



# Staff Report

## City of Manhattan Beach

**TO:** Honorable Mayor Ward and Members of the City Council

**THROUGH:** Geoff Dolan, City Manager

**FROM:** Neil Miller, Director of Public Works  
Dana Greenwood, City Engineer  
Stephanie Katsouleas, Senior Civil Engineer

**DATE:** January 17, 2006

**SUBJECT:** Status Update Regarding All Existing Utility Underground Assessment Districts (UUADs 1-6), and Consideration of Future Proposed Underground Utility Assessment Districts 7-14.

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### **RECOMMENDATION:**

Staff recommends that the City Council:

1. Receive and file this status report regarding Underground Utility Assessment Districts 1, 3 and 5.
2. Receive and file this status report regarding current activities for the newly formed Utility Underground Assessment Districts 2 and 6.
3. Discuss the future of Proposed Underground Utility Assessment Districts 7-14 and provide direction to staff.

### **FISCAL IMPLICATION:**

There are no fiscal implications regarding UUADs 1, 3 and 5.

The total fiscal implications for Districts 2 and 6 are unknown at this time, and will depend on the initial trial ruling of a recently filed lawsuit (*John Chaykowski, Beverly Simons-Morse and Nancy McKeever vs. the City of Manhattan Beach*) and any future appeals filed. It is estimated that preparing for the initial trial will cost the City approximately \$5,000.00. Litigation expenses associated with an appeal could be as high as \$50,000.00 or more.

The fiscal implications for Proposed Utility Assessment Districts 7-14 are based on utility cost estimates for initial design plans. Edison and Verizon design fees for Districts 7-10 total approximately \$532,000 (ranging from a combined low of \$65,000 for District 7 to a high of \$210,700 for District 10) and do not include Adelphia's design fees (to be determined). The utilities design fees for Districts 11-14 were only recently requested from all three utilities and have not yet been received.

**STATUS REPORTS:**

***Underground Utility Assessment Districts 1, 3 and 5***

As projected, civil construction activities for UUADs 1, 3 and 5 were completed in December 2005. Over the next 4-6 months, the utilities will be installing the cables, wires and equipment necessary to energize the system. In December 2005, residents were sent notices (Attachment 1) stating that it is now time for residents to initiate private property service conversions, and that they must be completed by June 2006. This includes installing, on private property, the conduit necessary to link house connection point(s) to the public right-of-way service connection point(s) at the property line. The notice also included a list of qualified contractors who perform this type of work.

Once 100% of the homes are converted to the new underground system, the utilities will begin removing poles and wires. The entire project is expected to be completed by January 2007.

***Underground Utility Assessment Districts 2, 4 and 6***

Utility Underground Districts 2 and 6 were approved by the City Council on November 21, 2005 following tabulation of the ballots received which showed a majority support among property owners for undergrounding. Following approval, a Notice to Pay Assessment (Attachment 2) was sent to all affected property owners which identified three payment options. Staff also notified the utility companies of the districts approved so that bid documents could be prepared and released to a list of potential contractors. Construction was anticipated to start in April following selection of a contractor to perform the work.

However, on December 21, 2005, a lawsuit was filed (*John Chaykowski, Beverly Simons-Morse and Nancy McKeever vs. the City of Manhattan Beach*) to stop the work from proceeding on the basis that the assessment methodology used was flawed and that not all property owners were properly notified. On January 9, 2006, all affected property owners were sent notices (Attachment 3) informing them of the construction delay pending resolution of the litigation. Resolving this lawsuit could take anywhere from 90 days to 2 years, and will depend on the initial ruling of the trial court and any subsequent appeals. The City has elected not to sell the bonds necessary to complete financing for the projects until the final outcome is determined, and thus construction will not commence unless and until the litigation has been resolved in the City's favor.

Due to the closeness of the voting outcome, District 4 was not approved on November 21, 2006. Any future action will depend on steps taken by residents to define new district boundaries and reinitiate district formation activities according to established guidelines.

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**FUTURE PROPOSED DISTRICTS 7-14**

**BACKGROUND**

In 1990, the Manhattan Beach City Council adopted Resolution No. 4694 which details the City's policy regarding utility undergrounding of existing overhead utilities (electrical, telephone and cable). The resolution states, in part, "It is the desire of the City Council to be responsive to

residents who want to be assessed for utility undergrounding, as well as to respect those who do not wish to pay for utility undergrounding. Therefore:

1. Undergrounding will not be forced upon residents.
2. The City will respond to the requests of those desiring undergrounding, rather than being active supporters.
3. The City Council will require a two-thirds (2/3) showing of support of property owners benefiting from the assessment district before any Capital Improvement Funds will be appropriated.”

In 1998, the two-thirds (2/3) requirement was reduced to 60% by Resolution No. 5420 before City funds could be appropriated to initiate the formation process. California’s Proposition 218 only requires a majority (over 50%) approval of property owners within the District for it to be formed.

To date, a total of 14 neighborhoods have submitted petitions showing greater than 60% support among property owners to become Assessment Districts. All of these districts are located west of Sepulveda and are in various stages of progress. The status of Districts 1-6 is described above, and Districts 7-14 is as follows:

- Proposed Districts 7-10: In design with Edison; voting expected in 1½ -2 years.
- Proposed Districts 11-14: Quotes requested from utilities for plan designs.

Due to the escalating cost of undergrounding utilities, City Council directed staff to agendize this issue such that meaningful discussions could occur regarding the future of residential undergrounding within the City of Manhattan Beach.

**DISCUSSION:**

Individual assessments in Districts 1, 3 and 5 were considerably lower than those of Districts 2, 4 and 6. This was due to several factors, including:

- The combination of the high housing density and the lower-than-actual construction price quotes originally provided by the utility companies, resulting in relatively low assessments for Districts 1, 3 and 5.
- The omission of construction costs for undergrounding Adelpia’s network due to an oversight by Adelpia.
- A mandate by the Public Utilities Commission that utility companies begin using “prevailing wages” for all work performed starting in January 2005. This requirement contributed significantly to the escalating prices, as labor is a major component of the overall cost.

