JONES & ASSOCIATES CONSULTING ENGINEERS

M E M O R A N D U M

TO: South Weber City Mayor and Council

FROM: Brandon K. Jones, P.E.
South Weber City Engineer

CC: David J. Larson – South Weber City Manager
Mark Larsen – South Weber City Public Works Director

RE: STREETLIGHT INSTALLATION PROJECT – Development Streetlights
Budget Amendment

Date: February 20, 2020

BACKGROUND

Years ago, developers worked directly with Rocky Mountain Power (RMP) for the installation of the streetlights needed for their developments. Then several years ago, RMP changed their policy to require the City to file the Installation Request form on behalf of the developer, since the lights would be added to the City's monthly bill. This meant that the City paid RMP for the streetlights, but it was paid by adding it to the monthly bill. The developer was required to escrow for the streetlights. The amount established in the escrow for the streetlights was then to be released to the City before the escrow account was closed. Through this process there was not much control over the streetlights being installed, nor the estimated amount held in escrow. The staff became concerned about the inconsistent style of streetlights being installed, the amount being escrowed and the potential poor performance of the streetlights. Therefore, they began looking into the idea of City-owned lights rather than RMP-owned lights.

In the later part of 2017, the City began having developers pay for the streetlights up-front before the plat was recorded rather than escrow for them. This was done to help ensure that the City was collecting the money for the streetlights and limiting the risk of the money getting released inadvertently from an escrow account. However, the amount being paid was still an estimate, since the actual cost was unknown. Based on discussions relating to the possibility of the city owning the streetlights, the staff did not move forward on any installation requests for RMP-owned streetlights, knowing these streetlights would only need to be bought back in the future if the City made the decision to own their own streetlights.

In order to help facilitate making a well-informed decision, the Municipal Utilities Committee (MUC) was tasked with analyzing and evaluating what would be best for the City as it related to short-term and long-term costs, performance, and aesthetics. The City made the policy decision to move forward with City-owned streetlights in November 2018 and selected 3 different

standard streetlight styles for the appropriate uses (residential, intersection, and corridor). The MUC recognized at the time that the amount of money collected from developers up to that point in time may not be enough for what it would actually take to install the new streetlights according to the new policy. However, given the long-term cost savings of the high-efficiency LED lights, the power savings made it worth the potential extra install costs. Since implementing the new policy, developers have been paying enough to cover the full cost to purchase and install the new streetlights.

DEVELOPMENTS

The following is a summary of developments needing streetlights.

Subdivision	Streetlight Style		Cost Estimate Date	Notes
	LP-1 (Residential)	LP-2 (Intersection)		
Bowman Old Farm Estates	1	1	9/15/2016	
Ferndale		1	10/16/2017	
Freedom Landing 1	1		11/16/2017	
Freedom Landing 2	1		11/7/2018	
Harvest Park 1	2	3	9/6/2019	
Harvest Park 2		1	9/6/2019	1 installed w/ Old Fort Rd.
Hidden Valley Meadows 1	1	2	10/26/2017	
Hidden Valley Meadows 2	1	3	8/24/2018	
Old Maple Farms 1 & 2	2	4	12/21/2017	1 installed w/ Old Fort Rd.
Old Maple Farms 3	2	2	8/24/2018	
Ray Creek Estates	1	1	2/14/2018	
Riverside Place 1 & 2	2	3	7/28/2017	1 installed w/ Old Fort Rd.
Riverside Place 3	2	1	3/18/2019	
Sun Rays	1	1	3/5/2019	
Valley Flats	1	1	7/22/2016	
Subtotal	18	24		
Total (to be installed)	**18**	**21**		

BUDGET

Based on the fixed pricing in the Agreement that the City has with Stevens Sales Company (SSCO), the purchase price for the 39 streetlights listed above is $131,403. The installation of these streetlights will be bid out and a recommended contractor will be brought back to the City

Council for a potential awarded contract. At this point, our estimate for this work (including installation, connection fees, and contingency) is approximately $178,000, giving a total project cost of $310,000. The revenue received from developers for the streetlights listed above totals $241,600. Therefore, a minimum of an additional $70,000 would need to be budgeted in order to complete the installation of all the streetlights listed above. Based on the cost savings from power alone, this additional installation amount will pay for itself in 7 years (compared to the previous policy of RMP-owned streetlights).