



REPORT TO COUNCIL

City of Sacramento

18

915 I Street, Sacramento, CA 95814-2604

www.CityofSacramento.org

Staff Report

April 29, 2008

Honorable Mayor and
Members of the City Council

Title: Waste to Energy (WTE) Project City Council Workshop.

Location/Council District: All

Recommendation: Information only.

Contact: Marty Hanneman, Assistant City Manager, 808-5704
James R. Rinehart, Economic Development Manager, 808-5054
Edison Hicks, Integrated Waste General Manager, 808-4949

Presenters: James R. Rinehart, Economic Development Manager
Gary Young, Ph.D., PE, President, GYCO Inc.
Emir Macari, Ph.D., Dean, School of Engineering, CSUS
Dan Pellissier, Assistant Secretary, Energy Policy, California EPA
Lou Cercio, Ph.D., Georgia Tech University

Department: Office of the City Manager

Division: n/a

Organization No: 0310

Description/Analysis

Issue: On February 26, 2008, the City Council approved an Exclusive Right to Negotiate (ERN) with U.S. Science & Technology Inc. (USST) for up to three months. The negotiation period was intended to develop the business terms of a Principles of Agreement (POA). USST was selected from a total of eleven responders to a Request for Qualifications (RFQ) and was the only responder proposing the Plasma Arc Gasification (PAG) technology. The PAG technology was recommended because of its ability to best meet the City's goals for sustainability.

This WTE project workshop is in response to City Council's request:

- To receive expert testimony related to the advantages and disadvantages of the various technologies proposed in the other submittals received in response to the RFQ.
- To conduct thorough due diligence relevant to the PAG technology.
- To discuss actual costs to the City of Sacramento with regard to implementing a WTE facility in the Sacramento region.

Since City Council's action on February 26, 2008, a series of meetings, briefings, conference calls, and documentation exchanges have occurred with various stakeholders to discuss the technical and financial aspects of the WTE project concept. Other actions relevant to the WTE project underway include:

- Discussions regarding CEQA and other State regulatory requirements,
- Discussions with BLT, SMUD and the County of Sacramento,
- Review of current and proposed legislation,
- Outreach to the environmental communities including the Sierra Club and Citizens Against Waste,
- Solicitation of academic expert opinions, and
- The Mayor's Working Group, chaired by CM Hammond and including CM Waters and CM Fong, has met to receive testimony from independent experts (i.e. not-affiliated with USST) on PAG technology and on the technologies proposed in the other submittals received in response to the RFQ.

The WTE project workshop is intended to provide an update and status on the WTE project negotiations and to provide the City Council with an objective discussion relative to the various WTE technologies by experts not affiliated with USST. These experts will also be available to respond to questions.

Policy Considerations: None, informational only.

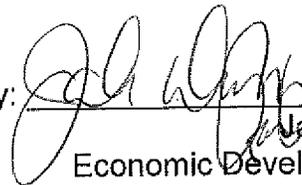
Environmental Considerations: The specific actions recommended in this report are exempt from California Environmental Quality Act (CEQA) Guidelines Section 15262 as a planning activity for defining the project for possible future action.

Rationale for Recommendation: Information only.

Financial Considerations: None.

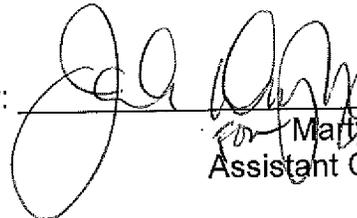
Emerging Small Business Development (ESBD): None.

Respectfully Submitted by:



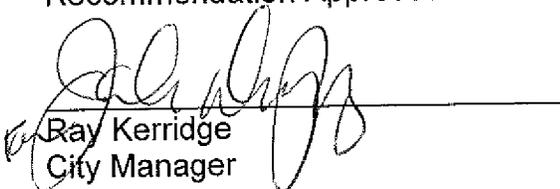
James R. Rinehart
Economic Development Manager

Approved by:



Marty Hanneman
Assistant City Manager

Recommendation Approved:



Ray Kerridge
City Manager

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Background

On February 26, 2008, the City Council approved an Exclusive Right to Negotiate (ERN) with U.S. Science & Technology Inc. (USST) for up to three months. The negotiation period was intended to develop the business terms of a Principles of Agreement (POA). USST was selected from a total of eleven responders to a Request for Qualifications (RFQ) and was the only responder proposing the Plasma Arc Gasification (PAG) technology. The PAG technology was recommended because of its ability to best meet the City's goals for sustainability.

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