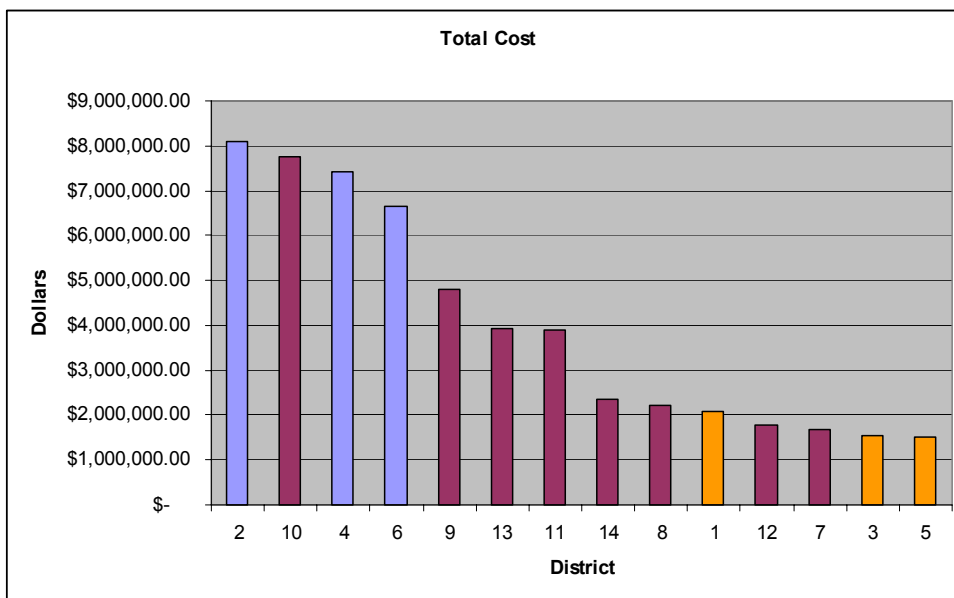
Because prevailing wages are not expected to increase beyond the annual cost of living in the near future, staff does not expect the large jump in prices observed last year to continue escalating at the same rate. Staff does, however, expect prices to increase with the overall rising cost of construction.

In consideration of future underground districts, staff utilized available data (e.g., linear trench foot cost for construction and cabling, plan designs, incidentals, bond costs) to estimate the expected

per-parcel assessment ranges in today’s dollars for undergrounding utilities in the remaining eight proposed districts. Based on these variables, staff determined that the remaining districts would have expected the following ranges had they been priced today (see Table and Graphs below):

District	Number of Homes	Cost Factor (trench feet/ house)	Total Estimated Cost	Existing and Potential Range of Assessments (Low to High)
District 1	186	42	\$2,075,434	\$8,103 - \$13,087
District 3	219	35	\$1,478,538	\$4,978 - \$8,036
District 5	173	41	\$1,447,500	\$6,393 - \$10,591
District 2	194	70	\$8,103,771	\$33,482 - \$57,963
District 4	167	84	\$7,420,574	\$37,393 – \$67,635
District 6	304	36	\$6,652,236	\$17,100 – \$29,087
District 7*	62	40	\$1,681,912	\$21,701 – \$37,164
District 8*	146	23	\$2,219,850	\$12,163 – \$20,525
District 9*	208	36	\$4,800,644	\$18,464 – \$31,158
District 10*	262	48	\$7,763,697	\$23,705 – \$40,595
District 11	202	30	\$3,88,7706	\$15,397 – \$25,597
District 12	229	11	\$1,773,757	\$6,196 – \$10,300
District 13	278	22	\$3,922,858	\$11,288 – \$18,767
District 14	245	14	\$2,357,262	\$7,697 – \$12,795

- Districts 1-6 provide actual costs per corresponding Engineer’s Reports; Districts 7-14 are estimates only.
- \*Actual design costs are known for Districts 7-10 and are reflected in the prices estimated.

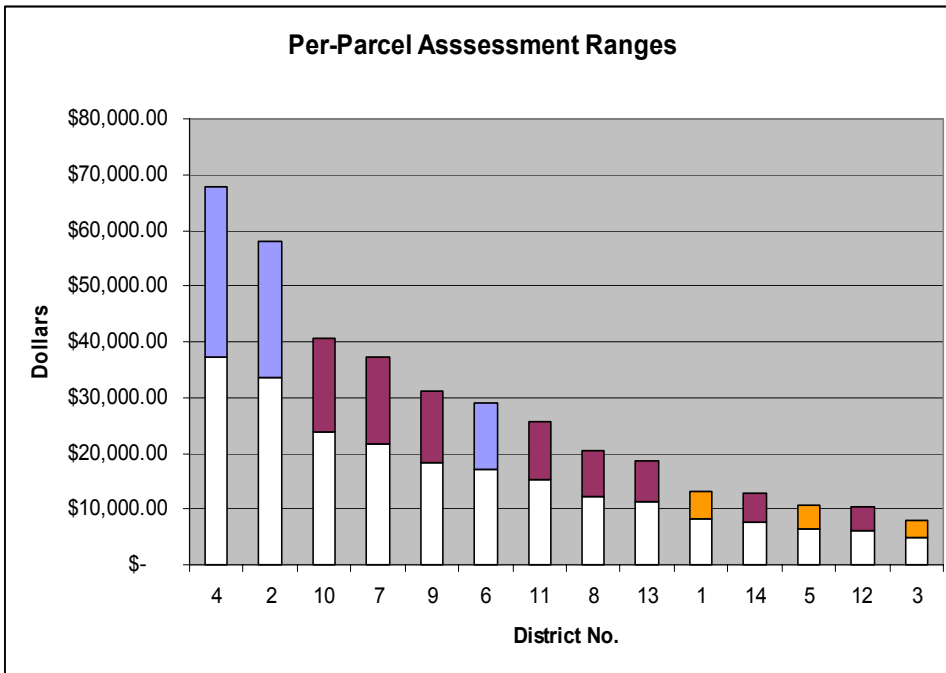


**Total Cost of Construction for All UUADs – Actual and Estimated.**

**Orange: Districts 1, 3 5**  
(Phase 1, Actual Costs Shown)

**Blue: Districts 2, 4, 6**  
(Phase 2, Actual Costs Shown)

**Red: Districts 7-14**  
(Future Phases, Estimated Costs in Today’s Dollars)



**Per Parcel Assessment Range for All UUADs – Actual and Estimated**

**Orange: Districts 1, 3 5**  
(Phase 1, Actual Ranges Shown)

**Blue: Districts 2, 4, 6**  
(Phase 2, Actual ranges Shown)

**Red: Districts 7-14**  
(Future Phases, Estimated Ranges in Today's Dollars)

It is important to note that these are just estimates. The actual range of assessments will ultimately be based on the assessment methodology used and the number of houses within each benefit factor category.

Considering Districts 7-14, the table and graphs above suggest an estimated low, per-parcel assessment of \$6,196 for the very dense District 12 to a high, per-parcel assessment of \$40,595 for the relatively less dense District 10 (see Map, Attachment 4). It also suggests that Sand Section Districts (Districts 8, 12, 13, 14) can expect lower per-parcel assessments than neighborhoods further inland which are typically less dense. Accordingly, a District’s relative density is a considerable factor in how low or high any future assessments may be.

Overall, staff’s analysis suggests that even the highest assessments in Districts 7-14 would have been considerably less than the highest of Districts 2 and 4 if priced today using the same variables. It also suggests that regardless of any methodology chosen, the density of a proposed district will greatly affect the potential range of assessments presented to District residents.

**RECOMMENDATION:**

Staff recommends that City Council discuss the future of undergrounding utilities within the City of Manhattan Beach and consider the following factors/issues:

1. Housing density as an indicator of per-parcel cost
2. Possible tiered criteria for qualifying as a proposed district based on projected costs (e.g., requiring districts with higher projected assessments to submit a higher percentage of signatures to become a District)
3. Accelerating the process wherever feasible (e.g., move all districts forward now) to help minimize assessments and offset the rising cost of construction
4. A financial assistance/deferral program to help low income residents who qualify according to City established criteria.

**ATTACHMENTS:**

Attachment 1 Notice to Initiate Residential Service Conversions

Attachment 2 Notice to Pay Assessment

Attachment 3 Project Delay Notice

Attachment 4 Utility Underground District Map

Cc: Robert V. Wadden, Jr., City Attorney  
Bruce Moe, Finance Director



City Hall                      1400 Highland Avenue                      Manhattan Beach, CA 90266-4795  
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Telephone (310) 802-5000                      FAX (310) 802-5001                      TDD (310) 546-3501

December/2005

**Subject: Construction for Underground Utility Assessment Districts 1/3/5**

Dear Manhattan Beach Property Owner:

As you may aware, the work by SCE and Verizon in the public right-of-way for Districts 1/3/5 has been completed. Both SCE and Verizon will soon be starting the installation of the cabling/wiring in the newly installed conduit. The utility companies have requested that property owners proceed with the work for the required service conversions for each property within the District. As stated in previous public notices, the underground utility project will basically be completed in 4 phases. The phases and their estimated schedule are as follows:

- |   |                       |
|---|-----------------------|
| * <b>Phase I</b> Installation of conduit/vaults/manholes by utilities<br>(approx. 8 months)     | May/2005 to Dec/2005  |
| * <b>Phase II</b> Installation of underground wiring/cabling by utilities<br>(approx. 6 months) | Jan/2006 to Jun/2006  |
| * <b>Phase III</b> Service conversions by property owners<br>(approx. 6 months)                 | Dec/2005 to Jun/2006  |
| * <b>Phase IV</b> Removal of overhead wires and poles<br>(approx. 5 months)                     | Sept/2006 to Jan/2007 |

Each property owner in the District is required to complete the work on their respective private property in order to facilitate the completion of the service conversion of each utility from overhead to underground. Property owners with existing underground services will not be required to do any work on their existing underground services as the utility companies will intercept their existing service as a part of the wiring work in the public right-of-way. As a part of the Phase I work SCE and Verizon installed underground conduit to each property terminating at the property line. The remaining property owners are required to install underground conduit on their private property from the property line to the point of connection of each utility.

Included with this notice is information from SCE and the City regarding some of the requirements for the service conversion work. The work must be completed by a licensed electrical contractor. In addition a City Electrical Permit will be required for the work. The permit process ensures that the work is completed and inspected properly. The City has included a list of electrical contractors that are familiar with the required work. Property owners may contact any licensed electrical contractor, including those listed, to complete the work. For those property owners that do not complete the work by the deadline of June/2006, the City will contract with an electrical contractor to perform the work and the property owner will be assessed for the cost of the respective work on their private property per the City of Manhattan Beach Municipal Code Section 7.28.100.

It is important to note that the sooner property owners complete their service conversion the sooner the utility companies can begin removing their distribution wiring and complete the utility pole removal.

The City will continue to provide project updates as the work progresses. In addition, project updates and information can be found on the City's website at: [http://www.citymb.info/pubworks/engineering/uug/uugdistracts\\_135\\_const.html](http://www.citymb.info/pubworks/engineering/uug/uugdistracts_135_const.html)

Should you have any questions or require additional information please feel free to contact Mr. Michael A. Guerrero at (310) 802-5355 or [mguerrero@citymb.info](mailto:mguerrero@citymb.info) or Ms. Stephanie Katsouleas at (310) 802-5368 at your convenience.

