



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

BOARD OF DIRECTORS  
REGULAR MEETING  
NOVEMBER 1, 2017

A 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/about-the-air-district/board-of-directors/resolutionsagendasminutes> 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** Speakers wishing to address the Board on non-agenda matters will be heard at the end of the agenda, and each will be allowed up to 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** 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.

Speakers may speak for up to three minutes on each item on the Agenda. However, 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. 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  
NOVEMBER 1, 2017  
9:45 A.M.

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

## CALL TO ORDER

Chairperson, Liz Kniss

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

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

## CONSENT CALENDAR (ITEMS 2 - 5)

Staff/Phone (415) 749-

2. Minutes of the Regular Board of Directors Meeting of October 18, 2017

Clerk of the Boards/5073

*The Board of Directors will consider approving the draft minutes of the Regular Board of Directors Meeting of October 18, 2017.*

3. Board Communications Received from October 18, 2017 through October 31, 2017

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 October 18, 2017 through October 31, 2017, if any, will be at each Board Member's place.*

4. Authorize the Executive Officer/APCO to enter into a contract agreement with KBM Hogue in an amount not to exceed \$310,000

J. Broadbent/5052

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

*The Board of Directors will consider authorizing the Executive Officer/APCO to enter into a contract agreement with KBM Hogue, in an amount not to exceed \$310,000 for office furniture installation and modifications.*

5. Approve Reclassifying and Y-Rating of One Executive Secretary to Administrative Secretary

J. Broadbent/5052

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

*The Board of Directors will consider approving the reclassification and y-rating the salary of one Executive Secretary to Administrative Secretary.*

## **COMMITTEE REPORTS**

6. Report of the **Mobile Source Committee** Meeting of October 26, 2017

CHAIR: K. Mitchoff

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 Transportation Fund for Clean Air projects with proposed grant awards over \$100,000 as shown in Attachment 1; and*
- 2) *Authorize the Executive Officer/APCO to enter into all necessary agreements with applicants for the recommended projects.*

**B) Transportation Fund for Clean Air County Program Manager (CPM) Fund Policies for Fiscal Year Ending (FYE) 2019 and a Request for a Waiver for FYE 2018 CPM Policies from San Francisco County Transportation Agency**

- 1) *Approve the proposed Fiscal Year Ending (FYE) 2019 Transportation Fund for Clean Air (TFCA) County Program Manager (CPM) Fund Policies; and*
- 2) *Approve a policy waiver to allow San Francisco County Transportation Agency to include emissions reduction credit for replacing medium-heavy duty vehicles in the cost-effectiveness evaluation of a FYE 2018 TFCA CPM light-duty vehicle project.*

**C) Accept, Obligate, and Expend Funding from the California Air Resources Board (ARB), Metropolitan Transportation Commission (MTC), And Bay Area Clean Air Foundation**

- 1) *Authorize the Bay Area Air Quality Management District (Air District) to accept, obligate, and expend funding from the following three new awards:*
  - a. *Up to \$10 million from the California Air Resources Board to implement an Enhanced Fleet Modernization Plus-up Program;*
  - b. *Up to \$2 million in Reformulated Gas Settlement Funds from the Bay Area Clean Air Foundation, to help accelerate the adoption of zero- and near-zero-emission equipment and vehicles operating in and around the Port of Oakland and the surrounding West Oakland community;*
  - c. *\$10 million from the Metropolitan Transportation Commission for the Air District's Spare the Air and light-duty electric vehicle programs.*
- 2) *Adopt resolutions authorizing the Air District to accept, obligate, and expend the funds awarded from the California Air Resources Board for the Enhanced Fleet Modernization Plus-up Program and the funds from the Metropolitan Transportation Commission for the Air District's Spare the Air and light-duty electric vehicle programs; and*

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

7. Report of the **Advisory Council Meeting of October 30, 2017**  
**BOARD LIAISON: R. Sinks**

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

*The Council will receive the following reports:*

**A) Protecting Refinery Communities from Air Pollution**

*1) None; receive and file.*

**B) Air Monitoring and Attainment Status of Criteria Pollutant Standards in the San Francisco Bay Area**

*1) None; receive and file.*

**C) Advisory Council Next Area of Focus: Beyond Attainment - Prioritization for Local Health Impacts**

*1) None; receive and file.*

**D) Introduction of the Office of Environmental Health Hazard Assessment (OEHHA) in Anticipation of Future Discussion Regarding Particulate Matter Health Effects**

*1) None; receive and file.*

**E) Complexity of Particulate Matter and Its Effects on Human Health**

*1) None; receive and file.*

**F) Advisory Council Deliberation: Beyond Attainment – Prioritization for Local Health Impacts**

*1) None; receive and file.*

**G) Advisory Council Terms**

*1) None; receive and file.*

**PRESENTATIONS**

8. **2017 Summer Spare the Air Season Summary**

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

*Staff will present the Board of Directors with the 2017 Summer Spare the Air Season Summary.*

9. **Winter Spare the Air Season 2017-18 Update**

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

*Staff will present the Board of Directors with the Winter Spare the Air Season 2017-18 update.*

10. **Informational Presentation on Toxic Air Contaminants and Control Programs**

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

*Staff will provide the Board of Directors with background information on toxic air contaminants, including methods of measuring their health risk, how the Air District performs health risk assessments, and the regulatory programs used to mitigate their emission from stationary sources of air pollution.*

**PUBLIC COMMENT ON NON-AGENDA MATTERS**

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

*Speakers will be allowed up to three minutes each to address the Board on non-agenda matters.*

**BOARD MEMBERS' COMMENTS**

12. *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**

13. Report of the Executive Officer/APCO

14. Chairperson's Report

15. Time and Place of Next Meeting:

*Wednesday, November 15, 2017, at 375 Beale Street, San Francisco, CA 94109 at 9:45 a.m.*

16. 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**

**OCTOBER 2017**

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets on the 4<sup>th</sup> Wednesday of each Month)</i> - CANCELLED	Wednesday	25	9:30 a.m.	1st Floor, Yerba Buena Room #109
<b>Board of Directors Mobile Source Committee</b> <i>(Meets on the 4<sup>th</sup> Thursday of each Month)</i>	Thursday	26	9:30 a.m.	1 <sup>st</sup> Floor Board Room
<b>Advisory Council Mtg.</b> <i>(Meets on Monday Quarterly)</i>	Monday	30	10:00 a.m.	1 <sup>st</sup> Floor Board Room

**NOVEMBER 2017**

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Special Meeting as the Sole Member of the Bay Area Clean Air Foundation</b> <i>(At the Call of the Chair)</i>	Wednesday	1	9:30 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	1	9:45 a.m.	1 <sup>st</sup> Floor Board Room
<b>Board of Directors Nominating Committee</b> <i>(At the Call of the Chair)</i>	Wednesday	15	9:15 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	15	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	16	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>	Thursday	16	10:30 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> - CANCELLED AND RESCHEDULED TO THURSDAY, NOVEMBER 16, 2017 AT 10:30 A.M.	Monday	20	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	20	9:30 a.m.	1 <sup>st</sup> Floor Board Room



## NOVEMBER 2017

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Budget &amp; Finance Committee</b> ( <i>Meets on the 4<sup>th</sup> Wednesday of each Month</i> ) - CANCELLED	Wednesday	22	9:30 a.m.	1st Floor, Yerba Buena Room #109
<b>Board of Directors Mobile Source Committee</b> ( <i>Meets on the 4<sup>th</sup> Thursday of each Month</i> ) - CANCELLED AND RESCHEDULED TO THURSDAY, DECEMBER 7, 2017 AT 9:30 A.M. IN THE YERBA BUENA CONFERENCE ROOM, 1 <sup>ST</sup> FLOOR	Thursday	23	9:30 a.m.	1 <sup>st</sup> Floor Board Room

## DECEMBER 2017

<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	6	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	7	9:30 a.m.	1st Floor, Yerba Buena Room #109
<b>Board of Directors Executive Committee</b> ( <i>Meets on the 3<sup>rd</sup> Monday of each Month</i> )	Monday	18	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> ) - CANCELLED	Monday	18	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	20	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</i> )	Wednesday	27	9:30 a.m.	1st Floor, Yerba Buena Room #109
<b>Board of Directors Mobile Source Committee</b> ( <i>Meets on the 4<sup>th</sup> Thursday of each Month</i> ) - CANCELLED	Thursday	28	9:30 a.m.	1 <sup>st</sup> Floor Board Room

## JANUARY 2018

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Regular Meeting</b> ( <i>Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month</i> ) - CANCELLED	Wednesday	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</i> ) - CANCELLED	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</i> ) - CANCELLED	Monday	15	10:30 a.m.	1 <sup>st</sup> Floor Board Room

## JANUARY 2018

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Regular Mtg. / Retreat</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	17	9:45 a.m.	TBD
<b>Board of Directors Climate Protection Committee</b> <i>(Meets on the 3<sup>rd</sup> Thursday of every other Month)</i>	Thursday	18	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	24	9:30 a.m.	1st Floor, Yerba Buena Room #109
<b>Board of Directors Mobile Source Committee</b> <i>(Meets on the 4<sup>th</sup> Thursday of each Month)</i>	Thursday	25	9:30 a.m.	1 <sup>st</sup> Floor Board Room

HL – 10/23/17 - 4:35 p.m.

G/Board/Executive Office/Moncal

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Liz Kniss and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: October 24, 2017

Re: Minutes of the Regular Board of Directors Meeting of October 18, 2017

RECOMMENDED ACTION

Approve the attached draft minutes of the Board of Directors Regular Meeting of October 18, 2017.

DISCUSSION

Attached for your review and approval are the draft minutes of the Board of Directors Regular Meeting of October 18, 2017.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Marcy Hiratzka  
Reviewed by: Maricela Martinez

Attachment 2A: Draft Minutes of the Board of Directors Regular Meeting of October 18, 2017

## AGENDA 2A– ATTACHMENT

Draft Minutes - Board of Directors Regular Meeting of October 18, 2017

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

Board of Directors Regular Meeting  
Wednesday, October 18, 2017

### **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, Liz Kniss, called the meeting to order at 9:51 a.m.

#### **Roll Call:**

Present: Chairperson Liz Kniss; Vice Chairperson Dave Hudson; and Directors Margaret Abe-Koga, Teresa Barrett, David J. Canepa, Cindy Chavez, Pauline Russo Cutter, Carole Groom, Scott Haggerty, Rebecca Kaplan, Doug Kim, Nate Miley, Karen Mitchoff, Hillary Ronen, Mark Ross, Jeff Sheehy, Rod Sinks, Jim Spring, and Brad Wagenknecht.

