



APPLICATION TO RECEIVE SUPPLEMENTAL ENVIRONMENTAL PROJECT (SEP) FUNDING

1. APPLICANT INFORMATION

Name of Performing Organization/Applicant: (Full legal name)

Houston-Galveston Area Council

Date: October 13, 2008

Address:

3555 Timmons Lane, Suite 120

Houston, TX 77027

Type of organization:

Non-profit* Government

* If non-profit, please provide a copy of your 501c(3) exemption

(Note: for-profit organizations may not receive SEP funding).

Telephone: 713-499-6695

Alt. phone:

Facsimile: 713-993-4508

Email: Shelley.whitworth@h-gac.com

Contact Person: (Name of person to call for questions)

Name: Shelley Whitworth

Title: Air Quality Program Manager

Previous SEP performance history or funds management experience:

Please tell us about any applicable previous experience managing funds or performing projects.

AERCO, housed and staffed by H-GAC, is currently in an agreement with TCEQ to manage SEP funds for transit and school bus projects for the Houston-Galveston eight county non-attainment region. The funds are currently being allocated to school districts and /or transit districts who apply for replacement or retrofit of old polluting school or transit buses. The H-GAC Buy program, an authorized government procurement service, manages many of the purchases for buses and retrofit equipment not only within the eight county region, but on a statewide basis.

Another SEP fund program managed by H-GAC is the Clean Vehicles program. It is a fuel/technology-neutral grant program that funds cost-effective engine retrofit, repower, replacement, conversion (to alternative fuels), or the establishment of publicly accessible alternative fuel infrastructure. Applications are accepted on a rolling basis until the funds are exhausted. Eligible entities include any public or private fleets that primarily operate within the 8-county ozone non-attainment area (Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller counties). Eligible vehicles must spend at least 75% of their operating hours within the 8-county ozone non-attainment area, and travel more than 12,000 miles/year. As a general rule, the replacement of the heaviest, oldest, and most used diesel engines will qualify for the most funding.



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Does your organization carry comprehensive general liability insurance? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Is your organization willing to maintain a separate bank account for SEP funds? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Estimated Total Project Cost: \$ _____ N/A _____	Minimum \$ amount of any one contribution your organization will accept: \$ _____ \$1000 _____
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2. PROPOSED PROJECT INFORMATION

Please provide a project name, such as "Rivers, Lakes, and Bays Cleanup Program"

Clean Cities/ Clean Vehicles Program

3. PROJECT DESCRIPTION



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There are two parts to the Project Description; please complete a. and b., below.

a. Please provide a general description of the SEP, including photographs, if available. For example, how many septic systems will be replaced or how many illegal dump sites will be cleaned and at what addresses?

Brief description:

The SEP funds will be used for the Houston-Galveston-Brazoria (HGB) eight county non-attainment transportation region to help improve local government transportation fleets. The funds will be allocated to local governments who apply for replacement or retrofit of buses, taxis, and other fleet vehicles.

Does this project benefit air, water, or waste (media)? The project benefits air.

Specific Location of SEP Project: Please provide a detailed description, including maps, if available:

The SEP project is located in the State of Texas

Ownership of SEP project site. Please state who owns the property where the SEP will be conducted

Local government districts

Does the proposed SEP involve correction of a violation that was caused by or for which applicant is responsible for correcting? Y/N If so, how?

N/A

Will the project use applicant's personnel for labor or contract labor? Please specify.

N/A

Will the applicant be willing to complete all portions of the SEP, regardless of whether the SEP costs more than anticipated? Y/N

N/A

b. How will the project be implemented? Describe how the project will be implemented, including: the need for the project, the availability of other similar services or projects in the area, and project implementation tasks such as technology, operation or process changes.

Companies and entities that receive SEP fines may enter into an agreement with TCEQ to develop a project with and through the Houston-Galveston Area Council. The SEP fines will be used in the county or city/area of the organization's choice to help fund the replacement or retrofit of public fleets. The environmental benefits include reductions of fine particle pollution, pollutants that are harmful to public health. The concentrations of two pollutants that are responsible for creating smog, nitrogen oxide and carbon monoxide, will also be reduced through the upgrade of public fleets.

The project will be implemented by conducting outreach to local governments via formal letter and email making them aware that there may be potential funds available through the Houston-Galveston Area Council to assist in replacing or retrofitting government fleets. If a local government agency reaches an agreement with TCEQ regarding a SEP for a specific area within the HGB eight county non-attainment area, staff at H-GAC will contact the government agency within that area to begin developing and implementing projects. The program will function very similarly to the current Houston-Galveston AERCO Clean School Bus Program.



