



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: K-1819-92

File ID: K-1819-92

Type: Contract

Status: Consent Item

Version: 2

Reference: Item 36

In Control: City Council

Department: Utilities Department

Cost: \$30,000.00

File Created: 12/11/2018

File Name: WRF Bio-gas investigation

Final Action:

Title: CONTRACT K-1819-92: A CONTRACT 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 Contract K-1819-92 with Entegrity Partners, L.L.C., in the amount of \$30,000; and, if approved, authorize the execution thereof and if Alternative 3 is chosen, appropriate \$30,000 from Water Reclamation Fund Balance (032-0000-253.00-00) to Other Business Services (032-5541-432.41-99).

ACTION TAKEN: _____

Agenda Date: 01/08/2019

Agenda Number: 36

Attachments: K-1819-92

Project Manager: Ken Komiske, Utilities Director

Entered by: ken.komiske@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File K-1819-92

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.

DISCUSSION: In December 2017, Entegrity Energy Partners, LLC (Entegrity) 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 Entegrity 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, Entegrity estimated annual revenues of \$50,000 to over \$100,000 over a 10 year period.

The proposed Phase 2 agreement (Contract K-1718-143) between Norman Utilities Authority (NUA) and Entegrity

is to determine if the project is feasible. Entegrity will more specifically determine the quantity and quality of the bio-gas available, the treatment necessary to clean the bio-gas, the ability to transport the gas to a willing purchaser and the cost of this endeavor.

The initial cost of Phase 2 investigation will be borne by Entegrity. The Phase 2 investigation will culminate in the selection of one of the three following alternatives:

- **Alternative One** - The investigation shows the project is not feasible; in this case the NUA owes nothing and both parties end the relationship.
- **Alternative Two** - The investigation shows the project to be feasible. A Phase 3 agreement with Entegrity for revenues from the production of biogas will be negotiated defining the project scope and requiring a 10 year commitment by both parties to the project. In this case, NUA owes nothing and the Phase 3 project continues.
- **Alternative 3** - The investigation shows the project is feasible but the NUA chooses to end the relationship with Entegrity. In this case, the NUA will reimburse Entegrity for Phase 2 research in the amount of \$30,000.

RECOMMENDATION: Staff recommends Norman Utilities Authority approve Contract K-1819-92 with Entegrity Energy Partners, L.L.C. and appropriate \$30,000 from Water Reclamation Fund Balance (032-0000-253.00-00) to Other Business Services (032-5541-432.41-99) to encumber \$30,000 to Entegrity Energy Partners, L.L.C. that will only be needed if Alternative 3 is chosen.