

**NOTICE OF SPECIAL MEETING
OF THE
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
TECHNICAL ADVISORY COMMITTEE**

Wednesday, September 14, 2016

9:00 a.m.

NOTICE IS HEREBY GIVEN that a Special Meeting of the South Orange County Wastewater Authority (SOCWA) Technical Advisory Committee has called by the Technical Advisory Committee to be held on **Wednesday, September 14, 2016 at 9:00 a.m.** at the SOCWA Administrative Office located at 34156 Del Obispo Street, Dana Point, California.

THE SOCWA MEETING ROOM IS WHEELCHAIR ACCESSIBLE. IF YOU REQUIRE ANY SPECIAL DISABILITY RELATED ACCOMMODATIONS (I.E., ACCESS TO AN AMPLIFIED SOUND SYSTEM, ETC.) PLEASE CONTACT THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY SECRETARY'S OFFICE AT (949) 234-5421 AT LEAST SEVENTY-TWO (72) HOURS PRIOR TO THE SCHEDULED MEETING. THIS AGENDA CAN BE OBTAINED IN ALTERNATE FORMAT UPON WRITTEN REQUEST TO THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY'S SECRETARY AT LEAST SEVENTY-TWO (72) HOURS PRIOR TO THE SCHEDULED MEETING.

AGENDA EXHIBITS AND OTHER WRITINGS THAT ARE DISCLOSABLE PUBLIC RECORDS DISTRIBUTED TO ALL, OR A MAJORITY OF, THE MEMBERS OF THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY TECHNICAL ADVISORY COMMITTEE IN CONNECTION WITH A MATTER SUBJECT TO DISCUSSION OR CONSIDERATION AT AN OPEN MEETING OF THE TECHNICAL ADVISORY COMMITTEE ARE AVAILABLE FOR PUBLIC INSPECTION IN THE AUTHORITY OFFICE, 34156 DEL OBISPO STREET, DANA POINT, CA ("AUTHORITY OFFICE"). IF SUCH WRITINGS ARE DISTRIBUTED TO MEMBERS OF THE TECHNICAL ADVISORY COMMITTEE LESS THAN 72 HOURS PRIOR TO THE MEETING, THEY WILL BE AVAILABLE IN THE RECEPTION AREA OF THE AUTHORITY OFFICE AT THE SAME TIME AS THEY ARE DISTRIBUTED TO THE TECHNICAL ADVISORY COMMITTEE MEMBERS, EXCEPT THAT, IF SUCH WRITINGS ARE DISTRIBUTED IMMEDIATELY PRIOR TO, OR DURING, THE MEETING, THEY WILL BE AVAILABLE IN THE TECHNICAL ADVISORY COMMITTEE MEETING ROOM.

AGENDA

- 1. Call Meeting to Order**
- 2. Public Comments**

THOSE WISHING TO ADDRESS THE TECHNICAL ADVISORY COMMITTEE ON ANY ITEM LISTED ON THE AGENDA SHOULD SUBMIT A "REQUEST TO BE HEARD" FORM TO THE CLERK OF THE BOARD BEFORE THE PRESIDING OFFICER ANNOUNCES THAT AGENDA ITEM. YOUR NAME WILL BE CALLED TO SPEAK AT THAT TIME.

NOTICE OF SPECIAL MEETING – TECHNICAL ADVISORY COMMITTEE

September 14, 2016

Page 2 of 2

3. Review/Approval of Minutes* for July 15, 2014 and August 14, 2014

ACTION: The Committee will be requested to approve subject Minutes.

- * In the future, TAC Committee minutes will be ratified at Regular Board meetings in order to avoid a delay in approval.

4. A. Review Proposals Resulting from Request for Proposal 16-001 Open Options (On & Offsite) Biosolids Management Services

ACTION: Based on policy decisions (discussion below) be prepared to recommend that the Board of Directors award a five year contract with one or more of the proposing companies.

4. B. 2016 Biosolids Management Strategic Plan Workshop

ACTION: Recommend to the Board of Directors potential changes for the 2016 Biosolids Management Strategic Plan Update.

I hereby certify that the foregoing Notice was personally emailed or mailed to each member of the SOCWA Engineering Committee at least 24 hours prior to the scheduled time of the Special Meeting referred to above.

