

APPROVED
BY THE CITY COUNCIL

FEB 16 1999

OFFICE OF THE
CITY CLERK



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DEPARTMENT OF
PUBLIC WORKS
SOLID WASTE DIVISION

CITY OF SACRAMENTO
CALIFORNIA

CC99-063

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February 1, 1999

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: APPROVAL OF BLT SACRAMENTO RECYCLING AND TRANSFER
STATION (SRTS) AIR QUALITY MITIGATION PLAN FOR NO_x
REDUCTION

LOCATION AND COUNCIL DISTRICT: Citywide, All Districts

RECOMMENDATION:

This report recommends that the City Council adopt the attached resolution which:

- Approves an air quality mitigation plan for NO_x reduction at the BLT Sacramento Recycling and Transfer Station (SRTS); and
- Authorizes the City Manager to amend the BLT service agreement to reflect potentially higher operating costs up to, but not in excess, of \$ 0.30 more per ton.

CONTACT PERSON: Reina J. Schwartz, Solid Waste Manager, 264-7043

FOR COUNCIL MEETING OF: February 16, 1999

SUMMARY:

City Council adoption of the attached resolution will approve the attached air quality mitigation plan for NO_x reductions related to the long-term transfer and processing of City collected waste at SRTS. City Council adoption of the attached resolution will also authorize the City Manager to amend the BLT service agreement to reflect increased operating costs for implementation of the air quality mitigation plan up to, but not in excess, of \$ 0.30 per ton.

City Council

Approval Of BLT Sacramento Recycling and Transfer Station (SRTS) Air Quality Mitigation Plan for NOx Reduction

February 1, 1999

COMMITTEE/COMMISSION ACTION: None.

BACKGROUND INFORMATION:

On September 1, 1998, the City Council approved a service agreement between the City of Sacramento and BLT Enterprises of Sacramento, Inc. for municipal solid waste transfer, transport, disposal, processing and recovered materials diversion. The City Council also certified the Environmental Impact Report for the project and approved a mitigation monitoring plan. At the same time, the City Council directed City staff to coordinate the further development of a mitigation plan between the City and representatives of the Sacramento Metropolitan Air Quality Management District (SMAQMD) and BLT Enterprises, Inc. The City Council directed staff to report back on the cost of implementing the air quality mitigation plan for the additional reduction of NOx emissions.

City staff have forged a consensus between SMAQMD and BLT representatives for the reduction of NOx emissions related to the BLT project. Exhibit A of this report summarizes the air quality mitigation plan.

FINANCIAL CONSIDERATIONS:

The procurement of off-road and on-road equipment and trucks related to the reduction of NOx emissions is frequently associated with a higher capital cost. In most instances, BLT Enterprises will be eligible for SMAQMD reimbursement of the incrementally higher capital cost.

SMAQMD will not fund any increased operating costs for low-emission vehicles and equipment. Due to the many variables which are difficult to predict (e.g., actual fuel usage, cost of alternative fuel, etc.), BLT has agreed to test a low emission transfer truck for a 90-day period so that any higher operational costs can be determined with greater accuracy. Analysis by SMAQMD and an independent consultant, ARCADIS Geraghty & Miller, identified additional costs up to \$ 0.30/ton for the use of low emission trucks for the transportation of City-collected waste.

The attached mitigation plan for NOx reductions also commits the City to the replacement of up to 20 residential refuse trucks (Item 5 of the Mitigation Plan) with qualifying low-emission units. This commitment is subject to certain conditions and may involve additional cost to the City.

A cost of \$ 0.30/ton at the high end of increased operating costs translates into approximately \$ 0.03 per month per household (less than one-quarter of one percent). The ultimate service agreement amendment may be lower based on an analysis of the actual cost from the first 90 days of operation using a low emission transfer vehicle. Any ultimate impact on the rates, including any impact from the conversion of City refuse collection vehicles to low emission units, or from amending the BLT agreement to cover costs in excess of \$0.30 per ton for the low emission transfer vehicles, will be brought back to the City Council for approval during the annual budget process.

ENVIRONMENTAL CONSIDERATIONS:

The City Council has already certified the environmental impact report for the BLT Enterprises project and the associated mitigation monitoring plan. City Council adoption of the attached resolution will add additional mitigation measures for the reduction of NOx emissions.

