



City Council Staff Report

Date: August 3, 2016

CONSENT CALENDAR

Subject: APPROVAL OF AMENDMENT NO. 4 TO AGREEMENT NO. 4898 – A MEMORANDUM OF UNDERSTANDING WITH CVAG REGARDING AB2766 MOTOR VEHICLE REGISTRATION FEE ASSESSMENTS

From: David H. Ready, City Manager

Initiated by: Engineering Services Department

SUMMARY

Approval of Amendment No. 4 to the Memorandum of Understanding ("MOU") with the Coachella Valley Association of Governments ("CVAG") increases the City's contribution of its AB2766 motor vehicle registration fee assessments from 60% to 75%.

RECOMMENDATION:

- 1) Approve Amendment No. 4 to Agreement No. 4898 with CVAG; and
- 2) Authorize the City Manager to execute all necessary documents.

STAFF ANALYSIS:

On December 1, 2010, the City Council approved a new MOU with CVAG related to payment of the City's Assembly Bill 2766 ("AB2766") motor vehicle registration fee assessments towards the regional PM-10 street sweeping program. AB2766, signed into law in 1990, established certain vehicle registration fees towards air quality improvements, particularly ride share programs and regional dust control street sweeping. The new MOU required the City to pay CVAG 100% of its AB2766 assessments in order to fully fund the regional PM10 street sweeping program as a result of a loss of federal funds for the program.

However, on June 27, 2011, the CVAG Executive Committee approved an amendment to the new MOU to decrease the AB2766 payments from 100% of the City's allocation to 60% when other funding sources became available. Beginning Fiscal Year 2014/2015 matching funds from other programs were reduced, requiring CVAG to request an increase of 15% of the allocation from AB2766 payments to 75% to supplement the shortfall. A full copy of the CVAG Executive Committee staff report and

ITEM NO. 112

Amendment No. 4 to increase the contributions from affected cities and the County from 60% to 75% for four fiscal years through June 30, 2020, is included as **Attachment 1** and **Attachment 2**, respectively. Agreement No. 4898 including Amendments 1-3 is included as **Attachment 3** for reference.

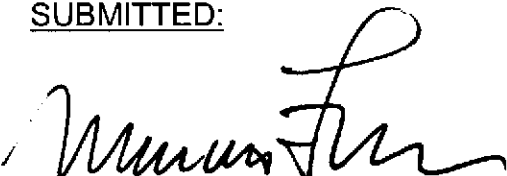
ENVIRONMENTAL IMPACT:

The requested City Council action is not a "Project" as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The requested action is to approve an amendment to a Memorandum of Understanding with CVAG relating to the City's allocation of funding to regional street sweeping programs, and is exempt from CEQA pursuant to Section 15378(b), in that a "Project" does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

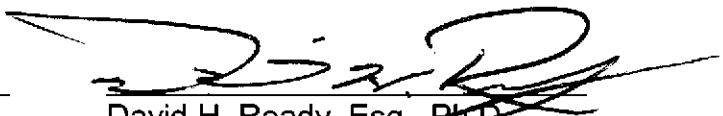
FISCAL IMPACT:

The City has allocated a budget of \$57,600 in the 2016/2017 Fiscal Year budget for revenues received from the City's current 60% allocation of AB2766 payments. This budget is established for ride share programs and street sweeping services. A reduction of 15% of this allocation by CVAG will reduce the budget by \$8,640.

SUBMITTED:



Marcus L. Fuller, MPA, PE, PLS
Assistant City Manager/City Engineer



David H. Ready, Esq., Ph.D.
City Manager

Attachments:

1. CVAG Staff Report
2. Amendment No. 4
3. Agreement 4898 including Amend. 1-3

ATTACHMENT 1

ITEM 7D

**Coachella Valley Association of Governments
Executive Committee**

June 6, 2016

Staff Report



Subject: AB 2766 MOU Amendment Four for Fiscal Years: 2016-17 through 2019-20

Contact: Eric Cowle, Transportation Program Manager (ecowle@cvag.org)

RECOMMENDATION: Approve Amendment Four to the AB 2766 Memorandum of Understanding (MOU) between CVAG and the Member Jurisdictions to increase the contributions from the cities and the County from 60% to 75% for four fiscal years through June 30, 2020.

Technical Advisory Committee: Meeting of May 9th cancelled

Energy and Environmental Resources Committee: Concurs with Amendment at 60% (Meeting of May 12th)

BACKGROUND: The 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: Mobile Source Air Pollution Reduction Review Committee (MSRC) grant funding, Colmac funding associated with mitigating air pollution impacts from a power plant, and AB2766 funds that the Cities/County receive from a \$4 per vehicle surcharge on annual registration fees that must be used to reduce air pollution from motor vehicles. As MSRC and Colmac funding either increases or decreases or program costs increase or decrease, the percent of AB 2766 funds from the Cities/Counties 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. 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. A draft agreement with a new street sweeping vendor is being considered by the Energy and Environment Committee on June 9th and on the next Technical Advisory Committee and Executive Committee agendas.

