



SNOWY VALLEYS COUNCIL MEETING

LATE REPORTS

16 JULY 2020

THE MEETING WILL BE HELD AT 2.00PM
VIA VIDEO LINK

Disclosure of Pecuniary Interests at meetings (extract from the Code of Conduct – Section 4)

4.28 Councillor or a council committee member who has a pecuniary interest in any matter with which the council is concerned, and who is present at a meeting of the council or committee at which the matter is being considered, must disclose the nature of the interest to the meeting as soon as practicable.

4.29 The councillor or council committee member must not be present at, or in sight of, the meeting of the council or committee:

- (a) at any time during which the matter is being considered or discussed by the council or committee, or
- (b) at any time during which the council or committee is voting on any question in relation to the matter.

4.30 In the case of a meeting of a board of a joint organisation, a voting representative is taken to be present at the meeting for the purposes of clauses 4.28 and 4.29 where they participate in the meeting by telephone or other electronic means.

4.31 Disclosure made at a meeting of a council or council committee must be recorded in the minutes of the meeting.

Disclosure of Political Donations and Gifts

The *Environmental Planning and Assessment Act 1979* places obligations on Councillors, staff, applicants and any person who makes a public submission, to disclose information relating to political donations and gifts during the environmental plan making or development assessment process.

The fact that political donations or gifts have been made by applicants / proponents of a planning application should not affect whether an application is approved or refused. Political donations or gifts should not be relevant in making a determination. The matter should be determined on its merits. Nor do they provide grounds for challenging the determination of any applications.

For further information, visit www.planning.nsw.gov.au/donations

Furthermore, for each planning decision made at a Council or Committee Meeting, the names of Councillors who supported the decision and those that oppose the decision must be recorded. (*Sec. 375A of the Local Government Act 1993*)

Use of mobile phones and the unauthorised recording of meetings (extract from the Code of Meeting Practice – Section 15)

15.21 Councillors, council staff and members of the public must ensure that mobile phones

are turned to silent during meetings of the council and committees of the council.

15.22 A person must not live stream or use an audio recorder, video camera, mobile phone or any other device to make a recording of the proceedings of a meeting of the council or a committee of the council without the prior authorisation of the council or the committee.

15.23 Any person who contravenes or attempts to contravene clause 15.22, may be expelled from the meeting as provided for under section 10(2) of the Act.

15.24 If any such person, after being notified of a resolution or direction expelling them from the meeting, fails to leave the place where the meeting is being held, a police officer, or any person authorised for the purpose by the council or person presiding, may, by using only such force as is necessary, remove the first-mentioned person from that place and, if necessary, restrain that person from re-entering that place for the remainder of the meeting.

Livestreaming of Meetings

(extract from the Code of Meeting Practice – Section 5)

This meeting is live streamed on Council's website to allow the community to follow Council debates and decisions without the need to attend meetings in person. Members of the public attending or speaking at a meeting agree to have their image, voice and personal information (including name and address) recorded and publicly broadcast. Snowy Valleys Council does not accept liability for any defamatory remarks or inappropriate comments that are made during the course of a meeting. Any part of the meeting that is held in closed session will not be streamed.

5.19 All meetings of the council and committees of the council are to be webcast on the council's website.

Photography

Flash photography is not permitted at a meeting of the Council or a Committee of the council without the consent of the Chief Executive Officer.

Public Forum

(extract from the Code of Meeting Practice – Section 4)

4.1 The Council may hold a public forum prior to each Ordinary Council meeting for the purpose of hearing oral submissions on items of business to be considered at the meeting.

4.2 Public forums are to be chaired by the mayor or their nominee.

Those attending must comply with the terms and conditions of the Code of Meeting Practice which can be viewed on Council's website;

<http://www.snowyvalleys.nsw.gov.au/Council/Governance/Policies>



Thursday 16 July 2020

Via Viedo Link

2.00pm

LATE REPORTS

L. MANAGEMENT REPORTS

L.1 STREETLIGHT LED REPLACEMENT..... 2

1. CONFIDENTIAL

L. MANAGEMENT REPORTS**L.1 STREETLIGHT LED REPLACEMENT**

REPORT AUTHOR: MANAGER TECHNICAL SERVICES
RESPONSIBLE DIRECTOR: EXECUTIVE DIRECTOR INFRASTRUCTURE

EXECUTIVE SUMMARY:

This report seeks the approval of Council to upgrade streetlights in the Snowy Valleys Local Government Area to light-emitting diodes (LED).

