



DATE: September 4, 2018

CATEGORY: Consent

DEPT.: Public Works

TITLE: Sewage Pump Station and Landfill Flare Station Microturbine Maintenance and Repair, Project 16-50 – Appropriate PG&E Payments

RECOMMENDATION

1. Appropriate up to \$108,000 (based on actual amount received) of PG&E payments into Project 16-50, Sewage Pump Station and Landfill Flare Station Microturbine Maintenance and Repair. (Five votes required)
2. Authorize the City Manager to appropriate future PG&E grants up to \$61,000 (based on the actual amount received) into Project 16-50.

BACKGROUND

In 2012 the City began operating two 65-kilowatt Capstone microturbines that use landfill gas as a fuel source to produce electricity for the Flare Station, Irrigation Pump Station, and Sewage Pump Station. The microturbines and gas pretreatment equipment have an anticipated 10-year life and are maintained through long-term maintenance contracts at an annual cost of approximately \$50,000.

The City was awarded Self Generation Incentive Program (SGIP) grants from the California Public Utilities Commission (CPUC) to fund microturbine and pretreatment equipment installation and maintenance. The City received an initial payment of \$169,000 in 2014.

ANALYSIS

To offset maintenance costs, the City also receives annual performance-based payments as the microturbines continue to operate. To date, the City has received six payments totaling approximately \$108,000. The recommended actions would appropriate these funds and anticipated future funds (\$61,000) to Project 16-50 to offset maintenance expenditures.

FISCAL IMPACT

Project 16-50, Sewage Pump Station and Landfill Flare Station Microturbine Maintenance and Repair, is funded with an SGIP grant and performance-based payments. Performance-based payments will not exceed \$169,000 and are expected to continue for two more fiscal years.

ALTERNATIVES

1. Do not authorize appropriations.
2. Provide other direction to staff.

PUBLIC NOTICING – Agenda posting.

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GAH/JA/7/CAM
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