



CITY OF CARMEL-BY-THE-SEA CITY COUNCIL AGENDA

Mayor Dave Potter, Councilmembers Jeff Baron,
Alissandra Dramov, Karen Ferlito, and Bobby
Richards
Contact: 831.620.2000 www.ci.carmel.ca.us

All meetings are held in the City Council Chambers
East Side of Monte Verde Street
Between Ocean and 7th Avenues

REGULAR MEETING Tuesday, November 5, 2024

4:30 PM

HYBRID MEETING ATTENDANCE OPTIONS

This meeting will be held in person and via teleconference ("hybrid"). The public is welcome to attend the meeting in person or remotely via Zoom, however, the meeting will proceed as normal even if there are technical difficulties accessing Zoom. The City will do its best to resolve any technical issues as quickly as possible. To view or listen to the meeting from home, you may also watch the live stream on the City's YouTube page at: <https://www.youtube.com/@CityofCarmelbytheSea/streams>. To participate in the meeting via Zoom, copy and paste the link below into your browser.

**<https://ci-carmel-ca-us.zoom.us/j/83289524838> Webinar ID: 832 8952 4838 Passcode:
904814 Dial in: (253) 215-8782**

HOW TO OFFER PUBLIC COMMENT

The public may give public comment at this meeting in person, or using the Zoom teleconference module, provided that there is access to Zoom during the meeting. Zoom comments will be taken after the in-person comments. The public can also email comments to cityclerk@ci.carmel.ca.us. Comments must be received at least 2 hours before the meeting in order to be provided to the legislative body. Comments received after that time and up to the beginning of the meeting will be made part of the record.

OPEN SESSION 4:30 PM

CALL TO ORDER AND ROLL CALL

PLEDGE OF ALLEGIANCE

EXTRAORDINARY BUSINESS

- A. Carmel High School Report Out**

PUBLIC APPEARANCES

Members of the public are entitled to speak on matters of municipal concern not on the agenda during Public Appearances. Each person's comments shall be limited to 3 minutes, or as otherwise established by the Chair.

Persons are not required to provide their names, however, it is helpful for speakers to state their names so they may be identified in the minutes of the meeting. Under the Brown Act, public comment for matters on the agenda must relate to that agenda item and public comments for matters not on the agenda must relate to the subject matter jurisdiction of this legislative body. If a member of the public attending the meeting remotely violates the Brown Act by failing to comply with these requirements of the Brown Act, then that speaker will be muted.

ANNOUNCEMENTS

- A.** City Administrator Announcements
- B.** City Attorney Announcements
- C.** Councilmember Announcements
- D.** Ad Hoc Committees - Report Out

ORDERS OF BUSINESS

Orders of Business are agenda items that require City Council, Board or Commission discussion, debate, direction to staff, and/or action.

- 1.** Resolution 2024-090 approving a supplemental budget appropriation to the Fiscal Year 2024-2025 Budget to award a \$1,000 Discretionary Grant to the Carmel High School Mock Trial Team
- 2.** Receive a presentation by the Carmel Area Wastewater District to introduce the Santa Rita and Guadalupe Sewer Main Rehabilitation Project and authorize issuance of an Encroachment Permit with Special Conditions of Approval

PUBLIC HEARINGS

- 3.** Consider a recommendation from the Rule 20A Ad Hoc Committee to adopt Resolution 2024-091 establishing the Del Mar Underground Utility District and authorizing the Del Mar Utility Undergrounding Project utilizing Rule 20A Work Credit allocation
- 4.** First Reading and Introduction of Ordinance No. 2024-002, amending Chapter 10.36.010 of the Carmel-by-the-Sea Municipal Code by adding subsection (1), under Section (C); Identifying Commercial Loading Zones to comply with CVC 22500 and Assembly Bill 413-The "Daylighting Bill"

Recommendation:

- 1.** Request the City Attorney read the title of the Ordinance only; and
- 2.** Waive the reading in full and introduce Ordinance No. 2024-002, amending Chapter 10.36.010 of the Carmel-by-the-Sea Municipal Code adding subsection (1), under Section (C); Identifying Commercial Loading Zones to comply with CVC 22500 and Assembly Bill 413-The "Daylighting Bill".

FUTURE AGENDA ITEMS

CLOSED SESSION

- A.** CONFERENCE WITH LABOR NEGOTIATORS – Government Code Section 54957.6
Agency designated representatives: Mayor Pro Tem Richards and City Attorney

Unrepresented employee: City Administrator

This agenda was posted at City Hall, Monte Verde Street between Ocean Avenue and 7th Avenue, Harrison Memorial Library, located on the NE corner of Ocean Avenue and Lincoln Street, the Carmel-by-the-Sea Post Office, 5th Avenue between Dolores Street and San Carlos Street, and the City's webpage <http://www.ci.carmel.ca.us> in accordance with applicable legal requirements.

SUPPLEMENTAL MATERIAL RECEIVED AFTER THE POSTING OF THE AGENDA

Any supplemental writings or documents distributed to a majority of the City Council regarding any item on this agenda, received after the posting of the agenda will be available for public review at City Hall located on Monte Verde Street between Ocean and Seventh Avenues during regular business hours.

SPECIAL NOTICES TO PUBLIC

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at 831-620-2000 at least 48 hours prior to the meeting to ensure that reasonable arrangements can be made to provide accessibility to the meeting (28CFR 35.102-35.104 ADA Title II).

PUBLIC APPEARANCES - Limited to items on Closed Session

ADJOURNMENT

**ELECTION DAY CELEBRATION IN THE COUNCIL CHAMBERS TO FOLLOW THE
MEETING -- THE PUBLIC IS WELCOME TO ATTEND**



CITY OF CARMEL-BY-THE-SEA

CITY COUNCIL

Staff Report

November 5, 2024
ORDERS OF BUSINESS

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Nova Romero, City Clerk
APPROVED BY:	Chip Rerig, City Administrator
SUBJECT:	Resolution 2024-090 approving a supplemental budget appropriation to the Fiscal Year 2024-2025 Budget to award a \$1,000 Discretionary Grant to the Carmel High School Mock Trial Team

RECOMMENDATION:

Adopt Resolution 2024-090 approving a supplemental budget appropriation to the Fiscal Year 2024-2025 Budget to award a \$1,000 Discretionary Grant to the Carmel High School Mock Trial Team.

BACKGROUND/SUMMARY:

The Carmel High School Mock Trial team, established in 2005, is the school's oldest and most successful academic team, competing at county, state, national, and international levels. Notably, in the 2016-2017 season, the team won both the California State Championship and the World Championship.

Last year, thanks to the generosity of the Carmel community, the team exceeded their fundraising goal and participated in the World Championship in Chicago, where they placed 7th in an international field and earned two individual awards. They also competed in California's State Championship in Los Angeles.

This year, the team is seeking 10 sponsors contributing \$1,000 or more to fund their participation in two upcoming competitions: the Empire Interstellar, an online international tournament, and the Empire Mock Trial World Championship in Chicago this November. The fundraising goal will cover entry fees, room and board, and transportation and help make these tournaments possible and accessible for each member of the competition team.

The City Council has expressed its intent to support the Carmel High School Mock Trial Team by awarding a \$1,000 discretionary grant to help offset travel expenses for the Chicago competition. This Resolution authorizes a supplemental budget appropriation of \$1,000 from the general fund to discretionary grant fund to support the team's fundraising goal.

FISCAL IMPACT:

Decrease of \$1,000 from the general fund ending balance and increase of \$1,000 to the discretionary grant fund for the FY 24-25 budget in the Community Promotions account 101-110-00-42005.

PRIOR CITY COUNCIL ACTION:

N/A

ATTACHMENTS:

Attachment 1) Resolution 2024-090

Attachment 2) Mock Trial Team Request Letter

**CITY OF CARMEL-BY-THE-SEA
CITY COUNCIL**

RESOLUTION NO. 2024-090

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA
APPROVING A SUPPLEMENTAL BUDGET APPROPRIATION TO THE FISCAL YEAR 2024-
2025 BUDGET TO AWARD A \$1,000 DISCRETIONARY GRANT TO THE CARMEL HIGH
SCHOOL MOCK TRIAL TEAM**

WHEREAS, the City Council adopted Resolution 2024-047 approving the Fiscal year 2024-2025 Annual Operating Budget on June 4th, 2024; and

WHEREAS, the City recognizes the significant achievements of the Carmel High School Mock Trial Team, including their participation in the upcoming Empire Mock Trial World Championship in Chicago; and

WHEREAS, the City Council wishes to support the Carmel High School Mock Trial Team by awarding a \$1,000 discretionary grant to assist with travel expenses for the team to participate in the Empire Mock Trial World Championship in November.

**NOW THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF
CARMEL-BY-THE-SEA DOES HEREBY:**

Approves a supplemental budget appropriation to the Fiscal year 2024-2025 adopted budget for discretionary grants in the amount of \$1,000 for the Carmel High School Mock Trial Team from the Council's Community Promotions amount 101-110-00-42005.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-
THE-SEA this 5th day of November, 2024, by the following vote:**

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Dave Potter
Mayor

Nova Romero, MMC
City Clerk

Carmel High School

Home of the Padres

20 September, 2024

Dear Carmel City Council,

As a follow up to my phone call, enclosed is more information regarding the CHS Mock Trial Team's fundraising. To reiterate, we are working to finance the entry fees, room and board, and transportation for two international competitions: Empire Interstellar, an online tournament, and the Empire Mock Trial World Championship in Chicago this November.

Mock Trial is the oldest and most successful academic team at Carmel High School. Since 2005, the team has competed in county, state, national, and international tournaments. In the 2016-2017 season, the team won the World Championship and the California State Championship.

Last year, due to the generosity of the Carmel community, we surpassed our fundraising goal and attended last year's World Championship in Chicago. Carmel Mock Trial placed 7th in an international field and took home two individual awards. With the surplus, we were later able to compete in California's State Championship in Los Angeles.

Now, we are looking for 10 sponsors at \$1,000 or more to once again make these trips possible and accessible for each member of our competition team, but any amount is greatly appreciated. These donations can be made through the Carmel High School student store or via check made out to "Carmel High School- Associated Student Body," and mailed to P.O. Box 222780 Carmel, CA 93922.

We would sincerely appreciate any support you are able to offer and will publicly acknowledge those who are able to sponsor our team.

Thank you so much for considering our request! We sincerely appreciate your time and thought. Please let me know if you have any questions, thoughts, or would be interested in setting up a meeting with myself and/or other team representatives.

Thank you,

Bill Schrier, Mock Trial Coach
bschrier@carmelunified.org

Julia Jackson, Mock Trial President
jjackson1@cusd.me

Brianna Sciuto, Mock Trial Vice President
bsciuto@cusd.me

City of Carmel-By-The-Sea

OCT 10 2024

Office of the City Clerk



CITY OF CARMEL-BY-THE-SEA CITY COUNCIL Staff Report

November 5, 2024
ORDERS OF BUSINESS

TO: Honorable Mayor and City Council Members

SUBMITTED BY: Javier Hernandez, Project Manager

APPROVED BY: Chip Rerig, City Administrator

SUBJECT: Receive a presentation by the Carmel Area Wastewater District to introduce the Santa Rita and Guadalupe Sewer Main Rehabilitation Project and authorize issuance of an Encroachment Permit with Special Conditions of Approval

RECOMMENDATION:

Receive a presentation, and make a motion to authorize issuance of an Encroachment Permit with Special Conditions of Approval to the Carmel Area Wastewater District.

BACKGROUND/SUMMARY:

The Carmel Area Wastewater District (CAWD) is finalizing their construction plans for a gravity sanitary sewer rehabilitation project, and has applied for a permanent City Encroachment Permit (**Attachment 1**) to proceed into construction in early 2025.

The existing, deteriorating, 8-inch diameter sewer along the City's residential streets will be rehabilitated using two methods: 1) "pipe bursting" where the old pipe is expanded/broken in place and a new pipe liner is inserted, and 2) traditional open trench cutting and removing and replacing the pipe. The sewer will remain within the same depths and alignments and will continue to serve residential properties.

As shown on the location map in **Attachment 2**, the Project is located in the northeastern quadrant of the City and partially extends into Monterey County. Within the City limits, the sewer will be rehabilitated along the following paved streets:

- Guadalupe Street between Ocean Avenue and the north City limits
- Santa Rita Street between Ocean and Second Avenues
- First Avenue between Carpenter and Lobos Streets
- Third Avenue between Santa Fe and Carpenter Streets
- Fifth Avenue between Santa Rita and Guadalupe Streets
- Sixth Avenue between Santa Rita and Carpenter Streets

The Project will predominantly consist of pipe bursting along 8,500 linear feet and inserting an 8-inch high-density polyethylene (HDPE) pipe liner. The open trench construction method will be limited to 265 feet of PVC pipe,

and 30 feet will be hand dug within unpaved easements and the pipe will be replaced with HDPE pipe. The total length of rehabilitation within the City is 1.6 miles. In addition, 24 existing sewer manholes will be rehabilitated in place, and 9 manholes will be reconstructed.

The proposed project is part of CAWD's infrastructure upgrade program to replace aging infrastructure and provide better reliability for CAWD's customers. Upon completion of the pipeline, the streets will be resurfaced with a micro-surfacing treatment at no cost to the City.

Project Benefits:

- Replace 75+ year old failing sewer mains
- Reduce risk of sewage leaks and spills
- Improve long-term reliability of the sewer system
- Install new private service lateral "wye" connections to the mainline sewer

Project Status:

CAWD is finalizing the design plans, technical specifications, and bidding documents for their project. Following a public bidding process, a contractor is anticipated to be selected by late 2024 with construction anticipated to begin in early 2025. Construction is anticipated to take nine months to complete.

Public Works staff, including the Director, Project Manager, Superintendent, and City Forester have reviewed the project plans to considered construction impacts to the City, and the Community Planning and Building Department reviewed the design to ensure compliance with current codes. The traffic control plans have already been approved, and no trees will be impacted as a result of this project.

Special Conditions of Approval:

To minimize impacts to the community before, during, and after construction, Public Works developed over 50 Special Conditions of Approval for the Encroachment Permit which were all negotiated with and accepted by CAWD. These conditions are listed in **Attachment 3**. Key Conditions of Approval include:

- Provide \$5M general liability insurance coverage
- Provide public notices and signs which display a 24/7 hotline phone number for concerns
- Provide ongoing coordination with Police, Fire, GreenWaste, and others
- Conform to approved traffic control plans
- Provide detour routing around the active construction zones
- Provide local residence ingress and egress at all times
- Provide updated construction schedules to the City
- Coordinate and shutdown, if necessary, during City special events
- Reconstruct any damage to private and public property

CAWD and their engineering consultant, MNS, will manage construction and oversee the contractor. Public Works will ensure adherence to approved traffic control plans, inspect street restoration work, and ensure compliance to the Conditions of Approval. The Directors of Public Works and Public Safety have the authority to immediately shut down the Project if serious problems or safety issues arise.

At the November 5, 2024 Council meeting, Mr. Patrick Treanor, P.E., CAWD's District Engineer, will provide a presentation describing the purpose of the Project, anticipated construction impacts, and key mitigation measures.

ENVIRONMENTAL REVIEW

As the lead agency, CAWD finds that this Project is exempt from CEQA in accordance with Section 15301 (Class 1) of the CEQA Statutes for repair and minor alteration of existing buried sewer pipes, not expanding existing uses.

A CEQA Notice of Exemption has been completed and filed by CAWD.

FISCAL IMPACT:

Based on the length of pipeline project, the Encroachment Permit fee will be \$41,021.38.

PRIOR CITY COUNCIL ACTION:

N/A

ATTACHMENTS:

Attachment 1) Encroachment Permit

Attachment 2) Project Location Map

Attachment 3) Conditions of Approval



PERMANENT ENCROACHMENT PERMIT APPLICATION

City of Carmel-by-the-Sea
Department of Community Planning & Building
P.O. Box CC, Carmel, CA 93921
(831) 620-2010 OFFICE

EN Attachment 1
FEE PD _____
REC # _____
Copy Given to: _____
Date: _____

1. Property Owner: Carmel Area Wastewater District Date: 5/28/24

2. Project Location: Primarily along Santa Rita St and Guadalupe St

Block: 1st Ave - Ocean Ave. Lot(s): N/A Parcel #: N/A

Mailing Address: 3945 RIO RD City: Carmel State: CA Zip: 93922

3. Contractor/Contact Person (Circle One): Hope Laborin

Mailing Address: 2025 Gateway Place, Suite 328 City: San Jose State: CA Zip: 95110

Telephone # (408) 213-5122 E-Mail: hlaborin@mnsengineers.com

Contractor State Lic #: N/A Contractor City Lic #: N/A
Type: N/A

4. Date Work is Scheduled to Begin: TBD Projected Completion Date: TBD

PLEASE ATTACH SITE PLAN AND PHOTOS DETAILING PROPOSED

FULLY DESCRIBE ALL WORK PROPOSED: Work includes: pipe bursting roughly 8,800 LF of sanitary sewer pipe
rehabilitation of roughly 24 manholes, installation of 9 new manholes, removal of 9 flush inlets and replacement of 6 flush inlets.

Work within city limits is between 1st Ave and Ocean Ave.

→PLEASE NOTIFY USA DIG (Call 811) **48 HOURS PRIOR TO DIGGING**

→PLEASE NOTIFY PUBLIC WORKS DEPT. (831-620-2074) **48 HOURS PRIOR TO START OF WORK**

→CONTROL OF DRAINAGE DURING AND AFTER CONSTRUCTION IS REQUIRED.

Applicant Acknowledgement

I understand and agree to comply with all pertinent conditions, standards and requirements as specified by the Carmel Municipal Code, State, County and Federal regulations pertaining to this permit application. I agree to properly maintain the subject work at no expense to the City and to indemnify the City from any liability arising from the permit issued. Acceptance by the City of the work described hereon is not a waiver of my obligations as stated herein.

Applicant Name (Print Clearly): Hope Laborin

Signature: Hope Laborin

Digitally signed by Hope Laborin
DN: cn=US, email=hlaborin@mnsengineers.com, o=MNS Engineers, cn=Hope Laborin
Reason: I agree to specified portions of this document
Date: 2024.05.28 09:37:44-0700

Date: 5/28/24

CITY USE ONLY BELOW

Attachment 1

Lead Department: ☐ Planning & Building

☐ Public Works

Public Works: Approve/Disapprove

Forestry/Beach: Approve/Disapprove

By: _____ Date: _____

By: _____ Date: _____

Planning Department: Approve/Disapprove
(Optional)

Police Department: Approve/Disapprove
(Optional)

By: _____ Date: _____

By: _____ Date: _____

Additional Insurance: Approve/Disapprove
(Optional)

By: _____ Date: _____

Please protect all trees during construction:

→HAND DIG WITHIN 10 FEET OF TREES.

→NOTIFY FORESTER OF ROOTS 2" OR MORE THAT NEED TO BE CUT.

FINAL INSPECTION FROM PUBLIC WORKS: _____

DATE: _____

**INSTRUCTIONS TO THE APPLICANT
PERMIT FOR ENCROACHMENT IN THE PUBLIC RIGHT-OF-WAY
CITY OF CARMEL-BY-THE-SEA**

Attachment 1

An application for an encroachment in the public right-of-way includes all of the following steps.

1. Encroachment Permit Application

This is the first step in the process of requesting the City's approval for an encroachment in the public right-of-way. The application and the form entitled "Information Regarding Improvements in the ROW" are to be completed and returned, along with the encroachment application fee, as determined by the master fee schedule, to the Department of Community Planning & Building. A site plan sketch on an 8.5" x 11" sheet is also typically required (refer to the Site Plan Requirements handout, included with this application packet).

2. Hold Harmless Encroachment Agreement

Upon preliminary staff approval of the Encroachment Permit Application forms, submittal of the Hold Harmless Encroachment Agreement is required. This document must be executed by the legal owner(s) of the property adjacent to the public right-of-way upon which the encroachment is planned to be installed. The names must be written and signed as they appear in the official records of the City, i.e., "William L. and Elizabeth W. Jones" – not "Bill and Liz Jones." The applicant(s)' signature(s) must be notarized.

Special attention should be paid to paragraph 3 of this Agreement and the insurance requirements set forth therein. If the application is approved, **WORK MAY NOT BEGIN** until the Certificate of Insurance is on file with the City Clerk's Office.