- **Southern California Edison**  
505 Maple Avenue  
Torrance, CA 90503  
Tony Mathis, UG Project Management & Inspection (714) 973-5466  
Scott Gobble, Region Manager Public Affairs (310) 783-9396  
David Ahmad, Planning Supervisor (310) 783-9302
  
- **Verizon**  
2819 W 182nd Street  
Redondo Beach, CA 90278  
Michael Kenway, Senior Engineer OSP Engineering (310) 793-4186  
Stephen McDonald, Section Manager OSP Engineering (310) 264-5137  
Francisco Uribe, Director External Affairs (805) 372-5535
  
- **Adelphia**  
Clint Harmon, Construction Manager (310) 466-4967  
Randall Starkey, Construction Management Supervisor (818) 374-1282  
Frank Diaz, Technical Operations Manager (310) 318-3520
  
- **City of Manhattan Beach**  
Engineering Division  
1400 Highland Avenue  
Manhattan Beach, CA 90266  
Michael A. Guerrero, Senior Civil Engineer (310) 802-5355  
Stephanie Katsouleas, Senior Civil Engineer (310) 802-5368

**DISTRICT 1**

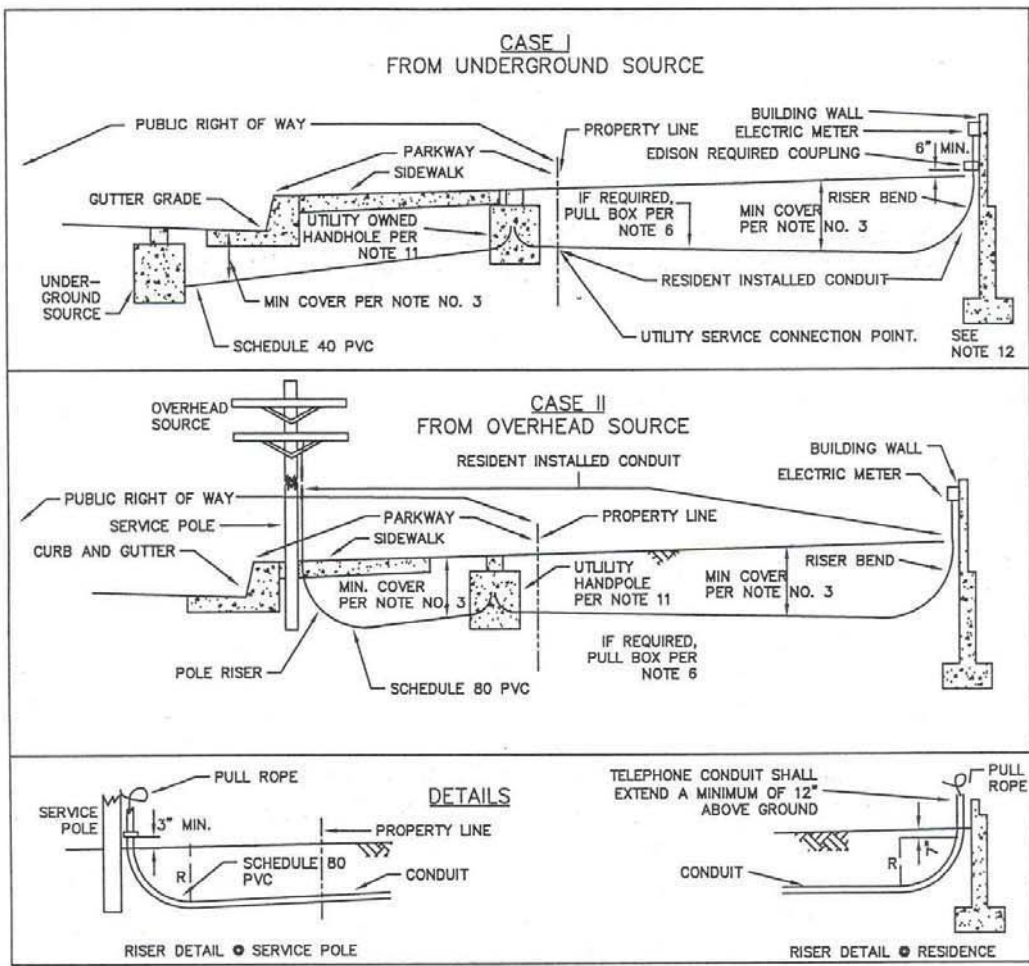
**DISTRICT 3**

**DISTRICT 5**



## ELECTRICAL CONTRACTOR LIST

- Bear Electric  
PO Box 7000-518  
Redondo Beach, CA 90277  
(310) 540-2134 phone  
(310) 702-3152 cell  
bear.electric@verizon.net  
Attn: Bernd Buettgenbach
- Churner Electric  
PO Box 4907  
Downey, CA 90241  
(562) 803-1816 phone  
Attn: Robert Churner
- Live Wire Electrical  
618 E Mariposa Avenue  
El Segundo, CA 90245  
(310) 322-2279 phone  
Attn: Brian Freese
- Schefers Electric  
608 Meyer Lane #103  
Redondo Beach, CA 90278  
(310) 372-6652 phone  
Attn: John Schefers
- U S Electric Inc.  
25009 Doble Avenue  
Harbor City, CA 90710  
(310) 325-1792 phone  
Attn: Glen Blackshire