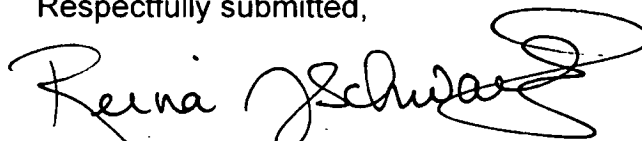
POLICY CONSIDERATIONS:

The City Council directed staff to coordinate the development of additional air quality mitigation measures for NOx reductions in the BLT project in coordination with BLT and SMAQMD and to report back on the cost of implementation. Adoption of the attached resolution authorizing the City manager to amend the BLT service agreement by a modest amount of money in return for substantive reductions in NOx emissions is consistent with this direction.

MBE/WBE:

Since no goods or services are being purchased, MBE/WBE considerations are not applicable.

Respectfully submitted,



Reina J. Schwartz
Solid Waste Manager

RECOMMENDATION APPROVED:



WHE WILLIAM H. EDGAR
City Manager

Approved:



Michael Kashiwagi
Director of Public Works

REVISED (2/16/99)

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION APPROVING AN AIR QUALITY
MITIGATION PLAN FOR NO_x REDUCTION
AND AUTHORIZATION TO AMEND THE SERVICE AGREEMENT
WITH BLT ENTERPRISES OF SACRAMENTO, INC.**

WHEREAS, the Sacramento Metropolitan Air Quality Management District is required to obtain mobile source NO_x reductions in the Sacramento air basin due to severe ozone air pollution; and,

WHEREAS, the City of Sacramento is committed to improving the region's air quality through decreased emissions and NO_x reductions; and,

WHEREAS, representatives of the City of Sacramento, BLT Enterprises of Sacramento, Inc. and the Sacramento Metropolitan Air Quality Management District have reached consensus in the development of an air quality mitigation plan for NO_x reductions at the BLT Sacramento Recycling and Transfer Station project;

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

1. Exhibit A, Mitigation Plan for BLT Enterprises NOx Reduction, is hereby adopted.
2. The City Manager is authorized to amend the BLT service agreement to reflect higher operating costs up to, but not in excess, of \$ 0.30 more per ton provided that the City shall share in any savings resulting from the use of alternative fuel trucks.
3. City staff is further directed to seek out all available grants and/or low-interest loans for alternative fuels.
4. City staff shall return to the City Council for authorization of the specific technology to be utilized with respect to City residential garbage trucks.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

RESOLUTION NO. 99-

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION APPROVING AN AIR QUALITY
MITIGATION PLAN FOR NOx REDUCTION
AND AUTHORIZATION TO AMEND THE SERVICE AGREEMENT
WITH BLT ENTERPRISES OF SACRAMENTO, INC.**

WHEREAS, the Sacramento Metropolitan Air Quality Management District is required to obtain mobile source NOx reductions in the Sacramento air basin due to severe ozone air pollution; and,

WHEREAS, the City of Sacramento is committed to improving the region's air quality through decreased emissions and NOx reductions; and,

WHEREAS, representatives of the City of Sacramento, BLT Enterprises of Sacramento, Inc. and the Sacramento Metropolitan Air Quality Management District have reached consensus in the development of an air quality mitigation plan for NOx reductions at the BLT Sacramento Recycling and Transfer Station project;

THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

1. Exhibit A, Mitigation Plan for BLT Enterprises NOx Reduction, is hereby adopted; and,
2. The City Manager is authorized to amend the BLT service agreement to reflect higher operating costs up to, but not in excess, of \$ 0.30 more per ton.

ATTEST:

CITY CLERK

MAYOR

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RESOLUTION NO.: _____

DATE ADOPTED: _____

EXHIBIT A
MITIGATION PLAN FOR BLT ENTERPRISES NOx
REDUCTION
(REVISED 1/26/99)

