

# INTER OFFICE MEMO

Date: July 14, 2021

To: Board of Trustees

## Subject: Streetlight Conversion of DTE Mercury Vapor Streetlights to LED Streetlights

Dear Board of Trustees,

A while back I was working with my contact at DTE to resolve an issue with a streetlight for a resident. During our conversation, he mentioned the possibility of White Lake Township considering converting our old Mercury Vapor streetlights to more energy efficient and cost-effective LED streetlights. After hearing the potential savings, I asked him to perform a formal field analysis to bring a realistic proposal to the Board and that proposal is attached.

This conversion would save the Township a considerable amount of money annually. While there is an upfront cost to the Township, we will recoup those monies within approximately 1.23 years' time. After which, the Township will realize an annual savings in our streetlight bills of \$15,270.12.

In addition to energy and cost savings, the LED lights would be much brighter offering better vision at night for residents driving and increased pedestrian safety.

Thank you for your consideration of this proposal.

Sincerely,

Trish Pergament

July 12, 2021



White Lake Township 7525 Highland Rd. White Lake, MI 48383 Attn: Rik Kowall

Re: White Lake Twp- DTE Mercury Vapor to LED Streetlight Conversion

Based on your request, I have attached a cost estimate for the proposed 2021/2022 streetlight conversion project. The total light count is 112 streetlights and reflects the following descriptions:

## **Overhead Fed Streetlights on Wood Poles:**

101-175w Mercury Vapor to 58w LED 8-175w Mercury Vapor Span Light to 80w LED Span Light 1 - 250w Mercury Vapor to 136w LED 1 - 400w Mercury Vapor to 136w LED

#### Underground Fed Streetlights on Fiberglass or Metal Posts:

1-175w Mercury Vapor to 58w LED

Below please find the estimate breakdown for this project. The costs are based on the Option 1 Municipal Street Light rate - DTE Energy owned and maintained. The rate requires the customer pay a portion of the construction cost. The following information outlines the street lighting installation.

#### Estimate Breakdown

Project Cost	\$29,492.00
Less DTE Contribution	(\$7,280.00)
Total Upfront Cost	\$22,212.00
Est. Rebate Issued After Construction	\$3,366.00
Final Cost to Convert after Rebate	\$18,846.00
Current Annual Invoice	\$34,981.08
Future Annual Invoice	\$19,710.96
Annual Savings	\$15,270.12
Payback	1.23 years

An authorized signature on the Municipal Street Lighting Purchase Agreement and the payment contribution will be our notification to begin final design and construction scheduling.

Sincerely,

Brandon R. Faron

Brandon R. Faron Account Manager DTE Community Lighting

July 13, 2021



White Lake Township 7525 Highland Rd. White Lake, MI 48383 Attn: Rik Kowall

Re: White Lake Township- DTE LED Streetlight Conversion

Attached is the Master Purchase Agreement for the LED streetlight conversion project. A detailed description of the project is outlined in the agreements. Please print two copies. Please sign both copies in the designated areas. A check in the amount of **\$22,212.00** is also required at this time. Please **return both** signed agreements (as well as check made payable to **DTE Energy**) to the following address:

DTE Energy 8001 Haggerty Rd. Belleville, MI 48111 140 WWSC-Brandon Faron

Please call if you have questions, 734-309-2937.

Sincerely, Brandon R. Taron Brandon R. Faron Account Manager Community Lighting

## MASTER AGREEMENT FOR MUNICIPAL STREET LIGHTING

This Master Agreement For Municipal Street Lighting ("<u>Master Agreement</u>") is made between DTE Electric Company ("<u>Company</u>") and White Lake Township ("<u>Customer</u>") (collectively referred to as the "Parties") as of July 13, 2021.

## RECITALS

A. Customer may, from time to time, request Company to furnish, install, operate and/or maintain street lighting equipment for Customer.

B. Company may provide such services, subject to the terms of this Master Agreement.

Therefore, in consideration of the foregoing, Company and Customer hereby agree as follows:

#### AGREEMENT

1. <u>Master Agreement</u>. This Master Agreement sets forth the basic terms and conditions under which Company may furnish, install, operate and/or maintain street lighting equipment for Customer. Upon the Parties' agreement as to the terms of a specific street lighting transaction, the Parties shall execute and deliver a Purchase Agreement in the form of the attached <u>Exhibit A</u> (a "<u>Purchase Agreement</u>"). In the event of an inconsistency between this Agreement and any Purchase Agreement, the terms of the Purchase Agreement shall control.

2. <u>Rules Governing Installation of Equipment and Electric Service</u>. Installation of street light facilities and the extension of electric service to serve those facilities are subject to the provisions of Company's Rate Book for Electric Service (the "<u>Tariff</u>"), Rule C 6.1, Extension of Service (or any other successor provision), as approved by the Michigan Public Service Commission ("<u>MPSC</u>") from time to time.

