

May 17, 2005

Honorable Mayor and Members of
the Hermosa Beach City Council

Regular Meeting of
May 24, 2005

**ACKNOWLEDGE RECEIPT OF PETITION TO START UNDERGROUND UTILITY DISTRICT
PROCESS AND INITIATE DESIGN FOR THE BEACH DRIVE #2 UUD, AREA FROM
18th STREET TO 21ST STREET AND HERMOSA AVENUE TO THE STRAND**

Recommendation:

It is recommended that the City Council do the following:

1. Acknowledge receipt of petition to start the Beach Drive #2 Underground Utility District (UUD) formation process in the area from 18th Street to 21st Street and Hermosa Avenue to the Strand;
2. Authorize the Public Works Director to execute the Agreement with Southern California Edison in the amount of \$30,000 to design and provide cost proposal to underground their facilities in this District;
3. Authorize the Public Works Director to execute the Agreement with Verizon in the amount of \$35,520 to design and provide cost proposal to underground their facilities in this District; and
4. Advance \$65,520 from the Contingency Fund to the Beach Drive No. 2 UUD to pay for utility design services.

Summary:

We have received a petition from 51 of the 82 property owners in the described area (see ATTACHMENT 1 – Area Map) to start the process of undergrounding the utility services in their area. The petition exceeds the 60% signature requirement set up by City Council with an actual percentage at 62%. A copy of the petition is available for review in the Public Works Department. We are calling this proposed district Beach Drive #2 UUD because this area is immediately adjacent to and south of the Beach Drive Underground Utility District, from 21st Street to 24th Street, which was successfully formed last year.

The first step is for the utilities to perform the preliminary engineering and design. We've received design cost proposals from Southern California Edison for \$30,000 (see ATTACHMENT 2) and Verizon for \$35,520 (see ATTACHMENT 3). In addition to designing the new facilities, the utility companies will provide a detailed cost proposal for completing the construction of the new underground facilities, which will be used to determine the assessment amounts. The City has, in the past, paid for this work up-front and then has been reimbursed from proceeds from the successfully formed district.

When the utility companies have completed their preliminary plans, staff will bring this item back to Council for approval to enter into a contract with the consultants to prepare the Engineer's Report and perform the balloting procedures as required by Proposition 218.

Fiscal Impact:

This up-front cost of \$65,520 for utility design is to be advanced from the Contingency Fund. It is anticipated that balloting will be completed and bonds sold in FY 06/07 which will reimburse this advance.

Attachments:

1. Area Map
2. SCE agreement
3. Verizon agreement

Respectfully submitted,

Concur:

Richard D. Morgan, P.E.
Director of Public Works/City Engineer

Stephen R. Burrell
City Manager

Noted for fiscal impact:

Viki Copeland
Finance Director