For the last four years, 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 to \$125,000 annually. CVAG has consistently applied for these funds and was recently awarded its fifth year of MSRC funding. CVAG staff is working with the MSRC to identify funding options for current and future years. It has become clear that the \$125,000 shortfall will continue for FY 2016/17.

Amendment Three to the current MOU expires June 30, 2016. 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;

When presented to the Energy and Environment Committee at their May 12th meeting, staff indicated that if no additional funding is found to be available, it was likely that CVAG will return to the jurisdictions in the near future looking for an increase in the contribution percentage of AB 2766 Funds to cover the costs of the Regional PM10 Street Sweeping Program. Since that meeting a more complete analysis of the current costs of the program and available funding has been completed as part of the budget process, demonstrating the shortfall in funding. Staff now recommends that the increase in member contributions to 75% be considered now, to take effect July 1, 2016.

FISCAL ANALYSIS: Given that the development of two funding streams (MSRC and Colmac) will continue and will help supplement the proposed seventy-five percent (75%) contribution from the jurisdictions; staff recommends that Amendment Four be for a period of four (4) fiscal years. CVAG continues to negotiate with MSRC to address the \$125,000 reduction in their annual funding to the region.

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 as anticipated in the draft four-year Street Sweeping Agreement coming up for consideration in June Committee meetings.

CONTRACT FINALIZATION: Minor changes/revisions may be made for clarification purposes by CVAG Executive Director and Legal Counsel prior to execution.

ATTACHMENT:

1. Amendment Four to AB 2766 Memorandum of Understanding

ATTACHMENT 2

**AMENDMENT FOUR
TO
AB2766 MEMORANDUM OF UNDERSTANDING (MOU)
BETWEEN
COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS
AND
CVAG MEMBER JURISDICTIONS**

JULY 1, 2016

The AB2766 Memorandum of Understanding (MOU) is made and entered into by and between the Coachella Valley Association of Governments (CVAG) and the CVAG member jurisdictions. The parties acknowledge that this Amendment shall be for the period starting July 1, 2016 and shall bind the parties hereunder for the entire term of the four-year amendment; through June 30, 2020.

The AB2766 MOU is hereby amended through this Amendment Four as follows:

- 1) At their June 27, 2016 meeting, the Executive Committee approved to increase CVAG's AB2766 formula to **75%** to provide sustainable funding of the Regional PM10 Street Sweeping Program and related activities starting July 1, 2016 through June 30, 2020;
- 2) All other terms and conditions shall remain the same.

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

By: _____
Title: Stanley E. Henry, CVAG Chair

Date: _____

CITY (COUNTY) OF _____

By: _____

Title: _____

Date: _____

ATTACHMENT 3

44898

AMENDMENT THREE
TO
AB2766 MEMORANDUM OF UNDERSTANDING (MOU)
BETWEEN
COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS
AND
CVAG MEMBER JURISDICTIONS

JULY 1, 2014

The AB2766 Memorandum of Understanding (MOU) is made and entered into by and between the Coachella Valley Association of Governments (CVAG) and the CVAG member jurisdictions. The parties acknowledge that this Amendment shall be for the period starting July 1, 2014 and shall bind the parties hereunder for the entire term of the two year amendment; through June 30, 2016.

The AB2766 MOU is hereby amended through this Amendment Three as follows:

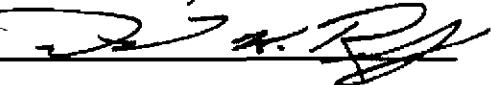
- 1) At their April 28, 2014 meeting, the Executive Committee approved to maintain CVAG's AB2766 formula at 60% to provide sustainable funding of the Regional PM10 Street Sweeping Program and related activities starting July 1, 2014 through June 30, 2016;
- 2) All other terms and conditions shall remain the same.

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

By: 
Title: Don Adolph, CVAG Chair

Date: May 22, 2014

CITY (COUNTY) OF Palms SPRINGS

By: 
Title: CITY MANAGER

Date: 5/22/14

**AMENDMENT TWO
TO
AB2766 MEMORANDUM OF UNDERSTANDING (MOU)
BETWEEN
COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS
AND
CVAG MEMBER JURISDICTIONS**

JULY 1, 2012

The AB2766 Memorandum of Understanding (MOU) is made and entered into by and between the Coachella Valley Association of Governments (CVAG) and the CVAG member jurisdictions. The parties acknowledge that this Amendment shall be for the period starting July 1, 2012 and shall bind the parties hereunder for the entire term of the two year amendment; through June 30, 2014.

