



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Submitted on:
(COB Stamp)

Department Name: Public Works
Department No.: 054
Agenda Date: June 24, 2025
Placement: Administrative Agenda
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director: Chris Sneddon, P.E., Public Works Director
Contact: Jeanette Gonzales-Knight, P.E., Deputy Director
SUBJECT: Agreement Between the County of Santa Barbara and MarBorg Recovery, LP for the Operation of the ReSource Center, Material Recovery Facility; Third Supervisorial District

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve, ratify, and authorize the Chair to execute a ten-year Agreement between the County of Santa Barbara and MarBorg Recovery, LP (a local vendor) for the operation of the Material Recovery Facility at the Tajiguas ReSource Center, and
- b) Determine that pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15162, no substantial changes are proposed, no substantial changes in circumstances have occurred, and no new information of substantial importance regarding environmental effects of the project or of the sufficiency or feasibility of mitigation measures have occurred, and therefore the recommended action is within the scope of the prior environmental review documents for this project, the Final Subsequent Environmental Impact Report (12EIR-00000-00002) SCH #2012041068 and Subsequent EIR Revision Letter and Errata dated May 27, 2016 certified by the Board of Supervisors on July 12, 2016, Final Subsequent EIR Addendum dated August 11, 2017 (revised October 26, 2017) considered by the Board of Supervisors on November 14, 2017, second Addendum dated August 15, 2023 considered by the Board on October 3, 2023 and November 7, 2023, and the third Addendum dated August 12, 2024

considered by the Board on September 10, 2024; therefore, no subsequent environmental document shall be prepared for this project.

Summary Text:

This item is on the agenda to authorize the Chair to execute a ten-year Agreement between the County of Santa Barbara and MarBorg Recovery, LP (a local vendor) for the operation of the Material Recovery Facility (MRF) at the Tajiguas ReSource Center. The new Agreement will replace the Direct Agreement with MarBorg Recovery, LP, currently in place and includes:

- Improved Operator Oversight - updated Performance Guarantees, such as a Guaranteed Capture Rate for each type of Acceptable Material, new Performance Studies to determine the Effective Recovery Rate, and fees tied to disposal of material in excess of the Performance Guarantee.
- Financial Protections - revenue sharing models have been updated to align with market realities and commodity pricing volatility, as well as protections against market downturns through a per-ton commodity revenue floor to ensure the financial burden is predictable and justifiable to the ratepayers.
- Capital Improvement Plan – a new provision allows the Operator and County to identify opportunities for capital improvements to the MRF that will ensure the facility is capable of being operated in a manner to achieve the Performance Standards and regulatory requirements.
- Compliance with State Goals and Regulations – updated to support compliance with Senate Bill (SB) 1383 organic materials diversion requirements.
- Built-in Flexibility and Risk Mitigation - allows for adjustments in response to future regulatory changes, technological advances, or shifts in material streams, and includes clear provisions for termination, cure periods, and dispute resolution to protect the County if issues arise.

This new Agreement reflects a more resilient partnership model, protects ratepayer interest, supports the County's climate goals, and ensures continuity of essential solid waste processing and recycling services.

Background:

The Resource Recovery and Waste Management Division of the Public Works Department owns the MRF at the Tajiguas ReSource Center and subcontracts its operation to MarBorg Recovery, LP (MarBorg). This facility processes both municipal solid waste and commingled recyclables for the unincorporated areas of the South Coast, the Santa Ynez Valley, and the Cuyama Valley as well as the cities of Santa Barbara, Goleta, Solvang, and Buellton. The County previously contracted with MSB Investors, LLC (MSB) on December 13, 2016 for the development and operation of the ReSource Center (formerly referred to as the Tajiguas ReSource Recovery Project). MSB subcontracted the operation of the MRF to MarBorg and on February 14, 2017, the County approved a Direct Agreement with MarBorg to facilitate the assignment of the Subcontract to the County or the County's designee in the event MSB defaulted or filed for bankruptcy (see [County of Santa Barbara - File #: 17-00112 \(legistar.com\)](#)).

The construction and operation of the ReSource Center facilities was analyzed in 12EIR-00000-00002 and Addendums prepared pursuant to CEQA Guidelines Section 15164 available for review at [Environmental Documents | Santa Barbara County, CA - Official Website](#) and additional 15162 determinations available for review at the Public Works Department Resource Recovery and Waste Management Division offices.

On December 12, 2023, your Board approved termination of the Agreement for Development and Operation of the Tajiguas ReSource Recovery Project with MSB and authorized the Public Works Director to exercise application of the Direct Agreement with MarBorg for continuity of service at the MRF (see [County of Santa Barbara - File #: 23-01216 \(legistar.com\)](#)). The Board also directed the Public Works Director or designee to take actions necessary for the wind down of the Agreement with MSB and transition to new operator(s) of the ReSource Center. Since that time, staff have been working diligently with representatives from the County's Risk Department, County Counsel, Public Works, and a team of consultants to develop a replacement Agreement that is brought before your Board today for consideration. The new Agreement to continue operation of the MRF is within the scope of the prior environmental review documents.

Since the MRF was commissioned in 2021, MarBorg has provided excellent service. The proposed Agreement allows the County to continue operation of the MRF without interruption.

Performance Measure:

The Agreement includes performance measures for diversion of material as well as throughput. The diversion performance measures are specific for each type of material and dependent on existing markets to accept and recycle this material.

Fiscal and Facilities Impacts:

Budgeted: Yes.

The ReSource Center's processing fees are budgeted in the Resource Recovery and Waste Management Enterprise Fund and disbursed to the operator monthly to cover the annual operating costs of approximately \$11 million. Specific compensation criteria are specified in the proposed agreement (Attachment A).

Fiscal Analysis:

Pursuant to Section 10.3 of the Agreement, MarBorg's compensation for all costs of and profits for providing service is largely from a per ton processing rate, which is applied to all tons delivered at the ReSource Center facilities. The per ton processing rate is increased annually by CPI-U and is funded by a portion of the County's Tajiguas Landfill franchise tipping fees. The processing fees are budgeted and disbursed from the Resource Recovery and Waste Management Enterprise Fund. MarBorg also receives compensation from the recyclable market (processed by the MRF).

Staffing Impacts:

There are no impacts to staffing.

Special Instructions:

Direct the Clerk of the Board to forward a certified copy of the minute order and fully executed agreement:

- Carlyle Johnston, Public Works Department, Resource Recovery & Waste Management Division, ReSource Center Manager
- Yanette Luna, Public Works Department, Resource Recovery & Waste Management Division, AOP Sr

Attachments:

Attachment A – Agreement Between the County of Santa Barbara and MarBorg Recovery, LP for the Operation of the Tajiguas Material Recovery Facility

Authored by:

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