

# County of Santa Clara

Roads and Airports Department

101 Skyport Drive  
San Jose, California 95110-1302  
1-408-573-2400



September 20, 2013

Neelima Palacherla  
Executive Officer  
Local Agency Formation Commission of Santa Clara County (LAFCO)  
70 West Hedding, 11<sup>th</sup> Floor, East Wing  
San Jose, CA 95110

**SUBJECT: Implementation of the Recommendations from LAFCO's Special Districts Service Review for the Santa Clara County Lighting Service Area (CLSA) Special District**

Dear Ms. Palacherla:

Thank you for your letter of July 19, 2013, regarding LAFCO's Service Review of the Santa Clara County Lighting Service Area (CLSA) Special District. The Santa Clara County Roads and Airports Department ("Department"), as the administrator of the District, appreciates the general finding that "SCCLSA appears to be a well-run professional agency. No significant accountability, administrative, operational, financial, or infrastructure deficiencies were identified." The report identified two recommendations to improve the accountability and transparency of the District. As requested in your letter, this letter provides a written response to LAFCO regarding the Department's implementation plans for these recommendations and/or an explanation for any recommendation the Department does not plan to implement.

**Recommendation #1 – Website**

*"Include information on how to request service and assessment methodology for the different zones, rates and location/map of each benefit zone, budget and most recent assessment report."*

The Department concurs that implementation of this recommendation will benefit the public and increase transparency. As noted in LAFCO's report, the Department's website does include an on-line service request form for reporting streetlight problems and some basic information about the CLSA. The Department will augment the information provided on its website to include the information noted in LAFCO's recommendation, with a target implementation date of January 1, 2014.

**Recommendation #2 – Plans/Programs**

*“Establish a preventive maintenance program for streetlights, including periodic inspection of streetlights at night for lamp failures, defects, and periodic preventive maintenance inspection of streetlights.”*

The Department’s analysis (Attachment 1) indicates that periodic nighttime streetlight inspections would increase costs to CLSA ratepayers by \$75,000 but would identify only 25 or so streetlights needing attention that would not have already been reported. Given this very low benefit to cost ratio, the Department does not plan to implement this recommendation. The Department will continue to take steps to ensure service requests may be submitted easily, including posting stickers on the streetlight poles containing a pole identification number and a phone number and website address for submitting service requests.

With respect to the 296 County-owned CLSA streetlights, the Department concurs with the recommendation to establish a preventive maintenance program and plans to develop a asset management system that will help identify lights at or beyond warranted life expectancy to enable aging lights to be replaced prior to failure in an efficient, organized, and scheduled manner.

We appreciate the time extension to September 20, 2013 for our response to your letter to enable the Department to perform its analysis of the recommendations. Also, as you requested, a copy of LAFCO’s letter and the Department’s response is being sent to the Board of Supervisors, which is the Governing Board of the Santa Clara CLSA Special District. If you require any additional information about our response to LAFCO’s recommendations, please contact me at [michael.murdter@rda.sccgov.org](mailto:michael.murdter@rda.sccgov.org) or 408-573-2438.

Sincerely,



Michael Murdter  
Director

c: Governing Board of the Santa Clara County Lighting Service Area  
Jeff Smith, County Executive  
Sylvia Gallegos, Deputy County Executive  
Lynn Regadanz, Clerk of the Board

Attachments: (1) Department Analysis of Recommendation #2  
(2) Letter from Neelima Palacherla, LAFCO Executive Officer, dated July 19, 2013

## Attachment 1: Department Analysis of Recommendation #2

### *Lamp Failure Inspections Cost-Benefit Analysis*

As of Fiscal Year 2014, there are 1,311 streetlights in the CLSA inventory.<sup>1</sup> The costs for the operation and maintenance of these streetlights are paid for by tax assessments on the 7,922 parcels within the CLSA. In a typical year, the Department receives approximately 80 service requests for streetlight repairs (6.1% of the streetlight inventory). LAFCO's recommendation did not specify a recommended frequency for the periodic inspections; for the cost-benefit analysis, the Department assumed an annual inspection.

- **Costs:** Nighttime inspections will require two workers per vehicle at overtime rates as well as the vehicle operating and maintenance costs. The estimated cost of such an inspection is \$75,000 per year. The FY 2014 CLSA budget expenditures total \$305,000; adding \$75,000 in expenses would thus necessitate a 25% increase in assessment rates.
- **Benefits:** Current experience indicates that approximately 80 streetlights require bulb replacements or repairs per year, which is an average of seven lights per month. Streetlights fail throughout the year and are repaired as service requests are submitted. An annual inspection would identify only those streetlights for which no one has yet submitted a service request. Assuming that up to 30% of the service requests are delayed by several months because local residents do not notice the outage or take the time to submit a service request, an annual inspection would thus identify only 25 or so streetlights (2% of inventory) requiring bulb replacements or repair that would not have already been reported.

In summary, an annual inspection would increase costs to the 7,922 property owners by \$75,000 to identify only 25 streetlights needing attention that would not have already been reported. Given the very low benefit to cost ratio, the Department does not plan to implement this recommendation. The Department will continue to take steps to ensure service requests may be submitted easily, including posting stickers on the streetlight poles containing a pole identification number and a phone number and website address for submitting service requests.

### *Preventive Maintenance versus Failure Response for Lamps*

Of the 1,311 streetlights in the CLSA inventory, 1,105 (77%) are owned and maintained by PG&E, most of which are on wooden utility poles. The CLSA pays a monthly rate per light to PG&E that covers the costs of electricity and maintenance, including lamp replacement for failed lights. When service requests are received for these lights, the Department forwards them to PG&E and receives a response from PG&E when the repair is made.

The remaining 296 CLSA streetlights are County-owned and maintained by the Department. The CLSA pays PG&E for the electrical costs and reimburses the Department for the maintenance costs of the lights. A preventive maintenance program for the County-maintained lights is appropriate. The Department plans to develop an electronic inventory, embedded in the Department's MaintStar asset management system and linked with GIS layers and mapping to

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<sup>1</sup> LAFCO's Report was based on FY 2013 inventory and budget. The data in this letter is based on the FY 2014 inventory and budget, which reflect decreases due to city annexations.

annually review the age of the lamps, where known. Consistent data collection will generate the information over time. The Electrical Systems Manager will maintain the streetlight inventory and associated data and recommend preventive maintenance strategies. Rather than the existing random, scattered, single-light post-failure maintenance response, for example, over time preventive maintenance plans could be designed to move through geographically contiguous areas for quick and effective replacement.

With only 296 CLSA lights to be maintained, an ideal program might replace around 10% a year, creating a 10-year cycle (assuming such a cycle is appropriate for the current light technology). Thirty lights (and ballasts, if necessary) per year could be replaced annually - essentially the same level of effort as responding to failed lights - with the additional benefit that the lights are replaced prior to failure. The asset management program including the light inventory is already moving forward and much of the information is already electronically stored. The intent is to start the first preventive maintenance review and replacement in FY 2015.

#### ***Preventive Maintenance of Streetlight Infrastructure***

Streetlight infrastructure includes the poles, foundations, and wiring. PG&E is responsible for preventive maintenance of the lights they maintain, including inspections following their own policies and procedures.

For the County-owned and maintained lights, the Department currently replaces light fixtures when badly damaged and the poles when they are knocked down in collisions. However, the County-owned infrastructure will eventually exceed its useful life and will require replacement. The CLSA maintains a capital replacement budget reserve for this purpose. The Department will include the County-maintained CLSA streetlight infrastructure in the asset maintenance inventory under development, which will assist in identification of aging infrastructure that should be scheduled for capital replacement.



July 19, 2013

VIA EMAIL

Dawn Cameron  
County Transportation Planner  
Santa Clara County Lighting Service Area (SCCLSA)  
101 Skyport Drive  
San Jose, CA 95110

**Re: Implementation of the Recommendations of LAFCO's Special Districts  
Service Review: Phase 1 and Sphere of Influence Updates**

Dear Ms. Cameron:

As you know, LAFCO recently adopted the Special Districts Service Review: Phase 1 Report for six special districts in Santa Clara County, including the Santa Clara County Lighting Service Area (SCCLSA). The Report is available on the LAFCO Website ([www.santaclara.lafco.ca.gov](http://www.santaclara.lafco.ca.gov)) under "What's New?" The Report identifies several opportunities and includes several recommendations for improving special district services in the county. Specifically, the Report provides recommendations for improving the accountability and transparency of districts through changes in their operations, management, and administration, and recommendations on potential governance structure alternatives, where applicable.

**District's Response is Requested**

In an effort to follow-up on these recommendations, LAFCO is requesting that SCCLSA:

1. Review the chapter of the Service Review Report pertaining to the District and provide a written response to LAFCO on how the District plans to implement the recommendation(s) presented in the Report and summarized in Attachment A, along with a time-frame for that implementation, and
2. Provide an explanation if the agency does not plan to implement a recommendation.

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ALTERNATE COMMISSIONERS: Johnny Khamis, Yoriko Kishimoto, Terry Trumbull, Cat Tucker

EXECUTIVE OFFICER: Neelima Palacherla

**Response Due No Later Than September 6, 2013**

Please provide a written response to LAFCO as soon as possible and **no later than September 6, 2013**. If you have any questions or concerns or would like to meet to discuss the District's plans, I can be reached at (408) 299-5127 / [neelima.palacherla@ceo.sccgov.org](mailto:neelima.palacherla@ceo.sccgov.org) or you may contact Dunia Noel, LAFCO Assistant Executive Officer, at (408) 299-5148 / [dunia.noel@ceo.sccgov.org](mailto:dunia.noel@ceo.sccgov.org).

Lastly, I would like to thank you and the District for participating in LAFCO's Special Districts Service Review: Phase 1 and for your consideration and timely response to this request.

Sincerely,



Neelima Palacherla  
LAFCO Executive Officer

**Attachment:**

- A. Recommendations for the Santa Clara County Lighting Service Area (SCCLSA)

**Cc:**

SCCLSA Board of Directors  
LAFCO Members

**SANTA CLARA COUNTY LIGHTING SERVICE AREA (SCCLSA)**

The following are recommendations that SCCLSA should implement in order to improve the accountability and transparency of the District:

**1. Website**

- a. Include information on how to request service and assessment methodology for the different zones, rates and location/map of each benefit zone, budget and most recent assessment report

**2. Plans/Programs**

- a. Establish a preventative maintenance program for streetlights, including periodic inspection of streetlights at night for lamp failures, defects, and periodic preventive maintenance inspection of streetlights