The AB2766 MOU is hereby amended through this Amendment Two as follows:

- 1) At their June 25, 2012 meeting, the Executive Committee approved to maintain CVAG's AB2766 formula at 60% to provide sustainable funding of the Regional PM10 Street Sweeping Program and related activities starting July 1, 2012 through June 30, 2014;
- 2) All other terms and conditions shall remain the same.

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

By: Joseph De Coninck
Title: Joseph De Coninck, CVAG Vice Chair

Date: 6/25/12

CITY (COUNTY) OF PALM SPRINGS

By: [Signature]
Title: CITY MANAGER
Date: 7/9/12

**AMENDMENT ONE
TO
AB2766 MEMORANDUM OF UNDERSTANDING (MOU)
BETWEEN
COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS
AND
CVAG MEMBER JURISDICTIONS (EXCEPT INDIO)**

JULY 1, 2011

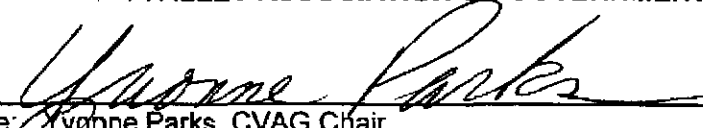
The AB2766 Memorandum of Understanding (MOU) is made and entered into by and between the Coachella Valley Association of Governments (CVAG) and the CVAG member jurisdictions with the exception of the City of Indio. The parties acknowledge that this Amendment shall be for the period starting July 1, 2011 and shall bind the parties hereunder for the entire term of the amendment, through June 30, 2011.


The AB2766 MOU is hereby amended through this Amendment One as follows:

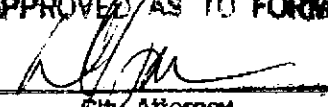
- 1) At their June 27, 2011 meeting, the Executive Committee approved a modification of CVAG's AB2766 formula from 100% to 60% to provide sustainable funding of the Regional PM10 Street Sweeping Program and related activities starting July 1, 2011 through June 30, 2012;
- 2) All other terms and conditions shall remain the same.

EXHIBIT B: Decrease in current formula to jurisdictions

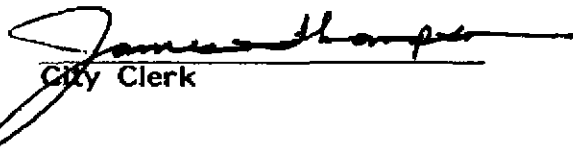
COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

By: 
Title: Yvonne Parks, CVAG Chair
Date: 7/6/11

CITY (COUNTY) OF PALM SPRINGS
By: 
Title: City Manager
Date: 11.11

APPROVED AS TO FORM

City Attorney
Date: 10.27.2011

ATTEST:


City Clerk

APPROVED BY CITY COUNCIL
10.19.11 25 A4898

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

**PM10 AIR QUALITY PROGRAM
 AB 2766 Funds Received from Member Jurisdictions
 Vehicle Registration Revenue
 Fiscal Year 7/1/11 - 6/30/12
 ACCOUNTING TABLE**

**Proposed CVAG Executive Committee Action on June 27, 2011
 Regional PM10 Street Sweeping Program**

Jurisdictions	60%	100%
Cathedral City	\$36,273.27	\$60,455.45
Coachella	\$29,237.05	\$48,728.41
Desert Hot Springs	\$18,404.71	\$30,674.51
Indian Wells	\$3,531.16	\$5,885.27
Indio	\$57,439.60	\$95,732.67
La Quinta	\$30,493.25	\$50,822.09
Palm Desert	\$35,741.95	\$59,569.92
Palm Springs	\$32,977.56	\$54,962.60
Rancho Mirage	\$11,675.32	\$19,458.87
River. Co. Unincorp.*	\$43,857.20	\$73,095.33
TOTALS	\$299,631.07	\$499,385.12

*Population Adjustment Formula For Riverside County: $A/B \times 60\% \times C = D$
 A = Population Coachella Valley Unincorporated = (County Projected for 2011)
 B = Population Riverside County Unincorporated = (County Projected for 2011)
 C = Revenues (AB2766) Riverside County = \$ (County Estimated for 2011)
 D = Revenues (AB2766) Coachella Valley = \$ (County Estimated for 2011)

EXHIBIT B

**AB2766 MEMORANDUM OF UNDERSTANDING (MOU)
BETWEEN THE
COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS
AND THE
CITY OF PALM SPRINGS**

JULY 1, 2010

This Memorandum of Understanding (MOU) is made and entered into by and between the Coachella Valley Association of Governments (CVAG) and the City of Palm Springs. The purpose of this MOU is to document the parties' understanding of and responsibilities for the allocation of the funds received by the City of Palm Springs from revenues derived from the AB2766 Motor Vehicle Registration Fee Assessments program to CVAG for the Coachella Valley Regional PM10 Street Sweeping Program and other air quality programs.

