



County of Monterey

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

Board Report

File #: RES 18-028, **Version:** 1

Adopt a Resolution to extend the time to complete the design and construction of the Moss Landing Area Rule 20A and 20B Underground Utility District No. 14 projects in the Community of Moss Landing from June 2018 to June 2020.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a Resolution to extend the time to complete the design and construction of the Moss Landing Area Rule 20A and 20B Underground Utility District No. 14 projects in the Community of Moss Landing from June 2018 to June 2020.

SUMMARY:

Completion of the required pre-construction activities has been delayed beyond the dates prescribed in the resolution creating the Moss Landing Rule 20A and 20B Underground Utility District No. 14. The recommended action will extend the time allowed to complete the design and construction of the Rule 20A and 20B projects.

California Public Utilities Commission (CPUC) Rule 20A requires that the direct cost of undergrounding utilities on streets in commercial and industrial areas must be borne by the utilities involved. (This does not include costs for local agency project administration, required surveying and preparation of Boundary Map and Project Base Map, environmental review and mitigation, acquisition of any required easements and property rights of entry, and construction liaison with the utility companies and the community, which must be paid by the entity implementing the District, in this case the County.) CPUC Rule 20B requires that all costs for undergrounding utilities on streets in residential areas must be borne by the entity implementing the Utility District. In the case of the Moss Landing Underground Utility District No. 14, the properties along Moss Landing Road and Sandholdt Road are zoned for commercial and industrial uses, and utility undergrounding qualifies for Rule 20A funding. The properties along Pieri Court and Laguna Place are zoned for medium density residential uses which do not qualify for Rule 20A funding, and; therefore, utility undergrounding must be performed under Rule 20B (see Attachment 1, Location Map).

The Rule 20A project is presently scheduled to begin construction in May 2018 and be complete by January 2019. The Rule 20B project is not being pursued at this time due to funding limitations. The proposed Resolution will also extend the deadline to complete the Rule 20B project within Underground Utility District No. 14 so it may be implemented if future funding becomes available (see Discussion below).

DISCUSSION:

Moss Landing Area Rule 20A and 20B Underground Utility District No. 14: On June 7, 2005, the Board of Supervisors adopted Resolution No. 05-120 creating the Moss Landing Area Rule 20A and 20B Underground Utility District No. 14 in the Community of Moss Landing and finding that the county road in District No. 14 was used extensively by the General Public and that the road carried a heavy volume of vehicular traffic. Resolution No. 05-120 set forth a May 2010 date of completion for the utility undergrounding design, construction, and removal of existing poles and overhead wires. On July 26, 2011, the Board of Supervisors adopted Resolution No. 11-271 extending the time of completion to June 2015. On May 12, 2015, the Board of Supervisors adopted Resolution No. 15-110 extending the time of completion to June 2018.

The 2004 Duke Energy/Dynegy Agreement (2004 Agreement) to fund infrastructure improvements in the community of Moss Landing will generate a total of \$3,410,000 by the year 2030. The 2004 Agreement provides for these funds to accrue at the rate of \$100,000 per year.

CPUC Rule 20A requires that the direct cost of undergrounding utilities on streets in commercial and industrial areas must be borne by the utilities involved. (This does not include costs for staff and consultants for project administration, required surveying and preparation of Boundary Map and Project Base Map, environmental review and mitigation, acquisition of any required easements and property rights of entry, and construction liaison with the utility companies and the community.) All County costs not eligible for

Rule 20A reimbursement are being funded through the Duke Energy/Dynergy 2004 Agreement. The properties along Moss Landing Road and Sandholdt Road are zoned for commercial and industrial uses, and utility undergrounding qualifies for Rule 20A funding.

CPUC Rule 20B requires that all costs for undergrounding utilities on streets in residential areas must be borne by the entity implementing the Utility District. The properties along Pieri Court and Laguna Place are zoned for medium density residential uses which do not qualify for Rule 20A funding, and; therefore, utility undergrounding must be performed under Rule 20B (see Attachment 1, Location Map).

Costs to date for the Rule 20A project (Moss Landing Road and Sandholdt Road) have totaled approximately \$398,000, and are estimated to total approximately \$668,000 by project completion. Design engineering for the Rule 20B project (Pieri Court and Laguna Place medium density residential area) was completed in 2015 at a cost of \$214,250, and at that time, it was estimated an additional \$1,500,000 would be required to construct the project.

In 2001, the County Public Works Department completed a Storm Drain and Street Improvement Master Plan for Moss Landing. Potential projects to improve the streets in Moss Landing (curb, gutters, sidewalks, and drainage system) were estimated to require a total of approximately \$3.2 million. (Escalated for inflation, this would require approximately \$5.2 million in 2017 dollars). These improvements would not be eligible for funding by the CPUC Rule 20 Utility Undergrounding program. The Public Works Department determined the most likely source of funds for such improvements would be the Duke Energy/Dynergy community infrastructure fund. It was also recognized that such improvements could be implemented in phases as funding becomes available.

