

CITY OF YUBA CITY  
STAFF REPORT

**Date:** May 21, 2019  
**To:** Honorable Mayor & Members of the City Council  
**From:** Administration  
**Presentation by:** Diana Langley, Interim City Manager

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**Summary**

**Subject:** Wastewater Treatment Facility Biosolids Disposal

**Recommendation:** Authorize the City Manager to negotiate a Side Letter Agreement with Recology Yuba-Sutter for the hauling and disposal of biosolids from the City's Wastewater Treatment Facility.

**Fiscal Impact:** Increase in costs for disposal of biosolids will potentially impact the City's Wastewater Rates.

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**Purpose:**

To continue to provide for the disposal of the biosolids produced daily at the Wastewater Treatment Facility.

**Background:**

The Wastewater Treatment Facility (WWTF) treats wastewater and septage from the community and discharges the treated water (effluent) to the Feather River or evaporation/percolation ponds located on the east side of the Feather River. The process of treating wastewater also produces concentrated solids or sludge, referred to as biosolids.

In 2011, WWTF staff consulted with one nationally recognized biosolids management company, obtained a biosolids alternative disposal evaluation report from a consulting engineering firm, and reviewed the Recology Yuba-Sutter (Recology) contract at the time to determine the best long-term biosolids disposal method. It was determined that the preferred method for disposal was to haul it to the Ostrom Road Landfill (Landfill) for the following reasons:

- Cost effective
- Resolved odor and fly issues related to biosolids
- Provided for compliance with all applicable regulations at the time

The City began contracting with Recology in August 2011 to remove biosolids off-site as they are produced each day. Hauling the biosolids off-site, versus the previous practice of storing it on-site, allowing it to dry, and then hauling it off-site, has resulted in a dramatic reduction of odors and flies in and around the WWTF. Also, Recology has been able to beneficially use the biosolids as daily cover at the Landfill.

In December 2011, the City Council approved a Side Letter Agreement (Attachment 1) to the City's Solid Waste Collection Franchise Agreement (2011 Franchise Agreement). The Side Letter Agreement provides for a flat "per haul" rate, which started out at \$685 per load effective January 1, 2012, and has increased annually each October at the same percentage rate as the Maximum Service Rates identified in the 2011 Franchise Agreement, to a current price of \$769.32 per load.

As part of the Solid Waste and Recycling Franchise Services Request for Proposals (RFP) process in November of 2017, the City asked respondents to include a proposal for the removal of biosolids. Recology was the only respondent that provided a proposal in the amount of \$1,225 per haul load. In 2018, after further discussions with Recology, Recology proposed a haul plus disposal alternative rate structure in which the City would pay \$375 per haul Monday-Friday, \$450 per hauls on Saturdays, and \$35 per ton. It was decided at the time to decline Recology's offer, continue to dispose of biosolids under the current Side Letter Agreement that expires on September 30, 2019, and address the biosolids disposal at a later date.

With the Side Letter Agreement ending September 30, 2019, staff needs to coordinate a new Side Letter Agreement with Recology for the removal of biosolids.

To complicate matters, in 2016, Governor Brown signed into law SB 1383 establishing methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants. SB 1383 establishes a target to achieve a 50% reduction in the level of the statewide disposal of organic waste from the 2014 level by 2020 and a 75% reduction by 2025. Methane emissions resulting from the decomposition of organic waste in landfills are a significant source of greenhouse gas emissions. It is unknown at this time how this legislation will impact the City's ability to dispose of biosolids at Ostrom Road Landfill. This provides further emphasis on the need for the City to execute a Side Letter Agreement with Recology.

### **Analysis:**

With the current Side Letter Agreement expiring on September 30<sup>th</sup>, staff is recommending that Council authorize the City Manager to negotiate a new Side Letter Agreement for the disposal of biosolids to the October 2018 Collection Services Franchise Agreement. Concurrently, staff is working with a consultant, West Yost, to prepare and evaluate an SB 1383 readiness assessment as well as evaluate other long-term alternatives for biosolids disposal. However, this will not be completed until early 2020.