Absent: Secretary Katie Rice; and Directors John Gioia, Tyrone Jue, Pete Sanchez, and Shirlee Zane.

#### **CONSENT CALENDAR ITEMS (2 – 7)**

2. Minutes of the Regular Board of Directors Meeting of October 4, 2017
3. Board Communications Received from October 4, 2017 through October 17, 2017
4. Air District Personnel on Out-of-State Business Travel
5. Notices of Violation Issued and Settlements in Excess of \$10,000 in the month of September 2017
6. Authorization to Execute Contract Amendments for Cloud Infrastructure & Data Analytics (**OUT OF ORDER, ITEM 7**)
7. Set a Public Hearing on November 15, 2017 to Consider Adoption of Proposed New Regulation 11, Rule 18: Reduction of Risk from Air Toxic Emissions at Existing Facilities and California Environmental Quality Act (CEQA) Environmental Impact Report (**ITEM 6**)

Public Comments:

Public comments (regarding Item 6 only) were given by Mark Brett, Anvil Corporation; Marc Ventura, Philipps 66; Bob Brown, Western States Petroleum Association; Paul Adler, Philipps 66; and Don Stock, Benicia resident.

Board Comments:

Regarding Item 6 only, the Board and staff discussed whether the Advisory Council will deliberate on any topics within Draft Rule 11-18 at the Council's October 30<sup>th</sup> meeting; the District's methodology of calculating the costs and benefits of the risk management threshold level of 10 in a million; the suggestion of having a third party analyze staff's historical economic predictions of adopted regulations and presenting that to the Board; predicted challenges that staff will encounter while overseeing and conducting Health Risk Assessments; who generates the topics to be discussed and deliberated upon by the Advisory Council; and whether the District is seeing economic and emissions impacts for the regulations that are being adopted and implemented.

Board Action:

Vice Chair Hudson made a motion, seconded by Director Kaplan, to **approve** Consent Calendar Items 2-5 and 7, prior to hearing public comments on Item 6; and the motion **carried** by the following vote of the Board:

AYES: Abe-Koga, Barrett, Canepa, Chavez, Cutter, Groom, Haggerty, Hudson, Kaplan, Kim, Kniss, Mitchoff, Ronen, Ross, Sinks, Sheehy, Wagenknecht, and Spering.  
NOES: None.  
ABSTAIN: None.  
ABSENT: Gioia, Jue, Miley, Rice, Sanchez, and Zane.

Vice Chair Hudson made a motion, seconded by Director Groom, to **approve** Consent Calendar Item 6, upon hearing public comments on Item 6; and the motion **carried** by the following vote of the Board:

AYES: Abe-Koga, Barrett, Canepa, Chavez, Cutter, Groom, Haggerty, Hudson, Kaplan, Kim, Kniss, Mitchoff, Ronen, Ross, Sinks, Sheehy, Wagenknecht, and Spering.  
NOES: None.  
ABSTAIN: None.  
ABSENT: Gioia, Jue, Miley, Rice, Sanchez, and Zane.

NOTED PRESENT: Director Miley was noted present at 10:09 a.m.

**COMMITTEE REPORTS**

8. **Report of the Executive Committee Meeting of October 16, 2017**

Vice Chair Hudson read:

*The Committee met on Monday, October 16, 2017, and approved the minutes of July 31, 2017.*

*The Committee then reviewed and discussed the presentation Update on Wildfires.*

*The Committee then received the Hearing Board Quarterly Report capturing July to September of 2017.*

*The Committee then reviewed and discussed the presentation Bay Area Regional Collaborative Update.*

*Finally, the Committee reviewed and discussed the staff presentation Contract Award for Records Management System Procurement and Implementation. The Committee recommends that the Board:*

- 1. Authorize the Executive Officer/Air Pollution Control Officer to execute a contract with Xerox, Inc., in an amount not to exceed \$ 650,000 for a Records Management System.*

*The next meeting of the Executive Committee will be held on Monday, November 20, 2017, Bay Area Air Quality Management District Office, 375 Beale Street, San Francisco, California 94105 at 9:30 a.m. I move that the Board approve the Executive Committee's recommendation. This concludes the Chair report of the Executive Committee.*

Public Comments:

No requests received.

Board Comments:

The Board and staff discussed a request for the document retention policy in connection with the Records Management System contract.

Board Action:

Vice Chair Hudson made a motion, seconded by Director Barrett, to **approve** the recommendations of the Executive Committee; and the motion **carried** by the following vote of the Board:

AYES: Abe-Koga, Barrett, Canepa, Chavez, Cutter, Groom, Haggerty, Hudson, Kaplan, Kim, Kniss, Miley, Mitchoff, Ronen, Ross, Sinks, Sheehy, Wagenknecht, and Spering.  
NOES: None.  
ABSTAIN: None.  
ABSENT: Gioia, Jue, Rice, Sanchez, and Zane.

