

Update on Landfill Gas Renewable Natural Gas (RNG) Project and Republic Agreement Amendment #6



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City Council Work Session
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Presentation Overview

- Collaborative Effort & Timeline
- Projected RNG Financials
- Republic Amendment VI
- Recommendations & Next Steps



Photo: RNG facility, Fort Wayne, IN (April 2025)

Collaborative Effort

Multiple City Departments:

- Environmental Services, Aviation, City Attorney's Office, Financial Management, Water, FWLab, City Manager's Office, Property Management, Development Services, Diversity & Inclusion, HR/Risk Management, Economic Development

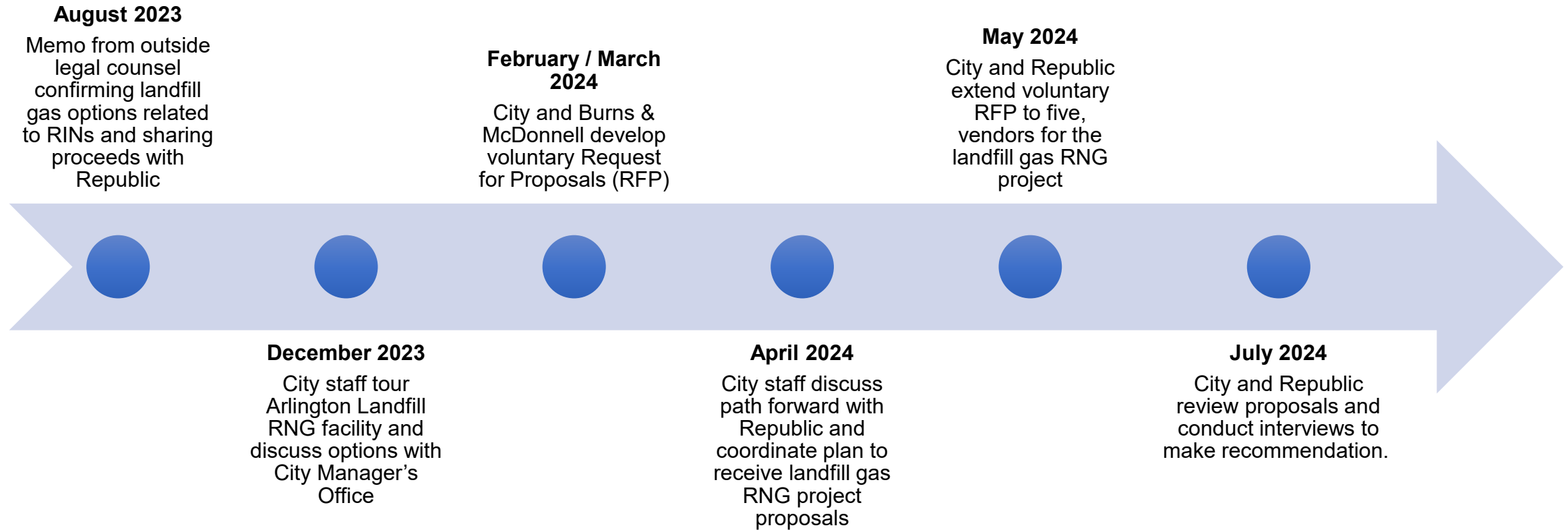
Outside Consulting Partners:

- Burns & McDonnell Engineering
- Galvan Strategy Group
- Innova Energy Services, LP
- Porter Hedges, LLP

Other Partners:

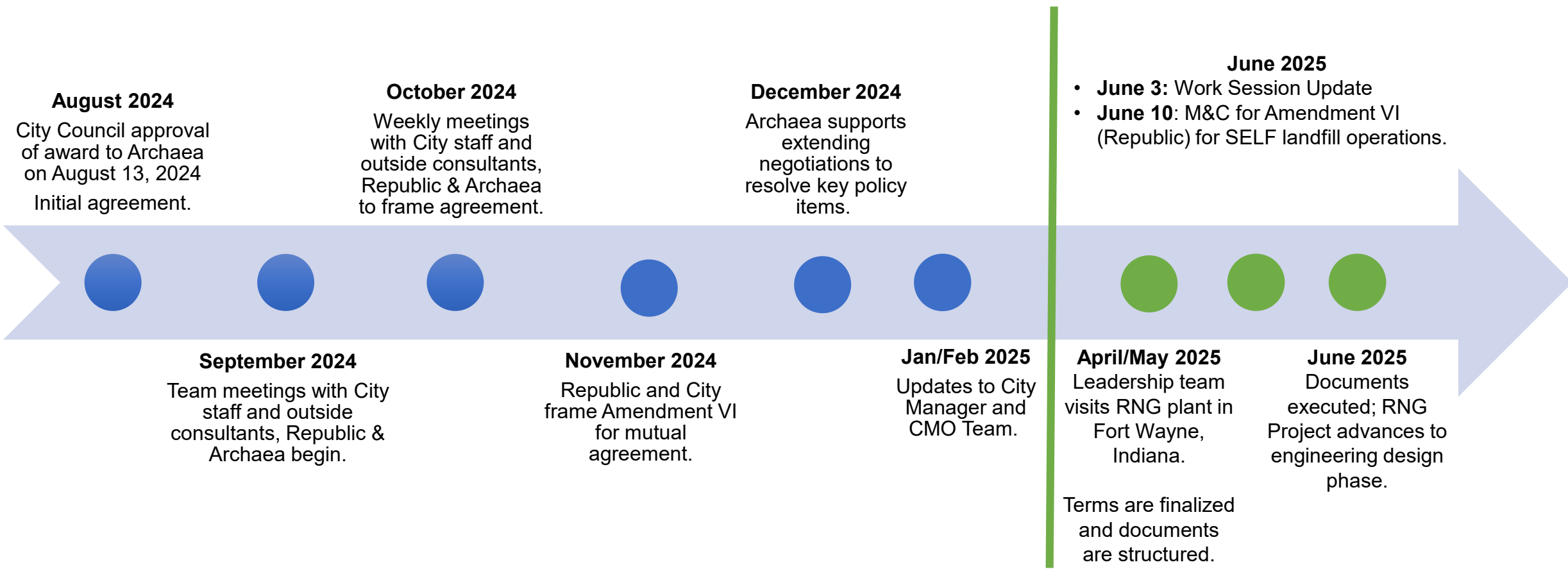
- Republic Services (landfill operator) – 50% split of landfill gas due to contractual requirements (2003)

Timeline Part I





Timeline Part II



Projected RNG Financials

Four Key Revenue Types	Anticipated Revenues	Amount To City (50%)	Payment Timing
Amount Due at Signing	\$100,000	\$50,000	Payment upon execution of RNG agreement
Development Fees	\$2,000,000 - \$3,000,000 Annually	\$1,000,000 - \$1,500,000	Paid monthly from execution of agreement until plant is operational
30% Royalty (e.g., sale of RNG, RINs, other environmental attributes)	\$5,000,000 - \$10,000,000 Annually	\$2,500,000 - \$5,000,000* Annually	Paid monthly once plant is operational
Tax Benefits (30% On-going)	\$1,940,000 - \$6,070,000*	\$970K - \$3.035M*	Payments upon tax credits realized by Archaea

