Ordinance 2266 – Noble Amendment 3 (Second Reading) – Financial Assurances Reductions or Releases

Purpose: To prohibit the reduction or premature release of financial assurances.

Motion: I move to amend Ordinance 2266 in Exhibit F, by adding language to Section 21-5266(15)(b)(ii) and (iii)(2) requiring prohibiting the reduction or early release of financial assurances as shown in the document titled "Noble Amendment 2 (Second Reading) – Financial Assurances Reductions or Releases."

*The amendment must be read in full when considered on second reading.

[red text shows modifications for reference]

BEGIN

Sec. 21-5266. Subsurface Extraction

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(15) Financial Assurances and Insurance.

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  (b) Financial Assurance.

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   (ii) Administrative Regulations. The City Manager shall establish administrative regulations for financial assurances consistent with this section. Such requirements shall include, at a minimum, standard language for each type of financial assurance; qualifications for issuing institutions; and procedures for the review, processing, acceptance, replacement, cancellation and termination, use, release, reduction, or aggregation of financial assurances and standby trusts to implement financial assurances. Such requirements shall be reviewed and updated by the City Manager as needed to meet the intent of this section.

   (iii) Minimum Requirements.

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      2. Term. The financial assurance required by this section shall be provided to the City before the commencement of any work, including Well Pad construction, and shall remain shall be provided until all wells at the Well Site have been plugged and abandoned and the well site has been adequately reclaimed, as determined by the City, unless the financial assurance has been replaced or released or reduced pursuant to administrative regulations established by the City Manager. No financial assurance shall be released or reduced unless: (A) alternate financial

assurance is provided; or (B) the Director determines that the amount of financial assurance released or reduced is not necessary to ensure the purpose for which it was provided.

End