



## CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

### AGENDA ITEM

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Report: Scholl Canyon Landfill Biogas Renewable Generation Project.

1. Resolution dispensing with competitive bidding and authorizing the City Manager, or his designee, to issue a Full Notice To Proceed (FNTP) to Western Energy Systems, a division of Pen Power Group, LLC (WES) for the sale of Power Island Major Equipment (PIME) and services for the Biogas Renewable Generation Project and authorizing the execution of Amendment No. 1 with WES' existing contract with the City relating to the PIME, in the not-to-exceed amount of \$19,364,855 plus a Ten percent (10%) contingency in the amount of \$1,936,486.
2. Motion authorizing the City Manager, or his designee, to enter into an Engineer-Procure-Construct (EPC) Contract with ACCO Engineered Systems Inc. (ACCO) for the engineering, design and construction of the Biogas Renewable Generation Project at the Scholl Canyon Landfill, in the not-to-exceed amount of \$45,800,200, plus a Ten percent (10%) contingency in the amount of \$4,580,020.
3. Motion authorizing the City Manager, or his designee, to execute an Amendment to Professional Services Agreement (PSA) No. 8000053 with Stantec Consulting Services, Inc. (Stantec) to increase the contract amount by \$235,000 to provide supplemental professional environmental services for the Scholl Canyon Biogas Renewable Generation Project, for a new contract not to exceed amount of \$1,668,582
4. Motion authorizing the City Manager, or his designee, to execute a Line Extension Contract with the Southern California Gas Company (SoCalGas), in an amount no to exceed \$100,000, for construction of natural gas piping and a meter set assembly related to the Biogas Renewable Generation Project.
5. Motion authorizing the City Manager, or his designee, to execute an amendment to the existing Professional Services Agreement (PSA) No. 8001391 with Worley Group, Inc. (Worley) to add the sum of \$1,100,000 for Owner's Engineering and Project management services related to the Biogas Renewable Generation Project, for a new contract not to exceed amount of \$2,000,000.
6. Resolution of appropriation.

## COUNCIL ACTION

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**Item Type:** Action Item

**Approved for** January 24, 2023 **calendar**

### EXECUTIVE SUMMARY

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On November 30, 2021, the City Council certified the Environmental Impact Report (EIR) for the Scholl Canyon Landfill Biogas Renewable Generation Project (Biogas Project) and approved the Conditional Use Permit (CUP) and Special Recreation (SR) Permit.

On September 20, 2022, the City Council directed Glendale Water & Power (GWP) staff to complete additional tasks relating to the Biogas Project, each of which are discussed in this Report, and return to City Council with a further report on same.

GWP staff now recommends that the City Council dispense with competitive bidding and issue the Full Notice to Proceed (FNTP) for the second and final phase of the Biogas Project, authorize the execution of Amendment No. 1 with WES, and authorize an Engineer-Procure-Construct contract for the engineering, design and construction of the Biogas Project, as well as adopting a resolution appropriating funds to cover the cost of developing Biogas Project and Owner's Engineering Services.

It is also recommended that the City Council authorize a Line Extension Contract with the SoCalGas, in an amount not to exceed \$100,000, for construction of natural gas piping and a meter set assembly related to the Biogas Project.

GWP staff also recommends that the City Council authorize an amendment to the City's existing PSA with Stantec Consulting Services, Inc. (Stantec) to increase the contract amount by \$235,000 in order for Stantec to provide pre-construction mitigation measure compliance services for the Biogas Project, as well as an amendment to the City's existing PSA with Worley to increase the contract amount by \$1,100,000 to provide Owner's Engineering, Project management services for the duration of the construction and commissioning of the Biogas Project.

### COUNCIL PRIORITIES

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Infrastructure: This project will install four gas engine generators, along with landfill gas cleanup system with the purpose of capturing and combusting the existing landfill gas (LFG) and capitalizing on this renewable energy by-product from such combustion for beneficial public use as a renewable energy resource.

Environmental Stewardship: Currently, the LFG generated by the decomposition of fill materials in the Scholl Canyon landfill is collected, compressed to remove liquids and combusted in an existing flaring system. The project will initially generate 12 megawatts of non-intermittent, locally generated electricity that is enough to power over 11,000

homes using renewable energy.

## **RECOMMENDATION**

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Approve and issue the FNTP for the Biogas Project and authorize the City Manager to execute Amendment No. 1 to Contract with WES to provide for the remaining engineering design, fabrication, delivery and installation of the Power Island Major Equipment (PIME) to the site, as well as technical oversight and training for City staff. Staff also recommends that the City Manager enter into an Engineer-Procure-Construct (EPC) Contract with ACCO for the engineering, design, construction, and commissioning of the Biogas Project.

Authorize a Line Extension Contract with the SoCalGas, in the amount of \$100,000, for construction of natural gas piping and a meter set assembly related to the Biogas Project.

Also authorize an amendment to the City's existing PSA with Stantec Consulting Services, Inc. (Stantec) to increase the contract amount by \$235,000 to provide supplemental professional environmental services, as well as an amendment to the City's existing PSA with Worley to increase the contract amount by \$1,100,000 to provide Owner's Engineering and Project Management services for the duration of construction and commissioning of the Biogas project.

## **BACKGROUND**

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Pursuant to a Request For Proposals ("RFP") process and evaluation of proposals which was conducted in 2016 by GWP, on June 13, 2017 the City Council, by Resolution No. 17-68, issued a Limited Notice to Proceed ("LNTP") authorizing the City Manager to execute a contract with WES for the engineering support, and detailed specifications and data regarding the PIME for the Biogas Project in order for the City to apply for permits, undertake California Environmental Quality Act ("CEQA") reviews and information for the preparation of the Request for Proposal ("RFP") for the EPC contractor for the Biogas Project.

Additionally, on June 13, 2017, the City Council, by Resolution 17-69, authorized GWP to issue the Request for Qualification (RFQ), and subsequently the Request for Proposals (RFP) utilizing the City's Alternative Delivery Method to secure an EPC contractor to thereafter return to the City Council for consideration of the issuance of a contract.

On November 30, 2021, the City Council certified the EIR for the Biogas Project and approved the CUP and the SR Permit. The next necessary steps, in order to proceed with the Biogas Project, would be the issuance of the FNTP to WES, the PIME supplier and the award of the EPC contract. Each one of these items is discussed below.

In January 2022, GWP's Owner's Engineer for the Biogas Project, Worley undertook the RFQ and the subsequent RFP process to identify the most overall qualified EPC contractor in terms of price and technical competence. The process that was followed from January 2022 to present is as follows:

- December 17, 2021 - January 21, 2022: Worley was hired to be the new Owners Engineer for the Scholl Biogas project.
- January 21, 2022 - February 4: Worley revised the RFP documents as necessary and sent invitations to the three 2017 prequalified EPC companies to submit proposals for the RFP.
- February 17: GWP is notified that all three EPCs elected to not submit proposals in response to the RFP, all for different reasons.
- February 23: GWP decided to issue a new RFQ followed by a new RFP phase. RFQ submittal deadline was set for April 1, 2022.
- April 15: All RFQ respondents are approved to move to the RFP stage (ACCO, ARB Inc. (ARB), and SCS Energy).
- April 19: The RFP issuance pushed to May 9 that consequently pushed RFP due date to July 1.
- June 15: ARB schedule extension request of two weeks is approved; RFP due date pushed to July 15.
- July 12: ARB another schedule extension request of two weeks is approved; RFP due date pushed to July 29.
- August 19: Worley completed the evaluations of the two proposals received from ACCO and ARB.
- September 20: City Council directed a pause on the approval of the Biogas Project contracts and directed staff to return with a report regarding 1) cost benefit analysis of the project including the energy content of the Project; 2) methane gas clean-up; 3) the communication of a robust fire plan to the community; 4) the status of plans to develop solar and storage on City sites; 5) demonstration of firm assurance that the proposed Project will not be converted into an all-natural gas plan; and 6) community meetings relating to the Project. Each of these items are discussed below.

In addition to the actions taken per Council’s direction on September 20, 2022, Worley has also worked with GWP and WES to have all the contract documents amended to allow GWP to issue the FNTF to WES for engine procurement, pending City Council approval of the project. WES has committed to firm pricing through February 24, 2023, pending that they get the FNTF prior to that date.

As discussed in more detail below, the City has been working with the South Coast Air Quality Management District (“SCAQMD”) since June 2017 on the submittal of the application for the required SCAQMD permit.

## **ANALYSIS**

The City serves its system load through a combination of renewable energy sources comprised of local and imports, non-renewable imports, and local-generation. Between 1996 and 2017, the City was primarily burning the landfill gas from the Scholl Canyon Landfill in steam boilers located at the Grayson Power Plant via a 5.5-mile long underground dedicated pipeline. In 2018, based on SCAQMD directives, the City discontinued burning landfill gas in the Grayson boilers. Since then, the landfill gas has been burning in the existing flaring system at the Scholl Canyon Landfill that is operated

by the Los Angeles County Sanitation District.

To ensure the most optimal use of the existing landfill gas, as well as to provide a reliable renewable energy resource, the City proposes to install four Jenbacher Gas Engine Generators, with the applicable landfill gas cleanup system, on a 2.2-acre site at the Scholl Canyon Landfill. Given that Scholl Canyon Landfill gas composition and degradation is site specific, GWP hired an independent consulting firm, SCS Engineers, to model future gas production and degradation at the landfill and to assess the condition of the landfill after its closure. Per SCS Engineers modeling, there will be sufficient gas production to run the proposed four engines until 2034, and three engines until 2042. During this time, the Biogas Project will generate approximately 12MW-10.5MW (four engines) and 9MW-7.7MW (three engines) of gross renewable power. After 2042 there will be only two engines running and generating an estimated 6MW of gross power.

Status of the WES Contract and the FNTF:

In 2018 WES' price for the FNTF was \$13,928,938. Although, five years have gone by and the cost has increased due to significant inflation rate, staff managed to negotiate a price of \$17,629,194 with WES which was valid until September 23, 2022. Due to continued price increases through fourth quarter of 2022, the cost of the project now has increased to \$19,364,855. The price comprises of \$17,417,623 for the original scope of work, \$475,021 for Performance and Payment Bonds as well as an additional sum of \$1,472,211 for added scope of work that includes a natural gas compressor due to the low pressure of the SoCal Gas system and for shipping requirements, WES has to subcontract out certain EPC mechanical and electrical services in order to reassemble/assemble the engine-generator modules before turning them over to the City. The modules cannot be delivered to site as a whole, i.e., a complete engine-generator package, due to shipping constraints.

The City's Charter, Article VI, Section 9, allows City Council to dispense with competitive bidding where the City Council determines that dispensing with competitive bidding is in the best interests of the City. As noted above, WES was selected in 2017, through a RFP process held in 2016, as the best value proposer to the City. The RFP process allows the consideration of other factors serving the best interests of the City, rather than a mandatory award to the lowest proposer, when making an award. Since WES has completed the LNTP phase of the Project and has engineered the Project equipment, in order to ensure continuity of service relating to same upon the purchase of the Project equipment, staff is recommending and requesting that the City Council dispense with competitive bidding and issue the FNTF to WES, and to also authorize an amendment to WES's existing contract with the City to manufacture, supply and oversee the installation of, PIME.

The RFP Process for the EPC Contract:

To ensure that the public had an opportunity to participate in the Biogas project, the RFQ for the Project was reissued on March 4, 2022. Three qualified EPC firms responded to the RFQ, and all were selected to proceed to the RFP stage. After

amending the RFP documents from their 2017 versions, the RFP was issued to the three qualified firms on May 9, 2022, with a proposal due date of July 29, 2022.

The City received three responses to the RFP. Two were formal proposals, which are discussed in more detail below: one from ARB Inc., in the amount of \$70,909,700, and another from ACCO Engineered Systems, Inc., in the amount of \$43,637,098. Now (As of January 12, 2023) increased to \$45,800,200 (5% increase) to cover the escalation associated with the revised schedule for labor, equipment, subcontractors and general conditions. GWP lowered the previously requested contingency of 15% down to 10% to absorb portion of the price increase.

The third response was from SCS Energy, which declined to submit a formal proposal due to business reasons but informally stated that had a proposal been submitted, their budgetary price would have been \$55,800,000.

Upon review of the proposal documents and after considering all of the required metrics of evaluation, GWP recommends that ACCO be awarded this EPC contract. At this time, this request for approval is to authorize WES and ACCO to begin work on the project with notices to proceed.

Stantec's Supplemental Professional Environmental Services:

Due to the technical expertise needed, GWP requests that Stantec continue providing services necessary for the acceptance and success of the Biogas Project. As part of these services, Stantec will be preparing a Worker Environmental Awareness Program, conducting pre-construction surveys on wildlife and vegetation, prepare a Habitat Mitigation and Monitoring Plan, prepare an application for a Lake and Streambed Alteration Agreement, advancing air permitting requirement for the project, and any additional support GWP may request.

Worley's Services:

As GWP Owner's Engineer to manage review and monitor project design plus engineering, equipment procurement supervision, construction conformance with drawings and specifications, project commissioning and witness plus approve performance testing.

Southern California Gas Company Line Extension Contract:

As part of the Biogas Project, SoCalGas will need to extend their distribution system and install a meter to serve the Biogas Project. This work includes the construction of gas service piping and a meter set assembly (meter), and if required, the extension of gas main piping. The Engineer's cost estimate for this work is \$100,000 and is included in miscellaneous project costs.

Further Actions Taken Pursuant to City Council's Direction on September 20, 2022:

1. Cost-Benefit Analysis: Please see below for a comparison of the Biogas Project with other hypothetical projects:

Scholl Canyon Biogas Renewable Generation	Local Solar + Battery Storage	Wartsila Engine at Grayson	Renewable PPA
Cost Estimate: \$123M (\$80.36 per MWH)	Cost Estimate: \$248M (\$162.15 per MWH)	Cost Estimate: \$149M (\$97.15 per MWH)	Cost Estimate: \$145M (\$90.05 per MWH)
<ul style="list-style-type: none"> <li>• 11MW 24/7/365 for 10 years and ≈6MW after 20 years (minus periodic maintenance)</li> <li>• Local generation not depending on transmission</li> <li>• 9% City's renewable obligation</li> <li>• Beneficially using LFG instead of flaring</li> <li>• Includes \$ 2.5M/yr. O&amp;M – for 20 yrs.</li> </ul>	<ul style="list-style-type: none"> <li>• ≈ 262 MWh Battery Energy Storage System (with ≈66MW/4-hour BESS)</li> <li>• 44MW Utility-Scale Solar PV Generation</li> <li>• Cost of land, BESS augmentation, and O&amp;M <u>excluded</u> from estimate</li> <li>• Land footprint of about 250 acres</li> <li>• Not depending on transmission</li> </ul>	<ul style="list-style-type: none"> <li>• Assumes 1 Wartsila engine to match Scholl use-case (Baseload). 24/7/365 operation (minus periodic maintenance)</li> <li>• Not depending on transmission</li> <li>• This project would result in higher net emissions by having two emission projects instead of one (Natural Gas @ Grayson and Flaring @ Scholl).</li> <li>• Non-Fuel O&amp;M is estimated to be \$460K/yr</li> </ul>	<ul style="list-style-type: none"> <li>• Power Purchase Agreement + Losses + Transmission Cost over 20 years.</li> <li>• The city does not own the asset</li> <li>• Relies on availability of transmission (non-existent)</li> </ul>

2. Methane Gas Clean-Up:

The landfill gas (LFG) cleanup system proposed by the EPC contractor, ACCO, is designed and manufactured by Willexa Energy. It includes LFG compression via blowers, sulfur removal by a sulfur reduction media, dehydration via a chiller system, and siloxane removal by a regenerative catalyst system. The LFG degradation data was developed by SCS Engineers from Scholl historical and present data plus informed assumptions for the future. SCS's LFG model was used to calculate the LFG output or recovery potential over time. The model uses USEPA data plus SCS's data to calculate the LFG recovery potential over time. SCS uses the historical data from Scholl and a database of over 1200 years of

LFG flow and methane data from 253 landfills with operational LFG collection systems.

3. Communication of a Robust Fire Plan to the Community:

On December 14, 2022, the Glendale Fire Department held a community meeting where the City's robust plan in the Glenoaks Canyon neighborhood was discussed. Some topics included the region's fire history, evacuation and alerting steps and resources, and wildfire prevention such as the fire hazard severity zones, vegetation management laws, defensive space requirements, and home hardening. Residents were also informed of the wildfire response assets available to the residents from three different agencies: Glendale Fire, LA County Fire, and LA City Fire. The following mitigation measures are included in the project:

- Increasing the current brush clearance to allow for a minimum of 100ft clearance around all structures and buildings.
- Enclosing the engines which will contain the biogas within a structure (i.e. – no open flame exposure to the surrounding area).
- The structure will include a fire protection system that will activate at the first sign of a fire problem.
- The office buildings will include a fire sprinkler system.
- The power distribution center will include a NFPA-compliant fire protection system.
- The 60,000-gallon water tank will have fire department connections and is solely available for fire suppression use.
- Fire extinguishers and fire suppression hoses will be throughout the facility.
- Fire alarms throughout the facility.
- Separation within the engine enclosure building which will isolate a fire danger and minimize its spreading from engine to engine

4. Status of Plans to Develop Solar and Storage on City Sites:

A number of City sites have been identified for carport, rooftop, and/or ground mount solar installations. GWP worked with Black & Veatch to develop technical specifications for each of the solar installation options as well as conceptual designs for the sites. Per City Manager's direction, GWP is now working with one of Owner's Engineers to further develop the City owned solar projects.

5. Demonstration of Firm Assurances that Project Will Not Be Converted to All-Natural Gas Plant:

The SCAQMD Permit is one of the (if not the) most important documents governing the scope and operation of the Biogas Project. The SCAQMD Permit specifically provides a limit/cap of 10% natural gas usage of the Biogas Project.

Any levels exceeding this will be in violation of the SCAQMD Permit. Additionally, operating the Biogas Project with natural gas levels exceeding the SCAQMD Permit will disqualify the Biogas Project as a renewable source.

Finally, the EIR also allows the use of natural gas at a maximum of 10%. Therefore, any exceedance or modification would require a new EIR process, which the City Council will need to review and approve. Therefore, the operating permitting documents for the Biogas Project and the City Council are the firm assurances that the Project will not be converted to an all-natural gas plan

#### 6. Community Meetings Relating to the Project:

The following community meetings relating to the Biogas Project were held in accordance with Council's direction:

- November 10, 2022 – Site tour to Glenoaks Canyon Homeowners Association members of the landfill and biogas site
- November 16, 2022 – Meeting with Glenoaks Canyon Homeowners Association members
- November 30, 2022 – Open House held at the Civic Auditorium inviting the public to discuss and learn more about the Biogas Project.
- December 7, 2022 – Site Tour of the Scholl Canyon Landfill and Project to the Glenoaks Canyon Homeowners Association members
- December 7, 2022 – Community meeting with the Community Services & Parks Department regarding possible future recreational uses of the closed landfill site.
- December 8, 2022 – Responding to questions that were asked during the November 16, 2022 meeting with the Glenoaks Canyon Homeowner's Association
- December 8, 2022 – Meeting with a few Glenoaks Canyon Homeowner's Association members, to discuss future solar systems at the landfill and other sites in Glendale
- December 14, 2022 – Community meeting with the Fire Department regarding fire plan
- January 11, 2023 – Microsoft Teams meeting with representatives of Glenoaks Canyon Homeowners Association as the final wrap-up discussion.

#### AQMD Permit:

On August 24, 2022, the City received confirmation by the SCAQMD of its intent to issue the draft permit for the Biogas Project. On September 19<sup>th</sup>, 2022, AQMD issued a preliminary draft permit to construct and temporary permit to operate. SCAQMD continues to prepare its final report to US EPA. Once that report is complete, SCAQMD will then submit it to EPA, release the draft permit to the public and initiate the public review process. SCAQMD's actions going forward are not dependent upon City Council actions but instead are dependent solely upon SCAQMD's determination that the project complies with all applicable regulations. In releasing its preliminary draft

permit language to the City in September, SCAQMD has reaffirmed its concurrence that the project is in compliance with all applicable regulations and qualifies for permit.

<b>Project Description:</b>	<p>The proposed Biogas Renewable Generation Project will serve two major roles for the City:</p> <ul style="list-style-type: none"> <li>• Provide the City a Renewable Portfolio Standard resource.</li> <li>• Provide an environmentally sound manner in which to use the landfill gas from the Scholl Canyon Landfill.</li> </ul> <p>The proposed Biogas Renewable Generation Project, a 12 MW gross power plant, is to be located at Glendale’s existing Scholl Canyon Landfill (Site). The power plant will consist of four self-enclosed Jenbacher JGS 620 Reciprocating Engine Generators (REG), a biogas and condensate treating facility, natural gas pipeline, and electrical interconnection to Glendale Water and Power’s (GWP) electrical distribution system.</p>
<b>RFP Approved:</b>	May 5, 2022
<b>Advertisement Method:</b>	Email to Pre-Qualified EPC vendors with SharePoint link to all pertinent documents.
<b>RFP Issued:</b>	May 6, 2022
<b>RFP Due Date:</b>	July 29, 2022
<b>Company Name(s) and Proposal Amount(s):</b>	ACCO: \$45,800,200 ARB: \$70,909,700
<b>Selection Criteria (If SS, list applicable Provision):</b>	<p><u>EPC Procurement</u></p> <ul style="list-style-type: none"> <li>• Capital Cost – 45% (45 points)</li> <li>• Proposers LFG and Condensate Cleanup System Design – 25% (25 points)</li> <li>• Conformance with Commercial and Agreement Requirements; Proposed Schedule of Values – 10% (10 points)</li> <li>• Conformance with Technical Requirements – 10% (10 points)</li> <li>• Proposal Supplement and Presentation – 10% (10 points)</li> <li>• Value Engineering Alternatives (if any) – total possible of 5 additional points.</li> </ul>
<b>Consultant(s):</b>	Stantec Worley

<b>New / Existing Consultant(s):</b>	Existing
<b>Procurement Method (RFP / SS):</b>	RFP
<b>Contract Term:</b>	Approximately 2 years from EPC FNTP to in-service date.
<b>Project Begins:</b>	March 2023
<b>Project Ends:</b>	January 2025
<b>Change Orders (When Applicable)</b>	
<b>Company name:</b>	N/A
<b>Original Approved Contract Amount:</b>	N/A
<b>Approved Contingency:</b>	N/A
<b>Change Order History:</b>	N/A
<b>This Change Order (Increase):</b>	N/A
<b>New Contract Total (If Approved):</b>	N/A

**STAKEHOLDERS/OUTREACH**

Extensive stakeholder outreach was conducted for the Biogas Project, the process of which was governed by the requirements of the applicable California Environmental Quality Act (CEQA) Guidelines. The City issued a Notice of Preparation of the Draft Environmental Impact Report (DEIR) for the Proposed Project on March 21, 2019<sup>1</sup>. The CEQA-governed public outreach, as well as the City’s efforts for stakeholder outreach are summarized in this section.

The Project DEIR was circulated for public review and comment from July 1, 2020, through September 30, 2020 for an extended 90-day public comment period. Through the CEQA process, outreach was undertaken to the following stakeholders:

- Residents and business owners: through publication of notification of, and information relating to, the DEIR through the CEQA noticing process (e.g. publication through the county, city and state clearinghouse, through GWP’s social media platforms and through the City’s website, as well as noticed and agendized public hearings before the GWP Commission, Sustainability Commission, Planning Commission and the City Council.
- Surrounding jurisdictions and applicable authorities (such as, but not limited to, the City of Pasadena; City of Los Angeles; Los Angeles County; South Coast Air Quality Management District; Los Angeles Sanitation District; City of La Canada;

<sup>1</sup> Prior to the issuance of the Notice of Preparation of the DEIR and the DEIR/FEIR process, the City issued public notice and conducted public hearings for the Mitigated Negative Declaration (MND) for the Biogas Project. At the direction of the City Council, the City proceeded with the much more comprehensive CEQA review via the DEIR/FEIR process.

Caltrans; California Air Resources Board; State Water Resources Control Board; Department of Toxic Substances Control; and the California Department of Fish and Wildlife): by providing them written notification of the DEIR with an opportunity to submit comments, each of which were addressed thoroughly by the City.

In addition to the above, during months of November and December of 2022 a number of site tours and community meetings were held with Glenoaks Canyon Homeowners Association members and the general public.

**FISCAL IMPACT**

The total contractual cost for Biogas Renewable Generation Project is \$73,116,561 based on the following cost breakdown:

- FNTF to WES and EPC: \$65,165,055
- Total contingency of \$6,516,506 at 10 percent for WES and EPC
- Owner’s Engineer and miscellaneous project costs: \$1,435,000

Of this amount, \$26,207,685 was approved as a part of the FY 2022-23 budget. The remaining amount of \$46,908,876 was not included, therefore staff is requesting for an appropriation of \$46,908,876 from the Electric Surplus Fund Balance or Bond proceeds. The existing appropriation and the requested appropriation is outlined below:

<b>Existing Appropriation</b>			
<b>Amount</b>	<b>Account String</b>		<b>Funding Source</b>
\$26,207,685	GL: 43110-5830-GWP-0020 PL: 31005		Electric Depreciation Fund
<b>Requesting Appropriation</b>			
<b>Amount</b>	<b>From (Account String)</b>	<b>To (Account String)</b>	<b>Funding Source</b>
\$46,908,876	GL: 27900-5810-GWP-0000	GL: 43110-5830-GWP-0020 PL: 31005	Net Position, Electric Fund Balance and Bond Proceeds

**ENVIRONMENTAL REVIEW (CEQA/NEPA)**

As required by the CEQA Guidelines (14 Cal Code Regs §15082(a)(1)), the City issued a Notice of Preparation of the Draft Environmental Impact Report (DEIR) for the Proposed Project on March 21, 2019. The Project DEIR was circulated for public review and comment from July 1, 2020, through September 30, 2020, for a 90-day period. Numerous public comments were received and responses to each public comment were drafted and incorporated into the Final Environmental Impact Report (FEIR), which was prepared pursuant to the City of Glendale’s adopted Procedures for Preparation

and Processing of Environmental Documents (Glendale CEQA Guidelines, 2016) and Public Resources Code §§21000 et seq., and the CEQA Guidelines (15 Cal Code Regs §15000 et. seq.). The FEIR was published on the City's website on August 2, 2021. On November 30, 2021, the EIR was certified by the City Council.

In addition to the above synopsis, GWP has been working with Stantec to secure the proper permit with SCAQMD. SCAQMD has been cooperative with this process and, as a result, has provided the attached draft permit (see Exhibit 1).

## **CAMPAIGN DISCLOSURE**

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In accordance with the City Campaign Finance Ordinance No. 5744, the attachments to this Report contains the names and business addresses of the members of the board of directors, the chairperson, CEO, COO, CFO, Subcontractors and any person or entity with more than 10% interest or more in the company proposed for contract in this Agenda Item (see Exhibits 2, 3, 4 and 5).

## **ALTERNATIVES**

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Alternative 1: Authorize and approve the actions requested and recommended in this report to generate 12 to 6 megawatts of local renewable and reliable energy from landfill gas for over 20 years.

Alternative 2: Do not authorize or approve the actions requested and recommended in this report which will have the effect of the need to continue flaring the landfill gas 24/7 for many years with no beneficial use, as well as the cost to purchase replacement energy.

Alternative 3: Consider any other alternatives not proposed by staff.

## **ADMINISTRATIVE ACTION**

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**Prepared by:**

Daniel Scorza, Chief Assistant General Manager - Electric

**Approved by:**

Roubik R. Golanian, P.E., City Manager

## **EXHIBITS/ATTACHMENTS**

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Exhibit 1: SCAQMD draft permit

Exhibit 2: Campaign Finance Disclosure for ACCO Engineered Systems, Inc.

Exhibit 3: Campaign Finance Disclosure for Western Energy Systems, a division of Pen Power Group, LLC

Exhibit 4: Campaign Finance Disclosure for Stantec Consulting Services, Inc.

Exhibit 5: Campaign Finance Disclosure for Worley Group, Inc.