**PRESENTATIONS**

**9. Updates on Wildfires**

Jack Broadbent, Executive Officer/Air Pollution Control Officer, introduced Wayne Kino, Director of Compliance & Enforcement, Judith Cutino, Health Officer, Eric Stevenson, Director of Meteorology and Measurement, and Lisa Fasano, Communications Officer, who all gave the staff presentation *Update on Wildfires*, including: overview; discovery and notification; response objectives; map of

Bay Area fires; fire timeline; smoke facts; reduce exposure; North Bay wildfires; monitoring response; summary of daily average Particulate Matter (PM) <sub>2.5</sub> concentrations; historical PM<sub>2.5</sub> days; communicating air impacts; summary; and lessons learned.

Public Comments:

Jed Holtzman, 350 Bay Area.

Board Comments:

Reports on fire impacts and recovery efforts in Sonoma and Napa Counties were reported by Directors Zane and Wagenknecht. The Board and staff discussed the Board's gratitude for the District's quick and continuous action, especially the distribution of N95 masks and staff's accessibility; the PM removal efficiency of the masks and their maximum length of continuous use, the request for continual deliveries of masks in highly-impacted areas, and the suggestion to stock shelters with masks in preparation for future disasters to eliminate the need for additional air pollution from delivery vehicles during future fires; the Board's gratitude for other jurisdictions' aide to affected communities and for regional collaboration and unity; the suggestion that the District form better relationships with cities' Disaster Councils and Counties' Emergency Operations Centers and Health Officers; the feasibility of sub-regional Spare the Air days, if a specific area of the Bay Area is in need of enhanced efforts due to disasters; the suggestion that the District stockpile its own supply of natural disaster supplies to prepare for future disasters; the suggestion that the District look into incentives or discounts for building filtration systems to be made available to building owners to increase the amount of locations that can offer cleaner air, especially during and after fires; the suggestion that the District partner with Google or another company and invest in mobile air pollution monitors, powered off of the vehicles to which they are attached; the suggestion that when the District issues Spare the Air alerts and health advisories, recreational burning outside of fireplaces be discouraged; the suggestion that the District develop a multi-pronged strategy regarding how the District should respond to wildfires and their aftermath; the suggestion that the District release a health advisory specifically geared toward how wildfire and wood smoke impacts pregnant women; the District's potential collaboration with Nextdoor to identify a regional method of distributing the District's information, as they are currently not operating on a regional scale; and the suggestion that the District compose and distribute safety information for residents returning to their homes after wildfires, so that they know how to protect themselves from exposure to ash and other hazardous materials.

Board Action:

None; receive and file.

**10. Winter Spare the Air Season 2017-18 Update**

This item was tabled until November 1, 2017.

**11. 2017 Summer Spare the Air Season Summary**

This item was tabled until November 1, 2017

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

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

Public comments were given by Angela Scott, Communities for a Better Environment (CBE); Esther Goolsby, CBE; Jan Warren, Walnut Creek resident; Gary Hughes, Friends of the Earth U.S.; Jed Holtzman, 350 Bay Area; and Todd Snyder, San Francisco resident.

## **BOARD MEMBERS' COMMENTS**

### **13. Board Members' Comments**

Director Sperring commented on how the fossil fuel industry affects economic activity in the Bay Area and contributes to the aiding of those impacted by natural disasters. He expressed his disagreement with the characterizations that some people make about the Board members and their motivations when serving on the Air District Board.

Director Kaplan reiterated her desire to see a rebate or subsidy program for trading in old trucks, and also requested that the District consider a PM cap on stationary sources.

Director Miley and Kaplan requested that the proposed crematorium in East Oakland be discussed at the Stationary Source Committee.

## **OTHER BUSINESS**

### **14. Report of the Executive Officer/Air Pollution Control Officer**

Mr. Broadbent stated that he would postpone his air quality update until the November 1, 2017 Board meeting. Jean Roggenkamp, Deputy Executive Officer, announced her retirement planned for the end of the 2017 calendar year.

### **15. Chairperson's Report**

Chair Kniss announced to the Board members that 2018 Board Officer nominations are now being accepted by the Executive Office, provided that those interested have at least three years left in current office.

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

Wednesday, November 1, 2017, at 375 Beale Street, San Francisco, CA 94105 at 9:45 a.m.

### **17. Adjournment**

The meeting adjourned in memory of the North Bay fire victims at 12:38 p.m.

Marcy Hiratzka  
Clerk of the Boards



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Liz Kniss and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: October 24, 2017

Re: Board Communications Received from October 18, 2017 through October 31, 2017

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Copies of communications directed to the Board of Directors received by the Air District from October 18, 2017, through October 31, 2017, if any, will be at each Board Member's place at the November 1, 2017 Board meeting.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Marjorie Villanueva  
Reviewed by: Maricela Martinez

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Liz Kniss and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: October 23, 2017

Re: Authorize the Executive Officer/APCO to enter into a contract agreement with  
KBM Hogue, in an amount not to exceed \$310,000

RECOMMENDED ACTION

Recommend the Board of Directors authorize the Executive Officer/APCO to enter into a contract agreement with KBM Hogue, in an amount not to exceed \$310,000 for office furniture installation and modifications.

