

FEATHER RIVER AIR QUALITY MANAGEMENT DISTRICT  
MEMORANDUM  
04/02/2018

TO: FRAQMD BOARD OF DIRECTORS

FROM: Christopher D. Brown, AICP, APCO

SUBJECT: Approve Resolution #2018-04 authorizing acceptance of a grant up to \$3,000,000 and participation in the Funding Agricultural Replacement Measures for Emissions Reductions (FARMER) Program and authorize the APCO to execute related documents.

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RECOMMENDATION:

Approve Resolution #2018-04 authorizing acceptance of a grant up to \$3,000,000 and participation in the Funding Agricultural Replacement Measures for Emissions Reductions (FARMER) Program and authorize the APCO to execute related documents.

ALTERNATIVES:

Not approve the Resolution and release funding to other air districts.

BACKGROUND:

In September 2017, Governor Brown signed into law Assembly Bill (AB) 134 (Committee on Budget, Chapter 254, Statutes of 2017) and AB 109 (Ting, Chapter 249, Statutes of 2017). Together, these two bills appropriated \$135 million from the State Budget for Fiscal Year (FY) 2017/18 to the California Air Resources Board (CARB) for the reduction of criteria, toxic, and greenhouse gas emissions from the agricultural sector.

The CARB has proposed the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program to implement the funding allocated by AB 134 and AB 109. The CARB will consider adopting the proposed FARMER Program Guidelines at the March 22, 2018 Board Meeting.

## DISCUSSION:

The FARMER Program funding can be expended on agricultural off-road and heavy-duty on-road vehicles, equipment, and engine replacement projects. According to CARB:

*Agricultural Operations means (1) the growing or harvesting of crops from soil (including forest operations) and the raising of plants at wholesale nurseries, but not retail nurseries, or the raising of fowl or animals for the primary reason of making a profit, providing a livelihood, or conducting animal research or instruction by an educational institution, or (2) agricultural crop preparation services such as packinghouses, cotton gins, nut hullers and processors, dehydrators, and feed and grain mills. Agricultural crop preparation services include only the first processing after harvest, not subsequent processing, canning, or other similar activities. For forest operations, agricultural crop preparation services include milling, peeling, producing particleboard and medium density fiberboard, and producing woody landscape materials.*

The main implementation priority for the first year of the FARMER Program is to ensure the funding is spent efficiently and expeditiously. Thus, CARB has recommended the funding go towards project types that have been successfully implemented in other incentive programs, such as the Carl Moyer Program. Project types include, but are not limited to:

- On-road heavy-duty truck replacement and repower projects
- Off-road equipment replacement and repower projects for:
  - Off-road mobile, diesel agricultural equipment
  - Off-road mobile, large spark-ignition (LSI) equipment
  - Agricultural irrigation pump engines

Statewide, the FARMER Program seeks to expend at least 50% of the funding to projects within and benefiting Disadvantaged Communities and 5% of the funding to projects within and benefiting low-income communities, as outlined in AB 1550 and SB 535, based on the maps located at [www.arb.ca.gov/cc/capandtrade/auctionproceeds/lowincomemapfull.htm](http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/lowincomemapfull.htm). Some areas within the District that qualify as either AB 1550 or SB 535 areas and include a large amount of potential FARMER Program projects include the Sutter Basin from Meridian to Robbins and the north-east corner of Live Oak and area extending to the borders with Butte and Yuba counties. Other areas that qualify but may contain less potential agricultural operations and thus funding opportunities under the FARMER Program include: portions of Yuba City, Marysville, Linda and Olivehurst; Beale Air Force Base; and the north-east corner of Yuba County which includes Brownsville and Camptonville.

The CARB has proposed allocating \$2,257,800 to the District. The District is requesting Board authorization up to \$3,000,000 in case of amendments to the initial allocation proposed by CARB.

FISCAL IMPACT:

The adoption of the Resolution to participate in the FARMER Program and accept the funding from CARB would create a fiscal impact in the form of staff time and other project costs such as outreach, printing, and general administrative services to implement the program. These costs may be offset in part or entirely by administrative funding that would accompany the FARMER Program project funding. The CARB has proposed allocating the same percentage as the administrative funding in the Carl Moyer Program (12.5%) or up to \$282,225 at the proposed allocation amount of \$2,257,800, which would be deducted from that amount leaving at least \$1,975,575 available for project funding.

ATTACHMENTS:

Resolution #2018-04

ATTACHMENT

Resolution #2018-04

**RESOLUTION #2018-04 OF THE BOARD OF DIRECTORS AUTHORIZING  
PARTICIPATION IN THE FUNDING AGRICULTURAL REPLACEMENT MEASURES  
FOR EMISSIONS REDUCTIONS (FARMER) PROGRAM**

**WHEREAS**, the State of California adopted Assembly Bill (AB) 134 (Committee on Budget, Chapter 254, Statutes of 2017) and AB 109 (Ting, Chapter 249, Statutes of 2017); and

**WHEREAS**, AB 134 and AB 109 appropriate \$135 million from the State Budget for Fiscal Year (FY) 2017-18 to the California Air Resources Board (CARB) for the reduction of criteria, toxic, and greenhouse gas (GHG) emissions from the agricultural sector; and

**WHEREAS**, the CARB has adopted the Funding Agricultural Replacement Measures for Emissions Reductions (FARMER) Program to achieve emission reductions from the agricultural sector as directed in AB 134 and AB 109; and

**WHEREAS**, the CARB has tentatively allocated \$2,257,800 to FRAQMD to implement the FARMER Program in the district; and

**WHEREAS**, the FARMER Program may fund Carl Moyer Program-eligible agricultural projects, zero-emission agricultural utility terrain vehicles, and additional project categories as approved by the CARB Executive Officer; and

**WHEREAS**, the district has a historically oversubscribed Carl Moyer Program which includes the replacement of off-road agricultural engines and equipment.

**NOW, THEREFORE, BE IT RESOLVED** that the Governing Board of the FRAQMD authorizes participation in the Fiscal Year 17/18 FARMER Program; and

**BE IT FURTHER RESOLVED THAT** the Air Pollution Control Officer (APCO) is authorized to accept a grant disbursement from CARB for the FARMER Program of approximately \$3,000,000 in project and administration funds; and

**BE IT FURTHER RESOLVED THAT** the APCO is further authorized to enter into an agreement with the CARB for implementing the FRAQMD FARMER Program by soliciting projects for funding, performing required inspections, entering into contracts with participants, awarding grants, recording, and reporting in accordance with the FARMER Program Guidelines provided by CARB.

**PASSED AND ADOPTED** by the Feather River Air Quality Management District on April 2, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Chairman

ATTEST:

APPROVED FOR LEGAL FORM:

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