This project is designed to deliver better, safer and cheaper street lighting across the Local Government Area.

The LED technology will reduce the energy used by street lights by more than 50% and will provide a higher quality street lighting, which was identified as a key action in Council's crime prevention Plan.

As described in this report the upgrade process for the majority of the street lights will be undertaken in partnership with Essential Energy as part of Councils operational contract with the company.

The remaining street lights managed directly by Council will also be upgraded under the existing maintenance agreements.

RECOMMENDATION:**THAT COUNCIL:**

- 1. Receive this report on the streetlight LED upgrade from the Executive Director Infrastructure**
- 2. Approve proceeding with the upgrade of streetlights across the Local Government Area to light-emitting diodes**
- 3. Approve the loan funded up-front option for the upgrade of the street lights and associated budget variations as detailed in the financial implications section of this report**
- 4. Utilise a commercial loan arrangement to fund the upfront investment and amortise the loan from the resulting operational savings depending on best value loan offers at time of taking out the loan**
- 5. Receive a further report on the commercial loan arrangements for the upfront funding of the street light upgrades**
- 6. Delegate authority to the Chief Executive Officer or his delegate to execute any necessary agreements with Essential Energy for the upgrade of the streetlights**
- 7. Delegate authority to the Chief Executive Officer or his delegate to upgrade the streetlights managed directly by Council through the relevant maintenance agreements**
- 8. Receive a further report on the loan arrangements for the upfront funding of the street light upgrades**
- 9. Mandate the use of LED street lighting for all greenfield developments**

BACKGROUND:

Essential Energy are undertaking an upgrade of the street lighting network to light-emitting diode (LED) state-wide and have made an offer to Snowy Valleys Council to participate in the scheme.

The upgrade also provides Council with the opportunity to adjust street lighting levels as necessary as part of the upgrade.

As the current street light infrastructure ages, failure rates have increased, resulting in higher operational and repair expenses.

Increased energy consumption costs have also increased the financial burden on Council as the owner of the street lighting assets.

Switching the street lighting network to newer LED technology will provide both Council and the community with significant cost efficiencies and improved levels of service as described below:

- Proven reliability – failure rates on average around 1% per annum
- Capital investment protection – LED's have a 10 year parts and 3 year labour warranty
- Improved lighting quality – helping to improve CCTV imagery and support crime prevention
- Encourages public night time activity – promoting economic growth within CBD areas
- Lower depreciation on lights owned and managed outright by Council
- Savings – reduced greenhouse gas emissions and energy usage

Snowy Valleys Council currently owns 1,405 street lights across the Local Government Area.

The majority of these street lights are managed under an operational contract with Essential Energy.

This operational contract includes the following:

- 1,253 streetlights - to be replaced with LED
- 7 floodlights that cannot be converted to LED - will be replaced by normal globes

Council also directly manages a number of street lights across the Local Government Area as described below:

- 90 streetlights within the township of Khancoban
- 48 streetlights within the Tumut Central Business District
- 7 streetlights in the Junction Park, Tumut Plains

REPORT:

As part of the process for upgrading the streetlights across the Local Government Area, a review of the lighting levels was undertaken in partnership with Essential Energy.

Essential Energy provided Council staff with lighting levels based on a 'Like for Like' replacement. The classifications range from P4/P5 (lowest lighting level) to V1 High (highest lighting level).

Figure 1 shows an example of how the upgrade to LED changes the streetscape lighting.

Figure 1 – (Footpath lit by LED Lighting, Bathurst LED Trial, October 2018 (photo: David Roma)

Utilising Council's geographical information mapping system along with the customer complaints register coupled with nightly inspections and assistance from Essential Energy, the lighting levels for the streetlight upgrade have been determined as described in table 1 and 2 below.

Table 1 – upgrade by Essential Energy

Under Essential Energy's Management	
V1 HIGH - 300W LED	10
V1 LOW - 150W LED	235
V3 - 71/80W LED	82
P3 - 27/33W LED	624
P4/P5 - 17W LED	290
Floodlight - Globe Replacement Only	7
Non-Council	12
Total	1260

Table 2 - upgrade by Council

Managed by Council (Private)	
Khancoban	
V1 LOW - 150W LED	1
V3 - 71/80W LED	7
P3 - 27/33W LED	82
Tumut CBD	
V1 HIGH - 300W LED	3
V1 LOW - 150W LED	6

Managed by Council (Private)	
V3 - 71/80W LED	31
P3 - 27/33W LED	8
Junction Park	
To be removed	7
Total	145

Upgrading of the streetlights will also enable Council to use the LED street lights as enabling infrastructure to support devices such as environmental sensors, bush fire detectors, ambient noise detectors and people / vehicle counting sensors.

