



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

BOARD OF DIRECTORS  
REGULAR MEETING  
JULY 20, 2016

A regular meeting of the Bay Area Air Quality Management District Board of Directors will be held at 9:45 a.m. in the 1<sup>st</sup> Floor Board Room at the Air District Headquarters, 375 Beale Street, San Francisco, California 94105.

**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  
JULY 20, 2016  
9:45 A.M.

BOARD ROOM  
1<sup>st</sup> FLOOR

## CALL TO ORDER

Chairperson, Eric Mar

1. **Opening Comments**
2. **Roll Call and 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.*

## CLOSED SESSION

### 3. **CONFERENCE WITH LEGAL COUNSEL**

#### A) **EXISTING LITIGATION (Government Code Section 54956.9(a))**

*Pursuant to Government Code Section 54956.9(a), a need exists to meet in closed session with legal counsel to consider the following case(s):*

**Western States Petroleum Association, Valero Refining Company – California, Tesoro Refining and Marketing Company, LLC, and Phillips 66 Company v. Bay Area AQMD,** Contra Costa County Superior Court, Case No. N16-0963

**Valero Refining Company – California, and Tesoro Refining & Marketing Company, LLC, and Phillip 66 v. Bay Area AQMD,** Contra Costa County Superior Court, Case No. N16-0095.

#### B) **ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(2))**

*Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: one potential case.*

## OPEN SESSION

### CONSENT CALENDAR (ITEMS 4 – 9)

Staff/Phone (415) 749-

4. Minutes of the Board of Directors Regular Meeting of June 15, 2016 Clerk of the Boards/5073

*The Board of Directors will consider approving the draft minutes of the Regular Board of Directors Meeting of June 15, 2016.*

5. Board Communications Received from June 15, 2016 through July 19, 2016

**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 June 15, 2016 through July 19, 2016, if any, will be at each Board Member's place.*

6. Notices of Violations Issued and Settlements in Excess of \$10,000 in the months of May and June 2016

**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 May and June 2016.*

7. 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 month.*

8. Notification of Proposed Future Adoption of Amendments to the Air District's Administrative Code, Division II: Fiscal Policies and Procedures, Section 4.3: Contract Limitations

**J. Broadbent/5052**  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*At its next meeting, the Board of Directors will consider adoption of amendments to the Air District's Administrative Code, Division II: Fiscal Policies and Procedures, Section 4.3: Contract Limitations, to increase the Executive Officer's contract signing authority from \$70,000 to \$100,000.*

9. Consider Authorization to Issue a Purchase Order in Excess of \$70,000, Pursuant to Administrative Code, Division II: Fiscal Policies and Procedures, Section 4.3: Contract Limitations, to Technical and Business Systems for Continued Operation of the BioWatch Monitoring Network

**J. Broadbent/5052**  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*The Board of Directors will consider authorizing the Executive Officer/APCO to execute a contract and issue a Purchase order to Technical and Business Systems for continued operation of the BioWatch Monitoring Network for an amount not to exceed \$1,116,074.*

## **COMMITTEE REPORTS/COUNCIL REPORT**

10. Report of the **Legislative Committee** Meeting of June 27, 2016  
CHAIR: B. Wagenknecht

J. Broadbent/5052  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*The Committee received the following report:*

A) **Consideration of New Bills**

- 1) *Approve positions on bills*

11. Report of the **Mobile Source Committee** Meeting of June 30, 2016  
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;*
- 2) *Allocate up to \$1,151,430 in TFCA funding as match for California Air Resources Board (ARB) Low Carbon Transportation Greenhouse Gas Emission Reduction Funds (GGRF) for zero-emission truck and bus pilot commercial deployment projects using a project cost-effectiveness of \$500,000 per ton of emissions reduced;*
- 3) *Adopt a resolution that authorizes the Bay Area Air Quality Management District (Air District)'s acceptance, obligation, and expenditure of GGRF funds; and*
- 4) *Authorize the Executive Officer/APCO to enter into agreements for the recommended CMP and TFCA projects and with the ARB and partners for the acceptance and expenditure of GGRF funds.*

B) **Accept, Obligate, and Expend Funding from the Bay Area Clean Air Foundation (Foundation) and from the United States Environmental Protection Agency (EPA)**

- 1) *Adopt a Resolution authorizing the Bay Area Air Quality Management District (Air District) to accept, oblige, and expend up to \$972,262.70 from the Bay Area Clean Air Foundation (Foundation) for electric vehicle and vehicle buyback projects;*
- 2) *Adopt a Resolution authorizing the Air District to accept, oblige, and expend up to \$1 million in funds from the U.S. Environmental Protection Agency (EPA) to replace three locomotives; and*
- 3) *Authorize the Executive Officer/APCO to enter into all agreements necessary to accept and expend this funding.*

C) **Emissions Reduction from Air District Grant Programs**

- 1) *None; receive and file.*

D) **Fiscal Year Ending 2017 Transportation Fund for Clean Air (TFCA) Regional Fund Policies**

- 1) *Approve the proposed Fiscal Year Ending 2017 Transportation Fund for Clean Air (TFCA) Regional Fund Policies and Evaluation Criteria presented in Attachment A.*

12. Report of the **Public Engagement Committee** Meeting of July 18, 2016

CHAIR: M. Ross

J. Broadbent/5052  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*The Committee will receive the following reports:*

A) **Opportunity for Spare the Air Advertising on the Oakland Broadway Shuttle**

- 1) *Approve \$235,000 to be allocated to the Transportation Fund for Clean Air - Spare the Air Program budget for fiscal year ending (FYE) 2017 for the purposes of:*
- a. *Securing an advertising contract with the City of Oakland at a cost of \$185,000 per year for up to two years, and*
  - b. *Wrapping four AC transit operated shuttle buses at a cost of approximately \$50,000 on the Broadway route in the City of Oakland with the Spare the Air messaging.*
- 2) *Authorize the Executive Officer/APCO to execute all contracts and agreements with the City of Oakland related to the wrapping and advertising rights;*
- 3) *Authorize the Executive Officer/APCO to extend the advertising service at a cost not to exceed \$185,000 for an additional year, at the Air District's discretion, based on contractor performance.*

B) **Public Participation Plan Status Report and Update Process**

- 1) *None; receive and file.*

C) **Approval of Contract for Graphic Design**

- 1) *Authorize the Executive Officer/APCO to execute a one-year contract with Envall Design for a total amount not to exceed \$200,000 for graphic design services.*

13. Report of the **Advisory Council** Meeting of July 19, 2016

BOARD LIAISON: R. Sinks

J. Broadbent/5052  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*The Council will receive the following reports:*

A) **Update on Refinery Rulemaking**

- 1) *None; receive and file.*

**B) Council Deliberation on Key Question**

1) *None; receive and file.*

**C) Clean Air Plan as a Framework for Future Council Topics**

1) *None; receive and file.*

**PRESENTATION**

**14. UPDATE ON REFINERY RULEMAKING**

**J. Broadbent/5052**  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*Staff will provide the Board of Directors with an update on refinery rulemaking.*

**PUBLIC COMMENT ON NON-AGENDA MATTERS**

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

*Speakers 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, September 7, 2016, 375 Beale Street, San Francisco, California 94105 at 9:45 a.m.*

20. Adjournment

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

## CONTACT:

**MANAGER, EXECUTIVE OPERATIONS**  
**375 BEALE STREET, SAN FRANCISCO, CA 94105**  
**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.
- 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 375 Beale Street, Suite 600, San Francisco, CA 94105, at the time such writing is made available to all, or a majority of all, members of that body.

### **Accessibility and Non-Discrimination Policy**

The Bay Area Air Quality Management District (Air District) does not discriminate on the basis of race, national origin, ethnic group identification, ancestry, religion, age, sex, sexual orientation, gender identity, gender expression, color, genetic information, medical condition, or mental or physical disability, or any other attribute or belief protected by law.

It is the Air District’s policy to provide fair and equal access to the benefits of a program or activity administered by Air District. The Air District will not tolerate discrimination against any person(s) seeking to participate in, or receive the benefits of, any program or activity offered or conducted by the Air District. Members of the public who believe they or others were unlawfully denied full and equal access to an Air District program or activity may file a discrimination complaint under this policy. This non-discrimination policy also applies to other people or entities affiliated with Air District, including contractors or grantees that the Air District utilizes to provide benefits and services to members of the public.

Auxiliary aids and services including, for example, qualified interpreters and/or listening devices, to individuals who are deaf or hard of hearing, and to other individuals as necessary to ensure effective communication or an equal opportunity to participate fully in the benefits, activities, programs and services will be provided by the Air District in a timely manner and in such a way as to protect the privacy and independence of the individual. Please contact the Non-Discrimination Coordinator identified below at least three days in advance of a meeting so that arrangements can be made accordingly.

If you believe discrimination has occurred with respect to an Air District program or activity, you may contact the Non-Discrimination Coordinator identified below or visit our website at [www.baaqmd.gov/accessibility](http://www.baaqmd.gov/accessibility) to learn how and where to file a complaint of discrimination.

Questions regarding this Policy should be directed to the Air District’s Non-Discrimination Coordinator, Rex Sanders, at (415) 749-4951 or by email at [rsanders@baaqmd.gov](mailto:rsanders@baaqmd.gov).



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
**375 BEALE STREET, SAN FRANCISCO, CALIFORNIA 94105**  
**FOR QUESTIONS PLEASE CALL (415) 749-5016 or (415) 749-4941**

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

**JULY 2016**

<b><u>TYPE OF MEETING</u></b>	<b><u>DAY</u></b>	<b><u>DATE</u></b>	<b><u>TIME</u></b>	<b><u>ROOM</u></b>
<b>Board of Directors Public Engagement Committee</b> <i>(At the Call of the Chair)</i>	Monday	18	9:30 a.m.	1 <sup>st</sup> Floor Board Room
<b>Advisory Council Meeting</b> <i>(Meets at the Call of the Chair)</i>	Tuesday	19	10:00 a.m.	1 <sup>st</sup> Floor 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	20	9:45 a.m.	1 <sup>st</sup> Floor Board Room
<b>Board of Directors Climate Protection Committee</b> <i>(Meets on the 3<sup>rd</sup> Thursday of every other Month) - CANCELLED</i>	Thursday	21	9:30 a.m.	1 <sup>st</sup> Floor Board Room
<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets on the 4<sup>th</sup> Wednesday of each Month) - CANCELLED</i>	Wednesday	27	9:30 a.m.	1 <sup>st</sup> Floor Board Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets on the 4<sup>th</sup> Thursday of each Month) - CANCELLED</i>	Thursday	28	9:30 a.m.	1 <sup>st</sup> Floor Board Room

**AUGUST 2016**

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

## SEPTEMBER 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	7	9:45 a.m.	1 <sup>st</sup> Floor Board Room
<b>Board of Directors Climate Protection Committee</b> <i>(Meets on the 3<sup>rd</sup> Thursday of every other Month)</i>	Thursday	15	9:30 a.m.	1 <sup>st</sup> Floor Board Room
<b>Board of Directors Executive Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i>	Monday	19	9:30 a.m.	1 <sup>st</sup> Floor Board Room
<b>Board of Directors Stationary Source Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i>	Monday	19	10:30 a.m.	1 <sup>st</sup> Floor 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	21	9:45 a.m.	1 <sup>st</sup> Floor Board Room
<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.	1 <sup>st</sup> Floor 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.	1 <sup>st</sup> Floor Board Room

HK – 7/12/16 (3:51 p.m.)

G/Board/Executive Office/Moncal

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Eric Mar and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: July 6, 2016

Re: Minutes of the Board of Directors Regular Meeting of June 15, 2016

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RECOMMENDED ACTION

Approve the attached draft minutes of the Board of Directors Regular Meeting of June 15, 2016.

DISCUSSION

Attached for your review and approval are the draft minutes of the Board of Directors Regular Meeting of June 15, 2016.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Marcy Hiratzka  
Reviewed by: Maricela Martinez

Attachment 4A: Draft Minutes of the Board of Directors Regular Meeting of June 15, 2016

## AGENDA: 4A – ATTACHMENT

Draft Minutes - Board of Directors Regular Meeting of June 15, 2016

Bay Area Air Quality Management District  
375 Beale Street, Suite 600  
San Francisco, CA 94105  
(415) 749-5073

Board of Directors Regular Meeting  
Wednesday, June 15, 2016

### **DRAFT MINUTES**

*Note: Audio 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>*

#### **CALL TO ORDER:**

**1. Opening Comments:** Chairperson Eric Mar called the meeting to order at 10:20 a.m. He welcomed everyone to the first Board of Directors (Board) meeting to be held at 375 Beale Street, the Air District's new office location, and announced that prior to the Board meeting, the 2016 Clean Air Foundation meeting had taken place, as a special meeting of the Board. As the Pledge of Allegiance was conducted at the Clean Air Foundation meeting, it was not repeated at the Board meeting. Metropolitan Transportation Commission's (MTC) Executive Director, Steve Heminger, gave welcoming remarks to the Board, District staff, and attendees, as the Air District shares its new space with MTC and the Association of Bay Area Governments, among other tenants.

#### **Roll Call:**

Present: Chairperson Eric Mar; Vice-Chairperson Liz Kniss; Secretary David Hudson; and Directors John Avalos, Teresa Barrett, Tom Bates, David J. Canepa, Osby Davis, John Gioia, Carole Groom, Scott Haggerty, Rebecca Kaplan, Nate Miley, Karen Mitchoff, Deborah Raphael, Katie Rice, Mark Ross, Rod Sinks, Warren Slocum, Jim Spering, and Brad Wagenknecht

Absent: Directors Cindy Chavez, Jan Pepper, and Shirlee Zane.

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

**2. Public Comment On Non-Agenda Matters, Pursuant to Government Code Section 54954.3 (Round 1 of 2)**

Andres Soto, Benicians for a Safe and Healthy Community, addressed the Board regarding the health impacts that can result from crude by rail derailments, explosions, and water contamination. Mr. Soto stated that he recently attended the Court of Appeals hearing on the 2014 litigation by Earthjustice of the Air District and Kinder Morgan permit for the transport of crude oil by rail into Richmond without issuing an environmental impact report or notifying the public. Mr. Soto also referenced the recent crude oil train derailment in Oregon that resulted in a fire, warning against a similar situation happening along the Union Pacific railroad line that could potentially affect up-rail communities ranging from the Sacramento Valley to Santa Clara County.

**CONSENT CALENDAR (ITEMS 3 - 7)**

3. **Minutes of the Board of Directors Special Meeting Budget Hearing and Regular Meeting of May 18, 2016** – Chair Mar made the following announcement at the request of the Clerk of the Boards: “Prior to the Board meeting of June 15, 2016, the Clerk of the Boards was alerted to an error found in the Board minutes of May 18, 2016. The error was made in the fifth announcement made by Director Ross, as part of Item 25 – Board Member Comments, in which the name of ‘Milton Feinstein’ should have been ‘Milton Feldstein’. The Clerk of the Boards notes this change, which will be reflected in the minutes of the June 15, 2016 Board of Directors meeting.”
4. **Board Communications Received from May 18, 2016 through June 14, 2016**
5. **Air District Personnel on Out-of-State Business Travel**
6. **Consider Authorization to Execute Contracts in Excess of \$70,000, Pursuant to Administrative Code Division II Fiscal Policies and Procedures Section 4.3 Contract Limitations, for Air Quality Research Activities**
7. **Consider Authorization to Execute a Contract and Issue a Purchase Order in Excess of \$70,000, Pursuant to Administrative Code Division II Fiscal Policies and Procedures Section 4.3 Contract Limitations, for Meteorology Measurements**

Director Raphael made a motion, seconded by Secretary Hudson, to **approve** the Consent Calendar Items 3 through 7, inclusive, as amended; and the motion **carried** by the following vote of the Board:

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

**PUBLIC HEARINGS**

8. **Public Hearing to Consider Adoption of Proposed Amendments to Air District Regulation 3: Fees and Approval of the Filing of a Notice of Exemption from the California Environmental Quality Act (OUT OF ORDER, ITEM 9)**

Jack Broadbent, Executive Officer/Air Pollution Control Officer, introduced this item, stating that the amended fee structure fits the proposed budget for Fiscal Year Ending 2017. Mr. Broadbent gave the Board the option of waiving the prepared staff presentation for this item, and Chair Mar chose to waive the presentation.

**Public Comment:**

Berman Obaldia, Western States Petroleum Association (WSPA), reiterated comments that WSPA had submitted in response to this issue in May 2016, which included: fee increases imposed on refineries have historically been excessive and higher than those imposed on other sectors; Regulation 3: Fees schedules currently have greater than one hundred percent cost recovery; and regulations associated with fee increases can result in substantial costs to prepare and to maintain compliance with new regulations.

Susan Gustofsen, Valero, suggested that staff conduct a more robust assessment of the proposed fee structure and that it occur annually and earlier in the fiscal year than the District's current practice. She suggested that the assessment evaluate cost recovery, cost history, cost containment, and effectiveness and gave two examples of why she thought the proposed fees could stand to be improved.

Ratha Lai, Sierra Club, commended the Air District for having successfully investigated and documented air pollution permit violations within the refinery industry in the past, and said that he hopes the Air District will continue to protect the community's health, as the refinery sector is intent on defending its profit motive interests and revenue sources.

Board Comments:

The Board and staff discussed the District's Cost Recovery Program as it relates to District Counsel staff time consumed in litigation and costs resulting in lost court cases; the difference between Schedules T, W, and X and when each would be adopted by the Board; and the need for fees to accurately reflect staff time.

Director Kaplan made a motion, seconded by Director Mitchoff, to **approve** the proposed amendments to Air District Regulation 3: Fees and approval of a Notice of Exemption from the California Environmental Quality Act; and the motion **carried** by the following vote of the Board:

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

NOTED PRESENT: Director Davis noted present at 10:44 a.m.

**9. Public Hearing to Consider Adoption of the Air District's Proposed Budget for Fiscal Year Ending (FYE) 2017 (ITEM 10)**

Chair Mar explained that this was the second of two hearings on the issue. Mr. Broadbent gave the Board the option of waiving the prepared staff presentation for this item, and Chair Mar chose to waive the presentation.

Public Comments:

No requests received.

Board Comments:

None.

Board Action:

Director Haggerty made a motion, seconded by Secretary Hudson, to **adopt** a resolution to approve the Proposed Budget for FYE 2017 and various budget-related actions; and the motion **carried** by the following vote of the Board:

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

## **COMMITTEE REPORTS**

### **10. Report of the Stationary Source Committee Meeting of June 1, 2016 (ITEM 8)**

Stationary Source Committee Chair Gioia read:

The Committee met on Wednesday, June 1, 2016, and approved the minutes of April 18, 2016.

The Committee reviewed and discussed the staff presentation, *Update on Regulation 12, Rule 16: Evaluation of Options for Reducing Combustion Emissions from Refineries*, including overview; refinery impacts and issues; refinery strategy – background and progress; criteria and toxic pollutants; focus on combustion emissions; options for combustion emissions - reductions at refineries; evaluation criteria; staff evaluation; staff recommendations, and next steps.

As part of this Committee Report, staff will give a presentation responding to Committee member comments and Advisory Council Chair Hayes and Director Sinks will also give a presentation.

The next meeting of the Committee is on Monday, September 19, 2016, Bay Area Air Quality Management District Office, 375 Beale Street, San Francisco, California 94105 at 10:30 a.m.

This concludes the Chair Report of the Stationary Source Committee.

### **Update on Regulation 12, Rule 16**

Jean Roggenkamp, Deputy Executive Officer, introduced Greg Nudd, Rule Development Manager, who gave staff presentation *Addressing Refinery Emissions*, including: overview, recent rulemaking- criteria and toxic pollutants; upcoming rulemaking- toxic pollutants and permitting; remaining issues; staff evaluation of options for rule 12-16; staff approach for options; recommended approach for 12-16; and next steps.

### **Board Comments:**

The Board and staff discussed staff's preliminary recommendation of pursuing a hybrid approach that uses Options 1 and 2 (refinery-wide combustion emissions reduction *and* combustion emissions best available retrofit control technology on refinery processes); pollutants other than CO<sub>2</sub> that are addressed by the proposed energy and carbon intensity limits; the California Air Resources Board's (CARB) comments on staff's recommended approach; the trend of having to replace the depleting

source of lighter fuels with dirtier, heavier fuels; and the distinction between a cap on GHG emissions only, versus a cap on GHG emissions, as well as precursor air contaminants.

### **Update from Advisory Council**

Mr. Broadbent explained that in April, the Advisory Council deliberated on a key question that was relevant to the Board's deliberations, 'What is the efficacy of imposing numeric caps on GHG emissions from Bay Area refineries?', and that the Advisory Council had given a presentation to the Stationary Source Committee. He said that the same presentation was to be given to the Board as part of the report out of the Stationary Source Committee. Mr. Broadbent introduced Advisory Council Chairperson, Stan Hayes, who gave the presentation *Efficacy of Refinery GHG Caps – Status Report*, including: Advisory Council members; key question; Advisory Council meeting schedule, speakers and discussion; Council deliberations- progress to date; District mission; criteria pollutants; toxics; GHG without action; GHG with action; refineries; refinery GHG; guiding principles; preliminary conclusions; and next steps.

### **Board Comments:**

The Board and staff thanked the Advisory Council for its deliberations on this issue and discussed: District staff's reasoning for its choice of recommended approach; the proposed components, analysis, and anticipated schedule of the Environmental Impact Report (EIR) for Rule 12-16; the large gap between the GHG target of 2016 and the projected GHG target of 2050; the future and longevity of the Cap and Trade program; how the No-Project Alternative in the EIR may legally only consider existing conditions, and not speculative increases in pollution; staff's commitment to move forward with implementing the methane reduction option, regardless of which of the first three options are selected; how the development of Rule 12-16 could contribute to the reduction of vehicle miles traveled; and staff's goal of establishing a robust threshold that all polluting sources must meet, not limited to the refinery industry.

### **Public Comments:**

Denny Larson, Community Science Institute, addressed the Board requesting that District staff provide a list of results from each Health Risk Assessment that has been conducted under the development of Rule 12-16.

Nancy Rieser, Crockett-Rodeo-United to Defend the Environment, referenced the recent lead contamination of Michigan's Flint River to demonstrate the health risks that can result from bureaucratic inaction and requested the implementation of the emissions cap, which is the third option Rule 12-16.

Sandy Saeturn, Asian Pacific Environmental Network, addressed the Board regarding her support of the emissions cap proposal.

Ratha Lai, Sierra Club, addressed the Board requesting the approval of the emissions cap in order to ensure that increasing emissions do not continue to impact public health. Mr. Lai also requested that these caps be implemented before the Board membership changes again, and expressed his desire to see the opportunity for discussion of this topic be made available to those who cannot attend Air District Board meetings.



Bill Pinkham, Sunflower Alliance, addressed the Board regarding potential fuel explosions due to railroad track failure and resulting collisions. He stated that he is in favor of the cap on emissions to protect the health of children.

Eduardo Martinez, Vice Mayor for the City of Richmond, addressed the Board regarding his concern of the high cancer and asthma rates within his community and the need for the refinery-wide numeric emissions cap on all pollutants.

Rand Wrobel, 350 Bay Area, addressed the Board regarding the need for a cap on emissions at refineries.

Glenn Turner, NorCal Climate Mobilization, addressed the Board regarding her concern that Rule 12-16 is not developing as quickly as staff had anticipated and that emissions that are being released in the meantime are irreversible.

Richmond resident, Rebecca Auerbach, urged the Board to move forward in implementing the emissions cap at refineries, as this option for Rule 12-16 addresses the acceleration of action more so than the other three options that are being considered. Ms. Auerbach requested that the final hearing for this rule be held in September 2016.

Bill Quinn, California Council for Environmental and Economic Balance (CCEEB), expressed his concern about the lack of information on the “refinery-wide combustion reduction”, “best available retrofit control technology”, and “methane” options for Rule 12-16 that the Board is being asked to consider. Mr. Quinn requested that District staff provide supplemental information on these three options to CCEEB.

Kathy Wheeler, Shell Oil Company, encouraged the Board to utilize the research provided by staff, the Advisory Council, and CARB, before making a decision that would impose GHG emission caps on individual sources already regulated under AB 32’s Cap and Trade requirements.

Laurie Mintzer, Chevron, urged the Board to direct staff to work with regulated entities on rule alternatives and guidance documents before the next draft of Rule 12-16 is published, to ensure a cost-effective rule. Ms. Mintzer also said that California will eventually have to import its fuel from international sources with less regulations and higher emissions.

Hayward resident, Jason Wins, addressed the Board regarding the fossil fuel industry’s goal of profiting at the expense of the planet and public health, and urged the Board to impose emissions caps at refineries as soon as possible.

Jed Holtzman, 350 Bay Area, questioned why the Board of Directors does not hold day-long meetings, as the Advisory Council has done, and urged the Board to implement all four options for Rule 12-16 that were presented by staff.

Roger Lin, Communities for a Better Environment, urged the Board to direct staff to immediately initiate the CEQA process of all four options for Rule 12-16 and complete the EIR by September 2016.

Devorah Ancel, Sierra Club, urged the Board to begin the EIR process in order to evaluate numeric caps, determine which option will attain hard and fast GHG and criteria pollutant emission reductions, avoid leakage, and prohibit increased amounts of low-quality volatile and high-carbon crudes from being railed through California and processed at local refineries. She urged the Board not to prematurely limit the options without first completing this critical analysis.

Mike Smith, United Steelworkers Local 5, resubmitted the Union's support for the emissions cap, stating that the Union has been working with the Refinery Actions Collaborative in order to make the refineries safe places for their workers.

Greg Karras, Communities for a Better Environment, distributed a handout entitled *Setting Limits that "Cap" Facility-Wide Emissions from Bay Area Refineries is Essential and Urgent*, which contained several slides that supplemented his comments. Major points included: the caps will not increase refinery emissions elsewhere by forcing increased production at other refineries to supply the fuels the West Coast needs, limiting emissions to current levels does not force a reduction in emissions, and caps will not result in leakage that conflicts with AB 32.

Mary Flanagan, United Teachers of Richmond, expressed her concerns of crude by rail and frequent toxic stresses that students downwind of the refinery face. She also expressed the support of the emissions cap from herself and other Richmond teachers.

Andres Soto, Benicians for a Safe and Healthy Community, addressed the Board regarding his support for the adoption of the emission cap as soon as possible; how limits on GHG emissions per barrel of product, as stated in Option 1, is essentially a cap; staff's obligation to make rules that protect public health, despite the threat of refinery lawsuits; and the failing Cap and Trade program.

Steve Young, City of Benicia Planning Commission, referenced a proposal from Valero to bring crude by rail to Benicia, and urged the Board to carefully consider the selection of the consultant of the EIR for Rule 12-16, as the consultant selected for the Valero project's EIR had a direct correlation with the criticism and failure of the Valero project EIR.

Kelly Jones, 350 Marin, urged the Board to adopt numeric caps on emissions for refineries as soon as possible, emphasizing that an industry cannot regulate itself, and that staff's recommendations are very concerning.

Rose Strauss, 350 Bay Area, addressed the Board regarding her concerns as a young person facing future consequences from current climate change and refinery emissions.

Jack Fleck, 350 Bay Area, addressed the Board regarding the need for the Board to remedy environmental contamination that poses a threat to public health and safety, by imposing an emissions cap on refineries as soon as possible.

Clair Brown, 350 East Bay, urged the Board to adopt the numeric emissions cap immediately and thanked the Board for protecting public health.

Sara Greenwald, 350 San Francisco, addressed the Board regarding the decline of fossil fuels in California and the need for the Board to push the refineries into manufacturing new products.

Kathy Kerridge, Benicians for a Safe & Healthy Communities, addressed the Board regarding the decline of the public's health due to refinery particulate matter, and the immediate need for an emissions cap.

Benicia resident, Pat Toth-Smith, addressed the Board regarding children's health in fence line communities and the need for caps on refinery emissions.

Richard Gray, 350 Bay Area, urged the Board to make up its own mind about accepting staff's recommendation to cap emissions may set an example for other Air Districts.

Amy Valens, 350 Marin, addressed the Board regarding the increased frequency of impacts on children's health, and urged the Board to create change by imposing emission caps on refineries.

David McCoard, Sierra Club, encouraged the Board to implement a cap immediately to control emissions per barrel of refined product.

Richard Black, United Steelworkers Local 326, stated that local GHG caps are not the answer, as Bay Areas refineries are regulated efficiently, produce clean fuels, and are already held to limits on combustive emissions for each operating unit through permits.

Ken Jones, 350 Marin, referenced language from Air District Resolution No. 2014-07, that states, "District staff shall prepare a companion Regulation 12, Rule 16, to set emissions thresholds and mitigate potential emissions increases, for proposed adoption by the Board of Directors not later than Spring 2015," and, "Air District has authority to regulate emissions from non-vehicular sources of air pollution, including GHGs, and has the authority to enact more protective requirements than federal or State law."

Bettina Hughes, 350 Bay Area, expressed her concern of the oil industry continuing to make a profit at the expense of the public's health while not being held to any limits on emissions, and supported the emissions cap proposal.

Phil Ritter, 350 Marin, urged the Board to make a change by dismissing the recommended action of District staff and the Advisory Council and moving forward with numeric caps on emissions at refineries.

Daniel Lopez, Communities for a Better Environment, addressed the Board regarding the immediate need for the numeric cap on emissions and explained why he thought it was the strongest of the four options. Mr. Lopez also said that he supports all four options, and that the Board should not fear the threat of legal action from the refineries.

Louise Chegwiddden, East Bay resident, urged the Board not to prioritize the needs of the refinery industry by failing to impose the emissions cap and compromising the public's health.

Ella Teevan, Food and Water Watch, listed the fossil fuel pollution sources throughout the Bay Area, and urged the Board to preserve climate and health by adopting the numeric emissions cap on refineries.

Tammy Gard, Shell Martinez Refinery, urged the Board to consider the refinery workers as people with families to support before making a decision that would affect job security.

Judith Sullivan, Benicians for a Safe & Healthy Community, requested that the Board forego the EIR and commence with implementing the numeric emissions cap at refineries immediately.

Tyson Bagley, United Steelworkers Local 326, stated that leakage is real, Bay Area refineries are the cleanest and produce the cleanest fuel, and local GHG caps are not the solution.

Margaret Pearce, 350 San Francisco, suggested that the Board begin an EIR on Option 3 alone in order to expedite the process and have it completed by the end of the year, despite warnings of leakage that may or may not affect Bay Area residents.

Claire Broome, Berkeley resident, urged the Board to consider Option 3 as the primary option, rather than as an alternative.

Steven Yang, Chevron, addressed the Board regarding the fact that refineries already have caps. He said that those who support an enforceable numeric emissions cap for refineries also support curtailing refinery operations and cutting fuel production.

Tom Lewis, United Steelworkers Local 5, stated in a handout that: Rule 12-16 is a human rights issue; and avoidable refinery emissions are a violation of human rights to the cleanest air possible.

Katelynn Mudgett, Sierra Club, stated that a Board member disputed public comment about deaths resulting from refinery emissions at the June 1, 2016 Stationary Source Committee meeting and urged the Board to hold the final hearing for Rule 12-16 on a week night so that members of the refinery community may attend and have their voices heard.

Gordon Johnson, Shell Oil Company, addressed the Board regarding the need to re-identify the problem that the four proposed options are addressing, as discussion on Rule 12-16 has become very drawn out at this point.

Gary Rubenstein, Sierra Research, on behalf of WSPA, addressed the Board regarding unintended consequences that may result from rulemaking, and said that he did not believe that a local GHG cap on emissions at refineries will not result in a reduction in GHG emissions, but rather in an increase.

Charles Davidson, Sunflower Alliance, gave the opinion that Option 3 is the only option prepared to be implemented in a timely enough manner to mitigate the oil industry's planned increases in high GHG refining processes.

Mike Avila, United Steelworkers Local 326, expressed that refineries are not becoming obsolete, and also that not all refineries process the same materials or produce the same products, so should not be held to the same regulations.

Nick Despota, Richmond resident, referenced an article from the *Los Angeles Times* entitled "California's Cap and Trade Program Faces Daunting Hurdles to Avoid Collapse," which explained that the supply for carbon permits is greater than the demand in California. Mr. Despota said that an overconfidence in the Cap and Trade program interferes with refinery-wide emission limits that are within the Air District's authority.

Steve Nadel, Sunflower Alliance, urged the Board to adopt Option 3 immediately and said that if time is taken to further evaluate the other three proposed options, that research will be meaningless by the time it is completed, due to a radically shifting baseline with the transition to heavier dirtier emissions in the future.

Corazon Amada, Diablo Rising Tide, addressed the Board regarding the power that the Board has to directly affect the public health of vulnerable families. She encouraged the Board to move forward with the cap on emissions at refineries, despite the pressure of the refineries who fear a reduction in production that may result from the cap.

Barbara Denouden, 350 Marin, addressed the Board regarding the pollution and climate change that exists due to the fossil fuel industry, and urged the Board to include enforceable numeric caps on emissions at each refinery in the final draft of Rule 12-16.

Rick Stierwalt, Benicia resident, urged the Board to listen to the struggles of those who suffer from respiratory diseases and other side effects resulting from refinery pollution, and requested that the cap on emissions at refineries be adopted.

Aryeh Frankfurter, San Francisco resident, urged the Board to adopt Option 3 as soon as possible.

Iren Suhami, Valero, addressed the Board regarding the need to further evaluate Options 1 and 2 proposed by staff, claiming that Rule 11-10 (Cooling Towers) has been difficult for refineries to implement. She requested that staff engage with refineries for their input on this rule development.

Stacey Cuccaro, Phillips 66, addressed the Board regarding the other products that refineries produce from oil besides gasoline, and indicated that ceasing production at Bay Area refineries would only shift the problem of emissions to other areas that have refineries.

Mey Saecho, Richmond resident, addressed the Board regarding the recent death of her husband, and urged the Board to adopt the numeric emissions cap at refineries.

Boon Maniveng, Asian Pacific Environmental Network, addressed the Board regarding refinery emissions. She urged the Board to adopt the emissions cap for refineries.

Torm Normprassert, Richmond resident, addressed the Board regarding refinery emissions. He urged the Board to adopt the emissions cap on refineries immediately so that his grandchildren will be spared that air pollution during their childhood.

Ophir Cohen-Simayof, 350 Bay Area, addressed the Board regarding the Bay Area residents suffering from refinery emissions, urging the Board to implement the numeric emissions cap at refineries.

Richard Treadwell, Communities for a Better Environment, addressed the Board regarding the immediate need for the numeric emissions cap at refineries to protect public health from the switch to dirtier crude, and requested that Option 3 be adequately and fairly evaluated in the EIR.

Bouddica Todi, Fresh Air Vallejo, addressed the Board regarding a private industrial port project and cement processing plant that her organization is protesting. She thanked the Air District for its

comments on the Draft EIR addressed to the City of Vallejo and requested that the Air District educate Vallejo residents on impacts that could be made from this project.

Amy Loren, Phillips 66, stated that refinery workers are human beings and that traffic jams cause just as much air pollution as refineries.

Janet Pygeroge, Rodeo Citizens Association, addressed the Board regarding the consequences of failing to set caps on emissions at refineries, and said that refineries must be held accountable for their actions.

Board Comments Continued:

The Board and staff discussed whether or not an EIR for Rule 12-16 is necessary; other regulatory initiatives facing the Board in the future; the feasibility and projected schedule of creating rule language and an EIR for numeric caps on emissions (Option 3) alone; the need for the Board to make rules without fearing lawsuits; the health benefits of all options; the types of pollutants that are included in Option 3; the Board's consensus to study all four options in the EIR; and the dangers of using leakage as a guiding principle.

**CLOSED SESSION (commenced at 1:52 p.m.)**

**11. EXISTING LITIGATION (Government Code Section 54956.9(a))**

*Pursuant to Government Code Section 54956.9(a), a need exists to meet in closed session with legal counsel to consider the following case(s):*

**Western States Petroleum Association, Valero Refining Company – California, Tesoro Refining and Marketing Company, LLC, and Phillips 66 Company v. Bay Area AQMD**, Contra Costa County Superior Court, Case No. N16-0963

Brian Bunger, District Counsel, had nothing to report out following Closed Session.

**OPEN SESSION (commenced at 2:18 p.m.)**

**PUBLIC COMMENT ON NON-AGENDA MATTERS**

**12. Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3 (Round 2 of 2)**

No requests received.

**13. Board Members' Comments**

None.

**14. Report of the Executive Officer/APCO**

No report given.

**15. Chairperson's Report**

No report given.

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

*Wednesday, June 20, 2016, 1<sup>st</sup> Floor Board Room, 375 Beale Street, San Francisco, California 94105 at 9:45 a.m.*

**17. Adjournment:**

The Board meeting adjourned at 2:19 p.m.

Marcy Hiratzka  
Clerk of the Boards

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Eric Mar and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: July 6, 2016

Re: Board Communications Received from June 15, 2016 through July 19, 2016

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Copies of communications directed to the Board of Directors received by the Air District from June 15, 2016, through July 19, 2016, if any, will be at each Board Member's place at the July 20, 2016, 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 Eric Mar and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: July 6, 2016

Re: Notices of Violations Issued and Settlements in Excess of \$10,000 in the Months of  
May and June 2016

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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 May and June 2016.

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. Bunger

Attachment 6A: Notices of Violations Issued for the Months of May and June 2016

**NOTICES OF VIOLATIONS ISSUED**

The following Notices of Violations were issued in May 2016:

<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>
Environmental Remedies	Q5007	Pleasanton	A54394A	5/12/16	11-2-401.3	late notification on a job
Environmental Remedies	Q5007	Pleasanton	A54395A	5/12/16	11-2-401.3	late notification on a job
Restoration Management Company	R2288	Hayward	A54396A	5/12/16	3-317	failure to pay fees prior to commencement of job
Restoration Management Company	R2288	Hayward	A54396B	5/12/16	11-2-405	failure to pay fee for "J Number" Permit prior to commencement of job

<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>
Central Contra Costa Sanitary District	A0907	Martinez	A55536A	5/16/16	2-6-307	CO > 157 lbs/day
Chevron Products Company	A0010	Richmond	A54274A	5/10/16	10	RCA #'s 06W49, 06W50, 06W51, 06W51; 40 CFR 60.104(a)(1); H2S CEM Excess
Chevron Products Company	A0010	Richmond	A54275A	5/10/16	9-10-305	RCA #'s 06X33, 06X44, CO CEM Excesses, Late RCA Reporting
Chevron Products Company	A0010	Richmond	A54275B	5/10/16	1-522.7	RCA #'s 06X33, 06X44, CO CEM Excesses, Late RCA Reporting
Chevron Products Company	A0010	Richmond	A54276A	5/10/16	9-9-301.2	RCA #'s 06X17 & 06X42, Nox CEM Excess

## ATTACHMENT: 6A

Chevron Products Company	A0010	Richmond	A54416A	5/11/16	2-1-307	Contractor failed to estimate POC emission correctly; Dev 4272
Chevron Products Company	A0010	Richmond	A54417A	5/11/16	8-18-401	failed to tag and monitor connectors, valves; Dev 3948
Chevron Products Company	A0010	Richmond	A54417B	5/11/16	8-18-402	failed to tag and monitor connectors, valves; Dev 3949
Chevron Products Company	A0010	Richmond	A54418A	5/11/16	8-8-402	failed to monitor wastewater components @ 4 pump stations; Dev 4007
Chevron Products Company	A0010	Richmond	A54419A	5/11/16	8-18-401	failed to tag and monitor 10 valves & 1 pump; Dev 3911
Chevron Products Company	A0010	Richmond	A54419B	5/11/16	8-18-402	failed to tag and monitor 10 valves & 1 pump; Dev 3911
Phillips 66 Company - San Francisco Refinery	A0016	Rodeo	A52554A	5/11/16	8-18-401.2	Multiple components not inspected quarterly. Deviation 4357
Tesoro Refining & Marketing Company LLC	B2758	Martinez	A55535A	5/16/16	8-33-309	Failed to maintain leak free vapor line connector
Tesoro Refining & Marketing Company LLC	B2758	Martinez	A56308A	5/3/16	9-2-301	WfRd GLM, H2S > 60ppb/3-min; RCA #06X93
Tesoro Refining & Marketing Company LLC	B2758	Martinez	A56309A	5/3/16	9-2-301	WfRd GLM, H2S > 60ppb/3-min & 30ppb/60-min; RCA #06X97
Tesoro Refining & Marketing Company LLC	B2758	Martinez	A56310A	5/3/16	9-2-301	WfRd GLM, H2S > 60ppb/3-min & 30ppb/60-min; RCA #06Y00
West Contra Costa County Landfill	A1840	Richmond	A54415A	5/12/16	2-1-307	Temp dropped below permitted limit (P/C 05771) and failed to notify within 96 hrs. Episode 06Y96
West Contra Costa County Landfill	A1840	Richmond	A54415B	5/12/16	1-523	Temp dropped below permitted limit (P/C 05771) and failed to notify within 96 hrs. Episode 06Y97

ATTACHMENT: 6A

West County Wastewater District	A1271	Richmond	A54414A	5/2/16	9-7-403	failed to have initial source test for S6 & S7
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<b>Marin</b>						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
Novato Sanitary District	A1275	Novato	A51695A	5/24/16	2-1-307	Excess Emissions - Episodes 06V10, 06V38, 06V79, 06Y56, 06Y59, 06Y60, 06Y61, 06Y64, 06Y78

<b>San Francisco</b>						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
CEMEX Construction Materials Pacific, LLC	B7111	San Francisco	A54122A	5/2/16	2-1-307	Exceed throughput limit of PC#22534.1
Central Concrete Supply Inc	B2124	San Francisco	A54125A	5/16/16	2-1-301	No authority to construct for the four silos located at plant 30
Central Concrete Supply Inc	B2124	San Francisco	A54125B	5/16/16	2-1-302	No permit to operate for the four silos located at plant 30.
Central Concrete Supply Inc	B2124	San Francisco	A54126A	5/16/16	2-1-301	No authority to construct the slag surge hopper located at plant 31
Central Concrete Supply Inc	B2124	San Francisco	A54126B	5/16/16	2-1-302	No permit to operate the slag surge hopper located at plant 31.
Central Concrete Supply Inc	B2124	San Francisco	A54127A	5/16/16	2-1-307	Inoperable dust collector A11, PC#18294

<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>
Cypress Amloc Land Co , Inc	A1364	Colma	A54124A	5/9/16	CCR	Failure to submit annual report
Sarpangal, Deepak	X9909	Burlingame	A54316A	5/12/16	11-2-303.6	was issued for not meeting containment requirements
Sarpangal, Deepak	X9909	Burlingame	A54316A	5/12/16	11-2-303.6	was issued for not meeting containment requirements
Sunquest Properties Inc	A5691	Brisbane	A54123A	5/5/16	8-34-301.2	Component excess methane gas leak
Sunquest Properties Inc	A5691	Brisbane	A54123B	5/5/16	8-34-303	Surface excess methane gas leak

<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>
Kraft Heinz Food	A0167	San Leandro	A50219A	5/4/16	2-1-307	NOx>0.92 #/ton PC# 24014.
Donald Von Raesfeld Power Plant	B4991	Santa Clara	A51390A	5/16/16	2-6-307	failed source test #OS-6007; includes s#4
Petro America	C0541	San Jose	A51707A	5/17/16	2-1-302	Permit Expired 2/1/13
Rebuild Green	V0408	Palo Alto	A54393A	5/2/16	11-2-303.3	not removing RACM prior to commencement of Demolition

<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	A54560A	5/11/16	8-5-322.5	Five gaps on secondary seal greater than 0.06 inches; totaling 19" of circumference.
Valero Refining Company - California	B2626	Benicia	A54561A	5/20/16	8-5-306.2	Vapor leaks from 2 PRDs (SV-17175 and SV-17176A) greater than 500 ppm.
Valero Refining Company - California	B2626	Benicia	A54562A	5/20/16	8-5-306.2	Vapor leaks from 5 PRDs (SV-1734B, 1734C, 1734D, 17110, and 17111) greater than 500 ppm.

<b>District Wide</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
Rutan Enviromental Safety Services	W8112	Rocklin	A54397A	5/16/16	11-2-401.5	failure to notify the District of a schedule change

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

There were no settlement(s) for \$10,000 or more completed in May 2016.

### **NOTICES OF VIOLATION ISSUED**

The following Notice(s) of Violation were issued in June 2016:

<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>
Ameresco Vasco Road LLC	E0432	Livermore	A56703A	6/17/16	2-1-307	Records for CO tests not kept; RCA# 06Z48
Ameresco Vasco Road LLC	E0432	Livermore	A56704A	6/17/16	2-1-307	Failed source test (NTV-1799)

ATTACHMENT: 6A

Raj Construction	R2625	Union City	A55978A	6/16/16	11-2-303	Issued for improperly disturbing RACM.
Raj Construction	R2625	Union City	A55978B	6/16/16	11-2-304	Issued for not having RACM waste wet and in sealed leak-tight labled containers.
Russell City Energy Co, LLC	B8136	Hayward	A56628A	6/21/16	2-1-307	PC23763 pts 19© & 19(d) excess
Synergy Enterprises	L3268	Hayward	A55981A	6/28/16	11-2-303.6	Issued for not having negative air while asbestos removal was occurring.
Valleycare Medical Center	A8890	Pleasanton	A56705A	6/23/16	9-7-506	No source test for 14MM Btu/hr boilers
Western Digital Corporation	A8391	Fremont	A48972A	6/1/16	2-1-307	Failed to meet permit condition; link to breakdown id 06X79
Western Digital Corporation	A8391	Fremont	A48973A	6/1/16	2-1-307	Failed to meet permit condition; link to breakdown id 06Y07
Western Digital Corporation	A8391	Fremont	A54236A	6/1/16	2-1-307	Linked to RCA#06Y31, Failed to meet Permit Condition#23227-Section 10, 6 minutes

<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	A56353A	6/23/16	2-6-307	Carbon monoxide in excess of permitted limit
Central Contra Costa Sanitary District	A0907	Martinez	A56228A	6/28/16	2-6-307	Power outage; Sec.129 Emission limits exceeded
Chevron Products Company	A0010	Richmond	A54420A	6/15/16	2-1-307	Failed to maintain Perc loading events/PC 23773 part 4. Dev 4260.
Chevron Products Company	A0010	Richmond	A54421A	6/15/16	10	40 CFR 60.482 (6_)(4)(ii); not operated as closed top. Deviation 4108.

ATTACHMENT: 6A

Equilon Enterprises LLC	B1956	Martinez	A56180A	6/27/16	2-1-301	Exceeded Permitted Capacity
Shell Martinez Refinery	A0011	Martinez	A56178A	6/22/16	10	40CFR60.104(a)(1)>162ppm 3 hr avg H2S
Shell Martinez Refinery	A0011	Martinez	A56179A	6/22/16	2-6-307	H2S>50ppm 24 hr avg
Tesoro Refining & Marketing Company LLC	B2758	Martinez	A56311A	6/14/16	9-2-301	WfRd GLM, H2S> 60 ppb/3 min; #06Y10
Tesoro Refining & Marketing Company LLC	B2758	Martinez	A56313A	6/2/16	2-6-307	Late submittal of 10-day reports associated with A55531 & A55532
Tesoro Refining & Marketing Company LLC	B2758	Martinez	A56314A	6/2/16	2-6-307	S-1405 was not abated by SAP or SRU while being filled

<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>
Equator Estate Coffees & Teas	B5081	San Rafael	A51694A	6/14/16	2-1-307	Failure to meet permit conditions 21291 & 23278. Throughput exceedence.

<b>San Francisco</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
Hilton San Francisco Financial District	E1568	San Francisco	A54391A	6/13/16	11-2-401.3	Issued for not notifying District of renovation job



<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>
Thompson & Harvey	V8359	Morgan Hill	A56778A	6/22/16	8-33-304	CT #205536, failure to maintain gasoline cargo tank equipment.
Thompson & Harvey	V8359	Morgan Hill	A56779A	6/22/16	8-33-304	CT #205543, failure to maintain gasoline cargo tank equipment

<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>
Earthquake Protection Systems, Inc	B6025	Vallejo	A56078A	6/28/16	2-1-307	PC #21490- Exceed permit condition
Earthquake Protection Systems, Inc	B6025	Vallejo	A56079A	6/28/16	2-1-307	PC #21490- Exceed permit condition
Potrero Hills Landfill, Inc	A2039	Suisun City	A53412A	6/7/16	8-34-301.2	1 LFG connector leak > 1,000 ppm
Potrero Hills Landfill, Inc	A2039	Suisun City	A53412B	6/7/16	8-34-303	3 LFG surface leaks > 500 ppm
Valero Refining Company - California	B2626	Benicia	A56428A	6/28/16	2-6-307	Excess ID-06W60/06W61: CO > 100 ppm/day; & CO > 4402 lbs/day
Valero Refining Company - California	B2626	Benicia	A56453A	6/28/16	2-6-307	Excess ID-06X89: CO > 100 ppm/day
Valero Refining Company - California	B2626	Benicia	A56454A	6/28/16	2-6-307	Excess ID-06X95: NOx > 9 ppm/3-hours; and Late Reporting
Valero Refining Company - California	B2626	Benicia	A56454B	6/28/16	1-522.7	Late Reporting

<b>District Wide</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 Environmental, Inc.	W7485	Sacramento	A56028A	6/23/16	11-2-401.5	NOV was cancelled due to adequate evidence provided by the contractor
GB Tank Line Inc.	Y0585	Watsonville	A54288A	6/14/16	8-33-304	CT #21920, failure to maintain gasoline cargo tank equipment.

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

There were 2 settlement(s) for \$10,000 or more completed in June 2016.

- 1) On June 16, 2016, the District reached settlement with City of Santa Rosa Wastewater Treatment Plant for \$10,400, regarding the allegations contained in the following 4 Notices of Violation:

<b>NOV #</b>	<b>Issuance Date</b>	<b>Occurrence Date</b>	<b>Regulation</b>	<b>Comments from Enforcement</b>
A52517A	2/5/14	11/4/13	2-6-307	P.C. #18871 Exceeded H2S limit
A52520A	2/28/14	11/8/13	1-523.3	Failure to report excess within 96 hours
A52521A	3/4/14	11/14/13	2-6-307	Failure to submit 10 day/30 day deviation report
A53728A	9/16/14	4/28/14	2-6-307	Source test - Excess NOx emissions

- 2) On June 28, 2016, the District reached settlement with Russell City Energy Company, LLC for \$130,000, regarding the allegations contained in the following 2 Notices of Violation:

<b>NOV #</b>	<b>Issuance Date</b>	<b>Occurrence Date</b>	<b>Regulation</b>	<b>Comments from Enforcement</b>
A50215A	4/24/15	8/8/13	2-1-307	Drift rate > 0.005% PC23763 pt 44
A50217A	8/13/15	11/18/13	2-1-307	excess NH3 (A/C PC 23763), late reporting
A50217B	8/13/15	11/18/13	1-522	excess NH3 (A/C) PC 23736,) late reporting

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

## Memorandum

To: Chairperson Eric Mar and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: July 5, 2016

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 June 2016. The monthly out-of-state business travel report is presented in the month following travel completion.

**DISCUSSION**

The following out-of-state business travel activities occurred in the month of June 2016:

109<sup>th</sup> Annual Air & Waste Management Association Conference and Exhibition in New Orleans, Louisiana, June 19-24, 2016 Attendees:

- Eric Mar, Chair, Board of Directors
- John Gioia, Secretary, Board of Directors
- David Hudson, Board of Directors
- Teresa Barrett, Board of Directors
- Brad Wagenknecht, Board of Directors
- Mark Ross, Board of Directors
- Tam Doduc, Advisory Council
- Stan Hayes, Chair, Advisory Council
- Michael Kleinman, Advisory Council
- Jack Broadbent, Executive Officer / APCO
- Brian Bunger, Legal Counsel
- Damian Breen, Deputy Air Pollution Control Officer
- Jeff McKay, Deputy Air Pollution Control Officer

- Jean Roggenkamp, Deputy Executive Officer
- Eric Stevenson, Director
- Jaime Williams, Director/Officer
- Karen Schkolnick, Acting Director
- Lisa Fasano, Communications Officer
- Maricela Martinez, Manager, Executive Operations
- Abby Young, Manager, Climate Protection
- Vanessa Johnson, Sr. Executive Secretary
- Philip Martien, Sr. Advanced Projects Advisor
- David Burch, Principal Environmental Planner

Electric Vehicle Symposium & Exhibition, Montreal, Canada, June 18-23, 2016 Attendee:

- Ken Mak, Air Quality Specialist

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 Eric Mar and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: June 29, 2016

Re: Notification of Proposed Future Adoption of Amendments to the Air District's  
Administrative Code, Division II: Fiscal Policies and Procedures, Section 4.3:  
Contract Limitations

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**RECOMMENDED ACTION**

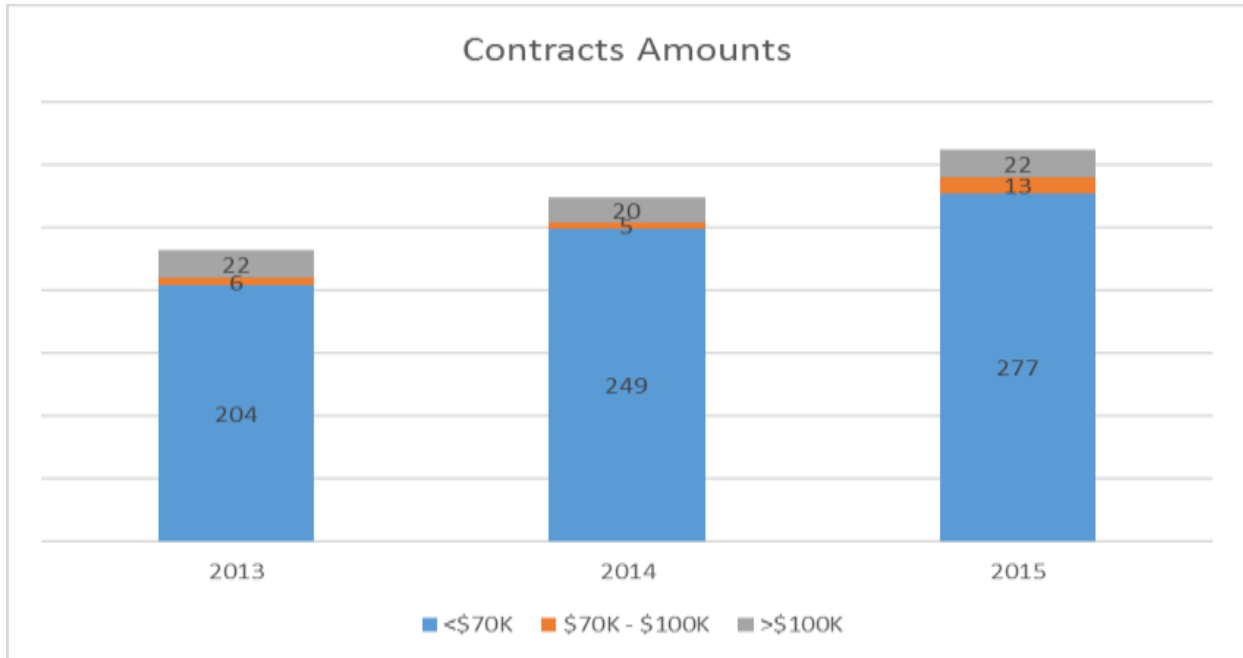
At its next regular meeting, the Board of Directors will consider adoption of amendments to the Air District's Administrative Code, Division II: Fiscal Policies and Procedures, Section 4.3: Contract Limitations, to increase the Executive Officer's contract signing authority from \$70,000 to \$100,000.

**DISCUSSION**

On May 16, 2016, the Executive Committee received the staff presentation on the proposed adoption of amendments to the Air District's Administrative Code, Division II: Fiscal Policies and Procedures, Section 4.3: Contract Limitations, to increase the Executive Officer's contract signing authority from \$70,000 to \$100,000.

The Air District contracts with hundreds of vendors for services and supplies. In 2004, the Board approved the referenced Administrative Code language providing the Executive Officer/APCO the authority to execute contracts under \$70,000. Since then, the Bay Area has sustained a steady increase in prices of goods and services. Assuming an average 2.5% inflation increase year over year, \$70,000 equals approximately \$94,000 in 2016 dollars.

Staff has found that the number of contracts between \$70,000 and \$100,000 have increased over time and that there is a clear break between the number of contracts below and above \$100,000 (More than 90% of contracts are below \$100,000). These contracts currently require notification to the Board on a meeting agenda and approval by a quorum of the Board of Directors. The following graph illustrates the number of contracts and related amounts for the past three calendar years:



This change would allow for more efficient processing of contracts and purchases for the Air District and more efficiency during Board meeting business. The procedure for contracts exceeding the cost of \$100,000 will continue to be brought to the Board to be signed by either the Chairperson of the Board of Directors, or the APCO after being directed to execute such a contract by resolution of the Board of Directors.

The Administrative Code changes are proposed as follows:

Administrative Code, Section 4.3:

*The APCO or designee shall execute on behalf of the Bay Area Air Quality Management District, contracts for purchase of supplies and materials and services costing not more than ~~seventy thousand dollars (\$70,000)~~ one hundred thousand dollars (\$100,000). Contracts for more than ~~seventy one hundred~~ thousand dollars shall be signed by either the Chairperson of the Board of Directors, or the APCO after being directed to execute such a contract by resolution of the Board of Directors.*

*For efficiency, recurring payments for routine business needs such as utilities, licenses, office supplies and the like, more than, or accumulating to more than ~~seventy one hundred~~ thousand dollars ~~(\$70,000)-(\$100,000)~~ shall be presented in the quarterly Financial Report.*

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Satnam Hundel  
Reviewed by: Rex Sanders

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

## Memorandum

To: Chairperson Eric Mar and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: June 23, 2016

Re: Consider Authorization to Issue a Purchase Order in Excess of \$70,000, Pursuant to Administrative Code, Division II: Fiscal Policies and Procedures, Section 4.3: Contract Limitations, to Technical and Business Systems for Continued Operation of the BioWatch Monitoring Network

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**RECOMMENDED ACTION**

The Board of Directors will consider authorizing the Executive Officer/APCO to issue a Purchase Order for FYE 2017 of \$1,116,074 for Technical and Business (T&B) Systems to continue operation and maintenance of the BioWatch monitoring network through June 30, 2017 as outlined in a grant from the Department of Homeland Security and the current contract that expires on June 30, 2017.

**DISCUSSION**

The BioWatch program began in February of 2003 with eight locations in the San Francisco area. In July of 2003, the network expanded to include 6 additional sites in the San Jose area. The operational demands of this network necessitated the use of a contractor. A Request for Quotation (RFQ) was sent to five qualified contractors. Staff received proposals from three contractors who responded to the RFQ. After a thorough evaluation, the contract was awarded to T&B Systems. In 2006, the network was again expanded to a total of 32 sites located throughout the Bay Area and additional grant funding was incorporated into the budget. The latest contract with T&B Systems was approved by the Board of Directors for a year period beginning July 1, 2014. A two-year contract ending on June 30, 2017 was approved by the Board of Directors in 2015.

The Purchase Order under consideration will cover operation of the network through the end of the second year of the current contract which was approved by the Board of Directors on October 21, 2015. A Request for Proposals will be posted, a contractor chosen and a new contract provided for Board consideration at the end of the current contract period. This Purchase Order will not exceed the amount of the grant award from the Department of Homeland Security.



