

# Underground Utility District No. 6 and Rule 20A Program Update

---

City Council

May 28, 2026



# Utility District No. 6 and What is Rule 20A?



## CPUC Underground Utility Program

- Underground overhead utilities using utility-funded credits
- Administered through PG&E
- Program expires in 2033

## Projects Must Be Within Established Districts

- Adopted by Resolution
- Limited to arterial corridors, downtowns, and scenic areas
- New districts are not feasible before program

## Capitola Context

- Remaining opportunity is limited to existing District No. 6 implementation areas

# Utility District No. 6 and Existing Underground Utility Rule 20A Districts



## Established per Ordinance No. 384 (CMC 13.08)

- No. 1 (1975) – Village Core (South of Capitola Ave)
- No. 2 (1980) – Wharf Rd/ Cliff Dr Intersection
- No. 3 (1981) – West Grace St
- No. 4 (1984) – Village Expansion (Capitola Ave)
- No. 5 (1991/1993) – Capitola Rd (45<sup>th</sup> to Wharf

## Existing District Resolutions Generally Require

- **Corridor** Underground utility installation
- Relocated utilities to remain underground
- Removal of poles and overhead facilities

la Ave

# Utility District No. 6 and Undergrounding Benefits and Rule 20A Constraints



## Benefits of Undergrounding

- Improved aesthetics
- Reduced visual clutter
- Modernized utility infrastructure
- Potential reliability improvements

## Key Constraints

- Potential City cost exposure outside Rule 20A credits
- Easement acquisition
- Multi-year coordination effort
- Limited remaining program timeline
- Uncertain final cost and delivery timing

# Utility District No. 6 and Rule 20A Credit Status



## Current PG&E Rule 20A Credit Balance

- Approximately \$3.08 million available
- Approximately \$45,000 spent on 6A-1 development (not yet deducted)
- Additional planning and coordination costs continue

## Rule 20A Credits Generally Cover

- PG&E utility work
- Utility engineering and coordination
- Eligible underground utility construction

