



**NAPA-VALLEJO WASTE
MANAGEMENT AUTHORITY**

Agenda Date: 11/7/2013

Agenda Placement: 7C

Napa-Vallejo Waste Management Authority Board Agenda Letter

TO: Board of Directors

FROM: Luthy, Richard - Executive Director
Napa-Vallejo Waste Management Authority

REPORT BY: Richard Luthy, Executive Director, Napa-Vallejo Waste Management - 707-299-1314

SUBJECT: Agreement 2014-07 Exclusive Right to Negotiate

RECOMMENDATION

EXCLUSIVE RIGHT TO NEGOTIATE

REQUESTED ACTION: Approval and authorization for the Chair to sign Agreement No 2014-07 Exclusive Right to Negotiate Agreement, effective November 7, 2014 for a period of 365 days from the effective date.

EXECUTIVE SUMMARY

At the Authority's October 3, 2013 meeting, the Board heard a presentation from RealEnergy Partners, LLC describing their efforts to develop a multi-party waste-to-energy project. A central element of the project is production of energy from the organic fraction of mixed municipal solid waste. RealEnergy has entered into an Exclusive Right to Negotiate (ERN) with Napa Sanitation District to obtain an agreement to build a waste-to-energy project on District property. They are interested in a similar ERN with the Authority with the goal of obtaining an agreement for feedstock from the Devlin Road Transfer Station. The Authority is authorized to enter into the proposed agreement pursuant to Public Resources Code Section 40059.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable

BACKGROUND AND DISCUSSION

RealEnergy, LLC, is a private company specializing in the development of renewable energy power plants. RealEnergy has proposed installation of an organic transfer operation at the Devlin Road Transfer Station (DRTS). Under the proposed plan, organic mixed waste received at DRTS would be separated from other mixed municipal waste, processed and transferred to the Napa Sanitation Wastewater Treatment Plant for conversion into energy producing biogas and other products. The proposed Project includes installation of municipal solid waste processing equipment and a solar photovoltaic system for production of electricity.

The proposed Exclusive Right to Negotiate (ERN) would have a term of 365 days and would be renewable at the option of the parties. Terms for a lease or other contractual arrangement would be negotiated. Potential impacts on the Authority's transfer station operating contract with Northern Recycling Operations and Waste Services (NROWS) would also be considered in conjunction with the negotiations.

SUPPORTING DOCUMENTS

A . Exclusive Right to Negotiate

Executive Director: Approve

Reviewed By: Martha Burdick