

SACRAMENTO METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT

For Agenda of August 24, 2006

To: Board of Directors
Sacramento Metropolitan Air Quality Management District

From: Larry Greene
Air Pollution Control Officer

Subject: Senate Bill 225 (Soto) Carl Moyer Program

Recommendation

Endorse CAPCOA-supported amendments proposed for Senate Bill 225 (Soto) and authorize the Air Pollution Control Officer to initiate a program with the Bay Area Air Quality Management District (BAAQMD) to fund projects that benefit BAAQMD and this District.

Purpose

The amendments correct legislative errors in the Moyer allocation formula, index the cap on cost effectiveness to ensure that inflation does not prevent eligible projects from being funded, change the PM portion of the formula, and improve the ability of local air districts to recover costs associated with implementing the Moyer program.

Background

Owing to a technical error in writing the legislative language for the formula allocation, for a number of years nearly all local air pollution control districts have either received more, or less, Moyer funding than was allocated. SB225 corrects that error. Other provisions regarding administrative fees will enable SMAQMD (District) to reduce the use of other district funds to administer the Moyer program.

Moreover, the PM standard the formula is based on is being rescinded by EPA. CAPCOA selected the best state estimate of diesel PM emissions in each county to include as a new formula element. This change more fairly distributes diesel risk across the state and results in a small reduction in the Sacramento allocation.

Fiscal Impacts of SB225

The estimated impacts of these amendments are as follows:

- The District would lose \$504,355 of its \$4,741,500 million annual Moyer budget under the revised Moyer formula. The formula change does not affect the Moyer funding we receive from the additional \$2 the Board approved from the DMV surcharge (approximately \$2 million per year)
- There would be no change to the allocations the District received under the existing formula in prior years.
- The change to the PM emissions portion of the formula will result in a loss of \$138,130.
- Changes to the administrative allocation in the bill would allow the District to access an additional \$160,000 of its annual Moyer budget to administer the program. This will release a like sum of funding back to the DMV program for use in other programs at the Districts discretion.
- Our partner districts would gain funding (Yolo-Solano, +\$55,000; Placer, +\$50,000) or lose funding (El Dorado, -\$12,000). This net \$93,000 gain for the region flows into the Moyer account administered by SMAQMD, offsetting some of the loss under the formula change.

Additionally, District staff has outlined an agreement with BAAQMD (a “winner” under the new, corrected funding formula) that, subject to your approval, would result in BAAQMD investing \$500,000 per year in Moyer projects that directly benefit both our regions. We would also invest \$500,000 in similar projects. Accessing these funds in a joint program would fully offset the loss to our region from the bill and would continue the pattern of cooperation between our districts evidenced in the past several years.

Next Steps

Upon Board approval of the attached resolution, staff will work with CAPCOA to bring this legislation to a successful conclusion.

Respectfully submitted by,

Larry Greene
Air Pollution Control Officer/Executive Director

Reviewed by,

Kathrine Pittard
District Counsel