July 16, 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. I apologize for the two-week delay with this report, but daily changes in the soon to be completed current landfill gas project (Phase I) have made it difficult to give an accurate time line for Phase II, which is the project relevant to the NDIC funds.

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 that began in November of 2018, at an estimated cost of $1,815,102. Project completion and startup are currently scheduled for August 2019.
Upon completion of **Phase I**, an update of the overall project and future renewable energy options will be presented to City of Fargo leaders and elected officials. The intent of the presentation will be to maintain current support for the next project phase based on current economic factors and conditions. While it is certainly anticipated that city leadership would continue to endorse the development of the CNG Fast Fill Fuel Station, it will be imperative to discuss all options and evaluate the project's current economics.

Should **Phase II** be maintained as the CNG Fast Fill Fuel Station, 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  August 2019
- Start-up and Training  August 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: October 2019
- Prepare and Advertise for Equipment: December 2019
- Select Equipment: March 2020
- Delivery of Equipment: July 2020
- Design of Balance of Plant: July 2020
- Prepare Bid Documents for Installation Contract: August 2020
- Construction Phase: September 2020
- Startup and Training: November 2020

The original project schedule showed the CNG Fast Fueling Station completion in October 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 used any of the funds defined within Contract No. R-027-037 for Phase I as discussed previously. All funds provided to date under said contract have been placed in a dedicated account for usage on Phase II, matching funds will provided using landfill capital funds. As per the contract between the NDIC and the City of Fargo, another status report will be submitted on January 1, 2020. Please feel free to contact me directly should you have additional questions or comments regarding this submittal.

Respectfully,

Terry Ludlum
701-241-1552
tludlum@FargoND.gov