IMPORTANT NOTICE

TO THE AGENT PROVIDING INSURANCE COVERAGE ON THE ADDITIONAL INSURED POLICY FORM

When required to supply Liability Insurance, either in the amount of **\$2,000,000** in combined single limit insurance for personal injury and/or property damage per occurrence and **\$4,000,000** in aggregate caused by or due to the present of the encroachment in the CC, SC, RC and R-4 districts OR **\$500,000** in the R-1 district it is imperative that the additional insurance coverage be in the form of an "endorsement" using the following language:

3. Notice Pursuant to Municipal Code § 12.08.110

"The City of Carmel-by-the-Sea, its elected officials, officers, agents and employees are additionally insured under the policy."

INFORMATION REGARDING IMPROVEMENTS IN THE PUBLIC

RIGHT-OF-WAY

NAME: Hope LaborinMAILING ADDRESS: 2025 Gateway Pl #328, San Jose, CA 95110TELEPHONE: (Business): (408) 213-5122 (Home or Cell): (408) 213-5122
(E-Mail Address): hopelaborin@gmail.com**EXACT** LOCATION OF PROPOSED ENCROACHMENT(S): See attached documents.BLOCK: N/A Lot(s): N/A APN: N/ATYPE OF ENCROACHMENT(S): If there is more than one required (e.g. fence and steps), please list each separately.
Attach additional sheet(s) if necessary.

1. Pipe replacement - see attached documents.
2. _____
3. _____

DIMENSION(S) OF ENCROACHMENT(S): (Attach an 8 1/2" x 11" site plan showing all existing and proposed improvements in the right-of-way.)

1. See attached documents.
2. _____
3. _____

TYPE OF MATERIAL TO BE USED FOR EACH ENCROACHMENT REQUESTED:

1. See attached documents.
2. _____
3. _____

WHEN RECORDED, MAIL TO:

CITY OF CARMEL-BY-THE-SEA
ATTN: ENCROACHMENTS
PO BOX CC
CARMEL-BY-THE-SEA, CA 93921

THIS SPACE FOR RECORDER'S USE ONLY

HOLD HARMLESS ENCROACHMENT AGREEMENT

AGREEMENT made this _____ day of _____, 20____, between the CITY OF CARMEL-BY-THE-SEA, hereinafter called CITY, and _____, hereinafter called OWNER, with reference to the following facts:

OWNER is in possession of and owns certain real property in CITY known as Block _____, Lot(s) _____, Assessor's Parcel No. _____
Zoning District _____, street location _____.

OWNER has requested from CITY permission to construct and maintain a structural encroachment on CITY street or sidewalk area adjacent to or near the property, described as follows:

_____.

NOW, THEREFORE, the parties, in consideration of the mutual covenants contained herein, agree as follows:

1. CITY grants permission to OWNER to construct and maintain a structural encroachment on CITY street or sidewalk area adjacent to or near OWNER'S property, as described above. Said permission is subject to the following conditions:

a. Execution of the Hold Harmless Agreement and compliance with the provisions of paragraph 3 below.

b. _____

2. OWNER, his successors and assigns, agrees to name CITY an additional insured and to hold CITY harmless from any and all claims, actions and demands of third parties of any kind, character and description arising out of or due to any accident or mishap in, on, or about said structural encroachment so constructed or so maintained or any error or omission resulting in personal injury or property damage.

3. OWNER, agrees to provide CITY and maintain a certificate of insurance from an insurance carrier acceptable to CITY certifying that OWNER has public liability and property damage insurance with limits of not less than \$500,000 combined single limit for personal injury and/or property damage for property located in the R-1 zoning district and limits of not less than \$4,000,000 for property located in all other zoning districts. The certificate must indicate this insurance is primary over any other valid or collectible insurance CITY may have, insures owner's performance of this Hold Harmless Agreement and that the Carrier will notify CITY in the event of any material change in the policy, including the nonrenewal thereof. Said Certificate of Insurance must name CITY, its elected officials, officers, agents and employees as additional insured insofar as the insurance pertains to this encroachment. Owner further agrees to maintain said insurance as long as said encroachment remains on CITY property.

In the event of cancellation or nonrenewal, the insurance company will give thirty (30) days' written notice to CITY. The Certificate must be signed by an authorized employee of the insurance carrier and mailed to: City Clerk, Carmel-by-the-Sea, P.O. Box CC, Carmel-by-the-Sea, CA 93921.

4. CITY may terminate and revoke this Agreement at any time that it is determined by the City Council to be in the best interests of City and necessary to promote the public health, safety or welfare. Any expenses caused to OWNER, his successors or assigns, by termination of this Agreement shall be borne by OWNER, his successors or assigns.

5. The parties agree that this contract is for the direct benefit of the land in that it makes the property more usable and increases its value, as such, agree that the covenants herein shall run with the land, and the parties agree that the covenants shall bind the successors and assigns of OWNER.

CITY OF CARMEL-BY-THE-SEA:

OWNER(S):

By: Chip Rerig, City Administrator or
Designee

Print Name

ATTEST:

Britt Avrit, City Clerk

Print Name

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____

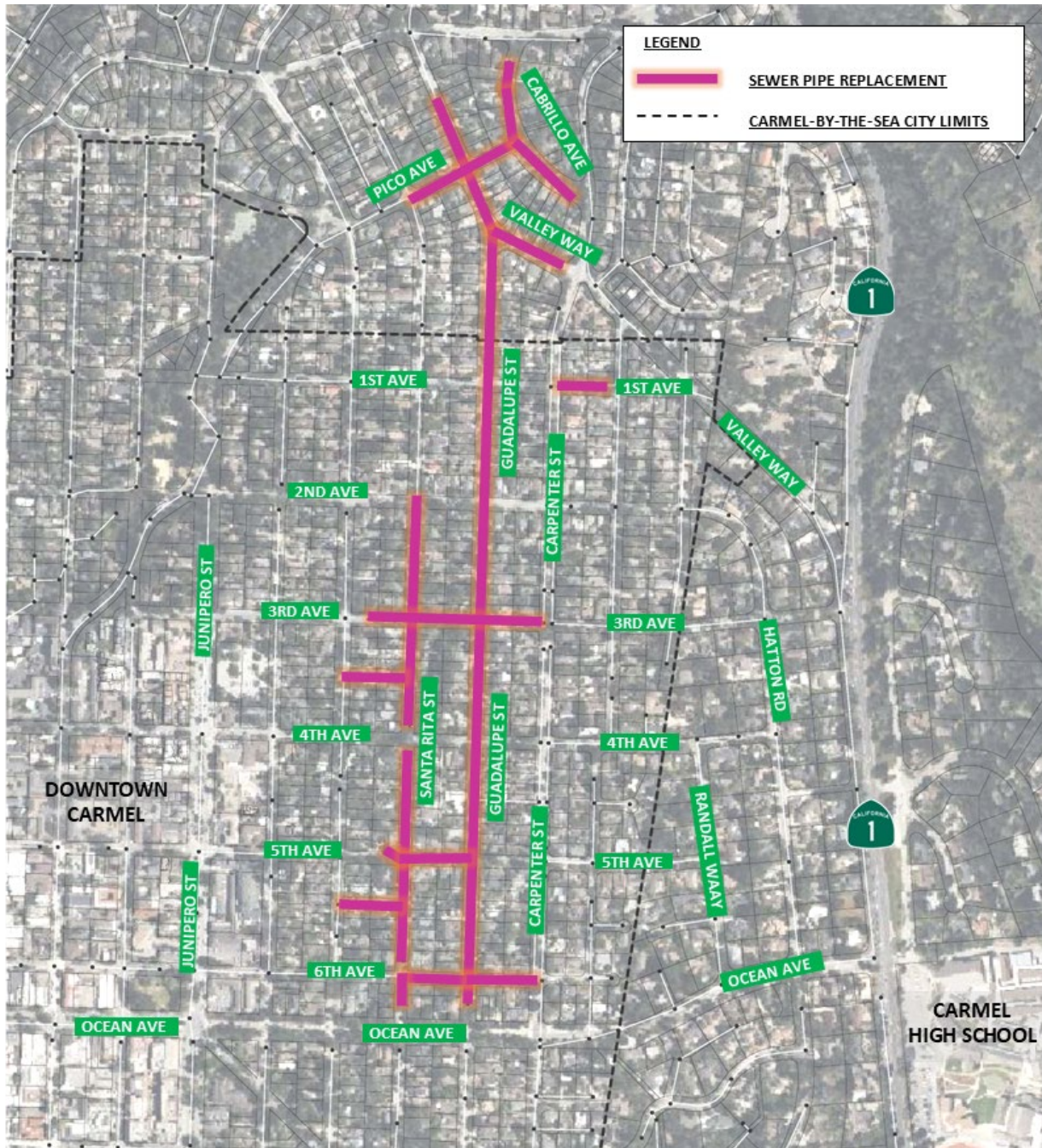
On _____ before me, _____
Insert Name and Title of the Officer

personally appeared _____
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) , or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraphs is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)





PUBLIC WORKS PLAN REVIEW

DATE: 06/14/2024

NAME: Santa Rita Street and Guadalupe Street Sewer Main Rehabilitation Project

LOCATION: Santa Rita Street and Guadalupe Street

PREPARED BY: Javier Hernandez, PM

REVIEW RECOMMENDATION: Conditions of Approval

GENERAL: *DO NOT resubmit plans for recheck until comments from all disciplines have been addressed.*

The Santa Rita Street and Guadalupe Street Sewer Main Rehabilitation Project (Project) is a major undertaking by Carmel Area Wastewater District (CAWD), their construction Contractor, (Contractor, or Permittee), and Engineer of Record consultant.

Construction of this Project will have significant impacts to the City of Carmel-by-the-Sea's roadway infrastructure, traffic, citizens, and businesses.

The following Conditions of Approval of the Encroachment Permit have been developed jointly by CAWD and the City of Carmel-by-the-Sea (City) to minimize the impacts and inconvenience to the public while accommodating construction of a difficult and unique pipeline rehabilitation project. CAWD, the Contractor, and City acknowledge that the conditions and work performed under this Permit may not be all-inclusive and that not every situation during construction can be ascertained at the time that these Conditions of Approval are issued. Consequently, the parties agree to work together in good faith to resolve field conflicts expeditiously, adapt these conditions to fit actual field conditions, and provide workmanship in the best interest of the public.

All Conditions of Approval are subject to modification and addition by the City to ensure the safety and welfare of the public, construction workers, and public and private property. References to the City means the Director of Public Works or his designee, including assigned contracted personnel, if any.

Conditions of Approval

1. CAWD is the Lead Agency under CEQA for this project and has determined that the project is exempt per Section 15301 (Class 1) of the CEQA Statutes. City requests a copy of the Notice of Exemption once filed with the County of Monterey.
2. Pipeline Alignment: As-built drawings shall be submitted to the City prior to acceptance of the surface improvements.
3. Public Relations: CAWD shall implement the following outreach program as a minimum during construction of the Project:

- a) Project shall be presented at City Council Meeting prior to approval,
 - b) Local/neighborhood meetings throughout the project may be required.
 - c) Door hangers and notices
 - d) Project barricades shall identify Project name and include Project owner contact information.
 - e) Magnetic truck signs (optional)
4. Council Meeting/Study Session: CAWD to make additional presentations to the City Council upon request.
 5. Joint Utility Coordination Meetings: CAWD to continue to attend and present updates at bi-monthly Joint Utility Coordination Meetings.
 6. Plan Checking: During construction of the Project, the City will provide plan checking services for: revisions to traffic control plans, ADA ramps, relocated sewer laterals, relocated sewer and storm drain pipelines, intersection modifications, and street and sidewalk improvements that cannot be reconstructed to meet preconstruction conditions in accordance with ADA standards, due to utility conflicts or similar reasons.
 7. Construction Inspection: Quality Control (QC) Inspection shall be performed by CAWD or CAWD's contracted consultant(s). The City's inspections, whether by City staff, consultants, or combination, is intended for Quality Assurance (QA) purposes. City requests copies of all QC inspection daily inspection reports, and all QC materials testing results performed by independent firm related to trench backfill, compaction, trench restoration, and final resurfacing. City will make City's QA inspection reports and materials testing reports available to CAWD upon request.
 8. Right-of-Way: Provide evidence to the City of any right-of-entry permits and/or temporary or permanent easements on private properties within City limits.
 9. Permits (Other): Provide City with a copy of the following permit for this Project:
 - a) California Department of Health Services Office of Drinking Water Variance for Water/Sewer line separation requirements if applicable.
 10. FY 2024/25 Pavement Rehabilitation Program: While no conflicts are anticipated, the City and Contractor will meet in good faith to determine a resolution which minimizes impacts to both construction projects which may occur in close proximity on a temporary basis.
 11. Key City Events: CAWD's Project Manager and City's Project Manager to coordinate during construction and advise construction team of upcoming City events. City to provided listing of key City Events, and Contractor will make good faith efforts to reduce public inconvenience, or cease operations, during City events.
 12. Conformed Plans: Provide City with one (1) full size and one (1) half size set of conformed plans and one (1) copy of the specifications with all appendices prior to the start of construction at no cost to City.

13. Prior to issuance of a Building Permit, the applicant shall submit a completed BMP Tracking form for review and approval by the City. Best Management Practices shall be implemented and in place prior to any construction operation being initialized.
14. Street Trees: No trees are to be removed under this Permit. Contractor's arborist to contact City Forester at (831) 877-0949 for site consultations prior to trimming any canopy or roots of any City tree. Any trees damaged by Contractor's operations shall be replaced and maintained for a period for up to five (5) years as required by the City Forester. Roots no larger than 2 inches shall not be cut without approval by the City Forester. The City's Forester will walk the project prior to start of construction to identify potential concerning areas or tree locations.
15. Discharges are not permitted into the City's storm drain system, including into lakes or streams. This applies to construction water and future operations of the pipeline. Discharges into the sanitary sewer system require prior approval of the Monterey One Water and CAWD.
16. Staging Areas: provide to the City legal evidence of the use of all staging area(s) located within City limits.
17. Haul Roads: Haul roads will follow pipeline alignment and approved traffic control plans to the extent possible. Deviations require prior approval of the City.
18. Striping/Markings: Existing signs, striping, pavement legends, and markings damaged or removed by construction operations will be restored to current City standards and as directed by the City. Provide temporary pavement markings and striping on arterials in accordance with MUTCD and Caltrans standards. Provide permanent striping, legends, and markings within 10 business days of permanent pavement restoration. City to provide specifications on painting, striping, and markings.
19. Parking Notices, Tees and Stalls: provide a minimum of 72-hour advance notices for no parking zones every 50 feet in each direction affected. Restore parking tees per City standard detail. Parking notices will indicate the start date and anticipated duration of work within the affected area. Please do not be overlay conservative in completion dates. Coordinate no parking zones with the City's Project Manager.
20. Crosswalks: Restore crosswalk striping per City standard regardless of existing condition.
21. Ingress, Egress, and Parking Impacts: Notify, coordinate, and resolve access, ingress, egress, special needs (disabilities), and parking issues with all private property owners/tenants and businesses along the pipeline route. Contractor to always provide access to residents.
22. Incomplete Street Openings (barriers and steel plates): Where street openings cannot be backfilled during the day of opening, suitable barriers shall be placed around the excavation to prevent accidents, and lighted barricades shall be continuously maintained at the opening site. Alternatively, steel plates may be placed over or flush with the trench if traffic would otherwise be impeded. Steel traffic plates may be used at the end of trench in order to start work the following day without having to re-excavate the trench. No more the two steel plates shall be used at the finishing end of trench.

Temporary trench repair: all streets shall be temporarily restored with either cold mix or hot mix asphalt (HMA). The temporary trench patch must be kept in good condition with a reasonably smooth riding surface until structural pavement restoration. If cold mix asphalt is used, at the discretion of the City, the Contractor may be required to pave with the initial half of the alignment with HMA if the conditions or required maintenance of cold mix asphalt continues to be an issue.

The temporary trench repair asphalt shall be removed prior to structural pavement restoration. Asphalt replacement shall extend 1' beyond trench cut on each side of the trench. Where gutter edge or nearest lane line is less than 3' from trench limit, pave merit shall be replaced to gutter edge or to nearest lane line. When adjacent trenches are less than 3' from edge to edge, asphalt between trenches shall be removed and replaced. Additional pavement beyond the trench limits will be evaluated with site inspections if damage from construction to surrounding pavement occurs. The structural pavement restoration will be paved to a depth of at least 1" greater than existing pavement thickness.

Final surface restoration: within 3 months of pipeline completion, or as otherwise agreed to by the City, all streets along the pipeline alignment shall be completed with final resurfacing (gutter to gutter, or curb to curb). Preference will be given to pave/resurface long segments of streets at one time. Areas of defective pavement shall be removed and replaced prior to resurfacing in coordination with City inspection and City standards. Pavement resurfacing shall be micro-surfacing or slurry type II on both residential and arterial streets. Micro-Surfacing or Slurry mix designs to be pre-approved by the City.

23. Contractor to avoid trenching or work that would trigger ADA ramps. Contractor shall contact the City if there are any questions or concerns about which work could trigger ADA ramps.
24. Prior to issuance of a Building Permit, the applicant shall submit a completed BMP tracking form for review and approval by the City. The Contractor shall implement the best management practices and have them in place prior to any construction operation being initialized. bmp details have been added to the contract documents. Contractor responsible for any additional measures that may be required for this project, or to obtain approval by the City.
25. Construction Operations:
 - A) cover all trucks hauling soil.
 - B) sweep all paved roads daily or as directed by City.
 - C) enclose or cover daily exposed stockpiles.
 - D) trees and vegetation not planned for removal or trimming shall be protected in place prior to construction.
 - E) on-site spill containment measures shall be available at all work headings.
 - F) in addition to other required notifications, "Contractor" shall also promptly notify the City of any archaeological findings in the event any are encountered. Cease all operations immediately and follow State and Regional requirements.
 - G) in addition to other required notifications, "Contractor" shall also promptly notify the City of findings of any human remains in the event any are encountered. Cease all operations immediately and follow State and Regional requirements.
 - H) designate worker parking areas that minimize parking displacement, and review worker parking strategies with City.
26. Project Schedules: Provide the City a construction "3 week look ahead" schedule on a regular basis. In lieu of a weekly construction schedule, a detailed project schedule will be required on at least a monthly basis.

27. Protection: Trench compaction shall be limited to the use of a compactor in a manner that induces an external load at the point of compaction of no greater than 2,450 psf at the following locations:
- Locations where utilities (storm drain and water) are found to be located within 6'-5" of the outside diameter of the pipeline (i.e. based on USA markings and/or potholing), and
 - All crossings where the sewer is located below the water main.
- in lieu of compaction, the Contractor may backfill the trench with City-approved cement slurry.
28. Potholing: Pothole data shall be incorporated into As-built/red line set.
29. Emergency Contacts: Contractor to provide a list of at least three (3) names of 24/7 emergency contacts who can respond to accidents, traffic control and trench restoration issues. In addition, CAWD shall furnish and maintain an updated, comprehensive list of all project stakeholders, to include primary and alternate contacts, including CAWD, engineer of record, CalAM, PG&E, AT&T, Comcast, County of Monterey, and other key stakeholders.
30. Construction Work Hours: Night time work under this permit is not allowed. All other work is to be completed within the hours of 8:00 am -5:00 pm, Monday through Friday. If after hours, weekend, or holiday work is requested, prior authorization must be granted by the City. The City will charge an additional fee for all the work occurring outside of standard working hours.
31. Relocated Utilities: While no relocations of City facilities are anticipated at this time, if necessary, they will be properly planned, designed, and coordinated in advance of construction as a result of potholing. In the event that an unforeseen condition during construction requires the prompt realignment or relocation of an existing City utility or facility (i.e. water or storm drain pipe, drainage inlet), the Contractor/engineer of record shall provide sketches of both the existing condition and proposed condition in plan and profile, along with photographs and the improvement plans illustrating the exact location. A meeting will then be held at the site, or a phone conference will be held as soon as possible. Upon the City's assessment and approval, the work may proceed. The relocated facility will be shown on the as built plans. In the event of an emergency where immediate repairs are warranted, Contractor/engineer of record shall make a good faith effort to contact the City prior to making emergency repairs.
32. Traffic Control Plans: Preliminary TCP's for the Project were submitted and approved by the City. Additional or modifications to approved traffic control plans must also be approved by City prior to construction along the affected street segment. Final TCPs to be provided by Contractor.
33. Pedestrian/Bicycle Detour Plans: Provide safe provisions for pedestrians and bicycles around construction zones as required by the City.
34. Hazardous Materials: Handle, treat, and/or dispose of hazardous materials per specifications or as otherwise directed by the regulatory agency having jurisdiction.
35. Preconstruction Video: Contractor to provide the City with a preconstruction video of existing surface improvements shown from both directions, of acceptable clarity and quality to the City. In addition, provide copy of preconstruction photographs of specific locations within two (2) business days as requested by City.
36. Survey Monuments: Survey monuments removed or damaged due to construction operations shall be restored by a licensed land surveyor. All survey monuments located within the trench patch shall be replaced in accordance with City standard.

