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# STEPS FOR FORMING A PRIVATE RESIDENTIAL UNDERGROUND UTILITY ASSESSMENT DISTRICT (UUAD)

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

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# ACTIONS

## 1. REVIEW UUAD GUIDANCE DOCUMENTS

The first step to starting a neighborhood undergrounding project is to review this document, “Steps for Forming a Private Residential Underground Utility Assessment District”, as well as the “Utility Undergrounding in the City of Manhattan Beach Fact Booklet”. Both documents are available on the City’s website, at [www.manhattanbeach.gov/uuad](http://www.manhattanbeach.gov/uuad).

## 2. CONTACT THE CITY’S UUAD PROJECT MANAGER

After reviewing the UUAD Guidance Documents, contact the UUAD Project Manager to find out if there are any current efforts underway to form an undergrounding district in your neighborhood. If the district formation process has not been formally initiated, the UUAD Project Manager may still be able to put you in contact with other individuals in your neighborhood that are interested in utility undergrounding.

Additionally, the UUAD Project Manager can provide information about the proposed 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.

Lastly, the UUAD Project Manager can confirm if there are City funds potentially available to initiate the utility design process for your proposed district. If City funds are not available, property owners within the district will need to either pay the utility design fees and the Assessment Engineer’s fees out-of-pocket, as further described in Step 9, or wait until City funds are available before proceeding through the district formation process. If property owners prefer to wait until City funds are available, the UUAD Project Manager can add the proposed district to the list of neighborhoods that have expressed interest in undergrounding but are awaiting City funding.

## 3. FORM A NEIGHBORHOOD COMMITTEE

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

If your proposed district is intending to self-fund the utility designs and the Assessment Engineer’s fees, the Committee should discuss a plan to solicit these at-risk funds from property owners within the district.

## 4. MEET WITH THE CITY’S UUAD PROJECT MANAGER

Once you have formed a neighborhood committee, and are reasonably confident that the Committee can raise the necessary design funds (if required), contact the City’s UUAD Project Manager to set up a Pre-Petition Planning Discussion.

The UUAD Project Manager can confirm your proposed project boundaries and answer your questions. At this time, the City will begin the process to develop a rough estimate of the cost of undergrounding based on the utilities involved, the boundary locations, and housing density.





Please keep in mind that the estimate provided is not a guaranteed price, but rather a ballpark figure based on estimated construction costs. Actual costs presented to property owners prior to the final vote will depend on construction market conditions at the time of contractor bid solicitation.

## **5. CITY PROVIDES ROUGH COST ESTIMATE AND PETITION FORMS**

Using input from the various utility companies, the City will develop an estimate of the assessment amount that each parcel owner should expect to be levied against their property upon successful formation of the undergrounding district. The estimate will be provided in the form of a cost range, and will be included on the petition form that is prepared by the City and provided to the Committee.

In addition to the petition form, the City will provide the committee with a parcel map and a list of all property owners within the district. It is important to stress that only property owners, rather than renters, are allowed to sign the petition. The City will send an official notice out to all property owners within the defined area notifying them that a petition drive is underway to form an underground utility assessment district.

## **6. CIRCULATE PETITIONS**

If City funding is available to support the development of utility designs for your district, 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. The Committee will be given a 6-month window to collect the necessary signatures.

If City funding is not available, and the proposed district is intending to self-fund the utility designs, a formal petition must be circulated to, and signatures collected from, owners representing a minimum of 50% of the land area within the proposed district.

Signing the petition is not a vote, nor does it commit the property owner 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.

## **7. SUBMIT THE PETITIONS**

Once the Committee has contacted property owners in the proposed area and collected the required number of signatures, the Committee will submit the petitions to the City for verification.

## **8. CITY VERIFIES SIGNATURES**

At this point, the City will verify that the signatures on the petition forms represent valid property owners for the proposed area. In the event that the Committee fails to meet the signature requirement, the Committee may decide whether to continue signature collection or terminate the project.

# ACTIONS

## 9. REQUEST APPROPRIATIONS FOR UTILITY DESIGNS AND CONSULTANT SERVICES

After the property owner signatures are verified, City staff will request a design quote from each of the utility companies. If City funds are available, staff will request appropriations from City Council to begin design plans for the proposed district. City staff will also request funding for an Assessment Engineer's 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.

If City funds are not available, property owners from the proposed district will be responsible to collect voluntary contributions from individual property owners to cover the cost of the utility designs and the Assessment Engineer's fees. 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 costs for these items will not be recovered. Therefore, any property owner who provides a voluntary contribution must sign an acknowledgment that the money is provided at-risk.

Refer to the UUAD Fact Booklet for more detailed information about utility design fees and consultant fees, as well as the potential availability of City funds to cover these costs.

## 10. UTILITIES COMPLETE DESIGN PLANS AND BID PROJECT

Each utility will complete design plans for the project, beginning with Edison, followed by Spectrum and Frontier, and any other impacted utilities. 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

After the project is priced, the City, the Assessment Engineer, and the utilities work together to prepare the construction specifications and the Final Engineer's Report.

## 12. COUNCIL ACCEPTS ENGINEER'S REPORT, AND APPROVES A RESOLUTION OF INTENTION; VOTING IS INITIATED

After the Assessment Engineer officially submits the Final Engineer's 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 undergrounding costs. Property owners will be given a minimum of 45 days to vote in support of, or in 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 larger assessment amount will have a higher weighted vote.



### **13. CITY COUNCIL CONDUCTS PUBLIC HEARING AND 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 several 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); or,
- Qualified individuals will have the option to defer some or all of the assessment until the sale or transfer of the home.

### **15. CITY COUNCIL AWARDS CONSTRUCTION AND BOND SALE CONTRACTS**

The City will sell bonds to finance the work. The bonds will be repaid through the payment of the assessment. Once paid, the utility companies and/or the City 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 property owners regarding connecting to the underground system once construction within the right-of-way is complete. The UUAD Project Manager will be available to answer questions and respond to resident concerns throughout the construction phase of the project.

# ACTIONS

## **17. OFFICIAL NOTICE IS SENT NOTIFYING OWNERS TO CONNECT TO THE UNDERGROUND SYSTEM**

Once construction in the right-of-way is complete, an official notice from the City will be mailed to all property owners explaining that they are required to connect to the underground system. Property owners will be given a minimum of 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 buried conduits and/or existing underground service feeds. The UUAD Fact Booklet has additional details on anticipated costs. Property owners who need to install conduit will need to hire an electrical contractor to prepare their homes for the conversion. The City maintains a list of electrical contractors that have expressed interest in performing this work, and will provide this list to the property owners.

## **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 connect to the system. If a property is not connected before the deadline, 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 THEIR NEW INFRASTRUCTURE AND CONVERT PROPERTIES TO THE 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. Spectrum and Frontier do not need to coordinate cut-overs with electrical contractors.

## **20. UTILITIES REMOVE POLES AND WIRES**

After cabling has been installed and all of the properties within the district have connected to the underground systems, the utility companies will remove the poles and overhead wires from the district.



# UTILITY UNDERGROUNDING FLOW CHART

- (1) Review UUAD Guidance Documents
- (2) Contact the City's UUAD Project Manager
- (3) Form a Neighborhood Committee
- (4) Meet with the UUAD Project Manager
- (5) City Provides Cost Estimate and Petition Forms

## If City Funds Are Available...

- (6) Circulate Petitions and Collect Signatures from 66% of Parcel Owners
- (7) Submit Petitions

- (8) City Verifies Signatures

- (9) Request Appropriations from Council for Utility Designs and Consultant Services

## If City Funds Are NOT Available...

- (6) Circulate Petitions and Collect Signatures from Owners representing 50% of the Land Area
- (7) Submit Petitions

- (8) City Verifies Signatures

- (9) Collect funds from Property Owners for Utility Designs and Consultant Services

- (10) Utilities Complete Plans and Bid Project
- (11) Consultant Prepares Engineer's Report
- (12) Council Accepts Report, Approves a Resolution, and Initiates Voting

- (13) Council Conducts Public Hearing and Counts Ballots  
If >50% of weighted ballots oppose undergrounding -> the Undergrounding District is dissolved  
If >50% of weighted ballots favor undergrounding -> the Undergrounding District is established  
Established Districts Proceed Through Steps 14 through 20
- (14) Property Owners Have 30 Days to Pay Their Assessment or Lien is Recorded

- (15) Council Awards Construction and Bond Sale Contracts
- (16) Construction Commences

- (17) Notice is Sent to Owners Notifying them to Connect to Underground System

- (18) City Completes Residential Conversions for Those Who Have Not Connected
- (19) Utility Cabling and Conversion to Underground System
- (20) Utilities Remove Poles and Wires