

**Date:** July 15, 2010

**To:** Board of Directors  
Puget Sound Clean Air Agency

**Subject:** Resolution No. 1194 – FY 11 Budget Amendment – Washington State Ferries  
Congestion Mitigation and Air Quality (CMAQ) Match

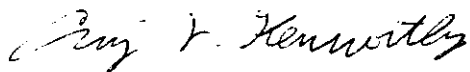
Honorable Members:

Last fall, the agency and the Washington State Ferries division of the Washington State Department of Transportation (WSF) were awarded a \$2.1 million dollar federal Congestion Mitigation and Air Quality (CMAQ) grant from the Puget Sound Regional Council (PSRC) to retrofit diesel engines on the WSF ferries. The agency agreed to provide \$40,000 to WSF as part of the required 13.5% local matching funds in the grant budget. The \$40,000 was included in the agency's FY10 budget, as part of the Diesel Solutions work plan. However, the funds were not expended during FY10 as anticipated because WSF did not receive authorization to spend the CMAQ grant funds until recently and WSF had not completed its competitive bidding process for the project.

The attached Resolution No. 1194 and related budget summary materials amend the FY11 budget to add \$40,000 for this project. The additional \$40,000 is drawn from the Agency's Diesel Fund Balance, which was the source of the funds in the FY10 budget. These funds will be used specifically to fund the partial costs of purchasing Ultra Low Lube Oil diesel engine power assemblies ("UL packs") for installation on the diesel engines of the auto/passenger ferry *M/V Tillikum* or other qualified ferry designated by WSF. WSF has confirmed that the agency's funds will be spent in accordance with the CMAQ grant by the end of calendar year 2010, although agency Contract No. 201000041, which conveys the funds to WSF, does not terminate until December 31, 2011.

Staff recommends the Board adopt Resolution No. 1194.

Respectfully submitted,



Craig T. Kenworthy  
Executive Director

Attachment

cvp

RESOLUTION NO. 1194

RESOLUTION OF THE BOARD OF DIRECTORS OF THE PUGET SOUND CLEAN AIR AGENCY AMENDING THE BUDGET FOR FISCAL YEAR OF 2011 – JULY 1, 2010, TO JUNE 30, 2011, FOR THE WASHINGTON STATE FERRIES CONGESTION MITIGATION AND AIR QUALITY (CMAQ) MATCH

WHEREAS, the Board of Directors adopted a budget for Fiscal Year 2011 for the Puget Sound Clean Air Agency (Agency) by Resolution No. 1190 on May 27, 2010, as required by the Washington State Clean Air Act at RCW 70.94.092, and at the time considered and estimated the financial needs of the operation of the Agency and also the revenues needed to meet such needs; and

WHEREAS, the Washington State Ferries (WSF) Division of the State Department of Transportation, with support from the Agency, received a \$2.1 million (\$2,100,000) Congestion Mitigation and Air Quality (CMAQ) grant to retrofit and reduce emissions from the most-polluting ferries in our region; and

WHEREAS, the Agency has discretionary grant money available from the Washington State Department of Ecology Grant No. G0600058 in its Diesel Fund Balance to reduce diesel emissions; and

WHEREAS, the Agency desires to use a portion of this Diesel Fund Balance to provide part of the required local match for the \$2.1 million (\$2,100,000) CMAQ grant in the amount of \$40,000; and

WHEREAS, these funds will be used specifically to fund the partial costs of purchasing Ultra Low Lube Oil diesel engine power assemblies ("UL packs") for installation on the diesel engines of the auto/passenger ferry *M/V Tillikum* or other qualified ferry designated by WSF; and

WHEREAS, the Board of Directors does now desire to amend the budget accordingly for the Puget Sound Clean Air Agency for the Fiscal Year of 2011, therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PUGET SOUND CLEAN AIR AGENCY:

Section 1: The amended budget for the Puget Sound Clean Air Agency for the Fiscal Year of 2011 (July 1, 2010, to June 30, 2011) including schedules and supporting materials, is adopted as attached hereto and incorporated herein by reference.

PASSED AND APPROVED by the Board of Directors at a regular meeting of the Board on this 22<sup>nd</sup> day of July, 2010.

PUGET SOUND CLEAN AIR AGENCY

By \_\_\_\_\_  
Paul Roberts  
Chair, Board of Directors

Attest:

By \_\_\_\_\_  
Craig T. Kenworthy  
Executive Director

Approved as to form:

By \_\_\_\_\_  
Laurie S. Halvorson  
Agency Counsel

**PUGET SOUND CLEAN AIR AGENCY  
BUDGET AMENDMENT  
FISCAL YEAR ENDING JUNE 30, 2011**

	<b>FY10 Approved Budget (Final)</b>	<b>FY11 Approved Budget (Initial)</b>	<b>Amendment 7/22/10</b>	<b>FY11 Amended Budget</b>
<b>RESOURCES</b>				
<b>Federal Grants</b>				
105 Grant - Federal Core (EPA)	872,796	842,796		842,796
Sec 103 Grant - PM 2.5 (EPA/Ecology)	104,000	113,472		113,472
Biowatch Grant (Dept of Homeland Security)	-	-		-
WA Ferries (Dept of Energy)	-	-		-
Air Toxics - Methods (EPA)	180,695	15,000		15,000
Air Toxics - Community Monitoring (EPA)	256,385	15,000		15,000
Natl Clean Diesel Emerging Tech.-Fierce Allegiance (EPA)	692,500	-		-
Cargo Handling - DERA (EPA)	665,425	620,495		620,495
Locomotive Repower-Burlington Northern Santa Fe RR-ARRA(EPA)	2,534,511	2,445,324		2,445,324
Argosy Grant		1,176,243		1,176,243
Marine Diesel Retrofit-L&G Foss- ARRA (EPA)	739,577			-
Clean Cities Petroleum Reduction - ARRA (Dept of Energy)	4,135,335	9,297,493		9,297,493
Holland America Grant (EPA)	58,866	-		-
<b>Subtotal - Federal Grants</b>	<b>10,240,000</b>	<b>14,525,823</b>	<b>-</b>	<b>14,525,823</b>
<b>State Grants</b>				
105 Grant - State Core (Ecology)	634,749	603,000		603,000
State Diesel Retrofit Grant	-	-		-
State Diesel Non-Attainment		1,000,000		1,000,000
Port Drayage Truck Retrofit Grant (Ecology)	350,000	325,000		325,000
State MTCA	-	-		-
SR 520 Health Impact Assessment (DOT)	-	-		-
Wood Stove Changeout Grants	650,000	600,000		600,000
Wood Smoke Educ & Enforcement Grant	65,000	65,000		65,000
<b>Subtotal - State Grants</b>	<b>1,699,749</b>	<b>2,593,000</b>	<b>-</b>	<b>2,593,000</b>
<b>Supplemental Income</b>				
Per Capita - Cities and Counties	1,852,830	1,874,148		1,874,148
Per Capita - Strategic Initiatives	181,650	183,740		183,740
<b>Subtotal - Supplemental Income</b>	<b>2,034,480</b>	<b>2,057,888</b>	<b>-</b>	<b>2,057,888</b>
<b>Program Fees</b>				
Asbestos	366,530	421,170		421,170
Notice of Construction	357,241	245,222		245,222
Registration	2,464,345	2,476,002		2,476,002
Operating Permits	1,449,327	1,472,262		1,472,262
<b>Subtotal - Program Fees</b>	<b>4,637,443</b>	<b>4,614,656</b>	<b>-</b>	<b>4,614,656</b>
<b>Other Revenues</b>				
Port of Seattle - ABC Fuels	800,000	-		-
Port of Seattle - Reducing Port Emissions	1,700,000	-		-
Port of Seattle - Cargo Handling Grant Match	100,000	-		-
Port of Tacoma - Cargo Handling Grant Match	100,000	-		-
Clean Cities Coalition	90,000	124,175		124,175
Miscellaneous Revenue	-	-		-
<b>Subtotal - Other Revenues</b>	<b>2,790,000</b>	<b>124,175</b>	<b>-</b>	<b>124,175</b>
<b>Total Revenues</b>	<b>21,401,762</b>	<b>23,915,542</b>	<b>-</b>	<b>23,915,542</b>
<b>Appropriated Fund Balance</b>				
Civil Penalty Fund	532,500	416,500		416,500
Civil Penalty -Pr Yr Collections	185,000	-		-
State Diesel Money	1,103,350	637,652	40,000	677,652
General Fund (Per Capita)	(149,563)	26,654		26,654
Fee Programs	-	-		-
Strategic Initiative Fund	322,986	439,000		439,000
Strategic Initiative Fund - to fund balance	(181,650)	(183,740)		(183,740)
Clean Cities	(20,885)	30,948		30,948
Department Reserves	7,000	-		-
Partner Contributions	(362,500)	577,860		577,860
Holland America Fund (Partner Matches)	137,012	-		-
<b>Sub-Total Appropriated Fund Balance</b>	<b>1,573,250</b>	<b>1,944,874</b>	<b>40,000</b>	<b>1,984,874</b>
<b>TOTAL REVENUES &amp; APPROPRIATIONS</b>	<b>22,975,012</b>	<b>25,860,416</b>	<b>40,000</b>	<b>25,900,416</b>

**PUGET SOUND CLEAN AIR AGENCY  
BUDGET AMENDMENT  
FISCAL YEAR ENDING JUNE 30, 2011**

	FY10 Approved Budget (Final)	FY11 Approved Budget (Initial)	Amendment 7/22/10	FY11 Amended Budget
<b>EXPENSES</b>				
<b>Personnel Expenses</b>				
Salaries	5,881,560	5,719,061		5,719,061
Benefits	1,707,760	1,667,386		1,667,386
<b>Sub-Total Personnel</b>	<b>7,589,320</b>	<b>7,386,447</b>	-	<b>7,386,447</b>
<b>Operating Expenses</b>				
Operating Supplies	72,500	79,000		79,000
Professional Services	419,092	310,467		310,467
Telephone	73,600	45,600		45,600
Postage	18,000	20,000		20,000
Travel and Training	119,769	142,115		142,115
Transportation	43,000	51,500		51,500
Rental - Property & Equipment	473,331	487,044		487,044
Insurance	77,000	80,850		80,850
Utilities	5,600	7,000		7,000
Repairs and Maintenance	212,040	241,000		241,000
Legal Expenses	19,000	19,000		19,000
Printing	22,000	16,700		16,700
Meetings	15,000	10,000		10,000
Merchants and Banking Charges	23,000	25,880		25,880
<b>Sub-Total Operating Expenses</b>	<b>1,592,932</b>	<b>1,536,156</b>	-	<b>1,536,156</b>
<b>Capital Expenses</b>				
Tenant Improvements	26,000	-		-
Computer	42,100	67,000		67,000
Fleet	50,000	60,000		60,000
Technical/Scientific	136,704	21,000		21,000
<b>Sub-Total Capital Expenses</b>	<b>254,804</b>	<b>148,000</b>	-	<b>148,000</b>
<b>Grant Expenses</b>				
Biowatch Grants	-	-		-
Airtoxics - Method	188,195	15,000		15,000
Airtoxics - Community	249,518	15,000		15,000
DOE Wa Ferries	-	-		-
EPA HAL Grant	273,000	-		-
SR 520 Health Impact Assessment	-	-		-
<b>Sub-Total Grant Expenses</b>	<b>710,713</b>	<b>30,000</b>	-	<b>30,000</b>
<b>Workplan Expenses</b>				
Climate Protection	4,034,699	130,000		130,000
Wood Smoke	950,000	650,000		650,000
Clean Cities Grant		9,012,469		9,012,469
Clean Cities Coalition		26,165		26,165
Outdoor Burning	-	-		-
Diesel Solutions	7,555,044	6,205,179	40,000	6,245,179
Outreach & Education	177,500	711,000		711,000
Environmental Justice	110,000	25,000		25,000
<b>Sub-Total Workplan Expenses</b>	<b>12,827,243</b>	<b>16,769,813</b>	<b>40,000</b>	<b>16,799,813</b>
<b>TOTAL EXPENSES</b>	<b>22,975,012</b>	<b>25,900,416</b>	<b>40,000</b>	<b>25,900,416</b>
<b>SURPLUS(DEFICIT)</b>	-	-	-	-

Resolution #	Date	Amount
Contribution from Diesel Retrofit Grant Fund for match on Washington State Ferries CMAQ Grant. Increase draw from Retrofit fund and Diesel Solutions Workplan expense.		
	7/22/2010	40,000