

FEATHER RIVER AIR QUALITY MANAGEMENT DISTRICT
MEMORANDUM
10/02/2023

TO: FRAQMD BOARD OF DIRECTORS

FROM: Christopher D. Brown, AICP, APCO

SUBJECT: Approve Resolution #2023-13 authorizing acceptance of a grant up to \$1,000,000 from the California Air Resources Board and participation in the Funding Agricultural Replacement Measures for Emissions Reductions (FARMER) Program Year 6 and authorize the APCO to execute related documents.

RECOMMENDATION:

Approve Resolution #2023-13 authorizing acceptance of a grant up to \$1,000,000 and participation in the Funding Agricultural Replacement Measures for Emissions Reductions (FARMER) Program Year 6 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) an 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 proposed the FARMER Program to implement the funding allocated by AB 134 and AB 109. The CARB adopted the FARMER Program Guidelines at the March 22, 2018, Board Meeting. Table 1 displays the funding years and amounts previously awarded.

Table 1: Past FARMER Grant Funding Totals

Funding Year	Grant Agreement	Funding Amount
Year 1	G17-AGIP-06	\$2,257,800.00
Year 2	G18-AGIP-14	\$2,055,572.00
Year 3	G19-AGIP-11-1	\$916,556.00
Year 4	G21-AGIP-04	\$2,436,800.00
Year 5	G22-AGIP-04	\$1,718,800.00

During the first two funding years of the FARMER Grant Program, the District Board approved transferring FARMER Grant funding to Sacramento Air Quality Management District (SMAQMD) in order to implement an on-road heavy duty agricultural truck grant program for Yuba and Sutter County Residents. In the FARMER funding years that followed, the District did not fund the on-road heavy duty agricultural truck program for Yuba and Sutter County residents due to a decline in funding, eligibility, and level of interest.

DISCUSSION:

The CARB has proposed allocating \$859,400 to the District. The Resolution #2023-13 authorizes acceptance of up to \$1,000,000 in case of amendments to the initial allocation proposed by CARB.

The FARMER Program funding can be expended on agricultural equipment, vehicles, 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 CARB adopted Guidelines for the FARMER Program include 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. 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 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 \$125,000 at the proposed allocation amount of \$1,000,000 which would be deducted from that amount leaving at least \$875,000 available for project funding.

FISCAL IMPACT:

Direct and indirect costs to implement this program were included in the current Fiscal Year Budget.

ATTACHMENTS:

Resolution #2023-13

ATTACHMENT
Resolution #2023-13

RESOLUTION #2023-13 OF THE BOARD OF DIRECTORS AUTHORIZING PARTICIPATION IN THE FUNDING AGRICULTURAL REPLACEMENT MEASURES FOR EMISSIONS REDUCTIONS (FARMER) PROGRAM

WHEREAS, the State of California adopted Senate Bill (SB) 101 (Chapter 12, Budget Act of 2023); and

WHEREAS, SB 101 appropriated \$75 million from the General Fund 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; and

WHEREAS, the CARB has tentatively allocated \$859,400 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 23/24 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 up to \$1,000,000 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 October 2, 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairman

ATTEST:

APPROVED FOR LEGAL FORM:
