

Utility Undergrounding
in the City of Manhattan Beach

Fact Booklet

January 2007





What is... Utility Undergrounding?

Utility undergrounding is the process of placing all overhead utilities (electric, telephone, and cable TV wires) and electrical facilities such as transformers underground. Street lights are also replaced with standard marbelite poles. The new street light arm heights and lengths should be unchanged, while the poles themselves will typically be narrower and shorter than the wood utility poles removed.

A Message From City Council

Dear Neighbors,

Your City Council has prepared this Utility Undergrounding Fact Booklet as part of our ongoing effort to keep you informed. Our purpose is to make sure that you have accurate and updated information about residential undergrounding proposals in our City.

For those homeowners in underground utility districts which have already been constructed or which have been approved by City Council, our Council has created an Assessment Deferment Program to address the concerns of our senior homeowners who do not have the present financial resources to pay for undergrounding. The program is described in detail in this booklet. Other residents may also qualify for financial assistance under the hardship exception program.

We recognize that undergrounding utility wires is one of the most challenging issues to face our community in many years. We are committed to remaining neutral and assure you that we will not become advocates for any position. We will, however, proactively meet with homeowners to provide and discuss accurate information, while dispelling any rumors and misinformation circulating throughout our community. We also commit to you that we will advocate on your behalf with the utility companies to ensure accurate pricing and increase their accountability and transparency. Our aim is to partner with the utility companies and work together to make undergrounding more affordable and efficient for those who support it, regardless of the size of the districts ultimately formed.

This Fact Booklet brings undergrounding to the forefront so that you can make informed decisions should a district be created in your neighborhood. Each and every homeowner within a district has the opportunity to cast a vote and be heard prior to district formation, while final approval of an underground district rests with the City Council. The Council has already demonstrated that undergrounding will only proceed in those districts where a clear majority of homeowners support it. For those of you throughout the City who are not in proposed undergrounding districts, we provide you with this information as concerned neighbors.

Sincerely,

Mayor Nick Tell
Mayor Pro Tem Jim Aldinger
Councilmember Joyce Fahey
Councilmember Richard Montgomery
Councilmember Mitch Ward



Utility Undergrounding in Manhattan Beach

How many utility underground districts are there in Manhattan Beach?

As of January 2007, 15 districts have been proposed by residents in Manhattan Beach. Of these:

- Five have been approved by property owners and are in various stages of construction and residential conversion (Districts 1, 2, 3, 5 and 6).
- Five are in the design planning stage and expect to be voted on by homeowners in the next 1-2 years following completion of the plans needed for open market bidding (Districts 8, 12, 13, 14 and 15).
- Five have been dissolved due to lack of support among affected homeowners based on the estimated cost of construction (Districts 4, 7, 9, 10, and 11).

How do I know if I'm in a district?

If you're not sure if you're in a district, you can visit the City's utility undergrounding web page (www.cityymb.info) for the most current information on whether your property lies inside or immediately adjacent to any of the colored areas on the undergrounding map. Alternatively, you may contact the City at (310) 802-5000 and ask to speak with the Utility Underground Coordinator. Please note that about 3% of properties in any given district originally lie outside the proposed boundaries, but are brought in if the home or building is connected to poles located inside the district AND the service wires cannot be relocated to other poles. Inclusion or exclusion of these homes is determined during the design planning stage.

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 is eliminated. The risk of utility wires coming into contact with water or other substances is also eliminated because the wires are placed in underground conduit. Additional benefits include improved electrical service and a reduction in fire hazards.

Will my electricity be out during construction?

NO. During construction there will be some disruption because the streets in the area will be dug up. However your electricity, cable TV, and telephone services should not be affected. You will experience a brief power outage when your house is converted to the new underground system, but you will be notified prior to the cut over and the outage should not last longer than 8 hours.

How do new technologies like fiber optics fit into utility undergrounding?

