



Board Report

File #: A 21-496, **Version:** 1

a. Approve and authorize the Director of Public Works, Facilities, & Parks (PWFP), or designee to sign the following Agreements with Pacific Gas and Electric Company (PG&E) for the Carmel Valley Road Phase 3, Rule 20A Underground Utility District No. 15 (Project), located in Carmel Valley along Carmel Valley Road between Garland Regional Park and Pilot Road:

- 1) General Conditions Agreement to Perform Work Pursuant to PG&E Electric Rule 20A for Replacement of Overhead with Underground Electric Facilities.
- 2) Agreement to Perform Tariff Schedule Related Work for Rule 20A Electric Panel Service Conversion.
- 3) Letter of Streetlight Agreement.
- 4) Wheelchair Access Consideration; and

b. Authorize the Director of PWFP, or designee to conduct all negotiations, sign and submit all documents, including, but not limited to additional associated agreements related to the Project, and any future amendments to said Agreements, subject to approval as to form by the Office of the County Counsel, which may be necessary for completion of the Project.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

a. Approve and authorize the Director of Public Works, Facilities, & Parks (PWFP), or designee to sign the following Agreements with Pacific Gas and Electric Company (PG&E) for the Carmel Valley Road Phase 3, Rule 20A Underground Utility District No. 15 (Project), located in Carmel Valley along Carmel Valley Road between Garland Regional Park and Pilot Road:

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b. Authorize the Director of PWFP, or designee to conduct all negotiations, sign and submit all documents, including, but not limited to additional associated agreements related to the Project, any future amendments to said Agreements, subject to approval as to form by the Office of the County Counsel, which may be necessary for completion of the Project.

SUMMARY:

Rule 20A is an electric tariff filed with the California Public Utilities Commission (CPUC) which provides credits towards Pacific Gas & Electric Company (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 for the Carmel Valley Area Rule 20A UUD No. 15 (Project).

The Project was originally established on July 30, 2013 by the Board of Supervisors. On December 8, 2020, the BOS adopted Resolution No. 20-406 to: a.) extend the time to complete underground installation of wires and facilities for supplying electricity, communications, or similar or associated services by utility companies and reconnection in the Project to December 31, 2027; and to b.) extend the time to complete removal of poles, overhead wires, and other associated overhead structures in the Project to May 31, 2028, to maintain credit eligibility.

DISCUSSION:

On July 30, 2013, the Board of Supervisors adopted Resolution No. 13-273 to create the Project. The current Rule 20A Program credit allocation for the County is \$9,015,488 which includes the allocations for 2022. Credits may be reduced due to additional charges for Moss Landing UUD No. 14. Recently, the CPUC issued a recommendation to sunset the Rule 20A Program in 2021 and discontinue annual credit allocations, thus no further allocations will be given going forward. In accordance with the program guidelines, if a project is ongoing, PG&E will approve use of existing available credits for project completion even if a project continues beyond the Rule 20A Program 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. County 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 County staff a much better understanding of the extensive California Environmental Quality Act (CEQA) documentation, permitting and construction management work that will be required. County staff has adjusted projections accordingly.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel has reviewed the proposed agreements as to form. The Auditor-Controller's Office has reviewed and approved the proposed General Conditions Agreement as to fiscal provisions. County staff has been working closely with PG&E to update Project milestones. County staff is also working with involved utility companies, including AT&T, Inc., PG&E, and Comcast Corporation to coordinate the Project timeline.

FINANCING:

The recommended actions will have no financial impact to the General Fund. However, County matching funds will need to be identified before any undergrounding work on the Project can begin. Rule 20A funding to cover the estimated undergrounding work costs from PG&E does not cover County incurred Project costs for management, design, etc. The County will need to identify a source for the matching funds required to complete the Project. This Project is not eligible to utilize Road Fund sources. Options for addressing the funding gap will be addressed in a separate staff report to the Board as the Project construction phase becomes imminent.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Project meets the BOS' Strategic Initiatives for improved infrastructure and increased public safety by reducing the likelihood of fire and other disaster associated with above ground electrical wiring. Moving PG&E utility lines underground in an area adjacent to difficult terrain where wildfires can spread rapidly will improve community safety.

Economic Development

Administration

Health & Human Services

X Infrastructure

X Public Safety

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Approved by: Randell Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities, & Parks

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

Attachment A - General Conditions Agreement

Attachment B - Agreement to Perform Tariff Schedule Related Work

Attachment C - Letter of Streetlight Agreement

Attachment D - Wheelchair Access Consideration

Attachment E - Project Map