



Orange County Sanitation District

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STEERING COMMITTEE

Agenda Report

File #: 2020-1303

Agenda Date: 10/28/2020

Agenda Item No: 2.

FROM: James D. Herberg, General Manager
Originator: Lan C. Wiborg, Director of Environmental Services

SUBJECT:

UPDATES TO BIOSOLIDS ACCOUNT POOL LANGUAGE

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Authorize the General Manager to amend biosolids management contracts in the Biosolids Account Pool (BAP) to move funds from one contract to another within the BAP, as necessary due to anticipated changes in climate, regulations, contractor performance, or to realize operational and financial efficiencies; with the total of all contracts not to exceed the Board authorized annual amount of \$19,000,000.

BACKGROUND

Biosolids are the solid product of municipal wastewater processing which have been treated. They may be safely recycled to amend soil directly or create composted soil amendments, and other beneficial uses. Currently, the Orange County Sanitation District (Sanitation District) produces approximately 550-600 tons of biosolids per day. The Sanitation District manages its biosolids by transporting approximately 40% to land application sites in Arizona and 60% to composting facilities.

The Board of Directors have previously authorized assigning \$19,000,000 of funds to the BAP for staff to move from one contract to another, as deemed necessary, due to unanticipated circumstances. Currently, the contracts associated with the BAP consume the total \$19,000,000 assigned. In the event that a contract expires or terminates, this revision would allow any funds assigned to the pool to be used to increase and amend associated contracts, as deemed necessary, for ongoing operation of the biosolids program.

Revising the language of the BAP to allow the movement of funds for operational and financial efficiencies, rather than only unanticipated circumstances, can provide cost savings for the Sanitation District as well as flexibility of operations which can vary depending on multiple factors including, but not limited to, anticipated upcoming regulatory requirements and biosolids product composition.

RELEVANT STANDARDS

- Ensure the public's money is wisely spent
- 24/7/365 treatment plant reliability

- Comply with environmental permit requirements
- Safe, beneficial reuse of Biosolids
- Comply with Resolution No. OCSD 13-03, Biosolids Recycling Policy
- Maintain a culture of improving efficiency to reduce the cost to provide the current service level or standard

PROBLEM

Language in the BAP restricts the movement of pool funds between active contracts and such movement is only permitted under limited circumstances. This reduces the operational availability of the overall budgeted funds.

PROPOSED SOLUTION

Update the BAP language to be able to amend contracts for operational and financial efficiencies, using any funds assigned to the BAP.

TIMING CONCERNS

N/A

RAMIFICATIONS OF NOT TAKING ACTION

If the Sanitation District does not approve the changed language, should a current contract expire or terminate, the remaining funds are no longer accessible. This is contrary to the intent of the BAP, which is to allow for maximum operational readiness and efficiency at the most reasonable cost. The current language also restricts the movement of funds to only be allowed due to unanticipated circumstances, which does not account for operational and financial efficiencies.

PRIOR COMMITTEE/BOARD ACTIONS

April 2020 - Ratified the addition of biosolids contracts to the Biosolids Account Pool, effective November 16, 2016.

February 2013 - Approved re-establishment of Biosolids Account Pool utilizing a Blanket Purchase Order for the management of all biosolids contracts.

March 2000 - Authorized staff to 1) reallocate funds for the Sanitation District's four biosolids management contracts with Pima Gro, Bio Gro, Tule Ranch, and the Yakima Company, into one account; and 2) move funds from one contract to another, as deemed necessary, due to unanticipated changes in climate, regulations, and contractor performance.

ADDITIONAL INFORMATION

The BAP currently has six (6) Board approved contracts associated with it for the hauling of biosolids products produced by the Sanitation District's wastewater processing. The BAP was created to provide efficiency in the operational and financial management of the Sanitation District's biosolids

program while keeping diversity among vendors and hauling options. The biosolids are hauled to a number of different locations varying by vendor and are transported to both land application sites and composting facilities. There are no additional costs associated with revising the language, all costs will stay within the authorized annual amount of \$19,000,000, which covers the combined annual management costs for all biosolids contracts.

CEQA

QA Analysis Reference: November 16, 2016 Agenda Report - Biosolids Hauling and Composting Service Contracts Recommendation to Award Contracts to Nursery Products, LLC. And Liberty Composting, Inc.

FINANCIAL CONSIDERATIONS

N/A

ATTACHMENT

The following attachment(s) may be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

N/A