

**TO THE COUNCIL OF THE
CITY OF LOS ANGELES**

Your

ENERGY AND ENVIRONMENT COMMITTEE

reports as follows:

ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to authorization to apply for grant funding from the Mobile Source Air Pollution Reduction Review Committee's 2011 Local Government Match Program for an air quality improvement project in support of the Bureau of Sanitation's (BOS) Clean Fuel Program.

Recommendations for Council action:

1. APPROVE the March 30, 2011 Board of Public Works (Board) report.
2. AUTHORIZE the Director of the BOS, or designee, to apply for grant funds from the Mobile Source Air Pollution Reduction Review Committee (MSRC) for the 2011 Local Government Match Program.
3. PRESENT and ADOPT the accompanying RESOLUTION approving the completion of an application for grant funding and submit all documents necessary to apply for grant funding for the Clean Fuel Program and if awarded grant funding to return to the Mayor and the City Council to obtain approval for the acceptance of these funds and authorization to negotiate and execute grant agreements.

Fiscal Impact Statement Submitted: The Board reports that the grant from the Mobile Source Air Pollution Reduction Review Committee will enhance the BOS' Clean Fuel Program. The receipt of grant funds will offset the purchase cost of alternative fuel vehicles in the Clean Fuel Program. Applying for this grant program will have no impact on the General Fund since the General Fund does not fund this program.

Community Impact Statement Submitted: No

Summary:

On April 5, 2011, your Committee considered a March 30, 2011 Board report and Resolution relative to authorization to apply for grant funding from the MSRC's 2011 Local Government Match Program for an air quality improvement project in support of the BOS Clean Fuel Program. According to the Board, on March 4, 2011, the MSRC released the program announcement for their 2011 Local Government Match Program. The goal of the 2011 Local Government Match Program is to assist the local governments in leveraging their AS 2766 Subvention Funds to implement timely, effective air pollution reduction funding projects will be distributed on a first-come, first-served basis to applicants that meet project requirements. Funding is limited, but the MSRC will provide a "dollar for dollar" match against AB 2766 Subvention Funds. The earliest date for application submission is April 5, 2011. All qualified applications submitted the first day will be deemed received at the same time.

While this grant funding is available and being that the BOS has committed to air pollution reduction through its Clean Fuel Program for its fleet of solid resources collection vehicles, the BOS is submitting an application to the Match Program for the purchase of thirty-six natural gas fueled heavy-duty collection vehicles with 2010 compliant engines and certified with enhanced NOx emission reduction.

If selected and awarded, the MSRC may match allocated Subvention Funds to this project "dollar for dollar" not exceeding \$30,000 per qualifying vehicle. According to MSRC, Subvention Funds from both the 2010-11 and 2011-12 Fiscal Years may be allocated to projects proposed in the 2011 Match Program. With 36 qualifying vehicles, \$1.08 million may be allocated from the Subvention Funds and MSRC may match up to \$1.08 million to the same air quality improvement project; natural gas fueled collection vehicle costs about \$300,000 each.

With both sources of funds ideally awarded to this project, the purchase price will be offset by 20%. Since the implementation of the Clean Fuel Program by the BOS for the solid resources collection fleet, the BOS has successfully been awarded about \$20 million from various external sources. For MSRC alone, more than \$5.2 million has been awarded to the BOS for various air quality improvement programs related to the Clean Fuel Program.

After further consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations as contained in the March 30, 2011 Board report and detailed in the above three recommendations. This matter is now submitted to Council for its consideration.

Respectfully submitted,

ENERGY AND ENVIRONMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PERRY:	YES
CÁRDENAS:	YES
ALARCÓN:	YES
KORETZ:	ABSENT
KREKORIAN:	ABSENT

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- Not Official Until Council Acts -