

Exclusive Negotiation Agreement with Renewable Sonoma

Board of Public Utilities February 21, 2019

Tanya Mokvyts, Water Reuse Engineer



Santa Rosa Water | Our Future in Every Drop

Today's Presentation

- Project Background
- Phases of the Proposed Project
- Terms of Negotiation
- Guidelines for Negotiation
- Project Timeframe
- Next Steps
- Staff Recommendation



Project Background

- 1993-2015 Sonoma Compost Facility
- May, 2017 SCWMA Issued RFP
- December, 2017 BPU Approved LOI
- January, 2019 BPU briefed on City's collaboration with Renewable Sonoma
- February, 2019 BPU Subcommittee reviewed ENA





3 Phases of Proposed Project

- Phase 1: Near Term LTP Biosolids Management Program
 - Provide new facility to treat biosolids currently treated at LTP Compost
- Phase 2: Organics Project
 - Re-purpose LTP Compost facility to Organic Material handling and processing facility
- Phase 3: Regional Biosolids Facility

Terms of Negotiation

- Agreement to Negotiate in Good Faith
 - Site Lease with 20-30-year term
 - Project Agreement(s) developed upon agreement by both parties
- Due Diligence
 - Inspection and testing on City-owned Property
 - Pursuant to Right of Entry per City Requirements
 - Renewable Sonoma will be responsible for costs and any damage

Guidelines for Negotiation

- CEQA
- Land use Entitlements
- Permits
- Terms of Lease, development and operation
- Phases and components of the project
- Interface with Laguna Treatment Plant



May 31, 2017

Patrick Carter

Executive Director, Sonoma County Waste Management Agency 2300 County Center Drive, Suite 8-100 Santa Boss, Ca 95403

Re: Potential Site for Organic Waste Processing Facility

Dear Patrick,

The City of Santa Rosa is aware of the challenges the Sonoma County Waste Mana ("Agency") has been Sacing for some time negarding local green waste processing, the City is very interested in supporting the current initiative of the Agency by offs for respondents to the Agency's Request for Proposals for Organic Materials Proce

The City owns several parcels of mostly vacant land adjacent to the Laguna Treat Road, located in an agricultural area which may be well suited for an organics pro City is willing to consider a lease of up to 23 contiguous acres located on all or pa nazeralizing.

134-232-022 - 5 acres with a house/office space

134-232-012 - 18 acres of vacant land annexed into the City of Santa Rosa 134-231-021 - 1.74 acres located in the current annexation plan in process

134-231-021 - 1.74 acres located in the cu 134-231-020 - 4.11 acres of vacant land

134-231-024 - 3.7 acres with a house/office space

The City has done some preliminary review of the potential lease value of these p concluded that there is potentially a larger range of value. The City is willing to reg hased on potential details of any proposal, with the intent to obtain a fair market use of the parcels.

The available property also presents potential synergies between the Laguna Treal infrastructure and a potential nearby organic processing facility that respondents consider, including:

> The Plant campus includes an existing biosolids composting facility a approximately 1400 cubic yards of compost annually. An organics punear the Plant may be able to provide the City's compost operation waste facecomimately 800 cubic wards of processed areen waste or

> > Santa Rosa Water 68 Stany Circle + Santa Rosa, CA 95401

advantages of infrastructure and operating efficiencies including the co-location of the two compost operations.

- A 4.4 megawatt combined heat and power facility at the Plant has available capacity for biogas utilization and currently produces excess heat, both of which could facilitate certain organic processing technologies.
- There is digester capacity that could be used in the near or long-term for anaerobic digestion of some portion of the collected organics.
- 4. Recycled water produced by the Plant may present an available resource for processing
- Runoff from an organic processing facility could be treated at the Plant, likely alleviating much of the traditional storm water and runoff concerns in siting such as facility.

The City believes that the location and existing infrastructure may present a viable option for any potential responders to the Agency RF, however, them are several factors tall to be addressed, including but not limited to the scope of any proposed facility, environmental issues and the details of any agreements with the City. This letter of information is an offer to consider proposals from potential 878 responders, and does not present a current commitment of resources by the City.

If any potential respondents to your BFP have an interest the concepts described above, please have then contact Deputy Director Make Print at 707-543-3537, or morpholigeticity one. Once the City has a better understanding of whether there is any interest by optential RFP esponders, the City will devolve additional parameters to guide the submittal of proposals for evaluation by the City. The City requests that you share this opportunity with any prospective RFP persondents.

Sincerely,

Vennett Horontein

Director, Santa Rosa Wate

Project Timeframe

- Term of Negotiation 180 days
 - Extended by mutual agreement
- Site and Lease Agreements BPU Approval August 2019
- Permitting and design 12-24 month August 2020-2021
- Construction 12 month- August 2021-2022

Next Steps

- Approve ENA with Renewable Sonoma
- Engage Compost Biosolids Ad Hoc
- Engage Subregional Partners
- Continue Negotiations
 - Site Lease Agreement
 - Project Agreement
- Keep BPU Appraised on Progress



Staff Recommendation

Board, By Motion Approve:

Exclusive Negotiation Agreement with Renewable Sonoma



Questions?

