

*STAFF REPORT**CITY OF OCEANSIDE*

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DATE: March 19, 2008

TO: Honorable Mayor and City Councilmembers

FROM: Public Works Department

SUBJECT: **APPROVAL TO ACCEPT \$96,054 IN GRANT FUNDS FROM THE AIR POLLUTION CONTROL DISTRICT COUNTY OF SAN DIEGO TO BE USED TO FUND DIESEL ENGINE EMISSION IMPROVEMENTS; APPROVAL TO APPROPRIATE THESE FUNDS TO THE PUBLIC WORKS DEPARTMENT AND APPROVAL OF A PURCHASE ORDER IN THE AMOUNT OF \$195,000 TO COMPLETE THE PROJECT**

**SYNOPSIS**

Staff recommends that the City Council accept \$96,054 in grant funds from the San Diego County Air Pollution Control District awarded to the City of Oceanside; approve the appropriation of these funds to the Public Works Department; approval of a purchase order in an amount not to exceed \$195,000 to Ironman Parts and Services for the retrofitting of specific diesel engines to meet clean air compliance standards; and authorization for the Financial Services Director, or designee, to execute the purchase order and the City Manager to execute related grant documents.

**BACKGROUND**

As a permit condition for a 550 megawatt power plant to be built by Palomar Energy, LLC, in Escondido, the California Energy Commission required Palomar Energy to establish a \$1.86 million Palomar Energy Mitigation Program to fund projects in the North County that reduce emissions of particulate matter and particulate matter precursors, especially from diesel engines. The San Diego County Air Pollution Control District administers the program.

Revised State of California regulations addressing diesel engine emissions commonly referred to as "Diesel Emissions Control Strategy" (DECS) were approved in 2005. The DECS established groups of diesel engines by type, age and available emission control technology into three groups to be retrofitted for compliance by calendar year starting in 2009.

Originally the plan to retrofit the 32 City vehicles (one group 1, 13 group 2 and 18 group 3) affected by the DECS regulations was to retrofit six group 2 vehicles in 2008. The FY 06-08 Fleet budget contains \$84,000 to fund the retrofits. Seven group 2 vehicles would be done in 2009 at a cost of \$98,000 and one group 1 and eight group 3 vehicles would be

done in 2010 at a cost of \$126,000. The remaining ten group 3 vehicles would be done in 2011 at a cost of \$140,000.

### **ANALYSIS**

A condition of the grant requires that all 14 of our group 1 & 2 vehicles be retrofitted by June 30, 2009, and City funding be committed to the project prior to grant approval. The estimated cost to complete the retrofit for all 14 vehicles is \$195,000. The current budget for various other City Departments contains \$84,000 for the retrofit. Accepting the grant will provide an additional \$96,054. In addition, the balance of funding in the amount of \$14,946 is available in Fleet Maintenance in account 831.416210.5215.

The parts and equipment necessary to complete the retrofits are readily available. Once the necessary funding mechanisms are in place the actual retrofit work will require about 90 days to complete.

### **FISCAL IMPACT**

The grant will fund approximately 50 percent of the group 1 & 2 retrofit cost. Funding the City's matching share of the group 1 & 2 retrofits is available in the current budget. The grant funds from the Air Pollution Control District will be placed in Air Pollution/Palomar Energy/State and Local Grants (272.414090.4455) and appropriated to the Public Works Department in M&R-Equipment and Machinery (272.414090.5214) Funding the group 1 & 2 retrofits in the current budget allows for a reduction in the FY 08-09 budget equivalent to the amount of the grant.

The purchase order to Ironman Parts and Services in the amount of \$195,000 is funded in account number 272.414090.5214 (M&R-Equip&Mach) in the amount of \$96,054; account number 213.416021.5215 (M&R-Veh Maint) in the amount of \$28,000; account number 721.666910.5214 (M&R-Equip&Mach) in the amount of \$28,000; account number 721.666940.5214 (M&R-Equip&Mach) in the amount of \$14,000; account number 711.666700.5214 (M&R-Equip&Mach) in the amount of \$14,000 and account number 831.416210.5214 (M&R-Veh Maint) in the amount of \$14,946.

### **COMMISSION OR COMMITTEE REPORT**

Does not apply.

### **CITY ATTORNEY'S ANALYSIS**

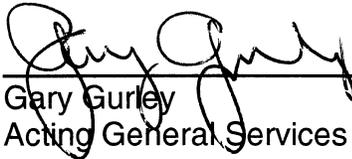
Does not apply.

**RECOMMENDATION**

Staff recommends that the City Council accept \$96,054 in grant funds from the San Diego County Air Pollution Control District awarded to the City of Oceanside; approve the appropriation of these funds to the Public Works Department; approval of a purchase order in an amount not to exceed \$195,000 to Ironman Parts and Services for the retrofiting of specific diesel engines to meet clean air compliance standards; and authorization for the Financial Services Director, or designee, to execute the purchase order and the City Manager to execute related grant documents.

PREPARED BY:

SUBMITTED BY:

  
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Gary Gurley  
Acting General Services Manager

  
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Peter A. Weiss  
City Manager

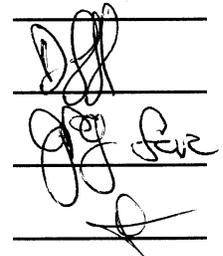
REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

Donald L. Hadley, Deputy City Manager

Joseph Arranaga, Acting Deputy Public Works Director

Teri Ferro, Financial Services Director

  
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