

**Residential Undergrounding
Policies and Procedures
May 1, 2006**

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City of San Buenaventura
POLICY & PROCEDURES
FOR THE
UTILITY UNDERGROUNDING OF
RESIDENTIAL NEIGHBORHOODS

1. Background

Over the past several years the City has been approached by residents, particularly those in the hillside areas, about the possibility of undergrounding the existing unsightly utility poles along their streets. Utility poles can be independently owned or jointly owned by electricity, telephone and cable TV companies. The majority of poles located in the City of Ventura are owned by Southern California Edison (SCE) and usually carry other utilities including phone and cable television. A small number of poles are owned and maintained by the other utilities. It is in the best interest of the public for the City to help facilitate removal and undergrounding of these poles.

The City of San Buenaventura supports the undergrounding of overhead utility wires and poles. Undergrounding of overhead utilities improves public safety under fire, earthquake and high wind conditions; reduces utility company maintenance costs for tree trimming to maintain overhead lines and equipment; and results in improved visual characteristics.

2. General Overview

Although these City undergrounding policy and procedures have been created to assist homeowners, it may still be more economical and timely for an individual property owner to work directly with SCE, AT&T and their cable TV utility instead of involving the City to underground the utility lines in their streets. Home mortgages, or 2nd mortgages may be a method for property owners to spread out the costs of undergrounding over a longer period of time, much the same as an assessment district would accomplish. In the event this option is not available, these undergrounding policies and procedures provide the means and methods for helping to facilitate the undergrounding of power poles in neighborhoods.

These policies describe the basic considerations and actions required to relocate and to finance such relocation of overhead utility lines underground. The policies are provided to guide property owners in achieving undergrounding of utilities in their neighborhoods and to help the City Council, City Staff and City consultants in assisting in such efforts.

To provide for financing and to enforce connections to the underground system, the most common financing method for property owners is through undergrounding districts which are special assessment districts established by the City under State law. Unless contributions are available from other sources, property owners should assume that 100% of the cost of the underground project would be assessed to the properties in the district.

3. Procedure

- 3.1 **Obtain Packet of Information** – The first step to starting a neighborhood undergrounding project is to obtain a copy of the Residential Undergrounding Policies and Procedures from the City.
- 3.2 **Form Neighborhood Committee** – Property owners must form a local committee of interested residents to assist with the project. A committee of 3-5 people is probably sufficient. The Committee will be responsible for organizing neighborhood meetings, gathering support, and distributing information about the project.
- 3.3 **Kick-Off Meeting** – Once a local committee is formed, contact the City Engineer at City Hall, 501 Poli Street, Room 120, to schedule a kick-off meeting. The purpose of the meeting will be to go over the undergrounding policies and procedures, select initial project boundaries and answer all questions.
- 3.4 **City Will Request Estimate from Utilities for Project Cost** – The City will contact the various utilities and request a rough estimate for the project based on the boundaries selected in the kickoff meeting. Acquiring this information from SCE, AT&T, and cable television utilities may take several months. Once the estimates have been completed the City will provide this information to the Neighborhood Committee.

The California Public Utilities Commission (PUC) regulates SCE, AT&T (communications) as well as other utility providers in the State. For SCE, the PUC requires that the minimum size residential block to be included in an underground assessment district includes both sides of a street for at least one block or 600-feet long, whichever is the shorter distance. AT&T has a similar minimum requirement.

Since assessment districts require assessment engineering, public hearings, legal review and bond costs, it may not be financially beneficial for residents to participate in smaller undergrounding projects. A minimum size project that is economical for an undergrounding assessment district is about \$700,000 of capital costs, which equates to about 24 typical single-family homes, 12 on each side of the street. Typically, cities form undergrounding assessment districts with project sizes from \$2 million to \$3 million and 70 to 100 property owners. Smaller projects that do not meet the minimum assessment district size requirements will have to wait to be combined with other project areas until a minimum size that makes economical sense is created.

- 3.5 **Committee Holds Neighborhood Meeting to Gauge Support for Project** – Based on the estimates returned by the utilities, an approximate per parcel cost estimate can be made. At this point the Committee should hold a neighborhood meeting to gauge support for the project. Based on the consensus of the Committee and the neighborhood, the project will either move forward or terminate at this point.

