



SOUTHEAST RESOURCE RECOVERY FACILITY
120 Pier S Avenue, Long Beach, California 90802
(562) 570-7840

June 1, 2022

HONORABLE BOARD OF DIRECTORS
Southeast Resource Recovery Facility Authority
Long Beach, California

AGENDA ITEM: 1

**SUBJECT: RECEIVE AND FILE MINUTES OF THE PREVIOUS MEETING OF
NOVEMBER 19, 2019**

RECOMMENDED ACTION:

Motion to approve the minutes of November 19, 2019.

BACKGROUND:

Minutes of the November 19, 2019, meeting have been prepared and are attached.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Robert Dowell", is written over a light blue horizontal line.

Robert Dowell
General Manager

cc: Alternate Members, SERRF Authority Board of Directors
City Attorney
Robert Ferrante, L.A. County Sanitation Districts

**CITY OF LONG BEACH
SOUTHEAST RESOURCE
RECOVERY FACILITY
(SERRF) MINUTES**

**TUESDAY, NOVEMBER 19, 2019
411 W. OCEAN BOULEVARD
5TH FLOOR, ALAMITOS CONFERENCE
ROOM, 4:00 PM**

DIRECTORS

Al Austin, Board Member
Tina Hansen, Board Member
Jeannine Pearce, Board Member
Daryl Supernaw, Board Member
Jeff Wood, Board Member



ALTERNATES

Robert Copeland, Alternate
Stacy Mungo, Alternate
Ron Piazza, Alternate
Suzie A. Price, Alternate
Rex Richardson, Alternate

Robert Dowell, General Manager
Charles R. Tripp, Secretary

REVISED

FINISHED AGENDA & DRAFT MINUTES

CALL TO ORDER (4:06 PM)

At 4:06 PM, Chair Wood called the meeting to order.

ROLL CALL

Commissioners Pearce, Supernaw, Austin, Wood and Hansen

Present:

Commissioners Price, Richardson, Mungo, Copeland and Piazza

Absent:

Also Present: Robert Dowell, General Manager, Director, Department of Energy Resources; Charles R. Tripp, Board Secretary, Manager, Electric Generation Bureau; Amy Webber, Deputy City Attorney; Michele York, Secretary, Electric Generation Bureau; Matt Eaton, Assistant Department Head, LACSD; Chuck Boehmke, Assistant General Manager, LACSD; Bob Gwaltney, Facility Manager, Covanta Long Beach RE; Diko Melkonian, ESB Manager, Public Works; and Barbara Shoag, Guest, SERRF Citizens Advisory Committee.

REGULAR AGENDA

1. 19-001SE Recommendation to receive and file minutes of the Southeast Resource Recovery Facility Authority meeting of Tuesday December 4, 2018.

A motion was made by Boardmember Pearce, seconded by Boardmember Supernaw, to approve recommendation. The motion carried by the following vote:

Yes: 5 - Pearce, Supernaw, Austin, Wood and Hansen

Absent: 5 - Price, Richardson, Mungo, Copeland and Piazza

2. 19-002SE Recommendation to hold an election of Chair and Vice Chair of the Southeast Resource Recovery Facility Authority.

A motion was made by Boardmember Pearce, seconded by Boardmember Wood, to nominate Councilmember Pearce as Chair. The motion carried by the following vote:

Yes: 5 - Pearce, Supernaw, Austin, Wood and Hansen

Absent: 5 - Price, Richardson, Mungo, Copeland and Piazza

A motion was made by Boardmember Austin, seconded by Boardmember Wood, to nominate Councilmember Hansen as Vice Chair. The motion carried by the following vote:

Yes: 5 - Pearce, Supernaw, Austin, Wood and Hansen

Absent: 5 - Price, Richardson, Mungo, Copeland and Piazza

3. 19-003SE Recommendation to receive, adopt and file SERRF Manager's report for Fiscal Year 2018-2019.

Charlie Tripp spoke on the operation and maintenance of SERRF during the fiscal year 2018-2019.

The SERRF plant completed its' 31st year of operations of the facility. SERRF received 386,000 tons of refuse and generated 182,000 megawatt hours of electricity. The overall performance looks good. We are right on plan, regarding our reserve fund, at the end of the fiscal year.

SERRF also completed remedial work. The City of Long Beach made an investment of \$8.7 million and the Operator, Covanta, made an investment of \$5 million. Of that, we have completed about 11 million worth of work and committed \$12.6 million through various projects in the facility.

The big projects are the bottom ash systems, replacing the ash extractors and the bottom ash conveyor. Continuing with more conveyor work, working on the pollution control equipment to some of the sections which are deteriorating, and replacing the reverse air fan ducting.

After working on the boilers and completing the work, we have seen better operations going forward. We believe the money was well spent and the facility will hit its targets for the next five to six years.

The bonds were paid off on December 8, 2018. The facility is owned free and clear by the SERRF Joint Power Authority, and now the City of Long Beach is leasing the facility for only \$1.00 a year.

SERRF has transitioned from selling power to Southern California Edison to CAISO. This was a little of an unknown for us because we are now on a market based system. We bid on the day ahead market, how much power we are going to deliver, but not sure how much money we are going to get for the power, because it is a variable rate. We came in close to what our projections were.

SERRF is going to continue with the remedial work and have an aggressive plan for refuse throughput and power production.

