



## Agenda Report

19-1002

Agenda Date: 10/8/2019

### REPORT TO COUNCIL

#### SUBJECT

Approve City Position on Proposed League of California Cities' 2019 Annual Conference Resolutions

#### BACKGROUND

The League of California Cities' (League) *2019 Annual Conference Resolutions Packet* (Attachment 1) has two resolutions presented for consideration by the League Policy Committee and membership. As part of the August 20, 2019 Council Meeting, the Council designated Mayor Lisa M. Gillmor as the voting delegate and Councilmember Debi Davis as the alternate voting delegate.

#### DISCUSSION

This report transmits the League's *2019 Annual Conference Resolutions Packet* (Attachment 1) which contains the proposed resolutions that will be considered at the League's Annual Conference in Long Beach from October 16-18, 2019. As recommended by the League, staff requests Council approval of the position the voting delegate should take regarding the resolutions discussed in this report. Below are descriptions of the resolutions followed by staff analysis and recommendation. Staff recommendation options are: Support, Oppose, or Take No Position. Staff may recommend that Council abstain from taking a position due to a variety of reasons (e.g., the pros and cons of the business impact cancel each other out, the resolution calls for an unfunded mandate, etc.). When this option is recommended, the reason will be explained in staff's analysis.

Any resolution submitted to the General Assembly must be concurred by five cities or by city officials from at least five or more cities. The concurring cities and city officials are noted for each resolution.

#### ***Resolution #1 - Call on the California Public Utilities Commission to Amend Rule 20A to Add Projects in Very High Fire Hazard Severity Zones to the List of Eligible Criteria and to Increase Funding Allocations for Rule 20A Projects***

This Resolution seeks to respond to the increased frequency and intensity of California wildfires in recent years by addressing undergrounding lines in extreme high-fire areas. The California Public Utilities Commission's (CPUC) Rule 20 program lays out the guidelines and procedures for converting overhead electric and telecommunications to underground electric facilities. Under the program, Rule 20A was created to provide consistent and structured means of undergrounding utility lines throughout the state with costs covered broadly by utility ratepayers. Each year, Investor Owned Utilities (IOUs) propose their Rule 20A allocation amounts to the CPUC during annual general rate case proceedings. CPUC then reviews, amends and approves the IOU rates. The funding set aside for Rule 20A is allocated to local governments through a credit system, which was created so that local governments and IOUs can complete undergrounding projects without municipal funding. Through Rule 20A, municipalities that have developed and received city council approval for an undergrounding plan receive annual credits from the IOU in their service area.

While these credits have no inherent monetary value, they can be traded in or banked for the conversion of overhead lines. Municipalities can choose to accumulate their credits until their credit balance is sufficient to cover these conversion projects or choose to borrow future undergrounding allocations for a period of up to five years. Once the cumulative balance of credits is sufficient to cover the cost of a conversion project, the municipality and the utility can move forward with the undergrounding. All of the planning, design, and construction is performed by the participating utility. Upon the completion of an undergrounding project, the utility is compensated through the local government's Rule 20A credits. The current budget allocations made by IOUs total \$95.7 million a year, however, the cumulative balance of credits throughout the state totals over \$1 billion dollars. Currently undergrounding project must meet the following criteria in order to qualify for the Rule 20A program: Project must have a public benefit, eliminate an unusually heavy concentration of overhead lines, involve a street or road with a high volume of public traffic, benefit a civic or public recreation area or area of unusual scenic interest, and be listed as an arterial street or major collector as defined in the Governor's Office of Planning and Research (OPR) Guidelines.

This Resolution would direct the League of California Cities to call upon the CPUC to amend the Rule 20A program by expanding the criteria for undergrounding overhead utilities to include projects in Very High Fire Hazard Severity Zones and to increase utilities' funding allocations for Rule 20A projects.

Concurrence: City of Hidden Hills; City of La Canada Flintridge; City of Laguna Beach; City of Lakeport; City of Malibu; City of Moorpark; City of Nevada City; City of Palos Verdes Estates; City of Rolling Hills Estates; City of Rolling Hills; and City of Ventura

Related City Policy:

- PG&E Bankruptcy and State Wildfire Liability Legislation Legislative Advocacy Position
- Public Safety Legislative Advocacy Position

Analysis: Santa Clara has been fortunate to not have experienced any recent wildfires. However, the problem does impact City operations because Silicon Valley Power and Fire Department deploys resources (personnel and equipment) to respond to such fires in the state through mutual aid. While the City supports legislation and initiatives that aim to prevent and mitigate catastrophic fires, passage of this Resolution may also negatively impact the City's electric utility, Silicon Valley Power (SVP), in the future. In its current form, it is unlikely that the Resolution will directly impact the City of Santa Clara since there are currently no designated high fire hazard severity zones within City limits and SVP is also a publicly owned utility that is governed by the Santa Clara City Council, not by the CPUC. However, it is important for the City to be aware of the implications of any risk or liability assigned to electric utilities since those outcomes may also impact SVP. For these reasons, staff recommends that Council takes no position on this Resolution.