- 3.6 Circulate Petitions of Interest** – Assuming there is support for the project, a formal written Petition of Interest must be circulated to 100% of the property owners in the proposed project area. The petition form is located in Attachment A. It is important that the Committee share with the property owners the approximate costs for undergrounding as well as the area proposed for undergrounding. The City will provide the Committee with a listing of all property owners for the project area. It is important to stress that property owners, rather than renters be contacted. Renters DO NOT have the right to vote on the creation of the assessment district.
- 3.7 Informal Boundary Map** – As part of the Petition process, the Committee must prepare an informal boundary map showing the area proposed to be included in the district based upon the results of the circulated petition. The City will review this map and may suggest changes, as required to satisfy utility companies' requirements and potentially requests of other, adjacent Property Owners.
- 3.8 Submit the Petitions of Interest** – Once the Committee has contacted every property owner in the proposed area, submit the petitions to the City to be verified. The written petition must show the support by owners of at least two-thirds (67%) of all of the parcels of property in the prospective district. Signing the petition is not a vote, nor does it commit the City to the initial estimate given. Later in the process, all of the affected property owners will be given a more exact estimate and will then have the opportunity to officially vote for or against the project.
- 3.9 City Verifies Signatures** – At this point the City will verify that at least 2/3rds (67%) of the signatures on the petition are valid property owners for the proposed undergrounding area. In the event that the Committee fails to meet the requirement, they will have to decide whether to continue the project and try to seek additional support, modify the project boundaries, if possible, or terminate the project.
- 3.10 City Requests Engineering and Legal Services Cost Proposals** – Assuming that the 2/3rds threshold was met, the City will contact and request a cost proposal from an experienced Assessment Engineer (Engineer-of-Work). The proposal scope of work will generally cover the preparation of cost estimates, assessment engineer's report, notice and ballots, and other documents necessary to take the formal assessment district formation process to the point of the vote on the assessment by the property owners. The cost for this work will generally range between \$15,000 and \$25,000 and must be paid for by the property owners in advance of the work.

The City will also contact and request a cost proposal for legal assessment advisory services. These services are required to help advise the City and property owners on the size, structure, procedures and transaction requirements of the assessment bond. The property owners also must pay for these costs in advance.

SCE, AT&T and possibly the cable TV companies will require their design costs to be paid up front for preparing construction plans and specifications. These costs will

vary depending on project size and complexity. However, they may represent the largest cost component of the initial deposit required to be paid in advance by the property owners.

All of these pre-assessment formation costs are estimates only and actual costs will depend on the size of the district, complexity of the project and the market costs for the preliminary services required to form the district.

- 3.11 Deposit Required from Property Owners** – The property owners will need to raise funds for the assessment engineering, legal advisory services, and utility company design costs and deposit the full amount of these services with the City prior to City staff bringing this project to the City Council for consideration. These costs may be significant and will be in the tens-of-thousands of dollars. Upon receipt of a satisfactory petition, deposit and informal boundary map, the City will begin the process of district formation.

It is very important to note that if for any reason, the district is not formed, and/or fails to issue the bonds, the Property Owners will receive back only the amount of their contributions that have not been spent, if any. If the District is formed, these costs can be credited against the assessment, or refunded to the property owners and added to the total assessment costs.

- 3.12 City Staff Costs** – City staff time needed to assist property owners with forming an underground assessment district is anticipated to be low. However, at a minimum, City staff from Engineering, Accounting/Treasury, and the City Attorney’s office will be involved. The City will track these staff costs, and if the District is formed, these costs will be added into the assessment. If the District is not formed for any reason, the City will absorb these costs.

4. Procedural Events & Steps for Assessment District Formation

The City will seek to fund undergrounding on residential streets by establishing traditional assessment district, as provided by State law in the Municipal Improvement Act of 1913, which provides for assessments to raise money for public improvements, subject to the new requirement of Proposition 218 that such an assessment will not be imposed if a majority of those voting vote against the assessment, i.e. at least 51% of those voting must vote in favor of the assessment. At the property owners' cost, the City will be responsible for contracting with the appropriate professionals and contractors to ensure that the undergrounding is competently conducted from initial assessment formation through final construction.

