

Agenda Date: March 20, 2008  
Agenda Placement: Regular  
Estimated Time: 10 min  
Continued Item: No

## **Board Agenda Item**

TO: Air Pollution Control District Board

FROM: Terry Dressler, Air Pollution Control Officer

CONTACT: Ron Tan, 961-8812

SUBJECT: Carl Moyer Memorial Air Quality Standards Attainment Program- Funding through Fiscal Year (FY) 2015-16

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### **RECOMMENDATION:**

1. Authorize and approve continued Santa Barbara County Air Pollution Control District participation in the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program), as described herein.
2. Certify that your Board has or will provide the necessary District matching funds (not-to-exceed \$123,457) for up to \$800,000 in annual Carl Moyer Program funds from the California Air Resources Board (ARB).
3. Approve a Resolution approving the District's participation in the Carl Moyer Program through FY 2015-16 (Attachment 1) and authorize the Chair of the Air Pollution Control Board to sign both; and
4. Authorize the Air Pollution Control Officer to complete, sign and submit, in the name of the Santa Barbara County Air Pollution Control District, the Program Application and Grant Award and Authorization Form with ARB, and all other necessary documents to implement and carry out the purposes of the approved Resolution.

### **SUMMARY:**

ARB is encouraging participating air districts to have their governing Board approve a multi-year resolution to accept Carl Moyer Program funding. Your Board is requested to approve a resolution authorizing the District's continued participation in the Program funding, commencing in FY2007-08 (Year 10) through FY 2015-16 (Year 15), and provide the necessary matching funds (not-to-exceed \$123,457) for up to a maximum \$800,000 grant that may be available to the District from

Terence E. Dressler • Air Pollution Control Officer

260 North San Antonio Road, Suite A • Santa Barbara, CA • 93110 • [www.sbcpd.org](http://www.sbcpd.org) • 805.961.8800 • 805.961.8801 (fax)

ARB on an annual basis during this period (Attachment 1). The Carl Moyer Program provides grants to qualified applicants in the county to pay for new low emissions engines to replace older polluting diesel engines. District matching funds for the approved period will be taken from the \$2 DMV fee surcharge revenues or alternative ITG revenue designations and will be reviewed by your Board during the budget development process starting with the FY2008-09 APCD budget.

#### DISCUSSION:

The Carl Moyer Program funds the incremental cost of cleaner-than-required engines and equipment for heavy-duty diesel on-and off-road vehicles, marine vessels, locomotives, and stationary agriculture pumps, as well as a program to scrap old higher-emissions vehicles, to achieve emission reductions as early and as cost-effectively as possible. The Governor and State Legislature have approved a substantial increase in funding for the Carl Moyer Program through fiscal year (FY) 2015-2016. For the FY 2007-08 state budget, the ARB has been authorized to expend \$90 million in project funding for Year 10 of the Carl Moyer Program. ARB expects the Program funding level to be about this amount out to 2015. Each year, up to \$800,000 may be available to the Santa Barbara County APCD.

The Carl Moyer Program is one of several revenue sources we use to provide grants to local businesses and other organizations to reduce pollution. ARB administers the Program statewide and must encumber the funds to air districts for each Program solicitation year by the end of ARB's fiscal year (e.g., the proposed Year 10 funds must be encumbered by June 30, 2008). Districts have one year to obligate the funds to projects after being awarded funding by ARB and two years to fully implement the projects.

A participating air district must provide local matching funds to receive state Carl Moyer Program funds. Using a formula developed by ARB, the maximum amount of local matching funds required to receive \$800,000 in Carl Moyer Program funds is \$123,457. Fifteen percent of those matching funds (\$18,518) may be in-kind support and the remainder (\$104,938) must be from the District's budget and directed to projects.

ARB's goal is to approve the local air districts' Carl Moyer Program and obligate state funds to air districts early in January of each funding year. Participating air districts must submit an application package each year, including a program implementation plan and other necessary documents, which must be approved by ARB, and sign a Grant Award and Authorization form with ARB before the state funds can be obligated. A complete application package must include a Board-approved resolution (e.g., see Attachment 1) that:

- States your Board's approval of the District's participation;
- Certifies matching funds (up to \$123,457) necessary to qualify for up to a \$800,000 grant from ARB will be provided each fiscal year; and,
- Designates the person authorized to complete and sign an agreement on your behalf.

Since the Carl Moyer Program is now funded through year 2015, ARB is encouraging participating air districts to have their governing Board approve a multi-year resolution to accept Carl Moyer

Program funding and implement the program consistent with the current Guidelines. A multi-year resolution saves the district from having to draft and pass a new resolution each year. When submitting the district's application to ARB each year, the district may simply include a copy of the multi-year resolution to indicate the resolution is still in force. We recommend that your Board accomplish this by approving the Resolution for participation in the Carl Moyer Program through FY 2015-16 (Attachment 1).

Each year, District staff conducts outreach efforts, after ARB approves and obligates funds to our local program, to solicit qualified projects from public agencies and private heavy-duty operators to obligate and expend these grant funds over the next 24 months, consistent with program requirements. These efforts include using a call for projects process or notices of funding available brochures, similar to the previous Carl Moyer Program solicitations. For Year 10 funding program, and beyond, we will continue to fund cost-effective projects for heavy-duty diesel-powered vehicle and equipment repowers with new low-emission diesel engines, as well as new funding areas allowed by the revised Program Guidelines. These include projects with heavy-duty on-road vehicles, off-road equipment, marine engines, stationary agricultural engines (including diesel-to-electric "zero-emissions" projects), and our very successful Old Car Buy Back Program for scraping older light-duty vehicles in the county. Receiving this Carl Moyer Program funding provides the opportunity to leverage our ITG funds so that additional local emission reduction projects can be implemented

Through the first nine (9) years of the Carl Moyer Program, the District was awarded a total \$3,462,995 in state funds, which was matched by \$1,085,462 in local District matching funds, for a program total of \$4,548,457 (including administration). These grant funds were spent for heavy-duty on-road vehicle repowers (15%), off-road diesel repowers (22.5%), marine engine repowers (28.6%), agricultural pump engine repowers (24%), an old vehicle scrap program (5.7%), and for program administration (4.1%). The total lifetime emission reductions (NO<sub>x</sub>, ROG, and PM<sub>10</sub>) from funded projects are estimated at about 1060 tons for an average cost-effectiveness of about \$4,120/ton emissions reduced. Our current Year 9 program funds are fully encumbered and 91% expended on eligible projects to date.

For the proposed FY2007-08 (Year 10) funding cycle, ARB has allocated \$687,741 in state funding to the District and requires us to provide matching funds of not-to-exceed \$106,133. Air districts with populations of less than 1 million are allowed to use not more than 10% of their Moyer allocation for indirect costs (outreach, staff charges) of implementation of the program. For our District, this administration allowance from state funds amounts to \$68,774 for Year 10.

Staff recommends your Board approve the multi-year resolution authorizing continued participation by our District in the Carl Moyer Program commencing in FY2007-08 until fiscal year 2015-16 (Attachment 1). If the multi-year resolution allowing continued participation is approved, staff will update your Board annually during the application process for the next round of funding in the Carl Moyer Program, prior to ARB's final approval. Your Board would still approve the use of District match funds during the District's budget development process.

Approving the multi-year Resolution out to year 2015 (Attachment 1) allows us to accept up to \$800,000 in state grant funds annually from the Carl Moyer Program and commits us to a not-to-exceed \$123,457 in matching funds annually. Grant funds to meet our matching funds requirement under this program will be taken from the \$2 DMV fee surcharge revenues or alternative ITG revenue designations. The funding and appropriation for Board-approved grants (including individual grant agreements executed by the Control Officer pursuant to delegation authority in Board Resolution No. 02-16) to be issued under this program will be included in the FY 2008-09 budget and in subsequent Board-approved budgets.

**SPECIAL INSTRUCTIONS:**

Please return one fully executed original of the Board Resolution and Minute Order for this item to the contact named above.

Attachment: 1. Board Resolution for participating in the Carl Moyer Program though FY2015-16

## ATTACHMENT 1

RESOLUTION OF THE  
AIR POLLUTION CONTROL DISTRICT BOARD,  
COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA

In the Matter of District Participation in the )  
California Air Resources Board's Carl Moyer)  
Program through Fiscal Year 2015/2016 )

Resolution No.

**RECITALS**

WHEREAS, the Carl Moyer Memorial Air Quality Standards Attainment Program, Health and Safety Code section 44280 et seq., ("Carl Moyer Program") provides for financial incentives to both the public and private sector to develop, commercialize, purchase and use new, cleaner engine technology needed to decrease emissions from diesel powered heavy-duty engines through fiscal year 2015-16; and

WHEREAS, Part 5 of Division 26 of the Health and Safety Code, Section 44284, requires that the California Air Resources Board provide funds to air pollution control districts and air quality management districts that have developed local Carl Moyer Programs, in accordance with California Air Resources Board guidelines, for providing incentives for cleaner heavy duty diesel engines throughout the State of California; and

WHEREAS, Part 5 of Division 26 of the California Health and Safety Code Section 44287, authorizes the California Air Resources Board to provide an air district with funds if that district provides match funds in an amount established by the California Air Resources Board; and

WHEREAS, the California Air Resources Board has encouraged air pollution control districts and air quality management districts to obtain multi-year Carl Moyer Program grant authorizations from their governing Boards; and

WHEREAS, the Santa Barbara County Air Pollution Control District (District) has and continues to develop and implement a local Carl Moyer Program for providing financial incentives to both the public and private sector to develop, commercialize, purchase and use new, cleaner engine technology needed to decrease emissions from on- and off-road, marine, agricultural, and other types of diesel powered heavy-duty engines, as well as a light duty vehicle scrap program.

**NOW, THEREFORE, IT IS HEREBY RESOLVED THAT:**

- 1) The Board hereby approves the District's participation in the California Air Resources Board's Carl Moyer Program and approves the submission of the Program Application

and Grant Award and Authorization Form for each program solicitation year to the California Air Resources Board through fiscal year 2015/2016;

2) The Board hereby certifies that it will provide the required matching funds (not-to-exceed \$123,457) necessary to qualify for a not-to-exceed \$800,000 annual grant in Carl Moyer Program funds from the California Air Resources Board through fiscal year 2015/2016; and

3) The Air Pollution Control Officer is hereby authorized and empowered to complete, sign, and submit in the name of the Santa Barbara County Air Pollution Control District the Program Application and Grant Award and Authorization Form, which are attached as Attachment A, in an amount not to exceed \$800,000 annually with the California Air Resources Board, through fiscal year 2015/2016, and all other necessary documents to implement and carry out the purposes of this resolution.

**PASSED AND ADOPTED** by the Santa Barbara County Air Pollution Control District Board, County of Santa Barbara, State of California, this \_\_\_\_\_ th day of \_\_\_\_\_, 2008, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

**ATTEST:**

Clerk of the Board

By \_\_\_\_\_  
Deputy

\_\_\_\_\_  
Chair, Santa Barbara County Air  
Pollution Control District, State of  
California

**APPROVED AS TO FORM:**

DANIEL J. WALLACE  
SANTA BARBARA COUNTY COUNSEL

By: William M. Wilson  
Deputy  
Attorneys for the Santa Barbara County  
Air Pollution Control District

ROBERT W. GEIS  
AUDITOR CONTROLLER

By: [Signature]

## ATTACHMENT A



**CARL MOYER MEMORIAL AIR QUALITY STANDARDS ATTAINMENT PROGRAM**  
**FISCAL YEAR \_\_\_\_\_ (YEAR \_\_) APPLICATION**

**1. APPLICANT DISTRICT**

District Name \_\_\_\_\_  
Street Address \_\_\_\_\_  
City/Zip \_\_\_\_\_  
Contact Person \_\_\_\_\_  
Phone \_\_\_\_\_ Email Address \_\_\_\_\_

**2. CARL MOYER PROGRAM FUNDING REQUESTED**

Check one box. If box 2c or 2d is checked, complete the requested amount.

- ☐ a. District requests the minimum allocation of \$200,000
- ☐ b. District request the minimum allocation and authorizes the funds be encumbered to the Pooled Rural District Program
- ☐ c. District requests the tentative allocation (Table 1 or 2) of \_\_\_\_\_
- ☐ d. District requests, and has match for, up to \_\_\_\_\_
- ☐ e. District declines the funds for Year 10

**3. DISTRICT MATCHING FUNDS**

**a. District funds already obligated for projects**

Attach detailed project descriptions, by entering information into the Carl Moyer Program database, to document the projects qualified as Carl Moyer Program match funding.

**b. District funds for future match**

(Specify funds by type and amount)

Motor Vehicle Registration Fee Funds \_\_\_\_\_

Other (specify type) \_\_\_\_\_

\_\_\_\_\_

Admin (in-kind) \_\_\_\_\_

**Total district funds for future match** \_\_\_\_\_

**4. BOARD RESOLUTION**

Check one box. If box 4b is checked, complete the date.

- ☐ a. This application has been duly approved and authorized by the governing board of the applicant, as specified in the attached resolution.
- ☐ b. This application is scheduled to go before the district board on \_\_\_\_\_ (date)

**5. DISTRICT**

To the best of my knowledge and belief, the information in this application is true and correct.

\_\_\_\_\_  
APCO Signature

\_\_\_\_\_  
Typed Name

\_\_\_\_\_  
Date

**Carl Moyer Memorial Air Quality Standards Attainment Program**  
**GRANT AWARD & AUTHORIZATION FORM**  
Fiscal Year: \_\_\_\_\_

Your FY \_\_\_\_\_ application for Carl Moyer Program funds has been approved as follows:

**District:**

**Grant Award:**

**Required Match Amount:**

**Grant Number:**

You are authorized to administer a local program according to the requirements described in the following documents, which are attached and incorporated as part of this grant:

Completed Application to Administer Program (Attachment A)  
Carl Moyer Program Guidelines (Attachment B)  
Contacts (Attachment C)  
Grant Disbursement Request (Attachment D)

The undersigned parties agree to the terms and conditions as set forth in this grant. The undersigned parties certify under the penalty of perjury that they are duly authorized to bind the parties to this grant.

**California Air Resources Board:**

**District:**

\_\_\_\_\_  
**Signature of Authorized Official**

\_\_\_\_\_  
**Signature of Authorized Official**

Name: Marie LaVergne

Title: Administrative Services Division Chief

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_