



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

BOARD OF DIRECTORS  
REGULAR MEETING  
DECEMBER 16, 2015

A regular meeting of the Bay Area Air Quality Management District Board of Directors will be held in the 7<sup>th</sup> Floor Board Room at the Air District Headquarters, 939 Ellis Street, San Francisco, California.

**Questions About  
an Agenda Item**

The name, telephone number and e-mail of the appropriate staff Person to contact for additional information or to resolve concerns is listed for each agenda item.

**Meeting Procedures**

The public meeting of the Air District Board of Directors begins at 9:45 a.m. The Board of Directors generally will consider items in the order listed on the agenda. However, any item may be considered in any order.

After action on any agenda item not requiring a public hearing, the Board may reconsider or amend the item at any time during the meeting.

This meeting will be webcast. To see the webcast, please visit <http://www.baaqmd.gov/The-Air-District/Board-of-Directors/Agendas-and-Minutes.aspx> at the time of the meeting.

## Public Comment Procedures

Persons wishing to make public comment must fill out a Public Comment Card indicating their name and the number of the agenda item on which they wish to speak, or that they intend to address the Board on matters not on the Agenda for the meeting.

**Public Comment on Non-Agenda Matters, Pursuant to Government Code Section 54954.3** For the first round of public comment on non-agenda matters at the beginning of the agenda, ten persons selected by a drawing by the Clerk of the Boards from among the Public Comment Cards indicating they wish to speak on matters not on the agenda for the meeting will have three minutes each to address the Board on matters not on the agenda. For this first round of public comments on non-agenda matters, all Public Comment Cards must be submitted in person to the Clerk of the Boards at the location of the meeting and prior to commencement of the meeting. The remainder of the speakers wishing to address the Board on non-agenda matters will be heard at the end of the agenda, and each will be allowed three minutes to address the Board at that time.

Members of the Board may engage only in very brief dialogue regarding non-agenda matters, and may refer issues raised to District staff for handling. In addition, the Chairperson may refer issues raised to appropriate Board Committees to be placed on a future agenda for discussion.

**Public Comment on Agenda Items** After the initial public comment on non-agenda matters, the public may comment on each item on the agenda as the item is taken up. Public Comment Cards for items on the agenda must be submitted in person to the Clerk of the Boards at the location of the meeting and prior to the Board taking up the particular item. Where an item was moved from the Consent Calendar to an Action item, no speaker who has already spoken on that item will be entitled to speak to that item again.

Up to ten (10) speakers may speak for three minutes on each item on the Agenda. If there are more than ten persons interested in speaking on an item on the agenda, the Chairperson or other Board Member presiding at the meeting may limit the public comment for all speakers to fewer than three minutes per speaker, or make other rules to ensure that all speakers have an equal opportunity to be heard. Speakers are permitted to yield their time to one other speaker; however no one speaker shall have more than six minutes. The Chairperson or other Board Member presiding at the meeting may, with the consent of persons representing both sides of an issue, allocate a block of time (not to exceed six minutes) to each side to present their issue.

# BOARD OF DIRECTORS REGULAR MEETING AGENDA

WEDNESDAY  
DECEMBER 16, 2015  
9:45 A.M.

BOARD ROOM  
7TH FLOOR

## CALL TO ORDER

Chairperson, Carole Groom

1. **Opening Comments**  
**Roll Call**  
**Pledge of Allegiance**

*The Chair shall call the meeting to order and make opening comments. The Clerk of the Boards shall take roll of the Board members. The Chair shall lead the Pledge of Allegiance.*

## PUBLIC COMMENT ON NON-AGENDA MATTERS

2. **Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3**

*For the first round of public comment on non-agenda matters at the beginning of the agenda, ten persons selected by a drawing by the Clerk of the Boards from among the Public Comment Cards indicating they wish to speak on matters not on the agenda for the meeting will have three minutes each to address the Board on matters not on the agenda. For this first round of public comments on non-agenda matters, all Public Comment Cards must be submitted in person to the Clerk of the Board at the location of the meeting and prior to commencement of the meeting.*

## COMMENDATIONS/PROCLAMATIONS/AWARDS

3. *The Board of Directors will recognize Tom Christoffk, Placer County Air Pollution Control Officer for his service, leadership and dedication to protecting air quality in the Bay Area.*

## CONSENT CALENDAR (ITEMS 4 – 9)

Staff/Phone (415) 749-

4. Minutes of the Board of Directors Special Meeting of November 30, 2015

Clerk of the Boards/5073

*The Board of Directors will consider approving the draft minutes of the Board of Directors Special Meeting of November 30, 2015*

5. Board Communications Received from November 18, 2015 through December 15, 2015  
**J. Broadbent/5052**  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*A copy of communications directed to the Board of Directors received by the Air District from November 18, 2015 through December 15, 2015, if any, will be at each Board Member's place.*

6. Air District Personnel on Out-of-State Business Travel  
**J. Broadbent/5052**  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*In accordance with Section 5.4 (b) of the Air District's Administrative Code, Fiscal Policies and Procedures Section, the Board is hereby notified that the attached memorandum lists Air District personnel who have traveled on out-of-state business in the preceding months.*

7. Notices of Violation Issued and Settlements in Excess of \$10,000 in the Months of October and November 2015  
**J. Broadbent/5052**  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*In accordance with Resolution No. 2012-08, the Board of Directors will receive a list of all Notices of Violation issued, and all settlements for amounts in excess of \$10,000 during the months of October and November 2015.*

8. Extension of Contracts for My Air Online Development Services  
**J. Broadbent/5052**  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*The Board of Directors will consider authorizing the Executive Officer/APCO to execute contract amendments to extend eight (8) contracts for the development of the online permitting system in an amount not to exceed \$1,311,895.*

9. Proposed Regulatory Agenda for 2016  
**J. Broadbent/5052**  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*State law requires each Air District to publish a list of potential regulatory measures for the upcoming year. No regulatory measure can be brought before the Board that is not on the list, with specified exceptions. Consequently, the list contains all regulatory measures that may come before the Board of Directors in 2016.*

## COMMITTEE REPORTS

10. Report of the **Mobile Source Committee** Meeting of December 2, 2015

CHAIR: S. Haggerty

J. Broadbent/5052

[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*The Committee received the following reports:*

- A) **Projects and Contracts with Proposed Grant Awards Over \$100,000**
- 1) Approve Carl Moyer Program (CMP) and Transportation Fund for Clean Air (TFCA) projects with proposed grant awards over \$100,000 as shown in Attachment 1; and
  - 2) Authorize the Executive Officer/APCO to enter into agreements for the recommended projects.
- B) **Air Resources Board and Department of Finance Audits**
- 1) None; receive and file.
- C) **Fiscal Year Ending (FYE) 2014 Transportation Fund for Clean Air (TFCA) Audit Report Results and FYE 2015 Report of TFCA Regional Fund Expenditures and Effectiveness**
- 1) None; receive and file.

11. Report of the **Budget and Finance Committee** Meeting of December 7, 2015

CHAIR: D. Hudson

J. Broadbent/5052

[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*The Committee received the following reports:*

- A) **Fourth Quarter Preliminary Financial Report – Fiscal Year Ending 2015**
- 1) None; receive and file.
- B) **First Quarter Financial Report – Fiscal Year Ending 2016**
- 1) None; receive and file.

12. Report of the **Executive Committee** Meeting of December 14, 2015

CHAIR: C. Groom

J. Broadbent/5052

[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*The Committee received the following reports:*

- A) **Hearing Board Quarterly Report – July through September 2015**
- 1) None; receive and file.

B) **Bay Area Regional Collaborative (BARC) Update**

1) *None; receive and file.*

C) **Commuter Benefits Program Evaluation**

1) *None; receive and file.*

D) **Bay Area Climate Action Leadership Summit**

1) *None; receive and file.*

E) **Planning Healthy Places**

1) *None; receive and file.*

13. Report of the **Ad Hoc Building Oversight Committee** Meeting of December 14, 2015

CHAIR: C. Groom

J. Broadbent/5052

[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*The Committee received the following reports:*

A) **Bay Area Metro Center (375 Beale Street) Project Status Report – November 2015**

1) *None; receive and file.*

B) **Move-In Schedule for 375 Beale Street**

1) *None; receive and file.*

**PUBLIC HEARING**

14. Public Hearing to Consider Proposed New Regulation 6, Rule 5: Particulate Emissions from Refinery Fluidized Catalytic Cracking Units and to Consider Proposed Amendments to Regulation 8: Organic Compounds, Rule 18: Equipment Leaks and Regulation 11: Hazardous Pollutants, Rule 10: Hexavalent Chromium and Total Hydrocarbon Emissions from Petroleum Refinery Cooling Towers, and adoption of a Negative Declaration pursuant to the California Environmental Quality Act (CEQA)

J. Broadbent/5052

[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*The Board of Directors will receive testimony and consider Proposed New Regulation 6, Rule 5: Particulate Emissions from Refinery Fluidized Catalytic Cracking Units and Consider Proposed Amendments to Regulation 8: Organic Compounds, Rule 18: Equipment Leaks and Regulation 11: Hazardous Pollutants, Rule 10: Hexavalent Chromium and Total Hydrocarbon Emissions from Petroleum Refinery Cooling Towers, and adoption of a Negative Declaration pursuant to the California Environmental Quality Act (CEQA).*

## **PUBLIC COMMENT ON NON-AGENDA MATTERS**

### **15. Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3**

*Speakers who did not have the opportunity to address the Board in the first round of comments on non-agenda matters will be allowed three minutes each to address the Board on non-agenda matters.*

## **BOARD MEMBERS' COMMENTS**

16. *Any member of the Board, 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).*

## **OTHER BUSINESS**

### **17. Report of the Executive Officer/APCO**

### **18. Chairperson's Report**

### **19. Time and Place of Next Meeting**

*Wednesday, January 20, 2016, The Port of San Francisco, Pier 1, Bayside Room, San Francisco, California 94111 at 9:45 a.m.*

### **20. Adjournment**

*The Board meeting shall be adjourned by the Board Chair.*

## CONTACT:

MANAGER, EXECUTIVE OPERATIONS  
939 ELLIS STREET, SAN FRANCISCO, CA 94109  
[mmartinez@baaqmd.gov](mailto:mmartinez@baaqmd.gov)

(415) 749-5016  
FAX: (415) 928-8560  
BAAQMD homepage:  
[www.baaqmd.gov](http://www.baaqmd.gov)

- To submit written comments on an agenda item in advance of the meeting. Please note that all correspondence must be addressed to the “Members of the Board of Directors” and received at least 24 hours prior, excluding weekends and holidays, in order to be presented at that Board meeting. Any correspondence received after that time will be presented to the Board at the following meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- Persons with disabilities and individuals who are limited-English proficient who wish to address Board matters. For accommodations or translations assistance, please call 415-749-5016 at least three days in advance of a meeting, so that arrangements can be made accordingly.

**Accesibilidad y Título VI:** El Distrito del Aire ofrece servicios y realiza las adaptaciones necesarias para las personas con discapacidades y para las personas con un dominio limitado del inglés siempre que estos servicios se soliciten y se deseen tratar asuntos relacionados con la Junta. Si necesita ayuda con algún tipo de adaptación o traducción, llame al 415-749-5016 como mínimo tres días antes de la reunión de manera que puedan realizarse las adaptaciones necesarias.

**Magagamit na Tulong at Título VI:** Nagbibigay ang Air District ng mga serbisyo at mga akomodasyon, kapag hiniling, sa mga taong may kapansanan at mga taong limitado ang kakayahan sa Ingles na gustong magpahayag tungkol sa mga usapin sa harap ng Lupon. Para sa mga tulong sa akomodasyon o sa pagsasalin, mangyaring tumawag sa 415-749-5016 nang tatlong araw man lamang na una pa sa miting, para makapaghanda ayon sa pangangailangan.

**可及度及標題VI:** 空氣管理局根據申請為殘障人士和英語熟練程度有限但卻希望參與董事會事宜的人員提供服務和住宿。關於住宿或者翻譯幫助，請至少在會議之前三天致電 415-749-5016，以便作出相應安排。

**Tạo Khả Năng Truy Cập và Chương VI:** Đặc Khu cung cấp dịch vụ và phương tiện đáp ứng, khi có yêu cầu, cho những người bị khuyết tật và cho những cá nhân không thông thạo Anh ngữ muốn được tham gia các vấn đề của Hội Đồng. Để được phương tiện đáp ứng hoặc trợ giúp phiên dịch, xin gọi số 415-749-5016 ít nhất ba ngày trước khi có hội thảo, để tiện bố trí các phương tiện

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.



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
**939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109**  
**FOR QUESTIONS PLEASE CALL (415) 749-5016 or (415) 749-4941**

**EXECUTIVE OFFICE:**  
**MONTHLY CALENDAR OF AIR DISTRICT MEETINGS**

**DECEMBER 2015**

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets on the 4<sup>th</sup> Wednesday of each Month)</i>	Monday	7	9:30 a.m.	Board Room
<b>Board of Directors Executive Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i>	Monday	14	9:30 a.m.	Board Room
<b>Board of Directors Ad Hoc Building Committee</b> <i>(At the Call of the Chair)</i>	Monday	14	11:00 a.m.	Board Room
<b>Board of Directors Regular Meeting</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	16	9:45 a.m.	Board Room
<b>Board of Directors Stationary Source Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i> CANCELLED	Monday	21	10:30 a.m.	Board Room
<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets on the 4<sup>th</sup> Wednesday of each Month)</i> - CANCELLED	Wednesday	23	9:30 a.m.	Board Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets on the 4<sup>th</sup> Thursday of each Month)</i> - CANCELLED	Thursday	24	9:30 a.m.	Board Room

**JANUARY 2016**

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Regular Meeting</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i> - CANCELLED	Wednesday	6	9:45 a.m.	Board Room
<b>Board of Directors Executive Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i> - CANCELLED	Monday	18	9:30 a.m.	Board Room
<b>Board of Directors Stationary Source Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i>	Monday	18	10:30 a.m.	Board Room
<b>Special Board of Directors Meeting / Retreat</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	20	9:45 a.m.	<b>Location:</b> Port of San Francisco Bayside Room Pier 1 San Francisco, CA 94111

## JANUARY 2016

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Climate Protection Committee</b> <i>(Meets 3<sup>rd</sup> Thursday of every other Month)</i> - CANCELLED	Thursday	21	9:30 a.m.	Board Room
<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets on the 4<sup>th</sup> Wednesday of each Month)</i>	Wednesday	27	9:30 a.m.	Board Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets on the 4<sup>th</sup> Thursday of each Month)</i>	Thursday	28	9:30 a.m.	Board Room

## FEBRUARY 2016

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Regular Meeting</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	3	9:45 a.m.	Board Room
<b>Board of Directors Executive Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i>	Monday	15	9:30 a.m.	Board Room
<b>Board of Directors Stationary Source Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i>	Monday	15	10:30 a.m.	Board Room
<b>Board of Directors Regular Meeting</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	17	9:45 a.m.	Board Room
<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets on the 4<sup>th</sup> Wednesday of each Month)</i>	Wednesday	24	9:30 a.m.	Board Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets on the 4<sup>th</sup> Thursday of each Month)</i>	Thursday	25	9:30 a.m.	Board Room
HL – 12/4/15 (4:00 p.m.)				G/Board/Executive Office/Moncal

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Carole Groom and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: December 9, 2015

Re: Minutes of the Board of Directors Special Meeting of November 30, 2015

RECOMMENDED ACTION

Approve the attached draft minutes of the Board of Directors (Board) Special Meeting of November 30, 2015.

DISCUSSION

Attached for your review and approval are the draft minutes of the Board of Directors Special Meeting of November 30, 2015.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Tom Flannigan  
Reviewed by: Maricela Martinez

Attachment: Draft Minutes of the Board of Directors Special Meeting of November 30, 2015

## AGENDA: 4 – ATTACHMENT

Draft Minutes - Board of Directors Special Meeting of November 30, 2015

Bay Area Air Quality Management District  
939 Ellis Street  
San Francisco, CA 94109  
(415) 749-5073

Board of Directors Special Meeting  
Wednesday, November 30, 2015

### **DRAFT MINUTES**

*Note: Audio and video recordings of the meeting are available on the website of the Bay Area Air Quality Management District at <http://www.baaqmd.gov/about-the-air-district/board-of-directors/resolutionsagendasminutes>.*

1. **CALL TO ORDER:** Chairperson Carole Groom called the meeting to order at 9:47 a.m.

**Opening Comments:** Chairperson Groom acknowledged full-house and large number of public speakers.

#### **Roll Call:**

Present: Chairperson Carole Groom; Vice-Chairperson Eric Mar; Secretary Liz Kniss; and Directors John Avalos, Teresa Barrett, David J. Canepa, Cindy Chavez, John Gioia, Scott Haggerty, David Hudson, Nate Miley, Karen Mitchoff, Jan Pepper, Katie Rice, Mark Ross, Rod Sinks, Jim Spering and Brad Wagenknecht.

Absent: Directors Tom Bates, Margaret Fujioka, Roger Kim (on behalf of Mayor Lee), and Shirlee Zane.

**Pledge of Allegiance:** Chairperson Groom led the Pledge of Allegiance.

**Additional Comments:** Chairperson Groom described the process and planned flow for the meeting.

2. **PUBLIC COMMENT ON NON-AGENDA MATTERS:**

Marilyn Bardet, Benicians for a Safe and Healthy Community, addressed the Board of Directors (Board) regarding a recent California Air Resources Board (CARB) meeting in El Cerrito around cap and trade. Bardet believes that the District is not prohibited or inhibited to reduce greenhouse gases (GHGs) from industrial sources and would like to see emission reductions in impacted communities.

#### **CONSENT CALENDAR (ITEMS 3 - 5)**

3. **Minutes of the Board Meeting of November 18, 2015;**
4. **Authorization to Transfer Reserves to Offset the Purchase and Outfitting of 435 Bryant Street;**
5. **Authorization of Procurement for Replacement of Multi-Function Photocopiers;**

Board Comments: None.

Public Comments: No requests received.

Board Action

Director Wagenknecht made a motion, seconded by Director Ross, to approve Consent Calendar Items 3 through 5, inclusive; and the motion carried by the following vote of the Board:

AYES: Avalos, Barrett, Canepa, Chavez, Gioia, Groom, Haggerty, Hudson, Kim, Kniss, Mitchoff, Pepper, Rice, Ross, Sinks, Spering and Wagenknecht.  
NOES: None.  
ABSTAIN: None.  
ABSENT: Bates, Fujioka, Mar, Miley, and Zane.

**COMMITTEE REPORTS**

**6. Report of the Climate Protection Committee (CPC) Meeting of November 19, 2015**

CPC Chairperson Pepper read:

The CPC met on Thursday, November 19, 2015, and approved the minutes of September 17, 2015.

The CPC received and discussed the staff presentation Bay Area Consumption-Based GHG Emissions Inventory, including a definition of a consumption-based emissions inventory; reasons for developing and the potential uses of such an inventory; methodology; major expenditure categories; key factors influencing emissions; relationship between GHG emissions and household income; U.S., California and Bay Area average household GHG footprints; transportation emissions; map of household GHG emissions from transportation by block group; average carbon footprint for cities in Alameda and Contra Costa counties; and summary of key points.

The CPC finally received and discussed the staff presentation CARB Draft Short-Lived Climate Pollutant (SLCP) Strategy, including background; a definition of and analysis of the importance of SLCPs; climate warming impact of short-lived climate pollutants and their significance in terms of the Bay Area GHG inventory; sources in the Bay Area; CARB and Air District efforts to date; CARB's reduction targets; CARB's reduction strategy; and collaboration moving forward.

The next meeting of the CPC is on Thursday, January 21, 2016, at 9:30 a.m.

Public Comments

Sara Greenwald, 350 San Francisco, addressed the Board regarding the risk of tar sands oil being brought into the Bay Area and asked Board to protect the region.

Board Comments: None.

Board Action: None; receive and file.

## **PRESENTATIONS**

### **7. Presentations by Community and Industry Stakeholders Regarding the Air District's Refinery Strategy**

Jack Broadbent, Executive Officer / Air Pollution Control Officer, addressed the Board and discussed the Air District's *Refinery Strategy* with proposed regulations and goals, then introduced Eric Stevenson, Director of the Meteorology, Measurement, and Rules Division.

Mr. Stevenson gave the staff presentation, *Refinery Strategy*, including goals, strategy overview, reduction of harmful emissions, continuous monitoring, limiting pollution and protecting health, ensuring best practices, current proposals towards 20% reductions, next steps, and goals achieved.

Mr. Broadbent delivered a handout, "Setting the Record Straight," with emissions information and chart to aid in the deliberations around the presentations and the *Refinery Strategy*.

#### Board Comments:

The Board and staff discussed the specifics around a 20% reduction in harmful emissions; measurements listed on the handout "Setting the Record Straight;" Slide 9 *Current Proposals Towards 20% Reductions* and the requirements for testing cooling towers; Slide 6 *Continuous Monitoring* and the current oil composition characteristics requirements in Regulation 12, Rule 15 and the impacts on future permitting by the Air District; how new emissions data from the new rules will help determine if emissions increases are linked to changes in oil composition; and the data sources for the presented material.

#### **Presentation by Communities for a Better Environment**

Greg Karas, Communities for a Better Environment (CBE), gave a presentation *Communities Presentation 30 November 2015 AQMD Special Board Meeting* including a summary of concerns about tar sands oil, crude slate composition, current impacts at refineries from switching crude slates, crude feed qualities, carbon dioxide emissions from refineries, particulate matter and GHG emissions from industrial sources, concerns on staff's emission reduction plan, and a request for emission caps and more stringent regulations on refineries.

#### **Presentation by Western States Petroleum Association**

Tom Rizzo, Shell Refinery Martinez, Don Wilson, Valero Refinery Benicia, and Kroy Judd, Chevron Richmond, jointly provided a presentation with a handout and addressed the Board on current Air District refinery emission reduction rules with questions around staff's emissions data, health risks, fugitive emissions, rule cost effectiveness, emissions from cooling towers, job impacts, and refinery GHG emissions.

Board Comments:

The Board and staff discussed refinery emissions data and the sources for the information used in the staff report; health risk assessment criteria; the costs on refineries to implement the proposed staff refinery strategy; the cost of a scrubber installation at a refinery; industry cost estimates compared to staff cost estimates; tar sands oil refining; methodology around building new regulations and the enforcement of proposed new regulations; standardizing processes to better control emissions; accuracy in emissions data; total emissions reductions sought; The U.S. Environmental Protection Agency's (EPA) new requirements; need to protect public health; emissions as reported in the presentations; need for clear and reliable methodology in the proposed refinery strategy; protecting refinery processes and other proprietary information; cost effective reductions; emissions increases due to crude slate changes and how the proposed refinery strategy will help track and report emissions data; and the importance of accurate information.

Public Comments:

Richard Gray, 350 Bay Area, addressed the Board to request strict regulations on the refineries to achieve the 20% reduction goals.

Clover Mahn, Phillips 66, addressed the Board in opposition to the proposed refinery strategy offered by staff and asked for a reevaluation by staff as the reduction goal for sulfur dioxide is too drastic.

Paul Adler, Phillips 66, addressed the Board in opposition to the proposed refinery strategy as offered by staff with the hope of keeping the carbon plant open.

Tom Stewart, Inform Public Relations, addressed the Board in opposition to the proposed refinery strategy as offered by staff citing concerns about employment, education, government and industry.

Kenneth Gibson, addressed the Board in support of the proposed refinery strategy suggesting lives are more important than jobs.

Iren Suhami, Valero employee, addressed the Board in opposition to the proposed refinery strategy offered by staff.

Kathy Wheeler, engineer at Shell, addressed the Board in opposition to the proposed refinery strategy proposed by staff citing a one billion dollar price tag for compliance.

Natalie Braden, Shell employee, addressed the Board in opposition to the proposed refinery strategy offered by staff.

Dave Wright, Phillips 66 employee, addressed the Board in opposition to the proposed refinery strategy offered by staff.

Laurie Minter, Chevron employee, addressed the Board in opposition to the proposed refinery strategy offered by staff.

Walt Gill, Chevron employee, addressed the Board in opposition to the proposed refinery strategy offered by staff.

