

BOARD MEETING DATE: October 6, 2023

AGENDA NO. 5

PROPOSAL: Amend Contract with Coachella Valley Association of Governments

SYNOPSIS: In January 2013, the Board approved contracts for emission reduction projects in the Coachella Valley from the AB 1318 Mitigation Fees Fund (58) for numerous projects. The Coachella Valley Association of Governments (CVAG) received \$17,400,000 for constructing a 46-mile corridor for neighborhood electric vehicles, bicycles and pedestrians, known as “CV Link” that will extend from Palm Springs to Coachella. In January 2021, the Board approved amending the CVAG contract with \$1,469,680 in accrued interest. As portions of the CV Link have been completed and in anticipation of the next construction phase, CVAG is requesting accrued interest funds from their award balance, as included in their contract. This action is to amend the contract with CVAG to augment the existing funding by \$255,923 from the AB 1318 Mitigation Fees Fund (58).

COMMITTEE : Technology, September 15, 2023; Recommended for Approval

**RECOMMENDED ACTION :**

Authorize the Executive Officer to amend contract with the CVAG to incorporate accrued interest in the amount of \$255,923 from the AB 1318 Mitigation Fees Fund (58).

Wayne Natri  
Executive Officer

AK:MW:WS

---

**Background**

In June 2011, the Board approved the establishment of the AB 1318 Mitigation Fees Fund, with a goal to fund emission reduction projects, pursuant to the requirements of AB 1318 (V.M. Perez), which was codified into law in the Health and Safety Code

Section 40440.14, since repealed. The mitigation fees were used to offset emissions from South Coast AQMD's internal NSR offset accounts to CPV Sentinel, LLC, for the construction and operation of the CPV Sentinel Energy Project power plant located in Desert Hot Springs. The sum of \$53,318,358, all of which is from CPV Sentinel, LLC, was placed in the AB 1318 Mitigation Fees Fund(58) to be used to fund emissions mitigation projects. In February 2012, the Board approved the release of RFP #P2012-17 to announce the availability of funds and solicit proposals for emission reduction projects in the Coachella Valley to meet the funding requirements of AB 1318 , resulting in the approval of numerous projects, including an award to CVAG in the amount of \$17,400,000, for construction of an approximately 46-mile long, grade separated, corridor that would accommodate neighborhood electric vehicles, bicycles and pedestrians. This project, referred to as "CV Link", will connect all nine Coachella Valley cities with a neighborhood electric vehicle/bicycle/walking path. The Parkway will extend along the Whitewater River from Palm Springs to Coachella with a connection to Desert Hot Springs.

In anticipation of additional construction costs associated with the implementation of CV Link over multiple years, CVAG and South Coast AQMD staff included a provision in the contract that interest accrued on the balance of the contract be considered for addition to the contract. In February 2021, the Board added the interest of \$1,469,680 to CVAG for CV Link .

### **Proposal**

Staff is proposing to augment the award with CVAG by including the interest earned in the amount of \$255,923 on the balance of the existing contract from AB 1318 Mitigation Fees Fund (58).

### **Benefits to South Coast AQMD**

The AB 1318 Emissions Mitigation Fees Fund was established by the transfer of funds for certified emission offsets. The funds awarded to CVAG will be used to implement emission reductions in the Coachella Valley and will have a direct impact on the air quality and health of residents, while aiding in regional air quality goals. This action will support South Coast AQMD's key air quality attainment strategy for the Coachella Valley area of South Coast AQMD's jurisdiction. Supporting projects that have a long-term positive impact on air quality is a goal of South Coast AQMD and will result in emissions reductions.

### **Resource Impacts**

Total amendment to the contract with CVAG with accrued interest will not exceed \$255,923 from the AB 1318 Mitigation Fees Fund (58).