



BAY AREA

AIR QUALITY

MANAGEMENT

DISTRICT

BOARD OF DIRECTORS
MOBILE SOURCE COMMITTEE

COMMITTEE MEMBERS

SCOTT HAGGERTY - CHAIR
JOHN AVALOS
CAROLE GROOM
JOHANNA PARTIN
BRAD WAGENKNECHT

NATE MILEY – VICE CHAIR
TOM BATES
CAROL KLATT
MARY PIEPHO

**THURSDAY
FEBRUARY 23, 2012
9:30 A.M.**

**4TH FLOOR CONFERENCE ROOM
939 ELLIS STREET
SAN FRANCISCO, CA 94109**

AGENDA

1. **CALL TO ORDER - ROLL CALL**

2. **PUBLIC COMMENT PERIOD**

(Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3) Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.

3. **APPROVAL OF MINUTES OF NOVEMBER 28, 2011**

4. **PROJECTS WITH PROPOSED GRANT AWARDS OVER \$100,000**

D. Breen/5041

dbreen@baaqmd.gov

The Committee will consider recommending Board of Directors approval of Carl Moyer and Transportation Fund for Clean Air (TFCA) Regional Fund projects requesting grant funding in excess of \$100,000 and authorization for the Executive Officer/APCO to execute Grant Agreements for the recommended projects.

5. **PARTICIPATION IN YEAR 14 OF THE CARL MOYER PROGRAM AND YEAR 3 OF THE GOODS MOVEMENT PROGRAM**

D. Breen/5041

dbreen@baaqmd.gov

The Committee will consider recommending Board of Directors approval of Air District participation in Year 14 (Fiscal Year 2011/2012) of the Carl Moyer Program, and acceptance of up to \$46 million in funding from the California Goods Movement Bond program for the replacement of engine model year 1994-2003 trucks.

6. **REGIONAL PLUG-IN ELECTRIC VEHICLE READINESS PLANNING GRANT CONTRACTOR(S)**
D. Breen/5041
dbreen@baaqmd.gov

The Committee will consider recommending Board of Directors approval of a contract not to exceed \$350,000 for a contractor(s) to assist in drafting Regional Plug-In Electric Vehicle Readiness Planning Grant documents and authorization for the Executive Officer/APCO to enter into all necessary agreements with the recommended contractor(s).

7. **AIR DISTRICT GRANT PROGRAMS OVERVIEW**
D. Breen/5041
dbreen@baaqmd.gov

The Committee will receive an informational report on grant funds allocated by the Air District in calendar year 2011, and projected funding availability and proposed priorities for grant programs in calendar year 2012.

8. **PORT DRAYAGE TRUCK PROGRAM**
D. Breen/5041
dbreen@baaqmd.gov

The Committee will receive an informational update on the Port Drayage Truck Program and consider a recommendation for funding allocations for a program to upgrade engine model year 2005/2006 drayage trucks.

9. **COMMITTEE MEMBER COMMENTS/OTHER BUSINESS**

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2).

10. **TIME AND PLACE OF NEXT MEETING**

Thursday, March 22, 2012, Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, California 94109 at 9:30 a.m.

11. **ADJOURNMENT**

**CONTACT EXECUTIVE OFFICE - 939 ELLIS STREET
SAN FRANCISCO, CA 94109**

**(415) 749-5130
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov**

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities notification to the Executive Office should be given at least three working days prior to the date of the meeting so that arrangements can be made accordingly.
- Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the District's offices at 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body. Such writing(s) may also be posted on the District's website (www.baaqmd.gov) at that time.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
(415) 771-6000

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF DISTRICT MEETINGS

FEBRUARY 2012

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Special Meeting as the Sole Member of the Bay Area Clean Air Foundation – CANCELLED AND RESCHEDULED TO WEDNESDAY, MARCH 7, 2012	Wednesday	15	9:30 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i> - CANCELLED	Wednesday	15	9:45 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets 3rd Monday Every Month)</i>	Wednesday	15	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Public Outreach Committee	Thursday	16	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Executive Committee <i>(Meets 3rd Monday Every Month)</i> - CANCELLED and RESCHEDULED TO FEBRUARY 15, 2012 AT 9:30 A.M.	Wednesday	20	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(Meet 3rd Monday Every Other Month) – CANCELLED</i>	Monday	20	10:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets the 4th Wednesday Each Month)</i>	Wednesday	22	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	23	9:30 a.m.	4 th Floor Conf. Room

MARCH 2012

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Special Meeting as the Sole Member of the Bay Area Clean Air Foundation	Wednesday	7	9:30 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	7	9:45 a.m.	Board Room
Advisory Council Regular Meeting <i>(Meets 2nd Wednesday each Month)</i>	Wednesday	14	9:00 a.m.	Board Room
Board of Directors Public Outreach Committee	Thursday	15	9:30 a.m.	4 th Floor Conf. Room

MARCH 2012

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Executive Committee <i>(Meets 3rd Monday of each Month)</i>	Monday	19	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(Meets 3rd Monday Every Other Month)</i>	Monday	19	10:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	21	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	22	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets the 4th Wednesday Each Month)</i>	Wednesday	28	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Personnel Committee <i>(At the Call of the Chair)</i>	Wednesday	28	11:00 a.m.	4 th Floor Conf. Room

APRIL 2012

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	4	9:45 a.m.	Board Room
Advisory Council Regular Meeting <i>(Meets 2nd Wednesday each Month)</i>	Wednesday	11	9:00 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets 3rd Monday of each Month)</i>	Monday	16	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	18	9:45 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets the 4th Wednesday Each Month)</i>	Wednesday	25	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	26	9:30 a.m.	4 th Floor Conf. Room

HL – 2/8/12 (3:25 p.m.)

P/Library/Forms/Calendar/Calendar/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 12, 2012

Re: Mobile Source Committee Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Mobile Source Committee meeting of November 28, 2011.

DISCUSSION

Attached for your review and approval are the draft minutes of the November 28, 2011 Mobile Source Committee meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Vanessa Johnson
Reviewed by: Jennifer Cooper

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 749-5000

DRAFT MINUTES

Summary of Board of Directors
Mobile Source Committee Meeting
Monday, November 28, 2011
9:30 a.m.

CALL TO ORDER: Chairperson Scott Haggerty called the meeting to order at 9:33 a.m.

Roll Call: Scott Haggerty, Chairperson; Carole Groom, Vice Chair; Directors David E. Hudson, Carol Klatt, Nate Miley, Johanna Partin, Mark Ross, and Brad Wagenknecht; Tom Bates, Board Chairperson

Absent: Director Jennifer Hosterman

Public Comments: There were no public comments.

3. Approval of Minutes: Mobile Source Committee Meeting of October 27, 2011

Committee Action: Director Hudson made a motion to approve the October 27, 2011 Mobile Source Committee minutes; seconded by Director Miley, carried unanimously without objection.

4. Consideration of Projects with Proposed Grant Awards over \$100,000

Damian Breen, Director of Strategic Incentives, introduced Anthony Fournier, Grants Manager, who gave staff the presentation and background on Consideration of Projects with Proposed Grant Awards over \$100,000. Mr. Fournier's discussion included background, proposed projects, and recommendations.

The Air District has participated in the Carl Moyer Program (CMP), since in 1998. The program is voluntary and its goal is to primarily reduce emissions from heavy duty diesel powered equipment. CMP is administered by the California Air Resources Board (CARB) and with local air districts throughout the State with funding for both public and private entities.

The Mobile Source Incentive Fund (MSIF) is Air District's name for the funding source authorized by AB 923, which allowed the Air District to collect an additional \$2 motor vehicle registration surcharge fee. The Air District uses these fees to fund projects that are eligible under the CMP guidelines.

Mr. Fournier said this year is year 13 of the CMP. On February 2, 2011, the Air District Board of Directors approved participation in CMP year 13 and authorized the Executive Officer/APCO to execute contracts and amendments with grant awards up to \$100,000. He said that staff is accepting and evaluating applications on a first come, first serve basis and will continue to do so until all funds have been allocated. In addition, there is approximately \$14 million available for

funding under this solicitation. He continued saying there are 4 projects to replace 14 pieces of off-road equipment for a total of \$716,773 in total awards. These projects will reduce over 5 tons per year (TPY) of criteria pollutants.

Mr. Fournier provided a summary of the total allocations as of November 9, 2011. The summary includes projects by equipment category and location and includes the following:

- Off-road (non-Ag) – 34%
- On-road – 22%
- Off-road (Ag) – 44%

- Alameda – 10%
- Contra Costa – 5%
- Marin – 8%
- Napa – 2%
- San Francisco – 0%
- San Mateo – 4%
- Santa Clara – 35%
- Sonoma – 36%
- Solano – 0%

In conclusion, Air District staff requested the Committee recommend the Board of Directors approve Carl Moyer Programs projects with proposed grant awards over \$100,000; and authorize the Executive Officer/APCO to enter into agreements for the recommended Carl Moyer Program projects.

Public Comments:

None.

Committee Comments/Questions:

Chair Haggerty asked what the Equipment Category VIP is. Mr. Breen replied that it stands for the Voucher Incentive Program and is specific to heavy duty trucks, for example Class A trucks. Chair Haggerty also asked how much money has been allocated to this program. Mr. Breen said the funds are multi-district funding at approximately \$1.5 million for this year, and there is funding from last year, with the option to add additional funds if the Air District chooses to match funds.

Committee Action: Director Hudson made a motion to recommend Board of Directors' approval for Carl Moyer Program projects with proposed grant awards over \$100,000; and authorizes the Executive Officer/APCO to enter into agreements for the recommended Carl Moyer Program projects; Director Wagenknecht seconded the motion, carried unanimously without objection.

