



County of Santa Cruz

DEPARTMENT OF PUBLIC WORKS

701 OCEAN STREET, ROOM 410, SANTA CRUZ, CA 950604070
 (831) 454-2160 FAX (831) 454-2385 TDD (831) 464-2123

JOHN A. FANTHAM
 DIRECTOR OF PUBLIC WORKS

AGENDA: November 24, 1998

November 12, 1998

SANTA CRUZ COUNTY BOARD OF SUPERVISORS

701 Ocean Street
 Santa Cruz, California 95060

SUBJECT: BUENA VISTA LANDFILL GAS POWER PROJECT

Members of the Board:

The Department of Public Works and the department's landfill gas power development consultant, Brown, **Vence** and Associates (BVA) are nearing completion of all financial and contractual agreements necessary to begin final construction of the Buena Vista Landfill Gas Power Project. In order to complete the final tasks, it will be necessary to amend the County's contract with BVA to assist with the completion of some of the remaining work. Under this amendment BVA will provide staff with technical assistance in completing the permitting process with the Monterey Bay Unified Air Pollution Control District. BVA will also assist staff in completing the Project Award Package (PAP) with the California Energy Commission (CEC). As your Board is already aware, our department was successful in securing a \$767,000 bid award through the CEC in the form of cash payments for production of electricity from landfill gas. The process of securing this funding involved the County issuing a performance bond as security for our bid. In order for the performance bond to be released, two milestones must first be met: the PAP must be completed and approved by the CEC and the County must demonstrate that all necessary permit processes have been initiated. These two additional tasks will complete the work necessary to have our performance bond released.

In addition to the above tasks, it is also appropriate at this time to complete a final update on the power sales market conditions prior to executing a final power sale agreement. It has been eight months since we last solicited proposals for power sales agreements and there have been several positive changes in the state wide energy markets. BVA will assist the County in reviewing and negotiating, if appropriate, any new marketing opportunities in light of the current electric industry market conditions. An additional task for assisting in a current market update is included in the attached amendment.

We also want to take this opportunity to update your Board briefly on the current status and schedule for project development. We are currently planning to return to your Board in late December or early January with a final project development package. At that time your Board will be asked to approve the final project and execute several agreements related to the financial and operational structure for the project. This package will include, but not be limited to, agreements for power sales, gas rights, Section 29 Federal tax credit investment, turn-key facilities construction, operation and maintenance, payment of Renewable Energy Production Incentive (**REPI**) credits, and payment of **AB 1890** incentive payments from the CEC. Your Board will also be requested to approve the capital expenditure for the project.

While the risks associated with this project have been well managed through the project structure, there have nonetheless been some lingering concerns expressed regarding financial risks to the County. In response to these concerns, Public Works has been exploring the option of developing this project as a joint public/private venture with BVA. Under terms of the original agreement for this project, BVA retains the right for private development, if the County selects this option. Under this alternative the County would still own and finance the capital improvements for the plant to take **full** advantage of the financial incentives, available only to government agencies, through the Department of Energy's REPI program. The operational and production risks would be transferred to **BVA's** development group who would in turn guarantee their work through a financial surety mechanism such as a performance bond or corporate letter of credit in a format acceptable to the County. In addition to assuming the operational and production risks, the developer would also guarantee, from project revenues, the **full** return of the County's capital investment, debt service, and development costs. In addition, **REPIs** derived for the project would be shared between the County and the BVA development group. In our continuing review of this project and in response to concerns expressed by your Board and others, Public Works has concluded that development of this project as a public/private venture could provide a more reasonable balance of both benefits and risks. We can achieve the positive environmental benefit and some small financial benefit associated with reuse of a valuable waste disposal by-product, while limiting the County's financial and operational risks on the project. This revised project development scenario will be outlined in greater detail in our future correspondence and presentations to your Board.

The attached amendment to agreement will require a \$6,850 increase in contract appropriations for an amended not-to-exceed amount of \$106,820. Sufficient funds are available in the Solid Waste Enterprise fund for this purpose.

It is therefore recommended that your Board take the following actions:

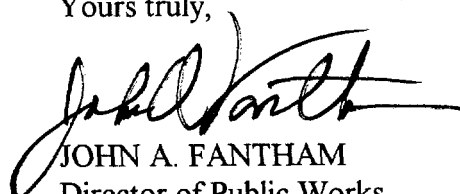
1. Accept and file this status report on the Buena Vista Landfill Gas Power Project.
2. Approve the attached amendment to agreement with Brown, Vence and Associates for development of the Buena Vista Landfill Gas Power Project for an amended contract not-to-exceed amount of \$106,820.

