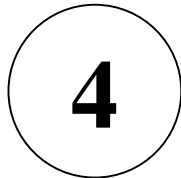




Meeting Date: February 13, 2004



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

Board of Directors

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(County of Sacramento)

Cheryl Creson

Administrator

David A. Pelsler

General Manager/Engineer

SUBJECT: UPDATE ON PROGRESS WITH GARDEN REFUSE FACILITY PROJECT

RECOMMENDATION

It is recommended that the Board receive and file this report.

BACKGROUND

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, a team of staff from the three SWA member agencies submitted a Green Waste Study to the Board in May of 2002. The staff study recommended 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. The potential benefits of a SWA-sponsored in-County facility would include the opportunity to:

- 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

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.

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CH2M Hill completed Phase 1 of the project on schedule and within budget. At the September 11, 2003 meeting of the SWA Board, the Board heard a presentation of the Phase 1 Garden Refuse Report, and by unanimous vote, directed SWA staff to report back with a proposed Phase 2 scope of work for the project and directed staff to initiate discussions with SWA member agencies concerning garden refuse tonnage commitment agreements.

A key recommendation of the Phase 1 consultant report was to 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 stakeholder relations, site selection, the early stages of private partner procurement, and the environmental and permitting process for the new regional facility. Therefore, the Phase 1 consultant report recommended that member agency agreements should be given the highest priority.

At its November 2003 meeting, the Board approved a resolution authorizing the SWA General Manager/Engineer to execute a contract amendment with CH2M Hill to provide consulting services for Phase 2 of the project. Following through on the key recommendation of Phase 1, the first emphasis for Phase 2 is to develop tonnage commitment agreements between the SWA and each of its member agencies.

DISCUSSION

With the assistance of SWA Counsel, CH2M Hill has prepared a model garden refuse tonnage commitment agreement for discussion with the member agencies. The agreement is a statement of mutual intent, and as such should be considered as the first step in establishing the contractual framework needed to pursue the project. Subsequent, more detailed agreements between the SWA and its member agencies will be needed as the project moves forward. At a later date, we will also need a vendor services agreement between the SWA and its private-sector partner for development and operation of the garden refuse processing facility.

We have begun meetings with SWA member agency staff to refine the model agreement to meet the individual concerns of the member agencies. We plan to return to the Board at its March or April meeting with a proposed agreement for each of the three SWA member agencies. At that time, we intend to ask for the Board's authorization for the Administrator to negotiate and execute the three agreements on the SWA's behalf.

As we prepare to bring the agreements back to the SWA Board, we will also be working with the member agency staff to bring the individual agreements to the Citrus Heights and Sacramento City Councils and to the County Board of Supervisors for their approval. We thus hope to have all the necessary approvals for the agreements this coming Spring so that we can move on to the next elements of Phase 2 -- the facility siting and stakeholder relations effort.

SWAC

The Cities/County Solid Waste Advisory Committee (SWAC) was briefed on the status of this project at its February 4th meeting. SWAC has taken positions of support for this project since its inception. Staff did not seek any recommendation by SWAC at this time.

CONCLUSION

Since the Board approved the scope of work for Phase 2 of this project last November, we have developed a model tonnage commitment agreement that establishes the terms under which the individual SWA member agencies intend to commit a portion of their garden refuse to the project. This coming spring, we plan to bring the agreements to the SWA Board and to the Citrus Heights and Sacramento City Councils as well as to the County Board of Supervisors for their approval. We wish to have these preliminary tonnage commitments in place prior to beginning the stakeholder relations and facility siting process to locate a new garden refuse processing facility. It is recommended that the Board receive and file this report.

Respectfully submitted,

Cheryl Creson,
Administrator

By: _____

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

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