

To: Board of Supervisors
From: Catherine Kutsuris, Conservation & Development Director
Date: October 5, 2010



Contra
Costa
County

Subject: Mariposa Energy Project Cooperation Agreement

RECOMMENDATION(S):

APPROVE the Mariposa Energy Project Cooperation Agreement with Mariposa Energy LLC, including the payment to the County by Mariposa Energy LLC in the amount of \$800,000.00 for consideration of mutual or community benefits accruing from the project, and AUTHORIZE the Chair to execute the agreement.

FISCAL IMPACT:

There would be positive fiscal impact in that the community benefits fund would establish a new funding source for projects aimed at enhancing the Byron Airport, and it enables the County to use these funds as the local match for Federal Aviation Administration grants, thus leveraging federal funds for airport improvements.

APPROVE OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: 12/14/2010 APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYES _____ NOES _____
ABSENT _____ ABSTAIN _____
RECUSE _____

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: December 14, 2010

David J. Twa, County Administrator and Clerk of the Board of Supervisors

Contact: Patrick Roche
(925-335-1242)

By: , Deputy

cc:

RECOMMENDATION(S): (CONT'D)

APPROVE the Mariposa Energy Project Cooperation Agreement with Mariposa Energy LLC, including the payment to the County by Mariposa Energy LLC in the amount of \$800,000.00 for consideration of mutual or community benefits accruing from the project, and AUTHORIZE the Chair to execute the agreement.

CONSIDER placing the \$800,000.00 payment from Mariposa Energy LLC into a "Mariposa Energy Project Community Benefits Fund"; and, ESTABLISH that these community benefit funds are intended to assist the County with funding enhancements to the Byron Airport, as defined in the capital improvement program under the 2006 Byron Airport Master Plan, and may be used as the local match to Federal Aviation Administration grants.

BACKGROUND:

The Mariposa Energy Project (MEP) is a proposal to build a 200 megawatt power plant in Alameda County approximately one mile from the county line and 2 miles from the Byron Airport. The power plant requires approval of the California Energy Commission (CEC) and an application for the project is now pending before the CEC.

The Board of Supervisors previously submitted two letters to the CEC regarding MEP, with the most recent letter, dated October 4, 2010, stating the Board's support for the project because it would provide economic benefits in the form of local spending, local high wage jobs, and a community benefits package.

MEP Project Sponsor, Mariposa Energy LLC submitted to the County a proposed agreement that outlines cooperative efforts to expedite County services and actions. The purpose of the cooperative agreement is to meet their goal of the CEC issuing a Final Decision on MEP on or before April 6, 2011 with a target of starting MEP operations by July 1, 2012. The agreement describes expedited County service and actions to assist Mariposa Energy LLC in meeting the target dates, for CEC approval and powerplant start-up operation, and establishes a community benefits payment to the County in the sum of \$800,000. After consultation with affected Departments, the version of agreement submitted by Mariposa Energy LLC was revised to fit into a more streamlined agreement. County Counsel has reviewed the attached agreement as to legal form. The Department recommends the Board approve the attached cooperation agreement with Mariposa Energy LLC in substantially the form presented, and authorize the Chair to execute the agreement. Representatives from Mariposa Energy LLC have reviewed the agreement presented herein and have indicated their acceptance of its terms and conditions.

As a final matter, the Department recommends that when the agreement is fully executed the Board consider establishing the "Mariposa Energy Project Community Benefits Fund" for the \$800,000. It is recommended that this fund be used to assist the County with enhancements to the Byron Airport. The fund may be used as the local match to FAA grants in completion of projects identified in the capital improvement program described in the 2006 Byron Airport Master Plan. Supervisorial District III and the Director of Airports would recommend projects to the Board's Airport Committee to be funded from the "Mariposa Energy Project Community Benefits Fund," based on the Byron Airport Master Plan priorities and FAA grant availability, and the Board's Airport Committee would then forward its recommendation to the Board of Supervisors for approval.

CONSEQUENCE OF NEGATIVE ACTION:

If the cooperation agreement is not approved, the County would not receive the commitment of \$800,000.00 in community benefit funds from Mariposa Energy LLC.

CHILDREN'S IMPACT STATEMENT:

Not applicable.

