



# City of Palo Alto

## City Council Staff Report

(ID # 5079)

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**Report Type: Action Items**

**Meeting Date: 10/6/2014**

**Summary Title: Public Hearing for Underground District No. 46**

**Title: Public Hearing: Adoption of an Ordinance Establishing Underground Utility District No. 46 (Arastradero Road/ El Camino Real/ W. Charleston Road) by amending Section 12.16.02 of the Palo Alto Municipal Code**

**From: City Manager**

**Lead Department: Utilities**

### **Recommendation**

Staff recommends that Council adopt the attached Ordinance to create Underground Utility District No. 46 and thereby amend section 12.16.02 of the Palo Alto Municipal Code (Exhibit A).

### **Background**

At its meeting on June 23, 2014, Council passed Resolution of Intent No. 9439 (Exhibit B) to establish Underground Utility District No. 46 [Staff Report ID# 4829]. The Council meeting of October 6, 2014 has been set as the date of the Public Hearing on the matter. Notices announcing the meeting with a description of the project and a copy of the Resolution were mailed to all property owners in the proposed district on September 3, 2014.

The Electric Utility's undergrounding project areas are selected and recommended to AT&T and Comcast based on the age and maintainability of the existing overhead electric system. AT&T and Comcast determine whether the recommended area meets their criteria for undergrounding, based on the guidelines established by the California Public Utilities Commission (CPUC). The boundaries of Underground Utility District No. 46 run along Arastradero Road, El Camino Real and W. Charleston Road, as described more particularly in the map attached to this Staff Report as Exhibit C. Underground Utility District No. 46 (UUD 46) meets the City's and CPUC's guidelines for undergrounding overhead utility lines.

### **Discussion**

The formation of UUD 46 will result in the removal of three poles and placement of existing overhead electric distribution lines and communication lines (telephone, cable TV, City of Palo Alto (CPA) fiber) within the boundaries of UUD 46 in underground conduits. UUD 46 will require underground service to eight properties at the intersection of El Camino Real and Arastradero/West Charleston Road. The overhead 60kV transmission line (as exempted in

PAMC 12.16.050(a)(3)), and poles necessary to support them will remain. Completion of UUD 46 will enhance reliability of the electric distribution system while improving the aesthetics of this heavily traveled thoroughfare.

If an underground district is created, staff will design and obtain bids for the installation of the underground substructures required prior to placing the electric, telephone, cable TV (CATV), fiber, street light and City communication facilities underground. After the new underground electric system (cable, transformers, switches, etc.) has been installed, tested and energized, the property owners will be notified that they have 60 days to connect to the new system. Upon completion of the new connections, City crews will then remove the overhead distribution power lines. Telephone and CATV crews will complete their conversion work following removal of power lines and will remove their respective overhead facilities and the poles, as necessary.

**Timeline**

Once the Public Hearing is completed and if Council decides to proceed with the project, the following scheduled is proposed:

	Action	Date
1.	Public Hearing and first reading of Ordinance	October 6, 2014*
2.	Second reading of Ordinance	November 3, 2014*
3.	Letters to property owners with approved Ordinance, Chapter 12.16 of Municipal Code, and update	December 2014
4.	Award of construction contract and Joint Construction Agreement with AT&T/Comcast	March 2015*
5.	Substructure (conduits, vaults, etc.) installation by Contractor	April 2015 through May 2015
6.	Installation of underground facilities (cable, switches, etc.)	June 2015 through September 2015
7.	Resolution determining properties electing to pay service conversion cost over a period of 10 years	September 2015*
8.	Service conversion work by property owners	October 2015 through November 2015
9.	Installation by other utilities, service conversion work, removal of overhead distribution facilities, and project completion	November 2015 through June 2016

\* Denotes Council Action

**Resource Impact**

The total cost of the project is estimated at \$700,000. An estimated \$150,000 will be for the installation of telephone and CATV conduit and boxes for which the City will be reimbursed by AT&T and Comcast. To date, \$500,000 has been approved by the City Council for the UUD 46 – Charleston/El Camino Real (EL-12001) project. An additional \$200,000 will be requested for FY 2016 to complete the electric conversion work.

In addition to the requirements set forth in Chapter 12.16 of the Palo Alto Municipal Code, the cost of the required service conversions on private property is to be borne by the individual owners in accordance with Utility Rule and Regulation No. 17. The total cost for the property owners requiring service conversions (three of the eight properties require conversion) from overhead to underground has been estimated at \$28,000, with individual costs ranging from \$7,000 to \$13,000. The property owners have been offered the option of financing their service conversion costs over a period of ten years in accordance with the procedure given in Sections 12.16.090 through 12.16.096 of the Palo Alto Municipal Code.

