



MINUTES OF THE SRP TASK FORCE MEETING
Monday, September 21, 2009 7:00 P.M.
San Tan Conference Room. Development Services Building
22350 S. Ellsworth Road, Queen Creek, AZ 85242

1. **CALL TO ORDER** The meeting was called to order at 7:20 p.m.

2. **ROLL CALL**

Task Force members present:

Chairperson Pam Zamacona
James Miner
Alex Huilin Gao
Marion Memmott

Other

Stephanie Winn – SRP Public Involvement

Task Force members absent:

Thom Schuett
Karen Fehlman
Terry Walker

Staff present:

Lauren Krepitch	Management Assistant/Committee Manager
Tom Condit	Community Development Director
Laura Moats	Community Development Assistant

Members of the Public present:

3. **PUBLIC COMMENT:**

Members of the public may address the Task Force on items not printed on the agenda. There were no public comments.

4. **ITEMS FOR DISCUSSION**

A. Consideration and possible approval of the June 2, 2009 SRP Task Force Meeting minutes.

Chairperson Zamacona reviewed the minutes of the June 2, 2009 meeting. She asked Ms. Winn if the line siting information has been included in SRP bills. Ms. Winn responded it is difficult to do this since bills run throughout the month, and some of the line siting projects take a long period of time. If there is enough lead time, it may be possible to insert line siting information in the bills.

Motion: James Miner

To approve the June 2, 2009 meeting minutes as presented.

2nd: Alex Huilin Gao

Vote: All ayes. Motion carried 4-0

B. Update on Abel-Moody 230kV line

Community Development Director Condit reported he attended the Line Siting Committee meetings in early August. This was a series of three formal hearings, during which time SRP invited several witnesses to testify. Mr. Condit stated there may still be additional SRP witnesses to testify during the end of September. The ACC has a deadline for taking formal action at the end of this year/ beginning of next year. During the first night of public hearings, public comments were heard from Rittenhouse Residents Against Transmission Lines (RRATL), as well as residents from Queen Creek Ranchettes and Queens Park in Mesa. Mr. Condit noted a lot of good comments came out of these meetings. The Town is continuing to work with this committee and SRP to reach a good resolution. The Town's position remains the same according to the resolution passed by Town Council in October 2008.

The next round of hearings is scheduled to take place September 29 and 30 at the Phoenix Airport Marriott on 44th Street from 9 a.m. to 5 p.m. There will not be a special public comment portion; however, public comment may be taken during various points of the two hearings. Management Assistant Lauren Krepitch informed the Committee this information is provided on the Town's Web site.

Stephanie Winn (SRP) stated she and Mike Warner will both testify at these hearings. If the hearings are not finished in September, they will continue in October.

C. Review signage recommendation for sited power line routes

Ms. Krepitch reviewed discussion from the last meeting regarding the Town's process for signage. Ms. Winn added information, stating once SRP has sited a power line and identified the selected route, signs are often placed in the corridor every mile or half-mile depending on the area. The only 69kV line sited, but not built is the Morcom line from Ellsworth to the Empire Road (close to Riggs) Substation. Because the Town is embarking on a road widening project with the County, those signs have not yet been installed. Typically once SRP has acquired a right-of-way easement, signs will be posted in the right-of-way or on the existing poles. For a 230kV line, signs are placed in the right-of-way or placed on property with the owner's permission. Signs are also placed at future substation sites.

Ms. Winn illustrated the various specifications for each type of public notice sign, as well as pictures showing examples of the signs, including: 69kV signs, which are typically

white and 115kV and higher signs, which are typically yellow. She stated if there is nothing to nail the signs to, such as a post, the signs are posted on metal stakes. They are placed on the right-of-way or along the road facing where the line would be in the future.

Once the CC&N is provided, a "Future Site of Power Line" sign is installed. These signs include the name of the project, contact information and possibly the certificate number. Ms. Winn stated she is open to taking comments from the Task Force on suggestions for verbiage.

Ms. Winn asked the Task Force for comments on gateway locations and what type of information the Task Force would like put on the signs. The Task Force agreed that the intent was for the signs to be placed along the power line corridor. Ms. Winn asked that the exact wording be specified, such as "to be located along the corridor. Sited but not yet built." She stated SRP will continue to take responsibility for the cost and installation of the signs.

Ms. Winn distributed SRP Involvement Group pamphlets. James Miner stated he likes the fact that the signs include the name of the project.