I hereby certify that the foregoing Notice was posted at least 24 hours prior to the time of the above-referenced Engineering Committee at the usual agenda posting location of the South Orange County Wastewater Authority and at www.socwa.com.

Dated this 7th day of September 2016.



Betty C. Burnett, General Manager/Secretary
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

1912

...

...

...

...

...

...

...

...

...

...

...

...

...

Attest: B. Bennett

...

**MINUTES OF SPECIAL MEETING
OF THE
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY**

Technical Advisory Committee

July 15, 2014

The Special Meeting of the South Orange County Wastewater Authority (SOCWA) Technical Advisory Committee was held on Thursday, September 19, 2013 at 9:00 a.m. at their Administrative Offices located at 34156 Del Obispo Street, Dana Point, California. The following members of the Technical Advisory Committee were present:

| | |
|------------------|-------------------------------|
| MATT COLLINGS | Moulton Niguel Water District |
| KRIS HANBERG | Trabuco Canyon Water District |
| ZIAD MAZBOUDI | City of San Juan Capistrano |
| DAVE REBENS DORF | City of San Clemente |
| RANDY LEE | Irvine Ranch Water District |
| MARISSA POTTER | South Coast Water District |

Absent:

| | |
|----------------|--------------------------------|
| MIKE DUNBAR | Emerald Bay Services District |
| DON BUNTS | Santa Margarita Water District |
| MARK PAGE | El Toro Water District |
| DAVID SHISSLER | City of Laguna Beach |

Staff present:

| | |
|------------|------------------------|
| JIM BURROR | Director of Operations |
|------------|------------------------|

Public Present:

| | |
|-----------------|---------|
| RUS MILLER | ANERGIA |
| DAVID SCHNEIDER | ANERGIA |

Mr. Burror called the meeting to order at 9:00 a.m. and welcomed everyone present.

Public Comments

There were no public comments.

Review Grit and Screenings Services Bid Results

Mr. Burror presented the results from the recent Grit and Screening Notice Inviting Bids. The Committee reviewed the bid results.

ACTION TAKEN

A motion was made by Mr. Collings and seconded by Mr. Mazboudi to recommend approval of a contract with Athens Service, Inc. for hauling Grit and Screenings for two (2) years with up to 3 annual optional renewals with the following prices:

| Facility | Truck and Trailer | Single Run with Another Job (1) | Weekend or Holiday Surcharge | Standby Time When Documented | Cancellation Charge (4 hr max) |
|---------------------------------|-------------------|---------------------------------|------------------------------|------------------------------|--------------------------------|
| SOCWA Regional Treatment Plant | \$909.86 | \$545.92 | \$195.00 | \$95.00 / hr | \$95.00 / hr |
| SOCWA JB Latham Treatment Plant | \$955.22 | \$573.13 | \$195.00 | \$95.00 / hr | \$95.00 / hr |
| SOCWA 3A Treatment Plant | \$859.85 | \$515.91 | \$195.00 | \$95.00 / hr | \$95.00 / hr |
| SOCWA Coastal Treatment Plant | \$877.46 | \$526.48 | \$195.00 | \$95.00 / hr | \$95.00 / hr |
| SMWD Chiquita WRF | \$877.46 | \$526.48 | \$195.00 | \$95.00 / hr | \$95.00 / hr |
| ETWD WWTP | \$841.16 | \$504.70 | \$195.00 | \$95.00 / hr | \$95.00 / hr |
| IRWD LAWRP | \$977.25 | \$586.35 | \$195.00 | \$95.00 / hr | \$95.00 / hr |
| CSC WRP | \$972.06 | \$583.24 | \$195.00 | \$95.00 / hr | \$95.00 / hr |

The motion also includes having a provision in the contract that allows for a 60-day cancellation.

The motion also includes direction to staff to contact the local landfill operator again to discuss the possibility of taking these materials to the local landfill after staff retests the materials for dryness and oil and grease content.

The motion also includes contacting the vendor to try to extend the IRWD pricing to their Michelson Water Reclamation Facility.

Motion carried unanimously, with all Technical Advisory Committee members voting aye.

Review 3A Biosolids Hauling Bid Results

Mr. Burror presented the results from the recent 3A Biosolids hauling bid results Notice Inviting Bids. The Committee reviewed the bid results.

