



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

CONSENT
September 16, 2008

Honorable Mayor and
Members of the City Council

Title: Grant Agreement: Sacramento Emergency Clean Air and Transportation (SECAT) Program and Sacramento Metropolitan Air Quality Management District (SMAQMD) Program

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) authorizing the acceptance and execution of a 2008 SECAT Program grant agreement with the Sacramento Area Council of Governments (SACOG) and Sacramento Metropolitan Air Quality Management District (SMAQMD) in the amount of \$300,000 for the mobile Liquefied Natural Gas (LNG) fueling infrastructure; b) approving the establishment of a grant project; and c) establishing revenue and expenditure budgets in the amount of \$300,000.

Contact: Keith Leech, Fleet Manager, 808-5869

Presenters: Not applicable

Department: General Services

Divisions: Fleet Management

Organization No: 3259

Description/Analysis:

Issue: Fleet Management submitted an application to SMAQMD for a mobile LNG fueling infrastructure to expand the City's current infrastructure to aid in accommodating additional trucks that have been ordered. This report recommends accepting this SECAT grant to offset a portion of the cost of the mobile LNG fueling infrastructure.

Policy Considerations: The recommendations in this report are consistent with the City's Fleet Sustainability Policies adopted October 23, 2007 as per Resolution No. 2007-771.

Committee/Commission Action: Not applicable

Environmental Considerations:

California Environmental Quality Act (CEQA): The Environmental Services Manager has determined that authorizing acceptance and execution of grant agreements, and establishing grant projects, and revenue and expenditure budgets is exempt from the requirements of the CEQA, pursuant to Section 15061(b)(3) of the CEQA Guidelines. Section 15061(b)(3) consists of an activity covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

Sustainability Considerations: Based on the Fleet Sustainability Policies adopted in October 2007 per Resolution 2007-771, Fleet Management continues to work with departments city-wide to reach the target fuel consumption reduction goal of 15% from the FY2002/03 levels by FY2009/10. In efforts toward this goal, all vehicle and equipment purchases will include the exploration and analysis of possibilities for more fuel efficient, lower emission or alternatively powered options such as LNG, propane, Ethanol 85, electricity or smaller fuel efficient vehicles. Vehicle utilization is currently being evaluated to identify and address the proper use and actual need for vehicles assigned to work groups citywide. Additionally, a citywide global positioning system (GPS) and electronic work order systems implementation will begin in FY2008/09 to assist Fleet Management in tracking and reducing idle times, miles per gallon, engine problems and trip distances.

Rationale for Recommendation: Accepting and executing the recommended grant agreement provides an opportunity for the City to expand its LNG fueling infrastructure, a prerequisite to increasing the number of LNG vehicles in the City's fleet. Increasing the number of LNG vehicles will result in fewer diesel vehicles and improved air quality.

Financial Considerations: The 2008 SMAQMD grant program provides incentives to promote the use of low Nitrous Oxide (NOx) vehicle and engine technology and fueling infrastructure. Accepting this grant will allow the City to purchase a mobile LNG refueling infrastructure for the Department of General Services, Fleet Management Division. The overall estimated cost of the project is \$350,000 of which, the City would pay \$50,000 from the Fleet funded Fuel Management and Support Equipment Capital Improvement Project (CIP) (C13000100). The grant funding will provide for reimbursement to the City of a maximum of \$300,000 toward the purchase of a mobile LNG refueler. The City is required to expend funds for these purchases up front, and will then be reimbursed after the mobile refueler is received.

Emerging Small Business Development (ESBD): No goods or services are being purchased as a result of this report.

