

1 **GENERAL BUSINESS**

2 06/1121.14 Report on Final Survey Results for Proposed Utility Underground
3 Assessment Districts 8, 12, 13 and 14 and Consideration of an Appropriation
4 of \$220,000 for Engineering Services for Districts 13 and 14

5 With the aid of a PowerPoint presentation, Senior Civil Engineer Stephanie Katsouleas
6 presented the staff report. She explained the boundaries of Districts 8, 12, 13 and 14 and
7 provided detailed background information on utility undergrounding, including: the utility
8 undergrounding survey returns and the staff recommendations to (based on the 60% survey
9 threshold requirements) receive the staff report as a Certificate of Sufficiency to initiate
10 Districts 13 and 14, allocate \$180,000 from the general fund to begin design plans with
11 Southern California Edison, and dissolve Districts 8 and 12. Senior Civil Engineer Katsouleas
12 noted that Southern California Edison reduced the cost for District 13 by approximately
13 \$40,000 and that, because all but one property owner in Districts 1, 3 and 5 have pulled permits
14 to underground their utilities, the Public Works' contract for those districts will not be awarded.

15 In answer to questions from the Council, Senior Civil Engineer Katsouleas explained that, as
16 part of a previous utility undergrounding plan in District D, a number of homes in the El Porto
17 area already have underground utilities. She verified staff's intent to research how many of the
18 survey non-responders in District 8 are commercial properties.

19 The following individuals spoke on this item:

- 20 • Marva Woodard, Alma Avenue, District 13
- 21 • Robert Bush, No Address Provided
- 22 • Greg Cherep, No Address Provided, District 12
- 23 • Greg Zwernemann, No Address Provided, District 8
- 24 • Anna Collier, No Address Provided, District 13
- 25 • Martha Andreani, No Address Provided, District 8
- 26 • Patrick McBride, 5th Street and Peck Avenue
- 27 • Bev Morse, 900 Block of 1st Street
- 28 • Viet Ngo, No Address Provided
- 29 • Richard Sheehan, No Address Provided, District 13
- 30 • Jon Chaykowski, No Address Provided

31 **MOTION:** Councilmember Fahey moved: to receive and file the staff report on the final
32 survey results for proposed Utility Underground Districts 8, 12, 13 and 14; to receive and file
the staff report as a Certificate of Sufficiency to move forward with Districts 13 and 14; and to
33 appropriate \$180,000 from the General Fund to begin engineering design plans with Southern
California Edison. The motion was seconded by Councilmember Montgomery and passed by
the following unanimous roll call vote:

34 Ayes: Montgomery, Fahey, Ward, Aldinger and Mayor Tell.
35 Noes: None.
36 Absent: None.
37 Abstain: None.

The Council held a lengthy discussion regarding the misinformation disseminated against utility undergrounding with Councilmember Fahey stating that she believes it was an underhanded manner in which the information was distributed in District 12; that the previous support of utility undergrounding in District 12 until the time period for District 12 was extended by the Council at the request of opposing individuals and the misinformation about utility undergrounding was disseminated; and the idea of moving forward with a Proposition 218 vote for District 12, even though the 60% threshold for that district no longer exists. The Council also discussed the high voter turn out; the slight downward trend in favor of utility undergrounding; and the 60% threshold previously established by the Council in order to form a utility underground district.

Senior Civil Engineer Katsouleas confirmed that the survey results for District 12 were 60.5% in favor of utility undergrounding until misinformation was recently distributed.

City Manager Dolan advised that it will be necessary to appropriate \$80,000 for District 12 engineering costs.

MOTION: Mayor Pro Tem Aldinger moved to approve moving forward with District 12. The motion was seconded by Councilmember Montgomery and passed by the following roll call vote.

Ayes: Montgomery, Fahey, Aldinger and Mayor Tell.
Noes: Ward.
Abstain: None.
Absent: None.

MOTION: Mayor Pro Tem Aldinger moved to appropriate \$80,000 from the General Fund for District engineering design costs. The motion was seconded by Councilmember Montgomery and passed by the following roll call vote:

Ayes: Montgomery, Fahey, Aldinger and Mayor Tell.
Noes: Ward.
Abstain: None.
Absent: None.

With regard to District 8, the Council discussed an offer related by a speaker this evening for some residents to contribute \$80,000 toward future utility undergrounding design costs in an effort to prevent the dissolution of District 8. The Council noted that it has never been indicated that a district would not be dissolved if residents contributed needed funds; that residents in other districts were not given the opportunity to contribute funding before their districts were dissolved; that the City has spent approximately \$40,000 to date on District 8; and whether District 8 should move forward since the 60% threshold was not met, nor was there a clear majority in favor.

City Attorney Wadden advised that it is legal for the City to accept restricted gifts for restricted purposes such as utility undergrounding and that a monetary gift of that nature would reduce the total assessment amount.

MOTION: Councilmember Ward moved to dissolve District 8. The motion was seconded by Councilmember Fahey.

1 Council continued discussion included whether District 8 should be dissolved or move forward,
2 as well as the importance of making a decision and moving on. The Council considered the idea
3 of accepting the \$80,000 donation from residents and moving forward with a Proposition 218
4 vote on District 8, with the understanding that the \$80,000 would be forfeited if the 60%
5 threshold is not met.

6 **MOTION:** Councilmember Ward moved to dissolve District 8. The motion was seconded by
7 Councilmember Fahey and passed by the following roll call vote.

8 Ayes: Fahey, Ward and Mayor Tell.
9 Noes: Montgomery and Aldinger.
10 Abstain: None.
11 Absent: None.

12 **RECESS AND RECONVENE**

13 At 8:09 p.m. the Council recessed and reconvened at 8:24 p.m. with all Councilmembers
14 present.

15 Mayor Tell explained that, during discussion of Agenda Item 14 earlier this evening, he
16 incorrectly related that the survey returns for District 8 were against utility undergrounding (61
17 households in favor and 60 against) and that he mistakenly applied the 60% threshold to
18 District 8, when only a simple majority is necessary to move forward.

19 **MOTION:** Councilmember Fahey moved to reconsider Agenda Item 14 (Report on Final
20 Survey Results for Proposed Utility Underground Assessment Districts 8,12, 13 and 14, and
21 Consideration of an Appropriation of \$220,000 for Engineering Services for Districts 13 and
22 14). The motion was seconded by Councilmember Montgomery and passed by the following
23 unanimous roll call vote:

24 Ayes: Montgomery, Fahey, Ward, Aldinger and Mayor Tell.
25 Noes: None.
26 Abstain: None.
27 Absent: None.

28 Senior Civil Engineer Katsouleas clarified that the Council's previous determination required a
29 simple majority percentage of those voting, as well as a simple majority of the households for
30 Districts 14 and below, and a 60% threshold of the number of households responding for
31 Districts 15 and above, as long as the weighted vote is over 50%; that the District 8 survey
32 returns included 61 households in favor, 60 households opposed and 17 households non-
responsive (which equals a simple majority of 50.4% in support and 49.6% against); that
District 8 could move forward to a Proposition 218 vote within one year; and that Districts 7, 9,
10 and 11 were previously dissolved.

33 **MOTION:** Mayor Pro Tem Aldinger moved to approve District 8 moving forward to a
34 Proposition 218 vote and to accept the residents' contribution of \$80,000 toward District 8
35 engineering costs. The motion was seconded by Councilmember Montgomery and passed by
36 the following roll call vote:

37 Ayes: Montgomery, Aldinger and Mayor Tell.
38 Noes: Fahey and Ward.
39 Abstain: None.
40 Absent: None.