BACKGROUND

On January 17, 2014, the Bay Area Headquarters Authority (BAHA) issued a Request for Proposals (RFP) to design, procure and install office, public space and other ancillary furniture for the Bay Area Metrocenter Agency spaces at 375 Beale Street, San Francisco. BAHA received proposals from four vendors. The RFP required that the selected vendor extend pricing for additional purchases that the Air District or BAHA would make under separate agency contracts for a period of ten years. A five-member evaluation panel, including a representative from the Air District, recommended Hogue and Associates/Knoll Inc. as the vendor most advantageous to BAHA based on the evaluation criteria stated in the RFP. Hogue and Associates, (now KBM Hogue), was chosen as the vendor.

Founded in 1974, KBM Hogue is a commercial furniture dealer, project management firm, and a preferred dealer representing Knoll brand furniture. KBM Hogue is a local firm which has offices in San Francisco. After the initial procurement of furniture from KBM Hogue through BAHA, the Air District initiated a separate contract, in an amount not to exceed \$100,000, based on the BAHA RFP with KBM Hogue for additional furniture needs.

DISCUSSION

Air District's staffing level has increased recently and the agency has an immediate need to amend the contract with KBM Hogue to an amount not to exceed \$310,000. These funds will be used to procure furniture to buildout existing Air District owned space that can house additional workstations, including storage rooms, conference rooms and empty floor space.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. The costs for this contract is included in the Fiscal Year Ending 2018 budget.

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 Liz Kniss and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: October 24, 2017

Re: Approve Reclassifying and Y-Rating of One Executive Secretary to Administrative Secretary

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**RECOMMENDED ACTION**

Recommend the Board of Directors approve the reclassification and y-rating of one Executive Secretary to Administrative Secretary.

**BACKGROUND**

An incumbent of an Executive Secretary position will no longer be performing duties and responsibilities of that position. Instead, the incumbent will provide administrative support in the Planning and Climate Protection Division. Staff recommends that the incumbent's salary be Y-rated and their position be reclassified to Administrative Secretary. The incumbent and the Employees' Association Board have agreed to the reclassification. Pursuant to the Administrative Code Division III, Section 6.5 and Memorandum of Understanding Section 7.05, a Y-rating must also be approved by the Board of Directors.

**Administrative Code Division III, Section 6.5, Memorandum of Understanding, Section 7.05**

Y-Rating refers to a position which has been reclassified to a position having a lower salary range. The incumbent will retain his/her present salary until the appropriate step in the reclassified position is equal to or greater than the incumbent's current salary. A Y-Rating status must be approved by the Executive Officer and the Board of Directors.

**BUDGET CONSIDERATION/FINANCIAL IMPACT**

There is no financial impact beyond that already contemplated in the Fiscal Year Ending 2018 budget. This recommendation will not increase FTEs.

Respectfully Submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Maricela Martinez  
Reviewed by: Rex Sanders

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

## Memorandum

To: Chairperson Liz Kniss and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: October 24, 2017

Re: Report of the Mobile Source Committee Meeting of October 26, 2017

**RECOMMENDED ACTION**

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

- A) Projects and Contracts with Proposed Grant Awards Over \$100,000
  - 1) Approve Transportation Fund for Clean Air projects with proposed grant awards over \$100,000 as shown in Attachment 1; and
  - 2) Authorize the Executive Officer/APCO to enter into all necessary agreements with applicants for the recommended projects.
  
- B) Transportation Fund for Clean Air County Program Manager (CPM) Fund Policies for Fiscal Year Ending (FYE) 2019 and a Request for a Waiver for FYE 2018 CPM Policies from San Francisco County Transportation Agency
  - 1) Approve the proposed Fiscal Year Ending (FYE) 2019 Transportation Fund for Clean Air (TFCA) County Program Manager (CPM) Fund Policies; and
  - 2) Approve a policy waiver to allow San Francisco County Transportation Agency to include emissions reduction credit for replacing medium-heavy duty vehicles in the cost-effectiveness evaluation of a FYE 2018 TFCA CPM light-duty vehicle project.
  
- C) Accept, Obligate, and Expend Funding from the California Air Resources Board (ARB), Metropolitan Transportation Commission (MTC), And Bay Area Clean Air Foundation
  - 1) Authorize the Bay Area Air Quality Management District (Air District) to accept, obligate, and expend funding from the following three new awards:
    - a. Up to \$10 million from the California Air Resources Board to implement an Enhanced Fleet Modernization Plus-up Program;

- b. Up to \$2 million in Reformulated Gas Settlement Funds from the Bay Area Clean Air Foundation, to help accelerate the adoption of zero- and near-zero-emission equipment and vehicles operating in and around the Port of Oakland and the surrounding West Oakland community;
  - c. \$10 million from the Metropolitan Transportation Commission for the Air District's Spare the Air and light-duty electric vehicle programs.
- 2) Adopt resolutions authorizing the Air District to accept, obligate, and expend the funds awarded from the California Air Resources Board for the Enhanced Fleet Modernization Plus-up Program and the funds from the Metropolitan Transportation Commission for the Air District's Spare the Air and light-duty electric vehicle programs; and
  - 3) Authorize the Executive Officer/APCO to enter into all agreements necessary to accept, obligate, and expend this funding.

