

Food Waste Receiving

Presented by:

Jim Herberg
General Manager

Operations
Committee

June 2, 2021

Information Item



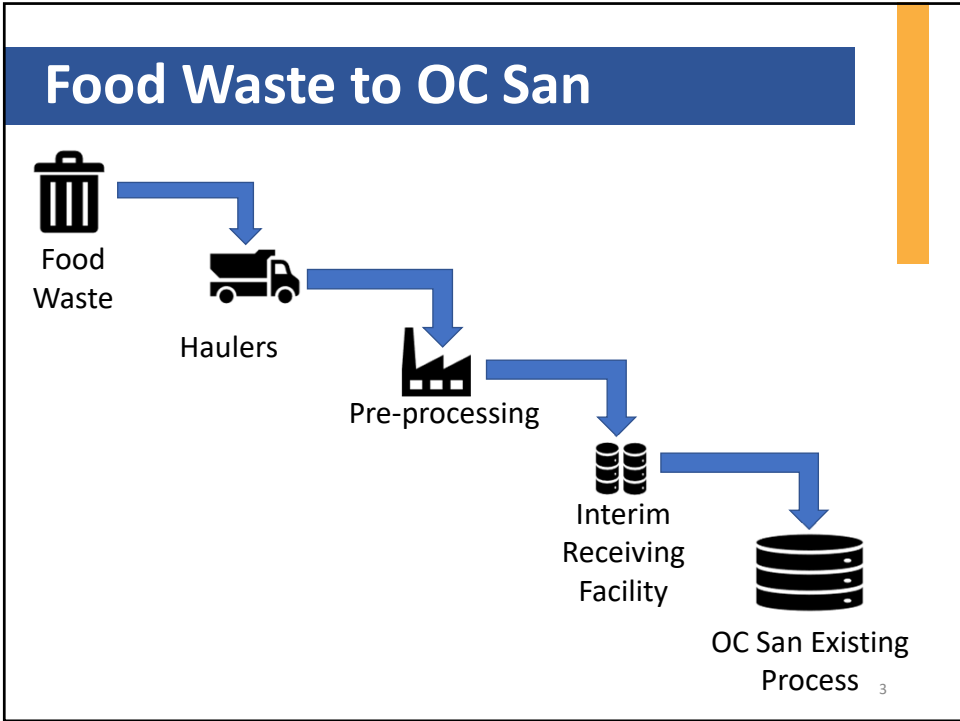
1

Food Waste Background

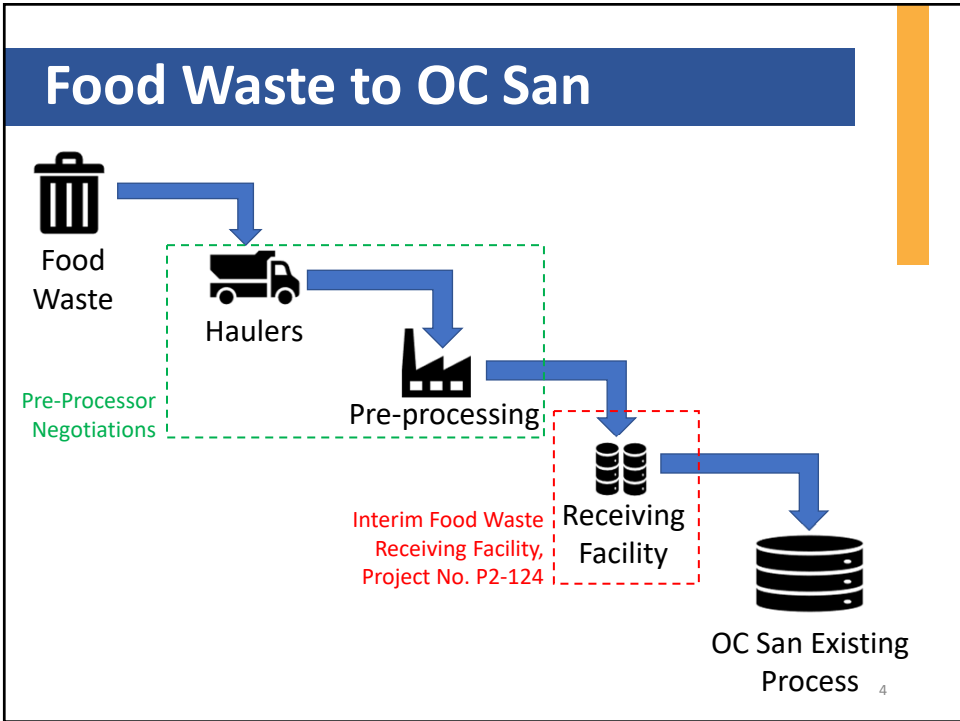
- AB 32, AB 1826, and SB 1383
- Strategic Plan
- Biosolids Master Plan
- Help cities divert food waste
- Utilize existing infrastructure
- Cost and energy recovery



2



3



4

Pre-Processor Negotiations Approach

- ✓ Gauge Market Interest
- ✓ Initial Meetings with OC Haulers
- ✓ Request for Information
- ✓ Draft Agreement

