



Legislation Details (With Text)

File #: 20-1068 **Version:** 1 **Name:** CM - NDA with AES
Type: Contract **Status:** CCIS
File created: 10/27/2020 **In control:** City Council
On agenda: 11/17/2020 **Final action:** 11/17/2020

Title: Recommendation to authorize City Manager, or designee, to execute a Non-Disclosure Agreement (NDA) with Alamitos Energy Center (AES), of Long Beach, CA, to safeguard confidential proprietary information that may be disclosed to the City concerning its Alamitos Bay Water Quality Enhancement Project (Project); and

Authorize City Manager, or designee, to execute an Access License Agreement, and any necessary amendments, with AES for the City to perform necessary investigative work related to engineering feasibility options to maintain current water circulation patterns and install fish-friendly pumps for the benefit of Alamitos Bay at the AES facilities, at 690 North Studebaker Road, in furtherance of the Project.
(District 3)

Sponsors: City Manager

Indexes:

Code sections:

Attachments: 1. 111720-C-9sr&att.pdf

Date	Ver.	Action By	Action	Result
11/17/2020	1	City Council	approve recommendation	Pass

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The State Water Resources Control Board enacted a Once Through Cooling (OTC) Policy in 2010, requiring power plants to phase out the practice of using marine water to cool turbines used for the generation of electricity. The OTC Policy aims to reduce the harmful effects associated with OTC, such as entrainment (fish and larvae drawn through the cooling system and subjected to hot water) and impingement (fish trapped at the screens).

AES is a natural gas power plant that provides electricity to Long Beach and the region. As part of its OTC pumping operations, AES currently draws ocean water from Alamitos Bay

(Bay) and discharges the water to the San Gabriel River (SGR). AES has used ocean water to cool power plant turbines for over 55 years. Such pumping activities create currents, pulling ocean water into the Bay, mixing ocean and bay water, which, in turn, improves circulation and water quality. This consistent water movement has established habitat and water quality conditions that are now dependent on a regular supply of new seawater pulled from the open ocean into the Bay and re-circulated back to the ocean from the SGR. AES has recently decreased pump rates and plans to phase out OTC operations entirely by the end of 2023, as part of its mitigation plan to address the requirements of the OTC Policy.

Modeling studies indicate the cessation of power plant pumps will have an immediate effect on water circulation and is expected to precipitate secondary adverse effects on water quality and aquatic life. The Alamitos Water Quality Enhancement Project (Project) was initiated in collaboration with AES to identify feasible pumping alternatives that could utilize existing AES pump well infrastructure to maintain water circulation and water quality in the Bay without the harmful effects of entrainment and impingement. Through this collaboration, a preliminary, preferred design alternative has been identified.

The next phase of work includes developing and entering into a Memorandum of Understanding (MOU) with AES and initiating 30 percent engineering design. Design, permitting, operating, and financial planning expectations need to be included in a MOU to guide the City and AES through this project. A more in-depth assessment of the existing infrastructure to confirm its condition will be required and occur as part of the 30 percent engineering design. To proceed with these efforts, the City must first execute the AES-requested NDA and Access License Agreement. Additional background information on this project can be found in the attached October 26, 2020 City Council memorandum.

This matter was reviewed by Assistant City Attorney Michael J. Mais on October 27, 2020 and by Budget Analysis Officer Julissa José-Murray on October 28, 2020.

City Council action is requested on November 17, 2020, to ensure timely implementation of the Project.

There is no fiscal or local job impact associated with this recommendation. Staff will return to the City Council at a future date for approval of an MOU with AES. Currently, there is \$500,000 budgeted in the Tidelands Operations Fund Group in the Public Works Department for Project design. Estimated total project costs will be provided to the City Council upon completion of an in-depth assessment of current infrastructure conditions and 30 percent engineering design. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities.

Approve recommendation.

THOMAS B. MODICA
CITY MANAGER