SANTA CRUZ COUNTY BOARD OF SUPERVISORS

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- 3. Authorize the Director of Public Works to sign the contract amendment on behalf of the County.


Yours truly,


 JOHN A. FANTHAM
 Director of Public Works

RPM:rw

Attachments

RECOMMENDED FOR APPROVAL:



 County Administrative Officer

copy to: Brown, Vence and Associates
 Public Works
 Auditor-Controller

AMENDMENT TO AGREEMENT

The parties hereto agree to amend Agreement number 8 1578 dated January 13, 1998, by and between the COUNTY OF SANTA CRUZ and BROWN, VENCE AND ASSOCIATES. The purpose for this amendment is to: perform additional duties per attached Scope of Work and to increase appropriations by \$6,850 for an amended agreement not-to-exceed amount of \$106,820.

All other provisions of said agreement shall remain the same.

DATED: _____

COUNTY OF SANTA CRUZ
DEPARTMENT OF PUBLIC WORKS

DIRECTOR OF PUBLIC WORKS

CONTRACTOR:
BROWN, VENCE AND ASSOCIATES

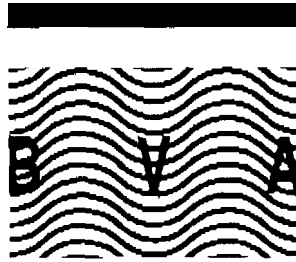
BY: Michael J. Steady, VP

ADDRESS: 120 Montgomery St., Suite 1000
San Francisco, CA 94104

TELEPHONE: (4 15) 434-0900

Approved as to form:
Samuel Tang 11/9/98
County Counsel

DISTRIBUTION: County Administrative Office
Auditor-Controller
County Counsel
Brown, Vence and Associates



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Brown, Vence & Associates, Inc.

Energy and Waste Management Engineers

120 Montgomery Street Suite 1000

San Francisco CA 94104

415/434-0900

415/956-6220 FAX

An Equal Opportunity

Employer

October 27, 1998

Patrick Mathews, Solid Waste Division Manager
Department of Public Works
County of Santa Cruz
701 ocean Street
Santa Cruz, CA 95060

BVA Job No.: 95003.01
Subject: Additional Work

Dear Patrick:

Brown Vence & Associates, Inc. (**BVA**) requests an amendment to our existing contract to cover additional services requested by the Santa Cruz County Department of Public Works related to the Landfill Gas-to-Electricity Project, This amendment covers the following Tasks:

1. Prepare and submit the County's air permit applications to the Monterey Bay Air Pollution Control District,
2. Develop and submit the County's Project Award Package from the New Renewables Account Auction to the California Energy Commission, and
3. Resurvey the power market to ensure that the County is obtaining the best power sales agreement available.

SCOPE OF WORK

BVA offers to provide the following technical and management services necessary to further assist the Department in the development of landfill gas-to-electricity projects at the Buena Vista Landfill. This scope of work builds upon work previously completed by the Department and BVA.

Task 11: Air Permits

BVA will prepare the County's air permit applications to the Monterey Bay Air Pollution Control District, Each engine to be installed requires a separate permit to authorize construction and operation. All applicable permit fees will be paid by the County. BVA has budgeted \$1,310 for this task.

Printed on Recycled Paper

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Patrick Mathews
October 27, 1998
Page 2

Task 12: CEC Project Award Package

BVA will prepare the County's Project Award Package (PAP) for the California Energy Commission (CEC). The PAP is the document that the CEC will approve and adopt to officially award the County's renewable power project with an on-going incentive payment through the California's New Renewable Resources Account. BVA will follow the CEC's guidelines for preparing the PAP, including information regarding project location, finances, schedule, permits, and eligibility for incentive payments. BVA will complete the PAP for the County's review. Following approval by the County, BVA will submit the PAP to the CEC. The CEC is expected to adopt the PAP no later than June 4, 1999. \$1,480 has been budgeted for this task.

Task 13: Power Sales Market Update and Negotiation

Over eight months has passed since the County's RFP was issued to select a renewable power purchaser. BVA will resurvey the renewable power market for any new opportunities and assist the County in final negotiations with the power purchaser. \$4,060 has been budgeted for this task.

We request a contract amendment for an additional \$6,850 (see Exhibit A).

Please contact me directly at 415/434-0900 if you have any questions about this request.

Yours truly,

BROWN, VENCE & ASSOCIATES, INC.

Thomas D. Vence
Corporate Vice-President

**Exhibit A
Cost Estimate**

Task	Staff person	BVA Hours				<u>FEE</u>
		T. Vence	L. Kramer	K. Jarvie	A. Guy	
			M. Greenberg			
			G. Jansen			
	Title	Principal	Vice President	Senior Associate II	Associate II	
	Hourly rate	\$140	\$110	\$110	\$90	
11 Air Permit Application		1	8	1	2	\$ 1,310
12 CEC Project Award Package			2		14	\$ 1,480
13 Power Sales Market Update and Negotiation		5	6		30	\$ 4,060
TOTAL HOURS		6	16	1	46	
TOTAL COST		\$ 840	\$ 1,760	\$ 110	\$ 4,140	\$ 6,850

ADDITIONAL INSURED — OWNERS, LESSEES OR
CONTRACTORS (FORM B)

307

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

Name of Person or Organization:

County\ of Santa Cruz
Department of Public Works
Attn: Patrick Matthews
701 Ocean Street, Room 401
Santa Cruz, CA 95060

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule, but **only** with respect to liability arising out of "your work" for that insured by or for you.

RE: Brown Vence and Associates

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE 11/30/98

PRODUCER
 Berger & Jones Insurance Agency
 P.O. Box 5158
 San Ramon, CA 94583
 925-277-9090 & 925-277-9095

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

- COMPANY A
- COMPANY B
- COMPANY C
- COMPANY D Safeco Insurance Co. of America

INSURED
 Brown Vence and Associates
 120 Montgomery Street Suite 1000
 San Francisco, CA 94104
 415-434-0900
 FAX: 916-786-0600

COVERAGE
 THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
H	GENERAL LIABILITY				GENERAL AGGREGATE \$	
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS - COM/OP AGG \$	
	<input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR				PERSONAL & ADV INJURY \$	
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE \$	
					FIRE DAMAGE (Any one fire) \$	
					MED EXP (Any one person) \$	
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$	
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$	
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$	
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$	
	<input type="checkbox"/> HIRED AUTOS					
	<input type="checkbox"/> NON-OWNED AUTOS					
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$	
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY \$	
					EACH ACCIDENT \$	
	EXCESS LIABILITY				AGGREGATE \$	
	<input type="checkbox"/> UMBRELLA FORM				EACH OCCURRENCE \$	
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				AGGREGATE \$	
					\$	
D	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER \$	
	THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE:	INCL	WC 2334892C	07/20/98	07/20/99	EL EACH ACCIDENT \$1,000,000
	OTHER	EXCL				EL DISEASE - POLICY LIMIT \$1,000,000
					EL DISEASE - EA EMPLOYEE \$1,000,000	

DESCRIPTION OF OPERATIONS/LOCATION&VEHICLES/SPECIAL ITEMS
 LAND FILL, GAS FEASIBILITY STUDY FOR SANTA CRUZ COUNTY.

CERTIFICATE HOLDER
 COUNTY OF SANTA CRUZ, DEPARTMENT OF PUBLIC WORKS
 ATTN: PATRICK MATHEWS
 701 OCEAN STREET, ROOM 410
 SANTA CRUZ, CA 95060

ENDORSEMENT
 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
 Donald E. Jones

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)
05/27/98

PRODUCER

Berger & Jones Insurance Agency
P.O. Box 5158
San Ramon, CA 94583
510-277-9090 & 510-277-9095

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

Brown Vence and Associates
120 Montgomery Street Suite 1000
San Francisco, CA 94104
415-434-0900
FAX: 916-786-0600

