



**Council Meeting: February 10, 2009**

**SUBJECT: Approval of Budget Modification No. 25 to Accept Bay Area Air Quality Management District Grant Funding for Reduction of Green House Gas Emissions**

**REPORT IN BRIEF**

In June 2008, the Bay Area Air Quality Management District (BAAQMD) awarded Sunnyvale a Climate Protection Grant in the amount of \$55,550 to support a half-time sustainability coordinator for one year and fund climate protection activities to reduce green house gas emissions. Staff recommends that Council approve Budget Modification No. 25 to accept \$55,550 in BAAQMD grant funds and appropriate it to Project 827640 – Environmental Sustainability.

**BACKGROUND**

In October 2007 following presentation of RTC #07-361, *Authorization to Submit Grant Request Not to Exceed \$75,000 to Bay Area Air Quality Management District for Citywide Coordination of Sustainability Efforts/Climate Action Planning*, Council directed staff to submit a grant request not to exceed \$75,000 to BAAQMD for citywide coordination of sustainability efforts. Council also authorized staff to expend funding in accordance with grant guidelines and City policies, if funding were granted.

**EXISTING POLICY**

Air Quality Sub-Element – Goal A: Improve Sunnyvale’s Air Quality and reduce the exposure of its citizens to air pollutants.

**DISCUSSION**

This report requests approval to adjust the FY08-09 operating budget to reflect the BAAQMD grant funding. Sunnyvale has a long tradition of environmentally progressive services and practices. However, since environmental sustainability efforts and research are limited by available resources, staff submitted a capacity-building grant request to BAAQMD to facilitate building and implementing an environmental coordination structure that includes tracking green house gas emissions, educating staff and community members about ways to lower carbon emissions, and reviewing and updating city policies. The request was approved by BAAQMD in June 2008. The City’s work plan for the BAAQMD grant is attached (Attachment A).

**FISCAL IMPACT**

In June 2008, The Bay Area Air Quality Management District awarded reimbursable grant funds in the amount of \$55,550 for FY 2008/09 to fund climate protection activities. There is no net impact to the General Fund for accepting these grant revenues. Budget Mod. No. 25 has been prepared to accept \$55,550 in grant funding and appropriate it to Project 827640 – Environmental Sustainability.

**Budget Modification No. 25  
Fiscal Year 2008/2009**

<b><u>General Fund</u></b>	<b><u>Current</u></b>	<b><u>Increase</u></b>	<b><u>Revised</u></b>
<u>Revenues</u>			
BAAQMD Climate Protection Grant	\$0	\$55,550	\$55,550
 <u>Expenditures</u>			
Project 827640	\$74,933	\$55,550	\$130,483
<i>Environmental Sustainability</i>			

**PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

**ALTERNATIVES**

1. Approve Budget Modification No. 25 to accept \$55,550 in BAAQMD grant funds and appropriate it to Project 827640 – Environmental Sustainability.
2. Do not approve Budget Modification No. 25 to accept \$55,550 in BAAQMD grant funds and appropriate it to Project 827640 – Environmental Sustainability.
3. Other direction as determined by Council.

**RECOMMENDATION**

Staff recommends Alternative #1: Approve Budget Modification No. 25 to accept \$55,550 in BAAQMD grant funds and appropriate it to Project 827640 – Environmental Sustainability.

Reviewed by:

Robert, Walker, Assistant City Manager  
Prepared by: Dustin Clark, Environmental Sustainability Coordinator

Reviewed by:

Mary Bradley, Director of Finance

Approved by:

Gary M. Luebbers  
City Manager

**Attachments**

*A. Work Plan, Sunnyvale Climate Protection Grant*

## WORK PLAN

GRANTEE will hire the City of Sunnyvale's first Sustainability Officer to coordinate the services, policies, projects and partnerships that will enable the GRANTEE to achieve its long-term goals of achieving reductions in greenhouse gas emissions and fostering a culture of energy conservation and sustainability throughout the City. The Sustainability Officer will: track and report on GRANTEE's energy use and emission reduction progress; coordinate reviews and updates of GRANTEE's policies and practices affecting energy use and greenhouse gas emissions; and conduct best practices research to identify and promote the use of emission reduction best practices within the City and in the community.

