



REPORT TO COUNCIL

City of Sacramento

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

CONSENT
June 5, 2007

Honorable Mayor and
Members of the City Council

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

Location/Council District: Citywide

Recommendation: Adopt 1) a **Resolution:** a) Authorizing the acceptance and execution of a 2007 SECAT Program grant agreement with the Sacramento Area Council of Governments (SACOG) and SMAQMD in the amount of \$531,972 to offset a portion of the cost of purchasing 21 liquid natural gas (LNG) vehicles; b) approving the establishment of a grant project; and c) establishing revenue and expenditure budgets in the amount of \$531,972; and 2) a **Resolution:** a) authorizing the acceptance and execution of a 2007 SMAQMD Program grant agreement with SMAQMD in the amount of \$277,500 for retrofitting 16 existing City diesel powered vehicles with particulate traps; b) approving the establishment of a grant project; and c) establishing revenue and expenditure budgets in the amount of \$277,500.

Contact: Keith Leech, Fleet Manager, 808-5869

Presenters: Not applicable

Department: General Services

Divisions: Fleet Management

Organization No: 3259

Description/Analysis:

Issue: SACOG and SMAQMD are accepting grant applications for projects that reduce diesel emissions from on-road, heavy-duty vehicles operating in the Sacramento Federal Ozone Non-attainment Area. This report recommends accepting a SECAT grant to offset a portion of the cost of purchasing LNG refuse collection vehicles, and a SMAQMD grant to offset the cost of retrofitting particulate traps in diesel engine garden refuse collection vehicles.

Policy Considerations: The recommendations in this report are consistent with the City's Heavy Duty Low Emission Vehicle Acquisition Policy, and the Low Emission Vehicle Acquisition Guidelines.

Committee/Commission Action: Not applicable

Environmental Considerations: 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 California Environmental Quality Act (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.

Rationale for Recommendation: Accepting and executing the recommended grant agreements provides an opportunity for the City to reduce Nitrous Oxide (NOx) emissions from its heavy-duty vehicle fleet. The Sacramento region is under tight federal deadlines to conform to clean air standards. Mobile source emissions, mainly from cars and trucks, are the source of more than 70% of the problem. Federal law requires that the Sacramento region's transportation plan be in conformity with its air quality plan.

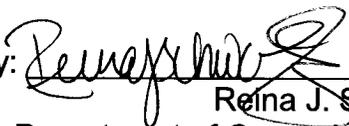
Financial Considerations: The 2007 SECAT grant program provides incentives to promote the use of low NOx vehicle and engine technology. The City will participate in this grant program by purchasing 21 LNG vehicles for the Department of Utilities (DOU). This grant will reimburse the City a maximum of \$531,972 for the cost differential between purchasing LNG vehicles and diesel vehicles. The cost differential per vehicle is \$27,774. Staff is pursuing additional rebates in this purchase to offset the cost differential not covered by this grant.

The 2007 SMAQMD grant program provides reimbursement for the cost of retrofitting low emission technology to reduce NOx emissions and particulate matter. The City will participate in this grant program by retrofitting 16 existing DOU fleet vehicles with particulate traps. This grant will reimburse the City a maximum of \$277,500 for the cost of particulate trap retrofits. The cost to retrofit an existing fleet vehicle may vary depending on the particulate trap required for each vehicle. On average, the estimated retrofit cost per vehicle is \$19,500.

The City is required to expend funds for these purchases up front, and will then be reimbursed as vehicles are received and particulate traps are installed. The required expenditures for vehicles and particulate traps are contingent upon funding availability within DOU.

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:


for Ray Kerridge
City Manager

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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 (Attachment 2).
- In September 2000, the California Air Resources Board developed a comprehensive strategy to control diesel particulate matter emissions in California by 75% by 2010 and 85% by 2020 (Attachment 3).
- 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 (Item 3). This Resolution also required the continued expansion of the City's use of Liquid Natural Gas (LNG) to include trucks in other users beyond refuse collection (Item 12) (Attachment 4).

RESOLUTION NO. 2007-XXXX

Adopted by the Sacramento City Council

June 5, 2007

AUTHORIZE THE ACCEPTANCE AND EXECUTION OF A 2007 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 \$531,972 TO OFFSET A PORTION OF THE COST OF PURCHASING 21 LIQUID NATURAL GAS (LNG) VEHICLES; APPROVE THE ESTABLISHMENT OF A GRANT PROJECT; AND ESTABLISH REVENUE AND EXPENDITURE BUDGETS IN THE AMOUNT OF \$531,972

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.

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

- Section 1. The City Manager or his designee is hereby authorized to accept and execute a 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.
- Section 2. Establishment of a 2007 SECAT Program grant project is approved.
- Section 3. Revenue and expenditure budgets for the 2007 SECAT Program grant project in the amount of \$531,972 are established.

RESOLUTION NO. 2007-XXXX

Adopted by the Sacramento City Council

JUNE 5, 2007

AUTHORIZE THE ACCEPTANCE AND EXECUTION OF A 2007 SACRAMENTO AIR QUALITY MANAGEMENT DISTRICT (SMAQMD) PROGRAM GRANT AGREEMENT WITH SMAQMD IN THE AMOUNT OF \$277,500 FOR RETROFITTING 16 EXISTING CITY DIESEL POWERED VEHICLES WITH PARTICULATE TRAPS; APPROVE THE ESTABLISHMENT OF A GRANT PROJECT; AND ESTABLISH REVENUE AND EXPENDITURE BUDGETS IN THE AMOUNT OF \$277,500.

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 Sacramento Emergency Clean Air & Transportation (SECAT) Program, an incentive-based approach to reducing diesel emissions and improving the region's air quality.
- C. 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, and the LEV acquisition guidelines adopted by City Council on September 19, 2000.

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

- Section 1. The City Manager or his designee is hereby authorized to accept and execute a 2007 SMAQMD Program grant agreement in the amount of \$277,500 for retrofitting 16 existing City diesel powered vehicles with particulate traps.
- Section 2. Establishment of a 2007 SMAQMD Program grant project is approved.
- Section 3. Revenue and expenditure budgets for the 2007 SMAQMD Program grant project in the amount of \$277,500 are established.