

RESOLUTION NO. 2008-117

Adopted by the Sacramento City Council

February 26, 2008

AUTHORIZATION FOR THE EXCLUSIVE RIGHT TO NEGOTIATE PRINCIPLES OF AGREEMENT (“POA”) WITH U. S. SCIENCE & TECHNOLOGY CORPORATION AND NEGOTIATE WITH BLT ENTERPRISES OF SACARMENTO, INC. FOR PROVIDING RESOURCE RECOVERY AND ENERGY CREATION

BACKGROUND

- A. The City collects and delivers an average of 146k tons of residential and commercial municipal solid waste (MSW) annually to BLT Enterprises of Sacramento, Inc.'s (BLT Enterprises) transfer station. BLT Enterprises, under contract with the City until 2018, first sorts the commercial waste then hauls both to the Lockwood landfill in Sparks, Nevada at a cost of \$38.50 per ton. Additional residential MSW is disposed of at the Sacramento County's Keifer Landfill at a cost of \$44.80 per ton. The total cost to the City to dispose of MSW is over \$8 million annually. Going forward, it is anticipated that landfills will reach capacity and alternative waste disposal methods will be required to meet the needs of our growing population in the Sacramento region.
- B. On August 24, 2007, the City Manager's Office (CMO) issued a Request for Qualification (RFQ) to solicit other potential alternative technologies. The RFQ called for a development partner with the expertise and financial capacity to provide alternative resource recovery and energy creation technology. The project is referred to the Waste to Energy (WTE) project.
- C. The WTE RFQ selection committee, consisting of CMO staff, Solid Waste staff, City Attorney, Sacramento County Department of Waste Management & Recycling, and professors from California State University, Sacramento College of Engineering and Computer Science, reviewed the eleven (11) RFQ submittals and categorized them according to the various technology fields.
- D. Staff identified five specific goals for the WTE project: 1) Environmentally friendly and reduces greenhouse emissions, 2) Economically viable and cost-neutral to rate payers, 3) Leaving little to no residual requiring treatment or landfill disposal, 4) Continue the City's existing recycle program, and 5) Utilize a proven technology at a commercial scale. Staff has determined that the plasma gasification technology will best meet the WTE project goals and the City's goals for sustainability. Of the eleven submittals received, USST is the only company proposing the plasma gasification technology.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. U.S. Science & Technology is hereby granted up to three months, the exclusive right to negotiate with the City, through the City Manager, principles of agreement for the development of a Waste to Energy project.

- Section 2. Staff is directed to negotiate with BLT Enterprises of Sacramento, Inc. principles of agreement upon which the City's contract with BLT Enterprises would be amended in order to accommodate the Waste to Energy project.
- Section 3. Staff is directed to engage in discussions with SMUD regarding interconnection between the Waste to Energy project and SMUD's power grid, and regarding a power sales agreement for SMUD to purchase power generated by the Waste to Energy project.

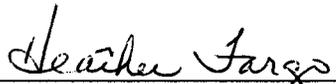
Adopted by the City of Sacramento City Council on February 26, 2008 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Fargo.

Noes: None.

Abstain: None.

Absent: None.



Mayor Heather Fargo

Attest:



Shirley Concolino, City Clerk