The procedures, events and steps described below are governed by California State law and guidelines of the California Public Utilities Commission (regulating the Southern California Edison Company (SCE) and other utilities) about the physical and financial requirements for utility undergrounding projects. The City must comply with these laws and regulations while taking appropriate actions to coordinate the project from its inception to its completion.

Assessment districts help residents pay off the cost for this work on an annual basis through their property tax bill typically over a 20-year period. This process also requires the City to manage the design and construction of the utility undergrounding with some or all of these costs eligible for repayment back to the City through the annual assessment. The City is also obligated to administer the district and levy the property assessment on an annual basis, which costs are also eligible for repayment through the annual assessment.

The City will retain the Assessment Engineer or Engineer-of-Work for the assessment district, along with Bond Counsel; and the bond Underwriter. The Engineer-of-Work will prepare an estimate of all of the costs of the project. Those costs will include construction cost estimates (based on information from the utilities) and an allowance for the City's administrative costs calculated to reimburse the City for the work of City staff on the project and bond issuance costs and deduct any possible contributions.

That net cost will be apportioned or "assessed" to each of the parcels in the district based on how each parcel is specially benefited from the undergrounding work. Under Proposition 218, the Engineer-of-Work is responsible for defining the special benefit each parcel receives and may take into account a variety of factors in defining that benefit. The method of allocating special benefit may vary from district to district depending on the conditions of and the improvement for each such district.

Under State law, the City Council must hold a public hearing and conduct an assessment ballot to seek approval of the assessment part of the district. This approval requires an affirmative majority approval (based on dollars assessed) by property owners returning ballots. If approved, the City may proceed with the assessment and the district. The assessment may then be paid in cash or allowed to "go to bond" or be financed at tax-

exempt municipal bond rates for 20 years. Bonded assessments are collected on the County tax bill. The assessment is not a personal obligation of the property owner and it passes with the title to the property assessed, like regular property taxes. The Bond Counsel and Underwriter prepare documents needed for the bonds.

There are some financial advantages to the property owners for the City to form an assessment district that are not available if the property owners work directly with SCE to underground their poles. With an assessment district, SCE will pay the cost for the pole removal, although this is a relatively minor cost savings. In addition, an assessment district allows the City to not pay the Internal Revenue Service's Income Tax Component of Contribution (ITCC tax), which is currently a 34% increase to SCE's portion of the capital costs of the project. These cost savings to underground are reduced somewhat because the assessment formation costs add about 20% to 25% to the overall project costs.

The entire process may take at least 24 to 72 months (assuming no legal actions/challenges). The duration of the process will be affected by utility company financial condition, staffing priorities, and how responsive and cooperative residents are to re-establishing utility services.

- 4.1 First Council Meeting – Resolution of Intention, Approve Consultant Contracts**
– Once the appropriate funds have been received from the property owners for the engineering and legal services, City staff will prepare a request to the City Council to approve consultant contracts for the preparation of an Engineer's Report and preliminary assessment process. All residents and property owners within the proposed assessment district will be notified in writing by the City about the proposed undergrounding project as well as the date and time for the first City Council meeting.

An Engineer's Report, as required by law, details the estimated cost for each individual parcel of land in the proposed assessment district. In addition, the Report explains the method for distributing the cost of the project amongst all of the affected property owners. Also at this point, the City would formally request that the utilities prepare detailed plans and specifications for the project. Property owners within the proposed assessment district will pay for any costs associated with utility company design up front.

Again, it is important to note that should the assessment district be approved, both the cost for preparing the Engineer's Report and the cost of preparing the plans and specifications can be added to the total cost of the assessment. If the assessment district is not approved, the City will not be able to recover these costs along with any legal services relating to the bond issuance that have been incurred and the property owners will have to cover these costs.

Also, at the first Council meeting, the Council adopts the Resolution of Intention to make acquisitions and improvements, which formally begins the assessment process.

4.2 Consultant Work on the Assessment District – With the Resolution of Intention, the City will appoint: Bond Counsel, the Engineer-of-Work, and the Underwriter. The Engineer-of-Work prepares the estimates of costs, the proposed assessment of the costs to each parcel in the district, the formal maps of the district and the plans and specifications for the construction work. This is all contained in the “Engineer’s Report” for the district.

The Underwriter is responsible for helping to estimate the costs of the bonds and in pricing, selling and delivering the bonds to the bond market. The Underwriter is paid only from the bond issue and only if bonds are issued.