Noting that Essential Energy are currently undertaking the procurement process for these proposed smart technologies, it is hoped that savings from the initial LED upgrade can be put towards smart technologies when they are more easily available and financially viable in the future.

Council staff will provide a further report to Council, around the deployment of the smart technologies, when re-offered by Essential Energy.

LINKS TO COMMUNITY STRATEGIC PLAN AND DELIVERY AND OPERATIONAL PLAN:

Integrated Planning and Reporting Framework:

CSP Outcome 2028

Theme 3: Our Environment

Delivery Outcomes

3.1 Demonstrate leadership in environmental sustainability by reducing Council's carbon footprint and supporting the use of clean energy

Operational Actions

3.1.1 Continued focus on the utilisation of clean energy usage with Council

SUSTAINABILITY ASSESSMENT:

	Positive	Negative
Social	Brightness increase in known dark areas, anticipated lower customer complaints. Supports the key outcomes of Councils Crime Prevention Plan to increase lighting in the CBD	No new light installations, some areas may not notice the increase in brightness
Environmental	Lower annual consumption, longer life of LED panels, and sustainable disposal of replaced lights	No foreseen impact
Economic	Reduction in usage cost and replacement frequency	High upfront cost
Governance	To be delivered in accordance with the relevant standards and codes.	No foreseen impact

Financial and Resources Implications

Essential Energy have proposed two options for the payment for the 1,248 lights under their management as shown in table 3 below:

Table 3 – Essential Energy managed upgrade

SVC - Revised Cost Estimate	Option 1 Upfront - Streetlights to be upgraded to LEDs by Council	Option 2 Over 10 Years - Streetlights to be upgraded to LEDs by Essential
Number of Upgraded Luminaires	1,248	1,248
Cost of Upgrade	\$ 799,227.82	\$ 799,227.82
Residual Value	\$ 14,867.41	\$ 14,867.41
Total Cost Payable to Essential Energy	\$ 672,664.75	\$ 14,867.41
Estimated ESC Savings	\$ 52,224.98	\$ 52,224.98
Net Capital to Council	\$ 620,439.77	-\$ 37,357.57
Essential Energy's Contribution	\$ 141,430.48	\$ 799,227.82
Operational Expenses Current (excl Floodlights)	\$ 87,629.33	\$ 87,629.33
Operational Expenses New LED	\$ 48,725.07	\$ 142,160.47
Operational Expenses Saving	\$ 38,904.27	-\$ 54,531.14
Estimated Energy Cost Savings	\$ 53,003.68	\$ 53,003.68*
Total Annual Saving	\$ 91,907.95	-\$ 1,527.46

ESC = Energy Savings Certificates

*not realised until the replacement has completed after 10 years

For the Council managed lights, the same format of figures has been assumed for each township as shown in table 4 below:

Table 4 Council managed upgrade

SVC – Private Lights	Khancoban	Tumut CBD
Number of Upgraded Luminaires	90	48
Cost of Upgrade	\$ 50,000.00	\$ 30,000.00
Residual Value	-\$ 5,000.00	\$ -
Total Cost Payable	\$ 45,000.00	\$ 30,000.00

SVC – Private Lights	Khancoban	Tumut CBD
Estimated ESC Savings**	\$ 5,400.00	\$ 3,700.00
Net Capital to Council	\$ 39,600.00	\$ 26,300.00
Essential Energy's Contribution	\$ -	
Operational Expenses Current	\$ 5,000.00	\$ 5,000.00
Operational Expenses New LED	\$ 2,500.00	\$ 2,500.00
Operational Expenses Saving	\$ 2,500.00	\$ 2,500.00
Estimated Energy Cost Savings	\$ 5,000.00	\$ 3,400.00
Total Annual Saving	\$ 7,500.00	\$ 5,900.00

** To claim the ESC, successful contractor (ASP) will need to comply with the rules of the ESS scheme: <https://www.ess.nsw.gov.au/Home/About-ESS/FAQs>

It is recommended that the “*Option 1 Upfront streetlight upgrade*” be adopted. Table 5 below provides a summary of expected expenditure.