ACTION TAKEN

A motion was made by Mr. Collings and seconded by Mr. Mazboudi to recommend approval of a contract award to Terra Renewal for hauling 3A Biosolids to Prima Deshecha Landfill for two (2) years with up to 3 annual optional renewals with the following conditions:

- Trip fee to landfill at \$550
- Standby fees when documented at \$85/hr
- Cancellation Charge at \$85/hr with a maximum of 4 hours

The motion also includes having a provision in the contract that allows for a 60-day cancellation.

The motion also includes having a provision in the contract that allows for the contract to be assumed by SMWD or MNWD.

Motion carried unanimously, with all Technical Advisory Committee members voting aye.

Anergia, Inc. Presentation On Biosolids Management Option

Representatives from Anergia, Inc. gave a short presentation to the Committee on the proposed project in Rialto, California. The Committee discussed the option of SOCWA providing a Letter of Intent to participate in the project. The Committee requested that staff agenzize this topic at the next meeting for discussion and possible action.

ACTION TAKEN

None

Adjournment

There being no further business, Mr. Burror adjourned the meeting at 10:31 a.m.

I HEREBY CERTIFY that the foregoing Minutes are a true and accurate copy of the Minutes of the Special Meeting of the South Orange County Wastewater Authority Technical Advisory Committee of July 15, 2014, and approved and ratified by the Board of Directors of the South Orange County Wastewater Authority.

Betty C. Burnett, General Manager / Secretary
SOUTH ORANG COUNTY WASTEWATER AUTHORITY

**MINUTES OF SPECIAL MEETING
OF THE
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY**

Technical Advisory Committee

August 14, 2014

The Special Meeting of the South Orange County Wastewater Authority (SOCWA) Technical Advisory Committee was held on Thursday, August 14, 2014 at 10:02 a.m. at their Administrative Offices located at 34156 Del Obispo Street, Dana Point, California. The following members of the Technical Advisory Committee were present:

| | |
|----------------|--------------------------------|
| MATT COLLINGS | Moulton Niguel Water District |
| KRIS HANBERG | Trabuco Canyon Water District |
| ZIAD MAZBOUDI | City of San Juan Capistrano |
| DAVE REBENDORF | City of San Clemente |
| RANDY LEE | Irvine Ranch Water District |
| MARISSA POTTER | South Coast Water District |
| DON BUNTS | Santa Margarita Water District |
| DAVID SHISSLER | City of Laguna Beach |

Absent:

| | |
|-------------|-------------------------------|
| MIKE DUNBAR | Emerald Bay Services District |
| MARK PAGE | El Toro Water District |

Staff present:

| | |
|------------|------------------------|
| JIM BURROR | Director of Operations |
|------------|------------------------|

Public Present:

| | |
|-----------------|---------|
| RUS MILLER | ANERGIA |
| DAVID SCHNEIDER | ANERGIA |

Mr. Burror called the meeting to order at 9:00 a.m. and welcomed everyone present.

Public Comments

There were no public comments.

Review RFP 14-005 Service and Maintenance of Odor Control and Emergency Chlorine Vapor Scrubber System Proposal

Mr. Burror presented the results from the recent Service and Maintenance of Odor Control and Emergency Chlorine Vapor Scrubber System Request for Proposals. The Committee reviewed the proposal results.

ACTIONS TAKEN

A motion was made by Ms. Potter and seconded by Mr. Mazboudi to recommend approval of a contract with Integrity Municipal Services, Inc. for service and maintenance of odor control and emergency chlorine vapor scrubber systems for two (2) years with up to 3 annual optional renewals. The cost structure is as follows:

SOCWA Facilities

| Unit / Services | Labor \$ | Cost per | Material Costs | Mark Up Percent |
|--|-----------------|-----------------|---------------------------|------------------------|
| LO/PRO® multi-stage Odor Control Systems | | | | |
| Monthly Service (calibration and reporting)(a) | \$525 | Per Unit | Direct Costs plus Mark Up | 20% |
| Acid Wash (Calibration, Internal Inspection, and reporting)(a) | \$800 | Per Unit | Direct Costs plus Mark Up | 20% |
| RJ-2000 Emergency Chlorine Vapor Scrubber System | | | | |
| Monthly Service (calibration and reporting)(a) | \$350 | Per Unit | Direct Costs plus Mark Up | 20% |
| Acid Wash (Calibration, Internal Inspection, and reporting)(a) | \$6,800 | Per Unit | Direct Costs plus Mark Up | 20% |
| | | | | |
| Emergency Call for services on any unit | \$85 | Per Hr | Direct Costs plus Mark Up | 20% |
| Major Repairs (Non-Standard Services) on any unit | \$85 | Per Hr | Direct Costs plus Mark Up | 20% |