Bond Counsel directs all legal proceedings to establish the district including Council resolutions, notices, forms of documents and instructions, including the levy of the assessments and issuance of bonds. Except for the Advisory Services to Property Owners below, Bond Counsel is paid only if the bonds are actually issued except for any preliminary work done which the property owners cover.

Bond Counsel also provides advice and information (the “Advisory Services”) to interested Property Owners about the assessment process and their rights and responsibilities.

- All Property Owners shall be provided with notice of their right to meet with Bond Counsel, and this notice shall include written materials that describe the assessment process and their rights and opportunities to be heard during the process.
- Bond Counsel shall hold at least 2 meetings for the purpose of advising the Property Owners: The 1st meeting as soon as practicable following City appointment of Bond Counsel, and the 2nd second meeting shall be held before City Council votes to preliminarily adopt the Engineer’s Report for the district.
- To the extent that Advisory Funds are available, Bond Counsel shall be available to provide brief follow-up telephone consultation to affected Property Owners.
- In the event the Advisory Fund is insufficient to provide all of the Advisory Services described in this section, Bond Counsel shall provide Advisory Services in the following order of priority: (1) written materials describing the process; (2) meeting with Property Owners prior to adoption of the draft Engineer’s Report; (3) meeting following retention of Bond Counsel; and (4) telephone consultation.

- The City Attorney has sole discretion to supervise Bond Counsel's provision of Advisory Services to ensure, so far as practicable, that such services are fairly allocated between all affected Property Owners.

4.3 Second Council Meeting – Preliminary Approval after the Engineer-of-Work prepares and files the following items with the City Clerk:

- Engineer's Report
- Map of Proposed Boundaries and Assessment Diagram for the district
- Plans & Specifications for Project

After the Engineer-of-Work officially submits his Report to the City Clerk, the Report and all necessary resolutions will be prepared for the City Council in compliance with State law. If the City Council accepts the Report and approves the Resolutions, the City will call for bids for the sale of bonds and for the construction of the project.

The City Council adopts:

- Resolution Preliminarily Approving District Formation/Boundary Map, Engineer's Report, and Directing Actions with Respect Thereto
- Resolution Approving Plans and Specifications and Calling for Bids for Construction

4.4 After Second City Council Meeting – Immediately following the Second Council Meeting, the City Clerk, in coordination with the, Engineer-of-Work and Legal Bond Counsel, takes the following actions:

- City Clerk mails Notices of Proposed Assessments and Ballots to Property Owners at least 45 days prior to the Public Hearing
- City Clerk records Map of Proposed Boundaries of the District
- City Clerk coordinates publication of call for bids for construction (if appropriate)

4.5 Informational Workshop, Mailed Ballots – In the 45-day period after the Second City Council meeting, City Staff and the consultants hold a Workshop with those property owners in the proposed assessment district concerning the project and proposed financing. At this point, an accurate cost estimate will have been completed. At the neighborhood meeting City staff will provide the most up-to-date costs estimates and explain the remaining steps in the process.

The City will have already prepared and mailed the official ballots to all of the affected property owners. The property owners will have a specified period of time in which to return the ballot either in favor or against the project. In compliance with State law, the ballots will be weighted according to the level of benefit received by the project. In other words, properties having a higher assessment will have a higher weighted vote.

4.6 City Opens Construction Bids – The City will solicit and opens construction bids. The Engineer-of-Work and City Staff receive and analyze construction bids approximately two weeks prior to the date set for the public hearing in order that adjustments may be made to assessment amounts.

4.7 Third City Council Meeting – Public Hearing and Ballot Count – At a Council meeting held at least 45 days following mailing of the Notice of Proposed Assessments, the City Council conducts the following proceedings:

- Hold a public hearing
- Hear any comments for or against the assessment
- Open and count the ballots

The City Clerk opens and counts ballots. Ballots are weighted on dollars assessed (for example, if all assessments are the same, each property owner has one vote). Only valid ballots actually received by the end of the hearing are counted. Unsigned, unreadable or unmarked ballots are not valid. If the ballots received are more than 50 percent weighted against forming the district then the assessment proceedings must be abandoned. This would then formally end the process and other means will have to be sought by the property owners to underground the utilities.

