

GRANT REQUEST FORM (GRF)



New Agreement ARV-16-027 (To be completed by CGL Office)

600 Fuels and Transportation Division	Chi-Chung Tsao	27	916-651-2934
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City of Manteca	94-6000366
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Waste to Fuel Program

05 / 10 / 2017	11 / 30 / 2020	\$ 3,004,000
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ARFVTP agreements \$75K and under delegated to Executive Director.

Proposed Business Meeting Date	05 / 10 / 2017	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Discussion
Business Meeting Presenter	Chi-Chung Tsao	Time Needed:	5 minutes

Please select one list serve. Altfuels (AB118- ARFVTP)

Agenda Item Subject and Description

Proposed resolution adopting California Environmental Quality Act Findings for the City of Manteca Waste to Fuel program and approving Agreement ARV-16-027 with the City of Manteca. .

a. CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS. Findings that, based on the lead agency City of Manteca’s Notice of Exemption of Lovelace Transfer Station Food Processing Project, Final Environmental Impact Report and Mitigation Monitoring and Reporting Program for City of Manteca Wastewater Quality Control Facility (WQCF) and Collection System Master Plans Update Project, and Initial Study and Mitigated Negative Declaration for Manteca WQCF Alternative Energy Program Project, the work under the proposed project presents no new significant or substantially more severe environmental impacts beyond those already considered and mitigated to a less-than-significant level.

b. Proposed resolution approving ARV-16-027 with the City of Manteca for a \$3,004,000 grant to design, construct, and operate a biomethane facility to produce 140,000 diesel gallon equivalents of renewable natural gas (RNG) per year from co-digested food waste, fats, oils, and grease (FOG), and sewage sludge. The biomethane facility will be integrated with the City’s food waste receiving facilities and a fueling station. Produced RNG will displace current use of diesel and gasoline in the City-owned fleet.

1. Is Agreement considered a “Project” under CEQA?
 Yes (skip to question 2) No (complete the following (PRC 21065 and 14 CCR 15378)):
 Explain why Agreement is not considered a “Project”:
 Agreement will not cause direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment because .

2. If Agreement is considered a “Project” under CEQA:
 a) Agreement **IS** exempt. (Attach draft NOE)
 Statutory Exemption. List PRC and/or CCR section number: _____
 Categorical Exemption. List CCR section number: _____
 Common Sense Exemption. 14 CCR 15061 (b) (3)
 Explain reason why Agreement is exempt under the above section: _____

b) Agreement **IS NOT** exempt. (Consult with the legal office to determine next steps.)
 Check all that apply
 Initial Study Environmental Impact Report
 Negative Declaration Statement of Overriding Considerations
 Mitigated Negative Declaration

Legal Company Name:	Budget
Western Water Constructors, Inc	\$ 1,501,534
TBD	\$ 1,502,466
	\$

Exhibit A SCOPE OF WORK

TECHNICAL TASK LIST

Task #	CPR	Task Name
1		Administration
2	X	Construction of Digestion, FOG Receiving, and Food Waste Receiving Facilities
3	X	Design of R-CNG Treatment and Fueling Facilities
4		Construction of R-CNG Treatment and Fueling Facilities
5		Facilities Operations
6		Outreach
7		Data Collection and Analysis

KEY NAME LIST

Task #	Key Personnel	Key Subcontractor(s)	Key Partner(s)
1	Bret Swain, City of Manteca		
2	Bret Swain, City of Manteca		
3	Bret Swain, City of Manteca	Sean Thomason, Western Water Constructors, Inc.	Unison Solutions
4	Bret Swain, City of Manteca	Gregory Harris, HERWIT Engineering	Stantec Engineering Clean Energy True Star Energy
5	Bret Swain, City of Manteca	Contractor TBD	Unison Solutions
6	Bret Swain, City of Manteca	Gregory Harris, HERWIT Engineering	

GLOSSARY

Specific terms and acronyms used throughout this scope of work are defined as follows:

Term/ Acronym	Definition
ARFVTP	Alternative and Renewable Fuel and Vehicle Technology Program
CAM	Commission Agreement Manager
City	City of Manteca
CFM	Cubic Feet Per Minute
CNG	Compressed Natural Gas
CPR	Critical Project Review
DGE	Diesel Gallon Equivalent
FOG	Fats, Oils, and Grease
FTD	Fuels and Transportation Division
GGE	Gallon Gas Equivalent
R-CNG	Renewable Compressed Natural Gas
Recipient	City of Manteca
SAE	Society of Automotive Engineers
WQCF	Water Quality Control Facility
WWTP	Wastewater Treatment Plant

Background

Assembly Bill (AB) 118 (Núñez, Chapter 750, Statutes of 2007), created the Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP). The statute authorizes the California Energy Commission (Energy Commission) to develop and deploy alternative and renewable fuels and advanced transportation technologies to help attain the state's climate change, clean air, and alternative energy policies. AB 8 (Perea, Chapter 401, Statutes of 2013) re-authorizes the ARFVTP through January 1, 2024. The ARFVTP has an annual budget of approximately \$100 million and provides financial support for projects that:

- Reduce California's use and dependence on petroleum transportation fuels and increase the use of alternative and renewable fuels and advanced vehicle technologies.
- Produce sustainable alternative and renewable low-carbon fuels in California.
- Expand alternative fueling infrastructure and fueling stations.
- Improve the efficiency, performance and market viability of alternative light-, medium-, and heavy-duty vehicle technologies.
- Retrofit medium- and heavy-duty on-road and non-road vehicle fleets to alternative technologies or fuel use.
- Expand the alternative fueling infrastructure available to existing fleets, public transit, and transportation corridors.

