

BOARD MEETING DATE: November 1, 2019

AGENDA NO. 6

**PROPOSAL:** Approve Additional Funds for Replacement of Onboard CNG Fuel Tanks on School Buses and Authorize Execution of Grant Agreements

**SYNOPSIS:** Since 2001, the South Coast AQMD has replaced over 1,600 pre-1994 diesel school buses, primarily with cleaner CNG school buses. The fuel tanks on these CNG school buses have a manufacturer's service life of approximately 15 years. In April 2012, the Board issued a Program Announcement using \$3 million from the Carl Moyer Program AB 923 Fund (80) for public school districts offering funding to replace onboard CNG fuel tanks on a first-come, first-served basis. Subsequently, in November 2016 and September 2017, the Board approved additional funds of \$2 million and \$3 million, respectively. These funds are nearly exhausted. These actions are to approve \$3 million from the Carl Moyer Program AB 923 Fund (80) to continue the replacement of onboard CNG fuel tanks for public school buses on a first-come, first-served basis and authorize execution of those grant agreements until funds are exhausted.

**COMMITTEE:** Technology, October 18, 2019; Recommended for Approval

**RECOMMENDED ACTIONS:**

1. Approve \$3 million from the Carl Moyer Program AB 923 Fund (80) to continue the replacement of onboard CNG fuel tanks for public school buses; and
2. Authorize the Chairman to execute grant agreements on a first-come, first-served basis until funds are exhausted to continue the replacement of onboard CNG fuel tanks on public school buses that are between 14 and 16 years old, under the existing open Program Announcement (#PA2012-16).

Wayne Natri  
Executive Officer

**Background**

Since the commencement of the Lower-Emission School Bus Program in 2001, the South Coast AQMD has spent about \$280 million in state and local funds to replace over 1,600 highly polluting diesel school buses with alternative fuel buses and retrofit over 3,000 diesel school buses with particulate traps. The fuel tanks on the CNG school buses have a manufacturer's service life of approximately 15 years and must be replaced in order to continue operating the CNG buses. In April 2012, the Board issued Program Announcement #PA2012-16 using \$3 million from the Carl Moyer Program AB 923 Fund (80) to fund on a first-come, first-served basis the replacement of onboard CNG fuel tanks on public school buses that are between 14 and 16 years old. Subsequently, in November 2016 and September 2017, the Board approved additional funds of \$2 million and \$3 million, respectively, from the same funding source to continue the onboard CNG tank replacement program for public school districts. Due to continued high demand for tank replacements, there is a need for additional funding.

**Proposal**

These actions are to approve an additional \$3 million from the Carl Moyer Program AB 923 Fund (80) and authorize execution of grant agreements to continue the replacement of onboard CNG fuel tanks on public school buses that are between 14 and 16 years old. Per the Lower-Emission School Bus Guidelines issued by CARB, a maximum of \$20,000 per bus can be funded for onboard CNG tank replacements. This funding will cover 150 buses at public school districts and will be used to fund applications received in response to the open Program Announcement #PA2012-16 on a first-come, first-served basis until all funds are exhausted.

**Benefits to South Coast AQMD**

Replacement of expiring CNG fuel tanks with new tanks will enable school districts to continue operating the CNG buses and help them continue to provide clean transportation for school children.

**Resource Impacts**

There are sufficient funds available in the Carl Moyer Program AB 923 Fund (80).