridge Crossing - Hahamongna	1,500,000	375,000	375,000	Proposition 40- Santa Monica Mountains Conservancy Grant
Arroyo Projects - Hahamongna Total Appropriations:			375,000		
Water System					
2	Meters and Services	7,408,000	358,000	232,700	Aid to Construction (Water)
				125,300	Water Fund
3	Distribution Mains	33,012,000	2,282,000	251,020	Aid to Construction (Water)
				2,030,980	Water Fund
5	Miscellaneous Water System Improvements	3,552,000	957,000	957,000	Water Fund

City Manager's Recommended FY 2004-2008 Capital Improvement Program

		Total Estimated Cost	FY 2004 Appropriation	FY 2004 Appropriation	Funding Detail
7	Water Telemetry and On-Line Water Quality Detectors	1,821,000	271,000	271,000	Water Bond
8	Upgrade Well Pumps, Booster Pumps, Switchgears and Meters	8,674,000	142,000	127,800	Water Bond
				14,200	Water Fund
18	Water Quality Treatment	601,000	226,000	226,000	Water Fund
19	Interactive Voice Response System (IVR)	172,500	6,000	6,000	Water Fund
30	Pipeline Coupon and Flow Testing	380,000	250,000	250,000	Water Bond
31	Reservoir Rehabilitation and Seismic Study	1,090,000	800,000	800,000	Water Bond
32	Pressure Zone Rezoning	80,000	20,000	20,000	Water Fund
Water System Total Appropriations:			5,312,000		

Electric System

1	Services from Utility Underground System Private Property Vaults	15,437,870	2,164,000	1,125,280	Aid to Construction (Power)
				1,038,720	Power Fund
3	Distribution System Expansion	3,654,000	686,000	164,640	Aid to Construction (Power)
				521,360	Power Fund
6	Replacement of Power Plant Instruments and Controls	425,586	125,000	125,000	Power Fund

Exhibit B
City Manager's Recommended FY 2004-2008 Capital Improvement Program

		Total Estimated Cost	FY 2004 Appropriation	FY 2004 Appropriation	Funding Detail
7	Switchgear Upgrades for Power System Facilities	10,781,300	1,773,000	1,773,000	Power Fund
9	Customer Load Research Program	839,848	186,000	186,000	Power Fund
10	Management Information Systems - Water and Power Department	4,211,880	1,239,000	1,239,000	Power Fund
21	Lead Cable Replacement 34KV, 17KV, 4KV	7,253,000	103,000	103,000	Power Fund
24	Work Management System - Water and Power Department	480,683	95,000	95,000	Power Fund
27	Interactive Voice Response System (IVR)	211,600	11,000	11,000	Power Fund
31	Power Distribution System Master Plan	750,000	550,000	550,000	Power Fund
32	B-3, Renewals and Replacements	1,700,000	200,000	200,000	Power Fund
33	Distribution System Life Cycle Management	5,569,000	629,000	629,000	Power Fund
35	Power Facility Waste Water Treatment and Disposal	300,000	20,000	20,000	Power Fund
40	Engineering Services, Management and the Installation and Maintenance of Fiber System	1,800,000	200,000	200,000	Power Fund
45	Power Meter Replacement Program	4,752,000	652,000	652,000	Power Fund
49	Power Supply Facility Security	695,000	265,000	265,000	Power Fund

City Manager's Recommended FY 2004-2008 Capital Improvement Program

	Total Estimated Cost	FY 2004 Appropriation	FY 2004 Appropriation	Funding Detail
50 Azusa Hydro - Renewals and Replacements	130,000	30,000	30,000	Power Fund
51 Power Production Facility Improvements	350,000	20,000	20,000	Power Fund
52 Substation and Dispatch Facilities Improvements	635,000	285,000	285,000	Power Fund
53 GT-1 and GT-2 Renewals and Repairs	650,000	50,000	50,000	Power Fund
Electric System Total Appropriations:		9,283,000		
Technology Projects				
4 Scanning of Engineering Drawings	120,000	120,000	90,000 30,000	Gas Tax Sewer Fund
6 Information Technology Services Division (ITSD) Equipment	1,216,474	60,000	60,000	Computing and Communication Fund
11 Web-based Time Entry System	200,000	200,000	200,000	General Fund
Technology Projects Total Appropriations:		380,000		
Grand Total Appropriations:		37,644,694		

PASADENA



Street Lighting and Electric System Undergrounding

city home
departments
mayor / council
phone numbers
city news
search

engineering
home
master sewer
plan
avenue 64,
colorado blvd.,
la loma rd., and
laguna rd.

la loma bridge
project
underground
utility program
standard plan
code

feedback
public works
home

Historically, since the inception of the Underground Utility Program in 1968, the basic criterion to develop the multi-year Capital Improvement Program was Beautification. This program involved undergrounding of city and other local utilities overhead lines, allowing the removal of utility poles, which generally improves the character of the area.

Financing of the undergrounding program is paid for by an underground surtax, which is collected as part of the City's Municipal Services bill. The tax is 2% of the first \$1,000 on the monthly bill, 1.5% on the next \$4,000, 1% on the next \$20,000 and .5% on all charges above \$25,000. The underground surtax for an average utility customer is \$4.97 on a bimonthly basis or \$29.82 annually.



The current surtax revenue allows the city to underground approximately 1.2 miles of overhead electric systems per year. Some districts however, may be less than this amount and therefore will allow the city to work in more than one district per year. One hundred percent of the collected surtax is distributed to the undergrounding priorities, which is submitted as part of the city's Capital Improvement Program.

When the program began, the City's streets were divided into 3 primary categories: **CATEGORY I - Arterial and Collector Streets**; **CATEGORY II - Residential Streets**; and **CATEGORY III - Alleys and Rear Properties**. The initial priority selected for the use of surtax revenue was CATEGORY I - Arterial and Collector Streets.

In 1968 it was estimated that approximately 220 miles of overhead wires and pole lines were constructed throughout the City of Pasadena. **As of January 2007, the City has completed the undergrounding of approximately 65 miles of CATEGORY I streets.** Upon completion, the City will begin the undergrounding of all Category II streets, which includes residential streets followed by alleys and rear properties.

CATEGORY	TOTAL MILES	MILES COMPLETED	MILES REMAINING	PROJECTED TIMELINE
I	102	65	37	31 YRS
II	118	0	118	98 YRS
TOTAL	220	63	157	131 YRS

NOTE: This pdf document provides a project status map outlining all completed, active, proposed and future underground projects as of June 2005. All projects are

listed in priority order based on the current underground priority. ([Click Here](#))

STREET CLASSIFICATION

CATEGORY I – Arterial and Collector

According to the California Public Utilities Commission (CPUC) Tariff Rule No. 20, Category 1 Streets are classified as Principal and Minor Arterial, which are defined as follows:

- Street, road, or right-of-way extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic; and
- Street, road, or right-of-way that adjoins or passes through a civic area, public recreation area or an area of unusual scenic interest to the general public; and
- Streets with unusual heavy concentration of overhead electric facilities.

CATEGORY II – Residential or Local

Consists of all streets and roads not defined as arterials or collectors; primarily provides access to land with little or no through movement, lower mobility, and high degree of access.

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UNDERGROUND CRITERIA

The underground priority is selected based on street evaluations conducted by the Power Department. All streets are evaluated based on the underground criteria listed below, which was adopted by the City Council in April 2003.

- Streets where overhead lines are deteriorated and need replacement.
- Streets where power lines are in conflict with tree and structural clearance.
- Streets where there is a higher risk of fire hazards.
- Streets where major street construction is planned.
- Streets where new or expanded power facilities are needed.

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UNDERGROUND PRIORITY

- 93-1 Fair Oaks Avenue (210 Freeway to North City Limits) - **COMPLETED**
- 96-1 Avenue 64/La Loma Rd (Colorado Blvd. to South City Limits)
- 03-1 Raymond Avenue (Del Mar Boulevard to Glenarm Street) - **COMPLETED**
- 04-1 Los Robles Avenue (Washington Blvd. to North City Limits)

- 04-2 Hill Avenue (Villa Street to North City Limits)
- 05-2 Raymond Avenue (Washington Boulevard to North City Limits)

NOTE: This pdf document outlines the projected construction schedule of current and future underground projects. ([Click Here](#))

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FREQUENTLY ASKED QUESTIONS

Q: How are underground priorities selected?

A: The underground priority is selected based on street evaluations conducted by the Power Department. All streets are evaluated based on the underground criteria listed below, which was adopted by the City Council in April 2003.

- Streets where overhead lines are deteriorated and need replacement.
- Streets where power lines are in conflict with tree and structural clearance.
- Streets where there is a higher risk of fire hazards.
- Streets where major street construction is planned.
- Streets where new or expanded power facilities are needed.

Q: What is the financial impact to an affected property?

A: All affected property owners are required to underground conduit for existing power, telephone, and/or cable utilities from the property line to the designated service point. The cost of this work ranges from \$2,000 to \$5,000. Property owners may submit a utility rebate form, in which the City will reimburse a maximum of \$2,000 or the lesser actual cost of the work. The City's rebate is for the underground conversion for POWER ONLY!

NOTE: Property owners must submit itemized invoices with all rebate forms to identify all cost associated with power conversion.

Q: Will I receive a utility rebate from the other private utilities?

A: In special cases where the property owner cannot afford the installation of conduit on his private property, the City will offer financial assistance. However, the property owner will be responsible for repayment to the City based on an agreed monthly installment.

Q: Will the City provide a recommended list of Electrical Contractors?

A: No. The City does not recommend or provide a listing of Electrical Contractors. Property owners are solely responsible for solicitation and hiring of all contractors to complete the underground conversion on private property.

Q: When will the overhead wires and poles be removed?

A: Overhead wires and poles will not be removed until all affected property owners complete the underground conversion and connected to the underground system.

Q: Although my property is not affected by the district boundaries; when will my street be undergrounded?

A: The initial underground priority selected for the use of surtax funds were CATEGORY I Arterial and Collector streets. As of January 2007, the City of Pasadena has completed the undergrounding of approximately 65 miles of Category I streets. **The remaining 37 miles of Category I streets is estimated at approximately 31 years.** The City will then redirect the program to Category II streets.

Q: How can I accelerate the undergrounding of the streets in my neighborhood?

A: As an alternative, property owners may submit a petition of interest signed by all potentially affected residents to participate in the City's Cost Sharing Program through the establishment of a Benefit Assessment District. Property owners would incur 100% of all administrative costs, underground construction costs includes 50% power and 100% telephone. The City would incur the remaining 50% of underground construction cost for POWER ONLY. City staff will conduct a preliminary utility study to determine feasibility and projected construction costs. The study will require a sundry deposit, in which the deposit amount is based on the required staff time to complete the study.

Q: If my neighborhood is found feasible to establish a Benefit Assessment District, how long will it take to complete the undergrounding?

A: A Public Hearing is required to officially establish the utility district. The City Council will approve the recommended underground priority based on available surtax revenue. If there are no available surtax funds, the underground priority will be recommended based on the availability of future funding. **The allocation of funds could take approximately 3-5 years based on the limited amount of surtax collected annually.**

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Attachment "D"

City of Santa Barbara



Steps for Forming a
Private Residential
Underground Utilities Benefit Assessment District

Prepared by the
City of Santa Barbara
Public Works Department
November 5, 2008



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Introduction

On April 18, 2006, the Santa Barbara City Council adopted Resolution No. 025 (see Appendix A) stating it shall be the policy of the City of Santa Barbara to support utility undergrounding when requested by homeowners of a particular neighborhood. As such, City assistance may be sought to initiate Private Residential Underground Utilities Benefit Assessment Districts.

City support generally consists of providing a handout defining the process, working with the proposed neighborhood to identify the neighborhood level of support, reviewing and processing resident petitions, providing coordination with local utility companies, and pending Council approval, providing benefit assessment district start-up funding support, to be repaid if the benefit assessment district is formed.

To initiate a benefit assessment district, a neighborhood must contact the City to coordinate the submittal of a resident petition of property owners in the proposed benefit assessment district in accordance with Santa Barbara Municipal Code Chapter 4.60 "Public Works Benefit Assessment District." (See Appendix B.) This Municipal Code Chapter in conjunction with Santa Barbara Municipal Code Chapter 22.40 "Underground Utility Districts" provides direction for formation of Private Residential Underground Utilities Benefit Assessment Districts discussed in this packet. The combined procedures of Proposition 218 (Article XIII of the State Constitution) and the Municipal Improvement Act of 1913 will also be followed in establishing any benefit assessment district.

Upon staff review and verification, staff will forward the resident petition to City Council for consideration of a Preliminary Resolution (the first of three Council actions required to form a benefit assessment district). Pending Council approval, staff will have a topographic survey of the proposed district performed, contract with the involved utility companies for a project design and cost estimate, and hire an Assessment Engineer who prepares the Assessment Engineer's Report to identify the project cost share for each assessed property. Two subsequent Council actions are then required to finalize the formation of a benefit assessment district. As outlined in the attached Flow Chart and Step by Step Process, those subsequent Council actions are 1) Resolution of Intention to accept the Assessment Engineer's Report, and following identification of costs specific to each property 2) Final Resolution where a public meeting is held and official ballots are counted. Note that Council has the ability to not approve the benefit assessment district despite the ballot results.

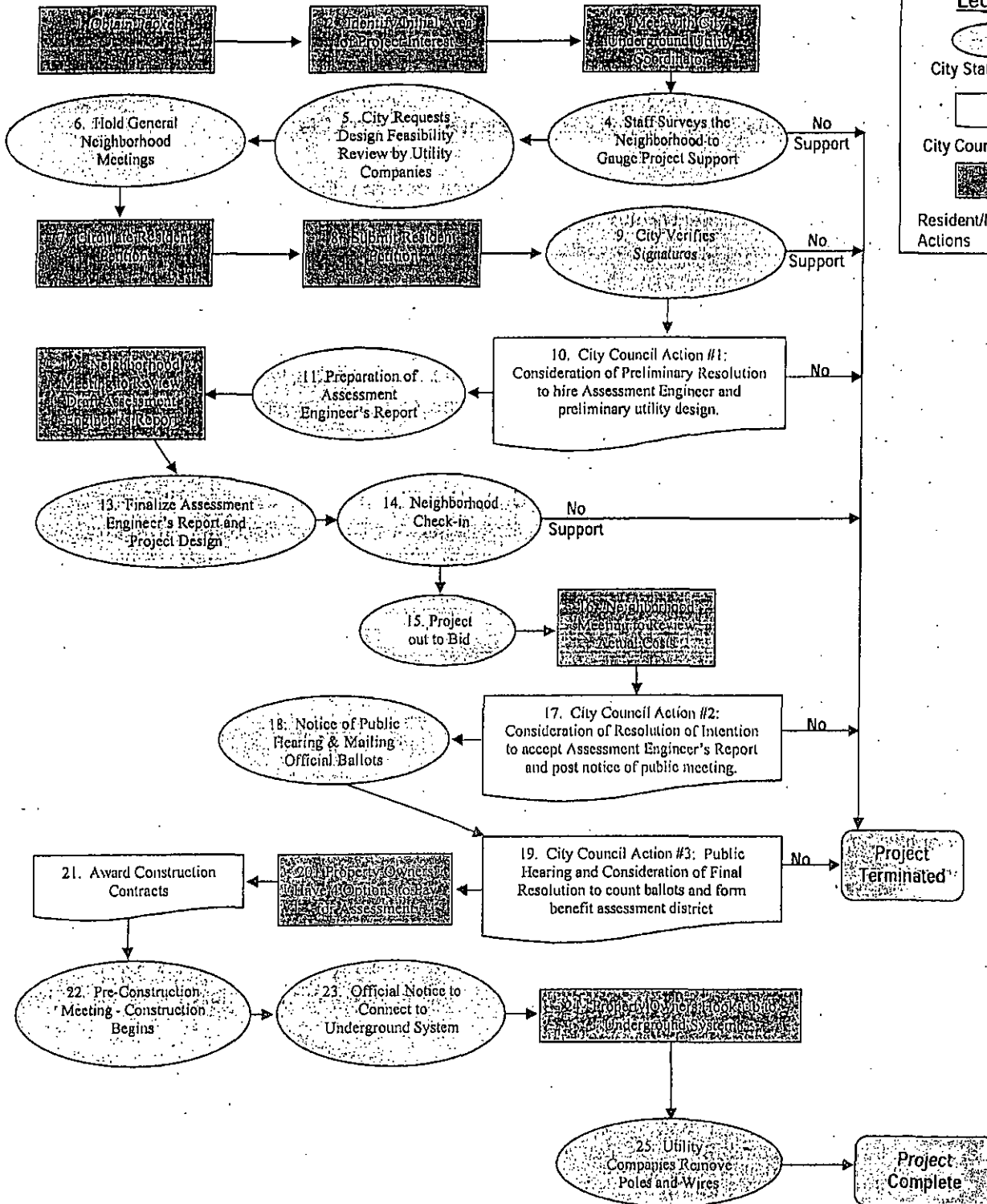
If the benefit assessment district is ultimately approved, the City will be reimbursed for all Assessment Engineer and City staff start-up support costs which will be made part of the assessment levied against the properties that are part of the benefit assessment district. The City will not contribute to any construction costs. If the benefit assessment district fails to be approved, the City will not seek to recover the City start-up support costs.



Flow Chart

Legend

- City Staff or Utility
- City Council Actions
- Resident/Neighborhood Actions





Step by Step Process

The time of completion shown for each phase is a rough estimate dependent on City staff availability, number of projects in process, and the challenges of a particular project to design and /or construct. For a pictorial overview of the process, please see the flow chart on page 4.

1. **Obtain Packet** - The first step in initiating a benefit assessment district is to obtain an informational packet by contacting the City Public Works Engineering Department at (805) 564-5363 or by accessing their web page at:
http://www.santabarbaraca.gov/Government/Departments/PW/Engineering_Division.htm
 - ◆ **Time for Completion: 1-3 Days**
2. **Identify Initial Area of Project Interest** - Identify the property addresses within the geographic area where there is interest in undergrounding the existing overhead utility wires and removing utility poles.
 - ◆ **Time for Completion: 1-2 Weeks**
3. **Meet with City Underground Utility Coordinator** - Once the addresses of the properties within the area of interest are identified, contact Jim Britsch, City Underground Utility Coordinator, at (805) 729-4629, to review materials provided in the information packet, review initial project boundaries, and answer questions.
 - ◆ **Time for Completion: 2-3 Weeks**
4. **Staff Surveys the Neighborhood to Gauge Project Support** - The City will conduct a neighborhood survey to gauge initial support for the project.
 - ◆ **Time for Completion: 1-2 Months**
5. **City Requests Design Feasibility Review by Utility Companies** - The City will contact the utility companies to request a design feasibility review for the project based on the utility service provided to each property within the proposed area of interest. Once the review has been completed, a neighborhood meeting will be scheduled to discuss potential project boundaries based on the neighborhood level of support and technical feasibility.
 - ◆ **Time for Completion: 2-3 Months**
6. **Hold General Neighborhood Meetings** - The City will hold neighborhood meetings to review survey results and further identify support or opposition for the project. Based on the response from the neighborhood, a neighborhood proposed project boundary will be identified.
 - ◆ **Time for Completion: 1-2 Months**
7. **Circulate Resident Petition** - Assuming there is neighborhood support for the project, a formal petition (resident petition) must be circulated to all property owners within the proposed benefit assessment district and signatures for or against the proposed project must be obtained. (A sample copy of the Resident Petition is located on page 15.) Prior to circulating the Resident Petition, the City must confirm the proposed boundary for the benefit assessment district. The City will provide a boundary map of the proposed benefit assessment district, an informational



letter, a general range of anticipated assessment costs, and a copy of this packet, all of which must be circulated with the resident petition. Additionally, the City will provide a listing of all property owners within the proposed benefit assessment district. It is important to stress that property owners, rather than renters, be contacted. Renters DO NOT have the right to vote on the creation of a benefit assessment district.

In order for the project to move forward, property owners of not less than sixty percent (60%) of the area of land proposed to be included within the benefit assessment district must indicate their initial support for the project by signing the resident petition. **Signing the resident petition is not a vote.** Later in the process, all affected property owners will be given a more precise estimate of their specific share of total costs and will then have the opportunity to officially vote by ballot, for or against, the creation of the benefit assessment district. (Ballots are weighted in compliance with state law {Proposition 218} according to the level of benefit conferred upon each parcel as identified by the Assessment Engineer's Report.) *Please note that it is possible for property owners who are not in favor of the benefit assessment district to be included in the benefit assessment district.*

◆ **Time for Completion: 4-5 Months**

8. **Submit Resident Petition** – Once the resident petition has been circulated and signed, staff will review the resident petition and ensure it is complete and that not less than sixty percent (60%) by land area of the property owners proposed to be included within the benefit assessment district have signed in favor of the benefit assessment district.

◆ **Time for Completion: 2-4 Weeks**

9. **City Verifies Signatures** – The City will verify that signatures on the resident petition represent valid property owners for the proposed benefit assessment district. In the event that the resident petition fails to meet the requirements, the neighborhood will have to decide whether to continue the project and try to seek additional support, modify the project boundaries, or terminate the project.

◆ **Time for Completion: 2-4 Weeks**

10. **City Council Action #1: Consideration of Preliminary Resolution** – This is the first of three required City Council actions to form a benefit assessment district. A Preliminary Resolution proposes formation of a benefit assessment district (pursuant to Chapter 4.60 of the Municipal Code) and specifies a distinctive designation for the district. It also describes improvements, exterior boundaries of the proposed benefit assessment district, and orders the preparation and filling of an Assessment Engineer's Report. An Assessment Engineer's Report, as required by law, details the estimated portion of benefit and cost for each individual parcel of land in the proposed benefit assessment district. Additionally, the report explains the method for distributing project costs amongst all affected property owners.

Staff will request that City Council approve funding for the Assessment Engineer's Report, a survey, detailed plans and specifications from the utility companies, and other administrative costs associated with the project. It is important to note that, should the benefit assessment district be approved, start-up support costs for the identified services will be added to the total cost of the assessment. If the benefit assessment district is not approved, the City will not seek to recover these start-up support costs.

◆ **Time for Completion: 1-2 Months**



- 11. Preparation of Assessment Engineer's Report** – The City will work with the Assessment Engineer and utility companies in preparing the Assessment Engineer's Report and plans and specifications. The Assessment Engineer may determine that additional properties be included within the project boundary if these properties receive a direct benefit from the project. Plans and specifications may include wiring changes to individual service lines so that utility services can be furnished from the underground distribution system and the overhead service can be discontinued. This work may also be included in the construction contracts.

 - ◆ **Time to Completion: 6 Months**
- 12. Neighborhood Meeting to Review Draft Assessment Engineer's Report** – A neighborhood meeting will be called to review the draft Assessment Engineer's Report, which may be modified based on neighborhood input. Preliminary engineering design will also be discussed at this meeting.

 - ◆ **Time to Completion: 1 Month**
- 13. Finalize Assessment Engineers Report and Project Designs** – City staff will work with the Assessment Engineer and the Utility companies to finalize their reports and designs in response to any significant issues raised at the Neighborhood Review Meeting. Any and all changes to the documents presented to the neighborhood at the Neighborhood Review Meeting will be available for public review and comment.

 - ◆ **Time to completion: 2 months**
- 14. Neighborhood Check-In** – Prior to accepting the Assessment Engineer's Report, staff may conduct a neighborhood survey to determine the level of project support or opposition. Staff would report the results to Council and either recommend bidding the project or recommend no further action be taken on the project.

 - ◆ **Time to completion: 3 months**
- 15. Project out to Bid** – If the neighborhood demonstrates strong support for the project, plans and specifications will be approved by the City Engineer and bids will be solicited for construction.

 - ◆ **Time to Completion: 2 Months**
- 16. Neighborhood Meeting to Review Actual Costs** - A neighborhood meeting will be called to provide actual costs obtained from the bids and to explain the remaining steps in the process. Any known costs associated with undergrounding individual service lines to each residence will be made available. It is important to note that in addition to the assessment, property owners will incur separate costs for changes to individual service lines. This is so that individual utility services can be furnished from the new underground distribution system and the overhead service can be discontinued. These costs will vary from property to property based on various challenges to construct and may possibly be included in the individual property assessment. Additionally, the Assessment Engineer will finalize the Assessment Engineer's Report and file it with the City Clerk.

 - ◆ **Time for Completion: 2 Months**
- 17. City Council Action #2: Consideration of Resolution of Intention** - This is the second of three required City Council actions to form a benefit assessment district. A Resolution of Intention (pursuant to Chapter 4.60 of the Municipal Code) declares the intention of City Council to order the formation of a benefit assessment district to levy and collect assessments, generally describes



the improvements and refers to the proposed benefit assessment district by its distinctive designation, and gives notice of the time and place for a public hearing where ballots will be tallied and any protests to the improvements or assessments will be considered.

City Council may approve, as filed, or it may modify the report and approve it as modified. City Council will refer to the approved Assessment Engineer's Report on file with the City Clerk for a full and detailed description of the improvements, boundaries of the benefit assessment district, and proposed assessments in its Resolution of Intention.

The City Council may, by resolution, determine and declare that bonds, notes or other instruments be issued to finance the estimated cost of proposed improvements, including incidental expenses.

- ◆ **Time to Completion: 2-3 Months**

18. Notice of Public Hearing and Mailing of Official Ballots - The City will prepare and mail official ballots to all affected property owners. Property owners will have no more than 45 days to return their ballot, voting either in favor of or against the project. In compliance with state law (Proposition 218), ballots will be weighted according to the level of benefit conferred upon each parcel by the project as identified in the Assessment Engineer's Report. In other words, ballots associated with parcels which receive more benefit from the project will count more than ballots associated with parcels which receive less benefit from the project assessment. (Note: Proposition 218 regulations take precedence over Santa Barbara Municipal Code Chapter 4.60.)

- ◆ **Time for Completion: 2 Months**

19. City Council Action #3: Public Hearing and Consideration of Final Resolution - This is the third and final required City Council action to form a benefit assessment district. A final Resolution (pursuant to Chapter 4.60 of the Municipal Code) orders improvements and formation of the benefit assessment district, confirms the diagram and assessment, and constitutes the levy of assessment.

