



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Traffic Signal Conversion to Light Emitting Diodes (LED) (\$364,540) including Public Benefits Program Grant (\$91,140)

MEETING DATE: November 3, 1999

PREPARED BY: Public Works Director and Electric Utility Director

RECOMMENDED ACTION: That the City Council adopt the attached resolution approving a Public Benefits Program grant in the amount of \$91,135.00 for the LED Traffic Safety Signal Conversion; authorize the City Manager to execute an agreement with Energy Masters International, Inc., to implement the project; and appropriate funds in accordance with the recommendation shown below.

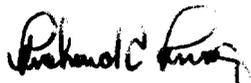
BACKGROUND INFORMATION: The City of Lodi Electric Utility and Public Works departments have partnered to assess a state-of-the-art, traffic light retrofit project. The technology, which is extremely energy efficient, is known as light emitting diodes, or LED's. After reviewing and field testing several LED signal types, Electric Utility and Public Works staff recommend the installation of the product manufactured by Dialight, Incorporated. This particular LED will reduce electric energy costs by approximately \$61,000.00 annually, while reducing yearly maintenance costs by at least \$7,000.00. With a total project cost of \$364,537.00, the "payback" is 4.3 years. It is important to note that the Dialight LED's have a life expectancy of approximately 19 years. This figure is based on the total run-time of each lamp color - red, green or amber globe. This type of LED fixture is 80 percent more energy efficient than the existing fixtures utilized at the 41 traffic signal intersections and two flashing beacon locations in Lodi.

In developing the project with Energy Masters, the company retained by the City to assist the Electric Utility Department in the Public Benefits Program, Energy Masters presented a proposal to procure the LED fixtures and subcontract the installation. They were able to offer this service at a price substantially lower than our estimates to have the work done both in-house or through an outside contract.

The City of Lodi Public Benefits Program is comprised of four main elements: 1) demand-side management; 2) assistance for low-income customers; 3) energy research and implementation; and 4) renewable energy source technology. In addition, the Public Benefits Program has four customer groups: residential, commercial/industrial, municipal, and community/non-profit. This project would be categorized as a municipal, demand-side management (energy conservation) project.

FUNDING: \$ 91,140.00 164604 - Public Benefits Program Fund (Category - Demand-side Management)
\$ 273,410.00 Street Fund (Measure K)

The \$91,140.00 Public Benefits Program Grant represents a 25 percent project funding match, which is consistent with other program grants issued to commercial/industrial projects and is within the recommended guidelines for yearly municipal sector grants.

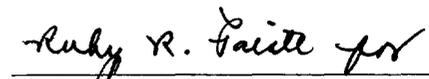

Richard C. Prima, Jr.
Public Works Director


Alan Vallow
Electric Utility Director

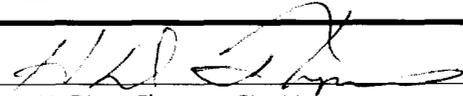
Prepared by Paula J. Fernandez, Associate Traffic Engineer
Rob Lechner, Customer Programs Manager

RCP/AV/PJF/RL/lm
Attachment

cc: City Attorney
Energy Masters International, Inc., Steve Croockewit
Electric Utility Customer Programs Manager Lechner
Associate Traffic Engineer


Vicky McAthie, Finance Director

APPROVED: _____


H. Dixon Flynn -- City Manager

RESOLUTION NO. 99-173

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER
TO PROVIDE A PUBLIC BENEFITS PROGRAM GRANT – DEMAND-SIDE
MANAGEMENT PROJECT FOR LIGHT EMITTING DIODES (LED) TRAFFIC SAFETY
SIGNAL CONVERSION

WHEREAS, the State has mandated that beginning January 1, 1998, the City of Lodi is obligated to fund various programs through a Public Benefits Charge (PBC) based on a historical electric revenue requirement; and

WHEREAS, the requirement amounts to approximately \$1 Million per year that must be dedicated to qualifying programs such as energy efficiency. A further stipulation is that these efforts must be done on the customer's side of the meter in order to qualify; and

