



AGENCY: City Council  
MEETING DATE: December 13, 2021  
DEPARTMENT: Public Works  
PRESENTED BY: C. O'Neal  
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## AGENDA ITEM SUMMARY

### **TITLE:**

**Receive Report, Hold Public Hearing, and Consider Adoption of Resolution Approving an Underground District for Properties Located on Chestnut Street Between South Main Street and Ebbing Way to Remove Poles, Overhead Wires, and Associated Overhead Structures and Replace with Underground Wires and Facilities for Supplying Electric, Communication, and Other Similar Associated Services**

### **ISSUE:**

On September 27, 2021, City Council directed staff to move forward with the designation of an underground district, in accordance with Fort Bragg Municipal Code (FBMC) 12.080.03, to be located on Chestnut Street between South Main Street and Ebbing Way. On December 2, 2021, the city staff published and distributed a public hearing notice, notifying affected property owners and utility companies of this public hearing to ascertain whether the public necessity, health, safety, or welfare requires the removal poles, overhead wires, and associated overhead structures and require underground installation of wires and facilities for supplying electric, communication, or similar or associated service in the district.

### **ANALYSIS:**

The establishment of this district was prompted by potential for upcoming reallocation of RULE 20 funding currently available to the City. RULE 20 is programmatic funding source allocated to communities by PG&E whereby work credits are earned over time and programmed for the replacement of overhead utilities with underground electric facilities. Additional details regarding "What the Community should know" about the program are explained in Attachment 1, however as previously discussed these guidelines are currently changing.

On November 29, 2021, city staff met with PG&E estimators to perform a site walk of the proposed Chestnut Street District (Attachment 2). During the site visit, staff and representatives from PG&E discussed many challenges with undergrounding lines on Chestnut Street including;

- Transformer Relocation
- Utility coordination
- ADA upgrades
- Streetlight ownership/relocating
- Expense horizon (value of credits now vs. time of construction)
- Cost of individual panel service modification
- The size of the district compared to the respective costs

The resolution (Attachment 3) includes a description of the area comprising the district and establishes a time frame within which the removal and underground installation shall be accomplished. Staff in coordination with PG&E determined that the reasonable time frame recommended for the removal and underground installation, with regard for the availability of labor, materials, and equipment necessary for the removal and for the installation of the underground facilities be set for completion within no less than (five) 5 years of district designation. Additional research indicated that the average project takes five (5) to seven (7) years from onset of planning to removal of poles. Accordingly, staff is recommending a ten (10) year horizon for project completion.

**RECOMMENDED ACTION:**

Adopt Resolution Approving Underground District No. 6 – Chestnut Street for properties located on Chestnut Street between South Main Street and Ebbing Way, incorporating the phased approach to select only an area that can be undergrounded within the funding constraints to remove poles, overhead wires, and associated overhead structures, and replace with underground wires and facilities for supplying electric, communication, and other similar associated services within the established 10-year time frame.

**ALTERNATE ACTION:**

1. Open and Continue the Public Hearing to a date certain in order to obtain additional information, or
2. Wait until we receive the 90-day notice regarding potential reallocation and establish a district at that time, or
3. Decide not to designate and direct staff to allow expiration of RULE 20 Work Credits.

**FISCAL IMPACT:**

The City currently has approximately \$1,355,848.00 in work credits available. While the cost of a specific project is dependent on the size, location, and complexity of the selected project area, there are no identified additional funding mechanisms forthcoming from PG&E so any project remaining balance would need to be covered by City funds. Costs for staff time include public hearing and material preparation as well as project management for any project selected for implementation are not reimbursable under RULE 20 Funds.

PG&E's most recent estimate indicated that the \$1.3M available would only go approximately two (2) blocks. PG&E recommended that the City identify the entire area as a district but submit for the funding in a phased approach. In order to program an achievable project, staff recommends that Council identify which section of the project they wish to start with the phasing. See Attachment 4. At this time staff has not identified any additional fund sources appropriate for undertaking this work, thus burdening the general fund.

**GREENHOUSE GAS EMISSIONS IMPACT:**

There are no greenhouse gas emissions associated with the decision to establish an underground district. The infrastructure project resulting from a district establishment will have associated greenhouse gas emissions as part of construction aspect of project implementation.

**CONSISTENCY:**

City Council Passed by Ordinance 382 in 1969, establishing Fort Bragg Municipal Code (FBMC) Chapter 12.08 Underground Utility Districts which was used to establish this proceeding for District creation. Chapter 12.08 of the FBMC is located at <https://www.codepublishing.com/CA/FortBragg/#!/html/FortBragg12/FortBragg1208.html#12.08.030>.

The criteria established by the CPUC for establishing and underground district are met via the following:

1. The streets, roads or rights of way in the District are extensively used by the general public and carry a heavy volume of pedestrian or vehicular traffic;
2. The street is considered a major collector as defined in the City's General Plan; and
3. The undergrounding will avoid an unusually heavy concentration of overhead distribution facilities.

**IMPLEMENTATION/TIMEFRAMES:**

After December 31, 2022; Electric utilities shall not allocate new Rule 20 A work credits as the work credit program is being discontinued. At this time PG&E and CPUC have not indicated what type if any funding mechanisms will come into communities after that time. CPUC has not indicated that the funding balance held by an active community has any expiration date, so the programmed ten (10) year horizon is expected to be reasonable for the utilization of the existing credits banked. If approved the RULE 20 A project will be included in the 22/23 FY budget Capital Improvement Program.

**ATTACHMENTS:**

1. RULE 20 A Program Details
2. Map of Affected Properties on Chestnut Street
3. RESO Establishing Chestnut Street as Underground District
4. Map Options for Phased Approach to District No. 6 – Chestnut Street
5. Public Hearing Notice of December 2, 2021
6. FBMC 12.08 Underground Utility District

**NOTIFICATION:**

1. Lizette Burtis, Rule 20A Program Liaison
2. Jeffery Jividen, Comcast
3. Bernie Sopp, AT&T