



COUNTY OF HUMBOLDT

AGENDA ITEM NO.
C20

For the meeting of: October 17, 2017

Date: September 20, 2017

To: Board of Supervisors

From:  Thomas K. Mattson, Public Works Director

Subject: Report of Pacific Gas and Electric Company's Rule 20A Work Credits and Status of Undergrounding Projects


RECOMMENDATION(S): That the Board of Supervisors receive and file the 2017 Rule 20A Allocation and Work Credit Balance Report from Pacific Gas and Electric (PG&E).


SOURCE OF FUNDING: Rule 20A Utility Underground Fund/General Fund

DISCUSSION: The County of Humboldt currently has \$2,240,461 in work credits available through PG&E for undergrounding of overhead utility lines (Attachment 1). The funds are derived from tariffs that are calculated based upon 50% of the number of PG&E's overhead electric meters and 50% of the total electric meters within each community. The funds can only be used for the purpose of undergrounding utilities and only when meeting criteria established by the California Public Utilities Commission.

In 2013, the Board of Supervisors revised the County's Utility Conversion Plan (Attachment 2). The plan identifies future undergrounding projects and prioritizes them. Since that time, one project has been completed. In 2016, the School Road (East) undergrounding project was constructed.

The following projects remain on the Utility Conversion Plan:

 Prepared by Robert W. Bronkall, Deputy Director

CAO Approval 


REVIEW: Auditor _____ County Counsel gs Human Resources _____ Other _____

TYPE OF ITEM:
 Consent
 Departmental
 Public Hearing
 Other _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
Upon motion of Supervisor Wilson Seconded by Supervisor Sundberg
Ayes Wilson, Sundberg, Bass, Bahn, Fennell
Nays _____
Abstain _____
Absent _____

PREVIOUS ACTION/REFERRAL:
Board Order No. C-12
Meeting of: 08/25/2015

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: 10/17/17
By: 
Kathy Hayes, Clerk of the Board

Project Priority	Project Name & Description	Estimated Project Cost (2013 dollars)
1	Town Square Project in Garberville Location is on Second Street between Church Street and Conger Street; and on Church Street between Locust Street and Redwood Drive. The length is approximately 539 feet.	\$330,000
2	State Highway 36 and Rohnerville Road Project in Hydesville Location is along a portion of State Highway 36 and Rohnerville Road between Gray Brooke Lane and D Street. The length is approximately 2,650 feet.	\$1,325,000*
3	School Road (West) Project in McKinleyville Location is between U.S. 101 and Fischer Road. The length is approximately 1,000 feet.	\$500,000*
4	Central Avenue Project in McKinleyville Location is along Central Avenue between U.S. 101 northerly to School Road. The length is approximately 3,000 feet.	\$1,500,000*
5	Murray Road Project in McKinleyville Location is between U.S. 101 and Kelly Avenue. The length is approximately 1,300 feet.	\$650,000*
6	Sutter Road Project in McKinleyville Location is between Central Avenue and Azalea Avenue. The length is approximately 6,000 feet.	\$3,000,000*
TOTAL		\$ 7,305,000*

*Estimated project costs are calculated by multiplying the project length by \$500 per linear foot.

Under the current Rule 20A program, time and materials spent by the county inspecting and administering the project are not reimbursable with Rule 20A funds. This is an on-going issue for cities and counties within PG&E's service area. A proposal by PG&E was recently made that would change the program rules to allow the cities and counties to be reimbursed for these expenses from Rule 20A funds. Because of the pending change, the Department of Public Works (Department) has placed the undergrounding projects on hold. All of the cities and counties (with the exception of the City of San Jose who wants additional revisions to the program) within the PG&E service area support the proposed revision. However, because of the opposition by the City of San Jose, the revision to the Rule 20A program has stalled. Because of the costs to the county's General Fund, the Department is continuing to place the undergrounding projects on hold until the Rule 20A program is revised to allow these costs to be reimbursed by Rule 20A funds.

FINANCIAL IMPACT: This item does not impact the General Fund. The item conforms with the Board of Supervisors' Core Role of providing for and maintaining infrastructure as identified in the Board's Strategic Framework.

