



*Mayor Antonio Lopez • Mayor Pro Tem Sylvia Ballin  
Councilmember Jesse H. Avila • Councilmember Joel Fajardo • Councilmember Robert C. Gonzales  
Interim City Manager Fred Ramirez*

**SAN FERNANDO CITY COUNCIL**  
**SPECIAL MEETING NOTICE & AGENDA**  
**FEBRUARY 3, 2014 – 4:30 PM**  
**COMMUNITY MEETING ROOM**  
**117 MACNEIL STREET**  
**SAN FERNANDO, CA 91340**

**NOTICE IS HEREBY GIVEN** that the San Fernando City Council will hold a Special Meeting on **Monday, February 3, 2014, at 4:30 p.m.**, in the Community Meeting Room, located at 117 Macneil Street, San Fernando, California.

**CALL TO ORDER/ROLL CALL**

**PLEDGE OF ALLEGIANCE**

Mayor Antonio Lopez

**APPROVAL OF AGENDA**

**PUBLIC STATEMENTS – WRITTEN/ORAL**

There will be a three (3) minute limitation per each member of the audience who wishes to make comments in order to provide a full opportunity to every person who desires to address the City Council. Only matters contained in this notice may be considered.

**STUDY SESSION**

**1) CONSIDERATION FOR APPROVAL OF NEW COMPRESSED NATURAL GAS (CNG) STATION AND UPGRADE TO EXISTING CNG STATION AT 120 MACNEIL STREET STORAGE SERVICES CONTRACT**

Recommend that the City Council:

- a. Approve the proposed new Compressed Natural Gas (CNG) Station Project at the southwest corner of Truman Street and San Fernando Mission Boulevard, subject to confirmation of award of Mobile Source Air Pollution Reduction Review Committee (MSRC) Clean Transportation Funding Grant to be considered as local match to the City's existing Federal Transportation Administration (FTA) Grant; and



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- b. Authorize City staff to move forward with the previously funded upgrades to the existing CNG Station at 120 Macneil Street in the event that the new CNG Station Project is not fully funded by the end of April 2014.

**RECESS TO CLOSED SESSION**

- A) CONFERENCE WITH REAL PROPERTY NEGOTIATOR (G.C. §54956.8)  
 Property: 732 Mott Street, 700 Chatsworth Drive and 713 Chatsworth Drive, City of San Fernando (APNs 2613-001-900, 2613-001-901, 2613-001-902, 2613-001-903, 2613-001-904, 2613-001-905 and 2613-004-900)  
 Agency Negotiator: Interim City Manager / Community Development Director Fred Ramirez, Lead Negotiator  
 Negotiating Parties: Deanco Healthcare, LLC  
 Under Negotiation: Price and Terms of Sale of Said Property
- B) CONFERENCE WITH LABOR NEGOTIATOR (G.C. 54957.6)  
 Designated City Negotiator: Rick R. Olivarez, City Attorney  
 Employees and Employee Bargaining Units that are the Subject of Negotiation:  
 San Fernando Management Group (SEIU, Local 721)  
 San Fernando Public Employees' Association (SEIU, Local 721)  
 San Fernando Police Officers Association  
 San Fernando Police Officers Association Police Management Unit  
 San Fernando Police Civilian Association (SEIU, Local 721)  
 San Fernando Part-time Employees' Bargaining Unit (SEIU, Local 721)  
 All Unrepresented Employees

**RECONVENE/REPORT OUT FROM CLOSED SESSION**

**ADJOURNMENT**

*I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the City Hall bulletin board not less than 24 hours prior to the meeting.*

*Elena G. Chávez, City Clerk*

*Signed and Posted: January 30, 2014 (5:00 p.m.)*

Agendas and complete Agenda Packets (including staff reports and exhibits related to each item) are posted on the City's Internet Web site ([www.sfcity.org](http://www.sfcity.org)). These are also available for public reviewing prior to a meeting in the City Clerk's Office. Any public writings distributed by the City Council to at least a majority of the Councilmembers regarding any item on this regular meeting agenda will also be made available at the City Clerk's Office at City Hall located at 117 Macneil Street, San Fernando, CA, 91340 during normal business hours. In addition, the City may also post such documents on the City's Web Site at [www.sfcity.org](http://www.sfcity.org). In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification/accommodation to attend or participate in this meeting, including auxiliary aids or services please call the City Clerk's Office at (818) 898-1204 at least 48 hours prior to the meeting.

# **San Fernando City Council Special Meeting**

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## **PUBLIC WORKS DEPARTMENT**

### **MEMORANDUM**

**TO:** Mayor Antonio Lopez and Councilmembers

**FROM:** Fred Ramirez, Interim City Manager  
By: Marlene M. Miyoshi, Interim Public Works Director

**DATE:** February 3, 2014

**SUBJECT:** Consideration for Approval of New Compressed Natural Gas (CNG) Station and Upgrade to Existing CNG Station at 120 Macneil Street

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#### **RECOMMENDATION:**

It is recommended that the City Council:

- a. Approve the proposed new Compressed Natural Gas (CNG) Station Project at the southwest corner of Truman Street and San Fernando Mission Boulevard, subject to confirmation of award of Mobile Source Air Pollution Reduction Review Committee (MSRC) Clean Transportation Funding Grant to be considered as local match to the City's existing Federal Transportation Administration (FTA) Grant; and
- b. Authorize City staff to move forward with the previously funded upgrades to the existing CNG Station at 120 Macneil Street in the event that the new CNG Station Project is not fully funded by the end of April 2014.

#### **BACKGROUND:**

1. In 2006, the City developed and built a City owned and operated CNG Station in the Civic Center (120 Macneil Street) that is used by City vehicles, Metropolitan Transit Authority (Metro) and Caltrans vehicles, as well as open to the public. The facility is open 24 hours per day, seven days per week. The CNG Station sales have increased 2.5 times in the last three years. The CNG alternative fuel has proven to be in demand and is now generating approximately \$300,000 per year in net revenues for the City.
2. Heavy demand for the CNG fuel has demonstrated limited fueling capacity at the current facility. In some cases, large vehicles (large trucks and buses) are only able to fill a portion of their fuel tanks (estimate 70%) before the system shuts down to generate more fuel.

Consideration for Approval of New Compressed Natural Gas (CNG) Station and Upgrade to Existing CNG Station at 120 Macneil Street

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3. In September 2008, the City was awarded a Federal Transportation Equity Act (TEA-21) grant of \$1,849,406 that is administered through an agreement with the Los Angeles County Metro. The original grant was for the purchase of CNG fueled historic looking trolley buses, purchase of CNG maintenance equipment, and constructing a maintenance facility. The scope of work was amended to include a bus shelters project that was completed in 2013, leaving a balance of \$1,590,276. The required City local match to the remaining grant is \$325,719. Grant funds must be expended no later than September 2015.
4. Since the passage of California Assembly Bill 2766 (also known as AB 2766 Subvention Fund) in 1990, a portion of the State Department of Motor Vehicles registration fees (\$4 per vehicle) has been distributed to the Air Quality Management District (AQMD) to fund various air pollution efforts. Forty percent of the funds are distributed by AQMD to the cities and counties in the South Coast District based on percentage of population in the District. San Fernando receives approximately \$28,000 each fiscal year and has a current fund balance of \$112,900.
5. On December 31, 2013, City staff submitted a MSRC Clean Transportation Funding grant application for the 2013 Local Government Match Program. MSRC is a division of the AQMD that makes final recommendations to the South Coast District as to which programs and/or projects should be funded by the Discretionary Fund that is also a part of the AB 2766 Subvention Fund. The City's application requested \$500,000 for matching funds for the City's proposed new CNG Station Project. The City's AB 2766 Subvention Funds will also be committed in the amount of \$140,900 (i.e., current balance of \$112,900 plus an additional \$28,000 anticipated to be received by the City for FY 2014-15), in addition to the \$500,000 local match grant. The deadline for grant applications is February 24, 2014, and an MSRC decision is expected in March 2014.
6. On January 6, 2014, City staff presented two options for City Council consideration: a) upgrade the existing CNG Station; or b) build a second CNG Station with larger fueling capacity and consider upgrading the existing facility at a later date when more funds are available. The following analysis provides more project details and revised budget information.

## **ANALYSIS:**

### Upgrade Existing CNG Station

The upgrade of the existing CNG Station is estimated to: a) cost \$562,370, b) take seven to nine months to bid, purchase, and install equipment; and c) generate an additional \$90,000 increase in revenues. The proposed project would be funded from the existing TEA-21 grant (\$466,800) and AB 2766 Subvention Funds for the local match (\$95,600). If another acceptable project is not identified for the remaining balance of the grant (over \$1,000,000), then the City may lose the balance of the TEA-21 funds. As indicated above, the grant expiration is September 2015.



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The scope of work will include: replacement of the existing compressor with a lower maintenance, higher capacity compressor; installation of two storage spheres that would double current capacity to dispense; upgrade to the latest technology dispenser with integrated card swipe, video trainer, printer and updated nozzles; installation of a canopy with lighting to minimize dispenser temperatures; and installation of security system (cameras and video system) to prevent vandalism and “drive offs”.

