



Exclusive Negotiation Agreement with Renewable Sonoma

**Board of Public Utilities
February 21, 2019**

Tanya Mokvyts, Water Reuse Engineer



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Today's Presentation

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



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• 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



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3 Phases of Proposed Project

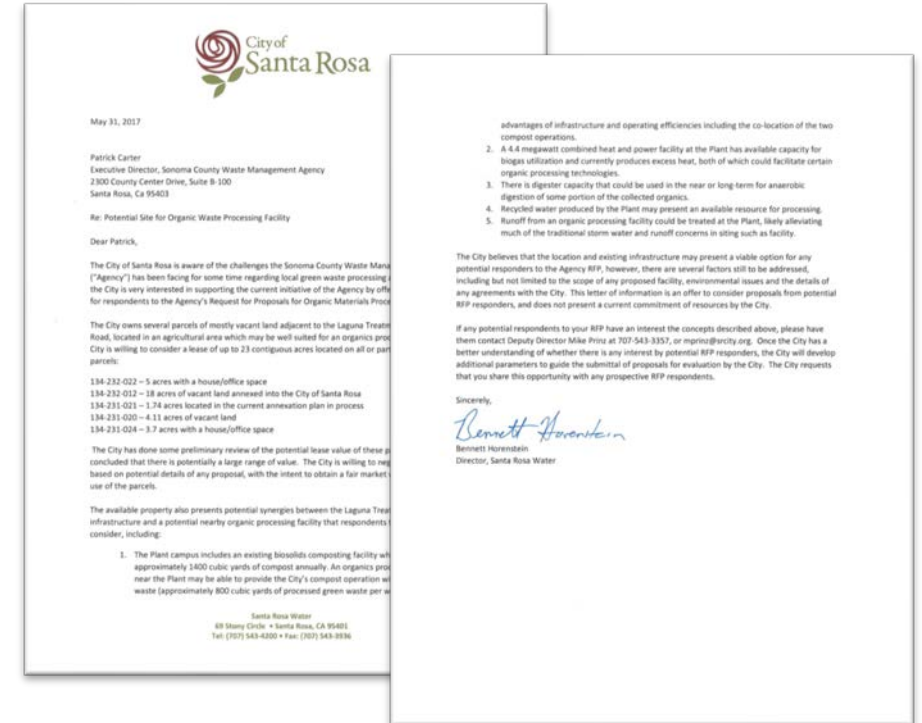
- Phase 1: Near Term LTP Biosolids Management Program
 - Provide new facility to treat biosolids currently treated at LTP Compost
- Phase 2: Organics Project
 - Re-purpose LTP Compost facility to Organic Material handling and processing facility
- Phase 3: Regional Biosolids Facility

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



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
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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



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Questions?



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