

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM
3.7
(ID # 8003)

MEETING DATE:

Tuesday, October 16, 2018

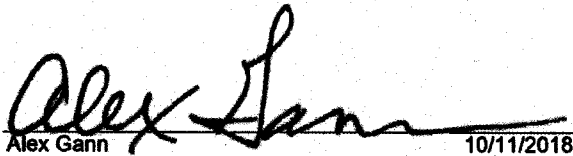
FROM : EXECUTIVE OFFICE:

SUBJECT: EXECUTIVE OFFICE: Approve the Fund Transfer Agreement Between the Riverside County Executive Office and the Palo Verde Valley Transit Agency regarding the transfer of AB 2766 Funds and deactivate Restricted Fund 22301. District 4. [\$74,546 - 100% AB 2766 Funds] 4/5 Vote

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Fund Transfer Agreement between the Riverside County Executive Office and the Palo Verde Valley Transit Agency;
2. Authorize the Chairman to execute the Fund Transfer Agreement on behalf of the County;
3. Direct the County Auditor-Controller's Office to make the budget adjustment as outlined in Schedule A; and
4. Direct the County Auditor-Controller's Office to deactivate Fund 22301 upon completion of the transfer of funds.

ACTION: 4/5 Vote Required, Policy


Alex Gann 10/11/2018

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Ashley and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: October 16, 2018
xc: EO, Auditor

Kecia Harper-Ihem
Clerk of the Board

By: 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 74,546	\$ 0	\$ 74,546	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: MDAQMD AB 2766 Funds (100%)			Budget Adjustment: Yes	
			For Fiscal Year: 18/19	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Mojave Desert Air Quality Management District (MDAQMD) administers the Mobile Source Emission Reduction Program (MSERP) which is funded with revenue authorized under California Health & Safety Code Section 442200 (AB 2766) within MDAQMD's boundaries.

The County has been receiving AB 2766 funds from MDAQMD for the past several years. The revenues from the fees collected are used solely to reduce air pollution from motor vehicles and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of the California Clean Air Act of 1988.

Recently, MDAQMD's Governing Board approved a program change to the MSERP which resulted in a change of the direct allocation of AB 2766 revenue from the jurisdictions directly to the local transit agencies. As a result of this program change, MDAQMD informed the County that the remaining AB 2766 funds must be expended on an eligible project prior to the end of the calendar year, or must be returned to MDAQMD to be applied to eligible regional projects as designated by MDAQMD.

In order to ensure the AB 2766 funds that were allocated to the County will be expended in the County, the Fourth District Board of Supervisors Office and the Executive Office determined to proceed with transferring the remaining AB 2766 funds directly to the Palo Verde Valley Transit Agency (PVVTA) to be utilized on eligible projects as determined by MDAQMD.

PVVTA and MDAQMD concurred with this determination. County Counsel drafted the Fund Transfer Agreement (Agreement) and PVVTA's Board approved and executed the Agreement on September 5, 2018.

The requested budget adjustment in the Mojave Desert AB 2766 – Fund 22301 is necessary to accommodate a transfer of \$74,546 to the PVVTA, a non-county entity.

Impact on Residents and Businesses

This item will ensure the AB 2766 funds distributed by MDAQMD will be utilized on projects that will enhance the air quality for the residents and businesses of the Fourth Supervisorial District.

ATTACHMENTS:

SCHEDULE A – Budget Adjustment for Mojave Desert AB 2766 – Fund 22301
MDAQMD AB 2766 Fund Transfer Agreement – Executed Copy

SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA

MDAQMD Letter – MSERP Program Change
MDAQMD Letter – AB 2766 Funds Notice


Misley Wang, Supervising Accountant

9/27/2018


Gregory V. Priamos, Director County Counsel

10/2/2018

FY 18/19

Increase appropriation:

22301-1100100000-536200

Mojave Desert AB 2766

\$74,546

Use of Restricted Program Money:

22301-7300700000-321101

Restricted Program Money

46,815

Use of Restricted Program Money:

22301-1100100000-321101

Restricted Program Money

27,730



Mojave Desert Air Quality Management District

14306 Park Avenue, Victorville, CA 92392-2310

760.245.1661 • fax 760.245.2699

Visit our web site: <http://www.mdaqmd.ca.gov>

Brad Poiriez, Executive Director

April 18, 2018

Melissa Noone
Management Analyst
Executive Office
Riverside County
4080 Lemon St.
Riverside, CA 92501

REC'D APR 23 '18 AM 11:33

Dear Ms Noone:

The MDAQMD Governing Board approved a program change to the Mobile Source Emissions Reductions Program (MSERP) which is funded with revenue authorized under California Health & Safety Code §44220 and is commonly referred to as "AB 2766." **Your city will no longer receive a direct allocation of revenue identified as "AB 2766."** Allocations representing a portion of the revenue received by the District will be directed to local transit agencies in the amounts shown below.

The **use of these funds is restricted** to support programs or projects that result in the reduction of quantifiable emissions that come from mobile sources (primarily vehicles) within your jurisdiction. As a restricted revenue source the overall program may be subject to an audit from our agency as well as the California Air Resources Board. Our recent program evaluation revealed that local agencies had not used the funds allocated to their agency.

Your agency has reported as of June 30, 2017 \$19,719.13 is being held in a restricted account. This balance does not reflect that an additional distribution was sent on December 5, 2017 in the amount of \$2,749.33, bringing the estimated total to \$22,568. The reports indicate administrative expenditures for \$16,637, in a prior fiscal year that requires review for eligibility.

The information provided by your city indicates that some or all of the funds allocated to and received by your city remain unused and are not committed to a specific project. **This letter is to inform you that:**

1. The funds held by your city need to be expended on an eligible project. Submit your intent to use the funds on an eligible project **not later than May 17, 2018**, execute an agreement not later than June 30, and complete the project **not later than December 31, 2018**.
2. Alternatively, the funds shall be returned to the MDAQMD and will be applied to eligible regional projects as designated by the MDAQMD.

Provide the District with the following not later than May 17, 2018:

City of
Adelanto

Town of
Apple Valley

City of
Barstow

City of
Blythe

City of
Hesperia

City of
Needles

County of
Riverside

County of
San
Bernardino

City of
Twentynine
Palms

City of
Victorville

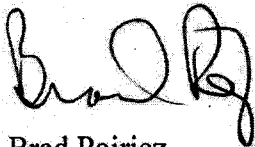
Town of
Yucca Valley

- Notice of intent to use the funds for an eligible project. When your agency notifies the District of an eligible project, an **agreement** for the use of these funds will be developed, with a scope of work detailing the project and its milestones.
 - The project scope and execution of the agreement must be **completed by June 30, 2018.**
 - The project and expenditure of funds must be **completed by December 31, 2018.** An informational item is enclosed describing examples of eligible projects.
- Alternatively, your agency **shall return your agency's AB 2766 funds** to the MDAQMD by **May 17, 2018.** The District will apply those funds to eligible regional projects.

Enclosed is the MDAQMD Project Eligibility handout to assist you in determining how to use the funds passed through to your agency.

Please contact Jean Bracy, Deputy Director – Administration (760) 245-1661 ext 6214; jbracy@mdaqmd.ca.gov, if you have any questions regarding this matter.

Sincerely,



Brad Poiriez
Executive Director/APCO

BP:jb

Encl: Eligible Projects Handout

cc: Supervisor Manuel Perez, MDAQMD Board member

MDAQMD Mobile Source Emissions Reduction Program (MSERP)
Program Allocations for revenue received FY 18

Transit Agency or Alternative Transportation (and member agencies served)		Annual Allocation
1	Victor Valley Transit Authority: Adelanto, Apple Valley, Barstow, Hesperia, Victorville, and portions of San Bernardino County.	\$250,000
2	Morongo Basin Transit Authority: Twentynine Palms, Yucca Valley, and portions of San Bernardino County.	\$40,000
3	Needles Area Transit: Needles and portions of San Bernardino County	\$15,000
4	Palo Verde Valley Transit Authority: Blythe and portions of Riverside County	\$20,000
5	San Bernardino County: providing ride share for commuters residing in the MDAQMD jurisdiction	\$75,000
Total Allocations		\$400,000
Allocations (2017) to member local agencies \$400,000		



MOBILE SOURCE EMISSION REDUCTIONS PROGRAM

Eligible Projects

Under the authority codified in the California Health & Safety Code (H & S Code) §§44220 et seq., the MDAQMD Governing Board in 1993 authorized the collection of the allowable fee of \$4 per registered vehicle in the District's jurisdiction to provide revenue to meet responsibilities mandated under the California Clean Air Act. This funding is generally referred to by its enabling legislation, AB 2766 (Sher, 1990).

The MDAQMD Governing Board has allocated a portion of available AB 2766 funds to be distributed to member agencies allowing them to support programs or projects that result in the reduction of quantifiable emissions that come from mobile sources within each member's jurisdiction. The use of these funds is restricted to particular types of programs and projects and may be subject to an audit from our agency as well as the California Air Resources Board.

Except as specifically limited below, projects that would result in reduction of emissions from motor vehicles, reductions in vehicle miles traveled; reductions in vehicle trips, or a public education or other program that supports any of these goals is potentially an eligible use of these funds.

The following projects will not be eligible for Mobile Source Emission Reductions Program funding:

- | | |
|--|--|
| 1. Projects required as mitigation by an environmental document under the California Environmental Quality Act (CEQA) or National Environmental Policy Act (NEPA). | requirement of an existing MDAQMD regulation. |
| 2. Projects complying with or implementing a mandatory | 3. Proposals for street or road paving or sidewalk construction. |
| | 4. Projects that have the effect of duplicating MDAQMD programs or projects. |

Types of projects which may be funded include but are not limited to:

- Alternative fuel/electric vehicle infrastructure development
- Incremental cost to purchase or lease clean fuel/electric vehicles, or repowering existing vehicles to operate on alternative fuel. The funding request may not exceed 25% of total vehicle cost. When a conventionally fueled vehicle is replaced under this program, that vehicle or a similar vehicle must be removed from service within MDAQMD boundaries.
- Implementation and maintenance of local arterial traffic management (including, but not limited to, signal timing, transit signal preemption, bus stop relocation and "smart streets")
- Implementation of rail-bus integration and regional transit information systems
- Transit projects such as free downtown shuttle service or subsidizing transit passes or improvements to transit amenities
- Parking management
- Park and Ride Lots
- Implementation of demonstration projects in telecommuting, video conferencing, or alternative fuel vehicles
- Implementation of a smoking vehicles program
- Implementation of a vehicle scrap program
- Public education programs that do not overlap the efforts of the MDAQMD

Special Note: Projects funded with Mobile Source Emission Reductions Program funding cannot generate Emission Reduction Credits (ERCs) pursuant to MDAQMD Regulation XIV.

COUNTY OF RIVERSIDE
EXECUTIVE OFFICE

GEORGE A. JOHNSON
COUNTY EXECUTIVE OFFICER



LISA BRANDL
CHIEF OPERATING OFFICER

DON KENT
ASSISTANT COUNTY EXECUTIVE OFFICER
COUNTY FINANCE OFFICER

May 15, 2018

Brad Poiriez
Executive Director/APCO
Mojave Desert Air Quality Management District
14306 Park Avenue
Victorville, CA 92392

Subject: AB 2766 Notice

Dear Mr. Poiriez,

The County of Riverside will be sending Mojave Desert Air Quality Management District's (MDAQMD) AB 2766 fund balance directly to Palo Verde Transit Authority (PVRTA) to apply to eligible projects within the county.

In the letter dated April 18, 2018, MDAQMD indicated that administrative expenditures of \$16,637 required review for eligibility. After reconciling our records, the County will be returning this amount back to MDAQMD's AB 2766 fund. The balance that will be provided to PVRTA is in the amount of \$74,546.24. This amount includes the administrative expenditure that was under review.

If you should have any questions regarding this matter, please do not hesitate to call me at (951) 955-1124.

Thank you,

A handwritten signature in black ink, appearing to read "J. Farin", is written over a horizontal line.

Jason Farin
Senior Management Analyst

**FUND TRANSFER AGREEMENT
(AB 2766 Funds)**

This Fund Transfer Agreement ("Agreement") is entered into on September 5, 2018 by and between the County of Riverside, a political subdivision of the State of California, ("County") and Palo Verde Valley Transit Agency, a public entity established pursuant to the Joint Exercise of Powers Act (California Government Code Section 6500 et seq.) ("PVVTA"). County and PVVTA are sometimes individually referred to as "Party" and collectively as "Parties."

RECITALS

- A. The Mojave Desert Air Quality Management District ("MDAQMD") administers the Mobile Source Emissions Reductions Program ("MSERP") which is funded with revenue authorized under California Health & Safety Code Section 44220 (commonly referred to as "AB 2766") within the MDAQMD's area of responsibility.
- B. The County has been receiving AB 2766 funds from the MDAQMD for the past several years.
- C. The revenues from the fees collected pursuant to MSERP shall be used solely to reduce air pollution from motor vehicles and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of the California Clean Air Act of 1988.
- D. Recently, the Governing Board of the MDAQMD approved a program change to MSERP which resulted in a change of the direct allocation of AB2766 revenue from cities and the County to local transit agencies.
- E. As a result in this program change by MDAQMD, the County desires to transfer the AB 2766 funds currently being held in a restricted account in the amount of \$74,546.24 (the "Funds") to the PVVTA to only be used for eligible project within Riverside County.
- F. MDAQMD had informed the County that the County can transfer the Funds directly to PVVTA provided that PVVTA spends the Funds on eligible projects on behalf of the County.
- G. PVVTA agrees to accept the Funds from the County for the use on eligible projects within Riverside County.
- H. The Parties wish to enter into this Agreement to provide the terms and conditions related to the transfer of the Funds to PVVTA for the purpose of spending on eligible projects.

NOW, THEREFORE, in the joint and mutual exercise of their powers, and in consideration of the above premises and of the mutual covenants herein contained, and for other valuable consideration, the County and PVVTA do hereby agree as follows:

OCT 16 2018 3.7

AGREEMENT

1. Incorporation of Recitals. The Recitals set forth above are incorporated herein and made an operative part of this Agreement.
2. Term. This Agreement is considered to be fulfilled and completed by County upon PVVTA's receipt of the Funds and PVVTA has expended such Funds on eligible projects prior to the end of the 2018 calendar year.
3. County of Riverside Responsibilities.
 - a. Transfer of Funds. County shall transfer or cause to be transferred to PVVTA the funds in the amount of \$74,546.24 plus any interest that may have accrued since May 15, 2018 in one lump sum disbursement to PVVTA.
 - b. No additional funding. Upon transfer and disbursement of the Funds to PVVTA, County shall have no further obligations in relation to the Funds and no additional funding will be provided under this Agreement.
4. Palo Verde Valley Transit Agency Responsibilities. PVVTA hereby accepts the Funds from the County in the amount provided in Section 3.a. with no expectation of further funding from the County under this Agreement and is subject to the following requirements:
 - a. Deadline for Expenditure of Funds. PVVTA shall be obligated to spend the Funds before the end of the 2018 calendar year.
 - b. Use Requirements. The use of the Funds received by the County pursuant to this Agreement is restricted to support programs or projects that result in the reduction of quantifiable emissions that come from mobile sources within PVVTA's jurisdiction. PVVTA shall keep the funds in a separate restricted account and not commingle with other funds of PVVTA.
 - c. Cooperation. PVVTA shall work with MDAQMD to identify eligible projects or programs and receive consent for use of the Funds for the projects identified as eligible by MDAQMD. PVVTA shall provide final report which contains, at minimum, the summary of expenditure of the Funds and upon which eligible projects the Funds were expended.
 - d. Reporting. All expenditures shall be properly supported by appropriate accounting documents and such documents shall be maintained in accordance with accepted accounting principles, practices and procedures. PVVTA shall maintain and keep available all such documents for a period of not less than five (5) years after its final report of such expenditures and will be available for audit by the County or MDAQMD.
5. Mutual Hold Harmless. The Parties agree to hold each other, their elected and appointed officials, employees, contractors and agents mutually harmless from any and all claims, demands and liability, including attorney's fees, arising from each party's performance of this Agreement except to the extent that such liability is caused by the negligence of the other party.
6. Notices. As used in this Agreement, notice includes but is not limited to the communications of any notice, request, demand, approval, statement, report, acceptance, consent, waiver, and appointment. All notices must be in writing. All such notices from one party to