

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 771-6000

APPROVED MINUTES

Summary of Board of Directors
Mobile Source Committee Meeting
9:30 a.m., Thursday, February 23, 2012

1. Call to Order – Roll Call

Chairperson Scott Haggerty called the meeting to order at 9:41 a.m.

Present: Chairperson Scott Haggerty; Vice Chairperson Nate Miley; and Directors John Avalos, Tom Bates, Carol Klatt, Johanna Partin and Mary Piepho.

Absent: Directors Carole Groom and Brad Wagenknecht.

Also Present: None.

2. Public Comment Period: None.

3. Approval of Minutes of November 28, 2011

Committee Action: Director Klatt made a motion to approve the Minutes of November 28, 2011; Director Avalos seconded; carried unanimously without objection in the absence of Director Miley.

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

Damian Breen, Director of Strategic Incentives, introduced Stacy Schull, 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 Haggerty asked for clarification regarding the cost differential between the various diesel powered tractors documented in Attachments 1 and 2 to the staff Memorandum, Projects with Proposed Grant Awards over \$100,000. Mr. Breen answered that although these line items use similar titles, they represent very different machinery with different uses. Director Haggerty inquired whether the larger purchases are cost effective uses of the grant money. Mr. Breen replied that bigger tractors have bigger engines with greater emissions which fall within the defined parameters of the Carl Moyer Program. Mr. Breen said the tractor contract award of approximately \$200,000 is for a tractor using an over 500 horsepower engine and a yearly use of approximately 1,000 hours, with a total equipment cost of approximately \$400,000. Director

Haggerty conceded that the award meets the guidelines but questioned whether the Air District is buying unnecessary amenities and right-sizing its purchases. Mr. Breen replied that only baseline models are funded. Mr. Fournier added that no more than a 25% increase in horsepower is allowed. Director Haggerty suggested that this money could go to support numerous smaller operations in reiterating his question as to whether this is the best use of \$200,000. Mr. Breen suggested that further outreach efforts to the marine industry and trucks are needed because a concentration on agriculture has resulted in some large grants for large equipment for industrial scale agriculture.

Public Comments: None.

Committee Action:

Director Piepho made a motion, seconded by Director Avalos 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. Participation in Year 14 of the Carl Moyer Program and Year 3 of the Goods Movement Program

Mr. Breen introduced Anthony Fournier, Grants Manager of Strategic Incentives, who gave the staff presentation Participation in Year 14 of the Carl Moyer Program and Year 3 of the Goods Movement Bond Program, including a review of the programs to date, summaries of the Carl Moyer Program Year 14 funding and process, a summary of the Goods Movement I-Bond Year 3 funding and staff recommendations.

Mr. Fournier clarified, regarding slide 4, CMP: Year 14 Funding, that the Air Resources Board (ARB) allocation listed as being up to \$10.4 million for the Bay Area will likely be closer to \$7.8 million.

Mr. Breen added, regarding slide 5, CMP: Year 14 Process, that this will be the last year in which the current guidelines are utilized and that the new guidelines will be in place next year for highly impacted communities.

Mr. Fournier noted, regarding slide 6, I-Bond: Year 3 Funding, that the application period/outreach that closed on February 9, 2012, resulted in the receipt of 952 applications and the evaluation of the same by Air District staff is nearing completion.

Committee Comments: Director Bates asked whether the ARB will do all of the ranking and approval under the Carl Moyer Program. Mr. Breen answered in the affirmative, explaining that the process has changed from prior years and the Air District's role will now be largely an administrative one. Director Bates asked about the outcome of the application review. Mr. Breen said that Air District staff is working diligently on the review.

Director Avalos asked about the status is of the approximately 750 remaining trucks that were eligible for truck replacement projects but didn't apply. Mr. Breen suggested that there are a number of reasons, the two most common being that the owners of those trucks are still paying down the financing of their vehicles and, despite the Air District's recommendation otherwise, are postponing the replacements until they have no choice.

Public Comments: None.

Committee Action:

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

1. Adopt a resolution authorizing the Executive Officer/ APCO to execute all necessary agreements with the ARB relating to the Air District's receipt of Carl Moyer Program funds for fiscal year 2011-2012.
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 Goods Movement 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.

6. Regional Plug-In Electric Vehicle Readiness Planning Grant Contractor(s)

Mr. Breen introduced Karen Schkolnick, Air Quality Programs Manager of Strategic Incentives, who gave the staff presentation Regional Plug-In Electric Vehicle Readiness Planning Grants Contractor(s), including a review of the Air District's efforts to date; summaries of the grant award from the U.S. Department of Energy (DOE) and two grant awards from the California Energy Commission (CEC), one each for Bay Area Regional Planning and Monterey Bay Regional Planning; details of proposed funding distribution for each of the three grants; the timeline, evaluation criteria and results of the request for proposals process; and staff recommendations.

Committee Comments:

Director Haggerty asked the reasoning behind staff's request that the Committee recommend the Executive Officer/APCO be authorized to enter into an agreement with the second ranked contractor in the event a contract cannot be agreed upon with the selected contractor. Mr. Breen responded it is due to the scope and time sensitivity of the project. Director Haggerty asked if ICF International (ICF) is located in San Francisco. Mr. Breen said one of their offices is. Director Haggerty asked how the four criteria added up to a ten point difference between the

total scores of the leader and runner up. Mr. Breen indicated that, generally speaking, there were small differences across the categories. Director Haggerty and Mr. Breen discussed the composition of the scoring panel. Director Haggerty asked if ICF consistently scored the highest. Mr. Breen indicated that ICF did score highest in each category and that UC Berkeley scored a bit unevenly among the panelists.

Director Partin congratulated staff on getting the regional planning underway. Director Partin and Mr. Breen discussed the mathematics of the grants distribution. Director Partin noted that the Air District is working with the Bay Area Electric Vehicle Strategic Counsel but that no funds appear to be allocated to them. Mr. Breen confirmed that was the case here but added that the Air District is working with them separately to provide support through other avenues and a contract is in place for the Air District and Metropolitan Transportation Commission (MTC) to provide support. Director Partin asked if the two regional planning initiatives are being coordinated to which Mr. Breen replied in the affirmative but noted that the focus was more on deployment than planning.

Director Bates asked if the 2010 program goals were achieved. Ms. Schkolnick replied that some of the equipment is about to go in and will likely be completed by June 2012. Mr. Breen added that the number of DC fast chargers will go from six to nine pursuant to a document being executed today and the battery switch station is one of those projects likely to be completed by June 2012 as it has made the least progress so far. Ms. Schkolnick and Director Bates discussed the deployment schedule and deployment numbers, as well as the ECOtality program. Director Bates inquired about the nature of the 2,000 public chargers. Mr. Breen indicated that it has yet to be determined because there is an ongoing debate about what chargers and deployment would be most effective and that this will be brought to the Board with recommendations after discussions conclude. Director Bates asked about the amount of the fast charger grant relative to costs. Ms. Schkolnick explained that 30 of the 50 DC fast chargers are done, equipment costs are down drastically to between \$5,000 and \$20,000 each, and installation costs are minimal.

NOTED PRESENT: Director Piepho was noted present at 10:15 a.m.

Jack Broadbent, Executive Officer/APCO, suggested that staff give a similar presentation to the Board to which the Committee agreed.

Director Piepho asked how the percentages are determined in the request for proposal process. Mr. Breen responded that it varies for each request for proposal and explained staff considerations, further noting that this grant was a federal process that carried the minority- and women-owned business requirements so this request for proposal was noticed to over 2,000 companies in northern California.

Public Comments: None.

Committee Action:

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

1. Approve the selection of ICF International, a contractor to assist the Air District in the preparation of required regional plug-in electric vehicle (PEV) readiness planning documents under grants from the DOE and the 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; and
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.

7. Air District Grant Programs Overview

Mr. Breen gave the staff presentation Air District Grant Programs Overview, including background, a recap of 2011 allocations, funding projection for 2012, upcoming opportunities and challenges, and the next steps.

Mr. Breen noted, regarding slide 9, Emissions Reductions, that particulate matter (PM) is at a lower rate than the year prior but it is a subject of ongoing discussions with the ARB.

Director Piepho requested, in reference to slide 10, 2011 Allocations by County, that the allocation to the Port of Oakland remain within Alameda County's portion but that it be highlighted in some way to bring it out. Mr. Breen responded that the Port receives approximately half of the allocation shown but that it will be highlighted in the future.

Mr. Breen added, regarding slide 11, 2012 Projection, that the Transportation Fund for Clean Air (TFCA) portion may actually exceed \$11 million and the Carl Moyer portion may actually be only \$8 million this year.

Mr. Breen explained, regarding slide 12, Upcoming Opportunities and Challenges, that work on the shore-power is behind schedule but efforts are being made to catch up; the port trucks and on-road trucks have simultaneous deadlines which creates a time management issue but staff is working with the ARB; the availability of bond funding for the next cycle is up in the air; that Carl Moyer sunsets in 2014; and the ARB audit of the Air District will be in September 2012.

Mr. Breen explained, regarding slide 13, Upcoming Opportunities and Challenges, that school bus replacement with natural gas tanks is an option but a question remains about the availability of drivers pending state funding.

Committee Comments:

Director Haggerty suggested, regarding slide 9, Emissions Reductions, that it would be helpful for staff to include a chart that shows year-by-year statistics to which Mr. Breen replied that could be provided.

Director Partin shared her disappointment with the figures on slide 9, Emissions Reductions, in light of the focus on PM and its significant impact on human health, and suggested that the Air District reevaluate how to get the number up. Mr. Broadbent noted that PM is disproportionately represented as these figures measure by mass. Mr. Breen suggested that a multiplier of 20 should be applied to better measure impact and the economic climate makes it difficult to find partners in these efforts.

Director Partin noted, regarding slide 8, 2011 Allocations – TFCA, that bicycle infrastructure is the smallest allocation and more needs to be done to boost it as transportation emissions continue to worsen as other sources are improving. Mr. Breen responded that work is being done with local county partners which may not be seen by this Committee given their subject matter focus. Director Partin expressed her appreciation and suggested that the chart be amended to include the work with County Congestion Management Agencies (CMA). Director Partin noted that alternative fuel vehicles are only fractionally represented by plug-in electric vehicles and asked what incentives are being examined by staff to widen the scope. Mr. Breen responded that staff hopes to bring back an allocation of approximately \$1.5 to 2.5 million this year to do an advanced technology demonstration program for all alternative fuels. Director Partin suggested that the Air District work with cities and counties to set up incentive programs for alternative fuel vehicles, such as free parking from the city subsidized by Air District grants. Mr. Breen responded that outreach has occurred with little return, noting the City of San Francisco refused the free parking concept.

Director Miley asked if more funds, outside of the Carl Moyer Funds, could be allocated to trucks. Mr. Breen responded that the next agenda item will recommend another \$1 million in TFCA funding for the upcoming year. Director Miley inquired about whether Carl Moyer funds could be used for that use. Mr. Breen responded that it could not be applied to Port of Oakland trucks but that there is some funding available for some other categories of trucks in the impacted areas. Director Miley asked if any other ports would qualify for shore power. Mr. Breen responded that the Air District had a project with the Port of San Francisco but it is closing down for America's Cup and is installing shore power at another birth that the Port of San Francisco will self-fund. Mr. Breen went on to say that extensive work has been done with the Port of Richmond over the last couple years and they have filed jointly with the Air District at the CEC for funding but the Port of Richmond is uneasy given unstable company contracts and ongoing labor issues. Director Miley asked what air quality benefits might be enjoyed by the work with the Port of Richmond. Mr. Breen responded that there is some data available from a number of years ago. Director Miley expressed his desire to remain focused on easy targets that may have fallen to the wayside.