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4. EXPECTED ENVIRONMENTAL BENEFIT

Explain in as much detail as possible the expected environmental benefits of this project and quantify the environmental benefits to the extent practical. Even if the benefits seem obvious (e.g. reducing pollution) you still must clearly state how the implementation of the SEP project will result in measurable environmental benefits.

For pollution prevention or reduction projects - Quantify the amount of each pollutant that is expected to be reduced beyond the level required for environmental compliance. Specify the medium (air, water, waste) to be affected.

SEP funds may be used for fleet retrofits or replacements of conventionally-fueled, higher NOx- and VOC-emitting vehicles through the purchase and use of new or alternatively-fueled vehicles. The SEP fund helps convert public fleets to more efficient cleaner-burning fuel or other alternative fuel which is produced right here in Texas and costs less.

The expected environmental benefits are as follows: promote clean-burning vehicles, reduce vehicle emissions into the atmosphere, reduce human health problems, and provide cleaner air.

For all other types of projects - Quantify the number of participants, programs offered, sites cleaned, types of contamination contained/removed, acres restored or affected, etc.

5. PROPOSED PROJECT SCHEDULE (You may use all three columns, if applicable, but only one is required)



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Events	Events	Events
<u>Name of Event</u>	<u>Name of Event</u>	<u>Name of Event</u>
<u>Projected Start Date</u>	<u>Projected Start Date</u>	<u>Projected Start Date</u>
<u>Interim Dates</u>	<u>Interim Dates</u>	<u>Interim Dates</u>
Phase 1:	Phase 1:	Phase 1:
Phase 2:	Phase 2:	Phase 2:
Completion Date/End of Project:	Completion Date/End of Project:	Completion Date/End of Project:

All third party administrators or recipients of SEP funds must send a quarterly performance report to the TCEQ SEP Coordinator.

Who will submit quarterly reports: (Name and contact information):

Connie Chao
Senior Air Quality Planner
3555 Timmons Lane, Suite 120
Houston, TX 77027

Office 713-993-2489
Fax 713-993-4508

QUARTERLY REPORT FORM IS AT: http://www.tceq.state.tx.us/assets/public/legal/sep/blank_quarterly_report.xls

6. PROPOSED BUDGET DETAILS

Only contracted labor or applicant's labor at a reasonable and customary rate will be given credit in the budget. No credit will be given for volunteer labor or non-direct expenses.

(General guidance on SEPS is contained in the SEP Guidance Document at http://www.tceq.state.tx.us/comm_exec/forms_pubs/pubs/gi/gi-352.html.)

Double click on the table to overwrite the sample data



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Equipment to be used	How many?	Cost of Each	Per hr, day, etc.)	No. of	Units	Total for this item
Total anticipated budget						\$ -

7. RATE OF RETURN

This section applies if purchases are being made. Provide an analysis of annual financial returns on the project, such as growth in capital equipment, savings from reduction in energy use, or other ways that this SEP may financially benefit the applicant. If you are not purchasing equipment or other goods, you may fill in only the expected financial return, if applicable.

Capital Expenditures (depreciable over one-year period):

- 1.
- 2.
- 3.
- 4.

Non-depreciable or other expenses (not depreciable over one year):

- 1.
- 2.
- 3.
- 4.

Expected financial return:

- 1.
- 2.
- 3.
- 4.

Length of the project: _____ years _____ months

8. NO PREVIOUS COMMITMENT, NO SEPARATE REQUIREMENTS, NO DUPLICATIVE FUNDING



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I certify on behalf of the Applicant that the Applicant:

1. has not previously committed to perform this project including a previous obligation to complete the proposed SEP:
 - a. under any applicable local, state, or federal regulations that would require implementation of this project or any part of this project; and
 - b. as a part of:
 - i. a pollution prevention commitment identified in a plan developed pursuant to the state's Waste Reduction Policy Act (WRPA);
 - ii. a commitment made under the Clean Texas Program; or
 - iii. the U.S. Environmental Protection Agency's Project XL or any other incentive or regulatory flexibility program. (Y/N)
2. is undertaking the proposed project.
3. has not previously budgeted funding for the project prior to its approval by the TCEQ, and
4. will not receive duplicative funding by grants or donations from any source for the project.

(See <http://www.tceq.state.tx.us/legal/sep/resproposal.html> for links and information about the WRPA, Clean Texas, and Project XL Programs.)

Printed Name & Title

Date

Signature of Authorized Representative