New technologies such as fiber optics can exist both on overhead poles or underground. Currently when undergrounding projects take place, there is additional room to include fiber optic cables. In fact, Verizon has been installing fiber optic cables in Manhattan Beach over the past two years, and service is now available in many areas of the City (including underground districts).

Here Are Some... Frequently Asked Questions



If You Have... More Questions After Reading This Brochure

Call the City of Manhattan Beach at (310) 802-5000 and ask to speak with the Neighborhood Utility Undergrounding Coordinator.



How Is A... Utility Underground District Initially Formed?



How Do I... Get an Underground Program Started in My Neighborhood?

You must first contact the City to obtain the “Steps for Forming A District” packet, or download the information from the City’s website at www.citymb.info. The packet outlines the steps that must be taken to start a project in your neighborhood.

After receiving the packet, take some time to review all of its contents. You should then contact the City’s Neighborhood Utility Undergrounding Coordinator by calling 310-802-5000. From there, we’ll discuss your project and what will be required from you and your neighbors to form a proposed District.

Forming A Proposed District

Utility underground districts are initially proposed by one or more homeowners in a particular area who favor undergrounding. Simply speaking, it is a homeowner driven process rather than a City-wide directive. For a district to be initiated, a homeowner must follow Steps 1-7 outlined in the City’s packet [Steps For Forming A District](#). In summary, these steps include:

- Canvassing the neighborhood to gauge support for undergrounding.
- Proposing district boundaries to the City. Ideally, a proposed district should include no more than 300 homes but must be at least one block long (or 600 linear feet). Additionally, the boundaries proposed must be compatible with the utilities’ networks (to be determined when boundaries are proposed).
- Obtaining and submitting petition signatures from at least 60% of homeowners within the defined area. The City will notify all property owners within the proposed boundary that such an effort is underway at the time a petition drive commences.
- Achieving a 60% Survey Validation rate based on the number of surveys returned to the City.

Once the district is recognized by the City, design plans will be requested from all participating utilities (Southern California Edison, Verizon and Time Warner). These design plans will become the basis for pricing a project, which in turn allows homeowners to vote for or against undergrounding knowing the exact cost of undergrounding utilities in the public right-of-way. This cost DOES NOT include the additional private property expenses a homeowner may incur. See [“What’s Included in the Cost to Underground Utilities”](#) on page 6 for a full description of the costs associated with undergrounding.

What if I want to opt-out of the district?

Opting out of a district may only occur during the district petition phase, when district proponents try to achieve the required 60% homeowner showing of support. It may or may not be possible for some homes to be excluded from a proposed district (i.e., opt out), and depends on: 1) where the home is located relative to the district’s proposed boundaries, and 2) the level of support for or against undergrounding of nearby homeowners. A district’s boundaries may morph during the petition drive to include those homeowners most favoring undergrounding and exclude those most opposed, provided the boundaries are compatible with both the utilities’ networks and the City’s district boundary guidelines. However, once final boundaries are set, petitions have been submitted and a Validation Survey has been mailed by the City to affected homeowners, the boundaries may not change (i.e., no opting out at this stage). Because the City notifies all potentially affected homeowners at the onset of a petition drive, homeowners will have plenty of opportunity to campaign for or against undergrounding during that drive.



Approving A Proposed District

Once a proposed district has been initiated and design plans finalized, the project will be priced for construction and the following steps will occur:

1. Each property owner in a proposed district will receive a ballot in the mail identifying his/her share of the project cost and will have a minimum of 45 days to consider support for or opposition to the proposed assessment. Under California State law, you CANNOT be assessed until you are informed of what the exact assessment will be and provided the opportunity to cast your vote either for or against that assessment. Please note that the assessments presented on the ballot do not include the additional private property expenses that may be incurred to complete the undergrounding project. See [“What’s Included in the Cost to Underground Utilities”](#) on page 6 for more information.
2. Each ballot must be returned to the City by a specified deadline; those returned are counted during a City Council public hearing.
- 3a. **For Districts 8, 12, 13 and 14:** Under Council policy, the project area or utility underground assessment district is formed only if: a) it is approved by a 50% majority of the affected property owners who vote AND the weighted returns are also greater than 50%, and b) a resolution is passed by a majority vote of City Council following the combined procedures of CA Proposition 218 and the Municipal Improvement Act of 1913.
- 3b. **For Future Districts 15 and Above:** Under Council Policy, the project area or utility underground assessment district is formed only if: a) it is approved by a 60% majority of the affected property owners based on the ballots cast AND the weighted returns are also greater than 50%, and b) a resolution is passed by a majority vote of City Council following the combined procedures of CA Proposition 218 and the Municipal Improvement Act of 1913.

Once approved, the assessments presented cannot be increased without implementing new balloting and voting procedures.

What Does “Weighted Return” Mean?

CA Proposition 218 mandates that the value of each vote be weighted according to the proposed underground assessment presented to each parcel. This means that parcels with higher proposed underground assessments will have a stronger vote. For example, a vote given to a parcel receiving a \$40,000 proposed assessment would count for twice as much as a vote given to a parcel receiving a proposed \$20,000 assessment. A proposed utility underground assessment is not the same as and is not based on the Assessed Tax Value of your home.

How is A... Proposed District Approved by Voters and City Council?



How Long... Does It Take An Undergrounding Project to Finish?

Based on the size of the project, it will typically take 3-5 years to complete once funds are authorized by the City to initiate design plans. While this may seem like a long time, several steps must be accomplished. These include:

- Creation of Utility Design Plans (up to 2 years)
- Review, Pricing and Voting Procedures (6-9 months)
- Construction (6- 9 months, typically)
- Cabling and Residential Connections (9-12 months)
- Pole Removal (3 months)



What is... An Assessment Methodology and How is it Derived?

California State Proposition 218 requires that an Assessment Methodology be conducted by a professional Assessment Engineer when allocating the cost of a project among parcels within a defined area. It is based on a particular formula that first evaluates the direct benefit(s) that each parcel will receive as a result of the project, and then allocates a proportionate share of the total project cost to each parcel based on those benefit(s).

In developing an Assessment Methodology (i.e., a formula), the benefits considered by the Assessment Engineer must be appropriate for both the district and the proposed project, as well as be legally defensible and supported by City Council. In the City of Manhattan Beach, the Utility Undergrounding Assessment Methodology considers Safety and Enhanced Reliability, AND Improved Neighborhood Aesthetics in deriving an assessment for each parcel in the district. Please note that:

- Ocean views are not considered because they are not a protected right in the City of Manhattan Beach and are subject to change at any time based on surrounding development.
- The value of your home and property cannot be used in deriving individual assessments, nor is an assessment formula based on your property tax amount.

What's Included in the Cost to Underground Utilities?

In residential neighborhoods, undergrounding utilities is paid for by property owners. The cost includes: 1) the proposed assessment for undergrounding utilities in the PUBLIC RIGHT-of-WAY, and 2) PRIVATE PROPERTY EXPENSES associated with installing underground service connections from the property line to the house. The proposed assessment represents a collection of variables such as design, assessment engineering and financing fees, construction labor and materials costs, staff time, and the assessment methodology used to allocate project cost among all parcels in the proposed district (see sidebar, “[What is An Assessment Methodology and How is it Derived?](#)”). Private property expenses are further described below. Additionally, because the utility companies own and maintain the wires placed underground, both in the street and on your property, maintenance of these wires is paid for by them. However, if the conduit installed on your property fails, you will be responsible for the cost of repairing it. Please note that wires located underground may take longer to repair than overhead wires.