COMPANIES AFFORDING COVERAGE	
COMPANY A	Reliance National
COMPANY B	
COMPANY C	
COMPANY D	

COVERAGES
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

O/R	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				GENERAL AGGREGATE	\$
					PRODUCTS - COMP/OP AGG	\$
					PERSONAL & ADV INJURY	\$
					EACH OCCURRENCE	\$
					FIRE DAMAGE (Any one fire)	\$
					MED EXP (Any one person)	\$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT	\$
					BODILY INJURY (Per person)	\$
					BODILY INJURY (Per accident)	\$
					PROPERTY DAMAGE	\$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
					OTHER THAN AUTO ONLY:	
					EACH ACCIDENT	\$
					AGGREGATE	\$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE	\$
					AGGREGATE	\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				WC STATUTORY LIMITS	
					OTHER	
					EL EACH ACCIDENT	\$
					EL DISEASE - POLICY LIMIT	\$
					EL DISEASE - EA EMPLOYEE	\$
A	OTHER Professional and Environmental Liability	NTF 25126902	3-1-98	3-1-99	1,000,000 each claim 2,000,000 aggregate	

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

CERTIFICATE HOLDER

COUNTY OF SANTA CRUZ
DEPARTMENT OF PUBLIC WORKS
ATTN: PATRICK MATTHEWS
701 OCEAN STREET, ROOM 401
SANTA CRUZ, CA 95060

CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF. THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
Donald J. Jones

COUNTY OF SANTA CRUZ

REQUEST FOR APPROVAL OF AGREEMENT

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TO: Board of Supervisors
County Administrative Officer
County Counsel
Auditor-Controller

FROM: Public Works (Dept.)
[Signature] (Signature) 11-6-98 (Date)

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of the same.

- 1. Said agreement is between the COUNTY OF SANTA CRUZ (Agency)
Brown, Vence & Associates
and, 120 Montgomery Street, Ste. 1000, San Francisco, CA 94104 (Name & Address)
- 2. The agreement will provide Consultant engineering services for Phase 1 development
of the Buena Vista Landfill Gas Power Project.
- 3. The agreement is needed because the work can be performed most expeditiously by contract.
- 4. Period of the agreement is from Board Approval to June 30, 1999
- 5. Anticipated ^{increase} cost is \$ \$6,850.00 (Fixed amount; Monthly rate; Not to exceed)
- 6. Remarks: Revised contract \$106,220.00; 7% overhead \$7,477.40; Total \$114,297.40
- 7. Appropriations are budgeted in 951267-P00136-625110 (Index#) 6 6 1 0 (Subobject)

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, ATTACH COMPLETED FORM AUD-74

Appropriations are available and will be encumbered. Contract No. C081578 Date 11/9/98
GARY A. KNUTSON, Auditor-Controller
By [Signature] Deputy.

Proposal reviewed and approved. It is recommended that the Board of Supervisors approve the agreement and authorize the Director of Public Works to execute the same on behalf of the Department of Public Works (Agency). County Administrative Officer

Remarks: _____ (Analyst) By _____ Date _____

Agreement approved as to form. Date _____

RPM:rw

- Distribution:
- Bd. of Supv. - White
- Auditor-Controller - Blue
- County Counsel - Green *
- Co. Admin. Officer - Canary
- Auditor-Controller - Pink
- Originating Dept. - Goldenrod

*To Orig. Dept. if rejected.

State of California)
County of Santa Cruz) ss
_____, ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz,
State of California, do hereby certify that the foregoing request for approval of agreement was approved by
said Board of Supervisors as recommended by the County Administrative Officer by an order duly entered
in the minutes of said Board on _____ County Administrative Officer
_____ 19 _____. By _____ Deputy Clerk

AMENDMENT TO AGREEMENT

The parties hereto agree to amend Agreement number 81578 dated January 13, 1998, by and between the COUNTY OF SANTA CRUZ and BROWN, VENCE AND ASSOCIATES. The purpose for this amendment is to: perform additional duties per attached Scope of Work and to increase appropriations by \$6,850 for an amended agreement not-to-exceed amount of \$106,820.

All other provisions of said agreement shall remain the same.

DATED: _____

COUNTY OF SANTA CRUZ
DEPARTMENT OF PUBLIC WORKS

DIRECTOR OF PUBLIC WORKS

CONTRACTOR:
BROWN, VENCE AND ASSOCIATES

BY: Michael D. Stealy, V.P.

ADDRESS: 120 Montgomery St., Suite 1000
San Francisco, CA 94104

TELEPHONE: (415) 434-0900

Approved as to form:

Samuel Taylor 11/9/98
County Counsel

DISTRIBUTION: County Administrative Office
Auditor-Controller
County Counsel
Brown, Vence and Associates ✓

RPM:rpm

amndagre.wpd