

RESOLUTION NO. __

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF MESA, ARIZONA, AUTHORIZING THE CITY
MANAGER TO PROVIDE WRITTEN APPROVAL
TO THE CITY OF PHOENIX, ACTING AS
MANAGEMENT AGENT, OF THE
CONTRACTUAL DISPOSITION OF BIOGAS
PRODUCTS OF THE 91ST AVENUE TREATMENT
FACILITY**

WHEREAS, in 1979, the City entered into the Intergovernmental Agreement for the Construction, Operation and Maintenance of the Jointly Used Sewerage Treatment and Transportation Facilities, No. C-1294 ("IGA"); and

WHEREAS, the IGA, as amended, continues in effect and provides for the joint ownership, construction, operation and maintenance of the 91st Avenue Sewage Treatment Plant ("Plant") by the Cities of Tempe, Glendale, Mesa, Phoenix and Scottsdale ("Cities"), with the City of Phoenix acting as the Management Agency for the Cities; and

WHEREAS, Phoenix, working in cooperation with the other Cities and in accordance with the IGA, has publicly procured an opportunity to work with Ninety-First Avenue Renewable Biogas, L.L.C., a Delaware limited liability company ("91RB"), to convert waste digester biogas, a product of processing wastewater at the Plant (the "Biogas Product") into a renewable energy source ("Project"); and

WHEREAS, Phoenix has negotiated Agreements with 91RB by which 91RB will lease a limited area at the Plant property for 20 years for the purposes of constructing and operating a biogas processing facility; and

WHEREAS, 91RB will also purchase Biogas Product supplied by the Plant, process the Biogas Product into a renewable energy source, market the resource, and otherwise assume the risk of financial loss from the Project; and

WHEREAS, as a result of the Project 91RB will pay the Cities an estimated \$24 million over a 20-year period, of which Mesa's share would be approximately 13% or \$3,000,000 to offset the costs of the Plant; and

WHEREAS, it is anticipated that the Project will result in the following benefits to the Cities and the Plant: converting a waste product into renewable energy, reducing biogas wasted by flaring (burning) to the atmosphere, reducing the amount of air emissions from flaring, creating a potential source of fuel for use as emergency power at the Plant, and generating revenue from the sale of the renewable green energy; and

WHEREAS, in accordance with Section 17 of the IGA, Phoenix, as Management Agency of the Plant, must secure written approval from Mesa to enter into contractual disposition of effluent and products contributed to the Plant by the other Cities; and

WHEREAS the City Attorney and City Manager are in the process of consulting with Bond Counsel regarding Mesa's outstanding municipal Bonds and the sale of BioGas Products, the Project, and the Plant, and the Mesa City Council desires to provide the City Manager with authorization to provide the City of Phoenix with written approval for the sale of the Biogas Products in accordance with Section 17 of the IGA upon completion of such consultation with Bond Counsel.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESA, ARIZONA, as follows:

Section 1. That the City Manager or his designee is hereby authorized to provide the City of Phoenix with written approval of the contractual disposition through sale of Plant Biogas Products consistent with this Resolution and the terms of the IGA whereby Mesa shares proportionally in the proceeds, considerations or benefits of disposition.

Section 2: That the various City officers and employees be and hereby are authorized and directed to perform all other acts reasonably necessary to give effect to this Resolution.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF MESA, ARIZONA, this 5th day of July, 2016.

APPROVED:

Mayor

ATTEST:

City Clerk