Robert Reed, Chevron employee, addressed the Board in opposition to the proposed refinery strategy offered by staff.

Kathy Kerridge, Benicians for a Safe and Healthy Community (BSHC), addressed the Board to request further considerations to improve public health in the region and to suggest the proposed rules and regulations need to be more stringent.

Steve Leshner, Shell, addressed the Board in opposition to the proposed refinery strategy offered by staff.

Bill Vosburg, 350 Sonoma, addressed the Board stating that he does not want to shut down the refineries, that materials offered by staff were prepared with a regulatory agenda in mind and request the Board enact stricter air quality rules and protect public health.

Bart Ochoa, Shell, addressed the Board in opposition to the proposed refinery strategy offered by staff.

Bill Quinn, California Council for Environmental and Economic Balance (CCEEBC), addressed the Board in opposition to the proposed refinery strategy offered by staff and to request a “fact check” on the presentations.

Ken Jones, 350 Marin, addressed the Board in support of the proposed refinery strategy offered by staff and to request the Board work to achieve climate change resolution goals and decrease emissions.

Thomas Schubert, Chevron, addressed the Board in opposition to the proposed refinery strategy offered by staff.

Andres Soto, CBE, addressed the Board to request that public health be prioritized above corporate profits.

Eduardo Martinez, City of Richmond, addressed the Board in support of lower emissions and reduced toxins in the community.

Rev. Earl W. Koteen addressed the Board in support of numerical emissions limits, on refineries to reduce death and illness among the most vulnerable members of our communities.

Steve Ardito, Chevron, addressed the Board in opposition to the proposed refinery strategy offered by staff suggesting Chevron creates a safe environment on-site and in the community around the refinery.

Darcy Sweeney addressed the Board in support of the proposed refinery strategy offered by staff encouraging further safeguards for the community, suggesting that lives are more important than profits.

Mike Miller, United Steel Workers Local 326, addressed the Board in opposition to the proposed refinery strategy offered by staff, suggesting that the carbon plant creates good union jobs and requests that the Board work to keep refinery facilities open.



Roger Lin, CBE, addressed the Board in support of stricter emissions limits on refineries, and to suggest that tar sands projects around the Bay Area need to be watched and limited.

David McLoard, Sierra Club, addressed the Board in support of stricter emissions limits on refineries and to request that the Air District adhere to its mission to protect public health.

Richard Garland, Phillips 66, addressed the Board in opposition to the proposed refinery strategy offered by staff, suggesting the refineries are in compliance.

Kristin Connelly, East Bay Leadership Council, addressed the Board requesting more accurate data in order to achieve better results through a shared set of facts agreed upon by all parties.

Chris McDowell, Tesoro, addressed the Board in opposition to the proposed refinery strategy offered by staff and suggested that the vacuum truck rule proved to be a good example of gradual rule adoption process.

Kevin Buchan, Western States Petroleum Association, addressed the Board in opposition to the proposed refinery strategy offered by staff and had questions around the requirements for cooling towers.

Suejung Shin, Phillips 66, addressed the Board in opposition to the proposed refinery strategy offered by staff, suggested that emissions factors used by staff were exaggerated and that cost of compliance is too great.

Marilyn Bardet, BSHC / Good Neighbor Steering Committee, addressed the Board regarding Valero's throughput amounts, permit requirements, tar-sands oil, and the need for more information from the refineries.

Nick Despota, addressed the Board regarding the need for increased agility of regulatory agencies, carbon prices and increased local air quality regulations.

Claire Broome, addressed the Board to suggest the need for a healthy skepticism relative to information provided by refineries and for instating enforceable numeric limits.

Brent Eastep, Phillips 66, addressed the Board in opposition to the proposed refinery strategy offered by staff and to question emissions inventory data.

Torm Nompraseurt, addressed the Board regarding community public health issues and the need to protect the community.

Carol Weed, Organizing for Action, addressed the Board in opposition to the proposed refinery strategy as offered by staff, for not going far enough to protect the community, and citing increased rates of pulmonary disease in the area.

Jeremy Entwistle, addressed the Board in support of setting tighter emissions limits.

Ratha Lui, Sierra Club, addressed the Board to place a cap on refinery emissions is needed to protect public health and reduce burdens on disadvantaged communities.

Ethan Buckner, Forest Ethics, addressed the Board regarding issues around tar-sands oil and it being refined in the Bay Area, and to endorse community protection measures proposed by CBE.

Harry Thurston, Contra Costa Clean Energy Alliance, addressed the Board in support of emissions caps in order to protect Mother Nature.

Board Comments (continued):

The Board and staff discussed the scope of public comments on the proposed rules; the staff request for additional time to review all comments and proposals by industry and community groups; that technologically feasible and cost effective solutions be sought; that business profitability be considered; that over regulation be avoided; that methodology, impacts and costs for refinery compliance be customized for the refineries; that there are tradeoffs to air quality regulations; that staff fact check both presentations; and that staff work together with communities, refineries, and agencies to find solutions.

Board Action: None; receive and file.

**8. PUBLIC COMMENT ON NON-AGENDA MATTERS**

Joshi Dhruvkumar, addressed the Board regarding the need to further tighten regulations on oil companies.

Board Comments: None.

Board Action: None; receive and file.

**9. BOARD MEMBERS' COMMENTS**

**OTHER BUSINESS**

**10. Report of the Executive Officer/APCO:**

None.

**11. Chairperson's Report:**

None.

**12. Time and Place of Next Meeting**

Wednesday, December 16, 2015, Bay Area Air Quality Management District Headquarters, 939 Ellis Street, San Francisco, California 94109 at 9:45 a.m.

**13. Adjournment:** The Board meeting adjourned at 1:59 p.m.

Tom Flannigan  
Interim Clerk of the Boards

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Carole Groom and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: December 7, 2015

Re: Board Communications Received from November 18, 2015, through December 15, 2015

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Copies of communications directed to the Board of Directors received by the Air District from November 18, 2015, through December 15, 2015, if any, will be at each Board Member's place at the December 16, 2015, Board meeting.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Heidi Kettler

Reviewed by: Maricela Martinez

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Carole Groom and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: November 30, 2015

Re: Air District Personnel on Out-of-State Business Travel

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RECOMMENDED ACTION:

None; receive and file.

BACKGROUND

In accordance with Section 5.4 (b) of the District's Administrative Code, Fiscal Policies and Procedures Section, the Board is hereby notified of District personnel who have traveled on out-of-state business.

The report covers the out-of-state business travel for the month of November 2015. The monthly out-of-state business travel report is presented in the month following travel completion.

DISCUSSION

No out-of-state business travel activities occurred in the month of November 2015.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Stephanie Osaze

Reviewed by: Jeff McKay

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Carole Groom and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: December 9, 2015

Re: Notices of Violation Issued and Settlements in Excess of \$10,000 in the Months of  
October and November 2015

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RECOMMENDED ACTION

None; receive and file.

DISCUSSION

In accordance with Resolution No. 2012-08, attached to this Memorandum is a listing of all Notices of Violation issued, and all settlements for amounts in excess of \$10,000 during the months of October and November 2015.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The amounts of civil penalties collected are included in the Air District's general fund budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Brian C. Bungler

Attachment 7A: Notices of Violation Issued

**NOTICES OF VIOLATION ISSUED**

The following Notice(s) of Violation were issued in October 2015:

<b>Alameda</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
Bluewater Environmental Services	G2645	San Leandro	A54381A	10/29/15	11-2-401.3	Failure to wait 10 working days
P. W. Stephens Environmental, Inc.	L6230	Fremont	A54380A	10/29/15	11-2-303.6	No negative air operating
Unocal 76: My Goods Market	C8267	Oakland	A54355B	10/22/15	2-1-302	Permit to Operate is inaccurate; does not accurately reflect Phase II Equipment on site
Unocal 76: My Goods Market	C8267	Oakland	A54355A	10/22/15	2-1-301	No Authority to Construct; Changed Phase II Equipment w/o BAAQMD authorization
Unocal SS #3292	C8732	San Leandro	A54353A	10/21/15	2-1-307	No Annual Source Test: Test due since May 12, 2013
Unocal SS #3292	C8732	San Leandro	A54354A	10/21/15	8-7-302.3	Excessive Tags: 5 out of 10 Nozzles Tagged Out-of-Service

<b>Contra Costa</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
Grace Baking	B5755	Richmond	A53873A	10/29/15	2-1-307	Source test # 16042, Permit condition 21231
James Johnston	X6202	Antioch	A54072A	10/23/15	5-301	5-301.1 Not an allowable fire
West Contra Costa County Landfill	A1840	Richmond	A53846A	10/29/15	6-1-301	S-117 had excessive visible emissions greater than Reg 6-1-301 standard

<b>Marin</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
Rich Readimix Concrete, Inc	A1360	Greenbrae	A53670A	10/5/15	2-1-302	no permit to operate ten sources
Santa Rosa Grand Petroleum	C8439	Novato	A51689A	10/13/15	2-1-307	No annual source test

<b>San Mateo</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
PW Stephens	L2721	Belmont	A54378B	10/22/15	11-2-304.1	no hazardous waste labels on debris bags and not adequately wetted
PW Stephens	L2721	Belmont	A54378A	10/22/15	11-2-303.6	No negative air operating

<b>Santa Clara</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
BFI Newby Island Recycler	A5472	Milpitas	A54233A	10/23/15	1-301	Rotten Garbage Odor Complaints confirmed off-site
Hertz Rental Car	D1324	Santa Clara	A54303A	10/23/15	8-7-301.2	missing vapor caps on both AST's
International Disposal Corp of CA	A9013	Milpitas	A53914A	10/19/15	8-34-303	multiple surface leaks >500ppm
International Disposal Corp of CA	A9013	Milpitas	A53968A	10/23/15	1-301	Landfill Gas odors observed off-site
Lumentum Operations, LLC	A3418	San Jose	A54136A	10/1/15	2-1-307	Breakdown relief denied
San Jose/Santa Clara Regional Wastewater Facility	A0778	San Jose	A26692A	10/13/15	1-301	Complaint #s 223180, 223181, 223193, 223203, 223206



<b>Solano</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
Valero Refining Company - California	B2626	Benicia	A54099A	10/7/15	2-6-307	Excess ID#(006U07) - NOx > 10ppm/3-hr. avg.

<b>Sonoma</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
PW Stephens	L2721	Kenwood	A54379A	10/23/15	11-2-401.5	Failure to start on notified start date

The following Notice(s) of Violation were issued in November 2015:

<b>Alameda</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
A B & I Foundry	A0062	Oakland	A52537A	11/2/15	2-6-307	parametric monitor #06V01; operating temp drop (PC 9351-1)
East Bay Municipal Utility District	A0591	Oakland	A53679A	11/12/15	2-6-307	Dev.#4345, E#06W77, P/O Cond.#18860-3, H2S>340ppm

<b>Contra Costa</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
Air Liquide Large Industries US LP	B7419	Rodeo	A53847A	11/4/15	2-6-307	CEM Excess 06U12., Dev. 4196. CO in excess of p/c 23179.
Bay Marine Boatworks, Inc	A7847	Richmond	A54403A	11/5/15	8-43-320.1	Open containers of coatings and solvent laden rags
Bay Marine Boatworks, Inc	A7847	Richmond	A54403B	11/5/15	8-43-320.2	Open containers of coatings and solvent laden rags

ATTACHMENT: 7A

Bay Marine Boatworks, Inc	A7847	Richmond	A54404A	11/5/15	2-1-307	No daily or monthly usage records Permit condition# 12883
Chevron Products Company	A0010	Richmond	A53876A	11/12/15	2-6-307	Failure to record pegged leaker concentrations, enforcement referral from Nick
Chevron Products Company	A0010	Richmond	A53876B	11/12/15	8-18-502	Failure to record pegged leaker concentrations, enforcement referral from Nick
Chevron Products Company	A0010	Richmond	A54253A	11/12/15	8-18-301	Fugitive emissions at methanol injection system. S-4238, LPG Loading Rack.
Chevron Products Company	A0010	Richmond	A54254A	11/12/15	2-6-307	S-6016, FCC Flare. PC #18656 - monitoring requirements not met, smoke > Ringelmann 4 for 6 minutes.
Chevron Products Company	A0010	Richmond	A54254B	11/12/15	6-1-301	S-6016, FCC Flare. PC #18656 - monitoring requirements not met, smoke > Ringelmann 4 for 6 minutes.
Shell Martinez Refinery	A0011	Martinez	A53888A	11/3/15	8-18-402.1	Consent Decree 3rd party audit results
Shell Martinez Refinery	A0011	Martinez	A53888B	11/3/15	8-18-401.2	Consent Decree 3rd party audit results
West Contra Costa County Landfill	A1840	Richmond	A53874A	11/2/15	2-6-307	Episode #06T64, Dev #4270, Flare A-120 temp below PC#25143.9 minimum temp, Late reporting (RCA & Title V Dev)
West Contra Costa County Landfill	A1840	Richmond	A53874B	11/2/15	1-523.3	Episode #06T64, Dev #4270, Flare A-120 temp below PC#25143.9 minimum temp, Late reporting (RCA & Title V Dev)
West Contra Costa County Landfill	A1840	Richmond	A53875A	11/2/15	2-6-307	Episode #06T66, Dev #4270, Flare A-120 temp below PC#25143.9 minimum temp, Late reporting (RCA & Title V Dev)
West Contra Costa County Landfill	A1840	Richmond	A53875B	11/2/15	1-523.3	Episode #06T66, Dev #4270, Flare A-120 temp below PC#25143.9 minimum temp, Late reporting (RCA & Title V Dev)

<b>Santa Clara</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
International Disposal Corp of CA	A9013	Milpitas	A26693A	11/5/15	1-301	Complaint #s 223180, 223181, 223193, 223203, 223206
Z-CON Specialty Services, Inc.	N7663	San Jose	A54382A	11/19/15	11-2-401.5	Job went past the completion date and the District was not notified of the schedule change
Zero Waste Energy Development Company, LLC	E1277	San Jose	A54137A	11/24/15	2-1-307	Denied RCA 06V75

<b>Solano</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
Troy Williams	X6311	Vallejo	A49141A	11/4/15	11-2-303.6	No negative air, in complete containment

<b>Sonoma</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
Petaluma Creamery	B8712	Petaluma	A51690A	11/4/15	2-1-302	Uncertified Equipment, See Equipment List
Petaluma Creamery	B8712	Petaluma	A51691A	11/4/15	9-7-403	2 Boilers, 1 Process Heater - No Demonstration of NOX Compliance
Petaluma Creamery	B8712	Petaluma	A51691B	11/4/15	9-7-506	2 Boilers, 1 Process Heater - No Demonstration of NOX Compliance
Petaluma Creamery	B8712	Petaluma	A51691C	11/4/15	9-7-307.5	2 Boilers, 1 Process Heater - No Demonstration of NOX Compliance

**SETTLEMENTS FOR \$10,000 OR MORE REACHED**

There were 4 settlement(s) for \$10,000 or more completed in October 2015.

- 1) On October 7, 2015, the District reached settlement with Equilon Enterprises LLC (Shell Refinery) for \$208,000, regarding the allegations contained in the following 12 Notices of Violation:

<b>NOV #</b>	<b>Issuance Date</b>	<b>Occurrence Date</b>	<b>Regulation</b>	<b>Comments from Enforcement</b>
A52630A	4/4/13	2/22/13	2-6-307	Late 10 day notice
A52630B	4/4/13	2/22/13	8-5-306	8-5-306.2 Leaking >500ppm prv
A52633A	5/8/13	1/16/13	2-6-307	>8% coke moisture
A52634A	9/13/13	5/24/13	9-2-301	GLM H2S excess; reported late
A52634B	9/13/13	5/24/13	2-6-307	GLM H2S excess, reported late
A52634C	9/13/13	5/24/13	1-540	GLM H2S excess, reported late
A52635A	9/13/13	7/23/13	10	Reg 10 sub GGG - LDAR 3rd party audit
A52635B	9/13/13	7/23/13	8-18-401.5	Reg 8-18 LDAR 3rd party audit
A52636A	9/13/13	4/14/13	2-6-307	<8% coke moisture
A52639A	9/30/13	6/19/13	6-1-302	COB #2 unexpected trip 06K94
A52640A	9/30/13	6/19/13	6-1-302	COB #1 unexpected trip 06K96
A52641A	9/30/13	6/19/13	10	COB #2 unexpected trip 06K95
A52642A	9/30/13	6/19/13	2-6-307	unabated FCC flue gas PC 12911
A52643A	2/4/14	9/22/13	6-1-302	D3696 E06M12 DField ESP failure
A52644A	3/13/14	9/21/13	8-5-306	Ruptured tank D#3705 E06M17
A52644B	3/13/14	9/21/13	10	10-40CFR NSPS sub kb 60.112b Ruptured tank D#3705 E06M17

A52646A	3/6/14	12/13/13	9-9-301	NOx excess at Cogen #1 linked E06N28
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- 2) On October 7, 2015, the District reached settlement with Pacific Gas & Electric Company for \$30,000, regarding the allegations contained in the following 1 Notice of Violation:

NOV #	Issuance Date	Occurrence Date	Regulation	Comments from Enforcement
A53093A	9/11/14	3/19/14	2-6-311	Operated below 1500 degrees F temp limit. Each episode lasted 2 days; late reporting was determined.
A53093B	9/11/14	3/19/14	1-523.3	Operated below 1500 degrees F temp limit. Each episode lasted 2 days; late reporting was determined.

- 3) On October 7, 2015, the District reached settlement with Potrero Hills Landfill for \$31,000, regarding the allegations contained in the following 6 Notices of Violation:

NOV #	Issuance Date	Occurrence Date	Regulation	Comments from Enforcement
A50431A	10/20/10	8/22/08	2-2-301	Operation of engine in violation of BACT.
A50446A	9/12/12	9/12/12	8-34-303	surface leaks found above 500ppm limit (5 wells)
A50447A	10/4/12	1/1/12	9-8-304	9-8-304
A50447B	10/4/12	1/1/12	CCR	Title 17 CCR 93115.7 (b1,b2)
A53403A	1/31/14	8/2/13	2-6-307	Source Test # OS-4825, excessive NOx, PM
A53404A	1/31/14	8/9/13	2-6-307	Source Test # OS-4826, excessive Nox
A53410A	4/28/15	12/17/14	8-34-305	8-34-305.2 Wellhead EW11-02 temp. >131 degrees F

- 4) On October 28, 2015, the District reached settlement with Valero Refining Co., California for \$196,000, regarding the allegations contained in the following 23 Notices of Violation:

NOV #	Issuance Date	Occurrence Date	Regulation	Comments from Enforcement
A51874A	2/22/12	2/22/12	1-510	Failure to report & maintain accurate GLM data

A51874B	2/22/12	2/22/12	1-544	Failure to report & maintain accurate GLM data
A52333A	4/24/12	1/18/12	2-6-307	Excess CO per 1hr & 24hr avg. (06D21 & 06D22)
A52338A	5/21/12	4/20/12	1-523.1	Late reporting of inoperative monitor at WWT
A52339A	5/21/12	3/11/12	2-6-307	Excess TRS & H2S @ SG-4901 per P/C19177pt19
A52340A	5/21/12	3/11/12	2-6-307	excess H2S & TRS in refinery LPFG
A52341A	5/30/12	3/14/12	8-5-306	8-5-306.2 TK PV vent on TK2801 found to be leaking above 500ppm
A52342A	5/30/12	3/31/12	10	failure to perform 1st qtr benzene waste inspection at oil movements & laboratory
A52343A	5/30/12	4/30/12	8-5-306	8-5-306.2 PV vents found to be leaking above 500ppm regulatory standard
A52345A	7/3/12	1/17/12	2-6-307	Failure to abate S-45 via the SG (S-37) & SCR following startup of S-37
A52346A	7/31/12	4/15/12	2-6-307	excess NOx concentration & mass emissions per permit condition #19177pts19a&b
A52347A	7/31/12	4/21/12	2-6-307	excess CO concentration per District P/C#19177pts19d (06E85)
A52348A	7/31/12	1/31/12	8-5-403	failure to perform PV vent monitoring during period of 2009 -2011
A52349A	9/4/12	9/4/12	8-18-304	8-18-304.2 Failure to repair leaking components w/in 24 hrs.
A52351A	10/16/12	6/11/12	2-6-307	excess of 3hr avg H2S limit (06F68)
A52702A	10/16/12	6/22/12	8-5-404	failure to submit tank seal inspection rpts w/in 60 days
A52703A	10/16/12	7/30/12	8-18-402	8-18-402.1 misclassified/undocumented components discovered during 2nd Qtr2012 fugitives evaluation
A52703B	10/16/12	7/30/12	8-18-401	8-18-401.2 undocumented components not inspected quarterly
A52703C	10/16/12	7/30/12	10	40CFR60.482-6(a)(1) open ended line on components
A52704A	10/16/12	9/11/12	8-5-306	8-5-306.2 four PV vents found leaking > 500ppm on tk1726
A52705A	11/6/12	7/28/12	2-6-307	failure to perform semi-annual source test

A52706A	12/4/12	9/24/12	2-6-307	excess CO > 500 ppm per District P/C#24239 (06G93)
A52707A	12/4/12	9/20/12	8-5-321.1	4' - 5' torn primary tank seal on TK4601B
A52709A	12/11/12	9/30/12	8-18-401	8-18-401.2 misclassified & undocumented components not inspected quarterly
A52709B	12/11/12	9/30/12	8-18-402	8-18-402.1 misclassified & undocumented components discovered during 3Q fugitive evaluation
A52709C	12/11/12	9/30/12	10	40CFR60.482-6 Valero 3rd Qtr 2012 fugitive deviation included discovery of open ended lines
A52710A	12/11/12	8/13/12	8-5-404	failure to submit tank seal inspection report w/in 60 days
A52711A	12/11/12	9/20/12	2-6-307	deviation reported late
A52711B	12/11/12	9/20/12	8-5-306	P/V found leaking >500ppm

There were no settlement(s) for \$10,000 or more completed in November 2015.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
 Memorandum

To: Chairperson Carole Groom and Members  
 of the Board of Directors

From: Jack P. Broadbent  
 Executive Officer/APCO

Date: December 9, 2015

Re: Extension of Contracts for My Air Online Development Services

RECOMMENDED ACTION

Recommend Board of Directors Consider:

- 1) Authorizing the Executive Officer/APCO to execute contract amendments to extend eight (8) contracts for the development of the online permitting system in an amount not to exceed \$1,311,895 with the following vendors listed below:

<b>Vendor</b>	<b>Amount</b>	<b>Service Description</b>
Agreeya	\$285,560	Software development and business analysis services
C&G Technology Services	\$159,533	Software testing services for the permitting and compliance systems software
Clearsparc, Inc.	\$489,261	Software architecture, design, development, build and release management services
Cylogy, Inc	\$68,335	Website content management system integration and customization
Farallon Geographics, Inc.	\$44,030	Geospatial software and data services
Vertigo	\$55,200	Software development and business analysis services
IT Dependz	\$35,406	Business analysis, software development, automated testing and quality assurance services related to the implementation of Production System and registration software
Trinity	\$174,570	Data clean-up and transfer services from legacy systems to the new permitting and compliance systems. Business analysis, software development, database and business rules logic implementation permitting and enforcement processes
<b>TOTAL</b>	<b>\$1,311,895</b>	



## BACKGROUND

Air District staff is recommending semi-annual contract amendments for vendors assisting with the development of the permitting and compliance systems of the My Air Online Program in order to meet the fiscal year 2016 goals.

## DISCUSSION

### **My Air Online Program**

The My Air Online Program is composed of the design and implementation of the following information systems:

- A new public website;
- A map-based visualization platform for the public to view air quality related data; and
- The Permitting & Compliance System (Production System), including integration into the new public website.

In December 2015, staff will continue to deploy optimizations to the new public website ([www.baaqmd.gov](http://www.baaqmd.gov)) including language translation (Spanish, Mandarin, Tagalog and Vietnamese).

In the first half of the 2016 calendar year, the My Air Online Program aims to complete the following:

- Support for online permitting and mobile inspections of internal combustion engines;
- Support for online processing and mobile inspections for asbestos renovation and demolition jobs;
- Improved public notifications for permit applications; and
- Enhanced support for compliance and enforcement operations.

