



Monterey County

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Board Report

Legistar File Number: 16-966

August 30, 2016

Introduced: 8/17/2016

Version: 1

Current Status: Agenda Ready

Matter Type: General Agenda Item

Approve and authorize the Resource Management Agency - Interim RMA Deputy Director of Public Works and Facilities.

- a. to sign an electric agreement, Contract ID: 2010223: Las Lomas Street Light Project, with Pacific Gas & Electric Company in the amount of \$28,058.74 for installation of eight new streetlights on Sill Road in the Community of Las Lomas (Phase 3-B of three phases);
- b. Authorize the payment of \$28,058.74 to Pacific Gas & Electric Company as part of the project costs within the Las Lomas Lighting Project, Project 1722 appropriated within the FY 2016-17 Adopted Budget for Fund 404-3000-8174-RMA015; and
- c. Authorize the payment of monthly utility bills generated from this Project against the Utilities Unit 001-3000-8182-RMA098 until such time when a County Service Area is formed for the Las Lomas Community.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Approve and authorize the Resource Management Agency - Interim RMA Deputy Director of Public Works and Facilities.

- a. to sign an electric agreement, Contract ID: 2010223: Las Lomas Street Light Project, with Pacific Gas & Electric Company in the amount of \$28,058.74 for installation of eight new streetlights on Sill Road in the Community of Las Lomas (Phase 3-B of three phases);
- b. Authorize the payment of \$28,058.74 to Pacific Gas & Electric Company as part of the project costs within the Las Lomas Lighting Project, Project 1722 appropriated within the FY 2016-17 Adopted Budget for Fund 404-3000-8174-RMA015; and
- c. Authorize the payment of monthly utility bills generated from this Project against the Utilities Unit 001-3000-8182-RMA098 until such time when a County Service Area is formed for the Las Lomas Community.

SUMMARY:

To date a total of 107 new street lights have been installed on existing utility poles where no lights previously existed in the unincorporated Community of Las Lomas in northern Monterey County. The recommended action will enable Pacific Gas & Electric Company (PG&E) to implement the final phase of this project. Electric Agreement No. 2012223 in the amount of \$28,058.74 will install the final eight new street lights on new poles on Sill Road.

DISCUSSION:

The County has funded and PG&E is nearing completion of the installation a total of 115 new street lights located in the public right-of-way of County roads within the Community of Las Lomas. Prior agreements with PG&E for this project include:

- On July 25, 2013 an Application for Street Light Service was submitted to PG&E to initiate

the design and implementation of the proposed project.

- On October 30, 2013 an advance payment of \$10,000 was made to PG&E to initiate the engineering design of the project.
- On June 3, 2014 the Board of Supervisors approved Electric Agreement No. 1167198 in the amount of \$7,017.91 to convert five existing street lights from HPS to LED, and Electric Agreement No. 1168827 in the amount of \$9,814.51 for installation of thirty nine new streetlights (Phase 1).
- On September 23, 2014, the Board of Supervisors approved Electric Agreement No. 1178063 in the amount of \$11,803.25 for installation of the next sixty street lights in the project (Phase 2), bringing the total number of new street lights installed to 104.
- On October 27, 2015, the Board of Supervisors approved Electric Agreement No. 1193332 in the amount of \$18,973.56 for installation of three new street lights (Phase 3A), bringing the total number of new street lights to 107.

The project was determined to be categorically exempt from the California Environmental Quality Act (CEQA) because the installation of streetlights on existing utility poles within the existing public right-of-way of County roads constitutes minor alteration to existing public utilities, which is exempted by CEQA Section 15301(b), and the installation of streetlights on new poles within the existing public right-of-way of developed areas is exempted by CEQA Section 15303(d). The project was further determined to be exempt from the California Coastal Act because the installation of streetlights within the existing public right-of-way of County roads falls under Section 20.70.120(R) of Title 20 (Exemptions from Coastal Development Permits) as a safety improvement on a public road.

On June 5, 2013 the Board of Supervisors approved adding the Las Lomas Lighting Project, Project 1722, to the Facilities Master Plan Implementation Project Fund 404 during the FY 2013-14 Budget Hearings and allocated \$800,000 from Fund 404. As of June 30, 2016 total project expenditures are \$61,288 for installing 107 new street lights and \$135,000 has been appropriated in the FY 2016-17 Adopted Budget for Fund 404. The recommended Agreement to install the final five lights, plus associate staff costs, will bring the total project cost to approximately \$99,250.

Proposed Lighting Assessment District

When the project was initially approved and funded by the Board of Supervisors in 2013, there was no institutional arrangement in place for the community to assume payment of the operation and maintenance costs of the proposed new street light program, anticipated to be approximately \$4, 830 per year. The Board directed staff to work with the community to explore the options and alternatives for such. The County retained the consulting firm of The Wallace Group to prepare a Technical Memorandum describing the procedures and costs to implement these alternatives. This report was completed July 10, 2014.

The Technical Memorandum lists four possible options for the community of Las Lomas to assume the financial responsibility to pay the recurring PG&E costs for operation and maintenance of the new street light system:

1. Locally-managed independent special lighting district. Through 2014 County staff met

with LAFCO staff to discuss the process required to receive LAFCO approval for creating a new special district. It was estimated the initial cost to prepare the required financial and managerial capability and environmental impact analyses for the application to LAFCO would be approximately \$205,000. Together with the anticipated ongoing administrative costs for such a district, it was estimated the annual cost to the community for this alternative could range from \$112 to \$239 per year per parcel. LAFCO staff did not support this option, indicating its concerns that the community may not be able to sustain the technical and managerial capacity to maintain the viability of a special district in the long term, and that LAFCO staff would likely not recommend approval of such an option. LAFCO staff recommended instead that the community explore annexation to the Pajaro-Sunny Mesa Community Services District, which provides street light services in other local communities.

2. Annexation to Pajaro-Sunny Mesa CSD. The consultant report estimated the cost to prepare the required annexation request would be approximately \$70,000. Together with the CSD's estimated cost to administer the annexed area, it was estimated the total annual cost to the Las Lomas community for this alternative would be \$49 per year per parcel. When this suggested option was presented to both the Pajaro-Sunny Mesa CSD Board of Directors and the local Las Lomas community, both groups stated they were not interested in pursuing this concept.
3. Create new County Service Area. The County has created a number of County Service Areas to provide municipal infrastructure services such as wastewater collection and street lighting in small communities in the unincorporated area. The Las Lomas Street Light Technical Memorandum estimated the initial cost to prepare the required financial capability and environmental impact analyses to support an application to LAFCO to create a new CSA would be approximately \$205,000, and together with the required ongoing administrative costs for such a district, it was estimated the annual cost to the community for this alternative could range from \$72 to \$79 per year per parcel. When approached with this concept, RMA staff indicated that it has been for some time attempting to reduce the number of such Service Areas by helping communities to privatize their systems or annex them to larger systems with more administrative and managerial capacity, and said it would not recommend approval of a proposal to create a new County Service Area.

The service cost to operate and maintain the new street lights in Las Lomas is approximately \$3.50 per month (\$42.00 per year) per light (PG&E standard LS-1 billing rate). 107 lights were installed during FY13-14 through FY15-16. The annual operating cost for these lights is \$4,494 per year. The recommended agreement to install the final five new lights will add \$210 per year to the overall operational cost. As there seems to be little likelihood of creating an institutional arrangement for the community of Las Lomas to pay for the operation and maintenance of its new street light system, staff recommends that the ongoing street light bills continue to be paid from the RMA Utilities Unit 001-3000-8281-RMA098.

OTHER AGENCY INVOLVEMENT:

PG&E is installing the street lights. PG&E will own, operate, and maintain the street lights, and will bill the County for the monthly cost of electricity and associated taxes.

FINANCING:

There is an impact to the General Fund as a result of installing new street lights in the community of Las Lomas. When the Board approved funding to install street lights for the Las Lomas community during the FY 2013-14 Budget Adoption there was no discussion on where the funding would come from to pay the recurring on-going PG&E bills for the electricity and associated taxes. The Las Lomas Community does not have a County Service Area (CSA) established and as such there is no mechanism at this time for the on-going costs to be passed along to the Community. Staff is recommending that the ongoing utility bills continue to be paid out of the RMA Utilities Unit Fund 001-3000-8182-6881-RMA098. The approximate annual cost for operating the street lights is \$5,000 for all new street lights that are installed.

Prepared by: G.H. Nichols, P.E., Special Projects Engineer

Reviewed by: Benny J. Young, Interim RMA Deputy Director of Public Works and Facilities

Approved by: Carl P. Holm, AICP, RMA Director

Attachments:

Attachment A - Location Map

Attachment B - Contract ID 2010223: Las Lomas Street Light Project Phase 3B
(Attachments on file with Clerk of the Board)