

DATE: November 3, 2009
STAFF: Helen Matson
Susie Gordon

AGENDA ITEM SUMMARY
FORT COLLINS CITY COUNCIL

14

SUBJECT

Second Reading of Ordinance No. 110, 2009, Authorizing the Conveyance of a Utility Easement on a Portion of the Larimer County Landfill to Poudre Valley Rural Electric Association, Inc.

EXECUTIVE SUMMARY

Larimer County has entered into a Landfill Gas Purchase Agreement with Timberline Energy, LLC for the County's Landfill Gas Project. The goal of this project is to create a complete landfill gas recovery system for the Landfill. Under this Agreement, Timberline will operate a facility at the Landfill to collect the methane gas. Once collected, Timberline will sell the gas, to be used to generate electricity, and carbon credits to a commercial user in the area. Timberline needs electric service for its landfill gas facility, to be provided by Poudre Valley Rural Electric Association, Inc. This Ordinance, unanimously adopted on First Reading on October 20, 2009, authorizes the conveyance of an easement to REA to lay an electrical line underground at the Larimer County Landfill.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

ATTACHMENTS

1. Copy of First Reading Agenda Item Summary - October 20, 2009.
(w/o original attachments)

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 19
DATE: October 20, 2009
STAFF: Helen Matson
 Susie Gordon

SUBJECT

First Reading of Ordinance No. 110, 2009, Authorizing the Conveyance of a Utility Easement on a Portion of the Larimer County Landfill to Poudre Valley Rural Electric Association, Inc.

RECOMMENDATION

Staff recommends the adoption of the Ordinance on First Reading.

FINANCIAL IMPACT

All installation and maintenance costs associated with this easement will be paid for by Poudre Valley Rural Electric, Inc. ("REA"). REA's customer, Timberline Energy, LLC has agreed to pay the City \$1,000 for the easement.

EXECUTIVE SUMMARY

Larimer County has been working for a few years on a project to reduce its carbon emissions from the Landfill. Larimer County has developed a cooperative partnership with Timberline Energy, LLC ("Timberline") to recover landfill gas. Last year, these parties entered into a Landfill Gas Purchase Agreement. Under this Agreement, Timberline will install (at its expense) a landfill gas recovery system. Timberline will then sell the recovered methane gas and carbon credits to a commercial energy user.

Larimer County will receive a complete landfill gas recovery system at no cost to Landfill customers and will also receive a small amount of monthly revenue and a small percentage of the credit and gas sales. This revenue will be directly reinvested into the solid waste program at the Landfill.

In order to construct the gas recovery facility and operate the gas recovery system, Timberline needs electrical power to the site. Timberline is getting its electrical service from REA. REA has requested a utility easement to lay the electrical line underground to the facility.

BACKGROUND

The Larimer County Landfill is located at 5887 South Taft Hill Road. The southern half is owned solely by Larimer County. Ownership of the northern half of the property is divided three ways:

City of Fort Collins has 50% ownership; City of Loveland has 25% ownership; and Larimer County has the remaining 25% ownership. Under an Intergovernmental Agreement between the City of Fort Collins, the City of Loveland, and Larimer County, Larimer County is the operating manager of the Landfill.

As the operating manager of the Landfill, Larimer County entered into a Landfill Gas Purchase Agreement with Timberline for the County's Landfill Gas Project. The goal of this project is to create a complete landfill gas recovery system for the Landfill. Currently, the Landfill vents the methane gas directly into the atmosphere. Under this Agreement, Timberline will operate a facility at the Landfill to collect the methane gas. Once collected, Timberline will sell the gas, to be used to generate electricity, and carbon credits to a commercial user in the area.

The location of the gas recovery facility and equipment is in the north half of Section 9, of which the City has 50% ownership. Timberline needs electric service for its landfill gas facility. REA is installing the electrical line to the new facility. In order to install this electrical line, REA has requested an easement from all three owners. The new electrical line will be installed underground.

ATTACHMENTS

- 1. Location map

COPY

COPY

COPY

ORDINANCE NO. 110, 2009
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING THE CONVEYANCE OF A
UTILITY EASEMENT ON A PORTION OF THE LARIMER COUNTY
LANDFILL TO POUUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC.

WHEREAS, the City is a partial owner, along with the City of Loveland ("Loveland") and Larimer County ("County"), of property known as the Larimer County Landfill ("Property") located in the North ½ of Section 9, Township 6 North, Range 69 west of the 6th P.M.; and

WHEREAS, pursuant to an intergovernmental agreement between the City, County and Loveland dated November 21, 1974, the County is responsible for the operation of the landfill on the Property; and

WHEREAS, the County and Timberline Energy, LLC ("Timberline") entered into a Landfill Gas Purchase Agreement dated January 16, 2008 ("Agreement"); and

WHEREAS, under the Agreement, in exchange for certain payments to the County, Timberline is permitted to construct a landfill gas facility and associated gas recovery system (the "Facility") on the Property in order to capture methane gas from the landfill and sell it to a buyer; and

WHEREAS, Timberline has contracted with Poudre Valley Rural Electric Association, Inc. ("REA") to provide electrical service for the Facility; and

WHEREAS, REA has requested from the owners of the Property an underground utility easement on, under and across the Property as shown on Exhibit "A", attached and incorporated herein by this reference (the "Easement"), to install an electrical power line to the Facility; and

WHEREAS, Timberline has agreed to pay \$1,000 to the City for the Easement; and,

WHEREAS, Section 23-111(a) of the City Code authorizes the City Council to sell, convey, or otherwise dispose of any and all interests in real property owned by the City, provided the City Council first finds, by ordinance, that such sale or other disposition is in the best interests of the City; and

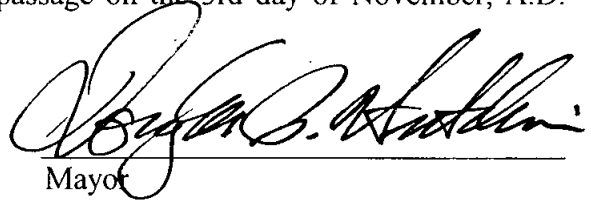
WHEREAS, the Facility will improve local air quality by reducing the quantity of methane vented into the atmosphere by the landfill.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows;

Section 1. That the conveyance of the Easement to REA, as set forth herein, is in the best interests of the City.

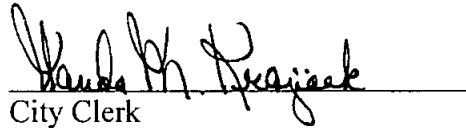
Section 2. That the Mayor is hereby authorized to execute such documents as are necessary for the City, County and Loveland to convey the Easement on terms and conditions consistent with this Ordinance, along with such additional terms and conditions as the City Manager, in consultation with the City Attorney, determines to be necessary or appropriate to protect the interests of the City, including, but not limited to, any necessary changes to the legal description of the Easement, as long as such changes do not materially increase the size or change the character of the Easement.

Introduced, considered favorably on first reading, and ordered published this 20th day of October, A.D. 2009, and to be presented for final passage on the 3rd day of November, A.D. 2009.



Mayor

ATTEST:



City Clerk

Passed and adopted on final reading on the 3rd day of November, A.D. 2009.

Mayor

ATTEST:

City Clerk