Public Works Department

Memo

To: Julia Gautho, City Clerk

From: Jessica Kahn, Public Works Director

Date: September 8, 2026

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

---

Following publication of the agenda, the City received the attached email from PG&E providing additional information regarding the potential Monterey Avenue undergrounding project. The information includes a preliminary Class 5 estimate of approximately $2.7 million and considerations related to project constructability and schedule.

The email is provided as additional material for the Council's consideration.

Gautho, Julia

From: Gautho, Julia
Sent: Tuesday, September 8, 2026 11:44 AM
To: Gautho, Julia
Subject: FW: Monthly Capitola Rule 20A Project Check-In PM35655679

From: Pace, Kathy <KAPH@pge.com>
Sent: Tuesday, September 8, 2026 9:40 AM
To: Kahn, Jessica <jkahn@cityofcapitola.gov>
Subject: RE: Monthly Capitola Rule 20A Project Check-In PM35655679

Classification: Public

Good morning, Jessica,

The preliminary Class 5 AACE estimate for the proposed Monterey Avenue project (Fanmar Way to Cherry Avenue) is approximately $2.7 million. This estimate is based on the projected footage and service count within the project limits, as well as historical data from similar Rule 20A projects. I do have concerns regarding the constructability of the services located behind the retaining wall. Should the City decide to pursue this project, PG&E would need to review the retaining wall as-built drawings during the design phase to evaluate potential construction approaches and ensure that any work can be performed without impacting the wall's structural integrity. Addressing this challenge would likely increase both project costs and schedule duration.

Regarding project feasibility, I would like to reiterate that PG&E's current planning assumptions indicate there may be insufficient time to complete the project that has already been designed. Introducing a new project that has not yet entered the design phase would create additional and significant risk that the project could not be completed prior to the CPUC mandated program sunset date.

Please let me know if you have any questions or would like to discuss.

Kathy Pace, PMP
Rule 20A Program Liaison, Municipal Projects & Programs
Pacific Gas and Electric Company
805-588-4117