37. U.S.A. Notification: At least 2 days before any excavation, Contractor must contact underground service alert at 1-800-227-2600.
38. Cutting Street Surfaces: all concrete and asphalt streets, and concrete and asphalt sidewalks, curbs, gutters, medians, and dikes, will be saw cut with smooth straight edges unless otherwise approved by the City.
39. Headings: To prevent multiple, simultaneous traffic detours, no more than one pipeline heading is permitted on this project at one time within the City limits without prior approval from the City.
40. Clean Up: Upon completion of work along a street segment, all materials, traffic control devices, scraps and other materials and debris shall be entirely removed and the right of way left in a condition satisfactory to the City.
41. Damage to Existing Facilities: Promptly make repairs to the public right-of-way or underground utilities that are damaged by the work authorized by this permit. Damage to City streets outside of the pipeline alignment caused by construction operations, and specifically including haul routes, shall also be repaired to pre-construction conditions. These repairs shall be to the satisfaction of the City. Damage to third party utilities shall be repaired as required by the applicable utility's owner.
42. Storage of Materials: No stockpiling of material will be allowed along the sidewalk or on private property. Stockpiling along the street must be contained within the barricaded/protected areas of work site or as approved by the City. No stockpiling shall be located in the drainage path.
43. Concrete Washout Locations: Locations must be pre-approved by the City.
44. Emergency Access: Always maintain access for emergency vehicles.
45. Emergency Response Notifications: Contractor shall notify police and fire (831) 624-6403, and ambulance service providers at least 48 hours in advance as to proposed road/lane closures, detours, and alternate routes available.
46. School Zones: Avoid truck trips through designated school zones during school drop off and pickup hours. Provide construction schedule updates to the schools for bus route coordination.
47. Road Closure Notifications: Notify MST, GreenWaste, school districts and affected residences and businesses at least 48 hours in advance as to proposed closures and alternate routes available.
48. Private Improvements: Restore, repair, or replace private property improvements damaged by construction operations to the pre-construction conditions as commercially practical and to the private property owner's satisfaction. In the event the private property owner is not satisfied with the restoration or repair of damaged improvements, CAWD's Project Manager, and/or other such representative, shall meet with the property owner to resolve the issue.
49. Construction Progress Meetings: City expects to be invited and be able to actively participate in stakeholder construction progress meetings. Regardless of attendance, the City shall receive copies of progress meeting agendas and meeting minutes.
50. Construction Correspondence: City requests to be copied on project correspondence, submittals, RFI's, etc. pertaining to restoration of surface improvements within the City limits.
51. Final Inspection: Prior to a final inspection, all surface improvement work must be approved to the satisfaction of the City in accordance with applicable specifications and standards.

52. Insurance: Permit holder shall furnish a Certificate of Insurance showing there is in force the following valid policy showing the permit holder as the named insured and showing: a) commercial general liability-a minimum \$5,000,000 combined single limit per occurrence for bodily injury and property damage including products and completed operations, and 2) workers compensation and employers liability; limit of not less than \$1,000,000 per accident as required by the labor code of the state of California. Permit holder hereby waives any rights of subrogation against the City respecting worker's compensation. Commercial general liability certificate must be accompanied by the following endorsements: 1) the City of Carmel by the sea, its officials, officers, directors, employees, agents and volunteers (hereinafter "City covered parties") are named as additional insureds; 2) notice of cancellation or changes of coverage shall be given to the City. The insurance is primary insurance with respect to the City covered parties. Any other insurance the City may have shall be considered excess insurance only. Permit holder's insurance shall also include a separation of insured's provision so that permit holder's insurance shall apply separately to each insured against whom liability is asserted. Failure of the Contractor to obtain and maintain the insurance as noted above may cause the denial and/or revocation of the Contractor's permit, at the sole and absolute discretion of the City.
53. Business Licenses: Contractor and consultants are required to possess or obtain a City of Carmel-by-the-Sea business license prior to the start of work.



CITY OF CARMEL-BY-THE-SEA

CITY COUNCIL

Staff Report

November 5, 2024
PUBLIC HEARINGS

TO:	Honorable Mayor and City Council Members
SUBMITTED BY:	Robert Harary, P.E, Director of Public Works
APPROVED BY:	Chip Rerig, City Administrator
SUBJECT:	Consider a recommendation from the Rule 20A Ad Hoc Committee to adopt Resolution 2024-091 establishing the Del Mar Underground Utility District and authorizing the Del Mar Utility Undergrounding Project utilizing Rule 20A Work Credit allocation

RECOMMENDATION:

Adopt Resolution 2024-091 establishing the Del Mar Underground Utility District and authorizing the Del Mar Utility Undergrounding Project utilizing Rule 20A Work Credit allocation.

BACKGROUND/SUMMARY:

In 1967, in response to local government interest in enhancing the aesthetics of their communities, the California Public Utilities Commission (CPUC) established electric tariff Rule 20. The Rule contains three separate programs that provide for undergrounding existing overhead utility lines. The rules established by the CPUC for electric utility companies are collectively known as Electric Rule 20. These include Rules 20A, 20B, and 20C. Each category of Electric Rule 20 addresses different funding mechanisms and qualifications for undergrounding existing overhead utility lines.

Electric Rule 20 Undergrounding Funding Options

A. Rule 20A: Municipal Projects

Rule 20A is the primary program for municipalities to underground utilities in built-up urban areas. Under Rule 20A, funding for undergrounding projects is primarily from ratepayer electric bills, so the projects must provide a benefit to the public at large.

To qualify, the governing body of the City must, among other things, determine, after consultation with Pacific Gas and Electric Company (PG&E), and after holding a Public Hearing on the subject, that undergrounding is in the public interest for one or more of the following reasons:

- The street or road right-of-way adjoins or passes through a civic area or public recreation area or an area of unusual scenic interest to the general public. There is a high probability that the Del Mar

parking area leading up to Carmel Beach would satisfy this requirement, although other areas, such as the Mission Trail Nature Preserve (MTNP), Forest Theatre, Sunset Center, City Hall, Scenic Road, and/or Forest Hill Park may also qualify.

- The street or road right-of-way is considered an arterial street or major collector as defined in the Governor's Office of Planning and Research General Plan Guidelines. City streets that meet this requirement include Ocean Avenue, Carpenter Street, Junipero Street, Rio Road, San Antonio Avenue, San Carlos Street, and Santa Lucia Avenue.
- Wheelchair access is limited or impeded in a manner that is not compliant with the Americans with Disabilities act. There is a high probability that streets within the City satisfy this requirement, but would have to be analyzed on a case-by-case bases.
- The street or road right-of-way is extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic. There is a moderate probability that Ocean Avenue and the central commercial district would satisfy this requirement.
- The project eliminates an unusually heavy concentration of overhead electric facilities. There is a low probability that such a qualifying area exists in the City of Carmel (City).

It should be emphasized that Rule 20A was established to improve aesthetics at these qualifying locations. The overall Rule 20A Program has not been successful as a majority of projects were only executed in large metropolitan areas, projects took years - and oftentimes decades - to implement, and numerous agencies, including the City (until now), did not benefit from the Program.

In recent years, and in large part based on devastating wildfires in California allegedly caused by electrical wires, the Rule 20A Program has been subject to significant criticism by communities requesting undergrounding for wildfire prevention. Further, Work Credits have been rapidly reallocated from agencies without prior notice, including from the City, and without recourse. Over the past three years, the CPUC has been revising, and is now phasing out the entire Program, which will expire in 2033. This report will discuss these key issues as it relates to the City's Rule 20A funding program and a proposed undergrounding project.

B. Rules 20B and 20C

Under Rule 20B, projects are typically installed in conjunction with a subdivision development, and the costs are borne by the project developer. The developer pays for the installation cost of the underground system, less a credit for an equivalent overhead system. Rule 20B would not apply to a built-out community such as Carmel-by-the-Sea.

Under Rule 20C, projects are usually small and involve just one or more property owners. The costs are almost entirely borne by the applicants. Undergrounding within the provisions of Rule 20C occurs when neither Rule 20A nor Rule 20B applies. Under Rule 20C, the applicants pay the entire cost of the electric undergrounding. There are such potential undergrounding projects being planned in the City, notably along San Antonio Avenue, between Second and Fourth Avenues, that may qualify under Rule 20C.

City of Carmel Rule 20A Funding

The City has limited Rule 20A funding allocation credits ("Work Credits") to undertake any major utility undergrounding project. Municipalities historically accrued credits annually and received an annual notification each March. It is important to note Work Credits are not monies, but are credits as described in the Electric Rule 20 tariff. One Work Credit is equivalent to one dollar. As the name implies, the credit

discounts the cost of a Rule 20A undergrounding project. In other words, credits can be applied to pay the full or partial cost of a qualifying undergrounding project.

Reallocation of Credits

When a Rule 20A project requires additional Work Credits for construction, credits from communities that are considered “inactive” can be reallocated to those communities who has an active project but with insufficient Work Credits to proceed into construction. This process is referred to as reallocation. Section A.1.c of the Electric Rule 20 Tariff states:

“When amounts are not expended or carried over for the community to which they are initially allocated, they shall be assigned when additional participation on a project is warranted or be reallocated to communities with active undergrounding programs.”

In March 2021, for the first time in the City’s Rule 20A Work Credit program, PG&E notified the City that they reallocated \$5,407 of the City’s credits to an under-funded, but active, undergrounding construction project for the City of Live Oak. The reallocation actually occurred seven months earlier, in August 2020. When staff inquired, we were informed that until the City has an “active” undergrounding project, the City’s Rule 20A credits are subject to further reallocations.

In October 2021, with staff’s recommendation, the City Council added the Underground Utilities Rule 20A Project to the Council’s Strategic Priorities list. Next, staff began researching the development of a district in accordance with the Rule 20A requirements, which, as noted below, have been significantly changed by the CPUC over the past few years.

In the March 2022 PG&E allocation notice, the City still had \$986,646 in Work Credits. However, in the March 2023 notice, we were notified that another \$175,796 of the City’s credits had been reallocated to 14 other cities, mostly in the Bay area. The reallocations had already occurred in October 2022 and January 2023.

Last year, staff reached out to PG&E’s Rule 20A liaison to find out if further reallocations had occurred since the last notification, and indeed it had. Another \$143,211 was reallocated to eight other cities and counties across PG&E’s service territory in May and June 2023, again without prior notification to the City. As of today, the City’s Rule 20A allocation balance is down to \$667,639 Work Credits.

Over the past year, PG&E’s liaison made it clear that the CPUC was changing the entire Rule 20 Program, that no further Work Credits are being allocated, and that unused credits may expire in the year 2033. It appears that as the uncertainty of the changing rules was underway, PG&E, as well as other major investor-owned utilities in California, unilaterally reallocated the Work Credits of numerous inactive cities, including the City of Carmel.

Changes to Rule 20A Undergrounding Funding

California Public Utilities Commission Decision 21-06-013 discontinued authorization of new Rule 20A Work Credits for allocation after December 31, 2022. Additionally, municipalities are not permitted to borrow future Work Credits beyond 2022 Work Credit allocations. Unauthorized Work Credit trading is not permitted, except for intra-county donations of Work Credits from a county government to cities within the county or from a city to its county government, and pooling of Work Credits amongst two or more adjoining municipalities for a project with community benefit for the adjoining municipalities.

The CPUC has also temporarily halted the reallocation of credits by PG&E. The CPUC issued “Phase 2 Decision Revising Electric Rule 20 and Establishing Local and Tribal Government Consultation Requirements,” dated June 13, 2023, and included as **Attachment 2**. As a result, utility companies such as

PG&E must file a Tier 2 advice letter to the CPUC to make a consolidated proposal for reallocations of Rule 20A credits within 18 months of the effective date of that decision. PG&E intends to file a Tier 2 advice letter to the CPUC in December 2024. In the interim PG&E cannot reallocate any community's current Work Credits until such advice letter is submitted to the CPUC, thus temporarily freezing the current standing for communities such as Carmel-by-the-Sea. Thus, the City's total Work Credit balance at this time remains at \$667,639.

In **Attachment 2**, the CPUC provided the following key conclusions which are applicable to the City's proposed project:

- *"It is reasonable to discontinue the Rule 20A program.*
- *Any Rule 20A Work Credit that has not been allocated to a community with an Active Rule 20A Project within two years of the effective date of this decision should be deemed expired.*
- *Any Rule 20A Work Credit that has not been deducted from a community's Work Credit balance by December 31, 2033 should be deemed expired.*
- *Utilities should give communities the option to contribute financially to a Rule 20A project that has insufficient Work Credits for completion. Utilities should prioritize reallocation of Work Credits from inactive communities to Active Rule 20A Projects with insufficient Work Credit.*
- *It is reasonable to not increase the number of Rule 20A Work Credits available for reallocation or otherwise increase ratepayer funding available for Rule 20A projects."*

Active Versus Inactive Projects

The CPUC further defined the definition of an "active" community in CPUC Resolution E-4971 as follows,

- "1. Formally adopts an undergrounding district ordinance which expires at completion of work within the district boundaries; or*
- 2. Has started or completed construction of an undergrounding conversion project within the last 8 years, defined as 2011 or later; or*
- 3. Has received Rule 20A allocations from the utility for only 5 years or fewer due to recent incorporation."*

Currently, the City does not meet this definition of "active" and is considered "inactive." Of the three options to become "active" as described above, only Option 1 applies. Thus, it is prudent for the City to select an undergrounding project and adopt a Resolution establishing an underground utility district so that the City will be "active." Once the City is active, the remaining Work Credits will be "locked in" presumably through December 2033.

Selecting an Overhead to Underground Conversion Project

The first step to become an active community is to select a suitable undergrounding project. There were a number of possible undergrounding projects within the City, some discussed many years ago, that were considered. Public Works narrowed down these various options to two projects that appeared to be very strong candidates for Rule 20A funding and of a size that would be somewhat compatible with the remaining available Work Credits. The smallest qualifying project for Rule 20A must be a minimum 600 feet long. PG&E's cost per foot guideline is approximately \$500,000 for a 600-foot long project, or \$833 per foot.

At the November 11, 2023 City Council meeting and Public Hearing regarding this matter, Public Works staff presented the Rule 20A Program, reviewed two potential undergrounding utility project options, namely one in the Del Mar Parking Lot and the other along the Willow Trail in the MTNP, and requested Council to establish an Underground Utility District so that the City could become an “active” community and secure remaining Work Credits before the City’s Work Credits are further reallocated to other communities, or entirely eliminated in 2025. Public Works had previously submitted both undergrounding options to PG&E for preliminary review. PG&E subsequently notified the City that both options appear to qualify as meeting the tariff criteria for a Rule 20A project. At the Council meeting, the Mayor appointed an Ad Hoc Committee, comprised of Councilmembers Jeff Baron and Alissandra Dramov, to further analyze the two alternatives and consider impacts to affected property owners.

The Ad Hoc Committee met several times throughout the year, and toured both proposed project locations. City staff, including the City Administrator, Public Works Director, and Project Manager also knocked on doors of all homes in both locations, (twice around the Del Mar parking lot), attempting to meet with as many directly-impacted property owners as possible, explain the proposed undergrounding project, and gauge potential interest or opposition.

The Ad Hoc Committee also held a Public Meeting on October 7th, 2024. At this Public Meeting, approximately 20 residents received a presentation outlining the Rule 20A Program and notifying the Ad Hoc Committee’s intention of recommending to the full City Council the selection of the Del Mar Undergrounding Utility District. Public comments were encouraged and were generally supportive of moving forward.

Del Mar Undergrounding Utility District

Attachment 3 illustrates a preliminary Underground Utility District boundary map, an aerial photograph outlining the overhead utilities and poles to be relocated underground, and representative photographs of the poles and wires at this location.

The proposed district is located in the Del Mar parking lot from the intersection of Ocean/San Antonio Avenues, west along the southern edge of the North Dunes Habitat Restoration Site, and approximately 800 feet to the end of the parking lot at the foot of the entrance onto Carmel Beach. At the time of future construction, seven (7) property owners, most adjacent to the south edge of the parking lot, would need to convert to underground facilities. Ten power poles and associated overhead wires would ultimately be removed. A very rough initial cost estimate prepared by staff, in today’s dollars, is \$735,000.

The Del Mar Underground Utility District provides a great advantage from a visual aesthetics perspective for a great number of citizens and visitors to Carmel Beach and the North Dunes site. This aesthetic upgrade is fundamental to the genesis of the Rule 20A Program.

However, there are numerous factors that can significantly influence the cost and scheduling of any undergrounding project, from the number of utilities involved, other utilities existing below ground, environmental considerations, topography, and market cost of labor and materials at the time of future construction. As a result, it becomes extremely hard to develop an early budget estimates for any such project. Further, as the design commences by the utilities, there may be additional, or less, power poles that will be removed compared to the above estimates. Similarly, additional, or less, Property owners may be required to convert to underground connections once the undergrounding project design is developed.

Another key issue when selecting an Undergrounding Utility Project is the impact to Property Owners in the Underground District. If approved, approximately five of the seven currently anticipated Property Owners would be required to convert their overhead facilities on their private properties and at their expense. Each

Property Owner would also need to design the conversion for their home from overhead utility connections to be received via new, underground services. This process would include obtaining permits and approvals from PG&E, other utilities, and the City, installing new utility service panels, trenching across their properties, and installing conduits up to the City's right-of-way to accommodate underground electric power, cable television, telephone, and other communications services. As a result, on-site landscaping, fences, driveways, or other improvements may also need to be restored after the installations are made. Finally, the overhead wires to the private homes or businesses would be removed by PG&E. The Building Department estimates that such a conversion could cost roughly \$20,000 to \$30,000, although each property's situation would be different.

As noted above, an "Active" status will lock in the City's current allocation of Work Credits (\$667,639). If, at a later date, the City decides to revise Project boundaries, or considers a different location altogether, it can do so without any repercussion as it would likely not jeopardize the Active status. However, significantly revising the selected project at a later date could result in further project delays, especially if the changes are proposed after the Project design is commenced by the utilities.

Initiating an Underground Utility District

Per Carmel Municipal Code (CMC) Chapter 13.28, "Underground Utilities," the City may establish an undergrounding district after holding a Public Hearing and adopting a Resolution. CMC Chapter 13.28 is included as **Attachment 4**. All property owners within the proposed underground district boundaries have been notified of this Public Hearing.

Once the City Council adopts the proposed Resolution, Public Works will formally initiate the project by submitting the Resolution, Underground Utility District map showing the District boundaries, and Project application materials to PG&E, and the telephone and cable companies affected by the proposed Project.

The Resolution in **Attachment 1** is in a format provided by PG&E. The proposed Resolution states, among other matters:

1. That the public interest requires that all existing overhead communication and electric distribution facilities in such District be removed and placed underground;
2. That each property served from overhead facilities shall have installed, in accordance with PG&E's rules for underground service, electrical facility changes on the premises necessary to receive services from the underground facilities of PG&E as soon as it is available; and
3. That once the overhead facilities are converted to underground, PG&E must discontinue its overhead service and remove all aerial facilities and power poles.

Proposed Council Actions following the Public Hearing

At the November 5, 2024 meeting, Staff will recap the November 2023 meeting by providing a presentation outlining the Rule 20A funding process, describing the proposed undergrounding project, and introducing the next steps from application to PG&E through future construction.

Following Public Hearing testimony, the Ad Hoc Committee may recommend approval of the Del Mar Undergrounding Utility Project. Then, the full Council will be asked to approve the Underground Utility Conversion Project. Alternatively, Council could direct staff to consider a different option, or provide more information at a subsequent Council meeting; however, there is a real risk of losing Work Credits should the City remain on inactive status into 2025.

Adoption of the Resolution prompts two distinct actions:

1. The Del Mar Underground Utility District would be established, and
2. The Del Mar Undergrounding Project would commence, using Rule 20A Works Credits, even if the

District is modified in the future.

The final, signed Resolution (**Attachment 1**) will include the proposed Del Mar Underground District boundary map (**Attachment 3**) as an exhibit to the Resolution when forwarded to PG&E.

Project Planning and Design

Once PG&E determines that the City's Rule 20A Application is complete, their team can initiate project planning. This is a multi-step process that includes developing an underground design, project plans, cost estimates, and coordinating designs and schedules with the other overhead utilities and the City. Project design also involves coordination with multiple underground utilities, regulatory agencies, and affected Property Owners. The preliminary design will confirm that the underground district boundary shown in **Attachment 3** is adequate for removal of the overhead facilities and is of adequate size and configuration to accommodate their new, underground facilities. Otherwise, PG&E will notify the City that the District boundaries may need to be adjusted.

Issues that could slow the planning and design phases include: obtaining environmental clearances and regulatory permits, securing easements if required, space constraints in the public right-of-way, tree impacts, excavating in the Archaeological Significance Overlay Zone, parking lot and traffic flow restrictions, future funding arrangements with the City, and/or legal challenges.

The City should utilize all available Work Credits to pay for this Project. However, if the City elects to move forward with a Rule 20A Project without having sufficient Work Credits to cover the full cost of future construction of the Project, as is currently anticipated, a community fund would have to be pre-arranged at that time to cover the Work Credits shortfall. Since the cost of the underground conversion will not be known until a design is established, it is premature to lock in an amount or funding source for the anticipated shortfall at this time.

Project Construction

Project construction by the utilities involves trenching, constructing underground utility vaults, various junction boxes, and pedestals, excavating and placing conduits for underground joint trenches, pulling utility cables through the joint trench conduits, and site restoration.

As noted above, the Property Owners in the District must also convert their overhead service connections to receive the utility services via underground conduits installed on their private properties. Once all the underground infrastructure, both in the public right-of-way and on the private properties, are in place, the overhead utility wires and power poles can be removed.

Recently, PG&E stated that new Rule 20A projects are still taking up to 10 years to complete from the initial planning application to pole removal. This is not unusual as other local agencies have experienced the same timelines or longer.

Pros and Cons of Utility Undergrounding

While utility undergrounding has a number of benefits, there are some drawbacks that should be considered when establishing an undergrounding project.

Benefits include:

- **Aesthetics:** Better appearance of neighborhoods with power poles and lines removed from view.
- **Reliability:** Fewer power outages as underground power lines are not susceptible to high winds or falling trees and branches.
- **Safety:** Hazards of overhead power lines are eliminated, notably those that could spark fires, which provides improved safety for the community and utility workers.

- Resilience: Better resilience of the utility network to climate change, including impacts of stronger storms and temperature fluctuations.
- Durability: Underground systems have a longer useful life than overhead systems.

Drawbacks include:

- Cost: Installing underground utilities costs on average 10 times more to plan and install than overhead utilities for the same voltage and distance. The cost can range from 4 to 14 times more than overhead facilities.
- Water Infiltration: Underground lines must be protected by waterproof conduit as they are susceptible to shortages from groundwater infiltration.
- Ease of Repair: When an outage occurs, locating the damaged area underground is more difficult and may take longer to repair. Replacing underground power lines is also more time-consuming.
- Utility Conflicts: There are other utilities underground, including gas, sewer, water, and stormwater drainage systems which limit the available space for undergrounding power and communications lines and vaults. This will be of particular concern along Carmel's narrow residential streets for future, larger-scale undergrounding projects.
- Sidewalk Hazards: More utility vaults in the parking lot and pedestals on the sidewalks could potentially lead to falls.
- Flexibility: Once a utility is undergrounded, power load changes can only be accommodated when the line is replaced.

Local Underground Projects

According to PG&E's Rule 20A Progress Report for 2023, there were 10 active undergrounding projects in Monterey County, all of which are in the initial planning phase. None of these projects had advanced into the engineering design phase in 2023. Project costs ranged from \$620,000 to \$19.3M. A sampling of project locations, and costs, in the local vicinity include:

1. Carmel Valley Road, Monterey County, \$19.3M
2. Carmel Highlands, Monterey County, \$10M
3. North Fremont Street, City of Monterey, \$5.3M
4. Reservation Road, City of Marina, \$3.1M
5. Central Avenue, City of Pacific Grove, \$3.1M
6. California Street, City of San Jose, \$1.8M

Larger Scale or Citywide Underground Considerations

At the Strategic Priority Workshop of August 30, 2023 and as confirmed at the October 3, 2023 meeting, the City Council directed staff to pursue a larger-scale undergrounding project(s) separate from this one-time Rule 20A Project as another Strategic Priority.

Applying the same cost factor recently provided by PG&E of \$500,000 for every 600 feet for undergrounding, and noting the City has 27 centerline road miles (142,560 lineal feet), a rough estimate, in today's dollars, of converting the City at large to underground would be \$120 million.

Environmental Determination

The City has determined that establishing the Del Mar Underground Utility District and authorizing an Utility Undergrounding Project are exempt from environmental review pursuant to the California Environmental Quality Act (CEQA) California Public Resources Code Section 21000, et seq., pursuant to Section 15061(b)(3) of the CEQA Guidelines, covering activities with no possibility of having a significant effect on the environment, and that establishing the Del Mar Underground Utility District and authorizing an Utility Undergrounding Project do not directly or indirectly authorize or approve any actual changes in the physical environment.

An environmental review pursuant to CEQA may be required in the future once a design is developed.

FISCAL IMPACT:

Funding for an underground utility conversion project using Rule 20A Work Credits from PG&E is described above. The City's current Work Credit balance is \$667,639; however, these credits are at risk in 2025 if the City does not promptly become an "active" community per CPUC requirements.

There is no fiscal impact to the City for establishing an Underground Utility District and authorizing a Project at this time. Should these Work Credits be insufficient to fund future construction of the Del Mar Utility Undergrounding Project, as currently anticipated, supplemental City funds will need to be identified and secured at that time. It may be years until a cost estimate is determined by PG&E.

Approximately five of the seven affected properties in within the District boundaries will have to convert their overhead utilities to be able to receive underground services. The average estimated cost per property is currently estimated in the ballpark of \$20,000 to \$30,000. Once PG&E designs the Project and identifies the exact parcels impacted and connection points, these cost estimates will be refined. While the cost to convert to underground is the responsibility of the private parties, the City could consider cost sharing arrangements or waive permit fees at such future time.

PRIOR CITY COUNCIL ACTION:

In October 2021, the Rule 20A Undergrounding Project was included in the City Council's list of Strategic Priorities. Updates on the status of this project was provided in subsequent Council Strategic Priority workshops in March 2022, September 2022, January 2023, August 2023, and March 2024.

At the November 11, 2023 Council meeting, staff presented the Rule 20A Program, reviewed two undergrounding utility project options, namely in the Del Mar Parking Lot and along the Willow Trail in the MTNP, and requested Council establish an Underground Utility District so that the City could become an "active" community and secure remaining Work Credits before the City's Work Credits are further reallocated to other communities, or entirely eliminated in 2025. Council formed an Ad Hoc Committee, comprised of Councilmembers Jeff Baron and Alissandra Dramov, to further analyze these two alternatives and consider impacts to affected property owners.

ATTACHMENTS:

Attachment 1) Resolution 2024-091

Attachment 2) CPUC Decision Revising Electric Rule 20

Attachment 3) Del Mar Underground Utility District Boundary Map and Photos

Attachment 4) CMC Chapter 13.28 UNDERGROUND UTILITIES

**CITY OF CARMEL-BY-THE-SEA
CITY COUNCIL**

RESOLUTION NO. 2024-091

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA
ESTABLISHING THE DEL MAR UNDERGROUND UTILITY DISTRICT AND AUTHORIZING
THE DEL MAR UTILITY UNDERGROUNDING PROJECT UTILIZING RULE 20A WORK
CREDIT ALLOCATIONS**

WHEREAS, the California Public Utilities Commission (CPUC) has authorized electric and telecommunication utilities to convert overhead utility lines and facilities to underground pursuant to Electric Rule 20 and Telecommunication Rule 32; and

WHEREAS, pursuant to certain criteria, CPUC rules allow participating cities and counties to establish legislation authorizing the creation of underground utility districts within which existing overhead electric distribution and telecommunication distribution and service facilities will be converted to underground; and

WHEREAS, the City of Carmel-by-the-Sea (City) has adopted an Underground Utility Ordinance, Chapter 13.28 of the Carmel Municipal Code authorizing the City Council to designate areas within which all existing overhead poles, overhead wires and overhead equipment associated with the distribution of electric power, telecommunication services and cable television should be removed and replaced with underground wires and facilities; and

WHEREAS, the Director of Public Works for the City has consulted with the affected public utilities and such utilities have agreed that the proposed underground conversion district, designated the Del Mar Underground Utility District and more particularly described in Exhibit A attached hereto and incorporated herein by reference, meets the criteria established by the rules of the CPUC, to wit:

- that the street or road right-of-way adjoins or passes through a civic area or public recreation area or an area of unusual scenic interest to the general public, and/or
- that the street or road right-of-way is extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic, and/or
- that the street or road right-of-way is considered an arterial street or major collector as defined in the Governor's Office of Planning and Research General Plan Guidelines; and/or
- that such undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric facilities; and

WHEREAS, each year the City is notified by PG&E regarding the allocation of work credits for conversion of overhead electric distribution lines and facilities to underground, known as Rule 20A allocations; and

WHEREAS, the City and the affected utilities have agreed that each utility shall complete the engineering of their respective portion of the City's Overhead to Underground Utility Conversion Project; and

WHEREAS, the City and the affected utilities have agreed that PG&E shall be responsible for preparation of the trench profile and composite drawings, and that PG&E shall be designated as "trench lead" to manage trenching, installation of substructures, and pavement restoration and such other work; and

WHEREAS the Director of Public Works of the City and the affected utilities have agreed on a work schedule which meets their respective capabilities and further agreed to waive any administrative fees, costs or special street restoration requirements for purposes of this project; and

WHEREAS, to the extent required, the City has agreed to provide easements or rights of way on private property as may be necessary for installation of utility facilities in a form satisfactory to the affected utilities; and

WHEREAS, the City Council of the City has now received the report from the Director of Public Works recommending that the area identified in Exhibit A should be designated as an underground utility district within which all existing overhead poles, overhead wires and overhead equipment associated with the distribution of electric power, telecommunication services and cable television should be removed and replaced with underground wires and facilities; and

WHEREAS, the City has determined that establishing the Del Mar Underground Utility District and authorizing the Del Mar Utility Undergrounding Project are exempt from environmental review pursuant to the California Environmental Quality Act (CEQA) California Public Resources Code Section 21000, et seq., pursuant to Section 15061(b)(3) of the CEQA Guidelines, covering activities with no possibility of having a significant effect on the environment, and that establishing the Del Mar Underground Utility District and authorizing the Del Mar Utility Undergrounding Project do not directly or indirectly authorize or approve any actual changes in the physical environment; and

WHEREAS, the City has notified all affected property owners within the proposed Del Mar Underground Utility District and inviting same to attend a Public Hearing to discuss formation of the proposed district; and

WHEREAS, the City Council of the City held a Public Hearing at which time the Council did receive and consider the recommendation of the Director of Public Works and did hear any and all objections or protests that were raised by the owners of property within the above described district pertaining to designating this area an underground utility district.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA THAT:

Section 1. The public interest requires the removal of all existing utility poles [excepting those poles supporting safety lights], overhead wires and associated overhead structures and installation of underground wires and facilities for supplying electric power, communication, or similar associated services within the areas as shown in Exhibit A, attached hereto, with such area being designated as the Carmel Underground Utility District.

Section 2. That the utility companies, cable television services and other affected services shall commence work on installation of underground facility installation in the Del Mar Underground Utility District and that as each phase of the project is complete and ready for conversion from overhead to underground utility facilities, all fronting property owners shall be notified by first class letter, postage pre-paid, of the schedule for conversion of all utility service lines.

Section 3. The electric utility shall not use the underground conversion allocation computed pursuant to decisions of the CPUC for the purpose of providing to each premises requiring it in the Del Mar Underground Utility District a maximum of one hundred feet of individual electric service trenching and conductor (as well as backfill, paving and conduit, if required) and each other serving utility shall provide service trenching and conductor in accordance with its rules and tariffs on file with the CPUC or as required by its Franchise Agreement with the City.

Section 4. The electric utility shall not use said underground conversion allowance allocation, up to a maximum amount of \$1,500 per service entrance excluding permit fees, for the conversion of electric service panels to accept underground service in the Del Mar Underground Utility District, and each property owner shall be financially responsible for any and all costs not covered by the electric utility for the installation and maintenance of the conduit and termination box located on, under or within any structure on the premises served.

Section 5. That upon notification as specified in Section 2, all property owners in the Del Mar Underground Utility District shall have underground electrical entrance facilities installed and inspected pursuant to the City's Electrical Code within sixty (60) days and that should any property owner fail to install satisfactory underground electrical entrance facilities by the date specified in the notice, the electric utility shall notify the Director of Public Works who shall, within thirty (30) days direct the electric utility in writing to discontinue electrical service to the property, without recourse, pursuant to Rule 11 until electrical entrance facilities are ready to accept underground electrical conductors and have passed the necessary inspection requirements.

Section 6. That once all services have been converted from overhead to underground, the utility companies, cable television services and other affected services shall remove all poles (except as specified above) and associated overhead facilities in the Del Mar Underground Utility District.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA
this 5th day of November, 2024, by the following vote:**

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

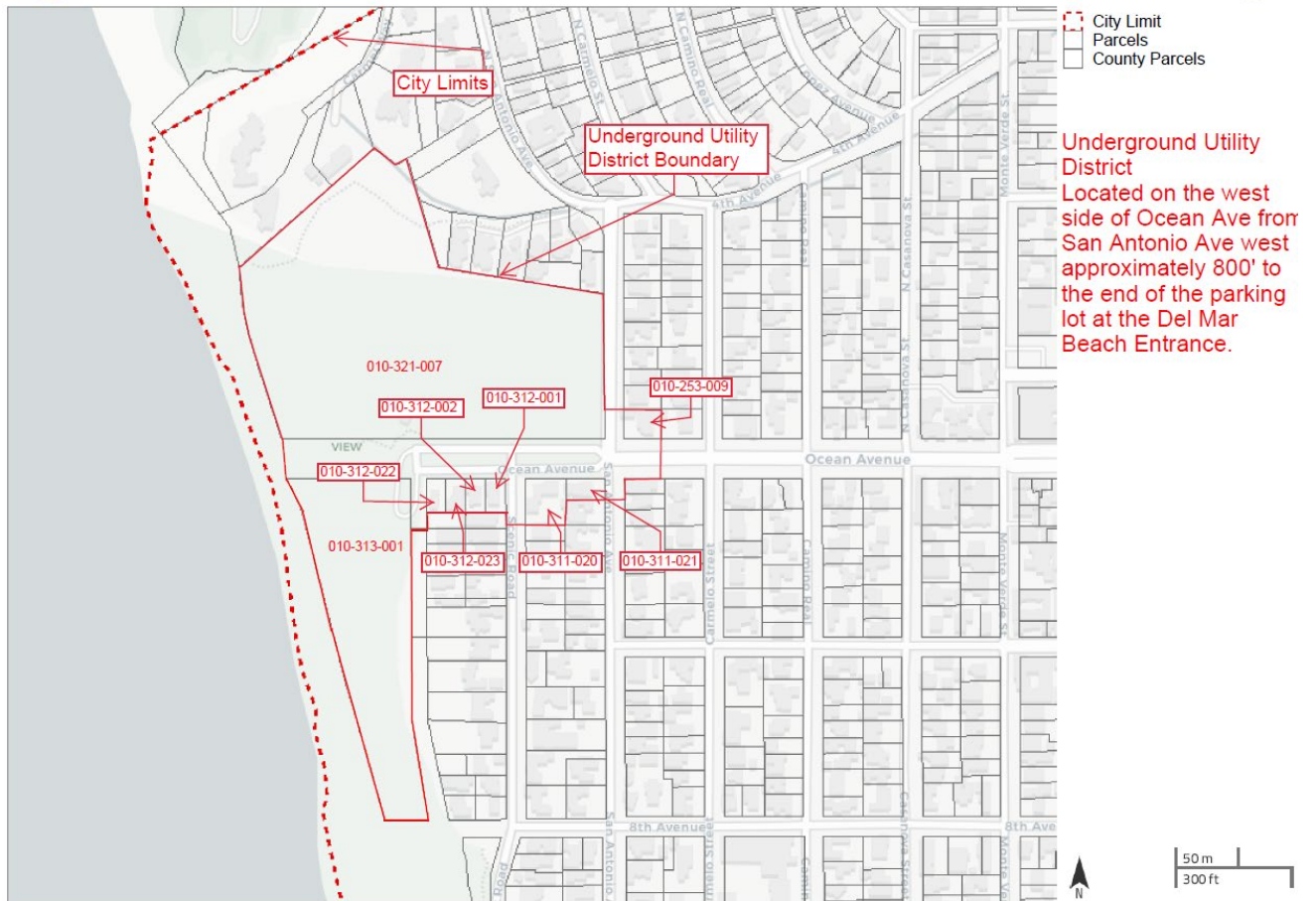
Dave Potter, Mayor

Nova Romero, MMC, City Clerk

Exhibit A: Del Mar Underground Utility District Boundary Map



GIS MAP - Carmel-by-the-Sea - Underground Utility District



COM/ARD/mef

Date of Issuance: 6/13/2023

Decision D.23-06-008 June 8, 2023

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to
Consider Revisions to Electric Rule 20
and Related Matters.

Rulemaking 17-05-010

**PHASE 2 DECISION REVISING ELECTRIC RULE 20 AND ESTABLISHING
LOCAL AND TRIBAL GOVERNMENT CONSULTATION REQUIREMENTS**

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Attachment A - Required Information Regarding Proposed Projects for Reallocation of Rule 20A Work Credits

PHASE 2 DECISION REVISING ELECTRIC RULE 20 AND ESTABLISHING LOCAL AND TRIBAL GOVERNMENT CONSULTATION REQUIREMENTS

Summary

Electric Rule 20 (Rule 20) defines policies and procedures for investor-owned utilities to convert overhead power lines and other equipment to underground electric facilities at the request of a city, county, or private applicant.

This Phase 2 decision discontinues Rule 20A and Rule 20D to prevent ratepayers from funding inefficient and inequitable infrastructure investments. Rule 20A is a subprogram of Rule 20 that allocates ratepayer-funded work credits to cities and unincorporated counties for projects that meet criteria focused on aesthetic purposes. Rule 20D is a subprogram that allocates ratepayer-funded work credits to projects for mitigating fire risk in San Diego Gas & Electric Company's service territory. No project has ever been completed through Rule 20D.

The Commission will retain its authority to decide whether to approve ratepayer-funded investments in undergrounding electric lines or authorize less expensive solutions for mitigation of wildfire-related risks through other processes, including General Rate Case proceedings. Local and tribal governments will have the opportunity to provide input on large utilities' wildfire-related undergrounding plans on a regular basis.

This decision directs Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to leverage an existing semi-annual workshop requirement to consult with local and tribal governments about wildfire-related undergrounding investment plans.

Rulemaking 17-05-010 is closed.

1. Background

On May 11, 2017, the Commission issued the Order Instituting Rulemaking to Consider Revisions to Electric Rule 20 and Related Matters (OIR). The OIR described the long procedural history of the Electric Rule 20 program (Rule 20), dating back to 1967. The OIR named certain electric utilities and communications providers as respondents to the rulemaking.¹

Rule 20A is a subprogram of Rule 20 that allocates ratepayer-funded work credits to cities and unincorporated counties for projects that meet eligibility criteria focused on aesthetic purposes. Rule 20D is a subprogram that allocates ratepayer-funded work credits to reduce fire risk in high fire risk areas within cities and unincorporated counties in San Diego Gas & Electric Company (SDG&E) service territory.

On June 3, 2021, the Commission approved Decision (D.) 21-06-013, which revised Rule 20A as follows: (a) discontinued new work credit allocations for Electric Rule 20A projects, (b) clarified Electric Rule 20A project eligibility criteria and work credit transfer rules, and (c) enhanced program oversight. The decision concluded Phase 1 of the proceeding (Phase 1 Decision).