- ◆ At the public hearing, City Council shall consider all protests against the proposed assessment and tabulate the ballots. City Council shall not impose an assessment if there is a majority protest. A majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed ballots submitted in favor of the assessment. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property as determined by the approved Assessment Engineer's Report.

Unless there is a majority protest, the Council may adopt the Final Resolution, thereby forming the benefit assessment district and ordering the assessment diagram to be recorded with the County Assessor.

- ◆ **Time for Completion: 2 Months**

20. Property Owners Have 4 Options to Pay for Assessment - An official notice from the City will be mailed to all affected property owners informing them of the benefit assessment district creation and amount due. Parcel owners will then have 30 days to make arrangements for payment of the assessment. Payment options are:

- Direct payment of total assessment to the City Finance Director



- A lien against the parcel for unpaid assessments will be recorded and can be paid over a period not to exceed 30 years and payments will include interest accrual. The City will provide the County Assessor with a list of all unpaid assessments. The unpaid portion will be added to the Assessor's tax roll and will be billed with other ad valorem taxes.
 - The property owners can arrange for private financing.
 - Seniors (over 62) on limited income or persons who are blind or disabled may qualify to have the assessment deferred until transfer or sale of their home through the state's Property Tax Postponement Program. Additional information regarding this program is available at www.sco.ca.gov/col/taxinfo/pip/faq
- ♦ **Time to Completion: 1 Month**

21. Award Construction Contracts – City Council will award contracts for construction work and may issue bonds, notes, or other instruments to pay for project costs. Any bonds, notes, or other instruments issued will be repaid through payment of the assessment.

- ♦ **Time to Completion: 3-4 Months**

22. Pre-construction meeting - Construction Begins – The City will organize a meeting with the City Underground Utility Coordinator, Contractor, and affected property owners to discuss construction details and timelines. Every effort will be made to minimize disruption caused by construction. Please understand that there may be times when heavy equipment is operated on neighborhood streets and things might get dusty. In order underground utility wires, trenches will be dug so the pipes can be laid. The City Underground Utility Coordinator and Project Engineer will be available to answer questions and concerns throughout the construction phase.

- ♦ **Time to Completion: 4-6 Months**

23. Official Notice to Connect to Underground System – Once construction is complete, the City will mail an official notice to all property owners explaining that they are now required to hook up to the underground system.

- ♦ **Time to Completion: 2-3 Months**

24. Property Owners Hook Up to Underground System – Property owners will be given 30 days after the official notice has been mailed to hook up to the underground system. After the deadline has passed, the City will connect the parcel and place an additional lien on the parcel for work completed under the authority of Santa Barbara Municipal Code Chapter 22.40 "Underground Utility Districts"

- ♦ **Time to Completion: 2-3 Months**

25. Utility Companies Remove Poles and Wires – After all properties within the UUAD have connected to the underground system, the utility companies will switch the system from overhead to underground and remove poles and wires from the area.

- ♦ **Time to Completion: 2-3 Months**

- ♦ **Total Time for Completion: 3-4 Years**



Frequently Asked Questions

What is utility undergrounding?

Utility undergrounding is the process of placing all overhead utilities (electric, telephone, and cable TV) underground.

What is the City's policy regarding utility undergrounding?

The City Council adopted Resolution No. 025 on April 18, 2006, detailing the City's policy regarding utility undergrounding. The policy generally states that it is the desire of City Council to support neighborhoods who want to be assessed for utility undergrounding when requested by homeowners of a particular neighborhood. Neighborhoods seeking to underground utilities must submit a resident petition signed by property owners of not less than sixty percent (60%) of the area of land proposed to be included within the benefit assessment district before the City Council will consider initiating a benefit assessment district and committing start-up support. Start-up support generally consists of hiring an Assessment Engineer (who prepares the Assessment Engineer's Report), project design and cost estimates, and administrative costs associated with the project. If the benefit assessment district is ultimately approved, the City will be reimbursed for all start-up support costs which will be made part of the assessment. If the benefit assessment district fails to be approved, the City will not seek to recover these start-up support costs.

Is undergrounding safe?

YES. In fact, undergrounding may be safer than overhead wires. In the event of an earthquake or strong wind storm, the likelihood of someone being hurt from utility poles and wires falling is eliminated. When wires are placed underground, they are placed into conduit to prevent contact with water or other substances.

Who pays for the utilities to be placed underground?

In residential neighborhoods, undergrounding of utilities is paid for by property owners in the area through the creation of a benefit assessment district. The project area, or benefit assessment district, may be formed only if it is approved by the affected property owners following the combined procedures of the City of Santa Barbara Municipal Code Chapter 4.60 "Public Works Benefit Assessment District," Proposition 218, and the Municipal Improvement Act of 1913.

What do I have to do to get a project started in my neighborhood?

First, contact the City to obtain the informational packet titled, "Steps for Forming a Private Residential Underground Utilities Benefit Assessment District" or access the packet on the City's web site; http://www.santabarbaraca.gov/Government/Departments/PW/Engineering_Division.htm. The packet has information needed to initiate a project in your neighborhood. After receiving the packet, take some time to review all of the materials and then contact Jim Britsch of Facilities Management Specialists LLC (City Underground Utility Coordinator) at (805) 729-4629. A series of meetings will be set up to discuss the proposed project and requirements.

How much does undergrounding utilities cost?

The cost of undergrounding utilities depends on several factors including the density of housing within a district as well as the difficulty of construction (e.g., digging into rocky soil, narrow and hilly streets, etc.).



Additionally, construction costs fluctuate due to costs of construction materials and fuel cost increases or decreases. Until engineers have completed a thorough design, an accurate estimate can not be made. However, under State law, you *cannot* be assessed until you are informed of what the exact assessment will be. If the project in your neighborhood moves forward, you will know how much it will cost before you vote for or against the project.

In addition to the assessment, which pays for the cost of placing the shared utilities underground, costs associated with undergrounding your individual service utilities may be included with your individual property assessment. This will allow you to switch your connection from overhead wires to the underground system. These costs will vary from property to property depending on difficulty of construction.

What if I can't pay for it all right now?

If the project is approved by property owners in the proposed project area, you will have 30 days to pay for your share of the project after you receive a notice from the City. However, you can stretch payments over a period not to exceed 30 years. The assessment and accrued interest will be included annually on your parcel tax bill until it is paid off.

What if I can't afford the assessment?

If you are a senior citizen (at least 62 years old) and on limited income, or blind or disabled, you may be eligible to defer the cost of the assessment until you sell or transfer the home, at which time the assessment will be paid with the proceeds from the sale of your house. Visit the California State Controllers Office website for additional information regarding the Property Tax Postponement Program at www.sco.ca.gov/col/taxinfo/ptp/faq. For other payment options, please see Step 20 in the Step by Step Process for Forming a Private Residential Underground Utilities Assessment District.

How long will this project take to finish?

Based on the size of the project, the time from start to finish will average 3-4 years. While this may seem like a long time, undergrounding is complicated and requires careful design. It is extremely important that the assessment estimate given to you is as accurate as possible. For a detailed breakdown of the timeline for a project, see the Steps for Forming a Private Residential Underground Utilities Benefit Assessment District Flow Chart on page 4 of this packet. The flow chart outlines the steps for initiating and completing benefit assessment district.

Will my electricity be out during the construction?

During construction there will be some disruption because streets in the area will be dug up; however, your electricity, cable TV, and telephone service should only be affected for short intervals. Only after everyone in the project area has connected to the underground system will the overhead wires and poles be removed.

How does the voting work?

Under California State Constitution (Proposition 218), each property owner in the proposed benefit assessment district will receive written notice of the proposed assessment. The proportionate benefit provided to each parcel by the undergrounding project in relationship to the entire cost of the project, including maintenance and operation expenses and the duration of payments will be provided to each property owner. This written notice shall also contain a ballot, which shall be weighted according to the proportional financial obligation of the affected parcel, and the property owner can indicate his or



her support or opposition to the proposed assessment. This means that the higher the assessment cost, the higher the weight given to the ballot. For example, if your proposed assessment is \$15,000, that might equal one vote. Another person's proposed assessment might be \$30,000, so their ballot would count as two votes.

The ballot must be received by the City prior to a public hearing which the City must conduct. At the public hearing, the City will tabulate the ballots. The district is not formed and the assessments are not made if there is a majority protest. A majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property. (Note: Proposition 218 regulations take precedence over Santa Barbara Municipal Code Chapter 4.60.)

Can I change my mind after submitting my ballot?

Yes. You may withdraw or change your ballot prior to the conclusion of the public comment portion of the City Council public hearing.

What happens if I'm not in favor of this project?

Staff strives to be responsive to all property owner concerns. However, it is possible for property owners who are not in favor of the benefit assessment district to be included in the benefit assessment district.

Why can't the City pay for a part of this project?

The City of Santa Barbara is supportive of private residential underground utility benefit assessment district projects; however, there are many competing infrastructure needs that must be met, such as repaving roads, repairing public buildings, and maintaining parks. City Council has set aside start-up support money for benefit assessment districts. If your project qualifies, City Council will consider funding initial engineering studies to determine the cost of the project. The start-up support money provided by the City will be added to the assessment if the project is approved by property owners.

I have heard of something called Rule 20A. What is that?

The California Public Utilities Commission (CPUC), which regulates companies like Southern California Edison (Edison), adopted Rule 20A which requires Edison to set aside a portion of their revenues from the City of Santa Barbara for undergrounding of utilities. In general, Rule 20A requires that the funds be used for projects with heavy overhead utilities, or in high traffic or public use areas. Edison annually sets aside approximately \$500,000 for undergrounding projects in Santa Barbara. City Council has appointed the Planning Commission as the Utility Undergrounding Advisory Committee who determines priorities for Rule 20A projects. The Planning Commission has a slate of projects they are considering for some of the major thoroughfares in the City. The City has used Rule 20A funds in the past to underground wires along State Street, Milpas Street, Santa Barbara Street, and other locations throughout the City.

Why can't the Utility Companies pay for this project? It's their wires, right?

Unfortunately, undergrounding utilities is expensive and there is no legal requirement for them to underground their facilities.

What will happen to the street lights?



In most cases throughout the City, street lights are attached to utility poles. The project will include installation of new street lights. New street lights must comply with current City standards and costs will be added to the assessment.

I've heard about new technologies like fiber optics coming to residential neighborhoods. How does undergrounding utilities fit into all of this?

New technologies, such as fiber optics, can exist both on overhead poles or underground. Currently, when undergrounding utility projects take place, additional conduits for future fiber optic cable may be installed.

How much will undergrounding utilities improve my property value?

Undergrounding utilities may have a positive effect on property values due to improved safety, reliability, enhanced views and general aesthetic improvements. However, the City can not determine the exact value for you. You might want to consult with a real estate agent or real estate appraiser for their advice.

Why can't the City incorporate undergrounding utilities as part of other infrastructure improvements?

As previously mentioned, it takes 3-4 years to plan, design, and construct an undergrounding utility project. If the City were to incorporate undergrounding utilities with other infrastructure projects, important improvements like sewer and water line replacements would be delayed. In addition, methods of construction for undergrounding utility projects are different.

I still have more questions, who can I call for more information?

You may contact John Ewasiuk, Principal Civil Engineer at (805) 564-5373 or Jim Britsch, City Underground Utility Coordinator at (805) 729-4629.



Underground Utilities Glossary of Terms

Assessment Diagram	The official map submitted to the County Assessor identifying all of the affected parcels and subdivisions.
Assessment District	The parcels of land specified in the Assessment Diagram that are required to pay for the underground utility project.
Assessment Engineer	A duly certified and registered Professional Engineer (PE), directed to prepare the Assessment Engineer's Report.
Assessment Engineer's Report	The official report provided to the City Council and each affected property owner detailing the exact costs of the proposed assessment for a parcel, the method of calculating the assessment, and a detailed assessment diagram.
Assessor's Parcel Number (APN)	This number is assigned by the County to identify and track a particular piece of property.
Boundary Map	See Assessment Diagram
Certificate of Sufficiency	The City of Santa Barbara requires that a resident petition supporting the formation of an assessment district be signed by property owners of not less than sixty percent (60%) of the area of land proposed to be included within the benefit assessment district. If the City Council finds that the resident petition is signed by the requisite number of property owners proposed to be included within the benefit assessment district, that finding shall be final and conclusive.
Municipal Act of 1913	The legal authority under which assessments for improvements can be made.
Proposition 218	Approved by the voters in 1996, Prop. 218 expands on the requirements of the Municipal Act of 1913 and requires that affected property owners receive a mailed ballot. In addition, Prop. 218 requires that any new or increased local general taxes be submitted to the voters for approval.
Resident Petition	The official City petition that must be signed by property owners of not less than sixty percent (60%) of the area of land proposed to be included within the benefit assessment district.
Resolution of Intention	A Resolution of the City Council formalizing its intention to create an assessment district after receiving the petitions.
Utility Undergrounding	The process of placing overhead utility wires and facilities underground.
Weighted Ballot	Under Proposition 218, each property owner in a proposed benefit assessment district must receive a weighted ballot proportional to the benefit received from the assessment (meaning the higher the benefit, the greater the weight of the ballot).



Private Residential Underground Utilities Assessment District Resident Petition (Note --This form to be updated soon.)

Honorable City Council
City of Santa Barbara
Santa Barbara, California

We the undersigned property owners of not less than sixty percent (60%) of the area of land in the proposed assessment district depicted on the attached boundary map, which after a weighted mail-in ballot may be subject to assessment for the proposed improvement requested, hereby, do respectfully petition the City Council to institute the necessary proceedings to obtain estimates and parcel assessment values for the improvement of undergrounding the identified aerial utility facilities, including electrical, telephone, and cable television in this district. Improvements consist of construction of necessary substructures (trenching, conduit, manholes, and vaults) with associated engineering and administrative services and all appurtenant work thereto. It is requested that the proceedings for this improvement be instituted under the combined proceedings of the "Improvement Act of 1913," Division 12 of the Streets and Highways Code of the State of California, Article XIII D of the State Constitution (Prop. 218), and City of Santa Barbara Municipal Code Chapter 4.60 - Public Works Benefit Assessment District.

Table with 8 columns: APN (Parcel No.), Parcel Address, (Print) Owner Last Name, (Print) Owner First Name, Owner Address (If different from Parcel Address), Owner Signature, Support Project (Yes/No), If you do not support the project, why not?, Date

RESOLUTION NO. 06-025

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SANTA BARBARA ESTABLISHING A POLICY FOR THE
CREATION OF UNDERGROUND UTILITY ASSESSMENT
DISTRICTS

WHEREAS, the undergrounding of utilities contributes to neighborhood beautification, the improvement of scenery, and an opportunity to upgrade infrastructure;

WHEREAS, the City Council wishes to clarify its intent regarding the undergrounding of utilities;

WHEREAS, it is the desire of the City Council to be responsive to residents who want to be assessed for utility undergrounding; and

WHEREAS, the City Council desires to clarify the public policy allowing for the creation of underground utility assessment districts.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA AS FOLLOWS:

SECTION 1. General Statement of Policy. It shall be the policy of the City of Santa Barbara to support the undergrounding of utilities when requested by the homeowners of a particular neighborhood.

SECTION 2. Neighborhood Underground Utility Assessment District Formation. Neighborhoods that seek to have utilities undergrounded should submit a petition in accordance with the requirements of Santa Barbara Municipal Code Chapter 4.60. The City will support petitions through City staff coordinating with local utilities, providing a handout defining the process, and funding support.

SECTION 3. Funding of the Engineer's Report. The City will fund start-up support for the formation of a District. This support consists of an Assessment Engineer, who prepares the Engineer's Report, obtains the cost estimates, and assists with the Proposition 218 voting process. If the assessment district is ultimately approved, the City will be reimbursed, and the costs of the start-up support will be made part of the assessment. If the district fails to be approved, the City will not seek to recover the funds.

SECTION 4. Expected Construction Contributions by the City. If the assessment district is approved by the property owners and City Council, the City will not contribute to any of the construction costs.

Chapter 4.60 PUBLIC WORKS BENEFIT ASSESSMENT DISTRICT

Sections:

- 4.60.010 Definitions.
- 4.60.020 Alternative Procedure.
- 4.60.030 Liberal Construction of Chapter; Validity; Finality.
- 4.60.040 Benefit Assessment District; Benefited Territory.
- 4.60.050 Benefit Assessment District; Contiguous or Non-Contiguous Territory.
- 4.60.060 Extension of Work and Boundaries of Benefit Assessment District.
- 4.60.070 Reference to Plan or Map on File and Open to Public Inspection; Construction.
- 4.60.080 Acquisition of Property; Assessment Costs.
- 4.60.090 Notice.
- 4.60.100 Formation of a Benefit Assessment District.
- 4.60.110 Changes of Organization for Benefit Assessment District.
- 4.60.120 Collection and Enforcement of Assessments.
- 4.60.130 Financial Provisions.
- 4.60.140 Bonds.
- 4.60.150 Assessment of Public Property.
- 4.60.160 Limitation of Action.
- 4.60.170 Judicial Validation.
- 4.60.180 Performance of Work.

4.60.010 Definitions.

The definitions contained in this Section shall govern the construction of this Chapter unless the context otherwise requires. The definition of a word or phrase applies to any variants thereof.

A. **BENEFIT ASSESSMENT DISTRICT.** A benefit assessment district formed pursuant to this Chapter.

B. **ENGINEER.** The City Engineer, or any other person designated by the City as the engineer for the purposes of any proceedings under this Chapter, including any officer, official, Councilmember or employee of the City or any private person or firm specially employed by the City as engineer for the purposes of this Chapter.

C. **IMPROVEMENT.** The acquisition, installation, construction, extension, reconstruction, repair, maintenance, operation, servicing or improvement or other enhancement of any public works, the costs of which acquisition, installation, construction, extension, reconstruction, repair, maintenance, operation, servicing, or improvement or other enhancement the City is not otherwise prohibited from financing by assessments.

D. **INCIDENTAL EXPENSES.** Any or all of the following:

1. The costs of preparation of any engineer's report, plans, specifications, descriptions, estimates, maps, diagrams and assessments relating to any proceeding hereunder;
2. The costs of printing, advertising and the giving of published, posted and mailed notices;
3. Compensation, if any, to reimburse the City or payable to the county or any other entity, appointed to collect assessments for costs of collection of assessments;
4. Compensation of any engineer, attorney or other professional employed to render services in proceedings pursuant to this chapter;
5. Any other expenses incidental to an improvement;
6. The costs of any acquisition of land, rights-of-way, easements, or other interests therein necessary or appropriate in connection with an improvement;
7. The payment in full of all amounts necessary to eliminate any fixed special assessment liens previously imposed upon any assessment parcel included in the new benefit assessment district, provided that such payment shall be included in the new assessment levied pursuant to this Chapter on such parcel; and

8. Any expenses incidental to the issuance of bonds, notes or other means of financing improvements, including interest owing for a period not to exceed the estimated completion of the improvements plus one year.

E. INCLUDING. Unless otherwise expressly limited, means including without limitation and shall not operate to limit the generality of any words preceding such term or to exclude items dissimilar to those words following such term.

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F. PROPERTY OWNER. Any person shown as the owner of land on the last equalized county assessment roll, and where land is subject to a recorded written agreement of sale or conveyance, any person shown therein as purchaser.

G. PUBLIC AGENCY. The State or federal government, any city, any city and county, any county or any other public corporation or entity formed pursuant to charter, general law or special act, for the performance of governmental or proprietary functions within limited boundaries, and any department, board, commission, independent agency or instrumentality of any of the foregoing.

H. PUBLIC SERVICE. The provision of any service to members of the public by the City, including fire protection, police protection, public transportation, public parking, parks and recreational areas, highway improvement, sewage and wastewater treatment, flood protection, drainage, lighting, electric supply, water supply, gas supply, landscaping, land stabilization, geologic hazard prevention and control and rubbish collection.

I. PUBLIC UTILITY. Any public utility subject to the jurisdiction of and regulated by the Public Utilities Commission of the State of California.

J. PUBLIC WORK. Any tangible asset used for a public service, a public purpose or a public purpose incidental to a public service, and includes any real property or any ownership or leasehold interest therein, including rights-of-way and easements, necessary or appropriate in connection therewith, and any use or capacity rights in any of the foregoing.

K. RESOLUTION. Includes any formal official action of a public agency, so denominated, or ordinances thereof. (Ord. 4472, 1987)

4.60.020 Alternative Procedure.

This Chapter shall provide a complete, additional and alternative procedure for accomplishing the acts authorized in this Chapter, and shall be deemed to be supplemental and additional to the powers conferred by the Constitution of the State of California, the Charter of the City and other applicable laws. The City may use the provisions of this Chapter instead of, or in conjunction with, any other laws or methods of financing part or all of the cost of improvements. (Ord. 4472, 1987.)

4.60.030 Liberal Construction of Chapter; Validity; Finality.

This Chapter shall be liberally construed to effectuate its purpose. Any proceedings taken under this Chapter and any assessment levied pursuant thereto shall not be invalidated for failure to comply with the provisions of this Chapter if such failure does not substantially and adversely affect the constitutional rights of any property owner. The exclusive remedy of any property owner so affected shall be appeal to the City Council in accordance with the provisions of this Chapter. All determinations made by the City Council pursuant to this Chapter shall be final and conclusive in the absence of fraud or prejudicial abuse of discretion. All proceedings undertaken by the City pursuant to this Chapter shall be undertaken in accordance with the provisions of Section 19 of Article XVI of the California Constitution, as such section may be amended or supplemented from time to time. (Ord. 4472, 1987.)

4.60.040 Benefit Assessment District; Benefited Territory.

A benefit assessment district shall consist of all territory which, as determined by the City Council, will be benefited by the subject improvements or public works and is to be assessed to pay the costs thereof. (Ord. 4472, 1987.)

4.60.050 Benefit Assessment District; Contiguous or Non-Contiguous Territory.

A benefit assessment district may consist of all or any part of the territory within the City. A benefit assessment district may consist of contiguous or non-contiguous areas. The improvements in one area need not be of benefit to other areas. (Ord. 4472, 1987.)

4.60.060 Extension of Work and Boundaries of Benefit Assessment District.

The provisions of Chapter 2 (commencing with Section 5115) of Part 3 of Division 7 of the California Streets and Highways Code (as said provisions may from time to time be amended or supplemented) pertaining to the extension of the work or the territory of the benefit assessment district beyond the boundaries of a city, are by this reference incorporated into this Chapter. (Ord. 4472, 1987.)

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4.60.070 Reference to Plan or Map on File and Open to Public Inspection; Construction.

Any resolution, notice, report, diagram, or assessment which is required to contain a description of the improvements, the boundaries of the benefit assessment district or any zones therein, or the lines and dimensions of any lot or parcel of land may, for a full and detailed description thereof, refer to any plan or map which is on file with the City Clerk, the county auditor, the county recorder or the county assessor and which is open to public inspection. The plan or map so referred to shall govern for all details of the description. (Ord. 4472, 1987.)

4.60.080 Acquisition of Property; Assessment Costs.

In any proceeding authorized pursuant to this Chapter, the City Council may order any acquisition of land, rights-of-way, easements, or other interests therein necessary or appropriate in connection with such improvement, and assess the cost of such acquisition as a part of the costs of such improvement. The City is authorized to advance the costs of such acquisition from legally available funds, and thereafter obtain reimbursement for such advance as a part of the costs of such improvement. As appropriate, acquisitions may be accomplished through the exercise of any applicable power of eminent domain or otherwise. (Ord. 4472, 1987.)

4.60.090 Notice.

The City Clerk shall give notice or cause the same to be given in accordance with this Section, unless the City Council delegates the duty of giving the notice to some other person, officer or board.

A. Published notice, when required, shall be made as provided in Section 6061 of the California Government Code, unless otherwise specified.

B. Posted notice, when required, shall be made by posting a copy of the notice upon any official bulletin board customarily used by the City for the posting of notices. Posted notices of hearings for the formation or consolidation of a benefit assessment district or for the annexation of territory to an existing benefit assessment district shall be posted at intervals of not more than 300 feet along all existing streets within the proposed benefit assessment district or within the territory proposed to be annexed to or consolidated with an existing benefit assessment district, as the case may be. Posting of notice of such hearings shall be completed at least ten (10) days prior to the date of hearing specified therein, if applicable.

C. Mailed notice, when required, shall be sent by first-class mail and deposited, postage prepaid, in the United States mails and shall be deemed given when so deposited.

The failure of the City Clerk or any person to whom the duty of giving notice was delegated to publish, post or mail any notice or the failure of any person to receive the same shall not affect in any way whatsoever the validity of any proceedings taken under this Chapter, nor prevent the City Council from proceeding with any hearing or other action so noticed. (Ord. 4472, 1987.)

4.60.100 Formation of a Benefit Assessment District.

A. INITIATION OF PROCEEDINGS. Proceedings for the formation of a benefit assessment district may be instituted by resolution of the City Council on its own initiative and shall be instituted by the City Council when a petition requesting the formation of a benefit assessment district is filed with the

City Clerk. Such petition may consist of any number of separate instruments, each of which shall comply with all of the requirements set forth below with respect to the petition, except as to the number of signatures. Such petition shall:

1. Request the City Council to institute proceedings for the formation of a benefit assessment district pursuant to this Chapter;
2. describe the boundaries of the territory of the proposed benefit assessment district;
3. describe the proposed improvements; and
4. be signed by property owners of not less than sixty percent (60%) of the area of land proposed to be included within the benefit assessment district. If the City Council finds that the petition is signed by the requisite number of property owners proposed to be included within the benefit assessment district, that finding shall be final and conclusive.

B. Within 90 days after a petition described in Subsection (A) is filed with the City Clerk, the City Council shall adopt a resolution in the form specified in Subsection (C).

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C. **PRELIMINARY RESOLUTION.** Proceedings for the formation of a benefit assessment district shall be initiated by a resolution of the City Council. Such resolution shall:

1. propose the formation of a benefit assessment district pursuant to this Chapter and specify a distinctive designation for the district;
2. describe the improvements;
3. describe the exterior boundaries of the proposed benefit assessment district; and
4. order the engineer to prepare and file a report in accordance with Subsection (D).

The descriptions in the resolution need not be detailed but shall be sufficient if they enable the engineer to generally identify the nature, location, and extent of the improvements and the location and extent of the benefit assessment district.

