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October 1, 2024

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Authorize the City Manager to Sign an Agreement for Services with California Wood Recycling, Inc. DBA Agromin for SB 1383 Procurement.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to sign the agreement in coordination with the City Attorney.

BACKGROUND AND DISCUSSION

In September 2016, the state adopted Senate Bill 1383 - Short-lived Climate Pollutants (SB 1383) requiring local jurisdictions to implement a mandatory organic waste collection and recycling program. The City has an active waiver from most but not all requirements associated with SB 1383.

Beginning January 1, 2022, the Department of Resources Recycling and Recovery (CalRecycle) SB 1383 mandated that cities and counties annually procure a specific quantity of recovered organic waste products to meet their procurement targets. This requirement applies to Rio Dell. These requirements are aimed at creating California's green, self-sustaining, circular economy. Ultimately, the cost associated with creating this new jobs and environmental program will be borne by solid waste subscribers, however the City has obtained a \$70,000 grant meant to help develop these programs and initially fund them.

In past regional discussions there is a general agreement that it would be desirable to have a local organics processing facility. None currently exists and it could be several years, or decades, before a site is selected, purchased, permitted and becomes operational. Organic waste collection for Humboldt County is currently scheduled to be shipped south to a facility near Ukiah in the interim. Since Rio Dell is not currently subject to organic waste collection requirements, the City's concern is related to the procurement of organics, which is a requirement.

It is cost prohibitive to have the composted material trucked back to Humboldt County and Rio Dell for this procurement requirement. In discussions with regulators from CalRecycle it is now clear that the material does not have to be redistributed back into the County or City. Instead staff is proposing to utilize the services of Agromin to meet this new State requirement.

Agromin is a major producer of compost in the State of California with facilities located in southern and mid California. Their service would assist the city with SB 1383 compliance and does so for many other jurisdictions.

The City is required to procure approximately 99 tons of compost before the close of 2024 and then 153 tons annually moving forward until the State adjusts the procurement target. Under this proposal the compost will most likely end up being distributed in the Central Valley. Again, a long term regional vision is for there to be a regional composting facility located in Humboldt County, but the State law disadvantages rural areas in favor of major population and agricultural centers and industries.

The total cost of this program over the next five years is projected to be \$13,901 - \$16,100 which will initially be covered using available grant fund balance. Staff evaluated a competing proposal which had similar costs, but staff is recommending Agromin due to their lower potential price point. The agreement can be cancelled on an annual basis and will conclude in 5 years.

Attachments:

Agromin Overview
Draft Agreement

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Agromin's [California Compost website](#) has added a secure customer portal that enables California jurisdictions to assess, procure and track their recycled organic waste product usage for compliance with [California SB 1383](#).

Through a free website procurement calculator, a jurisdiction can determine the quantity of products that must be acquired to meet its SB 1383 procurement requirements. Using the portal, a jurisdiction can then:

- Review Agromin's qualified, guaranteed-compliant compost and mulch products
- Place and review orders; schedule deliveries
- Receive from Agromin procurement support staff customized procurement reports that can be submitted to CalRecycle

- Access multi-year product discounts
- Secure product availability for future procurement needs

“We wanted to make the process, from beginning to end, as easy as possible,” says Bill Camarillo, Agromin CEO. “One of the challenges jurisdictions face is providing the state with the proper procurement documentation. For reporting purposes, Agromin procurement support staff prepare customized quarterly and annual reports that include procurement type and amounts. This lets jurisdictions know exactly how many tons they’ve acquired compared to what’s needed for SB 1383 compliance.”

The City of Folsom was one of the first to use CaliforniaCompost.net. “Agromin’s SB 1383 tracking service has been very helpful. It saves us the time of gathering the information ourselves,” says Sarah Vaira, recycling supervisor for the City of Folsom.

[Agromin products](#) meet all CalRecycle’s procurement requirements. Its compost is [OMRI Listed](#). “Our products are regularly tested by outside labs to ensure they meet the state’s requirements and are free of harmful materials, pathogens or weeds seeds,” says Camarillo. “We encourage jurisdictions to lock in procurement orders early. There is currently not enough compost available if all jurisdictions wanted to meet their procurement responsibilities through compost use.”

[SB 1383](#) was signed into law in 2016 to reduce state methane gas emissions to combat climate change by cutting down on the amount of organic waste deposited into landfills. [Article 12](#) of SB 1383 went into effect January 1, 2022. It outlines the steps cities, counties and other jurisdictions in the state must take to procure and track recovered organic waste products. CalRecycle has assigned the amount of recycled organic waste that must be procured and used by each jurisdiction annually based on the jurisdiction’s population.

For more information about Agromin’s California Compost, go to www.CaliforniaCompost.net. For a free consultation to discuss product procurement requirements, email SB1383Procurement@agromin.com or call 805-850-8797.

About Agromin:

Agromin, headquartered in Oxnard, Calif., manufactures earth-friendly soil products for farmers, government entities, landscapers and gardeners. Agromin serves over 200 California communities, making it one of the largest organics recyclers in the state. Each year, Agromin receives more than 1.2 million tons of organic material and then uses a safe, natural and sustainable process to recycle the material into more than 300 eco-friendly soil products for landscape, agriculture, consumer and energy markets. The results are more vigorous and healthier plants and gardens, and on the conservation side, the opportunity to close the recycling loop, allowing more room in landfills and reducing greenhouse gas emissions. Agromin is a U.S. Composting Council Composter of the Year recipient.

SB 1383 Procurement Scope of Services Agreement

THIS AGREEMENT is made and entered into on _____, by and between the City of Del Rio, a political subdivision of the State of California, hereinafter referred to as "City," and California Wood Recycling, Inc. DBA Agromin, a California corporation, hereinafter referred to as "Contractor."

1. Purpose of Agreement. Contractor shall provide City with the recycled organic waste products (hereinafter referred to as "Products") procurement services described in Attachment 1 – Services (hereafter referred to as "Services"), for the purpose of facilitating City's compliance with Senate Bill 1383 regulations' recovered organic waste product procurement requirements, as described in the California Code of Regulations Title 14, Division 7, Chapter 12, Article 12 – Procurement of Recovered Organic Waste Products (14 CCR 18993.1 et seq.). Contractor shall perform these Services on City's behalf.

2. Services to Be Provided Exclusively to City. Contractor shall ensure and maintain records sufficient to demonstrate that any Product it procures on City's behalf under this Agreement is not applied towards the SB 1383 recovered organic waste product procurement target of any other City.

3. Requirements for Products. To ensure that Products procured under this Agreement meet the requirements specified in 14 CCR 18993.1, Products shall meet the criteria in Attachment 2 – Requirements for Products.

4. Recordkeeping and Reporting. Contractor shall maintain and submit records and supporting documents describing the Services as specified in Attachment 3 – Recordkeeping and Reporting Requirements. At the time Contractor submits those records to City, the records shall be accompanied by a certification attesting to the records' accuracy. Contractor may use the declaration form in Attachment 4 – Certification of Records.

5. Time of Performance and Termination.

The services of Contractor are to commence upon execution of this Contract by City. The agreement shall terminate December 31, 2027. This agreement can be further extended for additional years by the mutual agreement of both parties. Either party may terminate or request to amend the agreement, for services related to the following calendar year, by providing notice to the other party in writing at least thirty (30) days in advance of the current calendar year expiration.

Attachments

Attachment 1 – Services

Attachment 2 – Compost Requirements and Definitions

Attachment 3 – Recordkeeping and Reporting Requirements

Attachment 4 – Certification of Records

Attachment 1 – Services

- 1) Contractor will procure the following Products on behalf of the City:
 - a) Compost or composted mulch:
 - i) 99 tons during calendar year 2024
 - ii) 153 tons during calendar year 2025 and beyond.
- 2) Contractor will provide the Products to various farms, ranches, or similar (hereinafter “Direct Service Provider”), for purposes of agricultural use, soil conditioning, and carbon sequestration at the farms, ranches, or similar.
- 3) Contractor will procure the products from CalRecycle-approved composting facilities. Contractor shall provide to City record-keeping and reporting services as described in Attachment 3 – Record-keeping and Reporting Requirements.

Product Cost.

- 1) Compost or composted mulch: \$15.00/ton
- 2) Freight/handling cost for Scenario B below: \$8/ton

Procurement Scenario A

Contractor makes arrangements with a Direct Service Provider (DSP) who would like to use compost and/or composted mulch. The DSP uses the subsidized compost on behalf of the City and pays for the freight cost. City only pays for the compost and/or composted mulch per above price and sales tax.

Procurement Scenario B

Contractor makes arrangements with a DSP that is willing to receive compost or composted mulch, and is located in the immediate proximity to Contractor’s composting facility. City pays for the compost and/or composted mulch per above prices and pays for the minimal cost to transport/handle the compost/composted mulch to the DSP site (plus sales tax.)

Procurement will be satisfied by a combination of Scenarios A and B.

The Contractor will move compost to DSPs located within the County of Sacramento, and surrounding regions, as often as is feasible.

Payment.

Payment for this agreement is not to exceed the following amounts unless agreed upon by the City:

- i) \$2,500 during calendar year 2024
- ii) \$3,400 during calendar year 2025 and beyond

Payment will be due and payable by City, net 30 days, when the following conditions have been met:

- 1) Agreement is fully executed.
- 2) Contractor has provided services per this agreement moving compost and/or composted mulch meeting SB 1383 procurement requirements to Direct Service Providers (DSP).
- 3) All required procurement documents have been submitted and accepted.
- 4) Invoice for payment has been submitted and accepted by City.

Attachment 2 - Compost Requirements and Definitions

As required in 14 CCR 18993.1(f)(1), compost procured to perform the Services shall meet the following criteria:

1) Materials:

a) Acceptable materials are:

- i) Compost, including fine, medium, and coarse compost.
- ii) The portion of topsoil, biotreatment soil mix, or other blend that is compost.
- iii) See attached specification for additional requirements.
- iv) Mulch

b) Unacceptable materials include:

- i) Compost that exceeds state maximum limitations for pathogens, metals, and physical contaminants in 14 CCR § 17868.2 – 17868.3.1.
- ii) Digestate
- iii) Biosolids/sewage sludge
- iv) Manure
- v) Biochar
- vi) Uncomposted compostable materials
- vii) Synthetic fertilizer, nitrolized sawdust, gypsum, urea
- viii) Topsoil, fill (except as described in (1)(a)(ii))

2) Sources:

a) Acceptable sources of compost are (per 14 CCR 18993.1(f)(1)):

- i) A compostable materials handling facility with a Full Solid Waste Facility Permit or Registration Permit, or is authorized under the Enforcement Agency Notification Tier under 14 CCR § 17854.1
- ii) A large-volume in-vessel digestion facility that composts on-site.

Definitions:

“Biochar” means the charcoal product of biomass conversion through pyrolysis (along with ash and syngas).

“Biosolids” means solid, semi-solid, or liquid residue generated during the treatment of domestic sewage in a treatment works. Biosolids includes, but is not limited to, treated domestic septage and scum or solids removed in primary, secondary, or advanced wastewater treatment processes. Biosolids includes the residue solids resulting from the co-digestion of anaerobically digestible material with sewage sludge. Biosolids does not include ash generated during the firing of sewage sludge in a sewage sludge incinerator or grit and screenings generated during the preliminary treatment of domestic sewage in a treatment works. 14 CCR 17852(a)(9)

“Compost” means the product resulting from the controlled biological decomposition of organic solid wastes that are source separated from the municipal solid waste stream, or which are separated at a centralized facility. 14 CCR 17896.2(a)(4)

“Compostable material” means any organic material that when accumulated will become active compost. 14 CCR 17852(a)(11)

“Compostable Material Handling Facility permitted or authorized by [14 CCR § 17854.1](#)” means a facility described by the tiered regulatory system adopted by the California Integrated Waste Management Board in 1994.

“Digestate” means the solid and/or liquid residual material remaining after organic material has been processed in an in-vessel digester. 14 CCR 17896.2(a)(6)

“Large Volume In-vessel Digestion Facility” means a facility that receives an average greater than 100 tons of solid waste per operating day or greater than 700 tons (2,800 cubic yards) per week of solid waste for digestion in an in-vessel digester. 14 CCR 17896.2(a)(15)

“Manure” is an agricultural material and means accumulated herbivore or avian excrement. This definition shall include feces and urine, and any bedding material, spilled feed, or soil that is mixed with feces or urine. 14 CCR 17896.2(a)(18)

Attachment 3 – Recordkeeping and Reporting Requirements

Contractor shall keep and maintain a complete copy of all records regarding its provision of Services to City. Records shall be maintained on a calendar year basis, i.e. for each calendar year in which Contractor procures compost for City under this Agreement.

- 1) Reporting:
 - a) Contractor shall ensure all reporting documents are available to the City on the CaliforniaCompost.net jurisdictional portal.
- 2) The following information shall be included as part of the reporting documents:
 - a) The total compost provided to Direct Service Providers during the invoicing period.
 - b) The following information on the compost provided to each Direct Service Provider:
 - i) Quantity of compost
 - ii) Compost producer information:
 - (1) Name of facility
 - (2) Physical location (address)
 - (3) Contact information
 - iii) Direct Service Provider information:
 - (1) Name of Direct Service Provider
 - (2) Description of where compost was used
 - (3) A general description of how the compost was used.
- 3) The following submittals shall be included with each report:
 - a) All invoices or similar evidencing Direct Service Provider's receipt of compost on City's behalf.
 - b) Test data sheets showing that each compost supplied to Direct Service Providers complies with the City specifications, including requirements described in Attachment 2 of this Agreement.
- 4) Contractor shall report above information on the CaliforniaCompost.net website jurisdiction portal.

Attachment 4 – Certification of Records

**Certification of Records with Respect to:
Contractor Agreement between Agromin and City of Del Rio
Effective: [Date]**

State of California
City of Ventura
City of Oxnard

I, the undersigned, do certify as follows:

I am an authorized representative of the Contractor named above. I am familiar with the Services that Contractor has provided to the City named above under the Contractor agreement referenced above and as described in the SB 1383 Contractor Procurement Scope of Services.

I hereby certify that all records and information that Contractor is submitting to City regarding Contractor's provision of Services in [insert applicable calendar year] pursuant to the above-referenced agreement are true, accurate, and complete.

I declare under penalty of perjury that the foregoing is true and correct.

Agromin

By: Kimberly M. Cook

Title: Central/NorCal Business Dev. Mgr. and SB1383 Procurement Lead

Date: _____