On August 16, 2022, the assigned Commissioner issued a Scoping Memo and Ruling (scoping memo) that established the issues for Phase 2 of this

¹ Electric utility respondents: Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), Bear Valley Electric Service Company (BVES), Liberty Utilities (Liberty), and PacifiCorp. Facilities-based communications provider respondents: Incumbent Local Exchange Carriers, AT&T California, Cal-Ore Telephone Company, Calaveras Telephone Company, Citizens Telecommunications Company of California, Ducor Telephone Company, Foresthill Telephone Company, Happy Valley Telephone Company, Hornitos Telephone Company, Kerman Telephone Company, Pinnacles Telephone Company, Ponderosa Telephone Company, Sierra Telephone Company, Siskiyou Telephone Company, Frontier California, Volcano Telephone Company, Consolidated Communications of California, Winterhaven Telephone Company, and other facilities based communication providers.

proceeding and requested party comments. The following parties filed opening comments and/or reply comments to the scoping memo questions: Rural County Representatives of California (RCRC); City of San Jose; Liberty Utilities (CalPeco Electric) LLC (Liberty Utilities); PacifiCorp d.b.a. Pacific Power (PacifiCorp); County of Sonoma; County of San Diego; Southern California Edison Company (SCE); League of California Cities (Cal Cities); SDG&E; Public Advocates Office of the California Public Utilities Commission (Cal Advocates); California Cable & Telecommunications Association (CCTA); AT&T Mobility, Pacific Bell Telephone Company d/b/a AT&T California (AT&T); City of Laguna Beach; City of San Diego; Pacific Gas and Electric Company (PG&E); and California State Association of Counties (CSAC).

On November 8, 2022, the Commission's Energy Division held a workshop (2022 Workshop) on the Phase 2 issues. Over 200 stakeholders participated in the workshop. Workshop panelists included representatives of PG&E, SCE, SDG&E, The Utility Reform Network (TURN), Cal Advocates, CSAC, RCRC, Lake County, and Cal Cities.

On December 7, 2022, the assigned Administrative Law Judge (ALJ) issued a ruling to request party comments on the 2022 Workshop. The following parties filed opening comments and/or reply comments to the scoping memo questions: SCE, PG&E, SDG&E, Cal Cities, Cal Advocates, TURN, County of Tuolumne, County of San Diego, AT&T, Citizens Telecommunications Company of California Inc., Frontier Communications of the Southwest Inc., Frontier California Inc., Santa Barbara Cellular Systems, Ltd., and New Cingular Wireless PCS, LLC.

This matter was submitted on February 17, 2023 upon filing of reply comments to the ALJ ruling on December 7, 2022.

2. Issues Before the Commission

The Phase 2 issues before the Commission are as follows:

- a. Whether to modify Rule 20A project eligibility criteria to include wildfire safety and emergency-related undergrounding or otherwise modify Rule 20A project eligibility criteria;
- b. Whether the Commission or utilities should enhance engagement with local and tribal governments to inform utility investments in undergrounding for wildfire safety, resilience, or emergency-related purposes;
- c. Whether to modify or discontinue the Rule 20D program;
- d. Whether to modify the Rule 20 program to support future projects in underserved, tribal, and/or disadvantaged communities or otherwise advance the goals of the Commission's Environmental and Social Justice (ESJ) Action Plan 2.0; and
- e. Whether to take additional steps to support the completion of active Rule 20A projects with insufficient work credits in underserved, tribal, and/or disadvantaged communities.

3. Wildfire-Related Undergrounding Investments by Ratepayers

Before addressing issues (a) through (c) above, this decision will first consider what role local and tribal governments should have in determining where to cost-efficiently invest ratepayer funding in undergrounding power lines to mitigate wildfire-related risk.

Local governments argued that they should be involved in siting undergrounding projects for wildfire-related purposes because local governments have valuable knowledge of the wildfire-related needs of their communities. RCRC asserted that local governments have a deep understanding of their communities, including energy reliability needs and natural disaster vulnerabilities. RCRC strongly supported enhanced engagement with local

governments to plan undergrounding projects for wildfire mitigation and resilience purposes because there is “little or no utility involvement with local governments to determine which undergrounding projects will be included in their wildfire mitigation or resilience programs.”² RCRC argued, “What makes Rule 20 special is that it is focused on those projects identified by local governments. One of the most significant differences between Rule 20 undergrounding and other utility-led undergrounding efforts is that it puts local governments in the driver seat.”³

Cal Cities similarly argued that utility ratepayers should fund “locally-identified wildfire safety and emergency projects that might otherwise not be high priority for PG&E but hold great significance locally and for overall wildfire mitigation.” Cal Cities also strongly supported enhancing engagement with local governments earlier in the planning process for utility investments in undergrounding for safety, resilience, or emergency-related purposes. Cal Cities proposed that large utilities should be required to consult with cities about their wildfire-related undergrounding plans early enough in the planning process so that the information gained from the consultation can inform the large utility’s plans. Cal Cities proposed additional requirements for public hearings and comments from local officials.⁴

Tuolumne County commented that local governments should have the opportunity to provide input on utilities’ wildfire-related undergrounding plans during the “scoping and planning stages.”⁵

² RCRC’s comments on January 20, 2023.

³ RCRC’s comments on September 13, 2022.

⁴ Cal Cities’ comments on September 15, 2022.

⁵ Tuolumne County comments on January 20, 2023.

The large electric utilities each argued that the Commission should not create new requirements for utilities to consult with local or tribal governments about wildfire-related undergrounding projects. SDG&E argued that utilities have the most expertise in wildfire safety and should continue to identify where to invest in undergrounding power lines for safety and emergency purposes, and that its existing processes for consulting with local governments is sufficient. SDG&E also opposed changing Rule 20A project eligibility criteria to include wildfire mitigation.⁶

PG&E argued that its existing processes for engaging with local governments and tribes is sufficient because it “appropriately balances the utilities’ need to efficiently move forward with our undergrounding work that mitigates for system-wide wildfire risk and accounts for the needs of communities, tribes and customers to be informed and involved in the process.” PG&E explained that it first selects wildfire undergrounding investments based on wildfire risk models, in consultation with regulators, and then begins engagement with local governments and tribes after the projects are selected.⁷

SCE opposed Cal Cities’ proposal for increasing engagement with local governments in planning utility-driven investments in wildfire undergrounding, arguing that its existing and planned outreach efforts already offer opportunities for local and tribal governments to provide input to inform SCE’s determinations about whether to pursue wildfire mitigation-related undergrounding projects.⁸

No party specifically argued that small or multi-jurisdictional utilities should be required to increase local and tribal engagement about wildfire-related

⁶ SDG&E comments on September 15, 2022.

⁷ PG&E’s comments on February 17, 2023.

⁸ SCE’s comments on January 20, 2023 and February 17, 2023.

undergrounding investment plans. No small or multi-jurisdictional utility addressed this issue in comments.

Local and tribal governments should have the opportunity to provide input on large electric utilities' wildfire-related undergrounding plans on a regular basis. Local governments have valuable knowledge of the wildfire-related needs of their communities. It is not sufficient for utilities to inform local governments about wildfire-related undergrounding plans and projects after these plans are final.

Ratepayer advocates strongly opposed allowing local governments to decide where ratepayers should invest in wildfire-related undergrounding through the Rule 20A program. TURN asserted that Californians are facing an "unprecedented and increasingly dire affordability crisis" and urged the Commission to avoid irresponsible spending of ratepayer funds. TURN argued that the Commission should retain its authority to decide whether to approve ratepayer-funded investments in undergrounding electric lines or authorize less expensive solutions through General Rate Case (GRC) Phase 1 proceedings.⁹

Cal Advocates similarly argued that decisions to invest in undergrounding or other solutions for mitigating wildfire risk at much lower costs to ratepayers, including covered conductor, should be made through the Wildfire Mitigation Plans (WMPs) approval process.¹⁰

PG&E and SDG&E agreed that decisions regarding wildfire mitigation investments should continue to be made through the existing GRC Phase 1 and WMPs processes and that Rule 20A should not be expanded to address wildfire

⁹ TURN's comments on January 20, 2023.

¹⁰ Cal Advocates comments on January 20, 2023.

mitigation.¹¹ PG&E also noted that Senate Bill (SB) 884, Stats. 2022, ch. 819, requires the creation of an additional regulatory process for reviewing utility undergrounding investments for wildfire mitigation, which will be overseen by the Office of Energy Infrastructure Safety (OEIS) and the Commission.¹² Liberty Utilities and PacifiCorp agreed that addressing wildfire safety and emergency issues should remain outside of the Rule 20A context since conversion of overhead facilities to underground is very expensive in comparison to other wildfire mitigation measures such as hardening the overhead system.

The Commission and OEIS have existing processes that are more appropriate than the Rule 20 program for considering whether to approve ratepayer-funded investments in wildfire-related undergrounding or more cost-efficient measures. It is reasonable for the Commission to retain its authority to decide whether to approve ratepayer-funded investments in undergrounding electric lines or authorize less expensive solutions for mitigation of wildfire-related risks through existing processes and any future process created in accordance with SB 884.

3.1. Whether to Add Rule 20A Project Eligibility Criteria for Wildfire-Related Undergrounding

As discussed above, local governments should have the opportunity to influence the planning of utilities' wildfire-related undergrounding projects, but the Commission will not delegate its authority for deciding whether to approve ratepayer-funded investments in undergrounding electric lines or more cost-efficient solutions for mitigation of wildfire-related risks.

¹¹ Comments of PG&E and SDG&E on January 20, 2023.

¹² PG&E's comments on January 20, 2023.

RCRC, Cal Cities, and CSAC argued that local governments should have the opportunity to pursue Rule 20A projects for wildfire-related projects because utilities may not prioritize projects that reflect local governments' knowledge of the specific needs of their communities.¹³ As discussed in Section 3.2 below, this decision will provide opportunities for local and tribal governments to inform utilities' plans for wildfire-related undergrounding. This approach will incorporate local and tribal concerns while retaining the Commission's authority to determine whether to approve ratepayer funding for investments in wildfire-related undergrounding projects.

SCE proposed to give local and tribal governments the opportunity to propose Rule 20A projects for wildfire mitigation purposes in the locations with the highest wildfire-related safety risks, with the caveat that utilities should have the option to assess whether it makes sense to underground overhead lines in areas where covered conductor has already been installed to reduce ignition risk.¹⁴ SCE proposed to allow utilities to decide whether to approve Rule 20A projects for wildfire mitigation purposes where covered conductor has been installed, presumably because the costs may outweigh the benefits of these projects.

This decision will not adopt SCE's proposal because the Commission will not delegate its authority to utilities or local governments for determining whether the costs of wildfire-related undergrounding investments outweigh the benefits for specific projects.

¹³ RCRC comments on September 13, 2022; Cal Cities' comments on September 15, 2022; and CSAC's comments on September 26, 2022.

¹⁴ SCE's comments on February 17, 2023.

Further, as discussed in Section 3.3 below, local governments have not completed a single project under Rule 20D, which the Commission authorized in 2014 to allow local governments in SDG&E's service territory to use ratepayer funding for wildfire mitigation undergrounding in locations designated by SDG&E.

For the reasons above, it is reasonable to not add wildfire-related project eligibility criteria to Rule 20A.

3.2. Whether to Enhance Engagement with Local Governments and Tribal Jurisdictions to Inform Utility Investments in Undergrounding for Wildfire Safety, Resilience, or Emergency-Related Purposes

As discussed above, this decision concludes that local and tribal governments should have the opportunity to provide input on the large electric utilities' wildfire-related undergrounding plans on a regular basis.

PG&E, SCE, and SDG&E each opposed the creation of new local consultation processes, arguing that they each have extensive existing processes for engaging with local and tribal governments about planned investments in wildfire-related undergrounding.¹⁵ Liberty Utilities, PacifiCorp, and Bear Valley did not comment on this topic.

In contrast, RCRC commented that although it is a member of PG&E's Undergrounding Advisory Group and an active stakeholder of the Office of Energy Infrastructure Safety's Wildfire Mitigation Plan process, the 2022 Workshop presentations on utilities' wildfire undergrounding efforts provided "the first real look" into PG&E's undergrounding plans and criteria for selecting

¹⁵ See comments of PG&E, SCE, and SDG&E on January 20, 2023 and February 17, 2023.

project locations.¹⁶ PG&E acknowledged that it generally informs local and tribal governments about undergrounding plans after the project locations have been selected.¹⁷

This decision recognizes that the creation of a new local and tribal consultation process would significantly increase administrative costs borne by electric ratepayers as well as local and tribal governments. However, it is necessary to establish utility consultation requirements to ensure that local and tribal governments have the opportunity to provide input on utilities' wildfire undergrounding plans on a regular basis. This decision will leverage an existing consultation process to minimize administrative costs.

In D.20-06-017, the Commission ordered PG&E, SCE, and SDG&E to conduct semi-annual workshops (Semi-Annual Local/Tribal Workshops) designed to empower local and tribal jurisdictions with a better understanding of grid operations, utility infrastructure, and the nature of weather events alongside utilities' Public Safety Power Shutoff (PSPS) mitigation initiatives so they can make informed decisions on where to focus their resiliency planning efforts, capital investments, and pre-PSPS event operations. The agendas for these Semi-Annual Local/Tribal Workshops must include a discussion of utilities' electric transmission and distribution infrastructure investment plans.¹⁸ Wildfire-related undergrounding is highly relevant to this agenda item.

It is reasonable to direct PG&E, SCE, and SDG&E to include the following items in the agenda of each Semi-Annual Local/Tribal Workshop: (a) briefing about the utility's wildfire-related transmission and distribution investment

¹⁶ RCRC's comments on January 20, 2023.

¹⁷ PG&E's comments on January 20, 2023.

¹⁸ Ordering Paragraph 7 of D.20-06-017.

plans, including plans for potential undergrounding project locations that are not final; and (b) opportunity for local and tribal governments to share their priority sites for wildfire-related undergrounding projects.

3.3. Whether to Modify or Discontinue the Rule 20D Program

On February 13, 2020, the assigned ALJ issued a ruling to request comments on a staff proposal to reform the Rule 20 program (February 2020 Staff Proposal). The February 2020 Staff Proposal included the following background information about the Rule 20D program.

Rule 20D is currently only in SDG&E's service territory and it applies specifically to undergrounding in SDG&E's high fire threat areas where undergrounding is deemed by SDG&E to be a preferred method for wildfire mitigation in a given area. Rule 20D is structured similarly to the Rule 20A program and is similarly-community-driven. SDG&E annually allocates work credits to eligible communities and that they may borrow forward five years to obtain additional funds. Unlike Rule 20A, Rule 20D only allows communities to utilize work credits towards the conversion of primary distribution to underground. The program does not pay for undergrounding secondary lines or services, or for panel conversions for residences or businesses. Rule 20D has been in existence since 2014 and SDG&E has not started or completed a single project to date through this program.¹⁹

The February 2020 Staff Proposal included the following explanation for its recommendation to discontinue the Rule 20D program.

Rule 20D may no longer serve a function in light of the utilities' [WMPs] which are intended to fire harden overhead infrastructure in the same high fire threat areas that would be eligible for Rule 20D projects. The utilities' WMPs are not precluded from including undergrounding as a mitigation measure. Rule 20D projects may place higher costs on ratepayers than simply installing steel poles

¹⁹ February 2020 Staff Proposal at 11.

and covered conductors. Furthermore, the program may be too slow to complete undergrounding projects in light of the growing wildfire risk. Not a single Rule 20D project has been initiated since the program began in 2014 and any projects could take up to seven years to complete.²⁰

The February 2020 Staff Proposal recommended discontinuing the allocation of new work credits immediately and allowing communities to use previously allocated work credits to complete existing projects within 10 years.²¹

In D.21-06-013, the Commission declined to address the staff recommendation to discontinue the Rule 20D program and concluded that the Commission would consider whether to modify or discontinue the Rule 20D program in Phase 2 of this proceeding.

In the scoping memo, the assigned Commissioner requested party comments on whether to modify or discontinue Rule 20D. Only SDG&E, County of San Diego, and Cal Advocates commented on the Rule 20D issue. The City of San Diego had no comments on this issue.²²

SDG&E supported discontinuation of Rule 20D in alignment with its comments that wildfire-related undergrounding investments should be approved through GRC Phase 1 proceedings and WMPs. SDG&E asserted that since the beginning of the program, no community has been able to identify a Rule 20D project due to the eligibility terms.²³

²⁰ February 2020 Staff Proposal at 37-38.

²¹ February 2020 Staff Proposal at 38.

²² City of San Diego's comments on September 15, 2022.

²³ SDG&E's comments on September 15, 2022.

Cal Advocates supported discontinuation of Rule 20D, arguing that the program is unnecessary because it is duplicative of the WMPs and no projects have been initiated under Rule 20D.²⁴

County of San Diego expressed its strong interest in mitigating fire risk but did not oppose discontinuation of Rule 20D. County of San Diego explained that it has not completed any Rule 20D projects for several reasons, including the program requirements to form an undergrounding utility district and the additional costs of undergrounding that are not covered by ratepayers, such as right-of-way acquisition and environmental analysis. Further, County of San Diego has not been able to use Rule 20D with similar success as its Rule 20A credits because it is unable to combine Rule 20D undergrounding projects with other roadway improvements. County of San Diego found that areas prone to the highest fire risks are not always within the planned roadway improvements or within the County's right-of-way. County of San Diego recommends modifying Rule 20D to cover all costs associated with undergrounding utilities and focus on undergrounding within existing public right-of-way.²⁵

No Rule 20D projects have been formally initiated or completed since the inception of the program, and it is not feasible to increase participation in the Rule 20D program without substantially increasing ratepayer investments in the program. Further, as discussed above, the Commission should decide whether to approve ratepayer-funded investments in undergrounding electric lines or authorize less expensive solutions for mitigation of wildfire-related risks through existing processes and any future process created in accordance with SB 884.

²⁴ Cal Advocates' comments on September 15, 2022.

²⁵ County of San Diego comments on September 15, 2022.

It is reasonable to discontinue the Rule 20D program. No new Rule 20D work credits will be allocated as of the effective date of this decision.

County of San Diego caveated its position on Rule 20D discontinuation on the ability to convert Rule 20D work credits to Rule 20A work credits. County of San Diego did not provide a justification for why it would be reasonable to convert Rule 20D work credits to Rule 20A work credits.²⁶

SDG&E supported eliminating Rule 20D with no conversion of work credits to Rule 20A work credits. SDG&E argues that conversion of Rule 20D work credits to Rule 20A work credits would be inequitable because not all communities within SDG&E's territory received Rule 20D work credits. SDG&E also commented that it did not expect discontinuation of the program to affect its GRC Phase 1 requests because it had not requested funding for Rule 20D through a GRC Phase 1 proceeding.²⁷

It is reasonable to not convert Rule 20D work credits to Rule 20A work credits. All Rule 20D work credits that are not committed to a specific project as of the effective date of this decision shall be deemed expired.

4. Equity and Environmental and Social Justice

The February 2020 Staff Proposal found deep inequities in Rule 20A program spending and recommended discontinuation of the program.

Undergrounding for aesthetic purposes in localized areas benefits few ratepayers at the expense of the many. While society at large may benefit from the reduction of overhead facilities in scenic viewsheds, it is not a sustainable or equitable proposition to continue placing the burden on ratepayers at large. Undergrounding of overhead infrastructure can be conducted when desired by local

²⁶ County of San Diego comments on March 2, 2023.

²⁷ SDG&E's comments on September 15, 2022.

communities, but costs should be primarily borne by those who will benefit directly from the projects.²⁸

The February 2020 Staff Proposal found that while 83 eligible communities did not complete a single project between 2005 and 2018, utilities spent over \$50 million of ratepayer funds on Rule 20A projects in each of the following seven communities during that period: City and County of San Francisco (\$174,194,533); City of San Diego (\$123,959,969); Unincorporated Los Angeles County (\$80,199,098); Unincorporated San Diego County (\$66,219,539); City of Long Beach (\$66,113,635); City of Oakland (\$59,290,182); and City of San Jose (\$54,445,341). The Staff Proposal considered the eligible communities that had not completed a project since 2004 as “historically underserved” by the Rule 20A program.²⁹

The February 2020 Staff Proposal proposed to sunset the Rule 20A program in two steps:

- First, stop the issuance of work credit allocations. Communities may use accrued work credits to complete existing projects.
- Second, any unused work credits after a ten-year period will expire.³⁰

The Phase 1 Decision discontinued the issuance of Rule 20A work credits as of December 31, 2022, but declined to establish a wind-down period or deadline for the use of Rule 20A work credits at that time. In D.21-06-013, the Commission determined that it would consider whether to modify the Rule 20A program to support projects in underserved and disadvantaged communities in

²⁸ February 2020 Staff Proposal at 21-22.

²⁹ February 2020 Staff Proposal at 14-15.

³⁰ February 2020 Staff Proposal at 32.

Phase 2 of this proceeding. The scoping memo for Phase 2 included the broader issue of whether to modify the Rule 20 program to support future projects in underserved, tribal, and/or disadvantaged communities or otherwise advance the goals of the Commission's ESJ Action Plan 2.0.

The ALJ ruling, issued on December 7, 2022, also asked parties for comments on how to define underserved communities and disadvantaged communities.

