



ADMINISTRATION COMMITTEE

Agenda Report

Headquarters
18480 Bandilier Circle
Fountain Valley, CA 92708
(714) 593-7433

File #: 2025-4316

Agenda Date: 6/11/2025

Agenda Item No: 4.

FROM: Robert Thompson, General Manager
Originator: Lan C. Wiborg, Director of Environmental Services

SUBJECT:

ORANGE COUNTY WASTE AND RECYCLING WASTE DISPOSAL AGREEMENT, AMENDMENT NO. 2

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Approve Amendment No. 2 of the OC Waste and Recycling Waste Disposal Agreement, extending the initial term of the Agreement from June 30, 2025 to June 30, 2026, for a total amount not to exceed \$748,000 which includes the unit price per ton for solid waste disposal and the associated escalation costs.

BACKGROUND

Since 2013, OC Waste and Recycling (OCWR) has been providing Orange County Sanitation District (OC San) with a low-cost, in-county option to properly dispose up to 50 tons per day (tpd) of solid waste generated from the grit, screenings, and drying beds from both Plant Nos. 1 and 2, which is currently transported to the Frank Bowerman Landfill (Bowerman) located in the city of Irvine. In addition, OCWR provides a fail-safe option for the potential disposal of biosolids at the Prima Deshecha Landfill (Prima) located in the city of San Juan Capistrano when OC San's biosolids cannot be beneficially used.

OCWR proposes a one-year extension of the existing Waste Disposal Agreement (WDA) from June 30, 2025 to June 30, 2026. As part of the extension, the landfill disposal fee will increase by 2.6%, from \$42.65 to \$43.76 per ton, in accordance with the escalation formula in the current WDA. This extension allows continued access to OCWR's landfill services under existing terms while negotiations continue with a long-term successor agreement.

OCWR recently sent the Orange County Sanitation District (OC San) a proposed amendment to the WDA. The extension will enable OC San to fully assess future cost impacts, infrastructure needs, and regulatory requirements associated with OCWR's proposal.

RELEVANT STANDARDS

- Maintain and adhere to appropriate internal planning documents (2023 Strategic Plan, 2017 Biosolids Master Plan, etc.)

- Sustain 1, 5, 20-year planning horizons
- Maintain collaborative and cooperative relationships with regulators, stakeholders, and neighboring communities
- Maintain a culture of improving efficiency to reduce the cost to provide the current service level or standard

PROBLEM

OC San's current WDA with OCWR is expiring on June 30, 2025, and an amended agreement is needed to routinely haul solid waste (grit, screenings, drying bed materials and/or any biosolids that cannot be beneficially used) to the various in-county landfills.

PROPOSED SOLUTION

Approve Amendment No. 2 of the WDA extending the initial term of the Agreement from June 30, 2025, to June 30, 2026.

TIMING CONCERNS

OC San will need the WDA executed and processed before the June 30, 2025 expiration date to ensure there is no lapse with the current agreement.

RAMIFICATIONS OF NOT TAKING ACTION

If the amendment is not approved, OC San may not have a way to dispose of the solid waste (grit, screenings, drying bed materials, etc.) produced at Plant Nos. 1 and 2. While alternative options may include transporting and disposing of the waste at landfills in other counties/states, this would pose logistical challenges and significant cost increases. Furthermore, in the event that disposal services are not available, screening and grit waste would back up and foul OC San's treatment systems. Onsite long-term storage of this waste would present a public health risk.

PRIOR COMMITTEE/BOARD ACTIONS

June 2015 - Approved Amendment No. 1 of the OC Waste Recycling Waste Disposal Agreement, extending the initial term of the Agreement from June 30, 2020 to June 30, 2025.

November 2012 - Approved a Waste Disposal Agreement with the County of Orange (Orange County Waste and Recycling) for the County to receive and dispose of the Orange County Sanitation District's biosolids at the Prima Deshecha Landfill, subject to available capacity, for the period commencing on December 1, 2012 through June 30, 2020, with a renewal option of 10-years in a total annual amount not to exceed \$3,605,288.

ADDITIONAL INFORMATION

N/A

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Budget FY 2024-25 and 2025-26 Line item: Section 6, Page 5) and the budget is sufficient for this action.

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Amendment No. 2