

arizona municipal water users association

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AGENDA ITEM #4A

December 3, 2009

TO: Members of the SROG Committee

FROM: Donald P. Sehorn, Program Manager

SUBJECT: AUTHORIZATION TO EXECUTE A CONTRACT WITH ENERGY STRATEGIES

This request would authorize the City of Phoenix to execute a contract with Energy Strategies for an amount not to exceed \$85,000 to assist SROG in the negotiation of a long-term agreement with Black & Veatch/Sempra Energy for the sale of digester gas generated at the 91st Avenue WWTP.

Energy Strategies is experienced in green energy issues and the negotiation of natural gas and electric sales rates. Energy Strategies was recommended by the Phoenix Public Works and Aviation Departments. The recommendations from these departments were based on recent contract experience with Energy Strategies. The services Energy Strategies can provide will assist the City of Phoenix in negotiating the best contract possible with Black & Veatch/Sempra Energy.

This focus on utilization of the digester gas produced at the 91st Avenue WWTP is an outgrowth of the recommendations from the Biosolids Study, which, in addition to selling the gas, indicated that in about ten years SROG will need to use the digester gas to dry the biosolids in order to reduce hauling costs, which have been increasing. Currently, when the biosolids leave the plant they consist of 20% solids and 80% water; with every ton of biosolids being hauled off, four tons of water are also being hauled to distances of 50 to 100 miles away.

RECOMMENDATION

At their November 19, 2009 meeting, the SROG Advisory Committee recommended that:

the SROG Committee authorize the City of Phoenix to execute a contract with Energy Strategies for an amount not to exceed \$85,000 to assist SROG in the negotiation of a long-term agreement with Black & Veatch/Sempra Energy for the sale of digester gas generated at the 91st Avenue WWTP. The Project Number is WS90100088 and will be billed according to Billing Schedule 41.