



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Robert Fisher, Acting City Manager

PREPARED BY: Stephanie Sirls, Transit Manager
Art Vela, Director of Public Works

MEETING DATE: March 25, 2025

SUBJECT: Consideration of Resolution 2025-40, Approving the Line Extension Contract with SoCalGas and Authorizing an Appropriation of \$603,392.46 to Facilitate the Completion of the City's Compressed Natural Gas (CNG) Fuel Facility Project

RECOMMENDATION:

Adopt Resolution 2025-40.

BACKGROUND:

The City owns and operates a CNG fueling facility located at the Corporate Yard (176 E. Lincoln Street). The facility was commissioned in 2004 and serves the City's fleet (i.e. transit buses and dump truck) and the Banning Unified School District (BUSD) bus fleet.

The BUSD has dedicated slow fill supply lines and dispensers from the City's CNG fueling facility to their property located adjacent and to the east of the City's Corporate Yard. The dedicated supply lines and dispensers allow the BUSD bus fleet to refill overnight.

At the time of commissioning the CNG facility was available 24 hours a day, 7 days per week to the general public and to other agencies such as, Morongo Band of Mission Indians, Caltrans, County of Riverside and Waste Management. The public access has been closed for several years due to complications with the CNG fueling station.

The existing CNG fueling facility is several years beyond its useful life, is constantly under repair and parts are becoming increasingly difficult to purchase. If the facility were to go down the City's CNG fleet would have to travel to either Redlands, Moreno Valley or Palm Springs to refuel.

As a result, City staff released a Request for Proposals (RFP-23-034) on June 5, 2023 and Council unanimously approved a Design Build Agreement to EFS WEST on September 12, 2023 to rehabilitate the CNG station. Final design has been completed and construction commenced in February of this year.

As the project progressed, there have been ongoing discussions and site visits with SoCalGas. Through those discussions, it was determined that an underground gas line needed to be extended and would require a significant level of civil work to include trenching and backfill services.

JUSTIFICATION:

To successfully complete the CNG rehabilitation project, a line extension is necessary. SoCalGas has

provided a proposal for the required work, which includes extending the gas line to connect with the City's existing infrastructure. This extension is critical for ensuring that the CNG facilities are operational and meet the City's energy demands.

The total cost for this line extension contract is \$603,692.46. This expenditure is justified considering the benefits it will bring, including:

1. Enhanced Energy Reliability: Ensures the availability of CNG for the public, city operations, and services.
2. Environmental Benefits: Supports the city's commitment to clean energy and reducing greenhouse gas emissions.
3. Cost Efficiency: Investing in this infrastructure will lead to long-term savings in energy costs and provide an additional revenue stream to transit operations.

FISCAL IMPACT:

The total cost for this line extension contract is \$603,692.46 and requires an appropriation of \$603,692.46 to Account No. 610-5800-434-90.56. This expenditure will be fully funded through the Riverside County Transportation Commission (RCTC) utilizing State Transit Assistance (STA) funds. Approval of this contract will allow the City to proceed without delays and stay on schedule for project completion.

Additionally, the new CNG fueling facility will be an asset assigned to the Transit Division. Revenues generated by fuel sales to BUSD and the public will be allocated to the Transit Division and used to meet the City's farebox recovery match of ten percent (10%). At times it is necessary to transfer General Funds to the Transit Division in order to meet its farebox recovery match. The CNG fueling facility revenues will reduce the need for said transfers from the General Fund.

ALTERNATIVES:

Do not adopt the resolution and provide staff with alternate direction.

BUDGETED?:

Yes

CONTRACT/AGREEMENT:

Yes

ATTACHMENTS:

1. [Resolution 2025-40, SOCal Agreement.docx](#)
2. [286304 Exhibit A-1 Contract.pdf](#)
3. [176 E Lincoln St Sketch.pdf](#)