- Establish workforce training programs and conduct public outreach on the benefits of alternative transportation fuels and vehicle technologies.

The Energy Commission issued solicitation GFO-15-606 for low carbon biofuel production facilities to increase production capacity. To be eligible for funding under GFO-15-606, projects must also be consistent with the Energy Commission's ARFVT Investment Plan, updated annually. In response to GFO-15-606, City of Manteca (Recipient) submitted application 4, which was proposed for funding in the Energy Commission's Notice of Proposed Awards on February 17, 2017 and the revised Notice of Proposed Awards on April 21, 2017. GFO-15-606 and Recipient's aforementioned applications are hereby incorporated by reference into this Agreement in their entirety.

In the event of any conflict or inconsistency between the terms of the Solicitation and the terms of the Recipient's Application, the Solicitation shall control. In the event of any conflict or inconsistency between the Recipient's Application and the terms of the Energy Commission's Award, the Energy Commission's Award shall control. Similarly, in the event of any conflict or inconsistency between the terms of this Agreement and the Recipient's Application, the terms of this Agreement shall control.

Problem Statement:

California has several reliable and sustainable resources that are not being utilized to their full potential. These resources are food waste, currently sent to landfills, and digester gas, produced as a byproduct of wastewater treatment at wastewater treatment plants throughout the state.

The City of Manteca's Waste to Fuel Program will be the first example of a new approach to demonstrate a cost effective method to comply with AB1826 legislation which affects solid waste by utilizing synergies available to municipalities at their local wastewater treatment plant. The project will produce vehicle fuel from co-digested food waste and sewage sludge to generate digester gas that will be processed into transportation fuel for the City of Manteca Solid Waste and other vehicle fleets. Intercepting landfill bound food waste reduces greenhouse gases in two ways. First, it reduces fugitive emissions of methane at landfills. Second, methane produced from co-digestion of the food waste with sewage sludge is used to offset diesel usage in the solid waste collection and other City fleets, creating a renewable low carbon fuel source for the community.

The numerous public agencies that landfill food waste and other organic waste, or simply waste their digester gas, will see the project as a viable option to cost-effectively recover the energy from these materials while reducing greenhouse gas emissions. The target market for replicating the Project is all of the cities in California that have access to a wastewater treatment plant that utilizes anaerobic digestion.

Goals of the Agreement:

The goals of this agreement are to:

- Demonstrate the processes and technologies to sustainably produce low carbon renewable CNG (R-CNG) from co-digested food waste, fats, oils, and greases (FOG), and sewage sludge.

- Demonstrate that any City with access to a wastewater treatment facility with digesters has the potential to sustainably divert their food waste from landfills and produce vehicle fuel from digester gas.
- Encourage other public agencies with access to wastewater treatment plants (WWTPs) to consider a similar approach to diversion of landfill bound organic waste and producing vehicle fuel.
- Properly implement a program to cost effectively achieve these goals.

Objectives of the Agreement:

The objectives of this Agreement are as follows:

- Install food waste receiving and FOG receiving facilities with a capacity of at least 10,000 gallons of FOG storage at the Water Quality Control Facility (WQCF) for co-digestion of food waste and FOG with municipal sewage sludge for generation of renewable compressed natural gas (R-CNG).
- Install new digesters, gas holders, and gas handling equipment to deliver conditioned digester gas to the R-CNG gas treatment system with a capacity of at least 450 diesel gallon equivalents per day.
- Install an R-CNG gas treatment system with a capacity of at least 500 diesel gallon equivalents per day to clean anaerobic digester gas to produce biomethane that complies with SAE J1616 standards CNG vehicle fuel.
- Install a vehicle fueling system to compress, store, and dispense CNG to vehicles.
- Divert approximately 1,000 wet tons/year of food waste and other organic MSW and 2,500 dry tons/year of sewage sludge.
- Produce at least 140,000 diesel gallon equivalents per year (DGEs/year) of vehicle fuel for use by the City of Manteca's solid waste fleet.
- Promote the success of the Project so that other public agencies with access to WWTPs will be encouraged to replicate the project. Activities include articles in the newspaper, preparation of information materials, outreach to local schools about food waste recovery, and presentations at technical conferences.

TASK 1 ADMINISTRATION

Task 1.1 Attend Kick-off Meeting

The goal of this task is to establish the lines of communication and procedures for implementing this Agreement. The CAM shall designate the date and location of this meeting and provide an agenda to the Recipient prior to the meeting.

The Recipient shall:

- Attend a “Kick-Off” meeting with the Commission Agreement Manager, the Grants Officer, and a representative of the Accounting Office. The Recipient shall bring its Project Manager, Agreement Administrator, Accounting Officer, and others designated by the Commission Agreement Manager to this meeting.
- Discuss the following administrative and technical aspects of this Agreement:
 - Agreement Terms and Conditions

- Critical Project Review (Task 1.2)
- Match fund documentation (Task 1.6) No reimbursable work may be done until this documentation is in place.
- Permit documentation (Task 1.7)
- Subcontracts needed to carry out project (Task 1.8)
- The CAM's expectations for accomplishing tasks described in the Scope of Work
- An updated Schedule of Products and Due Dates
- Monthly Progress Reports (Task 1.4)
- Technical Products (Product Guidelines located in Section 5 of the Terms and Conditions)
- Final Report (Task 1.5)

Recipient Products:

- Updated Schedule of Products
- Updated List of Match Funds
- Updated List of Permits

Commission Agreement Manager Product:

- Kick-Off Meeting Agenda

Task 1.2 Critical Project Review (CPR) Meetings

CPRs provide the opportunity for frank discussions between the Energy Commission and the Recipient. The goal of this task is to determine if the project should continue to receive Energy Commission funding to complete this Agreement and to identify any needed modifications to the tasks, products, schedule or budget.

The Commission Agreement Manager may schedule CPR meetings as necessary, and meeting costs will be borne by the Recipient.

Meeting participants include the CAM and the Recipient and may include the Commission Grants Officer, the Fuels and Transportation Division (FTD) biofuel lead, other Energy Commission staff and Management as well as other individuals selected by the CAM to provide support to the Energy Commission.

The CAM shall:

- Determine the location, date, and time of each CPR meeting with the Recipient. These meetings generally take place at the Energy Commission, but they may take place at another location.
- Send the Recipient the agenda and a list of expected participants in advance of each CPR. If applicable, the agenda shall include a discussion on both match funding and permits.
- Conduct and make a record of each CPR meeting. Prepare a schedule for providing the written determination described below.

- Determine whether to continue the project, and if continuing, whether or not modifications are needed to the tasks, schedule, products, and/or budget for the remainder of the Agreement. Modifications to the Agreement may require a formal amendment (please see section 8 of the Terms and Conditions). If the CAM concludes that satisfactory progress is not being made, this conclusion will be referred to the Lead Commissioner for Transportation for his or her concurrence.
- Provide the Recipient with a written determination in accordance with the schedule. The written response may include a requirement for the Recipient to revise one or more product(s) that were included in the CPR.

The Recipient shall:

- Prepare a CPR Report for each CPR that discusses the progress of the Agreement toward achieving its goals and objectives. This report shall include recommendations and conclusions regarding continued work of the projects. This report shall be submitted along with any other products identified in this scope of work. The Recipient shall submit these documents to the CAM and any other designated reviewers at least 15 working days in advance of each CPR meeting.
- Present the required information at each CPR meeting and participate in a discussion about the Agreement.

CAM Products:

- Agenda and a list of expected participants
- Schedule for written determination
- Written determination

Recipient Product:

- CPR Report(s)

Task 1.3 Final Meeting

The goal of this task is to closeout this Agreement.

The Recipient shall:

- Meet with Energy Commission staff to present the findings, conclusions, and recommendations. The final meeting must be completed during the closeout of this Agreement.

This meeting will be attended by, at a minimum, the Recipient, the Commission Grants Office Officer, and the Commission Agreement Manager. The technical and administrative aspects of Agreement closeout will be discussed at the meeting, which may be two separate meetings at the discretion of the Commission Agreement Manager.

The technical portion of the meeting shall present an assessment of the degree to which project and task goals and objectives were achieved, findings, conclusions, recommended next steps (if any) for the Agreement, and recommendations for improvements. The Commission Agreement Manager will determine the appropriate meeting participants.

The administrative portion of the meeting shall be a discussion with the Commission Agreement Manager and the Grants Officer about the following Agreement closeout items:

- What to do with any equipment purchased with Energy Commission funds (Options)
 - Energy Commission's request for specific "generated" data (not already provided in Agreement products)
 - Need to document Recipient's disclosure of "subject inventions" developed under the Agreement
 - "Surviving" Agreement provisions
 - Final invoicing and release of retention
- Prepare a schedule for completing the closeout activities for this Agreement.

Products:

- Written documentation of meeting agreements
- Schedule for completing closeout activities

Task 1.4 Monthly Progress Reports

The goal of this task is to periodically verify that satisfactory and continued progress is made towards achieving the objectives of this Agreement on time and within budget.

The objectives of this task are to summarize activities performed during the reporting period, to identify activities planned for the next reporting period, to identify issues that may affect performance and expenditures, and to form the basis for determining whether invoices are consistent with work performed.

The Recipient shall:

- Prepare a Monthly Progress Report which summarizes all Agreement activities conducted by the Recipient for the reporting period, including an assessment of the ability to complete the Agreement within the current budget and any anticipated cost overruns. Each progress report is due to the Commission Agreement Manager within 10 days of the end of the reporting period. The recommended specifications for each progress report are contained in Section 6 of the Terms and Conditions of this Agreement.
- In the first Monthly Progress Report and first invoice, document and verify match expenditures and provide a synopsis of project progress, if match funds have been expended or if work funded with match share has occurred after the notice of proposed award but before execution of the grant agreement. If no match funds have been expended or if no work funded with match share has occurred before execution, then state this in the report. All pre-execution match expenditures must conform to the requirements in the Terms and Conditions of this Agreement.

Product:

- Monthly Progress Reports

Task 1.5 Final Report

The goal of the Final Report is to assess the project's success in achieving the Agreement's goals and objectives, advancing science and technology, and providing energy-related and other benefits to California.

The objectives of the Final Report are to clearly and completely describe the project's purpose, approach, activities performed, results, and advancements in science and technology; to present a public assessment of the success of the project as measured by the degree to which goals and objectives were achieved; to make insightful observations based on results obtained; to draw conclusions; and to make recommendations for further projects and improvements to the FTD project management processes.

The Final Report shall be a public document. If the Recipient has obtained confidential status from the Energy Commission and will be preparing a confidential version of the Final Report as well, the Recipient shall perform the following activities for both the public and confidential versions of the Final Report.

The Recipient shall:

- Prepare an Outline of the Final Report, if requested by the CAM.
- Prepare a Final Report following the latest version of the Final Report guidelines which will be provided by the CAM. The CAM shall provide written comments on the Draft Final Report within fifteen (15) working days of receipt. The Final Report must be completed at least 60 days before the end of the Agreement Term.
- Submit one bound copy of the Final Report with the final invoice.

Products:

- Outline of the Final Report, if requested
- Draft Final Report
- Final Report

Task 1.6 Identify and Obtain Matching Funds

The goal of this task is to ensure that the match funds planned for this Agreement are obtained for and applied to this Agreement during the term of this Agreement.

The costs to obtain and document match fund commitments are not reimbursable through this Agreement. Although the Energy Commission budget for this task will be zero dollars, the Recipient may utilize match funds for this task. Match funds shall be spent concurrently or in advance of Energy Commission funds for each task during the term of this Agreement. Match funds must be identified in writing and the associated commitments obtained before the Recipient can incur any costs for which the Recipient will request reimbursement.

The Recipient shall:

- Prepare a letter documenting the match funding committed to this Agreement and submit it to the Commission Agreement Manager at least 2 working days prior to the kick-off meeting. If no match funds were part of the proposal that led to the Energy Commission awarding this Agreement and none have been identified at the time this Agreement starts, then state such in the letter. If match funds were a part of the proposal that led to the Energy Commission awarding this Agreement, then provide in the letter a list of the match funds that identifies the:

- Amount of each cash match fund, its source, including a contact name, address and telephone number and the task(s) to which the match funds will be applied.
- Amount of each in-kind contribution, a description, documented market or book value, and its source, including a contact name, address and telephone number and the task(s) to which the match funds will be applied. If the in-kind contribution is equipment or other tangible or real property, the Recipient shall identify its owner and provide a contact name, address and telephone number, and the address where the property is located.
- Provide a copy of the letter of commitment from an authorized representative of each source of cash match funding or in-kind contributions that these funds or contributions have been secured. For match funds provided by a grant a copy of the executed grant shall be submitted in place of a letter of commitment.
- Discuss match funds and the implications to the Agreement if they are reduced or not obtained as committed, at the kick-off meeting. If applicable, match funds will be included as a line item in the progress reports and will be a topic at CPR meetings.
- Provide the appropriate information to the Commission Agreement Manager if during the course of the Agreement additional match funds are received.
- Notify the Commission Agreement Manager within 10 days if during the course of the Agreement existing match funds are reduced. Reduction in match funds must be approved through a formal amendment to the Agreement and may trigger an additional CPR meeting.

Products:

- A letter regarding match funds or stating that no match funds are provided
- Copy(ies) of each match fund commitment letter(s) (if applicable)
- Letter(s) for new match funds (if applicable)
- Letter that match funds were reduced (if applicable)

Task 1.7 Identify and Obtain Required Permits

The goal of this task is to obtain all permits required for work completed under this Agreement in advance of the date they are needed to keep the Agreement schedule on track.

Permit costs and the expenses associated with obtaining permits are not reimbursable under this Agreement. Although the Energy Commission budget for this task will be zero dollars, the Recipient shall budget match funds for any expected expenditures associated with obtaining permits. Permits must be identified in writing and obtained before the Recipient can make any expenditure for which a permit is required.

The Recipient shall:

- Prepare a letter documenting the permits required to conduct this Agreement and submit it to the Commission Agreement Manager at least 2 working days prior to the kick-off meeting. If there are no permits required at the start of this Agreement, then state such in the letter. If it is known at the beginning of the Agreement that permits will be required during the course of the Agreement, provide in the letter:

- A list of the permits that identifies the:
 - Type of permit
 - Name, address and telephone number of the permitting jurisdictions or lead agencies
- The schedule the Recipient will follow in applying for and obtaining these permits.
- Discuss the list of permits and the schedule for obtaining them at the kick-off meeting and develop a timetable for submitting the updated list, schedule and the copies of the permits. The implications to the Agreement if the permits are not obtained in a timely fashion or are denied will also be discussed. If applicable, permits will be included as a line item in the Progress Reports and will be a topic at CPR meetings.
- If during the course of the Agreement additional permits become necessary, provide the appropriate information on each permit and an updated schedule to the Commission Agreement Manager.
- As permits are obtained, send a copy of each approved permit to the Commission Agreement Manager.
- If during the course of the Agreement permits are not obtained on time or are denied, notify the Commission Agreement Manager within 5 working days. Either of these events may trigger an additional CPR.

Products:

- Letter documenting the permits or stating that no permits are required
- A copy of each approved permit (if applicable)
- Updated list of permits as they change during the term of the Agreement (if applicable)
- Updated schedule for acquiring permits as changes occur during the term of the Agreement (if applicable)
- A copy of each final approved permit (if applicable)

Task 1.8 Obtain and Execute Subcontracts

The goal of this task is to ensure quality products and to procure subcontractors required to carry out the tasks under this Agreement consistent with the Agreement Terms and Conditions and the Recipient's own procurement policies and procedures. It will also provide the Energy Commission an opportunity to review the subcontracts to ensure that the tasks are consistent with this Agreement, and that the budgeted expenditures are reasonable and consistent with applicable cost principles.

The Recipient shall:

- Manage and coordinate subcontractor activities.
- Submit a draft of each subcontract required to conduct the work under this Agreement to the Commission Agreement Manager for review.
- Submit a final copy of the executed subcontract.
- If Recipient decides to add new subcontractors, then the Recipient shall notify the CAM.

Products:

- Letter describing the subcontracts needed, or stating no subcontracts are required
- Draft subcontracts
- Final subcontracts

TECHNICAL TASKS

TASK 2 CONSTRUCTION OF DIGESTION, FOG RECEIVING, AND FOOD WASTE RECEIVING FACILITIES

The goal of this task is to perform construction activities at the WQCF in accordance with the design specifications in preparation for food waste and FOG receiving facilities with a capacity of at least 10,000 gallons of FOG storage, and new digesters, gas holders, and gas handling equipment to deliver conditioned digester biogas to the R-CNG gas treatment system with a capacity of at least 450 diesel gallon equivalents per day.

The Recipient shall:

- Prepare and submit to the CAM a Written Notification of Readiness to Construct, including a plan and timeline for site construction activities.
- Construct:
 - Anaerobic digesters
 - Floating cover gas holders
 - Gas handling equipment
 - FOG receiving facilities
 - Food waste receiving facilities
- Test the installed facilities and ensure capacity of at least 10,000 gallons of FOG storage and biogas production.
- Conduct training of the City's staff to operate and maintain the installed facilities.
- Start-up and commission the installed facilities.
- Prepare and submit to the CAM a Written Notification of Construction Completion and Operation Start Date for FOG receiving and food waste receiving facilities. The Written Notification shall contain the following elements:
 - The date the project achieved operation
 - A narrative on the current status of the project and initial operations
 - Any changes made from the project as originally proposed and reasons for those changes

Products:

- Written Notification of Readiness to Construct

- Written Notification of Construction Completion and Operation Start Date

[CPR will be held upon completion of this task. See Task 1.2 for details]

TASK 3 DESIGN OF R-CNG TREATMENT AND FUELING FACILITIES

The goal of this task is to complete all required design work to construct the R-CNG treatment and CNG fueling facilities with a capacity of at least 500 DGE/day of R-CNG that will comply with SAE J1616 for use as a vehicle fuel.

The Recipient shall:

- Prepare and submit to the CAM a Pre-Design Report summarizing the general facilities and equipment and costs for final design.
- Design R-CNG treatment equipment and fueling equipment with a capacity of 500 DGE per day to treat biogas that has had siloxanes and CO₂ removed, and turn the biogas into R-CNG transportation fuel that complies with SAE J1616 for use as a vehicle fuel. Design the following elements:
 - Compressor systems for compressing the R-CNG to 3,500 psi.
 - High pressure storage systems for storing R-CNG for vehicle use.
 - 1 fast fill truck filling station and equipment.
 - 20 slow fill truck filling stations, parking area, and equipment.
- Prepare and submit to the CAM the Final Engineering Design Plans and Specifications for the civil, mechanical, structural, electrical, and instrumentation and control components of the gas treatment system, vehicle fuel system, and appurtenant work needed to create a complete and operable system.
- Prepare and submit to the CAM a construction timeline, including start of construction through operation date.
- Prepare and submit to the CAM a Written Notification of Readiness to Construct.

