



**SAN RAFAEL CITY COUNCIL AGENDA REPORT**

**Department: Public Works**

**Prepared by: Joanna Kwok, Senior Engineer  
April Miller, Public Works Director**

**City Manager Approval:** \_\_\_\_\_

A handwritten signature in blue ink, appearing to be 'CJ', written over a horizontal line.

File No.: 01.18.32

**TOPIC: CANAL STREET UNDERGROUND UTILITY DISTRICT**

**SUBJECT: ADOPT A RESOLUTION TO DESIGNATE AN UNDERGROUND UTILITY DISTRICT ON  
CANAL STREET BETWEEN MEDWAY ROAD AND SPINNAKER POINT DRIVE**

**RECOMMENDATION:**

Staff recommends that the City Council hold a public hearing and adopt a resolution to designate an underground utility district on Canal Street between Medway Road and Spinnaker Point Drive in accordance with the requirements of Chapter 11.28 of the San Rafael Municipal Code relating to underground utilities.

**BACKGROUND:**

In 1967, the California Public Utilities Commission (CPUC) established tariff rules for what is now commonly referred to as the "Rule 20A Utility Undergrounding Program" (Rule 20A). This statewide program was created to eliminate the concentration of overhead electric and telecommunication lines and wooden utility poles along major arterial streets, public areas of scenic value, and the downtown or civic center core.

Rule 20A allows cities and counties to receive an annual allocation of monetary credits that can accumulate for the eventual expenditure and benefit of undergrounding unattractive overhead wires in their community. The rate payers finance the program through their utilities. Each year, PG&E sets aside a specified number of work credits from rate payers within each City to underground overhead utility lines; this program is called a Rule 20A project. To initiate an undergrounding project, a jurisdiction is required to make a finding of necessity, health, safety, and welfare that requires the removal and undergrounding of overhead utilities within a specified area, known as an underground utility district. In addition, future overhead utility facilities within this district would not be allowed. Some exceptions exist to these conditions, such as street light cabling.

In June 2019, PG&E notified the Department of Public Works via email that PG&E was to reallocate \$554,000 of statewide unused Rule 20A credits from communities that had not participated in the Rule 20A program in the previous eight years, of which San Rafael was one. To avoid this reallocation, the City Council adopted a resolution on [July 15, 2019](#) in accordance with San Rafael Municipal Code

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**FOR CITY CLERK ONLY**

**Council Meeting: June 20, 2023**

**Disposition: Resolution 15234**

(SRMC) Chapter 11.28, to establish the Freitas Parkway Underground Utility District (UUD). This action demonstrated San Rafael's commitment to the Rule 20A program, which eliminated the need for PG&E to redistribute the City's Rule 20A credits to another city and maintained funding for an undergrounding project within San Rafael.

In 2019, San Rafael had about \$5.2 million in Rule 20A work credits, but PG&E estimated the cost of undergrounding the overhead lines on Manuel T. Freitas Parkway from U.S. Highway 101 to Monticello Road to be \$11 million. Based on the allocation rate at that time, it would take approximately 26 years plus additional time for inflation costs to accumulate sufficient Rule 20A credits to make up for the shortfall.

Since then, CPUC released Decision 21-06-013 stating that electric utility companies shall not allocate new Rule 20A work credits after December 31, 2022, which means San Rafael's work credit balance will not increase beyond its current balance of \$5,790,354 (reported by PG&E as of March 17, 2023). With the Rule 20A funding allocations for undergrounding projects coming to a halt and a shortfall of over \$5 million to complete the entire Freitas Parkway undergrounding project, it was important for the City to search for other undergrounding opportunities that would allow for the delivery of a complete project.

**ANALYSIS:**

The City and PG&E have explored creating an underground utility district along Canal Street, as it would make a great impact on a historically underserved neighborhood and since the street meets the following Rule 20A criteria for potential projects:

- Such undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric facilities.
- The street or road or right-of-way is extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic.
- The street or road or 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.

