



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Public Works
Department No.: 054
For Agenda of: 1/10/2023
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Directors, Laguna County Sanitation District

FROM: Department Scott D. McGolpin, P.E., Director, (805) 568-3010
Director(s)

Contact Info: Leslie Wells, Deputy Director, (805) 882-3605

SUBJECT: Laguna County Sanitation District Photovoltaic Solar Inverter Replacement;
Fourth and Fifth Supervisorial Districts

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence

As to form: Yes

Recommended Actions:

That the Board of Directors:

- a) Find that it is in the best interests of the Laguna County Sanitation District to enter into an energy services contract with Endelos Energy, Inc. (a Santa Barbara County vendor) to provide conservation services because the anticipated cost for electrical energy under the contract will be less than the anticipated marginal cost for electrical energy that would have been consumed in the absence of those purchases; and
b) Award an energy services contract to Endelos Energy, Inc. (a Santa Barbara County vendor) in the amount of \$199,821.26 to replace inverters to the photovoltaic solar facility located at the Laguna County Sanitation District wastewater reclamation plant; and
c) Approve and authorize the Chair to execute the attached energy services contract with Endelos Energy, LLC; and
d) Find that the proposed action is for the minor alteration of existing public facilities involving no expansion of the use beyond that which presently exists, and that the proposed action is therefore exempt from the California Environmental Quality Act pursuant to 14 CCR 15301.

**Summary Text:**

This item is on the agenda to enter into an energy services contract with Endelos Energy, Inc. to replace the inverters on the 1.0 MW PV solar facility at the Laguna County Sanitation District wastewater reclamation plant. The inverters will be acquired separately and the contract amount with Endelos Energy, LLC is \$199,821.26 for design, labor and miscellaneous parts.

**Background:**

The Laguna County Sanitation District operates a wastewater reclamation plant serving the Orcutt and southern unincorporated Santa Maria area. To help offset electricity costs, the District implemented a 1.0 MW PV solar facility that went into service in March 2012. In the last few months power generation declined due to inverter failures, resulting in an increase in energy costs of approximately \$25,000 per month. The existing inverters are made by a European company and parts have become difficult to obtain. The cost to replace in kind with refurbished inverters is \$63,365.75, however, certain parts are backordered with no definitive delivery date but anticipated to be several months. The existing inverters had an expected useful life of 15 years with a planned maintenance replacement in 2027 but are now technologically out of date. In addition, the older system is less efficient and is not expected to provide peak performance. For these reasons, it is recommended to replace them in 2023 with modern inverters manufactured in the USA in order to reduce supply chain and delivery delay risk. The total cost for replacement with the newer units is \$331,222.36. Acquisition of the inverters (in stock and available) is by separate bid with Greentech Renewables for twenty 62kW SMA inverters for \$131,401.10. The contract with Endelos Energy, LLC for \$199,821.26 is for design, labor, and miscellaneous parts. Based on anticipated delivery delays and anticipated improved efficiencies, it is expected that the total cost of accumulated additional energy costs will exceed the cost to replace the inverters with new domestically manufactured inverters. Assuming that parts for the existing system can be located and acquired and installed by December 2023, the additional energy costs through that time period would be approximately \$300,000. With an installation of the new inverters by February 2023, the efficiency savings are estimated to be \$55,000. Including labor and material costs for the existing system, the total cost would be \$418,365.75 as compared to the proposed replacement cost of \$331,222.36.

Award of the contract is pursuant to Government Code Section 4217.10 et seq., which provides for awarding an energy service contract on terms that a governing body determines are in the best interests of the public agency if a finding is made that the cost for the electrical energy or conservation services under the contract will be less than the anticipated marginal cost to the public agency of energy that would have been consumed in the absence of those purchases. Conservation services address conservation measures that reduce energy use or makes for a more efficient use of energy by using equipment, performing maintenance, and implementing load management techniques. Endelos Energy, LLC is a qualified and competent solar company that has worked for the County for several years on various solar projects and is also the solar maintenance vendor for the District and has familiarity with the system. Therefore, it is recommended that these actions be approved in order to resume full energy production as soon possible. Staff will provide public noticing as required pursuant to Government Code 4217.13.

**Performance Measure:**

Replacement of the solar inverters will reduce operational costs for electricity.

**Fiscal and Facilities Impacts:**

The cost for the inverter replacement will be covered by the District's FY 2022-2033 budget.

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>Annualized On-going Cost:</u></b>	<b><u>Total One-Time Project Cost</u></b>
General Fund			
State			
Federal			
Fees			
LCSD operating			\$199,821.26
<b>Total</b>	\$ -	\$ -	\$199,821.26

Narrative: The cost to replace the inverters is anticipated to be offset by the savings in electrical energy costs.

**Special Instructions:**

Direct the Clerk of the Board:

- A. Forward one (1) copy of the certified minute order and two (2) of the original executed agreements to the Public Works Department, attention Martin Wilder at the Laguna County Sanitation District in Santa Maria.
- B. Retain one (1) original executed agreement for the clerk of the board’s files.

**Attachments:**

Agreement (3 originals)

**Authored by:**

Martin Wilder, P.E., Utilities Manager (805) 803-8755

**Copy:**

File