### **Phase I: Framework Development**

#### **Task 1.1: Hire Sustainability Officer**

GRANTEE will hire a Sustainability Officer to coordinate the services, policies, projects and partnerships that will enable GRANTEE to achieve its long-term energy and climate protection goals. As part of its duties, the Sustainability Officer will: coordinate and track GRANTEE's energy use, greenhouse gas (GHG) emissions and sustainability projects; coordinate reviews and updates of City energy and climate policies and practices; research and promote best practices in energy and GHG reduction, educate staff and community members about ways to reduce or more efficiently use energy, and research and access additional funding sources for GRANTEE's environmental activities. The Sustainability Officer will serve under the City Manager's Office and will report to the Assistant to the City Manager.

#### *Deliverable*

1. Sustainability Officer job announcement, description, work plan and resume.

#### **Task 1.2: Policy Review**

The Sustainability Officer will review City policies to update and clarify the City's goals and objectives with regard to energy use and climate protection. The Sustainability Officer will research best practices in energy, climate protection and other environmental policy areas, develop information resources and explore opportunities to incorporate new practices into existing City policies and processes.

#### *Deliverables*

1. List of best practices researched (even those not included in recommendations) in energy use, land use, transportation and other areas related to climate protection
2. List of policies revised to incorporate sustainability language associated with energy use, land use, transportation and other areas related to climate protection
3. List of best practices recommended for implementation by GRANTEE

### **Phase II: Project Implementation**

#### **Task 2.1: Conduct Review of Energy Use and Tracking Metrics**

GRANTEE will conduct a review of energy (electricity and natural gas) and fuel use in city buildings, facilities, fleets and operations, in order to develop baselines for energy and fuel

use and to determine appropriate metrics for measuring and tracking City progress in conserving energy and reducing GHG emissions.

*Deliverable*

1. Results of energy use review, including baseline energy use for municipal buildings and facilities, fuel use by fleets, and a list of metrics to be used to track and measure energy use into the future

**Task 2.2: Implement Climate Action Plan Measures**

The Sustainability Officer will oversee implementation of energy conservation and efficiency measures included in GRANTEE's *Carbon Dioxide Emissions Reduction Plan for City Operations*. Measures from the Plan and listed below have been approved by Council but are subject to resource availability, and will be submitted for consideration by the City Manager as part of the City's FY2008/09 and FY2009/10 budget cycle:

- Install occupancy sensors at fire stations 1-6
- Implement building energy optimization at 10 City facilities
- Lighting retrofit replacing T-12s with T-8s at Water Pollution Control Plant (WPCP)
- Process optimization at WPCP
- Install variable frequency drive (VFD) on HVAC system at City Hall Annex
- Install VFD on air handling unit (AHU) at Library
- Install VFD on AHU at City Hall
- Replace approx. 3,900 150W high pressure sodium (HPS) street lights with 75W light-emitting diodes (LEDs)
- Replace 4 existing sedans with hybrids
- Replace approx. 3,900 200W HPS street lights with 125W LEDs
- Install photovoltaic systems at 13 City facilities
- Lighting retrofit replacing T-8s with T-5s at Community Center
- Install sunscreens on windows at fire stations 1-6
- Lighting retrofit replacing T-8s with T-5s at Corporation Yard
- Replace approx. 800 70W HPS street lights with 48W LEDs
- Insulate water heater pipes at fire stations 1-6
- Replace diesel fleet with 20% biodiesel

Implementation and completion dates for the measures listed above will be set following City Council consideration of GRANTEE's proposed FY08/09 budget, currently scheduled for June 10, 2008.

