



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: K-1819-92 AMD #2

File ID: K-1819-92 AMD #2

Type: Contract

Status: Consent Item

Version: 1

Reference: Item 32

In Control: City Council

Department: Utilities Department

Cost: \$50,000.00

File Created: 08/05/2020

File Name: Amendment 2 with Entegrity Energy Partners

Final Action:

Title: AMENDMENT NO. TWO TO CONTRACT K-1819-92: A PROJECT DEVELOPMENT AGREEMENT BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND ENTEGRITY ENERGY PARTNERS, L.L.C. TO PROVIDE INVESTIGATION INTO THE POSSIBILITY OF SELLING DIGESTER BIO-GAS AND BUDGET APPROPRIATION FROM THE WATER RECLAMATION FUND BALANCE.

Notes: ACTION NEEDED: Acting as the Norman Utilities Authority, motion to approve or reject Amendment No. Two to Contract K-1819-92 with Entegrity Energy Partners, L.L.C.; and, if approved, authorize the execution thereof and appropriate \$50,000 from the Water Reclamation Facility Fund balance (32-29000) to Professional Services - Other (32955341-44099) if project is determined to be feasible and the Norman Utilities Authority does not wish to continue.

ACTION TAKEN: _____

Agenda Date: 08/25/2020

Agenda Number: 32

Attachments: Entegrity Contract K-1819-92 Amendment 2

Project Manager: Steve Hardeman, Utilities Manager

Entered by: kellie.seeds@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File K-1819-92 AMD #2

Body

BACKGROUND: The Norman Water Reclamation Facility (NWRf) continues its efforts for efficiency and resourcefulness and researching ways to reuse or recycle any of the products it produces such as its highly treated effluent, bio-solids, and bio-gas (methane). If approved, this agreement will continue our investigation into the possibility of selling digester bio-gas for the benefit of the City as a whole, including the natural gas station.

In December 2017, Entegriy Energy Partners, LLC (Entegriy) contacted the NWRF to determine the possibility of capturing, cleaning and selling the bio-gas produced by our anaerobic digesters. A preliminary review completed by Entegriy in March 2018 determined the NWRF produced sufficient bio-gas to merit additional investigation. This investigation was considered Phase I of the project. As a result of the Phase 1 investigation, Entegriy believes a facility could be constructed to capture and clean the gas from the digesters and estimated annual revenues to the Norman Utilities Authority (NUA) of \$50,000 to over \$100,000 over a 10-year period.

DISCUSSION: In Phase 2 of Contract K-1718-143, Entegriy will proceed with further investigation into the amount of bio-gas that will be needed to make the project feasible. The NUA Staff received a proposal December of 2019 suggesting adding food waste to the anaerobic digesters as a way to increase gas production to make the project feasible. Amendment No. 2 to the contract will further investigate the possibility of building a food waste facility near or adjacent to the WRF such that food waste will be added to the digesters to generate enough gas for the project. At the conclusion of Phase 2 and Amendment No. 2 investigation, there could be three potential outcomes:

1. The project is not feasible and both parties end the agreement with no additional costs to NUA.
2. The project is feasible and Entegriy and NUA continue with all costs associated with new improvements and upgrades to existing WRF facilities borne wholly by Entegriy and with no costs to NUA.
3. The project is feasible and NUA decides not to continue with the project. At this point NUA will compensate Entegriy for its time, cost, and expenses incurred by the company in the amount of Fifty Thousand Dollars (\$50,000) plus any costs previously reimbursed to the City.

RECOMMENDATION: Staff recommends Norman Utilities Authority approve Amendment No. 2 to Contract K-1819-92 with Entegriy Energy Partners, L.L.C. and appropriate \$50,000 from Water Reclamation Facility Fund balance (32-29000) to Professional Services - Other (32955341-44099) and encumber said funds (will only be paid if the project is feasible and NUA chooses not to continue).