

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: August 9, 2010
	Agenda Item No. 60 Roll Call No. <u>10-1332</u> Communication No. <u>10-481</u> Submitted by: Richard A Clark, City Manager

AGENDA HEADING:

Approving Street Lighting Service Contract between MidAmerican Energy Company and the City of Des Moines.

SYNOPSIS:

Recommend approval of this contract which establishes that MidAmerican will provide street lighting services for the City of Des Moines for a two year period from July 1, 2010 through June 30, 2012.

FISCAL IMPACT:

Amount: \$1,700,000 revenue over two years (\$850,000 per year)

Funding Source: Revenue will be deposited into the Operating Budget General Fund, GE001, FIN820700, Page 111.

ADDITIONAL INFORMATION:

The City Council entered into an electric services agreement with MidAmerican Energy Company in August 24, 1998, by Roll Call Number 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 expired on August 31, 2009.

At the expiration of those contracts, MidAmerican agreed to extend them only through the end of June 30, 2010. These extensions were intended to provide time for both parties to negotiate a longer term contract. The action recommended above would result in a new streetlight services contract that begins July 1, 2010 and ends June 30, 2012. This contract is helpful from a budget perspective and provides two years within which to explore future options.

PREVIOUS COUNCIL ACTION(S):

Date: August 24, 2009

Roll Call Number: 09-1567

Action: [Street](#) Lighting Service Contract. Moved by Hensley to approve; refer to the City Manager for answers to questions regarding clean energy. Motion Carried 7-0.

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.

Date: August 24, 1998

Roll Call Number: 98-2743

Action: Electric Service Agreement with MidAmerican Energy Company, to provide electric service to City facilities at a reduced rate. ([Council Communication No. 98-376](#)) Moved by McPherson to adopt. Motion Carried 5-2. Absent: Daniels and Flagg.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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