BUDGET CONSIDERATION/FINANCIAL IMPACT

Funds for this Purchase Order are from a Homeland Security Grant that covers operation of the existing network and the associated Air District costs of administering the program. There will be no financial impact to the Air District's general revenue resources.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Eric Stevenson  
Reviewed by: Jean Roggenkamp

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Eric Mar and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: July 6, 2016

Re: Report of the Legislative Committee Meeting of June 27, 2016

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**RECOMMENDED ACTION**

The Legislative Committee (Committee) considered new bills and positions and a consensus of the members present supported the staff recommendations for positions on bills, including:

- 1) AB 1685 (Gomez): Support
- 2) AB 1965 (Cooper): Support
- 3) AB 2055 (Gibson): Support in concept
- 4) AB 2292 (Gordon): Support in concept
- 5) AB 2841 (Allen): Support in concept
- 6) ACR 112 (Hadley): Support
- 7) SB 32 (Pavley): Support
- 8) SB 773 (Allen): Sponsor
- 9) SB 1128 (Glazer): Co-sponsor
- 10) SB 1239 (Gaines): Oppose
- 11) SB 1338 (Lara): Support in concept
- 12) SB 1383 (Lara): Support if amended
- 13) SB 1441 (Leno): Support

**BACKGROUND**

The Committee met on Monday, June 27, 2016, and considered the report *Consideration of New Bills*.

Chairperson Brad Wagenknecht will give an oral report of the meeting.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Heidi Kettler  
Reviewed by: Maricela Martinez

Attachment 10A: 06/27/16 – Legislative Committee Meeting Agenda #4

Attachment 10B: 06/27/16 – Legislative Committee Meeting Agenda #5

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Brad Wagenknecht and Members  
of the Legislative Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: June 15, 2016

Re: Consideration of New Bills

---

RECOMMENDED ACTION

The Committee will discuss new bills, and recommend positions to the Board of Directors where appropriate.

DISCUSSION

Staff recommend a “**Support**” position on **AB 1965**, authored by Assemblymember Jim Cooper (D-Elk Grove). This bill was amended on May 31, 2016 to allow the Air District to participate in the vehicle replacement component of the Enhanced Fleet Modernization Program, known as EFMP Plus-Up. Essentially, the EFMP Plus-Up program provides financial incentives for owners of older, dirtier cars to replace them with newer, clean technology vehicles, including plug-in hybrids or battery electric vehicles. Currently, only the San Joaquin Valley and South Coast air districts are eligible to participate in this program. The Air District has formally petitioned ARB to allow our participation as well.

Initial versions of the bill focused on expanding EFMP Plus-Up to areas at risk of being designated extreme non-attainment, and on disadvantaged communities as defined by CalEnviroScreen. Thus, the Air District would have been excluded. After work with the author and committee consultants, however, the bill was amended to expand the program to districts with over a million residents, which would allow the Bay Area, Sacramento, and San Diego to all participate. Both the Bay Area and Sacramento have expressed interest in this opportunity. Given the bill’s amendments, which align with the Air District’s goals and specific formal requests to ARB for inclusion in the program, staff are recommending a “**Support**” position.

Staff may bring other bills to the committee for it to consider adopting positions on in addition to AB 1965.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Thomas Addison

Attachment: Assembly Bill 1965

AMENDED IN ASSEMBLY MAY 31, 2016

AMENDED IN ASSEMBLY MARCH 16, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1965**

**Introduced by Assembly Member Cooper  
(Coauthors: Assembly Members Alejo, Cooley, Dodd, and McCarty)**

February 12, 2016

An act to add Section 44127 to the Health and Safety Code, relating to vehicular air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 1965, as amended, Cooper. Vehicle retirement and replacement.

Existing law creates an enhanced fleet modernization program for the retirement of high polluting vehicles to be administered by the Bureau of Automotive Repair pursuant to guidelines adopted by the State Air Resources Board.

This bill, beginning in the ~~2016–17~~ 2017–18 fiscal year, and every year thereafter, would require the state board, in consultation with the bureau, to set specific, measurable goals for the retirement and replacement of passenger vehicles and light-duty and medium-duty trucks that are high polluters and to ensure those goals are met by updating the program's guidelines no later than July 1, ~~2017~~, 2018, as specified. The bill would require the state board, no later than July 1, 2018, and every other year thereafter, to collect and post on the program's Internet Web site specified information on the program. The bill would authorize the state board to allocate moneys, upon appropriation, from specified funds to expand the vehicle replacement component of the program.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
 State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares all of the  
 2 following:  
 3 (a) The State Air Resources Board estimates that the state is  
 4 home to five times more cars over 20 years old than the national  
 5 average.  
 6 (b) At present, at least 2,000,000 cars in the state, about nine  
 7 percent of the state’s 23,000,000 light- and medium-duty vehicles,  
 8 are over 20 years old.  
 9 (c) In 2011, the nine percent of the fleet that was model year  
 10 1992 or older produced a full 40 percent of the smog-forming  
 11 emissions from passenger vehicles.  
 12 (d) Furthermore, according to state and local agency estimates,  
 13 a mere 10 percent to 15 percent of the state’s motor vehicles, the  
 14 subset known as gross polluters, are responsible for more than half  
 15 of the light-duty vehicle smog in the state.  
 16 (e) An upgrade in fuel efficiency from 15 miles per gallon to  
 17 30 miles per gallon would save a typical household over \$1,200  
 18 per year in gasoline expenditures.  
 19 (f) The enhanced fleet modernization program (Article 11  
 20 (commencing with Section 44125) of Chapter 5 of Part 5 of  
 21 Division 26 of the Health and Safety Code) provides a significant  
 22 opportunity to improve air quality, reduce fuel costs for the state’s  
 23 low-income residents, and contribute to the state’s greenhouse gas  
 24 emissions reduction goals.  
 25 (g) It is the intent of the Legislature that the enhanced fleet  
 26 modernization program (Article 11 (commencing with Section  
 27 44125) of Chapter 5 of Part 5 of Division 26 of the Health and  
 28 Safety Code) be expanded to assist in meeting the state’s  
 29 environmental goals and maximize benefits for disadvantaged  
 30 communities, as identified pursuant to Section 39711 of the Health  
 31 and Safety Code.  
 32 SEC. 2. Section 44127 is added to the Health and Safety Code,  
 33 to read:  
 34 44127. (a) For purposes of this section, the following terms  
 35 have the following meanings:

1 (1) “Disadvantaged community” means a community identified  
2 pursuant to Section 39711.

3 (2) “Program” means the program established pursuant to  
4 Section 44125.

5 (b) Beginning in the ~~2016–17~~ 2017–18 fiscal year, and every  
6 fiscal year thereafter, the state board, in consultation with the  
7 bureau, shall set specific, measurable goals for the retirement and  
8 replacement of passenger vehicles and light-duty and medium-duty  
9 trucks that are high polluters.

10 (c) The state board, in consultation with the bureau, shall meet  
11 the goals set pursuant to subdivision (b) by updating the guidelines  
12 of the program no later than July 1, ~~2017~~. 2018. The updated  
13 guidelines shall ensure all of the following:

14 ~~(1) Specific steps are taken to ensure the vehicle replacement~~  
15 ~~component of the program is available in areas at risk of being~~  
16 ~~designated as federal extreme nonattainment.~~

17 ~~(2)~~

18 (1) Specific steps are taken to ensure the vehicle replacement  
19 component of the program is available ~~in~~ to all districts ~~containing~~  
20 ~~disadvantaged communities. that have more than one million~~  
21 ~~residents.~~

22 ~~(3)~~

23 (2) Funding for targeted outreach in low-income ~~and or~~  
24 disadvantaged communities for the program ~~is increased from the~~  
25 ~~amounts allocated in the 2015–16 fiscal year. is evaluated and, if~~  
26 ~~necessary, enhanced to obtain the goals set pursuant to subdivision~~  
27 ~~(b).~~

28 ~~(4)~~

29 (3) There ~~is~~ *is, where applicable,* improved coordination,  
30 integration, and partnerships with other programs that target  
31 disadvantaged communities and receive moneys from the  
32 Greenhouse Gas Reduction Fund, created pursuant to Section  
33 16428.8 of the Government Code.

34 (d) No later than July 1, 2018, and every other year thereafter,  
35 the state board shall collect and post on the program’s Internet  
36 Web site all of the following:

37 (1) Program performance relative to the goals adopted pursuant  
38 to subdivision (b).



1 (2) An accounting that includes, but need not be limited to,  
2 funding allocated to the program, funding sources, and program  
3 expenditures by region.

4 ~~(3) A comment on the overall success of the program, or lack~~  
5 ~~thereof, including, but not limited to, recommendations to improve~~  
6 ~~the overall performance of the program if the state board~~  
7 ~~determines the program needs improvement.~~

8 *(3) An analysis broken down by district of the program's*  
9 *performance to identify areas to be emphasized when setting future*  
10 *goals or updating the program guidelines.*

11 (e) Upon appropriation by the Legislature, the state board may  
12 allocate moneys for the expansion of the vehicle replacement  
13 component of the program from any of the following:

14 (1) The Enhanced Fleet Modernization Subaccount, created  
15 pursuant to Section 44126.

16 (2) The High Polluter Repair or Removal Account, created  
17 pursuant to Section 44091.

18 (3) The Vehicle Inspection and Repair Fund, created pursuant  
19 to Section 9886 of the Business and Professions Code.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Memorandum

To: Chairperson Brad Wagenknecht and Members  
of the Legislative Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: June 15, 2016

Re: Legislative Update

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**RECOMMENDED ACTION**

None; receive and file.

**BACKGROUND**

At the time of this writing, in Sacramento the Legislature is attempting to pass a budget in advance of its June 15, 2016 constitutional deadline. The dramatic decline in revenues from the May Cap-and-Trade auction has major implications for the programs funded with those revenues. Given the new uncertainty over the stability and size of this funding stream, staff anticipate that the Legislature will put aside decisions on programs funded with cap-and-trade revenues until after the next auction, scheduled for August 16, 2016.

The deadline for bills to clear their house of origin has come and gone on June 3, 2016, and measures that are still alive are having their policy committee hearings in the second house in the month of June. The Legislature will recess for its summer break during the month of July, and return to conclude its business in August.

Staff will give an oral update on the status of bills that the District has adopted positions on, as well as other bills of note. A list of bills of air quality significance is attached.

**BUDGET CONSIDERATION/FINANCIAL IMPACT**

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Thomas Addison

Attachment: Bill List Discussion

## BAAQMD BILL DISCUSSION LIST

June 17, 2016

BILL NO.	AUTHOR	SUBJECT	Status	POSITION (Positions in italics are staff recommendations)
AB 197	E. Garcia	Adds 2 legislators as non-voting members to ARB, and creates legislative committee on oversight of ARB's GHG reduction efforts	Sen. Env. Quality 6/29 hearing	
AB 1550	Gomez	Changes current cap-and-trade allocation from 10% within disadvantaged communities and 25% to benefit disadvantaged communities, to 25% within disadvantaged communities and 25% to benefit low-income communities	Sen. Env. Quality 6/29 hearing	
AB 1555	Gomez	Intent to distribute \$1.7B of cap-and-trade funds	Asm. Nat. Resources	
AB 1591	Frazier	Transportation funding proposal, with increased fees, including funding from cap-and-trade funds	Asm. Transportation	
AB 1657	O'Donnell	Zero- and Near-Zero Emission Intermodal Terminals Program; cap-and-trade funds to clean ports	Held in Asm. Approps.	
AB 1685	Gomez	Intent to increase civil penalties for vehicle manufacturers violating standards	Sen. Trans. 6/21 hearing	<i>Support</i>
AB 1691	Gibson	Changes Enhanced Fleet Modernization Program; 10,000 vehicles annually to be retired in disadvantaged communities	Sen. Trans. 6/21 hearing	
AB 1698	Hadley	Ends utility surcharge for renewable energy (EPIC) program; creates replacement using cap-and-trade funds	Asm. Nat. Resources	
AB 1710	Calderon	ARB to develop a plan to drastically increase the use of advanced technology light-duty vehicles, with an emphasis on disadvantaged communities	Held in Asm. Approps.	
AB 1717	Hadley	Spot bill on Air Quality Improvement Program and ARFVT program	Asm. Transportation	
AB 1759	Bonta	Effectively prohibits use of hydrofluoric acid at oil refineries	Asm. Natural Resources	
AB 1780	Medina	Directs 25% of cap-and-trade funds to Sustainable Trade Corridors Program	Held in Asm. Approps.	
AB 1815	Alejo	Requires ARB to provide technical assistance funding to disadvantaged communities and communities at or below 80% of the median income	Held in Asm. Approps.	
AB 1832	Dahle	Renewable portfolio standard spot bill	Not referred	

AB 1851	Gray	Removes cap on green-stickered vehicles in HOV lanes; increases incentives for clean vehicles, especially in disadvantaged communities	Held in Asm. Approps.	
AB 1886	McCarty	Loosens requirements for transit priority projects to receive CEQA exemption	Sen. Env. Quality 6/29 hearing	
AB 1902	Wilk	Increases time for civil actions against Aliso Canyon natural gas leak	Asm. Judiciary	
AB 1903	Wilk	Requires state report on long-term health impacts of Aliso Canyon leak	Sen. Env. Quality	
AB 1905	Wilk	Requires independent study of natural gas storage and injection practices	Held in Asm. Approps.	
AB 1937	Gomez	CEC not to certify 50 megawatt or greater fossil powerplants if non-fossil alternatives are possible	Sen. Energy 6/21 hearing	
AB 1964	Bloom	Extends sunset for HOV lane access for plug-in hybrid vehicles	Sen. Trans.	
AB 1965	Cooper	Expands Enhanced Fleet Modernization Program, focusing on disadvantaged communities	Sen. Trans. 6/21 hearing	
AB 1973	Campos	States intent to spend cap-and-trade funds for local educational agencies to do energy efficiency projects	Asm. Education	
AB 2055	Gibson	Reserves 25% of GO-Biz tax credits for companies investing in zero or near-zero emissions infrastructure at marine terminals	Held in Asm. Approps.	<i>Support in Concept</i>
AB 2066	Lackey	Requires service stations to display cost-per-gallon to comply with cap-and-trade requirements, as calculated by the CEC	Held in Asm. Approps.	
AB 2090	Alejo	Allows cap-and-trade funds currently allocated to Low Carbon Transit Operations Program to fund existing transit where a fiscal emergency exists	Sen. Trans. 6/21 hearing	
AB 2109	Dahle	Spot bill on AB 32 requirements for state agencies	Not referred	
AB 2145	Linder	Reduces vehicle license fee paid by low- and moderate-income recipients of incentives under the Enhanced Fleet Modernization Program	Asm. Transportation	
AB 2146	Patterson	Directs \$200M of cap-and-trade funds to reduce forestfire emissions	Held in Asm. Approps.	
AB 2170	Frazier	Directs federal freight funds to 1B's Trade Corridors Improvement Fund	Sen. Trans. 6/21 hearing	
AB 2181	Brown	Requires accounting in the bidding process for GHG emissions from energy-intensive products used in state-funded infrastructure	Held in Asm. Approps.	
AB 2206	Williams	Authorizes California Council on Science and Technology to conduct a study of biomethane and issues with using it with existing gas supply pipelines	Sen. Energy 6/21 hearing	
AB 2222	Holden	Puts \$50M annually of cap-and-trade funds into Transit Pass Program for public school students, with 50% in disadvantaged communities	Sen. Trans. 6/21 hearing	
AB 2223	Gray	Puts \$10M of cap-and-trade funds to loans for manure digesters	Sen. Budget	

AB 2276	Brown	Spot bill on Affordable Housing and Sustainable Communities Program	Not referred	
AB 2292	Gordon	Requires OEHHA to add population density to CalEnviroscreen	Held in Asm. Approps.	<i>Support in Concept</i>
AB 2293	C. Garcia	Requires ARB to develop a technical assistance program to assist small disadvantaged communities to apply for and receive cap-and-trade funds	Held in Asm. Approps.	
AB 2332	E. Garcia	Requires recipients of state transportation funds to prioritize projects providing mobility and safety benefits to disadvantaged communities	Asm. Trans.	
AB 2343	C. Garcia	Changes current law from spending 10% of cap-and-trade funds in disadvantaged communities to 10% in small cities in these communities	Held in Asm. Approps.	
AB 2415	E. Garcia	Requires cap-and-trade funded Clean Truck, Bus, and Offroad Vehicle program to allocate \$100M annually to technology meeting certain standards, and requires increasing amount of renewable fuel use for funded projects	Held in Asm. Approps.	
AB 2426	Low	Workplace Charging Station Grant program	Asm. Trans.	
AB 2432	Brown	Requires CalTrans to plan to address inefficiencies in truck freight network	Asm. Trans.	
AB 2564	Cooper	Lowers income eligibility requirements for Clean Vehicle Rebate Project, and increases rebates to low-income households	Sen. Env. Quality 6/29 hearing	
AB 2576	Gray	Pays \$20M annually of cap-and-trade funds to recycled glass makers	Held in Asm. Approps.	
AB 2585	Williams	Review of certain cap-and-trade regulations	Held in Asm. Approps.	
AB 2653	E. Garcia	Requires major new reporting on cap-and-trade spending, including actions to connect disadvantaged community members with economic benefits	Sen. Env. Quality 6/29 hearing	
AB 2673	Harper	Exempts hydrogen refueling station equipment from sales tax	Asm. Rev. and Tax	
AB 2702	Atkins	Study of GHG best practices	Held in Asm. Approps.	
AB 2715	E. Garcia	Creates Agricultural Working Poor Energy Efficient Housing Program, and urges at least \$25M of cap-and-trade funds be spent annually on the program	Sen. Energy	
AB 2722	Burke	Creates Transformative Climate Communities Program for disadvantaged communities, using \$250M of cap-and-trade funds	Sen. Env. Quality 6/29 hearing	
AB 2769	Patterson	Spot bill on renewable portfolio standard	Not referred	
AB 2781	E. Garcia	Requires 10% of CalEPA agency enforcement actions to go to Supplemental Environmental Projects in disadvantaged communities	Sen. Env. Quality 6/29 hearing	
AB 2783	E. Garcia	Reduces barriers for rural areas to cap-and-trade funded Affordable Housing and Sustainable Communities Program	Sen. Trans. 6/29 hearing	
AB 2829	Baker	Spot bill on Carl Moyer program	Not referred	

AB 2841	Allen	Allows public financing (using Infrastructure Bank) of port infrastructure projects, including zero- and near-zero equipment and related infrastructure	Held in Asm. Approps.	<i>Support in Concept</i>
ACR 112	Hadley	Thanks ARB for working to uncover VW emissions cheating, and declares support for increased ARB penalty authority	Sen. Env. Quality 6/29 hearing	<i>Support</i>
SB 32	Pavley	Requires GHG emissions to be 40% of 1990 levels by 2030	Asm. Nat. Resources	Support
SB 773	Allen	UC to study vehicle registration fraud	Asm. Approps.	Sponsor
SB 824	Beall	Increases flexibility for transit agency recipients of cap-and-trade funds through the Low Carbon Transit Operations Program	Asm. Trans. 6/27 hearing	
SB 887	Pavley	Increases regulation of natural gas storage wells, including increases monitoring to be developed by ARB in consultation with air districts	Asm. Nat. Resources 6/27 hearing	
SB 888	Allen	Requires that penalties for natural gas leaks be used for GHG reductions, and not be recoverable from ratepayers by the natural gas corporation	Asm. Gov. Org. 6/22 hearing	
SB 925	Gaines	Spot bill on ARB	Not referred	
SB 970	Leyva	Requires CalRecycle to consider GHG reductions and disadvantaged community benefits when awarding grants for composting	Asm. Nat. Resources 6/27 hearing	
SB 1000	Leyva	Adds mandatory environmental justice element to City& County general plans	Asm. Loc. Govt. 6/29 hearing	
SB 1030	McGuire	Eliminates sunset of Sonoma Regional Climate Protection Authority	Asm. Approps.	
SB 1043	Allen	Requires ARB to adopt policies to significantly increase the production and use of biogas and biomethane	Held in Sen. Approps.	
SB 1128	Glazer	Eliminates sunset on Bay Area Commuter Benefit Program	Asm. Trans. 6/27 hearing	Co-sponsor
SB 1153	Cannella	California Renewable Natural Gas Act (biomethane feed-in tariff at PUC)	Held in Sen. Approps.	
SB 1213	Wieckowski	Allocates \$20M annually for Biosolids to Clean Energy grant program; also one-time \$12M allocation for Bay Area biosolids to clean energy project	Held in Sen. Approps.	
SB 1239	Gaines	Exempts 1976 through 1980 model year vehicles from smog check	Failed Sen. Floor vote	<i>Oppose</i>
SB 1277	Hancock	Requires every public agency with discretionary approval of anything related to coal shipment through the Port of Oakland to prepare an EIR	Asm. Nat. Resources	
SB 1278	Hancock	Requires every public agency with discretionary approval of anything related to coal shipment through the Port of Oakland to prepare an EIR	Sen. Trans.	
SB 1279	Hancock	Prohibits ports next to disadvantaged communities from receiving state funds from CTC if the port exports coal	Asm. Trans. 6/27 hearing	

SB 1280	Hancock	Effectively requires CEQA lead agency to prohibit port coal shipment, or fully mitigate the GHG emissions from the burning the shipped coal	Sen. Trans.	
SB 1301	Hertzberg	Requires 25% of revenues from auction of GHG allowances by a gas corporation to go towards clean energy and energy efficiency projects	Held in Sen. Approps.	
SB 1338	Lara	Eliminates state sales tax on purchase of zero- and near-zero-emissions technology at seaports, from 2017 through 2030	Asm. Rev. and Tax	<i>Support in Concept</i>
SB 1350	Wolk	\$20M of cap-and-trade funds for Healthy Soils Program, for on-farm reductions of GHG emissions	Held in Sen. Approps.	
SB 1383	Lara	Requires ARB plan to cut short-lived climate pollutants specified amounts below 2013 levels by 2030; focus on areas disproportionately affected by poor air quality, and consideration for disadvantaged communities	Asm. Nat. Resources	<i>Support if Amended</i>
SB 1386	Wolk	Declares protection and management of natural and working lands key part of GHG emission reduction goals	Asm. Nat. Resources 6/27 hearing	
SB 1387	De Leon	Increases SCAQMD Board from 13 to 16, with new public health Governor's appointee, and new environmental justice Speaker and Pro Tem appointees, and potentially grants oversight of RECLAIM to ARB	Asm. Nat. Resources 6/27 hearing	
SB 1402	Pavley	Allows cap-and-trade funds to encourage production of low-carbon alternative fuels, with preference to disadvantaged communities	Held in Sen. Approps.	
SB 1405	Pavley	Expands ZEV credits to transportation systems	Held in Sen. Approps.	
SB 1425	Pavley	Requires ARB to develop water-energy nexus registry	Asm. Nat. Resources	
SB 1430	Pavley	Legislative intent for ARB to reassert state standards if federal tailpipe standards are weakened in midterm review	Not Referred	
SB 1441	Leno	PUC to disallow vented and fugitive natural gas emissions in setting rates, and ARB to count such emissions against compliance obligation of gas corps.	Asm. Utilities 6/29	<i>Support</i>
SB 1464	De Leon	Requires investment plan for cap-and-trade funds to be assessed against different metrics	Asm. Nat. Resources 6/27 hearing	

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Eric Mar and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: July 6, 2016

Re: Report of the Mobile Source Committee Meeting of June 30, 2016

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) Allocate up to \$1,151,430 in TFCA funding as match for California Air Resources Board (ARB) Low Carbon Transportation Greenhouse Gas Emission Reduction Funds (GGRF) for zero-emission truck and bus pilot commercial deployment projects using a project cost-effectiveness of \$500,000 per ton of emissions reduced;
- 3) Adopt a resolution that authorizes the Bay Area Air Quality Management District (Air District's) acceptance, obligation, and expenditure of GGRF funds;
- 4) Authorize the Executive Officer/APCO to enter into agreements for the recommended CMP and TFCA projects and with the ARB and partners for the acceptance and expenditure of GGRF funds.

B) Accept, Obligate, and Expend Funding from the Bay Area Clean Air Foundation (Foundation) and from the United States Environmental Protection Agency (EPA)

- 1) Adopt a Resolution authorizing the Bay Area Air Quality Management District (Air District) to accept, oblige, and expend up to \$972,262.70 from the Bay Area Clean Air Foundation (Foundation) for electric vehicle and vehicle buyback projects; and
- 2) Adopt a Resolution authorizing the Air District to accept, oblige, and expend up to \$1 million in funds from the U.S. Environmental Protection Agency (EPA) to replace three locomotives;



3) Authorize the Executive Officer/APCO to enter into all agreements necessary to accept and expend this funding.

C) Emissions Reduction from Air District Grant Programs; and

1) None; receive and file.

D) Fiscal Year Ending 2017 Transportation Fund for Clean Air (TFCA) Regional Fund Policies

1) Approve the proposed Fiscal Year Ending 2017 Transportation Fund for Clean Air (TFCA) Regional Fund Policies and Evaluation Criteria presented in Attachment A.

### BACKGROUND

The Committee met on Thursday, June 30, 2016, and received the following reports and recommendations:

A) Projects and Contracts with Proposed Grant Awards over \$100,000; and

B) Accept, Obligate, and Expend Funding from the Bay Area Clean Air Foundation (Foundation) and from the United States Environmental Protection Agency (EPA);

C) Emissions Reduction from Air District Grant Programs;

D) Fiscal Year Ending 2017 Transportation Fund for Clean Air (TFCA) Regional Fund Policies

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

### BUDGET CONSIDERATION/FINANCIAL IMPACT

A) 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.

B) Acceptance of the \$972,262.70 in Foundation monies requires an amendment to the FYE 2017 budget which was adopted by the Board of Directors on June 15, 2016. Air District staff time for the implementation of these projects is covered in the administrative fees associated with the funding. Acceptance of the \$1 million in EPA funding will be matched with Air District Proposition 1B Goods Movement Bond funding and private funding from the locomotive owners. Funding for Air District staff time for this project is provided by the Goods Movement Bond.

C) None.

D) None. The Air District distributes “pass-through” funds to grantees on a reimbursement basis. Administrative costs for the TFCA Regional Fund program are provided by the funding source.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Marcy Hiratzka  
Reviewed by: Maricela Martinez

Attachment 11A: 06-30/16 – Mobile Source Committee Meeting Agenda #4  
Attachment 11B: 06-30/16 – Mobile Source Committee Meeting Agenda #5  
Attachment 11C: 06-30/16 – Mobile Source Committee Meeting Agenda #6  
Attachment 11D: 06-30/16 – Mobile Source Committee Meeting Agenda #7

**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: June 14, 2016

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;
2. Allocate up to \$1,151,430 in TFCA funding as match for California Air Resources Board (ARB) Low Carbon Transportation Greenhouse Gas Emission Reduction Funds (GGRF) for zero-emission truck and bus pilot commercial deployment projects using a project cost-effectiveness of \$500,000 per ton of emissions reduced;
3. Adopt a resolution that authorizes the Bay Area Air Quality Management District (Air District's) acceptance, obligation, and expenditure of GGRF funds; and
4. Authorize the Executive Officer/APCO to enter into agreements for the recommended CMP and TFCA projects and with the ARB and partners for the acceptance and expenditure of GGRF funds.

**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 (Board) 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 HSC Sections 44241 and 44242. Sixty percent of TFCA funds are awarded 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. Each year, the Board allocates funding and adopts policies and evaluation criteria that govern the expenditure of TFCA funding.

On May 6, 2015, the Board authorized the allocation of \$13.77 million in new TFCA revenue for Fiscal Year Ending (FYE) 2016 and authorized the Executive Officer/APCO to execute Grant Agreements and amendments for projects funded with TFCA revenues with individual grant award amounts up to \$100,000.

CMP and TFCA 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 Board.

The ARB is scheduled to consider the Proposed Fiscal Year (FY) 2016-17 Funding Plan for Low Carbon Transportation and Fuels Investments and Air Quality Improvement Program (AQIP) (Funding Plan) on June 23, 2016. \$500 million are proposed in the FY 2016-2017 Funding Plan, which includes funding for zero-emission truck and bus pilot commercial deployment projects.

As part of this report, staff will update the Committee on the provisional results of the ARB Low Carbon Transportation GGRF solicitations and will request the Board adopt a resolution allowing the Air District to accept funding from this source.

## 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 were accepted and evaluated on a first-come, first-served basis.

As of June 7, 2016, the Air District had received 76 project applications for the CMP Year 17 cycle. Of the applications that have been evaluated between April 13, 2016 and June 7, 2016, two

eligible projects have proposed individual grant awards over \$100,000. These projects will replace two tractors, one motor grader, and two compactors. These projects will reduce over 7.3 tons of NOx, ROG and PM per year. Staff recommends the allocation of \$1,010,465 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 June 7, 2016, 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 27% 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 \$120 million awarded to 739 projects).

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

On May 6, 2015, the Board allocated \$24.47 million in TFCA funding, of which \$13.77 million are new funds for eligible projects in FYE 2016 and authorized cost-effectiveness limits and evaluation criteria for Air District-sponsored FYE 2016 programs. On July 29, 2015, the Board adopted policies and evaluation criteria for the FYE 2016 TFCA Regional Fund program.

As of June 3, 2016 the Air District had received 122 applications for FYE 2016 funding. To date, the Air District has evaluated 116 applications, of which 90 projects were approved or recommended for funding; 20 projects were not recommended; and six applications were withdrawn. Of the applications that were evaluated between April 14, 2016 and June 7, 2016, four eligible projects have proposed an individual grant award over \$100,000:

- Project #16HDZ001 will deploy 15 battery electric 30-foot buses on three shuttle routes operated by University of California, San Francisco (UCSF). These busses will be used to connect UCSF's 25,000+ person network to housing, campuses, hospitals/clinic services, and mass transit.
- Project #16R23 will provide funding to the Bay Area Rapid Transit District (BART) for 20 electronic bicycle locker quads (80 bicycle parking spaces) located in Berkeley, Dublin/Pleasanton, Millbrae, San Leandro, and Union City.
- Project #16HDG001 will scrap one Class 8 model year 2004 truck and deploy 11 zero-emission, battery-electric trucks serving Goodwill's numerous San Francisco facilities. As part of this project the Air District is proposing to provide \$151,430 in TFCA funds to match the \$2,738,557 in state GGRF funds.

