



# City of Oceanside

300 North Coast Highway,  
Oceanside, California 92054

## Staff Report

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**File #:** 24-509

**Agenda Date:** 4/9/2025

**Agenda #:** 16.

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**DATE:** April 9, 2025

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Development Services Department

**TITLE: RESOLUTION TO AMEND THE OCEANSIDE BOULEVARD UNDERGROUND UTILITY DISTRICT**

### **RECOMMENDATION**

Staff recommends that the City Council adopt a resolution to amend the Oceanside Boulevard Underground Utility District (UUD) to remove the properties along Oceanside Boulevard from Camelot Drive to El Camino Real; and appropriate \$2,756,800 to the Oceanside Boulevard Underground Utility Project account.

### **BACKGROUND AND ANALYSIS**

The UUD was created on January 21, 2004, through the approval of Resolution 04-R040-1, and included Oceanside Boulevard between Greenbrier Drive and El Camino Real. On June 5, 2013, the City Council adopted Resolution 13-R0400-1 to expand the Oceanside Boulevard UUD to include Crouch Street from Oceanside Boulevard to Apple Street. See Exhibit B.

Since then, overhead utilities situated along Oceanside Boulevard from Crouch Street to Camelot Drive have been undergrounded gradually; however, some remaining sections of overhead utilities along Oceanside Boulevard have yet to be undergrounded. Those sections include 1) Oceanside Boulevard between Greenbrier Street and Crouch Street, 2) Oceanside Boulevard between Camelot Drive and El Camino Real, and 3) Crouch Street between Oceanside Boulevard to Apple Street.

California Public Utilities Commission (CPUC) Rule 20 is a tariff that governs utility undergrounding of overhead wires at the request of third parties, such as local governments, individual property owners, and developers. Rule 20A project funding is specific to local governments, and is 100 percent ratepayer-funded through customer electrical utility bills. The funding is facilitated as “work credits” which can be utilized by San Diego Gas & Electric (SDG&E) and the City to implement a proposed undergrounding project.

On June 3, 2021, the California Public Utility Commission (CPUC) issued decision D.21-06-0013 to discontinue new Rule 20A projects as the work credit system was encountering statewide issues such as questionable use of ratepayer funds, high project costs, and project delays. As a result, the CPUC, on June 8, 2023, issued decision D.23-06-008 that set an expiration date for reallocating any

unused work credits by June 8, 2025 and to expire all work credits by the end of 2033. Therefore, any modifications to a district's final boundary must be approved before June 8, 2025 to allocate the Rule 20A work credits to a proposed project or risk the work credits expiring. As such, staff is requesting City Council approval to amend the final boundary before the deadline.

At its March 26, 2025 meeting, the City Council adopted a resolution declaring the City's intention to amend the Oceanside Boulevard UUD to remove properties along Oceanside Boulevard from Camelot Drive to El Camino Real and set a April 9 public hearing date.

There is currently \$4.8 million in Rule 20A work credits that can be utilized for the Oceanside Boulevard UUD project. SDG&E estimates it will utilize \$2.1 million for the utility work (i.e., cable pulls, cable connections, service cutovers, and the removal of overhead utilities) for undergrounding the area illustrated in Exhibit A, which removes Oceanside Boulevard from Camelot Drive to El Camino Real. This leaves approximately \$2.7 million available for the City to utilize for site work (trenching, conduit installation, backfill, and paving) to underground the area per Exhibit A.

The City would be responsible for paying up-front costs associated with the site work, as well as administrative costs to notify property owners, coordinate the conversion of service feeds to individual businesses, and provide inspection and oversight of street construction and traffic control. The cost of the civil work incurred by the City would be available for reimbursement utilizing the work credits after the successful completion of the proposed project.

Staff recommends City Council approval to reduce the Oceanside Boulevard UUD boundary by removing properties sited along Oceanside Boulevard from Camelot Drive to El Camino Real. In addition, staff recommends City Council approval to amend the current proposed project to solely include the area as reflected in the attached Exhibit A.

It is anticipated that a Public Works Agreement will be brought forward for City Council consideration at a later date, which would cover the civil work (i.e. trenching, conduit installation, backfill, and paving) required to underground the new proposed limits. At that time, staff will also request City Council approval to appropriate any additional funds needed for the administrative portion of the proposed project.

### **FISCAL IMPACT**

Staff is requesting to use reserves in the amount of \$2.7 million and appropriate to the project account, Oceanside Blvd Undergrounding Utility Project, Account 912132300501.5703.10600. Staff is also requesting to appropriate \$10,000 from Account 501.2074.0030 and \$46,800 from Account 501.2090.0076 to the project account Oceanside Blvd Undergrounding Utility Project, Account 912132300501.5703.10600. The funding source is the General Fund Assigned Infrastructure Account 101.3020.0054, which has a current available balance of \$20.3 million; therefore, sufficient funds are available. A transfer of \$2.7 million from the General Fund Account 1101.6900.0501 to Account 912132300501.6800.0101 will also be needed. At the completion of the project, staff will request reimbursement from SDG&E for up to \$2.7 million from the available work credits. The anticipated completion of the project is Winter 2028.

**COMMISSION OR COMMITTEE REPORT**

The City's Utilities Commission reviewed the amended boundary of the Oceanside Boulevard UUD on January 21, 2025 to recommend approval of staff's recommendation to the City Council and voted 6-0 for approval with Commissioner Raetz abstaining and Commissioners Wood and Doan absent.

**CITY ATTORNEY'S ANALYSIS**

The referenced documents have been reviewed by the City Attorney and approved as to form.

Reviewed by: Darlene Nicandro, Development Services Director  
Submitted by: Jonathan Borrego, City Manager

**ATTACHMENTS:**

1. Staff Report
2. Resolution Amending the Oceanside Boulevard Underground Utility District
3. Exhibit A Map
4. Exhibit B Original Boundary of Resolution 04-R040-1