



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
MOBILE SOURCE COMMITTEE

COMMITTEE MEMBERS

SCOTT HAGGERTY - CHAIR
JOHN AVALOS
CAROLE GROOM
MAYOR ED LEE

NATE MILEY – VICE CHAIR
TOM BATES
CAROL KLATT
MARY PIEPHO
BRAD WAGENKNECHT

THURSDAY
JANUARY 24, 2013
9:30 A.M.

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

AGENDA

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

2. **PUBLIC COMMENT PERIOD**

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

3. **APPROVAL OF MINUTES OF DECEMBER 3, 2013**

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. **MATCHING FUNDS FOR CARL MOYER PROGRAM YEAR 15 AND UNITED STATES DEPARTMENT OF ENERGY (DOE) ALTERNATIVE FUELS PROJECT**

D. Breen/5041

dbreen@baaqmd.gov

The Committee will consider recommending Board of Directors' approval of participation in Year 15 of the Carl Moyer Program and the allocation of \$5 million in Mobile Source Incentive Funding and \$100,000 in Transportation Fund for Clean Air monies to provide match funding for the Carl Moyer and DOE Statewide alternative fuels projects, respectively.

6. **SELECTION OF A CONTRACTOR FOR A LAWMOWER REPLACEMENT PROGRAM**
D. Breen/5041
dbreen@baaqmd.gov

The Committee will consider recommending Board of Directors' approval of a contractor to perform a lawnmower replacement program.

7. **PORT TRUCK PROGRAM UPDATE**
D. Breen/5041
dbreen@baaqmd.gov

The Committee will receive an informational update on the Port Truck program which will include a review of program results to date and future regulatory deadlines for vehicles serving the Port of Oakland.

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**

Thursday, February 28, 2013, Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, California 94109 at 9:30 a.m.

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) 749-4963

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF DISTRICT MEETINGS

JANUARY 2013

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Executive Committee (<i>Meets on the 3rd Monday of each Month</i>) - CANCELLED	Monday	21	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Stationary Source Committee (<i>Meets on the 3rd Monday of each Month</i>)- CANCELLED	Monday	21	10:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee (<i>Meets the 4th Wednesday of each Month</i>)	Wednesday	23	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee (<i>Meets on the 4th Thursday of each Month</i>)	Thursday	24	9:30 a.m.	4 th Floor Conf. Room

FEBRUARY 2013

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Executive Committee (<i>Meets on the 3rd Monday of each Month</i>)	Monday	4	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Stationary Source Committee (<i>Meets on the 3rd Monday of each Month</i>)-CANCELLED	Monday	4	10:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting (<i>Meets on the 1st & 3rd Wednesday of each Month</i>)	Wednesday	6	9:45 a.m.	Board Room
Board of Directors Personnel Committee (<i>Meets At the Call of the Chair</i>)	Monday	11	9:30 a.m.	4 th Floor Conf. Room
Advisory Council Regular Meeting (<i>Meets on the 2nd Wednesday of each Month</i>)	Wednesday	13	9:00 a.m.	Board Room
Board of Directors Executive Committee (<i>Meets on the 3rd Monday of each Month</i>) - CANCELLED	Monday	18	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Stationary Source Committee (<i>Meets on the 3rd Monday of each Month</i>) - CANCELLED	Monday	18	10:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting (<i>Meets on the 1st & 3rd Wednesday of each Month</i>)	Wednesday	20	9:45 a.m.	Board Room

FEBRUARY 2013

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	27	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	28	9:30 a.m.	4 th Floor Conf. Room

MARCH 2013

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	6	9:45 a.m.	Board Room
Advisory Council Regular Meeting <i>(Meets on the 2nd Wednesday of each Month)</i>	Wednesday	13	9:00 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	18	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	18	10:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	20	9:45 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	27	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	28	9:30 a.m.	4 th Floor Conf. Room

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Scott Haggerty and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 10, 2013

Re: Approval of the Minutes of December 3, 2012

RECOMMENDED ACTION

Approve attached draft minutes of the Mobile Source Committee meeting of December 3, 2012.

DISCUSSION

Attached for your review and approval are the draft minutes of the Mobile Source Committee meeting on December 3, 2012.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Sean Gallagher
Reviewed by: Ana Sandoval

Attachment

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
Thursday, December 3, 2012

1. Call to Order – Roll Call

Chairperson Scott Haggerty called the meeting to order at 9:42 a.m.

Present: Chairperson Scott Haggerty; Vice Chairperson Nate Miley; and Directors John Avalos, Carol Klatt and Brad Wagenknecht.

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

Also Present: None.

2. Public Comment Period: None.

3. Approval of Minutes of October 25, 2012

Committee Comments: None.

Public Comments: None.

Committee Action: Director Wagenknecht made a motion to approve the Minutes of October 22, 2012; Director Avalos seconded; and the motion was carried unanimously without objection.

