

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS
(Sitting/Acting as the Board of the Clackamas County Service District #5)

Study Session Worksheet

Presentation Date: January 21, 2014 **Approx Start Time:** 3:30 p.m. **Approx Length:** 30 min.

Presentation Title: Discussion on disposition of proceeds from sale of Service District No. 5-owned streetlight poles and Energy Trust Credit revenue.

Department: Department of Transportation and Development

Presenters: Dan Johnson and Wendi Coryell

Other Invitees: Barbara Cartmill

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

With the recent changes in lighting type and sale of light poles, Clackamas County Service District #5 (CCSD#5) has received additional unexpected revenue. In order to prepare for the upcoming budget process, staff has prepared options for the use of these funds for consideration by the Board. Does the Board concur with the list of proposed projects and want staff to advance them for future consideration or are there other alternatives the Board would like staff to assess?

EXECUTIVE SUMMARY:

Over the last year CCSD#5 worked collaboratively with Portland General Electric (PGE) to advance the conversion from High Pressure Sodium (HPS) to Light Emitting Diode (LED) street lighting and to sell CCSD#5-owned streetlight poles, also known as Option B poles, to PGE. These two changes have resulted in a total of \$865,089 of revenue to CCSD#5 from the following sources:

- **Reduced Electrical Costs:** Since conversion to LED began, the district has seen a steady reduction in the monthly electrical costs. Though we expect to see continued reduction, current savings equates to approximately \$17,000 a month or \$204,000 annually.
- **Option B Sales Revenue:** Approximately 534 Option B light poles were sold to PGE for \$615,089.
- **Credit from Energy Trust of Oregon:** \$250,000 of actual funds distributed to CCSD#5.
- **Reduced Long-Term Maintenance Liability:** \$23,430.

While advancing the LED conversion and Option B sales, there was discussion on how these additional revenues should be used. The decision was made to table that discussion until there was a clearer picture on the actual available revenue. With the finalization of the Option B sales, receipt of the Energy Trust Credit funds and assessment of electrical savings to date, the revenue picture is clear.

Staff has developed a draft scope of projects for consideration by the Board (Attachment A). With an awareness of the dialogue over the last year, staff has prepared the project list with a

focus on diversifying the projects to provide district-wide benefits and targeted opportunities to reinvest in the community. If the Board concurs with the direction of the projects, staff will work with internal and external stakeholders to refine the list for future consideration.

FINANCIAL IMPLICATIONS (current year and ongoing):

Not applicable

LEGAL/POLICY REQUIREMENTS:

Not applicable

PUBLIC/GOVERNMENTAL PARTICIPATION:

City of Happy Valley: During the LED conversions and Option B sales, staff talked with the City regarding use of the additional revenue. While a primary focus is the provision of additional LED lighting alternatives, there are a number of specific lighting safety projects proposed by the City. Staff will discuss proposed projects in greater detail with the City in the near future.

City of Damascus: The City has actively assessed LED options, including the development of the Anderson Road Pilot Project. The Anderson Road Pilot Project was designed and constructed by Damascus to model a number of alternative road design components, including LED street lighting. Staff will discuss the proposed projects in greater detail with the City in the near future.

OPTIONS:

1. Direct staff to refine the options outlined on Attachment A for future consideration by the Board.
2. Direct staff to modify options outlined on Attachment A per Board direction and present for future consideration.
3. Direct staff to provide additional information.

RECOMMENDATION:

It is respectfully recommended that the Board direct staff to refine the options outlined on Attachment A for future consideration by the Board.

ATTACHMENTS:

Attachment A: DRAFT Scope of Projects

SUBMITTED BY:

Division Director/Head Approval 

Department Director/Head Approval *M. B. Cornwell 1-15-14*

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Wendi Coryell @ 503-742-4657.

Project Options	Area of Applicability	Revenue Source	Estimated Value
Rate Reduction	District Wide	Reduced Electrical Costs	\$200,000
Shield Program	District Wide	Energy Trust Credit (2%)	\$5,000
Streetlighting / Safety Enhancement * McLoughlin (MAP-IT/Road Safety Audit) * Safe Route to Schools * Transportation System Plan Project * SPIS List Projects	Clackamas County	Option B Sales (60.1%)	\$369,669
LED Conversion * High Wattage Cobra (Intersections) * Decorative Street Lighting	Clackamas County	Energy Trust Credit (70%)	\$175,000
Streetlighting / Safety Enhancement * Idleman * Safe Route to Schools * Transportation System Plan Project * SPIS List Projects	City of Happy Valley	Option B Sales (39.9%)	\$245,421
LED Conversion * High Wattage Cobra (Intersections) * Decorative Street Lighting	City of Happy Valley	Energy Trust Credit (24%)	\$60,000
Streetlighting - Safety Enhancement Additional LED Conversion	City of Damascus	Energy Trust Credit (4%)	\$1,000

Notes

- 1.) Option B revenue determined on a percentage basis depending on the number of Option B light poles within a jurisdiction.
- 2.) Energy Trust Credit revenue determined on a percentage basis depending on the number LED converted lights within a jurisdiction.
- 3.) Shield Program revenue comprised 2% of the Energy Trust Credit and was funded equally by all jurisdictions.