

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 10

PROPOSAL: Establish Special Revenue Fund, Recognize AB 134 Grant Revenue, Transfer, Appropriate, Redistribute Funds, and Execute Contracts

SYNOPSIS: The Board has previously recognized AB 134 revenue up to \$107.5 million from CARB into the Carl Moyer Program Fund (32); approved “Year 19” Carl Moyer Program awards from Fund 32 that include AB 134 revenues; and allowed a temporary loan up to \$51,701,413 from Carl Moyer Program AB 923 Fund (80) into Fund 32 until receipt of AB 134 revenue. To facilitate program tracking and auditing, this action is to instead 1) establish the Community Air Protection AB 134 Fund (77) and recognize CARB AB 134 grant funds into Fund 77 instead of Fund 32; 2) allow a temporary loan from Fund 80 into Fund 77 instead of Fund 32; 3) authorize the Chairman to execute contracts in an amount not to exceed \$51,701,413, as approved by the Board in November 2017, from Fund 77 instead of Fund 32; and 4) revise other previously approved transactions with AB 134 funding from the newly established Fund 77.

COMMITTEE: Technology, April 20, 2018; Recommended for Approval

RECOMMENDED ACTIONS:

1. Establish the Community Air Protection AB 134 Fund (77) and recognize revenue, upon receipt, up to \$107.5 million for the AB 134 grant award into the new fund instead of the Carl Moyer Program Fund (32).
2. Transfer up to \$51,701,413 as a temporary loan, as needed, from the Carl Moyer Program AB 923 Fund 80, into the Community Air Protection AB 134 Fund (77), instead of the Carl Moyer Program Fund (32).
3. Authorize the Chairman to execute contracts in an amount not to exceed \$51,701,413, as approved by the Board in November 2017, from the Community Air Protection AB 134 Fund (77) instead of the Carl Moyer Program Fund (32).
4. Authorize the Executive Officer to redistribute the source of funds between the Carl Moyer Program (32), Carl Moyer Program AB 923 (80), and the Community Air Protection AB 134 (77) Funds in order to expeditiously meet the program encumbrance and expenditure targets in accordance with any applicable guidance or direction from CARB.

5. Transfer and appropriate up to \$561,792, as approved by the Board in January 2018, from the Community Air Projection AB 134 Fund (77) to the FY 2017-18 General Fund Budget.

Wayne Natri
Executive Officer

MMM:FM:LCM:DAH

Background

In November 2017, the Board approved “Year 19” Carl Moyer Program awards including awards using AB 134 revenues. In December 2017, the Board recognized AB 134 revenue up to \$107.5 million from CARB into the Carl Moyer Program Fund (32). In January 2018, the Board approved the transfer of funds to implement AB 134.

These funds are part of the \$250 million allocation to CARB resulting from a 2017 Budget Act amendment. The funds will be distributed by CARB for implementation of projects pursuant to the Carl Moyer Memorial Air Quality Standards Attainment Program, except that up to 40% of the funds may be used for truck projects meeting the criteria of the Proposition 1B Goods Movement Program.

Proposal

These actions are to establish the Community Air Protection AB 134 Fund (77) and recognize revenue, upon receipt, up to \$107.5 million for the AB 134 grant award into the new fund instead of the Carl Moyer Program Fund (32) as previously requested in the December 2017 Board letter.

In November 2017, when the Board approved “Year 19” Carl Moyer Program awards, some of the awards were funded using AB 134 revenue, with the intent at the time to recognize AB 134 revenue and administer the funding in the Carl Moyer Program Fund (32). However, for program tracking and audit purposes, the AB 134 revenue will now be recognized into a new special revenue fund (Fund 77), instead of the Carl Moyer Program Fund (32). As a result of this change: a) the temporary loan transfer, as needed, will be from the Carl Moyer Program AB 923 Fund (80) to the Community Air Protection AB 134 Fund (77); b) contracts using AB 134 funding will be executed from this new special revenue fund (Fund 77), subject to CARB approval of AB 134 projects; and c) the prior approval granted to the Executive Officer will allow for the redistribution of the source of funds between Carl Moyer Program SB 1107 (32), AB 923 (80) and Community Air Protection AB 134 (77) special revenue funds.

Finally, the January 2018 Board letter authorized the transfer and appropriation of funds from the Carl Moyer Program Fund (32) to the General Fund Budget for AB 134 implementation. The transfer will now come from the newly created Community Air Protection AB 134 Special Revenue Fund (77). All of these transactions are proposed to be revised to reflect the new AB 134 fund in the Recommended Actions in this Board letter.

Resource Impacts

The grant agreement with CARB for the AB 134 revenue has been executed and AB 134 funding, upon receipt, will be recognized into the Community Air Protection AB 134 Fund (77) established in this Board letter. The transactions described in the Proposal above will be executed from this new special revenue fund.