- Project #16HDG002 will replace ten 2002 model year urban diesel buses operated by Alameda-Contra Costa Transit District (AC Transit) with ten hydrogen fuel-cell transit buses. The Air District partnered with the Center for Transportation and the Environment, AC Transit, South Coast Air Quality Management District, and the Orange County Transportation Authority on this project, and is proposing to provide \$1 million in TFCA funds for the AC Transit portion of the project as part of the match required for the total \$22,347,502 in state GGRF funds.

Together, the above four projects will reduce about 6.21 tons of NOx, ROG, and PM per year. Staff determined that these projects conform to the provisions of HSC 44241 and the Board-adopted policies and recommends awarding \$1,685,979 to these projects. Attachment 1, Table 2, provides additional information on these projects.

Attachment 4 lists the 90 eligible FYE 2016 TFCA projects that were evaluated by the Air District as of June 6, 2016. In total, these projects represent approximately \$11.6 million in funding awards, which include TFCA funds, \$450,000 in Reformulated Gasoline (RFG) Settlement funds, and \$239,850 in California Energy Commission (CEC) funds. These projects will reduce approximately 58.61 tons of NOx, ROG, and PM, and over 28,000 tons of tailpipe greenhouse gas emissions per year. Approximately 52% of the FYE 2016 TFCA funds awarded have been awarded to projects that reduce emissions in highly impacted Bay Area communities. Attachment 5 summarizes the allocation of funding by project category (Figure 1), and county (Figure 2).

#### **Resolution to support GGRF projects #16HDG001 & #16HDG002:**

In January of 2016, the Air District submitted applications to ARB in response to the GGRF zero-emission truck and bus pilot commercial deployment project solicitation. On April 14, 2016, the Air District received preliminary funding offers from ARB for projects, contingent upon: ARB's approval of the FY 2016-17 Funding Plan; the appropriation of sufficient FY 2016-17 Low Carbon Transportation funds by the California Legislature by June 30, 2016; and a resolution committing matching funds from the Air District.

Therefore, a resolution must be adopted by the Air District's Board of Directors in order to accept and obligate ARB's GGRF funds for these projects. The resolution in Attachment 6 addresses this requirement and authorizes the Executive Officer/APCO to enter into agreements with the ARB and partners for the acceptance and expenditure of GGRF funds.

#### **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 Ken Mak  
Reviewed by: Chengfeng Wang and Karen Schkolnick

- Attachment 1: Summary of Carl Moyer Program/Mobile Source Incentive Fund Projects with grant awards greater than \$100,000 (evaluated 4/13/16 - 6/7/16)
- Attachment 2: Summary of all CMP, MSIF and VIP approved and eligible projects (evaluated 11/20/15 - 6/7/16)
- Attachment 3: Summary of program distribution by county and equipment category for CMP, MSIF, VBB, and VIP funding since 2009
- Attachment 4: Summary of all TFCA approved and eligible projects (evaluated 7/1/2015 - 6/7/16)
- Attachment 5: Summary of FYE 2016 TFCA funds distributed by county and project category, as of 6/7/16
- Attachment 6: A Resolution of the Board of Directors of the Bay Area Quality Management Committing Matching Funds in Support of Application Greenhouse Gas Emission Reduction Fund Applications

## AGENDA 4 - ATTACHMENT 1

**Table 1 - Summary of Carl Moyer Program/ Mobile Source Incentive Fund projects with grant awards greater than \$100k (Evaluated between 4/13/16 and 6/7/16)**

Project #	Applicant name	Equipment category	Project description	Proposed contract award	Total project cost	Emission Reductions (Tons per year)			County
						NOx	ROG	PM	
17MOY63	Noah Concrete Corporation	Off-road	Replacement of one diesel motor-grader and two diesel compactors.	\$ 813,055.00	\$ 1,125,821.00	5.607	0.591	0.213	Santa Clara
17MOY60	Dwellely Family Farms, LLC	Ag/ off-road	Replacement of two diesel tractors.	\$ 197,410.00	\$ 266,851.37	0.882	0.071	0.024	Contra Costa
<b>2 Projects</b>				<b>\$ 1,010,465.00</b>		<b>6.489</b>	<b>0.662</b>	<b>0.237</b>	

**Table 2 - Summary of Transportation Fund for Clean Air projects with grant awards greater than \$100k (Evaluated between 4/13/16 and 6/7/16)**

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	
16R23	Bay Area Rapid Transit	Bicycle Lockers	Purchase and Install 20 eLocker quads in Berkeley, Dublin/Pleasanton, Millbrae, San Leandro, and Union City	Regional	\$90,000	\$200,000	0.112	0.115	0.116	Alameda/ San Mateo
16HDZ001	UC Regents	Zero-Emission Heavy-Duty Trucks & Buses	Purchase 15 30' all electric buses	San Francisco	\$250,000	\$334,549	0.268	0.033	0.007	San Francisco
16HDG001	Goodwill Industries	Zero-Emission Heavy-Duty Trucks & Buses	Purchase 11 zero-emission battery-electric trucks and scrap one model year 2004 truck	San Francisco	\$138,347	\$151,430	0.296	0.016	0.003	San Francisco
16HDG002	Alameda-Contra Costa Transit District	Zero-Emission Heavy-Duty Trucks & Buses	Purchase 10 zero-emission, hydrogen fuel-cell tranist buses and scrap 10 model year 2002 buses	Regional	\$61,947	\$1,000,000	3.690	1.548	0.007	Alameda/ Contra Costa
<b>4 Projects</b>						<b>\$ 1,685,979</b>	<b>4.367</b>	<b>1.711</b>	<b>0.134</b>	



## AGENDA 4 - ATTACHMENT 2

*Summary of all CMP, MSIF and VIP approved/ eligible projects (between 11/20/15 and 6/7/16)*

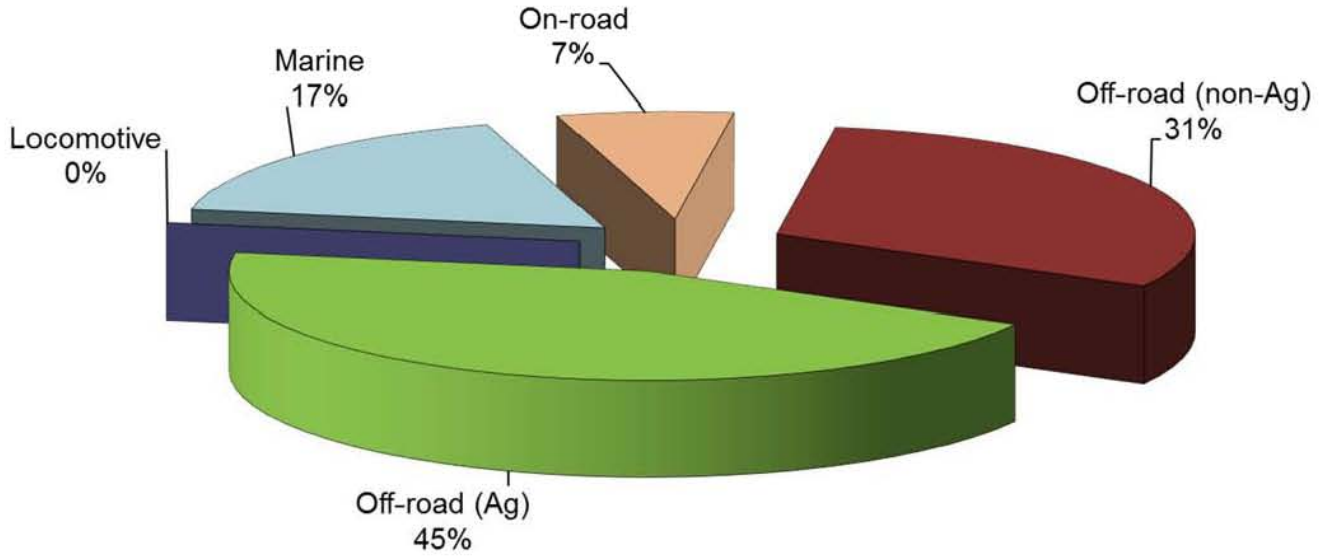
Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
						NOx	ROG	PM		
17MOY5	Ag/ off-road	Equipment replacement	1	\$ 249,000.00	Ironhouse Sanitary District	0.925	0.078	0.027	12/16/2015	Contra Costa
17MOY8	Marine	Engine replacement	1	\$ 117,400.00	Andrew Guiliano, DBA, Andrew Guiliano (Charter fishing)	0.407	0.025	0.015	12/16/2015	Contra Costa
17MOY7	Off-road	Engine replacement	3	\$ 213,500.00	Dees- Hennessey, Inc. (Construction)	0.966	0.109	0.038	12/16/2015	San Mateo
17MOY1	Ag/ off-road	Equipment replacement	3	\$ 126,370.00	Robert Giacomini Dairy, Inc.	0.357	0.055	0.023	12/16/2015	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	12/16/2015	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	2	\$ 337,232.00	Ben Silacci dba Silacci Dairy	2.628	0.307	0.109	12/16/2015	Sonoma
17MOY19	Ag/ off-road	Equipment replacement	1	\$ 120,650.00	Ghiggeri and Stonebarger, LLC	0.530	0.029	0.009	12/16/2015	Contra Costa
17MOY4	Off-road	Equipment replacement	1	\$ 33,150.00	Pacific Coast General Engineering, Inc.	0.161	0.027	0.010	APCO	Contra Costa
17MOY25	Ag/ off-road	Equipment replacement	1	\$ 172,820.00	Spring Hill Jersey Cheese	0.913	0.095	0.033	2/17/2016	Sonoma
17MOY18	Marine	Engine replacement	2	\$ 207,000.00	Tom Mattusch, DBA, F/V Hull Cat	1.393	-0.010	0.054	2/17/2016	San Mateo
17MOY28	Ag/ off-road	Equipment replacement	1	\$ 282,200.00	Lum Family Farms, Inc.	0.959	0.100	0.034	3/16/2016	Solano
17MOY40	Ag/ off-road	Equipment replacement	1	\$ 121,490.00	F.A. Maggiore & Sons, LLC	0.533	0.030	0.009	3/16/2016	Contra Costa
17MOY36	Ag/ off-road	Equipment replacement	1	\$ 129,595.00	Bayview Vineyards Corp.	0.601	0.061	0.023	3/16/2016	Napa
17MOY31	Marine	Engine replacement	1	\$ 145,800.00	Chris W. Lawson (Commercial fishing)	0.639	0.012	0.023	3/16/2016	San Mateo
17MOY26	Ag/ off-road	Equipment replacement	3	\$ 187,405.00	Diamond M Dairy	0.573	0.090	0.033	3/16/2016	Sonoma
17MOY29	Marine	Engine replacement	1	\$ 98,800.00	Richard L. Ogg II (Commercial fishing)	0.364	0.009	0.012	APCO	Sonoma
17MOY42	Marine	Engine replacement	1	\$ 70,000.00	Nicholas Krieger (Charter fishing)	0.393	0.009	0.015	APCO	San Francisco
17MOY15	Ag/ off-road	Equipment replacement	1	\$ 31,600.00	E & M Deniz Dairy	0.105	0.004	0.004	APCO	Sonoma
17MOY30	Marine	Engine replacement	1	\$ 78,500.00	Christian Troy Cavanaugh (Charter fishing)	0.234	0.000	0.013	APCO	Marin
17MOY20	Ag/ off-road	Equipment replacement	1	\$ 21,635.00	Cortina Vineyard Management	0.072	0.004	0.003	APCO	Napa
17MOY32	Ag/ off-road	Equipment replacement	1	\$ 48,210.00	Ronald William Cardoza (Farmer)	0.125	0.018	0.008	APCO	San Mateo
17MOY27	Ag/ off-road	Equipment replacement	2	\$ 52,300.00	Martinelli Brothers (Vineyard and orchard)	0.068	0.041	0.011	APCO	Sonoma
17MOY35	Ag/ off-road	Equipment replacement	1	\$ 76,690.00	R. Rossi Co. (Farmer)	0.458	0.065	0.023	APCO	San Mateo
17MOY39	Ag/ off-road	Equipment replacement	1	\$ 15,600.00	David Bertram (Cattle and vineyards)	0.021	0.012	0.003	APCO	Solano
17MOY37	Ag/ off-road	Equipment replacement	1	\$ 72,000.00	Kehoe Dairy, Inc.	0.226	0.027	0.010	APCO	Marin
17MOY16	Ag/ off-road	Equipment replacement	1	\$ 49,357.00	Poncica Family, LLC (Cattle and dairy)	0.274	0.039	0.014	APCO	Marin
17MOY38	Ag/ off-road	Equipment replacement	1	\$ 35,825.00	Dittmer Ranch	0.073	0.015	0.007	APCO	Solano
17MOY34	Marine	Engine replacement	2	\$ 176,000.00	FV Miss Hailee (Commercial fishing)	0.950	0.021	0.038	5/18/2016	San Francisco

## AGENDA 4 - ATTACHMENT 2

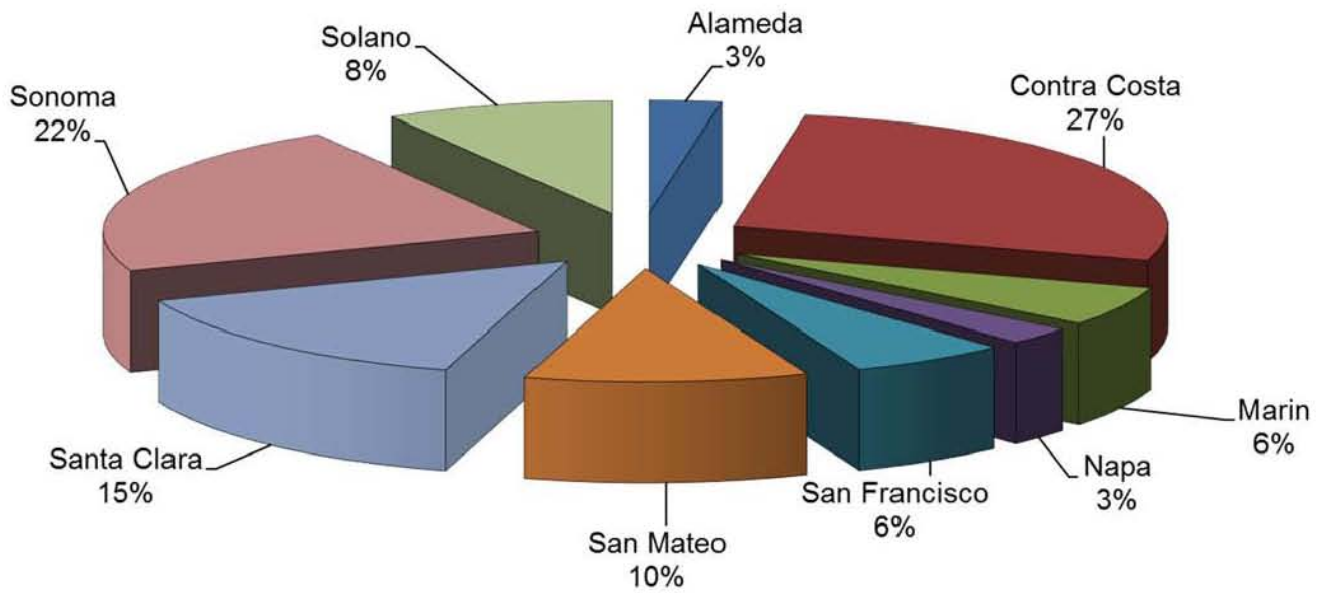
Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
						NOx	ROG	PM		
17MOY41	Marine	Engine replacement	2	\$ 212,000.00	David J. Shogren (Commercial fishing)	0.994	0.004	0.044	5/18/2016	Solano
17MOY21	Off-road	Equipment replacement	2	\$ 80,500.00	Economy Lumber Company of Oakland, Inc.	0.358	0.058	0.026	APCO	Alameda
17MOY47	Ag/ off-road	Equipment replacement	1	\$ 121,360.00	Andrew Poncia dba Poncia Fertilizer Spreading	0.474	0.049	0.017	5/18/2016	Sonoma
17MOY45	Ag/ off-road	Equipment replacement	1	\$ 58,800.00	Bianchini, Inc. (Dairy)	0.124	0.022	0.011	APCO	Marin
17MOY48	Ag/ off-road	Equipment replacement	1	\$ 182,750.00	Mertens Dairy	1.352	0.162	0.058	5/18/2016	Sonoma
17MOY44	Ag/ off-road	Equipment replacement	1	\$ 103,500.00	Andrew Poncia dba Poncia Fertilizer Spreading	0.388	0.012	0.012	5/18/2016	Sonoma
17MOY52	Ag/ off-road	Equipment replacement	2	\$ 71,400.00	Peter C. Haywood (Vineyard)	0.136	0.029	0.014	APCO	Sonoma
17MOY53	Off-road	Equipment replacement	3	\$ 938,000.00	Hanson Aggregates, Mid-Pacific, Inc.	7.167	0.812	0.287	5/18/2016	Contra Costa
17MOY50	Ag/ off-road	Equipment replacement	1	\$ 23,255.00	Colinas Farming Company	0.076	0.016	0.004	APCO	Napa
17MOY54	Ag/ off-road	Equipment replacement	2	\$ 84,700.00	Valley View Dairy	0.335	0.048	0.021	APCO	Sonoma
17MOY55	Off-road	Equipment replacement	1	\$ 29,000.00	Coastside Lumber dba South City Lumber & Supply	0.143	0.020	0.009	APCO	San Mateo
17MOY57	Off-road	Equipment replacement	2	\$ 85,550.00	Peninsula Building Materials Co	0.358	0.069	0.029	APCO	Santa Clara
17MOY63	Off-road	Equipment replacement	3	\$ 813,055.00	Noah Concrete Corporation	5.607	0.591	0.213	TBD	Santa Clara
17MOY60	Ag/ off-road	Equipment replacement	2	\$ 197,410.00	Dwelley Family Farms, LLC	0.882	0.071	0.024	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
VIP271	VIP	Truck Replacement	1	\$ 20,000.00	Gravel Sand and Soil Delivery LLC	0.460	0.020	0.000	APCO	Sonoma
VIP272	VIP	Truck Replacement	1	\$ 45,000.00	Gurjot Pawar	0.870	0.030	0.000	APCO	Santa Clara
VIP273	VIP	Truck Replacement	1	\$ 40,000.00	Guru Dutt Saini	0.840	0.010	0.000	APCO	San Joaquin
VIP274	VIP	Truck Replacement	1	\$ 35,000.00	Juan Cortes	1.710	0.020	0.000	APCO	Solano
VIP275	VIP	Truck Replacement	1	\$ 45,000.00	Miller Trucking Corp.	0.890	0.010	0.000	APCO	Shasta
VIP276	VIP	Truck Replacement	1	\$ 35,000.00	James David Gray DBA Jim Gray Trucking	0.670	0.010	0.000	APCO	Glenn
VIP277	VIP	Truck Replacement	1	\$ 30,000.00	Armando Gutierrez	1.390	0.020	0.000	APCO	Sacramento
<b>58 Projects</b>			<b>78</b>	<b>\$ 7,126,464.00</b>		<b>47.246</b>	<b>3.603</b>	<b>1.440</b>		

## AGENDA 4 - ATTACHMENT 2

**Figure 1: CMP/ MSIF Funding Distribution by Equipment Category as of 6/7/16**

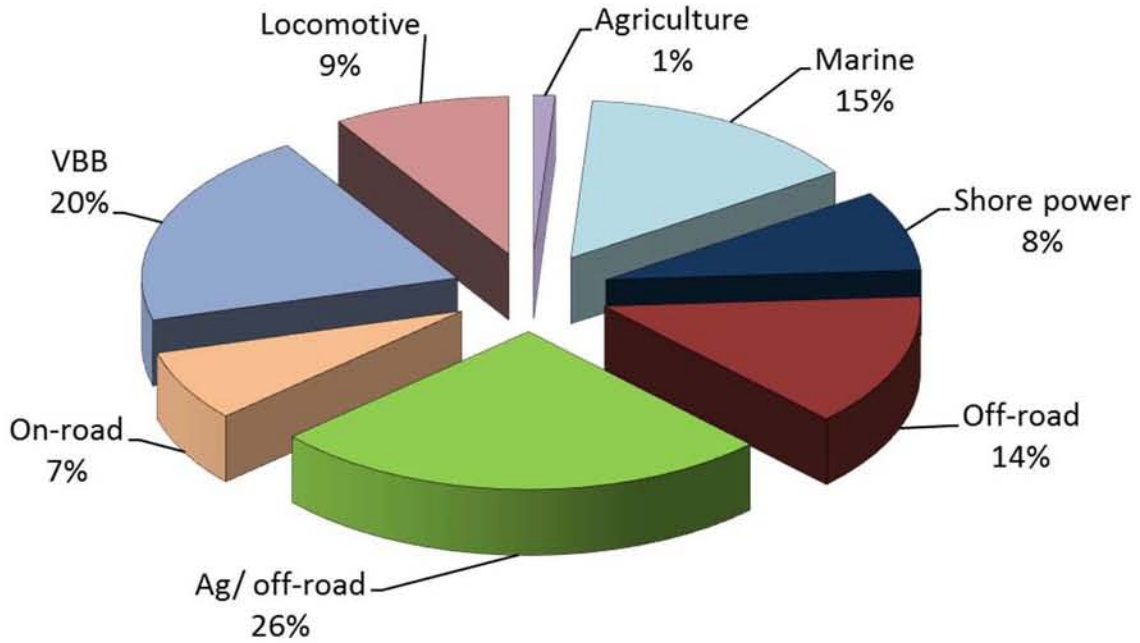


**Figure 2: CMP/ MSIF Funding Distribution by County as of 6/7/16**

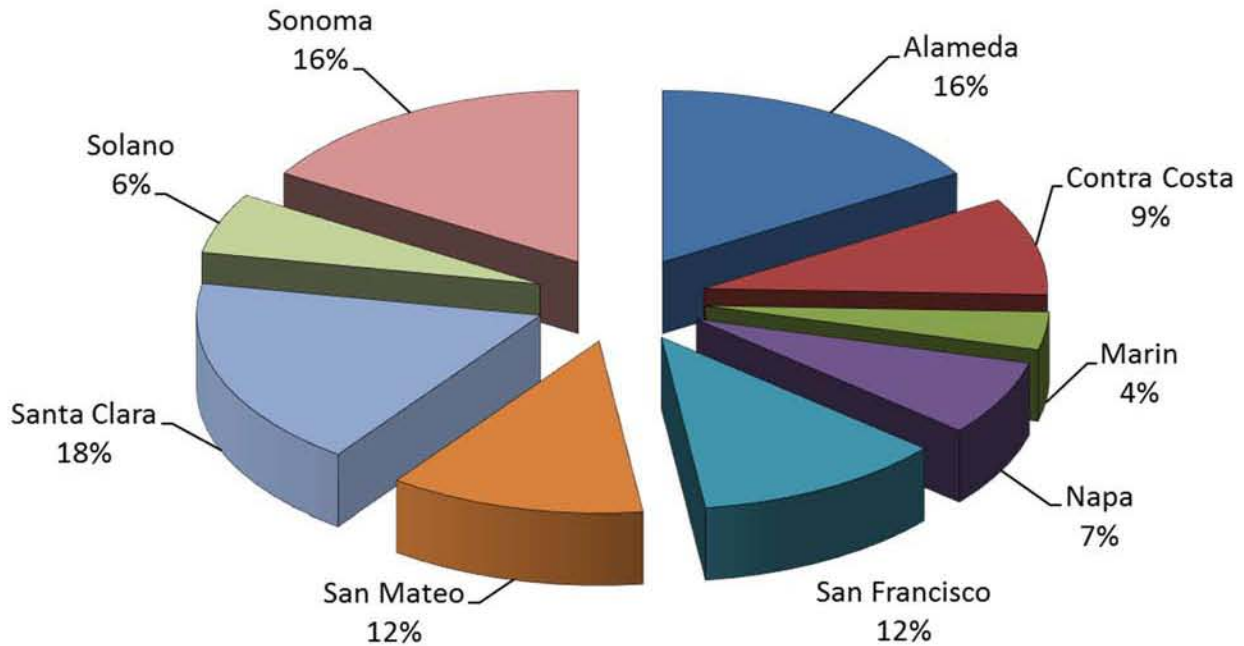


# AGENDA 4 - ATTACHMENT 3

**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 TFCA approved and eligible projects (evaluated between 7/1/2015 and 6/7/2016)*

Project #	Project Category	Project Description	Award Amount	Applicant Name	Emission Reductions (Tons per year)			Board Approval Date	CARE Area	County
					NO <sub>x</sub>	ROG	PM			
16EV001	Plug-in Electric Vehicles (PEV)	Install 10 single-port Level 2 charging stations in San Jose	\$30,000	Car Charging, Inc.	0.008	0.010	0.001	10/5/15	Yes	Santa Clara
16EV003	PEV	Install 39 single-port Level 2 charging stations (with solar) in San Francisco	\$234,000	Powertree Services Inc.	0.030	0.039	0.004	11/18/15	Yes	San Francisco
16EV004	PEV	Install 2 dual-port Level 2 charging stations in Dublin	\$12,000	S & V, LLC	0.003	0.004	0.000	10/5/15	Yes	Alameda
16EV005	PEV	Install 3 single-port DC charging stations (with solar) in Campbell	\$22,500	DTTC Properties, LLC	0.003	0.004	0.000	12/18/15	No	Santa Clara
16EV006	PEV	Install 7 dual-port Level 2 and 2 DC fast EV charging stations (with solar) in Rohnert Park	\$187,000	Sonoma Mountain Village, LLC	0.024	0.031	0.003	2/17/16	No	Sonoma
16EV009	PEV	Install 6 single-port Level 2 charging stations in Petaluma	\$18,000	Clear Blue Commercial	0.005	0.006	0.001	12/22/15	No	Sonoma
16EV010	PEV	Install 24 single-port DC charging stations (with solar) in Palo Alto	\$120,000	Palo Alto Research Center Incorporated	0.016	0.020	0.002	2/17/16	No	Santa Clara
16EV012	PEV	Install 98 dual-port Level 2 charging stations in Santa Clara	\$338,546	Santa Clara Campus Owners' Association	0.088	0.113	0.013	12/16/15	No	Santa Clara
16EV013	PEV	Install 24 single-port DC charging stations (with solar) in Mountain View	\$116,190	Intuit Inc.	0.015	0.019	0.002	2/17/15	No	Santa Clara
16EV015	PEV	Install 8 dual-port Level 2 charging stations in Santa Rosa and Petaluma	\$48,000	Sonoma County Junior College District	0.012	0.016	0.002	2/18/16	No	Sonoma
16EV016	PEV	Install 20 single-port Level 2 charging stations in Vallejo	\$60,000	City of Vallejo	0.016	0.020	0.002	2/18/16	Yes	Solano
16EV019	PEV	Install 2 dual-port Level 2 charging stations in Hayward	\$12,000	California State University, East Bay	0.003	0.004	0.000	12/30/15	No	Alameda
16EV021	PEV	Install 1 DC Fast and 8 dual-port Level 2 charging stations in Richmond	\$73,000	Ford Point LLC	0.019	0.024	0.003	12/31/15	Yes	Contra Costa
16EV022	PEV	Install 3 Dual-Port & 1 Single-Port Level 2 charging stations (w/solar) in Napa	\$25,500	Napa Creek Village, LLC.	0.003	0.004	0.001	4/19/16	No	Napa
16EV023	PEV	Install 2 dual-port Level 2 charging stations in Livermore	\$12,000	Ferrotec (USA) Corporation	0.003	0.004	0.000	4/26/16	Yes	Alameda
16EV024	PEV	Install 20 dual-port Level 2 charging stations in Palo Alto	\$240,000	City of Palo Alto	0.031	0.040	0.004	5/18/16	No	Santa Clara
16EV025	PEV	Install 12 dual-port Level 2 charging stations in San Mateo	\$72,000	San Mateo County Community College District	0.019	0.024	0.003	2/23/16	No	San Mateo
16EV026	PEV	Install 4 single-port Level 2 charging stations in Petaluma and Marshall	\$11,040	Straus Family Creamery	0.029	0.004	0.000	2/11/16	No	Regional
16EV027	PEV	Install 21 dual-port Level 2 charging stations (with solar) in San Jose	\$223,777	VF/UTC Service, Inc.	0.029	0.037	0.004	3/16/16	Yes	Santa Clara
16EV028	PEV	Install 4 single port Level 2 charging stations (w/ solar) in Palo Alto	\$24,000	Unitarian Universalist Church of Palo Alto	0.003	0.004	0.000	4/28/16	No	Santa Clara
16EV030	PEV	Install 4 single-port Level 2 charging stations (with solar) in Danville	\$24,000	Crow Canyon Medical Center, L.P.	0.003	0.004	0.000	3/11/16	No	Contra Costa
16EV031	PEV	Install 6 single-port DC and 3 dual-port Level 2 charging stations in San Leandro	\$48,000	Infinite Velocity Automotive Inc.	0.013	0.016	0.002	2/18/16	Yes	Alameda
16EV032	PEV	Install 9 dual-port Level 2 charging stations (with solar) in Palo Alto	\$108,000	Komuna Energy, LLC	0.014	0.018	0.002	5/18/16	No	Santa Clara
16EV034	PEV	Install 5 dual-port Level 2 charging stations in San Mateo County	\$15,000	County of San Mateo	0.004	0.050	0.001	4/7/16	No	San Mateo
16EV035	PEV	Install 4 dual-port Level 2 charging stations in Atherton and Menlo Park Schools	\$24,000	Menlo Park City School District	0.006	0.008	0.001	5/2/16	No	San Mateo
16EV036	PEV	Install 6 dual-port Level 2 charging stations in San Jose	\$30,177	Good Samaritan Hospital	0.008	0.010	0.001	4/12/16	No	Santa Clara
16EV038	PEV	Install 2 dual-port Level 2 charging stations in Santa Rosa	\$24,000	Artemedica	0.003	0.004	0.000	2/26/16	No	Sonoma
16EV039	PEV	Install 2 single-port Level 2 and 1 dual-port Level 2 charging stations in Lafayette	\$12,000	City of Lafayette	0.003	0.004	0.000	4/28/16	No	Contra Costa

