

Agenda Date: May 18, 2017
Agenda Placement: Admin.
Estimated Time: N/A
Continued Item: No

Board Agenda Item

TO: Air Pollution Control District Board

FROM: Aeron Arlin Genet, Air Pollution Control Officer

CONTACT: Mary Byrd, Community Programs Supervisor (961-8833)

SUBJECT: Memorandum of Agreement with the National Marine Sanctuary Foundation

RECOMMENDATION:

Authorize the Chair to execute a Memorandum of Agreement (MOA) with the National Marine Sanctuary Foundation for the District to contribute funds to the 2017 Vessel Speed Reduction (VSR) Program, to make it possible for the collaborative incentive Program to start in June or July.

DISCUSSION:

In January, your Board was updated on our marine shipping emission-reduction initiatives, including the possibility of a 2017 VSR program and plans to return to your Board with a revised MOA for implementation.

The first VSR program in 2014 demonstrated the willingness of shipping companies to participate in a voluntary, non-regulatory, non-port program, and the feasibility of implementing a program in this region for emission-reduction and whale-protection benefits. In 2015, the District participated in a Marine Shipping Working Group under the National Oceanic and Atmospheric Administration Channel Islands National Marine Sanctuary Advisory Council. This Group unanimously supported a second VSR Program for 2016.

Ten shipping companies participated in the 2016 program, slowing 50 transits to 12 knots or under, with 14 of these transits slowed to 10 knots or under. The 2016 VSR program reduced more than 25 tons of smog-forming nitrogen oxides (NOx) and more than 1,000 metric tons of greenhouse gases.

For both the 2014 and 2016 Programs, the National Marine Sanctuary Foundation (NMSF), a nonprofit organization that supports the national marine sanctuaries, served as the fiscal agent to manage grant funds and incentive payments to participating shipping lines. The attached MOA is based on the executed agreements for the 2014 and 2016 programs. The VSR Zones in the Santa Barbara Channel region remain the same as they were for the 2016 Program. The only revisions (other than a few wording changes) to the 2017 MOA from the 2016 agreement are as follows.

- The District is contributing \$40,000 to the Program, as approved in the Fiscal Year 2016-2017 Budget. (The District contributed \$50,000 to the 2016 program.)
- The NMSF contact and signatory have changed.

We continue to work with partners on a range of strategies to achieve long-term reductions of marine-shipping emissions in our region, and we will update your Board on these strategies in future meetings.

An executed agreement with NMSF will make it possible for the District to work with our partners on a 2017 VSR Program to start in June or July.

ATTACHMENT:

MOA with the National Marine Sanctuary Foundation

Memorandum of Agreement

This Memorandum of Agreement is entered into between the Santa Barbara County Air Pollution Control District (“District”) and the National Marine Sanctuary Foundation (“Foundation”), collectively referred to as “the Parties,” for the purpose of making funds available for a Marine Vessel Speed Reduction Program in the Santa Barbara Channel and the region immediately south of the Channel Islands (hereafter referred to as collectively referred to as “Santa Barbara Region”).

Recitals

1. The District is the California public agency responsible for adopting the plans, policies, regulations, grant programs, and other measures necessary to attain and maintain federal and state air quality standards in the County of Santa Barbara.
2. International shipping through the Santa Barbara Region is a significant source of air pollution that adversely impacts air quality in Santa Barbara County. The District has determined that such pollution can be reduced by reducing the speed of ocean going marine vessels in the Region from current baseline speeds down to 12 knots or less.
3. The Santa Barbara Region represents a rich and diverse marine environment where large numbers of whales congregate. Marine vessels striking whales have caused injury and death to whales.
4. The Foundation and other public interest groups have determined that reducing the speed of ocean going marine vessels in the Region can significantly reduce the chances that a ship strike on a whale will be lethal.
5. The District wishes to provide funding for a financial incentive program for vessel owners that will encourage vessel speed reduction in the Santa Barbara Region as a means of significantly reducing air pollution from marine vessels that adversely affect Santa Barbara County air quality. As part of that program, the District has the capability, in coordination with the National Oceanic and Atmospheric Administration Channel Islands National Marine Sanctuary, to determine if participating vessel owners are actually reducing vessel speeds consistent with the goals of the program.
6. The Foundation has the expertise, resources and staffing to manage incentive funds, including making payments to qualifying vessel owners for the Vessel Speed Reduction Program.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS.

1. Funding. The District will provide \$40,000 to Foundation to fund the marine Vessel Speed Reduction Program. This includes \$35,200 to support the Program, and an amount not to exceed \$4,800 for the Foundation's administration costs. The Foundation will charge 12 percent of the total funds received for its administration costs of the program. The Foundation may obtain funding for this program from other funding sources. The Foundation shall return to the District any part of the grant amount unencumbered at the end of the Vessel Speed Reduction Program. Any portion of the \$40,000 provided to the Foundation in excess of final program costs shall be returned to the District within 60 days of issuing the final incentive payment under the Program subject to this Memorandum of Agreement.

2. Eligible Vessels. The District working with partners will identify marine vessels and vessel owners that are eligible for the program. The Foundation will enter into agreements with owners of eligible vessels. The agreements will provide an incentive payment of \$1,000 to \$4,000 per trip for each qualifying marine vessel transit completed at a speed of no more than 12 knots in the Santa Barbara Region, per the Vessel Speed Reduction Zones identified in Attachment A, with parameters for the level of payment as agreed on by the District and its partners.

3. Agreements with Vessel Owners. The Foundation will notify the District when an agreement with a vessel operator has been executed. The vessel owner shall be required to provide information including the vessel name, number of proposed transits, and transit dates for each vessel that will participate in the Vessel Speed Reduction Program.

4. Confirmation. The District shall coordinate with the National Oceanic and Atmospheric Administration Channel Islands National Marine Sanctuary to confirm that a participating vessel has completed a transit through the Vessel Speed Reduction Zones at the requisite speed, and therefore qualified for an incentive payment.

5. Payment. After the District has informed the Foundation that a participating vessel successfully completed a trip in compliance with the Vessel Speed Reduction Program, the Foundation shall pay the vessel owner the incentive payment.

6. Cap on Incentive Payments. The Foundation shall not enter into any agreement that obligates payment of more funds to vessel owners than made available by the District for the Program, unless the Foundation has other funding sources available to cover such payments.

7. Contact information. For any notices required under this Memorandum of Agreement, the Parties shall use the following contact information.

District:

Mary Byrd, Community Programs Supervisor
260 North San Antonio Road, Suite A
Santa Barbara, CA 93110
ByrdM@sbcapcd.org
805-961-8833

Foundation:

Kristen J. Sarri, President & CEO
National Marine Sanctuary Foundation
8601 Georgia Avenue, Suite 510
Silver Spring, MD 20910
Kris@marinesanctuary.org
(301) 608-3040 x303

Either party may change its contact information by providing at least 7 days written notice to the other party.

8. Termination. Either party may terminate this Agreement by providing 30 days written notice of termination to the other party.

9. Amendments. This Agreement may only be amended in a writing executed by both parties. Any amendment to increase the District's contribution to the program may be signed by the District's Executive Officer.

This Memorandum of Agreement between the Santa Barbara County Air Pollution Control District and the National Marine Sanctuary Foundation shall be effective when fully executed by the Parties.

SANTA BARBARA COUNTY
AIR POLLUTION CONTROL DISTRICT

ATTEST:

AERON ARLIN GENET
Clerk of the Board

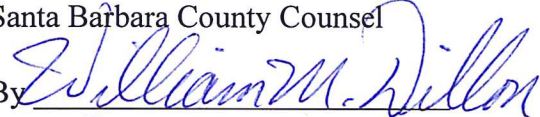
By _____
Deputy

By _____
Chair

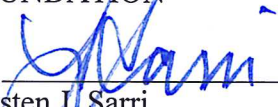
Date: _____

APPROVED AS TO FORM:

MICHAEL C. GHIZZONI
Santa Barbara County Counsel

By 
Deputy


NATIONAL MARINE SANCTUARY
FOUNDATION

By 
Kristen J. Sarri
President & CEO

Date: May 2, 2017

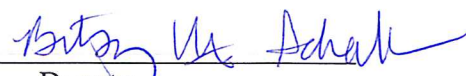
APPROVED AS TO FORM:

RAY AROMATORIO
Risk Manager

By 
Risk Manager

APPROVED AS TO FORM:

THEODORE A. FALLATI, CPA, CPFO
Auditor-Controller

By 
Deputy

Attachment A