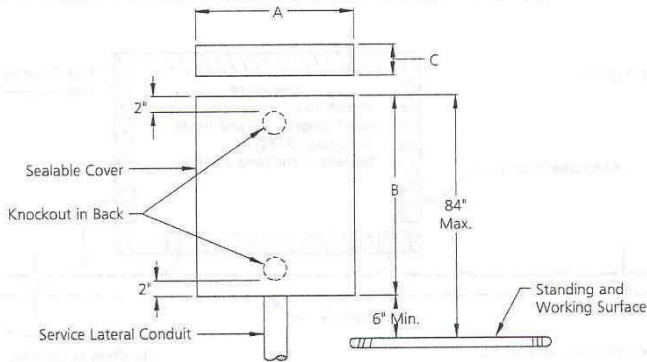
**GENERAL NOTES**

1. ALL UNDERGROUND SERVICE LATERAL INSTALLATION SHALL BE CABLE-IN-CONDUIT. DIRECT BURIAL WIRE SERVICES SHALL NOT BE PERMITTED.
2. ALL SERVICE LATERAL CONDUITS SHALL BE SCHEDULE 40 POLYVINYL CHLORIDE (PVC) EXCEPT CONDUIT REACHES WHICH PROVIDE ELECTRICAL SERVICE, WHERE SCHEDULE 80 PVC IS REQUIRED FOR ALL VERTICAL SWEEPS AND ABOVE GRADE EXPOSED CONDUIT.
3. MINIMUM DEPTH OF COVER FOR TELEPHONE AND ELECTRICAL CONDUITS OF LESS THAN 30,000 VOLTS SHALL BE 30" WITHIN THE PUBLIC RIGHT-OF-WAY, INCLUDING PARKWAY AREAS, AND 30" FOR ALL OTHER AREAS. THE MINIMUM COVER FOR SERVICES OVER 30,000 VOLTS SHALL BE OBTAINED FROM SOUTHERN CALIFORNIA EDISON COMPANY.
4. MINIMUM CONDUIT SIZES FOR RESIDENTIAL SERVICE LATERALS SHALL BE 2" MINIMUM EACH FOR TELEPHONE AND CABLE TV AND 3" FOR ELECTRICAL. CONDUIT SIZES FOR MULTIPLE DWELLING UNITS AND COMMERCIAL BUILDINGS MUST BE OBTAINED FROM THE RESPECTIVE UTILITY COMPANY.
5. R = RADIUS = 36" MINIMUM FOR 1" THROUGH 3" DIAMETER CONDUITS, AND 48" FOR 4" AND 5" DIAMETER CONDUITS.
6. A MAXIMUM OF TWO (2) 90 DEGREE CONDUIT BENDS (EXCLUDING RISER BENDS) SHALL BE PERMITTED BETWEEN ANY TWO PULL BOXES.
7. EACH CONDUIT INSTALLATION SHALL PROVIDE A 1/2" DIAMETER POLYETHYLENE PULL ROPE HAVING A MINIMUM BREAKING STRENGTH OF 700 POUNDS.
8. CONTACT UTILITY COMPANIES FOR CABLE INSTALLATION, MAINTENANCE, AND CONNECTION FEES.
9. PAVEMENT RESTORATION SHALL BE IN ACCORDANCE WITH CITY OF MANHATTAN BEACH STANDARD DRAWING ST-10.
10. SEPERATION AND SPACING OF THE VARIOUS UTILITIES SHALL CONFORM TO THE REQUIREMENTS OF THE UTILITY OWNER.
11. CONTACT UTILITY COMPANIES FOR SERVICE CONNECTION HANDHOLE REQUIREMENTS.
12. UTILITY SERVICE CONNECTION POINT SHALL BE CAPPED OFF WITH A "U" NOTCHED ON THE CLOSEST CONCRETE SURFACE IN LINE WITH THE CONNECTION POINT.

Drawn By: David Funk	5-29-01	<b>CITY OF MANHATTAN BEACH</b>	
		<b>DEPARTMENT OF PUBLIC WORKS</b>	
<b>STANDARD UNDERGROUND SERVICE CONNECTIONS</b>			
		APPROVED BY:	ST-13
CITY ENGINEER _____	DATE _____		

Figure 3-11: Underground Pull Boxes

EUSER DRAWING NO. 344



Pull Box Dimensions

Service Conduit Size	A	B	C
2" (a)	10" 8"	12" 18"	4" 4"
2½" (a)	12" 8"	16" 18"	6" 6"
3"	16"	24"	8"

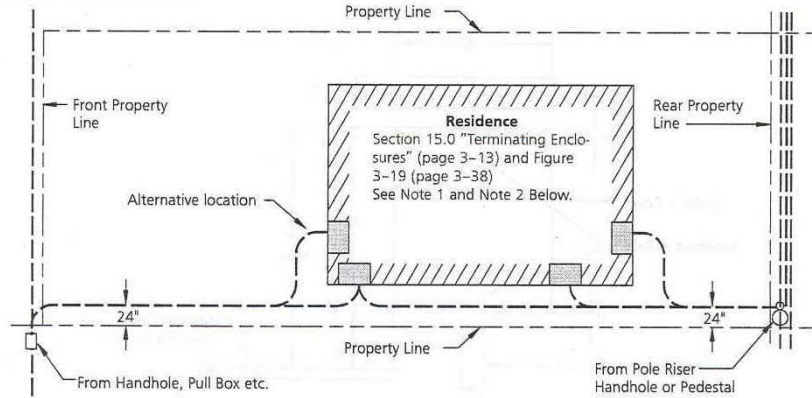
(a) Normally not used for conventional conduit systems. Consult local Service Planning office.

**Notes**

1. The service conduit may enter the end or the back within 2 inches of the end of the pull box but shall not enter the side.
2. When a service conduit enters the end of a pull box the opposite end shall not be less than 24 inches from any side wall, ceiling, or other obstruction. Any projection which extends more than the depth of the box from the surface on which the box is mounted shall be considered an obstruction.
3. No conductors other than service conductors shall be installed in any pull box.
4. Provide two lifting handles on pull box covers of 4 square feet or more in area; covers not to exceed 9 square feet.
5. Pull box covers shall be provided with a means of sealing consisting of two drilled stud and wing nut assemblies on opposite sides of the cover. All securing screws shall be captive.
6. Consult the local Service Planning office for conduit requirements.
7. Refer to Figure 3-9 (page 3-29) for larger pull boxes equipped with termination facilities.