In Fall 2022, a site walk with representatives of the City, PG&E, Comcast, and AT&T was conducted to review the feasibility of undergrounding utilities on Canal Street between Medway Road and Spinnaker Point Drive. This area was confirmed to be an ideal candidate for an undergrounding project as removal of overhead lines and poles would greatly benefit San Rafael by freeing up space on the sidewalk for pedestrian access and beautifying the Canal Street corridor, which leads to the Albert J. Boro Community Center and Pickleweed Park. Existing sidewalks impacted by this project will be upgraded to meet current ADA standards. These improvements will enhance the experience for everyone visiting the area and improve the quality of life for those in the Canal Neighborhood.

The cost of undergrounding the entire length of Canal Street from Medway Road to Spinnaker Point Drive is estimated to be about \$4.2 million. This means the proposed Canal Street underground project can be completed within San Rafael's current available work credit of \$5,790,354 from the Rule 20A program. As such, staff recommends adopting the attached resolution to designate an underground utility district on Canal Street from Medway Road and Spinnaker Point Drive and working with PG&E to allocate the San Rafael Rule 20A work credits to the new Canal Street undergrounding project. The allocation of funds can be coordinated by City staff with PG&E.

Public Works staff has contacted PG&E, who is anticipated to be the project lead for this undergrounding project, to determine a timeline for the work. PG&E is currently working on system hardening and resiliency against wildfire threats. Pursuing an underground utility district at this time will require PG&E and associated utilities to develop construction plans and coordinate the construction project. PG&E

staff estimate that work on this project, if approved, will not begin for another five to seven years as this project is primarily for beautification purposes. SRMC Section 11.28.030 requires that a fixed time be detailed in the resolution for undergrounding. Based on PG&E's estimated start time of five to seven years, staff recommend requiring completion within 10 years of establishing the district.

**FISCAL IMPACT:**

No fiscal impact is associated with this item. However, the City may be financially liable for project costs that are not covered by Rule 20A allocations, such as installation of underground electric service lateral that exceeds 100 feet per connection, conversion of electric service panels if costs exceed \$1,500 per service, and replacement of street lighting. Total costs for the undergrounding project will be further evaluated during the planning and design phase.

**OPTIONS:**

The City Council has the following options to consider on this matter:

1. Adopt a resolution to designate an underground utility district on Canal Street between Medway Road and Spinnaker Point Drive as shown in Exhibit A to the resolution. This option obligates the use of the City of San Rafael's Rule 20A funds and will require utilities in this district to underground their overhead services.
2. The City Council may elect not to designate an underground utility district on Canal Street between Medway Road and Spinnaker Point Drive.

**RECOMMENDED ACTION:**

Staff recommends that the City Council hold a public hearing and adopt a resolution to designate an underground utility district on Canal Street between Medway Road and Spinnaker Point Drive.

**ATTACHMENTS:**

1. Resolution with Exhibit A – Boundary Map of Canal Street Underground Utility District
2. Notice of Public Hearing

## RESOLUTION NO. 15234

### RESOLUTION OF THE SAN RAFAEL CITY COUNCIL FORMING AN UNDERGROUND UTILITY DISTRICT ON CANAL STREET BETWEEN MEDWAY ROAD AND SPINNAKER POINT DRIVE AND DETERMINING SAID ACTION IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT PURSUANT TO SECTION 15302(c) OF TITLE 14 OF THE CALIFORNIA CODE OF REGULATIONS

**WHEREAS**, Chapter 11.28 of the San Rafael Municipal Code establishes a procedure for the creation of underground utility districts and requires the San Rafael City Council (“City Council”) to hold a public hearing to ascertain whether public necessity, health, safety, or welfare requires the removal of poles, overhead wires and associated overhead structures and the underground installation of wires and facilities for supplying electric, communication or similar or associated services in any such district; and

**WHEREAS**, staff has recommended that such an underground utility district be formed within the area of the City of San Rafael described as follows: The area contained within the public right of way of Canal Street from Medway Road to Spinnaker Point Drive, as shown on the map attached hereto as “Exhibit A” entitled “Proposed Utility Underground District, Canal St from Medway Rd to Spinnaker Point Dr”, dated January 2023; and

