

SANTA BARBARA COUNTY BOARD AGENDA LETTER



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

Agenda Number:
Prepared on: 5/17/05
Department Name: PW/Laguna San
Department No.: 054
Agenda Date: 6/21/05
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

TO: Board of Directors
Laguna County Sanitation District

FROM: Phillip M. Demery, Director
Public Works Department

STAFF CONTACT: Mark A. Schleich, Deputy Director, Resource Recovery & Waste Management Div.
Martin J. Wilder, District Manager - x8750

SUBJECT: Micro Turbine Cogeneration Project - Fourth Supervisorial District

Recommendation(s):

That the Board of Directors:

- A. Accept the Notice of Completion for work performed by the contractor, US Energy Services, Inc. (not a local vendor), 8245 East Bell Road, Suite 132, Scottsdale, AZ 85260, and authorize the Clerk of the Board to record.

Alignment with Board Strategic Plan:

The recommendation(s) are primarily aligned with Goal No. 1, An Efficient Government Able to Respond Effectively to the Needs of the Community, and Goal No. 2, A Safe and Healthy Community in Which to Live, Work, and Visit.

Executive Summary and Discussion:

The project consisted of the design and installation of five micro turbines at the Laguna County Sanitation District wastewater reclamation plant in order to help offset overall power consumption. Three micro turbines are fueled by natural gas, which in turn generate heat for the digester. The digester produces methane, which is used for fueling the two methane burning micro turbines. The micro turbines will save significant power costs and in approximately five years allow the District to recoup its investment costs. The project was approved by the debt advisory committee (DAC) on November 5, 2003 and was funded by a certificate of participation (COP) approved by the Board on December 9, 2003 and a California Public Utilities Commission (CPUC) rebate distributed through the Pacific Gas & Electric Company (PG&E), which was received on Tuesday, May 31, 2005. The design and installation agreements (BC 04-171 and BC

04-172 respectively) with US Energy Services, Inc. were executed by the Board on March 23, 2004. Upon design completion, construction was initiated in October 2004 and the system began operation in February 2005. A performance guarantee defined in the design contract defines how performance and cost savings are to be measured over the five year period beginning at initial operation. This action releases the performance bond required per the terms and conditions of the installation agreement.

Mandates and Service Levels:

There are no changes with programs or service levels with this action.

Fiscal and Facilities Impacts:

The project was funded by a certificate of participation (COP) approved by the Board on December 9, 2003 in the amount of \$795,696.00 and California Public Utilities Commission (CPUC) rebates in the amount of \$270,000 distributed through the Pacific Gas & Electric Company (PG&E) for a total funding amount of \$1,065,696.00. Final implementation costs were \$998,929.60 (Amendment No. 1 to the construction contract approved by the Board on February 8, 2005 had a net reduction of \$66,766.40). Annual debt service on the five year COP is \$171,230 based on a 2.7% interest rate. The vendor has indicated that the project is expected to provide a net savings of approximately \$188,302.00 annually.

Special Instructions:

- A. Please forward a certified minute order of the action to the Public Works Department, North County Office at 2400 Professional Parkway, Suite 150 in Santa Maria, attention Martin Wilder.
- B. Please forward the original Notice of Completion to the Public Works Department North County Office at 2400 Professional Parkway, Suite 150 in Santa Maria, attention Martin Wilder and retain one copy for Clerk of the Board records.

Concurrence:

None required.

NOTICE OF COMPLETION

Notice is hereby given that the County of Santa Barbara Laguna County Sanitation District, State of California, as owner of the public work hereinafter did on the 23rd day of March 2004, enter into a contract with US Energy Services, Inc., 8245 East Bell Road, Suite 132, Scottsdale, AZ, 85260, for the construction of the micro turbine cogeneration project at the Laguna County Sanitation District wastewater reclamation plant (Project Number COGEN).

That pursuant to the laws of this State as provided in said Contract, said Contractor filed with the County and District, good and sufficient Contractor's Bond executed by the following Surety:

Performance Bond (100% Contract Price)
HCC SURETY Group - \$752,520.00

That on the **21st day of June 2005**, the work called for by said Contract was completed by said Contractor.

COUNTY OF SANTA BARBARA
LAGUNA COUNTY SANITATION DISTRICT
STATE OF CALIFORNIA

BY: _____
Director of Public Works

Construction of the Laguna County Sanitation District
Micro Turbine Cogeneration Project
Project Number COGEN

STATE OF CALIFORNIA)

COUNTY OF SANTA BARBARA)

PHILLIP M. DEMERY, being duly sworn says: that he is an Officer of the County of Santa Barbara, State of California, Director of Public Works; that he is authorized to make the verification for and on behalf of said County; that he has read the foregoing Notice of Completion and knows the contents thereof; that the same is true of his own knowledge except as to those matters which are therein stated and on his information or belief as to those matters he believes it to be true.

Director of Public Works

Subscribed and sworn to before me

This _____ day of _____, 2005

MICHAEL F. BROWN, Clerk of the Board

By: _____
Clerk of the Board