



DRAFT

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 10, 2018

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Approval Of Agreement With MarBorg Industries For The Delivery Of Fats, Oils, And Grease Materials

RECOMMENDATION:

That Council approve an agreement between MarBorg Industries, Inc. and the City in a form acceptable to the City Attorney for the delivery of fats, oils, and grease materials to the El Estero Wastewater Treatment Plant.

DISCUSSION:

In February 2010, City Council approved the design and implementation of a Fats, Oils and Grease (FOG) receiving system at the El Estero Wastewater Treatment Plant (El Estero). The intent of the project was to introduce FOG material into the digesters in order to produce additional methane, which would then be used to produce electricity and heat for El Estero via the plant's cogeneration system, as well as to eliminate truck trips to dispose of the waste out of the area.

MarBorg was originally identified as a suitable partner for the FOG Pilot Project based on its proximity to the delivery location, pre-existing FOG hauling services, and willingness to invest in the infrastructure needed to implement the FOG Pilot Project. For the past five years, MarBorg has consistently met the City's requirements, and the delivery process has operated smoothly.

The FOG Pilot Project has been successful; however, El Estero has limited capacity for FOG, and significant infrastructure improvements are needed to implement a full-scale FOG program. Staff anticipates it will take approximately five years to plan, design, and construct the improvements.

Our partnership with MarBorg during the FOG Pilot Project has been beneficial; however, there may be additional FOG haulers in Santa Barbara who can meet the pre-treatment requirements for FOG delivery into the City's FOG receiving system. Therefore, staff would like to enter into a new six-month agreement with MarBorg to continue FOG delivery services at the same rate and delivery parameters as the previous agreement. During this six-month period, staff will reevaluate El Estero's FOG capacity, identify and

DRAFT

evaluate short-term improvements that may allow an increase in FOG capacity, and conduct a competitive process for FOG delivery services.

BUDGET/FINANCIAL INFORMATION:

MarBorg currently pays the City \$0.05 per gallon of FOG material received, and this rate would remain in place for the new contract term. In 2017, the City received 874,069 gallons of FOG, which resulted in \$43,703 of revenue for El Estero.

SUSTAINABILITY IMPACT:

The City's FOG Receiving Program allows El Estero to generate an increase in the amount of biogas produced in El Estero's digester units through the addition of fats, oils, and grease wastes. This additional gas can then be used as a renewable energy source for the on-site cogeneration system.

Additionally, this program keeps FOG material out of the City's wastewater collection system, which prevents clogged sewer lines and other dangerous conditions and eliminates a significant number of truck trips to haul and dispose of the FOG material outside of the City boundaries.

A copy of the contract/agreement is available for public review in the City Clerk's Office.

At its meeting on June 21, 2018, the Water Commission voted X-X in support of staff's recommendations.

PREPARED BY: Lisa Arroyo, Wastewater System Manager/AP/js

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office