SMWD Facilities

| Unit / Services | Labor \$ | Cost per | Material Costs | Mark Up Percent |
|--|-----------------|-----------------|---------------------------|------------------------|
| Western Technology Associates (IPS, Inc.) Horizontal Flow Packed Media Scrubbers | | | | |
| Monthly Service (calibration and reporting)(a) | \$525 | Per Unit | Direct Costs plus Mark Up | 20% |
| Acid Wash (Calibration, Internal Inspection, and reporting)(a) | \$800 | Per Unit | Direct Costs plus Mark Up | 20% |
| Western Technology Associates (IPS, Inc.) Horizontal Flow Packed Media Scrubbers | | | | |
| Monthly Service (calibration and reporting)(a) | \$525 | Per Unit | Direct Costs plus Mark Up | 20% |
| Acid Wash (Calibration, Internal Inspection, and reporting)(a) | \$800 | Per Unit | Direct Costs plus Mark Up | 20% |
| | | | | |
| Emergency Call for services on any unit | \$85 | Per Hr | Direct Costs plus Mark Up | 20% |
| Major Repairs (Non-Standard Services) on any unit | \$85 | Per Hr | Direct Costs plus Mark Up | 20% |

CSC Facilities

| Unit / Services | Labor \$ | Cost per | Material Costs | Mark Up Percent |
|--|----------|----------|---------------------------|-----------------|
| Wet Packed Tower Vertical Flow Packed Media Scrubbers | | | | |
| Monthly Service (calibration and reporting)(a) | \$525 | Per Unit | Direct Costs plus Mark Up | 20% |
| Acid Wash (Calibration, Internal Inspection, and reporting)(a) | \$800 | Per Unit | Direct Costs plus Mark Up | 20% |
| | | | | |
| Emergency Call for services on any unit | \$85 | Per Hr | Direct Costs plus Mark Up | 20% |
| Major Repairs (Non-Standard Services) on any unit | \$85 | Per Hr | Direct Costs plus Mark Up | 20% |

Motion carried unanimously, with all Technical Advisory Committee members voting aye.

Anergia, Inc. Unsolicited Proposal Review

Representatives from Anergia, Inc. gave a short presentation to the Committee on the proposed project in Rialto, California. The Committee discussed the option of SOCWA providing a Letter of Intent to participate in the project. The Committee did not agree to provide this Letter at this time. The consensus was that Anergia, Inc. could participate in the next Biosolids request for proposals issued by SOCWA.

ACTION TAKEN

None

Adjournment

There being no further business, Mr. Burror adjourned the meeting at 11:41 a.m.

I HEREBY CERTIFY that the foregoing Minutes are a true and accurate copy of the Minutes of the Special Meeting of the South Orange County Wastewater Authority Technical Advisory Committee of August 14, 2014, and approved and ratified by the Board of Directors of the South Orange County Wastewater Authority.

Betty C. Burnett, General Manager / Secretary
 SOUTH ORANG COUNTY WASTEWATER AUTHORITY

Agenda Item 4.A.

Budgeted: Yes

Budget amount: \$1,399,600

Line Item: PC2 & 17 Line 5049

Legal Counsel Review: No

Meeting Date: September 14, 2016

TO: SOCWA Technical Advisory Committee
FROM: Jim Burror, Director of Operations
SUBJECT: Biosolids Management Proposal Review

Summary

One of SOCWA's primary Biosolids management contracts is expiring in November. SOCWA staff has been soliciting a replacement vendor through a Request for Proposal (RFP) process.

The RFP process has concluded and SOCWA's Technical Advisory Committee is being asked to provide input on a potential contract award.

Discussion/Analysis

SOCWA, and its member agencies, manages approximately 24,000 tons per year of Biosolids with a diverse mix of management options. The prices range from \$37 to \$78 per ton.

