



# Monterey County

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## Board Report

Legistar File Number: RES 18-062

June 12, 2018

Introduced: 5/16/2018

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Resolution

- a. Conduct a public hearing to consider adoption of a Resolution approving the formation of the Carmel Highlands Area Rule 20A Underground Utility District No. 16.;
- b. Adopt a Resolution to create the Carmel Highlands Area Rule 20A Underground Utility District No. 16.; and
- c. Direct the Clerk of the Board to provide Notice by mail to all affected utilities and property owners in the newly created Carmel Highlands Area Rule 20A Underground Utility District No. 16 within ten (10) days of the effective date of said Resolution with said Notice to include a copy of said Resolution and Chapter 14.08 of Title 14 of the Monterey County Code (MCC).

### RECOMMENDATIONS:

It is recommended that the Board of Supervisors:

- a. Conduct a public hearing to consider adoption of a Resolution approving the formation of the Carmel Highlands Area Rule 20A Underground Utility District No. 16.;
- b. Adopt a Resolution to create the Carmel Highlands Area Rule 20A Underground Utility District No. 16.; and
- c. Direct the Clerk of the Board to provide Notice by mail to all affected utilities and property owners in the newly created Carmel Highlands Area Rule 20A Underground Utility District No. 16 within ten (10) days of the effective date of said Resolution with said Notice to include a copy of said Resolution and Chapter 14.08 of Title 14 of the Monterey County Code (MCC).

### SUMMARY:

Residents of Carmel Highlands area have requested the formation of a Rule 20A Underground Utility District (UUD) within 150 feet of the State Route One right of way along a 4.6 mile section of State Route One between Rio Road (Post Mile 72.5) and Malpasos Creek (Post Mile 67.9). Such a project would improve community aesthetics and safety by undergrounding existing overhead utility lines in the area. Monterey County Code (MCC) Title 14 - Streets, Sidewalks and Public Places, Chapter 14.08 Underground Utility Districts, establishes regulations and procedures for the removal of overhead utility facilities and the installation of underground facilities through the formation of a UUD. MCC Section 14.08.020 *et. seq.* requires the Board of Supervisors to hold a Public Hearing to give all interested persons an opportunity to be heard.

### DISCUSSION:

A number of individual residents and community organizations have requested the overhead utilities along State Route One be placed underground given the detrimental impact of the overhead line on the aesthetic value of the area. The proposed UUD would encompass the area within 150 feet of the State Route One right-of-way between Rio Road (Post Mile 72.5) and Malpasos Creek (Post Mile

67.9), as depicted in Attachment A. The Public Hearing will initiate the process to underground the utilities along this 4.6-mile section of State Route One.

Overhead utility facilities are placed underground each year under the Pacific Gas and Electric Company (PG&E) Rule 20A program. Rule 20A is an electricity tariff filed with the California Public Utilities Commission. Projects performed under Rule 20A are nominated by a city, county or municipal agency and discussed with PG&E, as well as the other affected utilities (e.g., telephone, cable, and fiber optic,).

Rule 20A projects are typically in areas of a community that are used most by the general public, both residents and visitors. These projects are also paid for by customers through electric rates. To qualify, the governing body of a city or county must, among other things, determine, after consultation with PG&E, and after holding public hearings on the subject, that undergrounding is in the general public interest for one or more of the following reasons: 1) Undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric facilities; and/or 2) 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; and/or 3) The street, 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; and/or 4) The street or road or 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.

The current balance of the Rule 20A Allocation is \$13,868,313. The annual allocation to this fund is approximately \$422,000 for 2018 and it is reasonable to expect a similar annual allocation in future years. The cost to underground the utilities for the proposed 4.6-mile segment is estimated at \$16.5 million. However, the Board of Supervisors has established two other undergrounding districts which are in the project development process. These two other districts have a combined cost estimate of \$14.2 million (\$3 million for Moss Landing Road area and \$11.2 for a 3.1-mile section of Carmel Valley Road) and are programmed to use the current balance of the Rule 20A fund allocation. The undergrounding in the Moss Landing Area is expected to be under construction this summer, while the work for the Carmel Valley Road segment is still several years away. Therefore, absent any other funding, we do not anticipate PG&E to initiate the planning and design for this proposed underground district for several years to come. The design and construction are under the control of PG&E and, based on discussion with the utility, the typical project takes five (5) to seven (7) years to complete once work is initiated.

MCC Section 14.08.080 (Notice to property owners and utility companies), requires that within ten (10) days of the effective date of a Resolution adopted pursuant to MCC Section 14.08.040 (Designation of area), the Clerk shall notify all affected utilities and all persons owning real property within the UUD within ten (10) days of the adoption of the Resolution creating the UUD. The Clerk is also required to further notify such affected property owners of the necessity that, if they or any person occupying such property desire to continue to receive electric, communication, 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 the applicable rules, regulations, and tariffs of the respective utility or utilities on file with the public utilities commission.

OTHER AGENCY INVOLVEMENT:

Notification was provided to the affected utilities, which include PG&E, AT&T and Comcast.

FINANCING:

The estimate for staff costs to coordinate and obtain rights of entry from adjacent property owners is \$200,000. Funding for this activity will have to be funded by the General Fund, which may include Transit Occupancy Tax (TOT), since this work is not an eligible cost for gas tax revenues or Rule 20A fund allocation. RMA intends to seek a General Fund allocation through the annual review of the County Capital Improvement Program (CIP) in the upcoming CIP review cycles starting in FY 19/20. The total cost of all mainline construction and of trenching on private property within the Rule 20A District will be funded by the utility companies involved in the District. The total cost of the project, including PG&E's project management, engineering, and construction, is \$16.5 million, which will mostly be funded by Rule 20A funds.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The project supports the following Board of Supervisors Strategic Initiatives in that the project will enhance the infrastructure along State Route One by improving the scenic value of the roadway to the public.

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

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Approved by: Carl P. Holm, ACIP, RMA Director

Prepared Date: April 26, 2018

Attachment A - Resolution

Attachment B - List of Utility Companies

Attachment C - Location Map