



CAPITOLA CITY COUNCIL AGENDA REPORT

MEETING OF AUGUST 22, 2019

FROM: Public Works Department

SUBJECT: Consider a Resolution To Subdivide City of Capitola Undergrounding Utilities District No. 6

RECOMMENDED ACTION: Approve a resolution amending Resolution No. 3098 and subdividing a district within the boundary map for Undergrounding Utilities District No. 6.

BACKGROUND: On November 21, 2000, the City Council adopted Resolution No. 3098 that established Capitola Underground Utilities District No. 6 (District 6). The establishment of an underground district is governed by state law and Capitola City Municipal Code Section 13.08. Capitola Underground District 6 includes Capitola Avenue from Fanmar Way to approximately Plum Street, Bay Avenue from Oak to Monterey Avenue and Monterey Avenue from Bay Avenue to Cherry Avenue.

Undergrounding districts use funds set aside by PG&E to design and build the project. These funds, known as Rule 20A funds, are a tariff paid by PG&E customers and annually apportioned to jurisdictions on a formula basis. The funds are held by PG&E and used by PG&E for undergrounding projects selected by the City. Rule 20A funds must be spent on major arterial streets, public areas of scenic value, and downtown or civic core areas. They may not be used for undergrounding projects in residential areas; therefore the undergrounding project at the library is not eligible to use Rule 20A funds.

Until recently PG&E had tabled working on District 6 until there were sufficient Rule 20A funds in the Capitola set-aside account to proceed with the project. Staff has been working with PG&E to move the project forward to allow for reconstruction of the intersection at Bay Avenue and Capitola Avenue.

DISCUSSION: PG&E has agreed to proceed with an undergrounding project in the immediate area of the Bay/Capitola Ave. intersection. As part of the project, staff has been coordinating with PG&E, AT&T, and the other overhead utility providers. Through this effort staff has identified the need to update the map associated with Resolution No. 3098. The proposed update maintains the original limits of the overall District 6, but divides the District into smaller sections. Specifically District 6A is divided into District 6A-1, 6A-2. District 6B is not changed.

The proposed underground project will focus on completion of District 6A-1. The undergrounding of utilities at the intersection of Capitola Avenue and Bay Avenue is a necessary first step toward consideration of a future roundabout project at the intersection.

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Attachment 1 is Exhibit AA to the resolution, a map showing the proposed amendment. Attachment 2 is a copy of Resolution No. 3098 including the original District 6 map.

FISCAL IMPACT: As of March 31, 2018, the City's Rule 20A Allocation Account Balance is \$2,050,842. The annual allocation has been approximately \$45,000 each year. PG&E staff have begun estimating the scope and costs associated with completing section 6A-1 of District 6 and are confident that there are sufficient funds available to complete PG&E's portion of the project.

There will be some costs that the City will be required to cover such as street light installation and right-of-way acquisition costs. These costs are unknown at this time but are estimated at \$300,000. These funds will be budgeted in the Capital Improvement Fund when the schedule is further developed. Staff anticipates these funds will be needed in either Fiscal Year 2020/21 or 2021/22.

ATTACHMENTS:

1. Exhibit AA, Amended Undergrounding Utilities District No. 6 Map (PDF)
2. Resolution 3098 (PDF)

Report Prepared By: Kailash Mozumder
Project Manager

Reviewed and Forwarded by:



Jamie Goldstein, City Manager

8/15/2019

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA SUBDIVIDING AREAS WITHIN CAPITOLA UNDERGROUND UTILITIES DISTRICT NO. 6 PURSUANT TO MUNICIPAL CODE SECTION 13.08 OF THE CITY OF CAPITOLA

WHEREAS, the California Public Utilities Commission (CPUC) has authorized electric and telecommunication utilities to convert overhead utility lines and facilities to underground pursuant to Electric Rule 20 and Telecommunication Rule 32; and

WHEREAS, pursuant to certain criteria, CPUC rules allow participating cities and counties to establish legislation authorizing the creation of underground utility districts within which existing overhead electric distribution and telecommunication distribution and service facilities will be converted to underground; and

WHEREAS, Capitola Municipal Code Section 13.08 authorizes the City Council to designate areas within which all existing overhead poles, overhead wires and overhead equipment associated with the distribution of electric power, telecommunication services and cable television should be removed and replaced with underground wires and facilities; and

WHEREAS, each year the City of Capitola is notified by PG&E regarding the allocation of work credits for conversion of overhead electric distribution lines and facilities to underground, known as Rule 20A allocations; and

WHEREAS, on November 21, 2000, the City Council of the City of Capitola adopted Resolution No. 3098 which defined the terms and geographical limits of Capitola Underground Utility District No. 6; and

