



Baldwin County Commission

Legislation Text

File #: 21-0412, Version: 1

Meeting Type: BCC Regular Meeting

Meeting Date: 2/2/2021

Item Status: New

From: Terri Graham, Development and Environmental Director; Wanda Gautney, Purchasing Director

Submitted by: Terri Graham, Development and Environmental Director

ITEM TITLE

Request for Proposals (RFP) for Developing a Baldwin County Solid Waste Gas-to-Energy Project Located at the Magnolia Sanitary Landfill

STAFF RECOMMENDATION

Approve and authorize the Chairman to execute the following documents:

1) Landfill Gas Rights Agreement between Baldwin County Commission and AEP Renewable Fuels, LLC, for the Baldwin County Solid Waste Landfill Gas-to-Energy project located at the Magnolia Sanitary Landfill; and

This Agreement shall commence on February 2, 2021 and is effective for fifteen (15) years from the Commercial Operations Date, with an option to extend for additional five (5) year period.

2) Letter of Effectiveness or Written Modification to the Landfill Gas Rights Agreement; and

3) Ground Lease Agreement between Baldwin County Commission and AEP Renewable Fuels, LLC, for the Baldwin County Solid Waste Landfill Gas-to-Energy project located at the Magnolia Sanitary Landfill. AEP Renewable Fuels, LLC, has agreed to lease from the Baldwin County Commission a certain one (1) acre parcel of land located at the Landfill for Lessee's commercial production, storage and loading of transportation fuels from landfill gas for sale to others; and

This Agreement shall commence on February 2, 2021 and is effective for fifteen (15) years from the date of execution, with an option to extend for additional five (5) year period.

4) Letter of Effectiveness or Written Modification to the Landfill Ground Lease Agreement.

BACKGROUND INFORMATION

Previous Commission action/date: 07/16/2019 meeting: Authorized the Purchasing Director to solicit a Request for Proposals (RFP) for Developing a Baldwin County Solid Waste Landfill Gas-to-Energy project.

10/15/2019 meeting: Authorized staff to begin negotiations with AEP Renewable Fuels, LLC, so that a final recommendation for award can be made to the Baldwin County Commission for the Baldwin County Solid Waste Landfill Gas-to-Energy project located at the Magnolia Sanitary Landfill

Background: Tony Erwin, CEO, David Hopkins, Senior VP of Project Development, and Gene Waller, President of Bio Gas Division, AEP Renewable Fuels, LLC, will make a presentation at Regular Session.

During the October 15, 2019, meeting of the Baldwin County Commission, the Commission authorized staff to begin negotiations with AEP Renewable Fuels, LLC, for the Waste Gas-to-Energy project at the Magnolia Sanitary Landfill. After careful review by Terri Graham, Solid Waste Director; Project Engineer - Daniel Wells, CDG Engineer's & Associates; Financial Advisor - Reid Cavnar, Stifel, Nicolaus & Company, Inc.; and Brad Hicks, County Attorney, staff is submitting this final contract to the Baldwin County Commission for approval. Overview of the contract and obligations for each party are spelled out in the attached contract as well as compensation and financing. AEP Renewable Fuels, LLC, hopes to begin construction as soon as possible.

During the August 17, 2020, Baldwin County Commission Work Session, concerns from Riviera Utilities were brought to the County Commission by Mr. Brad Pitt, Assistant General Manager and Chief Administrative Officer. Over the past several months Baldwin County Solid Waste, AEP Renewable Fuels, LLC, and Riviera Utilities have been working together to resolve these concerns. (Due to Hurricane Sally and Hurricane Zeta there have been delays beyond Riviera Utilities or Baldwin County Solid Waste's control.) At this time, for AEP Renewable Fuels to secure funding for this project an Agreement between AEP and the Baldwin County Commission will need to be executed. Mr. James Wallace, Chief Operating Officer, hopes to bring this project before the Riviera Utilities Board of Directors during their regularly scheduled February meeting. All agreements entered into between the Baldwin County Commission and AEP Renewable Fuels, LLC will be contingent upon a finalized agreement between Riviera Utilities and AEP Renewable Fuels, LLC.

FINANCIAL IMPACT

Total cost of recommendation: Revenue to the County

Budget line item(s) to be used: Magnolia Landfill - TBD

If this is not a budgeted expenditure, does the recommendation create a need for funding?

N/A

LEGAL IMPACT

Is legal review necessary for this staff recommendation and related documents?

Yes

Reviewed/approved by: Brad Hicks, County Attorney

Additional comments: N/A

ADVERTISING REQUIREMENTS

Is advertising required for this recommendation? N/A

If the proof of publication affidavit is not attached, list the reason: N/A

FOLLOW UP IMPLEMENTATION

For time-sensitive follow up, select deadline date for follow up: 02/02/2021

Individual(s) responsible for follow up: Wanda Gautney, Purchasing Director

Action required (list contact persons/addresses if documents are to be mailed or emailed):
Executed Contract to Vendor

Additional instructions/notes: N/A