

## MEETING MINUTES

**Project Name:** Bay Area Biosolids to Energy Project **Date:** 01/08/2010  
**Client:** Bay Area Biosolids Coalition **Project Number:** 7673A.00  
**Prepared By:** Todd Jordan  
**Subject:** Bay Area Biosolids Coalition RFQ Pre-submittal Conference  
**Attendees:** See the List of Attendees

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**The following is Carollo's understanding of the subject matter covered in this conference. Please note that statements below are grouped by subject and may not necessarily be in chronological order of the meeting. If any of the statements, comments, or decisions noted below differs from your understanding, please notify us.**

The outline and numbering of the items listed in these minutes are based on the agenda.

### **1. Introductions**

The List of Attendees lists each attendee name, company, phone number, and email address. This list includes in-person attendees and teleconference participants by name and company/organization.

### **2. Project Overview**

Gary Darling provided a project overview including the project background, goals, drivers, and timing using the presentation slides 1 through 9.

### **3. Current Status**

Caroline Quinn reviewed the current status of the project, which included previous studies and siting work as shown on slide 9.

### **4. Project Requirements**

Natalie Sierra reviewed the project requirements including facility locations, characteristics, operations, and performance. Permitting and stakeholder outreach were also discussed.

### **5. RFQ Process & Schedule**

Natalie Sierra reviewed the RFQ process and schedule, which included submittal requirements, schedule as shown on slide 10, and evaluation criteria.

### **6. Questions and Answers**

A summary of the questions and answers segment is located on the following page.

### **7. Action Items**

- A. Post presentation slides, minutes and attendees
- B. Provide answer to Question 24.

## Questions and Answers

1. Curtis Eisenberger, AECOM: Are you doing any lobbying to break loose the legislation from Assemblywoman Fiona Ma for air quality dispensation for conversion to energy as opposed to combustion?

*Caroline Quinn: Our lobbyist is working on all angles of this project, which would include that legislation.*

2. Ray Kearney, Enertech Environmental: Is the Coalition expecting a project that produces electricity or are they open to projects that produce renewable fuels that can be used to produce electricity or heat or replace coal in some manner?

*Caroline Quinn: We are open to the full range of possibilities in terms of what form of energy the project will produce. Our goal is to be a net energy producer.*

*Dave Requa: We would be interested in making sure that the feedstock we are producing has some place to be used rather than just ending up in a landfill.*

3. Ray Kearney, Enertech Environmental: Is the Coalition open to contract terms being extended from 10 or 20 years up to possibly 25 years?

*Caroline Quinn: We are. That is a reasonable range we see, but that is open.*

4. Dave Requa (comment): In reference to the ring of facilities around the bay and why San Jose and East Bay MUD are not included; clearly the participation of larger agencies is beneficial because it provides the smaller agencies the ability to create this type of project.

East Bay MUD participated in earlier phases of this project. Because of their views on liability and costs, East Bay MUD decided not to participate in this phase of the project. If a cost-effective, viable project is identified, there is no doubt that they would again be interested in participating.

The City of San Jose is working on a parallel path with this project and we are in very close communication with them. Like East Bay MUD, San Jose would be interested if a viable and affordable project was identified. The Coalition and San Jose have discussed the potential of two regional facilities ultimately coming out of this project – one near the centroid of San Jose and the other near the centroid of San Francisco.

5. Peter Brady, Alpine Technology: Is proven technology important for the Coalition?

*Natalie Sierra: The Coalition is weighing all aspects of the project and is open to innovative technologies. It is very important that the technologies are proven and have installations in North America that can meet all the other project requirements that have been specified.*

*Dave Requa: The Coalition is very interested in the opportunity to be on the leading edge with the technology development in the U.S., but we don't want to be on the bleeding edge.*

6. Peter Brady, Alpine Technology: In other words, you need something that demonstratively will work routinely and reliably?

*Dave Requa: That would be correct. The technology will need to demonstrate that the probability of working routinely and reliably is very high.*

7. Peter Brady, Alpine Technology: A group that includes some in attendance has put together documentation of technologies that are proven to work routinely and reliably.

*Rich Currie: We are a group of public agencies who tend to be risk averse. It is important that we at least see pilot demonstration work with biosolids. There are a lot of technologies that work with other feedstocks to produce alternative fuels. It is important that the proposed technology has some demonstration of work with some biosolids, because biosolids can be a very different and difficult animal to deal with.*

8. Jim Oyler, Genifuel Corporation: Question for Gary Darling – Based on the assumption that the San Francisco Bay Area produces about 2,000 wet tons per day, what is the biosolids content of that?

