



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: County Counsel
Department No.: 013
For Agenda Of: November 4, 2014
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: County Counsel Michael C. Ghizzoni 568-2950
Contact Info: Anne Rierson 568-2950
SUBJECT: Agreement for Special Counsel Services, Resource Recovery Project - Orrick, Herrington & Sutcliffe LLP

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence:

Resource Recovery, Risk Management

Recommended Actions:

- a. Approve and authorize the Chair to execute an Agreement for Special Counsel Services, Resource Recovery Project with Orrick, Herrington & Sutcliffe LLP (Orrick), in an amount not-to-exceed \$50,000.00.
- b. Determine that the above action is not a project pursuant to the California Environmental Quality Act (CEQA) pursuant to Sections 15378(b)(4) and 15378(b)(5) of the CEQA Guidelines, because it consists of government funding mechanisms or other government fiscal or administrative activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Summary Text: This agreement is for the firm of Orrick, Herrington & Sutcliffe to render legal services, as requested by the County, incident to the development, financing and operation of a potential Resource Recovery Project (the "Project") with potential Contractor Mustang Renewable Power Ventures. The legal services in Phase I consist of analyzing the impact of the current structure of the proposed Project on the County's outstanding tax-exempt financings (the "Bonds"), and advising the County on its options with respect to (i) structuring the proposed project as it relates to the Bonds, and (ii) the tax-exempt treatment of the Bonds. Also, when requested, Orrick will advise the County on comments, if any, it may receive from the potential Contractor with respect to the bond financing provisions in any draft contract between a proposed Resource Recovery Joint Powers Authority and the potential Contractor. Such services may include limited negotiations of the financing provisions with the potential Contractor.

The legal services in Phase 1 do not include (i) any tax analysis of the financing of the Project, (ii) implementing any option the County may choose to pursue, (iii) the review or negotiations of any provisions in the Project Contract(s) other than provisions relating to a bond financing, or (iv) any legal services not listed above. The agreement may be amended to provide for additional legal services in connection with the proposed Project.

The proposed Project is still subject to approval by the County and is still in the process of CEQA review. The County still retains the ability to not move forward with the proposed Project.

Key Contract Risks:

County Counsel views this contract as low risk because Orrick Herrington & Sutcliffe is highly experienced in bond and tax matters, and has worked with the County successfully for many years on the County's financings. Orrick is familiar with the County's past bond issuances.

Fiscal and Facilities Impacts:

Budgeted – Resource Recovery

Special Instructions:

Please forward a signed copy to Anne Rierson in County Counsel and a signed copy to Leslie Wells in Resource Recovery.

Attachments: Agreement for Special Counsel Services, Contract Summary Sheet.

Authored by: Anne Rierson, Senior Deputy County Counsel