D. **ENGINEER'S REPORT.** The engineer shall prepare a report which shall contain all of the following:

1. A description of the proposed improvements which are not already installed. Such description need not be detailed, but shall be sufficient if it shows or describes the general nature, location, and extent of the improvements. If the benefit assessment district is divided into zones, the description shall indicate the class and type of improvements to be provided for each such zone.
2. A general description of improvements already installed and any other property necessary or convenient for the operation of the improvements if such property is to be acquired as part of the improvement.
3. An estimate of the costs of the improvements, including an estimate of any incidental expenses. The estimate of the costs of the improvements shall contain estimates for all of the following:
 - a. the total costs for improvements to be made being the total costs of acquiring, installing, construction, reconstructing, extending, repairing or improving or otherwise enhancing all proposed public works plus, if the proposed benefit assessment district is to participate in maintenance, operation or servicing of the proposed public works, the total estimated costs of maintaining, operating and servicing all existing and proposed public works, including all incidental expenses;
 - b. the amount of any contributions to be made from sources other than assessments levied pursuant to this Chapter; and
 - c. the net amount to be assessed upon assessable lands within the benefit assessment district, being the total costs for improvements, as referred to in Subsection (a), decreased by the amounts, if any, referred to in Subsection (b).
4. A diagram for the benefit assessment district which shall show (a) the exterior boundaries of the benefit assessment district, and (b) the boundaries of any zones within the benefit assessment district. Each lot or parcel shall be identified by a distinctive number or letter.
5. Proposed assessments for the net estimated costs of the improvements and incidental expenses upon the several subdivisions of land in the benefit assessment district in proportion to the estimated benefits to be received by each subdivision, respectively, from the improvement.

The net amount to be assessed upon the lands within a benefit assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels

regard to any benefit assessment district determines that the majority protest shall be measured on a basis other than area of land.

K. ABANDONMENT UPON MAJORITY PROTEST; OVERRIDE. Proceedings for the formation of the benefit assessment district shall be abandoned if there is a majority protest unless, by a four-fifths vote of all members of the City Council, the protest shall be overruled.

L. RESOLUTION ORDERING IMPROVEMENTS, FORMING DISTRICT AND LEVYING AN ASSESSMENT. If a majority protest has not been filed, or, if filed, has been overruled, the City Council may adopt a resolution ordering the improvements and the formation of the benefit assessment district and confirming the diagram and assessment, either as originally proposed or as changed by order of the City Council. The adoption of the resolution shall constitute the levy of the assessment which may be collected in annual installments. The City Clerk shall record a notice and assessment diagram describing the assessment as provided in Part 2 of Division 4.5 (commencing with Section 3110) of the California States and Highways Code, as such Division may from time to time be amended or supplemented, except that the period for which the lien continues shall be 30 years instead of the period of 10 years shown in Streets and Highways Code § 3115(c).

M. ASSESSMENT LIEN. From the date of recordation, each assessment levied pursuant to this chapter is a lien upon the land upon which it is levied. This lien is paramount to all other liens, except prior assessments and tax liens. Unless sooner discharged, the lien continues for a period of 30 years from the date of recordation or, if bonds, notes or other instruments are issued to represent the assessment, until the expiration of four years after the due date of the last installment on such bonds, notes or other instruments. All persons have constructive notice of this lien from the date of recordation.

N. NOTICE OF RECORDATION AND ASSESSMENT. The City Clerk shall send mailed notice to the property owners, in accordance with Section 4.60.090 of this Chapter, of recordation of assessment. Such notice shall include:

1. a designation of the property assessed;
2. the amount of the assessment;
3. the date of recordation of the assessment;
4. if provided for in the resolution levying the assessment, that the payment of the sums assessed are due and payable and may be paid as provided by the City Council within 30 days after the date of recording the assessment and the effect of failure to pay within the 30-day period, all in accordance with the resolution of the City Council levying such assessment. (Ord. 4472, 1987.)

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4.60.110 Changes of Organization for Benefit Assessment District.

A. The City Council, either in a single proceeding or by separate proceedings, may order one or any combination of the following changes of organization:

1. The annexation of territory to an existing benefit assessment district formed pursuant to this Chapter;
2. The detachment of territory from an existing benefit assessment district formed pursuant to this Chapter;
3. The dissolution of an existing benefit assessment district formed pursuant to this Chapter; or
4. The consolidation into a single benefit assessment district formed pursuant to this Chapter of two or more existing benefit assessment districts formed pursuant to this Chapter.

The City Council shall not, by annexation, detachment, dissolution, or consolidation, alter the obligation of property owners to pay assessments levied for which improvements were financed by bonds, notes or other instruments issued to represent the assessment. This section does not prevent the lawful refunding of any such bonds or financing or the apportionment of assessments upon the division of properties assessed.

B. Proceedings for a change of organization may be:

1. Undertaken subsequent to or concurrently with proceedings for the formation of a benefit assessment district under this Chapter. Any or all such proceedings may be continued on the completion of any other or all such proceedings.

in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.

The diagram and assessment may classify various areas within a benefit assessment district into different zones where, by reason of variations in the nature, location and extent of the improvements and other factors which may be identified in the engineer's report, the various areas will receive differing degrees of benefit from the improvements. A zone shall consist of all territory which will receive substantially the same degree of benefit from the improvements.

E. APPROVAL OF ENGINEER'S REPORT. Upon completion, the engineer shall file the report with the City Clerk for submission to the City Council. The City Council may approve the report, as filed, or it may modify the report in any particular and approve it as modified.

F. RESOLUTION OF INTENTION. After approval of the report, either as filed or as modified, the City Council shall adopt a resolution of intention which shall do all of the following:

1. Declare the intention of the Council to order the formation of a benefit assessment district to levy and collect assessments;
2. Generally describe the improvements;
3. Refer to the proposed benefit assessment district by its distinctive designation and refer to the report of the engineer, on file with the City Clerk, for a full and detailed description of the improvements, the boundaries of the benefit assessment district and any zones therein, and the proposed assessments upon assessable lots and parcels of land within the benefit assessment district; and
4. Give notice of, and fix a time and place for, a public hearing by the City Council on the question of the formation of the benefit assessment district and the levy of the proposed assessment at which hearing protests to the improvements or the assessment will be considered.

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G. NOTICE OF PUBLIC HEARING. The City Clerk shall give notice of passage of the resolution of intention and of the public hearing by publishing, posting and mailing to each property owner, as provided in Section 4.60.090 of this Chapter, a notice containing the following information:

1. a reference to the resolution of intention adopted in accordance with Subsection (F);
2. a statement of the time, place and purpose of the public hearing;
3. an estimate of the total cost of the proposed improvement;
4. for purposes of the mailed notice only, the amount as shown by the engineer's report estimated to be assessed against the particular parcel covered by the notice;
5. a statement that any property owner interested may file a protest in writing stating all grounds of objection with the City Clerk at least 24 hours before the time set for the hearing and that any written protest must include a description of the property in which each signer of the protest is interested.

H. PUBLIC HEARING. The City Council shall hold the public hearing at the time and place fixed in the resolution of intention and in any order continuing the hearing. All interested persons shall be afforded the opportunity to hear and be heard.

I. CHANGES TO MATTERS IN ENGINEER'S REPORT. During the course or upon the conclusion of the hearing, the City Council may order changes in any of the matters provided in the engineer's report, including changes in the improvements, the boundaries of the proposed benefit assessment district and any zones therein, and the proposed diagram or the proposed assessment. The City Council may, without further notice, order the exclusion of territory from the proposed benefit assessment district, but shall not order the inclusion of additional territory within the benefit assessment district except upon written request by a property owner for the inclusion of his or her property or upon the giving of mailed notice of hearing to the owners of such additional territory upon the question of the inclusion of their property in the benefit assessment district.

J. MAJORITY PROTEST. Upon the conclusion of the hearing, the City Council shall determine whether a majority protest exists. For that purpose, the extent of the territory of the proposed benefit assessment district shall be adjusted in accordance with any orders excluding territory from or including additional territory within the benefit assessment district. A majority protest exists if, upon the conclusion of the hearing, written protests filed and not withdrawn represent property owners owning more than fifty percent (50%) of the area of land to be assessed for the improvements within the proposed benefit assessment district, unless the City Council in its Resolution of Intention with

2. Combined with proceedings for the formation of a benefit assessment district under this Chapter. In such case, any of the several resolutions, reports, notices, or other instruments provided for in this Chapter may be combined into single proceedings.

C. Except as otherwise provided herein, proceedings for a change of organization shall be initiated, conducted, and completed in substantial compliance with the procedure provided in Section 4.60.100 for the formation of a benefit assessment district.

D. In annexation proceedings, the resolutions, reports, notices of hearing, and right of majority protest shall be limited to the territory proposed to be annexed, unless the City Council determines that property owners in the benefit assessment district to which the subject annexation is proposed could be adversely affected by such annexation, in which case such property owners shall also be provided with notice of the hearing. Notice of hearing on the proposed annexation shall be published, posted, and mailed, as applicable, as provided in Section 4.60.090. (Ord. 4472, 1987.)

4.60.120 Collection and Enforcement of Assessments.

A. After the filing of the diagram and assessment, unless the City Council otherwise requests the county auditor or some other public agency official to enter on the county assessment roll or other public record opposite each lot or parcel of land the amount assessed thereupon, the City Finance Director or other such officer, employee or agent of the City as the City Council may determine, shall create a benefit assessment roll or other public record for each lot or parcel of land showing the amount or basis of calculating the amount assessed, as shown in the assessment.

B. Unless otherwise determined by the City Council, assessments shall be collected at the same time and in the same manner as county taxes are collected, and all laws providing for the collecting and enforcement of county taxes shall apply to the collection and enforcement of the assessments. If collection of any assessments is to be done by a public agency other than the City, the net amount of the assessments collected, after deduction of any compensation due such public agency for collection, if any, shall be paid to the City Treasurer.

C. The City may charge a penalty of up to two percent per month for delinquent assessments, unless a different penalty is provided for in the resolution levying the assessment for a particular benefit assessment district.

D. The City may bring an action in any court of competent jurisdiction against property owners to collect delinquent assessments and penalties thereon or to enforce the lien thereof.
(Ord. 4472, 1987.)

4.60.130 Financial Provisions.

A. Upon receipt of monies representing assessments, the City Treasurer shall deposit the monies in the treasury of the City to the credit of an improvement fund for the benefit assessment district from which they were collected, and the monies shall be expended only for the improvements or to repay financing incurred for the improvements authorized for such benefit assessment district.

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B. If there is a surplus in the improvement fund for a benefit assessment district upon completion of the improvement, or, if later, upon repayment of the financing therefore, the City Council shall determine the amount of the surplus and shall direct such amount to be applied first to repay the City for any prior contribution or advance made to the fund (as contemplated in Subsection (C)), and second as a credit to the assessment in the proportion which each individual assessment bears to the total of all individual assessments. Where an individual assessment has been paid in cash, the credit shall be returned in cash to the person paying the same upon their furnishing satisfactory evidence of payment. Where any part of an individual assessment remains unpaid, the amount of the surplus apportioned to each parcel shall be credited against the next installment or installments. Any portion of a surplus which has not been paid or claimed by the persons entitled thereto within four years from such entitlement (or if bonds, notes or other instruments issued to represent the assessment have been issued, within four years after the due date of the last installment upon such bonds, notes or instruments) or a surplus or any portion thereof that amounts to \$50 or less to an individual property owner shall be transferred to the City's general fund.

C. If there is a deficit in the improvement fund of a benefit assessment district during any fiscal year, the City Council, from any available and unencumbered funds of the City, may provide but has no obligation to provide for:

1. A contribution to the improvement fund; or

2. A temporary advance to the improvement fund and direct that the advance be repaid from the next annual assessments levied and collected within the benefit assessment district.

D. The City Council may accept contributions from any source toward payment of costs of the improvements for financing therefor. The City Council, at any time either before or after the confirmation of the assessment, may provide for contributions towards payment of improvement costs. All contributions shall be deposited in the improvement fund of the benefit assessment district for which the contribution was provided.

E. In determining an individual assessment, credit may be given for dedications and for improvements constructed at private expense.

F. All contributions authorized prior to confirmation of an assessment shall be deducted from the total improvement costs to be assessed within the benefit assessment district. (Ord. 4472, 1987.)

4.60.140 Bonds.

A. The City Council may, by resolution, determine and declare that bonds, notes or other instruments shall be issued to finance the estimated cost of the proposed improvements, including incidental expenses.

B. The resolution authorizing such issuance shall generally describe the proposed improvements, set forth the estimated cost thereof, specify the number of annual installments and the fiscal years during which they are to be collected, and fix or determine the maximum amount of each annual installment necessary to retire the bonds, notes or other instruments.

C. Notwithstanding any other provision of this Chapter, assessments levied to pay the principal of, and interest on, any bond, note or other instrument issued to represent an assessment levied pursuant to this Chapter, shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt. (Ord. 4472, 1987.)

4.60.150 Assessment of Public Property.

Public property owned by any public agency and in use in the performance of a public function shall not be subject to assessment under this Chapter, unless the resolution of intention expressly provides that it shall be assessed. (Ord. 4472, 1987.)

4.60.160 Limitation of Action.

The validity of an assessment levied under this chapter shall not be contested in any action or proceeding, unless the action or proceeding is commenced within thirty (30) days after the assessment is levied. (Ord. 4472, 1987.)

4.60.170 Judicial Validation.

An action to determine the validity of the acquisition or improvement of any public work, any assessment or any bonds, notes or other financing instituted pursuant to this Chapter may be brought by the City upon authorization of such action by the City Council or by any interested person pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the California Code of Civil Procedure. For such purposes, the "acquisition or improvement of any public work" or an "assessment" shall be deemed to be in existence upon adoption of the resolution ordering the improvements and confirming the assessment (as described in Section 4.60.100(C) of this Chapter). (Ord. 4472, 1987.)

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4.60.180 Performance of Work.

A. The City Council, by contract or otherwise, shall provide for the performance of all work ordered by it pursuant to this Chapter, including the acquisition, installation, construction, extension, reconstruction, repair, maintenance, operation, servicing, improvement or other enhancement of any public works.

B. All or any part of the public works may be acquired, installed, constructed, extended, reconstructed, repaired, maintained, operated, serviced, improved or otherwise enhanced or owned by one or any combination of the following:

- (1) the City;
- (2) any other public agency; or
- (3) any public utility.

(Ord. 4472, 19)

City of Santa Barbara Municipal Code

Chapter 22.40

UNDERGROUND UTILITY DISTRICTS

Sections:		
22.40.010	Definitions.	22.40.070 Other Exceptions.
22.40.020	Public Hearing by Council.	22.40.080 Notice to Property Owners and Utility Companies.
22.40.030	Report by Public Works Director.	22.40.090 Responsibility of Utility Companies.
22.40.040	Council may Designate Underground Utility Districts by Resolution.	22.40.100 Responsibility of Property Owners.
22.40.050	Unlawful Acts.	22.40.110 Responsibility of City.
22.40.060	Exception, Emergency or Unusual Circumstances.	22.40.120 Extension of Time.
		22.40.130 Penalty for Violation.

22.40.010 Definitions.

Whenever in this chapter the words or phrases hereinafter in this section defined are used, they shall have the respective meanings assigned to them in the following definitions:

- (a) "Commission" means the Public Utilities Commission of the State;
- (b) "Underground Utility District" or "District" means that area in the City within which poles, overhead wires, and associated overhead structures are prohibited as such area is described in a resolution adopted pursuant to the provisions of Section 22.40.040;
- (c) "Person" means and includes individuals, firms, corporations, partnerships, and their agents and employees;
- (d) "Poles, overhead wires and associated overhead structures" mean poles, towers, supports, wires, conductors, guys, stubs, platforms, cross-arms, braces, transformers, insulators, cutouts, switches, communication circuits, appliances, attachments and appurtenances located above ground within a district and used or useful in supplying electric, communication or similar or associated service;
- (e) "Utility" includes all persons or entities supplying electric, communication or similar or associated service by means of electrical materials or devices. (Ord. 3327 §1(part), 1968.)

22.40.020 Public Hearing by Council.

The Council may from time to time call public hearings to ascertain whether the public necessity, health, safety or welfare requires the removal of poles, overhead wires and associated overhead structures within designated areas of the City and the underground installation of wires and facilities for supplying electric, communication or similar or associated service. The City Clerk shall notify all affected property owners as shown on the last Equalized Assessment Roll and utilities concerned by mail of the time and place of such hearings at least ten (10) days prior to the date thereof. Each such hearing shall be open to the public and may be continued from time to time. At each such hearing all persons interested shall be given an opportunity to be heard. The decision of the Council shall be final and conclusive. (Ord. 3327 §1(part), 1968.)

22.40.030 Report by Public Works Director.

Prior to holding such public hearing, the Public Works Director shall consult with all affected utilities and shall prepare a report for submission at such hearing containing, among other information, the extent of such utilities' participation and estimates of the total costs to the City and affected property owners. Such report shall also contain an estimate of the time required to complete such underground installation and removal of overhead facilities. (Ord. 3327 §1(part), 1968.)

22.40.040 Council May Designate Underground Utility Districts by Resolution.

If, after any such public hearing the Council finds that the public necessity, health, safety or welfare requires such removal and such underground installation within a designated area, the Council shall, by resolution, declare such designated area an underground utility district and order such removal and underground installation. Such resolution shall include a description of the area comprising such district and shall fix the time within which such removal and underground installation shall be accomplished and within which affected property owners must be ready to receive underground service. A reasonable time shall be allowed for such removal and underground installation, having due regard for the availability of labor, materials and equipment necessary for such removal and for the installation of such underground facilities as may be occasioned thereby. (Ord. 3327 §1(part), 1968.)

22.40.050 Unlawful Acts.

Whenever the Council creates an underground utility district and orders the removal of poles, overhead wires and associated overhead structures therein as provided in Section 22.40.040, it is unlawful for any person or utility to erect, construct, place, keep, maintain, continue, employ or operate poles, overhead wires and associated overhead structures in the district after the date when the overhead facilities are required to be removed by such resolution, except as the overhead facilities may be required to furnish service to an owner or occupant of property prior to the performance by such owner or occupant of the underground work necessary for such owner or occupant to continue to receive utility service as provided in Section 22.40.100, and for such reasonable time required to remove said facilities after such work has been performed, and except as otherwise provided in this chapter. (Ord. 3327 §1(part), 1968.)

22.40.060 Exception, Emergency or Unusual Circumstances.

Notwithstanding the provisions of this chapter, overhead facilities may be installed and maintained for a period, not to exceed ten (10) days, without authority of the Council in order to provide emergency service. The Council may grant special permission, on such terms as the Council may deem appropriate, in cases of unusual circumstances, without discrimination as to any person or utility, to erect, construct, install, maintain, use or operate poles, overhead wires and associated overhead structures. (Ord. 3327 §1, 1968.)

22.40.070 Other Exceptions.

In any resolution adopted pursuant to Section 22.40.040, the City may authorize any or all of the following exceptions:

- (a) Any municipal facilities or equipment installed under the supervision and to the satisfaction of the Public Works Director;
- (b) Poles, or electroliers used exclusively for street lighting;
- (c) Overhead wires (exclusive of supporting structures) crossing any portion of a district within which overhead wires have been prohibited, or connecting to buildings on the perimeter of a district, when such wires originate in an area from which poles, overhead wires and associated overhead structures are not prohibited;
- (d) Poles, overhead wires and associated overhead structures used for the transmission of electric energy at nominal voltages in excess of 34,500 volts;
- (e) Overhead wires attached to the exterior surface of a building by means of a bracket or other fixture and extending from one (1) location on the building to another location on the same building or to an adjacent building without crossing any public street;
- (f) Antennae, associated equipment and supporting structures, used by a utility for furnishing communication services;
- (g) Equipment appurtenant to underground facilities, such as surface mounted transformers, pedestal mounted terminal boxes and meter cabinets, and concealed ducts;
- (h) Temporary poles, overhead wires and associated overhead structures used or to be used in conjunction with construction projects. (Ord. 3327 §1(part), 1968.)

22.40.080 Notice to Property Owners and Utility Companies.

Within ten (10) days after the effective date of a resolution adopted pursuant to Section 22.40.040, the City Clerk shall notify all affected utilities and persons owning real property within the district created by said resolution of the adoption thereof. The City Clerk shall further notify such affected property owners of the necessity that, if they or any person occupying such property desire to continue to receive electric, communication, or similar or associated service, they or such occupant shall provide all necessary facility changes on their premises so as to receive such service from the lines of the supplying utility or utilities at a new location.

Notification by the City Clerk shall be made by mailing a copy of the resolution adopted pursuant to Section 22.40.040, together with a copy of this chapter, to affected property owners as such are shown on the last Equalized Assessment Roll and to the affected utilities. (Ord. 3327 §1(part), 1968.)

22.40.090 Responsibility of Utility Companies.

If underground construction is necessary to provide utility service within a district created by any resolution adopted pursuant to Section 22.40.040, the supplying utility shall furnish that portion of the conduits, conductors and associated equipment required to be furnished by it under its applicable rules, regulations and tariffs on file with the Commission. (Ord. 3327 §1(part), 1968.)

22.40.100 Responsibility of Property Owners.

(a) Every person owning, operating, leasing, occupying or renting a building or structure within a district shall construct and provide that portion of the service connection on his property between the facilities referred to in Section 22.40.080 and the termination facility on or within said building or structure being served. If the above is not accomplished by any person within the time provided for in the resolution enacted pursuant to Section 22.40.040 hereof, the Public Works Director shall give notice in writing to the person in possession of such premises, and a notice in writing to the owner thereof as shown on the last Equalized Assessment Roll, to provide the required underground facilities within ten (10) days after receipt of such notice.

(b) The notice to provide the required underground facilities may be given either by personal service or mail. In case of service by mail on either of such persons, the notice must be deposited in the United States mail in a sealed envelope with postage prepaid, addressed to the person in possession of such premises at such premises, and the notice must be addressed to the owner thereof as such owner's name appears, and must be addressed to such owner's last known address as the same appears on the last Equalized Assessment Roll, and when no address appears, to General Delivery, City of Santa Barbara. If notice is given by mail, such notice shall be deemed to have been received by the person to whom it has been sent within forty-eight (48) hours after mailing thereof. If notice is given by mail to either the owner or occupant of such premises, the Public Works Director shall, within forty-eight (48) hours after the mailing thereof, cause a copy thereof, printed on a card not less than eight inches (8") by ten inches (10") in size, to be posted in a conspicuous place on said premises.

(c) The notice given by the Public Works Director to provide the required underground facilities shall particularly specify what work is required to be done, and shall state that if the work is not completed within thirty (30) days after receipt of such notice, the Public Works Director will provide such required underground facilities, in which case the cost and expense thereof will be assessed against the property benefited and become a lien upon such property.

(d) If upon the expiration of the thirty (30) day period, the said required underground facilities have not been provided, the Public Works Director shall forthwith proceed to do the work, provided, however, if such premises are unoccupied and no electric or communications services are being furnished thereto, the Public Works Director shall in lieu of providing the required underground facilities, have the authority to order the disconnection and removal of any and all overhead service wires and associated facilities supplying utility service to said property. Upon completion of the work by the Public Works Director he shall file a written report with the City Council setting forth the fact that the required underground facilities have been provided and the cost thereof, together with a legal description of the property against which such cost is to be assessed. The Council shall thereupon fix a time and place for hearing protests against the assessment of the cost of such work upon such premises, which said time shall not be less than ten (10) days thereafter.

(e) The Public Works Director shall forthwith, upon the time for hearing such protests having been fixed, give a notice in writing to the person in possession of such premises, and a notice in writing to the owner thereof, in the manner hereinabove provided for the giving of the notice to provide the required underground facilities, of the time and place that the Council will pass upon such report and will hear protests against such assessment. Such notice shall also set forth the amount of the proposed assessment.

(f) Upon the date and hour set for the hearing of protests, the Council shall hear and consider the report and all protests, if there be any, and then proceed to affirm, modify or reject the assessment.

(g) If any assessment is not paid within five (5) days after its confirmation by the Council, the amount of the assessment shall become a lien upon the property against which the assessment is made by the Public Works Director, and the Public Works Director is directed to turn over to the Assessor and Tax Collector a notice of lien on each of the properties on which the assessment has not been paid, and the Assessor and Tax Collector shall add the amount of the assessment to the next regular bill for taxes levied against the premises upon which the assessment was not paid. Said assessment shall be due and payable at the same time as the property taxes are due and payable, and if not paid when due and payable, shall bear interest at the rate of six percent (6%) per annum. (Ord. 3946, 1978; Ord. 3327 §1(part), 1968.)

22.40.110 Responsibility of City.

The City shall remove at its own expense all City owned equipment from all poles required removed hereunder in ample time to enable the owner or user of such poles to remove the same within the time specified in the resolution enacted pursuant to Section 22.40.040. (Ord. 3327 §1(part), 1968.)

22.40.120 Extension of Time.

In the event that any act required by this ordinance or by a resolution adopted pursuant to Section 22.40.040 cannot be performed within the time provided on account of shortage of materials, war, restraint by public authorities, strikes, labor disturbances, civil disobedience, or any other circumstances beyond the control of the actor, then the time within which such act will be accomplished may be extended for a period equivalent to the time of such limitation, upon a showing of satisfactory evidence. (Ord. 3327 §1(part), 1968.)

22.40.130 Penalty for Violation.

It is unlawful for any person to violate any provision or to fail to comply with any of the requirements of this chapter. Any person violating any provision of this chapter or failing to comply with any of its requirements shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not exceeding five hundred dollars (\$500.00) or by imprisonment not exceeding six (6) months, or by both such fine and imprisonment. Each such person shall be deemed guilty of a separate offense for each day during any portion of which any violation of any of the provisions of this chapter is committed, continued or permitted by such person, and shall be punishable therefor as provided for in this chapter. (Ord. 3327 §1(part), 1968.)