The following is the schedule for the solicitation of a new Biosolids management vendor.

| <u>Date</u> | <u>Task/Work Item</u> |
|--------------|---|
| 18-Apr-16 | RFP Released |
| 9-May-16 | Pre-proposal Meeting |
| 20-Jun-16 | Received Proposals |
| 6/21-Ongoing | Review Proposals |
| 6-Sep-16 | Proposal team review meeting |
| Ongoing | Interviews – Q&A |
| TBD | Counsel prepares agreement documents |
| 14-Sep-16 | SOCWA TAC Committee Meeting |
| TBD | Board Meeting to approve the Contract |
| TBD | Member agencies Counsel/Board review and approve agreements |
| TBD | New contract start date |

In March 2006, the South Orange County Wastewater Authority (SOCWA) completed its Biosolids Management Strategic Plan Update (Plan), which provided a number of recommendations for management of Biosolids over the next five to ten years.

A key recommendation of this plan is to maintain multiple economic options. As part of the ongoing implementation of the Plan, SOCWA undertook a major procurement effort. This involved preparing and issuing a Request for Proposals (RFP) for viable management options, evaluating the resulting proposals and recommending one or more proposals to the Board of Directors.

This RFP process is also being accompanied by an update of the Plan. The Plan has been updated with new information about Biosolids and the background within which a new Biosolids

contract is being made. However, the 2016 Plan continues to recommend maintaining multiple economic options.

Request for Proposals

SOCWA prepared Request for Proposals (RFP) 16-001 Open Options (On & Offsite) Biosolids Management Services. The RFP solicits proposals for managing a portion of SOCWA's Biosolids through any viable technology. This included allowing vendors to propose options within the SOCWA treatment Plants. The purpose was to find one or more vendors to propose solutions which will comply with our policies and provide the needed processing capacities in a timely and cost-effective manner.

Proposal Review Team

A proposal review team was formed to prepare the RFP's and perform the proposal evaluations. The team was comprised of SOCWA employees.

This was a potentially complex proposal process involving simultaneously reviewing of proposals for various Biosolids management technologies and updating SOCWA's Plan. In addition, known potential vendors have proven to be litigious. The project team believes that there is a potential for one or more of the vendors to challenge the award of contract. For these reasons, SOCWA used Planet Bids to help ensure that the process was fair and open to all vendors. Also, that each vendor was treated in a fair and equal manner. This fair and open process monitoring is based on Michael Asner's The Request for Proposals Handbook, Second Edition.

SOCWA staff was also prepared to retain outside external consulting support, if necessary. This would be to provide the team with technical data and input related to Biosolids management options involving technologies unfamiliar to the team.

The RFP process resulted in three (3) proposals for SOCWA to review.

The Evaluation Process

The evaluation process involves three phases. The first phase of the review included an assessment of the minimum screening criteria and minimum mandatory requirements. The second phase was an initial evaluation of the ten selection criteria that included:

- Overall Qualification and Experience of Firm
- Staffing Organization
- Financial Capabilities
- Sustainability/Reuse
- Project Sitting
- Diversification of Biosolids Management Options
- Contractor Diversification
- Technology Viability
- Product Marketing
- Cost and Price

The selection team determined that a group consensus process would be used to determine the scores for each vendor in each category. The resulting group consensus scoring was used as a basis for a recommendation to SOCWA's Technical Advisory Committee.

The last phase of the proposal process is a Best and Final Offer (BAFO) phase. This process has not fully started. SOCWA staff is waiting for additional input from SOCWA's TAC. SOCWA's staff's and the TAC concerns will be packaged together and included the BAFO process.

SOCWA's Plan was also updated during the process. This allowed SOCWA and the member agencies to understand the current Biosolids Market when considering the proposals. The Plan will also be finalized with a proposed award of new Biosolids contract.

RFP Process Results and Outcomes

The RFP process used the online bidding service tool PlanetBids.com. This bidding service provides notification to registered vendors throughout California and the United States. The system also helps manage and store documents, Q&A's, notifications, etc. that are associated with the RFP process. It also helps ensure a fair and open process. Also, prior to issuance of the RFP, potential vendors were notified to visit SOCWA's website to register as a potential vendor. This helped ensure that potential vendors knew that SOCWA was soliciting Biosolids Management options.

At the close of the proposal period, three (3) proposals were received in response to the RFP.

Non-Compliant Proposals (Phase 1) Review Results

Each Proposal contained the minimum requirements requested in the RFP.

Initial Proposal (Phase 2) Review Results

The companies providing the three (3) proposals were reviewed in detail by SOCWA staff. Tentative scores will be provided at the upcoming TAC meeting.

