



Frequently Asked Questions District 118 – Newport Heights

City's general FAQ page

<http://www.newportbeachca.gov/index.aspx?page=306>

Myths and Facts page

<http://www.newportbeachca.gov/index.aspx?page=999>

Underground Utility Assessment Step by Step Process:

<http://www.newportbeachca.gov/Modules/ShowDocument.aspx?documentid=1546>

Petition discussion in City letter dated March 4, 2015

The City recognizes that undergrounding projects and assessment districts can be contentious items for neighborhoods, but debate and discernment appear to be a necessary component of the district formation process. Formal and informal petitions are typical for a variety of City actions. In fact, we regularly see petitions (in support of and in opposition to) undergrounding, traffic calming, streetscapes, and park projects. Although unanimous agreement is difficult, petitions generally provide the City with the best gauge of the community's desires. In general, the City does not invalidate a petition during the signature gathering process. Rather, once a petition is submitted to the City, the City Clerk will focus on validating the petition signatures.

Is there a mandated timeframe imposed on the petition gathering process?

No. Neither State law nor the City's Municipal Code mandates a timeframe for collecting signatures on a petition. Rather, the City Clerk must confirm that the Petition is signed by the required number of qualified property owners. Therefore, if a significant amount of time elapses between the Petition signature gathering process and the City Clerk's verification, there is a chance that some of the signatories may no longer qualify. As to proposed Assessment District No. 118, the City intends to assess the status of the Petition on or about July 1, 2015. It is the City's experience that most petitions take about a year to submit to the City.

How were the boundaries of District 118 developed?

It is common for boundaries to be refined during the engineering process. In the case of District 118, following community input and analysis, (and the November 19, 2014 Community meeting) boundaries were extended to include a larger number of properties. This analysis was based on citizen input as well as a review of the pole locations to determine a feasible and efficient undergrounding project. Based on this review, the boundary map included in the January 16, 2015 Petition letter was prepared and circulated with the petition.

Who may initiate the Assessment Proceedings and is a Letter of Interest from the proponent required?

An interested property owner may initiate proceedings with a letter of interest to the Public Works Department. The City itself may also initiate proceedings. Although it is most common for an owner within the proposed district to initiate the proceedings, this is not legally mandated under State law. Rather, State law requires that the Petition be signed by the required number of qualified property owners. The undergrounding process policy that is posted on the City's website is a guide that generally describes the steps involved in forming an underground assessment district. In the case of Newport Heights, an undergrounding interest list was developed by proponents of the district last summer. These proponents received over 150 signatures in support of undergrounding and based on that support, the City proceeded with the community meeting in November to verify the support.

May owners withdraw their names from the Petition?

Owners within proposed District 118 are provided with an opportunity to reconsider their signature on the Petition. Please be advised that any property owner that wants to have their signature on the Petition considered withdrawn should contact Michael Sinacori via email at Msinacori@newportbeachca.gov or at (949) 644-3342. A record of those property owners who contact Mr. Sinacori will be maintained by the Public Works Department and the City Clerk will be notified that those owners should not be counted towards the required number of Petition signatures.

How can the Petition process be terminated?

If the City does not receive the required amount of signatures from qualified owners, the formation of a utility undergrounding assessment district will not move forward. The process can also be terminated at the request of the Proponent by notifying the City that signature gathering on the Petition has ceased.

Describe the significance of the July 1, 2015 date.

July 1, 2015 is the start of the new Fiscal Year for the City. At that time, City Staff will begin a project for the preliminary planning and design for the repair and reconstruction of alleys in Newport Heights. If undergrounding is desired by the community, staff plans to move forward with a project to seal and repair the existing alleys. If undergrounding is not desired by the community, staff also plans to move forward with repairs and extensive rehabilitation of the alleys.

What if somebody is on a list opposing undergrounding and on the Petition supporting undergrounding?

As stated above, the City Clerk must confirm that the Petition in support of undergrounding is signed by the required number of qualified property owners in order for the formation of a utility undergrounding assessment district to proceed to the next steps. As stated under Item 5, if someone is no longer in support of the assessment district formation process, they may contact the City and have their name withdrawn from the Petition.

Provide the current list of residents supporting the petition and/or the interest list developed in the summer of 2014.

There is a Petition circulating in support of the Utility Undergrounding as well as a list circulating for those in opposition (Opposition List). However, neither the Petition or opposition list or interest list have been submitted to the City. Once received by the City, the Petition and other documents submitted will be public records and subject to disclosure.

What are the formal steps to change the City's Municipal Code to put a time limit on the petition gathering process?

Amendments to the Newport Beach Municipal Codes proceed at the formal request or direction of the City Council.

How will the assessments on individual properties be calculated? Will it be the same as was done in AD-68 (Newport Shores)?

The assessment methodology will be developed as part of the future Assessment Engineer's Report. Typically, it is based on property square footage or frontage with aesthetics, safety and connection benefits being considered.

Is a Rule 20A project or process an option for undergrounding residential alleys instead of 20B? What about Rule 20C?

No. In order to qualify for Rule **20A** funding, projects must provide a benefit to the general public and the utilities must be located within a civic, recreational, or scenic area or along an arterial or major collector road in a local government's general plan. Alleys in the Newport Heights area do not qualify for Rule 20A funds. Rule **20B** allows property owners who do not qualify for Rule 20A funds to form an underground utility assessment district. Rule **20C** enables a property owner to privately fund the undergrounding of overhead facilities if neither Rule 20A nor 20B applies. Rule 20C projects are usually smaller projects involving a few property owners with unanimous agreement. Rule 20C projects are typically used by developers to underground shorter segments of utilities. Please refer to the City's general FAQ page www.newportbeachca.gov/index.aspx?page=306.

What is the City's position on above ground transformers.

The SCE Website does show their desired above ground transformer typical installation. However, in the City of Newport Beach every undergrounding project done to date has required SCE to install ALL transformers below ground as required by the City's Municipal Code (Chapter 15.32 Underground Utilities). The idea of above ground transformers was discussed at the February 10, 2015 Council Study Session as a possible cost saving measure. Unless a community requests above ground transformers (highly unlikely) and the City changes its Municipal Code, the transformers for the Newport Heights proposed underground project will be placed below ground. The only caveat is that the vents for the transformers will be above ground and the City will work with the community to place those in discrete locations.

Why doesn't SCE and the other utility companies pay for the under grounding as it replaces their older systems with new ones? Is SCE really going to upgrade their system soon in Newport Heights?

Edison and the other utility companies publicly state that they prefer overhead systems and they are not legally required to underground their lines. SCE has been compelled to underground in one of the three scenarios presented above (20A, 20B and 20C). Edison is planning on converting the entire Newport Heights area from its current 4-Kilovolt (Kv) system to the now standard 12-Kv system. Many poles will be replaced and all new wires and transformers will be installed over-head. The 4-Kv to 12-Kv conversion effort is planned in the next few years.

How was the Petition stating \$20,000 per average parcel cost estimate developed? We have seen different costs.

The current total undergrounding cost estimate for District 118 is \$10.4 million at an average cost \$20,000 per parcel. The itemized cost estimate can be found by clicking the link below:

<http://www.newportbeachca.gov/Modules/ShowDocument.aspx?documentid=20500>

A previous preliminary cost estimate by the City was \$12.6 mil or \$25,000 per average parcel. Prior to the petition package being circulated in January of 2015, City Staff in consultation with Edison; finalized the construction figures; included City funds for the concrete alley replacement; and, determined an estimated cost of \$10.4 mil at \$20,000 per parcel. The \$12.6 mil shown in the chart at the City Council Study session on January 27, 2015, and February 10, 2015, was incorrect.

Where can I find information on previously formed Assessment Districts?

The link can be found on our Utility Underground web-page found by clicking the link below:

<http://www.newportbeachca.gov/index.aspx?page=2296>



For more information, please contact the Public Works Department at (949) 644-3311 and ask to speak with an Assessment District Engineer.