



Board Agenda Item 13

DATE: March 11, 2025

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director
Department of Public Works and Planning

SUBJECT: Resolution authorizing Pacific Gas & Electric Company to transfer County of Fresno Rule 20A Credits in support of the Undergrounding Program for the City of Fresno West Fresno Church/Martin Luther King Project

RECOMMENDED ACTION(S):

Adopt Resolution authorizing Pacific Gas & Electric Company transfer of County of Fresno Rule 20A credits, to be allocated to the City of Fresno, for the West Fresno Church/Martin Luther King Project in the amount of \$1,000,000 for the undergrounding of existing overhead utilities.

The recommended action will allow Pacific Gas & Electric Company (PG&E) to transfer a portion of County of Fresno (County) Rule 20A credits to the City of Fresno (City), which are needed to help fund the West Fresno Church/Martin Luther King Jr. (MLK) project. The estimated cost of the utility undergrounding project, as assessed by PG&E, is \$4,461,372, which exceeds the City's available credit balance of \$3,537,656.

The project is located in the area encompassed by S. Walnut Avenue, between E. Grove Avenue and E. Church Avenue, and E. Church Avenue, between S. Walnut Avenue and S. MLK Jr. Boulevard, shown on Attachment A. The PG&E credits are countywide and the item pertains to a project in District 1.

ALTERNATIVE ACTION(S):

Your Board may choose not to authorize the transfer of \$1,000,000 in County Rule 20a credits to the City. If the transfer is not authorized, the City's West Fresno Church/Martin Luther King (MLK) project will have a shortfall of approximately \$923,716 in undergrounding costs.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended action. Staff costs for the administration of Underground Utility District (UUD) projects have been budgeted within the Organization 4510 Public Works and Planning - Roads Budget for FY 2024-25. The County Rule 20A credits to be transferred to the City, in the amount of \$1,000,000, will be transferred from the County's current allocation credit balance of \$14,678,374. The County does not actually receive any of the noted credits and has no projects currently programed to use these credits. The credits are strictly internal to PG&E to pay their costs to underground their own facilities in an approved UUD.

DISCUSSION:

In the latter part of 1967, the California Public Utilities Commission (CPUC) directed that all privately (investor) owned electrical utility firms provide annual funding in the form of allocation credits to cities and

counties for conversion of existing overhead utilities to underground. By participating in the program, the County, on an annual basis, receives credits from PG&E and Southern California Edison (SCE) under the CPUC Rule 20A program for the purpose of undergrounding overhead utilities. The credits allocated to the County do not represent actual funding but rather, represent utility company revenues received through tariffs dedicated to undergrounding overhead utilities. Rule 20A provides that uncommitted credits in a county's undergrounding account may be transferred to a city or cities within a county, with the county's approval, to those communities with an active UUD program. Undergrounding utilities ensures safe and modern infrastructure, and will enhance campus safety, aesthetics and sustainability.

Since 1968 the County has administered its Rule 20A Program pursuant to a succession of Board-adopted five-year programs for the undergrounding of overhead electrical, telephone, and cable television facilities in the County. As of December 31, 2022, per Rulemaking 17-05-010 (R17-05-010) and Decision 21-06-013 (D21-06-013) by the California Public Utilities Commission Rule 20A new allocations were ended and all allocations will expire in 2031.

The City has made a formal request (Attachment B), received on February 19, 2025, for the transfer of County Rule 20A credits to assist with the funding of undergrounding for the West Fresno Church/MLK Project, which includes a State Center Community College District campus, providing education and training for students districtwide. Additionally, the project will support revitalization of southwest Fresno, and the surrounding County area.

Currently, the West Fresno Church/MLK Project has an estimated shortfall of \$923,716, which according to PG&E may increase during construction. By transferring \$1,000,000 in Rule 20A credits, a cost overage will be covered. This transfer of credits is permanent, and if the total amount is not expended, the excess credits will remain with the City. If your Board approves the recommended actions, the West Fresno Church/MLK Project undergrounding will be fully-funded, and the City can proceed with the project as scheduled this summer. If the undergrounding costs exceed the Rule 20A credits, the City will be responsible for the difference over and above the allocated County Rule 20A credits.

OTHER REVIEWING AGENCIES:

This item was prepared in consultation with the City of Fresno and PG&E.

REFERENCE MATERIAL:

BAI #45, May 16, 2017
BAI #63, August 10, 2010

ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachment A - Map
Attachment B - City of Fresno Request
On file with Clerk - Resolution (Rule 20A Transfer)

CAO ANALYST:

Salvador Espino