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

Damien Breen, Director of Strategic Incentives, introduced Adam Shapiro, Administrative Analyst of Strategic Incentives, who gave the staff presentation Carl Moyer Program (CMP) 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 CMP Year 14.

Committee Comments:

Director Haggerty asked for information about wayside power installations which was provided by Mr. Breen.

Public Comments: None.

Committee Action:

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

1. Approve CMP 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 CMP projects.

5. United States Department of Energy (DOE): Clean Cities Implementation Initiatives to Advance Alternative Fuel Markets Grant

Mr. Breen introduced Joseph Steinberger, Principal Environmental Planner of Strategic Incentives, who gave the staff presentation DOE Clean Cities Grant, including background, project overview and recommendations.

Committee Comments:

Director Wagenknecht asked for context for today's item which Mr. Breen provided.

Chairperson Haggerty and Director Miley asked questions regarding training for first-responders, which Mr. Breen answered.

Public Comments: None.

Committee Action:

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

1. Adopt a resolution to authorize the Executive Officer/APCO to accept grant funding and enter into a contract with the DOE on behalf of the Air District; and
2. Authorize the Executive Officer/APCO to execute contracts to expend this funding.

6. Current and Future Audits of the Transportation Fund for Clean Air (TFCA) and Fiscal Year Ending (FYE) 2012 TFCA Air District and Regional Fund Program Report on Expenditures and Effectiveness

Mr. Breen introduced Karen Schkolnick, Air Quality Program Manager of Strategic Incentives, who gave the staff presentation TFCA Current and Future Audits and FYE 2012 TFCA Report on Regional Fund Expenditures and Effectiveness, including background, Audit #13 overview and summary of results, a summary of future TFCA audits, an expenditures and effectiveness report, and recommendations.

Mr. Breen invited, regarding slide #5, Audit #13 Summary Results, Regional Fund Findings/Response, Committee member suggestions regarding additional measures that might be made a part of the Air District response to the findings.

Director Haggerty said, regarding slide #6 Audit #13 Summary Results, County Program Manager Finding/Response, the lack of documentation of use of the Air District logo should be monitored but that it does not rise to the same level as failures to file the required reports.

Committee Comments:

Chairperson Haggerty called for Committee input regarding the appropriate penalty for repeated failures to file the required reports and suggested that offending parties be deemed ineligible after an initial warning.

Director Wagenknecht agreed with Chairperson Haggerty's suggestion and asked about the duration of Gilbert Associates' contract to perform fiscal audit services for the Air District, which questions Mr. Breen answered. Director Wagenknecht said that a contract of several years in duration is acceptable so long as it is revisited regularly during that time.

Director Avalos agreed with Chairperson Haggerty's suggestion.

Public Comments: None.

Committee Action:

Director Wagenknecht made a motion, seconded by Director Avalos, to recommend the Board of Directors:

1. Receive and file the results of TFCA Audit #13 (Attachments 1 and 2);
2. Authorize the Executive Officer/APCO to execute a contract with Gilbert Associates, Inc., for audit services for Audit #14, in an amount that shall not exceed \$85,000, and for Audit #15, in an amount that shall not exceed \$150,000; and
3. Receive and file the FYE 2012 TFCA Report on Regional Fund Expenditures and Effectiveness (Attachment 3).

Director Miley asked about the impetus for Mr. Breen's call for Committee input on penalties, which questions were answered by Mr. Breen.

The motion was carried unanimously without objection

7. Port Truck Program Update

Mr. Breen introduced Anthony Fournier, Grants Manager of Strategic Incentives, who gave the staff presentation Port Truck Program Update, including an overview of the current drayage truck population and status reports on the California Goods Movement Bond Program (I-Bond) and Engine Model Year (MY) 2005/ 2006 Replacement Program.

Committee Comments:

Chairperson Haggerty and Mr. Breen discussed the specifics of the equipment eligible for the program and the adequacy and success of the program.

Chairperson Haggerty expressed his preference that members of the truck driving community be present today.

Ralph Reynoso, Port Wharfinger, Port of Oakland, addressed the Committee regarding an overview of the current state of Port activity.

Mr. Breen suggested the matter be brought back before the Committee in January 2013. Chairperson Haggerty agreed and requested a public discussion at that time with all the involved parties present.

Director Miley asked about the identity of the truck vendor and the cause of the program's limited success, which questions were answered by Mr. Breen.

Chairperson Haggerty asked about the likelihood that the administrative work was an impediment to the program's success, which question Mr. Breen answered. Chairperson Haggerty directed staff to look into the extent of administrative services provided by the vendor and to report back at the next meeting on this topic, preferably in the presence of representatives from the truck driving community.

Public Comments: None.

Committee Action: None; informational only.

- 8. Committee Member Comments/Other Business:** None.
- 9. Time and Place of Next Meeting:** Thursday, January 24, 2013, at Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, CA 94109 at 9:30 a.m.
- 10. Adjournment:** The meeting adjourned at 10:35 a.m.