In order to continue progress on the Permitting & Compliance System portion of the My Air Online program, staff is recommending the continued use of proven vendors familiar with Air District systems for the second half of Fiscal Year End (FYE) 2016. The Air District has used these firms to assist with the design, development and testing of the permitting and compliance software systems, and they have performed well.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding for the vendor contract recommendations is included in the FYE 2016 budget and will be funded from the My Air Online Program.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Jaime A. Williams  
Reviewed by: Damian Breen

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

## Memorandum

To: Chairperson Carole Groom and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer / APCO

Date: December 8, 2015

Re: Proposed Regulatory Agenda for 2016

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**RECOMMENDED ACTION**

None; receive and file.

**DISCUSSION**

Each year, the Air District is required by Health and Safety Code section 40923 to publish a list of regulatory measures scheduled or tentatively scheduled for consideration during the next calendar year. If a measure is not on this list, it may not be brought before the Board of Directors unless it is necessary to:

1. Satisfy federal requirements;
2. Abate a substantial endangerment to public health or welfare;
3. Comply with state toxic air contaminant requirements;
4. Comply with an ARB requirement that the District adopt contingency measures due to inadequate progress towards attainment;
5. Preserve an existing rule's "original intent;" or
6. Allow for alternative compliance under an existing rule.

The attached list includes all measures that may come before the Board in calendar year 2016. Some of the measures may fall within exceptions listed above but are nevertheless included for completeness. There is no expectation that all of the measures on the list will be enacted during the calendar year. Rules are listed in numerical order as they appear in the Air District Rules and Regulations.

All new rules and rule amendments must be adopted at a public hearing conducted by the Board of Directors of the Air District. Public comment is accepted at these hearings. Public notice of hearings is provided as required by law. In addition, the District staff conducts public workshops and provides opportunities for oral and written comments before scheduling a rule for public hearing for the Board's consideration. Information on workshops, hearings, and other rule development issues may be obtained from the Air District website.

BUDGET CONSIDERATION/FINANCIAL IMPACTS

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer / APCO

Prepared by: Greg Nudd  
Reviewed by: Jean Roggenkamp

Attachment 9A: Bay Area Air Quality Management District 2016 Regulatory Measures List

AGENDA 9A ATTACHMENT  
 BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
 2016 REGULATORY MEASURES LIST

<b>Regulation, Rule</b>	<b>Title</b>	<b>Objectives</b> <sup>1</sup>
Reg. 1	General Provisions and Definitions	Clarify and enhance District policies
Reg. 2, Rule 1	General Requirements (Permits)	EPA, CARB policy; State law, clarifications
Reg. 2, Rule 2	New Source Review	EPA policy, incorporate PM2.5 and GHG, State law, clarify District policies
Reg. 2, Rule 4	Emissions Banking	Clarifications
Reg. 2, Rule 5	New Source Review for Toxic Air Contaminants	Clarifications, reduce emissions, incorporate state policies
Reg. 2, Rule 6	Major Facility Review (Title V)	EPA policy, clarifications
Reg. 2, Rule 9	Interchangeable Emission Reduction Credits	Clarifications
Reg. 2, Rule TBD	Biogas Flares	Reduce emissions
Reg. 3	Fees	Cost recovery
Reg. 4	Air Pollution Episode Plan	Reduce emissions
Reg. 5	Open Burning	Reduce emissions
Reg 6	Particulate Matter	New rule for definitions, and Manual of Procedure test method references
Reg. 6, Rule 1	Particulate Matter, General Limitations	Reduce emissions
Reg. 6, Rule 2	Commercial Cooking Devices	Reduce emissions
Reg. 6, Rule 3	Wood Burning Devices	Clarifications, reduce emissions
Reg. 6, Rule 5	Fluid Catalytic Cracking Units	Reduce emissions
Reg. 6, Rule 6	Dust Trackout from Disturbed Land	Reduce emissions
Reg. 6, Rule 7	Asphalt Operations	Reduce emissions
Reg. 6, Rule 8	Coke and Coal Storage and Handling	Reduce emissions
Reg. 6, Rule TBD	Glass Melting and Forming Operations	Reduce emissions
Reg. 7	Odorous Substances	Clarifications, reduce emissions
Reg. 8, All	General Provisions	Applicability, VOC definition, remove methane exemption if applicable
Reg. 8, Rule 2	Miscellaneous Operations	Clarifications
Reg. 8, Rule 3	Architectural Coatings	Clarifications, flexibility
Reg. 8, Rule 4	General Solvent and Surface Coating Operations	Reduce emissions
Reg. 8, Rule 5	Storage of Organic Liquids	Reduce emissions
Reg. 8, Rule 6	Organic Liquid Bulk Terminals and Bulk Plants	Clarifications, Reduce emissions
Reg. 8, Rule 7	Gasoline Dispensing Facilities	Reduce emissions
Reg. 8, Rule 9	Vacuum Producing Systems	Clarifications, VOC definition
Reg. 8, Rule 10	Process Vessel Depressurization	Clarifications, VOC definition, Reduce emissions

AGENDA 9A ATTACHMENT  
 BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
 2016 REGULATORY MEASURES LIST

<b>Regulation, Rule</b>	<b>Title</b>	<b>Objectives</b> <sup>1</sup>
Reg. 8, Rule 11	Metal Container, Closure and Coil Coating	Clarifications, VOC definition
Reg. 8, Rule 12	Paper, Fabric and Film Coating	Clarifications, VOC definition
Reg. 8, Rule 13	Light and Medium Duty Motor Vehicle Assembly Plants	Clarifications, VOC definition
Reg. 8, Rule 14	Surface Preparation and Coating of Large Appliances and Metal Furniture	Clarifications, VOC definition
Reg. 8, Rule 16	Solvent Cleaning Operations	Clarifications, reduce emissions
Reg. 8, Rule 18	Equipment Leaks	Clarifications, VOC definition, applicability
Reg. 8, Rule 19	Surface Preparation and Coating of Miscellaneous Metal Parts and Products	Clarifications, VOC definition
Reg. 8, Rule 20	Graphic Arts Operations	Clarifications, reduce emissions, EPA policy
Reg. 8, Rule 21	Rubber Tire Manufacturing Operations	Clarifications, VOC definition
Reg. 8, Rule 22	Valves and Flanges at Chemical Plants	Clarifications
Reg. 8, Rule 23	Coating of Flat Wood Paneling and Wood Flat Stock;	Clarifications, VOC definition
Reg. 8, Rule 24	Pharmaceutical and Cosmetic Manufacturing Operations;	Clarifications, VOC definition, Reduce emissions
Reg. 8, Rule 26	Magnet Wire Coating Operations	Clarifications, VOC definition
Reg. 8, Rule 28	Episodic Releases from Pressure Relief Devices at Petroleum Refineries and Chemical Plants	Clarifications, flexibility
Reg. 8, Rule 29	Aerospace Assembly and Component Coating Operations	Clarifications, VOC definition
Reg. 8, Rule 30	Semiconductor Manufacturing Operations	Reduce emissions
Reg. 8, Rule 31	Surface Coating of Plastic Parts and Products	Clarifications, VOC definition
Reg. 8, Rule 32	Wood Products Coatings	Clarifications, flexibility
Reg. 8, Rule 33	Gasoline Bulk Terminals and Gasoline Delivery Vehicles	Clarifications
Reg. 8, Rule 34	Solid Waste Disposal Sites	Reduce emissions
Reg. 8, Rule 35	Coating, Ink and Adhesive Manufacturing	Clarifications, VOC definition, Reduce emissions
Reg. 8, Rule 36	Resin Manufacturing	Clarifications, VOC definition
Reg. 8, Rule 37	Natural Gas and Crude Oil Production Facilities	Reduce emissions
Reg. 8, Rule 38	Flexible and Rigid Disc Manufacturing	Clarifications, VOC definition, Reduce emissions

AGENDA 9A ATTACHMENT  
BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
2016 REGULATORY MEASURES LIST

<b>Regulation, Rule</b>	<b>Title</b>	<b>Objectives<sup>1</sup></b>
Reg. 8, Rule 39	Gasoline Bulk Plants and Gasoline Delivery Vehicles	Clarifications
Reg. 8, Rule 40	Aeration of Contaminated Soil and Removal of Underground Storage Tanks	Clarifications
Reg. 8, Rule 41	Vegetable Oil Manufacturing Operations	Clarifications, VOC definition
Reg. 8, Rule 43	Surface Preparation and Coating of Marine Vessels	Clarifications, VOC definition
Reg. 8, Rule 44	Marine Vessel Loading	Reduce emissions
Reg. 8, Rule 45	Motor Vehicle and Mobile Equipment Coating Operations	Clarifications, flexibility
Reg. 8, Rule 49	Aerosol Paint Products	Consistency with ARB standards
Reg. 8, Rule 51	Adhesive and Sealant Products	Reduce emissions
Reg. 8, Rule 52	Polystyrene, Polypropylene and Polyethylene Foam Product Mfg Ops.	Clarifications
Reg. 8, Rule 53	Vacuum Truck Operations	Clarifications
Reg. 8, Rule TBD	Composting Operations	Reduce emissions
Reg. 8, Rule TBD	Livestock Waste/Confined Animal Facilities	Reduce emissions
Reg. 8, Rule TBD	Digital Printing	Reduce emissions
Reg. 8, Rule TBD	Natural Gas Transmission and Distribution	Reduce emissions
Reg. 8, Rule TBD	Wastewater from Coke Cutting	Reduce emissions
Reg. 8, Rule TBD	Wineries	Reduce emissions
Reg. 8, Rule TBD	Vanishing Oils and Rust Inhibitors	Reduce emissions
Reg. 8, Rule TBD	LPG, Propane, Butane, and other Pressurized Gases	Reduce emissions
Reg. 9, Rule 1	Sulfur Dioxide	Monitoring, recording requirements
Reg. 9, Rule 2	Hydrogen Sulfide	Monitoring, recording requirements
Reg. 9, Rule 4	NOx from Fan Type Residential Central Furnaces	Reduce emissions
Reg. 9, Rule 6	NOx from Natural Gas-Fired Water Heaters	Clarifications, reduce emissions
Reg. 9, Rule 7	NOx and CO from Boilers, Steam Generators and Process Heaters	Clarifications, reduce emissions
Reg. 9, Rule 8	Stationary IC Engines	Clarifications, reduce emissions
Reg. 9, Rule 9	Stationary Gas Turbines	Reduce emissions
Reg. 9, Rule 10	Refinery boilers, steam generators and process heaters	Reduce emissions
Reg. 9, Rule 12	NOx, SO <sub>2</sub> and Particulate from Glass Melting Furnaces	Reduce emissions
Reg. 9, Rule 13	NOx, Particulate Matter and Toxic Air Contaminants from Cement Kilns	Clarifications, reduce emissions
Reg. 9, Rule 14	SOx from Petroleum Coke Calcining	Reduce emissions
Reg. 9, Rule TBD	NOx from Kilns, Ovens and Furnaces	Reduce emissions

AGENDA 9A ATTACHMENT  
 BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
 2016 REGULATORY MEASURES LIST

<b>Regulation, Rule</b>	<b>Title</b>	<b>Objectives<sup>1</sup></b>
Reg. 9, Rule TBD	NOx from Large Residential and Commercial Space Heating	Reduce emissions
Reg. 9, Rule TBD	Sulfur content for gaseous fuels	Reduce emissions
Reg. 9, Rule TBD	Sulfur content for liquid fuels	Reduce emissions
Reg. 10	Standards of Performance for New Stationary Sources	Federal standards update
Reg. 11	Hazardous Air Pollutants	Reference federal standards
Reg. 11, Rule 1	Lead	Clarifications, reference federal standards
Reg. 11, Rule 2	Asbestos Demolition, Lead Paint Removal, Renovation and Manufacturing	Clarifications
Reg. 11, Rule 10	Hexavalent Chromium From All Cooling Towers and Total Hydrocarbon Emissions from Petroleum Refinery Cooling Towers	Reduce emissions
Reg. 11, Rule 14	Asbestos-Containing Serpentine	Clarifications
Reg. 11, Rule TBD	Toxic Air Contaminant Risk Information, Assessment, and Reduction (Air Toxics “Hot Spots” Rule)	Reduce toxic emissions and risks
Reg. 12, Rule 11	Flare Monitoring at Petroleum Refineries	Clarifications
Reg. 12, Rule 12	Flares at Petroleum Refineries	Reduce emissions
Reg. 12, Rule 15	Refinery Emissions Tracking	Monitor emissions, assess health impacts
Reg. 12, Rule 16	Refinery Emissions Limits and Risk Thresholds	Ensure that refinery emissions do not pose an unacceptable health risk
Reg. 14, Rule 1	Commuter Benefits Program	Legislative update
Reg. and Rule TBD	Indirect Source Mitigation	Reduce emissions
Reg. and Rule TBD	Episodic Controls	Reduce emissions
Reg. and Rule TBD	Sulfur Hexafluoride	Reduce emissions
Reg. and Rule TBD	Refrigeration Management	Reduce emissions
Reg. and Rule TBD	Magnet Source Rule	Reduce emissions
Reg. and Rule TBD	Emergency Stand-by Stationary IC Engines	Reduce emissions
Reg. and Rule TBD	Consideration of GHGs in Permitting	Climate Protection
Reg. and Rule TBD	Short-Lived Climate Pollutants	Climate Protection
Reg. and Rule TBD	GHGs from Power Plants	Climate Protection
Reg. and Rule TBD	Heat Mitigating Technologies Deployment	Climate Protection
Reg. and Rule TBD	Energy Use in Residential, Commercial and Industrial Sectors	Climate Protection
Reg. and Rule TBD	Refinery Fuel Gas	Reduce emissions
Reg. and Rule TBD	Sulfuric Acid Plants	Reduce emissions
Reg. and Rule TBD	Sulfur Plants	Reduce emissions
Reg. and Rule TBD	Refinery Delayed Cokers	Reduce emissions
Reg. and Rule TBD	Methane from Oil & Gas Capped Wells	Reduce emissions
Reg. and Rule TBD	Ammonia from Stationary Sources	Reduce emissions
Reg. and Rule TBD	Sample and Analyze Episodic Event Plumes	Monitor emissions, assess health impacts



AGENDA 9A ATTACHMENT  
 BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
 2016 REGULATORY MEASURES LIST

<b>Regulation, Rule</b>	<b>Title</b>	<b>Objectives</b> <sup>1</sup>
Reg. and Rule TBD	Impacts of Crude Changes Upstream of Crude Units	Improve enforceability
Reg. and Rule TBD	Start-up, Shutdown & Malfunction Emissions	Reduce emissions
Reg. and Rule TBD	Stationary Diesel Engine Particulate Matter Controls	Reduce emissions
Reg. and Rule TBD	Refinery Emissions Best Practices Backstop Rule	Reduce emissions
Reg. and Rule TBD	Periodic Assessment of Significant Emission Sources	Reduce emissions
MOP, Volume I	Enforcement Procedures	Clarification, improve data submittals
MOP, Volume II	Engineering Permitting Procedures	Consistency with EPA requirements, clarifications
MOP, Volume III	Laboratory Methods	New and improved analytical procedures
MOP, Volume IV	Source Test Methods	New and improved analytical procedures
MOP, Volume V	Continuous Emission Monitoring	New and improved analytical procedures
MOP, Volume VI	Ground Level Monitoring	Consistency with EPA requirements
New MOP, Volume IX	Procedures for Evaluating and Lists of Non-Precursor Organic Compounds, Group I and Group II	Evaluation and Listing of NPOCs

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<sup>1</sup> Objectives are listed for information only and are subject to change. Rule development efforts for a rule are not limited to listed objectives.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Carole Groom and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/Air Pollution Control Officer

Date: December 2, 2015

Re: Report of the Mobile Source Committee Meeting of December 2, 2015

RECOMMENDED ACTION

The Mobile Source Committee (Committee) recommends Board of Directors' approval of the following items:

- A) Projects and Contracts with Proposed Grant Awards over \$100,000:
  - 1) Approve Carl Moyer Program (CMP) and Transportation Fund for Clean Air (TFCA) projects with proposed grant awards over \$100,000 as shown in Attachment 1; and
  - 2) Authorize the Executive Officer/APCO to enter into agreements for the recommended projects.
- B) None. Receive and file.
- C) None. Receive and file.

BACKGROUND

The Committee met on Wednesday, December 2, 2015, and received the following reports and recommendations:

- A) Projects and Contracts with Proposed Grant Awards over \$100,000;
- B) Air Resources Board and Department of Finance Audits; and
- C) Fiscal Year Ending (FYE) 2014 (TFCA) Audit Report Results and FYE 2015 Report on TFCA Regional Fund Expenditures and Effectiveness.

Chairperson Scott Haggerty will provide an oral report of the Committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) None. Through the CMP, Mobile Source Incentive Fund, 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.
- B) None.
- C) None. As required by California Health and Safety Code Section 44242(a), the costs of TFCA audits are taken from the TFCA motor vehicle registration fee surcharges. Resources for Audit #16 were identified in the Air District’s FYE 2015 budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Tom Flannigan  
Reviewed by: Maricela Martinez

Attachment 10A: 12/2/15 – Mobile Source Committee Meeting Agenda #4  
Attachment 10B: 12/2/15 – Mobile Source Committee Meeting Agenda #5  
Attachment 10C: 12/2/15 – Mobile Source Committee Meeting Agenda #6

**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: November 20, 2015

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

**RECOMMENDATIONS**

Recommend Board of Directors:

1. Approve Carl Moyer Program (CMP) and Transportation Fund for Clean Air (TFCA) projects with proposed grant awards over \$100,000 as shown in Attachment 1; and
2. Authorize the Executive Officer/APCO to enter into agreements for the recommended 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, and stationary agricultural pump engines.

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 under the CMP.

On February 18, 2015, the Board of Directors authorized Air District participation in Year 17 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.

In 1991, the California State Legislature authorized the Air District to impose a \$4 surcharge on motor vehicles registered within the nine-county Bay Area to fund projects that reduce on-road

motor vehicle emissions within the Air District's jurisdiction. The statutory authority for the Transportation Fund for Clean Air (TFCA) and requirements of the program are set forth in California Health and Safety Code Sections 44241 and 44242. Each year, the Board allocates funding and adopts policies and evaluation criteria that govern the expenditure of TFCA funding.

Sixty percent of TFCA funds are awarded directly by the Air District to eligible projects and programs implemented directly by the Air District (e.g., Spare the Air, Plug-in Electric Vehicle Program) and to a program referred to as the TFCA Regional Fund.

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

## DISCUSSION

### **Carl Moyer Program:**

The Air District started accepting project applications for the CMP Year 17 funding cycle on August 17, 2015. The Air District has approximately \$9 million available for CMP projects from a combination of MSIF and CMP funds for the Year 17 cycle. Project applications are being accepted and evaluated on a first-come, first-served basis.

As of November 20, 2015, the Air District had received 20 project applications for the CMP Year 17 cycle. Of the applications that have been evaluated between September 7, 2015, and November 20, 2015, seven eligible projects have proposed individual grant awards over \$100,000. These projects will replace 13 pieces of off-road equipment, and two marine engines. These projects will reduce over 10.31 tons of NO<sub>x</sub>, ROG and PM per year. Staff recommends the allocation of \$1,987,152 to these projects from a combination of CMP funds and MSIF revenues. Attachment 1, Table 1, provides additional information on these projects.

Attachment 2, lists all of the eligible projects that have been received by the Air District as of November 20, 2015, and summarizes the allocation of funding by equipment category, and county. This list also includes the Voucher Incentive Program (VIP) on-road replacement projects awarded since the last committee update. Approximately 25% of the funds have been awarded to projects that reduce emissions in highly impacted Bay Area communities. Attachment 3 summarizes the cumulative allocation of CMP, MSIF, and VBB funding since 2009 (more than \$94 million awarded to 696 projects).

### **Transportation Fund for Clean Air (TFCA):**

On May 6, 2015, the Board allocated \$24.47 million in TFCA funding for eligible projects in Fiscal Year Ending (FYE) 2016, authorized cost-effectiveness limits and evaluation criteria for Air District-sponsored FYE 2016 programs, and authorized the Executive Officer/APCO to execute Grant Agreements and amendments for TFCA-funded projects with individual grant award amounts up to \$100,000. On July 29, 2015, the Board adopted policies and evaluation

criteria for the FYE 2016 TFCA Regional Fund program. To date, the Air District has opened TFCA-funded solicitations for shuttle and rideshare, electronic bicycle locker, bicycle rack, plug-in electric vehicle and electric vehicle charging station projects.

As of November 20, 2015, the Air District had received 26 project applications for TFCA funding and 16 of them have been evaluated. Of the applications that were evaluated between September 8 and November 20, 2015, one eligible project has a proposed individual grant award of over \$100,000. This project proposes to deploy 98 dual-port electric vehicle (EV) charging stations (totaling 196 charging ports) at a parking garage that is currently under construction that will serve multiple business complexes in the city of Santa Clara. This parking garage will have more than 3,000 parking spaces for employees and the public, of which 6.5% would have access to EV charging. This project will reduce over 0.21 tons of NO<sub>x</sub>, ROG and PM per year. Staff determined that the project conforms to the provisions of HSC 44241 and the Board-adopted cost effectiveness and recommends allocating \$338,546 to this project from TFCA fund revenues. Attachment 1, Table 2, provides additional information on this project.

Attachment 4, lists all of the eligible projects that have been received and approved by the Air District as of November 20, 2015. Attachment 5 summarizes the allocation of funding by project category (Figure 1), and county (Figure 2). In total these 12 projects represent approximately \$3.9 million in TFCA funding awards and will reduce more than 47 tons of NO<sub>x</sub>, ROG and PM per year.