**Policy Implications**

This recommendation is consistent with the Council approved Utilities Strategic Plan to invest in utility infrastructure to deliver reliable service.

**Environmental Review**

This project is categorically exempt from the California Environmental Quality Act (CEQA) under Section 15302(d) of Title 14, Division 6, Chapter 3 of the California Code of Regulations (conversion of overhead electric utility distribution system facilities underground).

**Attachments:**

- Exhibit A: Ordinance Underground Utility District No 46 (PDF)
- Exhibit B: Resolution No. 9439 (PDF)
- Exhibit C: Underground District No. 46 Boundary Map (PDF)

Ordinance No. \_\_\_\_\_

Ordinance of the Council of the City of Palo Alto Establishing Underground Utility District No. 46 (portions of Arastadero, El Camino, W. Charleston) by Amending Section 12.16.020 of the Palo Alto Municipal Code

RECITALS

A. This Council, on June 23, 2014, adopted Resolution No. 9439 declaring its intention to establish Underground Utility District No. 46 in the City by amending Section 12.16.020 of the Palo Alto Municipal Code and by such Resolution appointed Monday, October 6, 2014, at the hour of 6:00 o'clock p.m., in the Council Chambers, City Hall, at 250 Hamilton Avenue, Palo Alto, California, as the time and place of hearing protests and receiving evidence for and against the proposed action and notice of direction; and

B. Notice was given of the time and place for the public hearing stated in the manner provided by law, as appears from the affidavits on file in the office of the City Clerk; and

C. Said matter came on regularly for hearing at the time fixed; and

D. All written protests and other written communications were publicly read at said meeting and evidence duly taken and all persons desiring to be heard were fully heard.

The Council of the City of Palo Alto does ORDAIN as follows:

SECTION 1. The public necessity, health and safety require the removal of poles and overhead lines and associated overhead structures from that certain area described in Resolution No. 9439.

SECTION 2. Section 12.16.020 of the Palo Alto Municipal Code is amended by amending Subsection (46) thereof to read:

“(46) District No. 46. All of the area in the County of Santa Clara, City of Palo Alto, encompassing portions of the following avenues, roads, and streets: Arastadero Rd., El Camino, W. Charleston all as more particularly described on that certain map entitled “Underground District No. 46 Boundary Map” on file in the office of the City Clerk.”

SECTION 3. The "Underground Utility District Maps" referred to in Section 12.16.020 shall be amended to add to the areas shown on the map those referred to in Resolution No. 9439.

SECTION 4. The City Council hereby finds that the adoption of this ordinance is categorically exempt from the California Environmental Quality Act (CEQA) under Section 15302

**NOT YET APPROVED**

of Title 14, Division 6, Chapter 3 of the California Code of Regulations (conversion of overhead electric distribution facilities to underground).

SECTION 5. This ordinance shall become effective upon the expiration of thirty (30) days from its passage.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

ATTEST:

APPROVED:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Senior Deputy City Attorney

\_\_\_\_\_  
Director of Utilities

## EXHIBIT B

Resolution No. 9439

Resolution of the Council of the City of Palo Alto Declaring Its  
Intention to Amend Section 12.16.020 of Chapter 12.16 of Title 12 of  
the Palo Alto Municipal Code by Establishing Underground Utility  
District Number 46

### RECITALS

The Council of the City of Palo Alto RESOLVES as follows:

SECTION 1. In its opinion, the public necessity, health and safety require, and it is the intention of the Council, pursuant to Section 12.16.040 of Chapter 12.16 of Title 12 of the Palo Alto Municipal Code ("Code"), to amend Section 12.16.020 of Chapter 12.16 of the Code, by ordering the establishment of an Underground Utility District ("District") and to prohibit the construction in and require the removal from the proposed District of all poles and overhead lines and associated overhead structures used or useful in supplying electric, communication or similar and associated services with the exception of the City's sixty kilovolts transmission lines and associated poles pursuant to Section 12.16.050 of Chapter 12.16 of Title 12 of the Palo Alto Municipal Code ("Code").

SECTION 2. The number of the proposed District is Underground Utility District Number 46 of the City of Palo Alto, commonly known as Colorado Avenue/Middlefield Road/Oregon Expressway/Cowper Street.

