December 11, 2018

Air Pollution Control Board
800 South Victoria Avenue
Ventura, CA 93009

SUBJECT: APPROVAL OF FOUR GRANT FUNDING REQUESTS TOTALING $624,050 FOR NEW AIR QUALITY PROJECTS UNDER THE COMMUNITY AIR PROTECTION PROGRAM (RECOMMENDATION #6 REQUIRES SIX AFFIRMATIVE VOTES)

RECOMMENDED ACTIONS:

1. Approve grant funding up to $53,000 to assist Candes Farms Inc. with the purchase of a new, lower-emission, agricultural forklift.

2. Approve grant funding up to $39,333 to assist Channel Islands Vegetable Farms, Inc. with the purchase of a new, lower-emission, farm tractor.

3. Approve grant funding up to $248,146 to assist Reiter Brothers Inc. with the purchase of six new, lower-emission, farm tractors and a new, lower-emission, agricultural forklift.

4. Approve grant funding up to $283,571 to assist Swift Ranch Company, Inc. with the purchase of three new, lower-emission, farm tractors.

5. Direct the Air Pollution Control Officer (APCO) to prepare a grant agreement for each approved air quality project utilizing the standard Carl Moyer Program grant agreement, modified to reference the Community Air Protection (CAP) Program funding; and authorize the APCO to sign the grant agreements on behalf of the Air Pollution Control District and make any necessary minor administrative changes to the grant agreements subject to County Counsel review and approval.

6. Authorize the Auditor-Controller’s Office to process the following accounting transaction in Special Revenue Fund O701-Air Pollution Grants for FY 2018-2019 (six affirmative votes required):
   - Increase Services and Supplies $624,050
   - Increase Intergovernmental Revenue $624,050
FISCAL/MANDATES IMPACT:

Mandatory: No

Source of Funding:

- Health & Safety Code § 44229 Funds [$2 DMV fee] $ 9,987
- California Air Resources Board (CARB) CAP Grant Award, Year 1 $614,063

Funding Match Required: No.

District staff requests your Board’s approval and modification of the District’s expense and revenue appropriations for the above-recommended projects.

STATEMENT OF MATTER FOR BOARD CONSIDERATION:

Background

Initiated in 2018, the CAP Program is a new grant program developed by the CARB to implement AB 134 (Committee on Budget, Chapter 254, Statutes of 2017) and AB 617 (C. Garcia, Chapter 136, Statutes of 2017). Together, these two bills have allocated $250 million of Greenhouse Gas Reduction Funds through the State Budget for FY 2017-18 to the CARB for the CAP Program. The Legislature directed the use of the monies to reduce exposure in communities most impacted by air pollution.

For the first year of the CAP Program, CARB is directing investments to the Carl Moyer Program. Utilizing this existing incentive program framework, at least initially, will help to ensure the funds are spent efficiently and expeditiously. CAP Program funds are restricted to project types specified in the CAP Program grant agreement issued by CARB on February 13, 2018. Additional CAP Program requirements were provided by CARB in the form of a supplement to the Carl Moyer Program Guidelines, adopted by CARB on April 27, 2018.

In March 2018, the District advertised the availability of CAP Program grant funds implemented within the framework of the Ventura County Carl Moyer Program on its website, by emails to interested parties and organizations, and through local diesel equipment dealers and installers. The deadline for submitting applications was June 19, 2018. The District received 48 applications for grant funding, of which 41 qualified for CAP Program funding.

The CAP-qualified applications consisted of proposals for replacing 84 pieces of mobile diesel agricultural equipment and five pieces of non-agricultural, mobile, diesel equipment. District staff evaluated the eligibility of each grant application and related piece of equipment as well as the costs and benefits of the newer, cleaner equipment. Staff then ranked each eligible piece of equipment against the others in terms of dollars per ton of air pollutants reduced. The most cost-effective equipment/applications are proposed for funding.

Note that your Board approved the District’s participation in three new grant programs that used the Carl Moyer Program framework to quickly provide funding to reduce pollution. Two of
these new programs – the FARMER and CAP Programs – target air pollution in disadvantaged and low-income communities.

Current Proposal

Based on District staff analysis of all grant program applications and corresponding equipment, we recommend your Board approve a total of $624,050 in CAP Program funding for the 12 engines described in Attachment 1 and in recommended action numbers 1 through 4 above. The CAP Program Guidelines recommend at least 75 percent of the funds go to disadvantaged communities and another 10 percent go to low income communities as described in AB 1550. The proposed grants exceed these targets, as 94 percent of the funds are allocated to projects in communities classified as both disadvantaged and low income. In addition, the remaining six percent of funds are allocated to a project in a disadvantaged community.

The proposed CAP Program Year 1 air quality projects set forth above have a total projected emission reduction of 4.9 tons per year of ozone precursors, 0.3 tons per year of diesel particulate matter, and 36.5 metric tonnes of carbon dioxide, a greenhouse gas, per year.

