

IMPACT STATEMENT

Legislation title: Authorize a competitive solicitation and contract with the lowest responsible bidder and provide payment for construction of the Columbia Boulevard Wastewater Treatment Plant Organic Waste Receiving Facility Project No. E10804, for an estimated amount of \$7,821,000 (Ordinance)

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Purpose of proposed legislation and background information:

The need for the CBWTP Organic Waste Receiving Facility (OWRF) is based on an economic opportunity for the Bureau, while providing a local avenue for beneficial use of commercial and industrial food waste and fats, oil, and grease (FOG) generated in the City and region. There are economic and environmental benefits to the City. Approval of this ordinance will allow the OWRF to move forward and be built.

The OWRF will receive food waste slurry via trucks from Metro and fats, oils and grease via trucks from grease trap servicing firms. The food waste slurry will be produced by Metro from commercial, source separated food waste from food service establishments that is diverted from landfills. BES currently has a Memorandum of Understanding in place concerning the delivery of food waste slurry to the OWRF by Metro. The fats oil and grease will be sourced from food service establishment grease traps that are typically maintained quarterly. The OWRF will feed these two products into the anerobic digesters at CBWTP, a process called co-digestion, to increase the generation of renewable biogas fuel at CBWTP. The biogas will be used at CBWTP to produce renewable electricity and heat for use at CBWTP for plant processes in place of natural gas.

The CBWTP OWRF helps the City meet COP Climate Action Plan 2015 goals by helping the City meet 2030 objectives of recovering 90% of all waste generated and reducing food scraps sent to landfills by 90% as well as improving the efficiency of freight movement within and throughout the Portland metro area. It also helps meet COP 2030 Objective for Renewable Energy goal of Generating or Purchasing 100 percent of all electricity for City operations from renewable resources.

The OWRF may also assist area DMWESB by providing disposal access to small companies that may not have access to similar facilities at Gresham and Clean Water Services wastewater treatment plants.

The OWRF also supports BES Pretreatment's efforts to control FOG and keep it out of the collection system. A convenient centralized disposal location for FOG within the City of Portland will reduce illegal dumping of FOG into the collections system or elsewhere, and support regular scheduled grease trap maintenance. Keeping FOG out of the collection system prevents overflows caused by grease buildup and also reduces maintenance and cleaning expenses. It also saves energy by reducing loading in the treatment process at CBWTP.

Financial and budgetary impacts:

The engineer's final estimate of the probable cost of construction for this project at the 95% design is \$7,821,000. The level of confidence in the estimated cost of construction is moderate. The estimate at 100% is anticipated to be within 10% of the 95% estimate. Funds are available in the Sewer System Operating Fund, FY 2020 Budget, Bureau of Environmental Services, WBS E10804.

As a new system at CBWTP, the OWRF will slightly increase operations and maintenance costs at CBWTP. This is being planned for in future budget requests and will be more than offset by the expected savings in natural gas and power purchases and revenue from tipping fees.

The project will generate savings and revenue for the City from natural gas and electricity savings and per gallon tip fees paid by Metro and grease trap servicing firms. Net revenue is from tip fees and savings in natural gas costs through the substitution of renewable biogas.

Prior to construction of the OWRF, a five-year IGA will be negotiated between COP and Metro regarding the supply and tip fee for food waste slurry. Prior to operation of the OWRF, contracts will be established between COP and grease trap servicing firms regarding the supply and tip fee for fats, oil and grease.

Community impacts and community involvement:

Because the OWRF is located inside the fence line at CBWTP, the public involvement (PI) process for this project was covered by the CBWTP Facilities Plan and CBWTP Master Plan, both of which followed public involvement processes.

In general, this legislation will result in a facility that will have positive impacts on the community. With the addition of a convenient centralized facility in the metropolitan area designed to receive Fats, Oils and Grease (FOG) from restaurant grease traps, there may be less sewer overflows caused by FOG and food service establishments may find their bills from grease trap servicing companies stabilized or reduced because of shorter hauling distances. The facility will not generate additional truck trips in the metropolitan region, instead it will substitute shorter trips for longer hauls and help reduce traffic and congestion.

100% Renewable Goal:

Construction of the OWRF makes a significant contribution to the City's goal of meeting 100 percent of community-wide energy needs with renewable energy by 2050.

The OWRF will increase the amount of renewable energy produced at CBWTP. Through co-digestion of the FOG and food waste slurry in the digesters, the amount of renewable biogas produced at the plant will increase by as much as 192,045 dekatherms annually. There will be an increased amount of renewable energy generated by CBWTP and an increased use of renewable energy by the City.

Budgetary Impact Worksheet

Does this action change appropriations?

☐ **YES:** Please complete the information below.
☒ **NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount