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Laguna residents try to uproot 'undergrounding' plans by the city

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LAGUNA BEACH - Several South Laguna residents are stunned and upset that a decade-old utility project by the city will now cost them thousands of dollars in assessments and possibly force liens on their property if they don't go along with the plan.

The project, initially proposed in 1999, would "underground" utility poles in the Mar Vista Avenue, Eagle Rock Way and Third Avenue communities – a minimum two-year process affecting 39 homes or parcels.

Some residents say they never wanted the poles to be undergrounded in the first place or that their input was never considered. Now they're sending petitions to city officials in hopes of delaying or stopping the project.

Public Works Director Steve May said property owners approached the city in 1999 requesting that the poles be removed to preserve area views. The city considered the request, and residents heard nothing more.

Nearly 10 years later, in November 2008, the idea resurfaced when the city sent a ballot to residents asking them if they would be interested in going through with the project, stating that assessment rates had not yet been finalized.

"We had 73-plus percent come to us and say, 'We want to do this,'" May said.

So plans moved forward to get the project under way.

But residents such as Patti Worthington and Andrew Bunn said they either didn't understand the ballot or simply never received it.

Bunn said one of the problems with the initial ballot was that it wasn't sent out certified mail and people didn't get it. He said a decision that affects the lives of residents so greatly should be sent out with guaranteed delivery.

But May said that wasn't an option.

"We sent out the notices in accordance with the law," May said. "It's not certified mail - that's the law."



A utility pole in front of a residence that will be affected by the city of Laguna Beach's plan to underground the utility connection and remove the poles. This is a process that will take years and cost residents in the area thousands.

KELLI HART, THE ORANGE COUNTY

Worthington said she knew something wasn't right when she heard that a majority had voted in favor of the undergrounding but that 10 property owners hadn't voted at all.

Nevertheless, the project moved forward.

Ten years after the initial proposal for the undergrounding, homeowners got an assessment bill in the mail for the project, though many residents had suspected the project wouldn't go through because of the delay.

May said each property is assessed individually based on how it is affected by the utility poles. The assessments range from \$7,076.92 to \$35,727.29, and that's not including costs that residents are required to pay to connect to new utility services, as stated in the engineer's report: "All parcel owners will be required, at their own expense, to connect to the newly undergrounded SDG&E (San Diego Gas & Electric), Verizon and Cox Communications services."

How much do the assessments total? According to the engineer's report, the total assessment cost, including bond insurance and capital improvements, is \$966,000.

Worthington said her neighbors are worried they will lose their homes because they can't afford the assessments and the connection costs.

Along with their assessment rate, residents were given 30 days to pay. May said only two of the 39 residences had responded by the time the period expired.

Now, per the engineer's report, those residents will have a lien put on their property. Each assessment also will carry 7 percent interest over the next 15 years.

So residents such as Worthington, Bunn and a lawyer in the neighborhood, Michael Obrand, devised a petition to put in front of the city to stop the undergrounding.

Twenty-four of the 39 property owners signed petitions against the project, and 15 of those marked a box reading: "The public notices regarding the proposed establishment of the UUAD (Underground Utility Assessment District) were unclear and misleading. ... Had I known or understood that the UUAD was to be so limited, I would have voted no!"

Some residents also expressed in the petition that the timing for the undergrounding is bad due to economic conditions and that the assessments ended up being much higher than they anticipated.

Worthington took the 24 signed ballots to City Manager Ken Frank and project manager Joe Chiquete, but May said nothing can be done at this point.

"I don't know what they (the residents) can do," he said. "The city cannot stop the process at this point."

And what is to become of the residents who are unable to pay their assessments?

"There's no recourse that I'm aware of," May said. "The city can't pay for them. I understand that there are 24 people out there who don't want this to go forward, but the petitions can't stop the process."

Obrand, the lawyer, said he doesn't accept the city's position that nothing can be done.

"I understand that the city may be ready to go ahead with it, but I don't see anything in the law that talks about the timing," Obrand said. "To me, the timing of this couldn't be worse."

Obrand said the city should at least consider postponing the project until the economic turmoil calms down.

"For most people, this will double their property taxes at a time when people are already losing their homes. This will be a disaster for them," he said.

"For people like Steve May, Ken Frank and Joe Chiquete to ignore something like that is governmental boobery at its absolute worst. Government should be flexible."

The project will go before the Laguna Beach City Council on April 7, and the council plans to authorize city staff to start selling bonds to pay for it.