Ms. Winn stated there are no other line sitings scheduled in the near future. The Morcom-Loop signs will be up within the week. The Abel-Moody signs will be installed once SRP has been issued the CC&N. In response to a question, Ms. Winn noted the Morcom-Loop line was a 69kV line project that went through the SRP process internally.

Marion Memmott asked how long the signs will stay up. Ms. Winn responded they will be removed once construction of the line begins.

D. Review Recommendation for a possible 69kV Undergrounding Policy

A City of Scottsdale *Memorandum* outlining key issues and costs involved in undergrounding power lines was distributed to the Task Force members. Community Development Director Tom Condit provided historical background, stating over the past 20 years Scottsdale has had various projects for which they've identified where the need exists for 69kV lines. This memo provides general information on:

- Associated Costs;
- Benefits of undergrounding power lines;
- Criteria that can be used to prioritize projects; and,
- Financing Options.

Mr. Condit cited a successful improvement district for one of Scottsdale's projects. The improvement district was formed and the entire undergrounding project was funded through public support and the improvement district. Similarly, Paradise Valley adopted an undergrounding policy in 1997, with the goal of having all 12kV and 69kV, Qwest and Cox lines undergrounded by 2012. Ms. Winn stated they are very close to reaching this goal. An APS 69kV circuit (single circuit) line at a cost of about \$1M per mile was completed back in the early 1990's. There were no more 69kV lines in Paradise Valley as of 1987.

Mr. Condit provided information on Queen Creek's most recent 69kV project in 2005-06. This project was the result of a decision to relocate a section of 69kV to Ocotillo Road. At that time, because the power line came closer to existing neighborhoods, it created neighborhood concern. Ultimately, this became a win-win situation. The Town was able to use its aesthetic funds to underground 12 kV lines. The 69kV lines were installed on poles; however, the 12 kV poles are underground.

Mr. Condit read SRPs policy on relocating existing lines and constructing new lines. He stated aesthetic funding ranging from \$200,000 to \$1.5 million per year depending on the project. More aesthetic funds are provided when substations are constructed.

Mr. Condit reviewed costs associated with undergrounding lines, as provided on the Scottsdale memorandum. He stated to underground one mile of 69kV line along Hawes Road in 2006 was approximately \$3M. The undergrounding of the 12kV just under \$1M. Differences in cost include: size of lines, differences in terrain, existing rights-of-way, number of service providers, population density, type of utility service, conflicting underground uses, excavation costs, and engineering costs. He noted the biggest factor for cost differences usually comes from conflicts with existing infrastructure.

Mr. Condit then reviewed the benefits of undergrounding power lines, including: beautification; equity; reliability; and health.

Ms. Winn provided additional information stating underground lines cause additional time for crews trying to troubleshoot, as opposed to overhead lines, with which it is easier to find out what has caused a power outage.

Mr. Memmott asked what type of maintenance fees are involved, outside of typical repair of the lines. Ms. Winn responded when 69kV lines are undergrounded, they are put in a larger conduit, which is more expensive. Gaining access to fix underground lines is more problematic. Conversely, once lines are installed on poles, there is not much maintenance involved. The lifespan of underground lines and overhead lines is about the same.

Regarding the *health* aspects, Mr. Condit stated the this issue remains the subject of much speculation and uncertainty. This portion of the memo reads: "*Electro-magnetic fields (EMF) radiation may pose health risks. Studies are inconclusive. Undergrounding may lessen exposure by placing wires below sidewalks, but it also may increase exposure by lessening the distance between the wire and the resident*"

Mr. Condit reviewed financing options for undergrounding power lines:

Improvement Districts: this follows a specific process with public hearings, signatures of property owners and a ballot card. Town Staff would need to conduct additional research to go in this direction. The Ellsworth Loop Road project/railroad underpass was done through an improvement district and it was very successful; however, undergrounding power lines would be a different type of project.

Direct Funding through Town's General Fund: The Town has a five-year Capital Improvement Project (CIP). If the undergrounding project is important enough to the Town and community, Council could identify it as a Strategic Project and

fund it through its General Fund. Whether this is done through hard money or aesthetic funds, a certain portion of the kV line could be identified for possible use of aesthetic funds.

Surcharge on electric utility bills. SRP does not have an example where this has been used as a funding mechanism, but has been used on APS projects.

Mr. Condit also discussed the potential use of development fees. He stated it would be unlikely, since development fees must have an equitable (not development-specific) benefit to the community. Mr. Condit informed the committee there is a current two-year freeze on development fees, as passed by the State of Arizona.

