

BOARD MEETING DATE: December 4, 2015

AGENDA NO. 33

PROPOSAL: Implement Enhanced Fleet Modernization Program in Clean Communities Pilot Study Communities under U.S. EPA Targeted Air Shed Grant, Amend Contract for Commercial Electric Lawn Mowers, and Reallocate Funding for Existing Targeted Air Shed Grant Program

SYNOPSIS: The Board previously approved funding allocations from U.S. EPA's Targeted Air Shed Grant Program for \$2.9 million to implement incentive programs to reduce criteria pollutant emissions in the two Clean Communities Plan pilot areas of Boyle Heights and San Bernardino. Board approval is being requested to reallocate funding for current programs; and to allocate the remaining U.S. EPA Targeted Air Shed Grant funds to implement an additional program for eligible low-income residents in and around Boyle Heights and the City of San Bernardino environmental justice communities. This action is to: 1) allocate \$800,000 from the Advanced Technology, Outreach and Education Fund (17) for vehicle replacement vouchers under the Enhanced Fleet Modernization Program (EFMP) Plus-Up program; 2) authorize the Executive Officer to approve vouchers to program participants in and around the Boyle Heights and City of San Bernardino communities; 3) authorize the Executive Officer to purchase commercial electric lawnmowers for the City of Colton and Colton Unified School District through an existing contract with Mean Green Products, LLC at a not-to-exceed amount of \$60,000 to be paid with Targeted Air Shed Grant funds from Fund 17; 4) reallocate funding for existing Targeted Air Shed Grant programs previously approved by the Board; and 5) authorize the Executive Officer to redistribute funds among Targeted Air Shed Grant programs approved by the Board based on demand, including funding for EFMP Plus-Up vouchers.

COMMITTEE: No Committee Review

RECOMMENDED ACTIONS:

1. Allocate \$800,000 from the Advanced Technology, Outreach and Education Fund (17) for vehicle replacement vouchers to assist in implementing the Greenhouse

Gas Reduction Fund EFMP Plus-Up element of the Enhanced Fleet Modernization Program;

2. Authorize the Executive Officer to approve vouchers to EFMP Plus-Up participants in an amount not-to-exceed \$800,000 from the Advanced Technology, Outreach and Education Fund (17), for approximately 160 replacement vehicles (additional vouchers will depend on voucher monetary level provided to each eligible applicant and remaining funds after other Air Shed Grant programs are implemented);
3. Authorize the Executive Officer to purchase commercial electric lawnmowers for the City of Colton and Colton Unified School District through an existing contract with Mean Green Products, LLC at a not-to-exceed amount of \$60,000 to be paid from the Targeted Air Shed Grant fund, Fund 17;
4. Reallocate funding for existing Targeted Air Shed Grant programs previously approved by the Board to address program needs in accordance with Table 1 in this letter; and
5. Authorize the Executive Officer to reallocate funds, in accordance with the SCAQMD Procurement Policy and Procedures, among the Targeted Air Shed Grant programs, approved by the Board based on demand, including funding for EFMP Plus-Up vouchers up to a total amount of \$25,000.

Barry R. Wallerstein, D.Env.
Executive Officer

PF:SN:MM

Background

On March 4, 2011, the Board approved funding allocations from U.S. EPA's Targeted Air Shed Grant Program for \$2.9 million for eight incentive programs to implement programs for reduction of toxic air contaminants and criteria air pollutants in the two Clean Communities Plan pilot areas of Boyle Heights and San Bernardino. Over the duration of this grant, the Governing Board has approved several modifications to programs under the Targeted Air Shed Grant. There is approximately \$800,000 remaining in the Targeted Air Shed Grant, which will end on February 28, 2016. Staff is continuing to implement numerous programs under this Grant: weatherization of homes, funding aqueous brake cleaners for auto repair shops, commercial electric lawn mowers, and replacement of wood burning stoves and fireplaces with gas logs. However, implementation of these programs alone will not exhaust the remaining funds.

Proposal

Staff is proposing that funds of \$800,000 available in the U.S. EPA Targeted Air Shed Grant be used to augment the EFMP Plus-Up element of the EFMP to assist eligible low income residents in and around the Boyle Heights and the City of San Bernardino

communities in the purchase of an advanced technology vehicle such as dedicated battery electric or plug-in hybrid electric vehicle. Under the EFMP, eligible low income residents may receive up to \$9,500 for an advanced technology vehicle (up to \$4,500 from the AB 118 EFMP and up to \$5,000 from the Greenhouse Gas Reduction Fund EFMP Plus-Up element). Staff is proposing to use the remaining Targeted Air Shed Grant funds to cover the \$5,000 per vehicle portion of the program. The total amount of money that would be reallocated from other programs under the Targeted Air Shed Grant will be \$800,000, which will allow funding of approximately 160 vehicles (the total number of vehicles will depend on eligible income levels). Staff has identified at least 160 applicants living in and around the Boyle Heights and City of San Bernardino communities that can participate under the U.S. EPA funding. SCAQMD staff is working with U.S. EPA regarding approval to use these funds for the EFMP Plus-Up vouchers. This program will provide significant assistance to program participants to complete the transactions.

