

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, April 26, 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

Committee Action: 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 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™ 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™ 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.

151 Sean Gallagher

Sean Gallagher
Clerk of the Boards