

## BOARD OF DIRECTORS MOBILE SOURCE COMMITTEE

#### **COMMITTEE MEMBERS**

DISTRICT

SCOTT HAGGERTY - CHAIR JOHN AVALOS CAROLE GROOM MAYOR ED LEE NATE MILEY – VICE CHAIR
TOM BATES
CAROL KLATT
MARY PIEPHO
BRAD WAGENKNECHT

THURSDAY May 24, 2012 9:30 A.M. 4<sup>TH</sup> FLOOR CONFERENCE ROOM 939 ELLIS STREET SAN FRANCISCO, CA 94109

#### TELECONFERNCE LOCATION

CITY OF LAFAYETTE, CONFERENCE ROOM 265 3675 MT. DIABLO BLVD., LAFAYETTE, CA 94549

#### **REVISED 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 APRIL 26, 2012
- 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. MARINE HIGHWAY PROJECT

D. Breen/5041

dbreen@baaqmd.gov

The Committee will receive an informational update on a proposed Marine Highway Project to be considered for the Fiscal Year Ending 2013 Transportation Fund for Clean Air (TFCA) Regional Fund.

6. PORT DRAYAGE TRUCK PROGRAM

D. Breen/5041

dbreen@baaqmd.gov

The Committee will receive an informational update on the Port Drayage Truck Program.

#### 7. LOWER EMISSION SCHOOL BUS PROGRAM

D. Breen/5041 dbreen@baaqmd.gov

The Committee will receive an informational update on the Lower Emission School Bus Program and a request to allow the Executive Officer/APCO to enter into contracts with grantees meeting the requirements of the program.

#### 8. 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).

#### 9. TIME AND PLACE OF NEXT MEETING

At 9:30 A.M., Thursday, June 28, 2012; at 939 Ellis Street, San Francisco, CA 94109

#### 10. **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

### **MAY 2012**

TYPE OF MEETING	DAY	DATE	<u>TIME</u>	ROOM
Board of Directors Executive Committee (Meets 3 <sup>rd</sup> Monday of each Month) - CANCELLED	Monday	21	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
Board of Directors Stationary Source Committee (Meets the 3 <sup>rd</sup> Monday Every Other Month) - CANCELLED	Monday	21	10:30 a.m.	4 <sup>th</sup> Floor Conf. Room
Special Meeting of the Board of Directors	Monday	21	10:00 a.m.	Meeting Location: Quinlan Community Center Cupertino Room 10185 N. Stelling Road Cupertino, CA 95014
				Tour Location: Front Parking Lot Entrance Lehigh Southwest Cement Company - Permanente Plant 24001 Stevens Creek Boulevard Cupertino, CA 95014
Board of Directors Budget & Finance Committee (Meets the 4th Wednesday Each Month)	Wednesday	23	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
Board of Directors Mobile Source Committee (Meets 4th Thursday each Month)	Thursday	24	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Public Outreach Committee</b> (Meets Quarterly at the Call of the Chair)	Thursday	31	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
	<u>J</u> ]	UNE 2	<u> 2012</u>	
TYPE OF MEETING	<u>DAY</u>	<b>DATE</b>	<u>TIME</u>	ROOM
<b>Board of Directors Regular Meeting</b> (Meets 1 <sup>st</sup> & 3 <sup>rd</sup> Wednesday of each Month)	Wednesday	6	9:45 a.m.	Board Room
Advisory Council Regular Meeting (Meets 2 <sup>nd</sup> Wednesday each Month)	Wednesday	13	9:00 a.m.	Board Room
Board of Directors Executive Committee (Meets 3rd Monday of each Month - CANCELLED	Monday	18	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room

#### **JUNE 2012**

TYPE OF MEETING	<u>DAY</u>	<b>DATE</b>	<u>TIME</u>	ROOM
<b>Board of Directors Regular Meeting</b> (Meets 1st & 3rd Wednesday of each Month - CANCELLED	Wednesday	20	9:45 a.m.	Board Room
Board of Directors Public Outreach Committee (Meets Quarterly at the Call of the Chair) - CANCELLED	Thursday	21	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
Board of Directors Budget & Finance Committee (Meets the 4th Wednesday Each Month)	Wednesday	27	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Mobile Source</b> <b>Committee</b> (Meets 4th Thursday each Month)	Thursday	28	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
	<u>J</u>	ULY 2	2012	
TYPE OF MEETING	<u>DAY</u>	DATE	<u>TIME</u>	ROOM
Board of Directors Regular Meeting (Meets 1st & 3rd Wednesday of each Month) - CANCELLED	Wednesday	4	9:45 a.m.	Board Room
Advisory Council Regular Meeting (Meets 2 <sup>nd</sup> Wednesday each Month)	Wednesday	11	9:00 a.m.	Board Room
Special Meeting of the Board of Directors (Meets 1st & 3rd Wednesday of each	Wednesday	11	1:30 p.m.	Meeting Location:
Month)				Hercules, CA
				<b>Tour Location:</b>
				Hercules, CA
Board of Directors Executive Committee (Meets 3 <sup>rd</sup> Monday of each Month)	Monday	16	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Stationary Source</b> Committee (Meets the 3 <sup>rd</sup> Monday Every Other Month)	Monday	16	10:30 a.m.	4 <sup>th</sup> Floor Conf. Room
Board of Directors Regular Meeting (Meets 1st & 3rd Wednesday of each Month) - CANCELLED	Wednesday	18	9:45 a.m.	Board Room
TYPE OF MEETING	<u>DAY</u>	<b>DATE</b>	<u>TIME</u>	ROOM
Board of Directors Budget & Finance Committee (Meets the 4th Wednesday Each Month)	Wednesday	25	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room
<b>Board of Directors Mobile Source</b> Committee (Meets 4th Thursday each Month)	Thursday	26	9:30 a.m.	4 <sup>th</sup> Floor Conf. Room

#### 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: May 9, 2012

Re: <u>Mobile Source Committee Draft Meeting Minutes</u>

#### **RECOMMENDED ACTION:**

Approve attached draft minutes of the Mobile Source Committee meeting of April 26, 2012

#### **DISCUSSION**

Attached for your review and approval are the draft minutes of the April 26, 2012 Mobile Source Committee meeting.

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO

Prepared by: <u>Sean Gallagher</u> Reviewed by: Jennifer C. Cooper Bay Area Air Quality Management District 939 Ellis Street San Francisco, California 94109 (415) 771-6000

#### **DRAFT MINUTES**

Summary of Board of Directors Mobile Source Committee Meeting 9:30 a.m., Thursday, April 25, 2012

#### 1. Call to Order – Roll Call

Director Brad Wagenknecht called the meeting to order at 9:44 a.m. as Chairperson Scott Haggerty arrived.

Present: Chairperson Scott Haggerty; Vice Chairperson Nate Miley; and Directors John

Avalos, Tom Bates, Carol Klatt and Brad Wagenknecht.

Absent: Directors Carole Groom, Edwin M. Lee and Mary Piepho.

Also Present: None.

#### 2. **Public Comment Period:** None.

#### 3. Approval of Minutes of February 23, 2012

<u>Committee Action:</u> Director Bates made a motion to approve the Minutes of February 23, 2012; Director Klatt seconded; carried unanimously without objection.

#### 4. Projects with Proposed Grant Awards Over \$100,000

Damian Breen, Director of Strategic Incentives, introduced Adam Shapiro, Administrative Analyst of Strategic Incentives, who gave the staff presentation Carl Moyer Program Projects with Proposed Grant Awards over \$100,000, including a brief review of the program to date and a detail of the proposed projects for Carl Moyer Program Year 13.

#### Committee Comments:

Director Bates asked for clarification regarding Carl Moyer Program projects with proposed grant awards of \$100,000 and Mr. Breen provided the same.

Public Comments: None.

#### Committee Action:

Director Bates made a motion, seconded by Director Klatt and carried unanimously without objection to recommend the Board of Directors:

- 1. Approve Carl Moyer Program projects with proposed grant awards over \$100,000; and
- 2. Authorize the Executive Officer/Air Pollution Control Officer (APCO) to enter into agreements for the recommended Carl Moyer Program projects.

## 5. Transportation Fund for Clean Air (TFCA) County Program Manager Expenditure Plans for Fiscal Year Ending (FYE) 2013

Mr. Breen introduced Michael Neward, Administrative Analyst of Strategic Incentives, who gave the staff presentation Consideration of TFCA County Program Manager Expenditure Plans for FYE 2013, including background, FYE 2013 expenditure plans, and recommendations.

#### Committee Comments:

Director Wagenknecht asked what is done with unexpended funds. Mr. Breen responded that they essentially roll over in each county's fund.

Public Comments: None.

#### Committee Action:

Director Wagenknecht made a motion, seconded by Director Avalos and carried unanimously without objection to recommend the Board of Directors:

1. Approve the allocation of FYE 2013 TFCA County Program Manager Funds listed on the following table:

County Program Manager	Est. New FYE 2013 TFCA Funds	Total Funds to be Programmed in FYE 2013 (New Funds + Interest + Reprogrammed Funds)
Alameda County Congestion Mgt. Agency	\$1,847,854.61	\$1,887,375.09
Contra Costa Transportation Authority	\$1,341,469.07	\$1,348,680.33
Transportation Authority of Marin	\$335,398.24	\$346,088.69
Napa County Transportation Planning Agency	\$186,018.12	\$192,531.89
San Francisco County Transportation Authority	\$716,200.86	\$992,480.15
San Mateo City/County Association of Gov'ts	\$1,012,000.01	\$1,037,781.01
Santa Clara Valley Transportation Agency	\$2,269,375.68	\$2,327,956.10
Solano Transportation Authority	\$293,581.12	\$294,507.74
Sonoma County Transportation Authority	\$566,733.54	\$618,545.43

2. Authorize the Executive Officer/APCO to enter into funding agreements with the County Program Managers for the total funds to be programmed in FYE 2013, listed on the above table, consistent with the Board-adopted TFCA Program Manager Fund Policies.

### 6. Allocation of Mobile Source Incentive Funds (MSIF) for Lower Emissions School Bus Program (LESBP)

Mr. Breen introduced Deepti Jain, Environmental Planner of Strategic Incentives, who gave the staff presentation Lower-Emission School Bus Replacement Program, including background, new LESBP project types, rules and restrictions, and recommendations.

#### Committee Comments:

Director Avalos asked how decreased state funding is affecting this program. Mr. Breen responded that staff surveyed the school districts and an oversubscription to the program is expected. Director Avalos asked if the allocation is only for school district buses as opposed to municipal buses transporting school-aged children and whether there is currently a program to support the latter. Mr. Breen responded in the affirmative and the negative, respectively.

Chairperson Haggerty asked if the gas tank or entire bus must be replaced after 15 years of use. Mr. Breen responded only the gas tank. Chairperson Haggerty asked the cost for replacement to which Mr. Breen responded approximately \$20,000. Chairperson Haggerty suggested some school districts may not have been aware of the replacement requirement at the time of purchase and asked how long the funds will be available, particularly for those buses with tanks that have significant time remaining in the their 15-year life cycle but belong to districts with severely limited resources. Mr. Breen suggested there are a number of options, while noting that the target sunset date for MSIF funding is the end of 2014 and the Air District will work to get that funding renewed, including the Transportation Fund for Clean Air (TFCA) as a viable, alternative funding source. Mr. Breen added that future emissions requirements will likely shift the focus to electric, hybrid or hybrid-electric engines.

Chairperson Haggerty asked how many compressed natural gas buses have been purchased by the Air District. Mr. Breen responded approximately 30 to 50 school buses. Chairperson Haggerty asked if some of these funds may be set aside based on the knowledge that future retrofit will be needed. Mr. Breen responded that there is an expenditure deadline for the current funding but that would be an option with TFCA funding. Chairperson Haggerty asked for more information about current inventories and any plans staff has for addressing this moving forward.

Director Bates stated that school districts are no longer required to provide bus service to their students so a number of districts, namely in dense urban areas with alternative transportation, are getting out of bus service altogether and suggested that the resulting targets of this program are those areas with no other transit. Chairperson Haggerty disagreed. Director Bates suggested the need for funding for those areas that do not have school district bus service. Chairperson Haggerty responded that more information is needed before that conclusion can be made. Director Bates said continued funding is unclear pending the upcoming election. Mr. Breen said that staff recognizes the dilemma, asked that the Committee move on the item before it today, and stated that the topic will be revisited.

Director Wagenknecht suggested that there is probably not a great deal of state-wide funding going into the school bus program now and putting money into keeping the fleet moving seems

like a good investment on the Air District's part. Director Bates agreed and clarified that he is just looking at the big picture.

#### Public Comments:

Ralph Knight, Director of Transportation, Napa Valley Unified School District (NVUSD), addressed the Committee in support, detailed past accomplishments under the partnership with the Air District, expressed the appreciation of NVUSD, and explained the budgeting and transportation situation for NVUSD. Chairperson Haggerty asked Mr. Knight to clarify regarding the age of the fleet. Mr. Knight responded that two buses are currently retired and two more will retire in June, as they have all reached the 15-year expiration date. Chairperson Haggerty and Mr. Breen discussed the likely timeline for allocations and Mr. Breen made a commitment to do everything possible to shorten the projected timeline of three to six months. Mr. Knight stated that there is an additional 3-month delay for the installation to occur after funding is confirmed. Chairperson Haggerty directed staff to meet with Mr. Knight to see what can be done to shorten the timeline.

Mike Rea, Executive Director, West County Transportation Agency (WCTA), addressed the Committee in support, noted that regular school bus service was never mandated by the State of California but that special education transportation is and that all or most of the WCTA fleet was funded by Air District programs, and explained the life cycle of WCTA buses under an Air District-supplemented program. Director Bates asked Mr. Rea to clarify his comments about non-functional buses and underserved school districts. Mr. Rea clarified how many districts are served and how many buses are doing so. Chairperson Haggerty asked about the timing of this agenda item. Mr. Breen responded that the item was not an option until January of this year and has been brought forward as quickly as possible.

Karri Gardner, Transportation Manager, Solano County Office of Education, addressed the Committee in support and thanked the Air District for its past assistance.

#### Committee Action:

Director Wagenknecht made a motion, seconded by Director Miley and carried unanimously without objection to recommend the Board of Directors:

- 1. Approve the use of MSIF for the following three newly allowable project types under the LESBP:
  - The replacement of on-board natural gas fuel tanks;
  - Infrastructure improvements of deteriorating natural gas fueling dispensers; and
  - Retrofit of in-use school buses with emission control devices.
- 2. Allocate \$7.5 million in MSIF to fund all allowable project types under the LESBP.

#### 7. Transportation Fund for Clean Air Regional Fund Overview

Mr. Breen gave the staff presentation TFCA, Regional Fund Overview, including background, a review of FYE 2012 regional and manager fund allocations, proposed FYE 2013 regional funds allocations, the alternative fuels program for FYE 2012 and 2014, and the next steps.

#### **Committee Comments:**

Jean Roggenkamp, Deputy APCO, explained that there is no action item today, this presentation was intended to get the Committee's feedback and that the matter will return to the Committee after discussion with stakeholders.

Chairperson Haggerty said that it is important for staff to look at shuttle types, commended shuttles which connect other modes of transportation, and suggested that those shuttles which duplicate or compete with other modes of transportation are non-essential.

Chairperson Haggerty asked why staff suggested funding come from port trucks. Mr. Breen responded that the Air District would be funding compliance, which is not an acceptable use of the fund. Director Miley asked for further explanation. Mr. Breen stated that there is a requirement that the emissions reductions that the Air District achieves through port trucks be surplus; the current \$26 million in funding to replace almost 1,000 trucks at the Port of Oakland and the additional \$1.8 million from the Air District coupled with the \$1.4 million from Alameda County for replacing 2005/2006 trucks will, once completed, leave no more surplus available from port trucks and the regulation will be in place. Ms. Roggenkamp clarified further that previous allocations will be funded; there will just not be a way to fund allocations for future years because the port trucks deadline will have passed.

Director Wagenknecht asked, regarding slide 5, FYE 2012 TFCA County Program, Manager Fund Allocations, for clarification regarding the Air District allocation of \$4 million. Mr. Breen responded that MTC gets \$1 million and Santa Clara Valley Transportation Authority is another beneficiary. Ms. Roggenkamp interjected that it is her belief that MTC doesn't fund shuttles. Mr. Breen agreed and added it is generally ridesharing and vanpools.

Chairperson Haggerty asked what staff envisions happening with MTC's One Bay Area Program and the \$2 million allocated thereto. Mr. Breen responded that there are differences of opinion within each organization but Air District staff believes that, since MTC did the extensive transit survey and funds the transit agencies, it makes sense for MTC to invest the money on behalf of the Air District or, alternately, use it as additional funding for city and county electric vehicle deployment. Ms. Roggenkamp noted that this is only half of the equation because TFCA dollars must be used for TFCA project types.

Chairperson Haggerty asked if the \$1.29 million in the Spare the Air program is all the Air District's money to which Mr. Breen responded in the affirmative. Chairperson Haggerty asked how much MTC put in. Mr. Breen responded \$700,000 this year and \$1 million per year for the next three. Chairperson Haggerty asked why the agencies are simultaneously transferring money back and forth instead of just each organization applying it against the other's contribution. Ms. Roggenkamp responded that there are matching requirements for both of these programs.

Director Miley asked what the bicycle infrastructure money is used for. Mr. Breen said staff has issued a request for proposals for bicycle lockers and racks and suggested the \$0.4 million

allocation will likely increase with excess funding from other projects. Director Avalos asked if the lockers and racks are expected to be near transit. Mr. Breen responded that they will be around those locations that cities, counties and their partners would like to deploy them within the loose parameters imposed by the Air District.

Director Bates asked the meaning of Mr. Breen's comment during the presentation about "not moving the needle" relative to shuttles. Mr. Breen stated that according to MTC data, a \$50 billion investment is needed in public transportation and this will not substantially increase the ridership nor reap a perceptible greenhouse gases reduction benefit.

Director Bates suggested the development of guidelines for priority development areas (PDA) regarding the proper use of TFCA monies through the MTC One Bay Area Grant program and asked what those uses are. Mr. Breen responded that one idea is to have MTC allocate the shuttle funding but the discussion at that level has not yet begun. Ms. Roggenkamp interjected that MTC's concept at this point is the funding will go to congestion management agencies (CMA) that are very familiar with the TFCA criteria and agreed the Air District will need to verify funds are used for eligible project types. Chairperson Haggerty suggested the money will not really go to MTC but to CMA. Mr. Breen clarified that it has yet to be determined. Director Bates asked what is eligible. Mr. Breen responded arterial management, bike and shuttle projects, replacement of vehicles and any projects that reduce vehicle miles travelled (VMT) or emissions. Director Bates interjected that there are a number of eligible uses. Ms. Roggenkamp replied that there are twelve or thirteen project types. Mr. Breen added that staff would like it to be used for something not ordinarily addressed by the CMA and, ideally, for a specific type of project to ease compliance on their end. Director Bates asked for examples and whether bike and pedestrian would be one. Mr. Breen responded that it could be but the Air District must first get a better understanding of how MTC would use the money or how the Air District would allocate it through MTC. Director Bates suggested that MTC is initially going to grant money with little or no guidelines. Mr. Breen guaranteed that will not happen. Ms. Roggenkamp added that it will not happen for the Air District's part as there are requirements that must and will be met or the Air District will withdraw from the program. Chairperson Haggerty suggested that, if necessary, the Air District withdraw from the program for the first year and noted that it may not be in the best interest of the Air District to channel this money through MTC because CMA should get an opportunity to see Air District efforts beyond the regulation of wood smoke. Ms. Roggenkamp suggested the need to consider what benefit the Air District will enjoy from pooling these resources towards the achievement of projects not otherwise possible. Chairperson Haggerty suggested that staff be cautious with entry into this project and asked that the Committee be regularly updated on progress.

Public Comments: None.

Committee Action: None; informational only.

#### 8. Selection of Contractor for the Regional Bicycle Sharing Pilot Program

Mr. Breen introduced Karen Schkolnick, Air Quality Program Manager of Strategic Incentives, who gave the staff presentation Regional Bicycle Share Pilot Project Contractor Selection, including background, pilot partners and funding, scope of work, request for proposals process, evaluation and results, the Alta Bicycle Share (Alta) Budget and next steps.

Mr. Breen interjected to clarify, regarding slide 8, Scope of Work, that membership funding would be raised after one year and with sponsorship included, hope to generate the revenue necessary to expand the fleet to 1,000 bicycles.

#### Committee Comments:

Chairperson Haggerty asked if estimated revenue figures are available. Mr. Breen responded that estimates from Alta are \$1.4 million but nothing can be firmed up until the pilot moves forward. Chairperson Haggerty asked if the program will eventually cover its own costs. Mr. Breen responded that it seems easily possible but the pilot program is a tool to help make that determination, noting that the multi-city participation makes predictions particularly challenging for the bicycle company and that maintenance costs will be an ongoing challenge for a project of this kind, just as it is with transit operations.

Chairperson Haggerty shared his frustration that Alameda County is not part of this project and asked how to make that happen. Ms. Roggenkamp suggested the Air District needs the pilot to answer various questions for moving forward. Mr. Breen suggested that it will require approximately \$3 million to deploy 300 bicycles in Alameda County and between \$1 million and \$2 million in continued support each year. Chairperson Haggerty asked if staff has a break-down of participant contributions. Mr. Breen said staff can return to MTC to seek additional funding but MTC has signaled there will be no additional funding until after the pilot. Chairperson Haggerty stated that he looks forward to a report in one year. Ms. Roggenkamp said that there is a great deal of interest in the project. Chairperson Haggerty said this is a missed opportunity for the program.

Director Miley asked how the Air District quantifies or measures emissions reductions that are attributed to a program like this. Mr. Breen responded that staff utilizes a user survey about transit habits and then divines displacement and reductions. Director Miley asked if this project is being branded as a commute alternative or holistic lifestyle alternative. Mr. Breen responded that staff intends to figure out the best approach through the pilot project. Director Miley inquired about the location of Alta. Brad Picken, Co-owner, Alta, responded that the local office is in Berkeley. Director Miley asked who will own the bikes. Ms. Schkolnick responded that ownership has yet to be determined but, under the current proposal, the Air District would own the bikes during the pilot or until the responsibility of program administrator is turned over to another party. Director Miley asked what happens to the bikes. Ms. Schkolnick responded that there is a required disposition through Caltrans and keeping them in service through this program or another is an eligible use that staff deems optimal. Director Miley asked if a comprehensive report will be presented to the Committee after the pilot is complete and what the timeline is to which Mr. Breen answered in the affirmative with an August launch. Ms. Schkolnick added that the 12-month cycle would begin upon full deployment, likely in October. Mr. Breen suggested that data will be collected throughout the pilot so an update will be presented in the interim.

Chairperson Haggerty asked if the Clipper<sup>TM</sup> card will work. Ms. Schkolnick responded that it was included in the request for proposals and staff is working with MTC on implementation but it may not be an option during the pilot. Chairperson Haggerty asked how one reserves a bicycle. Ms. Schkolnick responded via the internet or at a kiosk with a membership card. Chairperson Haggerty replied that credit/debit card use is clearly planned and suggested there is no reason

why the Clipper<sup>™</sup> cannot be included in the pilot and urged staff to work with MTC to make sure it happens. Mr. Breen agreed and suggested that staff will pick up the pace on that front if approved today.

Director Bates and Mr. Breen discussed the ongoing operational costs and expected revenue to cover the same. Mr. Breen clarified that there will be sponsors instead of advertisers, whose names will be on kiosks in exchange for one- or five-year sponsorship commitments. Director Bates asked about user cost. Mr. Breen and Ms. Schkolnick responded that it will be approximately \$75 to \$95 per year for an unlimited number of 30-minute intervals.

Public Comments: None.

#### Committee Action:

Director Wagenknecht made a motion, seconded by Director Avalos and carried unanimously without objection to recommend the Board of Directors:

- 1. Approve the selection of Alta, contractor, to assist the Air District and the Santa Clara Valley Transportation Authority, SamTrans, San Francisco Municipal Transportation Agency, San Mateo County and Redwood City (partner agencies), to deploy an organized network of publically-accessible bicycles for transportation use along the Peninsula transportation corridor under a Climate Innovation Program (CIP) grant from the Metropolitan Transportation Commission (MTC).
- 2. Authorize the Executive Officer/APCO to enter into an agreement not to exceed \$5,969,000 with Alta to deploy the bike share program required under the MTC grant.
- 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 consecutively ranked highest bidders, DecoBike or B-cycle to execute all necessary agreements to deploy the bike share program.

#### 9. Committee Member Comments/Other Business:

Director Bates noted that Mr. Breen recently appeared at a bicycle sharing event and gave a terrific speech.

#### 10. Public Comment Period (continued):

Virian Boyzé, Director, Oakland Institute of Automotive Technology, Inc., addressed the Committee regarding his development of a retrofit kit that will eliminate a truck's need for diesel fuel or full motor replacement and requested an extension of time to finish the prototype. Chairperson Haggerty directed Mr. Boyzé to staff.

- 11. Time and Place of Next Meeting: Thursday, May 24, 2012, at Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, CA 94109 at 9:30 a.m.
- **12. Adjournment:** The meeting adjourned at 11:15 a.m.

Sean Gallagher Clerk of the Boards

AGENDA: 4

#### 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: May 14, 2012

Re: <u>Projects with Proposed Grant Awards over \$100,000</u>

#### **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 May 9, 2012, the Air District had received 87 project applications. Of the applications that have been evaluated between April 11, 2012 and May 9, 2012, three eligible projects have proposed individual grant awards over \$100,000. These projects will replace five (5) pieces of off-road equipment, and install remanufacture kits on two marine engines which will result in the reduction of over 31 tons of NOx, ROG and PM per year. Staff recommends allocating \$547,982 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 May 9, 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 56% 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 May 9, 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 4/11/12 and 5/9/12)

Attachment 2: Summary of all CMP Year 13/MSIF and VIP approved/eligible projects (as of

5/9/12)

#### Attachment 1:

BAAQMD Year 13 Carl Moyer Program/ MSIF projects with grant awards greater than \$100k (Evaluated between 4/11/12 and 5/9/12)

Project #	Applicant name	Equipment category	Project type		Proposed tract award	NOx (TPY)	ROG (TPY)	PM (TPY)	County
13MOY77	Gregory Lyons (Lyon's Farm)	Off-road	Equipment replacement of one (1) diesel-powered, 285 hp agricultural tractor.	\$	142,164.00	0.848	0.099	0.035	Solano
13MOY79	Sortwell Inc. (dba) Amnav Maritime Services	Marine	Installation of engine remanufacture kits on two (2) diesel-powered, 1650 hp main engines for the tugboat "Liberty."	\$	233,768.00	27.011	0.483	0.803	San Francisco
13MOY40	Premier Recycle Company	Off-road	Equipment replacement of two (2) diesel-powered off-road loaders, and two (2) diesel powered excavators.	\$	172,050.00	1.486	0.220	0.051	Santa Clara

\$ 547,982.00 29.345 0.802 0.889

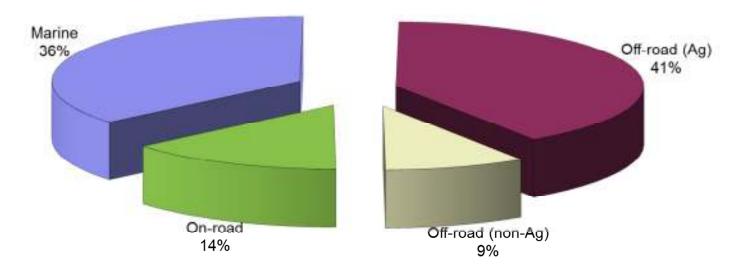
#### Attachment 2

Summary of all CMP Yr 13/ MSIF and VIP approved/ eligible projects (As of 5/9/12)

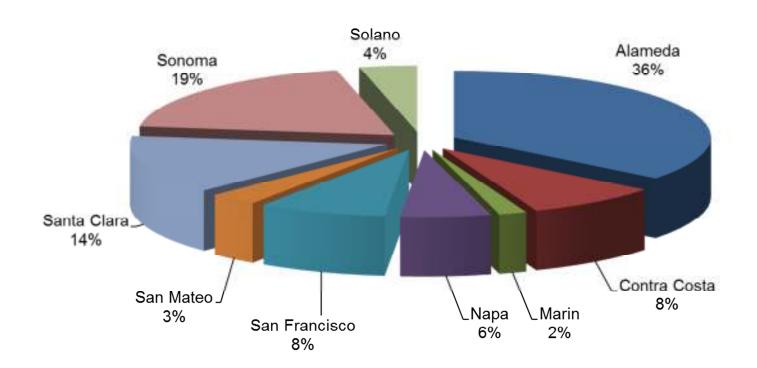
Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	NOx (TPY)	ROG (TPY)	PM (TPY)	Board approval date	County
13MOY4	Off-road	Tractor replacement	2	\$ 122,000.00	Humberto Castaneda (farmer)	1.076	0.142	0.037	12/7/2011	Sonoma
13MOY6	Off-road	Tractor replacement	2	\$ 29,757.00	Ronald Palmer (Vineyard)	0.126	0.027	0.007	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	3/7/2012	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	3/7/2012	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	\$ 158,666.00	RANKINS AG INC.	1.408	0.181	0.063	3/7/2012	Conta 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	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	3/7/2012	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	Corporation	0.129	0.025	0.009	APCO	Napa
13MOY25	Marine	Engine reman and repower	4	\$ 579,878.00	Harley Marine Services, Inc.	37.843	0.602	1.126	3/7/2012	Alameda
13MOY26	Marine	Engine reman and repower	4	\$ 594,249.00	Harley Marine Services, Inc.	34.517	0.542	1.034	3/7/2012	Alameda
13MOY36	Off-road	Equipment replacement	2	\$ 45,106.00	Dutton Ranch Corp.	0.189	0.040	0.012	APCO	Sonoma
13MOY41	Off-road	Equipment replacement	1	\$ 114,014.00	F.A. Maggiore & Sons (Farming)	0.933	0.102	0.040	5/2/2012	Contra Costa
13MOY42	Off-road	Equipment replacement	2	\$ 55,966.00	Dutton Ranch Corp.	0.243	0.046	0.021	APCO	Sonoma
13MOY45	Off-road	Equipment replacement	1	\$ 30,900.00	Arthur Kunde and Sons Inc	0.092	0.018	0.005	APCO	Sonoma
13MOY46	Off-road	Equipment replacement	2	\$ 34,871.00	Carty Bros.	0.179	0.048	0.013	APCO	Solano
13MOY38	Off-road	Equipment replacement	1	\$ 24,175.00	Moon Vineyards	0.099	0.017	0.005	APCO	Napa
13MOY39	Marine	Engine repower	2	\$ 98,386.00	Sal Papetti (Commercial fisherman)	0.601	0.016	0.021	APCO	San Francisco
13MOY31	Marine	Engine repower	2	\$ 82,790.00	Blue & Gold Fleet LP	0.772	-0.017	0.028	APCO	San Francisco
13MOY58	Off-road	Equipment replacement	5	\$ 150,266.00	Diamond M Dairy	0.873	0.170	0.058	5/2/2012	Sonoma
13MOY63	Off-road	Equipment replacement	1	\$ 151,841.00	Andrew Poncia (Fertilizer co.)	0.928	0.106	0.037	5/2/2012	Sonoma
13MOY60	Off-road	Equipment replacement	1	\$ 14,210.00	Cameros Vineyard Management LLC Sinskey Vineyards, Inc.,	0.002	0.018	0.004	APCO	Sonoma
13MOY59	Off-road	Equipment replacement	2	\$ 58,766.00		0.156	0.047	0.019	APCO	Napa

13MOYFA1	Emergency Equipment	Equipment replacement	1	\$ 43,000.00	City of Sunnyvale	0.112	0.006	0.009	APCO	Santa Clara
13MOY73	Off-road	Equipment replacement	1	\$ 30,321.00	Renati Dairy	0.243	0.041	0.015	APCO	Sonoma
13MOY74	Off-road	Equipment replacement	1	\$ 39,507.00	Jacobs Farm Del Cabo Inc.	0.135	0.029	0.007	APCO	San Mateo
13MOY77	Off-road	Equipment replacement	1	\$ 142,164.00	Gregory Lyons (Lyon's Farm)	0.848	0.099	0.035	TBD	Solano
13MOY79	Marine	Engine remanufacture kit	2	\$ 233,768.00	Sortwell Inc. (dba) Amnav Maritime Services	27.011	0.483	0.803	TBD	San Francisco
13MOY61	Off-road	Equipment replacement	3	\$ 99,229.00	Diageo Chateau & Estate Wines	0.312	0.061	0.016	APCO	Napa
13MOY40	Off-road	Equipment replacement	4	\$ 172,050.00	Premier Recycle Company	1.486	0.220	0.051	TBD	Santa Clara
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
VIP57	VIP	Truck replacement	1	\$ 20,000.00	Saleem M. Salimi	0.281	0.000	0.007	APCO	Alameda
VIP58	VIP	Truck replacement	1	\$ 5,000.00	All Points Rolloff Inc.	0.160	0.000	0.011	APCO	Santa Clara
VIP60	VIP	Truck replacement	1	\$ 45,000.00	Tammy Huang	2.786	0.056	0.000	APCO	San Mateo
VIP61	VIP	Truck replacement	1	\$ 45,000.00	Tammy Huang	2.786	0.056	0.000	APCO	San Mateo
VIP62	VIP	Truck replacement	1	\$ 35,000.00	Freddy Alberto Largaespada	2.143	0.053	0.000	APCO	Los Angeles
VIP63	VIP	Truck replacement	1	\$ 45,000.00	Edward Eric Martinez	2.786	0.056	0.000	APCO	Placer County
VIP64	VIP	Truck replacement	1	\$ 45,000.00	S/S Trucking	2.786	0.056	0.000	APCO	Alameda
VIP65	VIP	Truck replacement	1	\$ 25,000.00	Don White	1.546	0.034	0.000	APCO	Alameda
VIP66	VIP	Truck replacement	1	\$ 45,000.00	Jaswinder Singh	2.768	0.058	0.000	APCO	Contra Costa
VIP68	VIP	Truck replacement	1	\$ 45,000.00	Robert Kenny	2.786	0.056	0.000	APCO	San Francisco
VIP69	VIP	Truck replacement	1	\$ 40,000.00	Tien Cong Huynh	2.427	0.081	0.000	APCO	Alameda
VIP70	VIP	Truck replacement	1	\$ 20,000.00	William Ballinger	1.236	0.032	0.000	APCO	Alameda
	6	8 Projects	108	\$ 6,001,486.00		190.240	5.882	5.360		

**Figure 1:** CMP/ MSIF Funding Distribution by Equipment Category as of 5/9/12



**Figure 2:** CMP/ MSIF Funding Distribution by County as of 5/9/12



AGENDA: 5

#### 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: May 15, 2012

Re: Marine Highway Project

#### RECOMMENDATION:

None. Informational item, receive and file.

#### BACKGROUND

On August 5, 2009, the Bay Area Air Quality Management District (Air District) Board of Directors (Board) approved the allocation of \$750,000 in general fund revenue to support a Marine Highway project between the Ports of Oakland (Oakland) and Stockton (Stockton). This funding allocation was made for a proposed project that at peak capacity was projected to transport 50% of the agricultural cargo moving between the two ports. The project also promised to eliminate approximately 4,900 truck trips per week through the West Oakland community and along Bay Area highways; reducing diesel particulate matter emissions by 15 tons per year.

Air District funding for this project was conditional on match funding from Oakland and the San Joaquin Valley Air Pollution Control District (SJVAPCD), performance-based milestones and an operational schedule that commenced in summer 2010 ramping up to peak capacity by summer 2012. Following a number of unsuccessful attempts to negotiate contracts with local unions and the ports, the project sponsor withdrew its proposal to the Air District in January 2010 and the project was canceled.

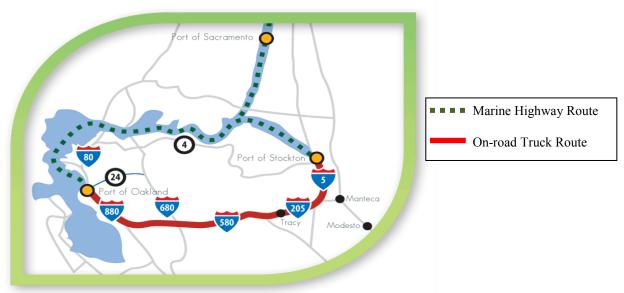
Subsequent to that cancellation, the Ports of Oakland, Stockton and West Sacramento (West Sacramento) were notified on February 17, 2010, by the United States Department of Transportation (DOT) that they had received funding under the transportation investment generating economic recovery (TIGER) grant program for a separate Marine Highway project. As part of this report, staff will update the Committee on a request from Oakland and Stockton for funding to support this new Marine Highway project.

#### **DISCUSSION**

#### **Marine Highway Concept**

The current truck transportation system for intermodal containers to and from Oakland is highly inefficient. Multiple contractors are used to transport cargo from Oakland to railhead destinations and distribution centers in the Central Valley and Reno. For example, shippers who own the ocean going vessels that transport cargo internationally have no connection to the truckers who move their cargo when it arrives at Oakland. Similarly, the train companies who receive the cargo have no connection with either the shipper or the trucker that is the intermediary between them. Consequently, transporting one loaded container from Oakland to Stockton and back again unloaded may take up to six truck trips covering a distance of 170 miles and may involve up to three or four trucking companies.

Figure 1-Marine Highway Route between Oakland, West Sacramento and Stockton



The Marine Highway concept relies on the fact that because containers on barges are not required to travel over highways they can be loaded to weights of 52,000 pounds versus the 40,000 pound limit imposed to travel California's roads. This means that it takes fewer containers to transport cargo via barge than via truck. For example, the amount of cargo that will fit in 100 forty (40) foot containers transported by barge would require 130 containers if transported by truck. Less containers means less pollution generated in handling and shipping of cargo and less pollution on Bay Area highways as a result of truck congestion.

#### **Current Project**

The current Marine Highway project proposed by Oakland and Stockton would eliminate 744 truck trips weekly between the ports based on the transportation of 350 overweight containers (52,000 pounds) via barge between the ports twice-weekly. The project assumes that containers transported to Stockton are moved approximately 13 miles to and from railhead to distribution centers in that area, that the barges used in the transportation of containers meet United States Environmental Protection Agency (EPA) Tier 2 emissions standards and that comparative transportation emissions would be generated by trucks meeting an engine model year 2007 emissions standards. Under that scenario, the following emissions would result from the implementation of the Marine Highway project in the Bay Area:

Table 1- Bay Area Emissions from Marine Highway Project Vs. Truck
Transportation

	NOx (tpy)	ROG (tpy)	PM10 (tpy)	PM2.5 (tpy)	CO2 (metric tpy)
Truck Travel Emissions	67.1	0.8	1.6	0.8	6,826
Marine Highway Emissions	22.4	1.8	0.6	0.5	2,206
Net Difference	44.6	(1.0)	1.0	0.3	4,620

While the proposed project slightly increases the amount of reactive organic gases (ROG) emitted in the Bay Area, staff believes that this increase is more than offset by the additional reductions of nitrogen oxides, greenhouse gases (CO2) and more importantly the reductions in diesel particulate matter (PM 2.5). Diesel particulate matter is responsible for 85% of the cancer health risk from toxic air contaminants in the Bay Area. This project would reduce the total emissions from on-road heavy diesel trucks in the Bay Area and the resultant health risk in both the community surrounding the Port of Oakland and along Bay Area highways.

It should also be noted that the project provides additional emissions equipment benefits in the San Joaquin Valley. The SJVAPCD has provided \$750,000 in funding towards this project.

#### Next Steps

Oakland and Stockton are requesting \$750,000 to support the purchase of barges and the operation of tugs boats for this project. In order to provide this support, staff proposes to make this project an eligible category under the policies for the Fiscal Year Ending 2013 Transportation Fund for Clean Air Regional Fund program which will come to the Board for review in June 2012. However, due to the legislative requirements of that program it will also be necessary for the Port of Oakland to make the Marine Highway a "physical improvement project" that achieves motor vehicle emissions reductions under their Maritime Air Quality Improvement Plan (MAQIP). Provided the Board of

Directors approves this project type, Staff will work with Oakland to ensure that the required changes to the MAQIP are made.

#### BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. The Air District receives funding for the administration of these programs as part of the TFCA program.

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO

Prepared by: <u>Damian Breen</u> Reviewed by: <u>Jean Roggenkamp</u>

AGENDA: 6

#### 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: May 15, 2012

Re: Port Drayage Truck Program

#### RECOMMENDATION:

None. Informational item, receive and file.

#### **BACKGROUND**

In December of 2007, the California Air Resources Board (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

		,	8 1				
Phase	Date	Engine Model Years (MY)	Regulation requirement				
		1993 and older	Prohibited from operation as a				
	12/31/09	1993 and older	drayage truck				
Phase 1		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				
	12/31/13	1994 – 2000	standards				

<sup>\*</sup> Trucks with 2007-2009 model year engines are compliant through 2022. Trucks with 2010 and newer engines are fully compliant

As part of this report, the Committee will be updated on the Bay Area Air Quality Management District's (Air District) continued efforts to assist port truck drivers reduce their emissions ahead of these regulatory deadlines.

#### 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 the number of trucks that received grant funds from the original Air District Drayage Truck Program in 2009/2010 that provided over \$25 million for port truck retrofits and replacements.

Table 2: Dravage truck population as of November 2011

Engine MY	untii		# of trucks that received grant funds	Grant funds expended <sup>3</sup>	
1994-2003 (w/ retrofits)	12/31/13	1,700	1,319	\$15,586,534	
2004	12/31/11	700	TBD <sup>2</sup>	TBD	
2005 & 2006	12/31/12	2,200	TBD	TBD	
2007 – 2009	2022	1,400		\$10,150,000	
2010 +	Fully compliant	500	203		
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. Final payments for the engine MY 2004 port truck program have not yet been made.
- 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)

#### I-Bond Year 3 Program

On March 7, 2012, the Air District's Board of Directors approved participation in Year 3 of the California Goods Movement Bond Program (I-Bond), and authorized the Executive Officer to enter into agreements for port truck projects ranked and approved by the ARB. The Year 3 program provides up to \$30,000 in grant funding for the replacement of port trucks with engine model years between 1994 and 2003.

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. There were approximately 1700 port trucks eligible to participate in this program. 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.

When the application period closed on February 9, 2012, over 950 project applications had been submitted. Staff completed the evaluation of all applications by early March and submitted a list of 888 eligible trucks to ARB that were then ranked and approved for funding. As a result of this process, ARB awarded the Air District \$25,268,250 in I-

Bond funds for port truck replacement projects. Of this funding, up to \$1,203,250 can be used to help with the Air District's administrative costs. The Air District also plans to allocate an additional \$1.55 million in Diesel Emission Reduction Act (DERA) funding from the U.S. Environmental Protection Agency to fund additional port truck replacement projects submitted as part of this solicitation. The replacement trucks funded through this program must be inspected and on the road by December 31, 2012.

