



AGENDA ITEM NO.  
**C19**

# COUNTY OF HUMBOLDT

For the meeting of: July 10, 2018

Date: June 19, 2018

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 \$2,586,225 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 percent of the number of PG&E's overhead electric meters and 50 percent 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:

*RT*

Prepared by Robert W. Bronkall, Deputy Director

CAO Approval *E. Schmitt*

REVIEW: Auditor \_\_\_\_\_ County Counsel *UN* 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 *Fennell*

Ayes *Bass, Fennell, Bohm, Wilson*  
Nays  
Abstain  
Absent *Sundberg*

PREVIOUS ACTION/REFERRAL:

Board Order No. C-20 \_\_\_\_\_

Meeting of: 10/17/2017 \_\_\_\_\_

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

Dated: 7/10/18  
By: *Kathy Hayes*  
Kathy Hayes, Clerk of the Board

<b>Project Priority</b>	<b>Project Name &amp; Description</b>	<b>Estimated Project Cost (2013 dollars)</b>
1	<b>Town Square Project in Garberville</b> 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	<b>State Highway 36 and Rohnerville Road Project in Hydesville</b> 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	<b>School Road (West) Project in McKinleyville</b> Location is between U.S. 101 and Fischer Road. The length is approximately 1,000 feet.	\$500,000*
4	<b>Central Avenue Project in McKinleyville</b> Location is along Central Avenue between U.S. 101 northerly to School Road. The length is approximately 3,000 feet.	\$1,500,000*
5	<b>Murray Road Project in McKinleyville</b> Location is between U.S. 101 and Kelly Avenue. The length is approximately 1,300 feet.	\$650,000*
6	<b>Sutter Road Project in McKinleyville</b> Location is between Central Avenue and Azalea Avenue. The length is approximately 6,000 feet.	\$3,000,000*
<b>TOTAL</b>		<b>\$ 7,305,000*</b>

\*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 approved in early 2018 by the California Public Utilities Commission (CPUC) that changed the program rules to allow the cities and counties to be reimbursed for these expenses from Rule 20A funds. Humboldt County was one of the few counties and cities that submitted letters to the CPUC in support of the proposed revisions to the Rule 20A program. The support letters from the county along with support letters from Contra Costa County, Mendocino County, Marin County, Orange County, Tuolumne County, Stanislaus County, City of Watsonville, City of Redwood City, and California State Association of Counties provided feedback to the CPUC. As a result of the county's letter, the CPUC reached out to Humboldt County by telephone to learn specifically how the current Rule 20A program places an undue hardship on the county.

In response to the CPUC's May 10, 2018 approval of the revised Rule 20A program, the City of San Jose has filed a protest letter. Until the protest is heard, changes to the Rule 20A program remain stalled. Because of the costs to the county's General Fund, the Public Works 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 06/8/2018

Attachment 2 – Utility Conversion Plan revised 2013

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**Attachment 1**

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**PG&E Rule 20A credit summary dated 06/08/2018**



**Attachment 2**

**Utility Conversion Plan revised 2013**

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# 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	<b>School Road (East) Project in McKinleyville</b> Location is between U.S. 101 and Central Avenue. The length is approximately 3,600 feet. [Completed in 2016]	\$2,333,000
2	<b>Town Square Project in Garberville</b> 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	<b>State Highway 36 and Rohnerville Road Project in Hydesville</b> 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	<b>School Road (East) Project in McKinleyville</b> Location is between U.S. 101 and Fischer Road. The length is approximately 1,000 feet.	\$500,000*
5	<b>Central Avenue Project in McKinleyville</b> Location is along Central Avenue between U.S. 101 northerly to School Road. The length is approximately 3,000 feet.	\$1,500,000*
6	<b>Murray Road Project in McKinleyville</b> Location between U.S. 101 and Kelly Avenue. The length is approximately 1,300 feet.	\$650,000*
7	<b>Sutter Road Project in McKinleyville</b> 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)