

**THIS IS A PROPOSED DRAFT AND WILL BE REPLACED BY THE FINAL,
SIGNED ORDINANCE OR RESOLUTION ADOPTED BY THE CITY
COUNCIL.**

ORDINANCE

**APPROVING THE SUBMISSION OF GRANT APPLICATIONS
FOR THE MAXIMUM AMOUNT AVAILABLE, AND
ACCEPTANCE OF GRANT FUNDS IF AWARDED, TO THE
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR
PROJECTS ELIGIBLE THROUGH THE VOLKSWAGEN
BENEFICIARY MITIGATION PLAN FOR TEXAS**

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WHEREAS, the Texas Commission on Environmental Quality (TCEQ) is the lead agency responsible for the administration of funds received from the settlement agreement in the litigation between the U.S. Environmental Protection Agency (EPA), the State of California, and Volkswagen (VW) for violation of the Federal Clean Air Act; the Volkswagen Environmental Mitigation Trust for State Beneficiaries (VW Trust) has allocated a minimum of \$209 million dollars to Texas for projects to reduce nitrogen oxides (NO_x) in the environment; and

WHEREAS, San Antonio and Bexar County are in exceedance of federally mandated ground-level ozone standards and have until the end of 2020 to attain the standard or face stricter regulations; this grant opportunity will reduce NO_x emissions from combustion-engine vehicles that contribute to the formation of ground-level ozone and will reduce the potential for exposure of the public to pollutants; and

WHEREAS, the TCEQ published the VW Beneficiary Mitigation Plan for Texas on November 16, 2018, after a public comment period on a draft plan; the San Antonio area, which includes Bexar, Wilson, Comal and Guadalupe counties, is one of seven priority areas in the state and has a proposed allocation amount of \$61.6 million in the Plan; any public agency or private business that operates emissions-producing equipment and/or vehicles may apply for funding; and

WHEREAS, the Office of Sustainability (OS) briefed the Community Health and Equity Committee on October 2, 2018, regarding the Draft Plan and area partners are working together to identify Eligible Mitigation Actions, including City-led projects such as the replacement of fleet vehicles with a grant request in an amount up to \$4,960,000.00, electric charging infrastructure at City facilities and for Airport carrier-owned ground support equipment; and

WHEREAS, grants will be solicited by the TCEQ through a Request for Grant Application process starting in early 2019 and will continue for a number of years until all grant funding is allocated; grants will be awarded on a first-come, first-served basis

and on a competitive basis based on NO_x reduction capacity; a 20% local match is required; and

WHEREAS, this Ordinance will authorize the City Manager, or her designee, to submit grant applications for the maximum amount available, with an initial grant request in an amount up to \$4,960,000.00 for the replacement of fleet vehicles, and accept grant funds if awarded, to the TCEQ for projects eligible through the VW Beneficiary Mitigation Plan for Texas and to approve local matching funds requirements, when necessary; **NOW THEREFORE**,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager, or her designee, or the Director, Office of Sustainability, or his designee, is hereby authorized to submit grant applications from any City Department to the Texas Commission on Environmental Quality (TCEQ) for eligible projects under the Beneficiary Mitigation Plan for Texas, under the Volkswagen (VW) Environmental Mitigation Trust Agreement for State Beneficiaries (VW Trust Plan), through the date the TCEQ closes the application process, to accept grant funds if awarded, and to approve local matching fund amounts, in accordance with the requirements in the Beneficiary Mitigation Plan for Texas and the City's approved fiscal year budget for future years grant applications, with an initial grant request in an amount up to \$4,960,000.00, which is 80% of project costs, with a 20% match by the City of \$1,240,000.00, for the replacement of fleet vehicles.

SECTION 2. The City Manager, or her designee, or the Director, Office of Sustainability, or his designee, is hereby authorized to execute any and all documents required to effectuate the purpose of this Ordinance, or as required by the TCEQ in the Beneficiary Mitigation Plan for Texas, and to reallocate available funding within or between city departments, in accordance with the City's approved fiscal year budget for future years grant applications, if required to obtain the maximum allocation of Beneficiary Mitigation Plan for Texas grant funding for the City, without further action by the San Antonio City Council. Copies of the Beneficiary Mitigation Plan for Texas grant applications will be maintained in Office of Sustainability and the relevant City departments.

SECTION 3. The City Manager, or her designee, or the Director, Office of Sustainability, or his designee, is hereby authorized to apply and accept if awarded, funds in an amount up to \$4,960,000.00 from the Texas Commission of Environmental Quality for City of San Antonio fleet replacement projects eligible through the Volkswagen Settlement Beneficiary Mitigation Plan. The City will fund the remainder of the cost which is estimated at \$1,240,000.00 which will be paid out of the Equipment Renewal and Replacement Fund.

SECTION 4. Fund 72001000 entitled "Equip Renewal and Replace Fund" is hereby designated for use in the accounting for the fiscal transaction of this item. The sum of

\$4,960,000.00 from Texas Commission of Environmental Quality will be appropriated in said fund.

SECTION 5. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 6. This Ordinance shall become effective immediately upon passage by eight (8) or more affirmative votes or, if passed by fewer than eight (8) affirmative votes, shall be effective ten (10) days after passage.

PASSED AND APPROVED this ____ day of December, 2018.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Andrew Segovia, City Attorney