



Cathedral City

Legislation Text

File #: 2016-294, Version: 1

City Council

MEETING DATE: 8/10/2016

TITLE:

Amendment Four to AB 2766 Memorandum of Understanding (MOU) between CVAG and Member Jurisdictions regarding the Regional PM10 Street Sweeping Program

FROM:

Charles McClendon, City Manager

RECOMMENDATION:

Staff recommends the City Council approve Amendment Four to AB 2766 Memorandum of Understanding (MOU) between the Coachella Valley Association of Governments (CVAG) and Member Jurisdictions to increase the contributions from the cities and the County from 60% to 75% to provide Sustainable Funding of the Regional PM10 Street Sweeping Program, through June 30, 2020 and authorize the City Manager to execute Amendment Four to the AB 2766 Memorandum of Understanding (MOU).

BACKGROUND:

The CVAG Regional Street Sweeping program is one of the most significant air quality “control measures” to reduce particulate matter of less than 10 microns (PM10). The Coachella Valley and the Salton Sea Air Basin are non-attainment areas for PM10. The program also has the additional benefit of keeping all the major streets in the Coachella Valley clean and doing so at low per mile cost due to economies of scale.

There are three primary sources of funding for the regional street sweeping program: 1) Mobile Source Air Pollution Reduction Review Committee (MSRC) grant funding; 2) Colmac funding associated with mitigating air pollution impacts from a power plant; and 3) AB2766 funds that are provided to cities and the county by the South Coast Air Quality Management District from a \$4 per vehicle surcharge on annual DMV registration fees that must be used to reduce air pollution from motor vehicles. In previous years, as MSRC and Colmac funding either increases or decreases or program costs increase or decrease, the percent of AB 2766 funds from the cities/county to make up the shortfall has also been adjusted. The percentage from each city has ranged from 33% to 100% over the past ten years and is currently at 60%. However, reductions in MSRC funding, described below, require an increase in AB 2766 funds to a 75% level. CVAG is recommending that the cities

portion increase from 60% to 75% and the MOU time period increase from two years to four years (2020). The CVAG Energy and Environment, Technical Advisory and Executive Committees have reviewed and approved this recommendation.

DISCUSSION:

This request from CVAG is based on changes to MSRC funding. The MSRC's annual Local Government Match Program (LGMP) has offered a separate category to support the Coachella Valley's Regional PM10 Street Sweeping Program. The category initially established a targeted funding level of \$250,000 to be awarded on a dollar for dollar basis annually. Beginning in FY 2014/15 this amount was reduced from \$250,000 to \$125,000 annually. It is apparent that the \$125,000 shortfall will continue for FY 2016/17. CVAG staff is working with the MSRC to identify funding options for future years. There are no expected changes in Colmac funding, which is set by the County of Riverside at \$150,000 through 2019/2020. Additionally, the program costs are not expected to change very much or at all. An agreement with a new street sweeping vendor, M&M Street Sweeping, Inc. was approved on June 27 by the CVAG Executive Committee.

Given that the funding streams established to offset the costs of the Regional Street Sweeping Program are expected to fall short of the costs to operate the program, staff recommends the attached Amendment Four to the MOU to increase the contribution from sixty percent (60%) to seventy-five (75%) of AB 2766 funds from member jurisdictions be approved for the next four fiscal years through June 30, 2020. Increasing the member jurisdiction contribution from 60% to 75% is based on the following factors:

- Established funding streams for regional street sweeping activities have been reduced;
- A Regional Program with continued sweeping schedule of 26 weeks is essential to meeting our air quality goals. CVAG will work with the members and the operator with regards to the most optimal use of these funds;
- In some years, wind conditions require that additional clean up occur on problematic streets at additional cost;

The suggested increase of 15% to 75% in AB 2766 funds from jurisdictions will create approximately \$78,000 in additional revenue for the PM10 Street Sweeping Program, enough to fund the program at its current level of service. Increasing the City's AB2766 funding share to 75% will not negatively impact the General Fund; however, it will reduce the amount of AB 2766 funding for City projects that may be considered in the future. CVAG continues to negotiate with MSRC to address the \$125,000 reduction in their annual funding to the region.

FISCAL IMPACT:

ATTACHMENTS:

Amendment Four to AB 2766 Memorandum of Understanding