

To: Mayor McFarland & Members of the Finance Committee  
From: Peter Hartz – Water Systems Manager

12/13/2023

Re: Water Systems agenda items for Finance committee meeting 12/19/2023

Dear Mayor McFarland & Committee Members:

**Water Systems agenda item:**

1. Review and take action - approve U.S. Department of Energy grant application.

- The U.S. Department of Energy (DOE), in collaboration with its Partnership Intermediary, ENERGYWERX, has re-opened applications for small and medium-sized manufacturing firms (SMMs) to receive grants of up to \$300,000, at 50% cost share, to implement recommendations made in Industrial Assessment Centers (IAC) assessments and/or DOE Combined Heat and Power Technical Assistance Partnership (CHP TAP) assessments – including what are now called “Onsite Energy TAP” assessments – and, once qualified, other assessments submitted previously for qualification as “IAC-equivalent.” The DOE Industrial Assessment Centers (IAC) Implementation Grant Program (Implementation Grant Program) provides grants funded by section 40521 of the Bipartisan Infrastructure Law, 42 USC 17116, to small and medium-sized manufacturers (SMMs) to implement recommendations made in IAC and Combined Heat and Power Technical Assistance Partnership (CHP TAP) assessments since 2018, and in recommendations made in equivalent assessments since 2021. These grants will bolster the American manufacturing base by supporting projects to improve energy and material efficiency, to increase productivity, and to reduce emissions at SMMs. DOE further intends that these grants will advance the objectives of the Justice40 initiative by improving business performance, and increasing energy affordability.
- The wastewater utility completed the industrial energy assessment with UW-Milwaukee in 2020, with that assessment we did review the use of biogas for energy, as such we are qualified to apply for a grant to help fund a project. The 2024 budget did include working with Mead-Hunt on the biogas utilization and putting forward a project for sludge drying using the biogas as part of the process upgrade. This grant funding would be helpful to see this project through to construction.
- I recommend we work with Mead-Hunt to apply for this grant funding, applying for the funding does not automatically commit the city to doing a project, the specifics of the project will be discussed after we complete the project study with Mead-Hunt.

Sincerely,

*Peter Hartz*  
Watertown Water Systems