APPROVED <i>PhH</i>	<b>Underground Service Connections 0-600 Volts</b>	<b>ESR-3</b>
EFFECTIVE DATE 7-30-2004	<b>Electrical Service Requirements</b> ▶ SCE Public ◀	PAGE 3-31

**Figure 3-12: Typical Service Lateral Installation for Single Family Residence**

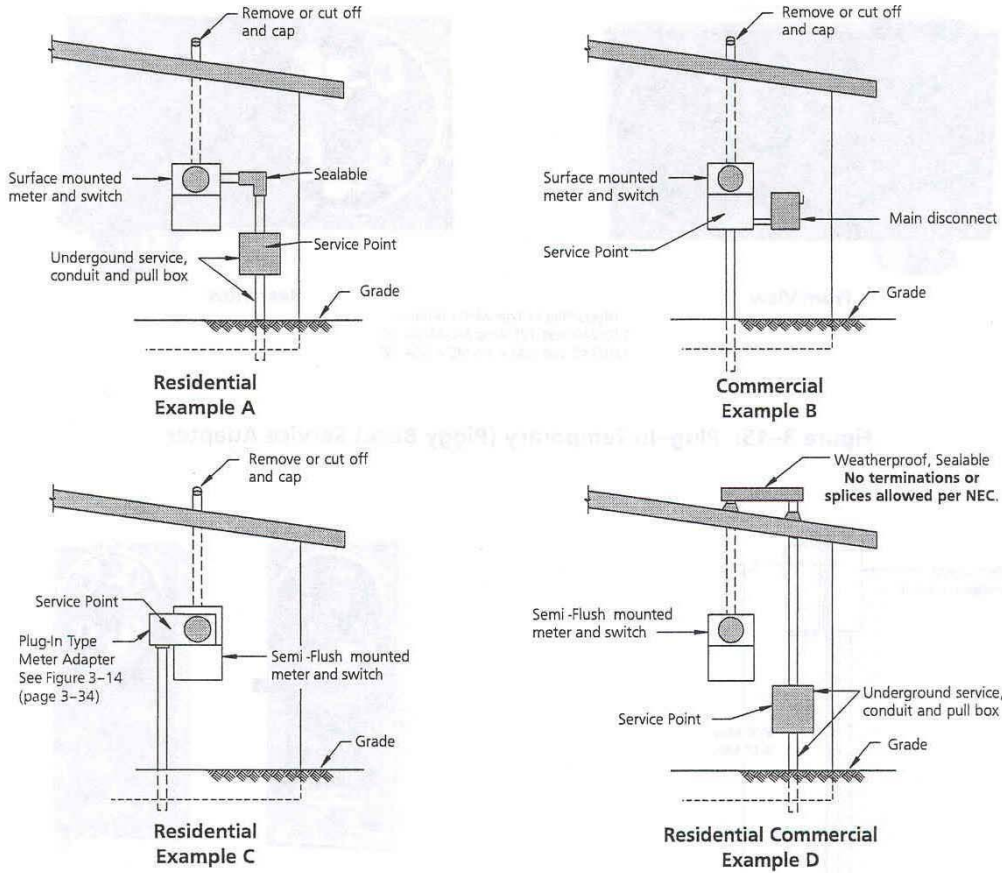


**Notes**

1. When a residence is served from a front property line, the customer's service equipment shall be located as shown above (front portion of residence). When served from the rear property line, the service equipment shall be located as directed by the Company representative to provide maximum accessibility for maintenance and meter reading.
2. Contact the Company local Service Planning office before locating service equipment. When service equipment is improperly located because the Company was not contacted in advance, the customer is responsible for all modifications.
3. Customers responsibility for installation of Cable-In-Conduit (CIC).
  - a. The service entrance for cable-in-conduit shall be installed as shown in Figure 3-19 (page 3-38) of these requirements.
  - b. The customer is to provide the trench and backfill. The trench is to be a minimum of 12 inches wide and deep enough to provide 45 inches of cover over the cables. Before cables are installed, the trench must be open and clear of all obstructions from the service entrance at the house to the riser pole, or underground system.
4. Refer to ESR-5: Table 5-2 "Prohibited Meter Locations" for meter access and prohibited meter locations.

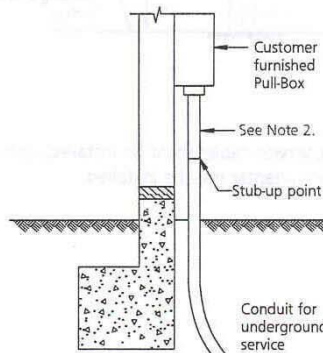
<p><b>ESR-3</b></p>	<p><b>Underground Service Connections 0-600 Volts</b></p>	<p>APPROVED <i>PhH</i></p>
<p>PAGE 3-32</p>	<p><b>Electrical Service Requirements</b> ▶ SCE Public ◀</p>	<p>EFFECTIVE DATE 7-30-2004</p>

**Figure 3-13: Typical Service Conversion From Overhead to Underground**



**Notes**

1. Customer to furnish conduits pull boxes, adapters, gutters, trench and backfill.
2. Conduits may be stubbed-up by utility for customer pick-up.
3. Exposed PVC conduit, where acceptable to local inspection agency, shall be minimum schedule 40. Were exposed to physical damage, install schedule 80.
4. Weatherhead to weatherhead conversion requires local city, county inspection, jurisdiction approval. Pull-Box shall be grounded by the customer.



APPROVED <i>PHH</i>	<b>Underground Service Connections 0-600 Volts</b>	<b>ESR-3</b>
EFFECTIVE DATE 7-30-2004	<b>Electrical Service Requirements</b> ▶ SCE Public ◀	PAGE 3-33

Figure 3-14: Myers Plug-In-Type Meter Adapter

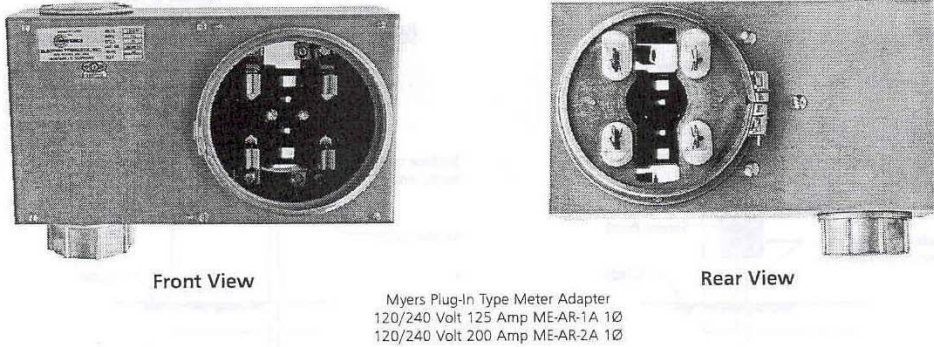
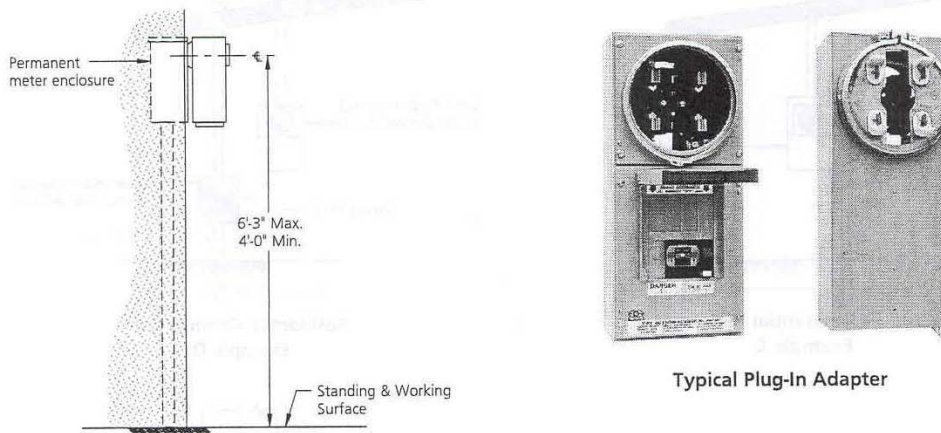


Figure 3-15: Plug-In Temporary (Piggy Back) Service Adapter



**Note**

1. Permanent service cables must be installed, and approved by the local inspection jurisdiction, before a temporary (Piggy Back) service adapter may be installed.

<b>ESR-3</b>	<b>Underground Service Connections 0-600 Volts</b>	APPROVED <i>PhH</i>
PAGE 3-34	<b>Electrical Service Requirements</b> ▶ SCE Public ◀	EFFECTIVE DATE 7-30-2004



City Hall 1400 Highland Avenue Manhattan Beach, CA 90266-4795  
Telephone (310) 802-5000 FAX (310) 802-5001 TDD (310) 546-3501

## NOTICE TO PAY ASSESSMENT

Underground Utility District 05-2

Assessor Parcel Number: 4169-000-000  
Situs: 5783 8TH ST, MANHATTAN BEACH CA 90266-5825

Mr. John Doe  
5783 8TH ST  
MANHATTAN BEACH CA 90266-5825

**Total Underground  
Assessment Amount**

**\$51,843.39**

### NOTICE IS HEREBY GIVEN THAT:

On November 21, 2005, the City Council of the City of Manhattan Beach approved the levy of an assessment to pay for the undergrounding of overhead utilities within your neighborhood. The assessment, with respect to your property as referenced above, was recorded on November 23, 2005. Of the ballots returned by the property owners, over 59% (by weighted assessment) were in favor of forming the Assessment District to facilitate the financing of the underground project. The assessment to pay for these improvements has been recorded in the office of the Superintendent of Streets of the City of Manhattan Beach. The Assessor Parcel Number representing your property and the Total Underground Assessment Amount (TUAA) for that parcel are identified in this notice.

You may choose to pay all or part of your TUAA to the **City of Manhattan Beach, Department of Finance, 1400 Highland Ave., Manhattan Beach, CA 90266 on or before December 31, 2005.** Please note there are three (3) possible options for payment.

**Payment Option 1** Pay the **Discounted Total Underground Assessment Amount in full and remove the entire assessment lien from your property.** If you pay the Discounted TUAA of **\$45,574.79**, then the entire lien will be removed from your property. The discounted amount reflects a 12% reduction from the TUAA since no financing costs will be incurred.

**Payment Option 2** Pay **A PART OR NO PART of the Total Underground Assessment Amount by December 31, 2005, and the TUAA lien balance will remain on your property.** If you pay a portion of the TUAA, that portion will be reduced by 12% since no financing costs will be incurred. A lien for the remainder of your TUAA as of December 31, 2005 will remain on your property for a period not to exceed 20 years. The City intends to issue bonds in the amount of the unpaid portion of your TUAA, subject to the receipt of acceptable construction bids, as previously described in the ballot materials. *If making a partial payment, contact the Finance Department at 310-802-5563 prior to writing your check to determine the remainder of your TUAA lien after making partial payment.*

**Payment Option 3** **Defer all or part of your Total Underground Assessment Amount if you qualify under State of California, State Controller's Office guidelines.** If you are 62 years of age or older, or blind or disabled at the time of filing (for a continuous period of at least one year) and had a total household income for the prior year of \$24,000 or less, you may qualify for property tax deferral. Please contact the State Controller's Office at (916) 327-5587 or (916) 445-2636 for additional information and applications.

