



CITY OF IOWA CITY COUNCIL ACTION REPORT

May 21, 2024

Resolution authorizing the City Manager to sign an agreement with Eide Bailly LLP to provide consulting services for the Inflation Reduction Act Clean Energy Tax Credit.

Prepared By: Nicole Davies, Finance Director
Reviewed By: Geoff Fruin, City Manager

Fiscal Impact: The contract fee of not to exceed \$275,000 will be funded through V3184 - Wastewater Digester Gas Improvements. It is currently estimated that the amount of possible Inflation Reduction Act Clean Energy Tax Credit is \$3,800,000.

Staff Recommendation: Approval

Commission Recommendations: N/A

Attachments: [Resolution](#)
[Consultant Agreement](#)

Executive Summary:

This agenda item approves the consultant agreement with Eide Bailly LLP for services for the Inflation Reduction Act Clean Energy Tax Credit related to the Wastewater Digester Gas Improvements Project.

Background / Analysis:

The current 5 year Capital Improvement Plan includes a \$16,800,000 for wastewater digester gas improvements. This project is important in helping the City reach our climate action goals as it will take the gas being released during the digestion process and clean it to be injected back into the natural gas pipeline. The federal Inflation Reduction Act created several new clean energy credits and the City believes this project will qualify for the Investment Tax Credit for Energy Property. This credit ranges from 6% to 30% of qualified costs. The current estimate of the potential tax credit the City could receive provided by the consultants hired to design this project is approximately \$3,800,000. The design consultants strongly encouraged the City to hire tax consultants to assist with determining and documenting eligibility to help ensure that the City can maximize the amount of credit. The City then engaged several CPA firms in discussion about what services they could provide. Staff determined that Eide Bailly LLP was the best option to provide these services.

This resolution authorizes the City Manager to execute the agreement with Eide Bailly LLP and any amendments thereto as needed.