

Subject: Ordinance No. 1568 – Creation Of Grant Program for Assistance To Low Income Customers with The costs of undergrounding power

Proposed Council Action:

This is on for First Reading. Discuss Ordinance and give direction to staff. Unless directed otherwise, this will return to Council for Second Reading and Action on June 6, 2023.

Dept. Origin: Special Projects

Prepared by: Jennifer Robertson
 City Attorney's Office

For Agenda of: May 16, 2023

Exhibits: Ordinance No. 1568

	Initial & Date
Concurred by Mayor:	_____
Approved/form by City Atty:	<u>JSR/4-19-23</u>
Approved by _____ Director:	_____
Approved by Department Head:	_____

INFORMATION / BACKGROUND

The City of Ruston has long been engaged in a long-term effort to underground its utilities. As the electrical utility provider, Ruston has been working to move its distribution lines underground in order to increase electrical reliability to the residents and businesses in Ruston and to make the streets safer and more aesthetic by removing power poles in City right of way. By moving City electrical lines underground, the communications and cable providers in Ruston (Comcast and Century Link) are also triggered to move their lines underground which then allows Ruston to remove the utility poles. This creates significant benefit to Ruston Power and to the residents and visitors to the City of Ruston.

In addition, whenever new structures are built or major renovations occur, those property owners are required to install conduit for placement of future electrical utility lines when the abutting corridor is undergrounded by the City. The City estimates that approximately fifty percent (50%) of all properties in Ruston currently have either underground power or have conduit ready for placing lines underground when the aerial lines adjacent are removed.

Ruston Power has funded various conversion projects over the years. When the City undergrounds its power, customers whose residences are served by the power lines being moved underground are required, in accordance with RCW 35.96.050, to underground their lines at their own expense from the meter to their residence. If a homeowner fails to timely move their lines underground, then that home is disconnected from electrical service at the end of the notice period. Although only required to provide 90 days' notice, the City has typically provided advance outreach followed by one-year advance notice to allow residents to plan for and complete the work. To date, every resident who has received the notice has met this deadline.

The cost to perform this undergrounding is typically several thousand dollars (\$5,000-\$10,000 but may be more depending on lot configuration). Even with significant advanced notice, there may be residents who do not have the means to underground their lines, in which case these residents would face being cut off from having electric power to their homes.

In accordance with state law, the City is permitted to provide reduced rates and create programs by ordinance to assist low income customers with the costs of utilities. There are some Ruston homeowners who have household incomes that are at or below 80 percent of the Pierce County Area Median Income (AMI). These homeowners may have difficulty in paying for the undergrounding of electricity to their homes when required to do so. This Ordinance creates a grant program to assist homeowners with household incomes at or below 80 percent AMI with the undergrounding expense. This Ordinance also sets forth the standards for eligibility, application requirements, and procedures for disbursement of grant proceeds. The grant proceeds are capped at either the cost of the project to place lines underground or at \$7,500, whichever is less. However, Council may set the maximum grant at whatever level it deems appropriate. Further, the grant program may be suspended if it is not funded by the City Council in the future.

FISCAL CONSIDERATION

The maximum grant award is proposed at \$7,500 and would not be disbursed until after the work is completed. It is anticipated that there is unlikely to be more than three to five households eligible each year who would obtain grant funding under this program. These grant amounts can be funded out of existing funds in the electric utility accounts.

RECOMMENDATION / MOTION

This is on for First Reading. Discuss Ordinance and give direction to staff. Unless directed otherwise, this will return to Council for Second Reading and Action on June 6, 2023.

ORDINANCE NO. 1568

AN ORDINANCE OF THE CITY OF RUSTON, WASHINGTON, REGARDING ELECTRICAL UTILITIES; ADDING A NEW CHAPTER 18.06 TO THE RUSTON MUNICIPAL TO PROVIDE GRANT FUNDING TO LOW INCOME CUSTOMERS TO ASSIST IN FUNDING THE COSTS OF UNDERGROUNDING THEIR POWER LINES WHEN REQUIRED TO COMPLY WITH CITY MANDATES; PROVIDING FOR SEVERABILITY AND CORRECTIONS; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City has been working over many years to underground its electrical power; and

WHEREAS, such undergrounding makes the power system safer and more reliable; and

WHEREAS, when the City undergrounds its power, customers whose residences are served by the power lines being moved underground are required in accordance with RCW 35.96.050 to underground their lines at their expense from the meter to their residence; and

WHEREAS, if a homeowner is unable to move their lines underground, then that home will be disconnected from electrical service at the end of the notice period; and

WHEREAS, the cost to perform this undergrounding is typically several thousand dollars; and

WHEREAS, in accordance with state law, the City is permitted to provide reduced rates and create programs by ordinance to assist low income customers with the costs of utilities; and

WHEREAS, some Ruston homeowners have household incomes that are at or below 80 percent AMI; and

WHEREAS, homeowners who are lower income may have difficulty in paying for the undergrounding of electricity to their homes when required to do so; and

WHEREAS, in order to assist homeowners with household incomes at or below 80 percent AMI, the City Council finds it in the public interest to create a grant funding program to assist low income homeowners with the undergrounding expense; and

WHEREAS, on May 16, 2023, the City Council held the first reading of this Ordinance; and

WHEREAS, on June 6, 2023, the City Council adopted this Ordinance at Second Reading during its regular meeting; **NOW, THEREFORE**,

THE CITY COUNCIL OF THE CITY OF RUSTON HEREBY ORDAINS AS FOLLOWS:

Section 1. A new Chapter 18.06 is hereby added to the Ruston Municipal Code to read as follows:

CHAPTER 18.06 UNDERGROUNDING ASSISTANCE PROGRAM

- 18.06.010** **Program; generally.**
- 18.06.020** **Eligibility requirements.**
- 18.06.030** **Application procedures.**
- 18.06.040** **Grant distribution.**

18.06.010 **Program; generally.**

A. The City of Ruston will assist low income homeowners with the costs of undergrounding power distribution lines from the meter box to the residential structure. Such assistance will be in the form of a grant for individuals who are eligible. The grant will cover up to one-hundred percent of the cost of the work for installing the power distribution lines underground on the residential property of the homeowner, provided that the maximum grant shall be \$7,500.