5. Fiscal Year Ending (FYE) 2011 Transportation Fund for Clean Air (TFCA) Report on Regional Fund Expenditures and Effectiveness

Damian Breen, Director of Strategic Incentives, introduced Geraldina Grunbaum, Supervising Environmental Planner, who gave the staff presentation on Fiscal Year Ending (FYE) 2011 Transportation Fund for Clean Air (TFCA) Report on Regional Fund Expenditures and Effectiveness.

Ms. Grunbaum provided the following background update:

- Revenue from \$4 surcharge on vehicle registration
- 60% of TFCA revenues allocated directly by District
 - District programs (e.g., Spare the Air, Smoking Vehicle)
 - Balance available, on a competitive basis, to projects
- TFCA funds cost-effective projects that reduce criteria pollutants from motor vehicles
- Board reviews expenditure of TFCA funds to determine their effectiveness in improving air quality

Ms. Grunbaum said the report summarizes expenditures and cost-effectiveness of the 28 TFCA Regional Fund projects and programs concluding in FYE 2011. The breakdown is as follows:

- Total Regional Fund expenditures: \$5.52 million
- Total TFCA Administration: \$1.19 million

Regional Fund by Category includes:

Bicycle Facilities - \$553,624
Shuttle/Feeder Bus and Ridesharing - \$1,149,539
Diesel Retrofit & Repowers - \$843,940
Heavy-Duty Vehicles - \$1,365,947
Light-Duty Vehicles - \$128,333
Spare the Air - \$788,229
Smoking Vehicle - \$693,730

Lifetime emission reductions achieved include:

- Reduction in criteria pollutant emissions: 227.7 tons
 - 29.2 tons of reactive organic gases
 - 185.9 tons of nitrogen oxides
 - 12.6 tons of particulate matter
- Reduction in carbon dioxide emissions: 68,654 tons

Ms. Grunbaum concluded the presentation requesting the Committee recommend the Board of Directors receive and file the FYE 2011 Transportation Fund for Clean Air Report on Regional Fund Expenditures and Effectiveness found in Attachment A of the staff report.

Committee Comments/Questions:

Director Wagenknecht asked for further clarification for \$5.52 million for Regional Fund expenditures and \$1.2 million for Administration. Ms. Grunbaum stated \$5.52 million is the amount that was expended last year on Regional Fund projects, and \$1.2 million was spent on Administration of both the Regional Fund and Program Manager Funds.

Chair Haggerty asked if the Air District funds shuttles and how the ridership is monitored, and suggested the information be included as part of the staff report. Mr. Breen said staff provided the Committee with an overview in February 2011 of how grant funds were spent in 2012 and in February 2012, the Committee will receive an overview of the Grants Program, which will include expenditures included as part of the TFCA program.

Chair Haggerty asked about the \$700,000 for the Spare the Air Program and if this program was in jeopardy. Jean Roggenkamp, Deputy Air Pollution Control Officer, responded that TFCA dollars are not in jeopardy. Chair Haggerty asked how much has been spent thus far on the Spare the Air Program. Lisa Fasano, Division Director, Communications and Outreach, stated that an estimate of \$1.3.

Public Comments: None.

Committee Action:

Director Wagenknecht made a motion to recommend the Board of Directors receive and file the FYE 2011 Transportation Fund for Clean Air Report on Regional Fund Expenditures and Effectiveness found in Attachment A of the staff report; Director Hudson seconded the motion, carried unanimously without objection.

6. Port Drayage Truck Replacement Program for Engine Model Year (MY) 2004 Trucks

Damian Breen, Director of Strategic Incentives gave staff the presentation and an update Port Drayage Truck Replacement Program for Engine Model Year (MY) 2004 Trucks. Mr. Breen said the presentation would cover the following:

- Background
- Current Drayage Truck Population
- Proposed Program
- Next Steps
- Recommendations

The drayage truck regulation was adopted by the California Air Resources Board (CARB) in December 7, 2007. Mr. Breen said this program has two phases with a total of four compliance deadlines. The first compliance deadline was in 2009. Upcoming deadlines are the December 2011 for the 2004 model engine trucks and as part of the deadline those trucks are required to install a Level 3 filter, in order to meet compliance. However, when looking at the second phase of the regulation, which is scheduled to take effect two years later those trucks will be required to upgrade to MY 2007 standard engine.

Mr. Breen said the population of trucks affected by the deadline concentrates on the 2004 deadline, which includes 700 trucks in Northern California that need to meet regulatory requirements. He further stated in analyzing the 700 trucks they looked at their locations and found that 247 are located in the Bay Area with an additional 449 located outside of the Bay Area region. He said the vast majority of those trucks are located within Alameda County, followed by Contra Costa, Santa Clara, and San Francisco as shown below.

Location	Trucks	Companies	% of total trucks
Alameda	143	74	20.55%
Contra Costa	26	20	3.74%
Santa Clara	25	14	3.59%
San Francisco	15	9	2.16%
San Mateo	12	9	1.72%
Sonoma	12	5	1.72%

Solano	7	4	1.01%
Napa	6	2	0.86%
Marin	1	1	0.14%
Inside Bay Area	247	138	35.49%
Outside Bay Area	449	207	64.51%
TOTAL	696	345	

Mr. Breen said in order to address the 247 trucks located in the Bay Area, staff is proposing program that includes:

- Eligible trucks:
 - Class 8 drayage trucks
 - MY 2004 engine
 - Registered in the ARB Drayage Truck Registry database to a Bay Area address
- Air District to provide \$10,000 grant for up to 247 trucks
- 11/15: RFP issued to seek contractor to provide:
 - Outreach and administrative assistance
 - Low cost (< \$60,000) trucks meeting the 2007 MY emissions standard
 - \$8,000-\$15,000 trade-in value for MY 2004 trucks
 - Coordination of out of state sale of MY 2004 trucks

Mr. Breen continued stating there are a number of actions needed in order to make the program a reality. Those actions include:

- Add Policy #32 to TFCA Regional Fund Policies to allow funding of drayage truck replacements (Attachment 1)
 - 2 Public comments received (Attachment 2)
- Allocate \$1.04 million in TFCA Regional Funds
 - Funding would replace 104 trucks
 - Approve drayage truck replacements as case-by-case projects under Program Manager Policy #3
 - Additional funding:
 - Requested \$1.43 million from Alameda County Congestion Management Agency (CMA)
 - Contacted other CMAs
- 12/7 – Contractor recommendation to Air District Board

Mr. Breen continued providing the following as next steps.

- 11/28/11: Contractor RFP period closes
- 12/7/11: Air District Board considers MSC recommendations, and contractor award
- 12/8/11 - 12/30/11: Tentative dates for project application period
- 1/2012 - 2/2012: Application review & contracting
- 3/2012: Delivery of replacement trucks

Mr. Breen concluded the presentation requesting the Committee recommend the Board of Directors approve the addition of Policy #32 to the FYE 2012 Transportation Fund for Clean Air (TFCA) Regional Fund Policies to allow the replacement of MY 2004 drayage trucks as an eligible project type, authorize the expenditure of \$1.04 million in TFCA Regional Fund monies

to execute a program to replace MY 2004 port drayage trucks registered in the Bay Area, authorize the Executive Officer/APCO to enter into all contracts and make all expenditures necessary to allocate the TFCA Regional Fund monies to eligible projects, allow the CMAs to contribute their TFCA County Program Manager funds to the Air District's program to replace MY 2004 drayage trucks as allowed under Policy #3 of the current TFCA Program Manager Fund Policies; and authorize the Executive Officer/APCO to accept and allocate funding from additional sources for the MY 2004 Drayage Truck Replacement Program.

Mr. Broadbent said the Air District has been in communication with the Port of Oakland and testified at their Commission meeting requesting they look for all available monies. He further stated the Port is putting implementing a band, which will ensure that the Air District only have trucks that in compliance accessing the Port as this will allow the Air District to identify individuals who are need of the monies. He further continued stating the Port has indicated their lack of additional available resources.

Committee Comments/Questions:

Chair Haggerty asked if the Air District has received all the funds needed from the CMAs, and how much is expected from the CMAs. Mr. Breen said conversations with the CMAs have not been fruitful. Ms. Roggenkamp stated ideally the Air District would see the amount of money for the number for the number of trucks that are registered in each county would be ideal. Chair Haggerty asked if the counties were not able to provide funding, does the Air District have a mechanism in place where the Air District would be able to obtain those additional funds. Mr. Breen further stated he is not sure if the Air District will see additional funding from the CMA's.

Mr. Breen provided further explanation and there are various programs for the 14 allocations for the Smoking Vehicle Program and for the Spare the Air Program. He said there is a commitment from last year in the amount \$2.5 million to electric vehicles. Mr. Breen said the remaining funds is approximately \$10.5 million are funds set aside to match the Metropolitan Transportation Commission's (MTC) grant program. Mr. Breen also said \$1.04 million that the Air District has for this program comes from the difference of \$10.37 million versus \$10.5 million interests earned from the program and projects that are closing.

Chair Haggerty asked what is the Air District currently doing to ensure the truckers will receive loans to purchase the vehicle. Mr. Breen said one of the requirements of the program is whoever is selected as the contractor must be California Capital Access Program (CALCAP) lenders. In addition, the overall program per truck is capped at \$60,000. The Air District would provide approximately \$10,000 by way of loan, \$10,000 - \$15,000 for the truck itself in terms of a trade-in and a loan guarantee from CALCAP of 15% against the particular truck. Chair Haggerty asked staff to provide the Committee with an update which provides examples of various credit score scenarios and the monthly payment of the truck. In addition, Chair Haggerty asked staff to provide the same examples for an automobile.

Mr. Broadbent said this process is short term in relation to those that are required to meet the deadline. He said the State hopes is will have sold bonds and have infrastructure bond monies available for next year. He further stated the Air District hopes to compile monies available to at least 300 to 800 individuals in order to meet a short term deadline.

