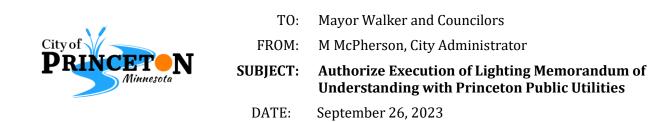
MEMORANDUM



Background:

Staff from the City and PPU have been working to identify areas where more formal agreements and policies between the two organizations may be beneficial. One area of concern is street lights. During the 2023 budget process, it was determined that the City was paying for the electricity for the LED roundabout lights at Rum River Drive and Highway 95. PPU covers the electric costs for all other streetlights.

The attached Memorandum of Understanding (MOU) has been drafted for execution by both the City and the PUC. The MOU does not impact lights for trails, walkways, parking lots or decorative lights. Once executed, the above referenced lights will be transferred to PPU resulting in an average cost saving to the street budget of approximately \$200 per month.

Additional discussions regarding energy savings are on-going, specifically for Mark Park. Improvements and changes to electric service in Mark Park will be discussed as PPU enters into Phase II of their Capital Improvement Plan implementation.

The MOU requires development of lighting standards which can be provided to developers to ensure that lighting selection and spacing is consistent throughout the City. Developers or the City will be responsible for the installation of streetlights consistent with the developed standards. PPU will then operate and maintain them.

Recommendation:

Staff recommends that the City Council authorize execution of the attached MOU regarding streetlights.