*Deliverables*

1. List of city council-approved GHG mitigation projects approved in the FY 08/09 budget with schedule for implementation
2. Progress report on the implementation of each measure, including identification of any implementation difficulties and any changes in measure description or timeline. Include results of measures: energy and cost savings for individual measures; overall energy savings for all measures; payback information and summary of any co-benefits
4. Copies of purchase orders/receipts for all purchases related to upgrades

### **Task 2.3: Educate Staff on Municipal Energy and Climate Policies**

GRANTEE will conduct four (4) workshops for city staff on the City's municipal energy use and energy and climate protection policies and programs. The goal of the workshops is to increase knowledge among municipal employees on best practice behaviors for energy conservation, and to increase compliance with GRANTEE's energy and climate policies.

#### *Deliverable*

1. Agendas, attendee lists, presentations and key outcomes from four (4) municipal employee workshops on energy and climate policies

### **Task 2.4: Educate Community Members**

GRANTEE will conduct a community workshop to educate residents on ways to save energy and reduce CO2 emissions. The purpose of this workshop would be to raise awareness among community members of the role of GHG emissions in climate change and the actions they can take to mitigate it. Presentations by experts would cover topics such as alternative energy and sustainability practices for homes and businesses (such as solar energy, green building options, sustainable business practices, water conservation, and transportation options). Concerned community groups would be invited to participate through booths or presentations to engage and extend community involvement. City services and programs focused on GHG emission reductions and environmental sustainability would be showcased.

#### *Deliverable*

1. Agenda, attendance list, presentations and key outcomes from community workshop

### **Task 2.5: Leverage Resources**

GRANTEE will research grant opportunities and apply for funding for GRANTEE's climate protection and environmental sustainability activities.

#### *Deliverable*

1. List of all potential grant opportunities researched (including those not pursued)
2. Copy of submitted grant applications

## **Phase III: Reporting**

### **Task 3.1: Reporting to District**

GRANTEE will develop and submit semi-annual Progress Reports and a Final Grant Report to the District, following the format provided by the District and including documentation of completion of deliverables (see table below).

#### *Deliverables*

1. Two Progress Reports
2. Final Grant Report

### **Reporting Schedule**

The following is a schedule for filing progress and final reports as required by the District. Documentation of completed deliverables must be included with reports as specified below before payment will be released. Determination of whether a deliverable has been

completed is at the sole discretion of the District. Report format requirements will be provided separately. Progress and final reports and their associated invoices may be submitted prior to the due dates shown in the table below, provided all required deliverables have been completed and documentation of their completion is included in the report. **The District will not pay for work completed prior to contract execution.**

Tasks	DOCUMENTATION OF COMPLETED DELIVERABLES
<b>Progress Report 1: August 31, 2008</b>	<b>Invoice not to exceed \$18,516</b>
<b>Task 1.1:</b> Hire Sustainability Officer <b>Task 1.2:</b> Policy Review	1. Sustainability Officer job announcement, description, work plan and resume 2. List of all policies researched 3. List of policies revised to include sustainability language 4. List of best practices recommended for implementation by City
<b>Progress Report 2: Dec 31, 2008</b>	<b>Invoice not to exceed \$18,516</b>
<b>Task 2.1:</b> Conduct Review of Energy Use and Tracking Metrics <b>Task 2.2:</b> Implement Climate Action Plan Measures <b>Task 2.3:</b> Educate Staff	1. Results of energy use review, including baseline energy use and list of metrics 2. List of city council-approved GHG mitigation projects with schedule for implementation 3. Progress report on implementation of measures 4. Agendas, attendee lists, presentations and key outcomes from municipal employee workshops
<b>Final Report: June 30, 2009</b>	<b>Invoice not to exceed \$18,516</b>
<b>Task 2.2:</b> Implement Climate Action Plan Measures <b>Task 2.3:</b> Educate Staff <b>Task 2.4:</b> Educate Community Members <b>Task 2.5:</b> Leverage Resources	1. Progress report on implementation of measures 2. Copies of purchase orders/receipts for all purchases related to upgrades 3. Agendas, attendee lists, presentations and key outcomes from municipal employee workshops 4. Agenda, list of attendees, presentations and key outcomes from community workshop 5. List of all potential grant opportunities researched 6. Copies of submitted grant applications

**CONTRACT TOTAL COST NOT TO EXCEED: \$55,550**