Respectfully Submitted by: 
Keith Leech
Fleet Manager

Approved by: 
Reina J. Schwartz
Director, Department of General Services

Recommendation Approved:


Ray Kerridge
City Manager

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Attachment 1

BACKGROUND INFORMATION

- The Sacramento region has the sixth worst air quality in the nation, jeopardizing its ability to meet state and federal clean air standards. A significant part of the air quality problem in the Sacramento region is attributable to on-road motor vehicles, especially diesel-powered vehicles.
- The Sacramento Council of Governments (SACOG) and Sacramento Metropolitan Air Quality Management District (SMAQMD) have released grant application packages for projects that reduce Nitrous Oxide (NOx) emissions from on-road, heavy-duty vehicles operating in the Sacramento Federal Ozone Non-attainment Area.
- The Sacramento Emergency Clean Air and Transportation (SECAT) program was created by California Assembly Bill (AB) 2511 to help assure that the Sacramento region remains in conformity with its State Implementation Plan for air quality attainment
- With a goal of improving air quality in the Sacramento region, the City/County Heavy-Duty low emission vehicle (LEV) acquisition policy was approved by City Council on October 5, 1999.
- In September 2000, the California Air Resources Board developed a comprehensive strategy to control diesel particulate matter emissions in California by 75 percent by 2010 and 85 percent by 2020.
- On May 25, 2005, City Council adopted Resolution No. 2005-454 approving fuel strategies, and requiring Fleet Management to make available funding for use in implementing alternative fuel, fueling infrastructure and new technology. This Resolution also required the continued expansion of the City's use of Liquid Natural Gas (LNG) to include trucks in other uses beyond refuse collection.
- On June 5, 2007, City Council adopted Resolution No. 2007-343 authorizing grant acceptance and execution of the 2007 SECAT Program grant agreement with SACOG and SMAQMD in the amount of \$531,972 to offset a portion of the cost of purchasing 21 LNG vehicles.
- On June 5, 2007, City Council adopted Resolution No. 2007-344 authorizing grant acceptance and execution of the 2007 SMAQMD Program grant agreement in the amount of \$277,500 for retrofitting 16 existing City diesel powered vehicles with particulate traps.

RESOLUTION NO. 2008-XXXX

Adopted by the Sacramento City Council

September 16, 2008

AUTHORIZING THE ACCEPTANCE AND EXECUTION OF A 2008 SACRAMENTO EMERGENCY CLEAN AIR AND TRANSPORTATION (SECAT) PROGRAM GRANT AGREEMENT WITH THE SACRAMENTO AREA COUNCIL OF GOVERNMENTS (SACOG) AND THE SACRAMENTO AIR QUALITY MANAGEMENT DISTRICT (SMAQMD) IN THE AMOUNT OF \$300,000; APPROVE THE ESTABLISHMENT OF A GRANT PROJECT; AND ESTABLISH REVENUE AND EXPENDITURE BUDGETS IN THE AMOUNT OF \$300,000

BACKGROUND

- A. The Sacramento region has the sixth worst air quality in the nation, jeopardizing its ability to meet state and federal clean air standards. A significant part of the air quality problem in the Sacramento region is attributable to on-road motor vehicles, especially diesel-powered vehicles.
- B. AB 2511 has created the SECAT Program, an incentive-base approach to reducing diesel emissions and improving the region's air quality.
- C. With a goal of improving air quality problem in the Sacramento region, the City/County Heavy-Duty low emission vehicle acquisition policy was approved by City Council on October 5, 1999, and the Low Emission Vehicle acquisition guidelines adopted by City Council on September 19, 2000.
- D. The overall estimated cost of the project is \$350,000 of which, the City would pay \$50,000 from the Fleet funded Fuel Management and Support Equipment Capital Improvement Project (CIP) (C13000100). The grant funding will provide for reimbursement to the City of a maximum of \$300,000 toward the purchase of a mobile Liquefied Natural Gas (LNG) refueler.
- E. Benefits of a mobile LNG fueling station are the ability to transport fuel and provide additional capacity due to the increase of LNG trucks currently being purchased for the Department of Utilities, Solid Waste Division.

BASED ON THE FACT SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Manager or the City Manager's designee is authorized to accept and execute a 2008 SECAT Program grant agreement with SACOG and

SMAQMD in the amount of \$300,000 for a mobile LNG fueling infrastructure.

Section 2. Establishment of a 2008 SECAT Program grant project is approved.

Section 3. Revenue and expenditure budgets for the 2008 SECAT Program grant project in the amount of \$300,000 are established.

