



Legislation Text

File #: 21-574, **Version:** 1

ITEM TITLE:

Consider approving an Agreement with Comanche Renewables, LLC for a landfill gas beneficial use project, approving the revenues from the project to be deposited into an account for City Solid Waste operations, and authorizing the Mayor and City Clerk to execute the Agreement.

INITIATOR: Public Works Director, Larry Wolcott, P.E.

STAFF INFORMATION SOURCE: Public Works Director, Larry Wolcott, P.E.

BACKGROUND: As a part of the 2005 CIP program, \$8.0 million was identified and appropriated for the construction of the new Subtitle 'D' landfill cells and for the construction of a methane gas recovery/collection system (GCCS) for the landfill. Construction of the new GCCS was completed and the project was accepted by Council on August 27, 2013. The system includes a flare that burns landfill gas produced from decomposition of solid waste. Burning this gas reduces its harmful impact to the atmosphere and this reduction of impact has been monetized in the form of carbon credit sales through a contract with Element Markets, LLC since approved by Council on December 10, 2013. Annual revenue from this contract is deposited into an account for gas collection system operation and has averaged in the \$30,000 range. On February 9, 2021 Council authorized staff to issue a request for proposals (RFP) to allow the City to evaluate other methods of landfill gas management that could reduce costs and generate additional revenue from beneficial uses such as power generation, natural gas pipeline injection, etc. The RFP was issued through the EPA's Landfill Methane Outreach Program with four proposals received. Proposals were evaluated by staff and Comanche Renewables, LLC was identified as the best and most qualified respondent. The project would produce pipeline quality natural gas that will be sold and injected into the natural gas distribution system. The project will require no capital expense by the City and is projected to reduce ongoing, annual landfill operating expenses by approximately \$65,000 as well as provide additional annual revenue in the \$300,000 to \$500,000 range through a 50% share in gas royalties.

EXHIBIT: Lease, Easement and Landfill Gas Rights Agreement on file in the City Clerk's office

KEY ISSUES: The proposed agreement is projected to increase revenue generation and cost savings from the management of captured landfill gas.

FUNDING SOURCE: N/A

STAFF RECOMMENDED COUNCIL ACTION: Approve an Agreement with Comanche Renewables, LLC for a landfill gas beneficial use project, approve the revenues from the project to be deposited into an account for City Solid Waste operations, and authorize the Mayor and City Clerk to execute the Agreement.