

FEATHER RIVER AIR QUALITY MANAGEMENT DISTRICT
MEMORANDUM
02/27/2017

TO: FRAQMD BOARD OF DIRECTORS

FROM: Christopher D. Brown, AICP, APCO

SUBJECT: Approve the adoption of Resolution #2017-02 to apply to the “Carl Moyer Memorial Air Quality Standards Attainment Program” for fiscal year 2016/17 (Year 19), 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 #2017-02 to apply to the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program) for fiscal year 2016/17 (Year 19), 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 19 is the 2011 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. Other changes are still under development and will be part of a Guidelines revision in 2017.

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 19 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. Over the past few years several local projects have chosen to take advantage of this program. The District used the funding for Carl Moyer Program eligible projects and thus can take credit for them as match funding.

DISCUSSION:

The District’s Year 19 tentative allocation was \$355,087 (\$310,701 Project Allocation and \$44,386 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. Additional funding may become available each year as several smaller districts decline to apply for more than their tentative allocations and instead request the minimum \$200,000. The rest of their tentative allocation is redistributed to districts that request additional funding and have available match funding. If the additional funding is not available or if the ARB selects another district to receive the additional funding, then the District should receive the tentative allocation of approximately \$355,087. The remaining off-site mitigation funding that is not applied as match toward Year 19 can be available to use towards Year 20 match.

Table 1: Tentative vs. Maximum Award

	Tentative Allocation	Maximum Award
Project funding from ARB	\$310,701	\$437,500
Admin funding from ARB	\$44,386	\$62,500
Total from ARB	\$355,087	\$500,000
Match funding from District	\$53,263	\$75,000

Resolution #2017-02 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.

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 19 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 19 Carl Moyer Program. The District's initial tentative allocation was \$355,087. Therefore, the District expects to receive between \$355,087 and \$500,000 in Year 19 Carl Moyer Program funds from ARB with no additional cost to the District.

ATTACHMENTS:

A – Resolution 2017-02 Year 19 Carl Moyer Program

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