

Agenda Date: August 18, 2011
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Continued Item: No

Board Agenda Item

TO: Air Pollution Control District Board

FROM: Terry Dressler, Air Pollution Control Officer

CONTACT: Al Ronyecz, 961-8877

SUBJECT: Off-Road Equipment Replacement Program

RECOMMENDATION:

Approve \$500,000 in additional funding allocation for the Off-Road Equipment Replacement Program.

SUMMARY:

The recommendation increases the current Off-Road Equipment Replacement Program allocation by approving an additional \$500,000 in Carl Moyer or Innovative Technologies Group (ITG) funds to replace off-road equipment with new equipment powered by low emissions engines. This program allocation does not change the District's fiscal year 2011/2012 budget amount for ITG.

DISCUSSION:

On October 21, 2010, your Board authorized the District to implement a new Off-Road Equipment Replacement Program (ORERP) to augment the District's current Carl Moyer Air Quality Standard Attainment Program. The ORERP reduces emissions by replacing old, high polluting vehicles or equipment with new, cleaner vehicles or equipment earlier than expected through normal attrition. Moyer Program funds may be used to offset part of the cost of the replacement vehicle and the entire cost of a verified diesel emission control systems diesel retrofit if needed. This program was established because traditionally funded repower projects were not feasible for some equipment types and for others, the diminished value of the old

equipment would not justify investing significant funds for an engine replacement. At the October 2010 meeting, your Board established the initial spending authority at \$500,000.

In the intervening months, the agricultural and construction industry doing business in Santa Barbara County has shown an increased interest in applying for Moyer grant funding to replace old mobile agricultural and construction equipment with new lower polluting units. To date, the District has approved ORERP projects totaling \$313,500 resulting in a remaining ORERP budget allotment of \$186,500. The District currently has applications under consideration for ORERP projects that could ultimately total \$274,300. Funding of pending and anticipated ORERP projects will exceed the current Board approved program allocation. Therefore, we recommend that your Board allocate an additional \$500,000 in program funding. We will continue to follow ARB Carl Moyer Program guidelines when selecting future ORERP projects.

This additional \$500,000 allocation for the ORERP will derive from the Carl Moyer Program or alternative ITG revenue designations, and will be expended during the ensuing fiscal year(s). This request for an increased program allocation does not change the District's fiscal year 2011/2012 budget amount for ITG.