Contribution in Aid of Construction. In connection with each Purchase Agreement 3. and in accordance with the applicable Orders of the MPSC, Customer shall pay to Company a contribution in aid of construction ("CIAC") for the cost of installing Equipment (as defined in the applicable Purchase Agreement) and recovery of costs associated with the removal of existing equipment, if any. The amount of the CIAC (the "CIAC Amount") shall be an amount equal to the total construction cost (including all labor, materials and overhead charges), less an amount less than or equal to three (3) years' revenue expected from such Equipment, and less an amount equal to the Post Charge revenue if selected by Customer. The CIAC Amount will be as set forth on the applicable Purchase Agreement. The CIAC Amount does not include charges for any additional cost or expense for unforeseen underground objects, or unusual conditions encountered in the construction and installation of Equipment. If Company encounters any such unforeseen or unusual conditions, which would increase the CIAC Amount, it will suspend the construction and installation of Equipment and give notice of such conditions to the Customer. The Customer will either pay additional costs or modify the work to be performed. If the work is modified, the CIAC Amount will be adjusted to account for such modification. Upon any such shall continue on a month-to-month basis until terminated by mutual written consent of the parties or by either party with thirty (30) calendar days' prior written notice to the other party. Upon termination of this Master Agreement for any reason, before or after the expiration of the initial term, Company shall have the right to disconnect the Equipment and/or remove any Companyowned equipment and a portion of the Equipment corresponding to the extent to which Customer has not paid in full for the Equipment; provided, however, that Company shall not withdraw service, and Customer shall not substitute another source of service, without at least twelve (12) months' written notice to the other party. If the optional Post Charge is selected, and this Master Agreement is terminated prior to the expiration of the initial 10-year term, then the aggregate amount of all current and future Post Charge monthly installment payments that would have been made over the course such 10-year term shall automatically become immediately due and payable, without presentment, demand, protest or further notice, all of which are hereby expressly waived by Customer.

10. <u>Design Responsibility for Street Light Installation</u>. Company installs municipal street lighting installations following Illuminating Engineering Society of North America ("<u>IESNA</u>") recommended practices. If the Customer submits its own street lighting design for the street light installation or if the street lighting installation requested by Customer does not meet the IESNA recommended practices, Customer acknowledges Company is not responsible for any compliance or noncompliance with IESNA standards or any issues arising therefrom.

11. <u>New Subdivisions</u>. Company agrees to install street lights in new subdivisions when subdivision occupancy reaches a minimum of 80%, pursuant to a Purchase Agreement. If Customer wishes to have installation occur prior to 80% occupancy pursuant to a Purchase Agreement, then Customer acknowledges that Customer will be financially responsible for all damages (knockdowns, etc.) and requests for modifications (movements due to modified curb cuts from original design, etc.), and that the CIAC Amount and schedule for completion of the work shall be appropriately modified.

12. <u>Force Majeure</u>. The obligation of Company to perform this Master Agreement shall be suspended or excused to the extent such performance is prevented or delayed because of acts beyond Company's reasonable control, including without limitation acts of God, fires, adverse weather conditions (including severe storms and blizzards), malicious mischief, strikes and other labor disturbances, compliance with any directives of any government authority, including but not limited to obtaining permits, and force majeure events affecting suppliers or subcontractors.

13. <u>Subcontractors</u>. Company may sub-contract, in whole or in part, any of its obligations under this Master Agreement.

14. <u>Waiver; Limitation of Liability</u>. To the maximum extent allowed by law, Customer hereby waives, releases and fully discharges Company from and against any and all claims, causes of action, rights, liabilities or damages whatsoever, including attorney's fees, arising out of the installation of the Equipment and/or any replacement Equipment, including claims for bodily injury or death and property damage, unless such matter is caused by or arises as a result of the sole negligence of Company and/or its subcontractors. Company shall not be liable under this Master Agreement for any special, incidental or consequential damages, including loss of

action with respect to this Master Agreement shall be brought in the courts of the State of Michigan and each party hereby submits itself to the exclusive jurisdiction of such courts.

f. This Master Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

g. The invalidity of any provision of this Master Agreement shall not invalidate the remaining provisions of the Master Agreement.

#### \*\*\*\*\*

Company and Customer have executed this Master Agreement as of the date first written above.

Company:	Customer:	
DTE Electric Company	White Lake Township	Stratig rates
Ву:	Ву:	SIGN HERE
Name:	Name:	Carl moved of the
Title:	Title:	

e de la Robert de Company de la Robert de la Robert de Company de la Robert de Company de la Robert de Company En 1979 de la Robert de Company de Company de la Robert de Company de la Robert de Company de la Robert de Comp	written consent of the parties or by either party with thirty (30) days prior written notice to the other party.
10. Does the requested Customer lighting design meet IESNA recommended practices?	(Check One) YES NO If "No", Customer must sign below and acknowledge that the lighting design does not meet IESNA recommended practices Sign here
11. Customer Address for Notices:	White Lake Township 7525 Highland Rd White Lake, MI 48383 Attn: Rik Kowall

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F. Should Customer experience, in Company's reasonable judgment, excessive LED equipment failures that are not supported by LED manufacturer warranties, Company will replace the LED equipment with other Company supported Solid State or High Intensity Discharge luminaires at Company's discretion. The full cost to complete these replacements to standard street lighting equipment will be the responsibility of Customer.

#### \*\*\*\*\*

Company and Customer have executed this Purchase Agreement as of the date first written above.

Company:	

DTE Electric Company	White Lake Township	
Ву:	Ву:	SIGN HERE
Name:	Name:	
Title:	Title:	

Customer: