

LAKE COUNTY AIR QUALITY MANAGEMENT DISTRICT

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-MEMORANDUM-

To: Board of Directors
Jeff Smith, Chair
Rob Brown
Moke Simon
Tina Scott
Jim Steele

DATE: June 7, 2017

FROM: Douglas Gearhart, APCO

SUBJECT: Sitting as LCAQMD BOD Agenda Item: Request to authorize the APCO to sign and submit an application for Carl Moyer Program Year 19 funding and sign all other program documents.

The Carl Moyer Memorial Air Quality Standards Attainment Program (CMP) was established in 1998 as a grant program to fund the incremental cost of cleaner-than-required heavy-duty engines. The program now includes the reduction of particulate matter (PM) emissions and reduction of reactive organic gases (ROG), and originally targeted the reduction of oxides of nitrogen (NOx) emissions. The grant funding originates from fees on tire sales, car sales, and smog check fees.

The CMP has historically been, and continues to be, an overly paper heavy and legalistic process to implement and administer. Ongoing obligations to monitor the funding contracts could become a significant resource demand. Due to the extensive auditing and reporting requirements imposed by the ARB, District staff is reviewing projects as a pre-approval screening prior to requesting funds from the State. With changes in the program requirements, we are able to fund school bus projects more easily and a few other project categories have been simplified and we anticipate some projects moving forward that had previously been deemed not cost effective. as such we will evaluate the delayed funding requests to minimize delays in project approvals.

Districts, such as the LCAQMD, with a population less than 1% of the state total population are eligible for a Matching Fund Waiver and program funding of up to \$200,000. The present program guidelines state in part that *"Each district requesting an allocation shall submit a resolution from the district's board. The board resolution must state that the district will accept Carl Moyer Program funds (It is not necessary to specify the amount of programs funds in the resolution); implement the program according to the laws and guidelines of the program; and,*

designate someone with authority to sign program documents on behalf of the board.” The attached resolution for your consideration is intended to comply with this requirement. The guidelines have been updated incorporating additional requirements, program clarifications, and 12.5% administrative charge by the District.

Presently the program remains complicated and has extremely specific statewide guidelines. The ARB continues to require a contract for the individual grants and typically 5 to 7 years of follow up reporting. The guidelines have made qualifying for some projects difficult for both proponent and the District except school buses, emergency response vehicles, and a few other project categories.

The LCAQMD has received twelve previous grant awards. Some funds in recent years have been under utilized funds, and remaining funds were transferred to the North Coast AQMD to offset a School Bus Project in Lake County and to other projects where the operators that may do business within Lake County. We currently have full Year 17 and 18 funds available as well. If we fail to timely apply for the grant funds or do not timely expend funds (within 2 years of disbursement and an additional 2 years to liquidate), the funds allocated to Lake County must be returned to the State and will be reallocated to other areas of the state.

Recommendation: That the Board of Directors adopts the attached resolution authorizing the APCO to sign and submit the application for Year 19 funding and all other program documents.

Further, that public agencies be given priority for funding, followed by projects that convert diesel engines to a non-combustion source, then all other projects will be considered on a first come first serve basis.

DG/EK

Att: Proposed Resolution