*Bob Gillette, Carollo Engineers: 2,000 wet tons per day was the total Bay Area amount of biosolids. The percent biosolids from each agency ranges from 15 to 28 percent. The combined percent biosolids is approximately 20 to 25 percent.*

9. John Lindeman, Wheelabrator: Relating to the sites that have been considered by the Coalition. Are they being ranked by the Coalition and when will a determination be made as to when the sites will be selected?

*Caroline Quinn: At this time we aren't necessarily ranking potential sites. Rather we are going through a vetting/fatal flow analysis process. We are meeting with the managers associated with the proposed sites and reviewing the project with them for fit with their operations and goals and for the possibility to open their site to hosting a regional biosolids facility. In addition, we are having conversations with local land use planning agencies to determine how the project would be received, identify sensitivities, and identify any fatal flaws.*

*We are open to the proposal or identification of specific sites. Ranking is not anticipated, but the Coalition could possibly screen the potential sites down to three sites that appear to be the most viable. These sites could move forward in an environmental review process. The timing for the vetting process is expected to conclude over the next few months, probably the same time that the qualifying teams for the RFQ process are announced.*

10. Tim Monaghan, Kennedy Jenks: Are the sites being considered for this project private information?

*Caroline Quinn: The Coalition is not inclined to talk about specific sites that have been suggested until initial contact has been made with each community that represents each site. We also need to have our public engagement program firmly established prior to making contact with these communities.*

*Natalie Sierra: We are trying to get partners so we can move through the remainder of this process with them. We have done a gross higher level screening to see what is out*

*there and, once we have a partner, we would go through the process more specifically and narrow the list down.*

*Gary Darling: The siting analysis that has been done so far has started with determining if any of the sixteen agencies involved can locate the facility on their site.*

11. Curtis Eisenberger, AECOM: Have you had a chance to discuss any of this in terms of additional feedstocks with your departments of public works, such as green waste? The districts that have digesters are using the same feedstock as the technology that the regional biosolids facility would use. Has any thought been given to what each agency would do with their digesters that essentially competing with the regional facility?

*Caroline Quinn: (1<sup>st</sup> question) We have spoken to some of the departments of public works as well as the private firms that manage green waste about potentially combining their waste with our facility. That work is ongoing but we see a good potential opportunity with using green waste.*

*Bob Gillette, Carollo Engineers: (2<sup>nd</sup> question) We are well aware that the digestion processes take a lot of the energy directly out of the biosolids. But all the agencies involved are very vested in the use of the digester gas at their own facilities. We have talked about taking the excess solids produced at each facility and taking them to this facility. But at the present time we anticipate that the vast majority of the biosolids that will be received at the facility will be digested.*

*Gary Darling: We have also talked about providing incentives to agencies that send undigested solids to the facility. There are complications with processing and transporting undigested solids that we are also aware of.*

*Dave Requa: The Dublin San Ramon Services District is a good example. We use all of our digester gas now for cogeneration. We are growing so we would need to build digesters in the future. A viable project down the road may well deter us from building digesters and encourage us to process a combination of sludge. In general, all the agencies will be providing digested sludge now, but down the road, they could potentially divert the raw sludge to the facility.*

12. Kevin Best, Real Energy: Is the approximate BTU content of the biosolids known? Are there obvious areas of very large acreage that could be dedicated for energy crops for these biosolids?

*Bob Gillette, Carollo Engineers: It is the typical value of digested sludge, which is in the 5,000 to 6,000 BTU range.*

*I think you are asking if there is somewhere we could take the biosolids and grow energy crops. We have not envisioned this project for growing crops because we have not seen a spot in the Bay Area that we could do that. We are looking for facilities that could use biosolids directly.*

*Caroline Quinn: We are looking for project that could use the biosolids for energy.*

*Natalie Sierra: Part of the problem that got us into this was trying to get away from the pressures from land application where the biosolids are being used on crops already.*

*Bob Gillette, Carollo Engineers: Under BACWA, the Coalition did look at numerous processes, including composting, and concluded that there was not a site that could do composting viably.*

*Dave Requa: Before my district joined the Coalition, we invested approximately a million dollars in biosolids master planning. The master plan concluded that due to unavailability of land and increasing land applications restrictions, land application is not a viable option.*

13. Bruce Corwin, CDM: How does the Coalition see the CEQA process going forward? Would the proposer take the total lead or would the Coalition be involved?