#### BUDGET CONSIDERATION / FINANCIAL IMPACT

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

Respectfully submitted,

Jack P. Broadbent  
Executive Director/APCO

Prepared by: Anthony Fournier & Linda Hui  
Reviewed by: Karen Schkolnick

- Attachment 1: Projects with grant awards greater than \$100,000 (evaluated between 9/7/15 and 11/20/15)
- Attachment 2: Summary of all CMP/ MSIF and VIP approved and eligible projects (evaluated between 9/7/15 and 11/20/15)
- Attachment 3: Summary of program distribution by county and equipment category for CMP/ MSIF and VIP projects for Years 11-17
- Attachment 4: Summary of all TFCA approved and eligible projects (received between 9/8/15 and 11/20/15)
- Attachment 5: Summary of distribution of TFCA funds by county and project category (received between 7/1/15 and 11/20/15)

## AGENDA 4 - ATTACHMENT 1

**Table 1 - Summary of Carl Moyer Program/ Mobile Source Incentive Fund projects  
with grant awards greater than \$100k (Evaluated between 9/7/15 and 11/20/15)**

Project #	Applicant name	Equipment category	Project description	Proposed Contract Award	Total Project Cost	Emission Reductions (Tons per year)			County
						NO <sub>x</sub>	ROG	PM	
17MOY5	Ironhouse Sanitary District	Ag/ off-road	Replacement of two diesel-powered tractors with one new tractor.	\$ 249,000	\$ 364,984	0.925	0.078	0.027	Contra Costa
17MOY8	Andrew Guiliano, DBA, Andrew Guiliano (Charter fishing)	Marine	Replacement of one diesel-powered marine propulsion engine.	\$ 117,400	\$ 138,145	0.407	0.025	0.015	Contra Costa
17MOY7	Dees-Hennessey, Inc. (Construction)	Off-road	Engine replacement for three diesel-powered pieces of construction equipment.	\$ 213,500	\$ 329,244	0.966	0.109	0.038	San Mateo
17MOY1	Robert Giacomini Dairy, Inc.	Ag/ off-road	Replacement of three diesel-powered tractors.	\$ 126,370	\$ 221,347	0.357	0.055	0.023	Marin
17MOY3	Daniel Lazzari DBA Daniel Lazzari (Commercial fishing)	Marine	Replacement of one diesel-powered marine propulsion engine.	\$ 154,500	\$ 182,606	0.887	0.017	0.032	San Francisco
17MOY11	Ben Silacci dba Silacci Dairy	Ag/ off-road	Replacement of diesel-powered off-road equipment: two tractors, two forage harvesters, and one swather.	\$ 1,005,732	\$ 1,668,821	5.082	0.520	0.182	Sonoma
17MOY19	Ghiggeri and Stonebarger, LLC	Ag/ off-road	Replacement of one diesel-powered tractor.	\$ 120,650	\$ 180,228	0.530	0.029	0.009	Contra Costa
<b>7 Projects</b>				<b>\$ 1,987,152</b>		<b>9.154</b>	<b>0.832</b>	<b>0.326</b>	

**Table 2 - Summary of Transportation Fund for Clean Air projects  
with grant awards greater than \$100k (Evaluated between 9/8/15 and 11/20/15)**

Project #	Project Sponsor	Project Category	Project Description	City	Est. C/E	Proposed Contract Award	Emission Reductions (Tons per year)			County
							NO <sub>x</sub>	ROG	PM	
16EV012	Santa Clara Property Owner I LLC	Plug-in Electric Vehicles	Install 98 dual-port charging stations (196 charging ports)	Santa Clara	\$ 249,996	\$ 338,546	0.088	0.113	0.013	Santa Clara
<b>1 Project</b>						<b>\$ 338,546</b>	<b>0.088</b>	<b>0.113</b>	<b>0.013</b>	



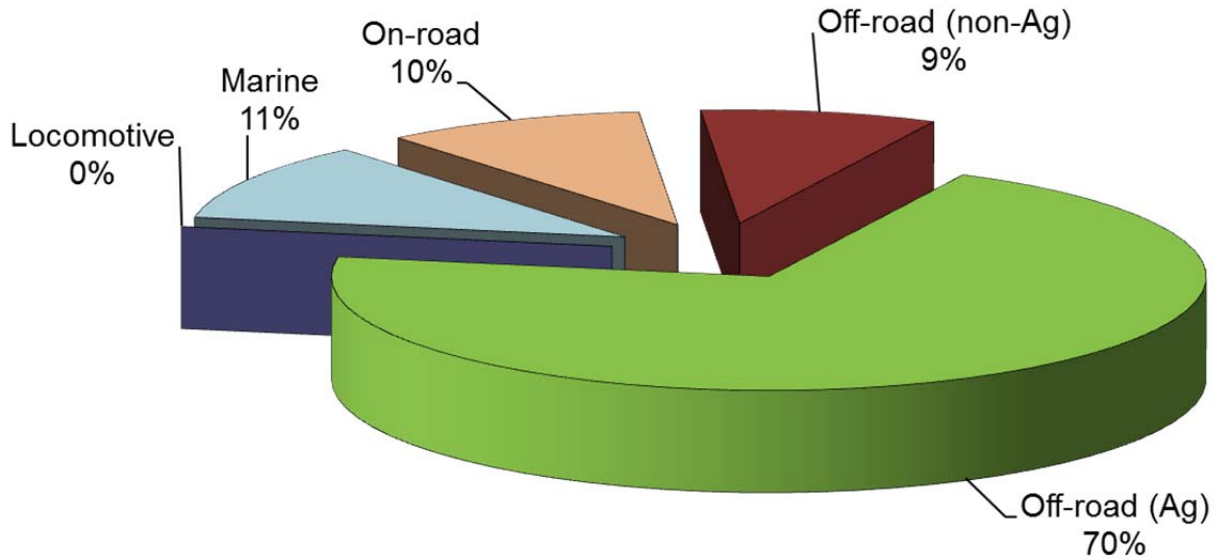
## AGENDA 4 - ATTACHMENT 2

*Summary of all CMP, MSIF and VIP approved/ eligible projects (between 9/7/15 and 11/20/15)*

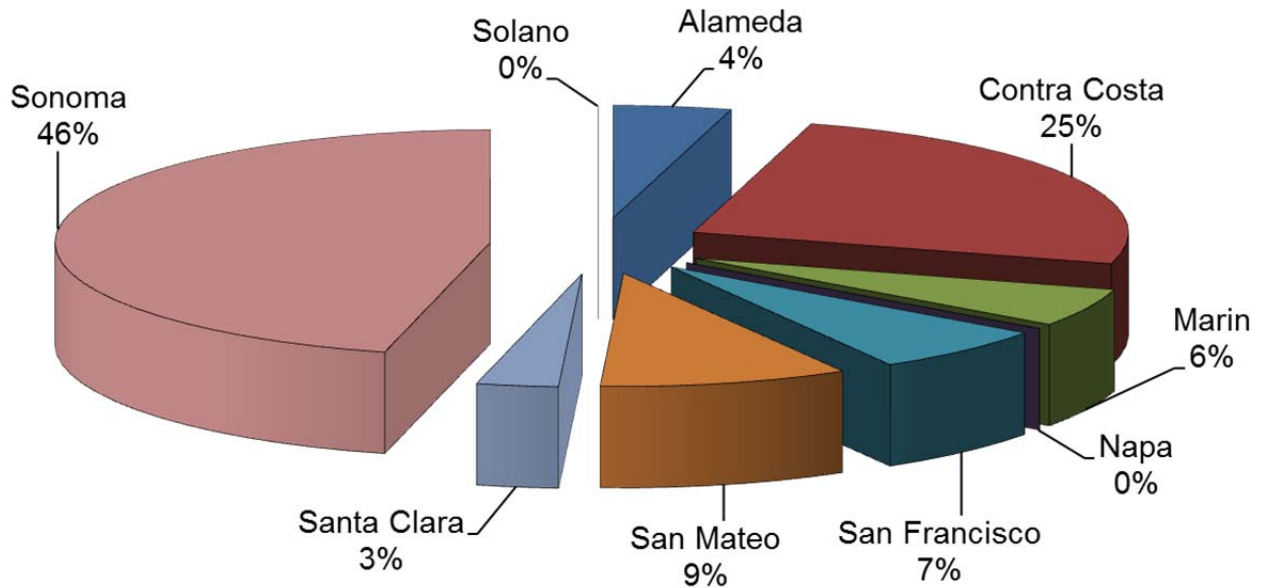
Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
						NOx	ROG	PM		
17MOY5	Ag/ off-road	Equipment replacement	1	\$ 249,000.00	Ironhouse Sanitary District	0.925	0.078	0.027	TBD	Contra Costa
17MOY8	Marine	Engine replacement	1	\$ 117,400.00	Andrew Guiliano, DBA, Andrew Guiliano (Charter fishing)	0.407	0.025	0.015	TBD	Contra Costa
17MOY7	Off-road	Engine replacement	3	\$ 213,500.00	Dees- Hennessey, Inc. (Construction)	0.966	0.109	0.038	TBD	San Mateo
17MOY1	Ag/ off-road	Equipment replacement	3	\$ 126,370.00	Robert Giacomini Dairy, Inc.	0.357	0.055	0.023	TBD	Marin
17MOY2	Ag/ off-road	Equipment replacement	1	\$ 60,710.00	Donald J. Moreda, Sr (Dairy)	0.190	0.027	0.010	APCO	Sonoma
17MOY3	Marine	Engine replacement	1	\$ 154,500.00	Daniel Lazzari DBA Daniel Lazzari (Commercial fishing)	0.887	0.017	0.032	TBD	San Francisco
16MOY97	Ag/ off-road	Equipment replacement	1	\$ 61,200.00	Imhof Tractor Service, Inc.	0.207	0.007	0.009	APCO	Alameda
17MOY6	Ag/ off-road	Equipment replacement	1	\$ 93,645.00	Gregory Lyons (Lyon's Farms)	0.339	0.048	0.021	APCO	Contra Costa
17MOY11	Ag/ off-road	Equipment replacement	5	\$ 1,005,732.00	Ben Silacci dba Silacci Dairy	5.082	0.520	0.182	TBD	Sonoma
17MOY19	Ag/ off-road	Equipment replacement	1	\$ 120,650.00	Ghiggeri and Stonebarger, LLC	0.530	0.029	0.009	TBD	Contra Costa
VIP265	VIP	Truck Replacement	1	\$ 40,000.00	Tien Cong Huynh / Tai Cong Huynh	0.860	0.010	0.000	APCO	Alameda
VIP266	VIP	Truck Replacement	1	\$ 45,000.00	IEC Puno Trans Inc or Randy Puno	0.950	0.010	0.000	APCO	Santa Clara
VIP267	VIP	Truck Replacement	1	\$ 45,000.00	Martin S. Mileck	1.400	0.050	0.000	APCO	Mendocino
VIP268	VIP	Truck Replacement	1	\$ 35,000.00	Dennis E. Allen	0.700	0.020	0.000	APCO	Sacramento
VIP269	VIP	Truck Replacement	1	\$ 25,000.00	Steven R. Martini	0.560	0.020	0.000	APCO	Santa Clara
VIP270	VIP	Truck Replacement	1	\$ 45,000.00	Richard Jones	0.980	0.040	0.000	APCO	Tehama
<b>16 Projects</b>			<b>24</b>	<b>\$ 2,437,707.00</b>		<b>15.340</b>	<b>1.065</b>	<b>0.365</b>		

## AGENDA 4 - ATTACHMENT 2

**Figure 1: CMP/ MSIF Funding Distribution by Equipment Category as of 11/20/15**

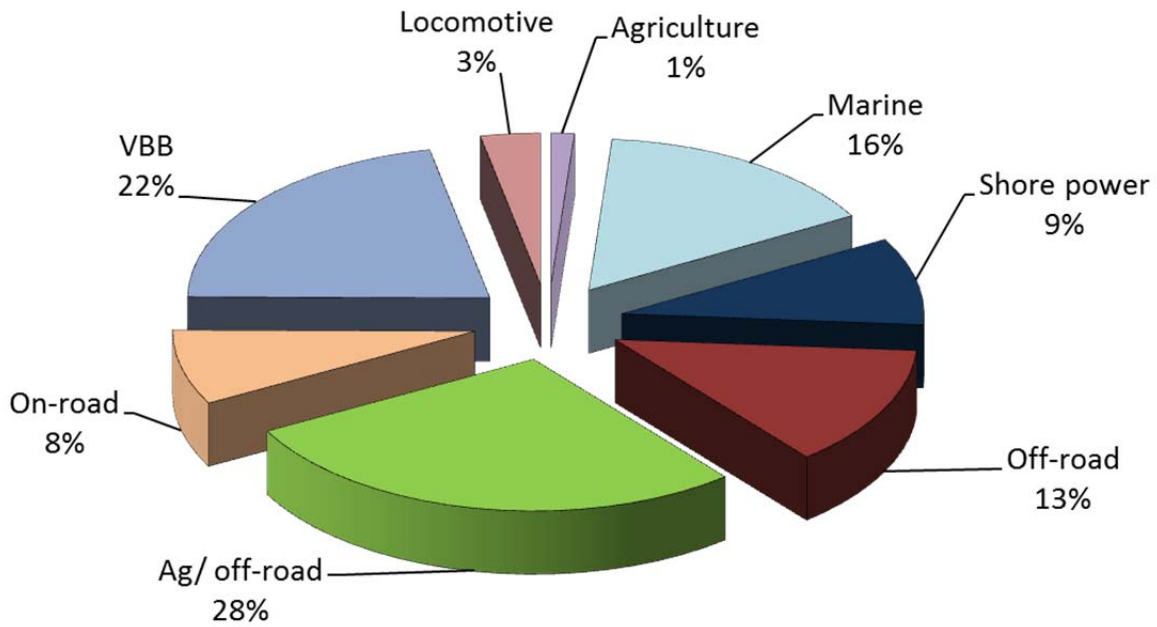


**Figure 2: CMP/ MSIF Funding Distribution by County as of 11/20/15**

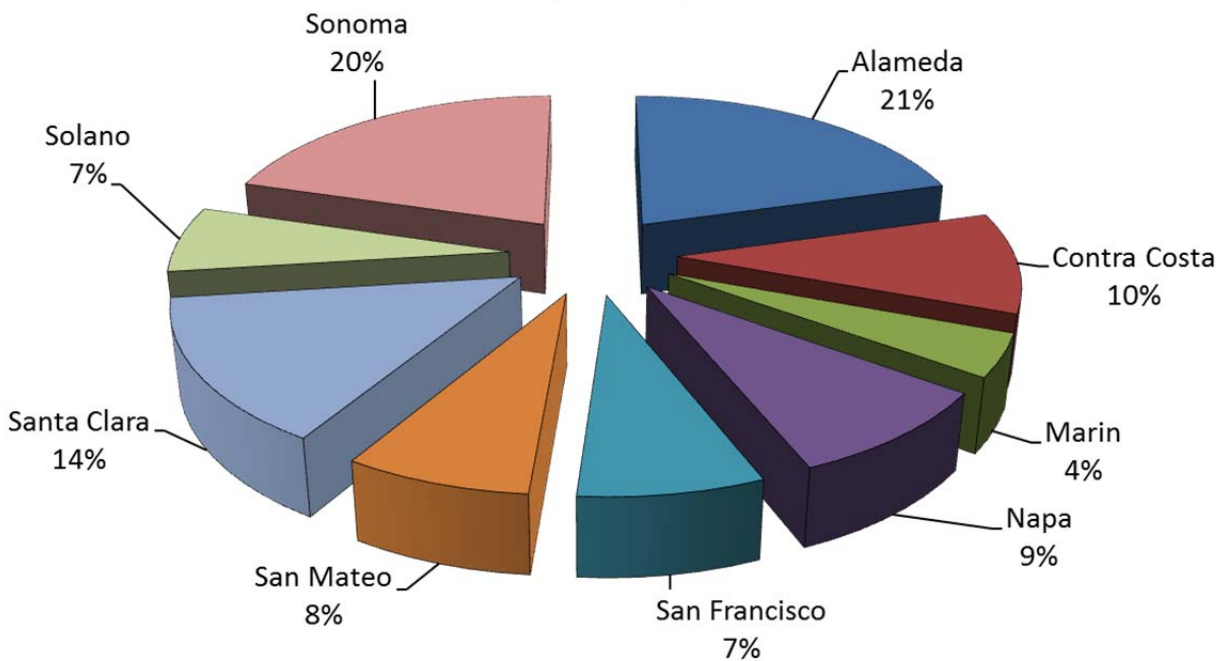


## AGENDA 4 - ATTACHMENT 3

**Figure 3:** CMP, MSIF, VBB and VIP funding since 2009 by equipment category



**Figure 4:** CMP, MSIF, VBB and VIP funding since 2009 by county



## AGENDA 4 - ATTACHMENT 4

*Summary of all TFCFA approved and eligible projects (received between 7/1/15 and 11/20/2015)*

Project #	Project Category	Project Description	Award Amount	Applicant Name	Emission Reductions (Tons per year)			Board Approval Date	County
					NO <sub>x</sub>	ROG	PM		
16EV001	Plug-in Electric Vehicles (PEV)	Install 10 PEV Level 2 charging stations	\$30,000	Car Charging, Inc.	0.008	0.010	0.001	10/5/15	Santa Clara
16EV003	PEV	Install 39 PEV Level 2 charging stations	\$234,000	Powertree Services Inc.	0.030	0.039	0.004	11/18/15	San Francisco
16EV004	PEV	Install 2 PEV Level 2 dual-port charging stations (4 charge ports)	\$12,000	S & V, LLC	0.003	0.004	0.000	10/5/15	Alameda
16EV012	PEV	Install 98 PEV dual-port charging stations (196 charge ports)	\$338,546	Santa Clara Campus Property Owner I LLC	0.088	0.113	0.013	Pending	Santa Clara
16PEV002	PEV	Purchase one one PEV motorcycle	\$2,500	Town of Colma Police Department	0.000	0.007	0.000	10/20/15	San Mateo
16R11	Rideshare	511 Regional Carpool Program	\$1,000,000	Metropolitan Transportation Commission	7.568	7.079	6.690	11/18/15	Regional
16R12	Rideshare	SJSU Ridesharing & Trip Reduction	\$140,000	Associated Students, San Jose State University	1.832	1.784	1.579	11/18/15	Regional
16R15	Shuttles	Ace Shuttle 53 & 54	\$80,000	San Joaquin Regional Rail Commission	0.256	0.465	0.446	11/18/15	Alameda
16R17	Shuttles	PresidiGo Shuttle	\$100,000	Presidio Trust	0.376	0.375	0.348	11/18/15	San Francisco
16R18	Shuttles	Broadway Shuttle	\$186,500	City of Oakland	0.234	0.348	0.290	11/18/15	Alameda
16R19	Shuttles	Caltrain Shuttle Program	\$775,900	Peninsula Corridor Joint Powers Board	2.329	2.374	2.085	11/18/15	San Mateo
16R20	Shuttles	ACE Shuttle Bus Program	\$960,000	Santa Clara Valley Transportation Authority	3.763	3.353	3.433	11/18/15	Santa Clara

**12 Projects**

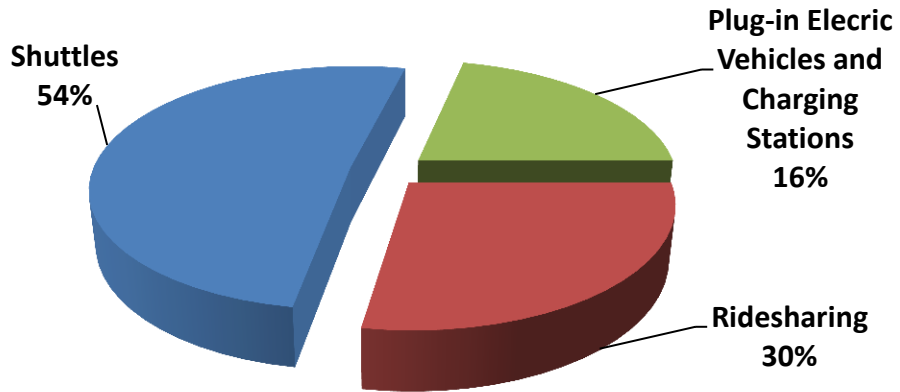
**\$3,859,446**

**16.49 15.95 14.89**

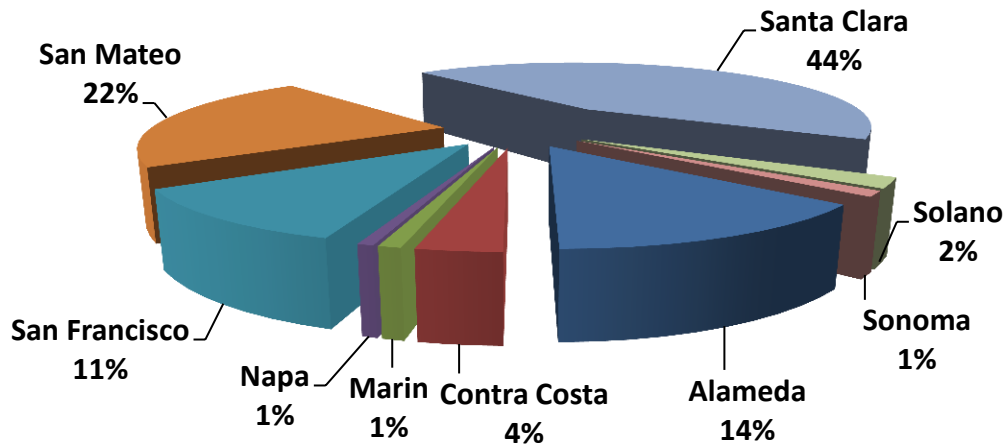
## AGENDA 4 - ATTACHMENT 5

Summary of FYE 2016 TFCA funds distributed by county and project category, as of 11/20/15

**Figure 1: TFCA Projects Awarded for FYE2016**  
Distributed by Project Category



**Figure 2: TFCA Projects Awarded for FYE2016**  
Distributed by County



**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: November 20, 2015

Re: Air Resources Board and Department of Finance Audits

---

**RECOMMENDED ACTION**

None. Receive and file.

**BACKGROUND**

The California Air Resources Board (ARB) and California Department of Finance (DOF) conducted an audit of the Air District's state-funded incentive programs between October 2014 and November 2015. The scope of this audit included a review of over \$145 million in program expenditures from fiscal year 2007-2008, through fiscal year 2013-2014. These projects represent emission reductions from over 10,000 engines.

The ARB is responsible for overseeing a number of voluntary state air pollution reduction incentive programs that are implemented through California's 35 local air districts, and other local agencies. Sections 44274, 44291, 39500, 39625.02(e)(1) of the California Health and Safety Code provide ARB with oversight responsibilities for the Air Quality Improvement Program, Carl Moyer Program, Proposition 1B Goods Movement Program, and the Lower Emissions School Bus Program. ARB reviews examine districts' determinations of project eligibility and compliance with reporting requirements, and ensure the districts' programs comply with the following:

- California Health and Safety Code
- ARB Program guidelines and advisories
- Program grant award and authorizations
- Local air district requirements

In addition to the review of program and project documentation, ARB staff selected a sample of projects to physically inspect. Concurrently with the ARB Program Review, the DOF conducted a separate, independent financial compliance audit of the programs, including project funds, administration, match funds, and interest earned. This report summarizes the results of the ARB and DOF audits.

## DISCUSSION

### **Carl Moyer Program (CMP)**

The Air District has participated in the 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 on-road trucks and buses, off-road equipment, marine vessels, locomotives, and stationary agricultural pump engines.

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 that are eligible under the CMP and to meet the Air District's match requirements.

**Scope of the review:** During the review period, \$43,576,225 in CMP funding expenditures were reviewed. These funds were used to retrofit or replace 585 diesel engines and to retire 6,468 light-duty vehicles.

### **Proposition 1B: Goods Movement Program (GMP)**

In November 2006, California voters authorized the Legislature to appropriate \$1 billion in bond funding to quickly reduce air pollution emissions and health risk from freight movement along California's priority trade corridors. On February 28, 2008, ARB approved 14% of the total local agency funding from projected bond sales for emission reduction projects in the Bay Area trade corridor. This funding has been primarily used to reduce emissions from trucks in the region and to install shore power infrastructure at the Port of Oakland.

**Scope of the review:** During the review period, \$90,446,625 in GMP funding expenditures were reviewed. These funds were used to install 930 diesel truck retrofits, replace 1,223 diesel trucks, and install shore power at 10 berths at the Port of Oakland.

### **Lower Emission School Bus Program (LESBP)**

The LESBP provides financial incentives to replace older public school buses, replace on-board compressed natural gas (CNG) fuel tanks on public school buses, and retrofit in-use school buses with emission control devices to reduce the exposure of school children to harmful emissions. Over the past 20 years the Air District has funded school bus projects with funds, including: state ARB funds, Proposition 1B funds, U.S. EPA DERA funds, and local Air District funds.

**Scope of the review:** During the review period, \$8,905,208 in LESBP funding expenditures were reviewed. These funds and \$27,796,911 in local funds were used retrofit 502 diesel buses, replace 168 buses, and replace 80 CNG tanks.

### AB118 Air Quality Improvement Program (AQIP)

AQIP is a voluntary, mobile source incentive program established through AB 118 (Núñez, Chapter 750, Statutes of 2007) to reduce criteria pollutant and toxics emissions with concurrent reductions in Greenhouse Gas (GHG) emissions. ARB has focused AQIP investments on technology advancing projects that support California's long-term air quality and climate change goals in addition to providing immediate emission benefits.

**Scope of the review:** During the review period, \$2,890,608.40 in AQIP funding expenditures were reviewed. These funds were used to support three technology demonstration projects and for the replacement of 411 lawn mowers with electric mowers.

### AUDIT RESULTS

The ARB audit report is provided in Attachment 1. ARB did not identify any findings from their review and inspection of the Air District's programs and projects. They did offer the following suggestions to further strengthen the CMP processes: (1) develop additional procedures to ensure project file completeness, and (2) use a more detailed breakdown of project costs in staff project evaluations to reduce the risk of including ineligible costs in an analysis. Air District staff has already begun to implement these recommendations into its program procedures.

ARB also identified the following as exceptional Air District practices that go above and beyond the basic requirements for implementing incentive programs:

- Successful development of electronic filing systems for the Carl Moyer and Goods Movement Emissions Reduction programs;
- Completeness of LESBP project files and recognition of the Air District's effective and efficient administration of the program; and
- Quick implementation and funding of the replacement of over 350 drayage trucks with much cleaner trucks (May through December 2012).

