

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	August 24, 2009
	Agenda Item No. 43 Roll Call No. <u>09-</u> Communication No. <u>09-588</u> Submitted by: Michael Matthes, Assistant City Manager & Chief Information Officer	

AGENDA HEADING:

Approving Street Lighting Service Contract and Renewal of Value-Added Service Agreement between MidAmerican Energy Company and the City of Des Moines.

SYNOPSIS:

This contract and renewal establishes that MidAmerican will provide street lighting services for the City of Des Moines for a nine month period from September 1, 2009 through June 30, 2010.

FISCAL IMPACT:

Amount: \$750,000 Revenue

Funding Source: Revenue will be deposited into the Operating Budget General Fund, GE001, FIN820700, Page 109.

ADDITIONAL INFORMATION:

The City Council entered into an electric services agreement with MidAmerican Energy Company in 1998 (Roll Call 98-2743), whereby MidAmerican maintained ownership of the streetlight system in exchange for reduced rates for those services (\$1 Million per year). The term of that agreement ended on August 31, 2004.

That agreement was followed by two separate agreements which together totaled the same reduction of expenses achieved in the first agreement (\$1 Million per year). One of those was a value-added service agreement; the other was a streetlight service agreement. Those agreements are set to expire on August 31, 2009.

The action recommended above would result in a new streetlight services contract that begins September 1, 2009 and expires June 30, 2010. It would also extend the value-added service agreement to the same expiration date. This action will enable the revenue projections of the operating budget to be met and give MidAmerican Energy Company and City Staff time to negotiate future actions.

The value-added service agreement allows MidAmerican Energy to purchase from the City of Des Moines the following services:

- Storm support to include clearing debris from streets that block access to MEC facilities, fleet staging and related activities;
- Rental of heavy machinery;

- Cardiovascular Pulmonary Resuscitation, trenching and extinguisher training; and
- Other value-added opportunities that may arise throughout the term of the agreement.

PREVIOUS COUNCIL ACTION(S):

Date: July 12, 2004

Roll Call Number: 04-1444

Action: Street Lighting Service Agreement. (Council Communication No. 04-324) Moved by Brooks to adopt. Motion Carried 6-1. Pass: Kiernan.

Date: July 12, 2004

Roll Call Number: 04-1445

Action: Value-added Service Agreement. (Council Communication No. 04-327) Moved by Brooks to adopt. Motion Carried 6-1. Pass: Kiernan.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

It is anticipated that negotiations will continue and result in either the continuation of this kind of arrangement or the City will purchase the streetlight system from MidAmerican Energy Company.

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