If a majority approving vote is received, and the City Council agrees to form the district, the assessment district will be formed and the Council will order the assessment diagram to be recorded with the County Assessor by adopting the Resolution Adopting Engineer's Report, Confirming Assessments and Directing Actions with Respect Thereto. This resolution levies the assessment and directs recordings and filings for the assessment lien and directs the cash payment period. This resolution also has provisions establishing completion time requirements for individual service connections.

4.8 Immediately Following the Third City Council Meeting, If Approved – The City Clerk, Engineer-of-Work and Bond Counsel will take the following actions following the third Council meeting:

- File and Record Assessments, Notices of Assessment and Assessment Diagram
- Publish Notice to Pay Assessments

- Mail Notices to Pay Assessment to each Property Owners (include the deadline date for completing individual service connections)

4.9 Property Owners Have 30 Days to Pay the Assessment in Full or Have Lien Recorded – An official notice from the City will be mailed to all of the property owners informing them of the creation of the assessment district and the amount due. The property owners will then have 30 days to pay for the assessment. Any unpaid assessments will be recorded as a lien on the property and can be paid over a period not to exceed 20 years. The City will provide the County Assessor with a list of all of the unpaid assessments. The unpaid portion will be added to the Assessor's tax roll and will be billed with other ad valorem taxes (property taxes). This will also be the time when seniors or other qualified individuals can have the assessment deferred until the transfer or sale of their home.

4.10 City Council Awards Construction and Bond Sale Contracts – At a City Council Meeting following the Third City Council meeting, the Council will award contracts for the construction work and the authorizing the issuance of bonds. The proceeds from the bond sale will be used to pay for the cost of the project. The bonds will be repaid through the payment of the assessment.

Following City Council action, the City's Administrative Services Director and Underwriter will price the bond issue, and the City will execute the Bond Purchase Agreement (sells bonds) and Preliminary Official Statement (describes bonds for market). Approximately 2 weeks later, the bonds are delivered to the Underwriter in exchange for the purchase price under the Bond Purchase Agreement. This provides the funds for to pay for the underground project and its related costs.

4.11 Construction Begins – The Neighborhood Committee will organize a meeting with the City Engineer and the Contractor in attendance to discuss construction details and timelines. Also information will be provided to residents regarding hooking-up to the underground system once construction is complete.

Every effort will be made to minimize the disruption caused by the construction. However there will be times when heavy equipment will be on neighborhood streets, there may be delays in accessing streets, and there will be construction noise and dust. In order to get the wires underground, trenches will be dug so the utility conduits can be placed. The City Engineer will be available to answer questions and concerns throughout the construction phase of the project.

4.12 Official Notice to Connect to the Underground System – Once construction is complete, an official notice from the City will be mailed to all property owners explaining that they are now required to hook-up to the underground system.

The costs of individual service connections to the underground facilities are borne by each property owner and are typically not included in the assessment. If possible, a small amount of bond funds may be available on a per-financing

basis, at the request of property owners (first come-first served) to help finance connections.

4.13 Property Owners Hook-up to the System – Property owners will be given 30 days after a final notice has been mailed to hook-up to the system. After the deadline has passed the City will connect the property and place an additional lien on the property for the work completed. Typically it costs \$500-\$3,000 to switch from the overhead system to the underground system. The most cost effective approach to providing underground lines on private property and reconnecting utility services is for property owners to utilize the services on one contractor, which may be the same contractor(s) as the ones installing the new underground lines in the streets. The City will help facilitate this effort which will require residents to provide written consent for contractors to enter private property to make the necessary connections and underground facilities.

4.14 Utilities remove poles and wires and Work Completed – After 100% of the properties within the district have connected to the underground system, the utility companies will come in and switch the system from overhead to underground and remove the poles and wires from the area.

City will pay from the bond, the final bills and costs, including any remaining legal and administrative costs incurred by the City for the project. If there is any surplus remaining from the bond amount, the Council may take action to provide any further improvements needed to complete the project and/or distribute any surplus as provided by law. **Total Time for Completion is estimated to be from two to six years.**

ATTACHMENT A

ATTACHMENT B

FREQUENTLY ASKED QUESTIONS

about Neighborhood Utility Undergrounding

The following provides answers to many of the frequently asked questions about utility undergrounding and hopefully clears up some of the common misconceptions. At the bottom of the page there are links to additional information.