In 2014-15 the Public Works Department calculated that implementation of both the Rule 20A project (\$0.67 million) and the Rule 20B project (\$1.7 million) would draw down the Duke/Dynergy funding to where only \$1.0 million would ultimately remain available for future storm drain and street improvement projects. Through discussion and dialogue between the Moss Landing Chamber of Commerce and the Public Works Department, concurrence was reached that the Moss Landing community would receive the most benefit from the Duke/Dynergy funding program by completing the Rule 20A underground utility project as soon as possible, deferring implementation of the Rule 20B project, and prioritizing the balance of the Duke/Dynergy Fund toward the future design and construction of street and storm drain projects, while at the same time seeking grants and other sources of funding for future projects. The County has been working forward in accordance with that recommendation.

The design process for the undergrounding project has included work that is beyond the control of Monterey County, particularly completion by AT&T of the construction drawings for the project, and acquisition by the County of public utility easements on private properties abutting the project area for the installation of surface-mounted electrical transformers to replace those currently mounted on poles in the public right of way. Installation of the transformers in underground vaults was determined to be infeasible because of the high groundwater level. Location of the transformer pads in the public right of way is not feasible because the County rights of way are too narrow.

In accordance with Monterey County Code Section 14.08.120, staff recommends that the County extend the final completion date for the Moss Landing Area Rule 20A and 20B Underground Utility District No. 14 underground projects from June 2018 to June 2020 to ensure the timely conversion of service.

Carmel Valley Area Rule 20A Underground Utility District No. 15: On July 13, 2013, the Board of Supervisors approved Resolution No. 13-273 to create the Carmel Valley Area Rule 20A Underground Utility District No. 15. The cost for the County to perform the required non-Rule 20A eligible activities, e.g. staff and consulting costs for project administration, required surveying and preparation of Boundary Map and Project Base Map, environmental review and mitigation, acquisition of any required easements and property rights of entry, and construction liaison with the utility companies and the community, has been estimated to be approximately \$750,000. To date no source of funds to pay for these activities has been identified, and work on the Carmel Valley Area Rule 20A Underground Utility District No. 15 project has not been initiated.

Proposed Carmel Highlands Area Underground Utility District: Representatives of the Carmel Highlands community have expressed interest in creating a Rule 20A Underground Utility District to underground existing overhead utility lines along State Highway 1 in the Carmel Highlands area. Staff will prepare a resolution to create this District for consideration by the Board of Supervisors in the future. The cost for the County to perform the required non-Rule 20A eligible activities, e.g. staff and consulting costs for project administration, required surveying and preparation of Boundary Map and Project Base Map, environmental review and mitigation, acquisition of any required easements and property rights of entry, and construction liaison with the utility companies and the community, is tentatively anticipated to be in the range of approximately \$1 million. Members of the Carmel Highlands community have been preliminarily discussing the possible creation of a benefit assessment district to provide those funds.

The recommended Resolution to extend the project completion dates of the Moss Landing Rule 20A and 20B Underground Utility District No. 14 will not have any effect on the funding or scheduling of the proposed Carmel Valley Area Rule 20A Underground Utility District No. 15 project along Carmel Valley Road or the proposed Carmel Highlands Rule 20A Underground Utility District underground utility project along Highway 1/Carmel Highlands.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel has reviewed and approved the Resolution as to form.

RMA-Special Programs has been working closely with AT&T, PG&E, Charter Communications, Comcast, and Moss Landing Marine Laboratories to obtain accurate schedule and milestone information for their work to be incorporated into the project's overall schedule. The involved utility companies, AT&T, PG&E, Charter Communications, and Comcast concur with extending the project completion date.

FINANCING:

The recommended action will have no financial impact to the General Fund, or the Funding Agreement between Duke Energy Moss Landing LLC and the Moss Landing Chamber of Commerce dated March 23, 2001, as assigned from the Chamber to the County of Monterey on September 24, 2002, and amended August 24, 2004.

The cost of the Rule 20A and 20B undergrounding project is being borne by the utilities involved. Costs not eligible for Rule 20A and 20B reimbursement, e.g. County staff and consulting costs for project administration, environmental clearance and mitigation, acquisition of easements, and construction liaison with the utility companies and the Moss Landing community, are funded by the Road Fund Moss Landing Deposit Account funded by Duke Energy/Dynegy (002-3000-8195-RMA012-6613). These costs have totaled 398,000 to date, and are estimated to total \$668,000 by project completion.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommended action complies with the Board of Supervisors' Strategic Initiative for Infrastructure, "Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents..."

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

Attachments:

Attachment 1 - Location Map
Attachment 2 - Resolution
Attachment 3 - Resolution No. 05-120
Attachment 4 - Resolution No. 11-271
Attachment 5 - Resolution No. 15-110
(Attachments on file with the Clerk of the Board)