1. Public Right-of-Way Expenses (The Proposed Assessment)

Individual assessment amounts depend on the variables listed above as well as several other factors, including the district's housing density, the total trenching distance needed to underground utilities in the public right-of-way, and the difficulty of construction (e.g., digging in sand or through narrow streets). Please note that the **ULTIMATE COST** of undergrounding will depend on the financing option chosen by each homeowner once assessments are levied. For example, homeowners who elect to pay their assessment in full can expect to pay 9-12% less than the assessment presented due to the elimination of bond fees and capitalized interest. Conversely, homeowners who elect to “mortgage” their assessment will pay an annual installment **PLUS** interest for 20 years (much like a simple interest loan). Currently (2006/07), that interest rate is about 5%. The actual interest rate applied will depend on market conditions at the time the bonds are sold.

Until a thorough design is completed and the project priced for construction, an accurate estimate cannot be obtained. However, the range of assessments presented to homeowners of previously approved districts may help you estimate what your future assessment might be. See “[Past Assessments and Future Estimates](#)” on page 10.



2. Private Property Expenses (Not Part of the Proposed Assessment)

Each homeowner may or may not incur additional private property expenses in addition to proposed assessment described previously. It depends on when the house was built, the location of the utility wires serving the house, and whether underground conduit already exists on the property. See sidebar “Will I Incur Additional Out-of-Pocket Private Property Expenses if.”

If installation of conduit is needed for the service conversion, homeowners will need to hire a licensed electrical contractor to perform the work. Expenses incurred to make a home ready for underground service typically range from \$3,000 - \$6,000, OR MORE depending on parcel and house characteristics. Recent estimates for some neighborhoods have been:

Sand Section
\$1,500 - \$5,000,
with the average being \$3,000

Hill Section
\$3,000 - \$12,000,
with the average being \$6,000

The ACTUAL COST will depend on property characteristics such as the trenching distance needed from the street property line to the house connection point, the type and quality of the surface material(s) that must be disrupted (e.g., cutting concrete, removing brick or flagstone, digging in dirt) and whether the electrical panel box must be upgraded. Since every house is unique, the City is not able to accurately estimate what this additional cost will be for individual homes. Please note that if your electrical service panel and phone box are located on opposite sides of your house, you may need two trenches, thereby effectively increasing your out-of-pocket expenses.

The City encourages homeowners to consider additional private property expenses and to obtain quotes for such work prior to making any decision about undergrounding. Please note that private property expenses cannot be financed in conjunction with the proposed assessment unless the homeowner qualifies for the City-sponsored deferment program (see “Financing a Utility Underground Project” on page 8). Homeowners will be required to pay an electrical contractor in full when the work has been completed.

Will I Incur... Additional Out-of-Pocket, Private Property Expenses if...

1. My utility wires are already located underground to the nearest telephone pole and there are no overhead wires to my house?

Typically, No. Your home will be connected to the new underground system and your wires “picked up” by the utilities when cabling begins. However, if your underground connection is to a back yard pole with no street access, you will need to provide conduit to the new street point if it was not already installed by your home’s builder.

2. My house has overhead wires, but was built or significantly remodeled (+50%) after 1977?

Yes. \$500 - \$1,000 (typically)
Expenses should be minimal as the City required that conduit be installed when your house was built or remodeled unless an exemption was granted. Exemptions may have been granted to homes with utility poles located in the back yard between two property lines where there is no street access. If you do have conduit, you will incur the cost associated with connecting the new underground wires to your house connection points.

3. My house has overhead wires and was built prior to 1977?

Yes, if conduit was never installed. The cost depends on several factors as described under Private Property Expenses (to the right).



Financing A Utility Undergrounding Project

What Are My... Options For Paying An Assessment?

