



City of Grass Valley City Council Agenda Action Sheet

Title: PG&E Rule 20A Project - Proposed Project and Intra County Donation

CEQA: N/A - Not A Project/ Administrative Action

Recommendation: That Council 1) authorize staff to initiate listing of new Rule 20A project with PG&E, and 2) formally request an Intra-County donation of \$1.5million in PG&E Rule 20A funds from Nevada County

Prepared by: Bjorn P. Jones, PE, City Engineer

Council Meeting Date: 7/9/2024

Date Prepared: 7/2/2024

Agenda: Consent

Background Information: PG&E, in accordance with California Public Utilities Commission (CPUC) Electric Rule 20 and Telecommunication Rule 32, has established a Rule 20A Program that allocates credits to fund conversion of overhead utility lines and facilities to underground. In order to establish an active Rule 20A project the City must identify an undergrounding project that is in the public interest and pass a resolution forming an underground utility district. Rule 20A work credits historically accrued annually which, once sufficient to fund the estimated project cost, can be utilized to initiate an Overhead to Underground Utility Conversion Project.

Currently the City's listed "Active" undergrounding project is on E Main Street between Bennett Street and Idaho Maryland Road. That project is estimated at over \$2 million and the City's current work credit balance as of March 27, 2024 is \$915,823. The balance is unlikely to grow much higher as the Rule 20A program is being phased out; making it unlikely that the identified project could ever be delivered before funds are reallocated to other agencies.

In a meeting with Nevada County Staff a promising undergrounding project was identified along South Auburn Street near McKnight Way and south along La Barr Meadows Road to the City limits. The undergrounding would have mutual benefits to the City and County in hardening of electric facilities which ultimately serve the Nevada County Operations Center, as well as facilitating civic improvements such as bike lanes or paths, intersection improvements, roadway widening and corridor safety along the recently annexed City portion of La Barr Meadows Road. The County has offered to contribute \$1.5million of their PG&E Rule 20A funds to the City of Grass Valley, once the City has established the project on an "Active" list with PG&E.

When combined with the City's available work credits, a project of over \$2.4 million could be funded. Project costs will be determined as the La Barr Meadows undergrounding project

is activated with PG&E but are estimated between \$2.5 million and \$3 million. Staff recommends that Council authorize the initiation of proceedings to establish a new Rule 20A undergrounding project with PG&E and request the Intra-County donation of \$1.5 million from Nevada County to help fund the project.

Council Goals/Objectives: Utilization of Rule 20A funding executes portions of work tasks towards achieving/maintaining Strategic Plan Goal - City Infrastructure Investment

Fiscal Impact: Retains the City's existing \$915,823 in Rule 20A work credits and initiates acceptance of an additional \$1.5 million in work credits to be used on the La Barr Meadows Rule 20A Undergrounding Project.

Funds Available: N/A

Account #: N/A

Reviewed by: City Manager