

memorandum



TO Board of Supervisors

FROM Supervisor Dominic L. Cortese

SUBJECT Agenda Item #3

DATE
10/20/80

We have a situation in South County where we have dedicated an "agricultural preserve" yet we have not assumed any responsibility for making the farms on this land viable entities. Many farmers are experiencing problems--there has been an overproduction of tomatoes; the Mediterranean fruit fly will have many farmers searching for less vulnerable crops to plant next year.

We all want to see this situation remedied. Obviously it is not in the interests of the county-at-large to have a depressed agricultural community here. I think we need to look into an additional use for this land. Serious consideration should be given to the raising of crops which can be used in the production of an efficient and profitable source of energy--fuel alcohol.

As part of the attempt to solve our national energy crisis, the federal government has set a goal of substituting 10% alcohol in our national gasoline use by 1990. And to that end it is offering considerable incentives to investors willing to develop this industry.

South County appears to be an ideal location for this kind of activity. It has four very important features which are considered critical to the success of such a project. It has the soil and climate for growing the right crops; it has potential investors, who with the encouragement of federal and state incentives, may be interested in the project; it has feed lots nearby where protein wastes may be disposed of; and with the county's transit fleet, sheriff's cars and other county vehicles converted to gasahol, it would have a ready market for the product.

While this kind of development has already begun in the midwest, it is fairly new to California. By encouraging the initial investigatory phase we have the opportunity to promote the economic climate of this county and to help reduce our consumption of foreign fuel.

At this point there are many unanswered questions. We need to know such things as how a project of this sort will effect the environment, how much food production will be misplaced, and the amount of energy needed to produce this fuel.

Along these lines, I propose the county underwrite a feasibility study to determine such things as probable cost and profitability (including the feasibility of converting county vehicles to gasahol), identify important problems, outline approaches to these problems, assemble a financial prospectus and identify what information is required to make a final evaluation. I would suggest a preliminary or brief over-view study to quickly evaluate if any major obstacles exist. This could take about one month at a cost of about \$10,000. It would be followed by a more comprehensive study taking six months and costing about \$30,000. I also suggest we look into the allocation of federal grants to cover the cost of this feasibility study.

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In preliminary conversations on this subject, I have had the pleasure of talking to Dr. Carl Moyer who is associated with Acurex Corporation, one of the leading environmental engineering companies in the country. Dr. Moyer is here today to present you with further information and to answer any questions you may have.