

ENERGY, CLIMATE CHANGE, AND ENVIRONMENTAL JUSTICE COMMITTEE REPORT relative to the Fourth Amendment to Contract No. 109787 with GeoEnvironment Technologies, LLC for the operation and maintenance of the Terminal Island Renewable Energy (TIRE) project.

Recommendation for Council action:

AUTHORIZE the Board of Public Works, on behalf of the Bureau of Sanitation (BOS), to execute the Fourth Amendment to Contract No. 109787 with GeoEnvironment Technologies, LLC for the operation and maintenance of the TIRE project, for a term of three years with an option to extend for an additional three years, for a total contract term of 20 years; and, to increase the cost ceiling by \$16,428,062, from \$58,220,507 to \$74,648,569, subject to approval by the City Attorney and compliance with the City's contracting requirements.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no impact to the General Fund. Funding is provided by the Sewer Construction and Maintenance Fund, and funding in the amount of \$752,400 is available for this purpose. Funding for subsequent years of the Contract will be provided through the City's annual budget process, which is subject to Mayor and Council approval. The Fourth Amendment includes a Financial Liability Clause limiting the City's financial obligation to the extent of appropriations for this purpose.

Financial Policies Statement: The CAO reports that the recommended action complies with the City's Financial Policies in that expenditures of special funds are limited to the mandates of the funding source.

Community Impact Statement: None submitted.

TIME LIMIT FILE - DECEMBER 4, 2020

(LAST DAY FOR COUNCIL ACTION - DECEMBER 4, 2020)

SUMMARY

At its regular meeting held on October 20, 2020, the Energy, Climate Change, and Environmental Justice Committee considered the CAO report dated October 1, 2020 relative to authorizing the BPW to execute the Fourth Amendment between the BOS and GeoEnvironment Technologies, LLC for the operation and maintenance of the TIRE project. The proposed Amendment is for a term of three years with an option to extend for an additional three years, for a total contract term of 20 years; and, increases the cost ceiling by \$16,428,062 up to \$74,648,569. The TIRE project is a pilot project wherein biosolids are injected into abandoned or depleted oil reserves at a depth of more than 5,000 feet below the surface. As the biosolids degrade, the methane gas converted from the materials is recovered in adjacent wells as a renewable energy source. The TIRE project scope includes drilling and installation of injection and monitoring wells, injection facility operations and maintenance, engineering support, and related management support such as data analysis, reporting and documentation; and, licensing to the City for the ongoing use of the vendor's technology. The Committee and BOS discussed the monitoring of the wells for methane gas emissions.

After providing an opportunity for public comment, the Committee moved to approve the recommendation contained in the subject CAO report, as detailed above. This matter is now transmitted to the Council for its consideration.

Respectfully Submitted,

ENERGY, CLIMATE CHANGE, AND ENVIRONMENTAL JUSTICE COMMITTEE



| <u>MEMBER</u> | <u>VOTE</u> |
|---------------|-------------|
| MARTINEZ | YES |
| KORETZ | YES |
| KREKORIAN | YES |
| OFARRELL | YES |
| CEDILLO | ABSENT |

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-NOT OFFICIAL UNTIL COUNCIL ACTS-