Products:

- Pre-Design Report
- Final Engineering Design Plans and Specifications
- Construction Timeline
- Written Notification of Readiness to Construct

[CPR will be held upon completion of this task. See Task 1.2 for details]

TASK 4 CONSTRUCTION OF R-CNG TREATMENT AND FUELING FACILITIES

The goal of this task is to construct, test, start-up and commission an R-CNG treatment and CNG fueling facilities with a capacity of at least 500 DGE/day of R-CNG that will comply with SAE J1616 for use as a vehicle fuel.

The Recipient shall:

- Construct:
 - R-CNG treatment equipment
 - Compressors for compressing R-CNG
 - High pressure storage for R-CNG
 - Slow fill and fast fill vehicle fueling stations
- Test the installed facilities.
- Conduct training of the City's staff to operate and maintain the installed facilities.
- Start-up and commission the installed facilities.
- Prepare and submit to the CAM a Written Notification of Construction Completion and Operation Start Date for the R-CNG treatment and fueling facilities that produce R-CNG transportation fuel that complies with SAE J1616. The Written Notification shall contain the following elements:
 - The date the project achieved operation
 - A narrative on the current status of the project and initial operations
 - Any changes made from the project as originally proposed and reasons for those changes

Products:

- Written Notification of Construction Completion and Operation Start Date

Task 5 FACILITIES OPERATIONS

The goal of this task is to operate the digestion, FOG receiving, food waste, R-CNG treatment, and fueling facilities. The objectives are to divert approximately 1,000 wet tons/year of food waste and other organic MSW and 2,500 dry tons/year of sewage sludge, and produce at least 140,000 diesel gallon equivalents per year (DGEs/year) of vehicle fuel for use by the City of Manteca's solid waste fleet.

The Recipient shall:

- Operate facilities for a minimum of 6 months.

- Prepare and submit to the CAM a Final System Report that describes the details and process of completing and integrating the digestion, FOG receiving, food waste, R-CNG treatment, and fueling facilities, including a discussion on the current status of the facility and process of initial operations, measurable output of R-CNG, and a plan for achieving capacity.

Products:

- Final System Report

TASK 6 OUTREACH

The goal of this task is to maintain external communication with the public, industries, and other entities to enlist support, recruit food waste generators, and demonstrate that the biofuel production process is replicable and scalable for other communities. Activities include articles in the newspaper, preparation of information materials, outreach to local schools about food waste recovery, and presentations at technical conferences.

The Recipient shall:

- Prepare presentation materials for outreach events.
- Attend at least 2 relevant conferences or trade association events, and at least 2 community events to present the Project's progress.
- Develop a webpage on the City's website to provide updates on the Project.

Products:

- List of Outreach Events and Presentation Materials
- Link to City Web Page for Waste to Fuel Program

TASK 7 DATA COLLECTION AND ANALYSIS

The goal of this task is to collect operational data from the project, to analyze that data for economic and environmental impacts, and to include the data and analysis in the Final Report.

The Recipient shall:

- Develop a data collection plan.
- Troubleshoot any issues identified.
- Collect at least six months of data, including:
 - Throughput, usage, and operations data
 - Normal operating hours, up time, down time, and explanations of variations
 - Feedstock supply summary
 - Maximum capacity of the new fuel production system in diesel gallon equivalents (DGE) and ordinary units

- Gallons of gasoline and/or diesel fuel displaced (with associated mileage information), along with value converted into DGE
- Record of wastes from production processes (waste water, solid waste, criteria emissions, etc.)
- Expected air emissions reduction, for example:
 - Non-methane hydrocarbons
 - Oxides of nitrogen
 - Non-methane hydrocarbons plus oxides of nitrogen
 - Particulate Matter
 - Formaldehyde
- Duty cycle of the current fleet and the expected duty cycle of future vehicle acquisitions
- Specific jobs and economic development resulting from this project
- Finished fuel price
- Analysis of total facility costs, operation and maintenance costs, marginal abatement costs
- Comply with the Petroleum Industry Information Reporting Act (PIIRA) and complete CEC Form M810E and CEC Form M13 on a monthly basis for submission to the California Energy Commission's PIIRA Data Collection Unit.
- Provide a written record of registering with the Low Carbon Fuel Standard and Renewable Fuel Standard programs.
- Identify any current and planned use of renewable energy at the facility.
- Describe any energy efficiency measures used in the facility that may exceed Title 24 standards in Part 6 of the California Code Regulations.
- Provide data on potential job creation, economic development, and increased state revenue as a result of expected future expansion.
- Provide a quantified estimate of the project's carbon intensity values or provide an Air Resources Board approved pathway carbon intensity.
- Estimate annual life-cycle greenhouse gas emission reduction.
- Compare any project performance and expectations provided in the proposal to Energy Commission with actual project performance and accomplishments.
- Collect data, information, and analysis described above and include in the Final Report.