Sean Gallagher
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Scott Haggerty and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 15, 2013

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

RECOMMENDATIONS

Recommend the Board of Directors:

1. Approve Transportation Fund for Clean Air (TFCA) Program projects with proposed grant awards over \$100,000.
2. Authorize the Executive Officer/APCO to enter into agreements for the recommended TFCA 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 to eligible programs implemented directly by the Air District (Spare the Air Program) and 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 March 7, 2012, the Board of Directors authorized Air District participation in Year 14 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

No Carl Moyer Program applications requesting individual grant awards over \$100,000 are being recommended for approval at this time.

TFCA

On October 17, 2012, the Board approved TFCA Fiscal Year Ending 2013, Regional Fund policies for Shuttle, Ridesharing and Vanpool Projects and allocated up to \$4 million for these project types. The Air District opened a call for projects on October 19, 2012, and held a grant applications workshop in San Francisco on October 31, 2012. Project applications are evaluated based on cost-effectiveness and 60% of funding is reserved for projects in Highly Impacted Communities (HIC) as defined in the Air District's CARE Program, in Priority Development Areas (PDA) and that reduce greenhouse gasses (GHG).

As of November 19, 2012, the Air District had received 16 project applications. Of the applications that were evaluated between November 19, 2012 and January 9, 2013, a total of eight projects were determined to meet all Board approved policies. Of these, six eligible projects are proposed with individual grant awards over \$100,000; including one project recommended for a reduced award amount in order to meet TFCA Regional Fund cost-effectiveness criteria. These projects will result in the reduction of over 71 tons of NO_x, ROG and weighted PM per year. Staff recommends awarding \$3,289,900 to these projects from TFCA funds. Attachment A to this staff report provides additional information on these projects.

Attachment B, lists six additional eligible projects that have proposed individual grant awards under \$100,000; with three projects recommended for reduced award amounts in order to meet TFCA Regional Fund cost-effectiveness criteria. These projects will be awarded \$229,920 and will result in the reduction of over 3 tons of NO_x, ROG and weighted PM per year.

In total, the projects listed in Attachments A and B will result in the reduction of approximately 75 tons of NOx, ROG and weighted PM per year at a cost of \$3,519,820. These projects will also reduce an estimated 10,390 tons of GHGs and approximately 32% of the funds are for projects that reduce emissions in highly impacted Bay Area communities.

Finally, four projects are not recommended for funding based on the fact they are either not cost-effective at any dollar amount, are duplicative of existing transit service or do not meet the requirement of providing last-mile connector service. A listing of the projects not-recommended for funding is included in Attachment C.

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: Avra Goldman
Reviewed by: Damian Breen

- Attachment A: FYE 2013 Recommended TFCA Shuttle, Ridesharing, and Vanpool Projects
- Attachment B: Summary of FYE 2013 TFCA Approved Projects Under \$100K
- Attachment C: Summary of FYE 2013 TFCA Projects Not Recommended Funding

ATTACHMENT A: FYE 2013 Recommended TFCA Shuttle, Ridesharing, and Vanpool Projects

Project #	Project Sponsor	Proposed Project Title	TFCA Regional Funds Requested	Proposed Award	PUL (Yrs.)	C-E	ROG (tpy)	Nox (tpy)	Weighted PM (tpy)	CO2 (tpy)	County	Project Type
12R12	Associated Students, San Jose State University	SJSU Ridesharing & Trip Reduction	\$ 120,000	\$ 120,000	1	\$ 23,833	0.64	1.51	2.88	2,674	REG	Regional Ridesharing
12R13	Metropolitan Transportation Commission	511 Ridesharing	\$ 1,000,000	\$ 1,000,000	1	\$ 41,759	7.28	7.75	8.91	9,423	REG	Regional Ridesharing
12R14	Peninsula Corridor Joint Powers Board	Caltrain Shuttles	\$ 1,000,000	\$ 1,000,000	1	\$ 44,273	6.05	6.18	10.35	7,594	SM	Existing Shuttle Service
12R15	Santa Clara Valley Transportation Authority	ACE Shuttles	\$ 960,000	\$ 960,000	1	\$ 54,655	4.35	5.05	8.17	648	SC	Existing Shuttle Service
12R16	The Presidio Trust	Shuttle PresidiGo	\$ 100,000	\$ 100,000	1	\$ 86,101	0.31	0.32	0.53	305	SF	Existing Shuttle Service
12R17	Livermore Amador Valley Transit	Shuttle Route 10	\$ 899,400	\$ 109,900	2	\$ 89,943	2.26	-4.18	3.14	678	ALA	Existing Shuttle Service
Total			\$ 4,079,400	\$ 3,289,900			71.5	20.89	16.63	33.98		21,322

