



Agenda Report

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SUBJECT:

ADD RIALTO BIOENERGY FACILITY CONTRACT TO BIOSOLIDS ACCOUNT POOL

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Ratify the addition of the Rialto Bioenergy Facility, LLC. biosolids contract to the Biosolids Account Pool effective July 28, 2021.

BACKGROUND

Biosolids are the solid product of municipal wastewater processing which have been treated. They are safely recycled to amend soil directly or create composted soil amendments, and other beneficial uses. Currently, the Orange County Sanitation District (OC San) produces approximately 525-550 tons of biosolids per day. OC San manages its biosolids by transporting approximately 50% to composting facilities, 30% to land application fields in Arizona, and 20% to the recently approved Rialto Bioenergy Facility, LLC (RBF).

The Board of Directors approved the RBF contract in July 2021. This contract needs to be added to the Biosolids Account Pool (BAP), which is an instrument to tie the biosolids contracts together so that funds can be moved between contracts to effectively manage OC San's biosolids and prevent wastewater treatment interruptions.

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 OC San Policy: 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

The RBF contract was recently awarded but has not yet been added to the Biosolids Account Pool.

PROPOSED SOLUTION

Add the RBF contract to the Biosolids Account Pool.

TIMING CONCERNS

N/A

RAMIFICATIONS OF NOT TAKING ACTION

If OC San does not add the RBF contract to the BAP, the RBF funds will not be available to move to and from other contracts if needed to ensure flexibility of management of biosolids management contracts to allow for uninterrupted wastewater treatment service.

PRIOR COMMITTEE/BOARD ACTIONS

July 2021 - Approved a Sole Source Service Contract to Rialto Bioenergy Facility (RBF) to pilot a biosolids drying and thermal conversion service for approximately 100 wet tons per day at a base fee of \$94 per wet ton, plus monthly fuel surcharge, annual CPI (consumer price index) adjustment, and special sampling events at a rate of \$3,950 per event (6 events) for targeted Per- and Polyfluoroalkyl Substances (PFAS) compounds. The term of this Contract is for three (3) years with two (2) optional one-year renewals for a total annual amount not to exceed \$3,463,095; and approved an annual contingency of \$346,310 (10%).

October 2020 - Authorized 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.

April 2020 - Ratify the addition of Denali Water Solutions, Inland Empire Regional Composting Authority, Liberty Composting Inc., and Nursery Products, LLC biosolids contracts to the BAP, effective November 16, 2016.

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

March 2000 - Authorized staff to 1) reallocate funds for OC San'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 OC San's wastewater processing. The BAP was created to provide efficiency in the operational and financial management of OC San's biosolids program and provide management diversity to allow for uninterrupted wastewater treatment service. 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 adding the RBF into the BAP.

CEQA

The project is within the scope of the OC San's Biosolids Mater Plan EIR. (Orange County Sanitation District Biosolids Master Plan Project No. PS15-01, State Clearinghouse Number 2017071026, certified June 27, 2018.) The potential environmental impacts caused by RBF (the receiving facility) treatment of biosolids are within the operational baseline established by RBF EIR. (Final Environmental Impact Report, State Clearinghouse Number 2017071026, Rialto Bioenergy Facility Project, certified March 27, 2018.) Therefore, no additional analysis is required. (Public Resources Code § 21166; CEQA Guidelines §§ 15168, 15162.)

FINANCIAL CONSIDERATIONS

N/A

ATTACHMENT

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

N/A