1. What is utility undergrounding?

Utility undergrounding is the process of placing all overhead utilities (electric, telephone, and cable TV) underground. This also includes placing electrical facilities such as transformers underground.

2. What is the City's policy regarding utility undergrounding?

In 2006, the City Council adopted a City policy regarding utility undergrounding. The City supports the undergrounding of overhead utility wires and poles. Property owners are encouraged to work directly with SCE instead of involving the City to underground the power lines in their streets. In the event that this is not possible, the City will help assist residents in forming an assessment district to finance the undergrounding. The City Council will require a two-thirds (2/3) showing of support of property owners benefiting from the assessment district before an undergrounding project can begin.

3. Is undergrounding safe?

YES. In fact, undergrounding may be safer than overhead wires. In the event of an earthquake, the likelihood of someone being hurt from utility poles and wires falling is eliminated. When the wires are placed underground they are placed into conduit to prevent contact with water or other impacts from weather or fire.

4. Who pays for the utilities to be placed underground?

In residential neighborhoods, undergrounding of the utilities is paid for by property owners in the area through the creation of an assessment district. The project area or assessment district may be formed only if it is approved by the affected property owners following the combined procedures of Proposition 218 and the Municipal Improvement Act of 1913. The process is discussed in more detail below.

5. How much does undergrounding cost?

That depends on several factors, including the density of housing within a neighborhood as well as difficulty of construction (e.g., digging on narrow streets). Additionally, construction costs are rising fast due to the costs of goods and materials used in construction. Until the engineers have completed a thorough design, an accurate estimate cannot be made. However, under State law, you **cannot** be assessed until you are informed of what the exact cost will be. If the project in your neighborhood moves forward, you will know how much it will cost before you vote for or against the project. The average cost for property owners will likely vary between \$15,000 and \$50,000.

In addition to the assessment, which pays for the cost of placing the utilities underground, you will also have to hire a qualified electrician to switch your connection from the overhead wires to the underground system. This typically costs \$500-\$3,000 per home to complete.

6. That's a lot of money, what if I can't pay for it all right now?

If the project is approved by the property owners in the proposed project area, you will have a minimum of 30 days to pay for your share of the project after you receive a notice from the City. However, if you want you can stretch the payments over 20 years. The assessment will be included on your annual property tax bill until it is paid off.

7. What if I can't afford the assessment?

If you are a senior citizen (at least 62 years old), blind or disabled, you may be eligible to defer the cost of the assessment until you sell or transfer the home, at which time the assessment will be paid with the proceeds from sale of your house. Visit the California State Controller's Office website for additional information regarding this program at <http://www.sco.ca.gov/col/taxinfo/ptp/faq/index.shtml>.

8. How long will this project take to finish?

Based on the size of the project, the time from start to finish will average 2 to 6 years. Oftentimes, this is directly dependent on how cooperative property owners are with contractors who need to access their property to make new connections and utility services. While this may seem like a long time, undergrounding is complicated and requires careful design. It is extremely important that the assessment estimate given to you is as accurate as possible and provides with a significant amount of public input so that are well informed before you vote in favor or against forming an assessment district.

9. Will my electricity be out during the construction?

NO. During construction there will be some disruption because the streets in the area will be dug up, but your electricity, cable TV, and telephone service should not be affected. Only after everyone in the project area has connected to the underground system will the overhead wires and poles be removed.

10. How does the voting work?

Under the California State Constitution, each property owner in the proposed assessment district will receive a ballot in the mail. The property owner will then have 45 days to either approve or reject the proposed assessment. The ballot must then be returned to the City by the specified deadline if it is to be counted. The returned ballots are then counted during a public hearing at a City Council meeting.

The district is formed and the assessments are made if at least 50% of the weighted returned ballots are in favor of the assessment. Each ballot is weighted based on the proportion of the benefit derived from the assessment. This means the higher the assessment amount, the more weight is given to the ballot. For example, if your proposed assessment is \$20,000 that might equal one vote. Another person's assessment might be \$40,000 so their ballot would count as two votes.