Director Groom asked how much money is needed from San Mateo County. Mr. Breen said at least \$120,000.

Director Hudson suggested the Air District suggest a flat rate amongst the other eight counties.

Director Miley said the Deputy Director of Alameda County is approaching this issue with three options in terms ensuring the CMAs support. He asked if it only Alameda County is the Alameda only responsible for the 143 trucks registered in Alameda County. Mr. Breen said he was correct and that Alameda County's funding would only go the trucks in Alameda County.

Mr. Broadbent said the Air District is in a hurry to try and pull together monies to help the truckers. Mr. Broadbent said he does not anticipate the Air District spending all of the funds, but would do as much as possible, as some truckers may be required to obtain a loan as it will not cover the entire cost of purchasing the truck.

Board Chair Bates is it guaranteed that the purchased trucks will cost \$60,000. Mr. Breen said yes, that is an RFP requirement.

Director Miley asked if 2,800 trucks are for MYs 2004, 2005 and 2006. Mr. Breen said no, the first program is focuses only on MY 2004.

Board Chair Bates stated the Air District is making great recommendations. Mr. Breen stated the Air District has sent letters for the Port requesting they look for monies, support the Air District in terms of providing outreach to the truckers, and look at the situation that occurred in Los Angeles and Long Beach and implement some of those steps here in the Bay Area. In addition, he said the Air District has requested they schedule meetings with the cargo owners.

Mr. Broadbent said he supports a face to face meeting with the Port.

Chair Haggerty acknowledged Director Miley and his efforts on the Port Drayage Truck Replacement program.

Public Comments: None.

Committee Action:

Director Wagenknecht made a motion to recommend the Board of Directors approve the addition of Policy #32 to the FYE 2012 Transportation Fund for Clean Air (TFCA) Regional Fund Policies to allow the replacement of MY 2004 drayage trucks as an eligible project type, authorize the expenditure of \$1.04 million in TFCA Regional Fund monies to execute a program to replace MY 2004 port drayage trucks registered in the Bay Area, authorize the Executive Officer/APCO to enter into all contracts and make all expenditures necessary to allocate the TFCA Regional Fund monies to eligible projects, allow the CMAs to contribute their TFCA County Program Manager funds to the Air District's program to replace MY 2004 drayage trucks as allowed under Policy #3 of the current TFCA Program Manager Fund Policies, authorize the Executive Officer/APCO to accept and allocate funding from additional sources for the MY 2004 Drayage Truck Replacement Program; Director Ross seconded the motion, carried unanimously without objection.

7. Committee Member Comments:

Chairperson Bates suggested an invitation be extended to the truckers to attend future Mobile Source Committee meetings.

8. **Time and Place of Next Meeting:** At the call of the chair.
9. **Adjournment:** Meeting adjourned at 10:37 a.m.

Vanessa Johnson
Executive Secretary II

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and
Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 14, 2012

Re: Projects with Proposed Grant Awards over \$100,000

RECOMMENDATIONS:

Recommend the Board of Directors:

1. Approve Carl Moyer Program projects with proposed grant awards over \$100,000.
2. Authorize the Executive Officer/APCO to enter into agreements for the recommended Carl Moyer Program projects.

BACKGROUND

The Bay Area Air Quality Management District (Air District) has participated in the Carl Moyer Program (CMP), in cooperation with the California Air Resources Board (ARB), since the program began in fiscal year 1998/1999. The CMP provides grants to public and private entities to reduce emissions of oxides of nitrogen (NOx), reactive organic gases (ROG) and particulate matter (PM) from existing heavy-duty engines by either replacing or retrofitting them. Eligible heavy-duty diesel engine applications include on-road trucks and buses, off-road equipment, marine vessels, locomotives, stationary agricultural pump engines and forklifts.

Assembly Bill 923 (AB 923 - Firebaugh), enacted in 2004 (codified as Health and Safety Code Section 44225), authorized local air districts to increase their motor vehicle registration surcharge up to an additional \$2 per vehicle. The revenues from the additional \$2 surcharge are deposited in the Air District's Mobile Source Incentive Fund (MSIF). AB 923 stipulates that air districts may use the revenues generated by the additional \$2 surcharge for projects eligible for grants under the CMP.

Since 1991, the Transportation Fund for Clean Air (TFCA) program has funded projects that achieve surplus emission reductions from on-road motor vehicles. Sixty percent (60%) of TFCA funds are awarded directly by the Air District through a grant program known as the Regional Fund that is allocated on a competitive basis to eligible projects proposed by project sponsors. Funding for this program is provided by a \$4 surcharge on motor vehicles registered within the San Francisco Bay Area as authorized by the California State Legislature. The statutory authority

for the TFCA and requirements of the program are set forth in California Health and Safety Code Sections 44241 and 44242.

On February 2, 2011, the Board of Directors authorized Air District participation in Year 13 of the CMP, and authorized the Executive Officer/APCO to execute Grant Agreements and amendments for projects funded with CMP funds or MSIF revenues, with individual grant award amounts up to \$100,000. On November 18, 2009, the Air District Board of Directors authorized the Executive Officer/APCO to execute Grant Agreements and amendments for projects funded with TFCA funds, with individual grant award amounts up to \$100,000.

CMP and TFCA projects with grant award amounts over \$100,000 are brought to the Committee for consideration at least on a quarterly basis. Staff reviews and evaluates the grant applications based upon the respective governing policies and guidelines established by the ARB and/or the Air District's Board of Directors.

DISCUSSION

Carl Moyer Program:

The Air District started accepting applications for CMP Year 13 projects on August 8, 2011. The Air District has approximately \$14 million available for CMP projects from a combination of MSIF and CMP funds. Project applications are being accepted and evaluated on a first-come, first-served basis.

As of February 2, 2012, the Air District had received 42 project applications. Of the applications that have been evaluated between November 9, 2011 and February 2, 2012, six eligible projects have proposed individual grant awards over \$100,000. These projects will replace 4 pieces of off-road equipment and 12 marine engines, which will result in the reduction of 122 tons of NOx, ROG and PM per year. Staff recommends allocating \$2,371,774 to these projects from a combination of CMP funds and MSIF revenues. Attachment 1 to this staff report provides additional information on these projects.

Attachment 2 lists all of the eligible projects that have been received by the Air District as of February 2, 2012, and summarizes the allocation of funding by equipment category (Figure 1), and county (Figure 2). This list also includes the Voucher Incentive Program (VIP) on-road replacement projects awarded since the last committee update. Approximately 60% of the funds have been awarded to projects that reduce emissions in highly impacted Bay Area communities.

TFCA:

No TFCA applications requesting individual grant awards over \$100,000 received as of February 2, 2012 are being forwarded for approval at this time.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. Through the CMP, MSIF and TFCA, the Air District distributes “pass-through” funds to public agencies and private entities on a reimbursement basis. Administrative costs for both programs are provided by each funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Director/APCO

Prepared by: Anthony Fournier
Reviewed by: Damian Breen

- Attachment 1: BAAQMD Year 13 Carl Moyer Program/MSIF projects with grant awards greater than \$100,000 (evaluated between 11/9/11 and 2/2/12)
- Attachment 2: Summary of all CMP Year 13/MSIF and VIP approved/eligible projects (as of 2/2/12)

Attachment 1:

BAAQMD Year 13 Carl Moyer Program/ MSIF projects with grant awards greater than \$100k
(Evaluated between 11/9/2011 and 2/2/2012)

Project #	Applicant name	Equipment category	Project type	Proposed contract award	NOx (TPY)	ROG (TPY)	PM (TPY)	County
13MOY14	Silva Farms	Off-road	The replacement of one (1) off-road diesel powered tractor.	\$ 181,905.00	1.270	0.151	0.055	Santa Clara
13MOY23	Simoni & Massoni Farms	Off-road	The replacement of one (1) off-road diesel powered tractor.	\$ 257,132.00	1.365	0.088	0.031	Contra Costa
13MOY29	RANKINS AG INC.	Off-road	The replacement of two (2) off-road diesel powered tractors.	\$ 168,347.00	1.408	0.181	0.063	Contra Costa
13MOY24	Harley Marine Services, Inc.	Marine	Installation of an engine remanufacture kit for two (2) main engines, and repower of two (2) auxiliary engines on the Tug "Z-4"	\$ 590,263.00	40.012	0.636	1.192	Alameda
13MOY25	Harley Marine Services, Inc.	Marine	Installation of an engine remanufacture kit for two (2) main engines, and repower of two (2) auxiliary engines on the Tug "Z-3"	\$ 579,878.00	37.843	0.602	1.126	Alameda
13MOY26	Harley Marine Services, Inc.	Marine	Installation of an engine remanufacture kit for two (2) main engines, and repower of two (2) auxiliary engines on the Tug "Z-5"	\$ 594,249.00	34.517	0.542	1.034	Alameda
				\$ 2,371,774.00	116.415	2.201	3.501	

Attachment 2

Summary of all CMP Yr 13/ MSIF and VIP approved/ eligible projects (As of 2/2/12)

