

MINUTE ITEM
This Calendar Item No. C37
was approved as Minute Item
No. 37 by the State Lands
Commission by a vote of 3
to 0 at its 12-12-90
meeting.

CALENDAR ITEM

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REQUEST FOR EXEMPTION FROM COMPETITIVE BID PROCEDURES
FOR A LANDFILL GAS LEASE AGREEMENT ON COUNTY PROPERTY,
SACRAMENTO COUNTY

APPLICANT:

County of Sacramento
Department of Public Works
Solid Waste Management Division
9700 Goethe Road, Suite E
Sacramento, California 95827-3500

AREA, TYPE LAND AND LOCATION:

The Sacramento County Kiefer Landfill is a
650 acre parcel of county land approximately
15 miles southeast of the City of Sacramento
near the intersection of Kiefer Boulevard and
Grant Line Road, Sacramento County, T8N. R7E
Sections 22, 26, 27, 35.

BACKGROUND

The Sacramento County Kiefer Landfill is located approximately
15 miles southeast of the City of Sacramento near the
intersection of Kiefer Boulevard and Grant Line Road. The
landfill opened in 1967 and presently has over eight million
tons of municipal refuse in place. Presently, the site
receives approximately 650,000 tons of municipal solid waste
annually. This is expected to increase to over 900,000 tons
per year when the City of Sacramento joins the operation in
1992.

The Kiefer Landfill is classified as a Class III (new
classification) solid waste disposal site. The site is owned

and operated by the Sacramento County and is open 365 days per year. The permitted area is 650 acres and the current landfill operating area is approximately 250 acres. The existing maximum depth of fill is approximately 100 feet. The landfill design provides an estimated capacity of 76 million yards (60 million cubic yards of refuse and 16 million cubic yards of cover). An estimated site life of 25 to 31 years (2015 through 2021 closure) assumes a three percent annual waste generation growth rate.

Landfill gas (LFG) generated and produced by land filled waste has potential as an energy source. Sacramento County desires to convert LFG at the Kiefer Landfill into a marketable product.

Sacramento County has requested proposals to develop an LFG recovery system at the county landfill. The county seeks a third-party development of the LFG system. The selected firm shall provide all services necessary to produce a working project including: engineering, design, permitting, environmental evaluation, financing, installation of recovery system, marketing of a product and operation of the LFG system.

The project economics are based on a 20-year life expectancy with a beginning production of 1.6 MMCFD 1000 BTU gas escalating to 2.5 MMCFD. Sacramento County will receive a royalty of ten percent (10%) of the gross gas sales revenue and a site lease rental based on the installed gas processing capability (initially estimated at \$120,000 per year). The county's initial annual revenue is estimated to be \$309,000 in 1991 and increasing to \$1,000,000 in 2010.

STATUTORY AND OTHER REFERENCES:

P.R.C. Section 7052 states in part:

"The State Lands Commission may in its discretion exempt particular leases or operating agreements from the procedure required by this section and Section 7053" --- (competitive bidding procedures) ---- "where by reason of the small size of the property or drainage, actual or imminent, such procedure would in the judgment of the State Lands Commission in the particular case be impractical".

CALENDAR ITEM NO. C 37 (CONT'D)

Staff has reviewed the request of Sacramento County for an exemption from competitive bid procedures for a Landfill Gas Agreement on county property and has determined that it would be impractical for Sacramento County to follow the competitive public bidding procedures for this project as outlined in sections 7052 and 7053 of the California P.R.C.

SB 884: N/A.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority, staff has determined that this activity is exempt from the requirement of CEQA because the activity (exemption from competitive bid procedures) is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Code Regs. 15378.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE IT IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.
2. APPROVE THE REQUEST OF THE COUNTY OF SACRAMENTO FOR AN EXEMPTION FROM THE FORMAL BIDDING REQUIREMENTS AS OUTLINED IN P.R.C. SECTIONS 7052 AND 7053, FOR A LANDFILL GAS LEASE IN THE COUNTY-OWNED 650 ACRE PARCEL LOCATED IN SECTIONS 22, 26, 27, 35 TOWNSHIP 8 NORTH RANGE 7 EAST M.D.B.M., SACRAMENTO COUNTY.

