



Meeting Date: September 11, 2003



Board of Directors

- Dave Jones**
Chair
(City of Sacramento)
- Roger Niello**
Vice-Chair
(County of Sacramento)
- Illa Collin**
(County of Sacramento)
- Bret Daniels**
(City of Citrus Heights)
- Roger Dickinson**
(County of Sacramento)
- Lauren Hammond**
(City of Sacramento)
- Muriel Johnson**
(County of Sacramento)
- Don Nottoli**
(County of Sacramento)
- Sandy Sheedy**
(City of Sacramento)

- Cheryl Creson**
Chief Administrative Officer
- David A. Pelsler**
General Manager/Engineer

Honorable Board of Directors
Sacramento Regional County Solid Waste Authority
Sacramento, California

SUBJECT: PHASE 1 GARDEN REFUSE REPORT

RECOMMENDATION

It is recommended that the Board:

- 1) Hear a presentation by our consultant on the project, CH2M HILL;
- 2) Receive public testimony;
- 3) Direct staff to return with a proposed Phase 2 scope of work; and
- 4) Direct staff to initiate discussions with SWA member agencies concerning garden refuse tonnage commitment agreements.

BACKGROUND

In May 2002, a team of staff from the three SWA member agencies submitted a Green Waste Study recommending that the SWA sponsor the development of a new, in-county, regional, green waste processing facility and that the facility be developed and operated as a public-private partnership. At the September 2002 Board meeting, staff recommended that the SWA seek consultant assistance to move forward with the project and reported on the consultant procurement process that would be used. At the April 2003 meeting, the Board authorized a consulting agreement with CH2M HILL for Phase One of the project. The consultant scope of work was divided into three tracks:

- Public Involvement, to develop a plan for involving community stakeholders throughout the facility development and operation process;
- Procurement, to make recommendations for establishing a public-private partnership (P3) for facility development and operation; and
- Planning, to identify the preferred system configuration, provide basic facility design and cost estimates, and address permitting issues, including a preliminary siting assessment.

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Jill Sideman, a vice-president with CH2M HILL and project manager for the SWA garden refuse consultant study will make a presentation to the Board summarizing the results of our Phase One effort. The consultant report is attached.

DISCUSSION

Each of the SWA member agencies shares the common need to manage garden refuse cost-effectively and responsibly as a significant part of its individual efforts to achieve the State of California's 50% diversion mandate. To meet this common need, SWA staff recommended in May 2002 that the SWA Board consider the public-private development of a regional garden refuse processing facility within Sacramento County. SWA staff believes that the potential benefits of an in-County facility would include:

- Reduce total system costs and stabilize costs over the long-term
- Improve long-term stability and reliability of service
- Assure compliance with California diversion mandates
- Minimize the potential nuisance issues of garden refuse processing facility operations through strong local control
- Improve environmental conditions by shortening material transportation distances, thus reducing traffic and air quality impacts
- Increase the accessibility of compost products to SWA member agencies and the community

Phase One Report Recommendations

The CH2M HILL report presents the results of the Phase One effort. The conceptual cost estimates for the garden refuse facility show that a regional facility within Sacramento County may be cost-effective and competitive with current system costs. The report recommends the following as most important for proceeding with development of a regional garden refuse processing facility.

Public Involvement

1. Implement the Public Involvement Plan for building relationships and establishing communication with key community stakeholders. Implementation should start immediately after an SWA Board decision to begin Phase Two of the project.
2. At the start of the facility site selection process, implement the Siting Component of the Public Involvement Plan to improve community stakeholder support and minimize project opposition.

Procurement and Public-Private Partnership

1. Develop and execute separate agreements between the SWA and each of its member agencies. These agreements will contain the commitments and conditions under which each of the SWA member agencies will commit a portion of its garden refuse to the regional facility. Achieving these agreements is essential to moving ahead with community involvement, site selection, the early stages of private partner procurement,

and the environmental and permitting process for the new regional facility. Therefore, this action should be given the highest priority.