Attachment "E"

UTILITY UNDERGROUNDING TASK FORCE

REPORT TO

THE SAN FRANCISCO BOARD OF SUPERVISORS

JANUARY 26, 2007

Utility Undergrounding Task Force Report

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About the Utility Undergrounding Task Force

HISTORY

Board of Supervisors Resolution No. 706-04, creating the Utility Undergrounding Task Force, was approved on November 23, 2004. The Task Force was charged with providing input to the Board of Supervisors on the future of utility wire undergrounding within San Francisco by studying and making recommendations on:

- Improved procedures for legislating underground utility districts
- Best practices for allocation of available resources
- Alternate funding resources
- Options for reduction of utility undergrounding costs
- Coordination of utility undergrounding with other excavation projects
- Alternative tax options, e.g., formation of special benefit districts

The Task Force consisted of fifteen voting members, one from each supervisorial district and four appointed by the Mayor. In addition, the resolution specified that each of the following agencies appoint a representative: Department of Public Works, Public Utilities Commission, Pacific Gas & Electric Company, AT&T Communications, Comcast and RCN.

The writing of this report was a collaborative effort of Task Force members. The final draft was circulated among all members, including the appointed representatives of the utilities and City departments, for their review and commentary. There were no objections or disagreements on the content and recommendations of the final draft. It was approved by a unanimous vote at the last meeting of the Task Force on December 11, 2006.

The life of the Task Force was extended twice by resolutions of the Board and officially terminated on January 31, 2006.

MEMBERSHIP

<u>Voting Members</u>	<u>Affiliation</u>	<u>Voting Members</u>	<u>Affiliation</u>
Vacant	District 1	Josh Crandall	District 9
John Brooke	District 2	Richard Millet	District 10
Eric Freeman	District 3	Steve Currier	District 11
Stephen Gorski	District 4	Steve Aronowitz	Mayor
Charles Wixson	District 5	John Bitterman	Mayor
Jane Martin	District 6	John Newlin	Mayor
Chris Coghlan	District 7	Dan Weaver	Mayor
Bob Macray	District 8		

<u>Non-voting Members</u>		<u>Staff</u>	
Lynn Fong	DPW	Dan McKenna	DPW
Gino Graziani	Comcast	Barbara Moy	DPW/BSM
David Hankin	RCN	Jill Lerner	City Administrator
Jimi Harris	PG&E		
Marla Jurosek	PUC		
Bob Pickard	AT&T		

Executive Summary

CURRENT SITUATION and FINDINGS

Utility wire undergrounding in San Francisco is coming to a halt. When the current 45.8-mile plan ends in 2008, undergrounding will cease for the next twelve years unless we create new ways to fund and implement the program. In this report, the Utility Undergrounding Task Force (UUTF) proposes a citywide program to underground all remaining overhead wires in San Francisco within the next fifty years.

To achieve this goal, additional financial resources and operational efficiencies must be brought to bear. Fortunately the City of San Diego has developed a successful undergrounding program, authorized by the California Public Utilities Commission (CPUC) that may serve as a model for the City and County of San Francisco.

The actual costs of undergrounding in San Francisco under the current CPUC funding program (Rule 20A) have most recently averaged \$3.97 million per mile, up from the estimate of \$1 million per mile on which the 45.8-mile plan was based. Due to these cost increases, San Francisco has borrowed against 20A funds for approximately twelve years into the future. The main obstacle in continuing to underground the City's utilities is a lack of funding.

The current undergrounding program, although carefully and objectively planned, must be significantly revised. To date, the majority of undergrounding has been implemented in the northeast quadrant of the City. Projects have not been implemented utilizing a citywide plan that includes all neighborhoods equally. In addition, Rule 20A construction projects do not allow for unified construction management or review, thus leading to cost overruns and project delays.

An efficient and cost effective plan for San Francisco utility wire undergrounding with a detailed master planning process must be devised now.

Areas undergrounded to date have benefited from past City-funded or Rule 20A-funded undergrounding efforts. However, during the current program, 20A funds have been mortgaged into the future at a significant cost to the City's neighborhoods with overhead utility wires. These areas will not see any undergrounding activity for at least twelve years. This is not an equitable situation.

The UUTF has identified this inequity as one among other issues to be resolved. UUTF members have conducted research and held discussions with City departments and utility company representatives. The accompanying report identifies some of the program's endemic problems and recommends solutions for accomplishing future undergrounding.

GOALS:

- A comprehensive master plan must be drafted to ensure effective management of undergrounding resources.
- Funding should come from utility ratepayers of San Francisco regardless of their current underground or overhead utility service status. A combination of funding resources may be necessary and alternatives should be fully evaluated.
- The funding stream should be sufficient to achieve full undergrounding in San Francisco within fifty years or less.
- Those districts with the highest percentage of overhead wires should receive the highest percentage of overhead projects. However, all districts should receive some additional undergrounding projects during the course of the program.

Over 3000 San Francisco residents responded to a survey on the UUTF website, and the vast majority expressed a desire for more undergrounding. More than 90% of the respondents stated they would be willing to pay a utility bill surcharge to support further undergrounding. (See Appendix A, UUTF Survey, for complete results.)

RECOMMENDATIONS:

For a program of this scope and complexity, secure and predictable funding sources must be in place. There are two types of funding programs available for 20A and 20B undergrounding projects.

Rule 20A Funding Facts:

- The 300% increase in 20A costs has resulted in a 300% increase in the schedule for 20A undergrounding completion. San Francisco cannot depend exclusively on 20A funding to achieve undergrounding in the City.
- San Francisco receives approximately \$6 million in 20A funds annually (2005 dollars), which is enough for about 1.5 miles of undergrounding utility wires at current costs.
- 90% of the costs are paid for by the utilities; the electric utility company costs are passed on to ratepayers as capital improvements through the CPUC.
- 10% of the costs (dedicated new streetlights as required) is paid for by the City, property owners or the utility company.
- Telephone and cable 20A undergrounding costs are paid by each participating utility.
- The 20A program does not cover the seventy miles of rear easement overhead wires.

Rule 20B Funding Facts:

- 20B undergrounding is paid by utilities and by property owners, usually in a special assessment Mello-Roos District.
- San Francisco has not used the 20B program in the past, but it does provide an alternative to continue undergrounding in the absence of 20A funding.
- The property owner share of 20B project costs may be paid by the City if funding is available from other sources such as a utility surcharge dedicated to undergrounding.

Potential Model and Benefits:

- San Diego implemented a 3.5% surcharge on its residents' electric bills to collect 20B funds and speed up undergrounding. San Diego collects and spends approximately \$50 million per-year from the surcharge and 20A funding.

Benefits of a 20B surcharge program are:

- An increased and constant funding stream is provided.
- Efficient, planning and program management.
- Costs are equitably distributed throughout the City, including the areas already undergrounded.
- Efficiency of the planning, design and construction phases is maximized through a citywide, strategic program.
- All local costs can be paid for through the program including required connections to buildings in undergrounding districts. Problems with non-compliant building owners are minimized.
- All overhead utility wires, including rear feed wires, can be undergrounded.

Additional benefits of a citywide Rule 20B or 20A/B program identified through UUTF research:

- Construction contracts can be competitively bid for undergrounding projects instead of the current situation in Rule 20A projects where the electric utility controls the contracting process.
- Undergrounding resources can be assigned to districts on an objective basis (i.e. percentage of overhead wires in the district).
- Continuous audits and ongoing management can increase efficiency and lower the cost-per-mile.
- The program can address road repaving, tree planting and sidewalk curb cuts for disabled pedestrian access as required or requested in undergrounding districts.

Undergrounding Scenarios for San Francisco

The estimates are in 2006 dollars, utilizing the cost of \$5.7 million per mile. (See Chapter 3, "Rule 20B Undergrounding Costs in San Francisco.

1. No changes. Will result in discontinuing programmatic undergrounding within the City for at least twelve years.
2. Rule 20B Projects Only. Privately sponsored Rule 20B projects could yield modest success for the next twelve years if promoted by the City and various civic groups.

3. Rule 20A/B: With Electric Surcharge.

- a. A 5.0% surcharge will yield \$29 million annually (2006 dollars) and assuming a construction cost of \$5.7 million/mile, 5.09 miles could be completed each year. This also assumes that the surcharge would not be reduced when Rule 20A funds become available to the City. After an estimated twelve years, Rule 20A dollars could become available. Therefore, a total of 6% of electric revenues (\$34.8 million) could be available. About sixty-one miles would be undergrounded for the first twelve yrs, 409 miles would remain. At 6.10 miles per year, it would take approximately eighty years for completion.

- b. A 3.5% surcharge will yield \$20.3 million annually. Assuming a construction cost of \$5.7 million/mile, 3.56 miles could be completed each year. Assume, as above, that the surcharge would not be reduced when Rule 20A funds become available to the City in twelve years. In the first twelve years, 42.7 miles would be completed, with 427.3 miles remaining. After Year Twelve, a 4.5% revenue stream would yield \$26.1 million per year. At 4.6 miles per year, it would take approximately one hundred and five years to complete.

4. Rule 20A/20B: City/State Electric and Natural Gas Surcharge.

A 5% electric revenue surcharge on the electric revenue total of \$580 million would provide \$29 million (in 2006 dollars) yearly. Pacific Gas & Electric's ("PG&E") San Francisco 2005 gas revenues were \$264 million. A 5% electric and gas surcharge would raise \$42.2 million; this revenue would accomplish 7.4 miles per year in 20B undergrounding. In twelve years, about eighty-nine miles would be accomplished and about 381 miles would remain. After Year 12, Rule 20A could contribute one percent more for a total 6% electric and 5% gas surcharge. With this scenario, \$48 million would be available and at 8.42 miles/year, utility wire undergrounding would be done in approximately fifty-seven years.

To accomplish this fifty-year goal in 2006 dollars would require 9.4 miles per year at a 2005 cost of \$5.7 million per year or \$53.6 million on average per year.

These estimates do not account for possibly cheaper costs by using alternative competitive contractors and possible economies that can be achieved utilizing a well

managed, rationally planned undergrounding program (see **Chapter 1 Goals**). Also, with a regular income stream from a utility bill surcharge, revenue bonds could be sold to speed up the process. Other funding streams in lieu of the electric surcharge, or in addition to it, would increase the rate of undergrounding in San Francisco.

CONCLUSION

Utility Undergrounding Task Force Recommendations:

1. Develop a long-term master plan and a properly funded program to underground all utility wires within fifty years.
2. Create a transparent community process that involves residents in the decision-making process.
3. Request the CPUC to approve an electric/natural gas surcharge for San Francisco residents.
4. Seek alternative funding sources for utility undergrounding.
5. Establish a City policy of no new overhead utility wires.
6. Implement a utility undergrounding program that reduces current project timelines by 50% and project costs by 25%.

CHAPTER 1

Operations

CURRENT SITUATION AND FINDINGS

In 1996, the San Francisco Board of Supervisors legislated the undergrounding of forty-two miles of overhead utility wires. (The program was subsequently expanded to 45.8 miles.) This was the first step in a lengthy process that is required by the California Public Utilities Commission (CPUC) in order to receive funding under the Rule 20A Undergrounding Program. These forty-two miles were selected utilizing criteria found in the CPUC Rule 20A Guidelines and from various neighborhood groups that had submitted petitions.

San Francisco has approximately 920 miles of dedicated streets and approximately seventy miles of rear yard feed overhead wires. At the completion of the current 45.8 mile program, San Francisco will have undergrounded 520 miles of overhead wires out of 990 miles, leaving 470 miles remaining (400 miles of street side overhead utility wires and about seventy miles of rear yard overhead utility wires remaining. At that time, estimated to be 2008, San Francisco will then have undergrounded 52.5% of its overhead utility wire system, leaving 47.5% for the future.

In 1997, the Department of Public Works (DPW) and Pacific Gas & Electric Company (PG&E) agreed to collaborate in an ambitious effort to underground forty-two miles. Previously, due to failure of San Francisco's petition process Rule 20A system, undergrounding projects were completed at a rate of approximately one mile per year. Undertaking forty-two miles within four and one-half years was unheard of and proves to be unheard of even to this day. The ten miles per year goal of the current plan is also the goal of the Utility Undergrounding Task Force's fifty-year plan.

Property owners who submitted petitions were told they had to pay for connecting their buildings to the new utility services as well as the bill for the purchase and installation of new streetlights. When the plan was unveiled, owners were not required to pay for new streetlights. The 45-mile plan did not fully start until 2000. The issues that the DPW Utility Undergrounding Program, PG&E and the other utilities encountered are enumerated below and can be used as a tool to assist in the planning and implementation of future undergrounding projects.

Prior to the beginning of the current program, the Controller's Office of the City and County of San Francisco had established that PG&E failed to pay the City \$132,494 in franchise fees from its sales of gas and electricity to the Presidio from 1991 through 1995. A settlement based on litigation between PG&E and the City was set forth in the "Master Settlement Agreement" and Ordinance No. 304-97, File No. 45-97-50. A major component of the Master Agreement addressed financial aspects of the forty-two mile plan (later expanded to 45.8 miles). The Agreement specified that PG&E would pay the City \$12.8 million, \$3.5 million for administration of the Utility Undergrounding Program

as well as \$9 million for the design, materials and installation of approximately 1,800 new City-owned streetlights.

Additionally, the planned underground construction would be coordinated with a PG&E planned natural gas pipeline replacement program. The goal of this coordination was to reduce construction disruption to the community and lower expenses by integrating gas trench line work with the overhead wire undergrounding construction.

The following sections provide more details on the undergrounding project activities and estimated timelines, as well as information on Rule 20A funding programs.

Table 1

Duration Activity	6 mos.	1 yr.	18 mos.	2 yrs.	30 mos.	3 yrs.	42 mos.	4 yrs.
Legislate District	█							
Design	█							
Design Review	█	█						
Permitting		█						
Street Light Design		█						
Street Light Outreach		█						
Street Light Des. Modifications		█						
Below Ground Construction		█	█	█				
Street Light Construction				█				
Property Owner Notification			█	█				
Cabling Pulling					█			
Energize						█		
Property Owner Conversions			█	█	█	█	█	█
Abatements As-Needed							█	█
Poles Removed							█	█

Typical Project Timeline and Process

Efficiencies described in this report can significantly shorten this timeline.

Funding

Rule 20A Funding: PG&E allocates undergrounding resources to each city and town in its service area pursuant to the rules established in Rule 20A. (Additional utility wires undergrounding funding rules are established for Rule 20B and 20C programs by PG&E

pursuant to CPUC regulations.) The 20A funding allocation is paid off, entered into the rate base, when the undergrounding projects are completed. All electric ratepayers in the PG&E service area pay for the Rule 20A undergrounding program. The amount of undergrounding resources allocated to each city is based upon the number of overhead wire-fed meters according to a complicated formula (see **Appendix C**).

Undergrounding of telephone and cable wires under Rule 20A is not paid for in the same way. These companies pay for their undergrounding through their respective company resources, and to the extent that CPUC or local jurisdictions regulate these rates, costs may be incorporated into the rates of telephone and cable ratepayers.

In 1997, PG&E reported that the Rule 20A funding allocation for San Francisco had an unspent surplus of about \$24 million that was in danger of being lost if not used. Additionally, San Francisco was expected to receive an estimated annual Rule 20A allotment of \$4.5 million per year. This annual allotment from 1997 through 2001 amounted to \$18 million. The total combined amount, \$42 million, was estimated in 1997 to be sufficient to cover the costs for the forty-two miles for PG&E to design and construct their underground facilities, remove all their overhead facilities and provide a service lateral to each property.

During this period, an additional 3.84 miles were added on to the original forty-two miles due to DPW capital improvement projects such as Third St., Cesar Chavez, Chinatown alleys and Octavia Boulevard. This increased the total to 45.8 miles.

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See Table 2 below for a summary of Rule 20A allocation credits and costs applied against the credits.

Table 2

Year	Accumulated Credits	Allocation	Expenditures
1995	23,483,993		
1996		4,271,474	2,888,311
1997		4,386,614	2,119,070
1998		4,511,625	2,422,982
1999		4,642,745	2,755,369
2000		4,785,112	4,988,584
2001		4,982,587	7,363,450
2002		5,143,770	19,521,981
2003		5,305,021	43,790,578
2004		5,650,052	29,348,986
Total		67,162,993	115,199,311

PG&E San Francisco Rule 20A Allocations and Underground Costs

Table 2 documents the funds received and expended in the current Rule 20A program.

Issues Encountered

1. Lack of Construction Resources. PG&E: PG&E did not have sufficient resources to design, coordinate and construct the current program at a rate that was initially expected to take approximately four years. Even though, as funds became available, and PG&E responded by hiring design staff and contractors to assist with design and construction, the current resources appear to be strained and may not meet the anticipated completion date of 2008.

Under the Rule 20A program at current funding levels and costs per mile, it would take more than six hundred years for San Francisco to underground the street side overhead wires; the seventy miles of rear easement overhead wires in San Francisco are not covered by the Rule 20A program.

Other Utility Companies: AT&T and Comcast do not receive 20A funds to design and construct their underground facilities or to remove their overhead facilities.

The San Francisco Department of Telecommunications (DTIS), San Francisco Department of Parking and Traffic (DPT), and the San Francisco Municipal Railway (MUNI) also have overhead wire facilities and do not receive Rule 20A funds. The utility companies and departmental agencies may sometimes have a difficult time keeping pace with PG&E. The lack of advanced planning and resource allocation adds to the delay in the current program schedule.

2. Site Selection Criteria Not Strategic. Seventeen miles out of the total 45.8 miles included community petitioning as a criterion for selecting and legislating underground districts. A majority of property-owner signatures for each block were required for the block to be considered. Blocks were often included or excluded by a petition process in arbitrary or irrational ways. Blocks situated between or near undergrounded districts often became stranded islands of overhead wires and poles. Often these overhead wire areas include Municipal Railway transit streets—streets that arguably should be the first to be undergrounded.

To exacerbate the situation, new utility riser poles are needed to continue feeding overhead wire areas immediately adjacent to undergrounded areas, and owners in areas with overhead utilities see additional poles installed along their blocks. The undergrounding program staff, utility companies and City Hall have received countless letters, emails, faxes and telephone calls from disgruntled property owners who resent having been excluded from the current program.

3. Street Lights. The San Francisco Department of City Planning's Urban Design Plan states that streetlights are a significant part of the urban streetscape and that the material design as well as the performance of streetlights is important. The plan also states that designs should be varied to help define San Francisco neighborhoods.

A new streetlight system must be installed in underground project districts when the wooden utility poles are removed because in most situations, the streetlights are attached to the wooden poles. Some projects do not require a new streetlight system because the existing streetlights are fed underground and/or are on separate poles. Examples include streetlights affixed to existing MUNI strain-wire poles, etc.

Neighborhood groups have requested that the program include a master plan for streetlight selections. Attempting to meet community desires at the last minute can burden the program with delays. Also, long-term increased maintenance costs result from the need to stock various types of fixtures and parts.

A significant portion of the streetlight funding for the current program is paid by funds from the Master Settlement Agreement. The requirement to provide for streetlights has hampered the San Francisco 20A program from its inception. The Rule 20A program does not cover the estimated 10% of the project cost for new streetlights if the municipality owns and operates the new lights. San Francisco has no reliable funding mechanism for new streetlights required in underground districts.

Construction Issues

1. Customer Conversions. The construction of the underground substructure lasts approximately six to nine months, depending on the location and size of the project. Once this construction is completed and the cable has been placed in the new underground conduit, utility companies convert each individual property from overhead service to the new underground service in a process called "cutting-over". Poles and overhead wires cannot be removed from a district until all properties are cut over. Due to recalcitrant property owners, this part of the undergrounding project can take longer than two years, or more than half the duration of a project.

San Francisco's old and densely constructed built environment does not provide outside connection points for each utility agency. Providing exterior connection points on building walls simplifies the conversion process, while also reducing costs. Providing exterior connection points may, however, create an aesthetic issue since these connection points may damage the façade or its appearance of older buildings in a more visible manner than the overhead wire system.

2. San Francisco's Density. After New York City, San Francisco is the second densest city in the United States. With a little over forty-nine square miles and a population exceeding 770,000, the associated infrastructure and unique architecture make right-of-way construction projects more costly and take longer to complete than other metropolitan areas. Also, the City requires strict adherence to construction standards often not required in other cities. Aboveground infrastructure is often placed adjacent to the public right-of-way (PROW) or on private property through easements. San Francisco often requires that these installations be constructed below ground, adding to both the cost and length of each project.

3. Permit Fees. San Francisco's Public Works Code regulates work in the PROW through permits and code compliance. As previously mentioned the City's density and character require such regulations. However, San Francisco's code requirements can drive up costs as compared to other municipalities with less stringent code requirements:

Permit fees are assessed to agencies working in the PROW. For example, a small undergrounding project averages \$25,000 in fees not including police services, while a large project averages \$50,000 in fees not including police services. This represents approximately less than .1% in overall undergrounding project costs. One significant component in determining the project's fee structure is the project duration. Consequently, the shorter the project duration from start to finish, the more cost effective it is.

4. Utility Construction Agreements. PG&E operates under a labor agreement that requires a certain percentage of infrastructure maintenance and construction to be performed by its in-house labor team. The operating Memorandum Of Understanding (MOU) for these services may be considerably higher than competitively-bid

construction contracts submitted by private firms. On projects that have been led by either Comcast or AT&T, the project cost has resulted in savings in the hundreds of thousands of dollars for each project.

5. Regular Independent Engineering Reviews and Reports. Currently each construction project is conducted and completed without an overview of how the work is done. From project design to the completion of project punch lists, no independent engineer reviews are conducted. Mistakes are often repeated in future projects. Inefficiencies are not noted or necessarily corrected in a comprehensive manner.

6. Construction Practices and Requirements. Providing service laterals to within one foot of the building face is covered in the Rule 20A program in San Francisco. Providing such service laterals can increase construction costs in future Rule 20B projects. Restoration requirements related to pavement and the amount of area open to excavation at any onetime can also increase construction costs.

GOAL

To implement a utility undergrounding program that reduces current project timelines by 50% and project costs by at least 25%.

RECOMMENDATIONS

1. Identifying Sufficient Resources for All Agencies. In future undergrounding, funding must be identified by all utilities and City agencies. Prior to commencing the current program, all of the utilities prepared annual operating budgets expecting an average of one or two miles of undergrounding to occur in any given fiscal year; however, the plan called for 10 miles per year. An aggressive program must include long-term capital planning by all affected utility companies and City agencies.

Undergrounding impacts City agencies such as MUNI, DPT and DTIS. MUNI distribution lines and DTIS facilities may need to be undergrounded as well as DPT parking signs reinstalled. Proper coordination and planning must be incorporated into the undergrounding process. A reliable funding source for the relocation work of these City agency facilities needs to be identified.

2. Streetlight Improvements. Currently the Master Settlement Agreement and the San Francisco Public Utilities Commission (SFPUC) fund streetlight construction associated with the Undergrounding Program. Funding has been established to complete the current legislated districts, but if undergrounding is to continue and accelerate, a dedicated funding source must be identified.

In addition, the community process to select the type of streetlight for each project should be streamlined by limiting the number and type of models available. After a community vetting process prior to the commencement of a new undergrounding program, a palette of streetlight choices should be created based upon neighborhood

*City / State electric
and Natural Gas Subways*

definitions. The choices will then be offered to residents based upon their neighborhood for each new project.

Any requests for a variance should be prohibited or if allowed, the additional expense borne by the community sponsors. San Francisco currently has no process for passing through the additional costs of special street lighting requests. Such a funding mechanism should be adopted.

3. Site Selection: Future projects must be selected on the basis of efficiencies gained through constructing a strategic grid system based upon the (primarily electric) utility distribution system designs and economies of scale. Sites will always be selected based upon outside influences, but the majority of sites should maximize construction and system efficiencies. This should be the first priority, and all other considerations should be tiered below this consideration.

4. Customer Conversions. Based upon the San Diego model (see **Appendix B**), future San Francisco undergrounding programs should fund the cost of customer conversions and maximize efficiency through the use of a single competitively bid contract. Access to properties should be scheduled well in advance of the conversion process and strict adherence to schedule will save considerable construction time.

If a new plan does not fund property conversions, sufficient funds for low-income residents should be identified and a process to streamline all grant applications should be implemented.

5. San Francisco's Density. San Francisco will not change its architectural character or become less dense. Construction practices and code restrictions must be analyzed to allow for efficient construction in the existing City environment. Permit restrictions must be reviewed with the goal of improving efficiency while maintaining public safety. Likewise, construction practices that currently require specific construction designs must also be reviewed to decrease construction timelines and associated costs

6. Permit Fees and Regulations. As previously stated, City agencies currently charge fees for any excavation in the PROW. A review of those fees in relationship to the overall goals of the program should be considered and if warranted a mechanism to waive the fees or a portion of the fees should be considered. The Public Works Code and excavation regulations govern working in the public right-of-way. (See www.sfgov.org/dpw)

7. Competitive Construction Contracts. The majority of 20A undergrounding projects are not competitively bid. All projects should be bid competitively, and the City should review and approve the contracts based upon existing contract award policies and procedures. However, this practice should be reviewed within the first year of implementation to determine if actual cost savings are realized. The goal should be to minimize construction costs to maximize available funds.

8. Program Review. Annual program reviews utilizing an independent auditing firm or the Board of Supervisors Budget Analyst should be conducted for all projects. A summary report should be presented to the Board of Supervisors with associated process improvement recommendations. In addition, a biannual overall program audit should be conducted that focuses on a comprehensive evaluation of the program from project conception through completion. This audit should also be presented to the Board of Supervisors for review and program adjustment. The Task Force recognizes that the 20A program has no such auditing requirements; this is a significant difference between the PG&E Rule 20A program and the Rule 20B or 20A-B surcharge model program as established by the City of San Diego.)

9. Non-profit Program Management. San Francisco might consider the establishment of a non-profit corporation to conduct its undergrounding programs if it is found that such an organization can do a better job than the City. All plans and programs of such an organization should be subject to public review and approval processes specified in this report.

CHAPTER 2

Site Selection and Master Plan Framework

CURRENT SITUATION and FINDINGS

DPW, in coordination with PG&E, identified approximately fifty-five miles of streets as eligible for undergrounding. Of the fifty-five miles, forty-two miles were selected. The criteria utilized to determine potential districts are delineated in the Rule 20A guidelines: (See www.cpuc.ca.gov/ and **Public Works Code, Article 18** [www.sfgov.org/dpw])

The major criteria are enumerated below:

1. Such undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric facilities. The street or road or right of way is extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic.
2. The street or road or right of way is considered an arterial street or major collector as defined in the Governor's Office of Planning and Research General Plan Guidelines.
3. The street or road or right of way adjoins or passes through a civic area or public recreation area or an area of unusual scenic interest to the general public.
4. An ordinance creating an underground district has been legislated.
5. The area is scheduled for a public street improvement, street reconstruction, street widening or realignment.
6. In addition to the criteria outlined above, all areas included into the original forty-two miles were areas designated for the PG&E gas main pipeline replacement project. Areas were selected because: neighborhood residents had submitted previously verified petitions; major street reconstruction programs were planned; or because they were prime areas for undergrounding.

These petition districts were originally subject to the assessment process to pay for required new streetlights in undergrounding districts. At the time the forty-two mile plan was adopted by the Board of Supervisors, the requirement for all petition district property owners to pay for the streetlights was dropped.

The petitions required the signatures of property owners. If a property is held in common, all parties listed on the County Assessor's records must sign. Each district included a minimum of four contiguous blocks. Only petitions with signatures of owners representing over 65% of the assessed footage of a block were considered for an undergrounding district.

GOALS

Develop and implement a comprehensive site selection policy that incorporates:

- Technical strategies,
- Policy/political decisions
- Equitable distribution of resources.

RECOMMENDATIONS:

1. Develop a Master Plan Process. An undergrounding master plan process is the key to an efficient and cost-effective utility undergrounding program in San Francisco. On an annual or biannual basis, the undergrounding plan for each two-year period should be established by the program manager and approved by the Board of Supervisors. A five-year plan framework for undergrounding should also be available for funding, planning and design purposes.

The five-year master plan must prioritize undergrounding projects within available funding resources in an objective and understandable manner. The plan must be a living document that accounts for improving the process, public input, new priorities and changing fund levels.

2. Develop a Plan for Allocation of Resources by Districts. Utility wire undergrounding should be allocated by geopolitical districts. Although there are many purposes for which the City is divided into districts, the best-known and most equitable in distribution of population is the division of the City into eleven supervisorial districts. Divisions, such as police districts are also well known and perhaps more stable. However, the Board of Supervisors, as the City's legislative decision-making body, is best suited to allocating undergrounding resources. This would help to assure that their constituents would receive an equitable distribution of undergrounding resources.

Undergrounding should be allocated by supervisorial districts according to the percent of total citywide overhead electric utility wire feeds in each district. The more overhead wire feeds a district has, the more undergrounding resources it should be assigned. An annual mayoral allocation of 20% or less for projects of citywide importance, as required, can also be a part of the undergrounding program in any particular year.

These Mayoral allocations should be included in the two-year plan when introduced. When not needed, the Mayoral allocations should be reallocated among the 80% district allocation. One could argue that this Mayoral allocation is disruptive to proper planning in that it demonstrates that capital projects planning is not known as far in advance as utility wire undergrounding planning. The Mayoral allocation should be considered a contingency to account for emergency conditions and should be used as little as possible because it interferes with the five year planning horizon proposed here.

New additions should be sent to a Board of Supervisors hearing on the five-year underground plan in January, before DPW finalizes the upcoming plan, and if possible in the previous June or before to hear public comments on the draft plan.

3. Identify Joint Trenching, Joint Paving and Other Cost Saving Opportunities.

The City should take advantage of all opportunities to lower undergrounding costs by joint trenching or joint paving. An example of a joint trenching opportunity is gas main placement and underground utility wire conduit placement in the same trench. An example of joint paving opportunity is utility wire undergrounding combined with the repaving of concrete streets, curbs and sidewalks on steep hillside slopes as required by the Excavation Code. The DPW five-year plan should be utilized as a planning tool and all work coordinated through the plan.

Significant cost savings are expected when undergrounding districts are designed and constructed in a strategic and cost-effective manner and when construction of underground systems are competitively bid. Construction and financial audits of undergrounding projects should be done on a regular basis.

4. Overhead Wires Policy. No additional overhead utility wires should be constructed in San Francisco. All new wiring should be installed underground.

5. Review Undergrounding Priorities. In establishing undergrounding priorities within districts, streets with a heavy concentration of overhead wires or vehicular traffic and streets with transit services that include overhead wires such as streetcar or trolley bus routes should be priorities. The Rule 20A guidelines also specify additional undergrounding priorities that may be utilized. It is important to minimize underground/overhead utility interfaces through strategic planning with existing and proposed underground districts. Small isolated underground districts should be discouraged for both cost and aesthetic reasons.

6. Establish an Annual Undergrounding Capacity. As part of the two-year and five-year undergrounding plan, the total undergrounding capacity in San Francisco for those years and the amount of undergrounding capacity that cannot be funded in the current and subsequent years by 20A and/or 20B City-funded surcharge projects should be identified annually.

When excess undergrounding capacity is identified, the City should establish an expedient process to allow property owners to form districts and pay the non-utility cost

of a 20B undergrounding project. This option should not be allowed when the City's undergrounding capacity is filled by a combination of 20A and/or City-funded 20B projects.

CHAPTER 3

RESOURCES

CURRENT SITUATION and FINDINGS

CPUC Rule 20A permits a city to mortgage up to five years of its Rule 20A allocations, i.e., a city can proceed with projects without having immediate funds dedicated to cover the associated costs. Because of the Master Settlement Agreement, the City and County of San Francisco has mortgaged, about twelve years of expected future 20A allocations. This was necessitated by cost overruns associated with completing the current plan mandated by the Master Settlement Agreement and the 3.84 miles added to the program by the City.

Unless additional funding sources are identified and utilized, or projects undertaken under 20B or 20C, no additional undergrounding can occur in the City and County of San Francisco for at least twelve years after the current 45.8-mile program is completed.

Concerns about Rule 20A and PG&E

No audit has ever been done to determine if San Francisco has been correctly allocated its share of Rule 20A funds. No audit of PG&E's handling of the underground conversion program has been undertaken. If audits were to be conducted it is possible that additional funding for underground work would become available.

An additional concern relates to the extraordinary cost difference between San Francisco and other California cities, such as San Diego. PG&E has charged about \$4 million per mile (\$5.7/mile fully loaded) to create the underground structure and to remove its overhead facilities. The City of San Diego reports that the average cost to achieve the same result in that city costs \$1.7-\$1.9 million per mile. (See **Appendix B**)

Rule 20B Undergrounding Costs in San Francisco

The UUTF requested and was provided by PG&E an estimate of the current cost of Rule 20B undergrounding in San Francisco. This estimate included four sample projects in the current Rule 20A program that have been completed and converts the costs to 20B estimates. The average cost per trench foot is \$540; component costs are shown in Table 3 below. To calculate cost per mile, the trench ft cost is doubled because trenching almost always occurs on both sides of a street. Therefore, 10,560 or twice the 5280-feet-per-mile number multiplies the trench foot cost.

Table 3

Agency	Per/Linear ft.
PGE	\$311
City Departments	\$104
Other Utilities	\$125
Total	\$540

Rule 20B Estimated Cost Per Trench Foot (2006 dollars)

Cost for a 25-foot lot (excluding conversion costs) is \$13,500. This cost does not take into account corner properties, side-yards along streets or the width of intersections; however these costs are incorporated into individual underground district design estimates provided by PG&E and thereby are incorporated into the UUTF 20B cost estimates. The 20B fully loaded local share estimated cost per mile (2006 dollars) is calculated to be \$5.7 million.

GOAL

To provide a stable funding source(s) for the timely completion of undergrounding all overhead utility wires in San Francisco in an efficient and cost effective manner.

RECOMMENDATIONS

1. Alternative Funding Sources. With the commitment of Rule 20A funding to payment of current undergrounding project costs for twelve or more years into the future, effectively blocking undergrounding for many years to come, alternative sources to fund new districts must be found if conversions are to continue in the interim. Typically, resources for public improvements such as underground conversion take one of two forms: user based taxes, fees and charges or property owner based assessments. Rule 20A funds, being charges added to electric service fees, are user-based, and similar taxes surcharges and fees determined by actual use of a utility's service would fall into the same category. The funding alternatives to those forms of revenue generation are generally property owner-based, being included as additional special taxes or assessments attached to the ownership of the property to which the service is provided.

There are those who believe it is fair that property owners alone should pay for undergrounding because, based on the belief that property values increase in areas when overhead wires are placed underground, property owners benefit from the conversion. Convincing counter-arguments can be made that just as property owners have no special stake in the current delivery system, they have no particular stake in an undergrounded system. Everyone who lives in an undergrounding district, not just property owners, shares the immediate benefit that comes from living in or passing through an area that has wire-free vistas.

2. User-Based Resources. By completing the undergrounding of more than twice the amount of mileage for every dollar spent, and by instituting alternative funding sources, the City of San Diego each year relocates underground approximately 30-35 miles of overhead utility service. Of the approximately \$50 million spent each year by San Diego to achieve that result, \$10 million is funded by Rule 20A tariffs, covering projects that meet 20A criteria, and an additional \$40 million is spent completing projects that may or may not satisfy Rule 20A requirements, but instead are found in residential areas that typically do not meet any of the Rule 20A "public interest" criteria.

San Diego's additional \$40 million of non-20A revenue is generated from a 3.53% undergrounding surcharge, which the CPUC considers to be a franchise fee and permits San Diego Gas & Electric ("SDG&E") to pass on to its ratepayers along with the regular 3% franchise fee charged SDG&E by the City of San Diego for General Fund revenues. The undergrounding surcharge adds approximately \$3 to the typical residential customer's monthly electric bill. The surcharge is earmarked solely for undergrounding projects.¹

The City of San Diego was able to negotiate the surcharge because its franchise agreement with SDG&E provided for renegotiation in January 2001, and both sides agreed to increase the fees to cover undergrounding expenditures. In contrast, the San Francisco franchise agreement with PG&E, dating from 1939, provides for a .5% fee and no renegotiation.

Upon approving the surcharge pass-through to SDG&E's customers, the CPUC found that use of the surcharge by the City of San Diego was not limited by Rule 20A criteria because it was a franchise fee that the CPUC had no authority to control, and it also determined that once the revenue was received by the City it was no longer ratepayer money and not under the auspices of the CPUC. As a municipality, the City was free to use the funds as it saw fit.

As appropriate, the CPUC took no position regarding whether the surcharge was a special tax that would require voter approval, noting instead that it is not for the CPUC to interpret state and local law regarding those issues.

Because the franchise fee the San Francisco charges PG&E is only one-half of one percent on electric revenues, City and PG&E could institute a surcharge as high as 6% and still not equal the franchise fees currently charged by the City of San Diego.

3. Utility Users Tax. San Francisco currently assesses a 7.5% Utility Users Tax (UUT) on monthly charges made for electric, gas and water service to commercial customers within San Francisco. The funds, collected by each utility company and remitted to the City monthly, are added to the General Fund. Also finding its way into the General Fund is a 7.5% User Tax charged on all cellular telephone usage billed in San Francisco, without regard to the characterization of the service as commercial or residential. The UUT rate has not changed since the 1993-1994 fiscal year. The UUT for the City of Los Angeles is 10%, the State mean rate is 7.6% and the median is 7.5%.

For the 2004-2005 fiscal year, the Controller's Office estimated that \$66.29 million of UUT would be collected on commercial utility sales of \$884 million. If the tax were increased by just 1%, in line with the State sales tax charged in San Francisco, and the revenue generated were earmarked to fund undergrounding, the amount that could be collected for undergrounding would be approximately \$8.8 million. If the rate were increased to Los Angeles levels, again being earmarked exclusively for undergrounding, the amount would be approximately \$22 million, providing undergrounding revenues sufficient to convert about 3.9 miles each year utilizing the Rule 20B estimated cost of \$5.7 million per mile.

According to PG&E data, during 2005 Electric Residential Revenue was \$172,892,984. If the 7.5% UUT were expanded to include residential customers, specifically to complete utility undergrounding, the revenue for undergrounding projects would be nearly \$13 million.

As a special tax to provide funds to underground utilities, a change to the UUT would require approval of two-thirds of registered voters in the area affected.²

4. Utility Connection Fees. San Francisco currently charges a \$2.75 per-month, per-telephone connection Emergency Response Fee. The total revenue from that source during the 2004-05 fiscal year was \$36.7 million.³ The Board of Supervisors could consider increasing that fee to supplement other revenue sources available to fund undergrounding projects. A \$1 per month increase would generate undergrounding revenue of approximately \$13.35 million per year.

The Board of Supervisors also might explore adding a similar utility connection fee for electric meters because of the direct connection between utility undergrounding and the means for providing electric service. According to PG&E sources, on average there were 359,930 electric customers in San Francisco during 2005. Assessing a \$2.75 per-customer, per-month electric connection fee would generate annual undergrounding program revenue of approximately \$11.9 million. The ease or difficulty of charging these fees depends on the impact and interpretation of Proposition 218.

While instituting specific voter approval requirements for particular taxes, assessments and fees, Proposition 218 left open to interpretation the definition of "property related fees." If a fee is "property-related,"⁴ its creation or adjustment requires approval of either a majority of property owners or two-thirds vote of the electorate. The Board of Supervisors could choose which of those groups to include in the voting process, and may weight ballots in proportion to fee liability. If an electric meter connection fee were determined to be not "property related" no vote would be required by Proposition 218 before it is instituted. Additionally, it is possible that the franchise agreement with PG&E, or other limitations, may affect the City's ability to charge an electric meter connection fee.

5. Property Owner-Based Resources. Before discussing alternative forms of property owner-based resources it might be useful to understand the actual amount that owner(s) of a single property would be asked to pay under any alternative which would assess a direct charge for utility conversion.

As presented above, an undergrounding district would need to pay the cost of constructing the sub-structure and removing the PG&E overhead facilities (those costs typically covered by 20A funding), the cost of new street light design and construction and the cost of administration and staffing.⁵ The charge for most San Francisco homes with 25 feet of linear frontage, as explained at the top of this chapter, would be about \$13,500.

6. Mello-Roos (Community Facilities) Districts. In 1982, in response to Proposition 13, the limitation of local public agencies to increase property taxes based on a property's assessed value, the Mello-Roos Community Facilities District Act⁶ was enacted to allow counties, cities and special districts to establish Community Facilities Districts (CFD). Designed to encourage public improvements and services, the Act specifically permits utility undergrounding CFD's.⁷

Pursuant to Mello-Roos, San Francisco could establish a CFD to include the properties of owners who want overhead utility wires in their neighborhood undergrounded. Formation of a CFD is instituted by the written request of two members of the Board of Supervisors or by a petition signed by at least ten percent of the registered voters in the District or by owners representing at least ten-percent of the area of land in the District. If the Board of Supervisors decides to proceed with the CFD, the question is submitted to those registered voters within the district (only including the property owners if there are fewer than twelve registered voters). At least two-thirds of the registered voters in the proposed district must approve the CFD before it can be created. If the CFD is formed, a Special Tax Lien is placed on each property within the district, and a Special Tax is paid per property each year. The Special Tax is not determined by the value of the property, but is instead calculated using a mathematical formula taking into account characteristics of the property (e.g. use of the property, the lot size and the square footage of structures located on it).

If the amount needed to complete the purpose of the CFD exceeds the amount that can be funded in a short amount of time, municipal bonds may be sold by the CFD with the Special Tax being used to pay the bond interest and principal. In addition, rent received by the CFD from use by the utility companies of the installed facilities, or from sale of the facilities to the utility companies, could be used to pay bond interest or principal.

There are no restrictions on the size of a CFD, so it would be possible to create numerous single districts throughout the City, or to form one large district. It is likely, however, that efficiency of scale would indicate that a larger district is more cost effective than a number of smaller districts.

The CFD might also qualify for 20B funding. For that to occur, all property owners would need to approve the CFD. Possibly seeking 100% property owner approval could follow the two-thirds required voting if less than 100% approval is achieved in the initial approval election. Property owner conversion costs could be included in a Rule 20B District. In a 20B CFD or other district, the City could pay the property owner costs for undergrounding, or a portion of the costs such as the design costs, etc.

7. Community Benefit Districts.

A Community Benefit District (CBD), also known as a Business Improvement District, is a voluntary funding mechanism by which property owners are levied a special assessment to fund neighborhood improvements. This type of district is similar to the CFD, but it is formed by city ordinance rather than state law and results in the formation of an independent non-profit entity rather than a statutory district under local jurisdiction.

Improvements within a CBD may include beautification projects, clean and safe programs, graffiti removal, tree maintenance, marketing and district promotions, and special events such as farmers markets and street festivals. The Mayor's Office of Economic and Workforce Development, the City agency that works with neighborhoods to form these assessment districts, has indicated that a CBD can be created to fund neighborhood undergrounding programs and that it may be created in residential areas as well as along commercial corridors.

The cost of setting up a CBD is approximately \$45,000, a cost that, per linear foot, would drop as the district grows in size. Under this mechanism, a non-profit entity is formed, if none already exists, to collect and hold funds and to contract to undertake the project for which the CBD has been formed. A number of CBD entities have been created for various purposes in San Francisco but to date none for utility undergrounding.

The normal life of a CBD is fifteen years, and during that time funds for the district's purpose can come directly from special property tax assessments, or they can be borrowed from commercial lending institutions or raised from issuance of tax-exempt bonds with principal and interest being paid by direct assessment tax collections. As with Mello-Roos, for a CBD, a special tax is attached to each property in the district based on factors other than property value. Unlike Mello Roos, which requires approval

by two-thirds of the district's property owners, a CBD ultimately requires only majority approval by the property owners in the district and subsequent approval by the Board of Supervisors. The CBD charges to property owners take the form of a line item on each property tax bill. As with other districts, 20B funding would require that 100% of the property owners in the district approve utility undergrounding.

Table 4

Name of District	Tenderloin	Fisherman's Wharf	Noe Valley	Castro	2500 Mission St.	Union Sq.
# of Properties	605	105	176	270	20	97
Total Assessment	\$932,413	\$591,000	\$219,000	\$392,000	\$75,000	\$985,622
District Budget	\$981,487	\$622,615	\$230,128	\$413,500	\$75,000	\$1,300,000

Existing San Francisco Community Benefit Districts

8. Transfer Tax Fee. During the 2005 calendar year, 30,550 transfers of real property were recorded in the City and County of San Francisco. If an additional fee of \$10 was charged per transfer and the total amount were earmarked for utilities undergrounding the program would receive approximately \$305,550 each year. A fee of \$100 for undergrounding would generate approximately \$3.05 million each year.

9. Transfer Tax Rate. Currently, San Francisco charges a tax on non-exempt transfers of real property located within the City. The rate for each property transfer is determined by the value of the transfer. If the transfer value is between \$100 and \$250,000 the rate is \$2.50 per \$500 of value (translated, this results in an overall tax rate of approximately .5%). For transfers valued between \$250,000 and \$1 million the rate is \$3.40 for each \$500 of value (.68%) and for transfers for \$1 million or more the rate of tax is \$3.75 per \$500 of value (.75%).⁸

During fiscal year 2004-2005, the City collected \$78.89 million on transfers in excess of \$1 million dollars, \$37.16 million on transfers between \$250,000 and \$1 million and \$.65 million on transfers of less than \$250,000. Those revenues for the 2005-06 fiscal year are projected to be \$66.34 million, \$37.47 million and \$.69 million, respectively.⁹ If the transfer tax rates were increased by one-quarter of one percent just on transfers in excess of \$1 million, based on projected 2005-06 figures the revenue generated would be \$22.11 million. If all transfers in excess of \$250,000 were assessed an additional one-quarter of one percent transfer tax, the revenue generated would be \$34.5 million.¹⁰

The transfer tax rates have remained the same since 1994 because attempts to increase them have been unsuccessful. However, if there is sufficient grass roots support for undergrounding in San Francisco, and the revenue generated by increasing the rates is earmarked for undergrounding and no other purpose, an increase might be more likely to win voter approval.

10. Landscaping and Lighting Act of 1972. The Landscaping and Lighting Act of 1972 (LALA)¹¹ permitted a city to create assessment districts to fund landscaping and lighting projects. Funded by Special Taxes added to property tax bills with amounts calculated based on the property's size, square footage of structures and use, not on its value. As with a Commercial Benefit District, a LALA district requires approval by a majority of the property owners.

CHAPTER 4

Outreach

CURRENT SITUATION and FINDINGS

DPW, the Board of Supervisors and various utilities have engaged in communication and outreach with many individuals and groups about utility undergrounding. This outreach has been effective but limited. Due to the complexity and scope of undergrounding issues and the high level of interest, there remains significant misinformation about the current program and future undergrounding.

1. High level of Interest. Utility undergrounding continues to generate a high level of interest among members of the public. Inquiries to the Board of Supervisors and the DPW are common. Many residents want to know more about how to get their neighborhood included in the undergrounding program or want to understand why they are not currently being undergrounded.

2. Misinformation Abounds. Unfortunately, a high level of misinformation matches the high level of interest in utility undergrounding. Because the last round of undergrounding selection was not transparent, there remains confusion over what streets are on the list to be undergrounded and why certain streets were or were not selected.

A quasi-private and potentially secret petitioning process in past site selection programs has been a major concern to public officials, departmental staff and the general public.

One particular problem centers on the "interest list" maintained by DPW. This is a list of approximately 600 people who have expressed interest in having utilities on their streets undergrounded or sought out information on the program. There is a mistaken belief that this list will have some sort of priority in the next round of undergrounding. Some residents on the list believe that they have "signed up" for undergrounding. This type of misinformation creates unrealistic expectations, frustration and confusion. According to DPW staff, the list was created to inform interested members of the public about future opportunities related to undergrounding.

3. DPW is Disseminating Good Information. DPW is disseminating good information and attempting to educate the public about undergrounding. DPW maintains a comprehensive web site with background information for people interested in undergrounding. As mentioned above, DPW also has an undergrounding interest list of people, who have called, written, or emailed with questions about undergrounding. DPW also has a presentation about undergrounding they make to neighborhood groups

and others interested in learning more. PG&E has an undergrounding brochure and *web site outlining the different types of undergrounding.*

GOALS

Strong communication with all stakeholders in the utility undergrounding process is an *important part of a successful utility undergrounding plan.* The UUTF identified three communication and outreach goals:

1. An Open and Transparent Process. Utility undergrounding involves challenging policy choices that have a direct impact on residents, property owners, taxpayers and the general public. These choices benefit from public debate and discussion.

By creating a process whereby the public is informed of the process and decisions are made in open meetings, we can increase perceived fairness and legitimacy. Some of the utility undergrounding choices will require broad public support. Without an open process, public support will be difficult to build.

In the previous site selection process, the distribution of undergrounding resources has not been on an equal basis among city neighborhoods. Future site selection processes must address this inequality if the program is to be widely accepted as open, *transparent and fair.*

2. A Well-informed Public. Utility undergrounding is a confusing project. Misinformation can create problems in the future by reducing support for undergrounding projects. Public education should focus on the undergrounding site selection process, *how the program is funded, and how implementation takes place.*

3. Public Interaction with Decision-makers During the Process. From selecting which streets to underground to actually removing the overhead system, it is important that decision-makers interact with the public and listen to feedback from stakeholders.

Decision makers include: the Board of Supervisors on policy decisions; DPW, other impacted City agencies and utility companies on operational decisions; and any others involved in the planning and implementation of undergrounding. There should be opportunities for personal interaction, as well as solicitation of written feedback through the *Internet and traditional mail.*

RECOMMENDATIONS

There are many ways to create an open and transparent process, a better-informed public and more interaction with decision-makers. This type of process will increase public support and understanding of the undergrounding program.

1. Updates on current projects. DPW should continue to keep the public informed about the current undergrounding projects, especially in areas where undergrounding is taking place. Neighborhood residents experiencing undergrounding have many questions about which streets will be undergrounded and what type of construction to expect during the project. They also need to know about the expenses and scheduling associated with the conversion process and any other streetscape projects that may be completed at the same time.

2. Information about new projects selection and timing. People are very concerned with how the next round of undergrounding will be selected and when it will occur. As soon as a proposed selection process is ready for discussion, DPW, the Board of Supervisors and the utilities should distribute the information widely. Special attention should be paid to informing people on the DPW information list who have expressed interest in this project.

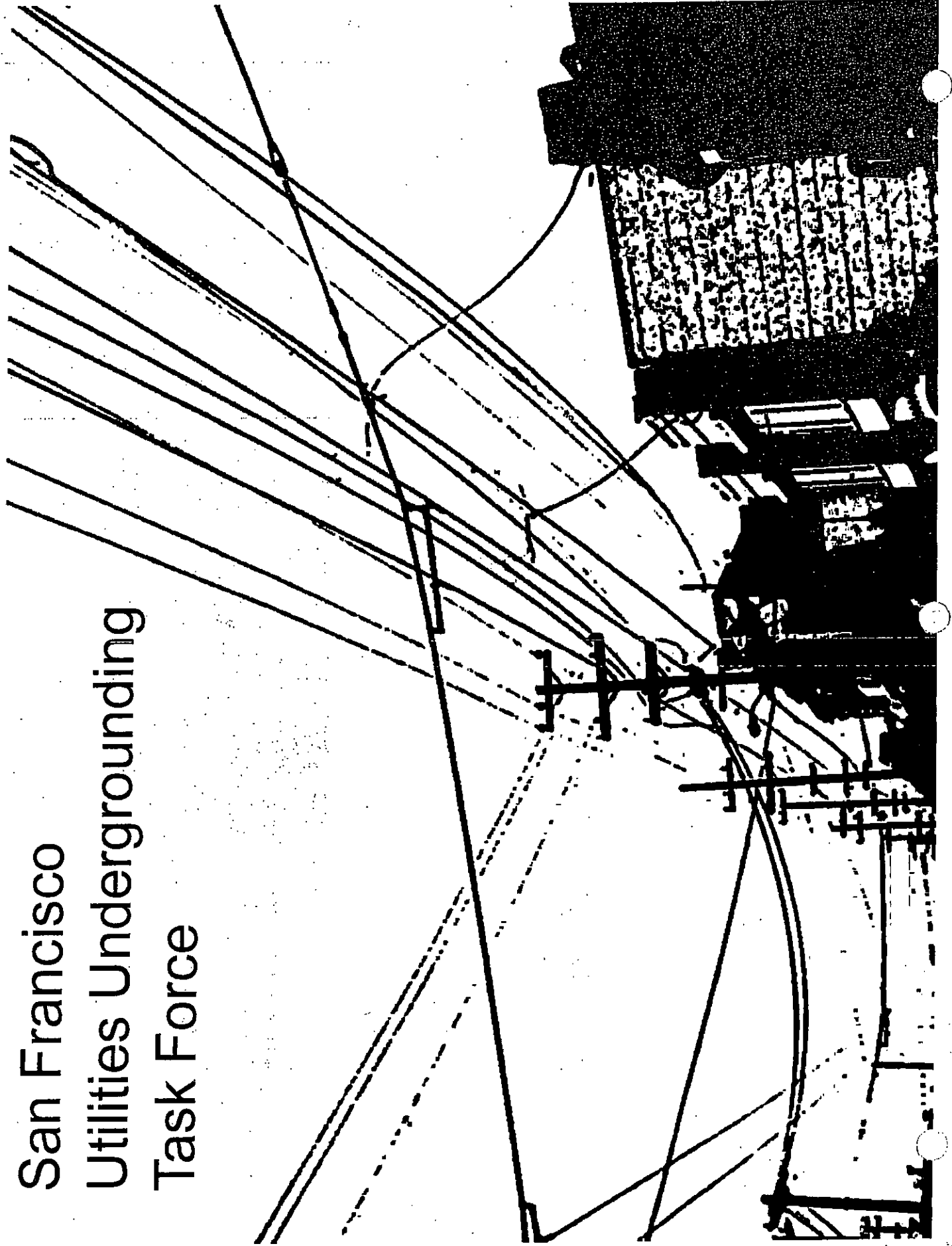
3. Communication with Board of Supervisors on the undergrounding process. The Board of Supervisors handles a high volume of questions and complaints about utility undergrounding. By educating Board aides, DPW can ensure the right information is being distributed. A briefing for aides on undergrounding and updates on progress or delays can help keep the public informed as well.

4. Community meetings before and after the next phase selection. Before any decisions are made about what streets to underground, there should be general community meetings to discuss the process and get public input and buy-in to whatever method is chosen. It is important that the public have a chance to provide input, instead of being presented with a list of already selected streets. The public should have an opportunity to give feedback about the selection process and criteria, not just the individual streets or the final selections. These meetings could take place in each Board of Supervisors District and be co-sponsored by neighborhood groups interested in undergrounding.

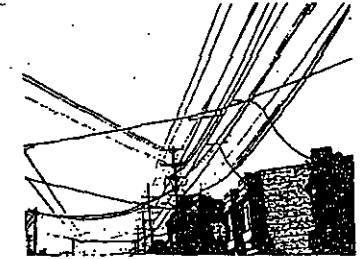
After the selection process is established, it will be important to do another round of public meetings before the selections are finalized. The public should have a chance to comment on the selected streets and give feedback on how the selection process was implemented, how the selection criteria were applied, and any perceived problems.

5. Inserts in PG&E mailings. An easy way to reach many of the undergrounding stakeholders is through utility bills. An insert in the monthly PG&E bill would inform many of the people most interested in undergrounding of any changes to the program. Multiple inserts may be cost prohibitive. However, a few well-timed mailings in advance

San Francisco Utilities Undergrounding Task Force



What is the San Francisco Utility Undergrounding Task Force?

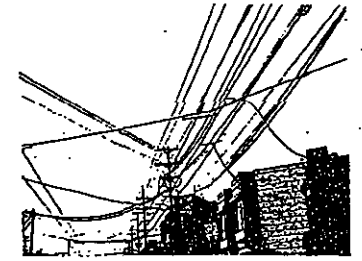


Board of Supervisors created the Utility Undergrounding Task Force (UUTF) for the purpose of:

- *Improving procedures*
- *Developing best practices*
- *Identifying alternate funding resources and options*
- *Reducing costs*
- *Achieving better coordination with other capital projects*

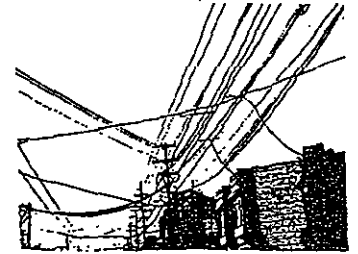
See www.sfgov.org/uutf for the task force report.

What are the task force's major recommendations?



- **Electric/gas surcharge of 5% for San Francisco rate payers**
- **Complete all undergrounding within about 50 years**
- **Create a transparent community process**
- **Schedule construction work based upon efficient and rational practices to reduce costs**
- **Districts with the most overhead wires would receive most undergrounding**

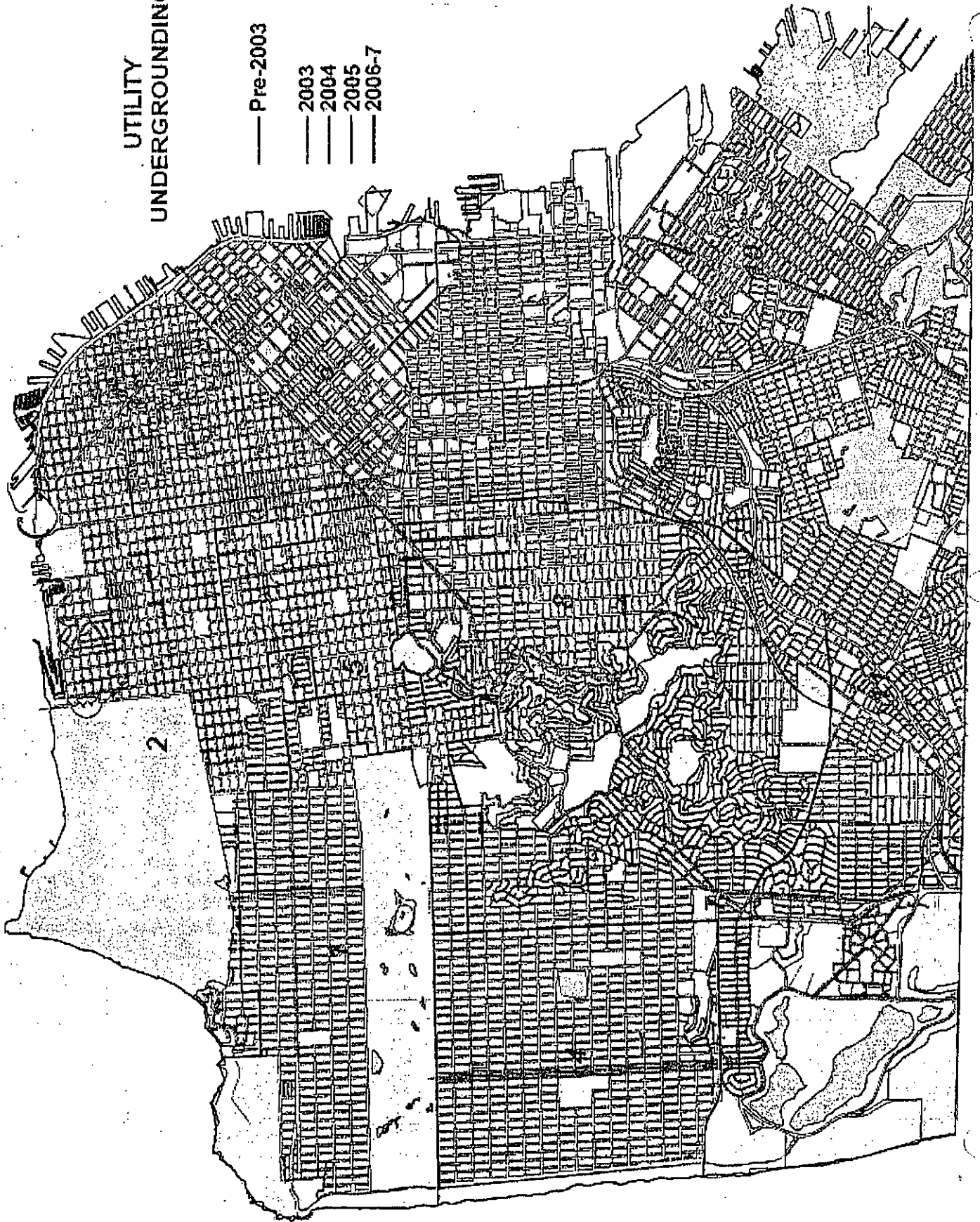
Current Situation



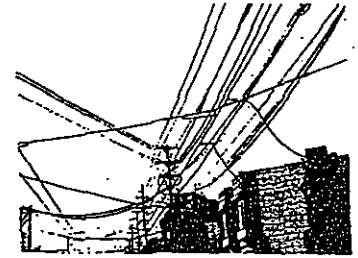
- **Current program will stop for 12 years**
- **Fifty percent of the City completed**
- **It will take 275 years to complete with current 20A program**
- **Rear yard overhead wires not funded**

UTILITY
UNDERGROUNDING

- Pre-2003
- 2003
- 2004
- 2005
- 2006-7

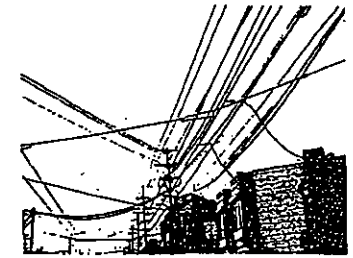


What is the difference between Rule 20A and Rule 20B funding?



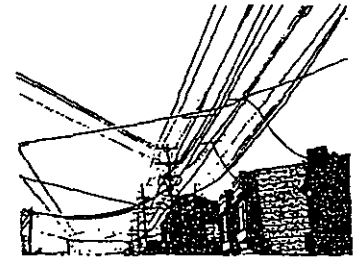
- **Under Rule 20A, most of the costs of undergrounding are covered by the respective utility companies.**
- **Under Rule 20B, the costs are shared between the utility companies and the property owner or the City.**

Current costs for 20A and 20B Undergrounding?



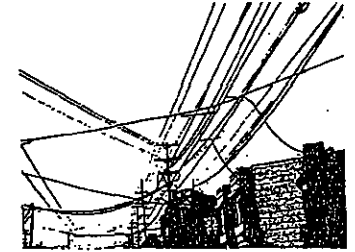
- **In San Francisco, Rule 20A costs \$4M per mile for electric utility costs, not including streetlights.**
- **Under Rule 20B, the local share, including City costs and new streetlights, is estimated to be about \$5.7M per mile.**

Other differences between 20A and 20B programs



- **In 20A, the electric utility controls all undergrounding.**
- **In 20B programs the City would be in charge of undergrounding. Financial and constructability audits could be a regular part of the program.**

How Long Would a Surcharge Program Take?

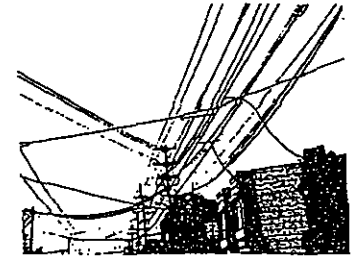


- With a 5% surcharge, future 20A revenues, and cost efficiencies about 50 years.

vs.

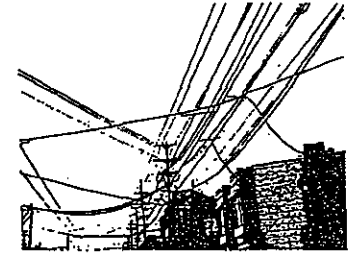
- 20A full undergrounding would take 275 years or more and rear-yard feeds would not be included.

Best Practices



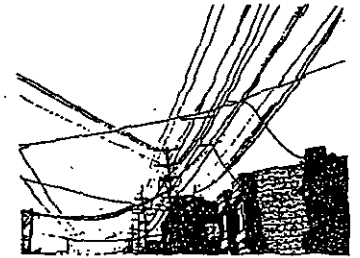
- **San Diego has established such a program that is funded by 4.5% surcharge on electric bills in that City, approved by the San Diego City Council and authorized by the California Public Utilities Commission. San Diego has a goal of full undergrounding in 20 years.**

What other funding sources were considered?



- **Transfer Tax.** For 2004-2005, if all transfers in excess of \$250,000 were assessed an additional one-quarter of one percent transfer tax, the revenue generated would be \$34.5M; an additional one-half of one percent would generate \$69M
- **Transfer Tax Fee.** A fee of \$100 for undergrounding would generate approximately \$3.05M per year.
- **Utility Users Tax.** San Francisco currently assesses a 7.5% Utility Users Tax to commercial customers
- **Property-Related Fees.** San Francisco currently charges a \$2.75 per-month, per-telephone connection Emergency Response Fee. The total revenue from that source during the 2004-05 fiscal year was \$36.7 million.
- **Property Owner-Based Fees.** Typical single property 20A costs would be \$13,500 in 2006 dollars.

UUTF Survey



There is significant interest in undergrounding utility wires and poles throughout San Francisco

- Over 3000 residents, citywide, completed the survey voluntarily

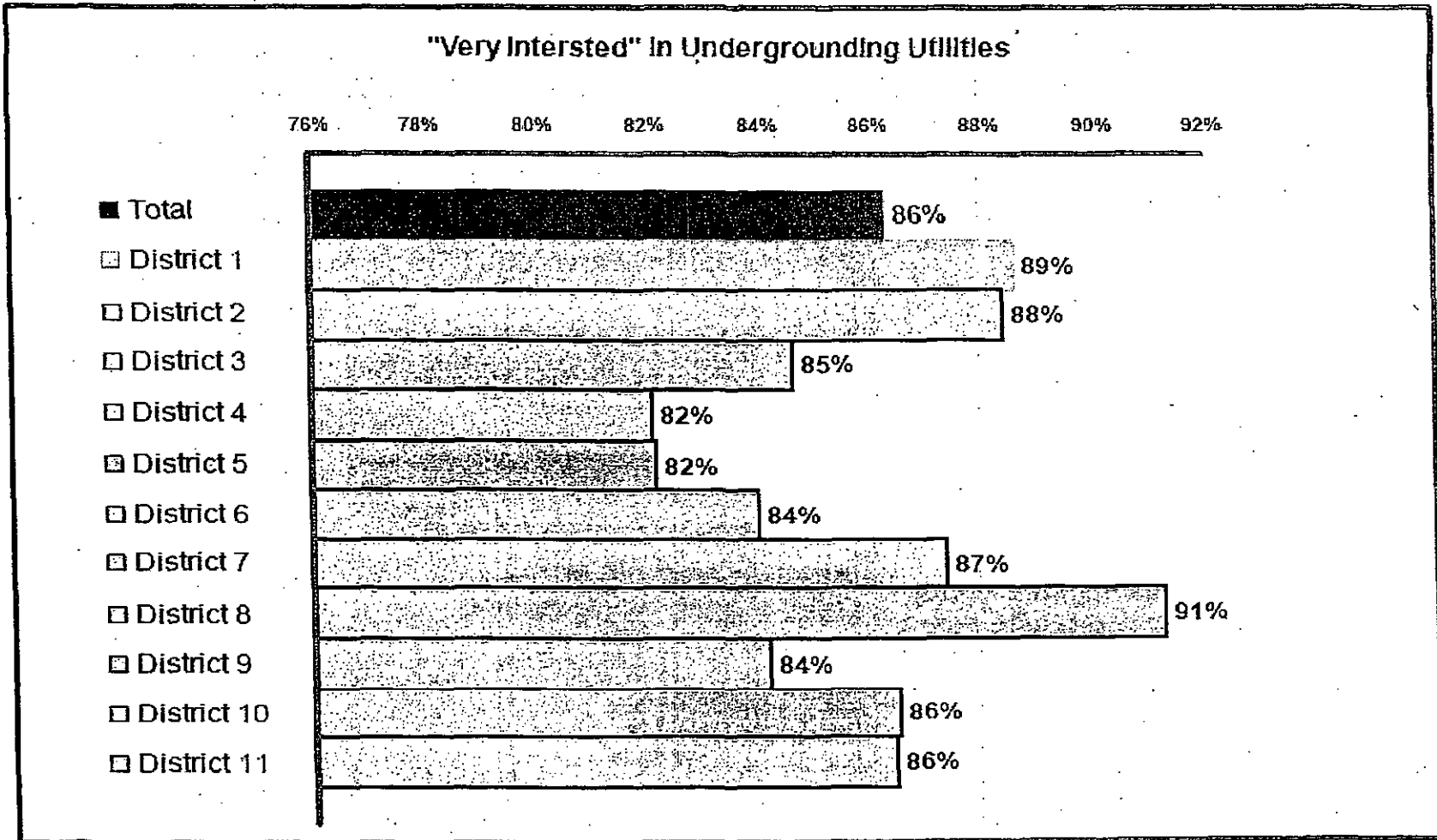
Interest and support for undergrounding utilities is shared by owners and renters

- Owners skew higher in both interest and level of support, but a significant majority (78%) of renters say they would "definitely" or "probably" support undergrounding efforts at a level between \$2 - \$4 per month

Even residents who live on streets that have underground utilities are interested and willing to support continued undergrounding efforts in San Francisco

- 91% are very interested or somewhat interested in undergrounding
- 75% say they would "definitely" or "probably" support undergrounding efforts at a level between \$2 - \$4 per month

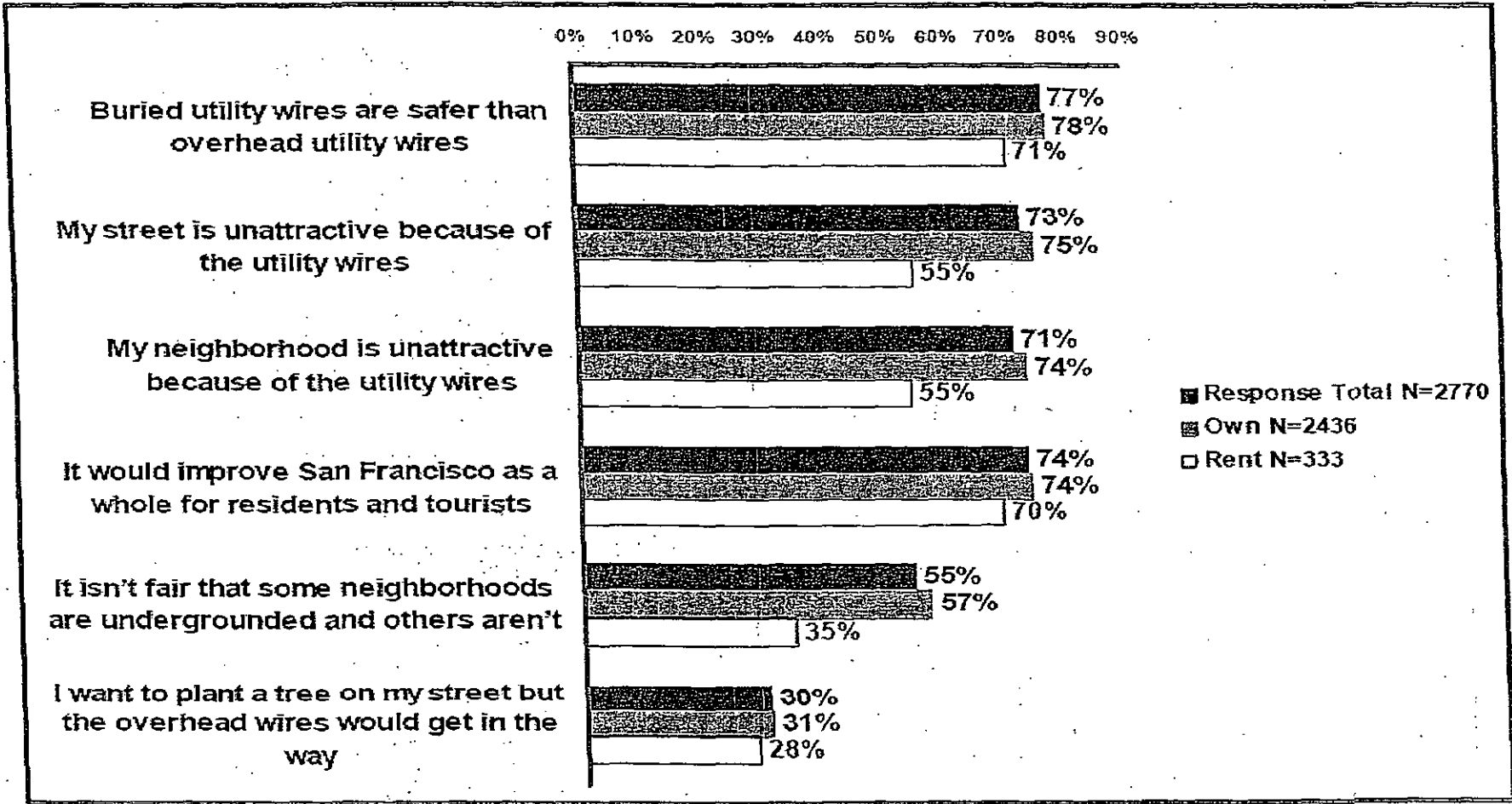
The vast majority of respondents from every district are "very interested" in undergrounding utilities



Q: How interested are you in the city's efforts to remove overhead utility wires and utility poles in San Francisco?

UUTE Undergrounding Survey - City of San Francisco, September 2006

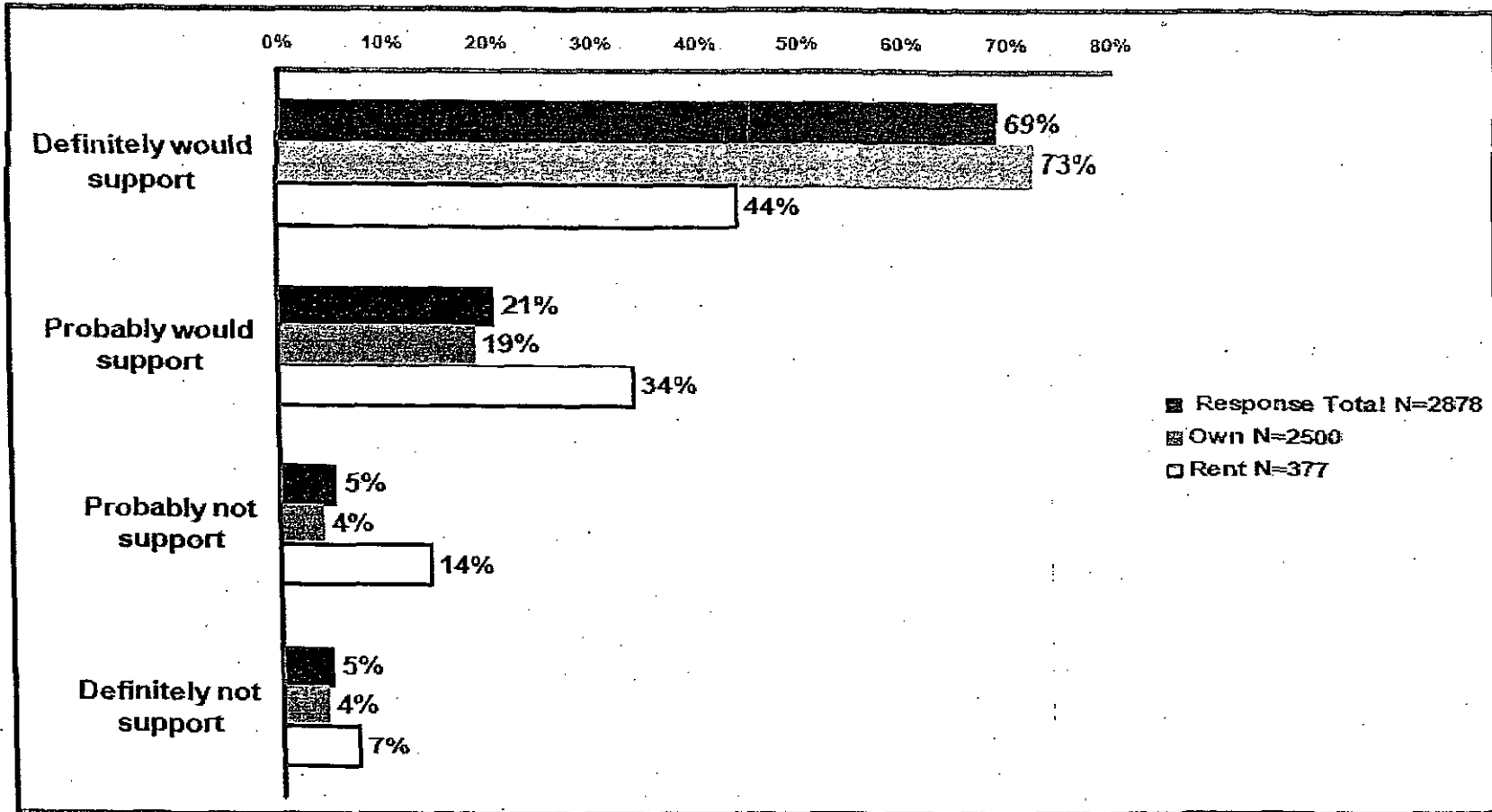
Safety (77%) is the most important reason for undergrounding followed closely by aesthetics



Q: Why is it important for San Francisco to underground its utility wires? Please rate each reason on a 5-point scale where "5" means "Very Important" and "1" means "Not Important at All." Select one per each row

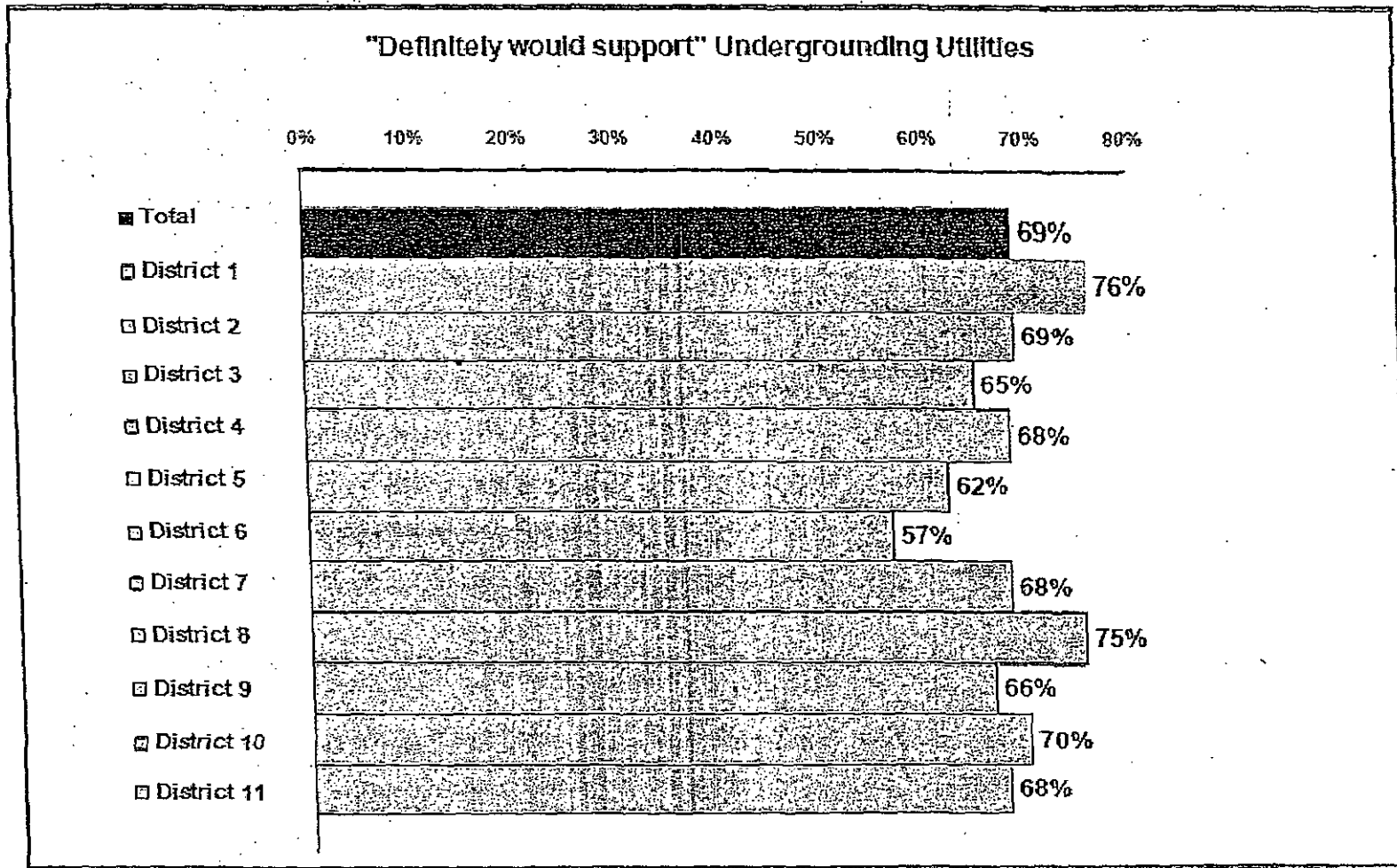
UUTF Undergrounding Survey - City of San Francisco, September 2006.

