

SACRAMENTO METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT

For the Agenda of: January 26, 2006

To: Board of Directors
Sacramento Metropolitan Air Quality Management District

From: Larry Greene
Air Pollution Control Officer

Subject: Resolution Authorizing the Air Pollution Control Officer to Execute Funding Agreements with School Districts in Sacramento County

Recommendation

Approve the attached resolution and authorize the Chair of the Board of Directors to sign it on behalf of the Sacramento Metropolitan Air Quality Management District (District):

The purpose of this resolution is to:

1. Authorize the Air Pollution Control Officer (APCO) to execute funding agreements with multiple Sacramento County school districts totaling up to \$456,000, to be funded by monies received in Round 3 of the California Air Resources Board (CARB) Lower Emission School Bus Retrofit Program. The agreements will fund the purchase, installation, and maintenance of CARB verified Level 3 retrofit devices on diesel school buses. A sample format agreement is attached.
2. Direct the Clerk of the Board to transmit fully executed documents to concerned parties.
3. Authorize the amendment to the District's 2005-06 budget by \$456,000
4. Authorize and direct the Air Pollution Control Officer to take all steps necessary to carry out the provisions of this resolution.

Authority

Health and Safety Code Section 40961 identifies the District as the local agency within the boundaries of the Sacramento district with the primary responsibility for the development, implementation, monitoring, and enforcement of air pollution control strategies, clean fuel programs, and motor vehicle use reduction measures.

Health and Safety Code Section 41062(a) directs the district to develop air quality improvement strategies that include demonstration programs and incentives to encourage the use of control measures providing equivalent emission reductions within the District.

Under Health and Safety Code Section 41082, the District may undertake programs which may include financial assistance to fleet operators for the purchase, conversion, or operation of low-

emission motor vehicles, financial assistance or other incentives to encourage the sale and distribution of clean burning fuels.

The District is authorized by Health and Safety Code Sections 41062(a) and 41082 to implement programs to reduce transportation emissions, including programs to encourage the use of alternative fuels and low-emission vehicles.

Background

In October 2000 the California Air Resources Board adopted the Diesel Risk Reduction Plan (DRRP), which identified diesel particulate matter from diesel-fueled engines as a toxic air contaminant (TAC). This plan represents CARB's programmatic approach to significantly reduce diesel PM emissions. The Lower Emission School Bus Program is one of the programs developed by CARB under the DRRP. CARB allocates funds to the several air districts to implement the school bus program within their regions.

The District previously received two funding allocations during Rounds 1 and 2 of CARB's Lower Emission School Bus Retrofit Program's funding cycle. In January, 2001, we received \$440,000, which was used to fund CARB-verified Level 3 diesel particulate filters and a portion of the ultra low sulfur diesel (ULSD) fuel for 55 school buses operating in Sacramento County. In September, 2001, we received an additional \$140,000 to fund CARB-verified particulate filters. Because ULSD was available in limited quantities in northern and central California, most of the funds from these areas were returned to CARB for distribution to Southern California.

At present, ULSD fuel and retrofit technologies are widely available within Sacramento County.

Previous Actions

On February 5, 1998, your Board approved Resolution No. 98-0007, which authorized the creation of the Heavy Duty Low Emission Vehicle Incentive Program (HDLEVIP) for the purpose of reducing emissions from heavy-duty mobile sources within the Sacramento Federal Nonattainment Area. The school bus program is one element of the HDLEVIP. The Heavy-Duty Program was later amended on April 26, 2001 (Resolution No. 2001-020) and April 28, 2005 (Resolution No. 2005-031), to authorize the APCO to make minor changes to the program and to authorize the APCO to approve projects totaling less than \$250,000 without Board action.

In addition, as discussed above, in January, 2001 this Board approved Resolution No. 2001-2008 authorizing the District to administer the \$440,000 received from CARB under the CARB Lower Emission School Bus Program, and in September 2001, the Board approved Resolution No. 2001-045, which authorized the APCO to administer another \$140,000 under the program.

Description

The District is requesting Board approval to distribute \$456,000 in funds received during Round 3 of the CARB Lower Emission School Bus Retrofit Program funding cycle. The funds from

this allocation will be used to retrofit Sacramento County public in-use diesel school buses with CARB-verified Level 3 technologies. Grant project dates are from November 1, 2005 to June 30, 2007.

The District will distribute these funds through a Request for Proposals to the school districts.

Fiscal Impact

This project will be 100 percent funded by the CARB grant. The Budget Amendment will increase both Revenues and Expenditures by \$456,000.

Attachments

Attachment A -- Grant Agreement with California Air Resources Board

Respectfully submitted,

Larry Greene
Air Pollution Control Officer

Approved to as form:

Kathrine Pittard
District Counsel