When a proposed district is approved by voters and City Council, three options become available to homeowners to pay the assessment. These include:

1. Pay the full amount within 30 days of receiving a “Notice to Pay Assessment” from the City. You can expect to pay about 9-12% less than the assessment presented due to the elimination of financing fees.
2. Pay Yearly. You can spread all or a portion of the assessment PLUS INTEREST over 20 years as a lien on your property tax bill. The interest rate is determined when bonds are sold to finance the total project and will be current market rate at that time.
3. Defer your assessment partially or completely. If you are over 62 and have a household income below thresholds established by the City and/or State of California, you may be able to defer all or part of your assessment until the sale or transfer of your home, at which time the assessment PLUS INTEREST ACCRUED will be due and payable. See “The City’s Assessment Deferment Program” to the right.

The sidebar, “What Are My Options for Paying the Assessment” explains the three payment options currently available. If financing a utility underground assessment over 20 years (Option 2), the total cost of the project will include the base value of the assessment (the principal) plus simple interest paid during that time. The following table provides examples of the total cost homeowners will have paid either in full within 30 days or over 20 years using three different simple interest rates.

| If the Proposed Assessment Is... | Then the Actual Assessment if Paid In Full Within 30 Days is Estimated to be... ⁺ | Or the Estimated Total Amount Paid Over 20 Years if Financed at the Following Simple Interest Rates is...* | | |
|----------------------------------|--|--|----------|----------|
| | | 5% | 6% | 7% |
| \$10,000 | \$8,800 | \$15,840 | \$17,195 | \$18,607 |
| \$20,000 | \$17,600 | \$31,680 | \$34,387 | \$37,215 |
| \$30,000 | \$26,400 | \$47,516 | \$51,582 | \$55,820 |
| \$40,000 | \$35,200 | \$63,356 | \$68,777 | \$74,428 |
| \$50,000 | \$44,000 | \$79,194 | \$85,970 | \$93,035 |

⁺ This is only an estimate of the cash value. The actual cash value will be base on the fees and projected capitalized interest subtracted at the time the district is approved.

* The yearly assessment payment due can be determined by dividing the total by 20.

The City’s Assessment Deferment Program

The City has created a tiered financial assistance (loan) program to help homeowners over age 62 with an annual household income of less than \$100,000 defer all or part of the cost of undergrounding utilities until the sale or transfer of their homes. The amount loaned by the City will accrue interest until it is repaid, with a fixed interest rate determined at the time the project commences. Qualifying for the program requires filling out an application form and providing certain information about your age, income and assets so that the City may determine your eligibility. The table on the next page illustrates the various levels of assistance available to homeowners. Other qualifying factors include:

- Applicant must be 62 years of age or older, or blind or disabled as defined by the IRS.
- The applicant must apply for funds within a specified period as identified on the “Notice to Pay Assessment” and may remain in the program until the sale or transfer of the property qualifying for assistance.
- Hardship exceptions will be considered for those who do not meet the established deferment criteria, although funding is not guaranteed.
- This program applies to the principal residence only.



Assessment Deferment Program Levels of Assistance

| Defined Taxable Income (DTI)* | Homeowner Pays.... | City Loans... |
|-------------------------------|---|------------------------------|
| \$24,000 or less | <i>Homeowner qualifies for CA State Property Tax Postponement Program**</i> | |
| \$24,001 - \$40,000 | \$0 | Full Assessment Amount |
| \$40,001 - \$70,000 | First 2% of Defined Taxable Income towards annual assessment | Balance of Annual Assessment |
| \$70,001 - \$80,000 | First 3% of Defined Taxable Income towards annual assessment | |
| \$80,001 - \$90,000 | First 4% of Defined Taxable Income towards annual assessment | |
| \$90,001 - \$100,000 | First 5% of Defined Taxable Income towards annual assessment | |

* The Defined Taxable Income (DTI) is determined by the inclusion and exclusion of certain income and expenses, as specified on the application for assistance.

** For more information about the State's Property Tax Postponement Program, please visit the State Controller's Office website at www.sco.ca.gov or call (800) 952-5661.

