

COUNTY OF EL DORADO

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JAMES S. MITRISIN
Clerk of the Board



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November 17, 2014

Mathew Rodriguez, Secretary for Environmental Protection CalEPA
P.O. Box 2815
Sacramento, CA 95812-2815

Michael Cohen, Director
Department of Finance
State Capital Room 1145
Sacramento, CA 95814

Richard Corey, Executive Officer
Air Resources Board
P.O. Box 2815
Sacramento, CA 95812-2815

Re: Establishment of a Rural Sustainability Fund

The El Dorado County Air Quality Management District Board of Directors (Board) requests the revenue collected from El Dorado County residents and businesses as a result of the introduction of fuels into the State's Cap and Trade Program be allocated for rural sustainability projects. When fuels are added to the Cap and Trade Program, fuel providers will pass on the additional cost to consumers. The August 4, 2014 letter from the Legislative Analyst's Office to Assembly Member Henry Perea includes a gasoline price increase estimate of \$0.13 to \$0.20 per gallon by 2020.

Gasoline, diesel, natural gas and propane prices are higher in rural areas than in urban areas. If the rural fuel revenue is allocated solely in accordance with the CalEnviroScreen evaluation process, these funds will entirely be transferred to urban areas. Without a mechanism to fairly utilize this funding rural areas will not receive the public health, economic, employment and sustainability benefits intended by the addition of fuels to the Cap and Trade Program. Conversely, the significant financial burden for many of our residents will result in a negative public health impact. Fuel revenue should be allocated in a manner similar to the current transportation fund distribution process where gas tax funds are allocated based upon the number of registered vehicles and maintained road miles.

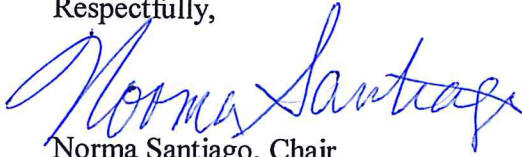
Allocating rural area fuels revenue to the rural county of origin will enable rural counties to pursue projects that will reduce black carbon and greenhouse gas emissions in accordance with local climate

action plans and other planning needs. These projects could promote alternative energy generation, increase energy efficiency, improve water efficiency, support alternatives to current transportation patterns, create jobs and provide other sustainability benefits. Possible rural projects include:

- Forestry and Wildland Urban Interface wildfire risk reduction
- Alternative fuels, such as biodiesel
- Alternative energy projects such as forest biomass to energy
- Wood stove change out
- Electric vehicle infrastructure and incentives
- Municipal water efficiency projects
- Public transit expansion or conversions to cleaner vehicle technologies
- Residential and commercial solar power programs
- Active transportation projects linking population centers with schools and commercial areas

Portions of El Dorado County are designated as nonattainment for state and federal ambient air quality standards. In addition to reducing climate pollutants, these projects will reduce criteria pollutants and assist rural nonattainment areas in reaching attainment expeditiously as practicable. If you would like to discuss further, please contact our Air Pollution Control Officer, Dave Johnston, at (530)621-7578.

Respectfully,

A handwritten signature in blue ink that reads "Norma Santiago". The signature is fluid and cursive, with the first name "Norma" being larger and more prominent than the last name "Santiago".

Norma Santiago, Chair

El Dorado County Air Quality Management District Board of Directors