The DOF has verbally notified the Air District that the results of the DOF audit did not identify any findings from their review of the Air District's programs. The final report is still pending DOF management's review. A copy of that report will be forwarded to the committee members once it is issued.

### BUDGET CONSIDERATION/FINANCIAL IMPACT

None.



Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Anthony Fournier  
Reviewed by: Karen Schkolnick

Attachment: California Air Resources Board Air Pollution Reduction Incentive Programs –  
Program Review Report

**Attachment 1:**

**California Air Resources Board  
Air Pollution Reduction Incentive Programs  
Program Review Report**



**BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT**

September 21, 2015

Richard Corey  
Executive Officer  
California Air Resources Board (ARB)  
1001 I Street  
Sacramento, CA 95814

**RE: ARB's review of the Bay Area Air Quality Management District's (District) grant programs**

Dear Mr. Corey:

Thank you for your letter regarding the results of the recently completed ARB review of the District's incentive programs. The scope of this review spanned several funding years, multiple incentive programs (Carl Moyer Program, Goods Movement Program, Lower Emissions School Bus Program, and Air Quality Improvement Program projects), over \$145 million in grant funds, and thousands of emission reduction projects. Through the Air District's implementation of these programs we have been able to significantly reduce emissions from mobile sources of air pollution in the Bay Area and improve air quality in our region.

Since ARB's last program review we have made great efforts to further strengthen our administrative processes and ensure that our grant programs are implemented in the most accountable, efficient and effective manner possible. We are pleased to know that the ARB Program Review Report recognizes the District's commitment to deliver high quality incentive programs as a result of these efforts. We also recognize that there is always room for improvement and we have already begun to implement the ARB recommendations regarding project file documentation and review.

I appreciate your staff's organized, transparent, and professional approach to the program review process and the ongoing support the ARB liaison team provides. We will continue to work to deliver incentive programs that are administered with the highest level of quality and look forward to our ongoing partnership with ARB on incentive programs and other air quality improvement initiatives.

Please contact Damian Breen, Deputy Air Pollution Control Officer, with any questions you may have ([dbreen@baaqmd.gov](mailto:dbreen@baaqmd.gov) or 415-749-5041) regarding this letter.

Sincerely,

Jack P. Broadbent  
Executive Officer/APCO

**ALAMEDA COUNTY**  
Tom Bates  
Margaret Fujioka  
Scott Haggerty  
Nate Miley

**CONTRA COSTA COUNTY**  
John Gioia  
David Hudson  
Mary Piepho  
Mark Ross

**MARIN COUNTY**  
Katie Rice

**NAPA COUNTY**  
Brad Wagenknecht

**SAN FRANCISCO COUNTY**  
John Avalos  
Edwin M. Lee  
Eric Mar  
(Vice-Chair)

**SAN MATEO COUNTY**  
David J. Canepa  
Carole Groom  
(Chair)

**SANTA CLARA COUNTY**  
Cindy Chavez  
Liz Kniss  
(Secretary)  
Jan Pepper  
Rod G. Sinks

**SOLANO COUNTY**  
James Spering

**SONOMA COUNTY**  
Teresa Barrett  
Shirlee Zane

Jack P. Broadbent  
EXECUTIVE OFFICER/APCO



# Air Resources Board



**Matthew Rodriguez**  
Secretary for  
Environmental Protection

**Mary D. Nichols, Chair**  
1001 I Street • P.O. Box 2815  
Sacramento, California 95812 • [www.arb.ca.gov](http://www.arb.ca.gov)

**Edmund G. Brown Jr.**  
Governor

August 31, 2015

Mr. Jack Broadbent  
Executive Officer  
Bay Area Air Quality Management District  
939 Ellis Street  
San Francisco, California 94109

Dear Mr. Broadbent:

The Air Resources Board (ARB) has recently concluded a review of Bay Area Air Quality Management District (District) implementation of State-sponsored incentive programs, including the Air Quality Improvement Program (AQIP), the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program), the Goods Movement Emission Reduction Program (Goods Movement Program), and the Lower-Emission School Bus Program funded by Proposition 1B funds (School Bus Program). The scope of this review included grants made in fiscal years 2007-08 through 2013-14. A fiscal compliance audit of these programs has been conducted concurrently by the California Department of Finance, and will be provided by that Department under separate cover.

During the period of time covered by this program review, the District administered over \$145 million in State grants and matching funds to reduce emissions through the purchase of:

- 585 diesel engine replacements and/or retrofits and 6,468 old light-duty vehicles scrapped through the Carl Moyer Program
- 168 new school buses, 502 retrofits of diesel school buses and 80 compressed natural gas tank replacements through the School Bus Program
- 930 diesel retrofits, 1,223 diesel truck replacements, and 10 shore power projects through the Goods Movement Program
- 3 Technology Demonstration Projects and 411 new zero-emission lawn mowers through the AQIP

ARB's program review report is enclosed. Our review confirms that the District's incentive programs are efficiently and effectively achieving their emission reduction objectives. The review team reports no findings of District practices that are inconsistent with statute or program guidelines. We offer two recommendations in the

*The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.*

California Environmental Protection Agency

Mr. Jack Broadbent  
August 31, 2015  
Page 2

enclosed report for the Carl Moyer Program, both related to program documentation. It is my understanding that District staff has already begun action to address the recommendations. The report also commends the District for development of electronic filing systems for the Carl Moyer and Goods Movement Programs, and for the effective and efficient implementation of the School Bus Program.

Under established program review guidelines, the District has 30 days from the date of this cover letter to submit a formal response, if desired, to the enclosed Program Review Report. The report and any District responses will then be posted together on ARB's website. We encourage you to also make this information public within the District.

I want to thank you and your staff for working with us through the course of this review. The District's incentive programs contribute significant and vital air quality improvements to the San Francisco Bay Area Air Basin, and provide opportunity to numerous grantees within the basin to cost-effectively reduce public exposure to diesel emissions in California.

If you have any questions about the report, please contact Mr. Scott Rowland, Branch Chief, at (626) 350-6518 or via email at [Scott.Rowland@arb.ca.gov](mailto:Scott.Rowland@arb.ca.gov).

Sincerely,



Richard W. Corey  
Executive Officer

Enclosure

cc: See next page.

Mr. Jack Broadbent  
August 31, 2015  
Page 3

cc: Damian Breen  
Deputy Air Pollution Control Officer  
Bay Area Air Quality Management District  
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San Francisco, California 94109

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Bay Area Air Quality Management District  
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Executive Director  
California Air Pollution Control Officer's Association  
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Sacramento, California 95814

Rick Sierra  
Assistant Chief  
Department of Finance  
Office of State Audits and Evaluation

Continued next page.

Mr. Jack Broadbent  
August 31, 2015  
Page 4

cc: (continued)

Frances Parmelee  
Audit Manager  
Department of Finance  
Office of State Audits and Evaluation

Robert Scott  
Auditor/Evaluator  
Department of Finance  
Office of State Audits and Evaluation

Scott Rowland  
Branch Chief  
Mobile Source Control Division

# **Air Pollution Reduction Incentive Programs**

## **PROGRAM REVIEW REPORT**

---

**Bay Area Air Quality Management District**  
**Fiscal Years 2007-08 through 2013-14**

**Prepared by: Air Resources Board**  
**Mobile Source Control Division, Incentives Oversight Section**  
**August 2015**



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## 1. Introduction

The Air Resources Board (ARB) is responsible for overseeing a number of voluntary State air pollution reduction incentive programs that are implemented through California's 35 local air pollution control districts and air quality management districts (air districts), and other local agencies. As part of this oversight responsibility, ARB staff has conducted a review of the Bay Area Air Quality Management District's (Bay Area AQMD or District) incentive programs.

ARB incentive program reviews serve the public interest for transparency and accountability, helping to ensure that expenditures of State funds achieve intended outcomes and are within legal requirements. Projects are selected for review following a risk evaluation. These projects represent a percentage of the funds expended during the years within the overall scope of the review. Unless noted, issues and findings reported here pertain to the individual circumstances described and do not apply to other projects, although they may be indicative of similar issues occurring with projects not reviewed.

The Bay Area AQMD is one of the largest of California's local air districts and is responsible for air quality within the San Francisco Bay Air Basin, including Alameda County, Contra Costa County, Marin County, San Francisco County, San Mateo County, Santa Clara County, Napa County and portions of southwestern Solano and southern Sonoma Counties. The District's incentive programs are crucial components of its efforts to reduce emissions and meet requirements of Federal Clean Air Act Amendments and the California Clean Air Act.

The review that is the subject of this report was conducted between October 2014 and June 2015. ARB staff reviewed the District's implementation of the following programs:

- The Air Quality Improvement Program (AB 118) (AQIP)
- The Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program)
- The Proposition 1B Goods Movement Emission Reduction Program (Goods Movement Program)
- The Lower-Emission School Bus Program (School Bus Program)

The *Air Quality Improvement Program* was established by the California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007 (Assembly Bill 118) to fund clean vehicle and equipment projects that reduce criteria and toxic air pollutants. AQIP is funded by smog abatement, vehicle registration, and vessel registration fees. ARB develops statewide implementation guidelines, distributes funds to air districts, and conducts periodic oversight. Statute lists eight broad categories for project types, of which the District has implemented a Lawn and Garden

Incentive Program Review Report  
Bay Area Air Quality Management District—2015

Program that encourages the replacement of gasoline-powered lawn mowers with electric lawn mowers. The District has also implemented a Technology Demonstration Program including a Locomotive Demonstration Project; this is the first ARB incentive program review to include this type of AQIP-funded project. The Bay Area AQMD (like other large and medium-sized air districts) contributes match funds as required by AQIP.

The *Carl Moyer Program* funds the extra capital cost of cleaner-than-required vehicles and equipment to help achieve air pollution reductions that are both early and surplus to regulations. Funds for the Carl Moyer Program come from tire replacement and vehicle registration (smog abatement) fees. ARB develops statewide implementation guidelines, distributes funds to air districts, and conducts periodic oversight. Air districts choose which project types to fund from a variety of eligible categories, including on-road and off-road vehicles and equipment, marine, shore power, locomotives, stationary agriculture pumps, emergency equipment, lawn and garden equipment, and light duty vehicle scrappage. Funded projects must achieve early or extra emission reductions not otherwise required by law or regulation. The Bay Area AQMD (like other large and medium-sized air districts) contributes match funds as required by the Carl Moyer Program.

The *Proposition 1B Goods Movement Emission Reduction Program* offers grants to owners of equipment used in freight movement to fund the purchase of cleaner technologies to reduce air pollution emissions and health risk from freight movement along California's trade corridors. The Goods Movement Program is funded by bonds authorized by Proposition 1B, and is implemented by local agencies that apply to ARB for grants to fund specific project categories. At the discretion of the implementing agency, the project categories may include heavy-duty trucks used in freight transportation through specific corridors or serving seaports or railroad intermodal transportation hubs, as well as locomotives, ships at berth, commercial harbor craft, and cargo handling equipment. ARB develops guidelines, awards grants to fund projects proposed by air districts and seaports, and conducts periodic oversight. As with the Carl Moyer Program, projects funded must achieve early or extra emission reductions that are not otherwise required by law or regulation. The Goods Movement Program does not require the District to contribute match funds toward this program.

The *Lower-Emission School Bus Program* helps to clean up the school buses that serve California's public schools in order to reduce the exposure of school children to diesel exhaust. The School Bus Program is funded by bonds authorized by Proposition 1B, a grant of federal Diesel Emission Reduction Act (DERA) funds and local AB 923 funds. The program provides grants to purchase new school buses that replace older, high-emitting buses or to retrofit existing diesel bus engines with ARB-verified diesel emission control systems. ARB develops statewide implementation guidelines, distributes State and federal funds to air districts, and provides oversight of program implementation. Air districts select and fund school bus projects with public school

Incentive Program Review Report  
Bay Area Air Quality Management District—2015

districts and transportation providers in their areas. The School Bus Program does not require the District to contribute match funds towards the program.

This review was conducted in accordance with ARB's policies and procedures for review of incentive programs, which are viewable at the following ARB website: <http://www.arb.ca.gov/msprog/moyer/audits/audits.htm>. The scope of the review includes grant agreements between ARB and the District made in fiscal years (FY) 2007-08 through 2013-14. The review began with an entrance conference held on October 20, 2014, at the District office. The results of the program review were presented during an exit meeting held with the District on August 6, 2015.

ARB's programmatic review was supplemented by a fiscal compliance review conducted by the California Department of Finance Office of State Audits and Evaluations (Department of Finance). Department of Finance presented their observations and recommendations at a separate exit meeting on June 8, 2015, and will issue a separate report to be posted on the Department of Finance and ARB websites.

This report describes the scope of the review, the projects selected for review and site inspection, and any findings, recommendations, and commendable efforts. Under established policies and procedures for program reviews, the District has 30 days from the date of this report's cover letter to submit its comments. ARB and Department of Finance reports are posted with air district comments on ARB's Incentive Program Oversight web page, at <http://www.arb.ca.gov/msprog/moyer/audits/audits.htm>.

## 2. Overall Assessment

ARB's program review has concluded that the District's incentive programs are efficiently and effectively achieving their emission reduction objectives. A summary review of each program follows below.

### *a. Air Quality Improvement Program*

The District received approximately \$1.1 million in AQIP funds in one FY within the scope of review, FY 2010-11. The largest grant was awarded for an Advanced Technology Demonstration Locomotive Project, which was selected for review. In June 2011 a grant of \$529,810 was used for the construction and demonstration of a Tier 4 GenSet switcher locomotive for use in the Richmond Pacific Railroad Company rail yard in Richmond, California. An N-ViroMotive ultra-low emission locomotive was designed and constructed by National Railway Equipment Company (NREC) to meet emission standards of 1.3 gram per brake horsepower hour (g/bhp-hr) for oxides of nitrogen and 0.03 g/bhp-hr for particulate matter. Following completion of emissions testing in May 2014, the unit was placed in service for completion of a 3,000 hour durability milestone. NREC will apply to ARB for final verification toward commercialization of this and subsequent Tier 4 GenSet locomotives in California. *ARB staff identified no findings or*

*recommendations for the District's implementation of the Air Quality Improvement Program.*

*b. Carl Moyer Program*

For the FY within the scope of the review, which included 2009-10 through 2012-13, the District's Carl Moyer Program funded over 400 projects and 7,000 engines with \$43,576,225 in State and District match funding. Categories within the review scope included on-road heavy-duty vehicles, marine vessels, shore power, locomotives, off-road construction and agricultural equipment, airport ground support equipment, agricultural pumps, car scrap projects and on-road voucher incentive program projects. *ARB staff identified no findings regarding the District's implementation of the Carl Moyer Program, but offers two recommendations following review of project files.* The recommendations are discussed in Section 5 of this report.

*c. Goods Movement Program*

For the FY within the scope of the review, the District accepted eight Goods Movement Program grants totaling about \$90,446,625. This includes three FY 2007-08 grants for \$27,411,381.88; two FY 2008-09 grants for \$27,594,203; two FY 2011-2012 grants for \$33,417,260; and one FY 2013-2014 grant for \$2,023,780. The District reports that the FY 2007-08 grants funded the replacement of 401 heavy-duty diesel trucks, the installation of ARB-certified Level-3 Retrofit devices on 902 diesel trucks, and three shore power projects. The FY 2008-2009 shore power grant funded nine shore power projects. The combined FY 2008-2009 and FY 2011-12 truck grants funded the replacement of 348 heavy-duty diesel trucks and the installation of ARB-certified Level-3 Retrofit devices on 28 diesel trucks. The FY 2011-2012 drayage grant funded the replacement of 357 heavy-duty diesel drayage trucks and the FY 2013-2014 grants are expected to fund the replacement of 316 heavy-duty diesel trucks. *ARB staff identified no findings or recommendations for the District's implementation of the Goods Movement Program.*

*d. School Bus Program*

A FY 2007-08 Proposition 1B grant of \$8,523,208 and a FY 2008-09 DERA grant of \$382,000 enabled the District to fund, during the FY within the scope of this review, 168 school bus replacements, 502 retrofits, and 80 compressed natural gas (CNG) tank replacements, for a total of 750 projects. FY 2009-10 through 2012-13, local AB 923 funds of \$27,796,911 were used to fund school bus projects. This met School Bus Program goals for the District and reduced exposure to diesel exhaust for thousands of Bay Area school children. *ARB staff identified no findings or recommendations for the District's implementation of the LESBP projects.*

### 3. Scope of the Program Review

The scope of the review covered the District’s implementation of incentive programs associated with grants awarded from FY 2007-08 through 2013-14. Scope varies somewhat by program, as discussed below.

a. Air Quality Improvement Program

The District received funding for four AQIP projects for FY 2010-11. A Lawn and Garden Equipment Replacement Project delivered emission benefits by providing funds to aid consumers in replacing higher polluting gasoline mowers with cordless, zero-emission mowers. A Wind Assist Marine Demonstration Project was commissioned to analyze whether wind conditions used daily by commercial sail boat operators on the San Francisco Bay can be used to decrease the emissions and fuel consumption of ferry systems. A Demonstration of Tier 4 PM Emission Controls for Ultra Low-Emitting Locomotive Project was also funded, in addition to the locomotive project described in the previous section. Table 1 lists the projects and administration funding that the District received to implement the AQIP projects, as well as the District’s match funding commitment.

**Table 1: Fiscal Year 2010-11 AQIP Grants<sup>1</sup>**

Grant Number	Project Name	Project	Administration	Total Grant	Matching Funds	Total
G10-AQIP-07	Lawn & Garden Equipment Replacement Project	\$165,643.00	\$16,382.00	\$182,025.00	\$182,025.00	\$364,050.00
G10-AQIP-11	Wind Assist Marine Demonstration for Ferry Districts on San Francisco Bay	\$164,250.20	\$0.00	\$164,250.20	\$164,250.20	\$328,500.40
G10-AQIP-12	Demonstration of Tier 4 PM Emission Control of Ultra Low-Emitting Locomotive	\$229,830.00	\$0.00	\$229,830.00	\$229,830.00	\$459,660.00
G10-AQIP-13	Construction & Demonstration of a Tier 4 Gen Set Locomotive	\$529,810.00	\$0.00	\$529,810.00	\$1,208,588.00	\$1,738,398.00
<b>Total</b>		\$1,089,533.20	\$16,382.00	\$1,105,915.20	\$1,784,693.20	\$2,890,608.40

<sup>1</sup> Interest earned by the District is not included in table.

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*b. Carl Moyer Program*

For the Carl Moyer Program, the scope of the review covered grants awarded in FY 2009-10 through 2012-13. Project categories within the review scope included on-road heavy-duty vehicles, marine vessels, locomotives, off-road construction and agricultural equipment, airport ground support equipment, agricultural pumps, and car scrap. Table 2 lists the project and administration funding granted to the District by FY (including Multi-district funds), and the District's match funding commitment for each year's grant.

<b>Table 2: Carl Moyer Program Funds<sup>1</sup></b>						
<b>Fiscal Year</b>	<b>Grant Number</b>	<b>Project</b>	<b>Administration</b>	<b>Total Grant</b>	<b>Matching Funds<sup>2</sup></b>	<b>Total</b>
<b>Carl Moyer Program</b>						
2009-10	G09-M003	\$8,207,151	\$431,955	\$8,639,106	\$1,295,866	\$9,934,972
2010-11	G10-M004	\$7,668,499	\$403,605	\$8,072,104	\$1,210,816	\$9,282,920
2011-12	G11-M003	\$8,297,495	\$436,710	\$8,734,205	\$1,310,131	\$10,044,336
2012-13	G12-M003	\$6,819,109	\$358,901	\$7,178,010	\$1,076,702	\$8,254,712
<b>Total</b>		\$30,992,254	\$1,631,171	\$32,623,425	\$4,893,515	\$37,516,940
<b>Carl Moyer Program—Multi-District</b>						
2009-10	G09-M032	\$604,745	\$31,829	\$636,574	-	\$636,574
2010-11	G10-M033	\$1,190,277	\$62,646	\$1,252,923	-	\$1,252,923
2011-12	G11-M033	\$1,129,389	\$59,442	\$1,188,831	-	\$1,188,831
2012-13	G12-M035	\$2,831,909	\$149,048	\$2,980,957	-	\$2,980,957
<b>Total</b>		\$5,756,320	\$302,965	\$6,059,285		\$6,059,285

<sup>1</sup> Interest earned by the District is not included in table.

<sup>2</sup> ARB waived the match requirement for the Multi-District grants.

*c. Goods Movement Program*

For the Goods Movement Emission Reduction Program the scope of the review covered grant funding cycles for FY 2007-08, 2008-09, 2011-12, and 2013-14. Project categories within the review scope included heavy-duty diesel trucks, drayage trucks, and shore power projects. Table 3 lists the project and administration grant amounts for the District.

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**Table 3: Goods Movement Program Grants<sup>1</sup>**

Fiscal Year	Grant Number	Grant Name	Project	Administration	Total Grant
2007-2008	G07GMBT1	Heavy Duty Trucks	\$9,964,000.00	\$498,200.00	\$10,462,200.00
2007-2008	G07GMBP1	Drayage Trucks	\$13,835,135.00	\$691,756.00	\$14,526,891.00
2007-2008	G07GMBS1	Shore Power/ Ships at Berth	\$2,374,795.00	\$47,495.88	\$2,422,290.88
2008-2009*	G08GMBT1	Heavy Duty Trucks	\$7,232,574.00	\$361,629.00	\$7,594,203.00
2008-2009	G08GMBS1	Shore Power/ Ships at Berth	\$19,417,476.00	\$582,524.00	\$20,000,000.00
2011-2012*	G11GMBT1	Heavy Duty Trucks	\$22,005,962.00	\$1,100,298.00	\$23,106,260.00
2011-2012	G11GMBP1	Drayage Trucks	\$9,820,000.00	\$491,000.00	\$10,311,000.00
2013-2014*	G13GMBT1	Heavy Duty Trucks	\$1,927,410.00	\$96,370.00	\$2,023,780.00
<b>Total</b>			<b>\$86,577,352.00</b>	<b>\$3,869,272.88</b>	<b>\$90,446,624.88</b>

<sup>1</sup> Interest earned by the District is not included in table.

\*ARB combined the FY 2008-09 and FY 2011-12 grants for the truck projects because these grants covered projects from the same statewide solicitation and the same ranked lists, although the funds are from different FY appropriations. Additionally, the information for the FY 2013-14 truck projects includes funds reallocated from the FY 2011-12 grant that were not utilized due to project fallout.

*d. School Bus Program*

For the Lower-Emission School Bus Program, the review scope covered funding cycles for a FY 2007-08 Proposition 1B grant, a 2009 DERA grant, and Lower-Emission School Bus local AB 923 funds for FY 2009-10 through 2012-13. Table 4 lists the School Bus Program grants the District implemented during the scope of the review.



<b>Table 4: Lower-Emission School Bus Grants<sup>1</sup></b>			
<b>2007-08 Proposition 1B Lower-Emission School Bus Program</b>			
<b>Grant Number</b>	<b>Project</b>	<b>Administration</b>	<b>Total Grant</b>
G07-SB03	\$8,084,314	\$438,894	\$8,523,208
<b>2009 DERA Lower-Emission School Bus Grant</b>			
<b>Grant Number</b>	<b>Project</b>	<b>Administration</b>	<b>Total Grant</b>
G08-DEA-03	\$355,260	\$26,740	\$382,000
<b>2009-10 through 2012-13 AB 923 Lower-Emission School Bus Funds</b>			
<b>AB 923 Funds</b>	<b>Project</b>	<b>Administration<sup>2</sup></b>	<b>Total Funds</b>
	\$27,796,911	-	\$27,796,911
<b>Total</b>	<b>\$36,236,485</b>	<b>\$465,634</b>	<b>\$36,702,119</b>
<sup>1</sup> Interest earned by the District is not included in table. <sup>2</sup> Some AB 923 funds reported were used to co-fund Proposition 1B projects. Up to 5 percent of AB 923 funds are used for administrative costs. Administrative costs are not included in table			

#### 4. Project Selection and Review

In choosing specific projects for review, ARB staff considered the diversity of project types funded by the District within the scope of the program review. The funding sources considered in selecting the review sample included all grant and match funds listed in Tables 1 through 4 above, as well as the interest earned on those grant funds and expended on projects.