PUL = Project Useful Life

C-E = Cost Effectiveness

TPY = Tons Per Year

ATTACHMENT B: Summary of FYE 2013 TFCA Approved Projects Under \$100K

Project #	Project Sponsor	Proposed Project Title	TFCA Regional Funds Requested	Proposed Award	PUL (Yrs.)	C-E	ROG (tpy)	Nox (tpy)	Weighted PM (tpy)	CO2 (tpy)	County	Project Type
12R06	San Joaquin Regional Rail Commission	Shuttle Route 53	\$ 44,000	\$ 44,000	1	\$ 62,067	0.32	0.31	0.63	483	ALA	Existing Shuttle Service
12R07	City of Redwood City	Midpoint Caltrain Shuttle	\$ 20,000	\$ 20,000	1	\$ 85,523	0.06	0.05	0.12	63	SM	Existing Shuttle Service
12R08	San Joaquin Regional Rail Commission	Shuttle Route 54	\$ 50,000	\$ 50,000	1	\$ 88,384	0.24	0.20	0.48	348	ALA	Existing Shuttle Service
12R09	Livermore Amador Valley Transit	Shuttle Route 1A/1B	\$ 141,395	\$ 27,400	2	\$ 89,729	0.14	-0.16	0.13	33	ALA	Existing Shuttle Service
12R10	City of Alameda Public Works Dept.	Shuttle Estuary Crossing	\$ 190,000	\$ 47,500	2	\$ 89,613	0.16	0.09	0.28	139	ALA	Existing Shuttle Service
12R11	The City of Richmond, CA	Shuttle Richmond Circular + Marina Bay	\$ 300,000	\$ 41,020	1	\$ 89,924	0.16	0.04	0.25	(27)	CC	Existing Shuttle Service
Total			\$ 745,395	\$ 229,920			1.08	0.53	1.89	1,039		

PUL = Project Useful Life

C-E = Cost Effectiveness

TPY = Tons Per Year

ATTACHMENT C: Summary of FYE 2013 TFCA Projects Not Recommended Funding

Project Sponsor	Proposed Project Title	TFCA Regional Funds Requested	PUL (Yrs.)	C-E	ROG (tpy)	Nox (tpy)	Weighted PM (tpy)	CO2 (tpy)	County	Project Type
San Francisco Sheriff's Department*	San Bruno Jail	\$ 27,620	1	\$ (62,050)***	-0.08	-0.31	-0.05	-12	SF	Existing Shuttle Service
San Francisco Municipal Transportation Agency**	82X	\$ 1,378,718	2	\$ 422,009	0.92	0.82	1.55	1115	SF	Existing Shuttle Service
The City of San Ramon, CA*	Bishop Ranch	\$ 207,900	1	\$ 1,142,334	0.07	-0.18	0.30	-371	CC	Pilot Shuttle Service
City of Oakland**	Broadway "B"	\$ 354,605	1	\$ 81,485	1.26	1.12	1.97	1483	ALA	Existing Shuttle Service

*Route does not meet the TFCA FYE 2012 Criteria of last-mile connector service.

**Route does not meet the TFCA FYE 2012 Criteria - Duplication of Service.

***Not cost effective at any dollar amount

PUL = Project Useful Life

C-E = Cost Effectiveness

TPY = Tons Per Year

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Scott Haggerty and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 9, 2013

Re: Matching Funds for Carl Moyer Program Year 15 and United States Department of Energy (DOE) Alternative Fuels Project

RECOMMENDATIONS

Recommend the Board of Directors:

1. Adopt a resolution authorizing the Executive Officer/APCO to execute all necessary agreements with the California Air Resources Board (ARB) relating to the Air District's receipt of Carl Moyer Program funds for fiscal year 2012-2013 (Program Year 15).
2. Allocate \$5 million in Mobile Source Incentive Funding to provide the required match funding and additional monies for projects eligible for funding under the Carl Moyer Program.
3. Adopt a resolution authorizing the Executive Officer/APCO to allocate \$100,000 in Transportation Fund for Clean Air monies to provide required match funding for a \$1 million DOE Alternative Fuels Project.

BACKGROUND

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

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

On December 5, 2012, the Board of Directors (Board) acted to accept a \$1 million grant from the DOE for a statewide initiative to advance alternative fuel markets (DOE Alternative Fuels Project). The DOE grant was awarded from the Clean Cities Program to advance alternative fuel markets by eliminating barriers to the deployment of alternative fuel vehicles (AFV) and infrastructure at California workplaces and in California fleets.

DISCUSSION

Carl Moyer Program

The Air District has submitted an application to ARB requesting \$9,629,840 in funding for the implementation of the Year 15 (FY 2012/ 2013) CMP funding cycle. Up to 5% of the total funds awarded to the Air District will be used to pay for administrative expenses related to the implementation of the CMP. As part of the application, the Air District has proposed the commitment of \$1,450,000 in matching funds for Year 15. Staff is therefore requesting the Board meet this required match and expand the program for additional eligible emissions reductions projects by allocating \$5 million in MSIF funds.