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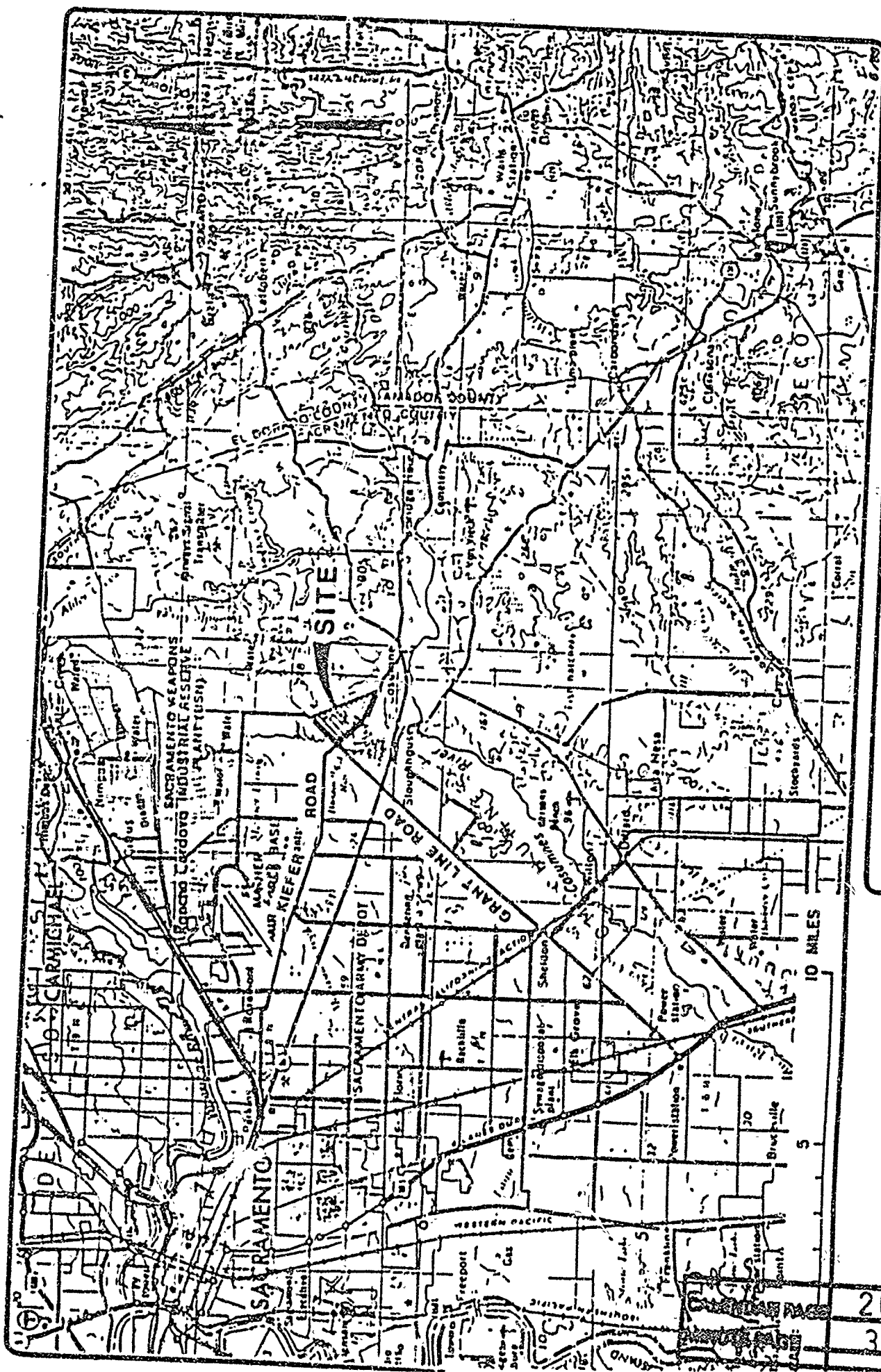


FIGURE 1

SACRAMENTO COUNTY
KIEFER ROAD LANDFILL
SACRAMENTO, CALIFORNIA

SITE LOCATION MAP

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