SECTION 3. The description of the area comprising the District is as follows:

"All of the area in the County of Santa Clara, City of Palo Alto, encompassing the areas contiguous with portions of Arastradero Road/West Charleston Road/El Camino Real. Underground Utility District Number 46," on file in the office of the City Clerk."

SECTION 4. From and after the effective date of the establishment of the proposed District, no person or utility shall erect or construct within the District any pole, overhead lines or associated overhead structure used or useful in supplying electric, communication or similar associated services.

SECTION 5. Within ninety (90) days from the date of the completion and acceptance of the proposed underground facilities within the District to be constructed by the City of Palo Alto, Pacific Bell Telephone Company doing business as AT&T California, and Comcast of California IX, Inc., all poles and overhead lines and associated structures used or useful in supplying electric, communication or similar and associated services in the proposed District shall be removed, and from and after the date no person or utility shall use or maintain

such facilities within the proposed District. Additional notice shall be given after the completion date has been precisely determined.

SECTION 6. NOTICE IS HEREBY GIVEN that Monday, the 6th day of October, 2014, at the hour of 7:00 p.m., in the regular meeting place of its City Council, Civic Center, Palo Alto, California, is hereby fixed as the time and place when and where the Council shall hear all protests and receive evidence for and against the action herein proposed, and when and where the Council shall consider and finally determine whether the public necessity, health and safety require the establishment of the District and the removal of poles, overhead wires, and associated overhead structures, and the underground installation of wires and facilities for supplying electric, communication and similar or associated services in the District hereinabove described.

SECTION 7. At the public hearing, all persons interested shall be given an opportunity to be heard. The hearing may be continued from time to time as determined by the Council.

SECTION 8. The Electrical Engineering Manager, Department of Utilities, City of Palo Alto, is hereby designated as the person to answer inquiries regarding the protest proceedings, to be had herein and may be contacted during regular office hours at 1007 Elwell Court, Palo Alto, California, 94303, or by calling (650) 566-4548.

SECTION 9. The Clerk of the City shall give notice of the public hearing by publishing notice of the public hearing and the director of utilities shall mail copies of this resolution to all property owners within the proposed District as shown on the last equalized tax roll of the City, and to all utilities supplying electric, communication or similar or associated services within the proposed District, the mailing to be completed at least thirty (30) days prior to the date of the public hearing. The Clerk is authorized to include in the notice to be mailed a statement to the effect that any affected property owner has the option of paying the cost of converting his or her or their service connection to underground locations over a period of years. Such notice shall conform to Section 12.16.092 of Chapter 12.16 of Title 12 of the Code.

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SECTION 10. This project is categorically exempt from the California Environmental Quality Act under Section 15302(d) of Title 14, Division 6, Chapter 3 of the California Code of Regulations (conversion of overhead electric utility distribution system facilities to underground).

INTRODUCED AND PASSED: June 23, 2014

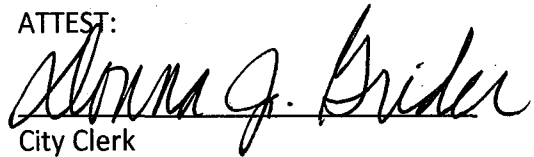
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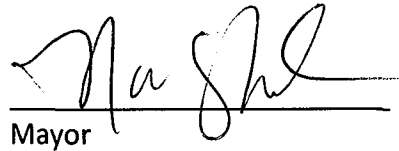
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ABSENT:

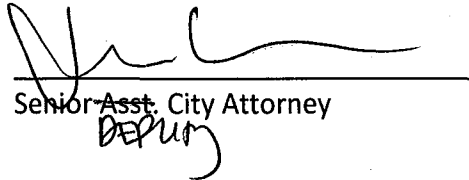
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ATTEST:

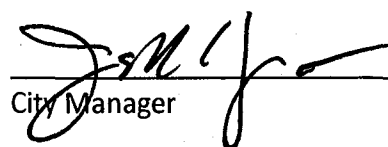
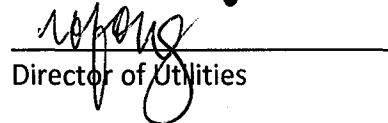
  
