TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER DEPARTMENT: UTILITIES
DATE: DECEMBER 6, 2004 CMR:489:04
SUBJECT: PUBLIC HEARING AND ADOPTION OF ORDINANCE ESTABLISHING UNDERGROUND UTILITY DISTRICT NO. 44 - 2500 BLOCK OF EMBARCADERO (HARBOR) ROAD IN BYXBEE PARK AND CITY-OWNED BAYLANDS

RECOMMENDATION
Staff recommends that Council adopt the attached Ordinance to create Underground Utility District No. 44 and thereby amend section 12.16.020 of Chapter 12.16 of Title 12 of the Palo Alto Municipal Code.

BACKGROUND
At its meeting of October 25, 2004, the Council passed Resolution of Intent No.8466 to establish Underground Utility District No. 44. The Council meeting of December 6, 2004, has been set as the date of the public hearing on the matter. Notices announcing the meeting with a description of the project were published on November 3, 2004.

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 the criteria for undergrounding, based on the guidelines established by the California Public Utility Commission (CPUC). The attached Exhibit C shows the existing and planned underground districts. Underground Utility District No. 44 meets both the City and CPUC’s guidelines for undergrounding overhead utility lines.

DISCUSSION
This underground project will result in the removal of nine poles all located along rear lot easements. Completion of this project will result in higher reliability and improved 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, and 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, the Utilities Department has completed the substructure, (cable and equipment installation) for the new electric underground system. In order for the telephone lines and cable TV lines to be undergrounded, CPUC requires that an underground district be established. Adopting the ordinance creating this district will fulfill the requirement for SBC and Comcast to underground their lines.

**RESOURCE IMPACT**

The total cost of the project is estimated at $200,000. The majority of the cost, about $125,000, was used for the substructure installation required for the underground facilities. The remaining money will be utilized for engineering design ($10,000), electric equipment & cables ($50,000), and removal of overhead facilities ($10,000). SBC and Comcast will reimburse approximately $44,000 to the City for the installation of telephone and CATV conduits and boxes in accordance with the three-party agreement with the three parties. Funds for the construction and installation of this project were budgeted in the 2003-2005 Electric Fund Capital Improvement Program. Cost-sharing of underground utility district projects has been determined by agreement between the City, SBC, and Comcast.

**POLICY IMPLICATIONS**

This recommendation is consistent with the Council-approved Utilities Strategic Plan to invest in utility infrastructure to deliver reliable service. The project furthers Program L-80 (the continuation of City-wide undergrounding of utility wires) and L-81 (the use of compact and well-designed utility elements) of the Comprehensive Plan.

**TIMELINE**

Once the public hearing is completed and Council adopts the Ordinance establishing Underground District No. 44, then the following will occur:

<table>
<thead>
<tr>
<th>Action</th>
<th>Date</th>
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<tr>
<td>1. Introduction and first reading of Ordinance Establishing Project Area as Underground Utility District No. 44</td>
<td>December 6, 2004*</td>
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<td>2. Second reading and adoption of Ordinance.</td>
<td>December 20, 2004*</td>
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<td>3. Substructure (conduits, vaults, etc.) installation by Contractor</td>
<td>July 2003 through September 2003</td>
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<td>4. Installation of underground facilities (cable, switches, etc.)</td>
<td>July 2004 through September 2004</td>
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<td>5. Service conversion work</td>
<td>October 2004</td>
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<td>6. Pole removal and project completion</td>
<td>January 2005 through March 2005</td>
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* Denotes Council Action
ENVIRONMENTAL REVIEW
This project is categorically exempt from the California Environmental Quality Act under Section 15302.

ATTACHMENTS
A: Ordinance
B: Underground Utility District No. 44 Boundary Map
C: Underground Conversion Projects
D: CMR:443:04 Resolution of Intent To Establish Underground Utility District No.44 – 2500 Block of Embarcadero (Harbor) Road in Byxbee Park and City-Owned Baylands

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