



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Public Works
Department No.: 054
For Agenda Of: 5/16/2017
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Scott D. McGolpin, P.E. Director, 568-3010
Director(s)
Contact Info: Mark Schleich, P.E. Deputy Director, 882-3605
Chris Sneddon, P.E. Deputy Director, 568-3064

SUBJECT: Resolution to Assign Utility Undergrounding Credits to the City of Solvang

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: No

Other Concurrence: N/A

As to form: N/A

Recommended Actions:

- a) Adopt the resolution authorizing the assignment of \$550,000 of uncommitted Pacific Gas and Electric Company Rule 20A credits to the City of Solvang in exchange for \$275,000; and
- b) Find that the proposed action does not constitute a "Project" within the meaning of the California Environmental Quality Act, pursuant to 14 CCR 15378(b)(5), in that it is a government administrative activity that will not result in direct or indirect changes in the environment.

Summary Text:

This item is on the agenda in order to adopt a resolution to assign utility undergrounding credit to the City of Solvang (City). City wishes to pursue an overhead utility conversion project pursuant to the California Public Utilities Commission (CPUC) Tariff Rule 20 utility undergrounding program. Qualifying projects are funded by overhead utility companies based on credit allocations from the electric company to each municipality in its service territory. The City initially had a sufficient credit balance, however, based on updated estimates from Pacific Gas and Electric Company (PG&E), the cost now exceeds the amount required to complete the project. This action approves the assignment of County of Santa Barbara PG&E credits to the City to allow for the implementation of the project.

Background:

This item is on the agenda in order to assist the City of Solvang in implementing a utility undergrounding project. Pursuant the CPUC Tariff Rule 20, the undergrounding of existing overhead utilities is funded by the utility companies through their rates. Undergrounding projects must meet qualifying criteria based on the type of roadway, concentration of overhead utilities, level of traffic and community benefit. For planning purposes, the electric company allocates monies in the form of credits to cities and counties for the underground conversion of overhead utilities in their jurisdictions. In certain cases, a municipality may not have sufficient credits to complete a desired project. In such cases, the CPUC utility undergrounding program allows for the assignment of unused credits of one municipality to another municipality.

The City of Solvang established a utility undergrounding district at the intersection of Mission Drive and Fifth Street and programmed it for completion prior to the implementation of a grant driven sidewalk improvement project. Recent cost estimates for the undergrounding project are greater than the original estimates to the point that the current City of Solvang undergrounding credits are not sufficient to complete the project. In order to keep the project on schedule and save grant funding, the City approached the County regarding the transfer of \$550,000 of unused undergrounding credits in exchange for \$275,000. The exchange for cash was approved by the Solvang City Council on March 27, 2017.

Currently, the County has one undergrounding project in process with PG&E on Bradley Road in Orcutt with an estimated cost of \$3.2 million. The current PG&E Rule 20A credit balance is \$5.7 million. The assignment of \$550,000 of credits to the City would result in a balance of \$2.4 million. Annual allocations are approximately \$220,000.

Staff recommends the adoption of the resolution to assist the City of Solvang and to generate funds to be used for public works purposes.

Performance Measure:

This action will assist a neighboring agency complete an important transportation project and generate revenue for Public Works Department services.

Fiscal and Facilities Impacts:

There are no fiscal impacts with this action. The revenue generated will be used for Public Works Department services.

Fiscal Analysis:

There are no costs associated with this action.

Key Contract Risks:

There are no contract risks with this action.

Staffing Impacts:

There are no staffing impacts with this action.

Special Instructions:

- 1) Forward one copy of the certified minute order to the Public Works Department, attention Kim Clark.
- 2) Forward two certified copies of the executed resolution to the Public Works Department, attention Kim Clark.

Attachments:

Attachment A: Resolution

Authored by:

Martin Wilder, P.E., Manager