The City of Palo Alto incorporates in 1894 at which time two Stanford professors – Charles Marx and Charles Benjamin Wing – suggest that Palo Alto have its own utility. Their founding principal is to have a utility that shows a financial contribution to the community and provide low cost power.

Many Palo Alto residents have private small ground water wells. In an effort to modernize, a water utility is established. As part of this effort, the City builds two large wells, installs water pipes and pumps groundwater to homes.

After delivering water, the Utility quickly sees the need to create a wastewater/sewer service. The system is funded through a municipal sewer bond.

With the completion of the diesel power plant, Palo Alto establishes its municipal electric utility, at which time residential and commercial electric service begins.

Part of the reason Palo Alto boasts so many parks and libraries per capita is additional income the City receives from owning its own utility (about 6% of revenues in 2016).

Trustees build Palo Alto’s first power plant. Electricity costs 10 cents per kilowatt hour, about the same price that it is today! The project is made possible through leftover money from the sewer bond.

John F. Byxbe, member of the first graduating class of Palo Alto High School is hired by the City in 1902 as the Assistant City Engineer, and later became a City Commissioner. He masterminds countless utility and public works engineering projects, and is a strong advocate of the City owning its own utilities.