Upon board approval, Staff plans to begin accepting CMP Year 15 applications during the summer of 2013. Project applications will be accepted and evaluated on a first-come, first-served basis until all funds have been allocated. Also, in accordance with the authorization granted to the Executive Officer/APCO on February 4, 2009, projects with individual grant awards up to \$100,000 will be executed by the Executive Officer/ APCO, and reported to the Mobile Source Committee (MSC) on at least a quarterly basis. Eligible projects with individual grant awards over \$100,000 will also be brought to the MSC for consideration at least quarterly.

ARB requires districts to use the 2011 CMP Guidelines to award Year 15 CMP funds. The guidelines require all projects to achieve a cost-effectiveness of \$17,080 or less per ton of reduced emissions in order to be eligible to receive funding. Year 15 funding must be obligated to eligible projects by June 30, 2014, and expended by June 30, 2015, and per AB 1390, 50% of all funding provided must be awarded to projects in impacted communities. The process that will be used for identifying and prioritizing CMP Year 15 projects with the most significant exposure (“impacted communities”) will be similar to the process used for the previous CMP funding cycles with priority being given to projects that reduce emissions in communities that will be determined based on new analysis provided by the Community Air Risk Evaluation (CARE) program.

DOE Alternative Fuels Project

The DOE Alternative Fuels Project is a statewide effort to develop templates and best practices for permitting AFV refueling infrastructure, collaborate with colleges on first responder training, promote workplace electric vehicle (EV) charging, and to work with fleets to implement petroleum reduction strategies.

Subsequent to the Board's action on December 5, 2012, DOE requested an additional resolution allocating \$100,000 in matching funds for this project. Staff had planned to request these monies as part of a larger alternative fuels program that will be rolled out this summer, pending

Committee approval. However, based on the DOE's requirement, staff is now requesting that the Committee recommend that the Board allocate \$100,000 in match monies from the Transportation Fund for Clean Air (TFCA) for an Air District Program which will provide:

- \$16,666 in funding to the regions three (3) Clean Cities Coalitions (San Francisco, East Bay and Silicon Valley) to fund training and outreach on materials developed by the grant to local employers and fleets, and
- \$50,000 to the Air District to cover staff costs for the execution of the grant.

It is expected that the efforts to promote alternative fuel vehicles under this grant and the larger deployment program will result in the replacement of hundreds of alternative fuel partial zero and zero emissions vehicles. Therefore, this project meets the requirements of Board adopted TFCA policies and is cost-effective below the \$90,000 per ton of emissions reduced cap.

BUDGET CONSIDERATION / FINANCIAL IMPACT

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

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Anthony Fournier
Reviewed by: Damian Breen

Attachment A: Resolution accepting Carl Moyer Program funds from ARB
Attachment B: Resolution authorizing the Executive Officer/Air Pollution Control Officer to provide \$100,000 in matching funds for one contract with the United States Department of Energy

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

RESOLUTION No. 2013 -

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

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

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

WHEREAS, the Bay Area Air Quality Management District (District) submitted an application to ARB requesting \$9,629,840 in Carl Moyer Program funds to implement the Carl Moyer Program for the fiscal year (FY) 2012-2013 (Year 15) cycle;

WHEREAS, the District proposed to commit up to \$1,450,000 in matching funds as part of the FY 2012-2013, (Year 15) Carl Moyer Program cycle, in accordance with the requirements of California Health and Safety Code section 44287;

WHEREAS, ARB has authorized a grant to the District to implement the Carl Moyer Program Year 15, upon approval by the Board of Directors to accept such grant of funds;

WHEREAS, ARB will award the a grant in the amount of as much as \$9,629,840, with the District-required match of up to \$1,450,000.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors hereby approves the District's continued participation in the Carl Moyer Program and acceptance of the FY 2012-2013, Carl Moyer Program funds, to be awarded to eligible projects in accordance with the ARB Carl Moyer Program guidelines.

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

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

The foregoing resolution was duly and regularly introduced, passed and adopted at a regular meeting of the Board of Directors of the Bay Area Air Quality Management District on the Motion of Director _____, seconded by Director _____, on the ____ day of _____, 2013, by the following vote of the Board:

AYES:

NOES:

ABSENT:

Ash Kalra
Chairperson of the Board of Directors

ATTEST:

Carole Groom
Secretary of the Board of Directors

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

RESOLUTION NO. 2013-_____

A Resolution

Authorizing the Executive Officer/Air Pollution Control Officer to provide \$100,000 in matching funding for One Contract with the United States Department of Energy

WHEREAS, the Air District has been awarded a grant by the United States Department of Energy (DOE) for up to \$1.0 million to advance alternative fuel markets by eliminating barriers to the deployment of alternative fuel vehicles and infrastructure at California workplaces and in California fleets;

WHEREAS, funds have been made available through the DOE Office of Energy Efficiency and Renewable Energy (EERE);

WHEREAS, the Air District is an eligible project sponsor for DOE funds;

WHEREAS, DOE requires the Air District to provide 10% matching funds for the grant;

WHEREAS, the Air District Board of Directors acted on December 5, 2013, to authorize the acceptance of this funding, but prior to notification from DOE that matching funds would be required;

WHEREAS, Resolution 2012-12 adopted by the Board of Directors on December 5, 2012 included a recital that no matching funds would be required and did not include authorization for a contribution of matching funds;

WHEREAS, the Board of Directors wishes to rescind Resolution 2012-12 and replace it with this resolution authorizing matching funds and again authorizing the Executive Officer to enter into the grant contract.

