



Memorandum

TO: Mayor and City Council

FROM: Councilmember David Cohen
Councilmember Pam Foley

SUBJECT: SEE BELOW

DATE: April 9, 2024

Approved

Date: April 05 2024

SUBJECT: Adoption of Ordinances to Establish 14 New Rule 20A Underground Utility Districts.

RECOMMENDATION

1. Direct the City Manager to continue with the planned undergrounding of utilities lines based on the current availability of funds and in accordance with the guidelines outlined in the aforementioned City Council item. Furthermore, staff should proceed with CPUC recommendations for Rule 20a, ensuring that the undergrounding process adheres to regulatory standards and timelines.
2. Direct the City Manager to advocate with CPUC and PG&E to increase the maximum reimbursement for the cost of upgrading electrical panels.
3. Direct the City Manager to return to council annually to provide updates on the progress made by the CPUC and PG&E regarding the recommended sites for undergrounding. This annual review will allow for transparency and accountability in the process, ensuring that stakeholders are informed of developments and any potential challenges encountered.

BACKGROUND

In recent years, the issue of undergrounding utility lines has gained traction in communities across the nation. This move is not merely aesthetic but holds significant benefits in terms of safety, sustainability, and overall community well-being. Undergrounding powerlines reduces the risk of outages caused by weather events, prevents wildfires, and minimizes visual pollution, enhancing the quality of life for residents. Moreover, with the increasing frequency and intensity of extreme weather events due to climate change, the urgency to address these vulnerabilities has become more apparent than ever.

Secure Funding for Second Group of Projects: City staff should actively pursue securing additional funding for the second set of 7 proposed underground projects. This can involve identifying and applying for grants or other sources of funding to support these projects. Regular updates on progress and timelines should be provided to the Council.

Integrate Council Reporting: The request to update the Council on progress and funding for the undergrounding projects can be integrated into the annual 20A report to the Council in June. This ensures that the Council stays informed and involved in the project's development.

Advocate for Increased Reimbursement: City staff should engage with PG&E to advocate for an increased reimbursement rate for residents and businesses affected by the undergrounding projects. Emphasize that even a slight increase in reimbursement rates can significantly benefit residents without substantially impacting project budgets. For example, doubling the reimbursement rate could be justified by demonstrating that it would only utilize a relatively small portion of the project's budget, such as \$15,000 out of \$3 million spent on each undergrounding project. It should be highlighted that the reimbursement amounts were set 20 years ago and may need adjustment to reflect current costs. Specifically, staff should recommend increasing the reimbursement rate to allow residents to recover more of the expenses they may incur to connect with the new undergrounded lines.

Moving quickly to capitalize on available resources is paramount in seizing the opportunity to underground utility lines. The current availability of funds presents a window of opportunity to make substantial progress in this endeavor. By acting swiftly, we can leverage these resources effectively, maximizing the impact of our investments in infrastructure upgrades. This proactive approach not only enhances community resilience but also positions us to take advantage of potential cost savings and incentives offered by regulatory bodies such as the California Public Utilities Commission (CPUC).

By implementing these actions, city staff can effectively manage the progress, funding, and reimbursement aspects of the undergrounding projects while ensuring transparency and accountability to the Council and community stakeholders.

The signers of this memorandum have not had, and will not have, any private conversation with any other member of the City Council, or that member's staff, concerning any action discussed in the memorandum, and that each signer's staff members have not had, and have been instructed not to have, any such conversation with any other member of the City Council or that member's staff.