



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

BOARD OF DIRECTORS  
MOBILE SOURCE COMMITTEE

COMMITTEE MEMBERS

SCOTT HAGGERTY - CHAIR  
JOHN AVALOS  
CAROLE GROOM  
CAROL KLATT  
ROGER KIM

MARY PIEPHO – VICE CHAIR  
TOM BATES  
DAVID HUDSON  
LIZ KNISS

**THURSDAY  
JANUARY 22, 2015  
9:30 A.M.**

**7<sup>TH</sup> FLOOR BOARD ROOM  
939 ELLIS STREET  
SAN FRANCISCO, CA 94109**

**AGENDA**

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

*The Committee Chair shall call the meeting to order and the Clerk of the Boards shall take roll of the Committee members.*

2. **PUBLIC COMMENT PERIOD**

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

3. **APPROVAL OF MINUTES OF NOVEMBER 13, 2014, AND DECEMBER 18, 2014**

**Clerk of the Boards/5073**

*The Committee will consider approving the attached draft minutes of the Mobile Source Committee meeting of November 13, 2014, and December 18, 2014.*

4. **PROJECTS WITH PROPOSED GRANT AWARDS OVER \$100,000**

**A. Fournier/4961**

**[afournier@baaqmd.gov](mailto:afournier@baaqmd.gov)**

*The Committee will consider recommending Board of Directors' approval of Carl Moyer Program and Transportation Fund for Clean Air projects requesting grant funding in excess of \$100,000, and authorization for the Executive Officer/APCO to execute grant agreements for the recommended projects.*

5. **PARTICIPATION IN YEAR 17 OF THE CARL MOYER PROGRAM**

**A. Fournier/4961**

**[afournier@baaqmd.gov](mailto:afournier@baaqmd.gov)**

*The Committee will consider recommending Board of Directors' approval of a resolution authorizing the Air District's participation in Year 17 of the Carl Moyer Program and allocation of required match funding.*

6. **SELECTION OF AN AUDITOR FOR DISTRICT'S FINANCIAL AND GRANT PROGRAM AUDITS**  
A. Fournier/4961  
[afournier@baaqmd.gov](mailto:afournier@baaqmd.gov)

*The Committee will consider recommending Board of Directors' approval of a contract not to exceed \$217,022 for audit services covering the Air District's Financial Audit, TFCA Projects and Programs, and Greenhouse Gas Reduction Grant Program.*

7. **AIR DISTRICT GRANT PROGRAMS OVERVIEW**  
A. Fournier/4961  
[afournier@baaqmd.gov](mailto:afournier@baaqmd.gov)

*The Committee will receive an informational report on grant funds allocated by the Air District in calendar year 2014, and projected funding availability and proposed priorities for grant programs in calendar year 2015.*

8. **COMMITTEE MEMBER COMMENTS**

*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)*

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

*Thursday, February 26, 2015, Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, California 94109 at 9:30 a.m.*

10. **ADJOURNMENT**

*The Committee meeting shall be adjourned by the Committee 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 Mobile Source Committee" and received at least 24 hours prior, excluding weekends and holidays, in order to be presented at that Committee meeting. Any correspondence received after that time will be presented to the Committee at the following meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities notification to the Clerk's Office should be given in a timely manner, so that arrangements can be made accordingly.

Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the District's offices at 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body.

**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**

**JANUARY 2015**

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Executive Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month) - CANCELLED</i>	Monday	19	9:30 a.m.	Board Room
<b>Board of Directors Special Meeting/Retreat</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	21	9:45 a.m.	City of SSF Municipal Services Building – 33 Arroyo Drive, South San Francisco, CA 94080
<b>Board of Directors Mobile Source Committee</b> <i>(Meets on the 4<sup>th</sup> Thursday of each Month)</i>	Thursday	22	9:30 a.m.	Board Room
<b>Board of Directors Personnel Committee</b> <i>(At the Call of the Chair)</i>	Monday	26	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	28	9:30 a.m.	Board Room

**FEBRUARY 2015**

<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	4	9:45 a.m.	Board Room
<b>Advisory Council Meeting</b> <i>(Meets on the 2<sup>nd</sup> Wednesday of each Month)</i>	Wednesday	11	9:00 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	16	9:30 a.m.	Board Room
<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	18	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	25	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	26	9:30 a.m.	Board Room

## MARCH 2015

<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	4	9:45 a.m.	Board Room
<b>Advisory Council Special Meeting</b> <i>(Meets on the 2<sup>nd</sup> Wednesday of each Month)</i>	Wednesday	11	9:00 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	16	9:30 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	18	9:45 a.m.	Board Room
<b>Board of Directors Climate Protection Committee</b> – <i>(Meets 3<sup>rd</sup> Thursday every other Month)</i>	Thursday	19	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	25	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	26	9:30 a.m.	Board Room

VJ – 1/7/15 (10:30 a.m.)

P/Library/Forms/Calendar/Calendar/Moncal

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

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

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

Date: January 9, 2015

Re: Approval of the Minutes of November 13, 2014 and December 18, 2014

RECOMMENDED ACTION

Approve attached draft minutes of the Mobile Source Committee meetings of November 13, 2014 and December 18, 2014.

DISCUSSION

Attached for your review and approval are the draft minutes of the Mobile Source Committee meetings of November 13, 2014 and December 18, 2014.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Sean Gallagher  
Reviewed by: Maricela Martinez

Attachment A: Draft Minutes of the Mobile Source Committee Meeting of November 13, 2014

Attachment B: Draft Minutes of the Mobile Source Committee Meeting of December 18, 2014

Draft Minutes – Mobile Source Committee Meeting of November 13, 2014

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

**DRAFT MINUTES**

Summary of Board of Directors  
Mobile Source Committee Meeting  
Thursday, November 13, 2014

**1. Call to Order – Roll Call**

Director David Hudson called the meeting to order at 9:30 a.m.

Present: Mobile Source Committee (Committee) Chairperson Scott Haggerty; and Directors John Avalos, Tom Bates, David Hudson, Roger Kim (on behalf of Edwin Lee) and Liz Kniss.

Absent: Vice-Chairperson Mary Piepho; and Directors Carole Groom and Carol Klatt.

Also Present: Board of Directors (Board) Chairperson Nate Miley.

**2. Update on the Regional Bicycle Share Pilot Project (Out of Order Agenda #5)**

Anthony Fournier, Director of Strategic Incentives, introduced Patrick Wenzinger, Acting Grants Manager, who gave the staff presentation *Update on the Regional Bicycle Share Pilot Project* through slide #11, *Next Steps Data Analysis and Planning for System Expansion*, including bicycle sharing and pilot project backgrounds; outreach campaigns, promotions and data challenge; safety measures; system results from August 2013 through August 2014; and next steps.

Mr. Wenzinger introduced Ursula Vogler, Climate Initiatives Outreach Program Manager, Metropolitan Transportation Commission (MTC), who presented slides #12, *Next Steps for the Region*, and 13, *East Bay Expansion*.

NOTED PRESENT: Director Bates was noted present at 9:38 a.m.

Mobile Source Committee (Committee) Comments:

The Committee and staff discussed who is performing the operational work related to the pilot program and system expansion; steps being taken to secure station locations for system expansion; what, if any, aspects of the program address the provision of helmets and how; what technologies are being utilized and developed for loss prevention and travel pattern data; how program utilization compares to others nationally; whether and how contractor bankruptcies have impacted the program and future plans; the adequacy of the current fleet size for current usage; whether and what rider income data is available; whether any funds do or can go towards

supporting the Senate Bill 1339 Commuter Benefits Program; whether the system will have the capability to merge with publicly- or privately-funded local programs; expansion funding details relative to the City of Palo Alto; the state of discussions about a sponsorship component; whether communities will eventually be able to buy into the system; explanations for the difference in ridership between San Francisco and the rest of the current system and why efforts continue at establishing a broader program; the importance of focusing on the goal of getting people out of their cars throughout the Bay Area; and rates of membership in Alameda and San Mateo counties.

NOTED PRESENT: Director Kniss was noted present at 9:53 a.m., Committee Chairperson Haggerty and Board Chairperson Miley were noted present at 9:57 a.m., and Director Avalos was noted present at 10:02 a.m.

Public Comments: No requests received.

Committee Action: None; receive and file.

**3. Public Comment Period (Agenda Item #2):** No requests received.

**4. Approval of Minutes of September 25, 2014 (Agenda Item #3)**

Committee Comments: None.

Public Comments: No requests received.

Committee Action:

Director Hudson made a motion, seconded by Director Kniss, to approve the Minutes of September 25, 2014; and the motion carried by the following vote of the Committee:

AYES: Avalos, Bates, Haggerty, Hudson, Kim, Kniss and Miley.  
NOES: None.  
ABSTAIN: None.  
ABSENT: Groom, Klatt, and Piepho.

**5. Projects and Contracts with Proposed Grant Awards Over \$100,000 (Agenda Item #4)**

Mr. Fournier introduced Geraldina Grunbaum, Administrative Analyst of Strategic Incentives, who gave the staff presentation *Projects with Proposed Awards over \$100,000*, including brief overviews of the Carl Moyer and Mobile Source Incentive Fund (MSIF) programs; a summary of Carl Moyer Program (CMP) Year 16; detailings of the CMP, MSIF and Voucher Incentive Program (VIP) funds awarded as of October 6, 2014; CMP, MSIF and VIP funds awarded during CMP years 11 through 16; and recommendations.

Committee Comments:

The Committee and staff discussed why project # 16MOY14 is recommended when it is listed as being in Monterey County, how the information used to make staff's determination was obtained and verified, and whether the Monterey Bay Unified Air Pollution Control District is contributing a portion of the award.

Public Comments: No requests received.

Committee Action:

Director Bates made a motion, seconded by Director Hudson, to recommend the Board:

1. Approve CMP and Transportation Fund for Clean Air (TFCA) projects with proposed grant awards over \$100,000; and
2. Authorize the Executive Officer/Air Pollution Control Officer (APCO) to enter into agreements for the projects.

The motion carried by the following vote of the Committee:

AYES: Avalos, Bates, Haggerty, Hudson, Kim, Kniss and Miley.  
NOES: None.  
ABSTAIN: None.  
ABSENT: Groom, Klatt, and Piepho.

**6. Transportation Fund for Clean Air (TFCA) County Program Manager Fund Policies for Fiscal Year Ending (FYE) 2016**

Mr. Fournier introduced Michael Neward, Administrative Analyst of Strategic Incentives, who gave the staff presentation *TFCA County Program Manager Fund Policies for FYE 2016*, including background; summary of and process for generating revisions to FYE 2016 policies; and recommendations.

Committee Comments: None.

Public Comments: No requests received.

Committee Action:

Director Bates made a motion, seconded by Director Hudson, to recommend the Board approve the proposed FYE 2016 TFCA County Program Manager Fund Policies as attached to the Committee staff report.

The motion carried by the following vote of the Committee:

AYES: Avalos, Bates, Haggerty, Hudson, Kim, Kniss and Miley.  
NOES: None.



ABSTAIN: None.

ABSENT: Groom, Klatt, and Piepho.

**7. Consideration of FYE 2015 Transportation Fund for Clean Air (TFCA) Regional Fund Shuttle and Rideshare Projects**

Mr. Fournier introduced Kenneth Mak, Air Quality Technician of Strategic Incentives, who gave the staff presentation *FYE 2015 TFCA Regional Fund Shuttle and Rideshare Program*, including background; FYE 2015 policies and evaluation criteria; recommended change to policy #2; evaluation results; FYE 2015 projects recommended for award; summary of FYE 2015 projects summary awards by county; FYE 2015 projects not recommended for award; and recommendations.

Committee Comments:

The Committee and staff discussed how and why a change in the cost-effectiveness threshold impacts the award amounts; the need for alternative support options for shuttle and rideshare projects; and the importance of communicating with local agencies about exploring transitional forms of funding as the Air District becomes unable to provide support for shuttle and rideshare projects.

Public Comments:

Dan Leavin, San Joaquin Regional Rail Commission, addressed the Committee in support of the staff recommendation and to share current ridership statistics and future growth plans.

Steve McClain, Santa Clara Valley Transit Authority, addressed the Committee in support of the staff recommendation and to share current ridership statistics.

Peter Shinner, Peninsula Corridor Joint Powers Board, addressed the Committee in support of the staff recommendation, to share current ridership statistics and to request future improvement to the duplication of service provision of the policies.

Committee Action:

Director Bates made a motion, seconded by Director Hudson, to recommend the Board:

1. Approve a proposed change to FYE 2015 TFCA Regional Fund Policy #2 to increase the cost-effectiveness limit to \$175,000/ton of emissions reduced for existing shuttle projects, year 2 pilot shuttle projects, and year 3 pilot shuttle projects in Community Air Risk Evaluation and/or Priority Development Area areas;
2. Approve proposed awards for the TFCA Shuttle and Ridesharing projects listed in Attachment A of the Committee staff report at the revised cost-effectiveness limit of \$175,000/ton of emissions reduced; and
3. Authorize the Executive Officer/APCO to enter into agreements for the recommended TFCA projects in Attachment A of the Committee staff report.

Committee Comments (continued):

The Committee and staff discussed the impact of newer, cleaner vehicle engines on this program; expectations about when the state regulations that affect the program guidelines will be updated; the importance of engaging MTC in a discussion about last mile solutions instead of the Air District trying to address the issue alone; and the possibility of a coordinated effort by the Air District, MTC and local transit operators to consider the same and the likely co-benefit of the coordination being the discovery of other common issues that would benefit from joint discussion.

Committee Action (continued):

The motion carried by the following vote of the Committee:

AYES: Avalos, Bates, Haggerty, Hudson, Kim, Kniss and Miley.  
NOES: None.  
ABSTAIN: None.  
ABSENT: Groom, Klatt, and Piepho.

**8. Committee Member Comments:**

Director Hudson explained the reasoning behind calling the meeting to order in the absence of the Committee Chairperson.

**9. Time and Place of Next Meeting:**

Thursday, December 18, 2014, Bay Area Air Quality Management District Headquarters, 939 Ellis Street, San Francisco, California 94109 at 9:30 a.m.

**10. Adjournment:** The meeting adjourned at 10:55 a.m.

Sean Gallagher  
Clerk of the Boards

Draft Minutes – Mobile Source Committee Meeting of December 18, 2014

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

**DRAFT MINUTES**

Summary of Board of Directors  
Mobile Source Committee Meeting  
Thursday, December 18, 2014

**1. Call to Order – Roll Call**

Mobile Source Committee (Committee) Chairperson Scott Haggerty called the meeting to order at 9:49 a.m.

Present: Committee Chairperson Scott Haggerty; and Directors Tom Bates and David Hudson.

Absent: Vice-Chairperson Mary Piepho; and Directors John Avalos, Carole Groom, Roger Kim (on behalf of Edwin Lee), Carol Klatt and Liz Kniss.

Also Present: Board of Directors (Board) Chairperson Nate Miley.

Director Bates led the Pledge of Allegiance.

**2. Transportation Fund for Clean Air (TFCA) Cost-Effectiveness Report (Out of Order Agenda Item 6)**

Damian Breen, Deputy Air Pollution Control Officer, introduced Linda Hui, Administrative Analyst of the Strategic Incentives Division, who gave the staff presentation *TFCA Cost-Effectiveness Report*, including background and the expenditures, emissions reductions, and cost-effectiveness of programs and projects closing in Fiscal Year Ending (FYE) 2014.

Committee Comments:

The Committee and staff discussed whether TFCA funding can be combined with bond measure funding and the likelihood of passing legislation regarding the same; additional details regarding the enhanced mobile source inspection/smoking vehicle program; the information regarding the cost-effectiveness and emissions reductions achieved through the Vehicle Buy-Back Program as reflecting only the TFCA-funded portion; how the benefits of the Spare the Air Program are calculated; additional details regarding the emissions reduced and cost-effectiveness of the ridesharing expenditure; and which programs involve a partnership with the Metropolitan Transportation Commission and how much funding each agency gives the other in support of each program and why.

Public Comments: No requests received.

Committee Action: None; receive and file.

**3. Committee Member Comments (Agenda Item 7):** None.

**4. Acceptance of Funds from the National Fish and Wildlife Foundation (NFWF) for a Commercial Lawn and Garden Equipment Replacement Program**

Mr. Breen introduced Joseph Steinberger, Principal Environmental Planner of the Strategic Incentives Division, who gave the staff presentation *Acceptance of Funds from the NFWF for a Commercial Lawn and Garden Equipment Replacement Program*, including background, project description and recommendations.

Committee Comments:

The Committee and staff discussed whether other special districts would qualify for equipment replacement through the program; the staff justification for imposing a funding cap; whether merging funds with those from the Carl Moyer Program (CMP) would be permitted; whether tree trimmers are included equipment; the cost of the equipment pictured on slide 6, *Project Description*; whether the Stihl leaf blower pictured on slide 5, *Project Description*, is available through the program; and whether there is a cost associated with obtaining a replacement.

Public Comments: No requests received.

**5. Consideration of Amendments to the FYE 2015 TFCA Regional Fund Policies**

Mr. Breen introduced Michael Neward, Administrative Analyst of the Strategic Incentives Division, who gave the staff presentation *Consideration of Amendments to the FYE 2015 TFCA Regional Fund Policies*, including background; prior Board approvals and the public comment process; proposed updates that will allow funding for three new project categories; and recommendations.

Committee Comments:

The Committee and staff discussed the meaning of “GVWR” as being “gross vehicle weight rating” as well as how and why the incentivizing tiers were established.

Public Comments: No requests received.

**4. Acceptance of Funds from the NFWF for a Commercial Lawn and Garden Equipment Replacement Program (continued)**

Committee Action:

The consensus recommendation of the Committee members present is for the Board to:

1. Accept \$470,000 in funds from the NFWF to implement a commercial lawn and garden equipment replacement program in Alameda and Contra Costa counties; and

2. Authorize the Executive Officer/Air Pollution Control Officer (APCO) to enter into all necessary agreements to implement the program and expend the \$470,000 in funds from the NFWF for the commercial lawn and garden equipment replacement program.

**5. Consideration of Amendments to the FYE 2015 TFCA Regional Fund Policies (continued)**

Committee Action:

The consensus recommendation of the Committee members present is for the Board to:

1. Approve of changes to the FYE 2015 TFCA Regional Fund Policies to include light-duty zero and partial zero emissions vehicles for fleets, heavy-duty zero emissions vehicles, and alternative fuel infrastructure (hydrogen and CNG) projects as eligible project types; and
2. Authorize the Executive Officer/APCO to enter into contracts for eligible projects.

**6. Public Comment on Non-Agenda Matters (Out of Order Agenda Item 2)**

No requests received.

**7. Approval of Minutes of November 13, 2014 (Out of Order Agenda Item 3)**

The Committee postponed this item to a future meeting date for lack of a quorum.

**8. Time and Place of Next Meeting:**

Thursday, January 22, 2015, Bay Area Air Quality Management District Headquarters, 939 Ellis Street, San Francisco, California 94109 at 9:30 a.m.

**9. Adjournment:** The meeting adjourned at 10:37 a.m.

Sean Gallagher  
Clerk of the Boards

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

## Memorandum

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

From: Jack P. Broadbent  
Executive Officer/APCO

Date: January 5, 2015

Re: Projects and Contracts with Proposed 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.
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 for projects eligible under the CMP.

On February 19, 2014, the Air District Board of Directors (Board) authorized Air District participation in Year 16 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.

Since 1992, the Transportation Fund for Clean Air (TFCA) program has funded projects that achieve surplus emission reductions from on-road motor vehicles. Funding for this program is provided by a \$4 surcharge on motor vehicles registered within the San Francisco Bay Area as authorized by the California State Legislature. The statutory authority for the TFCA and

requirements of the program are set forth in California Health and Safety Code (HSC) Sections 44241 and 44242. Sixty percent of TFCA funds are awarded directly by the Air District. Portions of this funding are allocated by the Board for projects and programs implemented directly by the Air District, including the Spare the Air program and Enhanced Mobile Source Enforcement.

On May 21, 2014, the Board allocated \$18.8 million in TFCA funding for eligible projects in Fiscal Year Ending (FYE) 2015 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 June 4, 2014, the Board adopted policies and evaluation criteria for the FYE 2015 TFCA Regional Fund program.

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

## DISCUSSION

### **Carl Moyer Program:**

The Air District started accepting applications for CMP Year 16 projects on July 14, 2014. The Air District has approximately \$12 million available for CMP projects from a combination of MSIF and CMP funds. Project applications are being accepted and evaluated on a first-come, first-served basis.

As of January 5, 2015, the Air District had received 36 project applications for the CMP Year 16 cycle. Of the applications that have been evaluated between October 27, 2014, and January 5, 2015, two (2) eligible projects have proposed individual grant awards over \$100,000. These projects will replace four (4) marine propulsion engines, and will reduce over 2.8 tons of NO<sub>x</sub>, ROG and PM per year. Staff recommends allocating \$376,900 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 approved by the Air District as of January 5, 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 40% 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 VIP funding since the Year 11 funding cycle (more than \$68 million awarded to 621 projects).

### **Transportation Fund for Clean Air:**

The Air District has ongoing solicitations for the following FYE 2015 TFCA-funded incentive programs: Shuttle and Ridesharing Services, Bicycle Racks and Electronic Lockers, Plug-in Electric Vehicles, DC fast chargers (cofounded by The California Energy Commission) (CEC) and On-road Truck Replacements.

As of January 5, 2015, the Air District had received 27 project applications for FYE 2015 TFCA funding. Of the applications that have been evaluated between October 27, 2014, and January 5, 2015, one eligible project proposed an individual grant award over \$100,000. This project will deploy 112 electronic bicycle lockers at up to eight Bay Area Rapid Transit District (BART) stations in Alameda, Contra Costa, and San Francisco counties and will reduce over 0.29 tons of NOx, ROG and PM per year. Staff recommends allocating \$280,000 to BART from Air District TFCA fund revenues. Attachment 1, Table 2, provides additional information on this project.

Attachment 4 lists all of the eligible projects that have been approved by the Air District as of January 5, 2015. Attachment 5 summarizes the allocation of funding by project category (Figure 1), and county (Figure 2). During this cycle, approximately \$4.56 million in TFCA funds have been awarded to 20 projects. These 20 projects will reduce over 86 tons of NOx, 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 these programs are provided by each funding source.

Respectfully submitted,

Jack P. Broadbent  
Executive Director/APCO

Prepared by: Anthony Fournier and Karen Schkolnick  
Reviewed by: Damian Breen

- Attachment 1: Projects with grant awards greater than \$100,000 (evaluated between 10/27/14 and 1/5/15)
- Attachment 2: Summary of all CMP/ MSIF and VIP approved and eligible projects (evaluated between 5/6/14 and 1/5/15)
- Attachment 3: Summary of program distribution by county and equipment category for CMP/ MSIF and VIP projects for Years 11-16
- Attachment 4: Summary of all TFCA approved and eligible projects (as of 1/5/15)
- Attachment 5: Summary of distribution of FYE 2015 TFCA funds by county and project category (evaluated between 5/6/14 and 1/5/15)



## AGENDA 4 - ATTACHMENT 1

**Table 1 - Summary of Carl Moyer Program/ Mobile Source Incentive Fund projects with grant awards greater than \$100k (Evaluated between 10/27/14 and 1/5/15)**

Project #	Applicant name	Equipment category	Project description	Proposed contract award	Total project cost	Emission Reductions (Tons per year)			County
						NOx	ROG	PM	
16MOY6	Captain Joe's Sportfishing	Marine	Replacement of two (2) diesel, marine propulsion engines.	\$ 227,250.00	\$ 267,364.00	0.951	0.025	0.044	San Francisco
16MOY28	Amigo Adventure (Charter fishing)	Marine	Replacement of two (2) diesel, marine propulsion engines.	\$ 149,650.00	\$ 176,070.00	1.747	0.024	0.067	San Francisco
<b>2 Projects</b>				<b>\$ 376,900.00</b>		<b>2.698</b>	<b>0.049</b>	<b>0.111</b>	

**Table 2 - Summary of TFCA projects with grant awards greater than \$100k (Evaluated between 10/27/14 and 1/5/15)**

Project #	Applicant name	Equipment category	Project description	Proposed TFCA award amount	Emission Reductions (Tons per year)			County	
					NOx	ROG	PM		
15R18	Bay Area Rapid Transit District	Electronic Bicycle Locker	BART Station Electronic Bicycle Lockers	\$ 280,000.00	0.09	0.13	0.07	Regional	
<b>1 Project</b>				<b>\$ 280,000.00</b>		<b>0.09</b>	<b>0.13</b>	<b>0.07</b>	

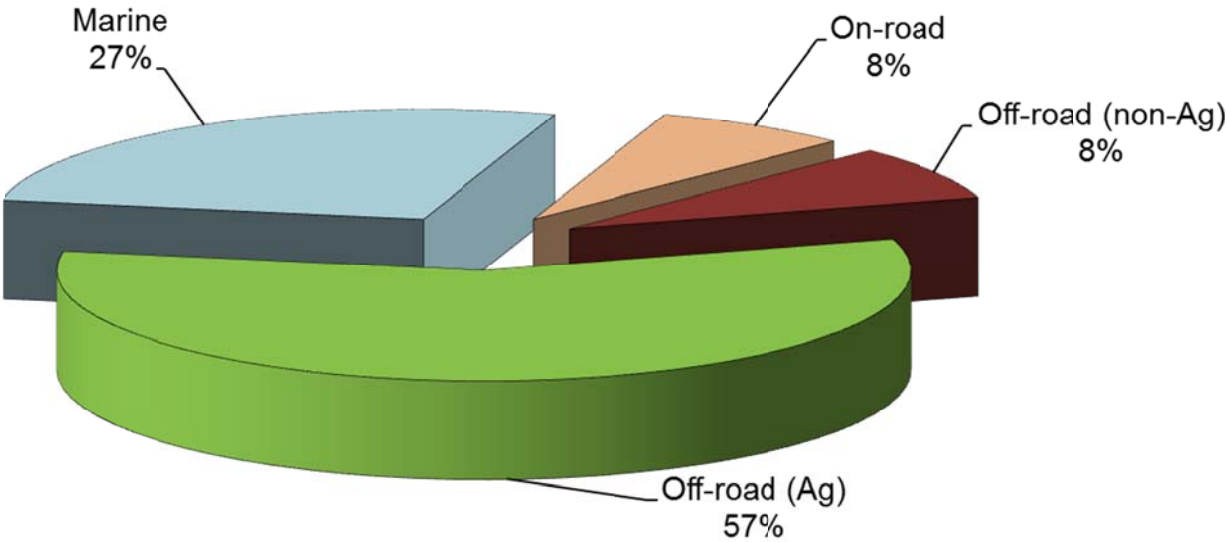
## AGENDA 4 - ATTACHMENT 2

*Summary of all CMP, MSIF and VIP approved/ eligible projects (between 5/6/14 and 1/5/15)*

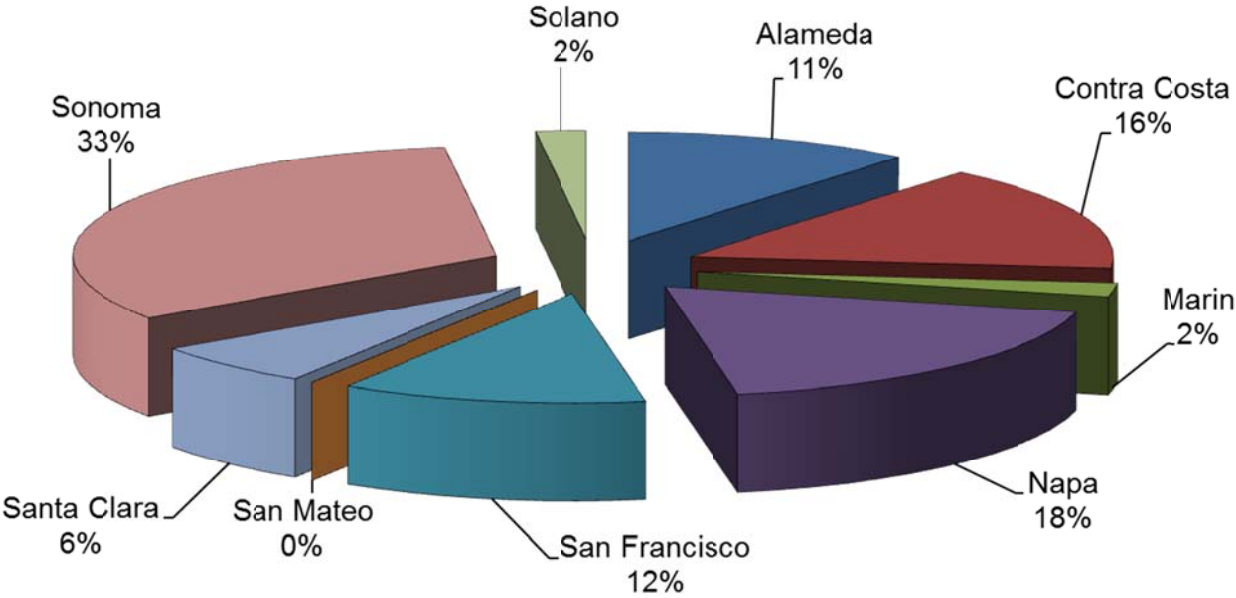
Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
						NOx	ROG	PM		
15MOY89	Ag/ off-road	Tractor replacement	1	\$ 23,100.00	Tri-Valley Vineyard Management Inc.	0.061	0.013	0.003	APCO	Sonoma
15MOY120	Ag/ off-road	Tractor replacement	4	\$ 96,346.00	David Pirio Vineyard Management LLC	0.251	0.059	0.020	APCO	Napa
15MOY80	Ag/ off-road	Tractor replacement	2	\$ 59,791.00	Kenzo Estate, Inc.	0.186	0.033	0.015	APCO	Napa
15MOY94	Ag/ off-road	Tractor replacement	2	\$ 85,280.00	Garry Mahrt (Farmer)	0.319	0.060	0.024	APCO	Sonoma
15MOY104	Ag/ off-road	Tractor replacement	1	\$ 38,428.00	Capp Bros Vineyard Management	0.097	0.025	0.010	APCO	Napa
15MOY105	Ag/ off-road	Tractor replacement	1	\$ 40,801.00	Domenico J. Carinalli, Jr.	0.114	0.024	0.006	APCO	Sonoma
15MOY107	Ag/ off-road	Tractor replacement	1	\$ 42,232.00	M. German & Son (Farmer)	0.175	0.032	0.015	APCO	Solano
15MOY108	Ag/ off-road	Tractor replacement	1	\$ 28,704.00	Clementina Biale Vineyards	0.083	0.017	0.006	APCO	Napa
15MOY109	Ag/ off-road	Tractor replacement	1	\$ 47,910.00	Cunningham Dairy	0.243	0.015	0.013	APCO	Sonoma
15MOY97	Ag/ off-road	Tractor replacement	1	\$ 22,580.00	Bowland Vineyard Mgt, Inc.	0.059	0.013	0.003	APCO	Sonoma
15MOY100	Ag/ off-road	Tractor replacement	1	\$ 62,676.00	Custom Tractor Sevice	0.382	0.053	0.019	APCO	Sonoma
15MOY99	Ag/ off-road	Tractor replacement	1	\$ 39,757.00	Regusci Vineyard Management, Inc.	0.104	0.029	0.010	APCO	Napa
15MOY110	Ag/ off-road	Tractor replacement	1	\$ 33,860.00	Roche Winery, LLC.	0.067	0.014	0.006	APCO	Sonoma
15MOY115	Ag/ off-road	Tractor replacement	2	\$ 76,115.00	Nancy and Tony Lilly (Vineyard)	0.220	0.045	0.021	APCO	Sonoma
15MOY118	Ag/ off-road	Tractor replacement	1	\$ 28,898.00	Pina Vineyard Management , LLC.	0.129	0.026	0.009	APCO	Napa
15MOY119	Ag/ off-road	Tractor replacement	2	\$ 58,835.00	Chappellet Vineyard	0.152	0.022	0.009	APCO	Napa
15MOY122	Ag/ off-road	Tractor replacement	1	\$ 32,081.00	Cornerstone Certified Vineyard	0.074	0.016	0.006	APCO	Sonoma
15MOY123	Ag/ off-road	Tractor replacement	1	\$ 71,775.00	Glenn Yenni & Sons, Inc.	0.153	0.029	0.013	APCO	Sonoma
15MOY137	Marine	Engine replacement	2	\$ 99,550.00	Brian Collier (Charter fishing)	0.937	-0.010	0.037	APCO	Contra Costa
15MOY116	Ag/ off-road	Equipment replacement	1	\$ 63,622.00	Morrison Brother's Dairy	0.171	0.042	0.021	APCO	Sonoma
15MOY124	Ag/ off-road	Equipment replacement	1	\$ 46,040.00	Blakes Landing Farms, Inc.	0.116	0.020	0.007	APCO	Marin
15MOY128	Ag/ off-road	Equipment replacement	1	\$ 42,232.00	Deniz Dairy	0.135	0.023	0.008	APCO	Sonoma
15MOY129	Ag/ off-road	Equipment replacement	5	\$ 183,906.00	Colinas Farming Company	0.402	0.086	0.037	10/15/2014	Napa
15MOY136	Ag/ off-road	Equipment replacement	1	\$ 27,480.00	Dirt Farmer & Company	0.052	0.015	0.005	APCO	Sonoma
15MOY133	Ag/ off-road	Equipment replacement	1	\$ 41,017.00	Alta Vineyard Management, Inc.	0.164	0.032	0.009	APCO	Sonoma
15MOY132	Ag/ off-road	Equipment replacement	1	\$ 27,865.00	B Wise Vinyeards, LLC	0.053	0.016	0.005	APCO	Sonoma
15MOY135	Marine	Equipment replacement	2	\$ 68,500.00	San Francisco Bar Pilots	0.419	0.006	0.017	APCO	San Francisco
15MOY130	Off-road	Equipment replacement	2	\$ 188,559.00	Evergreen Materials Inc. DBA Evergreen Supply	1.098	0.162	0.053	10/15/2014	Santa Clara
16MOY2	Ag/ off-road	Equipment replacement	2	\$ 289,836.00	Rankins AG, Inc.	2.947	0.298	0.111	10/15/2014	Contra Costa
16MOY4	Ag/ off-road	Equipment replacement	1	\$ 41,017.00	John Camozzi (Farm/ ranch)	0.176	0.029	0.011	APCO	Sonoma

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
						NOx	ROG	PM		
16MOY11	Ag/ off-road	Equipment replacement	1	\$ 147,264.00	Dolcini Brothers	1.244	0.180	0.064	10/15/2014	Sonoma
15MOY126	Marine	Engine replacement	2	\$ 188,580.00	C & W Diving Services, Inc.	1.524	0.051	0.067	10/15/2014	Alameda
16MOY17	Ag/ off-road	Equipment replacement	1	\$ 126,130.00	Spaletta Ranch	0.305	0.056	0.020	11/17/2014	Sonoma
16MOY9	Ag/ off-road	Equipment replacement	3	\$ 80,510.00	David Arthur Vineyards LLC	0.170	0.045	0.019	APCO	Napa
16MOY19	Ag/ off-road	Equipment replacement	1	\$ 150,014.00	MCE Amos, Inc.	0.677	0.118	0.042	11/17/2014	Sonoma
16MOY10	Ag/ off-road	Equipment replacement	1	\$ 27,277.00	Archangel Investments LLC DBA Baldacci Family Vineyards	0.085	0.017	0.006	APCO	Napa
16MOY16	Ag/ off-road	Equipment replacement	1	\$ 54,694.00	Garvey Vineyard Management, LLC.	0.164	0.040	0.016	APCO	Napa
16MOY20	Ag/ off-road	Equipment replacement	1	\$ 150,014.00	Mulas Dairy, Co.	0.620	0.108	0.039	11/17/2014	Sonoma
16MOY21	Ag/ off-road	Equipment replacement	1	\$ 161,789.00	Louise R. Dei	0.752	0.094	0.032	11/17/2014	Sonoma
16MOY22	Ag/ off-road	Equipment replacement	5	\$ 135,291.00	Far Niente Vineyards, LLC DBA Vinescape	0.453	0.081	0.039	11/17/2014	Napa
16MOY13	Marine	Engine replacement	1	\$ 74,410.00	Pound the Zone Fishing	0.379	0.003	0.014	APCO	Contra Costa
15MOY125	Marine	Engine replacement	2	\$ 99,730.00	C & W Diving Services, Inc.	0.272	-0.009	0.017	APCO	Alameda
15MOY121	Marine	Engine replacement	2	\$ 123,860.00	C & W Diving Services, Inc.	0.399	0.016	0.017	11/17/2014	Alameda
16MOY14	Marine	Engine replacement	2	\$ 136,295.00	Bouna Pesca L.L.C.	0.576	-0.008	0.022	11/17/2014	Monterey
16MOY8	Marine	Engine replacement	2	\$ 33,675.00	Blue and Gold Fleet L.P.	0.268	0.006	0.019	APCO	San Francisco
16MOY30	Off-road	Equipment replacement	1	\$ 191,400.00	W.R. Forde Associates	1.130	0.140	0.054	11/17/2014	Contra Costa
16MOY12	Ag/ off-road	Equipment replacement	1	\$ 46,520.00	James Mclsaac dba Mclsaac Dairy	0.087	0.025	0.008	APCO	Marin
16MOY27	Marine	Engine replacement	1	\$ 49,155.00	Mendler Brothers Fish LLC	0.231	0.004	0.009	APCO	Contra Costa
16MOY26	Marine	Engine replacement	2	\$ 46,000.00	Golden Gate Scenic Steamship Corp. dba Red and White Fleet	0.350	0.000	0.027	APCO	San Francisco
16MOY6	Marine	Engine replacement	2	\$ 227,250.00	Captain Joe's Sportfishing	0.951	0.025	0.044	TBD	San Francisco
16MOY28	Marine	Engine replacement	2	\$ 149,650.00	Amigo Adventure	1.747	0.024	0.067	TBD	San Francisco
VIP247	VIP	Truck Replacement	1	\$ 45,000.00	Everardo Espinosa	0.878	0.013	0.000	APCO	Tehama
VIP248	VIP	Truck Replacement	1	\$ 20,000.00	Lupe Laureano	0.400	0.007	0.000	APCO	Santa Clara
VIP249	VIP	Truck Replacement	1	\$ 35,000.00	James R. Egger Jr.	0.675	0.010	0.000	APCO	Shasta
VIP250	VIP	Truck Replacement	1	\$ 30,000.00	J/W Sanchez Trucking Co., Inc.	0.581	0.009	0.000	APCO	Alameda
VIP251	VIP	Truck Replacement	1	\$ 45,000.00	Horacio Cardenas	0.851	0.029	0.000	APCO	Solano
VIP252	VIP	Truck Replacement	1	\$ 25,000.00	American Soil Products	0.486	0.007	0.000	APCO	Alameda
VIP254	VIP	Truck Replacement	1	\$ 35,000.00	Rattu Trucking DBA Ramesh Rattu	0.675	0.010	0.000	APCO	Santa Clara
VIP255	VIP	Truck Replacement	1	\$ 15,000.00	Michael Scott Minnis	0.606	0.008	0.012	APCO	Alameda
VIP256	VIP	Truck Replacement	1	\$ 45,000.00	Antonino Esqueda	0.878	0.013	0.000	APCO	Sacramento
VIP257	VIP	Truck Replacement	1	\$ 45,000.00	Gurjot Singh Pawar / Amrik Singh Pawar	0.851	0.029	0.000	APCO	Santa Clara
VIP258	VIP	Truck Replacement	1	\$ 15,000.00	Harjinder Singh	0.606	0.008	0.012	APCO	Alameda
<b>62 Projects</b>			<b>91</b>	<b>\$ 4,763,301.00</b>		<b>29.408</b>	<b>2.404</b>	<b>1.197</b>		

**Figure 1: CMP/ MSIF Funding Distribution by Equipment Category as of 1/5/15**

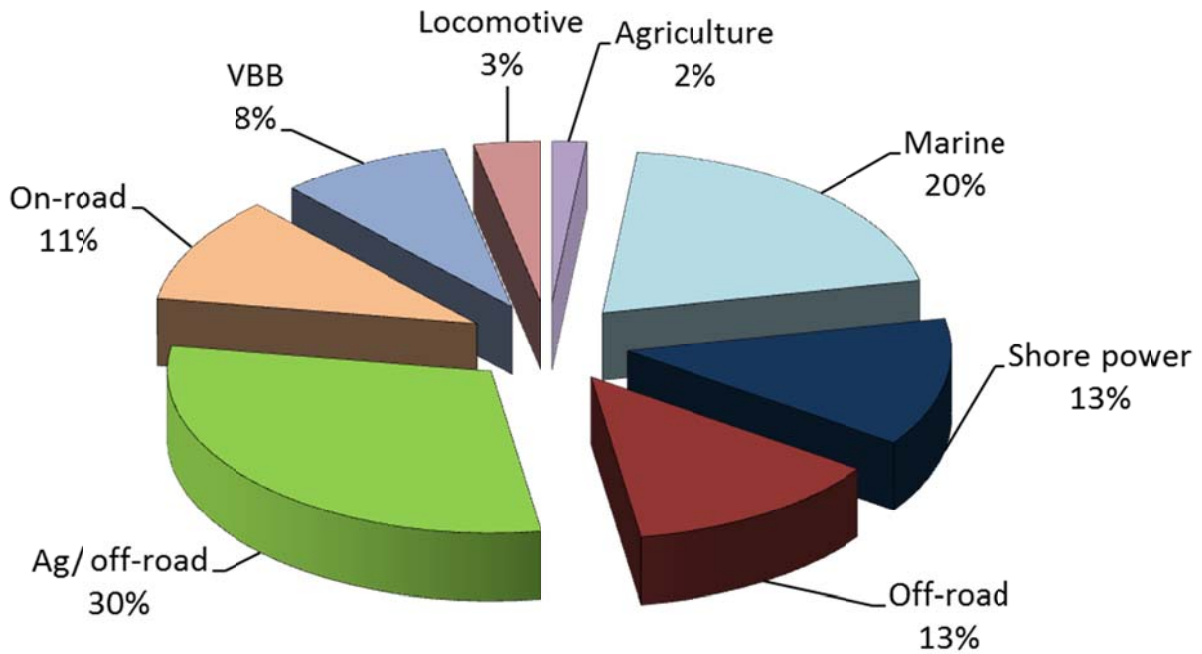


**Figure 2: CMP/ MSIF Funding Distribution by County as of 1/5/15**

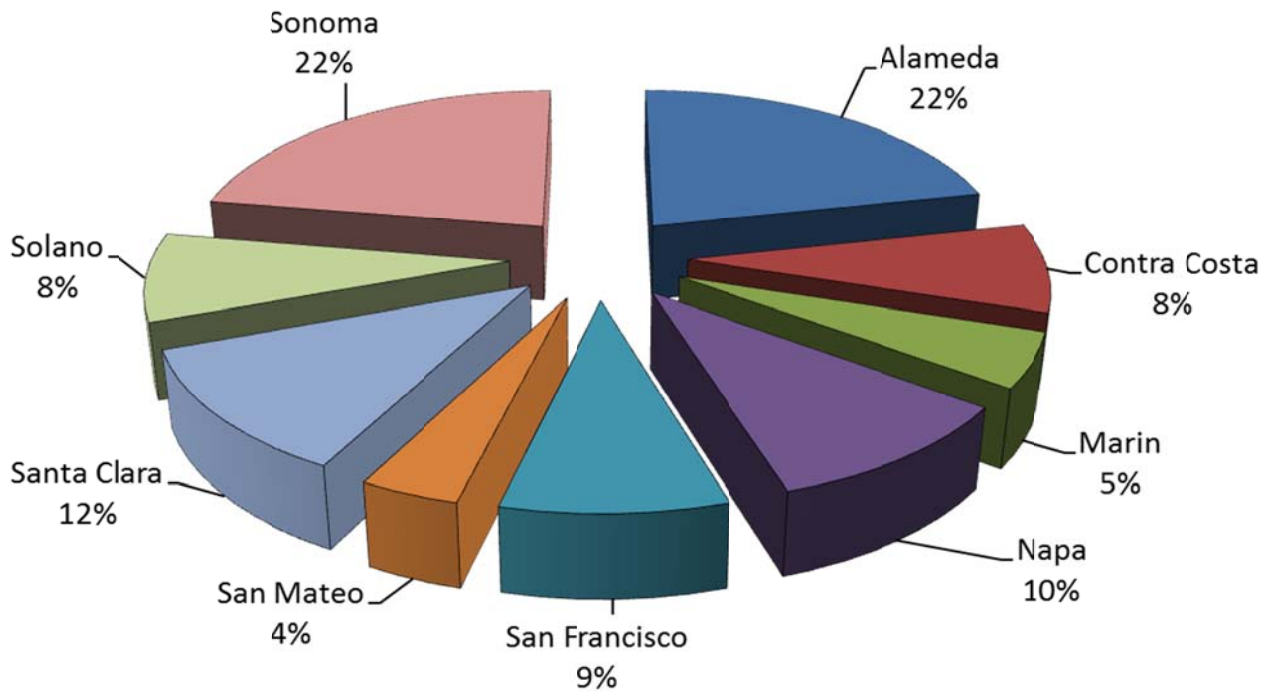


## AGENDA 4 - ATTACHMENT 3

**Figure 3:** CMP, MSIF, and VIP funding for Years 11-16 by equipment category



**Figure 4:** CMP, MSIF, and VIP funding for Years 11-16 by county



## AGENDA 4 - ATTACHMENT 4

### Summary of all TFCA approved and eligible projects (as of 1/5/15)

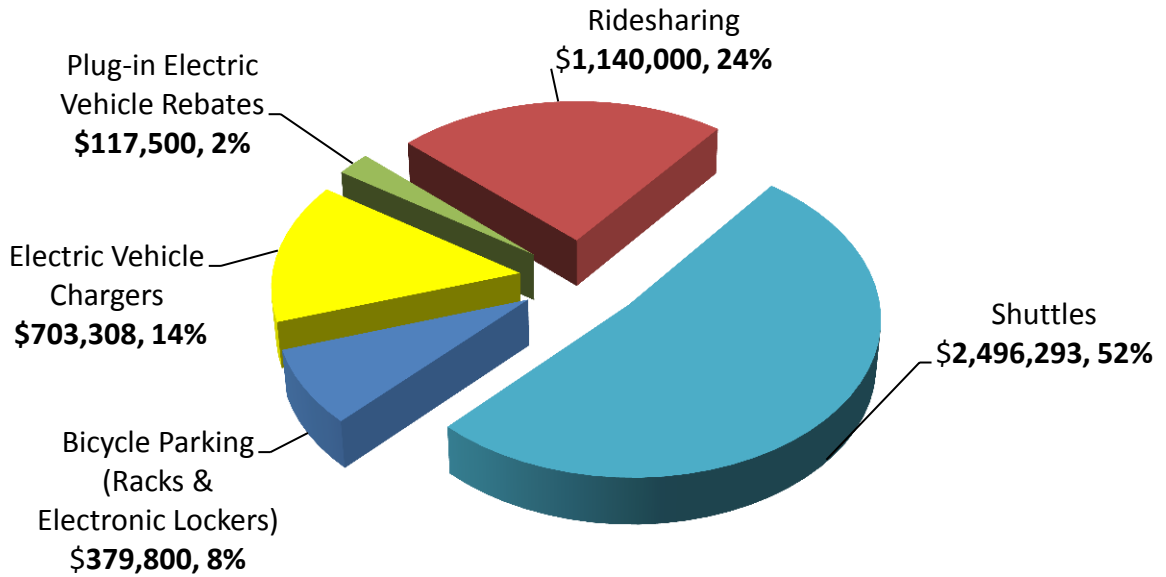
Project #	Equipment category	Project type	Award amounts	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
					NO <sub>x</sub>	ROG	PM		
14PEV001	Plug-in Electric Vehicle Rebate	PEV Rebate for twenty four (24) vehicles	\$ 60,000.00	County of Alameda, General Services Agency	0.009	0.012	0.001	APCO	Alameda
14PEV002	Plug-in Electric Vehicle Rebate	PEV Rebate for twenty two (22) vehicles	\$ 55,000.00	County of Sonoma	0.008	0.011	0.001	APCO	Sonoma
14PEV003	Plug-in Electric Vehicle Rebate	PEV Rebate for one (1) vehicles	\$ 2,500.00	City of Morgan Hill	0.000	0.000	0.000	APCO	Santa Clara
14EVSE01	EV Charging Equipment	2 Direct-Current (DC) fast chargers in Redwood City	\$ 40,000.00	Green Charge Networks, LLC	0.016	0.021	0.002	6/19/14	San Mateo
15DCFC03*	EV Charging Equipment	2 DC fast chargers in Alameda	\$ 84,911.60	Alameda Municipal Power	0.016	0.021	0.002	5/21/14	Alameda
15DCFC01*	EV Charging Equipment	2 DC fast and 8 L2 chargers in Rohnert Park	\$ 146,396.00	Federated Indians of Graton Rancheria	0.032	0.041	0.004	10/15/14	Sonoma
15DCFC02*	EV Charging Equipment	2 DC fast and 4 L2 chargers in Fremont and Sunol	\$ 160,000.00	Resurgens Renewables, LLC	0.024	0.031	0.003	10/15/14	Alameda
15DCFC04*	EV Charging Equipment	4 DC fast chargers at San Francisco International Airport (SFO)	\$ 272,000.00	City and County of San Francisco, Airport Commission	0.033	0.042	0.004	10/15/14	San Mateo
15R05	Ridesharing	Regional Rideshare Program	\$1,000,000	Metropolitan Transportation Commission	19.546	20.615	18.197	11/17/14	REG
15R06	Ridesharing	SJSU Ridesharing & Trip Reduction	\$140,000	Associated Students, San Jose State University	0.659	0.644	0.537	11/17/14	REG
15R07	Shuttle	ACE Shuttle 53 & Shuttle 54	\$183,500	San Joaquin Regional Rail Commission	0.440	0.360	0.400	11/17/14	Contra Costa
15R11	Shuttle	Broadway Shuttle	\$229,173	City of Oakland	0.547	0.398	0.437	11/17/14	Alameda
15R12	Shuttle	ACE Shuttle Bus Program	\$960,000	Santa Clara Valley Transportation Authority	3.429	3.819	3.487	11/17/14	Santa Clara
15R13	Shuttle	Caltrain Shuttle Program	\$992,528	Peninsula Corridor Joint Powers Board	3.968	3.212	3.777	11/17/14	REG
15R16	Shuttle	Embarcadero Cove Pilot Shuttle	\$56,092	County of Alameda	0.079	0.081	0.071	11/17/14	Alameda
15R17	Shuttle	PresidiGo Shuttle	\$75,000	Presidio Trust	0.324	0.328	0.294	11/17/14	San Francisco
15R19	Bicycle Parking: Electronic Bicycle Locker	UC Berkeley, Parking & Transportation Secure Bike Parking (Ten Electronic Lockers)	\$25,000	University of California, Berkeley	0.008	0.011	0.008	APCO	Alameda
15R21	Bicycle Parking: Electronic Bicycle Locker	Emeryville Bay Street Electronic Lockers (12 Electronic Lockers)	\$30,000	City of Emeryville	0.010	0.014	0.007	APCO	Alameda
15R22	Bicycle Parking: Electronic Bicycle Locker	Redwood City Caltrain Station (16 Electronic Lockers)	\$40,000	Peninsula Corridor Joint Powers Board	0.013	0.018	0.010	APCO	San Mateo
15BR001	Bicycle Parking: Bicycle Rack Voucher	Ten (10) 8-bike Single Sided Campus Racks	\$4,800	Los Altos High School	0.002	0.002	0.001	12/29/14	Santa Clara
<b># of Projects: 20</b>			<b>\$ 4,556,900.60</b>		<b>29.16</b>	<b>29.68</b>	<b>27.24</b>		