NOW, THEREFORE, BE IT RESOLVED that the Air District is an eligible sponsor of DOE-funded projects.

BE IT FURTHER RESOLVED that there is no pending or threatened litigation that might in any way adversely affect the proposed DOE grant contract, or the ability of the Air District to deliver such project.

BE IT FURTHER RESOLVED that the Board of Directors hereby rescinds Resolution 2012-12.

BE IT FURTHER RESOLVED that the Board of Directors authorizes the acceptance of EOE EERE funds and commits to comply with DOE requirements.

BE IT FURTHER RESOLVED that the Board of Directors authorizes the Executive Officer or designee to enter into a grant contract with DOE on behalf of the Air District to advance alternative fuel markets by eliminating barriers to the deployment of alternative fuel vehicles and infrastructure at California workplaces and in California fleets.

BE IT FURTHER RESOLVED that the Board of Directors authorizes the Executive Officer or designee to provide \$100,000 in Transportation Fund for Clean Air monies to support Air District staff and contractor costs to match the grant funding provided by DOE.

The foregoing resolution was duly and regularly introduced, passed and adopted at a regular meeting of the Board of Directors of the Bay Area Air Quality Management District on the Motion of Director _____, seconded by Director _____, on the ____ day of _____, 2013 by the following vote of the Board:

AYES:

NOES:

ABSENT:

Ash Kalra
Chair of the Board of Directors

ATTEST:

Carole Groom
Secretary of the Board of Directors

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Scott Haggerty and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: December 27, 2012

Re: Selection of a Contractor for a Lawn Mower Replacement Program

RECOMMENDATIONS

Recommend the Board of Directors:

1. Approve the selection of Black & Decker, a contractor to assist the Bay Area Air Quality Management District (Air District) in the implementation of a lawn mower replacement program under a grant from the California Air Resources Board (ARB)
2. Authorize the Executive Officer/APCO to enter into all necessary agreements with Black & Decker to implement the program funded by the ARB not to exceed \$364,050

BACKGROUND

Lawn mower replacement programs provide a streamlined approach to reduce emissions by replacing existing gasoline lawn mowers with cordless, zero-emission equipment. Replacement programs provide real emission benefits by providing lawn mower owners the incentivized option of purchasing a cordless, zero-emission mower instead of higher polluting gasoline equipment. Zero-emission lawn mowers are not required by regulation, so all emissions reduced by equipment “change outs” are surplus.

The Air District submitted a proposal to the ARB to implement a lawn mower replacement program under ARB’s Air Quality Improvement Program (AQIP) in early 2011 and was awarded a grant of \$182,025. The Air District’s Board of Directors subsequently passed Resolution No. 2011-05 on May 4, 2011, allocating \$182,025 in match funding from the Mobile Source Incentive Funds (MSIF). Therefore, the total funding available for this program is \$364,050.

In order to implement the program, staff issued an initial Request for Proposals (RFP) on January 12, 2012, seeking a contractor(s) to assist with its implementation. As part of that process staff received a proposal from RW Direct-WORX to operate the program which was recommended by the Committee and approved by the Board on July 30, 2012. However, on October 1, 2012, following extensive contract negotiations, RW Direct-WORX informed the Air District that they were no longer interested in conducting the program.

DISCUSSION

In response to RW Direct-WORX withdrawal, the Air District reissued an RFP on October 23, 2012, seeking a contractor(s) to assist with the implementation of the Lawn Mower Replacement Program. The RFP invited proposals from cordless electric mower manufacturers, cordless electric mower merchants, and other companies that could provide on a turn-key basis a range of services, including all customer interfacing aspects of the Program. The RFP contained all of the requirements in the Carl Moyer Guidelines including the details regarding customer registration, used-mower turn-in and recycling, hazardous materials disposal, new-mower sales and service, advertising, and required data and reports to the Air District. The RFP also stated that the timeline for completion of the Program is the spring/summer of 2013, and the expenditure deadline for ARB funds is June 30, 2013.

The RFP closed on November 26, 2012, and the Air District received one (1) application from Black & Decker Company (Black & Decker). Black & Decker managed lawn mower replacement programs for the Air District from 2004 to 2006 and for the South Coast Air Quality Management District from 2009-2012; in addition to nine (9) other lawn mower replacement programs nationwide. Their proposal provides eligible applicants the choice of two (2) Black & Decker electric lawn mowers, the CM1836 and CM1936, which would cost eligible participants \$100 and \$180 respectively, when used with the program's \$145 rebate. Both lawn mowers have 30 day satisfaction guarantees and two (2) year warranties and Black & Decker has service centers in Hayward, San Francisco, Berkeley and Pittsburg. Black & Decker proposed to hold up to four (4) local events to conduct exchanges from mid-March to the end of May, 2013, if approved as contractor for this program.