Cal Advocates proposed using the definition of "ESJ Community" from the ESJ Action Plan 2.0, which includes all of the following communities, to ensure consistency and alignment with the ESJ Action Plan 2.0.³¹

- a. Disadvantaged Communities, defined as census tracts that score in the top 25 percent of CalEnviroScreen 3.0, along with those that score within the highest 5 percent of CalEnviroScreen 3.0's Pollution Burden but do not receive an overall CalEnviroScreen score;
- b. All federally-recognized tribal lands;
- c. Low-income households (meaning households with incomes below 80 percent of the area median income); and
- d. Low-income census tracts (meaning census tracts where aggregated household incomes are less than 80 percent of area or state median income).

Cal Advocates also proposed to define an "underserved community" as a community that has never completed a project through the Rule 20A program.³²

RCRC proposed that the Commission adopt definitions of disadvantaged communities and underserved communities that would include all ESJ

³¹ Cal Advocates comments on September 15, 2022.

³² Cal Advocates comments on September 15, 2022.

Communities as well as locations with lower historical levels of energy reliability.³³

It is reasonable to adopt the definition of ESJ Community from the ESJ Action Plan 2.0 for consistency and alignment with the action plan.

The definition of an underserved community should be based upon the historical inequities of Rule 20A program expenditures. However, communities that completed a project several decades ago should still be considered underserved by the program. Underserved Community should be defined as any city, unincorporated county, or tribal jurisdiction that has not completed a Rule 20A project since 2004.

Parties generally did not offer suggestions for modifying Rule 20A to increase future participation of ESJ Communities or Underserved Communities in the Rule 20A program. A few parties offered the following informative comments.

PG&E commented that the Rule 20A program rules should be modified to include tribes as eligible to receive Rule 20A work credits.³⁴

County of San Diego's comments on the challenges with developing Rule 20D projects in high fire threat areas illuminated the challenges Underserved Communities may have with implementing Rule 20A projects. As discussed in Section 3.3 above, County of San Diego explained that it had not completed any Rule 20D projects due to the program requirements to form an undergrounding utility district and the additional costs of undergrounding that

³³ RCRC's comments on September 15, 2022.

³⁴ PG&E's comments on September 15, 2022.

are not covered by ratepayers, such a right-of-way acquisition and environmental analysis.³⁵

Cal Advocates argued that the best solution for advancing equity and reducing the impact of Rule 20A on rising rates is to sunset the Rule 20A program. Cal Advocates argued that it is not feasible to increase participation of Underserved Communities, which tend to be smaller communities, because larger communities are more likely to be able to dedicate greater internal staff and outside consulting services to help them plan for Rule 20A projects. Cal Advocates urged the Commission to discontinue the Rule 20A program to provide relief to California ratepayers.³⁶

We agree with Cal Advocates' arguments about the barriers to participation for Underserved Communities. We also note that the February 2020 Staff Proposal identified an additional Rule 20A barrier for small communities. The Rule 20A work credit allocation methodology resulted in smaller communities accruing insufficient work credits to complete a project.³⁷

The Commission's ESJ Action Plan 2.0 includes a new emphasis on considering "rate burdens" on low-income communities. The action plan states that "Continuing to assess the cumulative impact of rates on households and working to mitigate these impacts on the most burdened households will remain a priority in all actions the [Commission] takes."³⁸

The best way to address the inequities of the Rule 20A program and advance the Commission's ESJ Action Plan 2.0 is to discontinue the Rule 20A

³⁵ County of San Diego comments on September 15, 2022.

³⁶ Cal Advocates' comments on September 15, 2022.

³⁷ February 2020 Staff Proposal at 29.

³⁸ The Commission's ESJ Action Plan 2.0 at 4 and 22.

program. Any Rule 20A work credit that has not been allocated to a community with an Active Rule 20A Project within two years of the effective date of this decision shall be deemed expired. An Active Rule 20A Project shall be defined as a project with a signed resolution that the utility has designated as either “active” or on “hold.” A Rule 20A project that a utility has designated as on “hold” is a project that was initiated but has stopped for an indeterminate amount of time due to the community possessing insufficient work credits to fund the entire project. Any Rule 20A work credit that has not been deducted from a community’s work credit balance by December 31, 2033 shall be deemed expired. Some Rule 20A projects may be completed after the December 31, 2033 deadline because utilities may deduct Rule 20A work credits from a community’s work credit balance prior to the actualization of the applicable project costs.

We will also update the utilities’ Rule 20A reporting requirements to reflect the discontinuation of the Rule 20A program and new work credit allocations. This decision updates utilities’ Rule 20A reporting requirements as follows: (a) utilities shall no longer be required to serve a Rule 20A Annual Statement in accordance with Ordering Paragraph 6 of D.73078 as of the effective date of this decision;³⁹ (b) utilities shall continue to serve Rule 20A Annual Updates in accordance with Ordering Paragraph 15 of D.21-06-013 to communities that have an Active Rule 20A Project until December 31, 2033; (c) utilities shall no longer serve Rule 20A Annual Updates in accordance with Ordering Paragraph 15 of D.21-06-013 to communities that do not have an Active

³⁹ This requirement is outdated. The Rule 20A Annual Statements are reports of the new Rule 20A work credit allocations for the upcoming year that utilities must send to each local government. D.21-06-013 discontinued new Rule 20A work credit allocations, so there is no longer any information to report through the Rule 20A Annual Statements.

Rule 20A Project as of two years after the effective date of this decision;⁴⁰ and (d) utilities shall continue to serve Rule 20A Annual Reports in accordance with Ordering Paragraph 14 of D.21-06-013 until December 31, 2033, and these Rule 20A Annual Reports will include all work credit reallocations.

**5. Active Rule 20A Projects
with Insufficient Work Credits**

In D.21-06-013, the Commission discontinued allocations of new Rule 20A work credits after December 31, 2022. The Commission recognized in D.21-06-013 that some active Rule 20A projects may have insufficient work credit balances and insufficient available community funding to support completion and concluded that Phase 2 of this proceeding should consider whether to take additional steps to support the completion of active Rule 20A projects that are located in underserved and/or disadvantaged communities.

In the scoping memo, the assigned Commissioner asked parties whether to prioritize disadvantaged and/or underserved communities for the reallocation of Rule 20A work credits, and whether there are barriers to conversion of Rule 20A projects with insufficient work credits to Rule 20B or Rule 20C projects. As discussed in Section 4 above, this decision adopted definitions for ESJ Communities and Underserved Communities for Rule 20A.

⁴⁰ The Rule 20A Annual Updates required by D.21-06-013 are sent to local governments to provide the status of such community's Rule 20A projects and its work credits by April 1 each year. Utilities have no project status updates to report in a Rule 20A Annual Update to a community with no Active Rule 20A Projects. D.21-06-013 discontinued new Rule 20A work credit allocations, so there are no new work credit allocations to report to communities. Further, this decision provides that any Rule 20A work credit that has not been allocated to a community with an Active Rule 20A Project within two years of the effective date of this decision shall be deemed expired.

5.1. Reallocation of Rule 20A Work Credits

Section 2(c) of Rule 20A allows utilities to reallocate work credits from an inactive community to a community with an active project. Resolution E-4971 defined a community as “inactive” if it has not (i) formally adopted an undergrounding district ordinance which expires at completion of work within the district boundaries, (ii) started or completed construction of an undergrounding conversion project since 2011, or (iii) received Rule 20A allocations from the utility for only 5 years or fewer due to recent incorporation. While Resolution E-4971 defined what constitutes an inactive community, it did not expressly define what constitutes an active project. In Section 4 above, this decision defines Active Rule 20A Projects.

The scoping memo attached Table 1 below, which presented an Energy Division staff analysis of the aggregate work credit shortfall of active Rule 20A projects (Total Active Project Work Credit Shortfall) and the aggregate work credits accrued by inactive communities (Total Inactive Community Work Credits) for the service territories of PG&E, SCE, and SDG&E as of April 2022.

Table 1: Summary of Rule 20A Work Credit Short Shortfall and Inactive Community Work Credits (April 2022)⁴¹

Utility	Total Active Project Work Credit Shortfall	Total Inactive Community Work Credits
PG&E	\$397,700,987	\$77,417,347
SCE	\$5,539,689	\$63,860,438
SDG&E	\$92,792,582.79	\$7,437,903.40

⁴¹ The data in Table 1 was provided by PG&E, SCE, and SDG&E in response to an Energy Division data request.

The forecasted work credit shortfall is based on the utility's estimates as of April 2022, which may be subject to change. The source of the Total Inactive Community Work Credits was the 2022 Active and Inactive Community Work Credit Balance Lists submitted by PG&E, SCE, and SDG&E in accordance with D.21-06-013, Ordering Paragraphs 3(b) and 3(c).

Table 1 above shows an approximately \$320 million work credit shortfall for active projects in PG&E territory and an approximately \$85 million work credit shortfall for active projects in SDG&E territory.

Several parties generally opposed reallocation of work credits from inactive communities to active Rule 20A projects. RCRC and Cal Cities each argued that communities who were not interested in Rule 20A in the past may become interested if the Commission adds wildfire-related purposes to the project eligibility criteria.⁴² Since this decision declines to add wildfire-related purposes to Rule 20A, RCRC's argument is no longer relevant. City of Laguna Beach and CSAC recommended allowing inactive communities to redirect their accumulated work credits to other types of Rule 20 projects.⁴³ However, because parties such as CSAC also simultaneously argued that it would be too burdensome for communities to complete projects using Rule 20B and Rule 20C,⁴⁴ this argument is not persuasive.

PG&E commented that if the Commission decides not to authorize new Rule 20A work credit allocations, the Commission should redefine "inactive community" so that more work credits would be available for reallocation.

⁴² RCRC's comments on September 13, 2022 and Cal Cities comments on September 15, 2022.

⁴³ City of Laguna Beach's comments on September 15, 2022 and CSAC's comments on September 26, 2022.

⁴⁴ CSAC's comments on September 26, 2022

PG&E proposed to define an inactive community as a community with insufficient work credits to complete a Rule 20A project for the minimum distance of 600 feet or one block.⁴⁵

Cal Advocates opposed reallocation of work credits, except to active Rule 20A projects in ESJ communities that have never completed a Rule 20A project. Cal Advocates argued that the Commission should immediately sunset the Rule 20A program and limit reallocations of work credits to combat rising electric rates and address historical inequitable distribution of Rule 20A funds.⁴⁶

SDG&E commented that it does not have any active projects located in a disadvantaged community.⁴⁷ Liberty and PacifiCorp also commented that they do not have any Rule 20A projects in disadvantaged communities.⁴⁸

We agree with Cal Advocates that our approach to addressing active Rule 20A projects should protect ratepayers from higher Rule 20A program costs and counteract the historical inequitable distribution of Rule 20A funds. We also acknowledge that some utilities may not have any active Rule 20A projects located in an ESJ Community or an Underserved Community.

Utilities should prioritize reallocation of work credits (pursuant to Section 2(c) of Rule 20A) from inactive communities to Active Rule 20A Projects with insufficient work credits such that the reallocation of such work credits is prioritized first to either (1) Active Rule 20A Projects located in Underserved Communities or (2) Active Rule 20A projects where at least 50 percent of the main line trench distance will be located within ESJ Community census tract(s).

⁴⁵ PG&E's comments on September 15, 2022.

⁴⁶ Cal Advocates' comments on September 15, 2022.

⁴⁷ SDG&E's comments on September 15, 2022.

⁴⁸ Liberty Utilities and PacifiCorp's joint comments on September 15, 2022.

An ESJ Community census tract should be defined as a census tract that meets one of the following criteria: (i) scores in the top 25 percent of CalEnviroScreen 4.0, along with those that score within the highest 5 percent of CalEnviroScreen 4.0's Pollution Burden but do not receive an overall CalEnviroScreen score; (ii) located in any federally-recognized tribal lands; or (iii) where aggregated household incomes are less than 80 percent of area or state median income.

Each utility shall file a Tier 2 advice letter to make a consolidated proposal of reallocations of Rule 20A work credits within 18 months of the effective date of this decision. In the alternative, a utility may file a Tier 1 advice letter to inform the Commission that it will not make any reallocations of work credits during the remainder of the Rule 20A program.

This decision does not increase the number of Rule 20A work credits available for reallocation or otherwise increase the ratepayer funding available for Rule 20A projects.

5.2. Community Contributions to Rule 20A Projects

The scoping memo asked parties to comment on whether there are barriers to communities making contributions to Rule 20A projects with insufficient work credits or converting these projects to Rule 20B or Rule 20C projects, which require communities or individuals to pay for most of the project costs.

RCRC, Cal Cities, CSAC, and County of San Diego each commented that the main barrier to conversion of a Rule 20A project to a Rule 20B or a Rule 20C project is the lack of local funding for these projects.⁴⁹ As discussed in Section 5.1

⁴⁹ RCRC's comments on September 13, 2022; Cal Cities comments on September 15, 2022; CSAC's comments on September 26, 2022; and County of San Diego's comments on September 15, 2022.

above, this decision does not authorize additional ratepayer funding for Rule 20A projects.

SDG&E commented that communities that have insufficient work credits to fund a Rule 20A project may enter into an agreement with SDG&E for the community to fund all portions of the project that exceed available work credits. Alternatively, they may create a separate project that can be funded through Rule 20B or Rule 20C, with separate resolutions to properly account for project cost and subsidies.⁵⁰

SCE commented that its approach to Rule 20A projects that do not have sufficient work credits has been to (a) propose a reduced scope of work that fits within available work credit balance, or (b) define a separate scope of work for a Rule 20A portion and a Rule 20B portion of the project. When separate scopes of work are defined for Rule 20A and 20B projects, SCE estimates the scope of the Rule 20A portion very conservatively given the stream of annual work credits and mortgaging limitations. SCE commented that it would prefer to be able to give communities the option to contribute financially to a Rule 20A project that exceeds the Rule 20A work credit balance instead of carving out separate Rule 20A and Rule 20B scopes of work.⁵¹

This decision clarifies that utilities should give communities the option to contribute financially to a Rule 20A project that has insufficient work credits for completion.

⁵⁰ SDG&E's comments on September 15, 2022.

⁵¹ SCE's comments on September 15, 2022.

6. Summary of Public Comment

Rule 1.18 of the Rules of Practice and Procedure (Rules) allows any member of the public to submit written comment in any Commission proceeding using the “Public Comment” tab of the online Docket Card for that proceeding on the Commission’s website. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be summarized in the final decision issued in that proceeding.

The relevant Public Comments on the Docket Card include comments about how to define disadvantaged communities, whether or how to reallocate Rule 20A work credits, and wildfire-related undergrounding projects.

7. Comments on Proposed Decision

The proposed decision of President Alice Reynolds in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission’s Rules of Practice and Procedure. Comments were filed on May 25, 2023 by PG&E, SCE, SDG&E, Cal Advocates, and the City of Oakland, and reply comments were filed on June 1, 2023 by Cal Advocates, City of Oakland, PG&E, SCE, SDG&E, and TURN.

PG&E recommended that the Commission modify the Rule 20A work credit reallocation priority criteria to allow a utility to treat a Rule 20A project as an ESJ Community priority project so long as at least 50 percent of the project, measured by main line trench distance, is located in ESJ census tracts. We revised this decision accordingly to increase the likelihood that projects in ESJ Communities will be completed.

PG&E also requested that the Commission define ESJ Communities based on CalEnviroScreen 4.0 instead of version 3.0, consistent with annual reporting requirements. We revised this decision accordingly.

PG&E urged the Commission to allow utilities to prioritize the completion of Active Rule 20A Projects that are “in flight” and are not located within Underserved Communities or ESJ Communities. City of Oakland requested to borrow-forward additional work credits for a Rule 20A project despite the project not qualifying for prioritization under this decision.

Cal Advocates argued that only ESJ Communities and Underserved Communities should be eligible for reallocation of Rule 20A work credits to address the historical inequities of the Rule 20A program. Cal Advocates opposed the City of Oakland’s request for additional work credits as seeking to relitigate the Phase 1 decision in this proceeding and undermine this decision’s reallocation priority process.

TURN also opposed PG&E’s and City of Oakland’s requests, arguing that these requests would undermine the ratepayer benefits of the proposed decision and continue the historical inequities of the Rule 20A program.

We revised this decision to modify the reallocation priority criteria to prioritize Active Rule 20A Projects in Underserved Communities and ESJ Communities equally, rather than prioritizing projects in Underserved Communities over projects in ESJ Communities. This will allow utilities to prioritize ESJ Community projects that are ready to break ground over Underserved Community projects that are on hold.

PG&E and SCE requested flexibility to continue to reallocate Rule 20A work credits until the sunset of the program at the end of 2033. PG&E and SCE raised concerns about the work credit balances of communities with Active Rule

20A projects expiring within a year of this decision. SCE and SDG&E also requested an additional year to reallocate work credits from inactive communities to Active Rule 20A Projects, arguing that it will take more time to work with communities to identify the best projects for reallocation. TURN opposed the requests for flexibility to reallocate work credits throughout the sunset period.

We revised this decision to provide that work credits that are not allocated to community with an Active Rule 20A Project within two years of the effective date of this decision will be deemed expired.

Cal Advocates recommended that the Commission direct the utilities to file advice letters to identify the specific communities and projects that would be eligible for reallocation in each IOU's service territory, pursuant to the prioritization of ESJ and underserved communities.

We agree that reallocations of work credits should be made in a transparent way. We revised this decision to direct each utility to file a Tier 2 advice letter within 18 months of the effective date of this decision to propose reallocations to Active Rule 20A Projects in accordance with the reallocation prioritization requirements of this decision. Alternatively, a utility may file a Tier 1 advice letter to confirm that it will not make any reallocations throughout the remainder of the Rule 20A program.

For purposes of understanding the impact of the deadline for the expiration of Rule 20A work credits at the end of 2033, PG&E requested that the Commission clarify whether Rule 20A project costs must be actualized before they are deducted from a community's work credit balance. We clarified in this decision that a utility may deduct a Rule 20A work credit from a community's work credit balance prior to the actualization of the associated project cost.

8. Assignment of Proceeding

President Alice Reynolds is the assigned Commissioner and Stephanie Wang is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. Local governments have valuable knowledge of the wildfire-related needs of their communities.
2. The Commission and OEIS have existing processes that are more appropriate than the Rule 20 program for considering whether to approve ratepayer-funded investments in wildfire-related undergrounding or more cost-efficient measures.
3. SB 884 requires the creation of an additional process for the Commission and OEIS to review ratepayer-funded investments in undergrounding electric lines to mitigate wildfire-related risks.
4. In D.20-06-017, the Commission ordered PG&E, SCE, and SDG&E to conduct Semi-Annual Local/Tribal Workshops that must include a discussion of utilities' electric transmission and distribution infrastructure investment plans.
5. No Rule 20D projects have been formally initiated or completed since the inception of the program.
6. It is not feasible to increase participation in the Rule 20D program without substantially increasing ratepayer investments in the program.
7. The Rule 20A program undergrounds power lines for aesthetic purposes in localized areas and benefits few ratepayers at the expense of the many ratepayers.
8. Eighty-three communities eligible for the Rule 20A program failed to complete a single project between 2005 and 2018.

9. Utilities spent over \$50 million of ratepayer funds on Rule 20A projects in each of the following seven communities between 2005 and 2018: City and County of San Francisco (\$174,194,533); City of San Diego (\$123,959,969); Unincorporated Los Angeles County (\$80,199,098); Unincorporated San Diego County (\$66,219,539); City of Long Beach (\$66,113,635); City of Oakland (\$59,290,182); and City of San Jose (\$54,445,341).

Conclusions of Law

1. Local and tribal governments should have the opportunity to provide input on large electric utilities' wildfire-related undergrounding plans on a regular basis.
2. It is reasonable for the Commission to retain its authority to decide whether to approve ratepayer-funded investments in undergrounding electric lines or authorize less expensive solutions for mitigation of wildfire-related risks.
3. It is reasonable to not add wildfire-related project eligibility criteria to Rule 20A.
4. The Commission should leverage an existing local and tribal consultation process to minimize administrative costs.
5. It is reasonable to direct PG&E, SCE, and SDG&E to include the following agenda items in each of its Semi-Annual Local/Tribal Workshops: (a) briefing about the utility's wildfire-related transmission and distribution investment plans, including plans for potential undergrounding project locations that are not final; and (b) opportunity for local and tribal governments to share their priority sites for wildfire-related undergrounding projects.
6. It is reasonable to discontinue the Rule 20D program.
7. No new Rule 20D work credits should be allocated as of the effective date of this decision.

8. It is reasonable to not convert Rule 20D work credits to Rule 20A work credits.

9. All outstanding Rule 20D work credits that are not committed to a specific project as of the effective date of this decision should be deemed expired.