WHEREAS, the Director of Public Works for the City of Capitola has consulted with the affected public utilities and such utilities have requested amending Resolution No. 3098 to provide an updated map; and

WHEREAS, the Director of Public Works for City of Capitola has consulted with PG&E and determined that the City has accumulated sufficient Rule 20A work credits to complete the overhead to underground conversion project within District 6A-1 as shown on Exhibit AA attached hereto; and

WHEREAS, the Director of Public Works for the City of Capitola has consulted with the affected public utilities and such utilities have agreed that the designated Capitola Underground Utility District No. 6, and more particularly described in Exhibit AA attached hereto and incorporated herein by reference, meets the criteria established by the rules of the CPUC; to wit,

1. That such undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric facilities; and
2. That the street or road or right-of-way is considered an arterial street or major collector as defined in Capitola's General Plan.

WHEREAS, to the extent required, the City of Capitola has agreed to provide easements or

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rights-of-way on private property as may be necessary for installation of utility facilities in a form satisfactory to the affected utilities.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Capitola does hereby amend Resolution No. 3098 as follows:

1. Undergrounding Utilities District No. 6 is hereby amended by subdividing the two original sections, District 6A and 6B, into District 6A-1, 6A-2, and 6B but maintaining the original limits of the overall District 6 as shown on Exhibit AA.

The foregoing resolution was adopted by the City Council of the City of Capitola on the 22nd day of August, 2019, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Jacques Bertrand, Mayor




ATTEST:

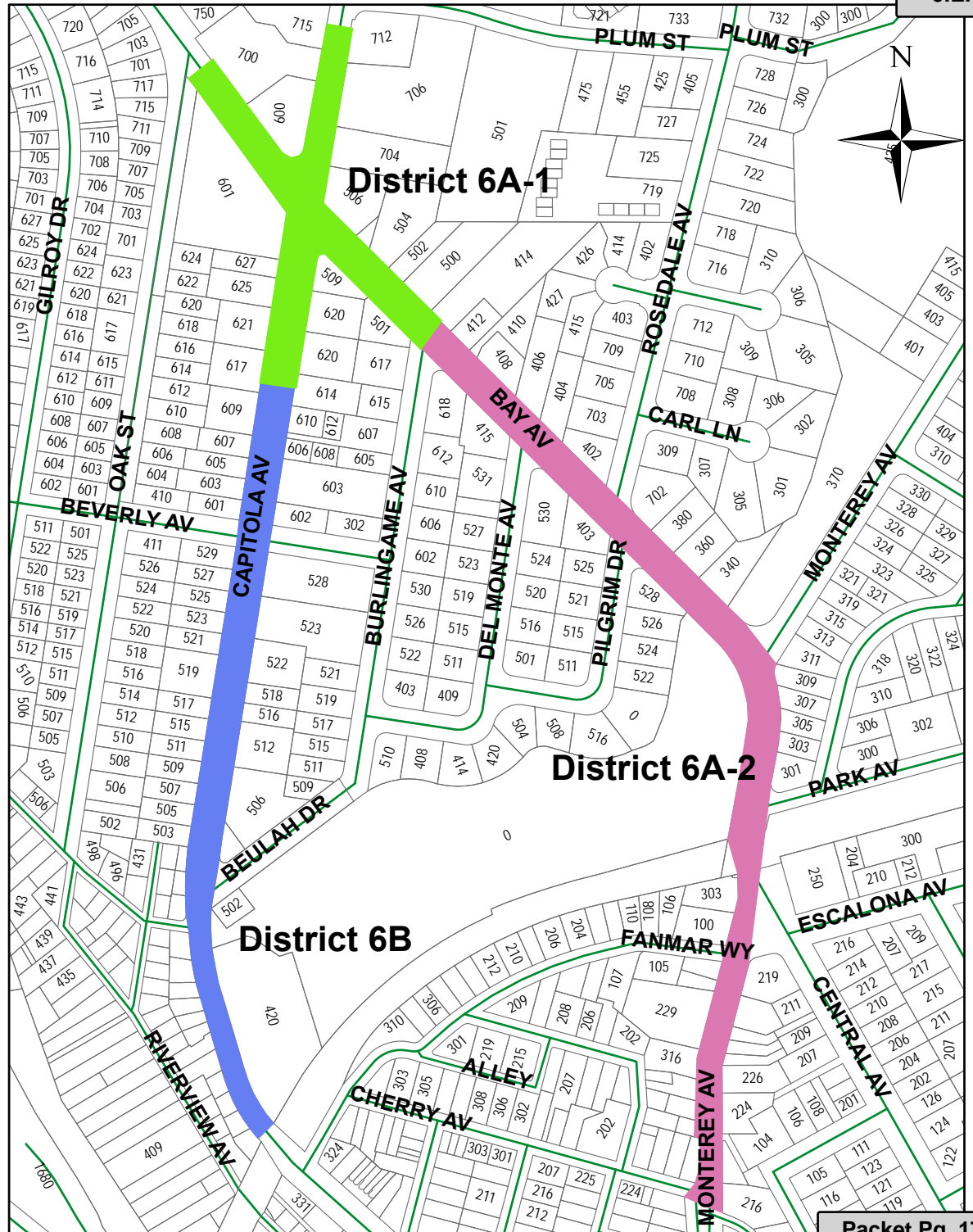
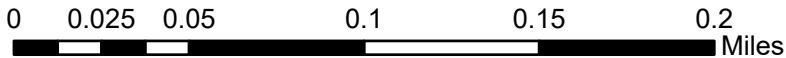
Linda Fridy, City Clerk