**BACKGROUND**

The Committee will meet on Thursday, October 26, 2017, and will receive the following reports:

- A) Projects and Contracts with Proposed Grant Awards Over \$100,000;
- B) Transportation Fund for Clean Air County Program Manager (CPM) Fund Policies for Fiscal Year Ending (FYE) 2019 and a Request for a Waiver for FYE 2018 CPM Policies from San Francisco County Transportation Agency
- C) Accept, Obligate, and Expend Funding from the California Air Resources Board (ARB), Metropolitan Transportation Commission (MTC), And Bay Area Clean Air Foundation

Chairperson Karen Mitchoff will provide an oral report of the Committee meeting.

**BUDGET CONSIDERATION/FINANCIAL IMPACT**

- A) None. Through the 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) None. The recommended policy changes have no impact on the Air District's budget.
- C) None. The Air District distributes "pass-through" funds to grantees on a reimbursement basis. All three funding sources also cover Air District staff administration program costs.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Marcy Hiratzka  
Reviewed by: Maricela Martinez

Attachment 6A: 10/26/17 – Mobile Source Committee Meeting Agenda #4  
Attachment 6B: 10/26/17 – Mobile Source Committee Meeting Agenda #5  
Attachment 6C: 10/26/17 – Mobile Source Committee Meeting Agenda #6



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Karen Mitchoff and Members  
of the Mobile Source Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: October 12, 2017

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

**RECOMMENDED ACTION**

Recommend Board of Directors:

1. Approve Transportation Fund for Clean Air projects with proposed grant awards over \$100,000 as shown in Attachment 1; and
2. Authorize the Executive Officer/APCO to enter into all necessary agreements with applicants for the recommended projects.

**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 Transportation Fund for Clean Air (TFCA) and requirements of the program are set forth in California Health and Safety Code (HSC) Sections 44241 and 44242. Sixty percent of TFCA funds are awarded by the Air District to eligible 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 Air District's Board of Directors (Board) allocates funding and adopts policies and evaluation criteria that govern the expenditure of TFCA funding.

On April 19, 2017, the Board allocated \$29.24 million in TFCA funding for eligible projects in Fiscal Year Ending (FYE) 2018, authorized cost-effectiveness limits for Air District-sponsored FYE 2018 programs, and authorized the Executive Officer/APCO to execute Grant Agreements and amendments for TFCA-revenue funded projects with individual grant award amounts up to \$100,000. On August 2, 2017, the Board adopted policies and evaluation criteria for the FYE 2018 TFCA Regional Fund program.

All 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 Board.

## DISCUSSION

The Air District started accepting project applications for the FYE 2018 Existing Shuttle and Regional Rideshare Program on August 2, 2017, and held two pre-application webinars on August 15, 2017 and August 31, 2017, respectively. Eight applications for Existing Shuttle and Regional Rideshare Program funding were received by the September 11, 2017 deadline. Of these, one application was found to be incomplete and staff is currently working with the project sponsor to complete the evaluation of this project. The other seven applications were deemed complete and were evaluated for conformity with Board-approved FYE 2018 TFCA Regional Fund Policies.

In addition, one complete application was received and evaluated for the Air District's Charge! Program, which continues to accept and evaluate applications on a first-come, first-served basis.

Of the eight complete applications that were received and evaluated between September 8, 2017 and October 3, 2017, five eligible projects have a proposed individual grant award over \$100,000, which requires approval by the Air District's Board. The other three projects that were determined to be eligible for individual grant award below \$100,000 included one Charge! Program project and two Existing Shuttle and Regional Rideshare Program projects.

Projects requesting over \$100,000 that require Board approval are as follows:

- Project #18R05 will support commute consulting, discount transit passes, carpool matching and other trip reduction services for commutes to and from the San Jose State University;
- Project #18R07 will implement eight shuttle service routes operated by the Santa Clara Valley Transportation Authority;
- Project #18R10 will implement 11 shuttle service routes operated by the Peninsula Corridor Joint Powers Board;
- Project #18R11 will support vanpool and carpool services operating throughout the Bay Area that are sponsored by the Metropolitan Transportation Commission; and
- Project #18R12 will implement one shuttle service operated by a partnership between the City of Emeryville and the Emeryville Transportation Management Association.

Together, these five projects will reduce about 25.22 tons of nitrogen oxides (NO<sub>x</sub>), reactive organic gases (ROG), and particulate matter (PM) per year. Staff determined that these projects conform to the provisions of HSC 44241 and the applicable Board-adopted policies and recommends awarding \$2,941,919 to these projects. Attachment 1, Table 1, provides additional information on these projects that are requesting over \$100,000.

Attachment 2, lists all eligible TFCA-funded projects that were evaluated by the Air District between September 8, 2017 and October 3, 2017. In total, these eight projects represent more than \$3.1 million in funding awards, and will reduce approximately 27.42 tons of NO<sub>x</sub>, ROG, and PM tons per year and approximately 15,280 tons of tailpipe greenhouse gas emissions per year.

Approximately 72% of the funding will directly reduce emissions in highly impacted Bay Area communities.

Attachment 3 summarizes the allocation of TFCA funding for the eight eligible projects that have been evaluated since September 8, 2017 by project category (Figure 1), and county (Figure 2).