I also recommended that Council utilise a commercial loan arrangement to fund the upfront investment and amortise the loan from the resulting operational savings over a timeframe of between 7 and 15 years depending on best value loan offers at time of taking out the loan

Table 5 - total forecast expenditure

Item	Cost
Upfront (with Option 1)	\$747,664.75
Contingency	\$50,000.00
Total Upfront	\$797,664.75
Less ESC Savings (at completion of install)	\$61,324.98
Total Cost	\$736,339.77
Estimated annual saving	\$105,307.95
Payback (not including interest)	7 years

Policy, Legal and Statutory Implications:

The following documents inform the upgrade of the Streetlights to LED. Failure to comply with these documents could present legal and statutory issues for Council.

- Roads Act 1993 –
- AS1158 Public Lighting Standard
- Crime Prevention Plan - SVC-CorpPlan-Pln-016

RISK MANAGEMENT – BUSINESS RISK/WHS/PUBLIC:**OPTIONS:**

Council can:

- Adopt the recommendations made in this report
- Amend the recommendations made in this report
- Not proceed with the upgrade of street lighting

COUNCIL SEAL REQUIRED:

No – this will be under the delegation of the CEO

COMMUNITY ENGAGEMENT AND COMMUNICATION:

Development and implementation of a community consultation plan will be undertaken during the implementation phase.

Attachments

- 1 LED Replacement Offer from Essential Energy [↓](#)



Ref: COUNCIL_LED_2020_Final

11 June 2020

The General Manager
Snowy Valleys Council
PO Box 61
Tumbarumba NSW 2653

Attention: Mr Matthew Hyde

Dear Mr Hyde,

FY20 - Bulk LED Upgrade – Revised Offer

Essential Energy's Streetlight team have been working closely with Council's nominated representative to plan an upgrade of existing streetlights to LED, with works to commence in mid-2020. To finalise planning we are seeking confirmation on Council's choice to either contribute capital upfront, or to have Essential Energy fund the installation with recovery through regulated tariffs.

Cost Estimate

The table below provides a final cost estimate for both funding options.

Snowy Valley- Revised Cost Estimate	Number of Upgraded Luminaires	Cost of Upgrade	Residual Value	Total Cost Payable to EE	Estimated ESC Savings	Net CAPEX to Council	Essential Energy's Contribution	SLUOS current (eligible LEDs only)	SLUOS New LED	SLUOS Saving	Estimated energy cost savings	Annual Saving
Streetlights to be upgraded to LEDs by Council	1248	\$799,227.82	\$14,867.41	\$672,664.75	\$52,224.98	\$620,439.77	\$141,430.48	\$87,629.33	\$48,725.07	\$38,904.27	\$53,003.68	\$91,907.95
Streetlights to be upgraded to LEDs by Essential	1248	\$799,227.82	\$14,867.41	\$14,867.41	\$52,224.98	\$(37,357.57)	\$799,227.82	\$87,629.33	\$142,160.47	\$(54,531.14)	\$53,003.68	\$(1,527.46)

Please note that some exclusions may apply to offer pricing where additional works beyond a luminaire replacement is required – for example where modifications are required to support structures. We would ask Council to allow a \$25,000.00 contingency to cover these works and any variations required or requested to program scope.

Further, there may be some assets which need to be excluded from the upgrade program at this time whilst an engineering solution is identified. We will investigate and discuss these directly with you before works commence, with the final cost invoiced to Council reflecting only the works undertaken.

Next Steps

We ask that Council return the attached acceptance form by June 26th, 2020 with Purchase Order if Council chooses to contribute.

If you have any questions in relation to this letter, please do not hesitate to contact myself on 0427 064 130.

Yours sincerely,

Adele Finch
Streetlight and Joint Use Manager

11 June 2020
Revised LED Offer

Page 2 of 2

LED Upgrade Acceptance Form

I accept Essential Energy’s proposed streetlight bulk LED luminaire upgrade.

Date/Revision of offer: 11/06/2020

Proposed volume of lights: 1248

Funding:

Essential Energy Funded

OR

Council Funded \$ 697,664.75 ex GST (*includes \$25,000.00 contingency*)

Acknowledgement and acceptance of lighting level review:

Yes

Date:

Name of Authorised Representative:

Position:

Signature:

Council Purchase Order Number:

Please return this form to Adele Finch, Streetlighting Group, Essential Energy.

Email: streetlighting@essentialenergy.com.au

PO Box 5730 Port Macquarie NSW 2444 | ABN 37 428 185 226
Telephone: 13 23 91 | Interpreter Services 13 14 50 | essentialenergy.com.au