**WHEREAS**, San Rafael staff have had various meetings with representatives from affected utilities and the affected utilities have raised no objections to undergrounding overhead lines within the proposed district as shown in Exhibit A; and

**WHEREAS**, at its regular meeting on June 20, 2023, the City Council held a public hearing to receive and consider public comments regarding the establishment of the proposed underground utility district and to ascertain whether public necessity, health, safety, or welfare requires undergrounding utilities within the proposed district as shown in Exhibit A; and

**WHEREAS**, notice of the time and place of such hearing was provided by the City Clerk by mail to all affected property owners as shown on the last equalized assessment roll and to all affected utilities at least ten (10) days prior to the date of the hearing.

**NOW, THEREFORE BE IT RESOLVED**, as follows:

1. The City Council finds that the public necessity, health, safety, and welfare requires the removal of poles, overhead wires and associated overhead structures of any utilities within the area depicted in Exhibit A and the underground installation of wires and facilities for supplying electric, communication or similar or associated services in the area, including the property owners' service connections, in accordance with the provisions of Chapter 11.28 of the San Rafael Municipal Code. Exhibit A, which is the map entitled "Proposed Utility Underground District, Canal St from Medway Rd to Spinnaker Point Dr," dated January 2023 and on file in the offices of the Department of Public Works City of San Rafael, is attached hereto and incorporated herein by reference.
2. The City Council finds that the creation of an underground utility district on Canal Street between Medway Road and Spinnaker Point Drive is in the public interest and will eliminate an unusually heavy concentration of overhead electric facilities, that Canal Street is extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic, that Canal Street adjoins or passes through a public recreation area and an area of unusual scenic interest to the general public.
3. Pursuant to Chapter 11.28 of the San Rafael Municipal Code, the City Council declares the area shown in Exhibit A to be an underground utility district and orders the removal of poles, overhead wires and associated overhead structures and the undergrounding installation of wires and facilities for supplying electric, communication or similar or associated services in that district within ten years following the adoption of this Resolution.
4. The City Clerk is directed to give all notices required by Chapter 11.28 of the San Rafael Municipal Code.

**WHEREAS**, all existing overhead communication and electric distribution facilities in such district shall be removed; and

**WHEREAS**, that each property served from such electric overhead facilities shall have installation in accordance with PG&'s rules for underground service, all electrical facilities changes on the premises necessary to receive service from the underground facilities of PG&E as soon as it is available; and

**WHEREAS**, authorizing PG&E to discontinue its overhead service.

I, **LINDSAY LARA**, Clerk of the City of San Rafael, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of San Rafael, held on Tuesday, the 20<sup>th</sup> day of June 2023, by the following vote, to wit:

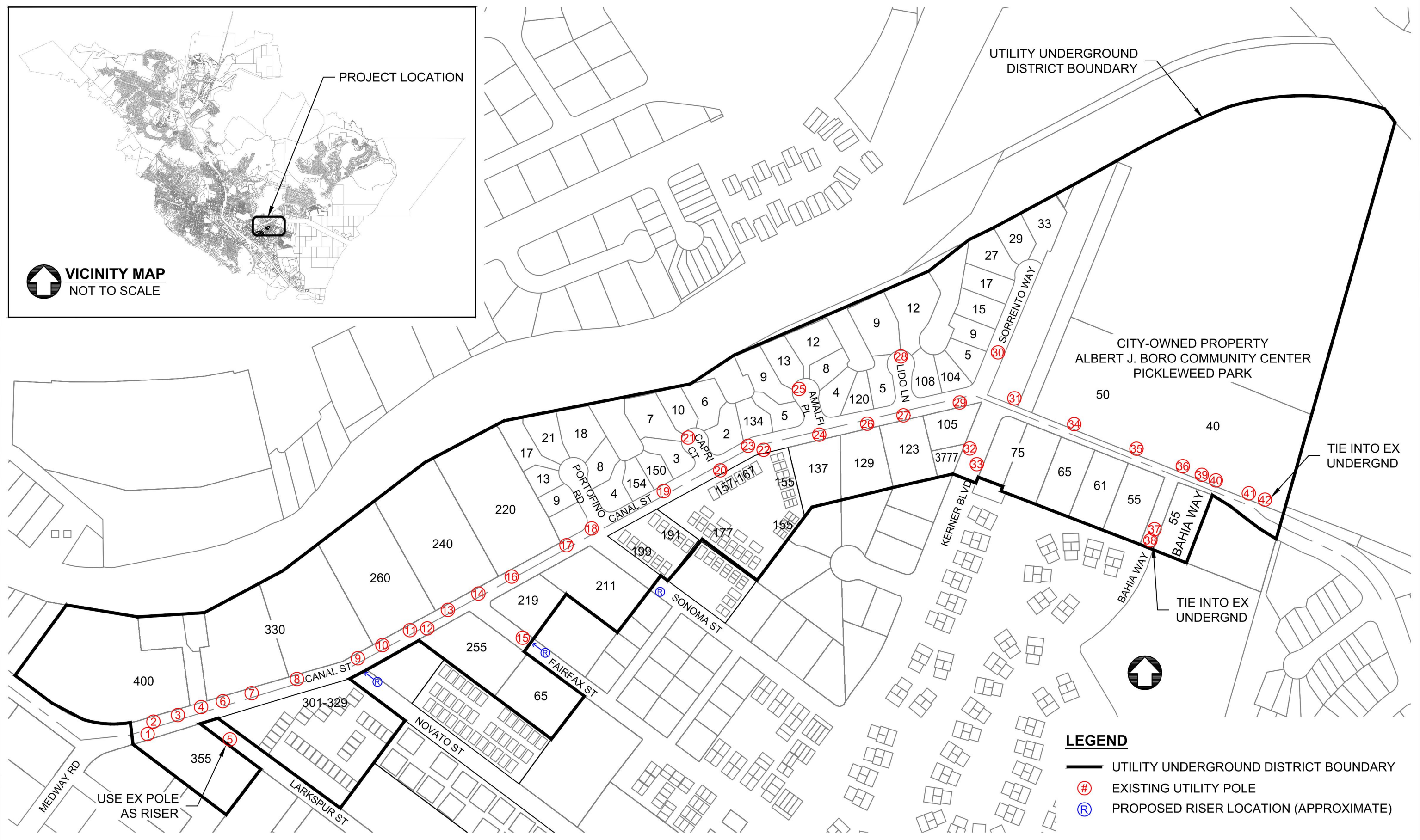
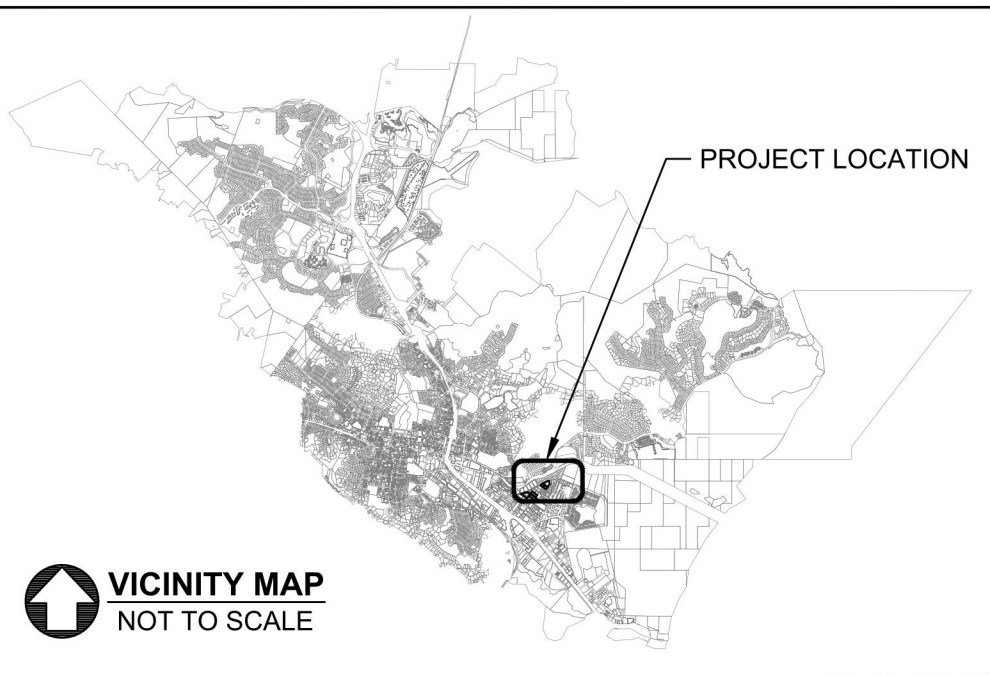
**AYES: Councilmembers: Bushey, Hill, Kertz, Llorens Gulati & Mayor Kate**

