



ADMINISTRATION COMMITTEE

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Agenda Report

File #: 2026-4982

Agenda Date: 6/24/2026

Agenda Item No: 15.

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

SUBJECT:

INLAND EMPIRE COMPOSTING AUTHORITY (IERCA) AGREEMENT

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

- A. Approve Agreement Number 4600003688 for the Reuse of Biosolids with the Inland Empire Regional Composting Authority to receive and compost approximately 50 wet tons per day of OC San’s biosolids at a base fee (tipping fee) of \$73.00 per wet ton, plus an administrative fee of \$5.00 per wet ton for a term of five (5) years from July 1, 2026 through June 30, 2031 for a total amount not to exceed \$5,700,000;
- B. Approve up to two (2) additional one-year extension options at the escalated cost of up to 6% per year from the base year plus administrative fee; and
- C. Approve a 10% contingency of \$570,000 in the event OC San needs to send additional loads to this compost option.

BACKGROUND

In accordance with the 2017 Biosolids Master Plan and Orange County Sanitation District’s (OC San’s) 2025 Strategic Plan, OC San maintains a diverse portfolio of biosolids management options that utilize multiple contractors, markets, and facilities to enhance resiliency.

In 2015, the Los Angeles County Sanitation District and Inland Empire Utilities Agency - collectively known as Inland Empire Regional Composting Authority (IERCA), agreed to compost OC San’s biosolids at their Inland Empire Regional Composting Facility (IERCF) located in the City of Rancho Cucamonga. To date, OC San has executed two (2) consecutive agreements with IERCA. The first agreement was from 2015 through 2019 and the second agreement started in 2019 and is set to expire June 30, 2026.

IERCA’s proposed tipping and administrative fees reflect a uniform rate structure applied to all biosolids generators. The new Agreement would enable OC San to deliver approximately 50 wet tons per day (five days a week) to IERCA, at a tipping fee of \$73.00 per wet ton of biosolids plus an administrative fee of \$5.00 per wet ton. The tipping fee is subject to an annual increase of up to six (6) percent per fiscal year.

RELEVANT STANDARDS

- Maintain and adhere to appropriate internal planning documents (2025 Strategic Plan, 2017 Biosolids Master Plan, etc.)
- Safe, beneficial reuse of Biosolids
- Protect OC San assets
- Sustain 1, 5, 20-year planning horizons
- Ensure the public's money is wisely spent
- Maintain collaborative and cooperative relationships with regulators, stakeholders, and neighboring communities

PROBLEM

The current one-year extension of the biosolids management agreement between IERCA and OC San expires on June 30, 2026, with no remaining renewal options.

PROPOSED SOLUTION

Approve Agreement Number 4600003688 with IERCA for a term of five years from July 1, 2026, through June 30, 2031, and up to two (2) one-year extension options to ensure there is no lapse in the current agreement which supports a local, in-basin management option.

TIMING CONCERNS

Approval of the Agreement with IERCA should occur prior to June 30, 2026, to ensure there is no lapse in service.

RAMIFICATIONS OF NOT TAKING ACTION

If the agreement is not approved, OC San will not be able to utilize this in-county biosolids management option.

PRIOR COMMITTEE/BOARD ACTIONS

June 2019 - Approved Agreement Number 4600002709-HD with the Inland Empire Regional Composting Authority (IERCA) for the Orange County Sanitation District (Sanitation District) to pay IERCA to receive and compost up to approximately 50 wet tons per day of the Sanitation District's biosolids at a base fee (tipping fee) of \$56 per wet ton, plus an administrative fee of \$2 per wet ton, and an annual base increase of \$1 per fiscal year, with a term of the Agreement of five (5) years and, upon mutual written agreement, an option to extend on a year-to-year basis with up to two (2) annual extensions in a total annual amount not to exceed \$820,000 per year; and a contingency of \$400,000 (10%).

May 2015 - Approved an Agreement with Inland Empire Regional Composting Authority (IERCA) to receive and compost up to 50 wet tons per day (Monday through Friday) of the Orange County Sanitation District's biosolids at a tipping fee of \$54 per wet ton of biosolids and an administrative fee

of \$2 per wet ton of biosolids exclusive of trucking costs for a contract term of one-year commencing on the date of execution of the Agreement, with three one-year renewal options in a total annual amount not to exceed \$900,000/per year.

ADDITIONAL INFORMATION

N/A

CEQA

Agreement Number 4600003688 is exempt from CEQA review pursuant to CEQA Guidelines Section 15061(b)(3).

FINANCIAL CONSIDERATIONS

This request complies with the authority levels of OC San's Purchasing Ordinance. This item is included in the Budget FY 2026-27 and 2027-2028 (Section 6, Pages 116 and 120, Professional and Contractual Services) and the budget is sufficient for the recommended action.

ATTACHMENT

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

- Agreement Number 4600003688 for the Reuse of Biosolids