Homeowners with a household income of less than \$24,000 qualify for the CA State Controller's Office (SCO) Property Tax Postponement Program and thus are not eligible for assistance through the City's program. More information about the State program can be obtained by contacting SCO directly. Please note that homeowners need only qualify for the City's loan program during the initial application period (i.e., one time). The level of assistance available would remain the same over the duration of the deferment due to the program's funding pool constraints. For full program details, please contact the City's Finance Department at 310-802-5550.

Help Me Calculate How Much Assistance I Can Receive

Let's assume you are 66 years old, have a Defined Taxable Income (DTI) of \$55,000, meet other program guidelines, and your annual assessment is \$2,400. Under the City's program, you would qualify for partial assessment deferment under the income bracket \$40,001 - \$70,000 and thus be expected to contribute the first 2% of your DTI toward your assessment. The City would loan you the remaining balance due. The calculated amounts are as follows:

$$\begin{aligned}
 & \$2,400 \text{ Total Annual Assessment Due} \\
 & - \$1,100 \text{ Your Annual Contribution } (\$55,000 \times 2\%) \\
 & \hline
 & = \$1,300 \text{ City loans you this amount annually}
 \end{aligned}$$

Can I Also.. Defer the Private Property Expenses I Will Incur to Connect to the New System?

If you qualify for the City's Assessment Deferment Program, the additional cost to connect your private property to the new underground utility system may also be included. This one-time hook up expense would simply be added to your annual assessment the year the expense is incurred, and the qualifying balance would still be paid by the City according to the criteria established in the table to the right.

For example, let's again assume your annual assessment is \$2,400 and your annual defined taxable income is \$55,000. Under the City's loan program, you would pay the first \$1,100 of your annual assessment (2% x \$55,000), and the City would loan you the remaining balance of \$1,300. If your private property expense to connect to the new system was \$3,000, then in that year, the City would loan you \$1,300 + \$3,000 (or \$4,300).

If grant funds or donations become available to pay for private property hook up costs, the city will allocate them according to the greatest need until such funds are expended.



Why Can't the City Pay... For A Part of A Residential Undergrounding Project?

The City of Manhattan Beach is receptive to homeowners desire to pursue neighborhood undergrounding projects, and the City Council has set aside seed money to initiate those that qualify. However, there are many competing infrastructure needs that must be met, such as repaving roads, repairing public buildings, sewer lines and water lines, and maintaining our parks. If your neighborhood qualifies, the City Council will fund the initial engineering studies to determine the cost of the project. The seed money provided by the City will be added to the total cost of the project and recovered if approved by property owners. The City has also created a financial assistance program to help qualifying homeowners defer all or a portion of the assessment until the sale or transfer of their homes. For more information about this program and for all costs associated with undergrounding, see "Financing A Utility Underground Project" on page 8.

Past Assessments and Future Estimates

In the City of Manhattan Beach, five proposed assessment districts have been approved by homeowners, and their public right-of-way assessment ranges are provided in the two tables below (Phase 1 and Phase 2). Each district's assessment range reflects the unique dynamics of the area, i.e., timing in moving forward, housing density, size of the district, etc. It is anticipated that the remaining five districts (8 and 12-15) will be priced and voted on sometime in 2008 and 2009.

It is worth noting that neighborhoods with higher housing densities will be, on average, less expensive per parcel to construct due to the greater number of homes sharing the total cost of construction. For example, the four sand section districts witnessed significantly lower assessments than the hill section district because the lot sizes, and thus trenching distance per house, were much smaller.

Assessment Ranges for Approved Districts

The ranges provided below do not include the private property connection expenses discussed under "What's Included in the Cost to Underground Utilities?" on page 7.