CNG Station Upgrade Project Budget

Equipment and Installation	\$388,450
Security System	15,000
Canopy w/ Lighting	107,800
Project Contingency (5%)	25,560
Staff Project Management (5%)	25,560
<b>TOTAL</b>	<b>\$562,370</b>

New CNG Station

The construction of a new CNG Station at the southwest corner of Truman Street and San Fernando Mission Boulevard which is currently developed as City Parking Lot No. 7, is estimated to: a) cost \$2,231,176; b) take 14 to 18 months to bid/award a contract, meet California Environmental Quality Act (CEQA)/National Environmental Policy Act (NEPA) environmental requirements, and complete site work and construction; and c) generate revenues in the range of \$150,000 to \$200,000 annually.

The proposed project would be funded as follows:

2008 TEA-21 Grant	\$1,590,276	
MSRC Clean Transportation Funding	500,000	(pending)
<u>AB 2766 Subvention Funds</u>	<u>140,900</u>	
<b>TOTAL</b>	<b>\$2,231,176</b>	

The MSRC grant approval determination is expected in March 2014. Due to the TEA-21 grant expiration in September 2015, it will be critical for City staff to start the project as soon as there is confirmation of the MSRC grant approval.

The scope of work will include the construction of a CNG fast-fill fueling station that will be open to the public and operate 24 hours a day, seven days a week. The station will include a low maintenance, high capacity compressor; three storage tanks; two latest technology dispensers with integrated card swipe, one card reader system; installation of a canopy with lighting to minimize dispenser temperatures; and installation of security system (cameras and video system) to prevent vandalism and “drive offs”.

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CNG Station Upgrade Project Budget	
Equipment	\$1,030,000
Installation	180,000
Site Work	430,000
Security System	30,000
<b>SUB TOTAL</b>	<b>\$1,670,000</b>
Design/Engineering/Environmental Assessment	310,000
Project Management/Inspection (5%)	110,000
Project Contingency (5%)	141,176
<b>TOTAL</b>	<b>\$2,231,176</b>

The proposed new CNG Station would replace the underused City Parking Lot No. 7 at the southwest corner of San Fernando Mission Boulevard and Truman Street. It is City staff's proposal to seek a qualified design/build company to develop and construct a turnkey project that will include design, engineering, and construction. The benefits of a design/build project delivery method, (i.e., accelerated project delivery schedule and construction cost control focus) make it a good fit for this project.

#### **BUDGET IMPACT:**

As illustrated above, either project can be done with a combination of different Federal and State funding sources, with no impact to the General Fund. In fact, either project could make a positive impact on the General Fund with an eligible 5% cost reimbursement for City staff project management/administrative costs. The project management/administrative costs are estimated at \$110,000 for the proposed New CNG Station Project.

Additionally, the existing facility has created General Fund revenues to help pay for other City services. It is difficult to ascertain the revenue stream that could accrue to the General Fund with full operation of two CNG stations, but a conservative estimate could range from \$400,000 to \$500,000 annually.

#### **CONCLUSION:**

City action to develop and manage the existing CNG Station has not only provided for the use of City fuel/cost efficient vehicles, but has improved the environment by providing alternative low carbon fuel for various users. The main purpose of a low carbon fuel such as CNG fuel is to decrease carbon dioxide emissions associated with gasoline and diesel fueled vehicles.

The City is in an excellent position to construct a second CNG Station with Federal and State funding sources, on an underused City parking lot. However, the use of Federal funding does require that the City continue the use of the facility for the life of that type of facility (typically 20-30 years).

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Funding is 100% available for the upgrade of the existing facility. The proposed new CNG Station is not fully funded. However, City staff has had encouraging information that the MSRC grant application for the new station is likely to be approved given the large amount of funds (i.e., the Federal funding) already committed to the project.

Staff is recommending the approval of a new CNG Station Project, subject to the approval of the MSRC grant. In the event the grant is approved and 100% of the funding is confirmed: staff will be requesting Council execution of the grant agreement and approval to proceed with a design/build project delivery approach. In the event the MSRC grant is not approved, staff is requesting Council approval of the upgrade to the existing CNG Station at the Civic Center.

**ATTACHMENTS:**

- A. Existing CNG Station
- B. Proposed New CNG Station

# Existing CNG Station

120 Macneil Street, San Fernando, CA

ATTACHMENT "A"





## ATTACHMENT "B"

# Proposed New CNG Station

City Parking Lot No. 7, 1200 Truman Street, San Fernando, CA