**NOES: Councilmembers: None**

**ABSENT: Councilmembers: None**



**Lindsay Lara, City Clerk**



**SAN RAFAEL PUBLIC WORKS**  
 111 Morphew Street,  
 San Rafael, CA 94901  
 (415) 485-3355

DESIGNED: JK  
 CHECKED: AM  
 APPROVED: AM

**PROPOSED UTILITY UNDERGROUND DISTRICT**  
**CANAL ST FROM MEDWAY RD TO SPINNAKER POINT DR**  
**CITY OF SAN RAFAEL**

REVISIONS		DATE	SCALE
NO.	DESCRIPTION	01/10/2023	NTS
		PROJECT NO.	
		DRAWING	<b>C-01</b>
		SHEET NO.	<b>1 OF 1</b>

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## CITY OF SAN RAFAEL

### NOTICE OF PUBLIC HEARING BEFORE THE SAN RAFAEL CITY COUNCIL

You are invited to attend the City Council hearing on designating an underground utility district on Canal Street between Medway Road and Spinnaker Point Drive.

DATE/TIME: Tuesday, June 20, 2023, at 7:00 P.M.

LOCATION: City Council Chambers, City Hall, 1400 Fifth Avenue, San Rafael, CA 94901

#### VIRTUAL PARTICIPATION

The public may participate either by attending the meeting in person or by teleconference by visiting <https://www.cityofsanrafael.org/departments/public-meetings/> for the call-in phone number and meeting ID listed on the agenda, or using Zoom app to connect to this meeting ID.

#### PURPOSE:

To hold a public hearing and to consider adoption of a resolution to designate an underground utility district on Canal Street between Medway Road and Spinnaker Point Drive.

#### WHAT WILL HAPPEN:

Staff will provide a presentation, members of the public can provide comments/questions, and the City Council will consider all public testimony, deliberate, and determine how to proceed with the recommendation provided by staff.

#### IF YOU CANNOT ATTEND:

You may submit comments regarding the proposed item by 4:00 p.m. the day of the hearing to Lindsay Lara, City Clerk, City of San Rafael, 1400 Fifth Avenue, San Rafael, CA 94901, or by email to [city.clerk@cityofsanrafael.org](mailto:city.clerk@cityofsanrafael.org). You can also hand deliver a letter prior to the public hearing. The City Clerk's office will forward your comments to the City Council and publish correspondence received to the agenda online. Comments received after 4:00 p.m. will be forwarded to the City Council and posted online the following day.

#### FOR MORE INFORMATION:

For additional information regarding the above, you can contact Joanna Kwok, Senior Civil Engineer for the City of San Rafael, at 415-485-3408 or [Joanna.kwok@cityofsanrafael.org](mailto:Joanna.kwok@cityofsanrafael.org). Office hours are Monday-Friday, 8:30 AM to 5:00 PM. You can also view the staff report after 4:00 p.m. on the Friday before the meeting at <https://www.cityofsanrafael.org/city-council-meetings/>

/s/ Lindsay Lara  
Lindsay Lara  
City Clerk  
City of San Rafael

**To be published in the Marin IJ on: June 9, 2023**