Mr. Condit suggested the two best funding sources may be the Improvement District process or identifying this as a key project for either CIP (General) or Aesthetic funds. Ms. Winn noted the area that benefits directly from the power line would be the homeowner's responsible for the cost of the Improvement District. She provided two examples of 69kV lines being undergrounded: Laveen and City of Phoenix. In each of these cases, aesthetic funds were used. The city paid for a portion of the line to be undergrounded. The remaining portion was paid for by developers as the area was further developed. She stated the Town of Gilbert is currently paying through their own General Fund to underground lines near the ASU East Campus (Cooley Station).

Ultimately, Scottsdale's recommendation was that the City not participate in the undergrounding project due to the enormous cost and perceived inequity to the community. Scottsdale did provide a policy alternative to contribute up to 10% or \$500,000 towards any Improvement District. (the City could contribute up to \$500,000 per year, and funds could accumulate up to \$2M per project). If this scenario was used for the Town of Queen Creek, it may take a very long time to raise the necessary funds, as the \$500,000 per year threshold for Scottsdale projects would be much less in our smaller community.

Chairperson Zamacona stated she felt the comparison was not similar since Scottsdale is a much bigger area with home values much higher than Queen Creek.

Mr. Condit stated the Town does have an existing ordinance in place that any electrical service under 69kV must be undergrounded, at the developer's cost.

SUGGESTIONS from TASK FORCE:

Mr. Condit stated action on this item will be the final recommendation of the nine original task force recommendations. The committee can choose to look at this in greater detail and come back with a recommendation to the Town Council, whether it be a policy, or recommendation for or against undergrounding power lines.

Chairperson Zamacona stated it seems this issue should be reviewed on a case-by-case basis.

Mr. Miner asked Ms. Winn to confirm if there are any future line sitings scheduled after this 230 kV line placement. Ms. Winn confirmed there are no additional line sitings scheduled; however, the six-year plan review is currently underway. Mr. Miner asked if

the 230kV Abel-Moody line is the backup redundancy line to prevent outages. Ms. Winn responded it is for reliability and load growth.

Mr. Miner asked if the 69kV lines will eventually be sited from the Abel-Moody project to provide redundancy. Ms. Winn confirmed that was correct, stating the new 230-kV substation is slated for construction in 2016. At that point, or in 2014, SRP will look at where lines need to be placed. Locations for these lines have not yet been identified. The substation will most likely be placed at Meridian/Riggs and the railroad.

Chairperson Zamacona stated she thinks it would be good for the Town to implement a policy putting responsibility on developers for placing 69kV lines underground, noting, however, that this would be difficult to do since development numbers will not be where they need to be, and the Town's budget has been decreased.

Mr. Condit agreed that in order to remain competitive, this would be tough to do. He stated this is a concern to which the Council is sensitive. He added the improvement district would be a way to look having developers fund undergrounding on a case-by-case, development by development basis. It was agreed something like this would work for a new development rather than an existing development.

Mr. Miner stated he thinks with 69kV lines not being sited for several more years, the Committee should not make any recommendations on undergrounding these lines. As a Committee member, it may make sense to look at undergrounding 69kV lines in the Town Center area only in order to protect and preserve this area. Ms. Zamacona agreed.

The Committee concurred to recommend reviewing undergrounding 69kV lines on a case-by-case basis in the Town Center area.

Mr. Memmott suggested possibly looking at undergrounding the lines on Ellsworth Road in front of the Circle K in the future.

Ms. Krepitch noted a key part of line siting is to ask for options from the Task Force and provide a number of routes, trying to avoid major intersections.

5. ANNOUNCEMENTS

- A. Ms. Krepitch noted this last discussion wraps up all the original recommendations for the original SRP Task Force. Town Council will be brought up to date on this Committee's discussions and recommendations at one of its future meetings.
- B. Ms. Krepitch noted some Committee Member's terms will soon expire. She will be contacting everyone to find out if they are interested in remaining on the committee. Also, in the future, this committee will be acting as a *Line Siting Committee*.
- C. Mr. Condit stated this committee will tentatively meet the beginning of 2010.

6. ADJOURNMENT

The meeting adjourned at 8:32 p.m.

SRP TASK FORCE

By: _____
Pamela Zamacona, Chairman

ATTEST:

Laura Moats, Community Development Assistant

I, Laura Moats, do hereby certify that, to the best of my knowledge and belief, the foregoing Minutes are true and correct copy of the Minutes of the September 21, 2009 Meeting of the SRP Task Force. I further certify that the meeting was duly called and that a quorum was present.

Dated this 21st day of September, 2009.

Passed and Approved this _____ day of _____, 2009.