Covanta has a new plant manager, Bob Gwaltney, who took over operations as the facility manager position four months ago. Bob is a welcome addition, bringing professionalism to the facility operations. There is a lot of turn over at

Covanta with retirements and new staffing training. Are there any questions?

Barbara Shoag spoke:

What are the problems at SERRF?

Charlie stated there are no problems, just challenges of retraining the staff and getting them up to speed. We also need to look at some of the material handling equipment like the cranes, etc. Overall, we know how to operate the plant, these plants nationwide have good track records and so I do not see any issues going forward. We brought in an independent engineer to look at the facility for any possible issues going forward that would prevent us from meeting our targets.

Barbara stated she was on SERRF Citizen Advisory Committee.

Is the Ash still being treated?

Yes, the ash is still being used and treated for use at El Sobrante landfill in Riverside. Riverside inspectors come to the facility to inspect our operations to make sure everything is up to speed and we continue to test the ash for a quarterly ash testing data which shows that it is OK.

The metals recycling is not offering as much money for the ferrous metals we separate. At one point, we were looking at installing a non-ferrous metal recovery, but it is not panning out because of the crash in the recycling markets.

Member Austin spoke:

182 million watts to SCE last year. Now we are selling to CAISO. Do we expect the same amount to be sold and what is the value of that energy?

The revenue we receive for power operation decreased by 2/3 when we went to the day ahead CAISO market. That amounts to about 16 million a year. All the utilities and CCA's are required to have resources adequacy (RA) under contract. We didn't sign up last year because we felt that with the remedial work and things that had to be done, we were not reliable enough to provide resource adequacy. We have now entered that market which is going to increase our power revenue on the RA front. That is a positive that I was not counting on. It could mean almost 2 million a year in extra revenue on the power side.

Member Wood spoke:

Are the narcotics coming from one source?

No, the narcotics come from every law enforcement agencies south of Fresno in the state of California. Most of it comes from US customs, about 80% from South of the border, which is mostly Marijuana. We cover our cost for providing this service, but we are not making money. It is a benefit to law enforcement agencies and our contribution to take care of that issue.

The agreement with Edison is now to CAISO. Are we losing money?

We can lose money certain times of the day. But because of the design of the facility you cannot stop operations. There are times of the day when you are producing power and you pay CAISO to take it from you. Because we have an imbalance in the power system when it is used verses when it is produced. All power is produced during the daytime when the sun's up. There is a lot of power generated from solar power and wind during the day. Demand for the power is used when people come home from work and turn on the dishwashers, TV's and washing machines and all other appliances. The trick is, to get a balance between usage and when it is produced and we hope batteries are going to do that for us. So, you will see the installation of battery storage in the next 15-20 years.

Member Austin spoke:

What are the hours of operation?

SERRF's hours of operation are 24/7. We accept trash 5½ days a week, Monday through Friday, 6:00 a.m. to 5:00 p.m. and Saturday, 6:00 am to noon.

The PM hour's power created for the Grid hours make more money?

That is why the RA became important and utilities have been getting very aggressive trying to get our RA because it has become more valuable to them due to a shortage of resources in California at this point.

Member Wood spoke:

Is there an agreement for 30 years now or is there a reason Edison didn't want it?

The original 30-year Power Purchase Agreements called Standard Offer #4 (SO4) contracts were offered in the eighties. These contracts were required by the CPUC, for utilities to buy power from the independent power producers. Now all the rules have changed and they are not offering any of those types of contracts anymore. Now utilities are being directed by the CPUC to take 5 year contracts at the lowest bidder amount. This type of contract does not work for us. Most independent power producers are now selling on the Cal ISO day ahead market. This is what we have done. If the opportunity arrives sometime

in the future, for a longer-term contract, we will consider it. This SERRF resource is important because of the expansion in the Port and the projections for power shortages as the Port electrifies. There could be some opportunities for contracts that can benefit everyone in the future.

Member Pearce spoke:

I know every time we talk about SERRF, and the last time we approved the funds for the capital improvement, we talked about the planning for the future of SERRF. Can you give us a timeline on what you are doing with some of that planning?

I think SERRF's future will be determined by Legislation and how that will shake out.

Specifically, how SERRF would fit into a zero waste scenario?

I have met with some of the potential bidders for the City's zero waste scenario that want to develop a program and they are curious to see how SERRF would fit in. But the question is, is there another improved generation of SERRF technology? There really isn't at this point. The site is not suitable for Anaerobic Digestion, AD. We do not have a sewer hook-up so doing any anaerobic digestion without that kind of infrastructure would be impossible. Putting in sewers would be extremely expensive. Unless we can enhance revenues, which is what we have been talking about, operating past 2024 is unlikely. At that point, it looks like we would employ a zero waste program and any disposal of unrecycled waste would be landfilled.

4. 19-004SE

Recommendation to authorize General Manager to execute an agreement and any necessary amendments with the Port of Long Beach to allow the Port access and an equipment laydown area for the SERRF site during the TI Wye track realignment project.

A motion was made by Boardmember Austin, seconded by Boardmember Pearce, to approve recommendation. The motion carried by the following vote:

Yes: 5 - Pearce, Supernaw, Austin, Wood and Hansen

Absent: 5 - Price, Richardson, Mungo, Copeland and Piazza

NEW BUSINESS

No new business.

PUBLIC COMMENT

Barbara Shoag, Guest, SERRF Citizens Advisory Committee.

ADJOURNMENT

At 4:23 PM, there being no objection, Chair Pearce declared the meeting adjourned.

adb