Recommended Position: Take No Position

***Resolution #2 - Call Upon the Federal and State Governments to Address the Devastating Impacts of International Transboundary Pollution Flows into the Southernmost Regions of California and the Pacific Ocean***

This Resolution seeks to address contaminated flows from the Tijuana River into California that have resulted in the degradation of water quality and water recreational areas in Southern California. The Tijuana River flows north through highly urbanized areas in Mexico before it enters into the Tijuana River Estuary and eventually the Pacific Ocean via waterways in San Diego County. Urban growth in Tijuana has contributed to a rise in rates of upstream flows from water treatment facilities in Mexico. These treatment facilities have in turn raised the amount of untreated sewage and waste in the Tijuana River due to faulty infrastructure and improper maintenance. The federal government refers to the river as an “impaired water body” because of the presence of pollutants in excess, which pose significant health, environmental, and safety concerns to the communities on both sides of the border. California’s statewide tourism may be negatively impacted if there continues to be a decline in the state’s beach quality and reputation.

The U.S. and Mexico entered into a treaty in 1993 that established the North America Bank (NADB), which certifies and funds infrastructure projects located within 100 kilometers of the border line. The NADB supports federal programs like the Border Water Infrastructure Program. Over the years, funding for the Border Water Infrastructure Program has decreased significantly and the Federal FY 2020 budget proposes eliminating funding for the program altogether.

This Resolution would direct the League of California Cities to call upon the State and Federal governments to restore and ensure proper funding for the U.S. - Mexico Border Water Infrastructure Program and recommit to working bi-nationally to develop and implement long-term solutions to address serious water quality issues and contamination issues resulting from transboundary flows from Mexico’s Tijuana River into the United States.

Concurrence: City of Calexico; City of Coronado; City of Imperial Beach; City of San Diego; and in their Individual Capacities: Mayor Pro Tem Korma Kastner-Jauregui and Council Members Sam Couchman, Luke Hamby, and George Nava of City of Brawley; Deputy Mayor Consuelo Martinez of City of Escondido; Council Member Bill Baber of City of La Mesa; Mayor John Minto of City of Santee; and Mayor Judy Ritter and Council Member Amanda Young Rigby of City of Vista

Related City Policy:

- Environmental Regulatory & Conservation Issues Legislative Advocacy Position
- Protect Local Revenue Sources and Prevent Unfunded Mandates Guiding Principle for Legislative Advocacy

Analysis: The City of Santa Clara’s stormwater runoff travels through a network of creeks and rivers that flow into the San Francisco Bay. The Tijuana River infrastructure does not directly impact the City, although it is a benefit to protect the environment. The City should remain neutral because the Resolution doesn’t identify a corresponding funding source. There is potential that a program that is beneficial to the City may have its funding reduced in order to fund this project. For these reasons, staff recommends that Council takes no position on this Resolution.

Recommended Position: Take No Position

As stated, the staff recommended positions are consistent with existing City policies and adopted

Legislative Advocacy Positions and provides Councilmembers who serve on policy committees, on the resolutions committee, or as the City's voting delegate/alternates, guidance on how to vote on the issues as they pertain to City business.

### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

### **FISCAL IMPACT**

There is no fiscal impact other than staff time.

### **COORDINATION**

The report has been coordinated with the City Attorney's Office, Silicon Valley Power, and the Fire and Public Works Departments.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

### **RECOMMENDATION**

Approve "Take No Position" positions for the proposed Resolution #1, Call on the California Public Utilities Commission to Amend Rule 20A to Add Projects in Very High Fire Hazard Severity Zones to the List of Eligible Criteria and to Increase Funding Allocations for Rule 20A Projects, and Resolution #2, Call Upon the Federal and State Governments to Address the Devastating Impacts of International Transboundary Pollution Flows into the Southernmost Regions of California and the Pacific Ocean, and authorize the City's voting delegate/alternate to cast votes consistent with the City Council's adopted positions.

Reviewed by: Nadine Nader, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

### **ATTACHMENTS**

1. League of California Cities 2019 Annual Conference Resolutions Packet