5

5

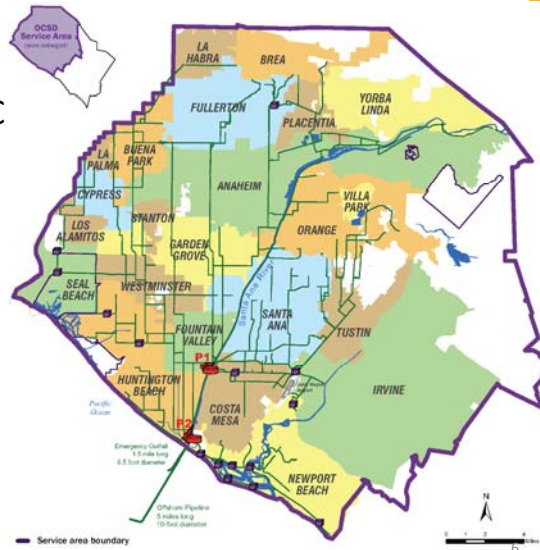
Gauge Market Interest

May 2020

- Outreach to 11 OC waste haulers
- 4 of 11 interested

July 2020

- OC San initiated negotiation with interested haulers



6

Request for Information and Response

Key Criteria	Hauler A	Hauler B	Hauler C
Need for food waste management?	Y	Y	Y
Serve within OC San's Service Area?	Y	Y	Y
Meet Food waste capacity needs	Y	Partial	Silent
Project Readiness	Planning	Planning	Planning
Meet Food Waste Specifications	Y	Y	N
Meet 10-year Term	Y	Y	Silent
Tipping Fee \$26/ton Reasonable	Y	Y	Silent

7

7

Response to Draft Agreement

Status	Hauler A	Hauler B	Hauler C
Acceptability of OC San Terms	Y	Y	N
Ready to Execute?	N	N	N/A
Critical Path	Siting	Technical Challenges	N/A

8

8

Current Status

- OC San is ready to build interim receiving facility
- Haulers are not ready to sign agreements yet
- There is strong interest from haulers in response to CA mandates
- Continued discussions with OC W&R

9

9

Food Waste Receiving Project Summary

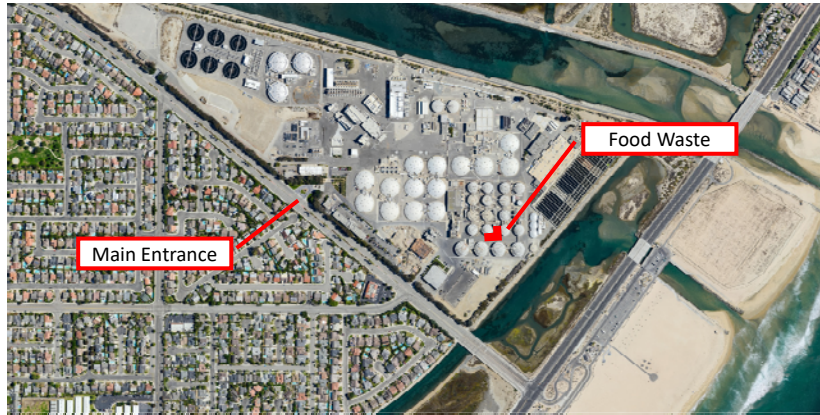
- 150 Wet Tons/Day
Pre-processed Food Waste
- 5-6 Trucks/Day
- 15% Gas Production
Increase
- Interim: 10-15 Year Life



10

10

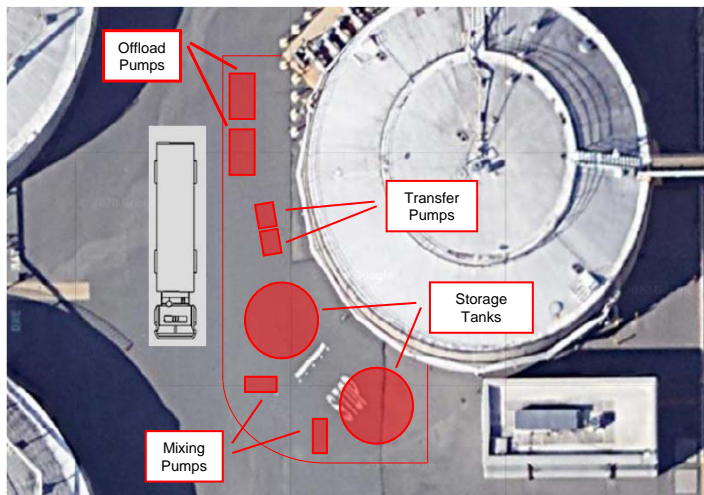
Location – Plant No. 2



11

11

Facility Layout



12

12

Construction Contract Options

Option #1 – Award Construction Contract

Advantages

- Construction complete by end of 2022
- Helps meet State requirements

Risks

- Pre-Processor agreement not completed
- Delivery of food waste not secured

Option #2 – Request 2nd Bid Extension (90 days)

Advantages

- Keeps current low bid valid
- More time to negotiate Pre-Processor agreement

Risks

- Contractor declines extension
- Contractor requests bid adjustment

Option #3 – Reject All Bids and Re-Advertise at Future Date

Advantages

- Provides additional time for pre-processor agreement
- Potential grant opportunities

Risks

- Delays completion of interim facility
- Construction cost increases
- Design obsolete

13

13



Next Steps

- Continue Hauler & Pre-processor Negotiations
- Develop Recommendations
- Present Recommendation at June Steering/Board

14

14

Questions



15