

CITY OF VENTURA
CITY COUNCIL AGENDA

Supplemental Information Packet

**Public Communications Received by 4:00 p.m.
May 9, 2022**

Meeting of May 9, 2022

Supplemental Information:

Any agenda related public documents received and distributed to a majority of the City Council after the Agenda Packet is printed are included in Supplemental Packets. Supplemental Packets are produced as needed. The Supplemental Packet is available in the City Clerk's Office, 501 Poli Street, Room 204, Ventura, during normal business hours as well as on the City's Website – www.cityofventura.ca.gov
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Item 13B
Path Forward on Solvency for the Street Lighting
District 36

To: City of Ventura Mayor and Council Members
From: John King, SCE Street Light Project Manager
Date: 6 May 2022
Subject: Agenda Item 13B – SCE Owned Street Lights

- The City's staff report for item 13B on the 9 May 2022 Agenda recommends that the City explore purchasing SCE owned streetlights. SCE assets, including the Company's streetlights are not for sale. SCE executives confirm that the Company is not interested in selling assets, including streetlights, and are committed to SCE's performance of important public safety work in operating and maintaining the lights. For the City to explore any "purchase" of streetlights is laying the groundwork for a hostile eminent domain taking that would place the City of Ventura and SCE in an adversarial position with years of potential litigation, administrative staff burden, uncertainty, cost, and regulatory and legal risk. The City's intent in exploring streetlight purchase, operation, and maintenance appears to be centered on cost savings. The City has available to it other avenues toward cost savings on streetlight expenditures that have not yet been utilized.
- As early as November of 2016, SCE proposed to your staff that the City participate in the LS-1 Option E program – an opportunity which is coupled with another savings program which would create significant cost reductions.
 - LS-1 Option E will quickly render savings for the City of Ventura of **\$264,261 annually**. Current wait time for SCE to begin work is between four to five months, with implementation of the work expected to take about two months.
 - SCE has also recently applied a savings for SCE-owned streetlights which are located on distribution poles (DPSLD) which currently yields annual savings of **\$66,632**.
- **These two programs coupled together will provide Ventura with savings of \$330,893 annually. That equates to a savings over the next 20 year of more than \$6.61 million dollars (unadjusted and not compounded).**
- **After the initial 20 years, the LS-1 Option E savings grows to \$421,542 annually. Coupled with the DPSLD savings, your post 20-year outlook for savings would be \$488,174 annually.**
- The 30-year savings outlook for your community is:

20 years at \$330,893 = \$6,617,860
10 years at \$488,174 = \$4,881,740
30-year savings outlook = \$11,499,600

- Similar LS-1 Option E projects have been completed in the cities of Camarillo, Oxnard, Port Hueneme, Santa Barbara, Santa Paula and the counties of Santa Barbara and Ventura.
- LS-1 Option E is a simple approach that features no uncertainty, no multi-year delay to see savings start to accrue, no risk, no legal costs, no regulatory uncertainty, and no resources required from the city other than the work associated with a no-fee encroachment permit to facilitate SCE's implementation.
- To date, SCE has installed new LED fixtures on about 265,000 LS-1 streetlights across our territory bringing savings to communities ranging from Blythe to Visalia to Laguna Niguel to Santa Barbara.
- In the discussion of potential cost savings through purchase, the Staff Report suggests that a city-hired contractor could maintain the lights for approximately \$1/month/light. This statement is made without any foundational materials, references, or background analysis to allow the feasibility of this proposition to be assessed. If the Council pursues streetlight purchase, it should insist on detailed financial analysis and complete costs assessments and not rely on unsubstantiated assertions from an opportunistic proposed contractor (knowing that SCE street lights are not available for purchase).
- Lacking in the Staff Report is a discussion of the acquisition costs of streetlights or how that acquisition cost would affect City revenues and/or be debt funded even if the City could justify the taking of the streetlights from SCE, which is not a foregone conclusion. Any assessment of potential savings must necessarily and realistically incorporate a streetlight acquisition cost that may ultimately be decided by a jury (after likely protracted litigation) – arriving at a valuation would have to assume that the City could show the right to take the streetlights in the first place.
- In discussion of possible fee or cost increases to the Streetlight District, the Staff Report is premised on the assumption that Proposition 218 would bar any operational increase to assessments without an affirmative vote. While the Staff Report presents brief comments about the lack of a built-in escalator into the fee structure, a full examination and legal opinion concerning the effect of Prop 218 in this situation should be included as part of good decision making.