The District also used \$2 Assembly Bill 923 motor vehicles fees to fund projects (match and non-match) during the time period covered by the review. Such projects were considered in selecting the review sample and one project was selected for review that was partially match-funded. ARB did not select or evaluate any non-match \$2 Assembly Bill 923 funded projects and is not issuing a separate report for AB 923 projects.

Below is an overview of projects within the scope for each program. The projects selected for review and inspection is shown in Appendix Tables 1 - 4.

##### *a. Air Quality Improvement Program*

As discussed in Sections 2 and 3, four AQIP project grants were made to the District in FY 2010-11, as shown in Table 1. The project funded by the largest grant was selected for full file review; no AQIP projects were selected for inspection.

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b. Carl Moyer Program

Table 5 summarizes the source categories funded and the number of engines and projects funded for each Moyer Program fund source within the scope of the review. Because projects often include multiple engines, engines are shown in the table along with the total number of projects by source category. The review team selected twelve projects for full file review. Following the file review and based on its results, the review team selected 3 projects for inspection in the field as shown in Table A2 of the Appendix.

**Table 5: Carl Moyer Program Engines and Projects<sup>1</sup>**

Fund Source	Source Category	2009-10	2010-11	2011-12	2012-13	Total	
		Engines	Engines	Engines	Engines	Engines	Projects
Carl Moyer Program	On-Road Voucher Incentive Program	0	0	12	0	12	12
	Off-Road Equipment - Other	2	4	4	7	17	7
	Off-Road Equipment - Mobile Agricultural	49	96	26	92	263	157
	Airport Ground Support Equipment	0	0	0	3	3	1
	Off-Road Equipment - Construction	11	13	8	5	37	19
	Marine Vessels	25	42	8	8	83	36
	Locomotives	4	0	1	0	5	2
	On-Road Heavy-Duty Vehicles	0	1	0	0	1	1
	Car Scrap	0	43	2,796	0	2,839	2
Carl Moyer Program - Multi District	On-Road Voucher Incentive Program	20	34	32	75	161	161
	On-Road Heavy-Duty Vehicles	2	0	0	0	2	2
Match	Off-Road Equipment - Mobile Agricultural	0	0	1	0	1	0
	Car Scrap	918	858	980	873	3,629	3
<b>Total</b>		<b>1,031</b>	<b>1,091</b>	<b>3,868</b>	<b>1,063</b>	<b>7,053</b>	<b>403</b>

<sup>1</sup>Projects or engines with more than one funding year were assigned to the earliest year.  
 Source of Data: Carl Moyer Program Clean Air Reporting Log (CARL) database query April 24, 2015.

c. Goods Movement Program

Table 6 summarizes Goods Movement Program grants, with the number of truck retrofit, truck replacement, and shore power projects funded, as of the entrance conference held on October 20, 2014. The review team selected 26 funded projects for full file

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review. Following the file review and based on its results, the review team selected two projects for inspection in the field, as shown in Table A3 of the Appendix.

<b>Table 6: Goods Movement Program Projects Ranked and Funded</b>				
<b>Grant Number Grant Name</b>	<b>Retrofits</b>	<b>Replacement Diesel</b>	<b>Shore Power</b>	<b>Total Projects</b>
G07GMBT1 Heavy Duty Trucks	13	198	0	211
G07GMBP1 Drayage Trucks	889	203	0	1,092
G07GMBS1 Shore Power	0	0	3	3
G08GMBT1/ G11GMBT1* Heavy Duty Trucks	28	348	0	376
G08GMBS1 Shore Power	0	0	9	9
G11GMBP Drayage Trucks	0	357	0	357
G13GMBT1* Heavy Duty Trucks	0	118	0	118
<b>Total</b>	<b>930</b>	<b>1,224</b>	<b>12</b>	<b>2,166</b>

\* ARB combined the FY 2008-09 and FY 2011-12 grants for the truck projects because these grants covered projects from the same statewide solicitation and the same ranked lists, although the funds are from different FY appropriations. Additionally, the information for the FY 2013-14 truck projects includes funds reallocated from the FY 2011-12 grant that were not utilized due to project fallout.

*d. School Bus Program*

Table 7 summarizes School Bus Program project types, the number of projects, and individual buses funded by the District within the scope of the review. Projects were selected for review to include the different sources of funding and three types of projects: retrofits of school bus diesel engines, replacements of old school buses, and replacements of school bus CNG tanks. The review team selected four projects for full review. Following the file review and based on its results, the review team selected two projects for inspection in the field, as shown in Table A4 of the Appendix.

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<b>Table 7: Lower-Emission School Bus Program Projects and Number of Buses Funded<sup>1</sup></b>					
<b>Grant Number Grant Name</b>	<b>Project Type</b>	<b>Retrofits</b>	<b>Replacements</b>	<b>CNG Tank Replacements</b>	<b>Total</b>
Fiscal Year 2007-2008 Proposition 1B Projects <sup>2</sup> G07-SB03	Buses	297	22	0	319
	Projects	33	7	0	40
Fiscal Year 2008-2009 DERA Projects G08-DERA-03	Buses	18	0	0	18
	Projects	3	0	0	3
Fiscal Year 2009-2010 through 2013-2014 AB 923 Projects <sup>3</sup>	Buses	187	146	80	413
	Projects	13	38	13	64
<b>Total</b>	Buses	502	168	80	750
	Projects	49	45	13	107

<sup>1</sup> Each contract with a public school or transportation provider is counted as a project; one project may include multiple buses.  
<sup>2</sup> Current as of November 6, 2014 (from Proposition 1B bond database).  
<sup>3</sup> Some AB 923 funds reported were used to co-fund Proposition 1B projects.

## 5. Review Findings and Recommendations

“Findings” are district practices found to be inconsistent with one or more of the items below. “Conditions” are detailed descriptions of district practices that resulted in findings as revealed by the review. “Required Actions” are minimum actions a district must take to mitigate the findings.

- State requirements including those under Health and Safety Code sections as follows:
  - 39625 through 39627.5—Goods Movement Program.
  - 44275 through 44299.2—Carl Moyer Program.
  - 44299.90 through 44299.91—School Bus Program.
- Governor’s Executive Order S-02-07.
- *Carl Moyer Program 2008 Guidelines* (April 21, 2008), and *Carl Moyer Program 2011 Guidelines* (December 31, 2014) (<http://www.arb.ca.gov/msprog/moyer/guidelines/current.htm>).
- Lower-Emission School Bus Program Guidelines (2006 and newer versions) (<http://arb.ca.gov/bonds/schoolbus/guidelines/2008lesbp.pdf>).
- Carl Moyer and School Bus Program advisories, Mail-outs, and other written communications.
- Carl Moyer and School Bus Program Grant Award and Authorization requirements.
- Goods Movement Program Local Agency Grant Agreements.

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- Goods Movement Program Guidelines ([http://www.arb.ca.gov/bonds/gmbond/docs/prop\\_1b\\_goods\\_movement\\_2013\\_program\\_guidelines\\_for\\_implementation.pdf](http://www.arb.ca.gov/bonds/gmbond/docs/prop_1b_goods_movement_2013_program_guidelines_for_implementation.pdf))
- District policies and procedures and forms, including contracts with the engine owners/grant recipients.

ARB staff identified no findings for the District's implementation of incentive programs, from either file review or project inspections.

ARB staff may offer "Recommendations" when district practices are found to be consistent with the items above and mitigation is not required, but a change in practices would improve program effectiveness, efficiency, or transparency. Following completion of project file reviews for the Carl Moyer Program, ARB staff offers the two recommendations below. No recommendations were identified from project inspections.

1. *Development of additional project file procedures may ensure their completeness.* For three reviewed project files, reviewing staff found instances of incomplete information that required follow-up. All three occurrences were corrected completely by the District as soon as they learned of them, and District staff entered a recalculation of emission reductions into the CARL database when they were made aware of the need.
2. *Use of a more detailed breakdown of project costs in staff project evaluations would reduce risk of including ineligible costs.* One project file was found to be missing information needed to determine whether an ineligible cost had been included in the cost-effectiveness calculation. Once additional information was obtained, an ineligible cost was found to have been included in staff's evaluation. District staff later identified the error in a submitted invoice, and only eligible costs were paid.

The District has responded and acknowledged these recommendations indicating their intent to augment their internal procedures document with additional detail on determining eligible costs as part of the application review process. The District has also provided their administrative operating procedures pertaining to file construction and routing, developed to ensure file completeness.

Note that the results of the Department of Finance's independent fiscal review will be included in their report, to be posted on the ARB's incentive program review website at: <http://www.arb.ca.gov/msprog/moyer/audits/audits.htm>.

## 6. Commendable Efforts

A commendable effort is an exceptional practice that goes beyond the basic requirements for implementing incentive programs. ARB commends the District for successful development of electronic filing systems for the Carl Moyer Program and Goods Movement Emissions Reduction Program, which enable efficient and accurate retrieval of program and project information. The District's structure and attention to detail in creating the filing system assisted the Program Review process, due to the ease of reviewing detailed information contained in the project files. In addition, ARB commends the District for the completeness of its LESBP project files and its effective and efficient administration of the program.

ARB commends the District for quickly implementing and funding from May through December 2012 the replacement of over 350 drayage trucks with much cleaner equipment. The District was required to quickly implement this project to achieve early emission reductions ahead of Phase 2 of the Drayage Truck Regulation. This was in addition to the implementation and funding of their heavy-duty truck grant.

## 7. Resources

1. Air Resources Board Lower-Emission School Bus website, <http://www.arb.ca.gov/msprog/schoolbus/schoolbus.htm>
2. Air Resources Board Carl Moyer Program website, <http://www.arb.ca.gov/msprog/moyer/moyer.htm>
3. Air Resources Board Goods Movement Emissions Reduction Program website, <http://www.arb.ca.gov/bonds/gmbond/gmbond.htm>
4. Air Resources Board Incentives Program Audit and Program Reviews website (includes previous reports and Policies and Procedures) <http://www.arb.ca.gov/msprog/moyer/audits/audits.htm>
5. *Lower-Emission School Bus 2008 Guidelines* (April 15, 2008), Air Resources Board
6. *Lower-Emission School Bus 2006 Guidelines* (March 2, 2006), Air Resources Board
7. *Carl Moyer Program 2005 Guidelines* (January 6, 2006), Air Resources Board
8. *Carl Moyer Program 2008 Guidelines* (April 21, 2008), Air Resources Board
9. *Carl Moyer Program 2011 Guidelines* (December 31, 2014), Air Resources Board
10. *Proposition 1B: Goods Movement Emission Reduction Program, Final 2013 Guidelines for Implementation* (January 25, 2013)
11. Governor's *Executive Order S-02-07*

## Appendix

<b>Table A1 Project Reviewed---Air Quality Improvement Program</b>		
<b>Grantee</b>	<b>Contract Number</b>	<b>Project Inspected by ARB</b>
Bay Area Air Quality Management District - Construction & Demonstration of a Tier 4 Gen Set Locomotive	G10-AQIP-13	No

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**Table A2**  
**Projects Reviewed---Carl Moyer Program**

<b>Fiscal Year</b>	<b>Project Number</b>	<b>Grantee</b>	<b>Source Category</b>	<b>Project Inspected by ARB (√)</b>
2009-10	11MOY44	California Department of Transportation	Locomotives	√
2009-10	11MOY46	APL Maritime Services Ltd	Marine Vessels	
2009-10	12MOY36	Marin Sanitary Service	Off-Road Equipment - Other	√
2010-11	13MOY69	Sonoma-Cutrer Vineyards, Inc.	Off-Road Equipment– Mobile Agricultural	
2010-11	13MOYFA1	City of Sunnyvale	On-Road Heavy Duty Vehicles	
2010-11	2008-208a	Thomas Ecklund (Environmental Engineering Studies, Inc.)	Car Scrap	
2011-12	14MOY40	Jerico Products Inc	Marine Vessels	√
2011-12	1XPCDB9X8YD511200	Manual Gamboa	On-Road Voucher Incentive Program	
2011-12	2013.118	Javiera A. Lacayo (Pick N Pull)	Car Scrap	
2011-12 and 2012-13	12MOY94	Poncia Fertilizer Spreading	Off-Road Equipment– Mobile Agricultural	
2012-13	12MOY133	Dominus Estate Corporation	Off-Road Equipment– Mobile Agricultural	
2012-13	15MOY01	Sanco Pipelines Inc	Off-Road Equipment– Construction	



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**Table A3**  
**Projects Reviewed---Goods Movement Program**

	Grant	ARB Project ID	Grantee	Project Type	Project Inspected by ARB (√)
1	G07GMBP1	G07GMBP1_00159	Devine Intermodal	Replacement	
2	G07GMBP1	G07GMBP1_00124	Ning Zhang	Replacement	
3	G07GMBP1	G07GMBP1_00836	Raul A. Rivas	Retrofit	
4	G07GMBP1	G07GMBP1_01394	Pargat Singh / Pritam Singh	Retrofit	
5	G07GMBT1	G07GMBT1_00045	Harpinder Singh Chauhan	Replacement	
6	G07GMBT1	G07GMBT1_00310	Lawson Drayage, Inc.	Retrofit	
7	G07GMBT1	G07GMBT1_00243	Lee Financial Services Lessorr. Gardner Trucking Inc. Lessee.	Replacement	√
8	G07GMBS1	G07GMBS1_00001	Eagle Marine Services	Grid Based	
9	G08GMBT1	G08GMBT1_00859	David Bass /EZ Transportation	Retrofit	
10	G08GMBT1	G08GMBT1_00406	Royal Trucking	Replacement	
11	G08GMBT1	G08GMBT1_00276	Silicon Roadways	Replacement	
12	G08GMBT1	G08GMBT1_00584	Ricky Lok	Replacement	
13	G08GMBS1	G08GMBS1_00010	Ports America Outer Harbor Terminal, LLC	Grid Based	
14	G08GMBS1	G08GMBS1_00008	Port of Oakland	Grid Based	
15	G11GMBP1	G11GMBP1_00544	Gudy Ardany Linarez	Replacement	
16	G11GMBP1	G11GMBP1_00788	Ed Rocha Livestock, Trans Inc.	Replacement	√
17	G13GMBT1	G13GMBT1_00140	Frank Ghiglione, Inc. dba Rodgers Trucking	Replacement	
18	G13GMBT1	G13GMBT1_00033	United Parcel Service	Repower	
19	G13GMBT1	G13GMBT1_00126	Antioch Building Materials	Replacement	
20	G13GMBT1	G13GMBT1_00214	San Mateo Lumber Company	Replacement	
21	G13GMBT1	G13GMBT1_00330	Carlos S. Sanchez dba Sanchez Trucking	Replacement	
22	G13GMBT1	G13GMBT1_00539	Advanced Cargo, Inc.	Replacement	
23	G13GMBT1	G13GMBT1_00147	Assured Aggregates Co., Inc.	Replacement	
24	G13GMBT1	G13GMBT1_00107	Challenge Dairy Products, Inc.	Replacement	
25	G13GMBT1	G13GMBT1_00103	Gonzalez Pallets, Inc.	Replacement	
26	G13GMBT1	G13GMBT1_00333	Economy Lumber Company of Oakland	Replacement	

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**Table A4**  
**Projects Reviewed—Lower-Emission School Bus Program**

	<b>Fiscal Year</b>	<b>Project Number</b>	<b>Grantee</b>	<b>Project Type</b>	<b>Projects Inspected by ARB (√)</b>
1	2009-10	08SBPM10	San Lorenzo Unified School District	Retrofit	
2	2011-12	08LESBP48	Mount Diablo Unified School District	School Bus Replacement	
3	2012-13	12SBTR07	San Ramon Unified School District	Compressed Natural Gas Tank Replacement	
4	2013-14	08SBPM24	First Student, Inc.	Retrofit	√

**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: November 20, 2015

Re: Fiscal Year Ending (FYE) 2014 Transportation Fund for Clean Air (TFCA) Audit  
Report Results and FYE 2015 Report on TFCA Regional Fund Expenditures and  
Effectiveness

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RECOMMENDED ACTION

None. Informational item only, receive and file.

BACKGROUND

In 1991, the California State Legislature authorized the Bay Area Air Quality Management District (Air District) to impose a \$4 surcharge on motor vehicles registered within the nine-county Bay Area to fund projects that reduce on-road motor vehicle emissions. Since 1992, the Air District has allocated these funds to its TFCA Program to fund eligible projects. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code (HSC) Sections 44241 and 44242.

Sixty percent of TFCA funds are awarded by the Air District to eligible programs and projects implemented directly by the Air District (e.g., the Smoking Vehicle, Enhanced Mobile Source Enforcement, Spare the Air, and Bicycle Facility Programs) and through a grant program known as the Regional Fund. The remaining 40% of TFCA funds are forwarded to a designated agency within each Bay Area county to be distributed via the County Program Manager Fund. HSC Section 44242 requires that the Air District conduct an audit of every program and project funded with TFCA monies, at least once every two years. The Air District conducts audits of Regional Fund projects annually and County Program Manager Fund projects biennially.

On February 18, 2015, the Air District's Board of Directors (Board) approved the award of a contract to Gilbert Associates, Inc. (Gilbert) for audit services, including a financial and compliance review of TFCA funded projects and programs. The first audit to be conducted under this contract is Audit # 16, which covers Regional Fund and Air District-lead projects that were paid all awarded funds (closed out) by June 30, 2014.

In addition, HSC Section 44241 requires that the Board hold a public hearing each year to review the Air District's expenditure of TFCA funds to determine their effectiveness in improving air quality.

## DISCUSSION

### **TFCA Audit #16**

For Audit #16, Gilbert Associates, Inc. conducted financial and compliance audits of TFCA Regional Fund and Air District-sponsored program projects that were closed out between July 1, 2013 and June 30, 2014.

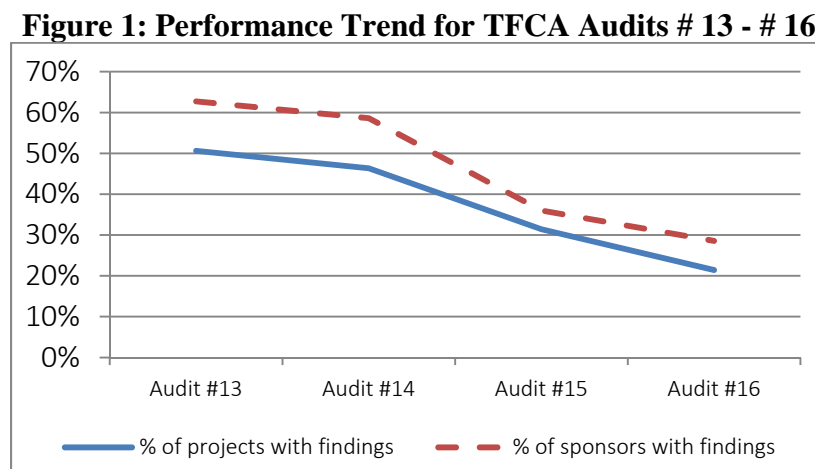
Gilbert conducted field work from June 2015 through October 2015 and issued a draft audit report to each of the agencies and companies (Project Sponsors) that were part of Audit #16. Each Project Sponsor was then provided an opportunity to respond in writing to any findings and those responses are included in the final individual audit reports.

The Audit #16 summary report is currently being finalized; however, staff has received notice of the auditor's findings, which are as follows:

- Project Sponsors for five projects submitted one or more late report (e.g., semiannual, annual monitoring); and
- One Project Sponsor failed to submit an annual monitoring report by the date of the audit.

Although Audit #16 contains two findings, the results reflect an overall improvement in Project Sponsor's adherence to program and contractual requirements. Over the last five years, the Air District has taken significant steps to improve and strengthen its administrative processes, and consequently more recent projects have shown an improvement in adherence to program and contractual requirements.

Figure 1 below shows the performance trend of the most recent four TFCA audits.



The Audit Summary Report will be presented to the committee at the Mobile Source Committee meeting on December 2, 2015. The report contains a list of all of the projects and programs that were audited as part of Audit #16 (in Appendix B) and a summary of findings from the individual audit reports. A discussion of the audit process, results, and the additional steps that

Air District staff is taking to ensure compliance with program requirements will also be presented at the Committee meeting.

### **Report on Regional Fund Expenditures and Effectiveness**

The report on expenditures and effectiveness of TFCA Regional Fund and Air District-sponsored programs that concluded in FYE 2015 (fully paid and closed-out) is provided in Attachment 2.

The following are the key findings of the report:

- TFCA funds were allocated to eligible projects and programs, consistent with the legislation that authorizes the TFCA program.
- The TFCA expenditures for projects and programs that concluded in FYE 2015, and administrative costs totaled \$7.63 million. This includes \$3.40 million in Regional Fund projects, \$3.46 million in Air District-sponsored programs, and \$765,101 in administrative and indirect costs.
- These projects and programs reduced criteria pollutant emissions over their lifetimes by an estimated 124.8 tons, including 27.70 tons of reactive organic gases (ROG), 62.72 tons of nitrogen oxides (NO<sub>x</sub>), and 34.35 tons of particulate matter (PM<sub>10</sub>). The lifetime reduction of carbon dioxide (CO<sub>2</sub>), a greenhouse gas, is estimated to be over 62,717 tons.
- These projects and programs achieved a combined (average) cost-effectiveness of \$49,545 per ton of criteria pollutant emissions reduced.

A discussion of the expenditures, emission reductions, and cost-effectiveness of the TFCA Regional Fund and Air District-sponsored programs and projects that closed in FYE 2015 will be presented to the Mobile Source Committee.

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

None. As required by California Health and Safety Code Section 44242(a), the costs of TFCA audits are taken from the TFCA motor vehicle registration fee surcharges. Resources for Audit #16 were identified in the Air District's FYE 2015 budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Ken Mak and Linda Hui  
Reviewed by: Chengfeng Wang and Karen Schkolnick

Attachment 1: TFCA Audit Summary Report #16; to be presented on December 2, 2015  
Attachment 2: TFCA Report on Expenditures and Effectiveness of Regional Fund and Air  
District-sponsored programs and projects closing in FYE 2015



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**TRANSPORTATION FUND FOR CLEAN AIR (TFCA)**

**REPORT ON EXPENDITURES AND EFFECTIVENESS  
OF REGIONAL FUND AND AIR DISTRICT-  
SPONSORED PROGRAMS AND PROJECTS  
CLOSING IN  
FISCAL YEAR ENDING (FYE) 2015**

939 Ellis Street, San Francisco, CA 94109  
[www.baaqmd.gov](http://www.baaqmd.gov)

November 2015

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# THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT

The California Legislature created the Bay Area Air Quality Management District (Air District) in 1955 as the first regional air pollution control agency in the country, recognizing that air emissions overflow political boundaries. The nine counties of the San Francisco Bay Area form a regional air basin, sharing common geographical features and weather patterns, and therefore similar air pollution burdens, which cannot be addressed by counties acting on their own.

The Air District is the public agency entrusted with regulating stationary sources of air pollution in the nine counties that surround San Francisco Bay: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, southwestern Solano, and southern Sonoma counties.

## BACKGROUND

On-road motor vehicles, including cars, trucks, and buses, constitute the most significant source of air pollution in the San Francisco Bay Area. Vehicle emissions contribute to unhealthy levels of ozone (summertime "smog"), particulate matter, and greenhouse gases. Because of this, emission reductions from the on-road transportation sector are essential to helping the Bay Area attain State and Federal ambient air quality standards and meet greenhouse gas reduction commitments.

To protect public health, the State Legislature enacted the California Clean Air Act in 1988. As part of the requirements, the Air District prepared the *2010 Clean Air Plan (CAP)* which includes transportation control measures (TCMs), defined as "any strategy to reduce vehicle trips, vehicle use, vehicle miles traveled, vehicle idling, or traffic congestion for the purpose of reducing motor vehicle emissions," and mobile source measures (MSMs), which encourage the introduction of newer, cleaner motor vehicle technologies and the retirement of older, more polluting vehicles.

