

Agenda Date: June 18, 2009
Agenda Placement: Admin
Estimated Time: N/A
Continued Item: No

Board Agenda Item

TO: Air Pollution Control District Board

FROM: Terry Dressler, Air Pollution Control Officer

CONTACT: Ron Tan, Planning and Technology Supervisor (961-8812)

SUBJECT: Old Car Buy Back Program

RECOMMENDATION:

1. Authorize the Air Pollution Control Officer to increase the funding amount for the Old Car Buy Back Program by \$150,000, with the option of an additional \$100,000 increase, if community interest justifies it.
2. Authorize the Air Pollution Control Officer to increase the cost effectiveness threshold of the Old Car Buy Back Program from \$14,300/ton to \$16,000/ton, per California Air Resources Board's Carl Moyer Program 2008 Guidelines.

SUMMARY:

The Santa Barbara Air Pollution Control District (APCD) has successfully implemented several Old Car Buy Back (OCBB) programs since the early 1990's with the most recent program approved by your Board on March 16, 2006. This latest program began retiring light-duty vehicles on May 1, 2006. There has been remarkable community interest in the program from the beginning and as of May 14, 2009 the APCD has retired 1,088 vehicles (averaging one car/day), resulting in the reduction of over 40 tons of ozone precursors nitrogen oxides and reactive organic compounds, at an average cost-effectiveness of \$9,936/ton. Staff recommends that your Board authorize the Air Pollution Control Officer (APCO) to approve an additional program funding of \$250,000 (\$150,000 to start, with an option for an additional \$100,000 if program interest justifies the funding increase). The current program budget of \$1,250,000 would be raised to \$1,500,000. This proactive measure is structured similar to the APCD Board actions of March 16, 2006, June 15, 2006, March 15, 2007, May 15, 2008, and January 15, 2009. By obtaining additional funding allocations, this will ensure that the program continues service without interruption.

Currently, the APCD operates the Old Car Buy Back Program following the California Air Resource Board's Carl Moyer Program 2005 Guidelines. The 2005 Guidelines require that grant projects operate under the cost effectiveness threshold of \$14,300/ton, which allows us to expend up to \$1,000 to purchase a vehicle. The Carl Moyer Program 2008 Guidelines contain a cost effectiveness threshold of \$16,000. During 2009, the APCD anticipates transitioning from using the 2005 Guidelines to the 2008 Guidelines for the entire Innovative Technology Program, including the Old Car Buy Back Program. This change would allow us to spend \$1,150 for each vehicle purchased, while not exceeding the cost effectiveness threshold. The decision to increase the cost effectiveness threshold and the allowable funding will be made by the Air Pollution Control Officer based on program demand.

DISCUSSION:

The goal of an Old Car Buy Back program, also known as a Voluntary Accelerated Vehicle Retirement program, is to retire older, higher polluting vehicles prior to the end of their expected lifetime, thereby eliminating air pollution emissions associated with their operation. Real emission reductions can be achieved from this strictly voluntary program as the target vehicles are still fully operational and therefore have some useful life remaining. Vehicles meeting the eligibility requirements of the program must be retired by dismantling the vehicle and rendering it unusable.

Since March 16, 2006 your Board has approved a number of funding increases as summarized in Table 1.

As of May 14, 2009, the APCD has retired 1,088 vehicles, resulting in the reduction of more than 40 tons of ozone precursors (NO_x + ROG), with the average model year of 1984 at an average cost-effectiveness of \$9,936 per ton of NO_x, ROG and PM reduced. Please refer to Table 2 and Figure 1 through Figure 3 for a summary of the program's performance as of May 14, 2009.

To ensure that the program continues service without interruption, staff recommends your Board authorize the APCO to approve additional program funding of \$250,000 (\$150,000 to start and an option for an additional \$100,000 if program interest justifies the funding increase). This proactive measure is structured similar to all previous Board actions and will bring the total funding allocation for this program to \$1,500,000. Any program funding increases will be authorized through written notice and the concurrence with the grantee, (e.g., Attachment 1), and will be included as an administrative agenda item in the subsequent Board meeting.

Currently, the Old Car Buy Back Program expends \$1,000 for each vehicle purchased (1992 Model Year or older). This includes \$800 to the vehicle owner, \$50 to a local vehicle dismantler, and \$150 to Environmental Engineering Studies, who handles the transaction between vehicle owner and vehicle dismantler. If we operate the program using the \$16,000/ton cost effectiveness threshold, we will be able to expend up to \$1,150 total for each vehicle. The decision to increase the cost effectiveness threshold and the allowable funding will be made by the Air Pollution Control Officer based on program demand.