Phase 1

| District No. | Formation Date | No. of Parcels | Per-Parcel Assessment Range | Total District Cost |
|--------------|----------------|----------------|-----------------------------|---------------------|
| District 1 | March 2004 | 186 | \$8,103 - \$13,087 | \$2,075,434 |
| District 3 | | 219 | \$4,978 - \$8,036 | \$1,478,538 |
| District 5 | | 173 | \$6,393 - \$10,591 | \$1,447,500 |

Districts 1, 3 and 5 are located in the Sand Section.

Phase 2

| District No. | Formation Date | No. of Parcels | Per-Parcel Assessment Range | Total District Cost |
|--------------|----------------|----------------|-----------------------------|---------------------|
| District 2 | November 2005 | 194 | \$33,482 - \$57,963 | \$8,103,771 |
| District 6 | | 304 | \$17,100 - \$29,087 | \$6,652,236 |

Districts 2 is located in the Hill Section
 District 6 is located in the Sand Section



Future Estimates

At the time petitions are circulated and signatures collected, the City can **ESTIMATE** future assessment ranges in today's dollars for a proposed district based on its housing density and known open-market construction prices. However, the City cannot forecast the **ACTUAL** assessments that will be presented because: 1) the project is typically priced 2-3 years after signatures are submitted to the City and 2) the construction market is volatile. Therefore, actual cost may be higher than that estimated. The lag in pricing is due to the time needed by the utilities to design construction plans for the district.

For districts already proposed (Districts 8, 12-15), the following table highlights the estimated assessment ranges in spring 2006 dollars. While not a guarantee of future prices, the values may help residents estimate what their assessments might be when these proposed districts are priced in 2008 and 2009 (projected).

| Proposed District No. | Projected Voting Date | No. of Parcels | Per-Parcel Assessment Range | Per-Parcel Average |
|-----------------------|-----------------------|----------------|-----------------------------|--------------------|
| District 8 | Spring 2008 | 146 | \$12,163 - \$20,525 | \$15,204 |
| District 12 | Summer 2009 | 229 | \$6,196 - \$10,300 | \$7,745 |
| District 13 | | 278 | \$11,288 - \$18,767 | \$14,111 |
| District 14 | | 245 | \$7,697 - \$12,795 | \$9,621 |
| District 15 | TBD | 74 | \$30,000 - \$54,000 | \$45,000 |

Districts 8, 12, 13 and 14 are located in the Sand Section.

District 15 is located in the Hill Section (formerly part of failed District 4)

Why Can't the Utilities Pay... For A Part of A Residential Undergrounding Project? They Own The Wires, Right?

There is no legal requirement for utility companies to underground their existing overhead facilities. However, Edison is mandated by the California Public Utilities Commission (CPUC) to set aside funds to pay for undergrounding projects in high traffic or public use areas such as Manhattan Beach Blvd., Sepulveda Blvd. and other locations throughout the City.

