

Agenda Date: May 20, 2010
Agenda Placement: Administrative
Estimated Time: N/A
Continued Item: No

Board Agenda Item

TO: Air Pollution Control District Board

FROM: Terry Dressler, Air Pollution Control Officer

CONTACT: Jim Fredrickson, Emission Inventory/Planning Specialist III (961-8892)

SUBJECT: Old Car Buy Back Program

RECOMMENDATION:

1. Authorize the Air Pollution Control Officer to increase the funding amount for the Old Car Buy Back Program by \$150,000, with the option of an additional \$100,000 increase, if community interest justifies it.

SUMMARY:

The Santa Barbara Air Pollution Control District (APCD) has successfully implemented several Old Car Buy Back (OCBB) programs since the early 1990's, including our current program, which was approved by your Board on March 16, 2006. There has been remarkable community interest in this program over the past four years. As of April 1, 2010 the APCD has retired 1,395 vehicles (averaging about one car/day), resulting in the reduction of almost 50 tons of ozone precursors nitrogen oxides and reactive organic compounds, at an average cost-effectiveness of \$10,374/ton.

Staff recommends that your Board authorize the Air Pollution Control Officer (APCO) to approve additional program funding of \$250,000; (\$150,000 to start, with an option for an additional \$100,000 if program interest justifies the funding increase). The current program budget of \$1,500,000 would be raised to \$1,750,000. This funding increase is structured similar to the six previous APCD Board actions of March 16, 2006, June 15, 2006, March 15, 2007, May 15, 2008, January 15, 2009, and June 18, 2009. By proactively obtaining additional funding allocations, this will ensure that the program is able to continue serving the public without interruption.

DISCUSSION:

The goal of the Old Car Buy Back program, also known as a Voluntary Accelerated Vehicle Retirement program or “scrap” program, is to increase the rate of fleet turnover rate by retiring older, high polluting vehicles prior to the end of their expected lifetime, thereby eliminating air pollution emissions associated with their operation. Real emission reductions can be achieved from this strictly voluntary program as the target vehicles are still fully operational and therefore have some useful life remaining. Vehicles meeting the eligibility requirements of the program must be retired by dismantling the vehicle and rendering it unusable.

Table 1 summarizes all funding increases your Board has approved since March 16, 2006.

As of April 1, 2010 the APCD has retired 1,395 vehicles, (as shown in Table 2), resulting in the reduction of almost 50 tons of ozone precursors (NO_x + ROG), with the average model year of 1984 at an average cost-effectiveness of \$10,374 per ton of NO_x, ROG and PM reduced.

To ensure that the program is able to continue serving the public without interruption, staff recommends your Board authorize the APCO to approve additional program funding of \$250,000 (\$150,000 to start and an option for an additional \$100,000, if program interest justifies the funding increase). This proactive measure is structured similar to all previous Board actions and will bring the total funding allocation for this program to \$1,750,000. Any program funding increases will be authorized through written notice and the concurrence with the grantee, (e.g., Attachment 1), and will be included as an administrative agenda item in the subsequent Board meeting.

Currently, the APCD operates the Old Car Buy Back Program following the California Air Resource Board’s Carl Moyer Program 2008 Guidelines. The Carl Moyer Program 2008 Guidelines were recently modified on March 25, 2010 by the Air Resources Board to raise the cost effectiveness threshold from \$16,000/ton to \$16,400/ton. The APCD will be implementing the Old Car Buy Back Program consistent with the recently amended Carl Moyer guidelines.

FISCAL IMPACT

Funding and appropriations for this program are in the APCD FY09-10 budget, will be in the FY10-11 budget, and will come from either the Carl Moyer Program or the Department of Motor Vehicle surcharge fees.

TABLE 1

Old Car Buy Back Program Budget

Date	Incremental Fund Amount	Cumulative Grant Budget	Description of Action Taken
03/16/2006	\$150,000	\$150,000	APCD Board approved original grant for \$150,000 with an additional \$100,000 increase if justified by community interest
05/15/2006	\$100,000	\$250,000	Community interest justified need for \$100,000 program increase
06/15/2006	--	--	\$250,000 expended. APCD Board approved \$150,000 increase with potential for additional \$100,000 increase if justified by community interest
07/25/2006	\$150,000	\$400,000	Community interest justified need for \$150,000 program increase
01/02/2007	\$100,000	\$500,000	Community interest justified need for \$100,000 program increase
03/15/2007	--	--	\$500,000 expended. APCD Board approved \$150,000 increase with potential for additional \$100,000 increase if justified by community interest
04/27/2007	\$150,000	\$650,000	Community interest justified need for \$150,000 program increase
11/02/2007	\$100,000	\$750,000	Community interest justified need for \$100,000 program increase
05/15/2008	--	--	\$750,000 expended. APCD Board approved \$150,000 increase with potential for additional \$100,000 increase if justified by community interest
05/19/2008	\$150,000	\$900,000	Community interest justified need for \$150,000 program increase
12/03/2008	\$100,000	\$1,000,000	Community interest justified need for \$100,000 program increase
01/15/2009	--	--	\$1,000,000 expended. APCD Board approved \$150,000 increase with potential for additional \$100,000 increase if justified by community interest
01/20/2009	\$150,000	\$1,150,000	Community interest justified need for \$150,000 program increase
05/08/2009	\$100,000	\$1,250,000	Community interest justified need for \$100,000 program increase
06/18/2009	--	--	\$1,250,000 expended. APCD Board approved \$150,000 increase with potential for additional \$100,000 increase if justified by community interest
08/04/2009	\$150,000	\$1,400,000	Community interest justified need for \$150,000 program increase
02/05/2010	\$100,000	\$1,500,000	Community interest justified need for \$100,000 program increase
Total		\$1,500,000	Program budget to date



TABLE 2

Vehicles Retired

	2006	2007	2008	2009	2010
January		34	20	52	24
February		35	16	40	14
March		24	20	33	17
April		38	24	35	
May	94	18	21	33	
June	63	24	14	47	
July	48	20	15	40	
August	36	16	17	33	
September	38	18	18	29	
October	27	27	22	23	
November	28	22	62	18	
December	23	16	37	22	
Annual Total	357	292	286	405	55
Monthly average/year	45	24	23	34	18
Total vehicles retired since May 2006					1,395
Overall Monthly Average					29.7

ATTACHMENT 1

February 5, 2010

Mr. Antoine Assioun
Environmental Engineering Studies
7981 Paseo Membrillo
Carlsbad, CA 92009

Subject: Old Car Buy Back Program Funding Increase (AP050613)

Dear Mr. Assioun:

The purpose of this letter is in response to continued community interest in the Santa Barbara County Air Pollution Control District's (APCD) Old Car Buy Back Program. As you are aware, the program, which officially began on May 1, 2006, has retired 1,364 eligible vehicles. The current program amount of \$1,400,000 will retire 1,397 vehicles, and as we approach this number we would like to take proactive measures to ensure that the program is able to continue without interruptions due to delays in funding allocations.

Condition 3, Grant Funding, of Grant Agreement AP050613, dated March 16, 2006, between the APCD and Environmental Engineering Studies (EES) authorized the Air Pollution Control Officer (APCO), upon written notice and with your concurrence, to increase the grant funding from the original amount of \$150,000 up to \$250,000. Additional program funding increases were approved by the APCD Board on June 15, 2006, March 15, 2007, May 15, 2008, and January 15, 2009. These Board actions authorized the APCO to increase program funding based on community interest in a manner similar to that of the original grant.

On June 18, 2009, the APCD Board approved a \$150,000 funding increase that raised the Old Car Buy Back program budget to \$1,400,000, with an additional funding increase of \$100,000 available (\$1,500,000), if community interest justified the need for it. The \$150,000 funding increase was implemented on August 4, 2009. At this time, based on community interest, I am increasing the program funding by an additional \$100,000, which will extend the program budget to \$1,500,000.

Refer to Table 1 for a summary of the program budget increases and actions taken to date.

ATTACHMENT 1

Table 1: Old Car Buy Back Program Budget

Date	Incremental Fund Amount	Cumulative Grant Budget	Description of Action Taken
03/16/2006	\$150,000	\$150,000	APCD Board approved original grant for \$150,000 with an additional \$100,000 increase if justified by community interest
05/15/2006	\$100,000	\$250,000	Community interest justified the need for \$100,000 program increase
06/15/2006	\$150,000	\$400,000	\$250,000 expended. APCD Board approved \$150,000 increase with potential for additional \$100,000 increase if justified by community interest
01/02/2007	\$100,000	\$500,000	Community interest justified the need for \$100,000 program increase
03/15/2007	\$150,000	\$650,000	\$500,000 expended. APCD Board approved \$150,000 increase with potential for additional \$100,000 increase if justified by community interest
11/02/2007	\$100,000	\$750,000	Community interest justified the need for \$100,000 program increase
05/15/2008	\$150,000	\$900,000	\$750,000 expended. APCD Board approved \$150,000 increase with potential for additional \$100,000 increase if justified by community interest
12/03/2008	\$100,000	\$1,000,000	Community interest justified the need for \$100,000 program increase
01/15/2009	\$150,000	\$1,150,000	\$1,000,000 expended. APCD Board approved \$150,000 increase with potential for additional \$100,000 increase if justified by community interest
05/08/2009	\$100,000	\$1,250,000	Community interest justified the need for \$100,000 program increase
06/18/2009	\$150,000	\$1,400,000	\$1,250,000 expended. APCD Board approved \$150,000 increase with potential for additional \$100,000 increase if justified by community interest
02/05/2010	\$100,000	\$1,500,000	Community interest justified the need for \$100,000 program increase
Total		\$1,500,000	

Pursuant to the action taken by the APCD Board on June 18, 2009, and your correspondence on January 30, 2010, confirming your continued operation of the program, the APCD will now increase your grant funding an additional \$100,000 from its current amount of \$1,400,000 to \$1,500,000. This letter will constitute the required written notice. If you have any questions, please contact Jim Fredrickson, at (805) 961-8892.

Sincerely,

Terry Dressler
Air Pollution Control Officer

cc: Linda Alexander, APCD
Jim Fredrickson, APCD