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. Through the 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: Michael Neward and Ken Mak  
Reviewed by: Karen Schkolnick and Chengfeng Wang

- Attachment 1: Projects with grant awards greater than \$100,000 (evaluated 9/8/17 – 10/3/17)
- Attachment 2: Summary of all TFCA approved and eligible projects (evaluated 9/8/17 – 10/3/17)
- Attachment 3: Summary of distribution of TFCA funds by county and project category (evaluated 9/8/17-10/3/17)

## AGENDA 4 - ATTACHMENT 1

**Table 1 - Summary of Transportation Fund for Clean Air projects  
with grant awards greater than \$100k (Evaluated between 9/8/17 and 10/3/17)\***

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	
18R05	Associated Students, San Jose State University	Existing Rideshare	SJSU Ridesharing & Trip Reduction	Regional	\$43,070	\$140,000	0.808	0.920	1.282	Regional
18R07	Santa Clara Valley Transportation Authority	Existing Shuttle	ACE Shuttle Bus Program	Milpitas, Mountain View, Sunnyvale, Santa Clara	\$97,738	\$960,000	2.455	2.508	4.222	Santa Clara
18R10	Peninsula Corridor Joint Powers Board	Existing Shuttle	Caltrain Shuttle Program	Mountain View, Burlingame, Sunnyvale, Foster City, Stanford, Menlo Park, Redwood Shores	\$96,795	\$612,100	1.539	1.832	2.641	San Mateo / Santa Clara
18R11	Metropolitan Transportation Commission	Existing Rideshare	511 Regional Vanpool & Carpool Program	Regional	\$149,901	\$991,000	0.802	1.783	3.507	Regional
18R12	City of Emeryville	Existing Shuttle	Emery Go-Round Shuttle	Emeryville	\$250,000	\$238,819	0.233	0.270	0.415	Alameda
<b>5 Projects</b>						<b>\$2,941,919</b>	<b>5.84</b>	<b>7.31</b>	<b>12.07</b>	

\*Four additional projects are not shown here: one Shuttle & Ridesharing project that is currently being evaluated and three projects requesting under \$100k, including one eligible Charge! Program project and two eligible Existing Shuttle and Regional Ridesharing Program Projects (see Attachment 2)

## AGENDA 4 - ATTACHMENT 2

*Summary of all TFCA approved and eligible projects (evaluated between 9/8/17 and 10/3/17)\**

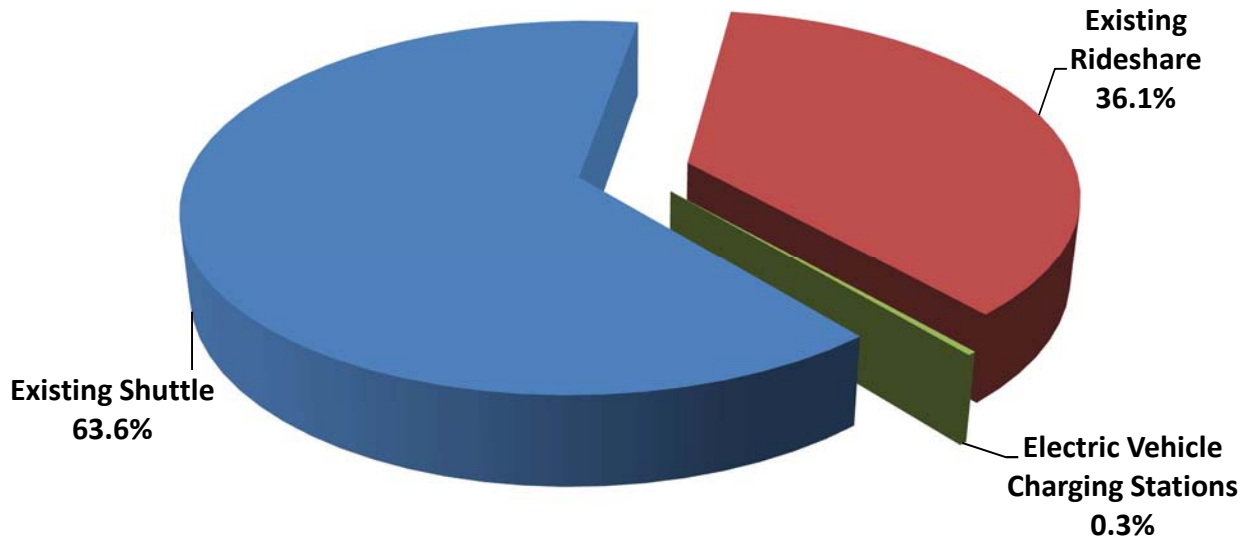
Project #	Project Category	Project Description	Award Amount	Applicant Name	Emission Reductions (Tons per year)			Board Approval Date	CARE Area	County
					NO <sub>x</sub>	ROG	PM			
<b>Projects Pending Board Approval</b>										
18R05	Existing Rideshare	SJSU Ridesharing & Trip Reduction	\$140,000	Associated Students, San Jose State University	0.808	0.920	1.282	Pending	Yes	Regional
18R07	Existing Shuttle	ACE Shuttle Bus Program	\$960,000	Santa Clara Valley Transportation Authority	2.455	2.508	4.222	Pending	Yes	Santa Clara
18R10	Existing Shuttle	Caltrain Shuttle Program	\$612,100	Peninsula Corridor Joint Powers Board	1.539	1.832	2.641	Pending	No	San Mateo / Santa Clara
18R11	Existing Rideshare	511 Regional Vanpool & Carpool Program	\$991,000	Metropolitan Transportation Commission	0.802	1.783	3.507	Pending	Yes	Regional
18R12	Existing Shuttle	Emery Go-Round Shuttle	\$238,819	City of Emeryville	0.233	0.270	0.415	Pending	Yes	Alameda
<b>Projects Approved by the APCO</b>										
18R06	Existing Shuttle	ACE Shuttle 53 and 54	\$80,000	San Joaquin Regional Rail Commission	0.331	0.390	0.629	10/3/2017	Yes	Alameda
18R09	Existing Shuttle	PresidiGo Downtown Shuttle	\$100,000	Presidio Trust	0.213	0.267	0.364	10/3/17	Yes	San Francisco
17EV10	Electric Vehicle Charging Stations	Install 4 dual-port Level 2 charging stations in Burlingame	\$10,000	City of Burlingame	0.005	0.007	0.000	9/21/17	No	San Mateo
<b>8 Projects</b>			<b>\$3,131,919</b>		<b>6.386</b>	<b>7.977</b>	<b>13.061</b>			

