



# CITY OF TUALATIN

## Staff Report

**TO:** Honorable Mayor and Members of the City Council

**THROUGH:** Sherilyn Lombos, City Manager

**FROM:** Nic Westendorf, Deputy Public Works Director

**DATE:** June 23, 2025

---

**SUBJECT:**

Consideration of Resolution 5894-25 authorizing the city manager to execute a project funding agreement with the Energy Trust of Oregon, Inc. for the micro hydro turbine project at the Tualatin City Services (TCS) site.

**RECOMMENDATION:**

Approval of Resolution 5894-25.

**EXECUTIVE SUMMARY:**

The City has applied for, and received, project funding for the micro hydro turbine project at the Tualatin City Services (TCS) site from the Energy Trust of Oregon. The funding agreement provides \$192,000 toward the construction and installation of the turbine. The agreement also allows for additional funds if the City is unsuccessful in securing IRA direct pay tax credits. Energy Trust included this provision to help provide surety to the City that the desired 7 year payback period is met.

**OUTCOMES OF DECISION:**

Approval of Resolution 5894-25 authorizes the City Manager to accept the project funds and execute the attached project funding agreement with Energy Trust of Oregon.

**ALTERNATIVES TO RECOMMENDATION:**

Council could choose not to accept the external project funds. City staff would need to conduct further analysis on funding feasibility and project viability if these funds are not accepted.

**FINANCIAL IMPLICATIONS:**

City funding is expected to range between \$64,500 - \$71,800, depending on external funding sources secured. These funds are budgeted in the Water Operating Fund.

The total project cost is estimated to cost \$920,295. To date, including these funds from Energy Trust, the City has secured \$593,375 in external funding. The City also plans to submit for the IRA direct pay tax credit, as required in this funding agreement, for an amount up to 30% of the total project cost. The City funded portion of this project will be dependent on successfully receiving the IRA direct pay tax credit an/or the additional funds from Energy Trust of Oregon described in the attached funding agreement.

---

**ATTACHMENTS:**

- Project Funding Agreement between Energy Trust of Oregon, Inc. and the City of Tualatin (Contract #4108).