## THE TRANSPORTATION FUND FOR CLEAN AIR (TFCA)

In 1991, the California State Legislature authorized the Air District to impose a \$4 surcharge on motor vehicles registered within the San Francisco Bay Area to fund projects that reduce on-road motor vehicle emissions. The Air District has allocated these funds to its Transportation Fund for Clean Air (TFCA) to fund eligible projects. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code Sections 44241 and 44242.

Sixty percent of TFCA funds are awarded by the Air District's Board of Directors to eligible programs and projects implemented directly by the Air District (e.g., the Enhanced Mobile Source Inspections/Smoking Vehicle, Vehicle Buy-Back, Spare the Air, and Bicycle Facility Programs) and through a grant program known as the Regional Fund. The remaining forty percent of TFCA funds are forwarded to a designated agency within each Bay Area county to be distributed via the County Program Manager Fund.

Each year, the Air District Board of Directors adopts criteria for the evaluation and ranking of project applications for the TFCA Program. Cost-effectiveness, expressed in terms of TFCA dollars per ton of reduced emissions, is the most important criterion for ranking projects.

In addition to reducing air pollution, including toxic particulate matter, TFCA-funded projects have other benefits including the following:

- Conserving energy and helping to reduce emissions of carbon dioxide (CO<sub>2</sub>), a greenhouse gas;
- Reducing traffic congestion;
- Improving quality of life for its residents and commuters by expanding access to services that provide first and last-mile connections to rail, ferry, and mass transit; and
- Improving physical fitness and public safety by facilitating pedestrian and other car-free modes of travel.

**State legislation restricts TFCA funding to the following 11 types of projects:**

- Implementation of ridesharing programs
- Clean fuel school and transit bus purchases or leases
- Feeder bus or shuttle service to rail and ferry stations and to airports
- Arterial traffic management
- Rail-bus integration and regional transit information systems
- Demonstrations in congestion pricing of highways, bridges and public transit
- Low-emission vehicle projects
- Smoking vehicles program
- Vehicle buy-back scrappage program
- Bicycle facility improvement projects
- Physical improvements that support “smart growth” projects

This report summarizes the expenditures and effectiveness of the TFCA Regional Fund projects and Air District-sponsored programs that concluded during fiscal year ending (FYE) 2015.

**Key Highlights**

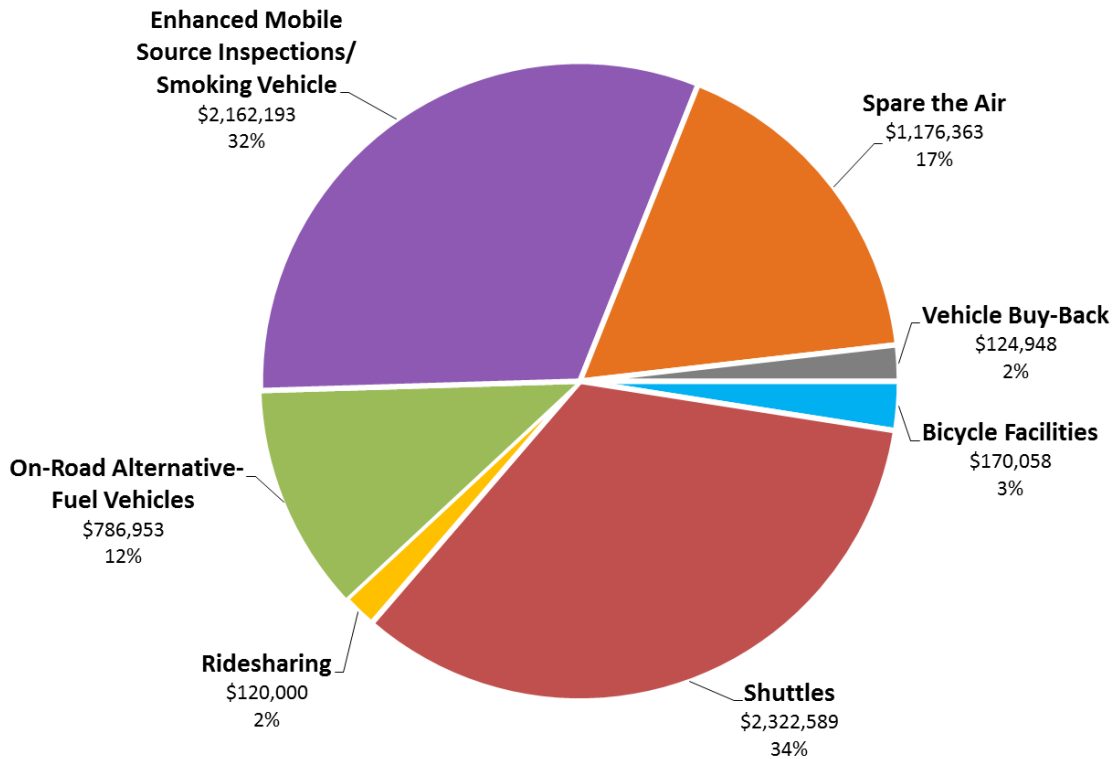
- TFCA funds were allocated to eligible projects and programs, consistent with the legislation that authorizes the TFCA program.
- The TFCA expenditures for projects and programs that concluded in FYE 2015, and administrative costs totaled \$7.63 million. This includes \$3.40 million in Regional Fund projects, \$3.46 million in Air District-sponsored programs, and \$765,101 in administrative and indirect costs.
- These projects and programs reduced criteria pollutant emissions over their lifetimes by an estimated 124.8 tons, including 27.70 tons of reactive organic gases (ROG), 62.72 tons of nitrogen oxides (NO<sub>x</sub>), and 34.35 tons of particulate matter (PM<sub>10</sub>). The lifetime reduction of carbon dioxide (CO<sub>2</sub>), a greenhouse gas, is estimated to be over 62,717 tons.
- These projects and programs achieved a combined weighted average cost-effectiveness of \$49,545 per ton of criteria pollutant emissions reduced.

# EXPENDITURES

The TFCA expenditures for projects and programs that concluded in FYE 2015, and administrative costs totaled \$7.63 million. This total includes \$3.46 million for the programs administered directly by the Air District and \$3.40 million in Regional Fund grants to other organizations. In addition, the Air District expended \$765,101 in administrative and audit costs associated with the oversight of these projects and programs.<sup>1</sup> **Appendix A** lists expenditure details.

A summary of the expenditures for the TFCA Regional Fund projects and Air District-sponsored programs that concluded in FYE 2015 is shown in **Figure 1**.

**Figure 1. Expenditures for Projects and Programs Closing in FYE 2015**



# EFFECTIVENESS

The cost-effectiveness of TFCA projects and programs is calculated by dividing the TFCA funds allocated or awarded by the lifetime criteria pollutant emissions reductions (ROG, NO<sub>x</sub>, and weighted PM<sub>10</sub> combined). The result is TFCA dollars per ton of reduced emissions.

Projects and programs concluding in FYE 2015 are anticipated to reduce criteria pollutant emissions over their lifetimes by an estimated total of 124.8 tons. This total is the sum of ozone precursors (27.70 tons of ROG and

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<sup>1</sup> In FYE 2015, total TFCA revenues, for both the Regional Fund and County Program Manager Fund, were \$23.93 million. Administrative and audit costs across both programs totaled \$1.28 million.

62.72 tons of NO<sub>x</sub>) and particulate matter (34.35 tons of PM<sub>10</sub>). The lifetime reduction of CO<sub>2</sub> is estimated to be over 62,717 tons.<sup>2</sup>

The Regional Fund projects and Air District-sponsored programs that concluded in FYE 2015 achieved a combined weighted-average cost-effectiveness of \$49,544.51 per ton of criteria pollutant emissions reduced.

A summary of expenditures, emission reductions, and cost-effectiveness values by program category is provided in **Table 1**.

**Table 1: Emission Reductions and Cost-Effectiveness (C/E) by Program Category for Projects and Programs Concluding in FYE 2015**

Category	# of Projects	TFCA \$ Expended	% of TFCA \$ Expended	Emissions Reduced (tons) <sup>a</sup>	% of Emissions Reduced	C/E - Weighted (\$/ton) <sup>b</sup>
Bicycle Facilities	17	\$170,058	2.48%	1.84	1%	\$90,000 <sup>c</sup>
Shuttles	6	\$2,322,589	33.84%	20.57	16%	\$95,398 <sup>d</sup>
Ridesharing	1	\$120,000	1.75%	4.33	3%	\$18,794
On-Road Alternative-Fuel Vehicles	2	\$786,953	11.47%	23.55	19%	\$86,354
Enhanced Mobile Source Inspections/Smoking Vehicle Program	1	\$2,162,193	31.50%	4.55	4%	\$307,739
Spare the Air Program	1	\$1,176,363	17.14%	69.93	56%	\$17,612
Vehicle Buy-Back Program	1	\$124,948 <sup>e</sup>	1.82%	-	-	-
<b>Total for Projects and Programs<sup>f</sup></b>	<b>29</b>	<b>\$6,863,104</b>	<b>100%</b>	<b>124.77</b>	<b>100%</b>	<b>\$49,545</b>
<b>Administration</b>		<b>\$765,101</b>				

(a) Lifetime emission reductions of ROG, NO<sub>x</sub>, and PM<sub>10</sub> combined.

(b) Consistent with the current California Air Resources Board methodology to calculate cost-effectiveness for the Carl Moyer Program (CMP), PM tail-pipe emissions were weighted by a factor of 20 to account for their harmful impacts on human health.

(c) Emissions reduced from the bicycle facility projects were determined using the default cost-effectiveness value of \$90,000 per ton of emissions reduced.

(d) Four of six projects were cost-effective.

(e) Total FYE 2015 program cost was \$7,124,948, which includes funds from CMP, Mobile Source Incentive Fund (MSIF), and TFCA.

(f) Total may vary due to rounding.

Three of the 29 projects and programs listed in Table 1 achieved lower-than-originally-estimated emissions reductions. The following sections provide further analysis of those programs and projects that achieved lower-than-originally-estimated emissions reductions: the Enhanced Mobile Source Inspection/Smoking Vehicle Program and two shuttle projects.

### ENHANCED MOBILE SOURCE INSPECTION/SMOKING VEHICLE PROGRAM

In FYE 2015, this program achieved a final cost-effectiveness of \$307,739 per ton of emissions reduced. This is a result of a conservative evaluation that is based on the completed repair of 82 vehicles. For comparison, in FYE 2014 the program completed the repair of 88 vehicles (31 diesel vehicles and 57 gasoline vehicles) and achieved a cost-effectiveness of \$277,236 per ton of emissions reduced. The difference in cost-effectiveness can be attributed primarily to the number of repaired vehicles.

<sup>2</sup> Lifetime reduction in carbon dioxide from the Enhanced Mobile Source Inspections/Smoking Vehicle and Vehicle Buy-Back Programs are not included in the total amount.

Alternatively, if we assume 17.5%<sup>3</sup> (549 vehicles) of all smoking vehicle complaints had repaired their vehicles, then this would result in a cost-effectiveness of \$45,925 per ton of emissions reduced.

Staff is exploring options to refine the methodology that is used to evaluate this project type in order to ensure that all emission reductions are captured.

## SHUTTLE PROGRAM

Overall the Shuttle Program, consisting of six projects that closed in FYE 2015, achieved a total cost-effectiveness of \$95,398 per ton of emissions reduced.

Four of the six projects in this category met the established cost-effectiveness cap for the program and two projects did not.<sup>4</sup> For both projects that exceeded the established cost-effectiveness threshold, the Project Sponsors reported that their project did not result in the number of mode shifts from single-occupancy vehicles that they had anticipated would occur during the project's term.

Over time, the cost-effectiveness of trip-reduction projects, and specifically shuttle projects, has been (negatively) affected as the Bay Area's fleet becomes increasingly cleaner. For the past two years, Air District staff has conducted extensive outreach to solicit input from trip-reduction project stakeholders and interested parties to obtain their feedback on options for meeting this challenge. Based on this feedback, staff has proposed annual increases to the cost-effectiveness threshold for shuttle projects, which has gone from \$90,000 (for projects that were awarded funding before FYE 2013) to the current threshold of \$175,000/ton of emissions reduced for existing projects and up to \$200,000/ton of emissions reduced for existing projects in Air District designated Community Air Risk Evaluation (CARE) areas and Priority Development Areas. This change has allowed a greater number of shuttle service projects to remain eligible for funding. Additionally, in May 2015, the Air District's Board of Directors approved funding for a new program category that will provide funding for innovative and cost-effective pilot projects that provide first- and last-mile connections. The resulting Pilot Trip Reduction Program is scheduled to open in early calendar year 2016.

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<sup>3</sup> Out the 3,136 Smoking Vehicle Complaints in FYE 2015 only 468 responded to the survey; of those who responded 82 (17.5%) reported making repairs.

<sup>4</sup> For the purpose of this report, the shuttle projects that closed in FYE 2015 had a cost-effectiveness cap of \$90,000 per ton of emissions reduced for existing projects began in FYE 2012 and a cap of \$175,000 per ton of emissions reduced for existing projects began in FYE 2014.

# APPENDIX A: TFCA Regional Fund Projects and Air District Programs Concluding in FYE 2015

Project #	Sponsor	Project Title	C/E - Weighted (\$/ton)	TFCA \$ Expended
08BFP04	Successor Agency to Richmond Community Redevelopment Agency	Barrett Avenue Bicycle Lane	\$90,000.00	\$20,218.10
09BFP12	SF Municipal Transportation Agency	San Francisco Citywide Bicycle Racks Installation	\$90,000.00	\$83,760.00
09R25	Waste Management of Alameda County, Inc.	(31) CNG Refuse Trucks	\$21,005.04	\$476,000.00
09R44	Pacific Gas & Electric	(46) E-PTO Hybrid Utility Trucks Demonstration	\$186,388.55	\$310,952.69
12R19	SF Municipal Transportation Agency	82X	\$383,536.00	\$122,000.00
13BR004	Sausalito Marin City School District	Year 1 - BRVP	\$90,000.00	\$4,200.00
13BR014	UC San Francisco Medical Center	Year 1 - BRVP	\$90,000.00	\$12,000.00
13BR015	Larkspur-Corte Madera School District	Year 1 - BRVP	\$90,000.00	\$6,720.00
13BR017	Fremont Unified School District	Year 1 - BRVP	\$90,000.00	\$1,680.00
13BR022	City of Morgan Hill	Year 1 - BRVP	\$90,000.00	\$360.00
13BR026	Livermore Valley Joint Unified School District	Year 1 - BRVP	\$90,000.00	\$2,520.00
13BR028	Alameda County General Services Agency	Year 1 - BRVP	\$80,625.00	\$3,440.00
13BR029	Jordan Middle School	Year 1 - BRVP	\$90,000.00	\$7,200.00
13BR030	Palo Alto High School	Year 1 - BRVP	\$90,000.00	\$10,320.00
13BR031	City of Novato	Year 1 - BRVP	\$90,000.00	\$3,240.00
13BR033	City of Pittsburg	Year 1 - BRVP	\$90,000.00	\$1,440.00
13BR035	City of Sausalito	Year 1 - BRVP	\$90,000.00	\$3,600.00
13BR036	City of Richmond	Year 1 - BRVP	\$90,000.00	\$1,920.00
14R07	City of Oakland	City of Oakland Broadway Shuttle	\$101,332.00	\$219,518.00
14R09	Alameda County	Bay Fair BART Shuttle	\$165,294.00	\$16,400.00
14R12	San Joaquin Regional Rail Commission	Shuttle/Feeder Bus	\$70,760.00	\$49,723.06
14R14	Peninsula Corridor Joint Powers Board	Caltrain Shuttle Program	\$92,958.00	\$954,947.99
14R16	Santa Clara Valley Transportation Authority	ACE Shuttle Bus Program	\$59,933.00	\$960,000.00
14R18	Associated Students, San Jose State University	SJSU Ridesharing & Trip Reduction	\$18,794.00	\$120,000.00
15BR001	Los Altos High School	Year 2 - BRVP	\$90,000.00	\$4,800.00
15BR004	Fremont High school	Year 2 - BRVP	\$90,000.00	\$2,640.00
<b>26</b>	<b>Projects</b>	<b>Subtotal Projects:</b>		<b>\$3,399,599.84</b>
FYE 2015	BAAQMD	Smoking Vehicle Program/Enhanced Mobile Source Inspections	\$307,739	\$2,162,193.19
FYE 2015	BAAQMD	Spare the Air	\$17,611.60	\$1,176,363.25
FYE 2015	BAAQMD	Admail for Vehicle Buy-Back (TFCA portion) <sup>a</sup>	-	\$124,947.85
<b>3</b>	<b>Programs</b>	<b>Subtotal Air District Programs:</b>		<b>\$3,463,504.29</b>
FYE 2015	BAAQMD	TFCA Regional Fund Administration <sup>b</sup>	-	\$765,100.96
<b>Subtotal TFCA Regional Fund Administration:</b>				<b>\$765,100.96</b>
<b>GRAND TOTAL:</b>				<b>\$7,628,205.09</b>

(a) Total FYE 2015 program cost (which includes funds from CMP, MSIF, and TFCA) was \$7,124,947.85.

(b) Sixty percent of the total administrative and audit costs expended in FYE 2015.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Carole Groom and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/Air Pollution Control Officer

Date: December 7, 2015

Re: Report of the Budget and Finance Committee Meeting of December 7, 2015

RECOMMENDED ACTION

The Budget and Finance Committee (Committee) received only informational items and has no recommendations of approval by the Board of Directors (Board).

BACKGROUND

The Committee met on Monday, December 7, 2015, and received the following reports and recommendations:

- A) Fourth Quarter Preliminary Financial Report – Fiscal Year Ending 2015; and
- B) Air Resources Board and Department of Finance Audits.

Chairperson David Hudson will provide an oral report of the Committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) None; receive and file.
- B) None; receive and file.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Tom Flannigan  
Reviewed by: Maricela Martinez

Attachment 11A: 12/7/15 – Budget and Finance Meeting Agenda #4  
Attachment 11B: 12/7/15 – Budget and Finance Meeting Agenda #5

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson David Hudson and Members  
of the Budget and Finance Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: November 24, 2015

Re: Fourth Quarter Preliminary Financial Report – Fiscal Year Ending 2015

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Finance staff will present a preliminary update on the Air District’s financial results for the fourth quarter of the 2014-15 fiscal year. The following information summarizes those results.

GENERAL FUND BUDGET: STATEMENT OF REVENUES

Comparison of Budget to Actual Revenues

County Receipts	\$ 25,859,397	(115%) of budgeted revenue.
Permit Fees	\$ 29,819,491	(108%) of budgeted revenue.
Title V Permit Fees	\$ 4,490,995	(116%) of budgeted revenue.
Asbestos Fees	\$ 3,247,403	(141%) of budgeted revenue.
Toxic Inventory Fees	\$ 408,666	(74%) of budgeted revenue.
Penalties and Settlements	\$ 2,744,150	(160%) of budgeted revenue.
Interest Revenues	\$ 364,056	(192%) of budgeted revenue.
Miscellaneous Revenues	\$ 119,682	(104%) of budgeted revenue.

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES

Comparison of Budget to Actual Expenditures

Personnel - Salaries*	\$34,905,105	(100%) of budgeted expenditures.
Personnel - Fringe Benefits*	\$16,580,631	(108%) of budgeted expenditures.
Operational Services and Supplies	\$12,159,070	(80%) of budgeted expenditures.
Capital Outlay	\$ 4,102,505	(99%) of budgeted expenditures
* Consolidated (includes Special Funds)		



**CASH AND INVESTMENTS IN COUNTY TREASURY**

( Based on the June 2015 Account Balance)

General Fund	\$49,908,197
TFCA	\$75,652,785
MSIF	\$30,197,127
Carl Moyer	\$7,208,074
CA Goods Movement	\$10,048,106
<b>Total</b>	<b>\$173,014,289</b>

<b>FUND BALANCES</b>	<b>6/30/2014 Audited</b>	<b>Board Approved Transfer</b>	<b>6/30/2015 Unaudited</b>
Reserve for Building and Facilities	\$ 500,000	\$ (500,000)	\$ -
Reserve for Capital Equipment Contingency	\$ 1,000,000		\$ 1,000,000
Reserve for Economic Contingency	\$ 10,114,309		\$ 10,114,309
Reserve for Fleet Contingency	\$ -		\$ -
Reserve for IT-Desktop Equipment	\$ 500,000		\$ 500,000
Reserve for IT- Event Response	\$ 500,000		\$ 500,000
Reserve for JD Edwards Software Upgrade	\$ 1,000,000	\$ (1,000,000)	\$ -
Reserve for Pension & Post Employment Liability	\$ 1,800,000		\$ 1,800,000
Reserve for Tech- GHG Monitoring Equipment	\$ 360,900	\$ (360,900)	\$ -
Reserve for Tech- Meterological Network Equipment	\$ 417,100		\$ 417,100
Reserve for Tech- Mobile Monitoring Instruments	\$ 450,000		\$ 450,000
Reserve for GHG Abatement Technology Study	\$ -		\$ -
Reserve for Woodsmoke Program	\$ -		\$ -
Reserve for Worker's Comp Self-Funding	\$ 1,000,000		\$ 1,000,000
<b>TOTAL RESERVES</b>	<b>\$ 17,642,309</b>	<b>\$ (1,860,900)</b>	<b>\$ 15,781,409</b>
Undesignated Fund Balance	\$ 7,404,751	\$ -	\$ 15,122,475
<b>TOTAL RESERVES/ UNDESIGNATED</b>	<b>\$ 25,047,060</b>	<b>\$ (1,860,900)</b>	<b>\$ 30,903,884</b>
Building Proceeds	\$ 14,668,200	\$ (500,000)	\$ 14,168,200
<b>TOTAL BUILDING PROCEEDS</b>	<b>\$ 14,668,200</b>	<b>\$ (500,000)</b>	<b>\$ 14,168,200</b>
<b>TOTAL FUND BALANCE</b>	<b>\$ 39,715,260</b>	<b>\$ (2,360,900)</b>	<b>\$ 45,072,084</b>

**VENDOR PAYMENTS**

In accordance with provisions of the Administrative Code, Division II Fiscal Policies and Procedures - Section 4 Purchasing Procedures: 4.3 Contract Limitations, staff is required to present recurring payments for routine business needs such as utilities, licenses, office supplies

and the like, more than, or accumulating to more than \$70,000 for the fiscal year. In addition, this report includes all of the vendors receiving payments in excess of \$70,000 under contracts that have not been previously reviewed by the Board. In addition, staff will report on vendors that undertook work for the Air District on several projects that individually were less than \$70,000, but cumulatively exceed \$70,000.

Below is a list of vendors including payments made during the fourth quarter of 2014-2015 fiscal year that exceeded \$70,000 and meets the reporting criteria noted above. All expenditures have been appropriately budgeted as a part of the overall Air District budget for Fiscal Year 2014-15.

