





AIR QUALITY DIVISION

MEMORANDUM

TO: Fairbanks North Star Borough Assembly

THROUGH: Bryce Ward, Borough Mayor 
BW

FROM: Michelle Denton, Transportation Director 
MF

DATE: July 22, 2021

SUBJECT: Ordinance No. 2021 - 20 - 1B
Appropriate \$10,367,822 in Federal Pass-Through Grant
Funding for the Targeted Air Shed Grant

Attached for your approval is a proposed ordinance, amending the FY 2021-22 budget by appropriating \$10,367,822 in U.S. Environmental Protection Agency (EPA) 2021 Targeted Air Shed Grant (TAS) funding to the Transit Enterprise Projects Fund voluntary Removal, Replacement, Repair, and Bounty Program and the voluntary No Other Adequate Source of Heat (NOASH) Reduction Program (collectively referred to as the Wood Stove Change-Out Programs)

As you are well aware, the Fairbanks North Star Borough (Borough) is dealing with a serious PM_{2.5} air pollution issue. Control measures are necessary to reduce PM_{2.5} pollution. The most effective control measures incorporate quantifiable reductions of direct PM_{2.5} emissions along with broad public support, and the Wood Stove Change-Out Programs incorporate both of those attributes. By approving the proposed ordinance, you are enabling the Borough to take another step towards solving the PM_{2.5} air pollution issue.

I request your consideration and urge your approval of this ordinance.

Attachment

Signature: 
Michelle Denton (Jun 23, 2021 10:03 AKDT)

Email: michelle.denton@fnsb.gov

Signature: 
Bryce Ward (Jun 23, 2021 16:47 AKDT)

Email: bryce.ward@fnsb.gov

By: Bryce Ward, Mayor
Introduced: July 22, 2021

FAIRBANKS NORTH STAR BOROUGH

ORDINANCE NO. 2021 - 20 - 1B

AN ORDINANCE AMENDING THE FY 2021-22 BUDGET BY APPROPRIATING \$10,367,822 IN FEDERAL PASS-THROUGH GRANT FUNDING TO THE TRANSIT ENTERPRISE PROJECTS FUND FOR THE VOLUNTARY REMOVAL, REPLACEMENT, REPAIR, AND BOUNTY PROGRAM AND THE VOLUNTARY NO OTHER ADEQUATE SOURCE OF HEAT (NOASH) REDUCTION PROGRAM (COLLECTIVELY REFERRED TO AS THE WOOD STOVE CHANGE OUT PROGRAMS)

WHEREAS, The U.S. Environmental Protection Agency (EPA) has made \$14,717,265 available to the State of Alaska Department of Environmental Conservation (DEC); and

WHEREAS, The Fairbanks North Star Borough (Borough) operates a voluntary Wood Stove Change-Out Program that is consistent with the requirements of the 2021 Targeted Air Shed (TAS) grant titled "Supplemental Curtailment Enhancement and Wood Stove Change-Out Program;" and

WHEREAS, The 2021 TAS grant funding is restricted to the program elements as described in the grant workplan and must comply with all terms and conditions; and

WHEREAS, DEC has partnered with another state agency, the Alaska Department of Commerce, Community, and Economic Development (DCCED) in order to sub-award funding to the Borough; and

AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT

Text to be *added* is underlined

Text to be *deleted* is [BRACKETED, CAPITALIZED]

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WHEREAS, DCCED intends to pass through federal grant funds totaling \$10,367,822 to the Borough to be used solely for the Borough’s Voluntary Removal, Replacement, Repair, and Bounty Program and the Borough’s newly created Voluntary NOASH Reduction Program (collectively referred to as the Wood Stove Change-Out Programs) as part of the EPA’s 2021 TAS grant; and

WHEREAS, Grant funds will be used to repair, replace, or remove inefficient, high-polluting solid fuel burning appliances (SFBAs), for the Removal, Replacement, Repair, and Bounty Program. Grant funds will be used to service, repair, or replace an inadequate, undersized, malfunctioning, and/or defective non-SFBA heating appliance for the NOASH Reduction Program; and

WHEREAS, The Borough will contribute the staff time to develop the work products and implement the Voluntary Removal, Replacement, Repair, and Bounty Program and the Voluntary NOASH Reduction Program; and

WHEREAS, The EPA, in December 2009, declared part of the Borough a non-attainment area for fine particulate pollution (PM_{2.5}); and

WHEREAS, In the winter, PM_{2.5} concentrations in the non-attainment area routinely exceed the allowable limit, thereby violating the federal health-based standards; and

WHEREAS, Air quality issues could impact large-scale economic development, including military expansion; and

AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
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Text to be *deleted* is [BRACKETED, CAPITALIZED]

58 WHEREAS, Studies have identified wood burning as the largest contributor
59 of PM_{2.5}; and

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61 WHEREAS, Significant PM_{2.5} emission reductions will result from removal
62 and/or replacement of SFBAs with either cleaner EPA certified SFBAs or non-SFBA
63 alternatives; and

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65 WHEREAS, If the Borough is unable to implement the program, DEC will
66 operate the program independently.

