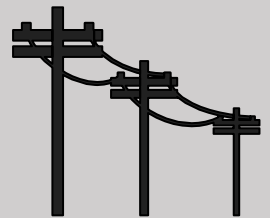


UTILITY UNDERGROUNDING — A STEP-BY-STEP GUIDE



CITY OF HIDDEN HILLS
6165 SPRING VALLEY ROAD
HIDDEN HILLS, CALIFORNIA 91302





Utility Undergrounding – A Step-by-Step Guide

The options and steps for forming a utility undergrounding district are outlined below. Please note that due to City staffing limitations, the hiring of a Consultant to manage a utility undergrounding request is required. The City will participate in the process, but primarily in a management/oversight role. Interested property owners will be required to provide a deposit to pay for the cost of the Consultant.

Option One – Fast Track

1. The process is **initiated** by an interested property owner, who acts as a liaison between the City, utility companies, and neighbors. The property owners who support undergrounding submit a letter to the City's **Public Works Department** expressing their interest in forming an Underground Utility Assessment District. The letter should include a description of the proposed boundaries of the area to be undergrounded.
2. Based on the **interest letter**, City staff prepares a boundary map and submits it to the appropriate utility companies who review the map to ensure that the boundaries are logical and feasible. Once the district boundaries are accepted by all parties, the utility companies provide the City with a preliminary cost estimate for the design and construction of the undergrounding project.
3. The City then prepares a petition to be circulated by proponents to all affected property owners within the proposed district boundaries. The petition states the approximate amount that each property owner would pay if the property owners vote to form the district to accomplish the undergrounding project. In order for the process to continue, at least 60 percent of the property owners must sign and express support. This petition is a “show of support” and nonbinding. The City is neutral regarding City-owned parcels within the District.
4. Once the petition is certified by the Assessment Engineer, Public Works will prepare a staff report requesting City Council approval to move forward. With Council approval, the Assessment Engineer will prepare an Engineer's Report. This report documents the assessment that each property owner within the district would pay, should the district be approved. This report uses the preliminary estimated construction costs provided by the utility companies. If the district is formed, funds expended by the City on costs related to formation of the district will be recovered during the assessment process. If the district fails, the City's funds will be lost.
5. The Engineer's Report and Resolution of Intention are submitted to the City Council for approval and a public hearing is scheduled.



6. The Ballots are prepared with the assessment amount and sent to each property owner within the proposed district boundaries. Each property owner then votes for or against the formation of the district. Each vote is weighted or valued based upon the dollar value of each property owner's proposed assessment.

7. All votes must be submitted to the City prior to the end of the scheduled public hearing. The district passes if the district receives greater than 50% approval and the City Council approves the District. **If the district passes, all property owners within the district will be responsible for the assessment amounts regardless of a property owner's personal vote.**

Following approval by the property owners, the **detailed design** process begins. It usually involves the following steps:

- a. Base mapping
- b. Southern California Edison electrical design
- c. Telephone and cable design

The duration of each step varies depending on the number of underground districts in the queue, the size of the proposed district, and the complexity of the design. This phase could take more than two years to complete.

Once the project is fully designed, it will be bid with a contract awarded, and then constructed.

Option Two – Traditional Method

1. The process is **initiated** by an interested property owner, who acts as a liaison between the City, utility companies, and neighbors. The property owners who support undergrounding submit a letter to the City's **Public Works Department** expressing their interest in forming an Underground Utility Assessment District. The letter should include a description of the proposed boundaries of the area to be undergrounded.

2. Based on the **interest letter**, City staff prepares a boundary map and submits it to the appropriate utility companies who review the map to ensure that the boundaries are logical and feasible. Once the district boundaries are accepted by all parties, the utility companies provide the City with a preliminary cost estimate for the design and construction of the undergrounding project.

3. The City then prepares a petition to be circulated by proponents to all affected property owners within the proposed district boundaries. The petition states the approximate amount that each property owner would pay if the property owners vote to form the district to accomplish the undergrounding project. In order for the process to continue, at least 60 percent of the property



owners must sign and express support. This petition is a “show of support” and nonbinding. The City is neutral regarding City-owned parcels within the District.

4. Once the petition is certified by the Assessment Engineer, Public Works will prepare a staff report requesting City Council approval for funds for design of the undergrounding project to be advanced from the City’s General Fund. If the district is formed, the advanced funds will be recovered during the assessment process. If the district fails, the funds will be lost.

5. The **design** process begins once the utility companies receive the design fee. The process usually involves the following steps:

- a. Base mapping
- b. Southern California Edison electrical design
- c. Telephone and cable design

The duration of each step varies depending on the number of underground districts in the queue, the size of the proposed district, and the complexity of the design.

6. Once the design is complete and accepted by the City and utility companies, the utility companies provide a “guaranteed cost of construction.” The Assessment Engineer will use this guaranteed cost and all other costs incurred in the past and anticipated in the future to generate the Engineer’s Report. This report documents the assessment amount that each property owner within the district would be responsible for if the district is successful.

7. The completed design plans, Engineer’s Report, and Resolution of Intention are submitted to the City Council for approval and a public hearing is scheduled. An informal property owner meeting is held prior to the public hearing to explain the details of the proposed district.

8. Ballots are prepared with the assessment amount and sent to each property owner within the proposed district’s boundaries. Each owner votes for or against forming the district. Each vote is weighted based on the dollar value of each property owner’s proposed assessment.

9. All votes must be submitted to the City prior to the end of the scheduled public hearing. The district passes if the district receives greater than 50% approval and the City Council approves the district. **If the district passes, all property owners within the district will be responsible for the assessment amounts regardless of a property owner’s personal vote.**

Paying the Assessment and Final Steps

Regardless of whether a neighborhood chooses the standard or fast track method of assessment district formation, the property owners will have **two options to pay** for the assessment.



1. 30-Day Cash Payment Period: Within 30 days after the close of the public hearing, the property owner has the option to pay the full or a portion of the assessment amount. The property owner will save approximately 8% on the portion of the assessment paid in cash. This 8% savings results from not selling bonds for the amount owed. Bonds will be sold for any unpaid portion of the assessment and a lien will be placed on the property until the bond is paid in full.

2. Bond: If the property owner elects to not pay during the 30-Day Cash Payment Period, bonds will be sold. Assessments will be placed on the property tax bill to be paid over a 20 to 25-year financing period. During that time, a lien will be placed on the property until the bond amount is paid in full. Bonds will incur a finance charge.

When construction of the main line underground infrastructure has been completed, all property owners will be notified that it is time to perform their private conversions.

Private conversions require property owners to hire a licensed electrician to connect the property's existing overhead connection to the underground infrastructure. The cost of the private conversion is **not covered** in the assessment amount. The assessment amount only covers work performed in the public right-of-way.

It is the property owner's responsibility to perform the conversion within the designated time frame. Delays caused by one property owner's private conversion, will cause delays to the whole district because overhead structures cannot be removed until all properties have completed their private conversions.

It is important to note that, from the initial letter to the last private conversion, the average process takes approximately seven years, depending on the size of district. The bond financing period information provided above is based on an average of past assessment districts and varies depending on current rates and the district's size.

For more information, please contact the City's Public Works Department at (818) 888-9281.