January 7, 2019

From: Terry Ludlum  
Solid Waste Utility Director  
2301 8th Ave. N. Fargo, ND 58102

To: Karlene Fine, Industrial Commission of North Dakota  
State Capitol – Fourteenth Floor  
600 E Boulevard Ave Department 405  
Bismarck, North Dakota 58505-0840

Dear Ms. Fine,

On behalf of the City of Fargo, I submit herewith a status report of the construction of a Landfill Gas (LFG) to Compressed Natural Gas (CNG) fast-fill fueling station at the site of the City of Fargo’s main landfill as required within Contract No. R-027-037 between the North Dakota Industrial Commission (NDIC) and the City of Fargo.

As a project overview, the City of Fargo previously received an allocation of $2,875,000 for Qualified Energy Conservation Bonds (QECB) from the NDIC to fund a portion of Phase I of the overall LFG to CNG project. **Phase I** includes equipment costs and project construction costs to convert the captured LFG to a natural gas (NG) quality product. Paid to date for the gas conversion equipment totals $2,143,230, with project construction beginning in November of 2018, at an estimated cost of $1,815,102. Project completion and startup are scheduled for June 2019.

**Phase II** of the project would be the development of the CNG Fast Fill Fuel Station, which will distribute the converted gas. **Phase II** cost has been estimated at $3,514,000 that will be funded with $500,000 as provided in Contract No. R-027-037, $500,000 in matching City of Fargo funds, and the balance included in the annual Solid Waste Division Landfill Capitol Improvement Budget.
As shown on the below-listed LFG to CNG Project Schedule (updated) and as presented to the Renewable Energy Council on July 21, 2016, all funds described in Contract No. R-027-037 will be utilized for Phase II of the Project that is scheduled to begin in October of 2019.

**LFG to CNG PROJECT SCHEDULE:**

**Phase I – Compressor Upgrade and Gas Clean-up Equipment**

*Does not include funds as defined in NDIC Contract No. R-027-037.*

- Prepare and Advertise for Equipment: January 2017
- Select/Procure Equipment: March 2017
- Delivery of Equipment: December 2017
- Design of Balance of Plant: January 2018
- Prepare Bid Documents for Installation Contract: February 2018
- Formal Advertisement of Project: March 2018
- Formally Reject all Qualifying Bids: July 2018
- Re-advertisement of Project: September 2018
- Bid Opening and Award of Construction Project: October 2018
- Construction Phase: October 2018
- Project Completion Date: June 2019
- Start-up and Training: June 2019

**Phase II – CNG Fast Fill Fueling Station**

*Includes funds as defined in NDIC Contract No. R-027-037.*

- Project update to City of Fargo Utility Committee and City Commission: September 2019
- Prepare and Advertise for Equipment: October 2019
- Select/Procure Equipment: January 2020
- Delivery of Equipment: May 2020
- Design of Balance of Plant: May 2020
- Prepare Bid Documents for Installation Contract: June 2020
- Construction Phase: July 2020
- Startup and Training: September 2020
The original project schedule showed the CNG Fast Fueling Station completion in September of 2019. Substantial delays were incurred in 2018 with an equipment vendor design oversight and the need to formally reject all proposals and to re-advertise the construction project due to a lack of qualifying bids.

In summary, the City of Fargo Solid Waste Division has not included any of the funds defined within Contract No. R-027-037 or any City matching funds in the 2017 or 2018 Landfill Capitol Improvement budget. Funds described within the contract and matching funds will be included in the 2019, and 2020 budgets for the development of Phase II – CNG Fast Fueling Station. As per the contract between the NDIC and the City of Fargo, another status report will be submitted on July 1, 2019. Please feel free to contact me directly should you have additional questions or comments regarding this submittal.

Respectfully,

Terry Ludlum
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