BACKGROUND

On-road motor vehicles, including cars, trucks and buses make up the most significant sources of air pollution in the South Coast Air Basin. Vehicle emissions contribute to unhealthy levels of ozone, toxic air contaminants and particulate matter from diesel exhaust. To protect public health, Assembly Bill 2766 was signed into law in September 1990. The Bill authorizes a motor vehicle registration fee surcharge to fund the implementation of programs designed to reduce air pollution from motor vehicles and to implement the California Clean Air Act of 1988. These funds are collected by the Department of Motor Vehicles and subvented to the South Coast Air Quality Management District (AQMD) which then disburses the AB2766 revenues to local governments quarterly based on an established formula.

PM10 air quality, unlike ozone-related pollution that is primarily transported to the Coachella Valley, is more directly related to local sources of pollution (e.g., paved road dust). The Regional PM10 Street Sweeping Program targets emission reductions from one of the largest PM10 source categories and is an important part of this region's comprehensive efforts to meet the requirements of the Coachella Valley's State Implementation Plan (CVSIP) for PM10. The Program is intended to mitigate blow sand and its resultant PM10 through routine street sweeping.

Using alternative fuel sweepers and other alternative fuel equipment, the Regional Program sweeps the major arterials and medians in the Coachella Valley removing visible roadway dust from these roadway segments. Existing control measures, such as this Program, play a significant role in reducing PM10 in the Coachella Valley. With funding sources depleted, a sustainable funding source must be established to show the Valley's commitment. A discontinuation of this Program could have serious implications on the Coachella Valley's PM10 attainment effort and current Redesignation Request to the Environmental Protection Agency.

At their April 26, 2010 meeting, the Executive Committee approved a modification of CVAG's AB2766 formula from 45% to 100% to provide sustainable funding of the Regional PM10 Street Sweeping Program *for up to one year or upon receiving a commitment of matching funds, at which time the commitment would be re-calculated and reconsidered.*

RESTRICTIONS

The funds accruing to CVAG from this MOU are designated for the operations of the Regional PM10 Street Sweeping Program. The funds will also be used for the regional administration of the Regional PM10 Street Sweeping Program and consultants relative to the Regional Program and other PM10 categories, preparation of grant applications, adherence to grant requirements such as quantifying emission benefits, etc.

CURRENT PROCEDURE

In 1991 each CVAG jurisdiction passed an ordinance adopting the AB2766 Program, setting up a separate account from which to disburse and subsequently monitor and audit these revenues. Revenues are distributed quarterly by the SCAQMD, based on each jurisdiction's proportionate number of registered motor vehicles. Effective July 1, 2010, and for each quarter thereafter, the City of PALM SPRINGS shall forward an amount equal to 100% of AB2766 revenues to CVAG. CVAG shall likewise deposit all monies received as a result of this MOU in a separate account.

Local agencies will be notified of any changes in this procedure and this MOU will be amended accordingly to reflect such changes.

CANCELLATION CLAUSE

This MOU shall continue in effect until or unless the AB2766 Motor Vehicle Registration Fee Assessments program is discontinued, or the Coachella Valley Regional PM10 Street Sweeping Program or CVAG's administration of its air quality programs shall be discontinued or CVAG for whatever reason, is dissolved or otherwise disbanded, or according to CVAG Executive Committee action of April 26, 2010: *The 100% AB2766 commitment is for up to one year or upon receiving a commitment of matching funds, at which time the commitment would be re-calculated and reconsidered; whichever shall occur sooner.*

EXHIBIT A: Increase in current formula to jurisdictions

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

APPROVED BY CITY COUNCIL

12-1-10 JK A4898

By: Stephen P. Poynt

Title: Chairman

CITY OF PALM SPRINGS

By: [Signature]
City Manager

Title: _____

ATTEST:

[Signature]
City Clerk

APPROVED AS TO FORM

[Signature]
City Attorney

Date 12-20-10

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

**PM10 AIR QUALITY PROGRAM
 AB 2766 Funds Received from Member Jurisdictions
 Vehicle Registration Revenue
 Fiscal Year 7/1/08 - 6/30/09
 ACCOUNTING TABLE - EXHIBIT A**

**Following CVAG Executive Committee Action on April 26, 2010
 Agenda Item 10A - Regional PM10 Street Sweeping Program**

Jurisdictions	50%	45%	100%
Cathedral City	\$54,731.81	\$27,354.98	\$60,788.84
Coachella	\$46,965.79	\$21,134.61	\$46,965.79
Desert Hot Springs	\$29,136.26	\$13,111.32	\$29,136.26
Indian Wells	\$5,713.21	\$2,570.94	\$5,713.21
La Quinta	\$49,782.19	\$22,401.99	\$49,782.19
Palm Desert	\$58,980.28	\$26,541.13	\$58,980.28
Palm Springs	\$54,731.81	\$24,629.31	\$54,731.81
Rancho Mirage	\$19,681.06	\$8,856.48	\$19,681.06
River. Co. Unincorp.*	\$75,284.88	\$33,878.20	\$75,284.88
TOTALS	\$401,064.32	\$180,478.95	\$401,064.32

