



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

December 4, 2018

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
OCTOBER 17, 2017**

RECOMMENDED ACTION:

Motion to approve the minutes of October 17, 2017.

BACKGROUND:

Minutes of the October 17, 2017 meeting have been prepared and are attached.

Respectfully submitted,

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

Robert Dowell
General Manager

cc: Alternate Members, SERRF Authority Board of Directors
Mayor and City Council
City Attorney
City Manager
Grace Hyde, L.A. County Sanitation Districts



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**SOUTHEAST RESOURCE RECOVERY FACILITY
JOINT POWERS AUTHORITY BOARD OF DIRECTORS
ANNUAL REGULAR MEETING MINUTES
TUESDAY, OCTOBER 17, 2017**

The annual regular meeting of the Southeast Resource Recovery Facility, Joint Powers Authority Board of Directors was held on October 17, 2017 at City Hall in the 9th Floor Conference room at 333 W. Ocean Boulevard.

CALL TO ORDER

Chair Supernaw called the meeting to order at 4:36 p.m.

ROLL CALL

Chair Supernaw, City of Long Beach
Vice Chair Piazza, Alternate, Lakewood, Sanitation Districts
Councilmember Al Austin, City of Long Beach (4:40 p.m.)
Councilmember Larry Forester, Alternate, Signal Hill, Sanitation Districts
Councilmember Jeannine Pearce, City of Long Beach

MEMBERS ABSENT

Vice Mayor Rex Richardson, Alternate, City of Long Beach
Councilwoman Stacy Mungo, Alternate, City of Long Beach
Councilmember Suzie Price, Alternate, City of Long Beach
Councilmember Jeff Wood, Lakewood, Sanitation Districts
Vice Mayor Tine Hansen, Signal Hill, Sanitation Districts

STAFF PRESENT

Robert Dowell, General Manager, Director, Department of Gas & Oil
Charles R. Tripp, Board Secretary, Manager, Electric Generation Bureau
Amy Webber, Deputy City Attorney
Michele York, SERRF Bureau Secretary

OTHERS PRESENT

Matt Eaton, Assistant to Department Head, LA County Sanitation District
Mark McDannell, Manager of Energy Recovery, LA County Sanitation District
Tom DeMaio, Business Manager, Covanta Long Beach RE

**1. RECEIVE AND FILE MINUTES OF THE PREVIOUS MEETING OF
OCTOBER 18, 2016**

Councilmember Forester made a motion to approve the minutes of the October 18, 2016 regular meeting. Councilmember Piazza seconded the motion. All in favor.

2. ELECTION OF CHAIR AND VICE-CHAIR

Councilmember Forester made a motion to nominate Councilmember Piazza as Chair. Chair Supernaw seconded the motion. Councilmember Piazza was unanimously elected as Chair.

Councilmember Piazza continued the meeting as Chair.

Chair Piazza made a motion to nominate Councilmember Forester as Vice Chair. Councilwoman Pearce seconded the motion. Councilmember Forester was unanimously elected as Vice Chair.

3. SERRF MANAGER'S REPORT FOR FISCAL YEAR 2016-17

Charlie Tripp reported on the operation and maintenance of SERRF during the fiscal year 2016-2017. The SERRF plant is now 29 years old. One year remaining on our Edison agreement, ending in December 2018. Then the finances will get interesting for SERRF. We will be selling on a day ahead, into the Cal ISO exchange, which is the only way to sell power unless we get a contract with someone. The price for electricity will be quite a bit less than what we receive now on our 30-year agreement with SoCal Edison. We are looking at different ways to shore that up and to make sure that we are still financially viable. We have proforma's in place and we have a significant reserve. The reserve is close to \$27 million, which we will use to continue to operate, on a day to day basis, if it makes sense to do so.

In 2018, the facility will be paid off. The bad thing is in 2018, we will have to start reinvesting in some end of life equipment at the facility. We had HDR, an independent engineering company, come in and look at the plant in June, and issue a report.

The report shows how much we would have to invest if we want to run until 2024, to 2030, or until 2040. We now have an idea whether it will be financially feasible to go forward and what investment is necessary, depending on how long we want to continue to operate the facility. This last year has been tough operationally.

SERRF processed 426,000 tons, generated 187,000 megawatts of energy, destroyed 533,000 pounds of narcotics, and we completed scheduled major maintenance for the facility, in the amount of \$4.6 million.

We also made a trip to Sacramento to try and get favorable legislation put in place for Waste-To-Energy. We weren't successful in that endeavor. It didn't get out of the committee.

Charlie did not attend the meeting, but heard we were able to answer all their questions. We provided environmental reasons why Waste-To-Energy deserves incentives for power, and how we are a greenhouse gas mitigation tool, but it still didn't get out of the committee.

We also had a meeting with Cal Recycle last week and our General Manager Bob Dowell attended.

Bob stated it was a good meeting and they understood the situation as it stands today. The legislation process is not the conduit to get any favorable help here, however, they are writing some regulations that may. They do acknowledge the value of SERRF. Today they understand that organics going to landfills still hasn't been totally abated. They understand there are no other means for organics to be processed now and they hope for anaerobic digestion, which is one of the analysis our consultant looked at for the SERRF facility.

China is no longer taking plastics. California will face the situation for what to do with plastics and going to landfills is highly undesirable, so SERRF offers a solution.

Councilmember Forester asked as the cost of kilowatts goes up, what is the rational that Edison will pay less?

Edison is governed by the CPUC, which allows SCE to enter 5-year contracts at an extremely low price for power. We can do just as well with the day ahead Cal ISO exchange. What the future is going to be is interesting because we have so much solar power, but not at the right times of day. The whole market will need to transition over to time of use contracts. Right now, the peak periods are when people come home from work and turn on all the appliances. That doesn't fit very well with solar. They are looking at storage capabilities, to buffer that power surge. What the price of power will be is unknown.

Also, the community aggregation will impact price. Everyone is questioning what is going to happen to the energy market. The price of power has been 3 cents kwh for the last 30 years.

Councilmember Forester asked if the proforma was based on that. Charlie replied no. The proforma was based on the contract floor.

Councilmember Pearce said that community choice aggregation was mentioned. Could Bob Dowell shed some thoughts on what impacts this could have on SERRF, if something went through in the next 18 months.

Bob replied if the CCA bought SERRF power, it would probably be a 5-year agreement. Their focus is on renewables and SERRF is not classified as a renewable. I would think there would be a lot of interest at looking at SERRF power, to add to that portfolio, if they could get it at a competitive price. Their objective is to purchase power at the lowest cost and ours is to sell it at the highest cost.

Bob stated we are looking at some options of potential users of electricity, other than to sell it on the open market, and we will see where these go. We have some promising things out there, but that is the hope for all of us.

Charlie stated we have been proactive and have some interesting ideas out there.

Councilmember Forester asked 180,000 megawatts powers how many homes?

Charlie replied that it is less than we used to do. About 30,000 homes.

4. NEW BUSINESS

No new business submitted.

PUBLIC PARTICIPATION: Members of the public are invited to address the Board on items of interest to the public within the Board's jurisdiction.

No public participation received.

ADJOURNMENT

Chair Piazza moved to adjourn the meeting and the motion carried unanimously.

Being no further business, the meeting was adjourned at 4:42 p.m.

Ron Piazza, CHAIR
JOINT POWERS AUTHORITY, BOARD OF DIRECTORS