

## **R-25**

August 18, 2020

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

### **RECOMMENDATION:**

Authorize the City Manager, or designee, to enter into an agreement with Waste Management, Inc., to allow the City of Long Beach to deliver ash from SERRF to Waste Management's El Sobrante Landfill, at an estimated annual cost of \$7,000,000 to \$8,000,000, for a period of four years, with the option to extend the agreement for five additional one-year periods, at the discretion of the City Manager. (District 1)

### **DISCUSSION**

The City of Long Beach's (City) residential refuse, as well as refuse from numerous private haulers serving other area cities, is taken to the Southeast Resource Recovery Facility (SERRF) where it is burned and generates electricity. SERRF handles approximately 500,000 tons of municipal solid waste each year and, in the combustion process to create the electricity, produces about 175,000 tons of ash annually. This ash is treated and currently transported to El Sobrante Landfill (El Sobrante) operated by Waste Management, Inc. (WM). The ash is put to beneficial use at the landfill and this reuse contributes approximately 13 percent to the City's overall estimated waste diversion of about 75 percent.

El Sobrante, located in Riverside County, is owned by WM. El Sobrante is the only Class 3 landfill in California that is permitted by the Regional Water Quality Control Board (RWQCB) to receive and reuse ash. By utilizing El Sobrante, the City can maintain its current waste diversion rate and avoid implementation of new waste diversion programs. El Sobrante will charge SERRF a negotiated rate of \$40 per ton for disposal of ash, below its standard rate for non-county waste. Depending upon the amount of ash generated at SERRF, the estimated annual cost for transportation and disposal will be approximately \$7,000,000 to \$8,000,000.

The City's only other option would be to dispose of SERRF's ash at Kettleman Landfill (Kettleman), located just south of Fresno, also owned by WM. The estimated annual cost for this option is \$18,000,000 for disposal and transportation. In addition, Kettleman is not permitted to accept ash for reuse, so the City's estimated diversion rate would drop from its current 75 percent to approximately 62 percent.

WM is the only entity permitted to accept ash in California. Therefore, no useful purpose would be served in conducting a competitive procurement process, and to do so would be an unnecessary expenditure of public funds.

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This matter was reviewed by Deputy City Attorney Amy R. Webber on July 20, 2020 and by Revenue Management Officer Geraldine Alejo on August 3, 2020.

TIMING CONSIDERATIONS

City Council action is requested on August 18, 2020, to execute an agreement expeditiously to ensure uninterrupted service.

FISCAL IMPACT

The estimated annual cost for ash delivery and reuse is \$7,000,000 to \$8,000,000 and will vary based on the amount of ash sent to El Sobrante. Funding to support the agreement is appropriated in the SERRF Fund Group in the Energy Resources Department. This recommendation has no staffing impact beyond the normal scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ROBERT M. DOWELL  
DIRECTOR OF ENERGY RESOURCES

APPROVED:



THOMAS B. MODICA  
CITY MANAGER