*Population Adjustment Formula For Riverside County: $A/B \times 45\% \times C = D$
 A = Population Coachella Valley Unincorporated = 84,478 (County Projected for 2010)
 B = Population Riverside County Unincorporated = 617,241 (County Projected for 2010)
 C = Revenues (AB2766) Riverside County = \$550,000 (County Estimated for 2010)
 D = Revenues (AB2766) Coachella Valley = \$33,874 (County Estimated for 2010)

EXHIBIT A

COACHELLA VALLEY ASSOCIATION of GOVERNMENTS

AMENDMENT THREE TO AB2766 MEMORANDUM OF UNDERSTANDING (MOU)

BETWEEN THE COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS AND CVAG MEMBER JURISDICTIONS FOR THE PURPOSES OF REGIONAL PM10 AIR QUALITY PROGRAMS AND OTHER RELATED AIR QUALITY SERVICES

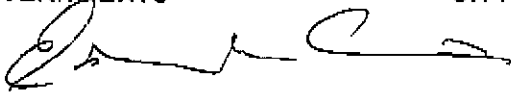
The AB2766 Memorandum of Understanding (the "MOU"), is by and between the Coachella Valley Association of Governments (CVAG) and the CVAG member jurisdictions including the nine Coachella Valley cities and the County of Riverside. The parties acknowledge that this Amendment shall be for the period starting July 1, 2009 and shall bind the parties hereunder for the entire term of the amendment, through June 30, 2011.

The AB2766 MOU is hereby amended through this Amendment Three as follows:

- 1) The 2004-07 AB2766 MOU and Amendments One and Two be extended effective July 1, 2009 for twenty four months (24) through June 30, 2011;
- 2) All other terms and conditions shall remain the same.

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

CITY (COUNTY) OF City of Palm Springs

By: 
Eduardo Garcia, CVAG Chair

Date: 4/27/09

By: 
TOM KIRK
CVAG EXECUTIVE DIRECTOR

Date: 1/15/10

By: 

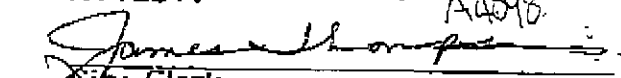
Title: CITY MANAGER

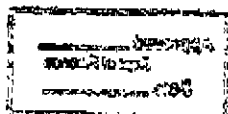
Date: 01-12-2010


APPROVED BY CITY MANAGER

time extension only - no cost
Ad 898

ATTEST:


James Thompson
City Clerk
1-11-10



Approved: 
Dept of Planning
Date: 11/15/10

COACHELLA VALLEY ASSOCIATION of GOVERNMENTS

AMENDMENT TWO TO AB2766 MEMORANDUM OF UNDERSTANDING (MOU)

BETWEEN THE COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS AND CVAG MEMBER JURISDICTIONS FOR THE PURPOSES OF REGIONAL PM10 AIR QUALITY PROGRAMS AND OTHER RELATED AIR QUALITY SERVICES


The AB2766 Memorandum of Understanding (the "MOU"), is by and between the Coachella Valley Association of Governments (CVAG) and the CVAG member jurisdictions including the nine Coachella Valley cities and the County of Riverside. The parties acknowledge that this Amendment shall be retroactive to July 1, 2008 and shall bind the parties hereunder for the entire term of the amendment, through June 30, 2009, in the same manner as if this Amendment had been executed prior to or on July 1, 2008.

The AB2766 MOU is hereby amended through this Amendment Two as follows:

- 1) The 2004-07 AB2766 MOU and Amendment One be extended effective July 1, 2008 for twelve (12) months through June 30, 2009;
- 2) All other terms and conditions shall remain the same.

