



County of Monterey

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

Board Report

File #: RES 20-205, **Version:** 1

Adopt a Resolution to:

- a. Update the project schedule for underground installation of wires and facilities for supplying electricity, communications, or similar or associated services by utility companies and reconnection in Carmel Valley Rule 20A Underground Utility District No. 15 to December 31, 2027; and
- b. Update the project schedule for removal of poles, overhead wires, and other associated overhead structures in Carmel Valley Rule 20A Underground Utility District No. 15 to May 31, 2028

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution to:

- a. Update the project schedule for underground installation of wires and facilities for supplying electricity, communications, or similar or associated services by utility companies and reconnection in Carmel Valley Rule 20A Underground Utility District No. 15 to December 31, 2027; and
- b. Update the project schedule for removal of poles, overhead wires, and other associated overhead structures in Carmel Valley Rule 20A Underground Utility District No. 15 to May 31, 2028

SUMMARY:

Rule 20A is an electric tariff filed with the California Public Utilities Commission (CPUC) which provides credits towards Pacific Gas & Electric (PG&E) utility undergrounding work throughout the State. 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, fiber optic, water, and sewer). To date, PG&E has approved Monterey County undergrounding projects in Moss Landing and Carmel Valley. A third undergrounding project in Carmel Highlands is also under development. The Moss Landing Area Rule 20A and 20B Underground Utility District (UUD) No. 14 project is nearing completion, and the County is preparing to begin efforts on undergrounding work (Project) in Carmel Valley Area Rule 20A UUD No. 15 (UUD No. 15). The Project has reached the December 2020 milestone for undergrounding work originally established by the Board of Supervisors in 2013 which must be extended to maintain Rule 20A credit eligibility. The May 2021 deadline for subsequent removal of poles and other above ground infrastructure also requires an extension. Monterey County Code Section 14.08.120 allows extensions for a period of time equivalent to project delays. Staff recommends extending the Project completion date from May 2021 to May 2028 to maintain Rule 20A credit eligibility and allow the work to continue.

DISCUSSION:

On July 13, 2013, the Board of Supervisors approved Resolution No. 13-273 to create UUD No. 15. The current balance of the Rule 20A allocation for Monterey County is \$11,060,792. An additional \$425,000 in credits are allocated annually to the County. Recently, the CPUC issued a recommendation to sunset the Rule 20A program in April 2021 and discontinue further credit allocations. In accordance with the program guidelines if a project is ongoing, PG&E will approve project completion even if the project continues beyond the Rule 20A sunset date.

The Project consists of a 3.1-mile section of Carmel Valley road with an estimated construction cost of approximately \$8.9 million. The cost is based on an annual escalation of the original \$7.4 million estimate from 2013. 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, however right of way costs will not be known until preliminary mapping is complete which may increase overall support costs. Original support cost projections in 2013 were based on the understanding that undergrounding would follow other encroachment work with low right of way and permitting 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. Staff recommends the Project be included in the Fiscal Year (FY) 2021/22 Capital Improvement Plan 5-Year Program (CIP) as a partially funded project to allow the Board to determine the Project's funding and implementation priority compared to other capital projects.

Monterey County Code (MCC) Section 14.08.120 allows Rule20A project extensions for a period of time equivalent to project delays. Staff recommends that the County extend the term ending date of the Project undergrounding work from December 2020 to December 2027 and extend the date for removal of poles and other associated overhead structures from May 2021 to May 2028 to ensure completion of the project. Additional time may be needed to complete the Project beyond these dates. As Project development continues, staff will submit schedule update resolutions to match the actual Project schedule in accordance with MCC Section 14.08.120.

OTHER AGENCY INVOLVEMENT:

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

FINANCING:

The recommended action to extend the Project schedule will have no financial impact to the General Fund. However, County matching funds will need to be identified before the Project can begin. 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 matching 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.

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 disaster 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
- X Infrastructure
- X Public Safety

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

Attachment A - Resolution

Attachment B - UUD No. 15 Map