

# Mayor and Council Communication

**DATE:** 05/12/26

**M&C FILE NUMBER:** M&C 26-0352

**LOG NAME:** 60RATIFYKINDERMORGANA1

**SUBJECT**

(CD 5) Ratify First Amendment to Biogas Purchase and Sale Agreement with Kinder Morgan Arlington RNG LLC Formerly Known As Renovar Arlington, LTD, to Extend Term for an Additional Five Years for the Supply of Biogas from the Village Creek Water Reclamation Facility

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**RECOMMENDATION:**

It is recommended that the City Council ratify the First Amendment to the Biogas Purchase and Sale Agreement with Kinder Morgan Arlington RNG LLC formerly known as Renovar Arlington, LTD, for the supply of Biogas generated by the Village Creek Water Reclamation Facility (City Secretary Contract No. 52344-A1R3).

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**DISCUSSION:**

The purpose of this Mayor & Council Communication (M&C) is to ratify the First Amendment to City Secretary Contract (CSC) No. 52344 (CSC No. 52344-A1R3) to provide an additional five one-year renewals to supply biogas to Kinder Morgan Arlington RNG LLC, formerly known as Renovar Arlington, LTD.

M&C C-29124, approved on May 14, 2019, authorized a Purchase and Sale Agreement (Agreement) with Renovar Arlington LTD (CSC No. 52344) for the City of Fort Worth (City) to supply biogas generated at the Village Creek Water Reclamation Facility (WRF) to Renovar. The agreement was for a three-year term with two one-year options for renewal. The agreement calls for the City to provide biogas from the Village Creek WRF digesters utilizing the existing gas compression equipment and pipeline connection with the Arlington Landfill where the gas is combined with landfill gas, treated to pipeline quality renewable natural gas and utilized by a qualified end user to generate Renewable Identification Number (RIN) credits as part of the Environmental Protection Agency (EPA) Renewable Fuel Standards Program. The City is compensated by royalty payments for its share of the supply.

In July of 2022, Kinder Morgan Arlington RNG LLC purchased Renovar Arlington LTD, and assumed both its assets and the contract with the City. On October 7, 2024, the contract was administratively amended (CSC No. 52344-A1R3) to provide up to five additional one-year renewals and exercised the 3<sup>rd</sup> renewal option, while also allowing Fort Worth the option to utilize biogas to support its operations, to include the ability to utilize biogas to fuel the newly installed biosolids dryer facility. Renewal 3 was the first of the five new renewals. Renewal 4 is pending.

As this program has developed, its long-term outlook appears sound and staff desires to have the City Council confirm the contract amendment and the extension of time. Except as expressly modified herein, all other terms and conditions of the existing agreements shall remain unchanged and in full force.

The project is located in COUNCIL DISTRICT 5.

A Form 1295 is not required because: This contract legally does not require City Council approval.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that approval of this recommendation will have no material effect on City funds.

**Submitted for City Manager's Office by:** Jessica McEachern 5804

**Originating Business Unit Head:** Chris Harder 5020

**Additional Information Contact:** James McDonald 4982