

CITY OF SANTA ROSA  
CITY COUNCIL AND BOARD OF PUBLIC UTILITIES  
LIAISON SUBCOMMITTEE

TO: CITY COUNCIL AND BOARD OF PUBLIC UTILITIES  
FROM: EMMA WALTON, DEPUTY DIRECTOR OF ENGINEERING  
  
SUBJECT: STAFF BRIEFING – NEGOTIATIONS WITH RENEWABLE  
SONOMA REGARDING A SOLID ORGANIC WASTE COMPOST  
FACILITY

AGENDA ACTION: NONE

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RECOMMENDATION

Not Applicable.

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EXECUTIVE SUMMARY

The City, the Sonoma County Waste Management Agency (“Agency”), and Renewable Sonoma have an interest in understanding if Santa Rosa’s Laguna Treatment Plant (“Plant”) can provide a future home to an in-county, Regional Compost Facility. Both the City and the Agency have agreed to negotiate with Renewable Sonoma regarding such a facility. The City has agreed to negotiate for the lease of property and the Agency for the commitment of material from each of the member agencies.

BACKGROUND

The Agency is a joint powers authority whose mission is to implement waste diversion programs as required by State law, a cornerstone of which is composting. From 1993 until 2015, the Agency contracted with Sonoma Compost to provide composting services for solid organic waste (primarily vegetative matter, including curb-side collection) at the Sonoma County landfill on Mechem Road. However, in 2015 the facility was forced to close due to storm water run-off issues. Since that time, solid organic wastes have been transported to locations outside of Sonoma County as the Agency seeks another site for a new organics processing facility.

In May 2017, the Agency issued a Request for Proposals (“RFP”) soliciting responses from parties interested in owning and operating a solid organic waste compost facility in Sonoma County. In July of that year, in support of the Agency’s efforts and believing

there could be mutually beneficial synergistic effects from locating such a facility adjacent to the LTP, Santa Rosa Water issued a separate RFP soliciting interest in leasing city property near the LTP as the site for the compost facility. Proposals were received in August 2017, reviewed in October, and in December 2017 the Board approved Letters of Intent to Negotiate (“LOIs”) to four proposers on the Agency’s project.

Subsequently, the Agency selected Renewable Sonoma as the most responsive proposer for the solid organic waste compost facility operator. Renewable Sonoma’s proposal included locating receiving, composting, and anaerobic digestion facilities adjacent to LTP.

Prior to entering into an agreement with the Agency to provide organic waste processing, Renewable Sonoma must first reach an agreement with the City of Santa Rosa regarding any future use of City-owned property for the facility. As a first step, the Board approved and executed an Exclusive Negotiation Agreement (“ENA”) with Renewable Sonoma (Attachment 1) to establish a mutual understanding of the scope of the potential project and basis to negotiate appropriate agreements, including but not limited to a site lease.

The City originally anticipated that undeveloped City-owned land adjacent to the Plant would be offered as a facility site, but Renewable Sonoma has requested that the City consider leasing the land currently occupied by the City’s Biosolids Compost Facility. Conversion and utilization of the City’s Biosolids Facility has benefits to Renewable Sonoma’s project as well as, potentially, to the City.

### PRIOR BOARD OF PUBLIC UTILITIES REVIEW

On July 6, 2017, the Board participated in a Staff Briefing to review the status of the City's collaboration with the Agency.

On December 7, 2017, the Board heard a Staff Report and approved four LOIs for location of the organics processing facility.

On October 18, 2018, progress on the selection and siting process was included in a Staff Briefing on biosolids processing.

On January 17, 2019, the Board heard a Study Session on progress of discussions with Renewable Sonoma.

On February 4, 2019, the Contract Review Subcommittee of the Board held a public meeting to review the proposed ENA.

On February 21, 2019, the Board approved and executed an ENA with Renewable Sonoma.

## ANALYSIS

With Board approval, Santa Rosa Water has provided Renewable Sonoma with a Letter of Intent to Negotiate regarding locating a solid organic waste processing facility adjacent to the LTP in anticipation of mutual benefits derived from synergistic processes between the two facilities. Such benefits remain undefined at this time, but potential benefits are expected to be identified and quantified while formulating a site lease and other agreement(s) between Renewable Sonoma and the City.

Staff will provide the Subcommittee with background information, an overview of Renewable Sonoma's proposal, an overview of the City's biosolids program, a discussion of potential options, and an estimated timeline and potential next steps.

## FISCAL IMPACT

Staff has identified and assembled certain outside services to assist during the negotiation process including: engineering services with Brown and Caldwell not to exceed \$100,000, environmental services with GHD not to exceed \$44,847.00 and legal services with Downey Brand not to exceed \$75,000. Funding for these services was included in the Subregional Capital Improvement Program budget, fiscal year 2018-19.

## ENVIRONMENTAL IMPACT

Appropriate CEQA and permitting will be completed prior to any project agreements or site lease.

## BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable.

## ATTACHMENTS

Attachment 1 – Exclusive Negotiation Agreement

## CONTACT

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