

**City of  
Manhattan  
Beach**



Steps for Forming a  
**Private Residential  
Utility Underground District**

*For additional information about  
issued not addressed in this brochure,  
please see the Utility Undergrounding  
Fact Booklet provided by the City.*

Prepared by the  
**MANHATTAN BEACH  
PUBLIC WORKS  
DEPARTMENT**

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### 1. Obtain packet

The first step to starting a neighborhood undergrounding project is to obtain this booklet, “Steps For Forming a District” from the City.

### 2. Form a Neighborhood Committee

It is strongly recommended that you form a local committee of interested residents to assist you with this project. A committee of 3-5 people is probably sufficient. The Committee will be responsible for organizing neighborhood meetings, gathering support and signatures, and distributing information about the project.

### 3. Define your proposed boundaries

Once you have formed your local committee, discuss boundaries for your project based on where there are known or anticipated areas of support for undergrounding. Ideally, project boundaries should be limited to 300 homes or less and fall along natural breaking points. The project must also be a minimum of 600 feet in length as required by the utilities.

### 4. Meet with Neighborhood Utility Undergrounding Coordinator

Once you have formed your local committee and defined your proposed boundaries, contact the City’s Neighborhood Utility Undergrounding Coordinator to confirm the boundaries and answer all of your questions. At that time, the City will begin the process to determine a rough estimate of the cost of undergrounding based on your area’s boundaries and housing density. Please keep in mind that the estimate provided is not a guaranteed price, but rather an ballpark figure based on known construction costs. Actual costs presented to residents will depend on building market conditions at the time the project is priced and constructed.

### 5. Hold general neighborhood meeting to gauge support for project

Based on the average estimated price per parcel, meet again with Committee members to gauge support for the project. Based on the consensus of the Committee and the neighborhood, the project will either move forward and signatures collected or terminate at this point.

### 6. Circulate petitions

This packet contains a sample petition and instructions. A formal petition must be circulated to and signatures collected from at least 66% of property owners in the proposed project area in order for the project to move forward. Signing the petition is not a vote, nor does it commit the resident or 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.

The City will provide the committee with a listing of all property owners for this purpose. It is important to stress that only property owners, rather than renters, are allowed to sign the petition. At the same time, the City will send an official notice out to 100% of the property owners of the defined area notifying them that a petition drive is underway to form an underground utility district.

**7. Submit the petitions**

Once you have contacted property owners in the proposed area and have collected at least 66% of signatures, submit the petitions and the project application to the City to be verified.

**8. City verifies signatures and sends out Validation Survey**

At this point, the City will verify that the signatures on the petition are valid property owners for the proposed area. In the event that the committee fails to meet the 66% signature requirement, the committee may decide whether to continue signature collection or terminate the project. If the 66% signature rate is achieved and verified, the City will send all affected property owners a Validation Survey to confirm their support for undergrounding. Homeowners will have 45 days to respond. Those surveys, which are returned, must also show a 66% support rate for undergrounding.

**9. Request appropriations for utility designs and consultant services**

After the signatures of the proposed district are verified and project is assigned a number, City staff will request a design quote from all three utilities. Using that price, staff will request appropriations from City Council to begin design plans.

City staff will also request funding for consultant services for the preparation of an Engineer's Report. An Engineer's Report, as required by law, details the estimated cost for each individual parcel in the proposed assessment district.

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 will 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.

**10. Utilities complete design plans and bid project**

Each utility will complete design plans for the project, beginning with Edison and then Verizon and Adelphia. These plans are the basis for pricing the project and completing construction. Residents will be given the opportunity to review and comment on the plans before they are finalized.

**11. Consultant prepares Engineer's Report**

The City will work with the Engineering consultant and the utilities in preparing the Engineer's report and the plans and specifications once plans are completed and the project priced.

**12. Council accepts Engineer's Report, and approves a Resolution of Intention; Voting is initiated.**

After the Engineering consultant officially submits an Engineering 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, formal voting procedures will be implemented.

A few days after approval by City Council, the City will prepare and mail official ballots to all of the affected property owners notifying them of their proposed share of the cost for undergrounding. Residents will be given 45 days to vote in support for or opposition to 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.

### **13. City Council conducts public hearing; counts mailed-in ballots**

During a regular City Council meeting, the City Council will hold a public hearing to receive comments from the public regarding the formation of an assessment district for the proposed project area. During the public hearing, the mailed-in ballots will be counted. If at least 50% + 1 of the weighted returned ballots are in favor of the district, the Council may form the assessment district and order the assessment diagram to be recorded with the County Assessor.

### **14. 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, typically within one week of formation. The property owners will then have three payment options.

- Pay in cash within 30 days of receiving the Notice to Pay Assessment.
- Spread the payments over 20 years (with interest) as part of the annual property tax bill. The City will provide the County Assessor with a list of all of the unpaid assessments, which will be added to the Assessor's tax roll and will be billed with other ad valorem taxes (property taxes).
- Defer some or all of the assessment until the sale or transfer of the home for qualified individuals.

### **15. Award construction and bond sale contracts**

The City also sell bonds to finance the work. The bonds will be repaid through the payment of the assessment. Once paid, the utilities will award the project to the low bidder and construction will commence.

### **16. Construction commences**

The City will notify all residents about construction details and timelines. Information will be provided to residents regarding hooking-up to the underground system once construction is complete. The Neighborhood Utility Undergrounding Coordinator and the project engineer will be available to answer your questions and concerns throughout the construction phase of the project.

### **17. Official notice is sent notifying residents 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. Residents will be given 180 days to complete their service conversions. The cost for this work will be unique to each property and will be dependent on whether a home already has private property underground conduit and/or service. The Fact Booklet and/or

website has additional details on anticipated costs. Residents who need to install conduit will need to hire an electrical contractor to prepare their homes for the conversion.

### **18. City completes residential conversions for those who have not connected.**

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. This approach is typically more expensive than if the homeowner coordinates the work directly.

### **19. Utilities cable infrastructure and convert residents to the new underground system.**

The utility companies will begin cabling the mainline system at the conclusion of the residential conversion phase. Once completed, they will begin scheduling individual residential conversions. The speed at which Edison can complete its conversion phase will depend on the reliability of electrical contractors to participate on scheduled cut-over dates. Verizon and Time Warner do not need to coordinate cut-overs with electrical contractors.

### **20. Utilities remove poles and wires**

After cabling has been installed and 100% of the properties within the district have connected to the underground system, the utilities will come in and switch the system from overhead to underground and remove the poles and wires from the area.