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	NOx (TPY)	ROG (TPY)	PM (TPY)	Board approval date	County
13MOY4	Off-road	Tractor replacement	2	\$ 122,000.00	Humberto Castaneda (farmer)	1.076	0.142	0.037	12/7/2011	Sonoma
13MOY6	Off-road	Tractor replacement	2	\$ 50,861.00	Ronald Palmer (Vineyard)	0.308	0.059	0.017	APCO	Sonoma
13MOY9	Off-road	Tractor replacement	1	\$ 23,576.00	Joesph Pinheiro (Dairy)	0.159	0.028	0.008	APCO	Sonoma
13MOY15	Off-road	Tractor replacement	1	\$ 23,576.00	David Evans dba Marin Sun Farms, Inc.	0.299	0.050	0.016	APCO	Marin
13MOY10	Off-road	Loader replacement	10	\$ 379,700.00	GreenWaste Recovery, Inc.	2.095	0.456	0.115	12/7/2011	Santa Clara
13MOY12	Off-road	Loader replacement	1	\$ 110,132.00	Deniz Dairy	0.541	0.066	0.025	12/7/2011	Sonoma
13MOY17	Off-road	Tractor replacement	1	\$ 36,163.00	Neil McIsaac & Son Dairy	0.158	0.029	0.013	APCO	Marin
13MOY19	Off-road	Tractor replacement	1	\$ 24,577.00	Foley Family Wines dba Sebastiani Vineyards	0.151	0.033	0.008	APCO	Sonoma
13MOY13	Off-road	Loader replacement	1	\$ 104,943.00	Renati Dairy	0.375	0.070	0.025	12/7/2011	Sonoma
13MOY18	Off-road	Tractor replacement	2	\$ 75,489.00	Gerald & Kristy Spaletta (Dairy)	0.520	0.088	0.029	APCO	Sonoma
13MOY14	Off-road	Tractor replacement	1	\$ 181,905.00	Silva Farms	1.270	0.151	0.055	TBD	Santa Clara
13MOY16	Off-road	Tractor replacement	2	\$ 75,971.00	R. Castaneda Farms	0.490	0.085	0.030	APCO	Sonoma
13MOY23	Off-road	Tractor replacement	1	\$ 257,132.00	Simoni & Massoni Farms	1.365	0.088	0.031	TBD	Contra Costa
13MOY28	Off-road	Tractor replacement	2	\$ 54,212.00	Boisset Family Estates (Vineyard)	0.305	0.062	0.019	APCO	Napa
13MOY21	Off-road	Tractor replacement	1	\$ 28,948.00	Roy and Beverly King (Dairy)	0.105	0.030	0.012	APCO	Sonoma
13MOY29	Off-road	Tractor replacement	2	\$ 168,347.00	RANKINS AG INC.	1.408	0.181	0.063	TBD	Contra Costa
13MOY30	Off-road	Tractor replacement	1	\$ 28,651.00	Clos Du Val Wine Company, Ltd.	0.085	0.016	0.007	APCO	Napa
13MOY33	Off-road	Tractor replacement	1	\$ 29,920.00	Michael Meyer DBA: Meyer Farming	0.107	0.023	0.006	APCO	Sonoma
13MOY24	Marine	Engine reman and repower	4	\$ 590,263.00	Harley Marine Services, Inc.	40.012	0.636	1.192	TBD	Alameda
13MOY37	Off-road	Tractor replacement	1	\$ 30,748.00	Greg Lyons (farmer)	0.324	0.054	0.020	APCO	Solano
13MOY35	Off-road	Tractor replacement	1	\$ 39,700.00	Dominus Estate Corporation	0.129	0.025	0.009	APCO	Napa
13MOY24	Marine	Engine reman and repower	4	\$ 579,878.00	Harley Marine Services, Inc.	37.843	0.602	1.126	TBD	Alameda
13MOY26	Marine	Engine reman and repower	4	\$ 594,249.00	Harley Marine Services, Inc.	34.517	0.542	1.034	TBD	Alameda
13MOY36	Off-road	Equipment replacement	2	\$ 45,106.00	Dutton Ranch Corp.	0.189	0.040	0.012	APCO	Sonoma
VIP41	VIP	Truck replacement	1	\$ 40,000.00	James Bell	0.550	0.017	0.036	APCO	Santa Clara
VIP42	VIP	Truck replacement	1	\$ 40,000.00	Robert E. Poole	0.547	0.002	0.036	APCO	Marin
VIP43	VIP	Truck replacement	1	\$ 45,000.00	Thomas Garcia	0.970	0.019	0.022	APCO	San Mateo
VIP44	VIP	Truck replacement	1	\$ 20,000.00	Clark's Rock	0.280	0.010	0.019	APCO	Napa
VIP45	VIP	Truck replacement	1	\$ 45,000.00	Nanak Singh	0.970	0.019	0.022	APCO	Contra Costa
VIP48	VIP	Truck replacement	1	\$ 20,000.00	Jill Lee	0.282	0.009	0.019	APCO	Contra Costa
VIP49	VIP	Truck replacement	1	\$ 35,000.00	Domingo Rodriguez III	0.649	0.016	0.022	APCO	Alameda
VIP50	VIP	Truck replacement	1	\$ 15,000.00	Kon Chen	0.464	0.009	0.000	APCO	Alameda
VIP51	VIP	Truck replacement	1	\$ 10,000.00	Kon Chen	0.314	0.006	0.000	APCO	Alameda
VIP52	VIP	Truck replacement	1	\$ 10,000.00	Kon Chen	0.314	0.006	0.000	APCO	Alameda
VIP53	VIP	Truck replacement	1	\$ 10,000.00	Kon Chen	0.314	0.006	0.000	APCO	Alameda
VIP54	VIP	Truck replacement	1	\$ 45,000.00	Richard Renfro	0.452	0.000	0.048	APCO	Alameda
VIP55	VIP	Truck replacement	1	\$ 5,000.00	James Bell	0.000	0.000	0.008	APCO	Santa Clara
VIP56	VIP	Truck replacement	1	\$ 45,000.00	James Key	0.970	0.190	0.022	APCO	San Benito
VIP58	VIP	Truck replacement	1	\$ 5,000.00	All Points Rolloff Inc.	0.160	0.000	0.011	APCO	Santa Clara
39 Projects			64	\$ 4,046,047.00		131.067	3.866	4.174		

Figure 1: CMP/ MSIF Funding Distribution by Equipment Category as of 2/2/12

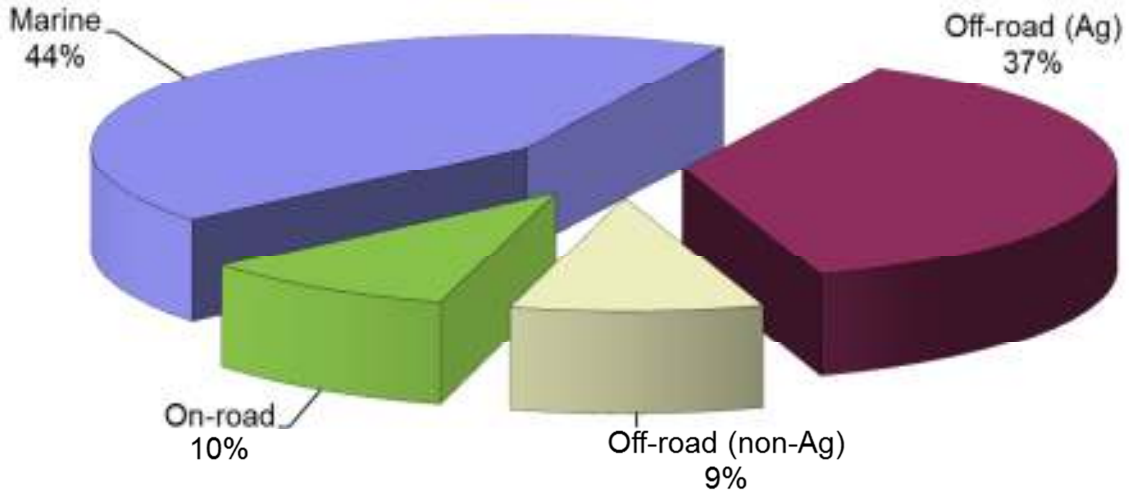
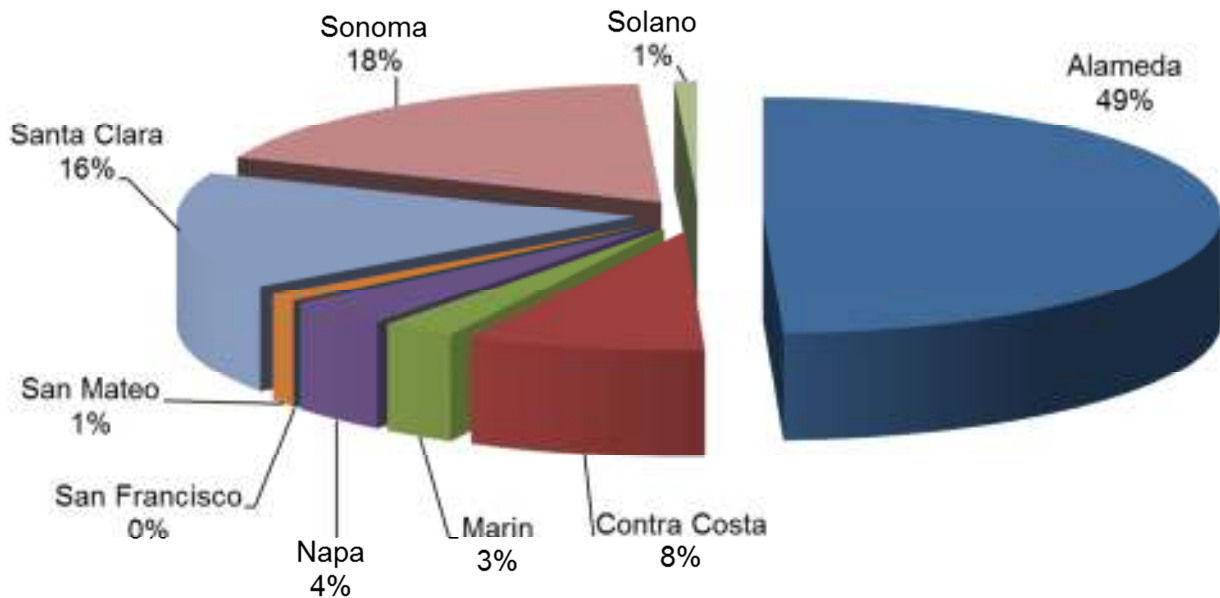


Figure 2: CMP/ MSIF Funding Distribution by County as of 2/2/12



BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and
Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 14, 2012

Re: Participation in Year 14 of the Carl Moyer Program and Year 3 of the
Goods Movement Bond Program

RECOMMENDATION:

Recommend the Board of Directors:

1. Adopt a resolution authorizing the Executive Officer/APCO to execute all necessary agreements with the California Air Resources Board (ARB) relating to the Air District's receipt of Carl Moyer Program funds for fiscal year 2011-2012 (Program Year 14).
2. Allocate \$5 million in Mobile Source Incentive Funding for projects eligible for funding under the Carl Moyer Program.
3. Authorize the Executive Officer/ APCO to enter into agreements with the ARB related to the acceptance of I-Bond funding for the Year 3 Port Truck replacement program.
4. Authorize the Executive Officer to enter into agreements for port truck projects ranked and approved by the ARB.

