

Capitola City Council

Agenda Report



Meeting: November 21, 2023

From: Public Works Department

Subject: Monterey Avenue Park PG&E Easement

Recommended Action: Authorize the City Manager to execute an Easement Deed granting Pacific Gas and Electric Company a non-exclusive utility easement for the installation of a gas distribution regulator station on City-owned property located adjacent to Monterey Avenue Park.

Background: Monterey Avenue Park is a City-owned property located at 700 Monterey Avenue, APN 036-151-02. The park covers 1.4 acres of land and contains a walking path, softball field, and open lawn space.

On May 25, 2023, staff presented a conceptual layout for a new Pacific Gas and Electric (PG&E) easement at Monterey Park and City Council authorized staff to negotiate an easement agreement.

Pacific Gas and Electric (PG&E) has an existing underground district regulator station (DRS) located below the City sidewalk immediately adjacent to a private residence at the corner of Monterey Avenue and Junipero Court. Natural gas is supplied to distribution pipeline mains from a high-pressure source that connects to, and flows through, a DRS. The DRS functions to reduce the pressure to a level that allows the gas to flow continuously at low pressure to customers. PG&E intends to rebuild this aging DRS to bring it up to current code and safety standards. The scope of the upgrade will also improve gas visibility within PG&E's system by incorporating real-time gas pressure monitoring equipment (SCADA).

The new DRS requires a larger footprint than the current facility. Upon evaluation of the site, PG&E discovered the existing private fence and backyard hardscape on the adjacent property are encroaching into the City right of way. Rebuilding the DRS in the same location as the current facility would require the removal of the existing private encroachments. Staff coordinated with PG&E to identify alternative locations for the new DRS that do not require the removal of existing private encroachments and on May 25, 2023, the City Council authorized staff to develop an easement agreement with PG&E for the installation of a DRS in Monterey Park.

Discussion: In order to install the DRS system in Monterey Park, the City will need to grant a 65-foot by 8-foot easement for PG&E's facility. PG&E has offered \$13,000 to the City in exchange for the easement and an additional \$3,000 in-lieu fees for the removal of two trees, resulting in a total compensation of \$16,000.

The easement, if granted, would confer upon PG&E the perpetual right to construct, maintain, and operate their equipment within the designated area. It is important to note this easement does not impose any restrictions on the size of PG&E's equipment and does not grant the City authority for design review. Additionally, it grants PG&E the right to trim or remove any vegetation that might obstruct their equipment within or near the easement. PG&E has also indicated that the City may retain the option to maintain some landscaping within the easement area.

The proposed design's impact on the public includes the need to replace 150 feet of sidewalk, install a new maintenance ramp, and reposition the decomposed granite path within Monterey Park. The project would result in the loss of approximately 360 square feet of grassy area and two trees. The existing facility would be removed, and the sidewalk would be restored in its original location. The new DRS would comprise two underground vaults, a SCADA cabinet equipped with bollards, and two 6-foot vent stacks (Figure 1). Nearly all the new equipment, except for one vent stack, would be located in the far corner of the park site. The new DRS is anticipated to have a noise impact similar to the existing system, typically producing a faint "hissing" noise during the morning hours.

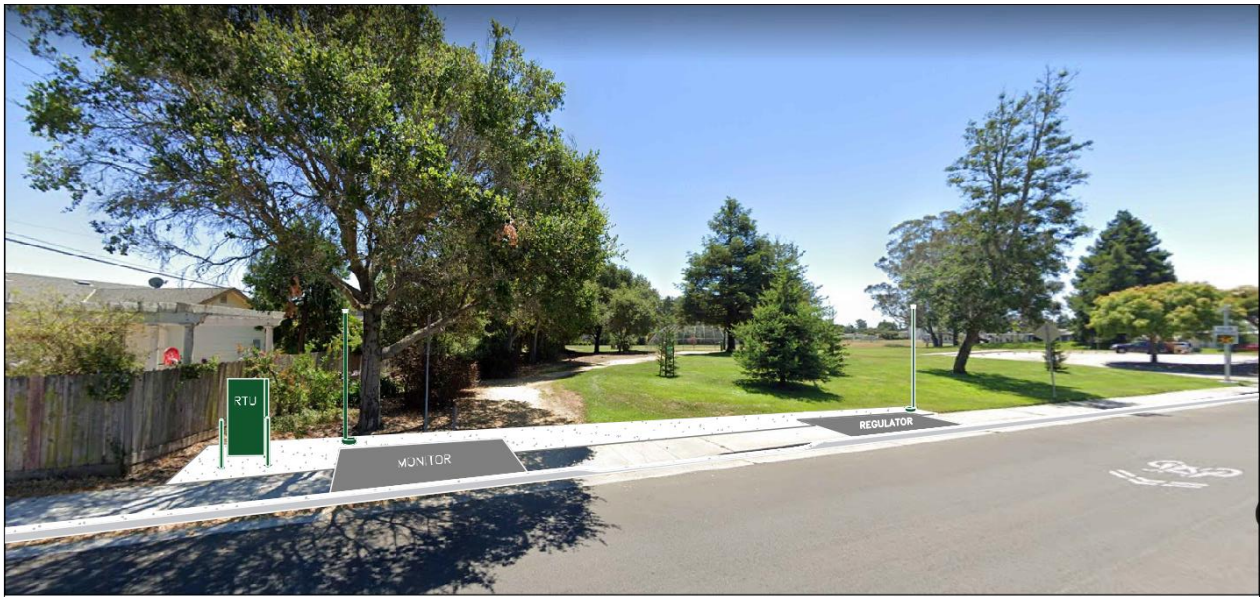


Figure 1. Rendering of DRS Equipment in Monterey Park

Environmental Determination: Authorizing the City Manager to grant an easement is not a commitment to a specific project that might result in a potentially significant physical impact on the environment. Accordingly, no further action is required pursuant to Section 15061(b)(3) of the State CEQA Guidelines.

Fiscal Impact: The \$13,000 in revenue will be placed General Fund, and available to allocate to future projects. Additionally, the \$3,000 in-lieu tree fee will be directed to the Community Tree Fund for the replanting of trees.

Attachments:

1. PG&E Letter, Deed, and Easement Map
2. Rendering of DRS equipment in Monterey Park

Report Prepared By: Jessica Kahn, Public Works Director

Reviewed By: Julia Gautho, City Clerk

Approved By: Jamie Goldstein, City Manager