EXHIBIT 'AA' CITY OF CAPITOLA AMENDING UNDERGROUND DISTRICT 6

Legend

-  District 6A-1
-  District 6A-2
-  District 6B



Attachment: Exhibit AA, Amended Underground Utilities District No. 6 Map (Undergrounding)

RESOLUTION NO. 3098**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
DECLARING AREAS TO BE UNDERGROUND UTILITIES DISTRICT NO. 6
PURSUANT TO ORDINANCE NO. 384 OF THE CITY OF CAPITOLA**

WHEREAS, on September 14, 2000, the City Council of the City of Capitola ordered that a public hearing be held to give notice of intention to declare property in approximately the same area as the property described in Exhibit "A" attached hereto and by this reference made a part hereof; and

WHEREAS, all affected property owners and utility companies within the area described in Exhibit "A" were by mail given notice of the time and place of the public hearing at least ten (10) days prior to the date of the hearing, and notice of the hearing has been duly published as directed in said resolution; and

WHEREAS, the public hearing has been held as stated in said resolution and notices, and all persons interested have been given an opportunity to be heard.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that this Council finds, determines and declares that the public necessity, health, safety and general welfare require that the area described in Exhibit "A" attached hereto and made a part hereof be declared to be an Underground Utilities District and said area is hereby declared to be an Underground utilities District pursuant to City Ordinance No. 384.

BE IT FURTHER RESOLVED AND ORDERED that all utilities to be installed in the area described in Exhibit "A" attached hereto shall be installed underground, including up to one hundred feet (100') of customer service lateral, except as specified in Sections 70.5 and 70.6 of Capitola City Ordinance No. 384.

BE IT FURTHER RESOLVED AND ORDERED that this Council finds, determines and declares that the public interest, health, safety and general welfare require that whenever aboveground utilities which are in operation in the area described in Exhibit "A" attached hereto on the date this resolution is adopted, are to be reinstalled in a different location within said area, such utilities shall be reinstalled underground.

BE IT FURTHER RESOLVED AND ORDERED, that within ten (10) days after the passage of this resolution, the City Clerk shall notify all affected utility companies and all affected property owners by mailing them a copy of this resolution and a copy of Capitola City Ordinance No. 384.

BE IT FURTHER RESOLVED AND ORDERED that this Council finds, determines, and declares that the removal of existing poles, overhead wires and associated overhead structures and the underground installation of wires and facilities for supplying electric, communication or similar associated service within the area specified herein is in the general public interest for the following reasons:

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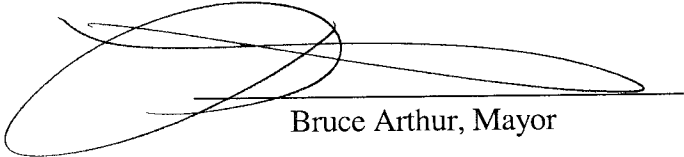
- 1. Such undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric facilities;
- 2. Said street or road or right-of-way is extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic; and
- 3. Said street or road or right-of-way adjoins or passes through a civic area or public recreation area or an area of unusual scenic interest to the general public.

BE IT FURTHER RESOLVED, that all poles, overhead wires and associated structures shall be removed and underground installation made in said Underground District No. 6 within the following times:

- A. Underground installation by utility companies and property owners and reconnections not later than September 15, 2004, for Area 6A as designated in Exhibit A; and September 15, 2005, for Area 6B as designated in Exhibit A.
- B. Removal of all overhead Pacific Bell communications facilities no later than 90 days after removal of PG&E overhead electrical facilities.
- C. Removal of poles, overhead wires and other associated overhead structures not later than December 15, 2004 for Area 6A as designated in Exhibit A; and December 15, 2005, for Area 6B as designated in Exhibit A.

