

SACRAMENTO METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT

For the Agenda of: May 25, 2006

To: Board of Directors
Sacramento Metropolitan Air Quality Management District

From: Larry Greene
Air Pollution Control Officer

Subject: Natural Gas Refueling Infrastructure Incentive for Grant Joint Union High School District

Purpose

Approve the attached resolution and authorize the Chair of the Board of Directors to sign it on behalf of the Sacramento Metropolitan Air Quality Management District (District).

The purpose of this resolution is to:

1. Reallocate \$150,000 of Measure A and Department of Motor Vehicle Surcharge funds toward the purchase of a compressed natural gas (CNG) refueling facility operated by the Grant Joint Union High School District (Grant JUHSD) at a central location on behalf of school districts operating CNG buses in the North Sacramento County area.
2. Authorize the Air Pollution Control Officer (APCO) to execute a grant agreement with Grant JUHSD on behalf of the District.
3. Direct the Clerk of the Board to transmit fully executed documents to concerned parties.
4. Authorize and direct the APCO to take all steps necessary to carry out the provisions of this resolution.

Authority

Under Health and Safety Code Section 41060, the District is required to develop programs to encourage the purchase of clean-fueled vehicles and the use of cleaner burning fuels.

Under Sections 41062 and 41082, the District may undertake programs, which may include financial assistance to fleet operators for the purchase, conversion, or operation of low-emission motor vehicles, financial assistance or other incentives to encourage the sale and distribution of clean burning fuels.

Background

In September 2000, the District Board authorized an expenditure distribution plan for the purchase of natural gas refuse trucks and school buses, and supporting natural gas infrastructure. With these funds, the City and County of Sacramento purchased liquefied natural gas (LNG) refuse trucks and installed LNG stations at their respective city and county fleet yards. Several school districts, including Grant JUHSD, Rio Linda USD, and San Juan USD school districts purchased compressed natural gas (CNG) school buses with the anticipation that a CNG refueling station would be built to fuel their buses.

A permanent refueling facility is necessary to serve school districts in the north area of Sacramento. In Fall 2001, the SMAQMD provided repair funds in the amount of \$13,620 to the McClellan Business Park (McClellan) to re-start their CNG refueling facility so that fuel could be provided to the CNG school buses in the north Sacramento area until a permanent station could be built. At that time, McClellan also proposed to upgrade their existing CNG station, and the District Board allocated the \$150,000 for that purpose. McClellan no longer wants to upgrade the existing station. Grant JUHSD is currently leasing the McClellan station and is serving approximately 30 customers, including Grant JUHSD, Rio Linda USD, Elverta USD, San Juan USD, visiting school buses from other regions, and individual CNG vehicle owners. Grant JUHSD has recently purchased a new fleet yard, and proposes to place a CNG station at their new location.

Proposal

Staff proposes reallocating the \$150,000 infrastructure funds for McClellan to Grant JUHSD for its permanent public access CNG station that would be located in the North Sacramento County area. This station would serve the community by offering CNG availability to all school districts and other users.

The \$150,000 funding originally allocated for the McClellan CNG station will help offset the costs for the purchase of this CNG station. This proposal is consistent with the original District Board approved Resolution 2000-048.

Previous Actions

On September 28, 2000, the Board of Directors approved Resolution 2000-048, authorizing an expenditure distribution plan for the purchase of natural gas refuse trucks and school buses and the supporting refueling infrastructure. That resolution provided \$573,793 for a natural gas refueling infrastructure in the north Sacramento area. Of the approved allocation, \$423,793 was allocated to the County of Sacramento for a LNG refueling station. The remaining \$150,000 was allocated toward the purchase of a CNG facility for the school buses in the north Sacramento area.

On June 14, 2002, the Board of Directors approved Resolution 2002-025, authorizing the allocation of the \$150,000 to the McClellan Business Park for the upgrade of their CNG station to support the fueling of the school district buses.

On January 23, 2003, the Board of Directors approved Resolution 2003-006, authorizing the \$150,000, originally allocated under Resolution 2002-025, to Grant JUHSD for the sale and upgrade of the McClellan CNG station at the McClellan Business Park.

Fiscal Impacts

No fiscal impact for the approval of this project because funds are already budgeted in the FY 05-06 budget.

Respectfully submitted,

Larry Greene
Air Pollution Control Officer

Approved as to form:

Kathrine Pittard
District Counsel