92% of owners and 78% renters would “definitely” or “probably” support the city in its efforts by contributing \$2 - \$4 per month



Q: If the city required all residents to contribute between \$2 to \$4 per month to a fund that would be used exclusively for the purpose of undergrounding utility wires for all of San Francisco neighborhoods would you be willing to support this effort?

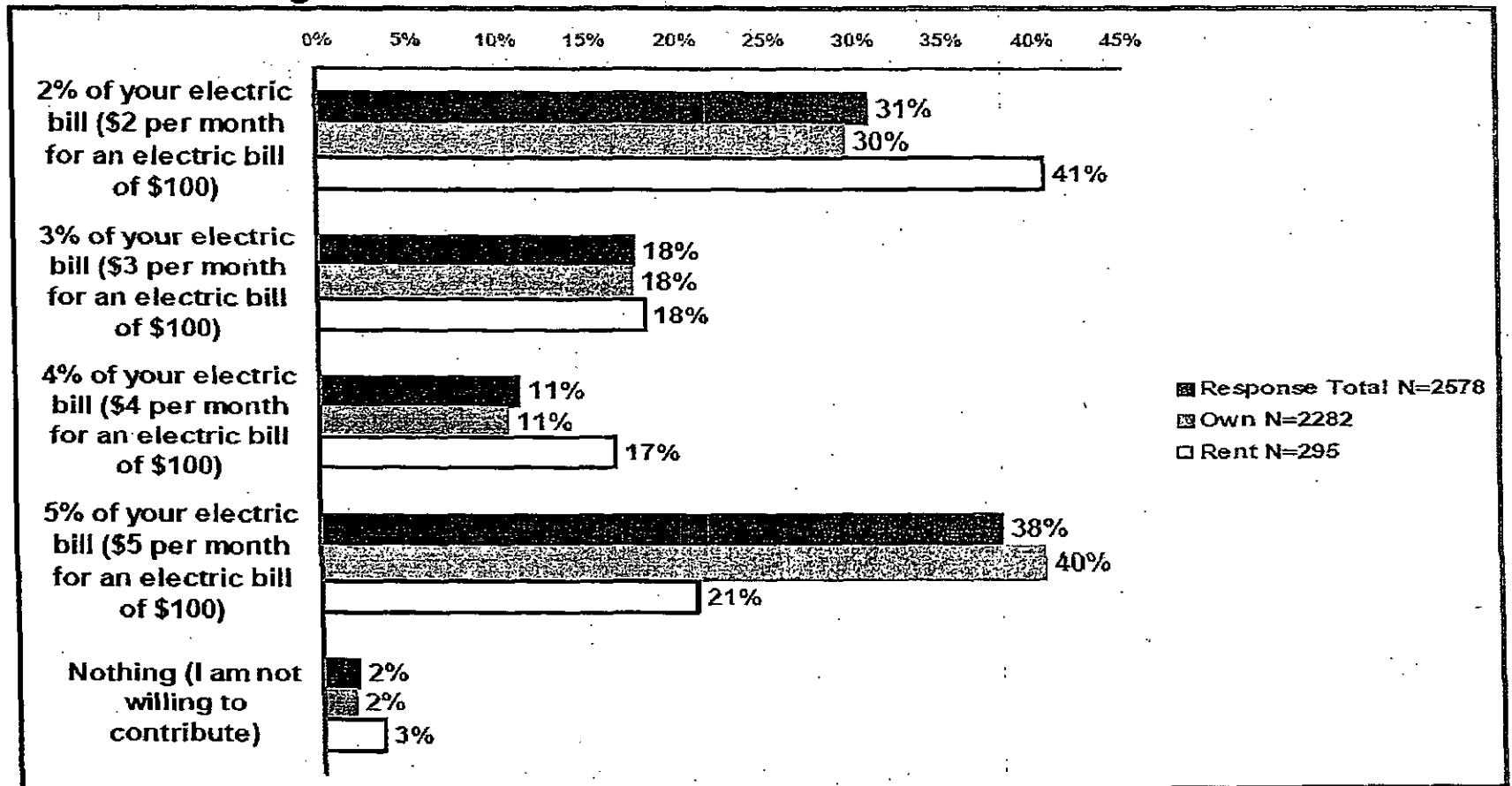
Support for undergrounding is high in every district



Q: If the city required all residents to contribute between \$2 to \$4 per month to a fund that would be used exclusively for the purpose of undergrounding utility wires for all of San Francisco neighborhoods would you be willing to support this effort?

UUTF Undergrounding Survey - City of San Francisco, September 2006.

38% of respondents are comfortable with a 5% surcharge of their electric bill – only 2% of owners and 3% of renters surveyed are not willing to contribute



Q: To collect these funds PG&E would add a surcharge fee to your electric bill based on a percentage of your total electric bill. Again the funds would be used exclusively for the purpose of undergrounding utility wires for all San Francisco neighborhoods. How much as a percent of your utility bill would you be comfortable contributing per month?

UUTF Undergrounding Survey - City of San Francisco, September 2006.

CITY OF SAN DIEGO, CALIFORNIA
COUNCIL POLICY

CURRENT

SUBJECT: UNDERGROUND CONVERSION OF UTILITY LINES BY UTILITY COMPANY
POLICY NO.: 600-08
EFFECTIVE DATE: May 28, 2002

BACKGROUND:

Underground conversion of utility lines and associated facilities by companies is required when, after public hearing, the City Council finds that the public health, safety or general welfare would require the removal of poles, overhead wires and associated overhead structures with the underground installation of wires and facilities for supplying electric, communication, community antenna television or similar or associated service within a designated area, and the City Council has, by resolution declared the designated area an Underground Utility District.

PURPOSE:

To establish a policy for conversion of overhead utility lines by utility companies when the City Council determines that undergrounding of overhead utilities is in the interest of the public health, safety and welfare; and asserts its right to require conversion of overhead utilities in the exercise of its police powers.

POLICY:

It shall be the policy of the Council to:

- A. Exercise the City's police powers to order, and enforce as necessary, utility companies to convert overhead utilities to underground when it is in the interest of the public health, safety and welfare of the general public. Such power shall not be restricted in any form by any qualifying criteria except that such lines or facilities must be within the public right of way, City owned property, or other property within the jurisdiction of the City Council.
- B. Allocate and prioritize projects as follows:
 1. All utilities within the City of San Diego with overhead utilities shall provide to the City Manager each year not later than January 31st a complete and comprehensive list of all overhead utility locations in a format as prescribed by the City Manager. This list shall be accurate to the nearest degree reasonably possible and no utility will be held liable for accidental omissions or errors.
 2. The City Manager shall bring before the City Council a master plan for CPUC Rule 20 projects and a master plan for non CPUC Rule 20 projects, for approval each year not later than June 30th, reflecting the complete list of all overhead utilities within the City, prioritized in order based on the following criteria:
 - a. Qualified CPUC Rule 20A Projects:

CITY OF SAN DIEGO, CALIFORNIA
COUNCIL POLICY

CURRENT

- 1st Priority: Any previously funded underground utility district which was subsequently removed from funded list and placed on deferment.
- 2nd Priority: All projects adjacent to a major roadway reconstruction, not including normal roadway maintenance, or other public improvement projects where appropriate.
- 3rd Priority: All major or collector streets contiguous to previous undergrounding.
- 4th Priority: Any street adjacent to public facilities, schools, trolley stations parks, and recreation centers.
- 5th Priority: All major or collector streets with scenic views.
- 6th Priority: All other major or collector streets.
- 7th Priority: All other qualified Rule 20A projects.

b. Non-Rule 20A (Surcharge) projects:

Shall consist of project "blocks" composed of public residential streets and public alley ways to be undergrounded. The project blocks shall be prioritized and selected by the City Council and shall be proportionate to the amount of surcharge allocation for each Council District available for any given allocation year and in keeping with engineering feasibility.

c. No Canyons or other open spaces shall be allocated until such time as all public Major, Collector, Residential and Alley ways that can feasibly be undergrounded are complete.

3. Each year not later than June 30th, the City Council will approve an allocation of projects totaling not less than an amount equal to the electric utility undergrounding surcharge estimated from the proposed budget, July 1 through June 30, plus available funds embedded in electric rates.

a. In consultation with SDG&E, the Council will approve a list of proposed projects that meet the criteria of the Public Utilities Commission Interim Order, Decision No. 73078, Case No. 8209 (henceforth referred to as PUC Rule 20A), at an annual allocation rate equal to the amount embedded in electric rates, plus or minus any adjustments occurring from actual expenditures. In as much as possible this list will be in keeping with the master plan of streets to be converted.

1. The CPUC Rule 20 allocation list shall reflect the priorities as set forth in Section (B)(2)(a).

CITY OF SAN DIEGO, CALIFORNIA
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CURRENT

- (a) The division of the total PUC Rule 20 allocation available for any given year shall be as follows:
 1. 10% shall be allocated at the discretion of the Mayor, with approval of the City Council.
 2. 45% shall be allocated equally among all Council Districts with qualified Rule 20 projects:
 3. 45% shall be allocated among all Council Districts with qualified Rule 20 projects based on the percentage amount of Major and Collector street miles of overhead lines within that district to the City wide Major and Collector street miles of overhead lines.
2. For a project to qualify as a 20A project, it must be determined, after consultation with the electric utility that such undergrounding is in the general public interest for one or more of the following reasons:
 - (a) Such undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric facilities;
 - (b) The street or right-of-way is extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic; and
 - (c) The street or road or right-of-way adjoins or masses through a civic area or public recreation area or an area of unusual scenic interest to the general public.
- b. The Council will approve a list of proposed project blocks at an annual allocation rate equal to the amount of available electric underground utility surcharge plus or minus any adjustments occurring from actual expenditures. In as much as possible this list will be in keeping with the master plan of streets to be converted.
 1. The Surcharge allocation list shall reflect the priorities as set forth in Section (B)(2)(b).
 - (a) The division of the total Surcharge allocation available for any given year shall be as follows:
 1. 10% shall be allocated at the discretion of the Mayor, with approval of the City Council.

CITY OF SAN DIEGO, CALIFORNIA
COUNCIL POLICY

CURRENT

2. 45% shall be allocated equally among all Council Districts with public residential streets and public alleys with overhead electrical facilities.
 3. 45% shall be allocated equally among all Council Districts with public residential streets and public alleys with overhead electrical, based on the percentage amount of public residential and public alley miles of overhead lines within that district to the City wide public residential and public alley street miles of overhead lines.
- (b) Each City Council District with overhead residential and alley lines shall allocate one underground surcharge "block" project per year adjusted for the allocation amount for any given year.
1. In as much as possible blocks will be allocated according to the master plan.
 2. In order to avoid a "patchwork" of overhead and underground utility systems. Project "blocks" will be allocated as much as possible to be adjacent to previous "blocks."
 3. Project "blocks" can be amended for any given year as part of the master plan review and approval process, taking into account engineering and allocations constraints.
 4. For any given year, no allocation for surcharge project "blocks" may be split into more than one block, or pieces of more than one block.
2. At the discretion of any given Council District, surcharge allocations for any given year, may include an allocation contribution of surcharge funds towards some assessment district costs for the conversion of overhead lines; or towards other privately financed underground conversion project costs, according to the following provisions:
- (a) No surcharge funds may be contributed towards any initial deposit used for design or project feasibility purposes.
 - (b) A contribution of surcharge funds may not exceed 75% for any assessment district formation cost or other project formation costs.

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COUNCIL POLICY

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- (c) No maximum limit on surcharge fund contribution towards construction costs.
 - (d) Any surcharge funds contributed towards an assessment district or other privately funded underground conversion project shall be subtracted from that districts pro rata allocation of surcharge funds as defined in section B.3.b.1.(a).
 - (e) Any contribution of surcharge funds towards an assessment district or other privately funded underground conversion project shall be identified as part of the yearly allocation list of underground conversion projects. Allocation of surcharge funds may not occur prior to approval of the annual allocation.
- 3. No surcharge allocations or portions of surcharge allocations may be used to fund additional projects that meet CPUC Rule 20 criteria.
 - 4. Underground Utility Districts may include all types and size of electrical transmission and distribution systems, or combination of systems.
 - 5. At the discretion of the City Manager the City may, at its option and in accordance with any SDG&E company rules, perform any or all design or construction work to convert electric utilities within Underground Utility Districts provided adequate notice is provided to SDG&E.
 - a. A minimum of one years notice is required should the City wish to design or construct up to four projects totaling not more than \$5 million dollars in estimated work.
 - b. A minimum of two years notice is required should the City wish to perform design or construction on more than four projects or more than \$5 million dollars in estimated work.

C. Expend undergrounding funds as follows:

- 1. Not less than quarterly SDG&E will deposit with the City Auditor an amount of monies equal to the surcharge to be used by the City solely for the undergrounding of electrical lines and associated activities within the City of San Diego.
- 2. These funds shall be expended on the following costs related to undergrounding:
 - a. The design and construction for the underground conversion of electrical distribution, transmission (whenever feasible), and associated structures within Underground Utility Districts that are not funded with PUC Rule 20A funds.

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- b. Providing and installing all necessary street lighting associated with any underground conversion project, including PUC Rule 20A projects.
- c. Any pavement resurfacing or slurry seal resurfacing required as a result of any underground conversion project, including PUC Rule 20A projects.
- d. All City construction management costs associated with underground conversion activities, including PUC Rule 20A projects.
- e. Any tree replacement required as a result of any underground conversion project, including PUC Rule 20A projects.
- f. Any value engineering or similar studies relating to underground conversion projects or activities.
- g. Costs of conversion on private property.
- h. All environmental compliance costs as may be required.
- i. All directly related expenses to underground electrical systems.
- j. Expenses related to joint trench costs and installation costs of conduit and substructures; as provided for in any cable company franchise agreements or other agreement.

D. Monitor expenditures as follows:

- 1. Not more than once per year, SDG&E will provide to the City full and complete disclosure of requested information and supporting documentation as deemed necessary by the City Manager or a designated consultant to perform a value engineering study of the efficiency and cost effectiveness of the design and construction method being utilized by the utility in order to continually improve future practices.
- 2. At least quarterly or at the written request of the City Manager, SDG&E will provide to the City a detailed analysis of expenditures for each quarter ending March 31, June 30, September 30 and December 31. It shall be due to the City Manager not later than the 15th day of the following month. The report will include all projects both Rule 20A and non Rule 20A. The format of such a report to be designated by the City Manager.
- 3. Not later than January 31st and June 30th of each year, City staff shall report to City Council the status of all allocated underground conversion projects, as well as the status of expenditures and underground conversion account status.

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E. Require affected utility companies to:

1. Utilize joint trenches when technically feasible. Any utility that believes joint trenching is not feasible, must provide the City Manager with a timely, written request for a waiver of this requirement.
2. Not delay the implementation of any or all underground activities in regards to established Underground Conversion Districts because of the short or long term future probability of any possible utility relocation.
3. Offer private property owners within the Underground District the complete conversion of all necessary facilities on private property, at no expense to the property owner, which would allow the property owner to receive underground service.
 - a. Property owners who decline offers from utility companies for conversion of property within Underground Conversion Districts will be responsible for the conversion of their property at their sole expense and will not be reimbursed for any work performed on their property to receive underground service.
 - b. Utility Companies shall provide to the City Manager, not less than 180 days before the required completion date of the project, written notification of all property owners who refuse such assistance.

F. Require that the following time lines and milestones be met by all utilities:

1. All Underground Conversion Districts shall be completed at a date 30 months to the day from the date that the City Council resolution establishes the yearly underground allocation list. If any utility believes that it cannot comply with this requirement, a timely, written request for a waiver must be submitted to the City Manager for approval.
 - a. Within 30 calendar days from the date that the City Council resolution establishes the underground allocation list, the City Manager will inform, in writing, all affected parties of the dates for required completion.
 - b. Within 15 calendar days of letter from the City Manager establishing project completion dates, affected parties may appeal in writing to the City Manager the proposed completion dates.
 - c. Within 15 calendar days of appeal the City Manager will notify affected utility companies of any change of established completion dates appeal, or denial thereof.
 - d. All utilities must comply with the milestone dates for completion of work or services within the timelines established in the San Diego Municipal Code. These milestone dates shall commence from the date that the City Council establishes the Underground Utility District.

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2. Not later than the 15th of each month, or at the written request of the City Manager, each utility company will provide to the City Manager an updated schedule of dates for the completion of milestones for every project which the Council has created an Underground Utility District affecting that utility company. Milestone definitions and format of report will be designated by the City Manager so that all utilities report in a uniform fashion.
 3. Utilities who fail to meet established project milestone dates as prescribed by the City Engineer shall be subject to applicable remedies as prescribed by the San Diego Municipal Code.
- G. Where property owners desire an underground conversion in situations other than those meeting one of the criteria for conversion at company expense, property owners are required to pay the cost of undergrounding, less those credits as set forth in the applicable company rules as approved by the Public Utilities Commission. The cost for such conversion work, inclusive of the conversion of the property owner's service, may be financed by the use of the appropriate assessment district proceedings.

HISTORY:

Adopted by Resolution R-194286 07/23/1968
Amended by Resolution R-205402 04/20/1972
Amended by Resolution R-292223 09/27/1999
Amended by Resolution R-294335 12/05/2000
Amended by Resolution R-295893 12/11/2001
Amended by Resolution R-296565 05/28/2002

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SUBJECT: UNDERGROUND CONVERSION OF UTILITY LINES AT DEVELOPER
EXPENSE
POLICY NO.: 600-25
EFFECTIVE DATE: April 20, 1987

BACKGROUND:

The Municipal Code stipulates that subdividers of land be required to convert to an underground location all overhead utility facilities within and adjacent to the subdivision. The Code exempts from this requirement all utility facilities in excess of 69kv and subdivisions in agricultural zones or in single-family subdivisions of four lots or less. While the basic requirement for utility conversions is considered to be a public benefit through the improvement of the environment and the enhancement of the quality of life, it is recognized that there are circumstances where a waiver of the undergrounding requirement is appropriate.

PURPOSE:

It is the purpose of this policy to establish guidelines which can be used by both the public and staff in determining the appropriateness of the waiver request and the procedures to be followed.

POLICY:

It is the policy of the Council to consider granting a waiver, in whole or in part, from the requirement to convert overhead utility facilities when such conversions are determined to be impractical from a technical or financial standpoint or would have minimal aesthetic impact. Each waiver request is to be considered in light of its particular circumstances and may be denied even though it meets one or more of the general guidelines contained herein.

IMPLEMENTING PROCEDURES:

- A. Requests for underground conversion waivers are to be considered by either the Subdivision Board or Planning Commission concurrently with the approval of the tentative map. Waiver requests submitted after the approval of the tentative map will be considered by the Subdivision Board. Waivers will be approved, conditionally approved or denied, and the decision can be appealed in accordance with provisions specified in the Municipal Code (SEC. 102.0404).
- B. Generally, waivers may be considered favorably if any of the following findings can be made.
 1. The conversion involves a short span of overhead facility (less than a full block in length) and it has been determined that such conversion is not a part of a continuing effort to accomplish a total undergrounding within a specific street or area.
 2. The facility to be converted is underbuilt on a 69kv or larger facility (which is not to be undergrounded) and does not require a substantial number of poles to support solely the facilities requested to be waived.

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3. The conversion would represent an isolated undergrounding with a minimum probability of extension in the future.
 4. The conversion involves a major street already scheduled as a utility company financed project (PUC 8209).
 5. The conversion would involve either a substantial investment in temporary facilities (cable poles, temporary recircuiting, etc.) or involve a significant amount of work considered offsite to the development which is financing the conversion.
 6. The conversion would involve an inordinate cost to the development. Such determination is to be made where practical on the basis of cost estimates supplied or confirmed by the utility companies or a utility consultant and should be considered with regard to the type of development, the aesthetic benefits, and relative costs if the facilities were to remain overhead. Generally, in residential projects, the conversion cost prorated to the entire development should not exceed 1% of the average sales price of the living units within the development.
 7. The conversion is a requirement of a condo conversion permit of an existing development and the conversion would not represent a logical extension to an underground facility.
- C. In instances where waivers are granted and the subdivision is required to improve the street in which a future conversion is scheduled, the developer will be required to place the necessary substructures to accommodate the conversion within the limits of the improvement. Any request to waive this requirement should be accompanied by a statement of support from the appropriate utility companies.

HISTORY:

Adopted by Resolution R-219206 08/31/1977
Amended by Resolution R-253922 03/31/1981
Amended by Resolution R-268140 04/20/1987

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Article 1: Public Improvement and Assessment Proceedings**Division 5: Underground Utilities Procedural Ordinance**

*("Underground Utilities Procedural Ordinance"
added 9-5-1968 by O-9872 N.S.)*

§61.0501 Citation of Ordinance

This Division may be cited as the San Diego Underground Utilities Procedural Ordinance.

(Amended 1-14-2002 by O-19032 N.S.)

§61.0502 Rules of Construction

This Division shall be liberally construed in order to effectuate its purposes and no error, irregularity, informality, and no neglect or omission of any officer in any procedure taken under this Division which does not directly affect the jurisdiction of the Council to order the work and improvement shall avoid or invalidate such proceeding.

(Amended 1-14-2002 by O-19032 N.S.)

§61.0503 Purpose and Intent

It is the purpose and intent of this Division to provide for the creation of underground utility *Districts* in the City of San Diego in which *Poles, Overhead Wires and Associated Overhead Structures*, as defined in this Division, shall not be permitted.

(Amended 1-14-2002 by O-19032 N.S.)

§61.0504 Definitions

Whenever in this Division the following words or phrases are used, they mean:

- (a) "*City*" means The City of San Diego, a municipal corporation in the State of California.
- (b) "*Commission*" means the Public Utilities Commission of the State of California.
- (c) "*Council*" means the City Council of City.

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- (d) "*Underground Utility District*" or "*District*" means that area in the City within which *Poles, Overhead Wires, and Associated Overhead Structures* are prohibited as such area is described in a resolution or resolutions adopted pursuant to the provisions of Section 61.0508 of this Code.
- (e) "*Poles, Overhead Wires, and Associated Overhead Structures*" means poles, towers, supports, wires, cables, conductors, guys, stubs, platforms, crossarms, braces, transformers, insulators, cutouts, switches, communication circuits, appliances, attachments, and appurtenances located above ground upon, along, across, or over the streets, alleys and ways of City and used or usable in supplying electric, communication, community antenna television or similar or associated service.
- (f) "*Utility Company*" shall mean and include all persons and entities supplying electric, communication, community antenna television or similar or associated service.
- (g) "*Affected Persons*" shall mean the owners of real property located within the District, or proposed District, as shown on the last equalized San Diego County assessment roll and each occupant of real property located within the District, or proposed District.

(Amended 1-14-2002 by O-19032 N.S.)

§61.0505 Exceptions

Unless otherwise provided in the resolution creating the *District*, this Division and any resolution adopted pursuant to it shall not apply to the following types of facilities:

- (a) *Poles, and Associated Overhead Structures*, used exclusively for street lighting or signalization.
- (b) *Overhead Wires* (exclusive of supporting structures) connecting to buildings on the perimeter of a District when such wires originate in an area from which poles, overhead wires and associated overhead structures are not prohibited.
- (c) *Overhead Wires* attached to the exterior surface of a building by means of a bracket or other fixture and extending from one location on the building to another location on the same building or to an adjacent building without crossing any public street.