BACKGROUND

The Bay Area Air Quality Management District (Air District) has participated in the Carl Moyer Program (CMP), in cooperation with the ARB, since the program began in fiscal year 1998/ 1999. The CMP provides grants to public and private entities to reduce emissions of oxides of nitrogen (NOx), reactive organic gases (ROG) and particulate matter (PM) from existing heavy-duty engines by either replacing or retrofitting them. Eligible heavy-duty diesel engine applications include trucks and buses, mobile off-road equipment, marine vessels, locomotives, stationary agricultural pump engines, and forklifts.

Assembly Bill 923 (AB 923 - Firebaugh), enacted in 2004 (codified as Health and Safety Code Section 44225), authorized local air districts to increase their motor vehicle registration surcharge up to an additional \$2 per vehicle. The revenues from the additional \$2 surcharge are deposited in the Air District's Mobile Source Incentive Fund (MSIF). AB 923 stipulates that air districts may use the revenues generated by the additional \$2 surcharge for projects eligible for grants under the CMP.

In November 2006, California voters approved Proposition 1B which authorized the Legislature to appropriate \$1 billion in bond funding to the ARB to quickly reduce air pollution emissions and health risks from freight movement along California's priority trade corridors. Senate Bill 88, enacted in 2007 (codified as Health and Safety Code Section 39625), requires ARB to determine the formula to distribute funding to qualified local governments based on California bond sales.

As part of this report staff will update the Committee on the upcoming CMP and I-Bond grant programs.

DISCUSSION

Carl Moyer Program

The Air District has submitted an application to ARB requesting \$10,044,000 in funding for the implementation of the Year 14 (FY 2011/ 2012) CMP funding cycle. Up to 5% of the total funds awarded to the Air District will be used to pay for administrative expenses related to the implementation of the CMP. As part of the application, the Air District has proposed the commitment of \$1,510,000 in matching funds for Year 14. The Air District will provide the required match by allocating MSIF funds to eligible emission reduction projects.

Staff plans to begin accepting CMP Year 14 applications during the summer of 2012. Project applications will be accepted and evaluated on a first-come, first-served basis until all funds have been allocated. Also, in accordance with the authorization granted to the Executive Officer/APCO on February 4, 2009, projects with individual grant awards up to \$100,000 will be executed by the Executive Officer/ APCO, and reported to the Mobile Source Committee (MSC) on at least a quarterly basis. Eligible projects with individual grant awards over \$100,000 will also be brought to the MSC for consideration at least quarterly.

ARB requires districts to use the 2011 CMP Guidelines to award Year 14 CMP funds. The guidelines require all projects to achieve a cost-effectiveness of \$16,640 or less per ton of reduced emissions in order to be eligible to receive funding. Year 14 funding must be obligated to eligible projects by June 30, 2013, and expended by June 30, 2014, and per AB 1390 50% of all funding provided must be awarded to projects in impacted communities. The process that will be used for identifying and prioritizing CMP Year 14 projects with the most significant exposure ("impacted communities") will be similar to the process used for the previous CMP funding cycles with priority being given to projects that reduce emissions in the six highest impacted communities: (1) Eastern San Francisco, (2) West Oakland, (3) East Oakland/San Leandro (4) Richmond, (5) San Jose

and (6) Concord. 50% of the funding available under the program will be reserved for projects in these communities.

Staff requests the Committee recommend the Board of Directors adopt a resolution authorizing the Executive Officer/APCO to execute all necessary agreements with ARB relating to the Air District's receipt of CMP Year 14 funds. Staff also requests \$5,000,000 in MSIF funds be allocated to eligible projects evaluated during the CMP Year 14 funding cycle. These funds will be used to cover the Air District match requirement, and to fund additional CMP projects.

I-Bond Year 3 Port Truck Program

On December 16, 2011, ARB approved a plan for Year 3 I-Bond funding that will make up to \$46 million available to port truck owners in Northern California who had retrofitted and registered their vehicles with ARB by June 30, 2010. Up to \$30,000 in grant funding is available to 1,700 trucks with engine model years between 1994 and 2003, including the 1,319 retrofitted under the Air District's earlier programs and 400 other vehicles retrofitted privately. The amount of money the Air District will ultimately receive for these projects will be determined by the total number of port drayage truck owners that submit applications to ARB to reserve funding by February 9, 2012.

In contrast to the previous I-Bond port truck program, the Year 3 funding cycle was structured by ARB as a closed process only available to the trucks meeting specific eligibility requirements. ARB published a list of the eligible trucks and notified the truck owners on the list of the funding opportunity by mail. Applications for this funding cycle were submitted to ARB for initial review, and then forwarded to Air District staff for completeness checks, eligibility review, contracting and administration. At the end of this process, ARB will make a determination on how much funding will be allocated to the Air District based on a ranking list. This ranking list will specifically identify the only trucks that can be funded by the Air District with I-Bond funding.

Staff will update the Committee on the final funding awarded as a result of this process. Additionally, staff recommends that the Committee request the Board of Directors authorize the Executive Officer/ APCO to: 1) enter into agreements with ARB to accept I-Bond funding for the Year 3 Port Truck replacement program, and 2) to enter into agreements for port truck projects ranked and approved by the ARB based the process described above.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. Through the CMP, MSIF, and I-Bond programs the Air District distributes "pass-through" funds to public agencies and private entities on a reimbursement basis. Administrative costs for both programs are provided by each funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Anthony Fournier
Reviewed by: Damian Breen

Attachment 1: Resolution accepting Carl Moyer Program funds from ARB

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

RESOLUTION No. 2012 -

**A Resolution Accepting Carl Moyer Program Funds
From the California Air Resources Board**

WHEREAS, California Health and Safety Code Division 26, Part 5, Chapter 9, empowers the California Air Resources Board (ARB) to allocate Carl Moyer Program funds to local air quality districts to provide financial incentives to both the public and private sector to implement eligible projects to reduce emissions from on-road, marine, locomotive, agriculture, and off-road engines;

WHEREAS, California Health and Safety Code section 44287, authorizes ARB to provide an air district with funds if that district provides matching funds in an amount established by ARB;

WHEREAS, the Bay Area Air Quality Management District (District) submitted an application to ARB requesting \$10,044,000 in Carl Moyer Program funds to implement the Carl Moyer Program for the fiscal year (FY) 2011-2012 (Year 14) cycle;

WHEREAS, the District proposed to commit up to \$1,510,000 in matching funds as part of the FY 2011-2012, (Year 14) Carl Moyer Program cycle, in accordance with the requirements of California Health and Safety Code section 44287;

WHEREAS, ARB has authorized a grant to the District to implement the Carl Moyer Program Year 14, upon approval by the Board of Directors to accept such grant of funds;

WHEREAS, ARB will award the a grant in the amount of as much as \$10,044,000, with the District-required match of up to \$1,510,000.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors hereby approves the District's continued participation in the Carl Moyer Program and acceptance of the FY 2011-2012, Carl Moyer Program funds, to be awarded to eligible projects in accordance with the ARB Carl Moyer Program guidelines.

BE IT FURTHER RESOLVED, the District will provide the required matching funds by allocating local motor vehicle surcharge revenues to eligible emission reduction projects that qualify for Carl Moyer Program matching purposes.

BE IT FURTHER RESOLVED, the Executive Officer/Air Pollution Control Officer is hereby authorized and empowered to execute on behalf of the District grant agreements with ARB and all other necessary documents to implement and carry out the purposes of this resolution.

The foregoing resolution was duly and regularly introduced, passed and adopted at a regular meeting of the Board of Directors of the Bay Area Air Quality Management District on the Motion of Director _____, seconded by Director _____, on the ____ day of _____, 2012, by the following vote of the Board:

AYES:

NOES:

ABSENT:

John Gioia
Chairperson of the Board of Directors

ATTEST:

Nate Miley
Secretary of the Board of Directors

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and
Members of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 14, 2012

Re: Regional Plug-in Electric Vehicle Readiness Planning Grants Contractor(s)

RECOMMENDATION:

Recommend the Board of Directors:

1. Approve the selection of ICF International, a contractor to assist the Bay Area Air Quality Management District (Air District) in the preparation of required regional plug-in electric vehicle (PEV) readiness planning documents under grants from the United States Department of Energy (DOE) and the California Energy Commission (CEC).
2. Authorize the Executive Officer/APCO to enter into all necessary agreements with ICF International to produce the planning documents required by the DOE and CEC.
3. In the event that a contract cannot be agreed upon with the selected contractor, authorize the Executive Officer/APCO to enter into an agreement with the next highest ranking bidder (UC Berkeley) and to execute all necessary agreements to produce the documents required by DOE and CEC.

