



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** Public Works  
**Department No.:** 054  
**For Agenda Of:** 07/11/17  
**Placement:** Administrative  
**Estimated Tme:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors

**FROM:** Department Scott D. McGolpin, P.E. Director, 568-3010  
Director(s) Harry Hagen, CPA, CPFO, ACPFIM CFIP, Treasurer-Tax  
Collector, 568-2490  
Contact Info: Julie Hagen, CPA, CPFO Deputy Director, Public Works, 568-3999

**SUBJECT:** **Contract with KNN Public Finance, LLC to provide financial advisory services for the Proposed Tajiguas Resource Recovery Project; First, Second, and Third Supervisorial Districts**

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:**

As to form: Risk Management

**Recommended Actions:**

That the Board of Supervisors:

- a) Approve, ratify and authorize the Chair to execute an Agreement for Services of Independent Contractor with KNN Public Finance, LLC in an amount not to exceed \$50,000 to provide financial advisory services associated with financing for the Tajiguas Resource Recovery Project (Attachment A); and
- b) Determine that the above action is not a project under the California Environmental Quality Act, pursuant to CEQA Guidelines Section 15378(b)(5), because it consists of organizational or administrative activities that will not result in a direct or indirect physical change in the environment.

**Summary Text:**

This item is on the agenda in order to execute an Agreement for Services of Independent Contractor with KNN Public Finance, LLC. KNN Public Finance, LLC has been providing the County with financial advisory services related to the financing of the Tajiguas Resource Recovery Project. This contract will provide staff with information for evaluating the financing structure for the revised proposed project.

**Background:**

KNN began work with the County on this financing in April 2016 with an anticipated financial close in March 2017. Due to the complexities of the project, the financing timeline has been extended with a projected financial close in January 2018. The contract provides pre-transaction services which includes the initial phases of financial modeling and evaluation prior to the formal start of financing. Services include (see Attachment A for a complete list):

- Prepare debt service estimates for the revised Financial Model.
- Conduct due diligence on the revised Financial Model.
- Participate in discussions with County staff regarding the Material Delivery Agreements.
- Ensure the CREB component remains a viable option for Project Financing.

**Performance Measure:**

None

**Fiscal and Facilities Impacts:**

This contract does not require additional budget as the pre-transaction costs are budgeted in Resource Recovery and Waste Management Enterprise Fund. Fees will be paid from bond proceeds.

**Fiscal Analysis:**

This contract will be paid from bond proceeds.

<b><u>Funding Sources</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>Annualized On-going Cost:</u></b>	<b><u>Total One-Time Project Cost</u></b>
General Fund			
State			
Federal			
Fees			
Other: RRWMD Ent Fund	\$ -	\$ -	\$ 50,000.00
Total	\$ -	\$ -	\$ 50,000.00

**Staffing Impacts:**

None, existing Public Works and Treasurer Staff will absorb the responsibilities of overseeing this contract.

**Special Instructions:**

Direct the Clerk of the Board to send two copies of the signed agreement (Attachment A) to the Resource Recovery & Waste Management Division of the Public Works Department, Attn: Julie Hagen.

**Attachments:**

Attachment A: Agreement for Services of Independent Contractor with KNN Public Finance, LLC (3 originals) includes contract summary

**Authored by:**

Julie Hagen, Deputy Director, Public Works (ext. 3999)