## City Responsibilities

- Traffic control
- Easement acquisition
- Replacement Street lighting

# Utility District No. 6 and District 20A No. 6 Background



## Established

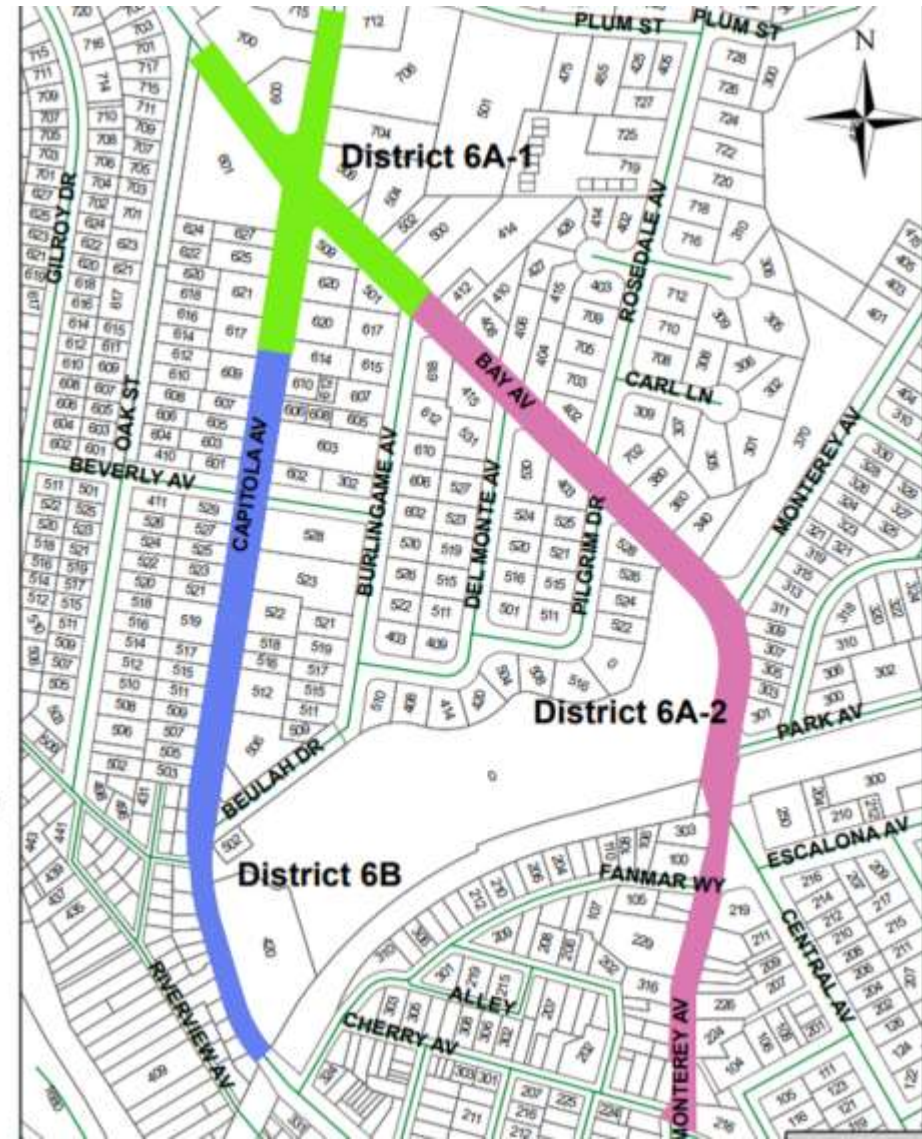
- 2000 by Resolution 3098
- 2019 District subdivided into:
  - 6A-1
  - 6A-2
  - 6B

## Phased Implementation

- Available Rule 20A credits
- Project feasibility

## Most Advanced Phase

- 6A-1 advanced furthest in planning and coordination
- Located near Bay Ave / Capitola Ave intersection



# Utility District No. 6 and RA-11 St. Aus



## Original Approach

- Coordinated with Bay / Capitola Avenue improvements
- Intended to combine roadway and underground utility work

## Benefits of Combined Construction

- Reduced duplicate restoration
- Improved construction coordination
- Minimized corridor disruption
- Shared restoration costs

# Utility District No. 6 and Bay / Capitola Avenue



## Work Completed

- Utility coordination
- Joint trench planning
- Preliminary engineering

## Current Status

- Bay / Capitola Avenue improvements no longer advancing
- Remaining issues include:
  - Utility participation
  - Easements
  - Final project cost

## Key Implication

- Standalone undergrounding costs and feasibility are less certain

# Utility District No. 6 and Rutland Ave District 6 Project



## 6A-2 – Fiscally Infeasible

- Retaining walls
- Significantly more utility/service connections
- Constrained corridor conditions
- Confirmed during prior PG&E field review

## 6B – Potentially Feasible Alternative

- Prior 6A-1 costs would reduce remaining credits
- Substantial new planning and coordination effort
- Easement, funding, and utility coordination issues remain unresolved
- PG&E cannot currently confirm alternate phase scheduling

# Utility District No. 6 and Rule 20A Paths Forward



## Option 1 – Continue Advancing 6A-1

- Existing planning and utility coordination completed
- Requires continued easement and utility coordination
- Standalone restoration costs uncertain
- May discontinue at any point if costs or

## Option 2 – Initiate Project for 6B

- Initiate substantial planning and coordination effort
- Unknown final cost and feasibility
- Potentially achievable before 2033

## Option 3 – Discontinue all Rule 20A Projects

- Notify PG&E City will not proceed
- Remaining Rule 20A credits forfeited

# Utility District No. 6 and Recommended Action



Receive information and provide direction regarding

- Continued advancement of District 6A-1
- Exploration of District 6B
- Discontinuation of District No. 6 undergrounding efforts