11. Why can't the City pay for a part of this project?

The City of San Buenaventura is supportive of neighborhood undergrounding projects, however there are many competing infrastructure needs that must be met, such as repaving roads, repairing public buildings, and maintaining our parks. Also, undergrounding residential neighborhoods only benefits the residents and property

owners along their streets so they should be responsible for paying the costs for undergrounding.

12. I have heard of something called Rule 20A, what is that?

The California Public Utilities Commission (CPUC), which regulates companies like Southern California Edison, adopted Rule20A that requires Edison to set aside a portion of their revenues from the City of San Buenaventura for undergrounding of utilities. In general, Rule20A requires that the funds be used for projects in high traffic or public use areas. Edison annually sets aside approximately \$500,000 for undergrounding projects for our City. The City has used these funds in the past to underground wires along Thompson Blvd., Ventura Ave., and other locations throughout the City.

13. Why can't the Utilities pay for this project? It's their wires right?

Unfortunately, undergrounding is expensive and there is no legal requirement for the utility companies to underground their facilities.

14. What will happen to the streetlights?

In many areas throughout the City the streetlights are attached to the utility poles. In those cases, the undergrounding project will include the installation of new streetlights. Typically, standard marbelite streetlights will be installed.

15. I've heard about new technologies like fiber optics coming to residential neighborhoods. How does utility undergrounding fit into all of this?

New technologies such as fiber optics can exist both on overhead poles or underground. Currently when undergrounding projects take place, there is additional room for fiber optic cables to be laid down.

16. How much will undergrounding improve my property values?

Undergrounding may have a positive effect on property values due to improved safety, enhanced views and general aesthetic improvements. However, the City cannot determine the exact value for you. You might want to consult with a real estate agent or real estate appraiser for their advice.

17. Why can't the City incorporate undergrounding as part of other infrastructure improvements?

As previously mentioned it takes 2 to 4 years to plan, design and construct an undergrounding project. If the City were to incorporate undergrounding with other infrastructure projects, important improvements like sewer and water line replacements would be delayed. In addition, the methods of construction for undergrounding projects are different from traditional utility line improvements.

18. If I am opposed to this must I participate?

Yes. Although you will have an opportunity to vote on whether or not an assessment district is formed, in the event that it is, power lines along your street will be undergrounded and a new service connection will be required from the street to your meter located on your house. You will be responsible for hiring a contractor to place your service underground on your property. The City will help assist you at locating qualified contractors to complete this work.

19. I still have more questions, who can I call for more information?

Call the City of San Buenaventura (805) 654-7870 and ask to speak with the City Engineer.

ATTACHMENT C



City of San Buenaventura
Utility Undergrounding
Glossary of Terms

Assessment Diagram	The official map submitted to the County Assessor identifying all of the effected parcels and subdivisions.
Assessment District	The parcels of land specified in the Assessment Diagram that are required to pay for the undergrounding project
Assessment Spread	The method by which the total costs are divided amongst the parcels identified in the Assessment Diagram
Assessor's Parcel Number (APN)	The County's official identification of a parcel of land
Boundary Map	See Assessment Diagram
Certificate of Sufficiency	The City of San Buenaventura requires that at least 67% of the affected property owner sign a petition support the formation of an assessment district. The Engineer of Work will certify that at least 67% of the affected property owners have signed the petition.
Engineer of Work	A duly certified registered public engineer directed to prepare the Engineer's Report
Engineer's Report	The official report provided to the City Council and each affected property owner detailing the exact costs of the proposed assessment, the method of calculating the assessment, and a detailed assessment diagram
Municipal Act of 1913	The legal authority under which assessments for improvements can be made.
Proposition 218	Approved by the voters in 1996, Prop. 218 expands on the requirements of the Municipal Act of 1913 and requires that affected property owners receive a mailed ballot. In addition Prop, 218 requires that any new or increased local, general taxes be submitted to the voters for approval.
Resident Petition	The official City petition that must be signed by at least 70% of the property owners in the proposed district.
Resolution of Intention	A Resolution of the City Council formalizing its intention to create an assessment district after receiving the petitions
Utility Undergrounding	The process of placing overhead utility wires and facilities underground
Weighted Ballot	Under Prop. 218, each property owner in a proposed assessment district receive a weighted ballot proportional to the benefit received from the assessment. Meaning the higher the benefit, the greater the weight of the ballot.

