

Legislation Text

File #: 16-4536, **Version:** 1

DRAFT INTERLOCAL AGREEMENT WITH PUBLIC UTILITY DISTRICT NO. 1 FOR TRANSFER OF OWNERSHIP OF STREET LIGHTS AROUND AND NEAR R.A. LONG PARK

COUNCIL STRATEGIC INITIATIVE ADDRESSED:

Improve transportation systems
Continue effective financial management

CITY ATTORNEY REVIEW: REQUIRED

SUMMARY STATEMENT:

Cowlitz Co. P.U.D. (PUD) recently completed a maintenance and upgrade project on four street lighting circuits around and near R.A. Long Park. The project included new meter and service cabinets, and underground conduit, junction boxes, and wiring on the four circuits. Street light poles, bases, and lights were not upgraded as part of the project.

These lighting circuits and associated poles and street lights are currently owned and operated by the PUD. The City pays a street light facility charge to the PUD in the amount of \$230.80 per month for ongoing maintenance of these poles and lights. The City pays a separate flat fee to the PUD per light for the energy to power the lights. That fee is currently based upon estimated energy consumption for the various size and types of lights in the system, but will change to a metered consumption charge upon execution of this agreement. The change from a flat fee rate to a metered rate is not expected to result in a change in the overall energy cost for the fifty-three lights on these circuits.

The PUD has offered to transfer ownership of the four lighting circuits and fifty-three poles and lights to the City. In exchange, the PUD has requested payment in the amount of \$23,852.62 to be paid over a period of 10 years with no finance charges. The requested amount covers the installation cost of the four meter cabinets installed as part of the recent maintenance and upgrade project.

Taking over ownership will result in better control of the operation, maintenance, technology, aesthetics, and condition of the lights. The City will now be able to schedule and/or responds to bulb replacements, repairs, knock-down replacements, pole replacements, upgrades, etc. and will not be reliant on the PUD.

Repairs, replacements, or upgrades of the poles and lights have not been a priority for the PUD. Approximately 10 of the lights on these circuits are in poor condition and will need to be replaced with new bases, poles, and lights over the next 10 years at a total cost of approximately \$15,500.

The PUD also has been un-willing to convert their lights to energy efficient LED's in the past. The City will now have the option to upgrade the lights to save on energy costs and further implement Resolution No. 1961, the City's greenhouse gas emission reduction policy.

After factoring the transfer payment to the PUD, elimination of the facility charge, cost to upgrade to LED's and the associated energy savings, and cost for 10 replacement poles and bases, the financial payback on this investment is approximately 11 years.

The proposed interlocal agreement provides for transfer of ownership of the four lighting circuits and lights,

and the associated payment to the PUD.

FINANCIAL SUMMARY:

The \$230.80 per month street lighting facility charge would be replaced with a \$198.77 per month repayment plan for the next 10 years. Additionally, the estimated electrical consumption charge would be replaced with metered actual consumption charges.

RECOMMENDED ACTION:

Direct the City Attorney to draft a Resolution to approve an interlocal agreement with the PUD for transfer of ownership of the four lighting circuits.

STAFF CONTACT:

Craig Bozarth, City Engineer