

CITY OF SANTA ROSA  
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES

FROM: ZACHARY KAY, BIOSOLIDS COORDINATOR  
CHUCK MCBRIDE, CHIEF FINANCIAL OFFICER  
FINANCE DEPARTMENT

SUBJECT: APPROVAL – FIRST AMENDMENT TO F001643 PORTOLA  
MINERALS COMPANY DBA BLUE MOUNTAIN MINERALS, INC.

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Water and Finance Departments that the Board, by resolution, approve the First Amendment to General Services Agreement (GSA) F001643 with Portola Minerals Inc., dba Blue Mountain Minerals, Columbia, California, to increase compensation by \$153,000, for a total amount not to exceed \$383,000 for the supply and delivery of agricultural lime.

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EXECUTIVE SUMMARY

In order to meet Federal regulations relative to soil pH levels, the Water Department uses agricultural lime, incorporated with biosolids generated from the Laguna Treatment Plant, as a soil additive. The First Amendment will add funding necessary to facilitate the continued acquisition and delivery of agricultural lime through the end of the contract term, which expires on May 17, 2020. Portola Minerals Inc. dba Blue Mountain Minerals Inc. continues to provide exemplary services.

BACKGROUND

On average, the City of Santa Rosa requires 2,100 tons of agricultural lime annually to comply with US EPA 40 CFR Part 503 – Standards for the Use or Disposal of Sewage Sludge. This regulation requires that the soil pH level to be at or above 6.5 for biosolids agricultural land applications. The higher the pH, the less acidic the soil. A pH level at a minimum of 6.5 also helps absorb more nutrients beneficial to food animals and permits improved water penetration for acidic soils. Therefore, in order to correct pH levels that are below this limit, there is a requirement to add agricultural lime. The agricultural lime purchased will be applied along with biosolids from the City's Laguna Treatment Plant to fertilize cropland used to produce hay.

In February of 2018, the City underwent a formal Invitation for Bids (IFB) 18-13 process in which bids were obtained for the forecasted annual need of 2100 tons of agricultural lime. Portola Minerals Inc. dba Blue Mountain Minerals Inc. was deemed the lowest responsive and responsible bidder to provide agricultural lime and delivery services required by the Water Department. The contractor provides all qualified labor, equipment, commodity, and transportation necessary to perform the delivery of agricultural lime to eleven designated City owned and privately held farmlands.

During the years of 2014 to 2017, the amount of lime required for Biosolids land application varied from 1354 tons to 2693 tons. During the 2018 Biosolids land application season, pH levels of farm fields were such that a total of 3532 tons of lime was required. The compensation increase of \$153,000 will allow for purchase of up to 3505 tons of lime, should the field pH levels require large adjustment as occurred in 2018.

#### PRIOR BOARD OF PUBLIC UTILITIES REVIEW

On May 17, 2018 the Board approved a two-year General Service Agreement (GSA) with three (3) one-year extension options in the amount of \$230,000.

#### ANALYSIS

The amount of agricultural lime required annually by the City varies from year to year and is dependent on soil samples taken between May and July. The lower the pH, the more agricultural lime will be needed to meet the minimum pH requirement of 6.5. Between 2014-2017, the average annual need was 2100 tons of agricultural lime, however, in 2018, that need was greater than 3500 tons thus utilizing 82% of the total approved funding for F001643. While staff use the average annual need for the contract value, the actual need varies from year to year and cannot be predicted.

#### FISCAL IMPACT

Funds for this expense are included in the current fiscal year and will be included in the proposed budget for Fiscal Year 2018-19 as a normal operating expense and will be budgeted in subsequent fiscal year budgets when approved by Council

#### ENVIRONMENTAL IMPACT

Use of agricultural lime is part of the City's Biosolids land application project on City-owned and private lands, which has been reviewed consistent with the California Environmental Quality Act (CEQA), pursuant to (1) Residuals Processing Mitigated Negative Declaration adopted in 1977, (2) the Santa Rosa Subregional Sludge Beneficial Use Project Program EIR certified in 1991, (3) the Management Plan for the Beneficial

BID AWARD – GSA F001643 AGRICULTURAL LIME DELIVERY  
PAGE 3 OF 3

Reuse of Biosolids by Land Application CEQA TM 2.2 adopted in 1993, and (4) the South County Biosolids Reuse MND adopted in 2010.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable.

ATTACHMENTS

Attachment 1 – First Amendment to General Services Agreement with Portola Minerals Company dba Blue Mountain Minerals, Inc. Agreement Number F001643

CONTACT

Chuck McBride, Chief Financial Officer, Finance Department, 707-543-3089,  
[cmcbride@srcity.org](mailto:cmcbride@srcity.org)

Zachary Kay, Biosolids Coordinator, Water Department, 707-543-3374, [zkay@srcity.org](mailto:zkay@srcity.org)  
Brandalyn Tramel, Purchasing Agent, Finance Department, 707-543-3706,  
[btramel@srcity.org](mailto:btramel@srcity.org)

Amy Carter, Buyer, Finance Department, 707-543-3702, [acarter@srcity.org](mailto:acarter@srcity.org),