If making a payment, be sure to include **PARCEL NUMBER 4169-000-000** and **DISTRICT NUMBER 05-2** on your check and a **Copy of this Notice.**

Fire Department Address: 400 15<sup>th</sup> Street, Manhattan Beach, CA 90266 FAX (310) 802-5201  
Police Department Address: 420 15<sup>th</sup> Street, Manhattan Beach, CA 90266 FAX (310) 802-5101  
Public Works Department Address: 3621 Bell Avenue, Manhattan Beach, CA 90266 FAX (310) 802-5301  
City of Manhattan Beach Web Site: <http://www.ciymtb.info>



City Hall 1400 Highland Avenue Manhattan Beach, CA 90266-4795  
Telephone (310) 802-5000 FAX (310) 802-5001 TDD (310) 546-3501

## PROJECT DELAY NOTICE

### Underground Utility District 05-2

Assessor Parcel Number: «APN»  
Situs: «Situs\_Address» «Situs\_Street», «Situs\_CityStateZIP»

«Owner\_Spouse\_FirstMiddle» and «Owner\_First\_Name» «Owner\_Last\_»  
«Owner\_2»  
«Mail\_AddressStreet»  
«Mail\_City\_State\_ZIP»

Dear Property Owner,

As you know, Underground Utility District 05-2 was approved by a majority vote of the affected property owners and subsequently formed by the Manhattan Beach City Council on November 21, 2005. Since that time, staff has been working diligently with the utility companies to prepare the final design plans and obtain open market bids to initiate the construction project.

However, on December 21, 2005, a lawsuit was filed with the County of Los Angeles against the City of Manhattan Beach to stop the undergrounding projects in Districts 2 and 6 (*John Chaykowski, Beverly Simons-Morse and Nancy McKeever vs. City of Manhattan Beach*). Resolving this lawsuit could take anywhere from 90 days to 2 years, and will depend on the initial ruling of the trial court and any subsequent appeals. With this lawsuit pending, we are precluded from selling the bonds necessary to complete the financing of the project and thus construction cannot commence unless and until the litigation has been resolved in the City's favor.

At this time, how the delay will affect the cost of construction is unknown. If construction prices increase incidentally and can be fully covered by the project contingency, then there will be no change in the assessments already presented to residents. However, if construction costs exceed the project contingency, then future public meetings will be held to determine a course of action (which may include initiating a subsequent ballot process for any cost increase). **Please note that your assessment WILL NOT increase unless new balloting procedures are initiated and approved by a majority of affected property owners.**

#### WHAT THIS DELAY MEANS TO YOU:

- **Construction will not begin in April 2006**, as originally planned. Assuming the City is successful in defending the Assessment Districts, construction can be expected to begin approximately 3-5 months after the final ruling and appeal period if costs have not increased beyond the total assessments approved.
- **The existing cash collection deadline of has been extended indefinitely.** Residents will be notified of the new cash collection deadline by mail at least 30 days in advance. The new deadline will be no sooner than June 30, 2006, and may even be much later. Our website will have the most current information and can be accessed at any time ([www.citymb.info](http://www.citymb.info)) under the Utility Undergrounding link.

Fire Department Address: 400 15<sup>th</sup> Street, Manhattan Beach, CA 90266 FAX (310) 802-5201  
Police Department Address: 420 15<sup>th</sup> Street, Manhattan Beach, CA 90266 FAX (310) 802-5101  
Public Works Department Address: 3621 Bell Avenue, Manhattan Beach, CA 90266 FAX (310) 802-5301  
City of Manhattan Beach Web Site: <http://www.citymb.info>



- ***A refund of any assessments already prepaid to the City will be refunded upon request.*** Funds may also remain with the City but interest will not accrue. To receive a refund, requests must be made by filling out the form below and mailing to the address provided.

We will keep you informed of the progress of this lawsuit as new information becomes available. Meanwhile, if you have any questions about this issue, please contact me directly at 310/802-5368 or via email at [skatsouleas@citymb.info](mailto:skatsouleas@citymb.info).

Sincerely,

Stephanie Katsouleas, P.E.  
Senior Civil Engineer

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### REQUEST FOR REFUND OF UNDERGROUND ASSESSMENT PREPAYMENT

Any property owner in the subject districts who has prepaid his/her assessment(s) may request a refund by completing this form. Processing of refund will take approximately 2 to 3 weeks. Alternately, prepaid funds may remain with the city but will not accrue interest. If requesting a refund, please fill in all of the information requested below and return this form either in person or by mail to:

**City of Manhattan Beach  
Finance Department – Assessment Refunds  
1400 Highland Avenue  
Manhattan Beach, CA 90266**

<p><b><i>Please Make Check Payable To and Mail To:</i></b></p> <p>_____</p> <p>Name (please print)</p> <p>_____</p> <p>Mail Address (please print)</p> <p>_____</p> <p>City, State, Zip (please print)</p>	<p>Utility District Number: 05- _____</p> <p>Assessor Parcel Number: _____</p> <p>Parcel Street Address: _____</p> <p>Parcel Owner: _____</p> <p>Contact Phone Number: _____</p> <p>Check Number: _____</p> <p>Amount Paid: _____</p>
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I understand that due to a pending lawsuit, the deadline for pre-payment for utility assessment districts 2 and 6 has been extended indefinitely. I submit this request authorizing such a refund of the amount I prepaid.

\_\_\_\_\_  
Signature

# City of Manhattan Beach Utility Undergrounding Assessment Districts 2, 4 & 6