2. The City of Sacramento's current contracts for garden refuse management services expire in 2004 and 2005, and the City has indicated its intent to procure new services in 2004. The Sacramento County and City of Citrus Heights contracts for garden refuse management services remain valid through March 2007, when the new regional facility could commence operations. Any new agreement(s) that the City of Sacramento makes for garden refuse services should recognize the City's commitment of a portion of its garden refuse to the new regional facility and should allow the City to terminate the agreement at any time.
3. After the SWA/Member Agency Agreements are in place, begin the procurement process for potential private sector partners and involve these potential partners as the facility siting and environmental process moves forward.

Planning

1. At present, City of Sacramento and Sacramento County staff are willing to commit about half of their garden refuse to this project, Citrus Heights staff are willing to commit all of their garden refuse to this project. The SWA Board and its member agencies may wish to consider increasing the total tonnage committed to the facility to improve economies of scale and reduce costs. Increased tonnage could come from current SWA member agencies, from new SWA members, or from non-SWA members.
2. Once agreements have been established between the SWA and its member agencies, commence the site selection process and implement the siting component of the public involvement program.

Additional Factors

The following are some additional factors that may need to be considered if this project moves forward.

Conversion Technology Alternatives

"Conversion technology" is a general term used in the industry to describe methods to convert solid waste or portions of the solid waste stream into electrical power or clean-burning transportation fuel. The Kiefer Landfill gas to energy facility is a local example of conversion technology. Landfill gas from the City of Sacramento's former landfill at 28th street is also converted for power generation. Sacramento Metropolitan Utility District (SMUD) staff has recently expressed the desire for preliminary discussions about conversion of County garden refuse materials into electrical power. Similarly, a local technology group with federal grant funding has expressing interest in pursuing the conversion of green materials into electrical energy and transportation fuel. At present, conversion is technically feasible, but too costly. State and Federal energy and clean air policies will determine whether local conversion efforts will become cost competitive. Conversion is a potentially viable alternative, but practical application is still several years out. The proposed SWA garden refuse facility would accommodate research and development activities in cooperation with the private-sector facility operator.

Private-Sector Facility Developments

There are some recent private-sector activities similar to the proposed SWA garden refuse facility. All the SWA member agencies use Grover Landscaping to process a portion of their green material. Grover now transfers this material to its composting facility near Vernalis in Stanislaus County. Grover recently acquired interest in an existing, though currently idle, green waste composting facility northwest of Woodland in Yolo County, which is significantly closer to the Sacramento area than Vernalis. Other private companies may also be considering their own facility development in Sacramento County to reduce transportation costs and to be more competitive for member agency processing contracts.

SWAC

Staff briefed the Cities/County Solid Waste Advisory Committee (SWAC) on this report and its recommendations at the September 2nd meeting. By a seven to one vote, SWAC adopted a motion of support for the recommendations of the Garden Refuse Processing Facility Development Report.

CONCLUSION

The SWA member agencies share a common need to manage the garden refuse portion of the waste stream in a cost-effective and responsible manner. The conceptual cost estimates for the garden refuse facility show that a regional facility within Sacramento County may be cost-effective and competitive with current system costs. The SWA has the opportunity to act as the agency by which its members and the community can benefit from regional cooperation in the development of an important component of an integrated garden refuse management system.

It is recommended that the Board direct staff to return with a proposed Phase 2 scope of work and also direct staff to initiate discussions with SWA member agencies concerning garden refuse tonnage commitment agreements.

Respectfully submitted,

Cheryl Creson
Chief Administrative Officer

By: _____

David A. Pelsler, PE, DEE
General Manager/Engineer

Attachment: Garden Refuse Processing Facility Development, Phase One Report, September 4, 2003
Contact for additional information: Pat Quinn, SWA staff (916) 875-7082

SACRAMENTO REGIONAL SOLID WASTE AUTHORITY