City Clerk

  
Mayor

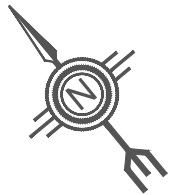
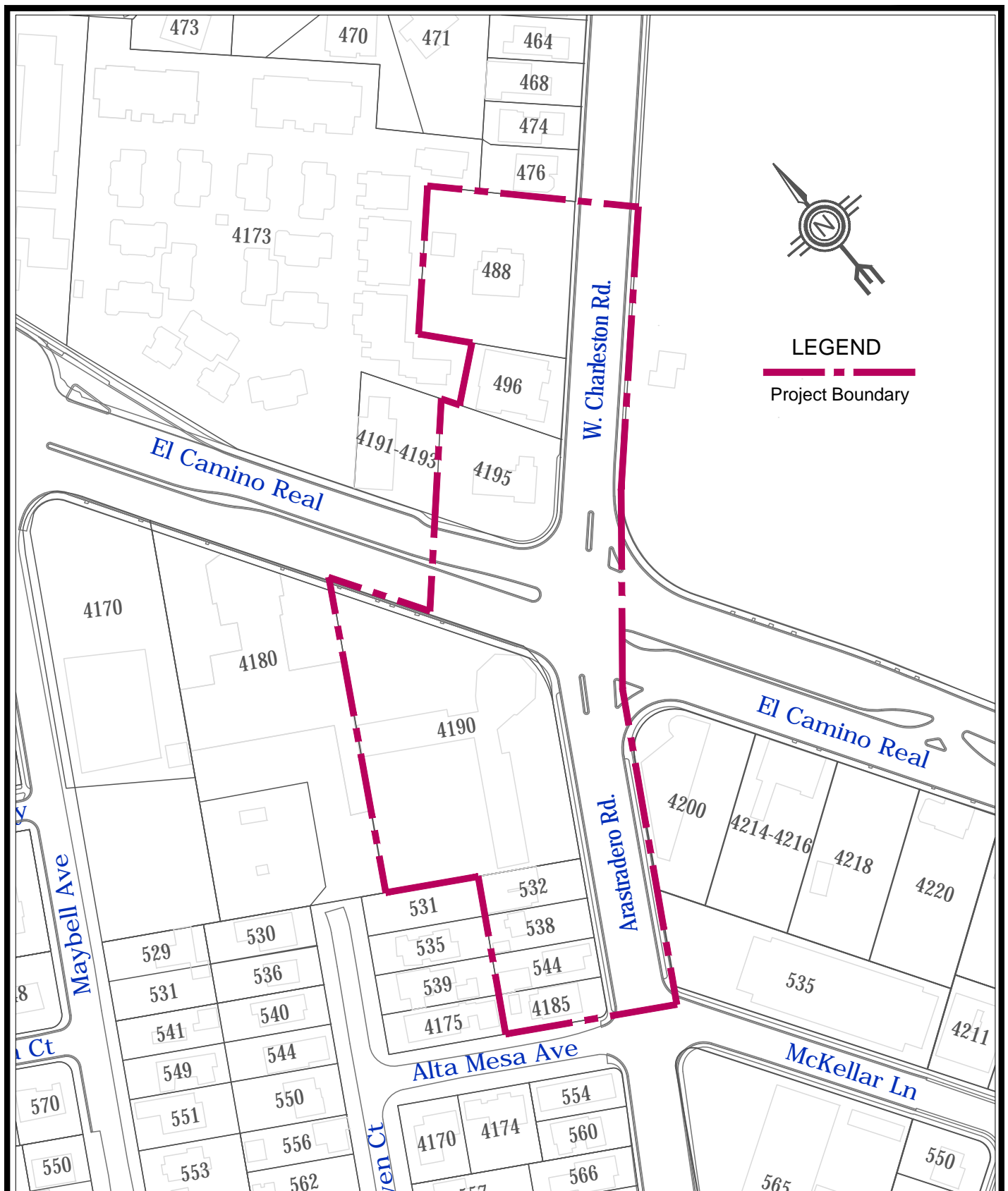
APPROVED AS TO FORM:

  
Senior Asst. City Attorney  
DEPUTY

APPROVED:

  
City Manager  
  
Director of Utilities






**LEGEND**

 Project Boundary

APPROVED <u>Feb 2014</u>	
Tom Ting SR. ENGINEER / MANAGER	
ENGR.	JV
DRWN	
CHKD.	

**Underground District No. 46  
Boundary Map**



**City of Palo Alto  
California**  
UTILITIES, ELECTRIC ENGINEERING

REV.	DATE	APPR.	DESCRIPTION
MAP #	CKT #	SCALE	W.O.# / DRAWING #
		NTS	
			SHEET 1 OF 1