*Caroline Quinn: The project heavily emphasizes environmental benefit as described in the RFQ and our presentation. The team is expected to have the capability to evaluate environmental impacts and design a project to not only meet or exceed permitting requirements, but also to provide a net environmental benefit.*

*Who takes the lead on environmental and permitting issues is open. The team needs to bring strong capabilities and sensitivities to environmental issues and have the ability to perform review and optimize the project for a net environmental benefit. The Coalition needs to be integrally involved.*

*Dave Requa: As everybody may be aware, in California it's up to the public agency to be the lead agency. As agencies we are committed to whatever community we end up in. The lead agency will step in to be a lead or work with the community to develop a lead in that community.*

14. Sanjay Reddy, Black and Veatch: Generally public utilities can get money at a lower rate than going to the market like a private entity. Is there a preference as to which direction the project would go? You mentioned that the Coalition is open to both DBO and DBOO. Will one of the criteria be, for example, lowest dollar per wet ton?

*Caroline Quinn: (1<sup>st</sup> question) It is wide open. There are so many factors that could affect the financial attractiveness of proposals, the project, and ultimately to the agencies seeking to use the facility. No, we have no preferences or leanings at this point. We are open to bringing our own financing capabilities to the table, but we are also very interested in what the team brings to the project as well.*

*(2<sup>nd</sup> question) We are focused on qualifications at this point. Cost per wet ton information should be included in a proposal.*

15. Ray Kearney, Enertech Environmental: Will the successful proposer have one contract with the Coalition or one contract with each individual agency?

*In terms of the legal framework proceeding with this work, presently the Coalition members are organized under a Joint Exercise of Powers Agreement. As we move on to the next stage, we will review what the needs are and determine the best way to facilitate a successful project. We are open to what form that takes. It could be either of the options you mentioned. We are not tied to any one legal framework.*

*Rich Currie: Realistically we would like the contract to be with one entity. That is what the Coalition is shooting for.*

16. Ray Kearney, Enertech Environmental: Is it possible to get specific biosolids data from each of the sixteen agencies to determine the heat value, total solids, type of digestion, etc.?

*Caroline Quinn: Absolutely as we move on with the project. But at this point we are focused on the qualifications of the team for the proposal process.*

*Dave Requa: We are not trying to focus on the proposal.*

17. Ray Kearney, Enertech Environmental: The RFQ mentions “emissions” as a part of the criteria. Does “emissions” include greenhouse gasses or does it just consider pollutants?

*Caroline Quinn: We are concerned with both. The fundamental project goal is to reduce greenhouse gas emissions from the present practices.*

18. Ray Kearney, Enertech Environmental: In reference to interim services, when the contract is awarded at the end of the RFP process, are you expecting that the successful proposer start managing the biosolids immediately upon execution of the contract during the design and startup of the facility?

*Caroline Quinn: No.*

*Natalie Sierra: The interim services refer to making sure that the final contractor has a backup plan when there are scheduled shutdowns and maintenance. Some of the smaller agencies may choose to send all their biosolids to this facility so they would need a backup option.*

19. Ray Kearney, Enertech Environmental: What kind of documentation from tests or other facilities is the Coalition looking for?

*Dave Requa: The type of documentation will give us confidence that the proposed process would be successful. It is up to the proposers to convince us that the proposed process is viable, reliable, and has a high probability of being implemented.*

20. Ray Kearney, Enertech Environmental: If you have an existing facility that is permitted, would you like a list of the permitting documentation or a list of the permits or regulations that the facility is in compliance with?

*Natalie Sierra: A list would be adequate.*

21. Ray Kearney, Enertech Environmental: Will the Coalition receive landfill diversion credits for producing renewable fuel?

*Caroline Quinn: That is unknown at this point.*

*Natalie Sierra: It is something we are working on to clarify at the state level. We are a mix of cities and special districts. This is a big concern for the cities to ensure that they get landfill diversion credits.*

22. Ray Kearney, EnerTech Environmental: Does the Coalition expect to have the names of every single partner involved in financing, design, construction, permitting, etc.?

*Dave Requa: We would like a complete package. If we get six complete packages, the partial packages will not stand up to them. We are encouraging complete packages.*

23. Peter Brady, Alpine Technology: If technology was available for use at individual sites, for example, the plant where solids were being generated, would that come into play or will we need to deal with it at individual sites.

*Caroline Quinn: We are amenable to including those technologies that could treat the solids at individual sites in proposals.*

24. Liz Ostoich, Synagro: Can the exhibits be excluded from the 50 page limit?

*Answer: The coalition wants a concise statement of qualifications that provides the information requested within the 50 page limit. If there is additional relevant information that you would like to provide, it may be appended to the qualifications statement, but anything beyond 50 pages may or may not be reviewed.*

25. Ray Kearney, EnerTech Environmental: Please keep in mind what you like in the way of permit documentation.

*Caroline Quinn: Of course.*