COACHELLA VALLEY ASSOCIATION
OF GOVERNMENTS

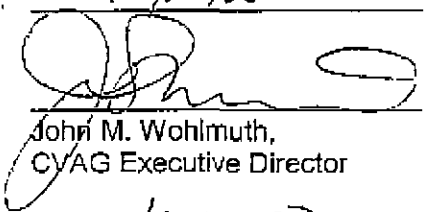
CITY (COUNTY) OF Palm Springs

By: 
Eduardo Garcia, CVAG Chair

By: 

Date: 10/27/08

Title: CITY MANAGER

By: 
John M. Wohlmut,
CVAG Executive Director

Date: 12/5/07

Date: 11-17-08

COACHELLA VALLEY ASSOCIATION of GOVERNMENTS

A4898

AMENDMENT ONE TO MEMORANDUM OF UNDERSTANDING (MOU)

BETWEEN THE COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS AND CVAG MEMBER JURISDICTIONS FOR THE PURPOSES OF REGIONAL PM10 AIR QUALITY PROGRAM AND OTHER RELATED AIR QUALITY SERVICES

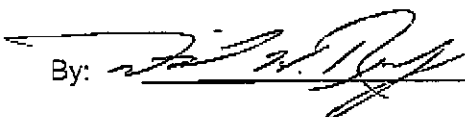
The Memorandum of Understanding (the "MOU"), by and between the Coachella Valley Association of Governments (CVAG) and the CVAG member jurisdictions including the nine Coachella Valley cities and the County of Riverside, for the term of July 1, 2004 through June 30, 2007, is hereby amended as follows:

- 1) The 2004-07 MOU be extended effective July 1, 2007 for twelve (12) months through June 30, 2008;
- 2) All other terms and conditions shall remain the same.

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

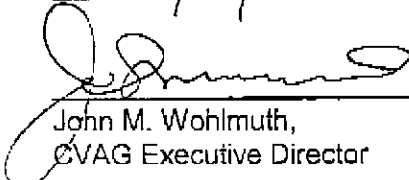
CITY (COUNTY) OF Palm Springs

By: 
Richard W. Kite, CVAG Chair

By: 

Date: 9/24/07

Title: CITY MANAGER

By: 
John M. Wohlmuth,
CVAG Executive Director

Date: 10/7/07

Date: 10/4/07

AB2766 MEMORANDUM OF UNDERSTANDING

BETWEEN

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

AND

CITY OF PALM SPRINGS

JULY 1, 2004

This Memorandum of Understanding (MOU) is made and entered into by and between the Coachella Valley Association of Governments (CVAG) and the City of Palm Springs. The purpose of this MOU is to document the parties' understanding of and responsibilities for the allocation of a portion of the funds received by the City of Palm Springs from revenues derived from the AB2766 Motor Vehicle Registration Fee Assessments Program to CVAG for the Coachella Valley Regional PM10 Air Quality Program.

BACKGROUND

AB2766 funds are to be used to reduce emissions caused by motor vehicles consistent with requirements of the California Clean Air Act and the South Coast Air Quality Management Plan. Staff of the South Coast Air Quality Management District (SCAQMD) have stated it was the District's intention when allocating initial support to CVAG, that the portion of PM10 in the Coachella Valley attributable to mobile sources be covered by local AB2766 funds allocated to CVAG to help continue the regional administration of the PM10 Air Quality Program.

In addition to the regional administration of the PM10 Air Quality Program, CVAG's regional AB2766 reserve funds have been allocated to the Clean Streets Management Program to serve as a local match (11.47%) for federal CMAQ funds (88.53%) which fund the Regional PM10 Street Sweeping Program. This amounted to \$192,000 in regional AB2766 funds for fiscal year 2003-04 and has depleted CVAG's reserve.

CVAG received an air quality grant from the South Coast Air Quality Management District (AQMD) in the amount of \$258,000 over the next three years to assist with the local regional match for the Regional PM10 Street Sweeping Program. Their grant is tied to a dollar for dollar match from CVAG. Analysis shows that we fall short of the dollar for dollar match to AQMD's grant. Member jurisdictions will therefore need to contribute additional AB2766 funds.

At their March 29, 2004 meeting, the Executive Committee approved the following motion: "That the Executive Committee approve the modification of CVAG's AB2766 formula from 33% to 45% to help provide the local match of 11.47% required for federal funds for the Regional PM10 Street Sweeping Program beginning July 1, 2004 through June 30, 2007.

ORIGINALS END
AGREEMENT

6A3

RESTRICTIONS

The funds accruing to CVAG from this MOU are designated for the regional administration of the PM10 Air Quality Program as outlined by the "State Implementation Plan for PM10 in the Coachella Valley" (CVSIP) which was adopted by the SCAQMD Governing Board in June, 2002. Expenditures will be for salary and expenses relating to the ongoing management of the Program such as staff, meetings, the preparation of agendas, publicity, community outreach, and local match for the Regional PM10 Street Sweeping Program.

PROCEDURE

In 1991 each CVAG jurisdiction passed an ordinance adopting the AB2766 Program, setting up a separate account from which to disburse and subsequently monitor and audit these revenues. Revenues are distributed quarterly by the SCAQMD, based on each jurisdiction's proportionate number of registered motor vehicles. Effective July 1, 2004, and for each quarter thereafter, the City of Palm Springs shall forward an amount equal to 45% of revenues to CVAG. CVAG shall likewise deposit all monies received as a result of this MOU in a separate account, and provide an annual report to each jurisdiction.

