

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Study Session Worksheet

Presentation Date: June 18, 2013 **Approx Start Time:** 10:30 a.m. **Approx Length:** 30 min.

Presentation Title: Service District No. 5 "District" owned (Option B) Street Lighting

Department: Department of Transportation and Development

Presenters: Dan Johnson and Wendi Coryell

Other Invitees: Portland General Electric (PGE) – Lori Swanson & Annette Mattson

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Portland General Electric (PGE) has made an offer to purchase the District owned Option B street lights and poles. Prior to moving forward with the sale, does the board, acting as the Service District No. 5 Board, have any questions or concerns with advancing this transaction?

EXECUTIVE SUMMARY:

Clackamas County Service District #5 (CCSD#5) – Street Lighting

CCSD #5 is the street lighting authority for unincorporated Clackamas County, the City of Happy Valley and the City of Damascus. The district coordinates with PGE to design, maintain, and operate approximately 9,000 street lights within the district.

Option B Street Lighting

Though there are three street lighting service options provided by PGE, street lighting within CCSD#5 is provided under Options A & B. Ownership of the lighting is the primary difference under these two options. Option A lights are owned and maintained by PGE, while Option B lighting is owned and maintained by the district. While the majority of the 9,000 lights within CCSD#5 are Option A, approximately 530 are currently Option B. Option B lighting is generally associated with large capital projects on major arterials, such as SE Sunnyside Road. Attachment A is a summary of where Option B lighting can be found within the district.

Earlier this year staff updated the Board on the PGE's plans to begin conversion of the existing High Pressure Sodium (HPS) street lighting with Light Emitting Diode (LED) street lighting. As a part of this LED conversion, PGE is also offered to purchase all District owned Option B lighting and converting these lights to Option A. While this adjustment would increase the annual operational costs, it would also result in a onetime acquisition payment from PGE, would release the district from future replacement and maintenance liability associated with the Option B lighting, and would allow conversion of the Option B lights to LED.

FINANCIAL IMPLICATIONS (current year and ongoing):

Staff has prepared a Fiscal Impact Form (See Attachment B) for the Board's consideration.

District staff will continue to coordinate with the Board to assess how the expected LED conversion savings and any additional revenue generated through this proposed transaction, will be allocated.

LEGAL/POLICY REQUIREMENTS:

Not Applicable

PUBLIC/GOVERNMENTAL PARTICIPATION:

The district continues to coordinate closely with local citizenry on district issues, such as the recent conversion to LED lighting alternatives. PGE and local news sources have provided a number of articles, and informational flyers/outreach regarding the possible provision of LED street lighting alternatives. The district has received a number of positive inquiries in response to this outreach.

City of Happy Valley: The district continues to coordinate with the City of Happy Valley and the provision of LED street lighting alternatives. Based on discussions to date, the City is very interested in pursuing conversion of current street lighting to LED.

City of Damascus: The City is actively assessing LED options, including the development of the Anderson Road Pilot Project. Anderson Road Pilot Project was designed and constructed by the City of Damascus to model a number of alternative road design components, including the provision of LED street lighting.

OPTIONS:

- 1) Direct District staff to advance negotiations with PGE for the sale of Option B lighting within the district for future consideration by the District Board.
- 2) Direct District staff to provide additional information requested by the District Board.
- 3) Direct District staff to take no action to sell the "district owned" Option B street lights at this time.

RECOMMENDATION:

It is respectfully recommended the District Board direct staff to continue to advance negotiations with PGE for the sale of Option B lighting within the district for future consideration by the District Board.

ATTACHMENTS:

- Attachment A: Option B Street Lighting Summary
- Attachment B: Fiscal Impact Form

SUBMITTED BY:

Division Director/Head Approval 

Department Director/Head Approval 

County Administrator Approval _____

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

FISCAL IMPACT FORM

Attachment B

RESOURCES:

Is this item in your current work plan and budget?

YES

NO

START-UP EXPENSES AND STAFFING (if applicable):

Not Applicable

ONGOING OPERATING EXPENSES/SAVINGS AND STAFFING (if applicable):

Not Applicable

ANTICIPATED RESULTS:

Based on estimated savings for the LED conversion and the sale of the Option B lighting the District is projecting an ongoing annual savings estimated at \$226,365 and a onetime credit/acquisition payment of \$670,749.

COSTS & BENEFITS:

Costs:							
	Item	Hours	Start-up Capital	Other Start-up	Annual Operations	Annual Capital	TOTAL
	LED Conversion (PGE)		0	0			
	Option B to Option A Transfer: Increased Operating Costs				\$23,430		\$23,430
	Total Start-up Costs		0	0			0
	Ongoing Annual Costs				\$23,430		\$23,430
Benefits/Savings:							
	Item	Hours	Start-up Capital	Other Start-up	Annual Operations	Annual Capital	TOTAL
	Option A LED Conversion: Energy Savings				\$186,680		\$186,680
	Option B LED Conversion: Energy Savings				\$13,587*		\$13,587
	PGE Acquisition Costs		\$615,089*				\$615,089
	Energy Trust Credits		\$55,660				\$55,660
	Option B Replacement Costs: Reduced Annual Liability				\$49,528**		\$49,528
	Total Start-up Benefit/Savings		\$670,749				
	Ongoing Annual Benefit/Savings				\$249,795		\$920,544
Net Cost / Benefit			\$670,749		\$226,365		

* Only realized if District Board approved conveyance of Option B lighting to Option A

** Annual liability calculated over a 20 year life cycle. \$990,567 : Total estimated replacement liability