BUDGET CONSIDERATION / FINANCIAL IMPACT

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

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Joseph Steinberger
Reviewed by: Damian Breen

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
 Memorandum

To: Chairperson Scott Haggerty and Members
 of the Mobile Source Committee

From: Jack P. Broadbent
 Executive Officer/APCO

Date: January 9, 2013

Re: Port Truck Program Update

RECOMMENDATION

None; 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

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

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

As 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 in reducing their emissions ahead of the interim Phase 1 and Phase 2 regulatory deadlines.

DISCUSSION

Table 2 contains data from the ARB Drayage Truck Registry database, and describes the population of trucks calling on Northern California ports by engine model year, those trucks eligible for funding under the various grant programs administered by the Air District since 2009 and those trucks already compliant with Phase 2 of ARB’s regulation.

Table 2: Drayage truck population as of November 2011

Engine MY	Compliant until	# of Drayage trucks in Northern CA ¹	# of trucks that received grant funds	Grant funds contracted/expended
1994-2003 (w/ retrofits)	12/31/13	1,700	1,319 retrofits	\$15,586,534 ²
			708 contracted	\$19,230,000 ³ contracted
2007 – 2009	12/31/22	1,400	203	\$10,150,000 ²
2010 +	Fully compliant	500		
Total		3,600	2,230	\$44,966,534

Notes:

1. Trucks registered in the ARB Drayage Truck Registry (DTR) with zip codes North of Fresno.
2. 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)
3. I-Bond Year 3 funding

Since 2009, the Air District has implemented several incentive programs to reduce emissions from port trucks in the Bay Area. Over the past four years these programs have awarded approximately \$45 million to port truck owners in Northern California reducing over forty tons of PM_{2.5} emissions in West Oakland. An independent UC Berkley study has also confirmed that these programs in combination with the ARB regulation have cut port truck pollution in this community by half.

Port trucks with Engine Model Year 2004, 2005 and 2006

However, port trucks with 2004, 2005 and 2006 model year engines (see Table 3) were not eligible to receive grant funding from these programs. These trucks are newer, have lower emissions, and have had more time than the older port trucks (1994-2003 MY trucks) to prepare for the regulatory compliance requirements that went into effect at the end of 2011 and 2012. Based on the lack of funding for the 2004-2006 trucks, the Board of Directors (Board) directed staff to design a program(s) to provide grant funds to help replace these trucks.

Table 3: Drayage truck population as of November 2011

Engine MY	Compliant until	# of Drayage trucks in Northern CA ¹	# of trucks that received grant funds	Grant funds contracted/expended
2004 (w/ retrofits)	12/31/13	700	4	\$40,000
2005 & 2006	12/31/12	2,200	TBD ²	TBD ²
Total		2,900	4	\$40,000

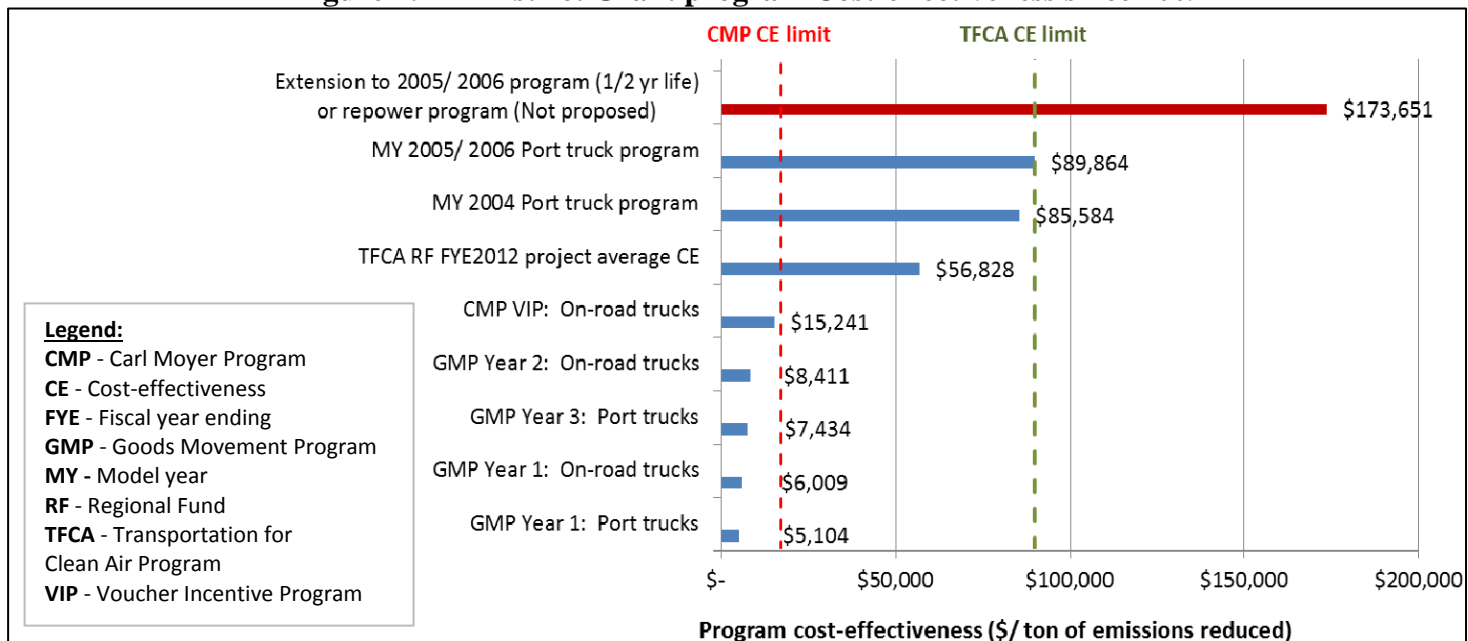
Notes:

1. Trucks registered in the ARB Drayage Truck Registry (DTR) with zip codes North of Fresno.
2. 87 applications received, projects are being placed under contract by Air District staff.

Between December 2011 and March 2012, the Board approved two programs to provide grant opportunities for the engine model year 2004, 2005/ 2006 port trucks registered in the Bay Area. These programs were funded by a combination of \$2 million in TFCA Regional Funds, and \$1.43 million in Alameda County TFCA Program Manager Funds. As part of the programs, Port truck owners were eligible to combine a \$10,000 grant for replacing their existing trucks with the old truck’s trade-in value. That combination was targeted to provide similar levels of funding to that being offered by other Air District port truck replacement programs. Cascade Sierra Solutions (CSS) contracted with the Air District to assist with program implementation, the sale of new trucks and to ensure the program could achieve required emissions reductions by ensuring that the old trucks traded-in remained out-of-state for the period of five years.

The \$10,000 grant award amount offered by the programs was the maximum amount eligible under the \$90,000 cost-effectiveness limit established by the Board of Directors for the TFCA program. By way of comparison, Figure 1, shows the cost-effectiveness of the 2004 and 2005/2006 port truck programs compared to the Air District’s other truck replacement grant programs.

Figure 1: Air District Grant program Cost-effectiveness since 2009



Despite extensive outreach by the Air District, the Port of Oakland and CSS, only four (4) projects were completed under the 2004 program and the 2005/2006 port truck programs accepted only 87 project applications between August 16, 2012 and September 28, 2012. The low number of applications is believed to be a result of truck owners having changed their operations to go into over-the-road service or having found better deals on higher emitting, lower cost trucks compliant with ARB regulations but ineligible for funding under ARB and Air Districts grant programs.

Exploration of Additional Opportunities to Reduce Port Drayage Truck Emissions

At the December 3, 2012, Committee meeting staff was directed to look into the possibility of further reducing emissions from port drayage trucks by providing funding for an engine repower program. An engine repower replaces an existing engine in a truck with an engine that is newer and cleaner. These projects are generally cheaper than truck replacement projects and are an acceptable compliance method for ARB regulations.

Based on the Committee's direction, Staffs found that repowers have recently (within the last six months) become available for 2005/2006 trucks that enable them to meet the emission standards required by ARB as part of Phase 2 of its drayage truck regulation. These repowers are generally within the \$25,000-\$30,000 cost range and while these repowers have been available, fewer than 40 have been completed to date. In determining whether or not such repowers could be feasible and cost-effective, staff looked at what would be necessary for a truck to: 1) meet current ARB regulatory requirements for port service and 2) the cost-effectiveness of such projects based on a grant of \$10,000 towards the cost of repowering a port truck.

In order for the Air District not to be "paying for compliance," an existing 2005/2006 truck in port service would be required to have installed a retrofit device. This is a highly unlikely scenario given the fact that retrofit devices cost upwards of \$15,000 and would be good for only one year (12/31/2013 - when ARBs Phase 2 requirements go into effect). Staff believes it is highly likely that faced with such a cost, a port trucker would have either replaced the vehicle with a Phase 2 compliant engine model year 2007 truck or have left port service.

Additionally, a program that would offer \$10,000 towards the cost of repowering a port truck has very poor cost-effectiveness. Even with this low dollar amount, because of the proximity of the ARB Phase 2 compliance deadline, there is insufficient surplus emissions from projects to allow them to comply with the \$90,000 per ton of emissions reduced cost-effectiveness cap for TFCA funding (see Figure 1). At even higher funding amounts the program would become even less cost effective. Additionally, based on the uptake of these repowers to date and staff's experience in the performance of similar projects, it is unlikely that a large percentage of port truckers would choose this option even in the presence of available grant funding. Therefore, staff is not recommending the implementation of a repower program at this juncture.

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: Anthony Fournier
Reviewed by: Damian Breen