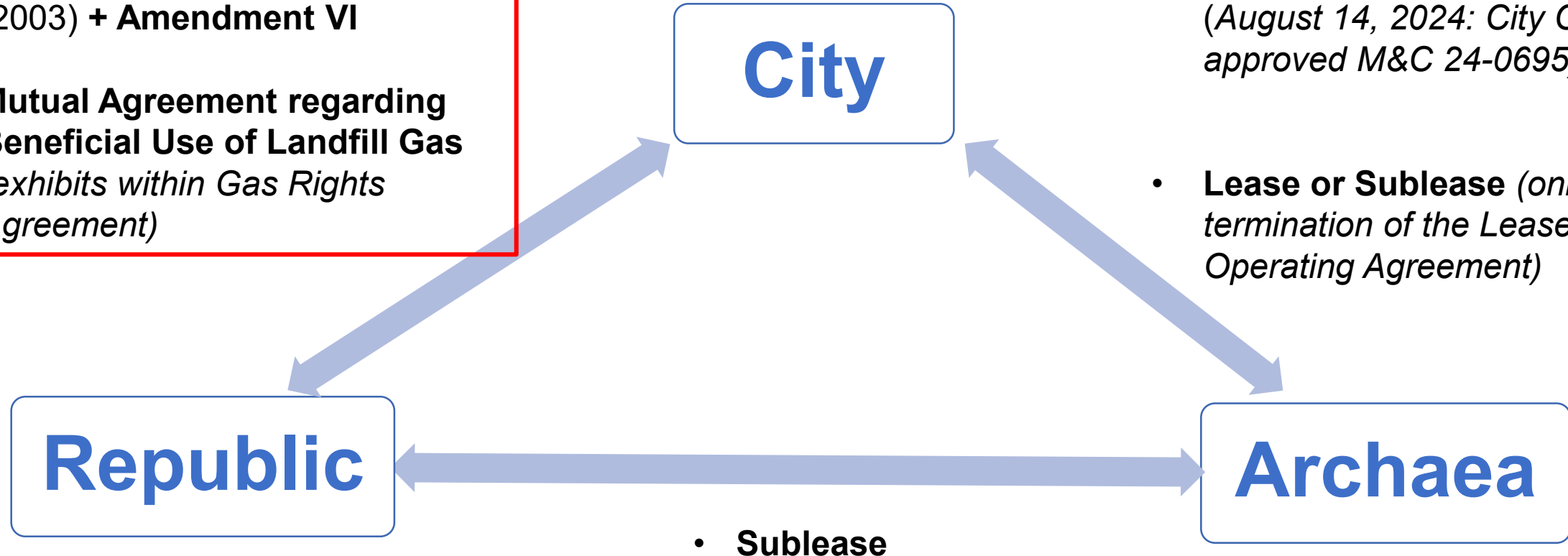
*tax benefits are estimates and will vary based on tax credit market and availability.

New RNG royalties – estimated \$2.5M - \$5M annually – will be dedicated for future landfill/transfer station, and for programmable projects.

Mutual Agreement & Documents

- Lease and Operating Agreement (2003) + **Amendment VI**
- **Mutual Agreement regarding Beneficial Use of Landfill Gas** (*exhibits within Gas Rights Agreement*)

- **Gas Rights Agreement** (*August 14, 2024: City Council approved M&C 24-0695*)
- **Lease or Sublease** (*only upon termination of the Lease and Operating Agreement*)



Amendment VI Highlights

Lease Section	Term	Summary
2.07	Mining and Mineral Rights	<ul style="list-style-type: none">Clarifies that the City has sole title to landfill gas.
3.02	Renewal Terms	<ul style="list-style-type: none">Secures landfill operations contract gap between December 31, 2033 and end of life of the landfill (~2036).Removes risks for operational hardship, landfill lease revenue and post-closure financial.
6.04(H)	Leachate & Condensate Collection Services	<ul style="list-style-type: none">Addresses challenges with hazardous or non-compliant liquids disposal, is any – Archaea responsible for disposal with cost split.
7.01	Operation of SELF (Sublease)	<ul style="list-style-type: none">Secures sublease from Republic to Archaea for RNG facility.
7.03	Tipping Fee – Non-City Waste (Landfill Environmental Fees)	<ul style="list-style-type: none">Provides phased, annual increases to Landfill Environmental Fees through 2036 agreeable to the City and Republic.

Recommendations & Next Steps

Recommendations:

- 1) **Approve Amendment VI** to secure Republic's mutual agreement to advance the RNG Project and amend City Secretary Contract No. 28336 with Republic Services for the lease and operation of the Southeast Landfill.
- 2) **Authorize the City Manager to execute all related documents** and to grant easements related to the RNG Project, as needed.

Next Steps:

1. June 10, 2025: M&C to City Council – Amendment VI.
2. Upon approval, City Manager, Republic and Archaea to execute all documents to advance RNG Project to engineering design phase.

Thank you!