Director Bates asked whether any work is being done to replace back-up generators (BUGs) with alternative fuel cells. Mr. Broadbent indicated that BUGs are a big issue and staff is working on a regulatory initiative to bring to the Board, noting that a major hurdle exists in terms of funding as BUGs are stationary sources so mobile source funding streams do not apply. Director Bates asked if a fee could be established to help offset the cost to which Mr. Broadbent replied that staff is contemplating just that and it will be brought back to the Stationary Source Committee.

Director Haggerty said that there is clearly a significant interest in this topic by the Committee and that progress should be monitored by making it a work item.

Director Miley asked if anything can be done in conjunction with other air districts. Mr. Breen said that he recently met with the APCO of the San Joaquin Valley Air Quality Management District to discuss railroads as they are major sources ripe for possible joint projects, noting that with time running out on so many grants it is crucial to pool resources whenever possible. Mr. Breen noted that a similar project was done on the Capital Corridor train with the Sacramento Metropolitan Air Quality Management District. Mr. Broadbent added that there is also short sea shipping joint project underway.

Director Haggerty suggested that work be done to connect the trains in order to decrease mobile source emissions. Mr. Broadbent shared that staff has considerable concern about the sunset of Carl Moyer funding as the Air District currently receives 14% of the program funding with 20% of the state population. Director Haggerty urged staff to be proactive.

Public Comments: None.

Committee Action: None; informational only.

8. Port Drayage Truck Program

Mr. Breen again introduced Mr. Fournier, who gave the staff presentation Update on Port Drayage Truck Program, including background, current drayage truck population, Engine Model Year 2004 Program, proposed Engine Model Year 2005/06 Program and staff recommendations.

Committee Comments:

Director Miley expressed support for the staff recommendation and this program, noted that obtaining county support required a great deal of effort, and emphasized the importance of prioritizing the program. Director Miley noted that some truck drivers missed the last opportunity because of the late launch and asked if there are plans to accelerate the process in the next phase. Mr. Breen replied that this program is over a year out and what isn't reflected in the presentation is the number of drivers which opted to simply stop working at the Port of Oakland rather than participate in the last program. Mr. Breen added that significant positive feedback is already being received in response to this program. Mr. Breen said that accelerating the process is a good suggestion and staff will do what they can to achieve it, noting that with the current work load and staffing levels, it unlikely that it will move faster than it is at this time.

Director Piepho asked, in reference to slide 3, Background, to clarify that 100% vehicle replacement is required with no retrofitting option to which Mr. Breen answered in the affirmative. Director Piepho inquired, in reference to slide 8, Proposed Model Year 2005/06 Program Details, whether the Air District had specified the appropriate source of funds. Mr. Breen replied that the Air District is flexible as to the source, adding that outreach efforts are now underway and there are a number of resources available to locate the trucks. Director Piepho asked if the Alameda County funds are coming from the local transportation authority rather than the general fund to which Director Miley replied in the affirmative. Directors Piepho, Haggerty and Miley and Mr. Breen discussed how the Air District, CMAs and counties organize their collaborative efforts in this respect. Director Piepho requested a more finely honed presentation before the Contra Costa County CMA. Mr. Breen agreed, adding that there has been some communication with them already.

Public Comments: None.

Committee Action:

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

1. Approve the changes to the FYE 2012 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; and
 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.
- 9. Committee Member Comments/Other Business:** None.
- 10. Time and Place of Next Meeting:** Thursday, March 29, 2012, at Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, CA 94109 at 9:30 a.m.
- 11. Adjournment:** The meeting adjourned at 11:19 a.m.

151 Sean Gallagher

Sean Gallagher
Clerk of the Boards