CANCELLATION CLAUSE

This MOU shall continue in effect until or unless the AB2766 Motor Vehicle Registration Fee Assessments Program is discontinued, or the Coachella Valley Regional PM10 Air Quality Program, as administered by CVAG, shall be discontinued or CVAG, for whatever reason, is dissolved or otherwise disbanded, whichever shall occur sooner.

EXHIBIT A: AB2766 Funds for 2002-03 and 1st Quarter 2003-04

EXHIBIT B: Revenue and Expenditures Projections for Fiscal Year Ending 6/30/2005

EXHIBIT C: Sample of impacts of increase in current formula to jurisdictions

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

By: [Signature]

Title: Chairman

Date: 4-26-04

CITY OF PALM SPRINGS

ATTEST By:

[Signature]
CITY CLERK

Title: [Signature]

CITY MANAGER

Date: June 16, 2004

APPROVED BY THE CITY COUNCIL

MD 7507 6-16-04 A. L. 8/8

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COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

EXHIBIT "A"

**PM10 AIR QUALITY PROGRAM
AB 2766 Funds Received from Member Jurisdictions
Vehicle Registration Revenue
ACCOUNTING TABLE**

Jurisdictions	Fiscal Year 7/1/02 - 6/30/03					Fiscal Year 7/1/03 - 6/30/04				
	1st Qtr. Ending 9/30/02	2nd Qtr. Ending 12/31/02	3rd Qtr. Ending 3/31/03	4th Qtr. Ending 6/30/03	FY 02/03	1st Qtr. Ending 9/30/03	2nd Qtr. Ending 12/31/03	3rd Qtr. Ending 3/31/04	4th Qtr. Ending 6/30/04	FY 03/04
	Amount Billed/Received	Amount Billed/Received	Amount Billed/Received	Amount Billed/Received	Total Billed/Received	Amount Billed/Received	Amount Billed/Received	Amount Billed/Received	Amount Billed/Received	Total Billed/Received
Cathedral City	\$4,383.24	\$4,092.36	\$4,434.80	\$4,480.22	\$17,390.62	\$4,570.30				\$4,570.30
Coachella	2,346.10	2,190.40	2,373.69	2,357.73	\$9,267.92	2,584.68				\$2,584.68
Desert Hot Springs	1,631.65	1,523.37	1,650.84	1,113.34	\$5,919.20	1,661.93				\$1,661.93
Indian Wells	419.98	392.11	424.92	350.91	\$1,587.92	425.15				\$425.15
Indio	5,039.76	4,705.32	5,099.04	4,930.92	\$19,775.04	5,265.99				\$5,265.99
La Quinta	2,770.90	2,587.02	2,803.49	2,800.33	\$10,961.74	2,942.19				\$2,942.19
Palm Desert	4,137.05	3,862.51	4,185.71	4,223.71	\$16,408.98	4,241.78				\$4,241.78
Palm Springs	4,219.12	3,939.13	4,268.74	4,309.22	\$16,736.21	4,251.44				\$4,251.44
Rancho Mirage	1,385.45	1,293.51	1,401.75	1,356.83	\$5,437.54	1,444.52				\$1,444.52
River, Co. Unincorp.	6,624.02	6,184.44	6,701.93	6,839.39	\$26,349.78	6,994.14				\$6,994.14
TOTALS	\$32,957.27	\$30,770.17	\$33,344.91	\$32,762.60	\$129,834.95	\$34,382.12				\$34,382.12

Jurisdictions	Disbursed by SCAQMD FY '02/03					Disbursed by SCAQMD FY '03/04				
	1st Qtr. Ending 9/30/02	2nd Qtr. Ending 12/31/02	3rd Qtr. Ending 3/31/03	4th Qtr. Ending 6/30/03	Total for FY 2002/2003	1st Qtr. Ending 9/30/03	2nd Qtr. Ending 12/31/03	3rd Qtr. Ending 3/31/04	4th Qtr. Ending 6/30/04	Total for FY 2003/2004
	Cathedral City	\$13,149.74	\$12,277.10	\$13,304.41	\$13,440.67	\$52,171.92	\$13,710.91			
Coachella	7,038.30	6,571.22	7,121.08	7,073.18	\$27,803.78	7,754.05				\$7,754.05
Desert Hot Springs	4,894.95	4,570.11	4,952.52	3,340.03	\$17,757.61	4,985.79				\$4,985.79
Indian Wells	1,259.94	1,176.33	1,274.76	1,052.73	\$4,763.76	1,275.44				\$1,275.44
Indio	15,119.30	14,115.96	15,297.15	14,792.76	\$59,325.17	15,797.99				\$15,797.99
La Quinta	8,312.72	7,761.08	8,410.49	8,401.00	\$32,885.29	8,826.58				\$8,826.58
Palm Desert	12,411.15	11,587.53	12,557.14	12,671.14	\$49,226.96	12,725.35				\$12,725.35
Palm Springs	12,657.35	11,817.39	12,806.23	12,927.65	\$50,208.62	12,754.34				\$12,754.34
Rancho Mirage	4,156.36	3,880.54	4,205.25	4,070.50	\$16,312.65	4,333.57				\$4,333.57
River, Co. Unincorp.	127,876.84	119,390.80	129,380.98	132,034.52	\$508,683.14	135,022.07				\$135,022.07
TOTALS	\$206,876.65	\$193,148.06	\$209,310.01	\$209,804.18	\$819,136.90	\$217,186.09				\$217,186.09