Staff will administer the grant agreements and ensure contract requirements are met before making grant payments. The APCO requests authorization to make any necessary minor administrative changes to the grant agreements subject to County Counsel review and approval.

The Auditor-Controller’s office and County Counsel have reviewed this letter. If you have any questions, please contact Tyler Harris at 645-1407 or Nancy Mendoza (Fiscal) at 645-1402.

MICHAEL VILLEGAS
Air Pollution Control Officer

Attachment 1   CAP Program Recommendations for Funding December 11, 2018.
<table>
<thead>
<tr>
<th>App No</th>
<th>Applicant</th>
<th>Type</th>
<th>Equipment Cost (excluding sales tax)</th>
<th>Proposed Grant</th>
<th>NOx Emission Reduction TPY</th>
<th>ROG Emission Reduction TPY</th>
<th>PM Emission Reduction TPY</th>
<th>CO2 Emission Reduction Metric TPY</th>
<th>Targeted Status</th>
<th>Funding Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-027</td>
<td>Candes Farms Inc.</td>
<td>Forklift (agricultural)</td>
<td>$82,800</td>
<td>$53,000</td>
<td>0.238</td>
<td>0.036</td>
<td>0.022</td>
<td>1.1</td>
<td>DAC/LI</td>
<td>CAP + $2 DMV</td>
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<td>20-020</td>
<td>Channel Islands Vegetable Farms, Inc.</td>
<td>Farm Tractor</td>
<td>$56,191</td>
<td>$39,333</td>
<td>0.229</td>
<td>0.036</td>
<td>0.028</td>
<td>1.9</td>
<td>DAC only</td>
<td>CAP</td>
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<td>20-006</td>
<td>Reiter Brothers Inc</td>
<td>Farm Tractor</td>
<td>$25,000</td>
<td>$17,500</td>
<td>0.083</td>
<td>0.065</td>
<td>0.017</td>
<td>0.7</td>
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<td>CAP</td>
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<td>20-006</td>
<td>Reiter Brothers Inc</td>
<td>Farm Tractor</td>
<td>$25,000</td>
<td>$17,500</td>
<td>0.075</td>
<td>0.058</td>
<td>0.015</td>
<td>0.6</td>
<td>DAC/LI</td>
<td>CAP</td>
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<tr>
<td>20-006</td>
<td>Reiter Brothers Inc</td>
<td>Farm Tractor</td>
<td>$25,000</td>
<td>$17,500</td>
<td>0.067</td>
<td>0.051</td>
<td>0.013</td>
<td>0.6</td>
<td>DAC/LI</td>
<td>CAP</td>
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<tr>
<td>20-006</td>
<td>Reiter Brothers Inc</td>
<td>Farm Tractor</td>
<td>$64,900</td>
<td>$45,430</td>
<td>0.246</td>
<td>0.04</td>
<td>0.031</td>
<td>2.0</td>
<td>DAC/LI</td>
<td>CAP</td>
</tr>
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<td>20-006</td>
<td>Reiter Brothers Inc</td>
<td>Farm Tractor</td>
<td>$64,900</td>
<td>$45,430</td>
<td>0.229</td>
<td>0.037</td>
<td>0.028</td>
<td>1.6</td>
<td>DAC/LI</td>
<td>CAP</td>
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<tr>
<td>20-006</td>
<td>Reiter Brothers Inc</td>
<td>Farm Tractor</td>
<td>$64,900</td>
<td>$45,430</td>
<td>0.246</td>
<td>0.034</td>
<td>0.024</td>
<td>2.1</td>
<td>DAC/LI</td>
<td>CAP</td>
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<td>20-006</td>
<td>Reiter Brothers Inc</td>
<td>Forklift (agricultural)</td>
<td>$84,795</td>
<td>$59,356</td>
<td>0.211</td>
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<td>0.025</td>
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<td>20-002</td>
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<td>$72,651</td>
<td>$50,855</td>
<td>0.655</td>
<td>0.084</td>
<td>0.049</td>
<td>2.6</td>
<td>DAC/LI</td>
<td>CAP</td>
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<td>20-002</td>
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<td>0.038</td>
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<td>Farm Tractor</td>
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<td>0.088</td>
<td>0.049</td>
<td>19.3</td>
<td>DAC/LI</td>
<td>CAP</td>
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<td></td>
<td><strong>Totals</strong></td>
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<td><strong>$969,445</strong></td>
<td><strong>$624,050</strong></td>
<td><strong>4.3</strong></td>
<td><strong>0.6</strong></td>
<td><strong>0.3</strong></td>
<td><strong>36.5</strong></td>
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</table>

DAC = Disadvantaged Community  
DAC/LI = Both Disadvantaged and Low Income  
Attachment 1