OTHER AGENCY INVOLVEMENT: PG&E

ALTERNATIVES TO STAFF RECOMMENDATIONS: The Board of Supervisors may direct the Department to move forward with one or more projects and provide General Fund revenue to cover the Department's costs. This alternative is not recommended.

ATTACHMENTS:

Attachment 1 – PG&E Rule 20A credit summary dated 06/02/2017

Attachment 2 – Utility Conversion Plan revised 2013

Attachment 1

PG&E Rule 20A credit summary dated 06/02/2017



**Pacific Gas and
Electric Company**

JUN 05 2017

June 2, 2017

Public Works Director
County of Humboldt
1106 - 2nd Street
Eureka, CA 95501

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Subject: 2017 Rule 20A Allocation and Work Credit Balance

Dear Public Works Director,

The purpose of this letter is to provide you with an update on your 2017 Rule 20A annual allocation amount and work credit balance. As of March 31, 2017, your work credit balance was **\$2,240,461**, which includes the 2017 allocation amount of **\$346,778**. In addition, the work credit balance does not reflect an offset for currently active projects as this work is deducted at the conclusion of the project.

If your community would like to proceed with a Rule 20A project but does not have sufficient work credits, the Rule 20 tariff allows for the use of up to 5-years of future annual allocations. If you would like to elect this option, please let us know and we can further explain the process.

PG&E values its partnership with your community and we look forward to working with you. If you have any questions regarding your Rule 20A Work Credit Status, or if your community wants to discuss pending Rule 20A projects or potential future projects, please contact Lizette Burtis, your Rule 20A Program Liaison, at (707) 321-0206.

Sincerely,

Andrea Miller

ANDREA MILLER
Manager, Rule 20A Program

Attachment 2

Utility Conversion Plan revised 2013

UTILITY CONVERSION PLAN

revised 2013

The Utility Underground Committee has reviewed the following projects and recommends that the Board of Supervisors revise the Utility Conversion Plan as follows:

- It is understood that this list is in a priority format based upon the information provided at time of its approval. However, some projects may be moved ahead of other projects based upon timing of funding for road improvement projects; the ability of PG&E to work on the project; and the challenges getting the project designed and constructed. If a project becomes stalled, it does not make sense to delay all of the other projects on the list due to challenges with a higher priority project.
- It is understood that this plan is to be reviewed and revised, if necessary, at the same time as the 5-year master plan for street improvement projects. This will allow coordination of projects to minimize impacts to the public roads.
- It is understood that this plan may be revised at any time at the pleasure of the Board of Supervisors as changes in the priority of road projects and community needs occur.

The current priority of projects is as follows:

Project Priority	Project Name & Description	Estimated Project Cost
1	School Road (East) Project in McKinleyville Location is between U.S. 101 and Central Avenue. The length is approximately 3,600 feet. [Completed in 2016]	\$2,333,000
2	Town Square Project in Garberville Location is on Second Street between Church Street and Conger Street; and on Church Street between Locust Street and Redwood Drive. The length is approximately 539 feet.	\$330,000
3	State Highway 36 and Rohnerville Road Project in Hydesville Location is along a portion of State Highway 36 and Rohnerville Road between Gray Brooke Lane and D Street. The length is approximately 2,650 feet.	\$1,325,000*
4	School Road (East) Project in McKinleyville Location is between U.S. 101 and Fischer Road. The length is approximately 1,000 feet.	\$500,000*
5	Central Avenue Project in McKinleyville Location is along Central Avenue between U.S. 101 northerly to School Road. The length is approximately 3,000 feet.	\$1,500,000*
6	Murray Road Project in McKinleyville Location between U.S. 101 and Kelly Avenue. The length is approximately 1,300 feet.	\$650,000*
7	Sutter Road Project in McKinleyville Location is between Central Avenue and Azalea Avenue. The length is approximately 6,000 feet.	\$3,000,000*

*Estimated project costs are calculated by multiplying the project length times \$500 per linear foot (2013 dollars)