



City of Needles, California Request for Council Action

CITY COUNCIL/NPUA BOARD OF PUBLIC UTILITIES Regular Special

Meeting Date: December 15, 2020

Title: Resolution No. 2020-86 Requesting for Authorization for Expenditure of Funds Not to Exceed \$100,000 to Purchase Transformers, Ancillary Parts and Equipment

Background: On August 7, 2018 the Board of Public Utilities adopted Resolution No. 8-7-18 BPU approving a not-to-exceed charge amount of \$50,000 for each transformer set up. The City Council adopted Resolution No. 2018-44 and the NPUA adopted Resolution No. 08-14-2018 and authorized a not to exceed \$100,000 to purchase transformers and ancillary parts and equipment.

To date \$63,024.15 has been expended. Deposits have been made for commercial projects requiring 1 megawatt (MW) of electrical service and are requesting two (2) additional 1,000 KVA transformers needed onsite. Each transformer set-up costs \$50,000 as set by Resolution No. 8-7-18 BPU.

The Board of Public Utilities approved the recommended action on December 1, 2020.

Fiscal Impact: Deposits have been made by commercial developments to cover the cost of the transformers.

Recommended Action: Move to approve Resolution No. 2020-86 approving a not-to-exceed of \$100,000 for the purchase of additional transformers, ancillary parts and equipment.

Submitted By: Rainie Torrance, Assistant Utility Manager

City Management Review: _____ **Date:** _____

Approved: <input type="checkbox"/>	Not Approved: <input type="checkbox"/>	Tabled: <input type="checkbox"/>	Other: <input type="checkbox"/>
			Agenda Item:

RESOLUTION NO. 2020-86

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF NEEDLES, CALIFORNIA, AUTHORIZING AN EXPENDITURE OF FUNDS NOT TO EXCEED
\$100,000 FOR THE PURCHASE OF TRANSFORMERS AND ANCILLARY PARTS AND EQUIPMENT FOR
COMMERCIALS PROJECTS

WHEREAS, new commercial project applicants requiring electric services are required to pay for both system upgrades and on-site transformers; and

WHEREAS, the cost of transformers and ancillary parts and equipment is approximately \$50,000 per set-up as set by Resolution 8-7-18 BPU

WHEREAS, the turn-around time for receiving transformers and equipment can take upwards of 24 weeks; and

WHEREAS, staff is requesting authorization for an expenditure of funds in an amount not to exceed \$100,000 to purchase additional transformers, ancillary parts and equipment to minimize the timeline for receipts of the hardware.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Needles, California, hereby approves a 'not-to-exceed' amount of \$100,000 for the cost of transformers, ancillary parts and equipment.

PASSED, APPROVED AND ADOPTED at a regular meeting of the NPUA/City Council of the City of Needles, California, held on the 15th day of December 2020, by the following vote:

AYES:

NOES:

ABSENT:

Mayor

(SEAL)

ATTEST: _____
City Clerk

APPROVED AS TO FORM:

City Attorney

RESOLUTION NO. 8-7-18 BPU

A RESOLUTION OF THE BOARD OF PUBLIC UTILITIES
OF THE CITY OF NEEDLES, CALIFORNIA,
AUTHORIZING AN INCREASE IN THE PURCHASE/SET-UP
PRICE OF ELECTRICAL ONSITE MATERIALS

WHEREAS, the new business ventures related to marijuana cultivation require 1 MW of electric per 10,000 sq. ft canopy, and one transformer set-up per each 1 MW of power; and

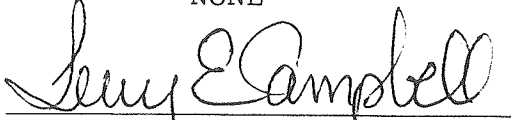
WHEREAS, the cost of the transformer setup, described in Exhibit "A" attached, has risen from \$30,000 to \$50,000; and

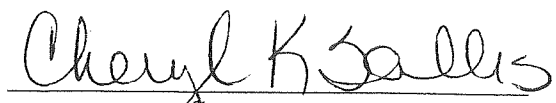
WHEREAS, the increase of costs is being driven by inflation of the cost of materials as well as changes from proposed configurations to actual installations requiring long distance cable pulls, as well as relocation of hardware from the original installation point to the actual installation site.

NOW, THEREFORE, BE IT RESOLVED that the Board of Public Utility of the City of Needles, California, hereby approves a 'not-to-exceed' amount of \$50,000 for the cost of a transformer set-up.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Board of Public Utilities of the City of Needles, California, held on the 8th day of August, 2018, by the following roll call vote:

AYES: CHAIRMAN CAMPBELL, COMMISSIONERS LeJEUNE, SCHNEIDER
AND PAYSON
NOES: NONE
ABSENT: COMMISSIONERS WRIGHT AND MOFFITT
ABSTAIN: NONE


Chairman

ATTEST: 
Secretary

INCREASE IN EXPENSE ASSOCIATED WITH ELECTRICAL ONSITE MATERIALS

transformer	16,000	20,000
transformer pad	4,000	5,000
conduit/conductor/other items	10,000	25,000
- Other Items:		
o high-voltage power cable - 3 phase		
o terminations on each end of cable		
o lightning arrestors		
o alumina form mounting bracket		
o fuse disconnects		
o hot taps		
o riser guards		
o current transformer metering		
TOTAL EXPENSE	30,000	50,000

note (1): Additional costs associated with inflation of costs of materials, changes in configurations from proposed plans to actual installation, as well as relocation of hardware requiring longer distance pulls, adding unforeseen costs to each project

note (2): some supplies are purchased in bulk in excess of cost of each project