



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

March 29, 2023

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

AGENDA ITEM: 3

SUBJECT: SERRF MANAGER'S REPORT-FISCAL YEAR 2022

RECOMMENDED ACTION:

Motion to receive, adopt, and file the attached SERRF Project Status Report.

BACKGROUND:

The SERRF Manager's Project Status Report dated March 17, 2023, is provided as an attachment.

Respectfully submitted,

A handwritten signature in black ink that reads "R. Dowell".

Robert Dowell
General Manager

SERRF MANAGERS REPORT

March 29, 2023

SERRF OPERATIONS

During fiscal year 2022, SERRF accomplished the following:

- SERRF received 374,000 tons of refuse.
- SERRF sold 189,000 megawatt-hours of energy.
- SERRF destroyed a total of 515,000 pounds of narcotics and drug-related paraphernalia for California law enforcement agencies.
- SERRF completed all the scheduled major maintenance and capital replacement work for the period. The cumulative cost of this work performed during this fiscal year was approximately \$5.8 million dollars.
- SERRF continues to sell electricity on the California Independent System Operator (CAISO) day-ahead market. SERRF also contracted for short term Resource Adequacy (RA) through the facility operator (Covanta). Electricity revenues were \$4M higher in FY 22 than in FY 21.
- SERRF has completed all Remedial Work projects.
- Agreements with Port of Long Beach for sale of property and temp easements executed successfully and SERRF is currently in process of performing agreed upon gate improvements in coordination with POLB's TI-Wye track realignment project.
- SERRF has provided tours to Long Beach Council District 1, USTDA's Indonesian delegation, Leadership Long Beach, Cub Scouts, FIRST Lego League (STEM group), Port of Long Beach, Long Beach Utilities. SERRF has also presented on SERRF to Ocean Residents Community Association(ORCA) and Wilmore Heights Neighborhood Association.

General Updates on SERRF:

- On January 17th, City Council approved amendment to O&M agreement between City and Covanta that adjusted commercial structure such that Covanta will take responsibility for all SERRF revenues and expenses starting February 1, 2023 until end of existing contract term. The passage of State Assembly Bill(AB) 1857 removed the AB 939 waste diversion credit for jurisdictions that delivered municipal solid waste to SERRF. City staff anticipated this would lead to increased revenue shortfall and quick depletion of funds ending in SERRF's

closure. Due to ongoing agreements for special waste and refuse pricing flexibility, Covanta is better positioned to profitably continue facility operations until the end of contract term. With this amendment, staff projects that the SERRF Fund Group will have approximately \$6M in remaining funds available which will be available for decommissioning operations should it become necessary.

- Work continues with HDR Engineering on SERRF's RFP. The impacts of AB 1857 has led to roll out of a final version of the RFP that contemplates decommissioning all or part of SERRF and developing an organics processing facility that enables SERRF to become a regional solution for organics diversion in the LA County area. RFP is expected to be released April 2023 with proposals due Summer 2023.
- City of Long Beach has applied for EPA Solid Waste Infrastructure for Recycling (SWIFR) grant and intends to apply for additional grants with CalRecycle to help fund expansion of SERRF's tipping floor area that accommodates receipt and transfer of organic materials including some pre-processing equipment as able.