BACKGROUND

Recognizing the potential of PEV to be an important technology in terms of reducing emissions in the Bay Area, the Air District has allocated over \$6 million in Transportation Fund for Clean Air (TFCA) funding to deploy PEV infrastructure over three fiscal years [fiscal year ending (FYE) 2010, 2011 and 2012]. To ensure that these investments in PEV are well coordinated with the region's needs, the Air District successfully applied for a number of State and Federal grants with its regional agency partners [Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG)] and others to undertake regional PEV readiness planning in both the Bay Area and Monterey regions.

DOE Grant

On June 10, 2011, the Air District, South Coast and the California Plug-In Electric Vehicle Collaborative (PEVC) submitted a joint application for funding from the United States Department of Energy (DOE), for PEV readiness planning for the State of California. As part of that application, the Air District applied for \$300,000 in PEV planning funds for the Bay Area and Monterey (Monterey, Santa Cruz, and San Benito) regions. On September 8, 2011, the DOE notified the Air District that the application for this funding had been successful. The funding provided by the DOE requires the following allocations of grant and match funding:

- \$75,000 in DOE funding was requested for the three Bay Area Clean Cities Coalitions (East Bay, San Francisco and Silicon Valley) to perform outreach for the plan. This funding is matched by \$75,000 in TFCA Regional Fund monies (as allocated by the Board of Directors (Board) on June 15, 2011)
- \$225,000 was requested for the Air District to hire a consultant to draft and coordinate input into the plan. This funding is matched by \$75,000 in Air District staffing time to assist with the drafting and preparation of the plan (allocated as part of this year's Air District budget in program 317) and by \$50,000 in funding allocated by the Board to ECotality for PEV planning on February 2, 2011.

CEC Grants

Subsequent to the submittal of the DOE grant, on July 27, 2011, the Air District also submitted two grants applications for regional PEV readiness planning to the CEC for both the Bay Area and Monterey regions respectively. On September 26, 2011, the CEC announced that the Air District had been successful in obtaining both planning grants. The specific funding allocation for Bay Area portion of these awards requires the following:

- In order to develop the required regional PEV readiness plan, the BAAQMD will hire a contractor(s) via a request for proposals (RFP) to develop the planning document required by CEC using \$200,000 in awarded grant funding.

While both of the grants above have distinct requirements they also share numerous common elements, therefore the Air District and its partners (ABAG, MTC and the Bay Area EV Strategic Council) have developed a unified scope of work which will meet the requirements of both via an RFP. As part of this report, staff will update the Committee on the results of the RFP process designed to select a contractor(s) to assist with developing the plans required by the combined scope of the DOE and CEC grants.

DISCUSSION

In order to comply with the requirements of both grants, Air District staff issued an RFP on January 13, 2012, seeking a contractor(s) to assist with the drafting of the regional readiness planning documents required by the DOE and CEC. The RFP outlines the dates for project milestones including production of various documents (DOE documents

by August 2012 and CEC documents by September 2013), deliverables and subtasks. This timeline is based on the commitments made by the Air District in its applications to DOE and CEC. Additionally, the RFP outlines two separate tasks (Task 1 and Task 2) to produce the documents required under the grants and 30 subtasks each of which has a designated budget.

The RFP allowed for entities to bid on portions of the contract and to team together to submit joint bids for the required scope of work. Additionally, the Air District has the ability to select multiple contractors to perform different portions of the scope of work based on their experience and responsiveness to the RFP. The cost for the preparation of the regional PEV readiness planning documents is not to exceed \$350,000. Also, because the DOE and CEC work is sequential, the RFP allows the Air District the option to change contractor(s) based on performance in the development of the first planning document (the DOE plan due September 2012).

On January 20, 2012, the Air District hosted a bidder's conference at its San Francisco location which was attended by six (6) separate interested parties. The RFP closed on February 3, 2012, at which time completed applications were due to the Air District offices by 4 PM. The Air District received a total of five (5) applications for the RFP and on February 7 and 8, 2012, staff along with representatives from ABAG, MTC and the Clean Cities Coalitions (Panel) analyzed and scored the applications received against the following criteria:

Table 1 - RFP Scoring Criteria and Percentages

Criteria	Allotted Percentage
Technical expertise, size and structure of the firm and personnel assigned to RFP tasks; firm's ability to perform and complete the work in a professional and timely manner.	15%
Past experience of the firm and, in particular, experience of the team working on projects of similar scope for other governmental agencies.	25%
Responsiveness of the proposal, based upon a clear understanding of the work to be performed.	40%
Cost	20%

Based on the combined average score for each submittal provided by the Panel (see Table 2), staff is recommending that the Committee recommend the Board of Directors award a contract for this project to ICF International (ICF). Additionally, due to the rapid timeline required by this project, staff is also requesting that the Board of Directors authorize the Executive Officer/APCO to enter into an agreement with the second ranked contractor (UC Berkeley) in the event that a contract cannot be agreed upon with ICF.

Table 2 - Ranked RFP Scores by Contractor

Contractor	Score out of 100 points
ICF International	80
UC Berkeley	70
Jack Faucett Associates in Co-operation with ECOtality, Fehr and Peers, and Circle Point	56
IBI Group in association with IHS Consulting/CALSTART	45
MCB Energi Solutions	30

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. The Air District match and administrative funding for these projects comes from the TFCA program.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Damian Breen
Reviewed by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and
Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 14, 2012

Re: Air District Grant Programs Overview

RECOMMENDATIONS:

None. Informational item, receive and file.

BACKGROUND

As part of its efforts to reduce emissions from mobile sources, the Bay Area Air Quality Management District (Air District) allocated approximately \$71.2 million in funding in the last calendar year (2011). Approximately \$61.2 million of that funding was directly allocated by the Air District. The remaining \$10 million is distributed via the Transportation Fund for Clean Air (TFCA) County Program Manager program. Additionally, as part of this \$61.2 million total, the Air District received the following 7 one-time grant distributions: \$0.5 million in Assembly Bill 118 for three (3) separate Advanced Technology demonstration projects, \$0.7 million in DOE and CEC funding as part of three (3) separate grants to perform regional plug-in electric vehicle readiness planning for the Bay Area and Monterey regions, and \$1.5 million from the United States Environmental Protection Agency for a port truck replacement program.

Of the \$61.2 million allocated, approximately \$58.5 million came from 4 renewable funding sources: the California Goods Movement Bond (I-Bond), TFCA Regional Fund, Mobile Source Incentive Fund (MSIF) and Carl Moyer Program (CMP) funds, all of which accumulate annually via fees and bond sales that are distributed to the Air District. These programs constitute the Air District's primary grant programs.

DISCUSSION

As part of its deliberations in calendar year 2011, the Committee received a report from staff on expenditures in various grant programs for the previous calendar year (2010). That report was based on total dollar allocations and projected emissions reductions for calendar year 2010 projects. The intention of that report was to provide the Committee a better overall indication of the total flow of funding in and out of the primary grants programs. This methodology allowed staff to align the grant funding with future compliance dates set in airborne toxic control measures (ATCM) adopted by the California Air Resources Board and to present to the Committee anticipated needs for grant funding for this calendar year. This same methodology has been applied to the grant allocations in calendar year 2011.

As part of this report, staff will recap the expenditures of funding in calendar year 2011 and discuss with the Committee the anticipated challenges and projected funding for each of the Air District primary grant programs in calendar year 2012.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None.

Respectfully submitted,

Jack P. Broadbent
Executive Director/APCO

Prepared by: Damian Breen
Reviewed by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and
Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 14, 2012

Re: Port Drayage Truck Program

RECOMMENDATION:

Recommend the Board of Directors:

1. Approve the changes to the FYE 2012 Transportation Fund for Clean Air (TFCA) Regional Fund Policies to include engine model year (MY) 2005/2006 drayage truck replacement projects as an eligible project type.
2. Authorize the expenditure of the remaining TFCA Regional Fund monies from the MY 2004 port truck program to implement a program to replace MY 2005/2006 port drayage trucks registered in the Bay Area, and allocate an additional \$1 million in TFCA Regional Funds for this program.
3. Authorize the Executive Officer/APCO to enter into all contracts and make all expenditures necessary to allocate the program funds to eligible projects.
4. Authorize the Executive Officer/APCO to accept, enter into contracts for and allocate funding from additional sources for MY 2005/2006 Drayage Truck Replacement Program.

BACKGROUND

In December of 2007, the ARB approved a regulation to reduce emissions from drayage trucks operating at California's ports and intermodal rail yards. The first phase of the regulation went into effect on December 31, 2009, and Phase 2 of the regulation goes into effect on December 31, 2013. A summary of the regulation's compliance requirements is shown in Table 1:

Table 1: ARB Drayage Truck Regulation Compliance Schedule

Phase	Date	Engine Model Years (MY)	Regulation requirement
Phase 1	12/31/09	1993 and older	Prohibited from operation as a drayage truck
		1994 – 2003	Install a Level 3 retrofit device
	12/31/11	2004	Install a Level 3 retrofit device
	12/31/12	2005 and 2006	Install a Level 3 retrofit device
Phase 2	12/31/13	1994 – 2006	Meet 2007 * engine emissions standards

* Trucks with 2007-2009 model year engines are compliant through 2022. Trucks with 2010 and newer engines are fully compliant

As the next set of compliance deadlines approach for this regulation the Air District must consider how to best assist the trucker population at Bay Area ports with early compliance. As part of this report, the Committee will be updated on efforts to assist truckers with MY 2004 engine vehicles and a proposal to assist additional drayage trucks with MY 2005/2006 engines.

DISCUSSION

Table 2, below contains data from ARB’s Drayage Truck Registry database, and describes the population of vehicles calling on Northern California ports by engine model year. Table 2 also identifies which trucks received grant funds from the original Air District Drayage Truck Program in 2009/2010.