## AGENDA 4 - ATTACHMENT 4

*Summary of all TFCA approved and eligible projects (evaluated between 7/1/2015 and 6/7/2016)*

Project #	Project Category	Project Description	Award Amount	Applicant Name	Emission Reductions (Tons per year)			Board Approval Date	CARE Area	County
					NO <sub>x</sub>	ROG	PM			
16EV040	PEV	Install 4 dual-connector Level 2 charging stations in Rohnert Park	\$14,000	Sonoma State University	0.004	0.005	0.001	4/13/16	No	Sonoma
16EV041	PEV	Install 1 dual-connector Level 2 and 2 Low kW DC fast single-port charging stations in Novato	\$13,500	Velocity Prime Automotive Inc.	0.004	0.005	0.001	4/13/16	No	Marin
16EV043	PEV	Install 1 quad-port and 1 dual-port Level 2 charging stations in San Carlos	\$10,364	Peninsula Components Inc.	0.003	0.004	0.000	3/17/16	No	San Mateo
16EV044	PEV	Install 4 single-port Level 2 charging stations in Berkeley	\$10,000	Siemens Molecular Diagnostics	0.003	0.004	0.000	4/13/16	Yes	Alameda
16EV045	PEV	Install 3 single-port Level 2 charging stations (with solar) in Sunnyvale	\$18,000	Executive Inn, Inc.	0.002	0.003	0.000	4/6/16	No	Santa Clara
16EV046	PEV	Install 5 dual-port Level 2 charging stations in San Jose	\$30,000	3901 North First, LLC	0.008	0.010	0.001	4/13/16	No	Santa Clara
16EV048	PEV	Install 4 single-port Level 2 charging stations (with solar) in Palo Alto	\$24,000	Kehilat Etz Chayim	0.003	0.004	0.000	4/13/16	No	Santa Clara
16EV049	PEV	Install 4 single-port Level 2 charging stations in San Francisco	\$10,319	One Hawthorne Owners Association	0.003	0.003	0.000	4/13/16	Yes	San Francisco
16EV051	PEV	Install 4 single-port Level 2 charging stations in San Francisco	\$12,000	8 Octavia Boulevard Owners' Assoc	0.003	0.004	0.000	4/18/16	Yes	San Francisco
16EV052	PEV	Install 4 single-port Level 2 charging stations in Oakland	\$12,000	Belmont-Staten Condo Association	0.003	0.004	0.000	4/19/16	Yes	Alameda
16EV053	PEV	Install 3 single-port and 4 dual-port Level 2 charging stations in Oakland	\$23,000	UCSF Benioff Children's Hospital Oakland	0.006	0.008	0.001	4/18/16	Yes	Alameda
16EV054	PEV	Install 350 EV Level 2 charging stations in Cupertino	\$250,000	Apple Inc.	0.065	0.084	0.009	3/16/16	No	Santa Clara
16EV055	PEV	Purchase & Install 5 Dual-port Level 2 charging stations (w/Solar) in San Rafael	\$60,000	Marin Clean Energy	0.008	0.010	0.001	6/1/16	No	Marin
16EV056	PEV	Install 32 dual-port Level 2 and 5 dual-connector DC charging stations in San Francisco	\$295,182	Bay Area Headquarters Authority	0.076	0.098	0.011	3/16/16	Yes	San Francisco
16EV057	PEV	Install 2 dual-port Level 2 charging stations in Atherton	\$12,000	Town of Atherton	0.003	0.004	0.000	2/11/16	No	San Mateo
16EV058	PEV	Install 4 dual-connector DC fast and 24 dual-port Level 2 charging stations in Oakland	\$244,000	City of Oakland	0.063	0.081	0.009	5/18/16	Yes	Alameda
16EV059	PEV	Install 3 dual-port Level 2 charging stations in San Jose	\$16,583	Sikh Gurdwara - San Jose	0.004	0.006	0.001	4/19/16	Yes	Santa Clara
16EV060	PEV	Install 2 dual-port Level 2 charging stations in Napa	\$12,000	Verasa Napa Condominium Owners Association, Inc.	0.003	0.004	0.000	4/13/16	No	Napa
16EV061	PEV	Install 3 dual connector Level 2 charging stations in Petaluma	\$10,500	Amy's Kitchen	0.003	0.004	0.000	4/20/16	No	Sonoma
16RFG01*	PEV	Install 12 dual-port Level 2 EV charging stations in Livermore and Hayward	\$65,112	Chabot Las Positas Community College District	0.019	0.024	0.003	2/17/16	Yes	Alameda
16RFG02*	PEV	Install 9 dual-port Level 2 EV charging stations in Fremont	\$81,486	City of Fremont	0.014	0.018	0.002	2/17/16	No	Alameda
16RFG08*	PEV	Install 8 dual-port Level 2 EV charging stations in Millbrae	\$78,000	City of Millbrae	0.012	0.016	0.002	2/17/16	No	San Mateo
16RFG09*	PEV	Install 1 DC fast, and 5 dual-port Level 2 EV charging stations in Oakland	\$41,000	City of Oakland	0.007	0.009	0.001	2/17/16	Yes	Alameda
16RFG11*	PEV	Install 8 DC fast EV charging stations in Moffett Field	\$307,569	The NASA Ames Exchange	0.052	0.067	0.007	2/17/16	No	Santa Clara
16RFG15*	PEV	Install 11 dual- and 2 single-port Level 2, and 3 single port Level 1 EV charging stations in Palo Alto	\$121,945	City of Palo Alto	0.020	0.026	0.003	2/17/16	No	Santa Clara

## AGENDA 4 - ATTACHMENT 4

*Summary of all TFCA approved and eligible projects (evaluated between 7/1/2015 and 6/7/2016)*

Project #	Project Category	Project Description	Award Amount	Applicant Name	Emission Reductions (Tons per year)			Board Approval Date	CARE Area	County
					NO <sub>x</sub>	ROG	PM			
16RFG17 <sup>+</sup>	PEV	Install 1 DC fast and 1 single-port Level 2 EV charging station in Richmond	\$47,511	City of Richmond	0.007	0.009	0.001	2/17/16	Yes	Contra Costa
16RFG18 <sup>+</sup>	PEV	Install 18 dual- and 5 single-port Level 2 EV charging stations in Fremont	\$250,000	San Francisco Bay Area Rapid Transit District (BART)	0.032	0.041	0.005	2/17/16	Yes	Alameda
16RFG19 <sup>+</sup>	PEV	Install 1 DC fast, and 7 dual-port Level 2 EV charging stations in Oakland and Hayward	\$149,610	County of Alameda	0.017	0.022	0.002	2/17/16	Yes	Alameda
16DCFC01**	PEV	Install 1 DC fast - single unit w/dual connectors charging station in Saratoga	\$35,000	City of Saratoga	0.007	0.008	0.001	5/18/16	No	Santa Clara
16DCFC02**	PEV	Install 1 DC fast - single unit w/dual connectors and 1 Level 2 charging station in Colma	\$43,000	Town of Colma	0.007	0.009	0.001	5/18/16	No	San Mateo
16DCFC03**	PEV	Install 1 dual-connector DC fast - charging station in Brisbane	\$40,000	City of Brisbane	0.007	0.008	0.001	5/18/16	No	San Mateo
16DCFC04**	PEV	Install 8 DC fast - single unit w/ dual connectors and 48 single-port Level 2 charging stations (with solar) in 8 cities in 4 counties	\$699,950	Clean Fuel Connection	0.089	0.115	0.013	5/18/16	Yes	Regional
16DCFC05**	PEV	Install 7 DC fast - single units w/dual connectors and 6 single-port Level 2 charging stations in 7 cities in 5 counties	\$292,900	NRG EV Services	0.050	0.064	0.007	5/18/16	No	Regional
16PEV002	PEV	Purchase one zero emissions motorcycle (ZEM)	\$2,500	Town of Colma Police Department	0.000	0.007	0.000	10/20/15	No	San Mateo
16PEV003	PEV	Purchase one ZEM	\$2,500	Pittsburg Police Department	0.000	0.007	0.000	12/23/15	No	Contra Costa
16PEV004	PEV	Purchase 15 battery electric vehicles (BEV)	\$37,500	County of Alameda	0.006	0.007	0.001	4/19/16	Yes	Alameda
16PEV005	PEV	Purchase 10 BEVs	\$25,000	City of Oakland	0.004	0.005	0.001	6/3/16	Yes	Alameda
16HDZ001	Zero-Emission Heavy-Duty Trucks & Buses	Purchase 15 30' all electric buses	\$334,549	UC Regents	0.268	0.033	0.007	Pending	Yes	San Francisco
16HDG001	Zero-Emission Heavy-Duty Trucks & Buses	Purchase 11 zero-emission battery-electric trucks and scrap one model year 2004 truck	\$151,430	Goodwill Industries	0.296	0.016	0.003	Pending	Yes	San Francisco
16HDG002	Zero-Emission Heavy-Duty Trucks & Buses	Purchase 10 zero-emission, hydrogen fuel-cell transit buses and scrap 10 model year 2002 buses	\$1,000,000	Alameda-Contra Costa Transit District	3.690	1.548	0.007	Pending	Yes	Alameda/ Contra Costa
16R11	Shuttle & Rideshare	511 Regional Carpool Program	\$1,000,000	Metropolitan Transportation Commission	7.780	7.290	6.860	11/18/15	Yes	Regional
16R12	Shuttle & Rideshare	SJSU Ridesharing & Trip Reduction	\$140,000	Associated Students, San Jose State University	1.830	1.780	1.580	11/18/15	Yes	Regional
16R15	Shuttle & Rideshare	Ace Shuttle 53 & 54	\$80,000	San Joaquin Regional Rail Commission	0.260	0.460	0.450	11/18/15	Yes	Alameda
16R17	Shuttle & Rideshare	PresidiGo Shuttle	\$100,000	Presidio Trust	0.380	0.380	0.350	11/18/15	Yes	San Francisco
16R18	Shuttle & Rideshare	Broadway Shuttle	\$186,500	City of Oakland	0.230	0.350	0.350	11/18/15	Yes	Alameda
16R19	Shuttle & Rideshare	Caltrain Shuttle Program	\$767,100	Peninsula Corridor Joint Powers Board	2.380	2.450	2.160	11/18/15	No	San Mateo
16R20	Shuttle & Rideshare	ACE Shuttle Bus Program	\$960,000	Santa Clara Valley Transportation Authority	3.760	3.350	3.430	11/18/15	No	Santa Clara
16R30	Pilot Trip Reduction	Bishop Ranch Business Park Shared Autonomous Vehicle Shuttle Pilot	\$1,000,000	Contra Costa Transportation Authority	0.580	0.629	0.295	5/18/16	Yes	Contra Costa
16R22	Bicycle Lockers	Purchase and install 1 eLocker quad and 2 eLocker doubles in Campbell	\$20,000	City of Campbell	0.011	0.012	0.012	3/9/16	Yes	Santa Clara
16R23	Bicycle Lockers	Purchase and Install 20 eLocker quads in Berkeley, Dublin/Pleasanton, Millbrae, San Leandro, and Union City	\$200,000	Bay Area Rapid Transit District	0.112	0.115	0.116	Pending	Yes	Alameda/ San Mateo
16R24	Bicycle Lockers	Purchase and Install 4 eLocker quads in Emeryville and Santa Clara	\$40,000	Capitol Corridor Joint Powers Authority	0.022	0.023	0.023	4/13/16	Yes	Alameda/ Santa Clara
16BR001	Bicycle Racks	Purchase and install 5 bike racks in San Carlos	\$3,000	San Carlos School District	0.006	0.009	0.004	12/21/15	No	San Mateo

## AGENDA 4 - ATTACHMENT 4

*Summary of all TFCA approved and eligible projects (evaluated between 7/1/2015 and 6/7/2016)*

Project #	Project Category	Project Description	Award Amount	Applicant Name	Emission Reductions (Tons per year)			Board Approval Date	CARE Area	County
					NO <sub>x</sub>	ROG	PM			
16BR003	Bicycle Racks	Purchase and install 8 bike racks in Los Altos	\$3,840	Mountain View Los Altos Union High School District	0.008	0.011	0.005	12/31/15	No	Santa Clara
16BR004	Bicycle Racks	Purchase and install 15 bike racks in Dublin	\$1,800	Dublin Unified School District	0.004	0.005	0.002	1/26/16	Yes	Alameda
16BR005	Bicycle Racks	Purchase and install 72 bike racks in Richmond	\$11,160	City of Richmond	0.024	0.033	0.015	1/21/16	Yes	Contra Costa
16BR007	Bicycle Racks	Purchase and install 6 bike racks for in Livermore	\$2,880	Granada High School	0.006	0.009	0.004	3/23/16	Yes	Alameda
16BR008	Bicycle Racks	Purchase and install 23 bike racks in Los Gatos	\$9,000	Los Gatos Unified School District	0.019	0.027	0.012	3/22/16	No	Santa Clara
16BR009	Bicycle Racks	Purchase and install 9 bicycle racks in Los Gatos	\$4,260	Los Gatos High School	0.009	0.013	0.006	3/23/16	No	Santa Clara
16BR010	Bicycle Racks	Purchase and install 125 bicycle racks in Mountain View	\$15,000	Mountain View Whisman School District	0.032	0.044	0.020	3/15/16	No	Santa Clara
16BR011	Bicycle Racks	Purchase and install 70 bike racks in Palo Alto	\$8,400	Palo Alto Unified School District	0.018	0.025	0.011	3/23/16	No	Santa Clara
16BR012	Bicycle Racks	Purchase and install 11 bike racks in Burlingame	\$3,960	Burlingame School District	0.008	0.012	0.005	3/23/16	No	San Mateo
16BR013	Bicycle Racks	Purchase and install 12 bike racks in Napa	\$1,342	Napa County	0.003	0.004	0.002	4/8/16	No	Napa

**90 Projects**

**\$11,606,981**

**22.77 19.97 15.87**

\* Award amount for these nine projects includes a total of \$450,000 in Reformulated Gas (RFG) Settlement funds.

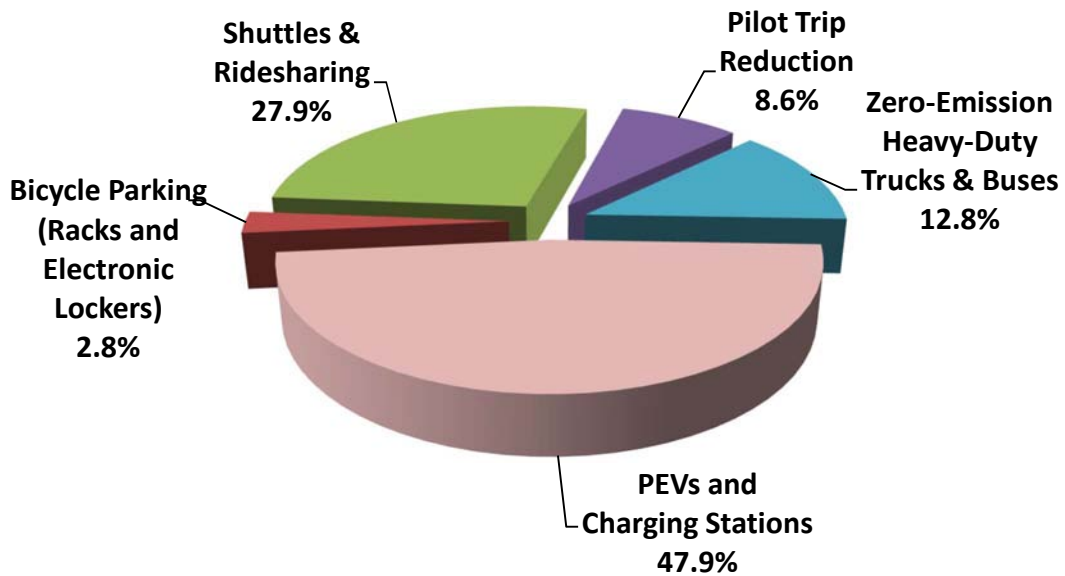
\*\* Award amount for these projects include \$239,850 in California Energy Commission (CEC) funds, pending CEC approval.



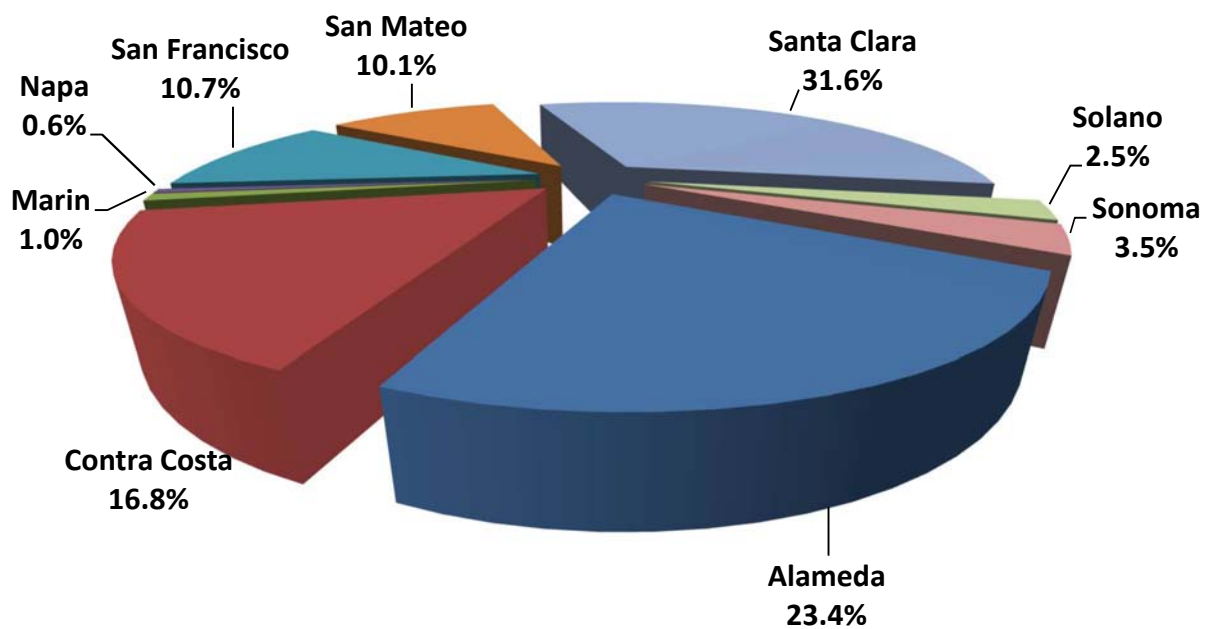
## AGENDA 4 - ATTACHMENT 5

Summary of FYE 2016 TFCA funds distributed by county and project category, as of 6/7/16

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



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



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**RESOLUTION NO. 2016-\_\_\_\_\_**

**A Resolution of the Board of Directors of the Bay Area Air Quality Management  
Committing Matching Funds in Support of Applications to the California Air  
Resource Board for Low Carbon Transportation Greenhouse Gas Emission  
Reduction Fund applications**

WHEREAS, AB 118, the California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007 (Statutes of 2007, Chapter 750) created the Air Quality Improvement Program (AQIP), an incentive program administered by the California Air Resources Board (ARB);

WHEREAS, AB 1532 (Statutes of 2012, Chapter 807), SB 535 (Statutes of 2012, Chapter 830), and SB 1018 (Statutes of 2012, Chapter 39) established the Greenhouse Gas Emission Reduction Fund (GGRF) to receive Cap-and-Trade auction proceeds and provided a framework for administering auction proceeds in furtherance of the purposes of AB 32;

WHEREAS, in 2016, the California Legislature will be considering the appropriation of \$500 million in GGRF monies for the Fiscal Year 2016-17 Low Carbon Transportation GGRF program that ARB is implementing in coordination with the AQIP AB 118 programs through the ARB Fiscal Year 2016-17 Funding Plan for AQIP and Low Carbon Transportation GGRF Investments;

WHEREAS, the ARB Low Carbon Transportation GGRF solicitations under the Fiscal Year 2016-17 Funding Plan require each applicant to provide matching funds in support of their applications;

WHEREAS, the ARB Low Carbon Transportation GGRF Fiscal Year 2016-17 Funding Plan (Plan) is contingent upon ARB Board Approval of the Plan, and the appropriation of sufficient FY 2016-17 Low Carbon Transportation Funds on or before June 30, 2016;

WHEREAS, in 1990, the California Legislature authorized the Bay Area Air Quality Management District (District) to impose a \$4 surcharge on motor vehicles registered within the Bay Area to fund projects that reduce on-road motor vehicle emissions;

WHEREAS, the Legislature has authorized, through the adoption and amendment of Health and Safety Code sections 44241, the expenditure of local motor vehicle surcharge revenues for projects that reduce vehicle emissions, and the District funds such projects through its Transportation Fund for Clean Air Program (TFCA) that meet program requirements and meet cost-effectiveness limits;

WHEREAS, the District submitted one application and partnered on a second application to ARB in January 2016 to implement FY 2016-17 Low Carbon Transportation GGRF

projects and proposed to recommend TFCA funds to the District's Board as a match if awarded funding from ARB;

WHEREAS, ARB requires Low Carbon Transportation GGRF applicants to submit a Resolution to commit matching funds, accept funding from ARB, and implement projects in accordance with the requirements established by ARB;

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors hereby approves the District's acceptance of ARB GGRF funds, and commits the District to comply with the ARB Low Carbon Transportation GGRF project requirements if awarded funding.

BE IT FURTHER RESOLVED, the Board of Directors authorizes the Executive Officer/Air Pollution Control Officer to provide the required matching funds in an amount up to \$1,151,430, by allocating local TFCA motor vehicle surcharge revenues.

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 other project partners 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 \_\_\_\_\_, 2016, by the following vote of the Board:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Eric Mar  
Chairperson of the Board of Directors

ATTEST:

\_\_\_\_\_  
David Hudson  
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: June 14, 2016

Re: Accept, Obligate, and Expend Funding from the Bay Area Clean Air Foundation  
(Foundation) and from the United States Environmental Protection Agency (EPA)

### RECOMMENDATIONS

Recommend Board of Directors:

1. Adopt a Resolution authorizing the Bay Area Air Quality Management District (Air District) to accept, obligate, and expend up to \$972,262.70 from the Bay Area Clean Air Foundation (Foundation) for electric vehicle and vehicle buyback projects;
2. Adopt a Resolution authorizing the Air District to accept, obligate, and expend up to \$1 million in funds from the U.S. Environmental Protection Agency (EPA) to replace three locomotives; and
3. Authorize the Executive Officer/APCO to enter into all agreements necessary to accept and expend this funding.

### BACKGROUND

The Foundation is a nonprofit support organization for the Air District. As part of its operation, the Foundation applies for grant funding from various sources and also accepts funding to reduce and offset air emissions within the boundaries of the Air District. In order to administer the grant programs associated with this funding, the Foundation has a contract with the Air District which allows for staff to be used to complete work to expend these monies.

The Air District has received notice from the EPA that it has been awarded a \$1 million grant to reduce emissions by replacing one uncontrolled locomotive owned by the Port of San Francisco with one Tier 4 locomotive and replacing two Tier 0 locomotives operated by the Richmond Pacific Railroad Corporation with two Tier 4 locomotives. The EPA grant was awarded from the Diesel Emission Reduction Act (DERA) 2016 National Clean Diesel Funding Assistance Program.

### DISCUSSION

On May 12, 2015, the Foundation accepted \$0.5 million in new funding for a program designed to: (a) provide up to \$450,000 in Reformulated Gas Settlement (RFG) funds that would be matched with the Air District's Transportation Fund for Clean Air (TFCA) funding for the installation of publicly available electric vehicle charging stations; (b) collect data to measure environmental, economic and operating benefits; (c) publish a White Paper to include a summary, key features,

benefits of, and lessons learned from this grant; and (d) share results with local governments, air districts, and other entities with an interest in the deployment of electric vehicle infrastructure. Up to \$50,000 of the RFG funds may be used to pay for administration costs and for the development of the White Paper. On February 17, 2016, the Air District's Board of Directors approved \$692,233 in TFCA funding as match for nine projects with full funding, partial funding for the next two highest ranked projects, and funding for lower-ranking projects placed on a back-up list in case any projects selected for award do not fully expend their share of RFG funds.

On April 12, 2016, the Foundation authorized entering into an agreement with Faria Preserve, LLC (previously Faria LT Ventures, LLC) to accept \$472,262.70 for the Faria Preserve Residential Development (Faria) project to implement an off-site mitigation program to reduce 13.64 tons of ozone precursors via contracting with the Air District to retire older light-duty vehicles through the Air District's Vehicle Buy Back program or other similar emissions reductions projects.

On April 20, 2016, the Air District submitted a proposal to the EPA to replace three switcher locomotives operating in goods movement service in Bay Area impacted communities near the Port of San Francisco and Richmond. On June 8, 2016, the EPA informed the Air District that it had been awarded \$1 million in funding for the project. The project is projected to reduce 0.254 tons of particulate matter (PM), 0.597 tons of hydrocarbons (HC), and 11.7 tons of nitrogen oxides (NOx) annually over the 28-year life of the locomotives.

As part of this report, the Committee will consider a recommendation to adopt resolutions that would authorize the Air District to accept and obligate Foundation and EPA monies into the FYE 2017 budget, and authorize the Air District's Executive Officer to enter into all necessary agreements to accept and expend these funds.

#### BUDGET CONSIDERATION / FINANCIAL IMPACT

Acceptance of the \$972,262.70 in Foundation monies requires an amendment to the FYE 2017 budget which was adopted by the Board of Directors on June 15, 2016. Air District staff time for the implementation of these projects is covered in the administrative fees associated with the funding. Acceptance of the \$1 million in EPA funding will be matched with Air District Proposition 1B Goods Movement Bond funding and private funding from the locomotive owners. Funding for Air District staff time for this project is provided by the Goods Movement Bond.

Respectfully submitted,

Jack P. Broadbent  
Executive Director/APCO

Prepared by: Karen Schkolnick and Joe Steinberger  
Reviewed by: Damian Breen

Attachment 1: Board Resolution to accept, obligate, and expend \$972,262.70 in Foundation funds

Attachment 2: Board Resolution to accept, obligate, and expend \$1,000,000 in EPA funds

AGENDA 5 - ATTACHMENT 1

Board Resolution to Accept, Obligate, and Expend \$972,262.70 in Clean Air Foundation Funding

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**RESOLUTION NO. 2016-\_\_\_\_\_**

**A Resolution of the  
Board of Directors of the Bay Area Air Quality Management District  
authorizing the Bay Area Air Quality Management District to accept and obligate  
\$972,262.70 in funding from the Bay Area Clean Air Foundation for electric vehicle  
and vehicle buyback projects and to authorize the Executive Officer/Air Pollution  
Control Officer to execute all necessary agreements, required documents, and  
amendments required to expend this funding**

WHEREAS, the purpose of this Resolution is to authorize the Bay Area Air Quality Management District (“Air District”) to accept and obligate \$972,262.70 in funding from the Bay Area Clean Air Foundation for electric vehicle and vehicle buyback projects and to authorize the Executive Officer/Air Pollution Control Officer to execute all necessary agreements, required documents, and amendments required to expend this funding;

WHEREAS, on May 12, 2015, the Bay Area Clean Air Foundation accepted of \$0.5 million in new funding for a program is designed to: (a) provide up to \$450,000 in RFG funds that would be matched with the Air District’s Transportation Fund for Clean Air (TFCA) funding for the installation of publicly available electric vehicle charging stations; (b) following installation, collect data to measure environmental, economic and operating benefits; (c) publish a White Paper to include a summary, key features, benefits of, and lessons learned from this grant; and (d) share Program results with local governments, air districts, and other entities with an interest in the deployment of electric vehicle infrastructure. Up to \$50,000 of the RFG funds may be used to pay for administration costs and for the development of the White Paper;

WHEREAS, on February 17, 2016, the Air District’s Board of Directors approved \$692,233 from TFCA as matching funding awards for RFG monies to nine Electric Vehicle charging projects with full funding, partial funding for the next two highest ranked projects, and funding amounts for lower-ranking projects that were placed on a back-up list in case any of the 11 projects selected for award do not expend their awarded share of RFG and TFCA funds.

WHEREAS, on April 12, 2016, the Bay Area Clean Air Foundation authorized entering into an agreement with Faria Preserve, LLC to accept \$472,262.70 from Faria Preserve, LLC (previously Faria LT Ventures, LLC) for the Faria Preserve Residential Development (Faria) project to implement an off-site mitigation program to reduce 13.64 tons of ozone precursors via contracting with the Air District to retire older light-duty vehicles though the Air District’s Vehicle Buy Back program or other similar emissions reductions projects;

WHEREAS, the Air District performs contract work for the Bay Area Clean Air Foundation;

WHEREAS, the Bay Area Clean Air Foundation now seeks to transfer \$972,262.70 to the Air District for the performance of the grants projects listed above;

NOW, THEREFORE, BE IT RESOLVED that the Air District's Board of Directors authorizes the Executive Officer/Air Pollution Control Officer to accept, obligate, and execute all agreements, required documents for Bay Area Clean Air Foundation Funding, and any amendments thereto.