	<b>VENDOR NAME</b>	<b>AMOUNT PAID (July 2014 - June 2015)</b>	<b>Explanation</b>
1	ALLIANT INSURANCE SERVICES	420,140	Various Business Insurance Policies
2	BENEFIT COORDINATORS CORP	739,642	Life Insurance Plan & LTD Insurance
3	BOARD OF REGENTS	117,054	Laboratory analysis services
4	CA PUBLIC EMPLOYEE RETIREMENT SYSTEM	5,810,518	Health Insurance Plan
5	CA PUBLIC EMPLOYEE RETIREMENT SYSTEM	8,868,853	Retirement Benefits & 457 Supplemental Plan
6	CAPCOA	640,106	Pass through EPA grants
7	CERIDIAN	95,529	Payroll Processing Services
8	COMCAST	142,746	Internet Connections
9	COMPUCOM SYSTEMS, INC.	183,120	Microsoft license agreement
10	COMPUTER DISCOUNT WAREHOUSE	94,426	IT Servers Maintenance
11	CUBIC TRANSPORTATIONS SYSTEMS	302,732	Clipper Transit Subsidy
13	DIRECT MAIL CENTER	111,258	Bulk Mailing Services
14	EMPLOYEE BENEFIT SPECIALISTS	212,342	Medical & Dependent Care Flexible Spending Plan
15	ENTERPRISE FLEET SERVICES	505,186	Fleet Leasing and Maintenance services
16	EPLUS TECHNOLOGY, INC.	138,543	Cisco Maintenance and Support
17	HARTFORD LIFE INS. CO.	442,770	457 Supplemental Insurance
18	HUBBARD ELECTRICAL	74,604	PM2.5 Instrumentation and shelters
19	LEARN IT	80,000	Deposit for employee education and training
20	MET ONE INSTRUMENTS INC.	72,569	PM2.5 Instrumentation and shelters
21	NETAPP INC.	85,198	SF & SAC Net Application Support
22	PACIFIC GAS & ELECTRIC COMPANY	411,296	Utilities
23	PREFERRED BENEFIT INSURANCE AD	721,646	Dental Insurance Plan
24	RENNE SLOAN HOLTZMAN & SAKAI	167,703	Human Resources Consulting Services
25	RICHMOND PARKWAY BUSINESS PARK	167,261	Building Lease
26	SONOMA TECHNOLOGY INC.	182,904	Programming & Special Studies
27	THERMO ENVIRONMENTAL INSTRUMENTS	273,759	Air monitoring and source test instrumentation
28	VERIZON WIRELESS	212,424	Cell phone services
29	WRIGHT EXPRESS FLEET SERVICES	121,548	Fuel for Fleet

BUDGET CONSIDERATION/FINANCIAL IMPACT

None; receive and file.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Stephanie Osaze  
Reviewed by: Jeff McKay

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson David Hudson and Members  
of the Budget and Finance Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: November 24, 2015

Re: First Quarter Financial Report – Fiscal Year Ending 2016

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Finance staff will present an update on the Air District’s financial results for the first quarter of the 2015-16 fiscal year. The following information summarizes those results.

GENERAL FUND BUDGET: STATEMENT OF REVENUES

Comparison of Budget to Actual Revenues

County Receipts	\$ 246,903	(1%) of budgeted revenue.
Permit Fees	\$ 14,429,633	(50%) of budgeted revenue.
Title V Permit Fees	\$ 1,728,073	(40%) of budgeted revenue.
Asbestos Fees	\$ 1,039,791	(43%) of budgeted revenue.
Toxic Inventory Fees	\$ 109,362	(20%) of budgeted revenue.
Penalties and Settlements	\$ 4,514,696	(226%) of budgeted revenue.
Interest Revenues	\$ 85,226	(45%) of budgeted revenue.
Miscellaneous Revenues	\$ 14,750	(13%) of budgeted revenue.

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES

Comparison of Budget to Actual Expenditures

Personnel - Salaries*	\$ 7,647,032	(21%) of budgeted expenditures.
Personnel - Fringe Benefits*	\$ 3,921,140	(22%) of budgeted expenditures.
Operational Services and Supplies	\$ 2,568,814	(14%) of budgeted expenditures.
Capital Outlay	\$ 453,443	(11%) of budgeted expenditures.
Office Acquisition	\$ -	(0%) of budgeted expenditures.
* Consolidated (includes Special Funds)		

**CASH AND INVESTMENTS IN COUNTY TREASURY**

( Based on the September 2015 Account Balance)

General Fund	\$47,057,922
TFCA	\$77,876,507
MSIF	\$29,539,419
Carl Moyer	\$13,120,402
CA Goods Movement	\$8,960,533
<b>Total</b>	<b>\$176,554,783</b>

	6/30/2014	6/30/2015	6/30/2016
FUND BALANCES	Audited	Unaudited	Projected
Reserve for Building and Facilities	\$ 500,000	\$ -	\$ -
Reserve for Capital Equipment Contingency	\$ 1,000,000	\$ 1,000,000	\$ 1,360,000
Reserve for Economic Contingency	\$ 10,114,309	\$ 10,114,309	\$ 14,501,024
Reserve for Fleet Contingency	\$ -	\$ -	\$ 1,000,000
Reserve for IT-Desktop Equipment	\$ 500,000	\$ 500,000	\$ 500,000
Reserve for IT- Event Response	\$ 500,000	\$ 500,000	\$ 500,000
Reserve for JD Edwards Software Upgrade	\$ 1,000,000	\$ -	\$ -
Reserve for Pension & Post Employment Liability	\$ 1,800,000	\$ 1,800,000	\$ 1,600,000
Reserve for Tech- GHG Monitoring Equipment	\$ 360,900	\$ -	\$ -
Reserve for Tech- Meterological Network Equipment	\$ 417,100	\$ 417,100	\$ 417,100
Reserve for Tech- Mobile Monitoring Instruments	\$ 450,000	\$ 450,000	\$ 450,000
Reserve for GHG Abatement Technology Study	\$ -	\$ -	\$ 500,000
Reserve for Woodsmoke Program	\$ -	\$ -	\$ 1,000,000
Reserve for Worker's Comp Self -Funding	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
<b>TOTAL RESERVES</b>	<b>\$ 17,642,309</b>	<b>\$ 15,781,409</b>	<b>\$ 22,828,124</b>
Use of Fund Balance			\$ (1,316,825)
Undesignated Fund Balance	\$ 7,404,751	\$ 15,122,475	\$ 8,075,760
<b>TOTAL RESERVES/ UNDESIGNATED</b>	<b>\$ 25,047,060</b>	<b>\$ 30,903,884</b>	<b>\$ 29,587,059</b>
Building Proceeds	\$ 14,668,200	\$ 14,168,200	\$ 5,168,200
<b>TOTAL BUILDING PROCEEDS</b>	<b>\$ 14,668,200</b>	<b>\$ 14,168,200</b>	<b>\$ 5,168,200</b>
<b>TOTAL FUND BALANCE</b>	<b>\$ 39,715,260</b>	<b>\$ 45,072,084</b>	<b>\$ 34,755,259</b>

## VENDOR PAYMENTS

In accordance with provisions of the Administrative Code, Division II Fiscal Policies and Procedures - Section 4 Purchasing Procedures: 4.3 Contract Limitations, staff is required to present recurring payments for routine business needs such as utilities, licenses, office supplies and the like, more than, or accumulating to more than \$70,000 for the fiscal year. In addition, this report includes all of the vendors receiving payments in excess of \$70,000 under contracts that have not been previously reviewed by the Board. In addition, staff will report on vendors that undertook work for the Air District on several projects that individually were less than \$70,000, but cumulatively exceed \$70,000.

Below is a list of vendors including payments made during the first quarter of 2015-2016 fiscal year that exceeded \$70,000 and meets the reporting criteria noted above. All expenditures have been appropriately budgeted as a part of the overall Air District budget for Fiscal Year 2015-16.

	<b>VENDOR NAME</b>	<b>AMOUNT PAID (July 2015 - September 2015)</b>	<b>Explanation</b>
1	ALLIANT INSURANCE SERVICES	171,556	Various Business Insurance Policies
2	BENEFITS COORDINATORS CORP.	263,663	Life Insurance Plan & LTD Insurance
3	CA PUBLIC EMPLOYEE RETIREMENT SYSTEM	2,194,825	Health Insurance Plan
4	CA PUBLIC EMPLOYEE RETIREMENT SYSTEM	2,235,638	Retirement Benefits & 457 Supplemental Plan
5	CUBIC TRANSPORTATIONS SYSTEMS	113,145	Clipper Transit Subsidy
7	ENTERPRISE FLEET SERVICES	121,264	Fleet Leasing and Maintenance services
8	HARTFORD LIFE INS. CO.	157,826	457 Supplemental Insurance
9	PACIFIC GAS & ELECTRIC COMPANY	127,516	Utilities
10	PREFERRED BENEFIT INSURANCE AD	192,193	Dental Insurance Plan

## BUDGET CONSIDERATION/FINANCIAL IMPACT

None; receive and file.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Stephanie Osaze  
Reviewed by: Jeff McKay

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Carole Groom and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/Air Pollution Control Officer

Date: December 14, 2015

Re: Report of the Executive Committee Meeting of December 14, 2015

RECOMMENDED ACTION

The Executive Committee (Committee) will receive only informational items and have no recommendations for approval by the Board of Directors.

BACKGROUND

The Committee will meet on Monday, December 14, 2015, and receive the following reports and recommendations:

- A) Hearing Board Quarterly Report – July through September 2015;
- B) Bay Area Regional Collaborative (BARC) Update; and
- C) Commuter Benefits Program Evaluation; and
- D) Bay Area Climate Action Leadership Summit; and
- E) Planning Healthy Places.

Chairperson Carole Groom will provide an oral report of the Committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) None.
- B) None.
- C) None.
- D) Initial planning and concept development work is funded out of the current year budget.
- E) None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Tom Flannigan  
Reviewed by: Maricela Martinez

Attachment 12A: 12/14/15 – Executive Committee Meeting Agenda #4  
Attachment 12B: 12/14/15 – Executive Committee Meeting Agenda #5  
Attachment 12C: 12/14/15 – Executive Committee Meeting Agenda #6  
Attachment 12D: 12/14/15 – Executive Committee Meeting Agenda #7  
Attachment 12E: 12/14/15 – Executive Committee Meeting Agenda #8



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Carole Groom and Members of the Executive Committee  
From: Chairperson Terry Trumbull, Esq., and Members of the Hearing Board  
Date: December 1, 2015  
Re: Hearing Board Quarterly Report – July through September 2015

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

During the third quarter of 2015 (July through September), the Hearing Board:

- Held one pre-hearing conference on an Accusation (3676). There were no hearings relative to Variances;
- Processed a total of four orders, consisting of a granted emergency variance (3675) and three Orders for Dismissal (3674, 3676, and 3677); and
- Collected a total of \$887.00 in filing fees.

Below is a detail of Hearing Board activity during the same period:

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**Location:** Solano County; City of Vallejo

**Docket:** 3674 APCO v. JESUS NARANJO BAUTISTA – *Accusation*

**Regulation(s):** Regulation 2, Rule 1, Section 302

**Synopsis:** Respondent is the owner, operator and billing contact for a motor vehicle refinishing operations facility. A Notice of Violation was issued to Respondent in September 2011 for operating without a valid P/O. Respondent has not had a valid P/O since April 2007. The APCO sought an Order for Abatement requiring Respondent to cease violating operating without a current P/O by (i) immediately ceasing operation of the facility, or (ii) by paying the permit fees.

**Status:** Order for Dismissal issued July 7, 2015

**Period of Variance:** n/a

**Estimated Excess Emissions:** n/a

**Fees collected this quarter:** \$0.00

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**Location:** Solano County; City of Suisun City

**Docket:** 3675 CREED ENERGY CENTER, LLC – *Application for Emergency Variance*

**Regulation(s):** Regulation 2, Rule 1, Section 307; Regulation 2, Rule 6, Section 307; and Permit Condition # 20136, Parts 198.2. and 23.b.

**Synopsis:** Applicant operates a natural gas-fired power plant and seeks a variance because a source test indicated excess ammonia emissions from the primary engine turbine. Applicant suspects the test results were caused by ammonia stratification and will re-test and, if necessary, evaluate whether the selective catalytic reduction abatement device is the cause and work to remedy it.

**Status:** Order for Granting Emergency Variance issued July 15, 2015.

**Period of Variance:** June 29, 2015 to July 29, 2015

**Estimated Excess Emissions:** Ammonia (unknown/if any)

**Fees collected this quarter:** \$887.00

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**Location:** Solano County; City of Vallejo

**Docket:** 3676 APCO v. NINO QUALITY MOTORS, INC; and ELIAS GHATTES aka: ELIAS GHATTAS – *Accusation*

**Regulation(s):** Regulation 2, Rule 1

**Synopsis:** Respondent is the owner, operator and billing contact for a motor vehicle refinishing operations facility. A Notice of Violation was issued to Respondent in January 2014 for operating without a valid P/O. Respondent has not had a valid P/O since 2005. The APCO sought an Order for Abatement requiring Respondent to cease violating operating without a current P/O by (i) ceasing operation of the facility 15 days after the Order for Abatement effective date, or (ii) by paying the permit fees.

**Status:** Order for Dismissal issued September 15, 2015.

**Period of Variance:** n/a

**Estimated Excess Emissions:** n/a

**Fees collected this quarter:** n/a

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**Location:** Santa Clara County; City of San Jose

**Docket:** 3677 APCO v. BP WEST COAST PRODUCTS, LLC; and HIWAY FARM LLC – *Accusation*

**Regulation(s):** Regulation 2, Rule 1, Section 302

**Synopsis:** Applicant operates a gas station for which they must hold a District permit to operate gasoline dispensing equipment. A Notice of Violation was issued to Respondent in December 2014 for operating without a valid P/O. Applicant has conducted gas dispensing operations at this facility since June 2014 without a valid District permit. The APCO sought a conditional order of abatement requiring responded to cease such operations until they obtain a valid P/O.

**Status:** Order for Dismissal issued September 10, 2015.

**Period of Variance:** n/a

**Estimated Excess Emissions:** n/a

**Fees collected this quarter:** n/a

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**Location:** Contra Costa County; City of Antioch

**Docket:** 3678 APCO v. BILL BINDAL – *Accusation*

**Regulation(s):** Regulation 2, Rule 1, Section 302

**Synopsis:** Applicant operates a gas station for which they must hold a District permit to operate gasoline dispensing equipment. Applicant has conducted gas dispensing operations at this facility since April 2015 without a valid District permit and without a current permit in place since April 2011.

**Status:** Notice of Pre-Hearing Conference issued on September 15, 2015.

**Period of Variance:** n/a

**Estimated Excess Emissions:** n/a

**Fees collected this quarter:** n/a

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**Location:** Alameda County; City of Hayward

**Docket:** 3679 APCO v. ALBERTO MENDOZA – *Accusation*

**Regulation(s):** Regulation 2, Rule 1

**Synopsis:** Applicant operates an auto body painting operation. A Notice of Violation was issued to Respondent in 2015 for failure to renew its P/O. This facility has operated for three years in violation of the above regulation.

**Status:** Request for Pre-Hearing Conference filed by Complainant on September 15, 2015.

**Period of Variance:** n/a

**Estimated Excess Emissions:** n/a

**Fees collected this quarter:** n/a

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Respectfully submitted,

Terry Trumbull, Esq.  
Chair, Hearing Board

Prepared by: Maricela Martinez

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Memorandum

To: Chairperson Carole Groom and Members  
of the Executive Committee

From: Jack P. Broadbent  
Executive Officer/Air Pollution Control Officer

Date: December 7, 2015

Re: Bay Area Regional Collaborative (BARC) Update

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RECOMMENDED ACTION

None; receive and file.

BACKGROUND

The Bay Area Regional Collaborative (i.e., the Joint Policy Committee) consists of Board/Commission representatives of the four regional agencies and provides a forum for discussing issues of regional importance.

DISCUSSION

At the upcoming Executive Committee meeting, BARC Director, Allison Brooks, will provide an update on the activities of the Bay Area Regional Collaborative.

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Jean Roggenkamp

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

## Memorandum

To: Chairperson Carole Groom and Members  
of the Executive Committee

From: Jack P. Broadbent  
Executive Officer/Air Pollution Control Officer

Date: November 30, 2015

Re: Commuter Benefits Program Evaluation

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RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Senate Bill (SB) 1339 was enacted in fall 2012, authorizing the Air District and the Metropolitan Transportation Commission (MTC) to jointly develop a regional commuter benefits program on a pilot basis through the end of calendar year 2016. Pursuant to SB 1339, the Air District Board of Directors and the MTC Commission adopted Regulation 14, Rule 1: Bay Area Commuter Benefits Program (Program) in March 2014. The Program requires employers with 50 or more full-time employees within the boundaries of the Air District to select one of four commuter benefit options to offer to their employees, to notify employees about the commute benefit selected, and to register via the 511.org website.

DISCUSSION

SB 1339 requires the Air District and MTC to submit a report to the Legislature by July 1, 2016 summarizing the results of the Program in decreasing single-occupant vehicle trips to Bay Area worksites and reducing emissions of greenhouse gases and other air pollutants. To evaluate the effectiveness of the Program, a survey of Bay Area employees who work for employers covered by the Program was performed in Spring 2015. Air District and MTC staff have prepared a draft report to the Legislature based upon information from the employee survey and the employer registration database. The draft report concludes that the Program has been effective in helping to reduce motor vehicle trips and emissions, and in expanding the number of Bay Area employers who offer commuter benefits to their employees. Staff will present an overview of the Program and key findings in the draft evaluation report.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: David Burch  
Reviewed by: Henry Hilken

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

## Memorandum

To: Chairperson Carole Groom and Members  
of the Executive Committee

From: Jack P. Broadbent  
Executive Office/APCO

Date: December 7, 2015

Re: Bay Area Climate Action Leadership Summit

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**RECOMMENDED ACTION**

None; receive and file.

**BACKGROUND**

On November 11, 2006, during our 50<sup>th</sup> anniversary year, the Air District hosted the 2006 Climate Protection Summit with a keynote address by Vice President Al Gore, on the heels of the release of “An Inconvenient Truth.” At the 2006 Climate Summit, the Air District announced a \$3 million grant program to fund projects and programs that help protect the climate by reducing greenhouse gas emissions – the first of its kind by a public agency in California.

The 2006 Climate Summit helped the region recognize the threat and risk of climate change and move toward putting important policies and programs into place to seriously address GHG emissions. Game-changing local actions supported by the Air District included Marin County’s community choice aggregation program and Berkeley’s property assessed clean energy (PACE) program. Since then, Air District actions have included hosting the 2009 Climate Summit in Oakland, supporting local climate action plans and creating the Air District’s new Climate Protection Office.

Hosting a 2016 Climate Action Leadership Summit will build upon these successes and prompt a new round of game-changing actions in the Bay Area.

**DISCUSSION**

Next year marks the 60<sup>th</sup> anniversary year of the Bay Area Air District, and ten years after the first Climate Summit hosted by the Air District. A 2016 Climate Action Leadership Summit will provide an opportunity to recognize the Bay Area’s progress to date and spur enhanced Bay Area climate initiatives and leadership. The Air District will draw from the success of past summits and work to develop a new, modern approach to information exchange, interaction and connecting people and ideas. A framework for the 2016 Summit along with proposed costs will come to the Board in the first quarter of 2016.



City and county government planning offices, local elected leaders, regional industries, non-profits and academia will be invited to attend this event. The nine-county Bay Area region and the state of California have proven that leading through bold action can make a difference and has a ripple effect across the nation. We expect the 2016 Climate Action Leadership Summit to further galvanize regional planning and action to find creative approaches to reducing local greenhouse gases that can be replicated for statewide and national impact.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Initial planning and concept development work is funded out of the current year budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Lisa Fasano  
Reviewed by: Jean Roggenkamp

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

## Memorandum

To: Chairperson Carole Groom and Members of the Executive Committee

From: Jack P. Broadbent, Executive Officer/APCO

Date: November 30, 2015

Re: Planning Healthy Places

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**RECOMMENDED ACTION**

None; receive and file.

**BACKGROUND**

Although air pollution levels throughout the region have decreased in recent decades, some communities in the Bay Area still experience higher levels of air pollution and therefore higher incidences of adverse health effects than others. The CARE Program and Clean Air Communities Initiative have sought to identify these disproportionately impacted areas and reduce local emissions and exposures. However, air pollutant concentrations remain elevated in close proximity to air pollution sources, such as near freeways, busy roadways, and large industrial facilities. Often, these areas with higher levels of air pollution are located in cities where infill development is planned to occur. High density, mixed-use and transit-oriented development is vital in order to reduce air pollution emissions from on-road vehicles, and for the region overall to attain health based ambient air quality standards and to reduce greenhouse gas emissions. However, potential exposure of sensitive populations to air pollution in these areas should be addressed early in the planning process to ensure that healthy infill development is planned appropriately in these communities.

**DISCUSSION**

To address the issue of “healthy infill development”, Air District staff has been leading an effort to prepare a guidance document entitled, “Planning Healthy Places”. The document includes detailed maps of local air pollution and recommends feasible and effective “best practices” to minimize exposure. The purpose of this effort is to encourage local governments to address and minimize potential local air pollution early in the land use planning process. Staff will provide an update on this effort, including information on the tools provided for local government agencies, developers, and the general public.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Jackie Winkel  
Reviewed by: Henry Hilken

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Carole Groom and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/Air Pollution Control Officer

Date: December 14, 2015

Re: Report of the Ad Hoc Building Oversight Committee Meeting of December 14, 2015

RECOMMENDED ACTION

The Ad Hoc Building Oversight Committee (Committee) will receive only informational items and will have no recommendations of approval by the Board of Directors.

BACKGROUND

The Committee will meet on Monday, December 14, 2015, and receive the following reports:

- A) Bay Area Metro Center (375 Beale Street) Project Status Report- November, 2015; and
- B) Move-in Schedule for 375 Beale Street.

Chairperson Carole Groom will provide an oral report of the Committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) None.
- B) None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Tom Flannigan  
Reviewed by: Maricela Martinez

Attachment 13A: 12/14/15 – Ad Hoc Building Committee Meeting Agenda #4  
Attachment 13B: 12/14/15 – Ad Hoc Building Committee Meeting Agenda #5

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Carole Groom and Members  
of the Ad Hoc Building Oversight Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: November 30, 2015

Re: Bay Area Metro Center (375 Beale Street) Project Status Report- November, 2015

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

The Bay Area Air Quality Management District (Air District) is scheduled to relocate its headquarters and operations to the Bay Area Metro Center located at 375 Beale Street in the first quarter of 2016. The Bay Area Metro Center Headquarters for the Air District will help foster collaboration among the Metropolitan Transportation Commission (MTC), the Association of Bay Area Governments (ABAG) and the Air District through co-location.

The Drug Enforcement Administration (DEA) moved out of 375 Beale Street on March 18, 2015. The Construction schedule was revised by McCarthy Builders, Inc. (McCarthy) to account for the DEA's move and the subsequent decommissioning of the space.

DISCUSSION

**Construction**

The State Fire Marshall inspections needed to obtain a Certificate of Occupancy started in November, 2015. This inspection includes testing of the fire alarm system, and the testing of the atrium smoke evacuation system. The exterior scaffolding will remain in place through December when the window seals have been installed. Move-in dates are being evaluated for our partner agencies. These dates will depend on several factors, including receiving a Certificate of Occupancy by the Fire Marshall; technology implementation for shared technology services and completion of the installation of a new Beale Street sidewalk.

**Inter-Agency Collaboration**

The Air District, MTC, and ABAG staff meet regularly to discuss shared business operations and technology solutions. The current focus of these meetings is on finalizing a plan to jointly share various business operations services.

## **Furniture Procurement**

The ordering of furniture for workstations and private offices has been completed. Workstations and office furniture has been installed on Level 6, and installation of workstation and office furniture has begun on Level 7. Other furniture including conference room tables; furniture for public spaces, ancillary rooms, and teaming areas is being sourced. Agency staff are working with move contractor, ReloConnect, to identify existing furniture that can be reused at the Bay Area Metro Center.

### BUDGET CONSIDERATION

None.

Respectfully,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Mary Ann Okpalaugo  
Reviewed by: Damian Breen

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Carole Groom and Members  
of the Ad Hoc Building Oversight Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: November 30, 2015

Re: Move-in Schedule for 375 Beale Street

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RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Construction of the Bay Area Metro Center began in January, 2013, with excavation, foundation strengthening, and demolition of the interior of the building including the atrium demolition that concluded in January, 2014. The framing of offices and installation of utilities work began in July, 2014, and is continuing on Levels 1, 2, 6, 7 and 8. As this work nears completion, it is important to have certainty as to when the facility will be both fully ready for occupancy and fully capable of supporting Bay Area Air Quality Management District (Air District) operations.

DISCUSSION

In order to establish certainty around a move in date, Air District, Metropolitan Transportation Commission (MTC), Bay Area Headquarters Authority (BAHA), and Association of Bay Area Governments (ABAG) staff have been working together to establish a schedule that highlights key milestones by which to track the construction project.

Based on the schedule, staff can fine-tune its move planning and adjust its operations to minimize disruption for staff, the regulated community and public. As part of this report staff will present the jointly developed schedule to the Committee, discuss its move planning activities and its operational plan for the transition from 939 Ellis Street to 375 Beale Street.

BUDGET CONSIDERATIONS

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Damian Breen