Current Management Contracts and Fees

The Table below has some additional information related to SOCWA's current Biosolids management contracts.

| Site | Prima D - Landfill - SOCWA | Nursery Products Composting | South Kern Composting - Synagro | Totals |
|--------------------------------|----------------------------|-----------------------------|---------------------------------|---------------|
| 2015 Biosolids (tons per year) | 5,525 | 7,540 | 9,185 | 22,250 |
| Est. cost per wet ton(1) | \$37.96/Ton | \$67.30/Ton | \$78.83/Ton | \$66.14 (avg) |
| Annual Cost(2) | \$204,095 | \$565,219 | \$680,111 | \$1,449,427 |
| Reuse | No | Yes | Yes | |
| Percent of material | 24.8% | 33.9% | 41.3% | |
| Percent of annual cost | 14.1% | 39.0% | 46.9% | |
| Contract Expiration | NA | Nov-2016 | Jan-2022 | |

(1) Current pricing as of 9-6-2016.

(2) FY 2015-16 Actuals

New vendor proposals and pricing will be summarized at the meeting.

Prior Related Project Committee or Board Action(s)

None

Fiscal impact

Currently, \$1,399,600 is appropriated to cover Biosolids management costs for the Authority. The anticipated expenses are within these appropriated limits approved for the impacted Project Committees.

Recommendation

Based on policy decisions from Item 4B discussion be prepared to recommend that the Board of Directors award a five year contract with one or more of the proposing companies.

Agenda Item 4.B.

Budgeted: Yes

Budget amount: \$1,399,000

Line Item: PC2 & 17 Line 5049

Legal Counsel Review: Yes

Meeting Date: September 14, 2016

TO: SOCWA Technical Advisory Committee
FROM: Jim Burror, Director of Operations
SUBJECT: Adoption of Biosolids Management Strategic Plan Update

BACKGROUND

The purpose of the current Plan update is to reevaluate the Biosolids management options available to SOCWA at this time.

The original Biosolids Management Strategic Plan for SOCWA was completed in 2002. The current version of the Biosolids Management Strategic Plan was adopted in 2006. The 2006 adoption took place at a time of transition for SOCWA. In 2006, Biosolids management appeared unstable because SOCWA's primary contract, with Synagro in Corona, was no longer an option due to that facility closing, and other composting options in Riverside County were also pending closure or closing.

Forward to 2016, the Biosolids market has been adding composting opportunities with new sites and management options over the past few years. That said, the future of Biosolids management could change quickly due to:

- Continuing litigation regarding potential bans in Kern County with no resolution anticipated by either party. This issue is potentially affecting 60 percent of the southern California Biosolids market.
- Potential organics/Biosolids ban from landfills starting as early as 2020 but fully anticipated by 2025. This issue is potentially affecting SOCWA's current lowest cost management option.

DISCUSSION

The goal of this updated Plan is to maintain a sustainable, reliable, and economical program to manage Biosolids. In light of these challenges and goals, staff recommends as a foundation for future decisions the following policy statements, SOCWA will:

- Continue to maintain control over its Biosolids program.
- Continue to seek both reuse and disposal within the County.
- Limit increased impacts to the neighbors surrounding the treatment plants by moving Biosolids off-site for disposal or composting.
- Adhere to environmentally sound practices.
- Take active steps to plan for future possible changes and consider of equal importance the long term economic responsibilities to the rate payers.
- Plan updates every 2 to 5 years based on changes in the markets.

ADOPTION OF BIOSOLIDS MANAGEMENT STRATEGIC PLAN UPDATE

Page 2 of 2

September 14, 2016

Active steps in implementation of these policies would include, SOCWA will:

- Retain at least three economical options for each treatment facility.
- Participate in the County's effort to prepare its Renewable Technologies Implementation Plan.
- Through periodic Requests for Proposals (RFP), rely on contracted off-site services to manage Biosolids and maintain a pulse on changes in the market (every 2 to 5 years).
- Continue to optimize the treatment plant process operation and consider impacts from new capital project (positive and negative) on Biosolids management costs.
- Open up additional Biosolids management options by implementing capital improvements that allow SOCWA's Treatment plants to produce Class B Biosolids (up from sub-Class B). .
- Maintain a mix of contracts that allows for periodic market assessment (through RFPs) and seek to achieve long-term sustainability by:
 - Limiting longer term guarantee contracts to one vendor
 - Avoiding multiple contracts expiring at the same time

FISCAL IMPACT

The fiscal impacts from the adoption of the 2016 Plan may result in new Biosolids management contracts. The potential cost impacts are presented in the Plan.

