TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

DATE: OCTOBER 25, 2004

DEPARTMENT: UTILITIES

CMR:443:04

SUBJECT: RESOLUTION OF INTENT TO ESTABLISH UNDERGROUND UTILITY DISTRICT NO. 44 – 2500 BLOCK OF EMBARCADERO (HARBOR) ROAD IN BYXBBEE PARK AND CITY-OWNED BAYLANDS

RECOMMENDATION
Staff recommends that Council adopt the attached Resolution of Intent to amend Section 12.16.02, of Chapter 12.16 of Title 12 of the Palo Alto Municipal Code by establishing Underground Utility District No. 44.

BACKGROUND
The Electric Utility’s undergrounding project areas are selected and recommended to SBC and Comcast based on the age and maintainability of the existing overhead electric system. SBC and Comcast determine whether the recommended area meets their criteria for undergrounding based on guidelines established by the California Public Utility Commission (CPUC). The attached exhibit “A” shows the existing, current, and future underground districts. The area now proposed as Underground Utility District No. 44 meets the City and CPUC guidelines for undergrounding overhead utility lines.

DISCUSSION
This underground project will result in the removal of 9 poles and provide underground service to Baylands Ranger Station, the Lucy Evans Baylands Nature Interpretive Center and the Duck Pond area. Completion of this project will eliminate overhead distribution lines in an area bordered by existing underground systems and enhance reliability of the electric distribution system while improving aesthetics.

This project was first budgeted in 2003, as a system improvement project because of the proposed improvements at the Lucy Evans Baylands Nature Interpretive Center Parking lot, the improvement of Embarcadero Road between the entrance to the Duck Pond area and the Baylands Nature Center to accommodate on-road bicycle lanes. To avoid construction conflicts with the proposed improvements in the area, Utilities completed
the substructure installations and is in the process of installing the cable and equipment for the new electric underground system. In order for the telephone lines and cable TV lines to be undergrounded, it is a CPUC requirement that an underground district be established. Adopting the Resolution of Intent will begin the first step in establishing the underground district.

**RESOURCE IMPACT**
Funds for this project are included in the FY 2003/04 and FY2004/05 Utilities Department Electric CIP budget.

**POLICY IMPLICATIONS**
The undergrounding of the overhead lines does not represent any changes to existing City policy and is consistent with the Council-approved Utilities Strategic Plan to invest in utility infrastructure to deliver reliable service.

**TIMELINE**
The first step in the establishment of the district is Council adoption of a Resolution of Intent to establish Underground Utility District No. 44. The Resolution defines the district boundaries and sets a time and place for a public hearing on the matter. The public hearing has been tentatively scheduled for the City Council meeting on November 29, 2004. At the public hearing, anyone interested in this project will have an opportunity to comment on the project. The adoption of the Resolution of Intent will also serve as a formal action that is required by SBC and Comcast.

**ENVIRONMENTAL REVIEW**
This project is categorically exempt from CEQA under Section 15302.

**ATTACHMENTS**
A: Resolution  
B: Underground Conversion Projects  
C: Underground Utility District No. 44 Boundary Map

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CITY MANAGER APPROVAL:

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