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68 NOW, THEREFORE, BE IT ORDAINED by the Assembly of the Fairbanks
69 North Star Borough:

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71 Section 1. Classification. This ordinance is not of a general and
72 permanent nature and shall not be codified.

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74 Section 2. Acceptance of EPA Federal Pass-Through Grant Funds from
75 the State of Alaska. The Borough formally accepts \$10,367,822 in EPA federal
76 pass-through TAS grant funds, from the State of Alaska, for the Borough's Wood Stove
77 Change-Out Programs.

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79 Section 3. Transit Enterprise Projects Fund Appropriation. The
80 FY 2021-22 budget is hereby amended by appropriating \$10,367,822 to the Transit
81 Enterprise Projects Fund budgetary guideline entitled "EPA 2021 TAS Grant Supplemental
82 Curtailment Enhancement and Wood Stove Change-Out Program," and by increasing
83 estimated revenue from federal pass-through grants by a like amount.

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Text to be *deleted* is [BRACKETED, CAPITALIZED]

85 Section 4. Eligible Expenditure Period. Expenditures subsequent to the
86 effective date of the grant are eligible for reimbursement.

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88 Section 5. Effective Date. This ordinance is effective at 5:00 p.m. on the
89 first Borough business day following its adoption.

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91 ADOPTED THE _____ DAY OF _____ 2021.

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93 _____
94 Mindy O’Neall
95 Presiding Officer

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97 ATTEST: APPROVED:
98 _____
99 _____

100 April Trickey, CMC
101 Borough Clerk

Jill S. Dolan
Borough Attorney

AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT
Text to be *added* is underlined
Text to be *deleted* is [BRACKETED, CAPITALIZED]

FAIRBANKS NORTH STAR BOROUGH
FISCAL NOTE

I. Request

Ordinance No: 2021-20-1B

Date Introduced: July 22, 2021

Abbreviated Title: Appropriate \$10,367,822 in Federal Pass-Through Grant Funding for the Wood Stove Change-Out Programs

II. Financial Detail

Department/Division Affected: Transportation/Air Quality

EXPENDITURE	Transit Enterprise Projects Fund	
	FY 21/22	FY 21/22
Contractual Services	9,425,293	
Indirect	942,529	
Contribution to Capital Projects Fund		
Total	10,367,822	

SOURCE OF FUNDING

Contribution from Fund Balance		
Federal Pass-Through Grants	10,367,822	
Total	10,367,822	

Specify Funding Sources: U.S Environmental Protection Agency passed through the State of Alaska

OTHER FUNDING (PREVIOUSLY APPROPRIATED)

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III. Project Purpose:

To fund the Wood Stove Change-Out Programs

IV. Analysis of Future Liabilities and Funding Sources:

None

V. Fund Certification: I certify that funding sources are available as detailed in II above.

Debra L. R. Brady for DLES CFO
Debra L. R. Brady
Chief Financial Officer

6/22/2021
Date

<u>MK</u> FA	GLA
GA	CA <u>BD</u>
SpA	C
<u>RM</u> TBM	SA

Fairbanks North Star Borough
Fiscal Impact Statement (FIS) (FNSBC 2.09.035 C.)

Check	Date
Version 1	
Version 2	
Version 3	
Version 4	

Originator's Name: Nick Czarnecki Department: Transportation
 To Be Introduced/Sponsored By: Bryce Ward, Mayor
 Abbreviated Ordinance Title: TAG Appropriating Ordinance
 Department(s)/Division(s) Affected: Transportation/Air Quality
 Proposed Introduction Date: July 22, 2021 Ordinance No.: 2021-20 1B

Does this ordinance authorize:

- 1) a new or expansion of services which entails additional costs beyond that approved in the current adopted budget? Yes ___ No *
- 2) a project that is capital in nature and increases operational costs of the Borough in the current or any future fiscal year? Yes ___ No *

Required Information/Estimates	FISCAL IMPACT PRO FORMA SUMMARY - BEST ESTIMATE				
	Remainder of Current FY	1st Full FY of Operations	2nd Full FY of Operations	3rd Full FY of Operations	4th Full FY of Operations
	FY 2021 / 22	FY 2022 / 23	FY 2023 / 24	FY 2024 / 25	FY 2025 / 26
1. Timeline inclusive of all phases					
2. Number and type of new positions which may be required	0	0	0	0	0
3. Cost of operations and maintenance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4. Future costs to complete capital assets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Estimated revenue impact	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. Estimated non-Borough funds that may be received:					
a. to fund the ordinance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
b. to fund future phases	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
c. to fund future operations and maintenance costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7. Anticipated annual tax subsidy	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Is backup attached? Yes ___ No

Contact Person's Name, for FIS questions: Nick Czarnecki, Air Quality Mngr. Extension: 1001

Director(s) Signature(s): [Signature] Date: 7.7.21

Mayor's Office or Assembly Member Signature: [Signature] Date: 7/8/21

Chief Financial Officer Signature: [Signature] Date: 7/8/21