REQUESTED ACTION

Recommend to the Board of Directors potential changes for the 2016 Biosolids Management Strategic Plan Update.

Attachment Slide Presentation for Review

2016 Biosolids Management Strategic Plan Update



SOCWA's Biosolids Current State

- ▶ Vendors (2) contracted for composting
- ▶ Local landfill used for disposal
- ▶ All Sub-Class B material for contracting
- ▶ Member agencies use some SOCWA vendor contracts and landfill contract in OC
- ▶ 100 WTPD or 2.6% of SoCal market
- ▶ Management costs are \$38 to \$72 per ton



SOCWA's Existing Biosolids Management Sites



SOCWA's Current Policy Framework

- ▶ SOCWA maintains control over its Biosolids program.
- ▶ Continues to seek both reuse and disposal within the County.
- ▶ Limits increased impacts to the neighbors surrounding the treatment plants.
- ▶ Adheres to environmentally sound practices.
- ▶ Equally considers long term economic responsibilities to the rate payers.
- ▶ Updates Plan every 2 years.



SOCWA's Current State

- ▶ **Control** – We maintain up to 3 management options for each plant and balance costs between PC's.
- ▶ **Reuse and Disposal** – Use vendors for reuse and staff for disposal.
- ▶ **Neighbor Impacts** – We cover all loads and close loading bays quickly. Landfill deliveries must be before 11am.



SOCWA's Current State

- **Environmental/Cost Balance**– Composting and landfilling are both standard industry practices. SOCWA uses a bidding process that results in competitive pricing below other onsite solutions.
- **Plan updates** – It has been impractical to update the plant every 2 years



Biosolids Industry Update

(since 2006)

- ▶ Litigation continues on Measure E (Kern County ban on Biosolids imports) – November decision *unlikely to bring full closure.*
- ▶ As a Result.....
 - LA agencies have started composting at their own farms.
 - LA decisions are opening up about 30% of the commercial composting market and *prices are dropping.*



Biosolids Industry Update

(since 2006)

- ▶ CASA/CalDFA and others continue studies that prove composting and land app are safe and effective – *Healthy Soils Initiative*.
- ▶ Other agency projects to *dry and/or pelletize have been coming online* adding more downward pressure on the commercial composting market



Biosolids Industry Update

(since 2006) cont'd

- ▶ Organics diversions from landfill are being formalized with Biosolids bans anticipated by 2025.
- ▶ Commercial Biosolids composters are trying to attract food waste tonnage to their sites and pricing is dropping to attract customers.
- ▶ Local landfills have plans to comply with organics diversion – most are looking at composting and digestion at the landfills to maintain revenues.
- ▶ *Landfill plans expected in early 2018.*

2016 SOCWA Plan Update Policies and Goals

- ▶ SOCWA maintains control over its Biosolids program.
- ▶ Continues to seek both reuse and disposal within the County.
- ▶ Limits increased impacts to the neighbors surrounding the treatment plants.
- ▶ Adheres to environmentally sound practices.
- ▶ Equally considers long term economic responsibilities to the rate payers.
- ▶ Updates Plan every 2 years.



2016 SOCWA Plan Updates – Policies and Goals

- ▶ **We love them don't change them!**
- ▶ Continue to seek both reuse and disposal within the County.
- ▶ Limit increased impacts to the neighbors surrounding the treatment plants.
- ▶ Adhere to environmentally sound practices.
- ▶ **We need to update them!**
- ▶

SOCWA's Proposed Implementation Efforts

▶ **Control:**

- Maintain 3 options?
- Continue to Meld costs between PC's?

▶ **Reuse and Disposal:**

- Participate with County of organics diversion?
- Scale back or abandon landfilling now based on current vendor pricing?



SOCWA's Proposed Implementation Efforts

- ▶ **Reuse and Disposal:**
 - Restart onsite technology solutions
 - Choice between selecting technology first, or
 - Allow plant site planning to drive potential technology solutions?
 - Start implementing septage/food waste diversions to SOCWA plants? (been studied already)
 - Recognize that the landfill options will be gone 2025 somehow?