FISCAL IMPACT

Funding and appropriations for this program are in the APCD FY08-09 budget, will be in the FY09-10 budget, and will come from either the Carl Moyer Program or the Department of Motor Vehicle surcharge fees.

Table 1: Old Car Buy Back Program Budget

Date	Incremental Fund Amount	Cumulative Grant Budget	Description of Action Taken
3/16/06	\$150,000	\$150,000	Original grant approved for \$150,000 with an additional \$100,000 increase if justified by community interest
5/15/06	\$100,000	\$250,000	Community interest justified the need for \$100,000 program increase
6/15/06	\$150,000	\$400,000	\$250,000 expended. APCD Board approves \$150,000 increase with potential for additional \$100,000 increase if justified by community interest
1/2/07	\$100,000	\$500,000	Community interest justified the need for \$100,000 program increase
3/15/07	\$150,000	\$650,000	\$500,000 expended. APCD Board approves \$150,000 increase with potential for additional \$100,000 increase if justified by community interest
11/2/07	\$100,000	\$750,000	Community interest justified the need for \$100,000 program increase
5/15/08	\$150,000	\$900,000	\$750,000 expended. APCD Board approves \$150,000 increase with potential for additional \$100,000 increase if justified by community interest
12/3/08	\$100,000	\$1,000,000	Community interest justified the need for \$100,000 program increase
1/15/09	\$150,000	\$1,150,000	\$1,000,000 expended. APCD Board approves \$150,000 increase with potential for additional \$100,000 increase if justified by community interest
5/8/09	\$100,000	\$1,250,000	Community interest justified the need for \$100,000 program increase
Total		\$1,250,000	

TABLE 2
Vehicles Retired

	2006	2007	2008	2009
January		34	20	52
February		35	16	40
March		24	20	33
April		38	24	28
May	94	18	21	
June	63	24	14	
July	48	20	15	
August	36	16	17	
September	38	18	18	
October	27	27	22	
November	28	22	62	
December	23	16	37	
Annual Total	357	292	286	153
Monthly average/year	45	24	23	38
Total vehicles retired since May 2006				1088
Overall Monthly Average				30

