

Kenai Peninsula Borough
SOLID WASTE DEPARTMENT

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Mayor *cp*

FROM: Brandi Harbaugh, Finance Director *BH*
Jack Maryott, Solid Waste Director *JM*
Valentina Sustaita, Purchasing & Contracting Officer *VS*

DATE: February 8, 2018

RE: Ordinance 2017-~~19~~-18 Appropriating \$100,000 from the Solid Waste Capital Project Fund to Fund a Grant to Alaska Electric Energy Cooperative, Inc. for Landfill Gas to Energy Project and Enacting KPB 10.04.100 (Mayor)

The Central Peninsula Landfill ("CPL") Gas Utilization Feasibility Study was completed in June, 2016. Six options were evaluated. A cost and revenue evaluation was performed for each option. Of the six options evaluated, the engine generator set (i.e. generate electricity), utilizing engine exhaust heat as an energy source to operate the leachate evaporator, is estimated to have the greatest 20-year net present value.

On August 2, 2017, a Memorandum of Agreement ("MOA") was executed between the Kenai Peninsula Borough ("KPB") and the Alaska Electric and Energy Cooperative Inc. (AEEC). The MOA outlines the parties' desire to jointly investigate the feasibility of developing a project to recover landfill gas from the KPB's CPL for use by AEEC which would in turn provide energy to operate the leachate evaporator.

In furtherance of the Project, KPB and AEEC intend to develop and fund the development of the Conceptual Design, Cost Estimate, and Financial Feasibility Analysis components of the Project. KPB and AEEC agree to share cost on the items outlined on a 50% / 50% basis to a maximum total value of \$200,000, which may be increased by mutual and written agreement by both parties.

The parties agree that the best way to ensure sufficient KPB oversight and review of the project components while also optimizing efficiencies is to have AEEC

manage the project through a grant agreement with KPB. In order to enter into such a grant agreement, it is appropriate to amend Chapter 10.04 of borough code to provide express authorization for the grant agreement.

Assembly action is requested to appropriate \$100,000 necessary to begin the project and to amend KPB 10.04 to provide express authorization to enter into a grant agreement with AEEC.

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED	
Acct. No.	<u>411.27910</u>
Amount:	<u>\$100,000.00</u>
By: <u>pp</u>	Date: <u>2/8/18</u>