Products:

- Data collection information and analysis will be included in the Final Report

Memorandum

To: ARV-16-027, City of Manteca Waste-to-Fuel Program

Date: May 3, 2017

Telephone: CALNET (916) 651-2934

From: Chi-Chung Tsao

Subject: California Environmental Quality Act Analysis for ARV-16-027

I am an Air Pollution Specialist in Fuel and Transportation Division, California Energy Commission. Based on my independent review of the City of Manteca's (the "City's") 2008 Final Environmental Impact Report (FEIR) and Mitigation Monitoring and Reporting Program for City of Manteca Wastewater Quality Control Facility (WQCF) and Collection System Master Plans Update Project, 2016 Initial Study and Mitigated Negative Declaration (IS/MND) for Manteca WQCF Alternative Energy Program Project, and the proposed agreement including scope of work for proposed Agreement ARV-16-027, it is my opinion that the work to be performed under the proposed agreement will result in no significant environmental impacts. The reasons for my conclusion are as follows.

The proposed project includes improvements on existing anaerobic digesters and two main construction components: (1) Fats, Oils and Grease (FOG) and food waste receiving facilities; and (2) a Renewable natural gas (R-CNG) production facilities including installation of R-CNG treatment equipment, compressors and storage of R-CNG, and fueling stations. All of the construction and operation will be within the City's WQCF analyzed in the 2016 IS/MND and 2008 FEIR. The food waste that will be used for this project will come from the Lovelace Transfer Station Food Processing Project, which is a joint project with the San Joaquin County Public Works Department and the City of Manteca. That project is not being funded by this grant, and the resulting slurry of that project is what will be used for the digesters at the WQCF. The San Joaquin County Public Works Department filed a Notice of Exemption (NOE) for the Lovelace Transfer Station Food Processing Project. I have reviewed the NOE and ARV-16-027 does not impact the lead agency's findings. The scope of work of the proposed agreement has no omissions from or conflicts of information with the documents above.

I reviewed the impacts identified by the lead agency as it relates to the Energy Commission's project and concur that the mitigation would reduce the impacts.

Agriculture and Forest Resources:

Implementation of the proposed project would cause a small loss of farmland that is designated by the California Department of Conservation FMMP (Farmland Mapping & Monitoring Program). The City will pay the required City agricultural mitigation fee to offset the conversion of Important Farmland. This adopted mitigation measure would reduce the occurrence of conflicts between nonagricultural and agricultural land uses from development pressure by preserving agricultural lands located within the project vicinity.

Air Quality:

Air quality emissions would be generated during construction of the proposed project and during operation of the proposed project. Operational emissions would come primarily from vehicle emissions from vehicle trips generated by the proposed project and from the use of maintenance equipment. However, the proposed project will serve as an offset or reduction in emissions by creating an alternative non-fossil energy source for use locally. Overall, the proposed project would have a less than significant impact related to these potential impacts.

Biological Resources:

Burrowing Owls, as a Special-status bird occurring within the San Joaquin County region, were found with the potential to nest near or in the site. The City will implement preventive mitigation measures including non-invasive approach and passive relocation prior to the commencement of grading activities or other ground disturbing activities on the project site to ensure that burrowing owls are not impacted during construction activities.

Noise:

Construction activities at the project site would result in temporary increases in noise levels that could expose adjacent residences to increased noise levels and noise nuisances. Construction activities could create temporary noise levels of up to 90 dBA at distances of 50 feet and potentially disturb surrounded existing residential neighborhood. The adopted mitigation measures include a limited construction schedule, a staging instruction of allowable distance, and using noise prevention equipment which ensure the reduction of the temporary impact of noise to a less than significant level.

Final Environmental Impact Report
City of Manteca Wastewater Quality Control Facility and
Collection System Master Plans Update Project

https://www.ci.manteca.ca.us/pwt/Documents/CEQN_NEPA/FEIR%20WQCF%20and%20Collection%20Systems%20MP%201%2021%2008.pdf

INITIAL STUDY AND
MITIGATED NEGATIVE DECLARATION
FOR THE
MANTECA WQCF
ALTERNATIVE ENERGY PROGRAMS PROJECT

https://www.ci.manteca.ca.us/pwt/Documents/CEQN_NEPA/IS-MND%20Manteca%20WQCF%20Alternative%20Energy%20Program%20final.pdf

RESOLUTION NO. R2016-161

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF MANTECA ADOPTING THE FISCAL
YEAR 2016-17 ANNUAL BUDGET AND THE 2016-
21 CAPITAL IMPROVEMENT PLAN**

Whereas, the City Manager submitted the 2016-17 Financial Plan and Preliminary Budget and the 2016-21 Capital Improvement Plan to the City Council on June 2, 2016; and,

Whereas, the Fiscal Year 2016-17 Preliminary Budget was prepared in accordance with the City Council's goals, departmental work plans, budget assumptions and policies; and,

Whereas, the City Council held a public hearing on the Preliminary Budget on June 21, 2016, where all interested persons were heard; and,

Whereas, the City Council has determined that certain fees and revenues are necessary to support the annual financial plan and budget; and,

Whereas, the City Council has considered the budget and comments thereon, and has determined it is necessary for the efficient management of the City that certain sums of revenue be appropriated to the various departments, agencies, and activities of the City as set forth in the Budget and the Capital Improvement Plan.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The annual budget for the City of Manteca for the fiscal year beginning July 1, 2016 and ending June 30, 2017, is hereby adopted.

SECTION 2. All policies and objectives as listed in Section A and Section F of the budget document will define the authority and responsibilities of the City Manager and designees in implementing the Approved Budget and Capital Improvement Plan.

SECTION 3. The City Manager or designee is authorized to make transfers of budget appropriations within classifications, activities, and related programs within a fund to accomplish those purposes as set forth in the Operating Programs of said budget document to insure the efficient and effective administration of City services.

SECTION 4. No expenditures at the category level shall exceed the Approved or Amended Budget by fund.

SECTION 5. Section VI of the purchasing policy authorizes contracts in excess of \$75,000 to require approval by City Council and the City Manager will have the authority to execute all other contracts, including annual contracts previously approved by Council that are only being adjusted for annual inflation, to allow for more efficient and effective administration of City services.

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SECTION 6. The 2016-21 Capital Improvement Plan as proposed by the City Manager, be adopted in conjunction with the 2016-17 Annual Budget and capital appropriations made as contained therein.

DATED: June 21, 2016

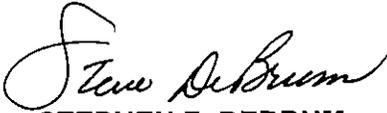
ROLL CALL:

AYES: Councilmembers DeBrum, Hernandez, Moorhead and Morowit

NOES: None

ABSENT: Mayor Pro Tempore Silverman

ABSTAIN: None


STEPHEN F. DEBRUM
MAYOR

ATTEST:


LISA BLACKMON
CITY CLERK

STATE OF CALIFORNIA

**STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION**

RESOLUTION - RE: CITY OF MANTECA

WHEREAS, the City of Manteca has requested funding for the “Waste to Fuel Program,” a project to design, construct, and operate a biomethane facility to produce 140,000 diesel gallon equivalents of renewable natural gas (RNG) per year from co-digested food waste, fats, oils, and grease (“FOG”), and sewage sludge, as more fully set forth in proposed Agreement ARV-16-027 (“ARV-16-027”); and

WHEREAS, the City of Manteca is the lead agency pursuant to California Environmental Quality Act (“CEQA”) (Pub. Resources Code section 21000 et seq.) and the CEQA Guidelines (Cal. Code Regs., tit. 14, section 15000 et seq.); and

WHEREAS, the City of Manteca prepared a Final Environmental Impact Report (“EIR”) and Mitigation Monitoring and Reporting Program for the City of Manteca Wastewater Quality Control Facility (“WQCF”) and Collection System Master Plans Update Project, and an Initial Study for the Manteca WQCF Alternative Energy Programs Project to determine the possible environmental impacts of the Project, and on the basis of the Initial Study, prepared a Mitigated Negative Declaration (“MND”); and

WHEREAS, the City of Manteca considered the EIR, Initial Study, MND and other related documents in the record before it, and approved and adopted the EIR on February 4, 2008, and approved and adopted the MND on March 15, 2016; and

WHEREAS, the State Energy Resources Conservation and Development Commission (hereafter, “Energy Commission”) is a responsible agency and must therefore, pursuant to CEQA Guidelines, sections 15091 and 15096, subdivision (h), make certain findings prior to approval of ARV-16-027; and

WHEREAS, the Energy Commission has reviewed and considered the EIR, Initial Study and MND and other related documents in the record before it; and

WHEREAS, the Energy Commission has no information indicating that the environmental documentation is inadequate, and has used its own independent

judgment to consider the EIR, Initial Study and MND, and other related documents in the record before it in deciding whether to approve ARV-16-027; and

WHEREAS, the City of Manteca will hold a meeting on June 6, 2017 to authorize the City to enter into an agreement with the Energy Commission.

THEREFORE BE IT RESOLVED, City of Manteca has previously adopted certain mitigation measures recommended in the EIR and MND and has authority to implement the mitigation measures, or to seek any required approvals for the mitigation measures, and such measures are within the responsibility of the City of Manteca and that the Energy Commission finds, on the basis of the entire record before it, that the mitigation measures incorporated in the EIR and MND will eliminate or mitigate the environmental impacts of the proposed project to less than significant levels; and

BE IT FURTHER RESOLVED, that the Energy Commission adopts the staff CEQA findings contained in staff's memorandum dated May 3, 2017 regarding the CEQA analysis for ARV-16-027; and

BE IT FURTHER RESOLVED, that the Energy Commission approves Agreement ARV-16-027 from GFO-15-606 with the City of Manteca for \$3,004,000, subject to the City of Manteca's authorization to enter into Agreement ARV-16-027 with the Energy Commission; and

BE IT FURTHER RESOLVED, that the Executive Director or his/her designee shall execute the same on behalf of the Energy Commission.

CERTIFICATION

The undersigned Secretariat to the Commission does hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted at a meeting of the California Energy Commission held on May 10, 2017.

AYE: [List of Commissioners]

NAY: [List of Commissioners]

ABSENT: [List of Commissioners]

ABSTAIN: [List of Commissioners]

Cody Goldthrite,
Secretariat