

# MEMORANDUM

TO: UTILITIES ADVISORY COMMISSION

FROM: UTILITIES DEPARTMENT

DATE: December 2, 2015

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SUBJECT: **Status Update on the Five Items of Interest Discussed in Joint Utilities Advisory Commission and Council Meeting, Including: (1) Fiber-to-the Premises; (2) Undergrounding of Electric Lines; (3) Second Electric Connection; (4) Electrification; and (5) Recycled Water**

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This report is provided to the Utilities Advisory Commission (UAC) for its discussion, but requires no action by the UAC.

## **DISCUSSION**

At its November 2015 meeting, the Chair of the UAC requested an update on the five items highlighted at the joint UAC/Council meeting that was held on April 20, 2015: 1) fiber to the premises (FTTP); 2) undergrounding of electric lines; 3) a second electric connection; 4) “fuel switching”, or electrification; and 5) recycled water.

### **FTTP**

On September 28, 2015, Council discussed this item ([Staff Report 6104](#)). Staff is preparing an update that will be provided to the Council on November 30, 2015. The update includes a work plan of Council’s multi-part motion on September 28, 2015 and status of Google Fiber.

### **Undergrounding of electric lines**

The UAC has discussed this item in June 2007 ([UAC Report](#)), January 2010 ([UAC Report](#)), September 2011 ([UAC Report](#)) and September 2012 ([UAC Report](#)). The September 2012 UAC report requested that the UAC “make a recommendation on the appointment of an advisory body to solicit broad community input on potential changes to the City of Palo Alto Utilities electric overhead to underground conversion policy.” In a slight change to the recommendation, the UAC voted to: “recommend that the Council appoint an advisory body to solicit broad community input on potential changes to the City of Palo Alto Utilities electric overhead to underground conversion policy.” This recommendation was brought forward to the Finance Committee on December 18, 2012 ([Staff Report 3247](#)). The Finance Committee voted to approve the recommendation (2-1 with Chair Shepherd and Vice Mayor Scharff voting yes, Council Member Burt voting no, and Council Member Price absent).

On March 18, 2013, the Finance Committee and UAC recommendation was discussed by the City Council ([Staff Report 3529](#)). The item was placed on the Council's consent agenda, but was moved to the action agenda after a motion by Mayor Scharff, Vice Mayor Shepherd, and Council Member Schmid. At the meeting, staff presented recommendations for the structure of an advisory body to evaluate the undergrounding program. The advisory body would learn about the program in Palo Alto and actions taken by other cities, identify possible modifications to the program and funding mechanisms to facilitate changes, work with the community to gather input, and make recommendations to the UAC and Council. Topics for the advisory body to address included whether to continue the program, funding for the program, and the amount customers were willing to pay. Staff identified two alternatives for structure of the advisory body: 1) a citizen advisory committee appointed by the City Council; or 2) a citizen advisory committee appointed by the City Manager or Utilities Director. The UAC, Finance Committee, and staff recommended the former.

The minutes from the March 18, 2015 Council meeting include this excerpt:

"James Keene, City Manager, remarked that part of the impetus for an advisory body was an acknowledged gap between the potential scale of needed undergrounding and the City's ability to fund undergrounding. That raised many questions and implications in the purview of the Council. Staff would provide support and technical work.

"Council Member Schmid preferred the body return to the Council with a range of alternatives after public engagement.

"Council Member Klein stated an advisory body was not in the same category as recommendations from the Infrastructure Blue Ribbon Commission (IBRC). The Council already knew the issue was lack of funding for undergrounding utilities. Increasingly homeowners opposed undergrounding when they learned their cost for extending utilities to the home. An advisory body would learn that undergrounding utilities was not financially feasible, and the Council already knew that. The UAC should consider this topic, if needed.

"Council Member Burt concurred with Council Member Klein's comments. He did not believe undergrounding utilities was a critical issue for the community. An advisory body would distract from infrastructure initiatives and dilute resources.

"Council Member Holman agreed with Council Members Klein and Burt's comments. Perhaps a few paragraphs could be added to the Utilities page of the City's website to update the public.

"Council Member Price concurred with Council Members Klein, Burt, and Holman.

“Mayor Scharff believed undergrounding utilities was a lingering issue. The community needed to know the costs and alternatives for funding. A citizens committee would be helpful in providing community input and information regarding costs. The Council should support the UAC's recommendation to have an advisory body.”

The motion to support the recommendation from staff, the UAC and Finance Committee failed (4-5 with Council Member Berman, Vice Mayor Shepherd, Mayor Scharff, and Council Member Kniss voting yes and Council Members Burt, Holman, Klein, Price and Schmid voting no).

#### Second Electric Connection

The most recent comprehensive update on this project was provided to the Council on January 27, 2014 ([Staff Report 4255](#)). Staff is preparing an update that will be provided to the Council in January 2016.

#### Electrification

Council adopted an electrification work plan ([Staff Report 5961](#)) on August 17, 2015. Staff is implementing the work plan items, as appropriate.

#### Recycled water

City Council certified the Final Environmental Impact Report for expanding the recycled water pipeline system to reach the Stanford Research Park on September 28 ([Staff Report 5962](#)). Staff is preparing a business plan for the project as well as examining alternatives such as installing equipment to purify treated wastewater to potable water standards. No timelines have been established for this work.

#### **RESOURCE IMPACT**

Production of this memorandum is not part of CPAU's work plan, but is being provided as requested by the UAC, and required 12 hours of staff time.

#### **ENVIRONMENTAL REVIEW**

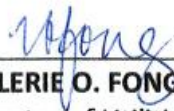
This status update does not meet the California Environmental Quality Act's (CEQA) definition of a "project" set forth in California Public Resources Code sec. 21065, thus no environmental review is required.

**PREPARED BY:**



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**APPROVED BY:**



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