

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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**RESOLUTION AUTHORIZING THE COUNTY EXECUTIVE OFFICER OR DESIGNEE
TO PROVIDE FINANCIAL PAYMENT UP TO \$803,018 TO PACIFIC GAS AND
ELECTRIC IN LIEU OF RULE 20A CREDITS**

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, on November 5, 2002, this Board adopted Resolution No. 065657, which approved the Middlefield Road Underground Utility District – Phase II, which included Middlefield Road from Fifth Avenue to MacArthur Avenue; and

WHEREAS, on November 17, 2015, this Board adopted Resolution No. 074209 to modify the boundaries of the existing Middlefield Road Underground Utility District - Phase II from Fifth Avenue to MacArthur Avenue in the North Fair Oaks Area and authorized the Director of Public Works to make minor adjustments, if necessary, to the Middlefield Road Underground Utility District Phase II boundary thereafter; and

WHEREAS, Pacific Gas and Electric Company (PG&E) has collected and annually allocated Rule 20A Credits to agencies to fund conversion of overhead electrical facilities to underground facilities within an approved Underground Utility District; and

WHEREAS, on March 24, 2020, this Board authorized the County Manager (County Executive Officer) to execute agreement(s) with counties or cities for the transfer of \$1,000,000 in Rule 20A Credits to the County of San Mateo in exchange for

\$500,000 in General Fund dollars due to the increased cost estimate from PG&E for the Rule 20A work required for the Middlefield Road Underground Utility District Phase II; and

WHEREAS, the Middlefield Road Improvement Project (Project) which includes work in the Middlefield Road Underground Utility District Phase II has completed constructing the necessary infrastructure, including installing joint trench conduits for undergrounding overhead facilities (electrical, telecommunication, and cable) on Middlefield Road in the North Fair Oaks Area; and

WHEREAS, PG&E informed the Department of Public Works on April 11, 2024 that there is a shortfall in the County's amount of Rule 20A Credits that are required for PG&E to underground their overhead electrical facilities proposed by the Project based on PG&E's revised estimate of \$10,756,644; and

WHEREAS, PG&E's Rule 20A program had allowed agencies to borrow five years' worth of anticipated Rule 20A Credits or purchase additional Rule 20A Credits from other agencies based on a mutually agreeable rate of exchange and an agreement between the agencies for the borrow or purchase of such credits, which are no longer available options because the Rule 20A program is being terminated; and

WHEREAS, PG&E has indicated that the County must provide the deficit amount of Rule 20A credits, which is \$1,606,902 through donations from cities or towns in the County or by payment by the County before they will commence undergrounding their electric lines as part of the Project; and

WHEREAS, the County has received \$803,884 in donated Rule 20A Credits from jurisdictions in the County and is continuing to ascertain whether other jurisdictions may be able to donate Rule 20A Credits to the County; and

WHEREAS, because PG&E requires the Rule 20A work be fully funded to initiate their work, the remaining deficit of \$803,018 for the Rule 20A work must be donated or paid by the County; and

WHEREAS, the Director of Public Works has recommended that the County Executive Officer or designee be authorized to provide financial payment up to \$803,018 to PG&E for the Rule 20A Credit deficit; and

WHEREAS, this Board has considered and concurs with the recommendation of the Director of Public Works.

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board of Supervisors hereby authorizes the County Executive Officer or designee to provide financial payment up to \$803,018 to PG&E in lieu of Rule 20A credits for the Middlefield Road Underground Utility District Phase II, which is being implemented through the Middlefield Road Improvement Project.

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