

Staff Report

TO: Board of Directors

FROM: Doug Roderick, P.E., Director of Engineering
Nathan Droivold, P.M.P., Project Manager

DATE: February 12, 2025

SUBJECT: **2025 Capital Budget Amendment and Equipment Purchase for Deer Creek Powerhouse Excitation Upgrade Project No. 2395**

ENGINEERING

RECOMMENDATION:

Adopt a Resolution:

- Approving the FY 2025 Capital Budget Amendment in the amount of \$95,000 to carry forward unspent appropriations from the FY 2024 Capital Budget encumbered for the Deer Creek Powerhouse Excitation Upgrade Project (Project) in Fund 55.
- Approving a sole-source purchase from Basler Electric Company (Basler) for a new excitation system and excitation transformer needed for the Project in the amount of \$156,966 that will be paid for using the amended budget in Fund 55 for the Project as described above.

BACKGROUND:

This project was originally scheduled to begin in 2025, however, due to ongoing issues with the excitation system at the Deer Creek Powerhouse that began to impact hydroelectric power generation in 2024, the Project schedule was accelerated, and staff requested the creation of a new capital project in 2024. The Board of Directors approved this request and associated budget amendment to fund the Project on August 28, 2024. At that time, a contract was also awarded to GS Engineering, LLC (GSE) to complete the design and commissioning services for the Project.

At the time that the 2025 Annual Budget was being prepared, the Project was not anticipated to begin until 2025, and the project budget requested was originally only intended to cover the cost of design services and some of the project materials in 2025. Due to the change of the Project schedule, additional funding is now needed in 2025 as described in the attached Resolution in order to keep the Project on the new accelerated schedule that replaces the existing excitation system as soon as possible.

Through the end of 2024, GSE and NID staff have completed planning and initial design work and have obtained a quote from Basler to supply a new excitation system and excitation transformer for the Project according to project specifications developed by GSE and NID.

NID has standardized its excitation systems across various powerhouses with Basler products and is requesting the approval of this sole-source purchase in accordance with the following District Procurement Policy:

Section 3080.8.E “Sole Source procurement applies to those items or services that are only provided by one consultant, contractor, or vendor or when the item to be purchased needs to match existing equipment or parts that the District owns.”

Staff recommend adopting the attached resolution to amend the 2025 Annual Budget and approve the sole-source purchase of a new excitation system and excitation transformer from Basler for the Project.

BUDGETARY IMPACT:

The total impact of the requested budget amendment is an increase to the Hydroelectric Capital Fund 55 Budget in the amount of \$95,000 to cover the remaining encumbered expenses for the Project and the cost of project materials being ordered in 2025.

Attachments (1):

- Resolution 2025-10 - Authorizing Amendment of the 2025 Annual Budget and approving a sole-source equipment purchase from Basler.

ND



RESOLUTION NO. 2025-10
OF THE BOARD OF DIRECTORS OF THE NEVADA IRRIGATION DISTRICT

**APPROVAL OF 2025 CAPITAL BUDGET AMENDMENT AND EQUIPMENT
PURCHASE FOR DEER CREEK POWERHOUSE EXCITATION UPGRADE
PROJECT NO. 2395**

WHEREAS, the Nevada Irrigation District (District) budget for the 2025 fiscal year reflects resources to meet the essential needs of the District and the District's customers; and

WHEREAS, the Board of Directors approved an amendment to the 2024 Capital Budget and awarding a contract for the Deer Creek Powerhouse Excitation Upgrade Project (PN 2395) on August 28, 2024; and

WHEREAS, the Board of Directors adopted the 2025 Annual Budget on October 9, 2024; and

WHEREAS, the existing excitation system at the Deer Creek Powerhouse has been unreliable and the 40 year-old system has become obsolete and in need of immediate replacement; and

WHEREAS, the District and its contracted consultant developed a specification and requested a quote with pricing for a new excitation system for Deer Creek Powerhouse; and

WHEREAS, the project budget for the 2025 fiscal year is insufficient to cover the cost of the new excitation system for Deer Creek Powerhouse as well as the previously encumbered project expenses and therefore an amendment to increase the 2025 Annual Budget by \$95,000 is being requested; and

WHEREAS, the District has standardized its excitation systems across various powerhouses with Basler Electric Company (Basler) products and is requesting approval of a sole-source purchase in accordance with the District's Procurement Policy 3080.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of Nevada Irrigation District:

1. The Board of Directors hereby approves a Budget Amendment to increase funding for the Deer Creek Powerhouse Excitation System Upgrade Project (PN 2395) in Fund 55 in the amount of \$95,000
2. The Board of Directors hereby approves a sole-source purchase from Basler for a new excitation system and excitation transformer needed for the Deer Creek Powerhouse Excitation System Upgrade Project (PN 2395) in the amount of \$156,966.
3. The Board of Directors hereby authorizes the General Manager to execute the documents necessary to cause the actions contemplated by this resolution.

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PASSED AND ADOPTED by the Board of Directors of the Nevada Irrigation District at a regular meeting held on the 12th day of February 2025, by the following vote:

AYES: Directors:
NOES: Directors:
ABSENT: Directors:
ABSTAINS: Directors:

President of the Board of Directors

Attest:

Secretary to the Board of Directors