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 21st day of November, 2000, by the following vote:

AYES: Council Members Ortiz, Gualtieri, Norton and Mayor Arthur
 NOES: None
 ABSENT: Council Member Harlan
 ABSTAIN: None

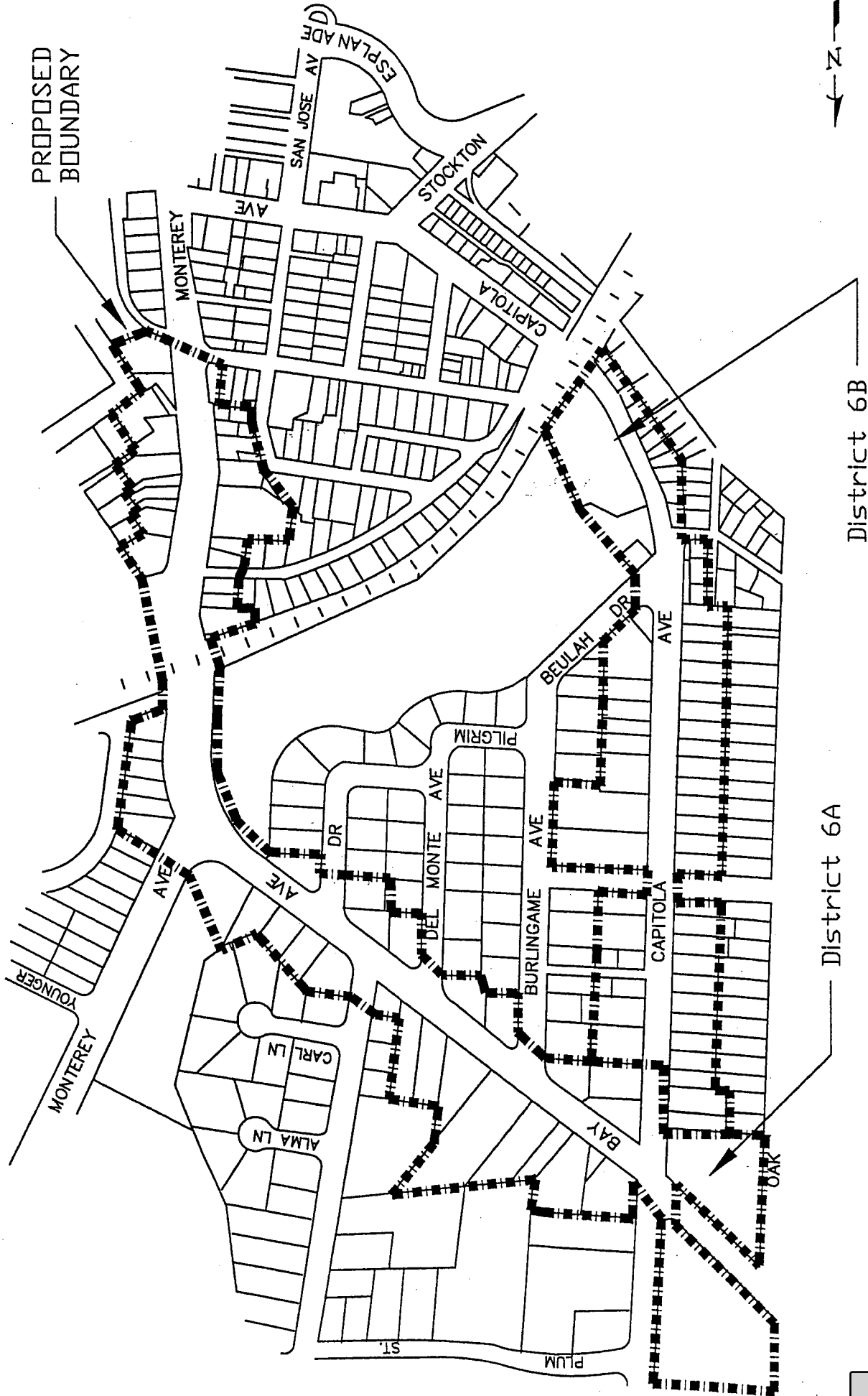


Bruce Arthur, Mayor

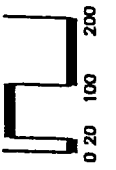
ATTEST:

Patricia Evans
 Patricia Evans, Deputy City Clerk

Attachment: Resolution 3098 (Undergrounding Resolution)



PROPOSED BOUNDARY



scale:

District 6B

District 6A

EXHIBIT 'A'
CITY OF CAPITOLA

Attachment: Resolution 3098 (Undergrounding Resolution)