Gautho, Julia

From: Kevin Maguire <kmaguire831@gmail.com>
Sent: Tuesday, September 8, 2026 1:27 PM
To: City Clerk; City Council
Subject: Agenda 9 C- Underground Utility District No. 6 and Rule 20A Program Update

Good evening Mayor and Council.

I want to comment on the Rule 20A undergrounding discussion and, in particular, the choice between continuing with the Bay and Capitola Avenue project, looking at Monterey Avenue, or simply letting this program go.

After listening to the discussion from last council meeting and reviewing the staff report, I think there is an important financial question that needs to come before the question of where we put the poles underground.

The approximately $3 million in Rule 20A credits is not $3 million in cash sitting in the City's bank account. It is a utility credit that can be used for eligible undergrounding work, and there are substantial costs that Rule 20A does not cover.

For the Bay and Capitola project, the last estimate was approximately $4.5 million, and that estimate is already several years old. We were told that construction costs have increased, and the City could potentially be responsible for a very substantial gap, along with easements, restoration, lighting, traffic control and other costs.

I have a hard time supporting the City spending potentially a million dollars or more of scarce local money simply because we have a credit that expires.

We have real infrastructure needs in Capitola. We have roads, sidewalks, the Wharf, the trestle and other projects competing for limited City resources. I don't think we should take money away from those priorities simply to make use of a Rule 20A credit.

That said, if the City is going to pursue undergrounding, I agree with the idea of looking at Monterey rather than Bay and Capitola.

Monterey is one of the most visible approaches into Capitola and has a much greater opportunity to produce a meaningful public and aesthetic benefit. If we're going to use a limited undergrounding opportunity, I would rather see it produce a significant benefit to the community than spend a large amount of local money to underground one intersection. **(Side note regarding the telephone pole in the sidewalk at Bay/Capitola, there appears to be an easement in front of the bank, or city property. To add 2 feet of sidewalk to make the wider is a lot simpler and cheaper than trying to underground only 4 poles)**

But I think there needs to be a very clear line drawn here:

If Monterey can be fully funded with the Rule 20A credits and outside grant funding, without requiring the City to come up with significant matching funds, then absolutely, let's investigate it.

But if Monterey also requires the City to commit substantial General Fund or other scarce local capital, I think we should let this go.

We shouldn't spend money simply because we have a credit. And we shouldn't spend staff time chasing a project that we already know we cannot afford.

I would encourage Council to ask staff and PG&E to provide the preliminary Monterey estimate, identify every cost that would fall outside the Rule 20A credits, and identify whether there is an actual grant or outside funding source available to cover those costs.

Then I think the decision becomes very simple:

If it can be done without a significant City contribution, pursue it. If it requires substantial City funding, move on and invest our limited resources in projects that are actual City priorities.

Thank you.

Kevin Maguire

Capitola since 74'