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 \_\_\_\_\_, 2016 by the following vote of the Board:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Eric Mar  
Chair of the Board of Directors

ATTEST:

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David E. Hudson  
Secretary of the Board of Directors



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**RESOLUTION NO. 2016-\_\_\_\_\_**

**A Resolution of the  
Board of Directors of the Bay Area Air Quality Management District  
authorizing the Bay Area Air Quality Management District to accept, obligate, and  
expend \$1 million in funding from the U.S. Environmental Protection Agency (EPA)  
to replace three locomotives and to authorize the Executive Officer/Air Pollution  
Control Officer to execute all necessary agreements, required documents, and  
amendments required to expend this funding**

WHEREAS, the purpose of this Resolution is to authorize the Bay Area Air Quality Management District (“Air District”) to accept, obligate, and expend up to \$1 million in funding from the EPA to replace three locomotives and to authorize the Executive Officer/Air Pollution Control Officer to execute all necessary agreements, required documents, and amendments required to expend this funding;

WHEREAS, on February 25, 2016, the EPA issued a Request for Proposals (RFP) for the Diesel Emission Reduction Act (DERA) Clean Diesel Funding Assistance Program FY 2016 for projects that achieve significant reductions in diesel emissions in terms of tons of pollution produced by diesel engines and diesel emissions exposure, particularly from fleets operating at or servicing goods movement facilities located in areas designated as having poor air quality;

WHEREAS, on April 20, 2016, the Air District submitted a proposal to the EPA to replace one uncontrolled locomotive owned by the Port of San Francisco with one Tier 4 locomotive, and replace two Tier 0 locomotives operated by the Richmond Pacific Railroad Corporation with two Tier 4 locomotives;

WHEREAS, on June 8, 2016, the Air District received a letter from the EPA informing the Air District of a \$1 million award for the proposed project;

WHEREAS, acceptance of the \$1 million in EPA funding will be matched with Air District Proposition 1B Goods Movement Bond funding and private funding from the locomotive owners;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby approves the District’s acceptance of EPA funds, and commits the District to comply with the EPA DERA project requirements.

BE IT FURTHER RESOLVED, the Executive Officer/Air Pollution Control Officer to accept, obligate, and execute all agreements, required documents, and any amendments thereto.

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 \_\_\_\_\_, 2016 by the following vote of the Board:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Eric Mar  
Chair of the Board of Directors

ATTEST:

---

David E. Hudson  
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: June 14, 2016

Re: Emissions Reduction from Air District Grant Programs

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**RECOMMENDATIONS**

None; receive and file.

**BACKGROUND**

At the Mobile Source Committee (Committee) meeting on February 25, 2016, staff presented an overview of the Bay Area Air Quality Management District's (Air District) grant funding programs and a summary of the results of those programs in calendar year 2015. In 2015, the Air District awarded and allocated approximately \$60 million in funding to projects that will reduce emissions from mobile sources, of which approximately \$51 million was directly allocated by the District through the Carl Moyer Program (CMP), California Goods Movement Bond Program (Goods Movement), Mobile Source Incentive Fund (MSIF), and Transportation Fund for Clean Air (TFCA). The remaining \$9 million was distributed via the TFCA County Program Manager Fund. During that meeting, members of the Committee requested more information to help contextualize the emissions reduction data that was presented.

**DISCUSSION**

At this Committee meeting, staff will present an informational update that will discuss the emissions reduction results from the grant awards that were made in calendar year 2015, how those reductions compare to the total Bay Area's emissions inventory, and how the emissions reduced each year from the Air District's grant projects compare to selected Air District's rules that aim to reduce similar emissions in the region.

**BUDGET CONSIDERATION / FINANCIAL IMPACT**

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Tin Le  
Reviewed by: Chengfeng Wang and Karen Schkolnick

## **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: June 14, 2016

Re: Fiscal Year Ending 2017 Transportation Fund for Clean Air (TFCA) Regional Fund  
Policies

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### RECOMMENDATION

Recommend Board of Directors:

1. Approve the proposed Fiscal Year Ending 2017 Transportation Fund for Clean Air (TFCA) Regional Fund Policies and Evaluation Criteria presented in Attachment A.

### 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 within the Air District's jurisdiction. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code Sections 44241 and 44242. The authorizing legislation requires the Air District's Board of Directors (Board) to annually adopt policies, such as cost-effectiveness criteria, that govern the use of TFCA funds.

Sixty percent of TFCA funds are allocated by the Board 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. Previously on March 16, 2016, the Board approved an allocation of \$21.7 million, including \$13.65 million in new TFCA revenue, for FYE 2017.

### DISCUSSION

The proposed FYE 2017 Policies (Attachment A) include both general requirements that are applicable to all TFCA Regional Fund project types, as well as project-specific requirements for eight Regional Fund project categories.

#### *Outreach*

The proposed FYE 2017 Policies reflect extensive feedback received from stakeholders over the past year. On February 8, 2016, the Air District opened the public comment period and advertised

this process via the Air District’s TFCA grants email notification system, which sent notices announcing the availability of proposed policies to more than 800 stakeholders including representatives from each of the nine Bay Area Congestion Management Agencies. The proposed policies were also posted on the Air District’s website. Two webinar workshops were held to discuss the policies and proposed changes for FYE 2017 (on February 16 and 24, 2016); in total, these webinars were attended by 26 stakeholders.

*Proposed FYE 2017 Policies*

Public stakeholder input received over the past year and during the public comment period was reviewed and considered for incorporation into the proposed FYE 2017 Policies. The Air District received 14 sets of comments by the close of the comment period on March 11, 2016. Staff subsequently reached out to all commenters for follow-up to the questions and comments. Attachment C provides a summary of the 14 public comments received by the deadline along with staff’s written responses. Additional revisions to prior year text were also made for clarification purposes. A redlined copy of the FYE 2017 policies that shows the changes from the previous year policies are included as Attachment B. Table 1 below shows the key revisions proposed in the FYE 2017 Policies.

**Table 1: Summary of Key Revisions to TFCA Regional Fund Policies and Evaluation Criteria**

<b>Policy # and Title</b>	<b>Description of Proposed Change</b>
#2. TFCA Cost-Effectiveness	Increase (make more lenient) the cost-effectiveness limits for trip reduction and bicycle projects to reflect updates to on-road motor vehicle emission factors in California Air Resources Board’s EMFAC2014 model, which was approved by the U.S. EPA in December 2015, and a shorter project term (useful life) used to evaluate cost-effectiveness for bicycle projects.
#23. Light-Duty Zero and Partial-Zero Emissions Vehicles for Fleets	Replace the incremental cost limitation with a requirement that project sponsors must pay for at least 10% of a vehicle’s cost after all other grants and applicable manufacturer and local/state/federal rebates and discounts are applied.
#24. Heavy-Duty Zero Emissions Vehicles	
#28. Existing Shuttle/Feeder Bus Services	Remove a waiver provision that provided a three-year grace period to sponsors of projects that duplicate existing local service, during which they would either need to become financially self-sustainable or come into compliance with all TFCA policies. This waiver expires on December 31, 2016.
#29. Pilot Trip Reduction	Increase the allowed time period to three years (from two) that pilot projects must become financially self-sustainable.
#32. Bikeways	Add requirement that projects must have completed all applicable State and federal environmental reviews to ensure that proposed projects are ready to implemented and therefore less likely to experience delays that could jeopardize their

	<p>ability to expend grant funds within the two-year timeframe, as required by the authorizing legislation.</p> <p>Also, update eligibility criteria to clarify that eligible projects must be described in an adopted countywide transportation plan, city general plan, or area-specific plan, so long as the plan specifies that the purpose of the bikeway is to reduce motor vehicle emissions or traffic congestion.</p>
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BUDGET CONSIDERATION / FINANCIAL IMPACT

None. The Air District distributes “pass-through” funds to grantees on a reimbursement basis. Administrative costs for the TFCA Regional Fund program are provided by the funding source.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

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

- Attachment A: Proposed TFCA Regional Fund Policies and Evaluation Criteria for FYE 2017 (Clean)
- Attachment B: Proposed TFCA Regional Fund Policies and Evaluation Criteria for FYE 2017 (Redlined)
- Attachment C: Comments Received and Staff Responses to Proposed FYE 2017 Policies (Informational Item)

**TFCA REGIONAL FUND POLICIES  
AND EVALUATION CRITERIA FOR FYE 2017**

The following policies apply to the Bay Area Air Quality Management District’s (Air District) Transportation Fund for Clean Air (TFCA) Regional Fund for fiscal year ending (FYE) 2017.

**BASIC ELIGIBILITY**

1. **Eligible Projects:** Only projects that result in the reduction of motor vehicle emissions within the Air District’s jurisdiction are eligible. Projects must conform to the provisions of the California Health and Safety Code (HSC) sections 44220 et seq. and Air District Board of Directors adopted TFCA Regional Fund Policies and Evaluation Criteria for FYE 2017.

Projects must achieve surplus emission reductions, i.e., reductions that are beyond what is required through regulations, contracts, and other legally binding obligations at the time the Air District executes the project’s funding agreement.

2. **TFCA Cost-Effectiveness:** Projects must not exceed the maximum cost-effectiveness (C-E) limit noted in Table 1. Cost-effectiveness (\$/weighted ton) is based on the ratio of TFCA fund awarded divided by the sum of surplus emissions reduced of reactive organic gases (ROG), nitrogen oxides (NOx), and weighted PM10 (particulate matter 10 microns in diameter and smaller) over a project’s useful life.

**Table 1: Maximum Cost-Effectiveness for FYE 2016 TFCA Regional Fund Projects**

<b>Policy #</b>	<b>Project Category</b>	<b>Maximum C-E (\$/weighted ton)</b>
22	On-Road Truck Replacements	\$90,000
23	Light-Duty Zero- and Partial-Zero Emissions Vehicles for Fleets	\$250,000
24	Heavy-Duty Zero- and Partial-Zero- Emissions Vehicles	\$250,000
25	Reserved	Reserved
26	Reserved	Reserved
27	Reserved	Reserved
28	Existing Shuttle/Feeder Bus Services	\$200,000; \$250,000 for services in CARE Areas or PDAs
29	Pilot Trip Reduction —in CARE areas or Priority Development Areas (PDAs)	\$500,000
30	Existing Regional Ridesharing Services	\$150,000
31	Electronic Bicycle Lockers	250,000
32	Bikeways	250,000

3. **Consistent with Existing Plans and Programs:** All project categories must comply with the Transportation Control and Mobile Source Control measures included in the Air District's most recently approved strategy(ies) for achieving and maintaining State and national ozone standards; those plans and programs established pursuant to California Health & Safety Code (HSC) sections 40233, 40717 and 40919; and, when specified, other adopted Federal, State, regional, and local plans and programs.
4. **Eligible Recipients and Authority to Apply:** Applicants must have the legal authority, as well as the financial and technical capability, to complete projects. In addition, the following conditions apply:
  - a. **Eligible Recipients:**
    - i. **Public agencies** are eligible to apply for all project categories.
    - ii. **Non-public entities** are only eligible to apply for Clean Air Vehicle Projects and advanced technology demonstrations that are permitted pursuant to HSC section 44241b(7).



- b. Authority to Apply:** Applicants must demonstrate that they have the authority to submit the application, to enter into a funding agreement, to carry out the project, and to bind the entity to perform these tasks by including either: 1) a signed letter of commitment from the applicant's representative with authority (e.g., Chief Executive or Financial Officer, Executive Director, or City Manager); or 2) a signed resolution from the governing body (e.g., City Council, Board of Supervisors, or Board of Directors).
- 5. Viable Project and Matching Funds:** Applicants must demonstrate that they have adequate funds to cover all stages of their proposed project(s) from commencement through completion. Unless otherwise specified in policies #22 through 32, project applicants must demonstrate evidence that they have at least 10% of the total eligible project costs (matching funds) from a non-Air District source available and ready to commit to the proposed projects.
- 6. Minimum Grant Amount:** \$10,000 per project.
- 7. Maximum Grant Amount:** Unless otherwise specified in policies #22 through 32, the maximum grant award amounts are:
  - a. Each public agency may be awarded up to \$1,500,000 per calendar year; and
  - b. Each non-public entity may be awarded up to \$500,000 per calendar year.
- 8. Readiness:** Unless otherwise specified in policies #22 through 32, projects must commence by the end of calendar year 2017. For purposes of this policy, "commence" means a tangible preparatory action taken in connection with the projects' operation or implementation, for which the project sponsor can provide documentation of the commencement date and action performed. "Commence" can mean the issuance of a purchase order to secure project vehicles and equipment; commencement of shuttle/feeder bus and ridesharing service; or the delivery of the award letter for a construction contract.
- 9. Maximum Two Years Operating Costs:** Unless otherwise specified in policies #22 through 32, FYE 2017 TFCA Regional Funds may be used to support up to two years of operating costs for service-based projects (i.e., Trip Reduction Projects)
- 10. Project Revisions:** The Air District will consider only requests for modifications to approved projects that are within the same project categories, achieve the same or better cost-effectiveness, comply with all TFCA Regional Fund Policies, and are in compliance with all applicable federal and State laws, and Air District rules and regulations. The Air District may also approve minor modifications, such as to correct typographical mistakes in the grant agreements or to change the name of the grantees, without re-evaluating the proposed modification in light of the regulations, contracts, and other legally-binding obligations that are in effect at the time the minor modification was proposed.

#### **APPLICANT IN GOOD STANDING**

- 11. In Compliance with Air Quality Regulations:** Applicants must certify that, at of the time of the application and at the time of issuance of the grant, they are in compliance with all local, State, and federal air quality regulations. Applicants who have an unresolved violation of Air District, state or federal air quality rules or regulations are not eligible for funding. The Air District may terminate a grant agreement and seek reimbursement of distributed funds from project sponsors who were not eligible for funding at the time of the grant.
- 12. In Compliance with Agreement Requirements:** Project sponsors who have failed to meet contractual requirements such as project implementation milestones or monitoring and reporting requirements for any project funded by the Air District may not be considered eligible for new funding until such time as all of the unfulfilled obligations are met.
- 13. Independent Air District Audit Findings and Determinations:** Project sponsors who have failed either a fiscal audit or a performance audit for a prior Air District funded project will be excluded from future funding for three (3) years from the date of the Air District's final determination in accordance with HSC section 44242. Additionally, project sponsors with open projects will not be reimbursed until all audit recommendations and remedies have been satisfactorily implemented.

A failed fiscal audit means an uncorrected audit finding that confirms an ineligible expenditure of funds. A failed performance audit means that a project was not implemented as set forth in the project funding agreement.

Project sponsors must return funds that the Air District has determined were expended in a manner contrary to the TFCA Regional Funds' requirements and/or requirements of HSC Code section 44220 et seq.; the project did not result in a surplus reduction of air pollution from the mobile sources or transportation control measures pursuant to the applicable plan; the funds were not spent for surplus reduction of air pollution pursuant to a plan or program to be implemented by the TFCA Regional Fund; or otherwise failed to comply with the approved project scope, as set forth in the project funding agreement. Applicants who failed to reimburse such funds to the Air District from prior Air District funded projects will be excluded from future TFCA funding.

14. **Executed Funding Agreement:** Only a fully-executed funding agreement (i.e., signed by both the project sponsor and the Air District) constitutes the Air District's award of funds for a project. Approval of an application for the project by the Air District Board of Directors or notices such as a transmittal letter announcing the proposed award do not constitute a final obligation on the part of the Air District to fund a project.

Applicants must sign funding agreements within 60 days from the date the agreements were transmitted to them in order to remain eligible for award of TFCA Regional Funds. Applicants may request, in writing, an extension of up to no more than 180 days from the transmittal date to sign the grant agreements, which includes the basis for an extended signature period. At its discretion, the Air District may authorize such an extension.

15. **Maintain Appropriate Insurance:** Project sponsors must obtain and maintain general liability insurance and additional insurance that is appropriate for its specific project type throughout the life of the project, with coverage being no less than the amounts specified in the respective funding agreement. Project sponsors shall require their subcontractors to obtain and maintain such insurance of the type and in the amounts required by the grant agreements.

#### **INELIGIBLE PROJECTS**

16. **Planning Activities:** The costs of preparing or conducting feasibility studies are not eligible. Other planning activities may be eligible, but only if the activities are both: 1) directly related to the implementation of a specific project or program, and 2) directly contribute to the project's emissions reductions.
17. **Cost of Developing Proposals and Grant Applications:** The costs to prepare grant applications are not eligible.
18. **Duplication:** Projects that have previously received TFCA Regional or County Program Manager funds and do not propose to achieve additional emission reductions are not eligible.

#### **USE OF TFCA FUNDS**

19. **Combined Funds:** Unless otherwise specified in policies #22 through 32, TFCA County Program Manager Funds may not be combined with TFCA Regional Funds to fund a TFCA Regional Fund project.
20. **Administrative Costs:** Unless otherwise specified in policies #22 through 32, TFCA Regional Funds may not be used to pay for administrative costs (i.e., the costs associated with administering a TFCA Regional Fund grant). In cases where administrative costs may be paid for by TFCA Regional Funds, they are limited to a maximum of five percent (5%) of total TFCA Regional Funds expended on a project and are only available to projects sponsored by public agencies. To be eligible for reimbursement, administrative costs must be clearly identified in the project budget at the time of application and in the funding agreement between the Air District and the project sponsor.

21. **Expend Funds within Two Years:** Project sponsors must expend the grant funding within two (2) years of the effective date of their grant agreement. Applicants may request a longer period in the application, by submitting evidence that a longer period is justified to complete the project due to its unique circumstance. Project sponsors may request a longer period before the end of the agreements' second year in the event that significant progress has been made in the implementation of the project. If the Air District approves a longer period, the parties shall memorialize the approval and length of the extension formally (i.e., in writing) in the grant agreement or in an amendment to the executed grant agreement.

## **ELIGIBLE PROJECT CATEGORIES**

**To be eligible for TFCA Regional funding, a proposed project must meet the purposes and requirements for the particular category's type of project.**

### Clean Air Vehicle Projects

22. **On-Road Truck Replacements:** The project will replace Class 6, Class 7, or Class 8 diesel-powered trucks that have a gross vehicle weight rating (GVWR) of 19,501 lbs. or greater (per vehicle weight classification definition used by Federal Highway Administration (FHWA)) with new or used trucks that have an engine certified to the 2010 California Air Resources Board (CARB) emissions standards or cleaner. The existing trucks must be registered with the California Department of Motor Vehicles (DMV) to an address within the Air District's jurisdiction, and must be scrapped after replacement.
23. **Light-Duty Zero- and Partial-Zero-Emissions Vehicles for Fleets:** The project will accelerate the deployment of zero- and partial-zero-emissions light-duty vehicles:
- a. Each project (fleet deployment) must consist of the purchase or lease of three or more new vehicles registered to a single owner;
  - b. Each vehicle must be 2016 model year or newer, and have a GVWR of 14,000 lbs. or lighter;
  - c. Each vehicle must be maintained and operated within the Air District's jurisdiction for a minimum of three years and 15,000 miles;
  - d. Eligible vehicle types include plug-in hybrid-electric, plug-in electric, and fuel cell vehicles approved for on-road use by the CARB; and
  - e. Project Sponsors may request authorization of up to 50% of the TFCA Funds awarded for each vehicle to be used to pay for costs directly related to the purchase and installation of alternative fueling infrastructure and/or equipment used to power the new vehicle.
  - f. Vehicles that are solely powered by gasoline, natural gas, or diesel, and retrofit projects are not eligible.
  - g. The amount of TFCA funds awarded may not exceed 90% of the vehicle's cost after all other grants and applicable manufacturer and local/state/federal rebates and discounts are applied.
24. **Heavy-Duty Zero- and Partial-Zero-Emissions Vehicles:** The project will help fleet operators achieve significant voluntary emission reductions by encouraging the replacement of older, compliant vehicles with the cleanest available technology, and help fleet operators who are expanding their fleet to choose the cleanest available technology:
- a. Vehicles must be new, 2016 model year or newer, and have a GVWR of greater than 14,000 lbs.;
  - b. Vehicles may be purchased or leased;
  - c. Each vehicle must be maintained and operated within the Air District's jurisdiction for a minimum of three years and 15,000 miles;
  - d. Eligible vehicles must be approved by the CARB; and
  - e. Project Sponsors may request authorization of up to 50% of the TFCA Funds awarded for each vehicle to be used to pay for costs directly related to the purchase and installation of alternative fueling infrastructure and/or equipment used to power the new vehicle.

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- f. Projects that seek to replace a vehicle in the same weight-class as the proposed new vehicle may qualify for additional TFCA funding. Costs related to the scrapping and/or dismantling of the existing vehicle are not eligible for reimbursement with TFCA funds.
  - g. Vehicles that are solely powered by gasoline, natural gas, or diesel, and retrofit projects are not eligible.
  - h. The amount of TFCA funds awarded may not exceed 90% of a vehicle's cost after all other grants and applicable manufacturer and local/state/federal rebates and discounts are applied.
25. **Hydrogen Stations:** These projects are intended to accelerate the deployment of hydrogen fueling stations. Funding may be used for the purchase and installation of equipment for new dispensing facilities and for upgrades and improvements that expand access to existing refueling sites. The following additional conditions must also be met:
- a. Stations must be located within the Air District's jurisdiction and be available and accessible to the public;
  - b. Equipment and infrastructure must be designed, installed, and maintained as required by the existing recognized codes and standards and approved by the local/state authority; and
  - c. Each station must be maintained and operated for a minimum of three years.
  - d. TFCA funding may not be used to pay for fuel or on-going operations and maintenance costs.
  - e. TFCA funding is limited to 25% of the total project cost and may not exceed a maximum award amount of \$250,000 per station.
  - f. Stations must have received a passing score and/or received approval for funding from a State or Federal agency.

26. **Reserved.**

27. **Reserved.**

Trip Reduction Projects

28. **Existing Shuttle/Feeder Bus Services:** The project will reduce single-occupancy vehicle commute-hour trips by providing the short-distance connection between a mass transit hub and one or more definable commercial hubs or employment centers:
- a. The service must provide direct service connections between a mass transit hub (e.g., a rail or Bus Rapid Transit (BRT) station, ferry or bus terminal, or airport) and a distinct commercial or employment location;
  - b. The service's schedule must be coordinated to have a timely connection with the corresponding mass transit service;
  - c. The service must be available for use by all members of the public;
  - d. TFCA Regional Funds may be used to fund only shuttle services to locations that are under-served and lack other comparable service. For the purposes of this policy, "comparable service" means that there exists, either currently or within the last three years, a direct, timed, and publicly accessible service that brings passengers to within one-third (1/3) mile of the proposed commercial or employment location from a mass transit hub. A proposed service will not be deemed "comparable" to an existing service if the passengers' proposed travel time will be at least 15 minutes shorter and at least 33% shorter than the existing service's travel time to the proposed destination;
  - e. **Reserved.**
  - f. TFCA Regional Funds may be used to fund services only during commuter peak-hours, i.e., 5:00-10:00 AM and/or 3:00-7:00 PM;
  - g. Matching funds must be provided to cover at least 10% of the total project cost and must include only direct operational costs. Administrative costs are not eligible for use as matching funds. For

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shuttle/feeder bus service projects, the total project cost is the sum of direct operational costs (i.e., shuttle driver wages and fuel) and the administrative costs paid for by TFCA Regional Funds;

- h. Project Sponsors must be either: (1) a public transit agency or transit district that directly operates the shuttle/feeder bus service, or (2) a city, county, or any other public agency; and
- i. Applicants must submit a letter of concurrence from the transit district or transit agency that provides service in the area of the proposed route, certifying that the service does not conflict with existing service.
- j. Projects that would operate in Highly Impacted Communities or Episodic Areas as defined in the Air District Community Air Risk Evaluation (CARE) Program, or in Priority Development Areas (PDAs), may qualify for funding at a higher cost-effectiveness limit (see Policy #2).

29. **Pilot Trip Reduction:** The project will reduce single-occupancy commute-hour vehicle trips by encouraging mode-shift to other forms of shared transportation. Pilot projects are defined as projects that serve an area where no similar service was available within the past three years, or will result in significantly expanded service to an existing area. Funding is designed to provide the necessary initial capital for the startup of Pilots, with the goal of transitioning the project to be financially self-sustaining within three years from the project's start date:

- a. The proposed project must be located in a Highly Impacted Community or Episodic Area as defined in the Air District Community Air Risk Evaluation (CARE) Program, or in a Priority Development Area (PDA);
- b. Applicants must demonstrate the project will reduce single-occupancy commute-hour vehicle trips and result in a reduction in emissions of criteria pollutants;
- c. The proposed service must be available for use by all members of the public;
- d. Applicants must attend a mandatory pre-application workshop to discuss their proposed project with the Air District; and
- e. Applicants must provide a written plan documenting steps that would be taken to ensure that the project will be financially self-sustaining within three years.

In addition, for pilot service projects:

- f. If the local transit provider is not a partner, the applicant must demonstrate that they have attempted to have the service provided by the local transit agency. The transit provider must have been given the first right of refusal and determined that the proposed project does not conflict with existing service;
- g. Applicants must provide data and/or other evidence demonstrating the public's need for the service, including a demand assessment survey and letters of support from potential users;
- h. Pilot shuttle/feeder bus and ridesharing service projects must comply with all applicable requirements in policies #28 and #30.

30. **Existing Regional Ridesharing Services:** The project will provide carpool, vanpool, and other rideshare services. For TFCA Regional Fund eligibility, ridesharing projects must be comprised of riders from at least five counties within Air District's jurisdiction, with no one county accounting for more than 80% of all riders, as verified by documentation submitted with the application.

If a project includes ride-matching services, *only* ride-matches that are not already included in the Metropolitan Transportation Commission's (MTC) regional ridesharing program are eligible for TFCA Regional Funds. Projects that provide a direct or indirect financial transit or rideshare subsidy are also eligible under this category. Applications for projects that provide a direct or indirect financial transit or rideshare subsidy *exclusively* to employees of the project sponsor are not eligible.

Bicycle Projects

31. **Electronic Bicycle Lockers:** The project will expand the public's access to new electronic bicycle lockers. The project must be included in an adopted countywide bicycle plan, Congestion Management Plan (CMP),

or the Metropolitan Transportation Commission's Regional Bicycle Plan, and must serve a major activity center (e.g. transit station, office building, or school). The electronic bicycle lockers must be publicly accessible and available for use by all members of the public.

Costs for maintenance, repairs, upgrades, rehabilitation, operations, and project administration are not eligible for TFCA Regional Funds.

The maximum award amount is based on the number of lockers, at the rate of \$2,500 per locker, for example, a quad contains four lockers and would be eligible for a maximum award amount of \$10,000.

Monies expended by Project Sponsors to pay for the purchase and installation of lockers and for administrative costs (i.e., the costs associated with administering a TFCA Regional Fund grant) are eligible for use as matching funds. Monies expended by the Project Sponsor to maintain, repair, upgrade, rehabilitate, or operate the electronic lockers are not eligible for use as matching funds.

32. **Bikeways:** The project will construct and/or install new bikeways that are included in an adopted countywide bicycle plan, Congestion Management Plan (CMP), countywide transportation plan (CTP), city general plan or area-specific plan, or the Metropolitan Transportation Commission's Regional Bicycle Plan. To be eligible for funding, the purpose of bikeways that are included in an adopted city general plan or area-specific plan must be to reduce motor vehicle emissions or traffic congestion. Projects must have completed all applicable State and federal environmental reviews and either have been deemed exempt by the lead agency or have been issued the applicable negative declaration or environmental impact report or statement.

All bikeway projects must, where applicable, be consistent with design standards published in the California Highway Design Manual, or conform to the provisions of the Protected Bikeway Act of 2014.

Projects must reduce vehicle trips made for utilitarian purposes (e.g., work or school commuting) and cannot be used exclusively for recreational use. Projects must also meet one or more of the following conditions:

- a. Be located within one-half mile (1/2) from a public transit station/stop (e.g., local, county-wide or regional transit stops/stations/terminals, bike share station);
- b. Be located within one-half mile (1/2) from a major activity center that serves at least 2,500 people per day (e.g., employment centers, schools, business districts);
- c. Be located within one-half mile (1/2) from three activity centers (e.g., employment centers, schools, business districts).

Projects are limited to the following types of bikeways:

- a. New Class-I bicycle paths;
- b. New Class-II bicycle lanes;
- c. New Class-III bicycle routes; or
- d. New Class-IV cycle tracks or separated bikeways.

**REGIONAL FUND EVALUATION CRITERIA:**

1. Projects must meet all of the applicable TFCA Regional Fund policies.
2. Applications will also be evaluated using the evaluation process listed in Table 2:

**Table 2: Evaluation Process by Project Category**

<b>Policy #</b>	<b>Project Category</b>	<b>Evaluation Process</b>
22	On-Road Truck Replacements	Applications will be reviewed on a first-come, first-served basis, and funding amounts for eligible projects will be determined based on a project’s cost-effectiveness and responsiveness to their respective project specific Policy requirements.
23	Light-Duty Zero- and Partial-Zero-Emissions Vehicles for Fleets	
24	Heavy-Duty Zero- and Partial-Zero- Emissions Vehicles	
25	Reserved	Reserved
26	Reserved	Reserved
27	Reserved	Reserved
28	Shuttle/Feeder Bus Services	Applications will be reviewed after the submittal deadline and eligible projects will be ranked based on their cost-effectiveness score and responsiveness to their respective project specific Policy requirements.
29	Pilot Trip Reduction	
30	Regional Ridesharing Services	
31	Electronic Bicycle Lockers	Applications will be reviewed on a first-come, first-served basis, and eligible projects will be recommended for funding until funding has been depleted.
32	Bikeways	Applications will be reviewed after the submittal deadline and eligible projects will be ranked based on their cost-effectiveness score and responsiveness to Policy #32. Projects that serve regional or county-wide transit stops/stations/terminals (e.g., BART, Caltrain, Capitol Corridor, ferry terminals) or bike share stations will receive a higher priority.

3. Up to sixty percent (60%) of TFCA Regional Funds will receive a higher priority for projects that meet one or more of the following criteria:
  - a. Projects in Highly Impacted Communities or Episodic Areas as defined in the Air District Community Air Risk Evaluation (CARE) Program;
  - b. Projects in Priority Development Areas (PDAs).

