



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Public Works



**Date:** April 16, 2014  
**Board Meeting Date:** June 17, 2014  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** James C. Porter, Director of Public Works

**Subject:** Services Agreement with Pacific Gas and Electric Company for Conversion of Existing Streetlights

**RECOMMENDATION:**

Acting as County of San Mateo and the Governing Board of the ten County Highway Lighting/Lighting Maintenance Districts and County Service Area No. 6, adopt a Resolution:

- A) Authorizing a Services Agreement with Pacific Gas and Electric Company for the conversion of existing District-owned streetlight fixtures with light emitting diode fixtures for the term of June 3, 2014 through June 2, 2017, in an amount not to exceed \$650,000; and
- B) Authorizing the Director of Public Works to execute Work Orders for Streetlight Replacements to be performed pursuant to the Services Agreement.

**BACKGROUND:**

The Department is responsible for the maintenance and operation of streetlights in ten highway lighting/lighting maintenance districts and one County Service Area with a combined total of approximately 2,100 streetlights. The streetlights are located within the following special districts: Bel Aire Lighting Maintenance District, Belmont Highway Lighting District, Colma Highway Lighting District, Granada Highway Lighting District, Emerald Lake Heights Highway Lighting District, Enchanted Hills Lighting Maintenance District, La Honda Lighting Maintenance District, Menlo Park Highway Lighting District, Montara Highway Lighting District, Pescadero Highway Lighting District, and County Service Area No. 6, hereinafter collectively referred to as Districts. The streetlights within these Districts consist primarily of high pressure and low pressure sodium vapor streetlights. The Districts spends approximately \$120,000 annually on electricity costs for these streetlights.

**DISCUSSION:**

Pacific Gas & Electric Company (PG&E) offers a turnkey-type program for jurisdictions to implement energy saving light conversion projects by replacing existing streetlight fixtures, predominantly sodium vapor streetlights, with energy efficient light emitting diode (LED) streetlights. This is a streamlined process whereby PG&E manages all aspects of the replacement and adjusts the billing records for the jurisdictions to reflect the reduced monthly rates for LED streetlights. PG&E requires that jurisdictions execute a Services Agreement for these types of energy conservation-related projects. PG&E has required that the County be a party to this agreement in order for the Lighting Districts to participate in the Rebate Program. Consequently, the Districts, the County, and PG&E are all parties to the Services Agreement. The President of the Board would be signing the Services Agreement on behalf of the County and, separately, as the Ex-Officio President of the Board for each of the Districts.

LED streetlights contain no mercury, unlike sodium vapor streetlights, last three to five times longer, and require less maintenance. Converting the existing Districts' streetlights to LED is estimated to reduce the Districts' annual energy costs by approximately two-thirds and decrease the energy usage by 70%, from approximately 825,000 kWh to 574,000 kWh. Additionally, the current estimates indicate that by converting the Districts' streetlights to LED, annual CO2 emissions will be reduced by approximately 300,700 pounds or 70%. Conversion of the Districts' streetlights to LED contributes to and is consistent with the County's Government Operations Climate Action Plan.

PG&E is offering rebates for LED streetlight purchases for conversion work implemented pursuant to Services Agreements, in 2014. There are limited rebate funds and it is in the County's best interest to participate in the replacement program at this time to take advantage of available rebates. The rebates may not be offered beyond 2014; however, conversion to LED streetlights will be beneficial to the Districts and environment even if full advantage of the rebates cannot be taken.

Although PG&E offers an interest-free loan for this type of work, there are sufficient funds available in each District to pay for the conversion work without requiring financing. Conversion work under the Services Agreement would proceed based on Work Order Streetlight Replacements (Work Orders) that provide additional information relative to streetlight fixtures to be replaced, time to complete the work, energy savings, project cost, revised inventory information, and third party warranties for streetlights installed. The Department will issue individual Work Orders for defined conversion work/projects to be performed with not-to-exceed amounts. Any increase above the amount or term of the Services Agreement would be submitted to your Board for consideration.

PG&E has provided cost estimates for conversion of the Districts' standard cobrahead streetlight fixtures, which does not include the conversion of the limited number of decorative type fixtures within the Districts. Subsequent to conversion of the typical streetlight fixtures, the Districts will work to convert the decorative fixtures to LED. The

Department plans to implement a phased approach to conversion with work first commencing within the Belmont Highway Lighting District, Colma Highway Lighting District, Pescadero Highway Lighting District and a portion of the Menlo Park Highway Lighting District. With the exception of the Pescadero Highway Lighting District, the first phase of work will generally be along streets in commercial and industrial areas or streets that have a high volume of traffic. Work within the Pescadero Highway Lighting District is being proposed based on the consensus reached through work with the Pescadero Municipal Advisory Council.

Because PG&E is offering monetary incentives to the County and will provide the comprehensive administration of the project if the County elects to have PG&E perform the contemplated work, the overall cost to have PG&E perform the streetlight fixture replacement is significantly lower than the anticipated proposals that would be received through a Request for Proposal process. Therefore, it is in the best interest of the County to forgo the Request for Proposal process in connection with this Services Agreement.

Department staff is requesting that your Board waive compliance with the County's Contractor Employee Jury Service Ordinance. PG&E has a corporate policy for jury duty service. They offer the same benefits as the County's Ordinance, but the terms of when an employee is eligible to receive jury duty leave with pay differs slightly. PG&E's policy requires that individuals be employed at least six months in order to be eligible to receive full pay while serving for jury duty. Employees with less than six months will be granted time off without pay. It is in the best interest of the County to waive the County's Contractor Employee Jury Service Ordinance for this Services Agreement.

Department staff has determined that this project qualifies for a Categorical Exemption pursuant to Section 15302(C) of the California Environmental Quality Act (CEQA) Guidelines for Implementation, which provides that replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity is exempt from review.

County Counsel has reviewed and approved the Resolution and Agreement as to form.

Approval of this Agreement contributes to the Shared Vision 2025 outcome of an Environmentally Conscious Community by reducing energy consumption and carbon emissions associated with County-maintained streetlights, and supports the County's Government Operations Climate Action Plan.

**FISCAL IMPACT:**

The term of the Services Agreement is from June 3, 2014 through June 2, 2017 with a total maximum financial obligation is \$650,000. Work Orders will be issued for specific work with varying not-to-exceed amounts. The cumulative sum of the Work Orders will not exceed the maximum amount of the Services Agreement. Each District has sufficient funds to pay for the conversion costs and future energy and maintenance

costs. Total anticipated energy cost savings is estimated to be \$1,900,000 over the projected 24-year useful life of the LED streetlights.

Although PG&E offers an interest-free loan for this type of work, there are sufficient funds available in each District to pay for the conversion work without requiring financing, thereby allowing the districts to avail energy related cost savings immediately following conversion. There will be at least 100 streetlight conversions per Work Order at an approximate cost of \$310 per streetlight.

There is no impact to the General Fund.