

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	April 20, 2009
	Agenda Item No. Roll Call No. Communication No. Submitted by:	Extra Item 1 09- 09-257 Merrill Stanley, Deputy City Manager

AGENDA HEADING:

Approving the participation in the application for an Environmental Protection Agency (EPA) National Clean Diesel Campaign grant with the Iowa Soybean Association.

SYNOPSIS:

Approving the participation in submission of a grant application to the EPA, as prepared by the Iowa Soybean Association, (4554 114th Street, Urbandale, IA 50322, Grant Kimberly, Director of Market Development) for grant funding to retrofit diesel engines with particulate matter trapping devices to reduce the impact of emissions on the environment and to fund the incremental cost increase of the use of biodiesel fuel for the length of the grant period, June 2009 through September 2010.

FISCAL IMPACT:

Amount: \$750,000

Funding Source: Environmental Protection Agency (EPA) National Clean Diesel Campaign grant. There is no City match or cost sharing required to retrofit diesel engines, and there is no additional cost for the use of biodiesel beyond the grant period, since the City fleet currently uses biodiesel in nearly all diesel powered trucks and equipment.

ADDITIONAL INFORMATION:

EPA grant funding exists for diesel engine emissions reduction projects and the increase in cost to use biodiesel blended fuel. The Iowa Soybean Association is seeking public fleets to participate in the application for this grant funding on a regional basis. Funding of \$156 million with \$500,000 minimum and \$5 million maximum awards is available. If awarded, the grant funds would be available, without the requirement of cost sharing or matching funds, to retrofit the City’s existing fleet of diesel engines that do not have current emission technology of Diesel Particulate Filters that meet the 2007 clean emissions standards. These units are the older diesel engines that contribute to the particulate matter (soot) loading in the environment.

Within the same grant application funding is available to pay for the incremental cost of biodiesel fuels during the implementation period from June 2009 through September of 2010. The incremental cost of blended biodiesel is approximately 5 cents per gallon. City vehicles consume an estimated 500,000 gallons of blended biodiesel annually, resulting in an increased annual fuel cost of \$25,000.

By participating in the grant application with Iowa Soybean Association the grant submittal will be enhanced by applying on a regional basis. The grant application deadline is April 28, 2009.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

If the Iowa Soybean Association is awarded the grant, the City Council will be asked to approve acceptance of the City's share of grant funding and authorize the purchase and installation of clean burning technologies on City trucks with diesel engines and fund the purchase of biodiesel fuel.

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