

FEATHER RIVER AIR QUALITY MANAGEMENT DISTRICT
MEMORANDUM
02/05/2018

TO: FRAQMD BOARD OF DIRECTORS

FROM: Christopher D. Brown, AICP, APCO

SUBJECT: Approve the adoption of Resolution #2018-02 to apply to the “Carl Moyer Memorial Air Quality Standards Attainment Program” for fiscal year 2017/18 (Year 20), apply off-site mitigation towards match funding, and authorize the APCO to sign documents relating to implementation of the Program.

RECOMMENDATION:

Approve the adoption of Resolution #2018-02 to apply to the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program) for fiscal year 2017/18 (Year 20), apply off-site mitigation towards match funding, and authorize the APCO to sign related documents.

BACKGROUND:

The Carl Moyer Program provides financial incentives to businesses and residents of Yuba and Sutter counties who chose to replace an older, high polluting engine with a new, emissions certified diesel engine, electric motor, or other clean, low-emission technology. The District’s main project funding categories have been repowers of agricultural irrigation pump engines, off-road equipment engine repowers and off-road diesel equipment replacement projects.

The Carl Moyer Program requires projects to be “cleaner than required.” This guarantees that funding is not simply paying for compliance with an upcoming regulation and is achieving real, quantifiable emission reductions. The Carl Moyer Program also requires that the project be “cost effective” and sets an upper monetary limit on the amount paid per ton of pollutants reduced. The Carl Moyer Program Guidelines are issued by the Air Resources Board (ARB) periodically; the version of Guidelines that the District would use to administer Year 20 is the 2017 version of the Guidelines.

SB 513 (Beall) adopted in 2015 made several changes to the Carl Moyer Program. Some of the changes went into effect January 1, 2016, for example the increased Program Administration available to air districts.

The Carl Moyer Program has been very effective at achieving voluntary emission reductions, and thus, has become increasingly popular. More applications are received

by the District each year than funding is available. In the first years of the Carl Moyer Program, the District requested the minimum allocation of \$200,000 from the ARB. Due to increase in popularity of the Carl Moyer Program, the availability of match funding, and to achieve greater emission reductions, the District has requested more than the tentative allocation from the California Air Resources Board (ARB) for Year 20 of the Carl Moyer Program.

The off-site mitigation funds were given to the District as mitigation under the California Environmental Quality Act (CEQA). The District offers an optional program in which it will accept funding to achieve emission reductions. Several local projects have chosen to take advantage of this program. The District expended the funding on Carl Moyer Program eligible projects and thus can use them as match funding.

DISCUSSION:

The District's Year 20 tentative allocation was \$365,636 (\$319,931 Project Allocation and \$45,705 Administrative). To receive more than the minimum allocation of \$200,000, the District must provide a match contribution of 15%. The District has \$75,000 from off-site mitigation funds that may be applied as Carl Moyer match and would like to offer the amount as match to yield up to \$500,000, if the funding is available. Tentative award amounts vary from final award amounts due to final revenue estimate vs preliminary estimate, the number of districts that apply, and their funding requests. The remaining off-site mitigation funding that is not applied as match toward Year 20 can be available to use towards Year 21 match.

Table 1: Tentative vs. Maximum Award

	Tentative Allocation	Maximum Award
Project funding from ARB	\$319,931	\$437,500
Admin funding from ARB	\$45,705	\$62,500
Total from ARB	\$365,636	\$500,000
Match funding from District	\$54,845	\$75,000

Resolution #2018-02 is required by the ARB in order to receive funding from the Carl Moyer Program. Approval of this resolution would authorize the APCO to receive funding from the ARB, contribute match funding, and implement the program within the District.

The District's Policy and Procedures Manual was updated to incorporate the changes in the 2017 ARB Guidelines. The Manual is available on the District webpage and in the District office.

The District's Carl Moyer Program funds primarily agricultural off-road equipment replacement projects, with some irrigation pump engines and other off-road categories.

FISCAL IMPACT:

There would be no additional cost to the District as the District is proposing to use already obligated off-site mitigation funds spent on Carl Moyer eligible projects as match funding for Year 20 of the Carl Moyer Program. The District is proposing to apply \$75,000 in off-site mitigation funds as match funding which would generate approximately \$62,500 for administration costs and \$437,500 for project allocation, for a total of \$500,000 to implement the Year 20 Carl Moyer Program. The District's initial tentative allocation was \$365,636. Therefore, the District expects to receive between \$365,636 and \$500,000 in Year 20 Carl Moyer Program funds from ARB with no additional cost to the District.

ATTACHMENTS:

A – Resolution 2018-02 Year 20 Carl Moyer Program

Attachment A – Resolution 2018-02 Year 20 Carl Moyer Program

**RESOLUTION #2018-02 OF THE BOARD OF DIRECTORS AUTHORIZING
PARTICIPATION IN THE FISCAL YEAR 2017/2018 (ROUND 20) CARL MOYER
MEMORIAL AIR QUALITY STANDARDS ATTAINMENT PROGRAM AND
CONTRIBUTION OF MATCH FUNDING**

WHEREAS, The California Clean Air Act (CCAA) requires the Feather River Air Quality Management District (FRAQMD) to achieve and maintain ambient air-quality standards for pollutants, including those emitted by motor vehicles and stationary equipment; and

WHEREAS, heavy-duty diesel engines are a significant source of air pollutants, especially oxides of nitrogen, reactive organic gases, and particulate matter; and

WHEREAS, the California Air Resources Board (ARB) has further identified fine particulates in the exhaust from diesel engines as a toxic air contaminant; and

WHEREAS, through the ARB, the State of California has adopted the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program); and

WHEREAS, the California Health and Safety Code sections 44275-44299.2 authorizes the ARB to allocate Carl Moyer Program funds to local air districts to provide financial incentives to both the public and private sectors to implement eligible projects to reduce emissions from on-road, marine, locomotive, agricultural, and off-road engines; and

WHEREAS, the FRAQMD has successfully implemented Carl Moyer Program projects in past years to reduce emissions and improve air quality and seeks to continue to reduce emissions through clean air projects; and

WHEREAS California Health and Safety Code section 44287 requires air districts participating in the Carl Moyer Program to provide matching funds, and Carl Moyer Program Guidelines have established a match requirement of 15 percent of State funds received, with an exemption from this requirement for districts receiving the minimum grant award of \$200,000.

NOW, THEREFORE, BE IT RESOLVED, the Feather River Air Quality Management District Board of Directors does hereby approve the FRAQMD's continued participation in the Carl Moyer Program, and the acceptance of funds allocated and awarded to the FRAQMD for eligible projects and program administration, and authorizes the Air Pollution Control Officer (APCO) to execute required documents; and

BE IT FURTHER RESOLVED that the Feather River Air Quality Management District Board of Directors authorizes the APCO to apply to ARB for a grant of up to \$500,000 from the Carl Moyer Program and contribute up to \$75,000 in matching funds from fund #728; and

BE IT FURTHER RESOLVED that the APCO will administer FRAQMD's Carl Moyer Program by publicly announcing program funding availability, establishing FRAQMD's qualifying project criteria, providing public access to application forms and program guidelines, having staff available to assist applicants, accepting applications from private and public entities, processing applications, and by awarding grants in accordance with the Moyer-approved guidelines provided by ARB; and

BE IT FURTHER RESOLVED that the APCO will be responsible for project monitoring and providing state reports regarding grant expenditures and the status of the program upon request by ARB.

PASSED AND ADOPTED by the Feather River Air Quality Management District on February 5, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairman

ATTEST:

APPROVED FOR LEGAL FORM:
