



AGENDA SUMMARY EUREKA CITY COUNCIL

TITLE: Solar Renewable Energy Improvements – Acceptance

DEPARTMENT: Public Works

PREPARED BY: Kelly Allen, Public Works Director

PRESENTED FOR: Action Information only Discussion

RECOMMENDATION

1. Accept the Solar Renewable Energy Improvements, Bid No 2024-3; and
2. Approve \$105,000 for additional construction cost;
3. Apply water revenue funds to our CEC loan;
4. Authorize the filing of a "Notice of Completion" at the Office of the County Recorder.

FISCAL IMPACT

No Fiscal Impact Included in Budget Additional Appropriation

COUNCIL GOALS/STRATEGIC VISION

BACKGROUND

This project involved the installation of roof-mounted solar photovoltaic panels at the Water Treatment Plant Reservoir and the Harris and K Streets Tank Farm. The project was advertised for bid on October 22, 2023, with bids opened on November 30, 2023. Two bids were received and evaluated, and the lowest responsible bidder, Hooven & Co. Inc., was determined to meet all project requirements.

Council awarded the construction contract to Hooven & Co. Inc. on February 20, 2024, in the amount of \$1,077,787, with a total of \$1,137,222 authorized for construction. During the project, two change orders were issued; One to extend the schedule due to material delays. One for an additional \$56,476.78 due to discontinued solar panels requiring design and material changes.

During interconnection with PG&E, it was determined that the existing transformer could not handle the additional load from the new solar array. The City was required to fund this upgrade, which totaled \$44,442.83 for PG&E's design and construction.

FINCANCING

The City's California Energy Commission (CEC) loan is site-specific (see Exhibit A, Table 1). The Water Treatment Plant Solar Array was the only site awarded under the CEC loan due to cost constraints; the Harris and K Street Tank Farm portion exceeded available loan funding and was not awarded.

An amendment to the CEC loan was processed in January 2024, increasing the total loan amount to \$1,240,000 to help accommodate the additional costs. The total project cost was \$1,344,533.89.

An additional appropriation of \$105,000 is requested to fully cover the construction costs. Staff also recommends that funding from the Water Revenue Account be used to repay the 15-year CEC loan, with energy cost savings from PG&E bills applied directly toward the loan repayment. The attached amendment outlines the payback schedule in Exhibit B.

Summary and Recommendation

Staff has verified that all work has been completed in substantial conformance with project plans and specifications. Therefore, staff recommends that Council; Accept the Water Treatment Plant Solar Project as complete, approve an additional appropriation of \$105,000 to cover construction costs, authorize the use of Water Revenue funds to repay the CEC loan and authorize filing of a Notice of Completion with the County Recorder's Office.

REVIEWED AND APPROVED BY:

- City Attorney
- City Clerk/Information Services
- Development Services
- Finance
- Fire
- Parks and Recreation
- Personnel
- Police
- Public Works

ATTACHMENTS

California Energy Commission Grant/Loan Amendment