The action is also to authorize the Executive Officer to approve vouchers to program participants identified in and around the Boyle Heights and City of San Bernardino communities, \$800,000 from the Advanced Technology, Outreach and Education Fund (17) to help fund approximately 160 replacement vehicles (the actual number will depend on the face value of the voucher issued for the EFMP Plus-Up portion of the voucher and remaining funds after other Air Shed Grant programs are implemented).

As shown in Table 1, staff is also recommending to reallocate less funds towards Air Filtration in Schools, Architectural Coating Rebates, Boiler Efficiency Upgrades, Weatherization of Homes, and Wood Stove/Fireplace Gas Log Replace programs. Table 1 shows the funding that the Board has previously allocated and the expenditures-to-date for the Targeted Air Shed Grant. Staff has been working with auto repair shops in Boyle Heights and San Bernardino to fund aqueous brake cleaners and is proposing to allocate an additional \$48,000 to increase the reallocation to approximately \$63,000 for this program. During implementation of the Commercial Electric Lawn Mowers, the U.S. Forest Services opted out of the program leaving approximately \$60,000 in this program. Staff is proposing to amend the sole source contract that the Board approved in 2014 with Mean Green Products, LLC to fund commercial electric lawn mowers for the City of Colton and Colton Unified School District such that there would be no change in the allocation of funds for this program. Due to the uncertainty of the actual demand for these programs, staff is proposing that the Board authorize the Executive Officer to reallocate up to \$250,000 from the Targeted Air Shed Grant funds within these programs including funding for EFMP vouchers as needed to ensure the \$2.9 million is fully utilized before the end of the grant on February 28, 2016.

Table 1. U.S. EPA Targeted Air Shed Grant Fund Project Expenditures

Program	Board Approved Funding	Completed and/or Allocated¹	Requested Revised Funding²	Requested Funding Change³
Air Filtration in Schools	\$728,123	\$528,798	\$528,798	-\$199,325
Architectural Coating Rebates	\$100,000	\$9,369	\$9,369	-\$90,631
Auto Refinishing Spray Equipment	\$15,000	\$14,628	\$14,628	-\$372
Boiler Efficiency Upgrades	\$400,000	\$100,000	\$100,000	-\$300,000
Commercial Green Cleaners	\$10,000	\$0	\$0	-\$10,000
Cordless Electric Yard Equipment	\$820,000	\$777,146	\$777,146	-\$42,854
Commercial Electric Lawn Mowers ⁴	\$414,838	\$414,838	\$414,838	\$0
Aqueous Brake Washers for Auto Repair	\$15,000	\$15,000	\$63,089	+\$48,089
Weatherization of Homes	\$150,000	\$2,000	\$4,000	-\$146,000
Wood Stove/Fireplace Gas Log Buy Down	\$300,000	\$21,255	\$26,255	-\$273,745
Enhanced Fleet Modernization Program	---	---	\$800,089	+\$800,000
Administrative	\$175,000	\$175,000	\$175,000	\$0
Totals:	\$2,913,123	\$2,058,034		

¹ Includes monies that have been spent or have been funded through a contract and are anticipated to be spent.

² Amount of funding requested for each program based on “Completed and/or Allocated” and implementation of programs through the end of the Targeted Air Shed Grant which is February 28, 2016.

³ Represents the requested change in funding between the “Board Approved Funding” and the “Requested Revised Funding”

⁴ Staff is proposing to amend the contract with Mean Green Products to direct funds to purchase commercial electric lawn mowers for the City of Colton and Colton Unified School District for \$59,838.

Benefits to SCAQMD

U.S. EPA Grant funds would only be used towards the purchase of a plug-in hybrid or battery-electric vehicle. All-electric vehicles are 95 percent to 97 percent less polluting than gasoline-powered vehicles they will be replacing. The proposal supports the implementation of the Clean Communities Plan to identify strategies to reduce emissions and exposure to criteria and toxic pollutants and ultrafine PM, help residents accelerate clean air efforts in these communities, and help offset the costs of pollution reduction strategies while also promoting more liveable neighborhoods. Additional progress will be made in reducing emissions from light- and medium-duty vehicles by incentivizing the turnover of high-emitting vehicles with cleaner, more efficient ones. Money from the Targeted Air Shed Grant will allow more applicants to receive funding. In addition, reallocating additional funds for Aqueous Brake Cleaners for Auto Repair will help auto repair shops in Boyle Heights and San Bernardino replace high VOC aerosol brake cleaners with aqueous brake washers.

Resource Impacts

Funding will be provided under the U.S. EPA Targeted Air Shed grant program recognized by the Governing Board on March 4, 2011.