10. The Commission should adopt the definition of ESJ Community from the Commission's ESJ Action Plan 2.0 for the Rule 20A program.

11. The Commission should define Underserved Community as any city, unincorporated county, or tribal jurisdiction that has not completed a Rule 20A project since 2004.

12. It is reasonable to discontinue the Rule 20A program.

13. Any Rule 20A work credit that has not been allocated to a community with an Active Rule 20A Project within two years of the effective date of this decision should be deemed expired.

14. An Active Rule 20A Project should be defined as a project with a signed resolution that the utility has designated as either "active" or on "hold."

15. A Rule 20A project that a utility has designated as on "hold" is a project that was initiated but has stopped for an indeterminate amount of time due to the community possessing insufficient work credits to fund the entire project.

16. Any Rule 20A work credit that has not been deducted from a community's work credit balance by December 31, 2033 should be deemed expired.

17. The Commission should update utilities' Rule 20A reporting requirements as follows: (a) utilities shall no longer be required to serve a Rule 20A Annual Statement in accordance with Ordering Paragraph 6 of D.73078 as of the effective date of this decision; (b) utilities shall continue to serve Rule 20A Annual Updates in accordance with Ordering Paragraph 15 of D.21-06-013 to communities that have an Active Rule 20A Project until December 31, 2033;

(c) utilities shall no longer serve Rule 20A Annual Updates in accordance with Ordering Paragraph 15 of D.21-06-013 to communities that do not have an Active Rule 20A Project as of two years after the effective date of this decision; and (d) utilities shall continue to serve Rule 20A Annual Reports in accordance with Ordering Paragraph 14 of D.21-06-013 until December 31, 2033, and these Rule 20A Annual Reports will include all work credit reallocations.

18. Utilities should give communities the option to contribute financially to a Rule 20A project that has insufficient work credits for completion. Utilities should prioritize reallocation of work credits (pursuant to Section 2(c) of Rule 20A) from inactive communities to Active Rule 20A Projects with insufficient work credits such that the reallocation of such work credits is prioritized first to either (1) Active Rule 20A Projects located in Underserved Communities or (2) Active Rule 20A projects where at least 50 percent of the main line trench distance will be located within ESJ Community census tract(s).

19. An ESJ Community census tract should be defined as a census tract that meets one of the following criteria: (i) scores in the top 25% of CalEnviroScreen 4.0, along with those that score within the highest 5% of CalEnviroScreen 4.0's Pollution Burden but do not receive an overall CalEnviroScreen score; (ii) located in any federally-recognized tribal lands; or (iii) where aggregated household incomes are less than 80 percent of area or state median income. Each utility should file a Tier 2 advice letter to make a consolidated proposal of reallocations of Rule 20A work credits, or file a Tier 1 advice letter to inform the Commission that it will not make any reallocations of work credits during the remainder of the Rule 20A program, within 18 months of the effective date of this decision.

20. It is reasonable to not increase the number of Rule 20A work credits available for reallocation or otherwise increase ratepayer funding available for Rule 20A projects.

21. This proceeding should be closed.

O R D E R

IT IS ORDERED that:

1. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company shall each file a Tier 1 advice letter within 30 days of the effective date of this decision to confirm that it will include the following items in the agenda of each semi-annual local and tribal workshop held in compliance with Decision 20-06-017: (a) briefing about the utility's wildfire-related transmission and distribution investment plans, including plans for potential undergrounding project locations that are not final; and (b) opportunity for local and tribal governments to share their priority sites for wildfire-related undergrounding projects.

2. San Diego Gas & Electric Company shall not allocate any new Electric Rule 20D work credits as of the effective date of this decision.

3. San Diego Gas & Electric Company shall file a Tier 1 advice letter within 30 days of the effective date of this decision to do all of the following: (a) modify its Electric Rule 20D (Rule 20D) tariff to state that any Rule 20D work credit that is not committed to a Rule 20D project that the utility has deemed as "active" as of the effective date of this decision is deemed expired; (b) confirm that there are no Rule 20D projects with a signed resolution that the utility has deemed as "active" as of the effective date of this decision; (c) confirm that all outstanding Rule 20D work credits are expired as of the effective date of this decision; and (d) modify

its Rule 20 Program Guidebook to reflect the conclusion of the Rule 20D program.

4. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Bear Valley Electric Service Company, Liberty Utilities, and PacifiCorp shall each file a Tier 1 advice letter within 30 days of the effective date of this decision to modify its Electric Rule 20A (Rule 20A) tariff and its Electric Rule 20 Program Guidebook to provide as follows:

- (a) An Active Rule 20A Project shall be defined as a project with a signed resolution that the utility has designated as either “active” or on “hold.”
- (b) A Rule 20A project that a utility has designated as on “hold” is a project that was initiated but has stopped for an indeterminate amount of time due to the community possessing insufficient work credits to fund the entire project.
- (c) Any Rule 20A work credit that has not been allocated to a community with an Active Rule 20A Project within two years of the effective date of this decision shall be deemed expired.
- (d) Communities shall have the option to contribute financially to any Rule 20A project that has insufficient work credits for completion.
- (e) Any Rule 20A work credit that has not been deducted from a community’s work credit balance by December 31, 2033 shall be deemed expired.
- (f) The utility shall prioritize reallocation of work credits (pursuant to Section 2(c) of Rule 20A) from inactive communities to Active Rule 20A Projects with insufficient work credits such that the reallocation of such work credits is made first to either (1) Active Rule 20A Projects located in a city, unincorporated county, or tribal jurisdiction that has not completed a Rule 20A project

since 2004 or (2) Active Rule 20A Projects where at least 50 percent of the main line trench distance will be located within Environmental and Social Justice Community census tract(s). An Environmental and Social Justice Community census tract shall be defined as a census tract that meets one of the following criteria: (i) scores in the top 25 percent of CalEnviroScreen 4.0, along with those that score within the highest 5 percent of CalEnviroScreen 4.0's Pollution Burden but do not receive an overall CalEnviroScreen score; (ii) located in any federally-recognized tribal lands; or (iii) where aggregated household incomes are less than 80 percent of area or state median income.

5. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Bear Valley Electric Service Company, Liberty Utilities, and PacifiCorp shall each file a Tier 2 advice letter within 18 months of the effective date of this decision to propose reallocations of Electric Rule 20A work credits in accordance with Ordering Paragraph 4 above. Each utility may only file one Tier 2 advice letter that contains a consolidated list of proposed reallocations of work credits. If a utility does not intend to make any reallocations of Electric Rule 20A work credits, the utility may file a Tier 1 advice letter to notify the Commission that it will not make any reallocations of work credits during the remainder of the Electric Rule 20A program. Each Tier 2 advice letter must contain the following information:

- (a) A detailed narrative explanation of the utility's overall reallocation prioritization process, including an explanation of how the utility's prioritization methodology for selecting projects complies with this decision;
- (b) An accounting of all inactive communities and final work credit balances to be reallocated, with totals; and

- (c) An accounting of all projects that will receive a reallocation of Rule 20A work credits in the form of a template to be provided by the Commission's Energy Division, including: (i) the information in Attachment A; (ii) how many work credits will be reallocated to the eligible project; and (iii) a short explanation of why the project was selected for reallocation.

6. Rulemaking 17-05-010 is closed.

This order is effective today.

Dated June 8, 2023, at San Francisco, California.

ALICE REYNOLDS

President

GENEVIEVE SHIROMA

DARCIE L. HOUCK

JOHN REYNOLDS

KAREN DOUGLAS

Commissioners

Attachment A:
Required Information Regarding Proposed Projects for Reallocation of
Rule 20A Work Credits

The Commission's Energy Division will provide a template for an accounting of proposed projects for reallocation of work credits. The template will include, at minimum, the following required information.

- Project Sponsor
- Other Project Sponsors
- County
- City
- Utility Undergrounding District
- Project Name/Identifier
- Project Address (Street, City, ZIP Code)
- Applicant Type
- Project Status (Active/Hold)
- Project Stage (Planning, Estimating/Design, Construction, Closing)
- Trench Length (ft)
- Length, Estimated or Design
- Project Cost (Actual, Non-Adjusted)
- Actual Cost/ Current Estimated At Completion
- Current/ Actual Cost per foot
- Line Footage of Primary UG Circuit
- Project Spend to Date
- Joint Trench Participants
- Public Interest Criteria Met By Project
- Percent of Underground Miles in Underserved/ESJ Community by Main Line Trench Distance

- Project in Urban/Urban Cluster/Rural (Defined in the American Community Survey)
- Work Credit Reallocation for this Specific Project

(END OF ATTACHMENT A)



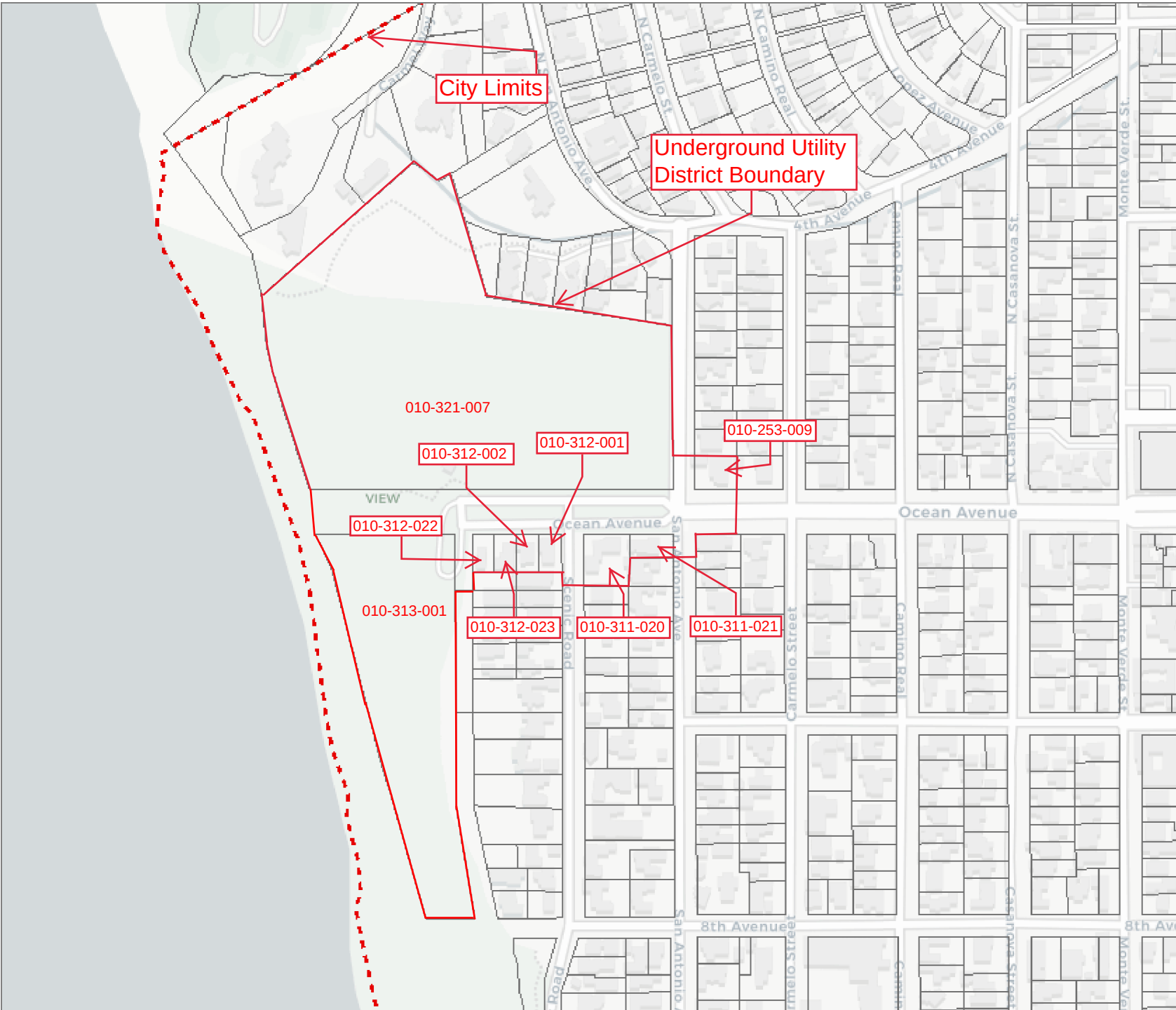
GIS MAP - Carmel-by-the-Sea - Underground Utility District

City Limit
Parcels
County Parcels

Underground Utility District
Located on the west side of Ocean Ave from San Antonio Ave west approximately 800' to the end of the parking lot at the Del Mar Beach Entrance.

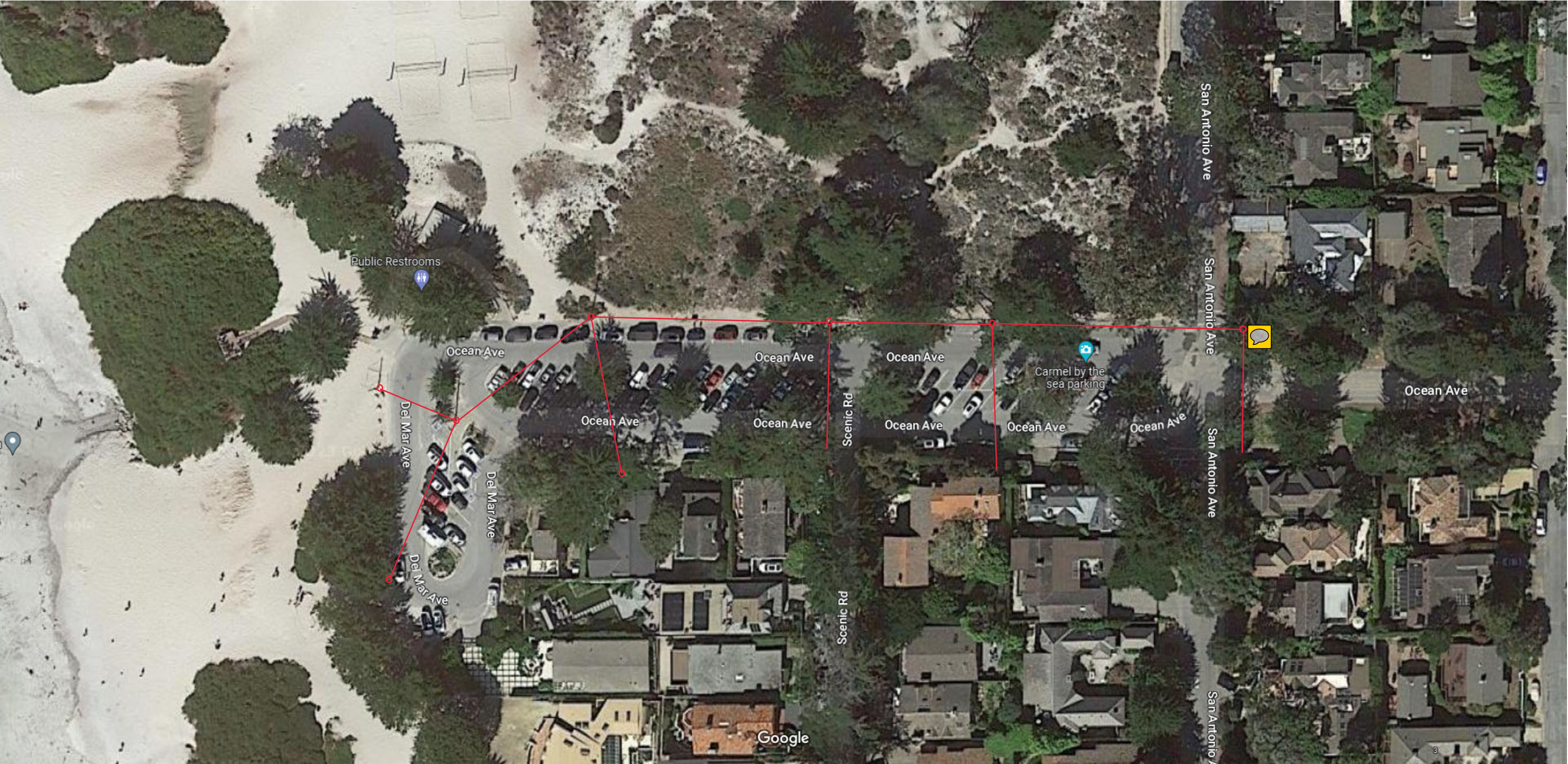


50 m
300 ft





Attachment 3



Imagery ©2023 AMBAG, Maxar Technologies, Map data ©2023 50 ft

+/- 8 Poles
+/- 800 LF



Potential undergrounding from San Antonio west to end of Ocean

Chapter 13.28

UNDERGROUND UTILITIES*

Sections:

13.28.010 Definitions.

13.28.020 Replacement With Overhead Facilities Prohibited.

13.28.030 Public Hearing by Council.

13.28.040 Designation by Resolution.

13.28.050 Unlawful to Maintain Overhead Wires.

13.28.060 Overhead Wires – Exceptions by Special Permission.

13.28.070 Overhead Wires, Poles, Structures – Exceptions.

13.28.080 Notice to Property Owners and Utility Companies.

13.28.090 Responsibility of Utility Companies.

13.28.100 Disconnection and Removal Authority.

13.28.110 Obligation of City.

13.28.120 Extension of Time Limitation.

* Prior legislation: Ord. 92-3, 1992; Ord. 79-21 § 22, 1979; Ord. 84 C.S. § 1, 1963; Code 1975 § 1409.05.

13.28.010 Definitions.

Whenever in this chapter the words or phrases in this section are used, they shall have the respective meanings assigned to them in the following definitions:

A. “City” means the City of Carmel-by-the-Sea, a municipal corporation of the State of California, in its present incorporated form or in any later reorganized, consolidated, enlarged or reincorporated form.

B. “Commission” means the Public Utilities Commission of the State of California.

C. “Council” means the City Council of the City of Carmel-by-the-Sea.

D. "Person" shall mean and include any individual, firm, corporation, copartnership, or their agents and employees.

E. "Poles and overhead wires and associated overhead structures" shall mean poles, towers, supports, wires, conductors, guys, stubs, platforms, crossarms, braces, transformers, insulators, cut-outs, switches, communication circuits, appliances, attachments, and appurtenances located aboveground, and used or useful in supplying electric, communication, or similar or associated services.

F. "Underground utility district" or "district" shall mean that area in the City within which poles, overhead wires, and associated overhead structures are prohibited as such areas are described in one or more resolutions which may, from time to time, be adopted pursuant to the provisions of CMC [13.28.040](#).

G. "Utility" includes all persons or entities supplying electric, communication, or similar or associated services by means of electrical materials or devices. (Ord. 92-3 § 1, 1992; Ord. 84 C.S. § 1, 1963; Code 1975 §§ 1409.01, 1409.05).

13.28.020 Replacement With Overhead Facilities Prohibited.

All poles, wires and associated overhead structures installed underground, whether installed pursuant to a previously established undergrounding district or not, shall become subject to the terms of this chapter and shall not be replaced by new overhead facilities except as provided in CMC [13.28.060](#) and [13.28.070](#).

13.28.030 Public Hearing by Council.

The City Council may, from time to time, call public hearings to ascertain whether the public necessity, health, safety or welfare would be served by the establishment of an underground district to require the removal of poles, overhead wires and associated overhead structures within designated areas of the City and the installation of replacement underground wires and facilities for supplying electric communication, television, or similar associated services. At least 10 calendar days prior to the date of said hearing the City Clerk shall notify by mail all affected utility companies and all affected property owners, as shown on the last equalized assessment roll, indicating the time and place of such hearing and shall provide said owners with a summary description of the proposed underground utility district. (Ord. 92-3 § 1, 1992; Ord. 84 C.S. § 1, 1963; Code 1975 § 1409.03).

13.28.040 Designation by Resolution.

If, after a public hearing, the City Council finds that the establishment of an underground district within a designated area is appropriate and that such a district would enhance the public health, safety or

welfare, the City Council may, by resolution, declare such designated area an underground utility district and order such removal and underground installation. Such resolution shall include a description of the area comprising such district and shall fix the time within which such removal and underground installation shall be accomplished and within which affected property owners must be ready to receive underground service. The City Council shall allow a reasonable time for such removal and underground installation, having due regard for the availability of labor, materials and equipment necessary for such removal and for the installation of such underground facilities as may be occasioned thereby. The City Council may adopt resolutions for any and all areas of the City for which poles, wires and associated structures already have been undergrounded by past actions and, upon adoption, such designated areas shall be subject to the provisions of this chapter. Resolutions covering such designated areas previously undergrounded shall not require mailed public notice or a hearing. (Ord. 92-3 § 1, 1992; Ord. 84 C.S. § 1, 1963; Code 1975 § 1409.04).