FIGURE 1

Vehicles Retired by Dismantler Location

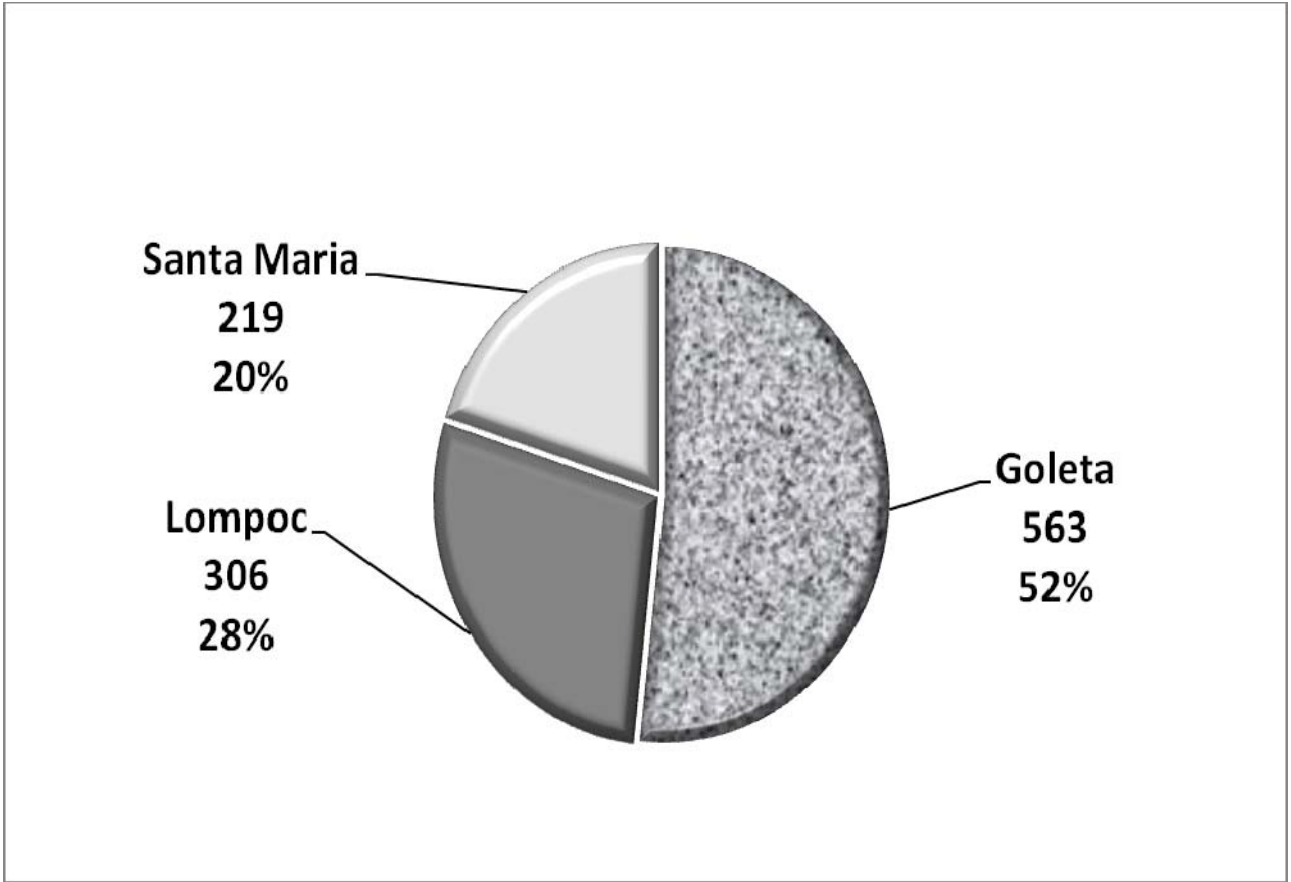


FIGURE 2

Vehicles Retired by Model Year

Average Model Year = 1984

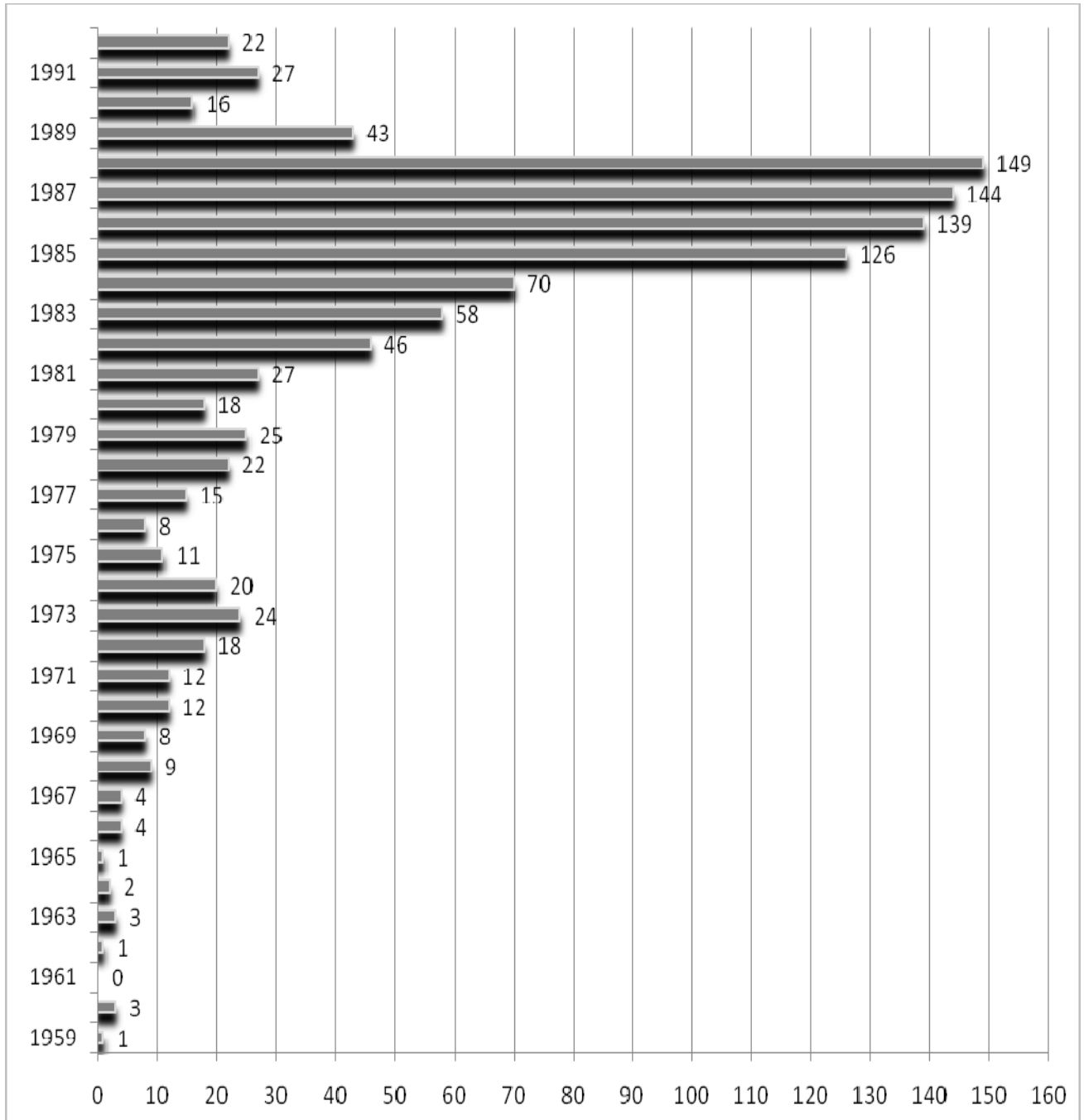
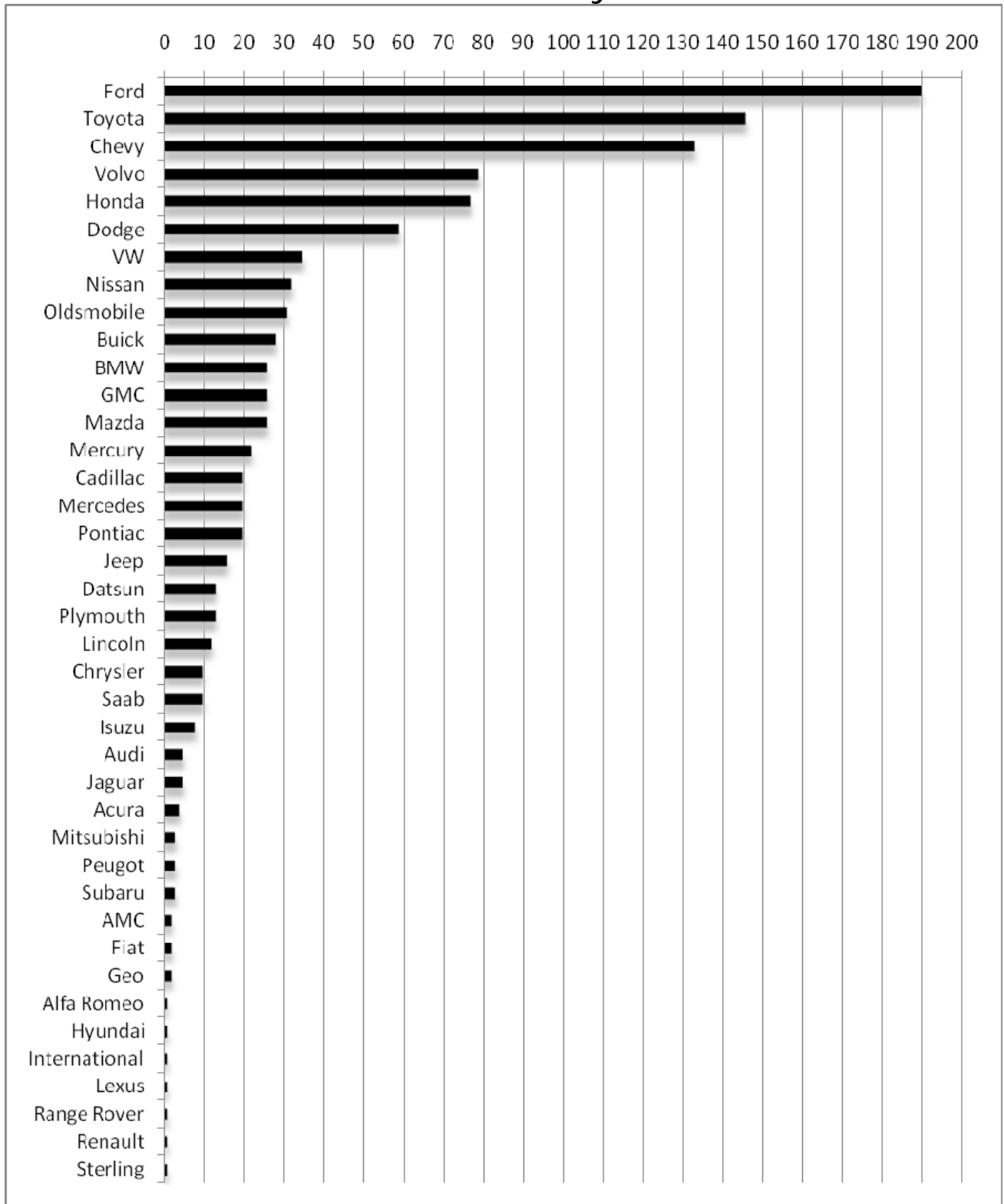


