




TO: Elizabeth A. Pauli, City Manager
FROM: Michael P. Slevin III, P.E., Environmental Services Director 
James G. Parvey, P.E., LEED AP, Environmental Services Division Manager
COPY: City Council and City Clerk
SUBJECT: Resolution – Grant Acceptance 2015-17 WA Department of Commerce Energy Efficiency and Solar Grant #16-96608-208 – January 22, 2019
DATE: January 4, 2019

SUMMARY:

A resolution authorizing the execution of a grant agreement with the Washington State Department of Commerce, in the amount of \$350,000, and accepting and depositing said sum into the Environmental Services Wastewater Fund, to construct a facility to process bio-gas from the Central Treatment Plant's digesters for use as renewable natural gas.

STRATEGIC POLICY PRIORITY:

- Assure outstanding stewardship of the natural and built environment.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

The bio-gas treatment facility at the Central Treatment Plant will create renewable natural gas vehicle fuel by cleaning raw bio-gas from the wastewater treatment process. This process will be beneficial to the public by reducing greenhouse gas emissions by at least 60 percent compared to diesel usage, supporting the use of renewable fuels for transportation purposes, and increasing the revenue received by the Environmental Services Department (ESD).

BACKGROUND:

In accordance with the 2008 Climate Action Plan and the Environmental Action Plan, the City has committed to reducing its greenhouse gas emissions. Further, the ESD is challenged to provide its ratepayers vital utility services at an economical price. The opportunity to reduce our greenhouse gas emissions while generating revenue through sale of a valuable product is unique.

On October 11, 2017, ESD staff briefed the Infrastructure, Planning, and Sustainability Committee on the Bio-gas Utilization Project. In January 2018, contracts were awarded for detailed design and construction.

When bio-gas is processed it can be used interchangeably with natural gas. According to the Environmental Protection Agency, using methane from this source will reduce greenhouse gases by at least 60 percent compared to diesel fuel or natural gas extracted from the earth. In addition, if bio-gas is used for vehicle fuel it is eligible for an environmental credit that provides strong economic support to the project.



In the spring of 2016, the City of Tacoma was awarded a competitive grant from the Washington State Department of Commerce Energy Efficiency and Solar Program, in the amount \$350,000. The grant allows reimbursement of:

- design, architectural, planning services and non-grantee overhead, and profit
- construction management and observation (from external sources only)
- construction costs

ISSUE:

The Bio-gas Utilization Project is eligible for a \$350,000 grant under the Department of Commerce Energy Efficiency and Solar program.

ALTERNATIVES:

The City Council could choose to not accept the grant funding and absorb the \$350,000 value into the project budget.

RECOMMENDATION:

Staff recommends authorizing the execution of a grant agreement with the Washington State Department of Commerce, in the amount of \$350,000, accepting and depositing said sum into the Environmental Services Wastewater Fund, to construct a facility to process bio-gas from the Central Treatment Plant’s digesters for use as renewable natural gas.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
			\$0
TOTAL			\$0

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4300 Wastewater	523900		\$350,000
TOTAL			\$350,000

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: Additional revenue of \$350,000.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes