

**City of Piedmont**  
**UNDERGROUND UTILITY FORMATION POLICY**

**Policy**

The City of Piedmont strongly supports the formation of privately financed utility undergrounding projects and encourages residents throughout the City to work with their neighbors in bringing forward such projects for the benefit of their neighborhood and community. No General Fund monies shall be used to assist in the formation of a private undergrounding district except direct costs associated with the assessment of city owned property located within a private undergrounding district and indirect costs for staff time required to process undergrounding applications.

**Procedure**

Neighborhood groups wishing to form an Underground Utility District must conform to this procedure.

1. The City Clerk shall be responsible for preparing and maintaining public information regarding utility undergrounding and shall serve as the city's liaison between neighborhood undergrounding groups, the Engineer of Work, the Public Works Director, bond counsel and the general public.
2. When a Steering Committee of the neighborhood undergrounding group has been formed and a survey conducted by the committee regarding the general scope of the district, the City Clerk shall create an "Area Map". The map shall be prepared by the City Clerk on the Geographic Information System and shall be posted on the city's web site to inform the public regarding the scope of the proposed district.
3. The City Clerk will prepare an Official Petition for circulation and attach the Area Map described in item 2 above.
4. The Steering Committee shall be responsible for convening a meeting to which all homeowners in the proposed district are invited and at which time the Official Petition is made available for circulation. The Steering Committee shall be responsible for notifying in writing all property owners within the proposed district at least 15 days in advance of said meeting. The Steering Committee may continue to circulate the Official Petition until persons representing a minimum of 70% of the homes in a proposed district have signed the Official Petition at which time it shall be qualified for City Council consideration.
5. The City Clerk shall prepare a Preliminary Expense Agreement in a form acceptable to the City Attorney which shall include the costs for anticipated civil engineering, telecommunications engineering, legal expense (unless other financial arrangements satisfactory to the city have been established for the payment of legal expenses), tree reserve and contingency and any such other costs as may be necessary.

6. The Steering Committee shall deposit with the city funds in an amount not less than the total costs described in Item 5 above.
7. Upon receipt of signed Official Petitions, an executed Preliminary Expense Agreement, and funds described per Item 6 above, the City Clerk shall verify signatures and schedule City Council consideration on the matter as soon as practical.
8. Following appropriate public notice, the City Council shall consider an official Boundary Map prepared by an engineer, a contract with an Engineer of Work, a contract with Bond Counsel, a Resolution of Intention to form the district and such other documentation as may be necessary.
9. Subject to the City Council's findings that:
  - a. There are sufficient Rule 20A funds available;
  - b. That no other use for such funds is currently anticipated;
  - c. That there is sufficient homeowner support within a private undergrounding district; and
  - d. That the Steering Committee of the district has agreed to "bids before balloting",

the council may direct the City Clerk to prepare a letter to Pacific Gas & Electric Company guaranteeing engineering costs of up to \$150,000 for the district from the city's Rule 20A funds. The actual costs incurred shall be reimbursed to the city from bond proceeds when the district is established. In the event the district is not successful, Pacific Gas & Electric shall debit the city's Rule 20A funds for the actual costs of engineering.

In the event that a district does not agree to "bids before balloting", the Steering Committee must deposit with the city sufficient funds to pay for Pacific Gas & Electric Company engineering costs in addition to those other costs described in Section 5 above.

10. The Engineer of Work shall prepare plans and specifications for the undergrounding district and shall oversee the bidding of the project. The Engineer's Report which is presented to the City Council for its consideration shall be based on the low bid received. At the public hearing regarding the proposed assessments, the City Council shall either:
  - a. Approve the benefit assessment analysis by the Engineer of Work and order that ballots be prepared to determine continued support for the district; or
  - b. Shall reject the benefit analysis or make such other orders as it deems appropriate.

The Public Works Director has the discretion to retain an expert to review/audit the Engineer of Work's benefit assessment analysis.

11. Upon presentation of a report by the City Clerk regarding the results of a district ballot,

the City Council shall either:

- a. Pass a resolution declaring a Majority Protest if more than 50% of the weighted ballots received are negative, or
  - b. Use its discretion to determine whether or not to pass a Resolution Overruling Protests and Levying Assessments if more than 50% of the weighted ballots are affirmative.
12. Following the adoption of a Resolution Overruling Protests and Levying Assessments, the City Clerk shall produce such notices and file such assessments as are required by law.

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