1. Conversion to low-emission heavy duty MSW transfer vehicles for City collected waste by BLT Enterprises will occur when it can be demonstrated that the technology is available, that the power package is adequate to provide for traversing mountainous terrain, and the speed of the transfer vehicles will not be decreased due to insufficient power. It is understood that to qualify, a low-NOx, low-emission heavy duty vehicle technology must be successfully tested on an equipped vehicle under relatively the same conditions in which a BLT transfer truck would operate. Every effort will be made to conduct a fair and representative test of an equipped low-emission heavy duty vehicle, with operation of the vehicle by BLT representatives, and with observation by representatives of the City of Sacramento and the Sacramento Metropolitan Air Quality Management District (SMAQMD).
2. The SMAQMD will reimburse BLT Enterprises of Sacramento, Inc. for up to 100% of the incrementally higher cost for the purchase of qualifying low-NOx heavy duty trucks, subject to standard reimbursement criteria as established in the District's Heavy Duty Low-Emission Vehicle Incentive Program.
3. BLT will work with SMAQMD and the City of Sacramento to establish low-emission vehicle fuel availability as necessary.
4. BLT Enterprises will utilize zero-emission or low-emission offroad equipment at the Sacramento transfer station that assists in the achievement of an off-road fleet-averaged 40% NOx reduction project goal. SMAQMD will reimburse BLT for incrementally higher costs for acquisition of qualifying lower emission off-road vehicles or low-emission repowering/retrofitting technologies (e.g., catalytic converters etc.), subject to standard reimbursement criteria as established in the District's Heavy Duty Low-Emission Vehicle Incentive Program.
5. The City of Sacramento agrees to replace up to 20 residential refuse trucks with qualifying low-emission units, subject to the following conditions:
 - Replacements will occur when it can be demonstrated that the low-emission refuse vehicles will perform with acceptable power and operating characteristics.
 - Replacements of City refuse vehicles with qualifying low-emission vehicles utilizing alternative fuel will occur in coordination with the City's scheduled replacement cycle. The City agrees that 50% of the residential refuse

trucks replaced on an annual basis will be replaced with qualifying low emission trucks subject to the conditions below.

- SMAQMD will attempt to provide funding for 20 qualifying low emission vehicles utilizing alternative fuel in the amount of \$60,000 each, utilizing a combination of SMAQMD funds and Congestion Mitigation-Air Quality (CMAQ) federal funds; it is understood that SMAQMD will attempt to secure CMAQ funding for city vehicles but due to the competitive nature of the CMAQ process, such funding is not guaranteed. Should CMAQ funds not become available, the City and SMAQMD agree to renegotiate the subsidized replacement of City vehicles with qualifying low emission trucks.
6. The City and BLT agree to continue working with SMAQMD officials to take advantage of emerging technologies in the continued development of NOx reduction strategies and technologies. The City, BLT and SMAQMD agree to negotiate changes in the terms and conditions of this agreement to take advantage of improved technologies as they develop.
 7. The City agrees to be a co-sponsor of the Rechargeable Electric Mulching Lawnmower Incentive Program subject to the following conditions:
 - The City receives recognition as a co-sponsor equal to co-sponsors at an equivalent funding level.
 - Subject to available funding and City Council approval of monies for public education and outreach, the City's sponsorship will be \$5,000 on an annual basis; any future increases in this amount are voluntary.
 - City staff are included in event planning and execution.
 - City co-sponsored events will include promotion of grasscycling as a major benefit of converting to electric mulching mowers in addition to air quality benefits. Specific grasscycling promotional materials (e.g. brochures, displays, etc.) will be provided by the City.
 8. BLT agrees to the following conditions:
 - BLT will purchase most or all heavy-duty vehicles for use in Sacramento that, as schedules and funding allow, are capable of future (and anticipated to commence in less than 12 months) conversion to low-NOx operation with the financial assistance of the SMAQMD. Currently, Caterpillar-powered (C-12) engines allow this opportunity.

- SMAQMD, the City, and BLT will work cooperatively to secure a heavy duty low-emission truck with a C-12 engine for testing, utilizing BLT's driver(s) (see Item 1, above), within 3-6 months.
- Should this testing prove the particular engine unsuccessful, BLT., SMAQMD and the City agree, in the interests of reducing ongoing project-related vehicle emissions, that BLT will test (1 -2 times per year) other future low-emission vehicle technologies. Should such future testing demonstrate availability of acceptable, effective low-emission vehicles, BLT will thereafter purchase (with the financial assistance of the SMAQMD) such vehicles during regularly scheduled truck replacements/additions.
- If testing is successful and as their schedule allows, BLT will make available to the City or SMAQMD a BLT low-emissions heavy duty truck for infrequent (two to three times per year) demonstrations in community events or to other Sacramento-area non-competing, prospective low-emissions truck users.