FIGURE 3

Vehicles Retired by Make





May 8, 2009

Mr. Antoine Assioun
Environmental Engineering Studies
7981 Paseo Membrillo
Carlsbad, CA 92009

Subject: Old Car Buyback Program Funding Increase (AP050613)

Dear Mr. Assioun:

The purpose of this letter is in response to continued community interest in the Santa Barbara County Air Pollution Control District's (APCD) Old Car Buyback Program. As you are aware, the program, which officially began on May 1, 2006, has retired 1,088 eligible vehicles. The current program amount of \$1,150,000 will retire 1,146 vehicles, and as we approach this number we would like to take proactive measures to ensure that the program is able to continue without interruptions due to delays in funding allocations.

Condition 3, Grant Funding, of Grant Agreement AP050613, dated March 16, 2006, between the APCD and Environmental Engineering Studies (EES) authorized the Air Pollution Control Officer (APCO), upon written notice and with your concurrence, to increase the grant funding from the original amount of \$150,000 up to \$250,000. Additional program funding increases were approved by the APCD Board on June 15, 2006, March 15, 2007, and May 15, 2008. These Board actions authorized the APCO to increase program funding based on community interest in a manner similar to that of the original grant. On January 15, 2009, the APCD Board approved a \$150,000 funding increase that raised the Old Car Buy Back program budget to \$1,150,000, with an additional funding increase of \$100,000 available, if community interest justified the need for it. At this time, based on community interest, I am increasing the funding by \$100,000, which will extend the program budget to \$1,250,000.

Refer to Table 1 for a summary of the program budget increases and actions taken to date.

Table 1: Old Car Buy Back Program Budget

Date	Fund Amount	Grant Budget	Description of Action Taken
3/16/06	\$150,000	\$150,000	Original grant approved for \$150,000 with an additional \$100,000 increase if justified by community interest
5/15/06	\$100,000	\$250,000	Community interest justified the need for \$100,000 program increase
6/15/06	--	--	APCD Board approves \$150,000 increase with potential for additional \$100,000 increase if justified by community interest
7/25/06	\$150,000	\$400,000	Community interest justified: need \$150,000 program increase
1/2/07	\$100,000	\$500,000	Community interest justified: need \$100,000 program increase
3/15/07	--	--	APCD Board approves \$150,000 increase with potential for additional \$100,000 increase if justified by community interest
4/27/07	\$150,000	\$650,000	Community interest justified: need \$150,000 program increase
11/2/07	\$100,000	\$750,000	Community interest justified: need \$100,000 program increase
5/15/08	--	--	APCD Board approves \$150,000 increase with potential for additional \$100,000 increase if justified by community interest
5/19/08	\$150,000	\$900,000	Community interest justified: need \$150,000 program increase
12/3/08	\$100,000	\$1,000,000	Community interest justified: need \$100,000 program increase
1/15/09	--	--	APCD Board approves \$150,000 increase with potential for additional \$100,000 increase if justified by community interest
1/20/09	\$150,000	\$1,150,000	Community interest justified: need \$150,000 program increase
5/8/09	\$100,000	\$1,000,000	Community interest justified: need \$100,000 program increase
Total	\$1,250,000	\$1,250,000	Program budget to date

Pursuant to the action taken by the APCD Board on January 15, 2009, and your correspondence on May 5, 2009, confirming your continued operation of the program, the APCD will now increase your grant funding an additional \$100,000 from its current amount of \$1,150,000 to \$1,250,000. This letter will constitute the required written notice. If you have any questions, please contact Jim Fredrickson, at (805) 961-8892.

Sincerely,

Terry Dressler
Air Pollution Control Officer

cc: Linda Alexander, APCD
Jim Fredrickson, APCD