\*Award amount reflects only TFCA funds awarded. In addition, the California Energy Commission contributed matching funds totaling \$449,708.

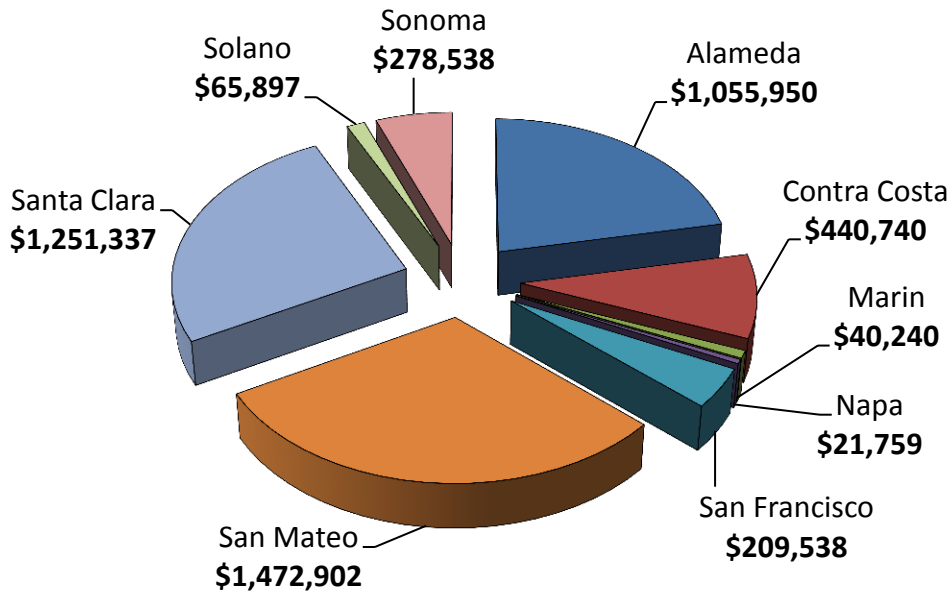
## AGENDA 4 - ATTACHMENT 5

Summary of FYE 2015 TFCA funds distributed by county and project category, as of 1/5/15

**Figure 1: TFCA FYE 2015 Funding Distributed by Project Category**



**Figure 2: TFCA FYE 2015 Funding 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: January 5, 2015

Re: Participation in Year 17 of the Carl Moyer Program

RECOMMENDATIONS

Recommend the Board of Directors:

1. Adopt a resolution authorizing the Executive Officer/APCO to execute all necessary agreements with the California Air Resources Board (ARB) relating to the Air District's receipt of Carl Moyer Program (CMP) funds and Multi-District funds for fiscal year 2014-2015 (Program Year 17).
2. Allocate \$5 million in Mobile Source Incentive Funding to provide the required match funding and additional monies for projects eligible for funding under the Carl Moyer Program.

BACKGROUND

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

Assembly Bill 923 (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 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.



## DISCUSSION

On December 30, 2014, the Air District submitted an application to ARB requesting \$10,650,000 in funding for the implementation of the CMP Year 17 CMP funding cycle (FY 2014-2015). Up to 5% of the total funds awarded to the Air District will be used to pay for administrative expenses related to the implementation of the CMP. As part of the application, the Air District has proposed a commitment of up to \$1,800,000 in matching funds for Year 17. Staff is therefore requesting the Board meet this required match, and expand the program for additional eligible emissions reductions projects by allocating \$5 million in MSIF funds to the CMP Year 17 funding cycle.

Staff plans to begin accepting CMP Year 17 applications during the summer of 2015. Project applications will be accepted and evaluated on a first-come, first-served basis until all funds have been allocated. Also, in accordance with the authorization granted to the Executive Officer/APCO on February 4, 2009, projects with individual grant awards up to \$100,000 will be executed by the Executive Officer/ APCO, and reported to the Mobile Source Committee (MSC) on at least a quarterly basis. Eligible projects with individual grant awards over \$100,000 will also be brought to the MSC for consideration at least quarterly.

The ARB requires air districts use the 2011 CMP Guidelines, and subsequent updates for the Year 17 CMP cycle. The guidelines require all projects achieve a cost-effectiveness of \$17,720 (or less) per ton of reduced emissions in order to be eligible to receive funding. Year 17 funding must be obligated to eligible projects by June 30, 2016, and be expended by June 30, 2017. In accordance with AB 1390, 50% of all CMP funding allocated by the Air District must be awarded to projects in impacted communities. The process that will be used for identifying and prioritizing CMP Year 17 projects with the most significant exposure will be similar to the process used for the previous CMP funding cycles with priority being given to projects that reduce emissions in communities based on data from the Air District's Community Air Risk Evaluation (CARE) program.

### ***CMP Multi-District Funds***

Section 44286(d) of the Health & Safety Code gives ARB the authority to reserve up to ten percent of CMP funding for projects that are multidistrict in nature. In a letter of understanding from May 2013, the ARB and the California Air Pollution Control Officers Association (CAPCOA) entered into an agreement regarding the distribution of CMP multi-district funds over the next four funding cycles. Beginning with FY 2012/ 2013 (CMP Year 15) funding and continuing through FY 2015/2016 (CMP Year 18), ARB will award 50% or \$3 million, whichever is less, of the annual CMP multi-district allocation to a designated CAPCOA member agency. Up to 5% of the award may be used for administrative costs, consistent with the requirements of the CMP guidelines.

The Air District has been identified as the designated CAPCOA member agency for the CMP Year 15 and 17 multi-district funding cycles. The South Coast Air Quality Management District will serve as the designated agency for the CMP Years 16 and 18 cycles. As the designated recipient, the Air District will work with ARB and the northern CAPCOA member agencies to

develop a multi-district funding plan to target priority pollution sources that travel between multiple air districts. All projects funded must meet the requirements of the current CMP guidelines being implemented by the Air District. Staff will administer the projects in accordance with the policies and procedures for the current CMP funding cycle. In accordance with the authorization granted to the Executive Officer/APCO on February 4, 2009, projects with individual grant awards up to \$100,000 will be executed by the Executive Officer/ APCO, and reported to the MSC on at least a quarterly basis. Eligible projects with individual grant awards over \$100,000 will also be brought to the MSC for consideration at least quarterly.

#### BUDGET CONSIDERATION / FINANCIAL IMPACT

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

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Anthony Fournier  
Reviewed by: Damian Breen

Attachment 1: Resolution to accept Carl Moyer Program Year 17 funds from ARB

## **BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

### **RESOLUTION No. 2015 -**

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

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

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

WHEREAS, the Bay Area Air Quality Management District (District) submitted an application to ARB requesting \$10,650,000 in Carl Moyer Program funds to implement the Carl Moyer Program within the District for the fiscal year (FY) 2014-2015 (Year 17) cycle;

WHEREAS, the District proposed to commit up to \$1,800,000 in matching funds as part of the FY 2014-2015, (Year 17) Carl Moyer Program cycle, in accordance with the requirements of California Health and Safety Code section 44287;

WHEREAS, ARB has authorized a grant to the District to implement the Carl Moyer Program Year 17, upon approval by the Board of Directors to accept such grant of funds;

WHEREAS, ARB will award the a grant in the amount of as much as \$10,650,000, with the District-required match of up to \$1,800,000.

WHEREAS, California Health and Safety Code section 44286, authorizes ARB to reserve up to ten percent of the annual Carl Moyer Program fund allocation to projects that are multi-district in nature;

WHEREAS, the District, in accordance with an agreement between the California Air Pollution Control Officers Association (CAPCOA) and the ARB will also implement the Carl Moyer Multi-District Program in Northern California for the Year 17 funding cycle;

WHEREAS, the District in coordination with ARB, and the northern CAPCOA participating member agencies will develop a Multi-District Funding Plan that will target priority pollution sources that travel between multiple air districts;

WHEREAS, ARB will award a Carl Moyer Program Year 17 multi-district grant in the amount of as much as \$6,551,100, with no District match required.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors hereby approves the District's continued participation in the Carl Moyer Program and acceptance of the FY 2014-2015, Carl Moyer Program funds, to be awarded to eligible District projects in accordance with the ARB Carl Moyer Program guidelines.

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

BE IT FURTHER RESOLVED, the Board of Directors hereby approves the District's participation in the Carl Moyer Multi-District Program and acceptance of up to \$6,551,100 in FY 2014-2015, Carl Moyer Program Multi-District funds, to be awarded to eligible Multi-District projects in accordance with the ARB Carl Moyer Program guidelines.

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

The foregoing resolution was duly and regularly introduced, passed and adopted at a regular meeting of the Board of Directors of the Bay Area Air Quality Management District on the Motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, on the \_\_\_\_ day of \_\_\_\_\_, 2015, by the following vote of the Board:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Carole Groom  
Chairperson of the Board of Directors

ATTEST:

\_\_\_\_\_  
Liz Kniss  
Secretary of the Board of Directors

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

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

From: Jack P. Broadbent  
Executive Officer/APCO

Date: January 5, 2015

Re: Selection of an Auditor for District's Financial and Grants Program Audits

RECOMMENDATIONS

Recommend the Board of Directors:

1. Approve the selection of Gilbert Associates, Inc. to conduct the Air District's 2014-15 Financial Audit, the 2013-14 TFCA Audit for Projects and Programs, and conduct a review of Carbon Offset Project; and
2. Authorize the Executive Officer/APCO to execute a contract with Gilbert & Associates, Inc. for audit services in an amount not to exceed \$217,022; and
3. Authorize the Executive Officer/APCO to extend the contract with Gilbert Associates Inc. in an amount not to exceed \$217,022 annually for up to an additional two years under the terms of the current RFP.

BACKGROUND

Government agencies are required by law to conduct an independent audit of their annual financial statements. In addition, California Health and Safety Code Section 44242 requires the Bay Area Air Quality Management District (District) to perform an audit on each program or project funded with motor vehicle registration fee surcharges collected under Section 44241. The Air District's Administrative Purchasing Procedures requires the Air District to rebid contracts for financial auditing services every three years.

DISCUSSION

To comply with the Air District's procedures, the Air District issued a combined Request for Proposals (RFP) on October 20, 2014, to solicit proposals that address the following three tasks:

1. Conduct the Air District's Annual Financial Audit for Fiscal Year (FY) 2014-15;
2. Conduct Financial Statement Audits of Transportation Fund for Clean Air (TFCA) projects and programs closed by June 30, 2014; and

3. Conduct a review of projects funded under the Carbon Offset Program to determine their compliance with funding agreement requirements.

The RFP was forwarded to 47 public sector audit firms in California and also posted on the Air District’s website. Additionally, an announcement was posted on the California Society of Municipal Officers’ website. Two pre-bidders conference meetings were held in San Francisco (October 30, 2014) and via an online webinar (October 30, 2014 and November 20, 2014) for the purpose of providing an outline of the RFP requirements and an opportunity for Q&A. The Air District also received 95 questions from interested parties by the November 20<sup>th</sup> deadline and responses to these questions were posted on the Air District’s website by November 21, 2014. The Air District received proposals from the following four firms by the December 4, 2014 deadline: Armanino LLP; Gilbert Associates, Inc.; James Marta & Co. LLP; and Macias, Gini and O’Connell LLP.

### Evaluation of Proposals

A panel, comprised of four staff members from the Finance Department and Strategic Incentives Division, evaluated and scored the proposals based on the five evaluation criteria outlined in the RFP. The panel members’ scores for each criterion were averaged, and the proposals were ranked according to the sum of these scores. Table 1 below lists the RFP evaluation criteria and shows each firm’s averaged score by criteria.

<b>CRITERIA</b>	<b>Max Points</b>	<b>Macias Gini &amp; O’Connell</b>	<b>James Marta &amp; Co. LLP</b>	<b>Armanino LLP</b>	<b>Gilbert Associates Inc.</b>
Technical expertise, size and structure of the firm and personnel assigned to RFP tasks; firm’s ability to perform and complete the work in a professional and timely manner	25	20	15	22	23
Past experience of the firm and, in particular, experience of the team working on projects of similar scope for other governmental agencies	15	12	11	13	14
Responsiveness of the proposal, based upon a clear understanding of the work to be performed	25	11	15	22	22
Cost or cost effectiveness and resource allocation strategy	25	7	16	10	22
Local Business/Green Business	10	8	6	10	7
<b>TOTAL</b>	<b>100</b>	<b>58</b>	<b>63</b>	<b>77</b>	<b>88</b>

Based on the scores in Table 1 staff is recommending Gilbert Associates Inc. for a contract not to exceed \$217,022 to conduct the auditing services outlined above. This firm had the highest overall score, and scored highest on the criteria related to expertise, past experience, and cost effectiveness/resource strategy. Additionally, staff is requesting the ability to extend the contract with Gilbert Associates, Inc. for up to an additional two years under the terms of the current RFP.

Gilbert Associates has provided auditing services for the Air District since 2009 and staff believes the panel's recommendation is consistent with the Government Finance Officers Association's (GFOA) best practices. The GFOA recommends government entities undertake a full-scale competitive process for the selection of an independent auditor and actively seek participation of all qualified firms, including the current auditors, if their past performance has been satisfactory.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. The funds for all three projects have been identified in the FY 2014-15 Air District's budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Stephanie Osaze and Karen Schkolnick  
Reviewed by: Jeff McKay and Damian Breen

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

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

From: Jack P. Broadbent  
Executive Officer/APCO

Date: January 5, 2015

Re: Air District Grant Programs Overview

RECOMMENDATIONS

None; receive and file.

BACKGROUND

As part of its efforts to reduce emissions from mobile sources, the Bay Area Air Quality Management District (Air District) allocated approximately \$65 million in funding during the 2014 calendar year. Approximately \$56 million of that funding was directly allocated by the Air District. The remaining \$9 million was distributed via the Transportation Fund for Clean Air (TFCA) County Program Manager program. The \$56 million allocated by the Air District came from four renewable funding sources: the California Goods Movement Bond, TFCA Regional Fund, Mobile Source Incentive Fund, and the Carl Moyer Program. These programs accumulate annually via fees and bond sales that are distributed to the Air District, and constitute the Air District's primary grant programs. On top of these grant revenue sources, staff also seeks out additional funding opportunities to further reduce emissions from mobile sources in the Bay Area.

DISCUSSION

Since calendar year 2011, the Committee has received reports from staff on expenditures in various grant programs for the previous calendar year. This year's report will include a discussion of the total incentive funds allocated in calendar year 2014 by funding source, project/equipment category, and county. As part of the report to the Committee, staff will also present historical information dating back to fiscal year 2007/2008 showing how Air District funds have been allocated over the past eight years.

The intention of this report is to provide the Committee a better overall indication of the total flow of funding in and out of the primary grants programs. This methodology allows staff to align the grant funding with future compliance dates set in airborne toxic control measures adopted by the California Air Resources Board and to present to the Committee anticipated needs for grant funding for this calendar year. Staff will also discuss with the Committee the anticipated challenges and projected funding for each of the Air District primary grant programs in calendar year 2015.



BUDGET CONSIDERATION / FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Director/APCO

Prepared by: Anthony Fournier

Reviewed by: Damian Breen