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EXHIBIT "B"

**COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS
AB2766 - REVENUE AND EXPENDITURES PROJECTIONS
FOR FISCAL YEAR ENDING JUNE 30, 2005**

	<u>Current Percentage (33.33%)</u>	<u>Proposed Percentage (45.0%)</u>
<u>Revenue:</u>		
Investment income	1,000	1,000
AB2766 Revenue	<u>135,867</u>	<u>183,435</u>
Total Revenues	136,867	184,435
<u>Expenditures:</u>		
Operating expenditures - CVAG	(66,000)	(66,000)
CMAQ program match - CVAG	(7,000)	(7,000)
Proposed contracts	(3,000)	(3,000)
Nick Nickerson's contract match	(7,000)	(7,000)
Street Sweeping Contract Match - CVAG (\$172,050 - 50% AB2766; 50% AQMD)	<u>(86,025)</u>	<u>(86,025)</u>
Total Expenditures	<u>(169,025)</u>	<u>(169,025)</u>
Balance after projected FY2004/05 operations	<u>(32,158)</u>	<u>15,410</u>

AB2766 FUND BALANCE

Balance as at 6/30/03 307,714

FY2003/04 PROJECTIONS

Revenue:

Investment income	1,000
AB2766 Revenue	<u>132,821</u>
Total Revenues	133,821

Expenditures:

Operating expenditures - CVAG	(66,000)
CMAQ program match - CVAG	(7,000)
Proposed contracts	(10,000)
Nick Nickerson's contract match	(7,000)
Street Sweeping Contract Match - CVAG	<u>(194,514)</u>
Total Expenditures	<u>(284,514)</u>

Balance after projected FY2003/04 operations 157,021

Cash flow needed for the program (141,321)

Remainder for program 15,700

LAC

In FY 2004/05, cash flow needed will be less:	
	157,021
	<u>(125,000)</u>
	<u>32,021</u>

EXHIBIT "C"

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS
 VEHICLE REGISTRATION REVENUE / AB2766
 FISCAL YEAR 2004/05 PROJECTION

JURISDICTION	PROJECTED DIST. BY SCAQMD (2.3% INCREASE)	CVAG PORTION		JURISDICTION PORTION		
		45.00%	33.33%	55.00%	66.67%	Difference
Cathedral City	\$ 54,599.43	\$ 24,569.74	\$ 18,197.99	\$ 30,029.69	\$ 36,401.44	\$ 6,371.75
Coachella	\$ 29,097.46	\$ 13,093.86	\$ 9,698.18	\$ 16,003.60	\$ 19,399.28	\$ 3,395.67
Desert Hot Springs	\$ 18,583.85	\$ 8,362.73	\$ 6,194.00	\$ 10,221.12	\$ 12,389.85	\$ 2,168.74
Indian Wells	\$ 4,985.41	\$ 2,243.43	\$ 1,661.64	\$ 2,741.98	\$ 3,323.77	\$ 581.80
Indio	\$ 62,085.51	\$ 27,938.48	\$ 20,693.10	\$ 34,147.03	\$ 41,392.41	\$ 7,245.38
La Quinta	\$ 34,415.41	\$ 15,486.93	\$ 11,470.66	\$ 18,928.48	\$ 22,944.75	\$ 4,016.28
Palm Desert	\$ 51,517.44	\$ 23,182.85	\$ 17,170.76	\$ 28,334.59	\$ 34,346.68	\$ 6,012.09
Palm Springs	\$ 52,544.78	\$ 23,645.15	\$ 17,513.18	\$ 28,899.63	\$ 35,031.60	\$ 6,131.98
Rancho Mirage	\$ 17,071.66	\$ 7,682.25	\$ 5,689.98	\$ 9,389.41	\$ 11,381.68	\$ 1,992.26
County - Unincorporated	\$ 532,351.66	\$ 37,229.78	\$ 27,577.61	\$ 495,121.88	\$ 504,774.05	\$ 9,652.17
TOTAL	\$ 857,252.61	\$ 183,435.21	\$ 135,867.10	\$ 673,817.40	\$ 721,385.51	\$ 47,568.11

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