13.28.050 Unlawful to Maintain Overhead Wires.

Whenever the City Council creates an underground utility district and orders the removal of poles, overhead wires and associated overhead structures therein as provided in this chapter, it shall be unlawful for any person or utility to erect, construct, place, keep, maintain, continue, employ or operate poles, overhead wires and associated overhead structures in the district after the date when said overhead facilities are required to be removed by such resolution, except as said overhead facilities may be required to furnish service to an owner or occupant of property prior to performance of such owner or occupant of the underground work necessary for such owner or occupant to continue to receive utility service as provided in CMC [13.28.100](#) hereof, and for such reasonable time required to remove said facilities after said work has been performed, and except as otherwise provided in this chapter. (Ord. 92-3 § 1, 1992; Ord. 84 C.S. § 1, 1963; Code 1975 § 1409.05).

13.28.060 Overhead Wires – Exceptions by Special Permission.

The City Administrator or an authorized designee may grant special permission on such terms as may be deemed appropriate, in cases of emergency or unusual circumstances, to erect, construct, install, maintain, use or operate poles and overhead wires, and associated overhead structures, notwithstanding any other provisions of this chapter. The City Administrator may establish administrative regulations specifying such emergency or unusual circumstances including guidelines on when such exceptions are appropriate and conditions leading to the ultimate removal of overhead equipment when the exception has been granted on a temporary basis. (Ord. 92-3 § 1, 1992; Ord. 84 C.S. § 1, 1963; Code 1975 § 1409.06).

13.28.070 Overhead Wires, Poles, Structures – Exceptions.

This chapter and any resolution adopted pursuant to CMC [13.28.040](#) hereof shall, unless otherwise provided in such resolution, not apply to the following types of facilities:

- A. Any municipal facilities or equipment installed under the supervision and to the satisfaction of the City Administrator.
- B. Poles or electroliers used exclusively for street lighting, fire alarm boxes or emergency services.
- C. Overhead wires (exclusive of supporting structures) crossing any portion of a district within which overhead wires have been prohibited, or connecting to buildings on the perimeter of a district, when such wires originate in an area from which poles, overhead wires and associated overhead structures are not prohibited.
- D. Overhead wires attached to the exterior surface of a building by means of a bracket or other fixtures and extending from one location of the building to another location on the same building or to an adjacent building without crossing any public street.
- E. Antennae, associated equipment and supporting structures, used by a utility for furnishing communication services.
- F. Equipment appurtenant to underground facilities, such as surface-mounted transformers, pedestal-mounted terminal boxes and meter cabinets, and concealed ducts when designed and installed in conformation with all City design standards contained in Chapters [12.04](#), [12.08](#) and [17.12](#) CMC.
- G. Temporary poles, overhead wires and associated overhead structures used or to be used in conjunction with construction projects. (Ord. 92-3 § 1, 1992; Ord. 84 C.S. § 1, 1963; Code 1975 § 1409.07).

13.28.080 Notice to Property Owners and Utility Companies.

Within 10 days after the effective date of a resolution adopted pursuant to CMC [13.28.040](#) hereof, the City Clerk shall notify all affected utilities and all persons owning real property within the district created by said resolution of the adoption thereof. The City Clerk shall further notify such affected property owners of the necessity that, if they or any other person occupying such property desire to continue to receive electric, communication, television, or similar or associated service, they or such occupant shall provide all necessary facility changes on their premises so as to receive such service from the lines of the supplying utility or utilities at a new location, subject to applicable rules, regulations and tariffs of the respective utility or utilities on file with the commission and to the requirements of State laws and the municipal code of the City of Carmel-by-the-Sea. Notification by the City Clerk shall be made by mailing a copy of the resolution adopted pursuant to CMC [13.28.040](#), together with a copy of this chapter, to affected property owners as such are shown on the last equalized assessment roll and to the affected utilities. (Ord. 92-3 § 1, 1992; Ord. 84 C.S. § 1, 1963; Code 1975 § 1409.08).

13.28.090 Responsibility of Utility Companies.

Attachment 4

If underground construction is necessary to provide utility service within a district created by any resolution adopted pursuant to CMC [13.28.040](#) hereof, the supplying utility shall furnish at its own expense that portion of the conduits, conductors and associated equipment required to be furnished by it under its applicable rules, regulations and tariffs on file with the commission, including underground service facilities required to provide utility service to the affected properties but excluding those facilities that are the responsibility of the property owners as set forth below. New underground equipment installed flush with the surface of the ground shall not be placed within sidewalks or other pedestrian walking surfaces without approval by the City Administrator and conformance to City design standards.

13.28.100 Disconnection and Removal Authority.

A. All conduits, conductors and associated equipment necessary to receive utility service between service conductors or underground pipe or conduit of the supplying utility and the service facilities in the building or structure being served shall be provided by the person owning, operating, leasing, or renting the property, subject to applicable rules, regulations and tariffs of the respective utility or utilities on file with the commission and to the lawful requirements of State laws and the municipal code of the City.

B. In the event the person owning, operating, leasing, or renting the property does not comply with the provisions of subsection (A) within the time provided for in the resolution adopted pursuant to CMC [13.28.040](#), the Director of Public Works shall post written notice on the property being served and 30 calendar days thereafter shall have the authority to order the disconnection and removal of any and all overhead service wires and associated facilities supplying utility service to said property.

C. Noncompliance by any person owning, operating, leasing or renting said property with the provisions of this section shall constitute a misdemeanor under CMC [13.28.050](#). Until such time as an order is issued pursuant to subsection (B), the supplying utility shall not be in violation of this chapter in continuing to maintain overhead facilities necessary to serve such person during the period of such noncompliance and such reasonable time thereafter as may be necessary to remove the same. (Ord. 92-3 § 1, 1992; Ord. 84 C.S. § 1, 1963; Code 1975 § 1409.10).

13.28.110 Obligation of City.

The City shall remove its police and fire alarm circuits or any similar municipal equipment at its own expense from all poles required to be removed under this chapter in ample time to enable the owner or user of such poles to remove the same within the time specified in the resolution adopted pursuant to CMC [13.28.040](#). (Ord. 92-3 § 1, 1992; Ord. 84 C.S. § 1, 1963; Code 1975 § 1409.11).

13.28.120 Extension of Time Limitation.

Attachment 4

In the event that any act required by this chapter or by a resolution adopted pursuant to CMC [13.28.040](#) cannot be performed within the time provided on account of shortage of materials, war, restraint by public authorities, strikes, labor disturbances, or any other circumstances beyond the control of the actor, then the time within which such act will be accomplished shall be extended for a period equivalent to the time of such limitation. (Ord. 92-3 § 1, 1992; Ord. 84 C.S. § 1, 1963; Code 1975 § 1409.12).

The Carmel-by-the-Sea Municipal Code is current through Ordinance 2023-05, passed July 11, 2023.

Disclaimer: The city clerk's office has the official version of the Carmel-by-the-Sea Municipal Code. Users should contact the city clerk's office for ordinances passed subsequent to the ordinance cited above.

City Website: <https://ci.carmel.ca.us/>

City Telephone: (831) 620-2000

[Code Publishing Company](#)



CITY OF CARMEL-BY-THE-SEA

CITY COUNCIL

Staff Report

November 5, 2024
PUBLIC HEARINGS

TO: Honorable Mayor and City Council Members

SUBMITTED BY: Paul Tomasi, Chief of Police & Public Safety Director

APPROVED BY: Chip Rerig, City Administrator

First Reading and Introduction of Ordinance No. 2024-002, amending Chapter 10.36.010 of the Carmel-by-the-Sea Municipal Code by adding subsection (1), under Section (C); Identifying Commercial Loading Zones to comply with CVC 22500 and Assembly Bill 413-The "Daylighting Bill"

SUBJECT: **Recommendation:**

1. Request the City Attorney read the title of the Ordinance only; and
2. Waive the reading in full and introduce Ordinance No. 2024-002, amending Chapter 10.36.010 of the Carmel-by-the-Sea Municipal Code adding subsection (1), under Section (C); Identifying Commercial Loading Zones to comply with CVC 22500 and Assembly Bill 413-The "Daylighting Bill".

RECOMMENDATION:

1. Request the City Attorney read the title of the Ordinance only; and
2. Waive the reading in full and introduce Ordinance No. 2024-002, amending Chapter 10.36.010 of the Carmel-by-the-Sea Municipal Code adding subsection (1), under Section (C); Identifying Commercial Loading Zones to comply with CVC 22500 and Assembly Bill 413-The "Daylighting Bill".

BACKGROUND/SUMMARY:

Assembly Bill (AB) 413 is a state law that went into effect on January 1, 2024. Also known as the "Daylighting Bill," AB 413 amended the California Vehicle Code (CVC) Section 22500 to prohibit the Stopping, Standing, or Parking of any vehicle on the approach side of the intersection within 20 feet of any marked or unmarked crosswalk, or within 15 feet of any intersection with a curb extension. AB 413 allows local authority to permit commercial loading or unloading in areas impacted by AB 413, if the local authority; (a) authorizes the commercial vehicle loading and unloading by ordinance and identifies the locations in an ordinance; and (b) marks the commercial loading and unloading zones with paint or signage.

Staff is recommending a change to the Carmel-by-the-Sea Municipal Code (CMC) Chapter 10.36.010 "Loading Zones - Indication" by adding subsection (C)(1) identifying the intersections in the City

commercial loading zones at which the City intends to authorize vehicle loading and unloading subject to the requirements of AB 413 and CVC Section 22500.

Current language of CMC 10.36.010:

10.36.010 Loading Zones – Indication.

A. The City Council is authorized to determine and to mark loading zones as follows:

1. At any place in the central traffic district or any business district;
2. Elsewhere in front of the entrance to any place of business or in front of any hall or place used for the purpose of public assembly.

B. In no event shall more than one-half of the total curb length in any block be reserved for loading zone purposes exclusive of the passenger loading zones at the entrances to public theaters.

C. Commercial loading zones and combined commercial loading and passenger loading zones shall be indicated by a yellow paint line stenciled with black letters, "Loading Only," upon the tops of all curbs within such zones, and the combined commercial loading and passenger loading zone shall in addition be marked with a suitable sign.

D. Passenger loading zones shall be indicated by a white line stenciled with black letters, "Passenger Loading Only," upon the tops of all curbs in the zones. (Ord. 177 C.S. § 1, 1968; Ord. 196 § 52, 1938; Code 1975 § 551).

Staff's recommendation is to add the following language under Section (C); adding Subsection (1) with the following language:

C. Commercial loading zones and combined commercial loading and passenger loading zones shall be indicated by a yellow paint line stenciled with black letters, "Loading Only," upon the tops of all curbs within such zones, and the combined commercial loading and passenger loading zone shall in addition be marked with a suitable sign.

1. Per California Vehicle Code section 22500 and AB 413, Commercial Loading Zones are permitted within 20 feet of the vehicle-approach side of the crosswalk(s), marked or unmarked, at each of the following intersections. If a curb extension is present, the Commercial Loading Zones are permitted within 15 feet of the crosswalk(s) marked or unmarked, at each of the following intersections. Curbs shall be painted yellow and stenciled with black letters indicating "Commercial Loading 20 Minutes Only":

- **Northside of 4th, East of Mission**
- **Westside of Mission, North of 4th**
- **Northside of 4th, East of San Carlos**
- **Eastside of San Carlos, South of 4th**
- **Westside of Junipero, North of 5th**
- **Eastside of Junipero, South of 5th**
- **Westside of Mission, North of 5th**
- **Eastside of San Carlos, South of 5th**
- **Eastside of Dolores, South of 5th**

- Eastside of Lincoln, South of 5th
- Westside of Mission, North of 6th
- Eastside of Mission, South of 6th
- Southside of 6th, West of Mission
- Westside of San Carlos, North of 6th
- Eastside of San Carlos, South of 6th
- Southside of 6th, West of San Carlos
- Westside of Dolores, North of 6th
- Northside of 6th, East of Lincoln
- Eastside of Lincoln, South of 6th
- South side of 6th, West of Lincoln
- Eastside of Monte Verde, South of 6th
- Southside of 7th, West of Junipero
- Northside of 7th, East of San Carlos
- Westside of San Carlos, North of 7th
- Southside of 7th, West of San Carlos
- Northside of 7th, East of Dolores
- Westside of Dolores, North of 7th
- Eastside of Dolores, South of 7th
- Southside of 7th, West of Dolores
- Northside of 7th, East of Lincoln
- Eastside of Lincoln, South of 7th
- Westside of Lincoln, North of 7th
- Northside of 7th, East of Monte Verde
- Northside of 8th, East of Lincoln
- Westside of Dolores, North of 8th
- Eastside of Dolores, South of 8th
- Westside of San Carlos, North of 8th
- Northside of 8th, East of San Carlos
- Northside of 8th, East of Camino Real
- Southside of 8th, West of Camino Real
- Northside of 8th, East of Carmelo
- Southside of 8th, West of Carmelo
- Southside of 9th, West of Dolores
- Southside of 9th, West of San Carlos
- Eastside of San Carlos, South of 12th

FISCAL IMPACT:

None for this action.

PRIOR CITY COUNCIL ACTION:

None

ATTACHMENTS:

Attachment 1) Draft Ordinance No. 2024-002

**CITY OF CARMEL-BY-THE-SEA
CITY COUNCIL**

ORDINANCE NO. 2024-002

AN ORDINANCE OF THE CITY COUNCIL OF CARMEL-BY-THE-SEA AMENDING CHAPTER 10.36.010 OF THE CARMEL-BY-THE-SEA MUNICIPAL CODE BY ADDING SUBSECTION (1), UNDER SECTION (C); IDENTIFYING COMMERCIAL LOADING ZONES TO COMPLY WITH CVC 22500 AND ASSEMBLY BILL 413-THE "DAYLIGHTING BILL"

WHEREAS, on October 2023, Governor Gavin Newsom signed Assembly Bill 413 (AB 413) into law, which aims to increase visibility at crosswalks across California; and

WHEREAS, AB 413 went into effect January 1, 2024, and enforcement is required to begin on January 1, 2025; and

WHEREAS, AB 413, also known as the "Daylighting Bill," adds adds subdivision (n) to the existing California Vehicle Code section 22500: Stopping, Standing and Parking, generally prohibiting the stopping, standing, or parking of a vehicle within 20 feet of the vehicle approach side of any marked or unmarked crosswalk, or within 15 feet of any crosswalk where a curb extension is present; and

WHEREAS, AB 413 allows local authority to permit commercial loading or unloading in areas impacted by AB 413 if the local authority: (a) authorizes the commercial vehicle loading and unloading by ordinance and identifies the specific locations in the ordinance; and (b) marks the commercial loading and unloading zones with paint or signage; and

WHEREAS, the Traffic Safety Committee (TSC) has analyzed accident data for the City from the past six years and has identified intersections that have the highest probability for pedestrian versus vehicle accidents, determined the number of parking spaces in the business district, and have come up with a plan to convert certain areas into loading zones in compliance with AB 413; and

WHEREAS, on August 28, 2024, the TSC presented the draft AB 413 Parking Plan to the public, and on October 1, 2024, the TSC presented the plan to City Council; and

WHEREAS, the proposed AB 413 Parking Plan brings the City into compliance with AB 413 and allows for flexibility based on future needs of the City while limiting the impact on the City's existing available parking. Future changes to the plan would be made by the TSC, unless required to be made through the City Council; and

WHEREAS, the City Council gave direction to staff on October 1, 2024 to return with a draft ordinance amending Carmel-by-the-Sea Municipal Code Chapter 10.36.010 "Loading Zones" to identify the areas converted to Commercial Loading Zones and to begin implementation of the proposed parking plan associated with AB 413.

THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Chapter 10.36.010 is hereby amended, to add Subsection (C)(1) as follows:

10.36.010 Loading Zones – Indication.

A. The City Council is authorized to determine and to mark loading zones as follows:

1. At any place in the central traffic district or any business district.
2. Elsewhere in front of the entrance to any place of business or in front of any hall or place used for the purpose of public assembly.

B. In no event shall more than one-half of the total curb length in any block be reserved for loading zone purposes exclusive of the passenger loading zones at the entrances to public theaters.

C. Commercial loading zones and combined commercial loading and passenger loading zones shall be indicated by a yellow paint line stenciled with black letters, "Loading Only," upon the tops of all curbs within such zones, and the combined commercial loading and passenger loading zone shall in addition be marked with a suitable sign.

1. Per California Vehicle Code section 22500 and AB 413, Commercial Loading Zones are permitted within 20 feet of the vehicle-approach side of the crosswalk(s), marked or unmarked, at each of the following intersections. If a curb extension is present, the Commercial Loading Zones are permitted within 15 feet of the crosswalk(s) marked or unmarked, at each of the following intersections. Curbs shall be painted yellow and stenciled with black letters indicating "Commercial Loading 20 Minutes Only":

- **Northside of 4th, East of Mission**
- **Westside of Mission, North of 4th**
- **Northside of 4th, East of San Carlos**
- **Eastside of San Carlos, South of 4th**
- **Westside of Junipero, North of 5th**
- **Eastside of Junipero, South of 5th**
- **Westside of Mission, North of 5th**
- **Eastside of San Carlos, South of 5th**
- **Eastside of Dolores, South of 5th**
- **Eastside of Lincoln, South of 5th**
- **Westside of Mission, North of 6th**

- Eastside of Mission, South of 6th
- Southside of 6th, West of Mission
- Westside of San Carlos, North of 6th
- Eastside of San Carlos, South of 6th
- Southside of 6th, West of San Carlos
- Westside of Dolores, North of 6th
- Northside of 6th, East of Lincoln
- Eastside of Lincoln, South of 6th
- South side of 6th, West of Lincoln
- Eastside of Monte Verde, South of 6th
- Southside of 7th, West of Junipero
- Northside of 7th, East of San Carlos
- Westside of San Carlos, North of 7th
- Southside of 7th, West of San Carlos
- Northside of 7th, East of Dolores
- Westside of Dolores, North of 7th
- Eastside of Dolores, South of 7th
- Southside of 7th, West of Dolores
- Northside of 7th, East of Lincoln
- Eastside of Lincoln, South of 7th
- Westside of Lincoln, North of 7th
- Northside of 7th, East of Monte Verde
- Northside of 8th, East of Lincoln
- Westside of Dolores, North of 8th
- Eastside of Dolores, South of 8th
- Westside of San Carlos, North of 8th

- Northside of 8th, East of San Carlos
- Northside of 8th, East of Camino Real
- Southside of 8th, West of Camino Real
- Northside of 8th, East of Carmelo
- Southside of 8th, West of Carmelo
- Southside of 9th, West of Dolores
- Southside of 9th, West of San Carlos
- Eastside of San Carlos, South of 12th

D. Passenger loading zones shall be indicated by a white line stenciled with black letters, "Passenger Loading Only," upon the tops of all curbs in the zones.

SECTION 2. **Environmental Determination.** The proposed amendments are categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15304 (exemption for minor alterations to land) because restriping of pavement, painting curbs, and related actions to implement the commercial loading restrictions are minor alterations in the condition of land that do not involve removal of healthy, mature, scenic trees. The proposed amendments are also categorically exempt from CEQA pursuant to CEQA Guidelines section 15301 (Class 1 Existing Facilities exemption) because restriping of pavement, painting curbs, and related actions are minor alterations of existing public facilities that involve no expansion of existing or former use. Further, none of the exceptions to the use of a categorical exception as set forth in CEQA Guidelines section 15300.2 apply to these improvements. Additionally, this matter does not have the potential for causing a significant effect on the environment, pursuant to Section 15061(b)(3) of the CEQA Guidelines, because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and involves only general policy and procedure making.

SECTION 3. **Severability.** If any section, subsection, provision, sentence, clause, phrase or word of this Ordinance is for any reason held to be illegal or otherwise invalid by any court of competent jurisdiction, such invalidity shall be severable, and shall not affect or impair any remaining sections, subsections, provisions, sentences, clauses, phrases or words of this Ordinance.

SECTION 4. **Effective Date.** This Ordinance shall take effect 30 days after its adoption by the City Council of the City of Carmel-by-the-Sea.

SECTION 5. **Codification.** The City Clerk is hereby authorized and directed to codify the provisions of Section 1 of this Ordinance into the Carmel-by-the-Sea Municipal Code.

INTRODUCED, at a Regular City Council Meeting on November 5, 2024.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA
this ____ day of _____ 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Dave Potter, Mayor

Nova Romero, MMC, City Clerk