STUDY SESSION

1. Staff provided City Council an update on street lighting, including, a plan to re-structure the provision of street lighting services that will provide better light quality, eliminate antiquated infrastructure, and reduce energy use and costs.

City Manager Fred Wilson introduced the item and deferred to Energy Project Manager Aaron Klemm for a report.

Manager Klemm presented an update on street lighting including an overview of recent developments in street-lighting technology, details of a rate case as well as Edison's policy change with regard to ownership of street lights and an update on Proposition 39, and an update on the results of the City's RFQ. Manager Klemm noted that street lights are the most visible energy service that the City provides. He reported that every 7-Eleven in Southern California uses energy-saving LED white light sources for their parking lots and exteriors for their buildings because of increased visibility and safety. He presented photographs of the City's LED retro-fitted lights, Bluff Top parking lots and industry lighting throughout the City. He noted benefits of using LED lighting and addressed studies and comparisons of "before" and "after" retrofits. Mr. Klemm addressed yearly expenditures by the City in electricity prior to and after lighting retrofits, background on the matter and details of the current related resolution. He addressed savings by the City as a result of an agreement with the California Public Utilities Commission (CPUC) freezing rates for the next three years.

He addressed changes to Edison policies where they are now willing to amicably sell the City their street-lighting systems. He presented details of the models presented and noted that the "less depreciation" model is the best for the City. He reported that over 75% of the City's light poles are fully depreciated and that staff is expecting a fairly attractive purchase price because of the age of the system.
Manager Klemm presented information regarding Proposition 39 noting that it provides $550 million annually for five years for clean-energy projects in government facilities, and reported that the legislation is currently seeking to write the rules for accessing the funds. He noted that local governments are eligible for the funding and seeking amendments to remain eligible. He reported that currently, the proposed legislation is focused on K-14 getting all of the funds and addressed the challenges with that proposal.

Manager Klemm addressed the City’s release of an RFQ for a long-term partner that would guarantee savings to the General Fund of at least 10% of first year savings, support the City in working with Edison on the valuation of the existing street lighting system for purchase, upgrading to long-life efficient lighting and upgrades to dangerous, inefficient street-light infrastructure. The City would also utilize the long-term partner for long-term operations and maintenance of the street lighting system. Mr. Klemm reported that six organizations responded to the RFQ, addressed the interview process and reported that the highest-rated proposal was Siemens. He addressed the phasing of the work, referenced a letter of intent from Siemens and presented information on the organization as well as their goals in working with the City.

Manager Klemm asked that Council consider a $10,000 appropriation to pay Edison for their initial study and approve a not-to-exceed amount of $60,000 for Siemens to support the City in the process. Once the information is available, staff would return to Council at a future meeting with the information from Edison including costs to develop a fully-executed purchase price from Edison and follow through with the process. The process would end at a public hearing for final approval to move forward with the project.

Mayor Pro Tem Harper wondered if there are other cities that have had similar experiences and Mr. Klemm recited similar experiences in Northern California and San Diego.

Discussion followed regarding changes in Edison policies and previous experience by City staff in working with Siemens, timeline for completion of the project, the possibility of equipping the street lights with solar energy, expected service levels by Siemens when there are unexpected issues during holidays and/or weekends, current plans for replacement of the street light heads and related increased public safety.

Ensuing discussion followed regarding the valuation process of the street lights and the increased public safety element related to the lights. It continued regarding the length of time for the relationship with Siemens, subsequent rebidding after the term of the contract and the number of competing bids.