Table 2: Drayage truck population as of November 2011

Engine MY	Compliant until	# of Drayage trucks in Northern CA ¹	# of trucks that received grant funds	Grant funds expended ³
1994-2003 (w/ retrofits)	12/31/13	1,700	1,319	\$15,586,534
2004	12/31/11	700	TBD ²	TBD
2005 & 2006	12/31/12	2,200	0	\$0
2007 – 2009	2022	1,400	203	\$10,150,000
2010 +	Fully compliant	500		
Total		6,500	1,522	\$25,736,534

Notes:

1. The number of trucks registered in the ARB Drayage Truck Registry (DTR) with zip codes North of Fresno.
2. Staff is working to evaluate and contract projects under the engine MY 2004 port truck program.
3. Funding sources for the Air District’s Year 1 port truck funding program: TFCA (\$5 million), Port (\$5 million), ARB Prop 1B (\$13,835,133), and DERA (~\$2 million)

Status Update on MY 2004 Program

On December 7, 2011, the Air District’s Board of Directors approved the creation of a grant program for engine MY 2004 port trucks registered in the Bay Area. The program was funded by \$1.04 million in TFCA regional funds, and provided \$10,000 in assistance for the replacement of up to 104 of 247 eligible trucks. The Board of Directors also selected Cascade Sierra Solutions (CSS), a contractor, to assist the Air District with the implementation of the program, coordination of truck trade-ins and the sale of new trucks. Staff opened a project solicitation period for this grant on December 15, 2011, and accepted applications until January 13, 2012. Staff also sent out notices to all eligible applicants, and worked with the Port, CSS, and local trucking groups to distribute program materials.

While outreach of this program was broad, staff only received 23 applications requesting \$230,000 in total grant funding. Based on staff discussions with industry groups, it is believed that many of the drivers affected by the ARB Phase 1 deadline for MY 2004 trucks had previously made decisions about regulatory compliance and that the program came too late for them. Staff is currently in the process of evaluating the applications received and will begin contracting with these truck owners to award grant funding in the coming weeks.

Proposal for an MY 2005/ 2006 Program

In analyzing the data from Table 2, staff determined that there are a significant number of MY 2005/2006 drayage trucks that need to comply with the upcoming requirements of ARB's rule. A further staff analysis revealed that 916 of the 2,200, MY 2005/2006 Northern California drayage trucks required to meet upcoming ARB deadlines are registered within the boundaries of the Air District (Table 3).

Table 3: Analysis of Northern California MY2005/2006 Drayage Trucks

County	# of trucks	Bay Area %
Alameda	550	60.0%
Contra Costa	126	13.8%
Santa Clara	108	11.8%
San Mateo	16	1.7%
Solano	33	3.6%
San Francisco	35	3.8%
Sonoma	46	5.0%
Napa	2	0.2%
Marin	0	0.0%
Total	916	

Staff is therefore proposing a program to assist these truck drivers to comply with ARB’s Phase 2 requirements one year ahead of the 2014 deadline. In order to provide

funding for this program, Staff is proposing the re-allocation of the remaining program funds from the MY 2004 program and the allocation of an additional \$1 million in TFCA Regional Fund monies to provide grants for MY 2005/2006 truck replacement projects.

Staff is also recommending the amendment of Policy #32 of the current FYE 2012 TFCA Regional Fund policies to allow for the replacement of MY 2005/2006 drayage trucks as an eligible project type (Attachment 1 to this staff report contains the proposed amended policies). In order to obtain input on this proposed change, staff noticed interested parties on January 25, 2012, requesting public comments be returned by February 3, 2012. A summary of the comments and staff responses received can be found in Attachment 2 to the staff report.

Staff is additionally requesting the approval of MY 2005/2006 drayage truck replacement projects, under TFCA County Program Manager Policy #3 (Eligible Projects, and Case-by-Case Approval) of the current TFCA County Program Manager policies. This change will allow Bay Area counties to contribute funding to the Air District in support of the drayage truck replacement program. This action will support Alameda County who on January 26, 2012 approved the commitment of \$1.43 million in TFCA Program Manager funding in support of an Air District MY 2005/2006 port truck replacement program.

In order to encourage further financial participation from other Bay Area counties staff is proposing to first fund all the eligible projects for the counties that have contributed funding in support of this program. Under the proposed MY2005/2006 program Air District's TFCA Regional Funds will be: 1) allocated before participating county funds are awarded, 2) participating county funds will only be used for projects located in the contributing counties, 3) unallocated county funds will be returned to the contributing counties, 4) in the event that more than one county chooses to participate in the program, the Air District will distribute its funds proportionally across participating counties based on the dollar contribution provided (1:1 match on a first-come first-served basis until Air District funding is exhausted), 5) distribution of funds to non-participating counties will be based on the funding available to complete a whole project and the date on which applications were submitted.

The program proposes to provide \$10,000 for each eligible Bay Area truck owner towards the cost of a truck with a compliant MY 2007 engine. The program would also allow MY 2005/ 2006 truck owner to trade their current vehicle in for its worth. In order to ensure that this trade-in and replacement is done in such a manner that MY 2005/ 2006 trucks surrendered do not return to service in California for at least 10 years staff proposes to continue to use CSS as a contractor to administer the MY 2005/ 2006 program. The following is an overview of some additional program details:

- MY 207 or newer truck costs cannot exceed \$69,400.
- The contractor(s) must provide the trade-in value of between \$8,000 and \$15,000 (or greater) for the engine MY 2005/ 2006 truck being traded in (dependent on condition).

- The contractor(s) must be a "CalCap" qualified lender in order to ensure that truckers with local and poor credit scores can receive loan guarantees under an ARB program being run concurrently.
- The contractor(s) must assist truckers in availing themselves of the program and meet all Air District administrative requirements.
- The contractor will assist the Air District with project inspections.
- The contractor will be responsible for ensuring that the engine MY 2005/ 2006 trucks are re-sold to new owners outside of California.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. The Air District receives funding for the administration of incentives under the TFCA program.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Damian Breen
Reviewed by: Jean Roggenkamp

Attachment 1: Proposed amendments to BAAQMD TFCA Regional Fund Policies

Attachment 2: Summary of public comments received on the proposed modifications to the TFCA Regional Fund Policies

TFCA REGIONAL FUND POLICIES AND EVALUATION CRITERIA FOR FYE 2012

The following policies apply to the Transportation Fund for Clean Air (TFCA) Regional Fund.

BASIC ELIGIBILITY

1. **Eligible Projects:** Only projects that result in the reduction of motor vehicle emissions within the Air District’s jurisdiction are eligible.

Projects must conform to the provisions of the California Health and Safety Code (HSC) sections 44220 et seq. and Air District Board of Directors adopted TFCA Regional Fund Policies and Evaluation Criteria for FYE 2012.

Projects must achieve surplus emission reductions, that is, beyond what is currently required through regulations, contracts, or other legally binding obligations at the time the Air District Board of Directors approves a funding allocation and at the time of the execution of a funding agreement.

2. **TFCA Cost-Effectiveness:** Unless otherwise noted below, projects must meet a cost-effectiveness (C-E) of \$90,000 per ton. Cost-effectiveness is based on the ratio of TFCA funds awarded divided by the sum total tons of reactive organic gases (ROG), oxides of nitrogen (NO_x), and weighted particulate matter 10 microns in diameter and smaller (PM₁₀) reduced (\$/ton).

Certain project categories further specify the eligible funding amount per item (for example, \$/vehicle) which is based on the cost-effectiveness levels below.

Project Type	Policy #	C-E Level Maximum (\$/weighted ton)
Reserved	21	Reserved
Reserved	22	Reserved
Reserved	23	Reserved
Reserved	24	Reserved
Reserved	25	Reserved
Reserved	26	Reserved
Shuttle/Feeder Bus Service—Existing	27	\$90,000
Shuttle/Feeder Bus Service—Pilot	28	\$125,000
Regional Ridesharing	29	\$90,000
Reserved	30	Reserved
Reserved	31	Reserved
2004 Drayage Truck Replacement Projects	32	\$90,000

3. **Consistent with Existing Plans and Programs:** All project categories must comply with the transportation control measures and mobile source measures included in the Air District's most recently approved strategy(ies) for achieving and maintaining State and national ozone standards, those plans and programs established pursuant to California Health & Safety Code (HSC) sections 40233, 40717 and 40919, and, when applicable, with other adopted State, regional, and local plans and programs.
4. **Eligible Recipients and Authority to Apply:** Grant recipients must be responsible for the implementation of the project, have the authority and capability to complete the project, and be an applicant in good standing with the Air District.
 - a. **Eligible Recipients:**
 - i. **Public agencies** are eligible to apply for all project categories.

ii. **Non-public entities** are only eligible to apply for new alternative-fuel (light, medium, and heavy-duty) vehicle projects, and advanced technology demonstrations that are permitted pursuant to HSC section 44241(b)(7).

b. **Authority to Apply:** Applications must include either: 1) a signed letter of commitment from an individual with authority to enter into a funding agreement and carry out the project (e.g., Chief Executive or Financial Officer, Executive Director, City Manager, etc.), or 2) a signed resolution from the governing body (e.g., City Council, Board of Supervisors, Board of Directors, etc.) authorizing the submittal of the application and identifying the individual authorized to submit and carry out the project.

5. **Viable Project and Matching Funds:** Unless otherwise specified in the project category policies below, applications must provide matching funds from a non-Air District source, which equal or exceed at least 10% of the total project cost.

Applications must identify sufficient resources to complete the respective project. The project sponsor shall not enter into a TFCA Regional Fund funding agreement until all non-Air District funding has been approved and secured.

