



ORANGE COUNTY WATER DISTRICT

Office Memorandum

Date: March 15, 2016
To: OCWD Board of Directors
From: Michael Markus
Subject: Board Agenda Item #24 – Purchase of Alternative Fuel Dump Truck

At the March 10, 2016 Administration/Finance Issues Committee meeting staff presented an agenda item for the purchase of a new dump truck with a Compressed Natural Gas (CNG) engine to replace a 28 year old diesel dump truck. At the meeting Director Bilodeau asked staff to look into potential grant funding for this purchase under the South Coast Air Quality Management District's (SCAQMD), Carl Moyer Program (CMP). Staff found the CMP provides funding to encourage voluntary purchase of cleaner than required engines, equipment and emissions reduction technologies to achieve reductions that are real, surplus (i.e. early and/or in excess of what is required by regulation) and quantifiable. To be eligible for consideration of grant funding through the CMP, emission reductions must not be required by any federal, state or local regulations.

In the case of the purchase of the new CNG dump truck, OCWD is subject to both local and state regulations. OCWD is subject to the SCAQMD Rule; 1196 Clean On-Road Heavy Duty Public Fleet Vehicles. Under this rule public fleets of 15 or more heavy-duty vehicles must acquire alternative-fuel heavy duty vehicles when procuring or leasing these types of vehicles. OCWD is also subject to the California Air Resources Board's (CARB) Public Agencies and Utilities Fleet Rule. The CMP guidelines state that any vehicle subject to CARB's Fleet Rules significantly reduce if not eliminates CMP funding opportunities. The funds that do exist for vehicles that are subject to the CARB Fleet Rules exclusively apply to emergency vehicles and fleets of three or fewer heavy duty trucks. Based on these findings OCWD would not qualify for funding from the CMP.

Staff talked to Mr. Ashkaan Nikravan of SCAQMD, the project manager in charge of the CMP. In the discussion, Mr. Nikravan indicated that the CMP grants are not based on the differential of emissions between the old equipment and the new equipment to be purchased. Instead, the funding program is based on the best available technology for the types of replacement engines available. Based on Mr. Nikravan's explanation, the engines available for the dump truck (both diesel and natural gas) have a rating of .20 g/bhp-hr NO_x and, thereby, provide no surplus emission reduction between the two engines. So even if OCWD did qualify for funding under the CMP this vehicle would not receive any funds.

Staff also discussed this program with Juan Ochoa who is the County of Orange Fleet Manager. Mr. Ochoa confirmed that any grant money received is due to emission reductions above what is mandated.

As OCWD replaces fleet heavy duty vehicles, staff will continue to look at potential funding options through federal, state and local agencies. Staff also learned that a workshop is scheduled to learn additional information about the CMP which we will attend.