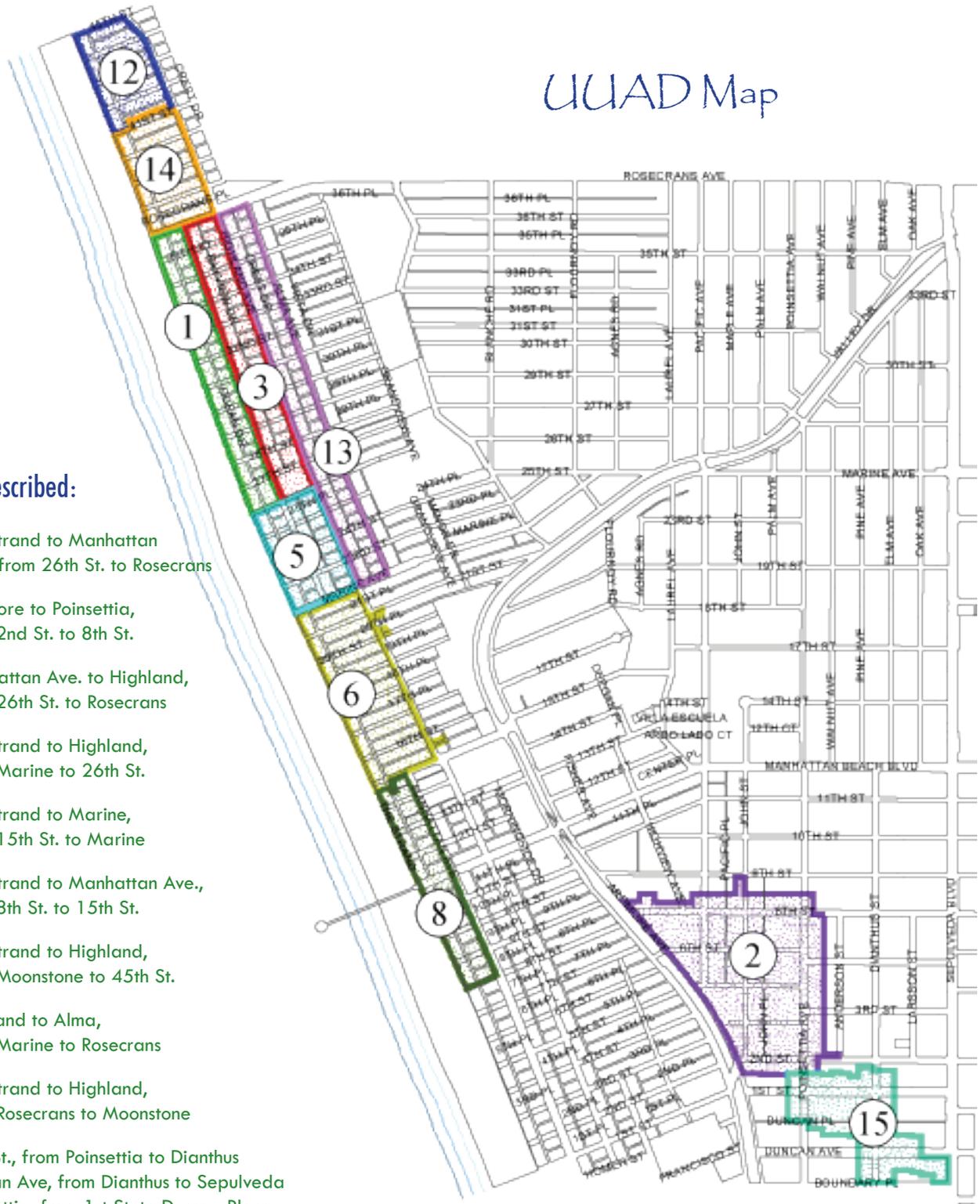
However, Edison does bear some costs associated with undergrounding, such as pole/wire removal and continued maintenance of the new system. Edison also credits each district the value of an equivalent overhead system if a new underground system is constructed. This credit results in a reduction of the total costs presented to homeowners.

Active Utility Undergrounding Assessment Districts

UUAD Map

General District Boundaries as Described:

- District 1* The Strand to Manhattan Ave., from 26th St. to Rosecrans
- District 2* Ardmore to Poinsettia, from 2nd St. to 8th St.
- District 3* Manhattan Ave. to Highland, from 26th St. to Rosecrans
- District 5* The Strand to Highland, from Marine to 26th St.
- District 6* The Strand to Marine, from 15th St. to Marine
- District 8^ The Strand to Manhattan Ave., from 8th St. to 15th St.
- District 12^ The Strand to Highland, from Moonstone to 45th St.
- District 13^ Highland to Alma, from Marine to Rosecrans
- District 14^ The Strand to Highland, from Rosecrans to Moonstone
- District 15^ First St., from Poinsettia to Dianthus
Duncan Ave, from Dianthus to Sepulveda
Poinsettia, from 1st St. to Duncan Place
Dianthus, from 2nd St. to Boundary Place



* These districts have been approved
 ^ These districts are in design (2007)

District Formation Flow Chart