Upon agreement of the terms of a new Side Letter Agreement, staff will bring the draft to Council for consideration.

### **Fiscal Impact:**

Based on Recology's proposed biosolids hauling and disposal rates as part of the 2017 RFP process, costs for hauling and disposing of biosolids are going to increase. This will have a direct impact on wastewater rates, which is not accounted for in the current Wastewater Rate Study. Using the rate structure proposed as part of the RFP process would result in costs increasing from approximately \$290,000/year to \$500,000/year. This does not take into account any future increases. It is expected that the costs will increase significantly due to changes in legislation and how Recology has to account for the biosolids at the Landfill.

**Alternatives:**

Short-term, the City could go back to storing the biosolids on-site in drying beds, allow the biosolids to dry, and then haul them off-site to the Landfill. This will not result in significant savings as the City would still need to pay for hauling and disposal of the biosolids. In addition, this would create odor and fly issues related to the biosolids at the WWTF again.

Long-term, the City's consultant, West Yost, is evaluating alternatives for biosolid disposal. Once that study is completed, staff will present the results to Council.

**Recommendation:**

Authorize the City Manager to negotiate a Side Letter Agreement with Recology Yuba-Sutter for the hauling and disposal of biosolids from the City's Wastewater Treatment Facility.

**Attachments:**

1. Current Side Letter Agreement with Recology

**Prepared and Submitted by:**

*[/s/ Diana Langley](#)*

Diana Langley  
Interim City Manager

**Reviewed by:**

Finance

[RB](#)

City Attorney

[SLC by email](#)

# ATTACHMENT 1

## Attachment 3

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Side Letter – Hauling and Disposal of Treated Sludge



December 14, 2011

Mr. Steve Kroeger, Assistant City Manager  
City of Yuba City  
1201 Civic Center Blvd.  
Yuba City, CA 95993

Re: Hauling and Disposal of Treated Sewage Sludge Service

Dear Mr. Kroeger:

The intent of this letter is to memorialize Recology Yuba-Sutter's willingness, ability, and agreement to provide the equipment, labor and facility necessary for the hauling and end use of the City's treated sewage sludge from the City's Wastewater Treatment Facility to Recology's Ostrom Road Landfill at a fixed service rate per haul.

It is understood that Recology agrees to provide this service for as long as the Solid Waste Franchise Agreement is effective. However, either party can terminate this service by providing 90 day written notice.

The initial fixed service rate is \$685 per end dump trailer haul (using a minimum of a 35 yard end dump trailer), which is effective January 1, 2012 and is subject to adjustment annually each October in the same percentage adjustment that is made in the Maximum Service Rates pursuant to the Solid Waste Franchise Agreement between the City of Yuba City and Recology Yuba-Sutter.

Title to the treated sewer sludge shall pass to Recology at such time as Recology hooks up and transports the dump trucks/trailers containing the treated sewer sludge from the City's Wastewater Treatment Facility, provided that treated sewer sludge meets all of the minimum State and Federal acceptance criteria at Recology Ostrom Road Landfill.

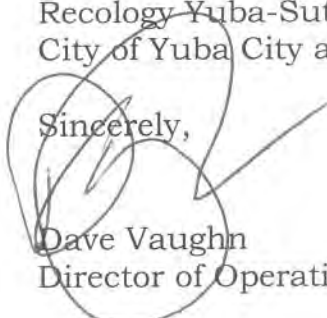
It is further agreed that all of the applicable sections and requirements in the Solid Waste Franchise Agreement between the City of Yuba City and Recology Yuba-Sutter will be in force as they pertain to this service, including but not



limited to the provision regarding insurance in Article 22, indemnification in Article 23 and permits and licenses in Article 35.

Recology Yuba-Sutter and its employee-owners look forward to providing the City of Yuba City another high level quality of service.

Sincerely,



Dave Vaughn  
Director of Operations