6. **Minimum Grant Amount:** \$10,000 per project.

7. **Maximum Grant Amount:** Maximum award per calendar year:

a. **Each public agency** may be awarded up to \$1,500,000, and

b. **Each non-public entity** may be awarded up to \$500,000.

8. **Readiness:** Projects must commence in calendar year 2012 or sooner. "Commence" includes any preparatory actions in connection with the project's operation or implementation. For purposes of this policy, "commence" can mean the issuance of a purchase order to secure project vehicles and equipment the delivery of the award letter for a service contract; or the delivery of the award letter for a construction contract.

9. **Maximum Two Years Operating Costs:** Service-based projects such as shuttle/feeder bus and ridesharing programs, may receive funding for up to two (2) years of operation or implementation. Projects that request up to \$100,000 annually in TFCA Regional Funds are eligible to apply for two years of funding. Projects that request more than \$100,000 annually in TFCA Regional Fund are eligible for only one year of funding and must apply each year for subsequent funding.

10. **Project Revisions:** Project revisions initiated by the project sponsor which significantly change the project before the allocation of funds by the Air District Board of Directors may not be accepted. Following Air District Board of Directors allocation of funds for a project, an applicant may request revisions to that project that the applicant deems necessary or advisable to carry out the purposes of the project, based on information the applicant received after the Board's allocation of funding. The Air District will consider only requests that are based on new information, are within the same eligible project category, and meet the same cost-effectiveness.

APPLICANT IN GOOD STANDING

11. **In Compliance with Agreement Requirements:** Project sponsors who have failed to meet project implementation milestones or who have failed to fulfill monitoring and reporting requirements for any project funded by the Air District may not be considered eligible for new funding until such time as all of the unfulfilled obligations are met.

12. **Independent Air District Audit Findings and Determinations:** Project sponsors who have failed either a fiscal audit or a performance audit for a prior Air District funded project will be excluded from future

funding for five (5) years from the date of the Air District's final determination in accordance with HSC section 44242. Additionally, project sponsors with open projects will not be reimbursed for those projects until all audit recommendations and remedies have been satisfactorily implemented.

A failed fiscal audit means an uncorrected audit finding that confirms an ineligible expenditure of funds. A failed performance audit means that a project was not implemented as set forth in the project funding agreement.

Reimbursement is required where it has been determined that funds were expended in a manner contrary to the TFCA Regional Program's requirements and requirements of HSC Code section 44220 et seq.; the project did not result in a reduction of air pollution from the mobile sources or transportation control measures pursuant to the applicable plan; the funds were not spent for reduction of air pollution pursuant to a plan or program to be implemented by the TFCA Program, or otherwise failed to comply with the approved project scope as set forth in the project funding agreement.

13. **Signed Funding Agreement:** Only a fully executed funding agreement (i.e., signed by both the project sponsor and the Air District) constitutes the Air District's award of funds for a project. Approval of an application for the project by the Air District Board of Directors does not constitute a final obligation on the part of the Air District to fund a project.

Project sponsors must sign a funding agreement within 60 days from the date it has been transmitted to them in order to remain eligible for award of TFCA funds. The Air District may authorize an extension of up to a total period of 120 days from the transmittal because of circumstances beyond project sponsor's reasonable control and at the Air District's discretion.

14. **Insurance:** Each project sponsor must maintain general liability insurance and such additional insurance that is appropriate for specific projects, with coverage amounts specified in the respective funding agreements throughout the life of the project.

INELIGIBLE PROJECTS

15. **Planning Activities:** Feasibility studies and other planning studies are not eligible for funding by the Air District. Funding may not be used for any planning activities that are not directly related to the implementation of a specific project or program. In addition, land-use projects (i.e., Smart Growth, Traffic Calming, and Arterial Management) that have not completed the Preliminary Design phase are not eligible.
16. **Cost of Developing Proposals and Grant Applications:** The costs to develop proposals or prepare grant applications are not eligible for TFCA funding.
17. **Duplication:** Projects that have previously received TFCA funds and therefore do not achieve additional emission reductions are not eligible.

Combining TFCA County Program Manager Funds with TFCA Regional Funds to achieve greater emission reductions for a single project is not considered project duplication.

USE OF TFCA FUNDS

18. **Combined Funds:** TFCA County Program Manager Funds may be combined with TFCA Regional Funds to fund a project that is eligible and meets the criteria for funding under both Funds. For the purpose of calculating the TFCA cost-effectiveness, the combined sum of TFCA County Program Manager Funds and TFCA Regional Funds shall be used to calculate the TFCA cost of the project.
19. **Administrative Costs:** Administrative costs (i.e., the costs associated with administering a TFCA grant) are limited to a maximum of five percent (5%) of total TFCA funds expended on a project. To be eligible for reimbursement, administrative costs must be clearly identified in the application project budget and in the funding agreement between the Air District and the project sponsor.

20. **Expend Funds within Two Years:** Project sponsors must expend the awarded funds within two (2) years of the effective date of the funding agreement, unless a longer period is formally (i.e., in writing) approved in advance by the Air District in a funding agreement or as an amendment to the funding agreement.

ELIGIBLE PROJECT CATEGORIES:

CLEAN AIR VEHICLE PROJECTS

- 21. **Reserved.**
- 22. **Reserved.**
- 23. **Reserved.**
- 24. **Reserved.**
- 25. **Reserved.**
- 26. **Reserved.**

SHUTTLE/FEEDER BUS SERVICE PROJECTS

27. **Shuttle/Feeder Bus Service:** Projects that significantly lower single-occupancy vehicle trips while minimizing emissions created by the shuttle vehicle are eligible for funding. The project's route must operate to or from a rail station, airport, or ferry terminal and must coordinate with connecting rail or ferry schedules. Projects cannot replace a local bus service or serve the same route as a local bus service, but rather must connect transit facilities to local commercial, employment and residential areas.

Shuttle/feeder bus service applicants must be:

- a. A public transit agency or transit district that directly operates the shuttle/feeder bus service;
- b. A city, county, or any other public agency.

Unless the applicant is the transit agency or transit district that directly implements this project, the project applicant must submit documentation from the General Manager of the transit district or transit agency that provides service in the area of the proposed route, which demonstrates that the proposed service does not duplicate or conflict with existing service.

Applicants are strongly encouraged to use the cleanest vehicle powered with the best-available technology (e.g., electric, hydrogen) to provide the shuttle/feeder bus service. Eligible vehicle types include:

- a. A zero-emission vehicle (e.g. electric, hydrogen)
- b. An alternative fuel vehicle (e.g. compressed natural gas, liquefied natural gas, propane);
- c. A hybrid-electric vehicle;
- d. A post-1997 diesel vehicle with a CARB Verified Diesel Emission Control Strategy (e.g., retrofit); or
- e. A post-1989 gasoline-fueled vehicle.

28. **Pilot Shuttle/Feeder Bus Service:** Pilot projects are defined as new routes that are at least 70% unique and have not been in operation in the past five years. In addition to meeting the requirements listed in Policy 27 for Shuttle/Feeder Bus Service, pilot shuttle/feeder project applicants must also provide data supporting the demand for the service, including letters of support from potential users and providers, and plans for financing the service in the future. Pilot projects must meet and maintain a minimum cost-effectiveness of \$125,000/ton during the first year of operation and a minimum cost-effectiveness of \$90,000 by the end of the second year of operation (see Policy #2). Projects may only receive a maximum

of two years of funding under the Pilot designation. Applicants must apply for subsequent funding under the Shuttle/Feeder Bus designation, described above.

REGIONAL RIDESHARING

29. **Regional Ridesharing Projects:** For TFCA Regional Fund eligibility, ridesharing projects must be comprised of riders from at least five Bay Area counties, with no one county accounting for more than 80% of all riders, as verified by documentation submitted with the application. Ride matching services must be coordinated with the Metropolitan Transportation Commission's regional ridesharing program. Applications for projects that provide a direct or indirect financial transit or rideshare subsidy exclusively to employees of the project sponsor are not eligible.

BICYCLE FACILITY PROJECTS

30. **Reserved**
31. **Reserved**

2004 DRAYAGE TRUCK REPLACEMENT PROJECTS

32. **2004 Drayage Truck Replacement Projects:** Projects that replace Class 8 (33,001 lb GVWR or greater) drayage trucks with engine Model Years (MY) of 2004, 2005 or 2006 with trucks that have engines certified to 2007 California Air Resources Board (CARB) emissions standards or cleaner are eligible for funding. The existing trucks with the 2004, 2005, or 2006 engines must be registered with the California Department of Motor Vehicles (DMV) and with the CARB drayage truck registry to a Bay Area address, and must be taken out of service after replacement.

REGIONAL FUND EVALUATION CRITERIA

TFCA projects will be evaluated on a first-come-first-serve basis. In order to address Air District priorities, funding available will be reserved as follows:

1. **For Shuttle/Feeder Bus Services and Ridesharing Projects:** 60% of funding available in this category will be reserved for projects that fall within one or more of the following categories:
 - a. Projects in Highly Impacted Communities as defined in the Air District Community Air Risk Reduction plans;
 - b. Priority Development Areas; and
 - c. Projects that reduce greenhouse gasses (GHG).
2. **Reserved.**

Attachment 2:

Summary of public comments received
on the proposed modifications to the
TFCA Regional Fund Policies

Attachment 2: Summary of public comments received on the proposed modifications to the TFCA Regional Fund Policies

Committer and Agency/ organization	Comment	Staff Response
Lynn March, Sonoma County Transportation Authority (SCTA) Submitted on: 1/26/12	Will BAAQMD be conducting outreach to potential drayage companies in Sonoma County?	Outreach for this funding program would be designed to go out to all eligible applicants in the Air District's jurisdiction (including Southern Sonoma County).