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Title: INTERIM FOOD WASTE RECEIVING FACILITY, PROJECT NO. P2-124, AND PRICING POLICY DISCUSSION

Sponsors: Lorenzo Tyner, Kathy Millea

Indexes:

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Attachments: 1. Agenda Report, 2. Presentation - Interim Food Waste Facility

Date	Ver.	Action By	Action	Result
5/13/2020	1	ADMINISTRATION COMMITTEE		

FROM: James D. Herberg, General Manager
Originator: Lorenzo Tyner, Assistant General Manager and Kathy Millea, Director of Engineering

SUBJECT:

INTERIM FOOD WASTE RECEIVING FACILITY, PROJECT NO. P2-124, AND PRICING POLICY DISCUSSION

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Information Item.

BACKGROUND

California State Assembly Bill 1826 and Senate Bill 1383 require cities to divert organics such as food waste away from landfills in effort to reduce short-lived climate pollution such as methane. This regulatory shift has created an opportunity in the wastewater sector to provide a cost-neutral and environmentally friendly service to help manage organics such as food waste by way of anaerobic co-digestion. Specifically, preprocessed food waste would be mixed with sludge in anaerobic digesters to produce methane gas and energy. The Orange County Sanitation District understands the importance of and opportunity presented by these mandates and elected to design an Interim Food Waste Receiving Facility, Project No. P2-124, and initiate pricing policy discussions through the Strategic Plan 2019 process.

RELEVANT STANDARDS

- Maintain and adhere to appropriate internal planning documents (Biosolids Master Plan)
- Use all practical and effective means for resource recovery

PRIOR COMMITTEE/BOARD ACTIONS

July 2019 - Informational item and presentation to the Operations and Administration Committees regarding the project.

September 2018 - Approved a Professional Design Services Agreement with Kennedy/Jenks Consultants to provide engineering design services for Interim Food Waste Receiving Facility, Project No. P2-124, for an amount not to exceed \$695,000, and approved a contingency of \$69,500 (10%).

ADDITIONAL INFORMATION

In 2018, the Biosolids Master Plan (“Master Plan”) evaluated the feasibility of receiving pre-processed food waste for anaerobic digestion to produce additional methane gas. It concluded the costs to construct and operate the facilities and handle the additional biosolids production could be offset by tipping fees charged to food waste processors/solid waste haulers and additional power associated with the increased methane gas production. As such, the Master Plan recommended an interim food waste facility be constructed until a more permanent facility can be constructed in 10 to 15 years when the designated space would become available following demolition of existing digesters. The Interim Food Waste Receiving Facility will consist of prefabricated storage tanks, mixing and transfer pumps, and piping to the digesters.

The Board will be provided an update on the design of the Interim Food Waste Receiving Facility which includes an update of the project viability and tipping fees calculated based on project and operational costs. Pricing information will be provided on tipping fees established by other wastewater treatment plants that are currently or planning to receive food waste. Lastly, the informational update will close with a discussion on policy questions related to the development of a tipping fee that was previously introduced as part of the Food Waste Treatment Policy referenced in the 2019 Strategic Plan.

CEQA

This project was covered under the Biosolids Master Plan Program Environmental Impact Report, adopted by the Board on June 27, 2018. A Notice of Determination was filed on September 27, 2018, after Board approval of the Professional Design Services Agreement.

ATTACHMENT

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

- Presentation