

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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FOURTH AMENDMENT TO
SERRF OPERATIONS AND MAINTENANCE AGREEMENT
AGREEMENT NO. 23336

23336

THIS FOURTH AMENDMENT to the SERRF Operations and Maintenance Agreement (the "Fourth Amendment") is made and entered, in duplicate, as of May 25, 2016 for reference purposes only, pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting held on May 24, 2016, by and between the CITY OF LONG BEACH, a municipal corporation of the State of California (the "City") and COVANTA LONG BEACH RENEWABLE ENERGY CORP., a Delaware corporation ("Operator"), formerly known as Veolia ES Long Beach Corporation.

RECITALS

WHEREAS, City and Operator entered into that certain Agreement dated March 1, 1994, entitled "SERRF Operations and Maintenance Agreement," also identified as Contract Number 23336, together with that First Amendment to Agreement dated July 31, 1996, the Second Amendment dated March 12, 2008, and the Third Amendment dated April 22, 2015, providing for the day-to-day operation and long-term maintenance of the City's Southeast Resource Recovery Facility ("SERRF"), a waste-to-energy facility serving the City of Long Beach and adjacent communities (collectively, the "Agreement"); and

WHEREAS, City wishes to purchase property, boiler, and machinery insurance from the Operator. The purchase of property, boiler, and machinery insurance is required under the terms of the Southeast Resource Recovery Facility (SERRF) revenue bonds and lease. By including SERRF into its group insurance portfolio, Covanta Energy, LLC offers competitive pricing; and

WHEREAS, City and Operator wish to amend the Agreement to modify Exhibit "F", Pass-Through Costs, to allow for reimbursement of electricity usage at SERRF

1 during turbine generator overhaul and inspections in the amount not to exceed 5,000,000
2 kWh per year;

3 NOW, THEREFORE, in consideration of the mutual terms and conditions in
4 the Agreement and in this Amendment, the parties agree as follows:

5 1. Item 1. (C) to Exhibit "F" is hereby deleted in its entirety and the
6 following is inserted in its place:

7 "Item 1. (C) Electricity usage (kWh/yr): 2,000,000

8 Additional electrical usage will be required during turbine generator overhaul
9 and inspections. The City shall reimburse the Operator for electrical usage and demand
10 directly related to the turbine generator overhaul and inspections as follows:

11 (i) Usage (kWh): 5,000,000 per year."

12 2. Item 10 is hereby added to Exhibit "F" to read as follows:

13 "10. The Operator shall receive an annual payment for providing SERRF
14 with a property, boiler, and machinery insurance policy. The policy will include property,
15 mechanical breakdown, business interruption, flood, and earthquake coverage. The City
16 or the Operator can discontinue the purchase of such insurance. The party who wishes to
17 discontinue the insurance must provide a minimum of six (6) months written notice to the
18 other party prior to the annual policy renewal."

19 3. Except as otherwise provided in this Fourth Amendment, all of the
20 terms and conditions in the Agreement are ratified and confirmed and shall remain in full
21 force and effect, and each of Operator and City hereby ratify and confirm the Agreement,
22 as amended by this Fourth Amendment. If there is a conflict between the Agreement and
23 this Fourth Amendment, which cannot be resolved by a plain reading of the language of
24 both documents, then this Fourth Amendment shall control.

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IN WITNESS WHEREOF, the parties have caused this document to be duly executed with all formalities required by law as of the date first stated above.

COVANTA LONG BEACH RENEWABLE ENERGY CORP., a Delaware corporation

June 21, 2016

By [Signature]
Name Derek Veenhof
Title Executive Vice President

_____, 2016

By _____
Name _____
Title _____

"Operator"

CITY OF LONG BEACH, a municipal corporation

May 11, 2016

By [Signature]
City Manager
"City" **Assistant City Manager**

EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.

This Fourth Amendment to Agreement No. 23336 is approved as to form on

June 27, 2016.

CHARLES PARKIN, City Attorney

By [Signature]
Deputy

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