WHEREAS, the Electric Utility Department and the Public Works Department have partnered to assess a state-of-the-art traffic light retrofit project, and recommends that the City Council authorize the City Manager to execute an agreement with Energy Masters International, Inc., to implement the project and appropriate funds for the project in the amount of \$91,135.00; which represents a 25% project funding match, which is consistent with other program grants issued to commercial/industrial projects and is within the recommended guidelines for yearly municipal sector grants; and

WHEREAS, the technology, which is extremely energy efficient, is known as light emitting diodes or LED's; and

WHEREAS, in developing the project with Energy Masters International, Inc., the company retained by the City to assist the Electric Utility Department in the Public Benefits Program, Energy Masters has presented a proposal to procure the LED fixtures and subcontract the installation at prices substantially lower than our estimates to have the work done in-house or through an outside contract; and

WHEREAS, this project would be categorized as a municipal, demand-side management (energy conservation) project.

BE IT RESOLVED, that the Lodi City Council hereby authorizes the City Manager to provide a Public Benefits Program Grant in the amount of \$91,135.00 for the LED Traffic Safety Signal Conversion, and to execute an agreement with Energy Masters International, Inc., to implement the project; and

BE IT FURTHER RESOLVED, that funds be appropriated as follows:

\$ 91,140.00 Public Benefits Program Fund (Category – Demand-side Management)
\$273,410.00 Street Fund (Measure K)

Dated: November 3, 1999

I hereby certify that Resolution No. 99-173 was passed and adopted by the Lodi City Council in a regular meeting held November 3, 1999 by the following vote:

- AYES: COUNCIL MEMBERS – Hitchcock, Mann, Nakanishi and Land (Mayor)
- NOES: COUNCIL MEMBERS – None
- ABSENT: COUNCIL MEMBERS – None
- ABSTAIN: COUNCIL MEMBERS – Pennino


ALICE M. REIMCHE
City Clerk

CITY COUNCIL

KEITH LAND, Mayor
STEPHEN J. MANN
Mayor Pro Tempore
SUSAN HITCHCOCK
ALAN S. NAKANISHI
PHILLIP A. PENNINO

CITY OF LODI

CITY HALL, 221 WEST PINE STREET
P.O. BOX 3006
LODI, CALIFORNIA 95241-1910
(209) 333-6706
FAX (209) 333-6710

October 28, 1999

H. DIXON FLYNN
City Manager
ALICE M. REIMCHE
City Clerk
RANDALL A. HAYS
City Attorney

Mr. Steve Croockewit
Energy Masters International, Inc.
444 West 3rd Street, Suite 106
Sacramento, CA 95814

**SUBJECT: Traffic Signal Conversion to Light Emitting Diodes (LED) (\$364,540)
including Public Benefits Program Grant (\$91,140)**

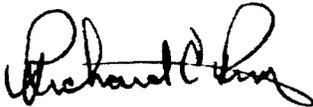
Enclosed is a copy of background information on an item on the City Council agenda of Wednesday, November 3, 1999. The meeting will be held at 7 p.m. in the City Council Chamber, Carnegie Forum, 305 West Pine Street.

This item is on the consent calendar and is usually not discussed unless a Council Member requests discussion. The public is given an opportunity to address items on the consent calendar at the appropriate time.

If you wish to write to the City Council, please address your letter to City Council, City of Lodi, P. O. Box 3006, Lodi, California, 95241-1910. Be sure to allow time for the mail. Or, you may hand-deliver the letter to City Hall, 221 West Pine Street.

If you wish to address the Council at the Council Meeting, be sure to fill out a speaker's card (available at the Carnegie Forum immediately prior to the start of the meeting) and give it to the City Clerk. If you have any questions about communicating with the Council, please contact Alice Reimche, City Clerk, at (209) 333-6702.

If you have any questions about the item itself, please call Paula Fernandez, Associate Traffic Engineer, at (209) 333-6800, extension 667.



Richard C. Prima, Jr.
Public Works Director

RCP/pmf

Enclosure

cc: City Clerk

NCGRNT&AGREE