



City of Grass Valley City Council Agenda Action Sheet

Title: PG&E Rule 20A Project - Utility District Formation and Intra County Donation

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

Recommendation: That Council 1) hold a public hearing and consider public feedback on the formation of a new Underground Utility District on La Barr Meadows Road; 2) adopt Resolution 2024-75 establishing the La Barr Meadows Road Underground Utility District; 3) accept an Intra-County donation of \$1.5million in PG&E Rule 20A funds from Nevada County; and 4) authorize the City Manager to sign a Memorandum of Understanding with Nevada County regarding the transfer of Rule 20A funds.

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

Council Meeting Date: 11/12/2024

Date Prepared: 11/6/2024

Agenda: Public Hearing

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 the 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.

On July 9, 2024, the Council authorized the initiation of proceedings to establish a new “Active” Rule 20 undergrounding project on La Barr Meadows from just north of the McKnight Way intersection, south to the City limits near 12270 La Barr Meadows Road. The undergrounding would have mutual benefits to the City and Nevada County in hardening 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.

At their November 12, 2024, meeting, the Nevada County Board of Supervisors is expected to approve an Intra-County donation of \$1.5 million in work credits to help fund the La Barr Meadows undergrounding project. Project costs will be determined as the La Barr Meadows undergrounding project is activated with PG&E but is estimated to be between \$2.5 million and \$3 million. As of March 27, 2024, the City of Grass Valley has accrued 915,823 Rule 20A Work Credits (Dollars), which, when combined with the

Nevada County donation, would put full funding of the project within reach.

Attached is a district boundary map of the area identified for undergrounding. Affected property owners within the proposed undergrounding district have been notified and invited to attend this public hearing to discuss the district's formation. Staff recommends that the Council hold the public hearing, consider any public comment, and subsequently adopt Resolution 2024-75, establishing the La Barr Meadows Road Underground Utility District.

Staff also requests that the Council accept an Intra-County donation of \$1.5 million in PG&E Rule 20A funds from Nevada County and authorize the City Manager to sign a Memorandum of Understanding with Nevada County regarding the transfer of those funds.

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 accepts 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

Attachments:

- Resolution 2024-75
- MOU with the County of Nevada
- Boundary Map