#### MY 2004 Program

On December 7, 2011, the Air District's Board of Directors approved a grant program for engine MY 2004 port trucks registered in the Bay Area. The program was funded by \$1.04 million in Transportation Fund for Clean Air (TFCA) Regional Funds, and provided \$10,000 in assistance for the replacement of up to 104 of the estimated 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 the project solicitation period for this grant on December 15, 2011, and accepted applications until January 13, 2012. Staff sent out notices to all eligible applicants, and worked with the Port, CSS, and local trucking groups to distribute program materials.

While outreach for 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. Of the 23 applications received, only 4 projects will likely be completed as many projects were withdrawn due to changes in the truck's vocation (on-road vs. port), and lack of matching funds to complete the projects.

#### MY 2005/ 2006 Program

On March 7, 2012, the Air District's Board of Directors approved a grant program for engine MY 2005/2006 port trucks registered in the Bay Area. The program is funded by a combination of the balance of the 2004 drayage truck program funding, \$1 million in TFCA Regional Funds, and \$1.43 million in Alameda County TFCA Program Manager Funds. The program will provide \$10,000 in assistance for the replacement of more than 300 of the 916 eligible Bay Area trucks.

As part of the program CSS was to assist the Air District with the implementation of the program, coordination of truck trade-ins and the sale of new trucks. The program is not yet open for applications as staff is currently working with CSS to finalize a contract for their participation in this program. CSS raised concerns regarding their costs to assist with this program due to the low participation numbers from the 2004 program. In an attempt to address concerns staff is proposing to reduce the requirement for monitoring of the old truck from 10 years to 5 years. Staff is also proposing to provide \$500 per truck replaced to CSS for their work in identifying eligible participants. These funds would be considered part of the individual project's cost-effectiveness evaluation and would not impact the \$10,000 grant being offered to the truck owners. With the inclusion of the contractor payment, the program would still be able to replace over 300

port trucks. If the Air District is unable to agree to contract terms with CSS for the administration of this program, a request for proposals would need to be issued to identify a new contractor.

#### **BUDGET CONSIDERATION / FINANCIAL IMPACT:**

None. The Air District receives funding for the administration of these programs as part of the TFCA and I-Bond programs.

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO

Prepared by: <u>Damian Breen</u> Reviewed by: <u>Jean Roggenkamp</u>

AGENDA: 7

#### 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: May 15, 2012

Re: Lower-Emission School Bus Program (LESBP)

#### RECOMMENDATION:

Recommend the Board of Directors:

1. Authorize the Executive Officer/APCO to enter into funding agreements with grantees meeting the requirements of the LESBP.

#### **BACKGROUND**

Since 1993, the Air District has provided grant funding to reduce emissions from school buses through both the Transportation Fund for Clean Air (TFCA) and the Lower-Emission School Bus (LESB) Programs. These funds have been used to retrofit school buses with emission control devices and replace older school buses with clean buses, including compressed natural gas (CNG) buses. The program is currently subject to the California Air Resources Board (CARB) 2008 LESBP Guidelines, which provide for the replacement of 1986 model year and older public school buses, and the retrofitting of 1987 model year and newer school buses. To date, the Air District has allocated over \$6.9 million to retrofit 371 school buses and over \$16 million to replace 107 school buses.

On December 10, 2011, CARB revised the 2008 LESBP Guidelines to allow Mobile Source Incentive Fund (MSIF) funds to be used for three additional project categories: 1) on-board CNG fuel tanks replacements, 2) improvements of deteriorating CNG fueling dispensers operated by a public school district, and 3) retrofit of in-use school buses. On May, 2, 2012, the Air District's Board of Directors authorized an expansion of the MSIF program to include these new project types and an allocation of \$7.5 million in MSIF funds for the LESBP.

As part of this report, staff will update the Committee on staff's efforts to expedite the current solicitation for LESBP projects including CNG tank replacements, provide an update on data gathered to date on school buses funded with Air District grants, and request authorization for the Executive Officer to enter into funding agreements with grantees meeting the requirements of the LESBP.

#### DISCUSSION

Since the Board of Director's funding allocation on May 2, 2012, staff has worked to expedite a call for projects that is anticipated to open in the next two weeks. This solicitation will provide funding for all eligible project types and will give priority to CNG tank replacement and diesel retrofit projects.

In support of this solicitation staff is focusing its outreach efforts on school districts that have CNG buses that have tanks that are at or near their expiration date to ensure that they are aware of the funding that is available. These efforts will include postings on the Air District's website, e-mail notifications and mail outs. In addition, designated staff will follow up by telephone to assist school districts with any questions that they have regarding program requirements and the application process. Also, to expedite the contracting process, staff is requesting authorization for the Executive Officer/APCO to enter into contracts with eligible applicants.

Based on the number of CNG buses that were previously funded by Air District grants (see Table 1) and the results of a recent survey of Bay Area school districts, staff expects to have sufficient funds to meet the needs of vehicles that require immediate tank replacement (buses with CNG tanks between 14 to 16 years old).

Table 1: CNG Buses funded under TFCA and LESBP

County		Date Delivered	Total #	Total Paid	
	1995-1998	1999-2001	2002-2006	purchased	
Alameda	7	28	12	47	\$5,713,817
Contra Costa	4	20	4	27	\$3,117,588
Marin	1			1	\$123,973
Napa	2	23	-	25	\$2,867,841
Santa Clara	2	38	46	86	\$3,596,132
San Mateo	7	16	17	35	\$4,180,900
Solano	3	16	17	36	\$3,302,336
Sonoma	8	20	13	41	\$4,823,390
TOTAL	34	161	109	298	\$27,725,977

Additionally, as part of ongoing efforts to strategically plan to meet the future needs for school buses previously funded by the Air District, staff plans to engage Bay Area school district transportation managers to determine when, why and how they replace their vehicles. Staff anticipates that this effort will run in parallel to the issuance of grant contracts through summer 2012 and that it will allow the Air District to better align its grant funding with the needs of the school bus transportation community.

#### BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. Through the MSIF and Proposition 1B (I-Bond), the Air District distributes "pass-through" funds to school districts and private entities that provide service to school districts on a reimbursement basis. Administrative costs are provided by each funding source.

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO

Prepared by: <u>Karen Schkolnick</u> Reviewed by: <u>Damian Breen</u>