

Council Meeting of
September 23, 2008

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the City Council:

SUBJECT: City Manager – Accept \$50,000 from ExxonMobil for Supplemental Environmental Projects (SEP) identified in the New Source Review (NSR) Settlement between ExxonMobil and the United States Environmental Protection Agency (US EPA)

RECOMMENDATION

Recommendation of the City Manager that City Council accept and appropriate \$50,000 from ExxonMobil Corporation for Supplemental Environmental Projects (SEP) identified in the New Source Review (NSR) Settlement between ExxonMobil and the United States Environmental Protection Agency (US EPA) to provide retrofit equipment to reduce emissions on certain off-road diesel powered equipment in the City Fleet; and

It is further recommended that an additional \$200,000 be accepted and appropriated in January 2009 to conclude the funding requirement of US EPA from ExxonMobil to the City of Torrance for the diesel emission reduction program.

Funding

Funding is available from a US EPA settlement requirement from ExxonMobil to the City of Torrance. Total amount \$250,000.

BACKGROUND

The United States Environmental Protection Agency (US EPA) placed a requirement through a settlement with ExxonMobil (XOM) to provide \$250,000 for emission reductions in the LA Basin. City staff was contacted to ascertain whether a qualifying project could be identified in the City of Torrance as a method of utilizing the funds near where the refinery is located.

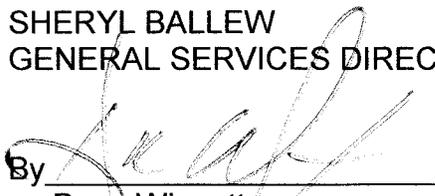
ANALYSIS

Over the last several months, City staff and XOM staff have been meeting to identify a project where the funding could be utilized to the benefit of the Torrance community. Per a recent California Air Resources Board (CARB) mandate, the City will have to reduce particulate emissions from certain off-road diesel equipment in our fleet by 2015. The funding being proposed will place the City well ahead of the requirements for as many items of equipment that can be equipped within the \$250,000 funding allocation. This early implementation will help in reducing particulate emissions prior to the mandated date, thereby providing the Torrance population with improved air quality much sooner than would have been the case under the schedule outlined in the CARB regulation.

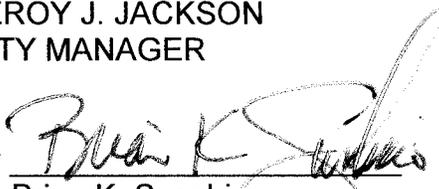
Each vehicle outfitted with the retrofit filter system will cost approximately \$10,000 - \$15,000 per vehicle. The Agreement provides that any remaining funds may be used for ongoing maintenance of the filter systems. As part of the Agreement with the US EPA, the City may not take advantage of early implementation credit as otherwise allowed for in the CARB regulation. This early implementation credit normally provides for extension of fleet completion deadlines (beyond 2015) for municipalities who voluntarily install filters ahead of schedule. The benefit of this funding will be that the City accomplishes twice as many equipment conversions while investing half the funding. This accelerated implementation will result in the reduction of diesel emissions in a much shorter period of time, and at significant cost savings to the taxpayers.

Respectfully submitted,

SHERYL BALLEW
GENERAL SERVICES DIRECTOR

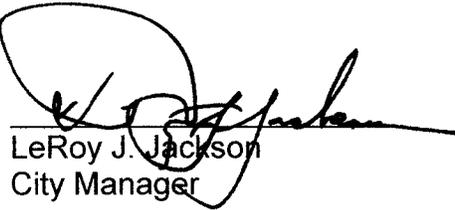
By 
Dave Winnett
Fleet Services Manager

LEROY J. JACKSON
CITY MANAGER

By 
Brian K. Sunshine
Assistant to the City Manager

CONCUR:


Sheryl Ballew
General Services Director


LeRoy J. Jackson
City Manager

Attachments:

- A. Letter from ExxonMobil dated September 16, 2008
- B. List of off-road equipment identified for installation of diesel particulate filters

Exxon Mobil Corporation

Torrance Refinery
3700 West 190th Street
Torrance, California 90509
310 212 2800 Telephone

ExxonMobil

September 16, 2008

Mr. LeRoy Jackson
City Manger
City of Torrance
3301 Torrance Blvd.
Torrance, CA 90503

RE: \$250,000 Supplemental Environmental Project in the City of Torrance

Dear LeRoy,

On behalf of ExxonMobil Oil Corporation ("ExxonMobil"), I would like to convey the enclosed check in the amount of \$50,000 (fifty thousand dollars) to the City of Torrance.

The City of Torrance has worked diligently with ExxonMobil to develop one of the Supplemental Environmental Projects (SEP) identified in the New Source Review (NSR) Settlement between ExxonMobil and the United States Environmental Protection Agency (US EPA). As agreed, ExxonMobil will give the City of Torrance a total of \$250,000 (two hundred and fifty thousand dollars) to fund this environmentally friendly project focused on the reduction of diesel emissions from municipal vehicles. The balance of the funding will be paid First Quarter, 2009.

This diesel emissions reduction project will be undertaken as part of the settlement of an enforcement action for alleged violations of the Clean Air Act and state statutes.

ExxonMobil appreciates the efforts of Mr. Brian Sunshine, Assistant to the City Manager, and Mr. Dave Winnett, Fleet Services Manager, on behalf of the City of Torrance. Thanks to their assistance, the proposed project both meets the criteria of the NSR SEP and benefits the citizens of the City of Torrance and sensitive populations such as school children and the elderly through the reduction of particulate emissions and ozone precursors from city owned and operated vehicles with diesel engines.

Sincerely,



Maxwell A. Ocansey
Torrance Refinery Manager
On Behalf of ExxonMobil Oil Corporation

Encl: 1

City of Torrance - DPM Filter Requirements - Off Road Equipment

UNIT #	YEAR	MAKE	MODEL	TYPE EQUIPMENT	VIN	Class	Life Span (YRS)	Retirement-Eligible Date	Idle While At Work Site? (Y/N)	Engine Manufacturer	Engine Model	Engine Serial Number	Engine Family	GVWR	Horse Power (HP)	Life Miles or Hours	User	Applicable City Rule	Use	Estimated Cost to Purchase and Install DPM Filter (Price Range)	Compliance Deadline	
1	9239	1998	CASE	480E	Front Loader	17002096	JAB	15	2001	N	Case	4380	unknown	7,520	47	4,955	SPATCH	"	"	NA	"	
2	9242	1998	CASE	480E	Front Loader	17002096	JAB	15	2001	N	Case	4380	unknown	8,640	47	4,716	PKSVCS	"	"	NA	"	
3	9243	1998	JOHN DEERE	210C	Front Loader	T0210CC741589	JAB	15	2003	N	John Deere	31790L	unknown	11,570	55	6,551	SPATCH	"	"	\$9,200-\$16,000	"	
4	9244	1998	JOHN DEERE	210C	Front Loader/Backhoe	T0210CC741757	JAC	15	2003	N	John Deere	31790L	unknown	10,830	55	2,358	H20FIX	"	"	\$9,200-\$16,000	"	
5	9245	1998	JOHN DEERE	2155	Tractor	L02155G631081	JRA	15	2003	N	John Deere	31790L	unknown	5,290	45	3,794	AIRPRT	"	"	\$9,200-\$16,000	"	
6	9246	1999	JOHN DEERE	210C	Front Loader/Backhoe	T0210CC762450	JAC	15	2004	N	John Deere	4039E21001	unknown	11,990	55	3,027	H20FIX	"	"	\$9,200-\$16,000	"	
7	9247	1999	JOHN DEERE	210C	Front Loader	T0210CC762503	JAC	15	2004	N	John Deere	4039E21001	unknown	10,900	55	5,207	SPATCH	"	"	\$9,200-\$16,000	"	
8	9249	1991	FORD	455C	Front Loader/Backhoe	A402853	JAC	15	2005	N	New Holland	201C	unknown	12,800	55	3,483	PKSVCS	"	"	\$9,200-\$16,000	"	
9	9250	1991	KUBOTA	BUCKET & AUGER	800395	JAG	15	2005	N	Kubota	D1402-D1VAE	unknown	7,000	73.5	1,208	TREES	"	"	\$9,200-\$16,000	"		
10	9251	1991	CASE	460P/L	Front Loader	JG00004782	JAB	15	2005	N	Case	4580	unknown	10,000	47	2,983	PKSVCS	"	"	\$9,200-\$16,000	"	
11	9252	1998	CASE	570LX1	Front Loader	JG0223816	JAB	15	2011	N	Case	4580	unknown	11,800	47	2,730	SPATCH	"	"	\$9,200-\$16,000	"	
12	9253	1998	CASE	570LX1	Front Loader/Backhoe	JG0223816	JAC	15	2011	N	Case	4580	unknown	14,800	47	2,159	SPATCH	"	"	\$9,200-\$16,000	"	
13	9254	1998	CASE	570L	Front Loader/Backhoe	JG0223816	JAC	15	2011	N	Case	4580	unknown	14,800	47	2,159	SPATCH	"	"	\$9,200-\$16,000	"	
14	9255	1998	CASE	621B	Articulated Loader	JEG025293	JAC	15	2011	N	Case	61590	unknown	21,520	135	1,366	AIRPRT	"	"	\$9,200-\$16,000	"	
15	9257	2002	JOHN DEERE	5520	Front Loader	LV550P256216	JAB	15	2017	N	John Deere	4045TLV51	465837769	639X10239A9	9,570	55	271	SPATCH	"	"	\$9,200-\$16,000	"
16	9258	2006	NEW HOLLAND	LVR9AC	Tractor Front Loader	LLV001755	JAB	15	2021	N	New Holland	41380	unknown	16,500	85	208	TREES	"	"	\$9,200-\$16,000	"	
17	9259	2006	NEW HOLLAND	8955FC	Backhoe Loader	31059370	JAC	15	2021	N	New Holland	F4GED454CD	310748	FACE2800C	14,888	95	81	TREES	"	"	\$9,200-\$16,000	"
18	9260	2006	JOHN DEERE	LVR730	Lp. Articulated Loader	N37002537	JAD	15	2022	N	Curmins	unknown	unknown	unknown	unknown	91	81	SPATCH	"	"	\$9,200-\$16,000	"
19	9261	2007	KUBOTA	L39	Tractor w/Bucket	52064	JAB	15	2022	N	Kubota	D1803-AM-ES	unknown	6NHL061701A	28,800	146	33	TREES	"	"	\$9,200-\$16,000	"
20	9262	2007	BOBCAT	S250	Skid Steer Loader	unknown	JAB	15	2022	N	unknown	unknown	unknown	5KBL024FCC	4,080	39	0	TBD	"	"	\$9,200-\$16,000	"
21	9263	2007	CASE	252	Asphalt Roller	7518	JDA	10	1995	N	Haiz	2140S	unknown	unknown	5,732	34	193	SPATCH	"	"	NA	"
22	9466	1987	INGERSOLL-RAND	DD-22	Asphalt Roller	14887Z	JDA	10	2007	N	Deutz	F-3L1011F	177696	unknown	5,650	32	929	SPATCH	"	"	\$9,200-\$16,000	"
23	9467	1999	CATERPILLAR	CB214C	Asphalt Roller	9XK00763	JDA	10	2009	N	Caterpillar	3013	42M04232	444273	15,420	31.5	867	SPATCH	"	"	\$9,200-\$16,000	"
24	9468	2001	CATERPILLAR	CB214D	Asphalt Roller	11Z00684	JDA	10	2011	N	Caterpillar	3013	42M04232	1HXL200N84	15,420	31.5	664	SPATCH	"	"	\$9,200-\$16,000	"
25	9469	2006	HAMM	HD19	Dual Drum Vibrat Roller	1395339	JDA	10	2016	N	Perkins	F2L2011	10116730	8DZL03.1041	7,900	31.5	47	SPATCH	"	"	\$9,200-\$16,000	"
26	9469	2006	HARLAN	HTLDAR	Shop Mule	8219	JFA	20	2017	N	John Deere	F2623	U778939	AA35014	5,000	86	198	FLEETV	"	"	\$9,200-\$16,000	"
27	9566	1997	UNKNOWN	MULE	Shop Mule	14904	JUA	20	2008	N	John Deere	4238DF	CD4238DF04851	3730T 60361	4,000	55	860	TRNSV	"	"	\$9,200-\$16,000	"
28	17011	1988	UNKNOWN	MULE	Shop Mule	14904	JUA	20	2008	N	John Deere	4238DF	CD4238DF04851	3730T 60361	4,000	55	860	TRNSV	"	"	\$9,200-\$16,000	"

Total Horse Power = 1,648.00