



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: June 21, 2016
Placement: Administrative, set hearing on 6/21/16 for 7/12/16
Estimated Time: 2 hours on 7/12/16
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Scott D. McGolpin, P.E., Director, 568-3010
Director(s)
Contact Info: Mark Schleich, P.E., Deputy Director, 882-3605

SUBJECT: Set Hearing to Consider Recommendations Regarding the Tajiguas Resource Recovery Project
Third Supervisorial District

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

Auditor-Controller Concurrence

As to form: Yes

Treasurer

As to form: Yes

Recommended Actions:

On June 21, 2016, set a hearing for July 12, 2016 for 2 hours to consider the approval of the Tajiguas Resource Recovery Project to be located at the Tajiguas Landfill property.

On July 12, 2016, staff recommends that your Board take the following actions:

That the Board of Supervisors:

- a) Make the required California Environmental Quality Act findings for approval of the proposed project (including the optional element);
- b) Certify the Final Subsequent Environmental Impact Report (Subsequent EIR), 12EIR-00000-00002 as modified by the Revision Letter and Errata dated May 27, 2016 for the Tajiguas Resource Recovery Project and adopt the mitigation measures, with their corresponding monitoring requirements, as the Mitigation Monitoring and Reporting Program for this project;
- c) Receive the Debt Advisory Committee's recommendation concerning the potential use of public financing and direct staff to continue to pursue the financing recommendation;

- d) Approve a Waste Service Agreement with the vendor to design, build, and operate the Tajiguas Resource Recovery Project at the Tajiguas Landfill (including the optional element); and
- e) Direct the Public Works Department to:
 - i) Negotiate necessary contracts with the participating jurisdictions;
 - ii) Work with Treasure & Tax Collector, Auditor Controller, County Counsel, and County Executive Office to obtain public financing to construct the facility;
 - iii) Seek grant funding, if available;
 - iv) Obtain local, state and federal permits to the extent required by law;
 - v) Relocate existing operations facilities at the Tajiguas Landfill as identified in the project description to accommodate construction of the project; and
 - vi) Return to the Board for final approval of items (i) and (ii).

Summary Text:

This item is on the agenda in order to request that the Board of Supervisors set a hearing for July 12, 2016 to consider approval of the Tajiguas Resource Recovery Project. Resource Recovery and Waste Management Division staff have completed: 1) review of the project under the California Environmental Quality Act (CEQA) (including preparation of a proposed Final Subsequent EIR and Revision Letter and Errata); 2) contract negotiations with the proposed vendor for the proposed Waste Service Agreement; and 3) preliminary review of the proposed public financing of the project by the County's Debt Advisory Committee. With completion of these tasks, the Resource Recovery and Waste Management Division are proposing to bring the project forward for the Board's consideration. The analysis related to this agenda item will be docketed with a separate Board Agenda letter for the July 12, 2016 meeting.

Background:

The Tajiguas Resource Recovery Project would modify current waste management operations at the Tajiguas Landfill by the addition of a Materials Recovery Facility (MRF) and Dry Fermentation Anaerobic Digestion (AD) Facility that would process (recover recyclables and organics from) municipal solid waste and process commingled source separated recyclables (optional element) from the communities currently served by the Tajiguas Landfill, reduce the quantity of material being disposed at the landfill, reduce landfill-related greenhouse gas emissions, and generate green energy.

On April 5, 2016 the Board received an update on the status of contractual negotiations and financing options for the proposed Tajiguas Resource Recovery Project. The Board conceptually approved non-binding Deal Points which provided the potential framework and cost for a Waste Service Agreement with MSB Investors, LLC (formerly referred to as Mustang Renewable Power Ventures) to design, build and operate the Tajiguas Resource Recovery Project at the Tajiguas Landfill. The Board directed staff to return to the Board for simultaneous consideration of certifying the Final Subsequent Environmental Impact Report, receiving the Debt Advisory Committee's recommendation concerning the potential use of public financing for this project, and approving a Waste Service Agreement with the vendor.

The requested Board hearing on July 12, 2016 would be to consider approval of the project (certify the Subsequent EIR, make the required CEQA findings and approve the Waste Service Agreement with

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MSB Investors, LLC), receive the Debt Advisory Committee's recommendation, and direct staff to complete other tasks and actions necessary to implement the project. The Waste Service Agreement will be expressly conditioned on specific conditions precedent, including, but not limited to: (a) conclusion of the CEQA appeals period and/or resolution of any 3rd party CEQA challenge, (b) waste flow agreements with all participating cities, and (c) securing project financing acceptable to the County.

Special Instructions:

1. Clerk of the Board to fulfill noticing requirements including publishing a Notice of Public Hearing in the Santa Barbara News-Press at least ten days prior to the July 12, 2016 hearing date. The Resource Recovery and Waste Management Division will provide a courtesy mailed notice of the July 12, 2016 hearing to certain interested agencies and members of the public.

Authored by:

Joddi Leipner, Senior Engineering Environmental Planner