**TFCA REGIONAL FUND POLICIES  
AND EVALUATION CRITERIA FOR FYE 20167**

The following policies apply to the Bay Area Air Quality Management District’s (Air District) Transportation Fund for Clean Air (TFCA) Regional Fund for fiscal year ending (FYE) 20167.

**BASIC ELIGIBILITY**

1. **Eligible Projects:** Only projects that result in the reduction of motor vehicle emissions within the Air District’s jurisdiction are eligible. Projects must conform to the provisions of the California Health and Safety Code (HSC) sections 44220 et seq. and Air District Board of Directors adopted TFCA Regional Fund Policies and Evaluation Criteria for FYE 20167.

Projects must achieve surplus emission reductions, i.e., reductions that are beyond what is required through regulations, contracts, and other legally binding obligations at the time the Air District executes the project’s funding agreement.

2. **TFCA Cost-Effectiveness:** Projects must not exceed the maximum cost-effectiveness (C-E) limit noted in Table 1. Cost-effectiveness (\$/weighted ton) is based on the ratio of TFCA fund awarded divided by the sum of surplus emissions reduced of reactive organic gases (ROG), nitrogen oxides (NOx), and weighted PM10 (particulate matter 10 microns in diameter and smaller) over a project’s useful life.

**Table 1: Maximum Cost-Effectiveness for FYE 2016 TFCA Regional Fund Projects**

<b>Policy #</b>	<b>Project Category</b>	<b>Maximum C-E (\$/weighted ton)</b>
22	On-Road Truck Replacements	\$90,000
23	Light-Duty Zero- and Partial-Zero Emissions Vehicles for Fleets	\$250,000
24	Heavy-Duty Zero- and Partial-Zero- Emissions Vehicles	\$250,000
25	<del>Hydrogen Stations</del> Reserved	<del>\$500,000</del> Reserved
26	Reserved	Reserved
27	Reserved	Reserved
28	<del>Existing</del> Shuttle/Feeder Bus Services	<del>\$175</del> 200,000; <del>\$200</del> 250,000 for services in CARE Areas or PDAs
29	Pilot Trip Reduction —in CARE areas or Priority Development Areas (PDAs)	<del>\$200</del> 500,000
30	<del>Existing</del> Regional Ridesharing Services	<del>\$90</del> 150,000
31	Electronic Bicycle Lockers	<del>\$90,000</del> 250,000
32	Bikeways	<del>\$90,000</del> 250,000

3. **Consistent with Existing Plans and Programs:** All project categories must comply with the Transportation Control and Mobile Source Control measures included in the Air District's most recently approved strategy(ies) for achieving and maintaining State and national ozone standards; those plans and programs established pursuant to California Health & Safety Code (HSC) sections 40233, 40717 and 40919; and, when specified, other adopted Federal, State, regional, and local plans and programs.
4. **Eligible Recipients and Authority to Apply:** Applicants must have the legal authority, as well as the financial and technical capability, to complete projects. In addition, the following conditions apply:
  - a. **Eligible Recipients:**
    - i. **Public agencies** are eligible to apply for all project categories.
    - ii. **Non-public entities** are only eligible to apply for Clean Air Vehicle Projects and advanced technology demonstrations that are permitted pursuant to HSC section 44241b(7).



## Agenda 7 - Attachment B: Proposed TFCA Regional Fund Policies and Evaluation Criteria for FYE 2017 (Redline)

- b. **Authority to Apply:** Applicants must demonstrate that they have the authority to submit the application, to enter into a funding agreement, to carry out the project, and to bind the entity to perform these tasks by including either: 1) a signed letter of commitment from the applicant's representative with authority (e.g., Chief Executive or Financial Officer, Executive Director, or City Manager); or 2) a signed resolution from the governing body (e.g., City Council, Board of Supervisors, or Board of Directors).
5. **Viable Project and Matching Funds:** Applicants must demonstrate that they have adequate funds to cover all stages of their proposed project(s) from commencement through completion. Unless otherwise specified in policies #22 through 32, project applicants must demonstrate evidence that they have at least 10% of the total eligible project costs (matching funds) from a non-Air District source available and ready to commit to the proposed projects.
6. **Minimum Grant Amount:** \$10,000 per project.
7. **Maximum Grant Amount:** Unless otherwise specified in policies #22 through 32, the maximum grant award amounts are:
  - a. Each public agency may be awarded up to \$1,500,000 per calendar year; and
  - b. Each non-public entity may be awarded up to \$500,000 per calendar year.
8. **Readiness:** Unless otherwise specified in policies #22 through 32, projects must commence by the end of calendar year 20167. For purposes of this policy, "commence" means a tangible preparatory action taken in connection with the projects' operation or implementation, for which the project sponsor can provide documentation of the commencement date and action performed. "Commence" can mean the issuance of a purchase order to secure project vehicles and equipment; commencement of shuttle/feeder bus and ridesharing service; or the delivery of the award letter for a construction contract.
9. **Maximum Two Years Operating Costs:** Unless otherwise specified in policies #22 through 32, FYE 20167 TFCA Regional Funds may be used to support up to two years of operating costs for service-based projects (i.e., Trip Reduction Projects)
10. **Project Revisions:** The Air District will consider only requests for modifications to approved projects that are within the same project categories, achieve the same or better cost-effectiveness, comply with all TFCA Regional Fund Policies, and are in compliance with all applicable ~~F~~federal and State laws, and Air District rules and regulations. The Air District may also approve minor modifications, such as to correct typographical mistakes in the grant agreements or to change the name of the grantees, without re-evaluating the proposed modification in light of the regulations, contracts, and other legally-binding obligations that are in effect at the time the minor modification was proposed.

### APPLICANT IN GOOD STANDING

11. **In Compliance with Air Quality Regulations:** Applicants must certify that, at of the time of the application and at the time of issuance of the grant, they are in compliance with all local, State, and federal air quality regulations. Applicants who have an unresolved violation of Air District, state or ~~f~~Federal air quality rules or regulations are not eligible for funding. The Air District may terminate a grant agreement and seek reimbursement of distributed funds from project sponsors who were not eligible for funding at the time of the grant.
12. **In Compliance with Agreement Requirements:** Project sponsors who have failed to meet contractual requirements such as project implementation milestones or monitoring and reporting requirements for any project funded by the Air District may not be considered eligible for new funding until such time as all of the unfulfilled obligations are met.
13. **Independent Air District Audit Findings and Determinations:** Project sponsors who have failed either a fiscal audit or a performance audit for a prior Air District funded project will be excluded from future funding for three (3) years from the date of the Air District's final determination in accordance with HSC section 44242. Additionally, project sponsors with open projects will not be reimbursed until all audit recommendations and remedies have been satisfactorily implemented.

## Agenda 7 - Attachment B: Proposed TFCA Regional Fund Policies and Evaluation Criteria for FYE 2017 (Redline)

A failed fiscal audit means an uncorrected audit finding that confirms an ineligible expenditure of funds. A failed performance audit means that a project was not implemented as set forth in the project funding agreement.

Project sponsors must return funds that the Air District has determined were expended in a manner contrary to the TFCA Regional Funds' requirements and/or requirements of HSC Code section 44220 et seq.; the project did not result in a surplus reduction of air pollution from the mobile sources or transportation control measures pursuant to the applicable plan; the funds were not spent for surplus reduction of air pollution pursuant to a plan or program to be implemented by the TFCA Regional Fund; or otherwise failed to comply with the approved project scope, as set forth in the project funding agreement. Applicants who failed to reimburse such funds to the Air District from prior Air District funded projects will be excluded from future TFCA funding.

14. **Executed Funding Agreement:** Only a fully-executed funding agreement (i.e., signed by both the project sponsor and the Air District) constitutes the Air District's award of funds for a project. Approval of an application for the project by the Air District Board of Directors or notices such as a transmittal letter announcing the proposed award do not constitute a final obligation on the part of the Air District to fund a project.

Applicants must sign funding agreements within 60 days from the date the agreements were transmitted to them in order to remain eligible for award of TFCA Regional Funds. Applicants may request, in writing, an extension of up to no more than 180 days from the transmittal date to sign the grant agreements, which includes the basis for an extended signature period. At its discretion, the Air District may authorize such an extension.

15. **Maintain Appropriate Insurance:** Project sponsors must [obtain and](#) maintain general liability insurance and additional insurance that is appropriate for its specific project type throughout the life of the project, with coverage being no less than the amounts specified in the respective funding agreement. Project sponsors shall require their subcontractors to obtain and maintain such insurance of the type and in the amounts required by the grant agreements.

### INELIGIBLE PROJECTS

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17. **Cost of Developing Proposals and Grant Applications:** The costs to prepare grant applications are not eligible.
18. **Duplication:** Projects that have previously received TFCA Regional or County Program Manager funds and do not propose to achieve additional emission reductions are not eligible.

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21. **Expend Funds within Two Years:** Project sponsors ~~must expend the grant funding within~~have up to two (2) years ~~from of~~ the effective date of their grant agreement ~~to expend the awarded funds~~. Applicants may request a longer period in the ~~Application~~application, by submitting evidence that a longer period is justified to complete the project due to its unique circumstance. Project sponsors may request a longer period before the end of the agreements' second year in the event that significant progress has been made in the implementation of the project. If the Air District approves a longer period, the parties shall memorialize the approval and length of the extension formally (i.e., in writing) in the grant agreement or in an amendment to the executed grant agreement.

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23. **Light-Duty Zero- and Partial-Zero-Emissions Vehicles for Fleets:** The project will accelerate the deployment of zero- and partial-zero-emissions light-duty vehicles ~~in high-mileage fleets:~~
- Each project (fleet deployment) must consist of the purchase or lease of three or more new vehicles registered to a single owner;
  - Each vehicle must be ~~new (20156~~ model year or newer, and have a GVWR of 14,000 lbs. or lighter;
  - Each vehicle must be maintained and operated within the Air District's jurisdiction for a minimum of three years and ~~of~~ 15,000 miles;
  - Eligible vehicle types include plug-in hybrid-electric, plug-in electric, and fuel cell vehicles ~~certified approved for on-road use~~ by the CARB ~~as meeting super-ultra low emission vehicle (SULEV) or zero-emission vehicle (ZEV) standard;~~ and
  - Project ~~sponsors~~ Sponsors may request authorization ~~of for~~ up to ~~\$5,000~~ 50% of the TFCA Funds awarded ~~to for~~ each vehicle to be used to pay for costs directly related to the purchase and installation of alternative fueling infrastructure and/or equipment used to power the new vehicle.
  - ~~Non-plug-in hybrid, gasoline, natural gas, diesel vehicles, and retrofit projects that are not approved or certified by the CARB are not eligible.~~ New v Vehicles that are solely powered by gasoline, natural gas, or diesel, and retrofit projects are not eligible.
  - The amount of TFCA funds awarded may not exceed ~~75~~ 90% of the vehicle's cost ~~meaning the difference in cost between the purchase or lease price of the new vehicle for the project and its new conventional vehicle counterpart that meets current Federal and State emission standards~~ after all other grants and applicable manufacturer and local/state/federal rebates and discounts are applied.
24. **Heavy-Duty Zero- and Partial-Zero-Emissions Vehicles:** The project will help fleet operators achieve significant voluntary emission reductions by ~~accelerate the deployment of zero-emissions heavy-duty vehicles~~ encouraging the replacement of older, compliant vehicles with the cleanest available technology, and help fleet operators who are expanding their fleet to choose the cleanest available technology:-
- Vehicles must be new, ~~(20156~~ model year or newer), and have a GVWR of greater than 14,000 lbs.;
  - Vehicles may be purchased or leased;
  - Each vehicle must be maintained and operated within the Air District's jurisdiction for a minimum of three years and ~~of~~ 15,000 miles-;

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- d. Eligible vehicles ~~types include~~ must be zero-emissions (electric and fuel cell technologies) vehicles that are approved certified by the CARB; and
- e. Project ~~s~~ Sponsors may request authorization ~~for of~~ up to ~~50%~~ \$5,000 of the TFCA Funds awarded ~~to~~ for each vehicle to be used to pay for costs directly related to the purchase and installation of alternative fueling infrastructure and/or equipment used to power the new vehicle.
- f. ~~In addition, projects~~ Projects that seek to replace ~~an equivalent~~ vehicle in the same weight-class ~~model year 2000-2006 as the proposed new~~ vehicle ~~and have documented at least two consecutive years of annual mileage records,~~ may qualify for ~~up to an~~ additional ~~\$25,000 in~~ TFCA funding. Costs related to the scrapping and/or dismantling of the existing vehicle are not eligible for reimbursement with TFCA funds.
- g. Vehicles that are solely powered by ~~G~~gasoline, natural gas, ~~or diesel, and hybrid vehicles,~~ and retrofit projects ~~that are not approved or certified by the CARB~~ are not eligible.
- h. The amount of TFCA funds awarded may not exceed ~~75~~ 90% of a vehicle's cost ~~"incremental cost"~~ meaning the difference in cost between the purchase or lease price of the new vehicle for the Project and its new conventional vehicle counterpart that meets current Federal and State emission standards after all other grants and applicable manufacturer and local/state/federal rebates and discounts are applied.

25. **Hydrogen Stations:** These projects are intended to accelerate the deployment of hydrogen fueling stations. Funding may be used for the purchase and installation of equipment for new dispensing facilities and for upgrades and improvements that expand access to existing refueling sites. The following additional conditions must also be met:

- a. Stations must be located within the Air District's jurisdiction and be available and accessible to the public;
- b. Equipment and infrastructure must be designed, installed, and maintained as required by the existing recognized codes and standards and approved by the local/state authority; and
- c. Each station must be maintained and operated for a minimum of three years.
- d. TFCA funding may not be used to pay for fuel or on-going operations and maintenance costs.
- e. TFCA funding is limited to 25% of the total project cost and may not exceed a maximum award amount of \$250,000 per station.
- e.f. Stations must have received a passing score and/or received approval for funding from a State or Federal agency.

~~Additionally, proposed stations must have received at least a passing score and/or received approval for funding from a State or Federal agency.~~

26. **Reserved.**

27. **Reserved.**

Trip Reduction Projects

28. **Existing Shuttle/Feeder Bus Services:** The project will reduce single-occupancy vehicle commute-hour trips by providing the short-distance connection between a mass transit hub and one or more definable commercial hubs or employment centers:

- a. The service must provide direct service connections between a mass transit hub (e.g., a rail or Bus Rapid Transit (BRT) station, ferry or bus terminal, or airport) and a distinct commercial or employment location;
- b. The service's schedule must be coordinated to have a timely connection with the corresponding mass transit service;
- c. The service must be available for use by all members of the public;

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- d. TFCA Regional Funds may be used to fund only shuttle services to locations that are under-served and lack other comparable service. For the purposes of this policy, “comparable service” means that there exists, either currently or within the last three years, a direct, timed, and publicly accessible service that brings passengers to within one-third (1/3) mile of the proposed commercial or employment location from a mass transit hub. A proposed service will not be deemed “comparable” to an existing service ~~that brings passengers from a mass transit hub to within 1/3 mile of the employment location or commercial hub~~ if the passengers’ proposed travel time will be at least 15 minutes ~~less than~~ shorter and will be at least 33% shorter than the existing service’s travel time to the proposed destination;
  - e. ~~Reserved. Shuttle/Feeder Bus Service projects that were awarded Regional Funds in FYE 2014 or FYE 2015 may request an exemption from the requirements of Policy 28.d until December 31, 2016, provided that they meet the following requirements:~~
    - a. ~~The proposed service must serve the identical transit hub and commercial or employment locations as the previously funded project; and~~
    - b. ~~A plan to either achieve financial self-sufficiency from TFCA funds by January 1, 2017, or to come into compliance with Policy 28.d and all other eligibility criteria must be submitted along with the Application.~~
  - f. TFCA Regional Funds may be used to fund services only during commuter peak-hours, i.e., 5:00-10:00 AM and/or 3:00-7:00 PM;
  - g. Matching funds must be provided to cover at least 10% of the total project cost, and must include only direct operational costs. Administrative costs are not eligible for use as matching funds. For shuttle/feeder bus service projects, the total project cost is the sum of direct operational costs (i.e., shuttle driver wages and fuel) and the administrative costs paid for by TFCA Regional Funds;
  - h. ~~Shuttle/feeder bus service applicants~~ Project Sponsors must be either: (1) a public transit agency or transit district that directly operates the shuttle/feeder bus service, or (2) a city, county, or any other public agency; and
  - i. ~~Shuttle/feeder bus service~~ Applicants must submit a letter of concurrence from the transit district or transit agency that provides service in the area of the proposed route, certifying that the service does not conflict with existing service.
  - j. Projects that would operate in Highly Impacted Communities or Episodic Areas as defined in the Air District Community Air Risk Evaluation (CARE) Program, or in Priority Development Areas (PDAs), may qualify for funding at a higher cost-effectiveness limit (see Policy #2) of \$200,000 per ton.
29. **Pilot Trip Reduction:** The project will reduce single-occupancy commute-hour vehicle trips by encouraging mode-shift to other forms of shared transportation. Pilot projects are defined as projects that serve an area where no similar service was available within the past three years, or will result in significantly expanded service to an existing area. Funding is designed to provide the necessary initial capital for the startup of Pilots, with the goal of transitioning the project to be financially self-sustaining within ~~two~~ three years from the project’s start date:
- a. The proposed project must be located in a Highly Impacted Community or Episodic Area as defined in the Air District Community Air Risk Evaluation (CARE) Program, or in a Priority Development Area (PDA);
  - b. Applicants must demonstrate the project will reduce single-occupancy commute-hour vehicle trips and result in a reduction in emissions of criteria pollutants;
  - c. The proposed service must be available for use by all members of the public;
  - d. Applicants must attend a mandatory pre-application workshop to discuss their proposed project with the Air District; and
  - e. Applicants must provide a written plan documenting steps that would be taken to ensure that the project will be financially self-sustaining within ~~2~~ three years.

In addition, for pilot service projects:

- f. If the local transit provider is not a partner, the Applicants must demonstrate that they have attempted to have the service provided by the local transit agency. Applicants must provide the transit agency's evaluation of the need for service to the proposed area, and a letter denying service to the project's proposed area, including the basis for denial of service. The transit provider must have been given the first right of refusal and determined that the proposed project does not conflict with existing service;
- g. Applicants must provide data and/or other evidence demonstrating the public's need for the service, including a demand assessment survey and letters of support from potential users;
- h. ~~Pilot Sshuttle/Ffeeder Bbus service~~ and ~~Rridesharing~~ service projects must comply with all applicable requirements in policies #28 and #30.

30. **Existing Regional Ridesharing Services:** The project will provide carpool, vanpool, and other rideshare services. For TFCA Regional Fund eligibility, ridesharing projects must be comprised of riders from at least five counties within Air District's jurisdiction, with no one county accounting for more than 80% of all riders, as verified by documentation submitted with the application.

If a project includes ride-matching services, *only* ride-matches that are not already included in the Metropolitan Transportation Commission's (MTC) regional ridesharing program are eligible for TFCA Regional Funds. Projects that provide a direct or indirect financial transit or rideshare subsidy are also eligible under this category. Applications for projects that provide a direct or indirect financial transit or rideshare subsidy *exclusively* to employees of the project sponsor are not eligible.

#### Bicycle Facility Projects

31. **Electronic Bicycle Lockers:** The project will expand the public's access to new electronic bicycle lockers. The project must be included in an adopted countywide bicycle plan, Congestion Management Plan (CMP), or the Metropolitan Transportation Commission's Regional Bicycle Plan, and must serve a major activity center (e.g. transit station, office building, or school). The electronic bicycle lockers must be publicly accessible and available for use by all members of the public.

Costs for maintenance, repairs, upgrades, rehabilitation, operations, and project administration are not eligible for TFCA Regional Funds.

The maximum award amount is based on the number of lockers, at the rate of \$2,500 per locker, for example, a quad contains four lockers and would be eligible for a maximum award amount of \$10,000.

Monies expended by Project Sponsors to pay for the purchase and installation of lockers and for administrative costs (i.e., the costs associated with administering a TFCA Regional Fund grant) are eligible for use as matching funds ~~for electronic bicycle lockers~~. Monies expended by the Project Sponsor to maintain, repair, upgrade, rehabilitate, or operate the electronic lockers are not eligible for use as matching funds.

32. **Bikeways:** The project will construct and/or install new bikeways that are included in an adopted countywide bicycle plan, Congestion Management Plan (CMP), countywide transportation plan (CTP), city general plan or area-specific plan, or the Metropolitan Transportation Commission's Regional Bicycle Plan. To be eligible for funding, the purpose of bikeways that are included in an adopted city general plan or area-specific plan must be to reduce motor vehicle emissions or traffic congestion. Projects must have completed all applicable State and federal environmental reviews and either have been deemed exempt by the lead agency or have been issued the applicable negative declaration or environmental impact report or statement.

All bikeway projects must, where applicable, be consistent with design standards published in the California Highway Design Manual, or conform to the provisions of the Protected Bikeway Act of 2014.

Projects must reduce vehicle trips made for utilitarian purposes (e.g., work or school commuting) and cannot be used exclusively for recreational use. Projects must also meet one or more of the following conditions:

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- a. Be located within one-half mile (1/2) from a public transit station/stop (e.g., local, county- wide or regional transit stops/stations/terminals, ~~Bay Area Bike Share~~bike share station); ~~or~~
- b. Be located within one-half mile (1/2) from a major activity center that serves at least 2,500 people per day (e.g., employment centers, schools, business districts); ~~or~~
- c. Be located within one-half mile (1/2) from three activity center(s) (e.g., employment centers, schools, business districts); ~~or~~
- ~~d. Provide a gap closure in, or an extension to, an existing bicycle network located within one half mile (1/2) from a public transit station/stop (e.g., local, county wide or regional transit stops, stations, terminals, Bay Area Bike Share); a major activity center that serves at least 2,500 people per day (e.g., employment centers, schools, business districts); or from three activity center(s) (e.g., employment centers, schools, business districts).~~

Projects are limited to the following types of bikeways:

- a. New Class-I bicycle paths;
- b. New Class-II bicycle lanes;
- c. New Class-III bicycle routes; or
- d. New Class-IV cycle tracks or separated bikeways.

**REGIONAL FUND EVALUATION CRITERIA:**

1. Projects must meet all of the applicable TFCA Regional Fund policies.
2. Applications will also be evaluated using the evaluation process listed in [Table 42](#):

**Table 24: Evaluation Process by Project Category**

Policy #	Project Category	Evaluation Process
22	On-Road Truck Replacements	Applications will be reviewed on a first-come, first-served basis, and funding amounts for eligible projects will be determined based on a project’s cost-effectiveness and responsiveness to their respective project specific Policy requirements.
23	Light-Duty Zero- and Partial-Zero- Emissions Vehicles for Fleets	
24	Heavy-Duty Zero- <del>and Partial-Zero-</del> Emissions Vehicles	
25	<del>Alternative Fuel Infrastructure Hydrogen Stations</del> Reserved	<del>Applications will be reviewed after the submittal deadline and eligible projects will be ranked based on their cost-effectiveness score and responsiveness to Policy #25.</del> Reserved
26	Reserved	Reserved
27	Reserved	Reserved
28	Shuttle/Feeder Bus Services	Applications will be reviewed after the submittal deadline and eligible projects will be ranked based on their cost-effectiveness score and responsiveness to their respective project specific Policy requirements.
29	Pilot Trip Reduction	
30	Regional Ridesharing Services	
31	Electronic Bicycle Lockers	Applications will be reviewed on a first-come, first-served basis, and eligible projects will be recommended for funding until funding has been depleted.
32	Bikeways	Applications will be reviewed after the submittal deadline and eligible projects will be ranked based on their cost-effectiveness score and responsiveness to Policy #32. Projects that serve regional or county-wide transit stops/stations/terminals (e.g., BART, Caltrain, Capitol Corridor, ferry terminals) <del>and-or Bay Area Bike Share</del> bike share stations will receive a higher priority.

3. Up to sixty percent (60%) of TFCA Regional Funds will receive a higher priority for projects that meet one or more of the following criteria:
  - a. Projects in Highly Impacted Communities or Episodic Areas as defined in the Air District Community Air Risk Evaluation (CARE) Program;
  - b. Projects in Priority Development Areas (PDAs).



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Committer and Agency	Comment	Staff Response
<p>Shayna H. Hirshfield-Gold; City of Oakland, Public Works Department</p>	<p>(In reference to Policy #23.e, Light Duty Zero and Partial-Zero Emission Vehicles for Fleets):</p> <ul style="list-style-type: none"> <li>• The City of Oakland appreciates the removal of “high mileage fleets” from this item.</li> <li>• Consider allowing projects that use renewable natural gas (RNG).</li> </ul>	<p>This project category is designed to accelerate the deployment of zero tailpipe-emissions from on-road light-duty vehicles. While RNG vehicles reduce life-cycle greenhouse gas emissions, the authorizing legislation for TFCA requires the District to evaluate projects based on their ability to reduce criteria pollutants from on-road sources beyond what is required. Since the U.S. Environmental Protection Agency requires all fuels and vehicle types to meet the same thresholds for tailpipe emissions, the gap has narrowed between criteria emissions benefits from natural gas vehicles (NGVs) and conventional vehicles with modern emissions controls, and the emissions reduction benefits for funding NGVs are diminishing.</p> <p>The District will coordinate with City staff to provide information about other funding sources that are available for renewable natural gas projects.</p>
	<p>(In reference to Policy #28.d, Existing Shuttle/Feeder Bus Service): Add the following language to the end of the paragraph: In cases where BAAQMD survey data indicates that an existing shuttle service is serving passengers who would a) otherwise drive from origin to destination and b) not use the comparable service (due to differences in route, frequency, fare, etc.) if the existing shuttle service terminated operations, then the BAAQMD board shall consider funding approval of such existing shuttle services only if they conform to the provisions of the HSC section 44241. Funding in these cases shall only be provided based on those passengers who would otherwise drive from origin to destination without the existing shuttle service (i.e. not based on total ridership of the existing shuttle service), using BAAQMD survey data and Board-adopted TFCA cost-effectiveness.</p>	<p>TFCA funding is offered to support existing shuttle/feeder bus services that are cost-effective in communities where there isn’t comparable service. The proposed policies clarify the definition of “comparable” in terms of frequency and level of service.</p>

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Commenter and Agency	Comment	Staff Response
	<p>(In reference to Policy #31, Electronic Bicycle Lockers):</p> <ul style="list-style-type: none"> <li>• Delete the following text noted in strikethrough and highlight: “The project will expand the public’s access to new electronic bicycle lockers. The project <del>must be included in an adopted countywide bicycle plan, Congestion Management Plan (CMP), or the Metropolitan Transportation Commission’s Regional Bicycle Plan,</del> and must serve a major activity center (e.g. transit station, office building, or school). The electronic bicycle lockers must be publicly accessible and available for use by all members of the public.”</li> <li>• Clarify the difference between lockers and parking spaces in specifying the maximum award amount.</li> </ul>	<p>The specific requirement that a project must be included in a “Countywide Bicycle Plan or Congestion Management Plan” is a legal requirement of the funding’s authorizing legislation: Health and Safety Code section 44241.</p> <p>Staff has revised policy #31 to clarify the difference between lockers and parking spaces in regard to the maximum award amount.</p>
	<p>(In reference to Policy #32, Bikeways):</p> <ul style="list-style-type: none"> <li>• Make the following changes to the bikeway eligibility criteria. <ul style="list-style-type: none"> <li>○ Allow for projects that upgrade existing bikeways by making tangible improvements to the quality of the facility (e.g., upgrading Class 3 bike route to Class 2 bike lane).</li> <li>○ Allow for projects that are included in an adopted citywide bicycle plan.</li> <li>○ Clarify that a bikeway is eligible if it extends an existing bikeway out beyond one-half mile from the listed destinations and provides a continuous connection to that destination.</li> <li>○ Provide a link to the regional bicycle plan.</li> </ul> </li> </ul> <p>Please offer additional clarity on how the eligible grant amount is computed for bikeways.</p>	<p>This program is designed to expand the region’s network of bikeways and achieve surplus emission reductions, so projects that upgrade existing bikeways are not eligible.</p> <p>The link to regional bicycle plan for the San Francisco Bay Area 2009 is shown below and will be included in the program guidance:  <a href="http://www.pedbikeinfo.org/pdf/PlanDesign_SamplePlans_Region_SFBayArea2009.pdf">http://www.pedbikeinfo.org/pdf/PlanDesign_SamplePlans_Region_SFBayArea2009.pdf</a></p>

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Commenter and Agency	Comment	Staff Response
<p>Sven Thesen; Project-Greenhome</p> <p>Jeralyn Moran; Green Sanctuary Committee (They 2<sup>nd</sup> the input by Sven Thesen)</p>	<p><b><u>1. Public Schools</u></b> As is well known, California’s public schools have limited funding and essentially no funds to install infrastructure for teachers and employees. Further, in the Bay Area, given the cost of real estate (both to purchase and rent), compounded with teacher salaries, teachers and school staff are forced to live far from their schools and hence have long commutes. Accordingly, a District funding EV infrastructure program focused on public schools would accelerate EV adoption by this segment. PGH (Project Green Home) recommends emulating the recent Demo grant program, except:</p> <ul style="list-style-type: none"> <li>• Enable a 1st come, 1st served grant program,</li> <li>• Fiscal encouragement to install at a high Level 1 to Level 2 ratio. (1 Level 2 for every 3 Level 1 chargers)</li> <li>• Fiscal encouragement to purchase non--networked chargers and work out low tech payment methods for the electricity – just as the teachers do with work--place communal coffee. This is important as non--networked charger can be had for less than \$500 a networked charger is greater than \$5,000 (plus &lt;\$250/year networking fees). That \$4,500 per charger difference would be well spent on additional stations rather than on dollars to collect pennies</li> </ul>	<p>The District’s funding for electric vehicle charging stations via the <i>Charge! Program</i> was available to all entities, including schools, and was structured as a non-competitive first come, first served program; this program provided funding for Level 1, Level 2 and fast chargers and provided relatively higher rates of funding for non-networked chargers.</p> <p>Staff is currently exploring a follow-up to the <i>Charge!</i> program for FYE 2017 that is anticipated to launch later this year. Staff will also continue to explore other opportunities to expand the region’s access to funding for charging infrastructure.</p>
	<p><b><u>2. Hands on the Wheel Outreach &amp; Education</u></b> As is well known, EV sales and leasing is driven by education and hands on experience well outside of the dealership. To support and encourage these activities, the District should:</p> <ul style="list-style-type: none"> <li>• Co-sponsor the Bay Area activities of Plug In America’s National Drive Electric Week (NDEW) this coming autumn. The 2015 NDEW, with numerous, generally volunteer led activities in the Bay Area, overall tallied 196 events in 187 cities with more than 130,000 people attending events. See DriveElectricWeek.org.</li> <li>• Fund educational activities such as the recent EV class held by Stanford University. The class was free to the public and funding would allow Stanford (or other educational body) to hold more plus provide a stipend for the speakers. The class led to three confirmed (and potentially more) EV leases.</li> <li>• Encourage and fund community Ride and Drives such as those held at religious institutions, workplace, schools, etc. This could be done under an umbrella grant, possibly to organizations with strong grass roots EV programs such as the Sierra Club and or Plug In America who would agree to hold x events attracting y attendees.</li> </ul>	<p>Noted. The District participates and supports numerous outreach efforts to drive EV sales.</p>

