

May 5, 2005

Honorable Mayor and Members of
the Hermosa Beach City Council

Regular Meeting of
May 10, 2005

**UNDERGROUND REQUIREMENT – SUBSTITUTE AGREEMENT BOND
WHEN IN A PENDING UNDERGROUND DISTRICT**

Recommendation:

That the City Council approve a substitute agreement bond in lieu program instead of requiring installation of underground service connections in pending underground districts.

Background:

As you are aware, there are a number of pending underground districts in the City and the builders/homeowners are required to provide a new utility connection underground to the pole. Staff has received a request from a homeowner constructing an addition in a pending district that is required to provide the underground utility connection pursuant to City Code. The homeowner has requested to sign a substitute agreement bond that would allow the overhead connection to remain until the district is voted. The homeowner, under such an agreement would post a bond or cash deposit and build the underground conduit to the property line. This would allow hook-up to the underground system when approved or used to go to the nearest pole if the district failed.

This approach would save the homeowner the cost of installing underground connection and then having it used for a short time before the area has the entire underground system installed.

This would only be available in districts that have completed engineering and are set for a vote during the next 12 months. The request has come from the Bonnie Brae district which will be ready for a vote this fall.

Respectfully submitted,

Stephen R. Burrell
City Manager