



Information and General Services Department

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*Information Systems
Geographic Information Systems
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*Emergency Services
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NEVADA COUNTY BOARD OF SUPERVISORS Board Agenda Memo

MEETING DATE: March 28, 2017

TO: Board of Supervisors

FROM: Steve Monaghan, Chief Information Officer

SUBJECT: Resolution authorizing budget for administering expenditures related to the generation and delivery of electrical service to County and Sanitation District facilities (4/5 Vote Required).

RECOMMENDATION: Adopt the resolution

FUNDING: To operate the new Energy Services program the Auditor Controller will establish an Internal Services Fund (ISF) that will manage expenditures for PG&E electrical bills, solar-related debt service payments, and other solar-related administrative and maintenance costs. Those costs will be allocated to County facilities based on how much electricity they use. For multi-department buildings, costs will be shifted from the Cost Plan to direct charges through the ISF. An overall net reduction of about 30% in costs for electricity is anticipated in the first full year of operation of the solar systems and the program. A budget amendment for FY2016-17 is requested.

BACKGROUND:

By previous action of the Board, the County is presently developing five solar energy generating systems at various County and Sanitation District locations. The Auditor-Controller and County Executive Office have reviewed best practices and have recommended an Energy Services program operated out of an ISF to allocate the costs associated with the construction and maintenance of those systems, and to allocate the corresponding savings from reduced utility expenditures. The Energy Services program will apply the solar-related debt service payments to the benefitting facilities and departments, allocate administrative and maintenance expenses, and allocate energy costs among departments based on their energy consumption.

The expenditures will include:

1. Payment to the General Fund to reimburse for principal and interest related to the financing of the solar systems.
2. Payment of PG&E bills, net of solar electricity credits, for County electrical meters.
3. Payments under the contracts between the County and SunPower for solar systems maintenance and operations and performance guarantee.
4. Site maintenance expenses to Facilities.
5. Administrative expenses related to operation of the program.

The program will allocate the costs to departments as follows:

1. Eric Rood Administration Center: allocation to departments based on the square footage that they occupy within the building
2. Wayne Brown Correctional Facility: allocate 100% to the Sheriff's Office
3. Juvenile Hall: allocate 100% to Probation-Juvenile Hall
4. Lake of the Pines Wastewater Treatment Plant: allocate 100% to Sanitation District LOP zone
5. Ranch Property: allocate to the department "owners" of the rest of the County and Sanitation District meters based on each meter's relative share of the electricity consumed at all the meters during each billing period.

Attached is the proposed budget for FY16-17. Because the systems at Lake of the Pines and the Ranch property will not begin generating electricity until next fiscal year, there are no revenues reflected in this budget for those sites. The share of overhead costs applicable to those sites will be recovered next fiscal year, once the systems begin operation.

Item Initiated by: Mary Ross

Approved by: Steve Monaghan

Submittal Date: March 15, 2017

Revision Date:

ENERGY ISF PRELIMINARY BUDGET							
FY2016-17							
Cost Centers (Sub-Services)							
	ISF Admin	ERAC 2000	WBCF 3000	JH 4000	LOP 5000	Ranch 6000	TOTAL
% of solar cost		20.1%	13.4%	4.2%	18.7%	43.6%	100.0%
Revenue							
Department Billings		\$ 52,415	\$ 17,622	\$ 8,314	\$ -	\$ -	\$ 78,351
Expenditures							
52x							
SunPower Perf Guarantee		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SunPower M&V		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PGE Energy Costs		\$ 19,051	\$ 15,278	\$ 7,572	\$ -	\$ -	\$ 41,900
PGE RES-BCT Fees		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EnergyCAP (or similar tool)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
53x							
Facilities Management		\$ 503	\$ 335	\$ 106	\$ 467	\$ 1,089	\$ 2,500
IGS Administration		\$ 2,013	\$ 1,340	\$ 424	\$ 1,868	\$ 4,356	\$ 10,000
IS Services		\$ 1,006	\$ 670	\$ 212	\$ 934	\$ 2,178	\$ 5,000
55x							
Lease Payment to FA (confirm account code)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 22,572	\$ 17,622	\$ 8,314	\$ 3,268	\$ 7,623	\$ 59,400
Surplus (Deficit)		\$ 29,842	\$ -	\$ -	\$ (3,268)	\$ (7,623)	\$ 18,951