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Committer and Agency	Comment	Staff Response
	<p><b><u>3. Blue Sky Projects and Policies</u></b>                      The District, as has done it the past, should fund “Blue Sky Projects” and policies These are large impact, large dollar pilot projects such as new business models, emerging technologies and or innovative policies. Examples include autonomous EV taxi fleets; heavy duty diesel &amp; bus EV retrofits and conversions. Given the lifetime of heavy duty trucks and buses plus the ratio of the existing fleet to annual additional vehicles, it is important that retrofits/ EV conversions be included in addition to new vehicles. Also, ground breaking policies such an EV ambassador program which, coupled with the existing CVRP program, reward individuals for facilitating EV leases/ sales. There are most likely other projects and policies that will accelerate EV adoption and the District, via funding, should encourage their development and implementation.</p>	<p>Under the TFCA Regional Policies, the Pilot Trip Reduction project category is designed to fund new innovative “Blue Sky Projects” that encourages the use of the region’s public transportation network, reduces single-occupancy motor vehicle trips, and thus reduces emissions from on-road mobile sources. Staff has designed the clean air vehicle programs to accelerate the deployment of the cleanest available motor vehicle technology and non-vehicle-based mobility solutions.</p>
<p>Dale Miller, Marc Geller; Golden Gate Electric Vehicle Association</p>	<p>GGEVA recommends a establishment of a program to fund infrastructure to provide access to low-power electricity (&lt;15kW) with Level 1 and Level 2 connections for long dwell-time cars of staff at public schools within the BAAQMD. An emphasis on use of local pre-existing non-technological authentication and payment methods, if required, can result in low cost solutions for larger numbers of drivers. Some school officials have indicated they would offer free charging to teachers and staff if they could find a means to fund the installation of the charging connections.</p> <ul style="list-style-type: none"> <li>• The cost of housing in much of the Bay Area has resulted in longer commutes for public school teachers and staff. Workplace charging at schools will result in increased PEV adoption, leading to clean air benefits, as well as helping to mitigate the increased commuting cost for many staff.</li> </ul>	<p>Staff is currently exploring a follow-up to the <i>Charge!</i> program that would provide funding for the installation of publicly available EV infrastructure throughout the region and anticipates that this program will launch in late 2016.</p> <p>Staff is also exploring other opportunities to expand the region’s access to funding for charging infrastructure.</p>
	<ul style="list-style-type: none"> <li>• GGEVA has worked on its own dime on projects to bring charging stations for PEVs to schools in Marin (Mark Day School,) Los Altos High School, and Palo Alto. Other schools have indicated a significant interest in installing charging connections, but do not have the funds. A BAAQMD grant program to bring power to schools for BEVs would make a very worthwhile contribution to clean air, the ongoing promotion of electric vehicles and happy teachers.</li> </ul>	<p>Noted.</p>

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Committer and Agency	Comment	Staff Response
	<p>The workplace has proven to be the location where EV charging infrastructure has directly resulted in PEV adoption. Large workplaces have benefited from grants and incentives to install EV charging infrastructure.</p> <ul style="list-style-type: none"> <li>• Smaller scale workplaces, especially governmental locations including schools, police stations, firehouses, etc., have generally not had the means to participate in various grant programs. Obstacles have included required staff time, matching funds, the higher cost of networked equipment, the continuing cost of collecting data and collecting payment for electricity, and grid power and price repercussions of higher power (Level 2) equipment.</li> <li>• The high price of delivering low cost electricity to cars at the workplace is an obstacle that must be overcome if the adoption rate of PEVs is to be increased, especially for middle and low income commuters.</li> </ul>	<p>Staff is currently exploring a follow-up to the <i>Charge!</i> program that would provide funding for the installation of publicly available EV infrastructure throughout the region and anticipates that this program will launch in late 2016.</p> <p>Staff is also exploring other opportunities to expand the region’s access to funding for charging infrastructure.</p> <p>Staff appreciates the comments and will continue exploring options for improving its grant funding programs.</p>
<p>Mike Pickford; San Francisco County Transportation Authority</p>	<p><b>Policy 32 Bikeways:</b></p> <ul style="list-style-type: none"> <li>• We oppose the proposed addition of the new requirements stating, “Projects must also either have a completed and approved environmental plan or be determined by the public or lead agency to be exempt from preparing an environmental plan.”</li> <li>• This requirement should not be used as an eligibility screening criteria as it is unnecessarily restrictive. The requirement also does not reference environmental regulations or specify what would constitute an acceptable environmental “plan”. Further, the requirement is unnecessary to achieve the TFCA program’s goals, as a determination of the viability and readiness of a project can be made under the Basic Eligibility policies (Policies 1-10) and the use of TFCA funds for planning activities is already heavily restricted under Policy 16. Few bikeway projects in San Francisco of the scale typically funded through TFCA would be approved environmentally without secured design and construction funding.</li> </ul> <p><b>2). Policy 29 Pilot Trip Reduction (in light of proposed changes to policies 28 and 30):</b></p> <ul style="list-style-type: none"> <li>• Please clarify what is acceptable for the “transit agency’s evaluation of the need for service to the proposed area, and a letter denying service to the project’s proposed area, including the basis for denial of service;” and consider eliminating the evaluation requirement.</li> <li>• Since Policies 28 and 30 are proposed to focus on existing services to the exclusion of new services, new services would have to apply under Policy 29. This evaluation requirement could be a significant barrier to worthy applicants if the evaluation involves more effort on the transit agency’s part than they are willing to commit (a decision out of the applicant’s control). A letter from a transit agency providing a basis for denial of service should be sufficient if a proposed project meets all other requirements.</li> </ul>	<p>In response to public comments, staff has proposed additional modifications to clarify the requirement of environmental review.</p> <p>Projects will be required to have completed all applicable State and federal environmental reviews to ensure the projects selected are the most “ready” and therefore less likely to experience delays that could jeopardize their ability to implement within the two year timeframe, as required by the funding source’s authorizing legislation.</p> <p>In response to public comments, staff has proposed additional modifications to clarify the requirement that the transit agency must have been consulted regarding the proposed project, and given the opportunity to either provide or increase level of service in the proposed project area.</p>

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Commenter and Agency	Comment	Staff Response
		See response above. This requirement may be met by the applicant providing a letter from a transit agency which provides a brief description of the basis for denial of service.
Dana Turrey; Sonoma County Transportation Authority	<p><b>24. Heavy-Duty Zero- and Partial-Zero-Emissions Vehicles:</b></p> <ul style="list-style-type: none"> <li>Project Sponsors may request authorization of up to [percent or dollar amount omitted] of the TFCA Funds awarded to each vehicle to be used to pay for costs directly related to the purchase and installation of alternative fueling infrastructure and/or equipment used to power the new vehicle.</li> </ul>	Staff has corrected this typographical error that was contained in proposed policy #24.
	<p><b>31. Electronic Bicycle Lockers:</b></p> <p>Expanding this program to include alternative bicycle storage systems would allow applicants the flexibility to install systems that fit their unique spaces and bicycle parking demand. The requirement of obtaining a bikelink card to use the electronic lockers can also be a hindrance for many riders.</p>	Policy #31 is designed to support a streamlined program that is offered as a non-competitive, first-come first-served program. A disadvantage of this approach is that it requires project types to be standardized. Staff will explore options to expand project eligibility in time for the next cycle of funding (for FYE 2018 policies).
Diana C. Meehan; Napa Valley Transportation Authority	Page 1, Table 1: An Additional column with useful life ranges would be helpful here.	The useful life requirement will be discussed in the guidance document for each of the programs.
	Page 5, 28a: Use of “mass transit” as one-size-fits-all: Could there be two categories, one for small UZA’s and one for larger UZA’s?	The connection to mass transit is a requirement of the legislation authorizing the Shuttle/Feeder Bus program.
	Page 6, 32: Please add CTP (Countywide Transportation plans) along with CMP’s for jurisdictions that do not do CMP’s	In response to public comment, staff has expanded eligibility to allow projects that are described in an adopted countywide transportation plan, city general plan, or area-specific plan, so long as the plan specifies that the purpose of the bikeway is to reduce motor vehicle emissions or traffic congestion.
Sean Co; Toole Design Group	The guidelines reference MTC’s Bike Plan. That plan is from 2009 but projects were actually submitted in 07 or 08. It is badly out of date and I would not reference it. It also says projects should be in an adopted countywide plan. I would add city plan as well.	In response to public comment, staff has added CTPs and city plans to policy #32.

**Agenda Item 7 – Attachment C:  
Comments Received and Staff Responses to Proposed FYE 2017 TFCA Regional Fund Policies**

Commenter and Agency	Comment	Staff Response
Phillip Kobernick; County of Alameda, General Services Agency	<b>PEV Rebate Program:</b> Municipal fleet managers typically begin the procurement process for vehicles in the late summer, as the new model year vehicles are released. Since the PEV rebate must be applied for before purchasing, this grant opportunity should be timed with the procurement cycle of vehicle acquisitions. By waiting until the late fall to open the PEV rebate (which was the case in 2015), fleet managers might have already purchased the bulk of their vehicles for the next year and missed the opportunity to seek funding for PEVs. By aligning the timing of the funding with the point of purchase or perhaps adding more time to the funding window, the Air District might be able to influence fleet managers to purchase more EVs.	In response to public comment, staff has extended the FYE 2016 PEV rebate program deadline to June 22, 2016.
Rich Kinney; City of San Pablo Mayor	A great way to reduce carbon emissions from transportation in our region is to fund the rollout of Hyperloop. It is the cleanest of all transportation as well as the quickest. Let's put funding aside to bring it to northern California. I envision the best way to roll it out is to partner with BART in laying track from Sacramento to San Francisco to San Jose. BART can provide all the short runs in between Hyperloop's long runs to the three destinations. This is by far the cleanest and most efficient solution to our transportation and air quality issues.	Noted.
Nara Babakhanyan; SF Economic and Workforce Development Division	I would like to learn about the specifics of the Transportation Fund for Clean Air pertaining to clean air vehicles project. The project fund specifies the following component: "Clean air vehicles and infrastructure-- includes alternative fuel vehicles and alternative fuel infrastructure" ( <a href="http://www.baaqmd.gov/grant-funding/public-agencies/regional-fund">http://www.baaqmd.gov/grant-funding/public-agencies/regional-fund</a> ) and I would like to learn what type of funding falls under the infrastructure part. What infrastructure development projects does this fund support? Could you please provide a few examples?	Staff has contacted Ms. Babakhanyan to discuss the TFCA program funding and eligible project categories.
Robert del Rosario; AC Transit	AC Transit proposes a restructuring of the TFCA Regional Fund Policy to include a wider range of projects, including incentives for use of existing transit, supplementing existing transit service, as well as creation of new shuttle services. Such a program would provide flexibility for the Air District, Transit Agencies, and Applicants.	Please see staff's earlier responses in regard to Policy #28, Existing Shuttle/Feeder Bus Services. Also, staff has proposed modifications to Policy #29 that increases the timeframe that the applicant must become financially viable from two years to three.
Erik Neandross; Gladstein, Neandross & Associates (GNA)	GNA strongly urges the BAAQMD to provide funding for natural gas vehicles and natural gas fueling stations.	The authorizing legislation for TFCA requires the District to evaluate projects based on their ability to reduce criteria pollutants beyond what is required by regulations, contracts, and other legally binding obligations. The Heavy Duty ZEV program is designed to accelerate the deployment of the cleanest available motor vehicle technology and over time the gap has narrowed between criteria emissions benefits from natural gas vehicles (NGVs) and conventional vehicles

**Agenda Item 7 – Attachment C:  
Comments Received and Staff Responses to Proposed FYE 2017 TFCA Regional Fund Policies**

Commenter and Agency	Comment	Staff Response
		with modern emissions controls. As the emissions reduction benefits for funding have diminished, so has the ability to provide TFCA funding for natural gas vehicle projects.
Daryl K. Halls; Solano Transportation Authority	We would like to request a category be included for <i>pilot</i> and <i>existing</i> Safe Routes to Schools (SR2S) programs. Currently, Category 29 is reserved for Pilot Trip Reduction in Community Air Risk Evaluation (CARE) Programs areas or Priority Development Areas (PDAs). However limiting the Pilot Trip Reduction to these specific areas would exclude the majority of school in our program. The Solano SR2S program currently works with all schools in our seven cities, which includes 62 schools that like in the BAAAQMD jurisdiction. Our program works by including all schools, and it is not desirable to differentiate schools that we work with solely based on being in a CARE area or PDA.	New Safe Routes to Schools projects may be eligible to apply for funding under the pilot category (#29); however, since funding is limited, projects must be located in Air District designated CARE and Priority Development Areas (PDA) to be eligible.



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Eric Mar and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: July 7, 2016

Re: Report of the Public Engagement Committee Meeting of July 18, 2016

**RECOMMENDED ACTION**

A) Opportunity for Spare the Air Advertising on the Oakland Broadway Shuttle

- 1) Approve \$235,000 to be added to the Transportation Fund for Clean Air - Spare the Air Program budget for fiscal year ending (FYE) 2017 for the purposes of:
  - a. Securing an advertising contract with the City of Oakland at a cost of \$185,000 per year for up to two years; and
  - b. Wrapping four AC transit operated shuttle buses at a cost of approximately \$50,000 on the Broadway route in the City of Oakland with the Spare the Air messaging.
- 2) Authorize the Executive Officer/APCO to execute all contracts and agreements with the City of Oakland related to the wrapping and advertising rights;
- 3) Authorize the Executive Officer/APCO to extend the advertising service at a cost not to exceed \$185,000 for an additional year, at the Air District's discretion, based on contractor performance.

B) Public Participation Plan Status Report and Update Process

- 1) None; receive and file.

C) Approval of Contract for Graphic Design

- 1) Authorize the Executive Officer/APCO to execute a one-year contract with Envall Design for a total amount not to exceed \$200,000 for graphic design services.

**BACKGROUND**

The Committee will meet on Monday, July 18, 2016, and receive the following reports:

- A) Opportunity for Spare the Air Advertising on the Oakland Broadway Shuttle; and

- B) Public Participation Plan Status Report and Update Process;
- C) Approval of Contract for Graphic Design

Chairperson Mark Ross will provide an oral report of the Committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) Funding to implement this portion of the Spare the Air Program will come from projects closing out under budget from the Transportation Fund for Clean Air Regional Fund. Should the Board of Directors approve this request, the Spare the Air program budget for fiscal year ending 2017 will be increased by \$235,000.
- B) Air District funding for continuing this program is included in the Fiscal Year Ending (FYE) 2017 budget.
- C) Funding for the proposed contract comes from the following sources:
  - Spare the Air Every Day
    - Congestion Mitigation Air Quality (CMAQ) - \$40,000 from the FYE 2016 budget
  - Winter Spare the Air
    - General Revenue - \$35,000 from the proposed FYE 2017 budget
  - General Revenue
    - \$25,000 from the FYE 2016 budget
    - \$100,000 from the FYE 2017 budget

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Marcy Hiratzka  
Reviewed by: Maricela Martinez

Attachment 12A: 7/18/16 – Public Engagement Committee Meeting Agenda #4  
Attachment 12B: 7/18/16 – Public Engagement Committee Meeting Agenda #5  
Attachment 12C: 7/18/16 – Public Engagement Committee Meeting Agenda #6

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Mark Ross and Members  
of the Public Outreach Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: July 7, 2016

Re: Opportunity for Spare the Air Advertising on the Oakland Broadway Shuttle

RECOMMENDATIONS

Recommend the Board of Directors:

- 1) Approve \$235,000 to be allocated to the Transportation Fund for Clean Air - Spare the Air Program budget for fiscal year ending (FYE) 2017 for the purposes of:
  - a. Securing an advertising contract with the City of Oakland at a cost of \$185,000 per year for up to two years, and
  - b. Wrapping four AC transit operated shuttle buses at a cost of approximately \$50,000 on the Broadway route in the City of Oakland with the Spare the Air messaging.
- 2) Authorize the Executive Officer/APCO to execute all contracts and agreements with the City of Oakland related to the wrapping and advertising rights;
- 3) Authorize the Executive Officer/APCO to extend the advertising service at a cost not to exceed \$185,000 for an additional year, at the Air District's discretion, based on contractor performance.

BACKGROUND

The City of Oakland currently contracts with AC Transit to operate a fleet of four shuttle buses that connects riders to BART and runs along a Broadway route in its downtown. This service, known as the "Free B" has nearly 400,000 boardings annually. Additionally, the City of Oakland has up to 2.6 million visitors to its downtown area each year. The Committee will consider recommending Board of Directors approval of a proposal for an advertising contract with the City of Oakland to promote the District's Spare the Air message in partnership with the City's free shuttle service.

DISCUSSION

The Free B has an extraordinarily high profile with visitors to downtown Oakland. It traverses the corridor along Broadway which is one of the city's most heavily trafficked thus providing a

unique platform for messaging for the Air District Spare the Air Program. Staff has worked with the City of Oakland to come up with an advertising proposal that meets the requirements of the Spare the Air Program and that also provides funding support to the shuttle for two years while it undergoes a process to become self-funded.

Air District staff will work with the City of Oakland to come up with wrap designs that emphasize the Spare the Air message on these vehicles that are appropriate for both summer and winter months. The proposed advertising contract with the City of Oakland will span up to two years, at a cost of \$185,000 per year with an option to renew for the second year based on performance of the advertising.

#### BUDGET CONSIDERATION / FINANCIAL IMPACT

Funding to implement this portion of the Spare the Air Program will come from projects closing out under budget from the Transportation Fund for Clean Air Regional Fund. Should the Board of Directors approve this request, the Spare the Air program budget for fiscal year ending 2017 will be increased by \$235,000.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Damian Breen

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Mark Ross and Members  
of the Public Engagement Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: July 7, 2016

Re: Public Participation Plan Status Report and Update Process

---

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

The Public Participation Plan (PPP) was adopted by the Board of Directors in December of 2013. This plan articulated proposed actions for enhancing and increasing avenues for public participation between the public and the Air District, as well as enhanced collaboration within the agency. The PPP itself was the result of an extensive outreach and public input process that involved a 23-member stakeholder advisory body and many stakeholder meetings. Most significantly, the PPP was developed as a living document to be updated regularly and ensure the Air District can continuously improve community engagement strategies.

DISCUSSION

Since the Community Engagement Office has been fully set-up in 2015, the Air District has had the capacity to work on the key implementation actions articulated in the plan. At this point the majority of these actions have been completed with the remainder in various stages of implementation. Staff will present the completed actions and the status of the remaining items that are under-way.

With renewed emphasis in conducting effective outreach to public stakeholders in at-risk communities and limited English-speaking communities, the Air District is now also preparing the update of this plan, including a targeted outreach process, during 2017. This report will provide the status on the action items from the 2013 plan and present the process and strategic goals for updating the PPP in 2017.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Air District funding for continuing this program is included in the Fiscal Year Ending (FYE) 2017 budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: David Ralston  
Reviewed by: Jean Roggenkamp

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Mark Ross and Members  
of the Public Outreach Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: July 7, 2016

Re: Approval of Contract for Graphic Design

---

RECOMMENDED ACTION

The Committee will consider recommending that the Board of Directors authorize the Executive Officer/APCO to execute a one-year contract with Envall Design for a total amount not to exceed \$200,000 for graphic design services.

BACKGROUND

The Air District's Communications Office relies on contractors to assist with graphic design for infographics, publications, Spare the Air campaign materials and presentations.

The Air District completed an RFQ process for graphic design in 2015. Envall Design had the highest qualifications of the 10 submissions received from prospective graphic designers. Each of the submissions was reviewed based on evaluating statements of qualifications pursuant to the posted RFQ.

Last year, the Board approved a one-year, \$125,000 contract with Envall Design.

DISCUSSION

The growing need for social media messaging with illustrative graphics, as well as graphics for use in videography, presentations and publications has significantly increased the demand for visual communication. Envall Design has exceeded staff expectations by providing excellent counsel, completing assigned projects quickly and offering a fresh approach to communicating complicated topics in a visually compelling manner.

Staff is recommending Board approval of a contract with Envall Design for a total amount not to exceed \$200,000 for graphic design.

## BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding for the proposed contract comes from the following sources:

- Spare the Air Every Day
  - Congestion Mitigation Air Quality (CMAQ) - \$40,000 from the FYE 2016 budget
- Winter Spare the Air
  - General Revenue - \$35,000 from the proposed FYE 2017 budget
- General Revenue
  - \$25,000 from the FYE 2016 budget
  - \$100,000 from the FYE 2017 budget

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Kristine Roselius  
Reviewed by: Lisa Fasano



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Memorandum

To: Chairperson Eric Mar and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: July 6, 2016

Re: Report of the Advisory Council Meeting of July 19, 2016

---

**RECOMMENDED ACTION**

The Advisory Council (Council) will receive only informational items and has no recommendations of approval by the Board of Directors (Board).

**BACKGROUND**

The Council will meet on July 19, 2016 and consider the following items:

- A) Update on Refinery Rulemaking
- B) Council Deliberation on Key Question
- C) Clean Air Plan as a Framework for Future Council Topics

Director/Ex-Officio Advisory Council member, Rod Sinks, will provide an oral report of the Council meeting to the Board of Directors.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Heidi Kettler  
Reviewed by: Maricela Martinez

Attachment 13A: 7/19/16 – Advisory Council Meeting Agenda #5  
Attachment 13B: 7/19/16 – Advisory Council Meeting Agenda #6  
Attachment 13C: 7/19/16 – Advisory Council Meeting Agenda #7

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Stan Hayes and Members  
of the Advisory Council

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

Date: July 11, 2016

Re: Update on Refinery Rulemaking

---

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

On October 15, 2014, the Board of Directors approved Resolution Number 2014-07 directing staff to develop strategies to reduce emissions from petroleum refineries. Specifically, the resolution directed staff to continue development of Regulation 12, Rule 15: Petroleum Refining Emissions Tracking (“Rule 12-15”) to track and monitor refinery emissions; to develop Regulation 12, Rule 16 (“Rule 12-16”) to set emissions thresholds and mitigate potential emissions increases; and to develop additional rules to reduce emissions from refineries by 20% by 2020, or as much as feasible.

As part of these efforts, the Advisory Council was presented with a key question presented in December of 2015 which was to consider the efficacy of Greenhouse Gas emission caps on local refineries. The Advisory Council was presented information from various stakeholders and experts that included representatives from the California Air Resources Board, Air District staff, the California Energy Commission, representatives from environmental organizations led by Communities for a Better Environment and representatives from industry led by the Western States Petroleum Association and the California Council for Environmental and Economic Balance. The Advisory Council discussed the issues presented and Chair Stan Hayes provided a summary of the Council’s deliberations and preliminary conclusions at the June 15, 2016 Board of Directors meeting.

DISCUSSION

Staff have developed proposals for Board of Directors consideration to address emissions from refineries and will update the Council on these proposals.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Eric Stevenson  
Reviewed by: Jean Roggenkamp

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Memorandum

To: Chairperson Stan Hayes and Members  
of the Advisory Council

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

Date: July 11, 2016

Re: Council Deliberation on Key Question

---

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

The Council will discuss the efficacy of GHG caps for local refineries, considering information provided to date. The discussion may include topics such as toxics co-benefits, the reduction of emissions from sources not covered by Cap-and-Trade, leakage and opportunity costs.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Jeff McKay

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Stan Hayes and Members  
of the Advisory Council

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

Date: July 11, 2016

Re: Clean Air Plan as a Framework for Future Council Topics

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

The Air District is updating the 2010 Bay Area Clean Air Plan. The updated Clean Air Plan/Regional Climate Protection Strategy will be a roadmap for the Air District's efforts over the next few years to reduce air pollution and protect public health and the global climate. The 2016 Plan is required by the California Clean Air Act to identify potential rules, control measures, and strategies for the Air District to implement in order to meet state ambient air quality standards for ozone or "smog."

The 2016 Plan will also include measures and programs to reduce emissions of fine particulates and toxic air contaminants. In addition, the Bay Area's first-ever comprehensive Regional Climate Protection Strategy will be included in the 2016 Plan - which will identify potential rules, control measures, and strategies that the Air District can pursue to reduce greenhouse gases throughout the Bay Area.

Staff will present an overview of the Clean Air Plan and discuss the Plan as the next focus for the Advisory Council.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Jeff McKay

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

## Memorandum

To: Chairperson Eric Mar and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: July 6, 2016

Re: Update on Refinery Rulemaking

---

**RECOMMENDED ACTION**

None; receive and file.

**BACKGROUND**

On October 15, 2014, the Board of Directors (Board) approved Resolution Number 2014-07 directing staff to develop strategies to reduce emissions from petroleum refineries. Specifically, the resolution directed staff to continue development of Regulation 12, Rule 15: Petroleum Refining Emissions Tracking (“Rule 12-15”) to track and monitor refinery emissions; to develop Regulation 12, Rule 16 (“Rule 12-16”) to set emissions thresholds and mitigate potential emissions increases; and to develop additional rules to reduce emissions from refineries by 20% by 2020, or as much as feasible.

Staff worked with interested stakeholders and released proposed regulatory language and staff reports for four refinery emission reduction rules, Rule 12-15 and Rule 12-16 in October of 2015. In December of 2015, the Board of Directors adopted three refinery emission reduction rules/rule amendments (Regulation 6, Rule 5: Fluid Catalytic Cracking Units; Regulation 8, Rule 18: Equipment Leaks; and Regulation 11, Rule 10: Cooling Towers). Regulation 12, Rule 15 along with an additional refinery emission reduction measure, Regulation 9, Rule 14, Coke Calcining were adopted by the Board on April 20, 2016. Together, these rules are estimated to reduce criteria pollutants by more than fifteen percent. Staff received a significant number of comments on proposed Rule 12-16, and determined that a different approach was necessary in order to address the concerns of stakeholders, including affected industry and interested community groups. In addition to these efforts, staff continue to work on other rules that will affect refineries dealing with permitting requirements and with reducing health risks from toxic air contaminants.

As a result of these rule development processes, criteria pollutants are being significantly reduced and health risks from toxic air contaminants will be significantly reduced in a proposed regulation expected to be brought to the Board for consideration in early 2017. These actions will build upon well-established Air District regulations and programs that improve public health.

At the June 15, 2015 Board meeting, the Board heard extensive testimony supporting the imposition of mass emission caps on refineries at a level consistent with their emissions in 2012. This cap, proposed by Communities for a Better Environment (CBE) and their partners, would cap emissions of greenhouse gases, particulate matter, nitrogen oxides and sulfur dioxide. Supporters of this proposal asserted that the cap is needed to avoid increased emissions of these pollutants due to expected changes in the crude oil that refiners use as a feedstock. The Board directed staff to prepare an Environmental Impact Report (EIR) fully evaluating the CBE proposal and a staff proposal.

## DISCUSSION

In light of significant concerns about the potential for negative health impacts from refinery operations, staff propose to address these concerns directly and to adjust rule-making priorities as necessary to ensure the most expeditious timeframe possible. The new rule under development, Regulation 11, Rule 18 (Rule 11-18) will reduce toxic air contaminants from facilities with the highest health risk throughout the Bay Area, including refineries. In order to expedite the development of this rule as well as the evaluation of the CBE proposal, staff will evaluate both in one EIR. Staff will conduct parallel rule development processes with an evaluation of each proposal. The evaluation will include not only the EIR which evaluates environmental impacts, but also a socioeconomic evaluation and a staff evaluation of each proposal that analyzes how each does or does not meet the agency's requirements under the Health and Safety Code.

Staff will proceed with developing two other region-wide programs that will reduce greenhouse gases and criteria pollutants: the methane strategy and the combustion strategy. The methane strategy will identify significant sources of methane and prioritize a series of rules to significantly reduce methane emissions in the Air District. The combustion strategy will identify large stationary sources of combustion emissions and require operational changes leading to less fuel usage, reducing emissions of greenhouse gases, particulate matter, nitrogen oxides and sulfur dioxide. Similar to the methane strategy, the combustion strategy will identify significant sources of combustion emissions (including the refineries) and prioritize a series of rules to significantly reduce these emissions. Since these are complex, multi-step, multi-source, multi-year strategies, and will require significant time to develop, they will be incorporated into the 2016 Clean Air Plan.

At the July 20, 2016 Board of Directors meeting, staff will provide a summary of the approaches to address toxic contaminants as quickly as possible and future rulemaking to address greenhouse gases and particulate matter emissions. Staff will provide a schedule for preparing the EIR and other components of the regulatory evaluation of the CBE proposal and Rule 11-18.

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Greg Nudd  
Reviewed by: Eric Stevenson