



City of Santa Barbara

Public Works Department

Memorandum

DATE: February 21, 2019

TO: Water Commission

FROM: Gaylen Fair, Acting Wastewater System Manager

SUBJECT: Request for Policy Direction on Fats, Oils, & Grease Disposal Contract

RECOMMENDATION:

That Water Commission provide final input on the selection process for the delivery of fats, oils, and grease materials to the El Estero Wastewater Treatment Plant.

BACKGROUND:

In February 2010, City Council approved the design and implementation of a pilot project for 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 have been additional FOG haulers in Santa Barbara identified that are interested in utilizing the City's FOG receiving system. At its meeting on June 21, 2018, the Water Commission approved a nine-month agreement with MarBorg to continue providing FOG disposal services. In addition, the Commission requested staff return for policy direction on the selection process for FOG disposal services before release of a Request For Proposals (RFP). Staff permits allow for up to 30,000 gallons of FOG disposal per week; however, staff has concerns with taking more than 20,000 gallons due to limitations with

Policy Direction for FOG Contract
February 21, 2019
Page 2

the current infrastructure. For the basis of the RFP, staff will be assuming a capacity of 20,000 gallons per week until infrastructure improvements have been completed.

DISCUSSION:

At its meeting on December 20, 2018, staff presented options for the selection of FOG delivery services. The Commission provided the following as key objectives in the RFP.

The selection process should:

- Encourage priority to City-generated FOG material
- Provide for an equitable competition for FOG disposal
- Retain the current requirements for pretreatments of FOG material to protect the City's FOG disposal infrastructure
- Keep City-generated FOG local to reduce truck trips

The Commission also requested staff verify the percentages of City-generated FOG among haulers that were presented at the December 20 meeting. Since then, staff have made reasonable attempts to verify the amount of FOG generated in the City and the percentages among haulers, including reaching out to local FOG haulers. It is estimated that the City's Food Service Establishments (FSEs) generate approximately 15,000 gallons of FOG per week.

Estimations of City Generated FOG

Hauler	FSE Service Count	In Town Percent FSE Serviced	FOG Weekly Volume (Gallons)	In Town Percent Volume Hauled
Hauler A	131	29%	3586	24%
Hauler B	219	49%	6602	45%
Others (Combined)	101	22%	4550	31%
Total	451	100%	14738	100%

Based on the information collected and the key objectives of the Commission, staff recommends the available capacity be awarded based on City-generated FOG material.

- If there is only one hauler who responds to the RFP, they would be granted 100% of the available capacity.
- If more than one hauler responds to the RFP, capacity will be divided up based on in-City generated FOG at the time of selection. Since this will be a multi-year agreement, the capacity would be reassessed no more than annually based upon requests from one of the hauler(s). Should a hauler not utilize their capacity, it would be made available to the other user(s).

Policy Direction for FOG Contract
February 21, 2019
Page 3

- The formula used to determine the allocation of FOG capacity each hauler will receive will be based on the volume each hauler pumps divided by total volume of FOG collected from all haulers who respond to the RFP.

$$\text{Weekly Hauler Capacity} = \frac{\text{Hauler Volume of City FOG}}{\text{Total Volume of FOG from all Haulers}} \times 20,000 \text{ gal}$$

- Any successful hauler will be required to submit monthly manifests of the FOG collected and disposed of at El Estero.
- FOG material must be prescreened utilizing a maximum screen opening of 3/8”.

Staff is requesting any additional input on the selection criteria for the RFP.

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.