SOCWA's Proposed Implementation Efforts (cont'd)

- ▶ **Neighbor Impacts** –
 - Continue seeking onsite solutions?
 - Just leave it because it sounds good?
- ▶ **Environmental/Cost Balance** –
 - Is cost the primary driver at SOCWA and projects just need to meet regulations?
 - Just leave it cause it sounds good?



SOCWA's Proposed Implementation Efforts (cont'd)

- ▶ **Environmental/Cost Balance –**
 - Should SOCWA continue to contract for the entire group or should everyone go it alone?
 - Push towards Class B to participate in more markets like direct land app?
 - Have all Biosolids available for contracting at the same time or stagger contracts?
 - How long should Biosolids contracts be?



SOCWA's Proposed Implementation Efforts (cont'd)

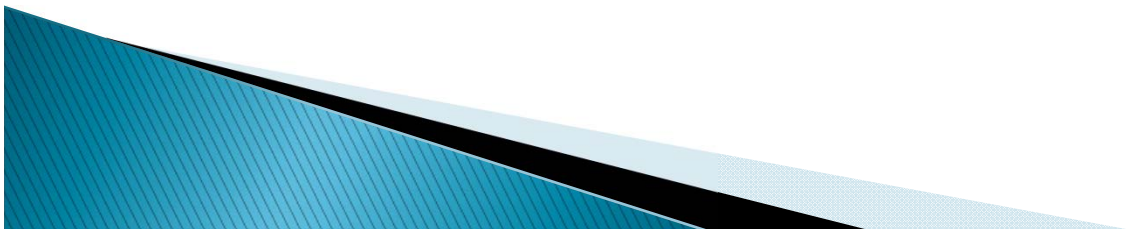
▶ **Plan updates** –

- It has been impractical to update the plan every 2 years. How about every 5 to 10? Or, when issues arise? or both?
- Is the purpose of the plan to select a vendor or can a vendor be selected without a plan update every 2 to 5 years?
- Again, continue to study onsite technology solutions with facility planning or have the Biosolids plan drive planning?



Recommended Action

- ▶ Direct SOCWA to include the TAC's recommendations to change Policy/Implementation Strategies
- ▶ Include in updated version of the Biosolids Management Strategic Plan
- ▶ Or, other direction to staff

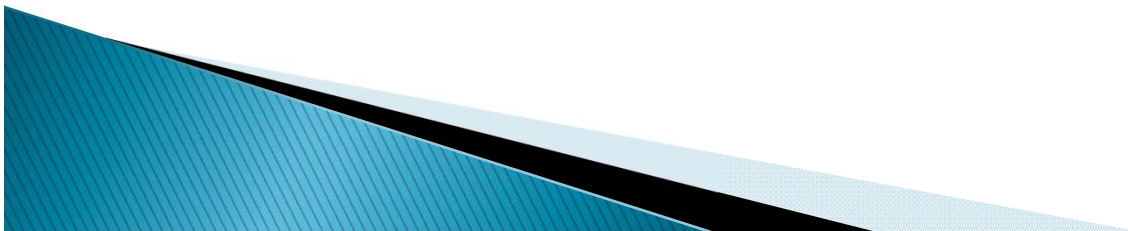


3 New Vendor Proposals

| Company-Option | Biosolids Processing | Cost (based on a 25 ton shipment) |
|--|--|-----------------------------------|
| Synagro – SKIC (existing) | Composting | \$71.95(a) |
| Nursery Products – Hewes Composting Facility (existing) | | \$60.08 (RTP)(b) |
| | Composting | \$63.60 (JBL)(b) |
| SOCWA – OC Landfill (existing) | Disposal | \$37.96(c) |
| Synagro – AZ Soils (New Proposal) | | \$23.30 (RTP)(d) |
| | Composting | \$24.50 (JBL)(d) |
| Nursery Products – Hewes Composting Facility (proposal) | | \$46.80 (RTP)(e) |
| | Composting | \$50.32 (JBL)(e) |
| Holloway Environmental – Mine Reclamation (New Proposal) | Lime Stabilization to Class A followed by Mine Reclamation | \$17.28(f) |

3 New Vendor Proposals

- ▶ **Proposal language** – It is anticipated that the contract period for providing these services will be for at least 5 years with the option of up to two (2) five (5) year renewals.



Summary of Recommendations