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- (d) Electric transmission lines of 60,000 volts phase-to-phase and above, except when transmission lines are within a 12 kv conversion district.
- (e) Radio antennae, associated equipment and supporting structures for such antennae, used by a Utility Company for furnishing communication services.
- (f) Pad mounted transformers, junction boxes, and service terminals on pedestals aboveground used to distribute electrical, communication and community antenna television or similar or associated service, in the underground systems.
- (g) Temporary poles, overhead wires and associated overhead structures located on private property, used solely during the course of construction on that private property.
- (h) Overhead wires to provide temporary or emergency service installed subject to the provisions of Section 61.0510 of this Code.
- (i) New or existing pole-to-anchor guy wires within the District necessary to support overhead facilities outside the boundary of the District or poles within the District which have been specifically excepted in the resolution creating the District.
- (j) Poles, supports, wires and associated overhead structures necessary for the operation of electrically driven mass transit systems.

(Amended 1-14-2002 by O-19032 N.S.)

(Amended 9-20-2004 by O-19318 N.S.)

§61.0506 Public Hearing by Council

By appropriate resolution the Council may from time to time call public hearings to ascertain whether the public health, safety or general welfare requires the removal of poles, overhead wires and associated overhead structures within designated areas of the City and the underground installation of wires and facilities for supplying electric, communication, community antenna television or similar or associated service. Each hearing shall be open to the public and may be continued from time to time. At each hearing all persons interested shall be given an opportunity to be heard. The decision of the Council shall be final and conclusive.

("Public Hearing by Council" added 9-5-1968 by O-9872 N.S.)

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§61.0507 Notice

- (a) The City Clerk shall notify all affected persons and each *Utility Company* concerned of the time and place of the hearings at least fifteen days prior to the date thereof.
- (b) Notices given under Section 61.0507 may be given either by personal service or by mail. In case of service by mail, each notice must be deposited in the United States mail in a sealed envelope with postage prepaid. Each notice to an owner of real property in *District*, or proposed *District*, shall be addressed as such owner's name appears, and at the address listed for such owner, on the last equalized assessment roll of the County of San Diego. Each notice to an occupant of real property in *District*, or proposed *District*, shall be addressed to occupant at the street address or addresses located on the real property. Notice given by mail shall be deemed to have been received by the person to whom it has been sent within forty-eight hours after the mailing thereof.
- (c) The City Clerk shall cause the resolution calling a public hearing as set forth in Section 61.0506 of this Code to be published in a newspaper of general circulation as defined in Section 6000 of the California Government Code. Publication of the resolution shall be for one time, not less than five days prior to the date of the public hearing stated in said resolution.

(Amended 1-14-2002 by O-19032 N.S.)

§61.0508 Council May Designate Underground Utility Districts by Resolution

- (a) If, after the public hearing, the Council finds that the public health, safety or general welfare requires removal of *Poles, Overhead Wires, and Associated Overhead Structures* and underground installation of wires and facilities for supplying electric, communication, community antenna television or similar or associated service within a designated area, the Council shall by resolution declare the designated area an *Underground Utility District* and order the removal and underground installation. Immediately following its adoption, the City Clerk shall cause a certified copy of the resolution to be recorded in the office of the County Recorder. The resolution shall include a description and map of the area comprising the *District*.
- (b) A newly undergrounded route shall follow the existing aerial route to the greatest extent possible. Any variations from the existing aerial route, including the undergrounding of lines outside of the boundaries of an underground utility district, shall be the minimum variations necessary to make possible the removal of poles and overhead facilities, which removal is required for the public health, safety, and general welfare.

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- (c) To facilitate the City Council's long term planning of *Underground Utility Districts*, each *Utility Company* within the City with *Overhead Poles, Wires, and Associated Overhead Structures* shall provide the City Manager with a complete list of the locations of all of its overhead facilities within the City. The list shall be updated annually not later than January 31 of each year, and shall be in a form prescribed by the City Manager. Any *Utility Company* failing to comply with Section 61.0508 shall be subject to a fine not to exceed \$1,000 per day for each day the annual updated list remains overdue.

(Amended 1-14-2002 by O-19032 N.S.)

(Amended 1-17-2007 by O-19562 N.S.; effective 2-16-2007.)

§61.0509**Establishment of Underground Utility District Joint Trench Requirements, Schedules, and Deadlines**

- (a) Upon adoption of a resolution creating a *Utility Underground District* by the City Council, the City Manager, in consultation with all affected *Utility Companies*, shall establish a schedule for the underground conversion of all *Poles, Overhead Wires, and Associated Structures* within the *District*. Upon adoption of such schedule by the City Manager, all affected *Utility Companies* and *Affected Persons* shall be subject to performing their respective underground conversion obligations in a timely and efficient manner in accordance with the schedule. *Poles, Overhead Wires, and Associated Overhead Structures* shall be removed. A reasonable time shall be allowed for removal and underground installation, having due regard for the availability of labor, materials, and equipment necessary for such removal and for the installation of such underground facilities.
- (b) The City Manager may require that affected *Utility Companies* jointly locate their facilities in uniform trenches. All affected *Utility Companies* within the *District* shall coordinate joint trenches for the conversion of their *Poles, Overhead Wires, and Associated Structures*, and shall comply with any reasonable schedule established by the City Manager for joint trenches, except as provided by Section 61.0510.
- (b) Unless otherwise specified by the City Manager or agreed between affected *Utility Companies*, the *Utility Company* providing electric service shall be responsible for the coordination of joint trench requirements with other *Utility Companies*, provided, however, that no *Utility Company* shall be responsible for the enforcement of this Division, for the failure of other affected *Utility Companies* or *Affected Persons* to comply with the requirements of this Division, or for delays caused solely by the City. Any *Utility Company* or *Affected Person* failing to meet the requirements of this Division due to its own action or inaction shall be subject to the penalties and other remedies specified in Section 61.0511.

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- (c) The *District* schedule established under Section 61.0509(a) may provide for project interim and final deadlines. Except as provided by Section 61.0510, the schedule shall be binding upon all *Affected Persons* and *Utility Companies* regardless of the nature of utility business. Notice of the schedule shall be served upon all *Utility Companies* and all *Affected Persons* in the manner prescribed by Section 61.0513(b). The schedule shall require final completion of the underground conversion of all *Poles, Overhead Wires, and Associated Structures* owned by *Utility Companies* and *Affected Persons* no earlier than eighteen months and no later than twenty-four months from the date of service of the schedule by the City Manager. The deadline for final completion of the underground conversion of all utilities shall not be adjusted except by written extension issued by the City Manager to any *Utility Company* or *Affected Person* not responsible for delay. Fires, floods, earthquakes, strikes, or similar uncontrollable events or changed conditions may constitute basis for such exception by the City Manager.
- (d) The *District* schedule established by the City Manager may include one or more of the following conditions and interim deadlines:
- (1) The latest date upon which the electric *Utility Company* must provide a final design for joint trenches to all affected *Utility Companies* within the *District*.
 - (2) The latest date upon which all affected *Utility Companies* must provide joint trench proposals to the electric *Utility Company*.
 - (3) The latest date upon which all affected *Utility Companies* must agree to a final joint trench program providing for the relocation work to be performed in compliance with the *District* schedule established by the City Manager.
 - (4) The latest date upon which all affected *Utility Companies* must complete all trenching, conduit, and substructure construction work.
 - (5) The latest date upon which the electric *Utility Company* must submit complete as-built drawings to all affected *Utility Companies* and to the City Manager.
 - (6) The latest date by which all *Affected Persons* must complete conversion of their service laterals for all utilities.
 - (7) The latest date by which all *Poles, Overhead Wires, and Associated Overhead Structures* must be removed by all *Utility Companies* and *Affected Persons*, except as provided by Sections 61.0505 or 61.0510.

("Unlawful Acts" renumbered to Sec. 61.0511; "Establishment of Underground Utility District Joint Trench Requirements, Schedules, and Deadlines" added 1-14-2002 by O-19032 N.S.)

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§61.0510 Variance From Underground District Requirements; Application, Standards, and Procedure

(a) Any *Utility Company* which maintains that the joint trench requirements of an *Underground Utility District* are not feasible may file an application for a variance with the City Manager within thirty days from the date that the *District* schedule is issued pursuant to Section 61.0509(d) or after an uncontrollable event or changed condition. The term "feasible" means technical feasibility only, as it relates to joint trench or other physical requirements. Cost or schedule constraints shall not be a basis for variance. Possibility of future street or utility conversion shall not constitute a basis for variance.

(b) The City Manager shall issue a written decision on any application for variance. The decision of the City Manager shall be final and binding on the applicant.

("Exception by Special Permission and Emergency Situations" renumbered to Sec. 61.0512; "Variance From Underground District Requirements; Application, Standards, and Procedure" added 1-14-2002 by O-19032 N.S.)

§61.0511 Unlawful Acts

(a) Whenever the Council creates an *Underground Utility District* and orders the removal of *Poles, Overhead Wires, and Associated Overhead Structures* as provided in Section 61.0508 of this Code, and whenever the City Manager establishes a schedule for such removal as provided by Section 61.0509, it shall be unlawful for any person or utility company to fail to meet any of the interim or final deadlines of such removal schedule or to erect, construct, place, keep, maintain, continue, own, employ or operate *Poles, Overhead Wires, and Associated Overhead Structures* in the *District* on and after the date when overhead facilities are required to be removed by the resolution, except as otherwise provided in this Division. Commencing upon the date when the overhead facilities are required to be removed, the continued existence, presence or maintenance of *Poles, Overhead Wires, and Associated Overhead Structures* in the *District* shall be and the same is hereby declared to be contrary to the health, safety and general welfare of the public and unlawful, and the same may be abated summarily or as otherwise provided by law, including without limitation the remedies provided in Chapter 1 of this Code and administrative fines as provided by Section 61.0511(b).

(b) Any *Utility Company* or *Affected Person* who fails to meet any interim or final deadline of an *Underground Utility District* schedule established pursuant to Section 61.0509 shall be subject to a fine in an amount not to exceed \$1,000 per day per deadline not met. Fines provided under Section

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61.0511(b) shall be in addition to and not exclusive of all other remedies provided by law, including without limitation those provided by Chapter 1 of this Code. The administrative procedures provided by Chapter 1, Article 2, of this Code shall apply to Section 61.0511(b).

("Unlawful Acts" renumbered from Sec. 61.0509 and amended 1-14-2002 by O-19032 N.S.)

§61.0512 Exception by Special Permission and Emergency Situations

Notwithstanding the provisions of this Division, overhead facilities may be installed and maintained for a period not to exceed thirty days, without authority of the Council, in order to provide emergency service. The Council may grant special permission, on such terms and for such durations as the Council may deem appropriate, in cases of unusual circumstances, and where not detrimental to the public health, safety and general welfare and without discrimination as to any person or utility company, to erect, construct, install, maintain, use or operate *Poles, Overhead Wires and Associated Overhead Structures* within the *District*.

("Exception by Special Permission and Emergency Situations" renumbered from Sec. 61.0510 and amended 1-14-2002 by O-19032 N.S.)

§61.0513 Notification of Affected Persons and Utilities

- (a) Within fifteen calendar days after the effective date of a District schedule adopted pursuant to Section 61.0509 of this Code, the City Manager shall notify all affected *Utility Companies* and all *Affected Persons* of the provisions of the schedule. The City Manager specifically shall notify the affected persons that, if they desire to continue to receive electric, communication, community antenna television or similar or associated service, they shall provide, at their own expense, all necessary facility changes on their premises so as to receive underground service from the lines relocated underground of the supplying *Utility Company* subject to applicable rules, regulations, and tariffs of the respective *Utility Company* on file with the Commission and to all other applicable requirements of State laws and City ordinances.
- (b) Within fifteen calendar days of the date the City Manager fixes the time within which conversions on private property and pole removal must be accomplished, the City Manager shall notify all affected *Utility Companies* and *Affected Persons* that the work required to change the facilities on the premises to enable them to receive electric, communication, or community antenna television or similar or associated service provided or to be provided by the *Utility Company* shall be accomplished on or before the applicable date set by the City Manager. This notice shall also state the date all poles and related overhead structures are to be removed from the District.

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- (c) Notices given under Section 61.0513 may be given either by personal service or by mail and in accordance with the provisions of Section 61.0507 of this Code.
- (d) Within fifteen calendar days of the date the City Manager fixes for the conversion and pole removal, the City Manager shall cause copies of the notice to be posted conspicuously on every pole to be removed within the District. The notice shall be printed on a card not less than eight (8) inches by ten (10) inches in size and headed "Notice of Pole Removal" in letters of not less than one (1) inch in height.

("Notice of Affected Persons and Utilities" renumbered from Sec. 61.0511 and amended 1-14-2002 by O-19032 N.S.)

§61.0514 Responsibility of Utility Companies

If underground construction is necessary to provide utility service within a District created by any resolution adopted pursuant to Section 61.0508 of this Code, any utility company engaging in such underground construction shall furnish that portion of the conduits, conductors and associated equipment required to be furnished by it under the applicable orders, rules, regulations and tariffs on file with the Commission.

("Responsibility of Utility Companies" renumbered from Sec. 61.0512 on 1-14-2002 by O-19032 N.S.)

§61.0515 Responsibility of Property Owners

The owner or owners of real property within a District shall be obligated to and shall be responsible for the commencement and completion of work as may be necessary to provide for the continuance of electric, communication, community antenna television or similar or associated service to the premises between the facilities referred to in Section 61.0512 of this Code and the termination of service connection facilities on or within the building or structure being serviced, all in accordance with applicable orders, rules, regulations and tariffs of the respective utility companies on file with the Commission as of the effective date of the resolution creating the District, and in accordance with the applicable requirements of State laws and City ordinances.

("Responsibility of Property Owners" renumbered from Sec. 61.0513 on 1-14-2002 by O-19032 N.S.)

§61.0516 Authority to Discontinue Overhead Service

- (a) In the event the owners of real property within a District do not comply with the provisions of Section 61.0513 of this Code within the time established by the City Manager pursuant to Section 61.0508 of this Code, the respective

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utility companies concerned shall advise the City Manager in writing of the location of such property and thereupon the City Manager shall cause to be posted on such property a written notice on the property being served.

- (b) The notice required by Section 61.0514(a) shall include the statement that thirty (30) calendar days after posting of the notice all utility companies are authorized to discontinue electric, communication, community antenna television or similar or associated service from poles, overhead wires and associated overhead structures.
- (c) Thirty (30) calendar days after such posting, all utility companies are hereby authorized to discontinue electric, communication, community antenna television or similar or associated service from poles, overhead wires, and associated overhead structures.

("Authority to Discontinue Overhead Service" renumbered from Sec. 61.0514 on 1-14-2002 by O-19032 N.S.)

§61.0517 Responsibility of City

City shall remove at its own expense all City-owned equipment from all poles, overhead wires and associated overhead structures required to be removed hereunder in ample time to enable the owner of the poles, overhead wires and associated overhead structures to remove them within the time specified in the resolution enacted pursuant to Section 61.0508 of this Code.

("Responsibility of City" renumbered from Sec. 61.0515 on 1-14-2002 by O-19032 N.S.)

§61.0518 Extension of Time

In the event that any act required by this division cannot be performed within the time provided on account of shortage of materials, war, restraint by public authorities, strikes, labor disturbances, civil disobedience, or any other circumstances beyond the control of the actor, then the time within which such act will be accomplished shall be extended for a period equivalent to the time of such limitation.

("Extension of Time" renumbered from Sec. 61.0516 on 1-14-2002 by O-19032 N.S.)

§61.0519 Constitutionality

If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this ordinance. The Council hereby declares that it would have adopted the ordinance and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid.

("Constitutionality" renumbered from Sec. 61.0517 on 1-14-2002 by O-19032 N.S.)

CITY OF ALAMEDA
MEMORANDUM

Date: November 9, 2004

To: Honorable Mayor and
Councilmembers

From: James M. Flint
City Manager

Re: Public Hearing to Consider the Formation of New Underground Districts, Phase 6 and
Adopt a Resolution Establishing New Underground Districts, Phase 6

BACKGROUND

Since 1985 the City of Alameda, through Alameda Power & Telecom (AP&T) and the Public Works Department, has an on-going effort to create and develop Utility Underground Districts (UUD): AP&T provides the design, contract administration and coordination with the other utilities. To date, twenty-one UUDs have been completed. At the request of the Public Utilities Board (PUB) and numerous residential neighborhoods, the City Manager proposes the formation of additional UUDs in accordance with Alameda Municipal Code (AMC), Section 19.

Undergrounding of utilities consists of placing overhead main lines and service lines, including telephone, electricity, cable television, and other telecommunications underground in a joint trench. Funds for undergrounding main lines are collected by the various utilities and are included in their rate structures.

DISCUSSION/ANALYSIS

Determination of Public Support for UUD:

On August 12, 2004, the Public Works Department held a community meeting to elicit public comment on thirty-two proposed locations in the City and answer questions regarding the UUD formation process or associated costs. The proposed locations were identified by AP&T based on public requests and maintenance requirements. Property owners were invited to identify their support or opposition to the recommended districts using a response form.

In addition, to determine if there were community interest in the creation of districts not identified by AP&T, information on UUDs (included a request form to add a street on the proposed list) was provided through a press release, use of the City's Web page and cable scroll.

Eligibility of UUD:

After receiving comments and/or written responses and as required by Section 19-4 of the Alameda Municipal Code (AMC), the Technical Advisory Committee (TAC) comprised of AP&T, Public Works and other affected utilities met to review and determine future

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undergrounding districts for Council's consideration. The TAC's review included determining if the proposed districts met at least one of the required California Public Utility Commission (CPUC) criteria. This report presents the findings of the TAC.

California Public Utility Commission (CPUC) criteria (at least one must be met):

1. Heavy concentration of aerial facilities
2. Heavy volume of pedestrian or vehicular traffic
3. Civic, recreational, or scenic area.

Proposed Districts that did not meet CPUC criteria for undergrounding were removed from further consideration for Phase 6. Districts which did not meet at least one criterion included: Dahlia Drive (Island Drive to Camellia Drive), and south of Franciscan Way (Kitty Hawk Road to Willow Street).

All remaining streets were considered eligible for a UUD and prioritized based on previously established City of Alameda criteria, the public response from the mailed survey or phone calls, and the age of the existing overhead poles.

City of Alameda criteria for eligibility:

1. School areas, high volume streets, business districts and residential area near public use areas.
2. Scenic areas and entryways into the City.
3. Low cost to benefit ratio.
4. Construction impacts.
5. High maintenance areas.
6. Coordination with other public projects.

The following is a list of recommended UUDs for Phase 6 (see Exhibits 1-8):

- Bay Street (south of Central Avenue), St. Charles Street (south of Central Avenue), and San Antonio Avenue (Bay Street to St. Charles Street) {see Exhibit 1};
- Webster Street (all crossings from Central Avenue to Pacific Avenue) {see Exhibit 2};
- Union Street (south of Clinton Avenue), Burbank Street and Portal Avenue {see Exhibit 3a and 3b};
- Park Avenue (Central Avenue to Encinal Avenue) and Noble Avenue {see Exhibit 4a and 4b};
- Otis Drive (Park Street to Broadway and south of Otis Drive including Park Avenue, Roosevelt Drive, Regent Street and Delmar Avenue) {see Exhibit 5};
- Sherman Street (south of Central Avenue) and San Antonio Avenue (Bay Street to Sherman Street) {see Exhibit 6};

- Eagle Avenue (west of Constitution Way) and Waterton Street {see Exhibit 7a and 7b};
- Eighth Street (Lincoln Avenue to Central Avenue) {see Exhibit 8}.

Prioritizing UUDs:

Historically, Council approves 8-11 new districts at a time. Council has also created new districts before all previously approved districts are constructed. Based on discussions with AP&T and the other utility companies, it was determined that four (4) previously approved UUDs are pending and have not been prioritized for construction. It was agreed that it was appropriate to prioritize these districts with the (new) recommended districts for Phase 6 to address the priorities of the PUB and the public response to include undergrounding in purely residential areas. The final Districts were selected from various parts of the City and are a mix of residential and commercial. The following priority list is recommended:

1. Bay Street (south of Central Avenue); St. Charles Street (south of Central Avenue), and San Antonio Avenue (Bay Street to St. Charles Street);
2. Webster Street (all crossings from Central Avenue to Pacific Avenue);
3. Union Street (south of Clinton Avenue), Burbank Street and Portal Avenue;
4. Santa Clara Avenue (Willow Street to Oak Street) - Phase 4;
5. Lincoln Park (overhead line from Fernside Boulevard) and Central Avenue (Willow Street to Oak Street) - Phase 4;
6. Park Avenue (Central Avenue to Encinal Avenue) and Noble Avenue;
7. Otis Drive (Park Street to Broadway and streets south of Otis Drive including Park Avenue, Roosevelt Drive, Regent Street and Delmar Avenue);
8. Sherman Street (south of Central Avenue) and San Antonio Avenue (Bay Street to Sherman Street);
9. Otis Drive (Park Street to Willow Street/Broadway) - Phase 4;
10. Eagle Avenue (west of Constitution Way) and Waterton Street;
11. Eighth Street (Lincoln Avenue to Central Avenue); and
12. Sherman Street (Buena Vista Avenue to Atlantic Avenue) - Phase 4.

Proposed Districts not proposed for Phase 6 include:

13. Santa Clara Avenue (Webster Street to Eighth Street);
14. Central Avenue (Webster Street to Eighth Street);
15. Otis Drive (Broadway to High Street and south of Otis Drive including Broadway, Pearl Street, Versailles Avenue, Mound Street and Court Street);
16. Everett Street (Webb Avenue to Lincoln Avenue);
17. Buena Vista Avenue (Tilden Way to Pearl Street and Tregloan Court);
18. Lincoln Avenue (Park Street to Broadway and Gould Court);
19. Garden Road (Island Drive to Mecartney Road); and
20. Cypress Street (east of Third Street).

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Final Priority Listing	District Location	Utility Criteria Met	City Criteria Met	# of Parcels	%For/Against	Cost - AP & T	Cost: SBC	Cost: Comcast	Cost: Traffic Signals	Total Cost - In \$1,000's
1	Bay St south of Central Ave	3	5, 8	57	79	775k	217	38		1029
1	St Charles St south of Central Ave	3	5, 8	47	77	628k	176	30		834
2	Webster Street all crossings - Central Ave to Pacific Ave	1, 2, 3	4, 5, 9	40	0	1.04m	291	50	45	1426
3	Union Street south of Clinton Ave	3	5, 6	8	100	87k	24	4		116
3	Burbank St and Portal Ave	3	5, 8	45	67	386k	108	19		513
4	District 27: Santa Clara Avenue - Willow St to Oak St	1, 2, 3	4, 5			579k	162	28	15	784
5	District 23: Lincoln Park overhead line from Fernside Blvd	3	4, 5, 6			193k	54	9		256
5	District 26: Central Avenue - Willow Street to Oak Street	2, 3	4, 5, 8			569k	159	28	15	771
6	Park Ave - Central Ave to Encinal Ave	3	8	36	57	325k	91	16		432
6	Noble Ave	1	5	28	100	130k	36	6		173
7	Old Drive - Park St to Broadway and streets south of Old Drive including Park Ave	2	4	102	67	1.3	364	63	30	1757
8	Sherman St south of Central Ave	1, 3	5	66	67	1m	280	48	15	1343
9	District 28: Old Drive - Park Street to Willow Street	2	4			1m	280	48	30	1358
11	Eighth Street - Lincoln Ave to Central Ave	1, 2	4	21	67	378k	106	18	45	547
12	District 24: Sherman Street - Beuna Vista Ave to Atlantic Ave	1, 2, 3	4, 5			518k	145	25	15	703
10 Combine with Waterton St	Eagle Ave west of Constitution Way	1, 3	4, 5	16	0	332k	93	16		441
Combine with 1 and 8	San Antonio Ave - Sherman St to St Charles St	3	5	13	-67	56k	16	3		74

PWA DIO Electrical
 7101 Edgewater Dr., Bldg. 2
 Oakland, CA 94621
 P. Chan 5106155427

**CITY OF OAKLAND
 UNDERGROUND UTILITY PROJECTS**

Attachment H

PROJECT	YEAR PETITIONED	RESOLUTION NO. & YEAR	START OF CONSTRUCTION	CONSTRUCTION STATUS	APPROXIMATE LENGTH OF PROJECT IN MILES
APPROVED:					
MACARTHUR BLVD. FROM 73RD TO SAN LEANDRO LINE	1993	76731 9/25/01	1ST QUARTER 2005	2008	2.5
PIEDMONT PINES AREA - RULE 20A	1987	75652 5/02/00	Not yet determined	N/A	6.5
PROPOSED:					
LAKESHORE PHASE V	1987	N/A	TBD	N/A	3.5
OAKMORE AREA	1987	N/A	TBD	N/A	3.5
MOUNTAIN BLVD./ THORNHILL DR.	1989	N/A	TBD	N/A	1.3
SEQUOYAH RD.	1991	N/A	TBD	N/A	1.2
HIGH VOLTAGE TRANSMISSION LINES PLUG	1994	N/A	TBD	N/A	2.0
SHEFFIELD AVE.	1995	N/A	TBD	N/A	N/A
FRUITVALE AVENUE	1996	N/A	TBD	N/A	N/A
PANORAMIC HILL AREA	1996	N/A	TBD	N/A	N/A
CABOT DRIVE	1996	N/A	TBD	N/A	N/A
CHABOT RD. & PRESLEY WAY	1998	N/A	TBD	N/A	N/A
ASHMOUNT AVENUE	1998	N/A	TBD	N/A	N/A
FAIRVIEW PARK AREA (HILLEGASS)	1998	N/A	TBD	N/A	N/A
WAWONA AVENUE	1998	N/A	TBD	N/A	N/A
JACOBUS AVENUE	1998	N/A	TBD	N/A	N/A
CLARENDON CRESCENT	1998	N/A	TBD	N/A	N/A
CRANE WAY	1998	N/A	TBD	N/A	N/A
ROCKRIDGE BLVD. NORTH, ROCKRIDGE BLVD. SOUTH, ROCKRIDGE PLACE	2000	N/A	TBD	N/A	NA
COLTON BLVD.	2000	N/A	TBD	N/A	N/A
ROCKRIDGE VISTA NEIGHBORHOOD	2001	N/A	TBD	N/A	N/A
BRUNS COURT	2001	N/A	TBD	N/A	N/A
SHATTUCK AVENUE	2007	N/A	TBD	N/A	Alcatraz to Berkeley line
TBD = TO BE DETERMINED WHEN STREET IS EVALUATED TO DETERMINE ELIGIBILITY FOR FUNDING UNDER CPUC RULE 20A					