

Central Services
Joan Araujo, Director

Engineering Services
Christopher Cooper, Director

Roads & Transportation
Christopher Kurgan, Director

Water & Sanitation
Joseph Pope, Director

Watershed Protection
Glenn Shephard, Director

March 28, 2023

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

Subject: Approval of, and Authorization for the Director of Public Works or his Designee to Sign: 1) a Compostable Materials Handling Facility Operating Agreement with Progressive Environmental Industries, Effective March 28, 2023; and 2) a Ground Lease Agreement between the County of Ventura and Progressive Environmental Industries for the Ojai Valley Organics Recycling Center, Effective March 28, 2023; Supervisorial District 1. Recommendation No. 2 Requires 4/5ths Vote.

Recommendation:

1. Approve and Authorize the Director of Public Works or his Designee to Sign the Compostable Materials Handling Facility Operating Agreement (Agreement) with Progressive Environmental Industries (Operator), Effective March 28, 2023; and
2. Approve and Authorize the Director of Public Works or his Designee to Sign a Ground Lease Agreement (Ground Lease) between the County of Ventura and Progressive Environmental Industries for the Ojai Valley Organics Recycling Center, Effective March 28, 2023.

Fiscal Impact:

Mandatory:	No
Source of Funding	Waste Management Fees
Funding Match Required:	None
Impact on Other Departments:	None



	<u>FY 2022-23</u>	<u>FY 2023-24</u>
Summary of Revenue and Costs:		
Revenue:	\$ 11,422	\$ 22,845
Costs:		
Direct	\$ 0	\$ 0
Indirect - Dept.	\$ 0	\$ 0
Indirect - County CAP	\$ 0	\$ 0
Total Costs:	\$ 0	\$ 0
Net Cost:	\$(11,422)	\$(22,845)
Recovered Indirect Costs:	\$ 0	\$ 0

Current FY 2022-23 Budget Projection for Integrated Waste Management Division - Division 4040				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Appropriations	\$3,540,200	\$3,993,807	\$2,596,200	\$1,397,607
Revenue	\$3,540,200	\$3,540,200	\$2,596,200	\$ (944,000)
Net Cost	\$ 0	\$ 453,607	\$ 0	\$ 453,607

Discussion:

On June 22, 2004, your Board passed Ordinance 4308 (superseded by Ordinance 4590, passed December 7, 2021) which includes a requirement for all Solid Waste Facility Operators within unincorporated Ventura County to contract with the County for purposes of facility operation, recordkeeping, tonnage tracking and reporting, rate regulation, waste diversion programs, County regulatory fees, and other related activities.

Pursuant to County ordinance, the Public Works Agency (PWA) Integrated Waste Management Division (IWMD) developed a standard Compostable Materials Handling Facility (CMHF) Agreement for the regulation of green waste processing facilities within the unincorporated area of Ventura County, two of which have been in effect since they were executed by your Board on December 12, 2006.

A third agreement was also executed by your Board at that time for the operation of the Ojai Valley Organics Recycling Center (OVORC), located just off Old Baldwin Road in the lower Ojai Valley on County-owned property (Exhibits 1 and 2). However, in 2019, the operator retired, and the facility was closed. This Agreement and Ground Lease with Progressive Environmental Industries (Exhibits 3 and 4), if approved by your Board, would allow for the re-opening of the closed Ojai Valley Organics processing facility, and become the third active CMHF agreement. The adoption of a mitigated negative



declaration (MND) and a mitigation monitoring program under California's Environmental Quality Act (CEQA) occurred in connection with the issuance of Conditional Use Permit (CUP) No. 4408-2 for this project, which became effective on December 5, 2022. No substantial changes in the project or circumstances are proposed by the recommended action and therefore, no additional CEQA action is required pursuant to 14 C.C.R. Section 15162.

The term of the Agreement will commence upon signing by the County and will expire on March 28, 2028, unless extended by mutual agreement between the Director of PWA and the facility Operator. Prior to this expiration date staff anticipates replacing all three agreements with new agreements incorporating both the new, and forthcoming, state regulatory requirements of Senate Bill 1383 (SB 1383, Lara, Chapter 395, 2016), which requires diverting organic material from California landfills to reduce methane gas emissions. The Ground Lease is for a term commensurate with the term of the Agreement. Lease of the property to Progressive Environmental Industries is permitted pursuant to Government Code section 25536(a) upon approval by a 4/5ths vote of your Board. Sufficient revenue and appropriations are included in the FY 2022-23 projected budget and sufficient appropriations and revenue will be included in future budgets as appropriate.

The Operator has agreed to enter into this Agreement, thereby complying with Section 4760-1 of County Ordinance 4590.

The Operator is estimating a receipt of approximately 6,527 tons of green waste, based on annual tonnage calculations received by the facility over the last ten years of operation.

This letter has been reviewed by the County Executive Office, the Auditor-Controller's Office, and County Counsel.

If you have any questions, please contact the undersigned at 805-654-2075, or Bruce Belluschi, IWMD Manager, at 805-658-4311.



Joseph Pope, P.E.
Director
Water and Sanitation



Attachments:

Exhibit 1 – Vicinity Map

Exhibit 2 – Location Map

Exhibit 3 – Compostable Materials Handling Facility Agreement

Exhibit 4 – Ground Lease Agreement for Ojai Valley Organics Recycling Center

