

January 12, 2010

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

**SUBJECT: PROPOSED FUNDING FOR SCHOOL BUS GRANT PROGRAM PROJECTS INVOLVING PLEASANT VALLEY SCHOOL DISTRICT AND VENTURA UNIFIED SCHOOL DISTRICT (RECOMMENDATIONS 1, 2, AND 4 REQUIRE 6/10 VOTE)**

RECOMMENDED ACTION:

1. Approve funding of up to \$259,626 for a School Bus Replacement Grant project to assist the Pleasant Valley School District's replacement of two (2) pre-1987 school buses with two (2) new lower-emission diesel school buses.
2. Approve funding of up to \$1,044,562 for a School Bus Replacement Grant project to assist the Ventura Unified School District's replacement of eight (8) pre-1987 school buses with eight (8) new lower-emission diesel school buses.
3. Direct the Air Pollution Control Officer to prepare a Grant Agreement for the above projects, if approved for funding, using the Grant Agreement previously approved by your Board that has been updated to meet current state guidelines, and Authorize the Air Pollution Control Officer to sign the Grant Agreement on behalf of the Air Pollution Control District and to make any necessary minor administrative changes to such agreement.
4. Authorize the Auditor-Controller to process the following accounting transaction for the School Bus Replacement Program in Special Revenue Fund 7002 – Air Pollution Grants for Fiscal Year 2009-2010 (requires **6/10 vote**):

Increase Revenue (9248 – State Aid)	\$154,562
Increase Revenue (9371 - Other Government Agencies)	\$1,149,626
Increase Services and Supplies (2301 –Other Grants)	\$1,304,188

FISCAL/MANDATES IMPACT:

Mandatory: No

Source of Funding:	Proposition 1B/Build America Bonds	\$1,149,626
	Motor Vehicle Fee AB 923 Program	\$154,562

STATEMENT OF MATTER FOR BOARD CONSIDERATION:

A. Background

The Lower-Emission School Bus Program was established by the state legislature in 2001 to reduce school children's exposure to toxic diesel particulate emissions. California voters approved the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B) in November 2006. This Act designated \$200 million statewide to replace old high-polluting school buses and to retrofit existing diesel school buses with ARB-verified pollution control equipment. In 2008, the California Air Resources Board (CARB) adopted revised guidelines for the school bus grant program and adopted grant allocations for each air district in the state based on a formula from enabling legislation (Health and Safety Code Sections 44299.90-44299.91). On May 13, 2008, your Board approved a resolution to participate in the state's Lower Emission School Bus Program and accepted a grant award from the Air Resources Board for up to \$5 million to carry out this grant program.

According to estimates from the Air Resources Board, the emission reductions resulting from this grant program in Ventura County will be 75 tons of nitrogen oxides (NOx), 5 tons of toxic particulate matter (PM), and 550 tons of carbon dioxide (CO<sub>2</sub>) through 2020.

B. Proposal

Health and Safety Code Section 44299.901(e) specifically requires that the CARB School Bus Program Guidelines be used to develop and administer this program. Staff contacted all school districts in the county that own their bus fleet and all school bus transportation service providers regarding the second phase of this grant program. Funding available for this second phase of the grant program is limited to the 35 percent remaining of the original \$5 million grant plus \$68,913 additional funding from CARB plus any unused grant funds from Phase 1 projects that are not completed.

Selection of the grant recipients must follow state guidelines which dictate that only the oldest school bus replacements may be funded. Sufficient funding for requested grants will be available to replace school buses, 1985 and older. If funds remain, 1986 school buses may also be replaced. Both the Pleasant Valley School District and Ventura Unified School District will be required to contribute \$10,000 in matching funds for each new school bus replacement. The remaining \$15,000 per bus match fund requirement for Pleasant Valley School District is being funded from AB923 DMV fees based on a Board policy for Ventura County's Lower Emission School Bus Program. The remaining \$15,570 per bus match fund requirement for Ventura Unified School District is also being funded from AB923 DMV fees based on the June 23, 2009, Board policy allowing for increased funding resulting from new bus price increases and additional sales tax.

Staff will use a Grant Agreement similar to the School Bus Grant Agreement, which was reviewed by County Counsel, to make these grant awards. This Grant Agreement was updated to meet state guidelines, and it has been approved by the Air Resources Board. Staff will

administer the Grant Agreement and ensure the project time and milestone schedules are met before funds are provided to the project proponents/school districts. The Air Pollution Control Officer also requests authorization to make minor administrative changes to the Grant Agreements, if necessary. If a significant change to a Grant Agreement is required, your Board will be requested to approve the change. The Auditor-Controller's Office and County Counsel have reviewed this letter. If you have any questions, please contact Stan Cowen at 645-1408 or Nancy Mendoza (fiscal) at 645-1402.

MICHAEL VILLEGAS  
Air Pollution Control Officer