



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

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Receive an update on the City of Seaside transfer of \$447,072 Rule 20A credits to the County of Monterey for the Carmel Valley Road Phase 3, Rule 20A Underground Utility District No. 15.

RECOMMENDATION:

It is recommended that the Board of Supervisors receive an update on the City of Seaside transfer of \$447,072 Rule 20A credits to the County of Monterey for the Carmel Valley Road Phase 3, Rule 20A Underground Utility District No. 15.

SUMMARY:

In December 2023, the City of Seaside (City), Public Works Department contacted Public Works, Facilities and Parks (PWWP) staff regarding the transfer of \$447,072 unassigned and inactive credits. The City does not currently have an active underground district project and the program does not allow the use of 20A credits as part of another project. On January 18, 2024, City staff took a resolution to the City Council to authorize PG&E to donate City of Seaside Rule 20A work credits in the amount of \$447,072 to the County of Monterey for the Carmel Valley Road Phase 3, Rule 20A Underground Utility District No. 15. Currently, the County of Monterey (County) has \$15,546,230 credits allowing for an approximate one-mile stretch between Boronda Road and Pilot Road within the 3.1-mile Carmel Valley Underground Utility District to be considered for undergrounding. Staff seeks to provide an update to the Board of Supervisors regarding the acceptance and allocation of the \$447,072 Rule 20A credits to the Carmel Valley Road Underground Utility District Rule 20A Project.

DISCUSSION:

In July 2013, the Board of Supervisors (Board) adopted Resolution No. 12-273 to create the Carmel Valley Area Rule 20A Underground Utility District No. 15 (Rule 20A District). The objective is to underground all poles, overhead wires and associated overhead structures to promote fire safety measures and improve scenic views along Carmel Valley Road, Carmel. Enacted by the California Public Utilities Commission, Rule 20A requires large utility companies such as PG&E to allocate a set number of monetary credits for local jurisdictions to help fund undergrounding programs. To date, the County of Monterey has been allocated \$15,546,230 credits toward the Carmel Valley Area Rule 20A Underground Utility District.

The Project consists of a 3.1-mile section of Carmel Valley Road with an estimated construction cost of approximately \$17.8 million. Rule 20A requires that the direct cost of undergrounding utilities on streets in commercial and industrial areas must be borne by the utilities involved. The County must fund all costs to perform any required support activities, e.g., staff and consulting costs for Project administration, surveying and preparation of boundary map and project base maps, environmental

review and mitigation, acquisition of any required easements and property rights of entry, and construction liaison with the utility companies and the community. Staff estimates Project support costs at twenty-five percent (25%) of construction costs for overall project cost of \$22.25 million. However, right of way costs will not be known until preliminary mapping is complete which may increase overall support costs. Completion of the Moss Landing undergrounding project has given staff a much better understanding of the extensive CEQA documentation, permitting and construction management work that will be required. Staff has adjusted projections accordingly.

OTHER AGENCY INVOLVEMENT:

Staff has been working closely with PG&E to update Project milestones. Staff is working with involved utility companies, including AT&T, PG&E, and Comcast to coordinate the Project timeline. PWFP staff worked with City of Seaside Public Works staff on the transfer.

FINANCING:

The recommended action will have no financial impact to the General Fund. The County currently has \$15,546,230 in Rule 20A credits, with the approval of this action the County will have \$15,993,302 in service credits. However, County funds will need to be identified before the Project can begin. The total project cost is estimated at \$22.25 million - \$17.8 million for construction costs incurred by PGE, \$4.45 million for construction support costs incurred by the County. Rule 20A funding to cover the estimated undergrounding work costs from PG&E does not cover County incurred costs for project management, design, etc. The County will need to identify a source for the funds required to complete this Project. The Project is not eligible to utilize Road Fund sources. The options for addressing the gap will be covered in a separate Board item as the construction phase becomes more imminent. This project is being submitted into the 5-year Capital Improvement Program plan for Fiscal Year (FY) 2024-25.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Project meets the Board of Supervisor’s goals of improved infrastructure and increased public safety by reducing the likelihood of fire and other disasters associated with above ground electrical wiring. Moving lines underground in an area adjacent to difficult terrain where wildfires can spread rapidly improves community safety.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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The following attachments are on file with the Clerk of the Board:

- Attachment A - Location Map
- Attachment B - Phase 3 Project Scope