B. Individuals who are eligible for the grant set forth in this chapter shall also be eligible to have all city permit fees for the undergrounding work waived.

C. This program is limited to the funds appropriated by the City Council in the annual budget and can be suspended without notice if funds are not available for the year in which the application is submitted.

D. This program is not eligible for use for new residential structures or when other renovation work is being undertaken on the residence.

18.06.020 Eligibility Requirements

A. The grants are limited solely to individuals who own their residential property in Ruston and use it for their primary residence. The applicant must personally reside therein for at least eight months each year in order to be eligible for grant funds under this chapter.

B. In order to be eligible for grant funds under this chapter the individual must meet the monthly household income rates set forth in subsection C below.

C. The monthly household income rates for eligibility are based on eighty percent (80%) of the area median income (AMI) for Pierce County may be amended from time to time based on changes to Pierce County AMI.

Number of Persons in Household	Pierce County Monthly Income (80% of AMI)
1	\$4,738
2	\$5,417
3	\$6,092
4	\$6,767
5	\$7,308
6	\$7,850
7	\$8,392
8	\$8,933
9	\$9,475
10	\$10,017

D. The mayor or designee has the authority to update the income standards in subsection C based on the then-applicable area median income for Pierce County.

E. A person is not eligible for receipt of grant funds under this chapter if the property has a pending code enforcement action for violation of energy or occupancy issues or if the property has no certificate of occupancy.

18.06.030 Application procedures.

A. In order to establish eligibility for grant funding under this chapter, the individual applying must establish that their household income is at or below the income levels set forth in RMC 18.06.020. An applicant will be required to complete an application with the required identification, residency, income, and housing assistance documentation.

B. The following are acceptable evidence of proof of income. Such proof must be provided for each member of the household:

1. Signed federal tax returns for the year prior; and
2. Other statements/documentation for the year prior for every person living with the applicant in the year prior and for all income sources that apply to the applicant’s household during the prior year. (If unable to provide income documentation from the original source, provide all bank statements for the prior year to evidence deposits for the same.)
3. Some examples of household income include, but are not limited to:

- Salary/Wages/Tips, etc. (W-2)
- Interest/Dividends (1099-INT/1099-DIV)
- Alimony/Spousal Maintenance (State/DSHS stmts.)
- Business Income, include rental property income and/or rental payments, co-tenant (1040 + Schedule C)
- Capital Gains/Losses (1040 + Schedule D)
- IRA withdrawals (1099-R)
- Pension/Veteran's/Annuities (1099-R)
- Railroad Retirement Benefits (RRB-1099)
- Unemployment/Labor and Industries (1099-G)
- Social Security Statement (SSA, SSI, SSDI 1099)
- Gifts/Cash
- Work Study Earnings
- Military pay/benefits
- Other

C. Other application requirements. In addition to establishing that the household income levels are met, the applicant shall provide the following additional information:

1. Identification of all household members. Valid photo identification is required for each person living in the applicant's household in the prior year. Acceptable forms of ID include: Driver's License, WA State ID card, Passport, or other government issued photo ID. For household members under the age of 18, a copy of their certified birth certificate is required. Do not submit copies of Social Security cards. Expired ID will not be accepted.
2. Proof that the property is located in Ruston, is the applicant's primary residence, and that the applicant has resided therein for at least 12 months prior to application date.
3. Proof of housing or utility assistance for the prior year. If the applicant received housing or utility assistance in the 12 months prior to the application, evidence showing the amount of assistance shall be required.

D. All applications for grant funding under this Chapter shall be made under penalty of perjury under Washington law.

18.06.040 Grant distribution

If an applicant is approved for grant funding under this Chapter, then the City will pre-approve the applicant as eligible for receipt of the grant funding. Grant funds will be distributed only upon proof of completion of the undergrounding work, including submission of a final invoice from the contractor and an approved final inspection report from the inspection authority(ies). If requested by the applicant, the City will make the grant funds jointly payable to the individual property owner and the contractor.

Section 2. Severability. If any section, sentence, clause, or phrase of this Ordinance should be held to be unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

Section 3. Publication. This Ordinance shall be published by an approved summary consisting of the title.

Section 4. Corrections. Upon the approval of the city attorney, the city clerk, and/or the code publisher is authorized to make any necessary technical corrections to this ordinance, including but not limited to the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers, and any reference thereto.

Section 5. Implementation. The Mayor is authorized to implement this Ordinance, including preparing documents and procedures for administration and approval of grant funds.

Section 6. Effective Date. This Ordinance shall be effective five days after publication as provided by law. The rates adopted herein shall be effective as stated in Section 1 of this Ordinance.

ADOPTED by the City Council of the City of Ruston and attested by the City Clerk in authentication of such passage on this ___ day of June, 2023.

APPROVED by the Mayor this ___ day of June, 2023.

Bruce Hopkins, Mayor

ATTEST/AUTHENTICATED:

Judy Grams, City Clerk

APPROVED AS TO FORM:

Jennifer S. Robertson, City Attorney

FILED WITH THE CITY CLERK: _____

PASSED BY THE CITY COUNCIL: _____

PUBLISHED: _____

EFFECTIVE DATE: _____

ORDINANCE NO: 1568