



THOMAS L. BOLICH
DIRECTOR OF PUBLIC WORKS

County of Santa Cruz⁰¹⁷⁹

DEPARTMENT OF PUBLIC WORKS

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AGENDA: MAY 1, 2001

April 25, 2001

SANTA CRUZ COUNTY BOARD OF SUPERVISORS

701 Ocean Street
Santa Cruz, California 95060

SUBJECT: BUENA VISTA LANDFILL GAS POWER PROJECT

Members of the Board:

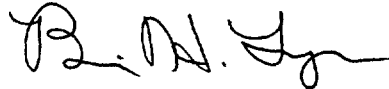
On February 13, 2001, your Board authorized Public Works to execute a Letter of Intent (LOI) with Brown, **Vence** and Associates LFG (BVALFG) for development of the Buena Vista Landfill Gas Power Project. The LOI outlined the terms and conditions proposed for an electrical generating facilities lease agreement including financing arrangements, operating provisions, and revenue sharing. Also included with the LOI were the financial evaluation and recommendations of Dr. Dean Tibbs of Advanced Energy Strategies. Dr. Tibbs had been working in conjunction with Public Works, the County Administrative Office, and the Auditor-Controller in negotiations and evaluation of the proposal.

The electrical generating facilities lease agreement is currently being drafted by BVALFG and their development team. BVALFG is also conducting a review of the landfill gas collection system to determine the level of Federal Section 29 Tax Credits that may be available for the project. This review has taken longer than anticipated due to the extensive review of historical operating data and construction documents. The results of this review and the tax credit value to this project are essential in completing the revenue sharing formulas in the lease agreement. We anticipate negotiations will be completed by mid-May 2001, and tax credit reviews should also be completed by that time.

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

1. Accept and file this report on the Buena Vista Landfill Gas Power Project.
2. Direct Public Works to return on or before June 19, 2001, with project recommendations.

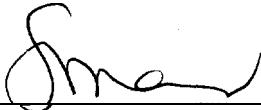
Yours truly,



For THOMAS L. BOLICH
Director of Public Works

RPM:bbs

RECOMMENDED FOR APPROVAL:



County Administrative Officer

copy to: Brown, **Vence** and Associates LFG
Dr. Dean Tibbs
Public Works Department