\*One additional Shuttle & Ridesharing project is currently being evaluated and is not shown here.

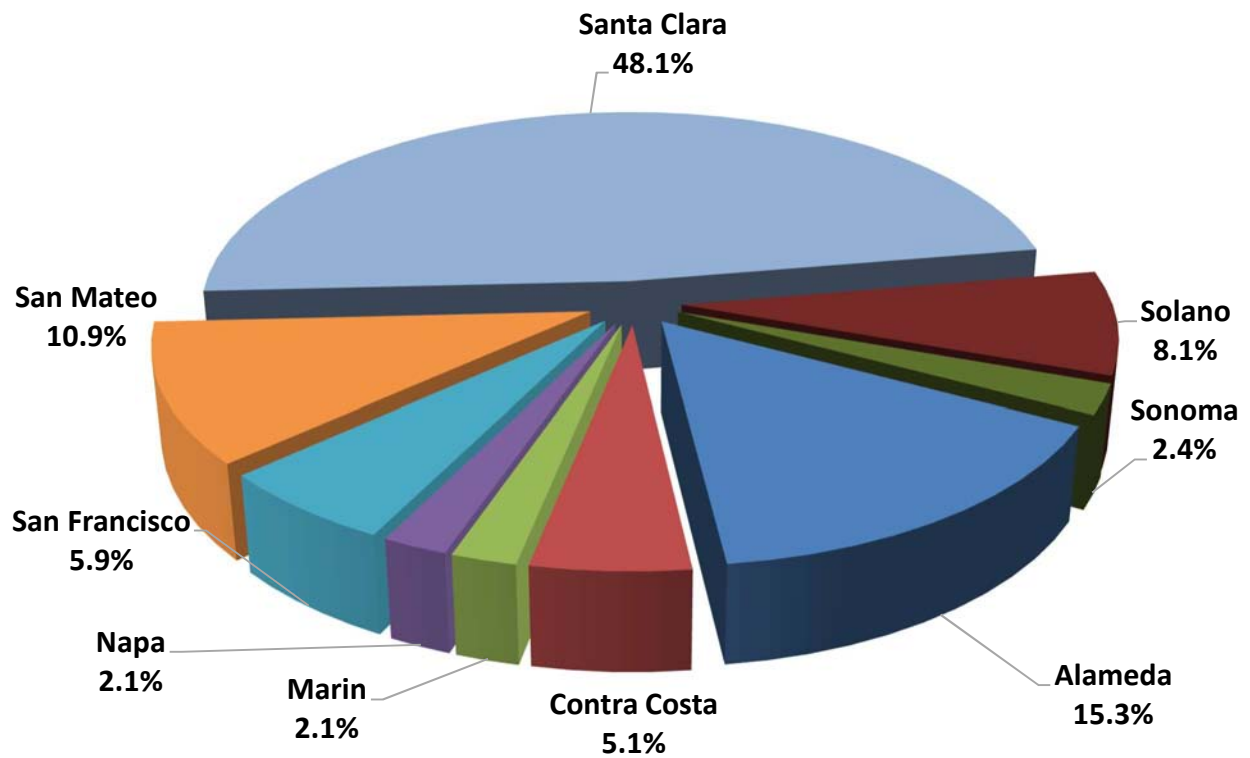
## AGENDA 4 - ATTACHMENT 3

Summary of TFCA funds distributed by county and project category, as of 10/3/17

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



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



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Karen Mitchoff and Members  
of the Mobile Source Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: October 12, 2017

Re: Transportation Fund for Clean Air County Program Manager (CPM) Fund Policies for  
Fiscal Year Ending (FYE) 2019 and a Request for a Waiver for FYE 2018 CPM  
Policies from San Francisco County Transportation Agency

RECOMMENDED ACTION

Recommend Board of Directors:

1. Approve the proposed Fiscal Year Ending (FYE) 2019 Transportation Fund for Clean Air (TFCA) County Program Manager (CPM) Fund Policies; and
2. Approve a policy waiver to allow San Francisco County Transportation Agency to include emissions reduction credit for replacing medium-heavy duty vehicles in the cost-effectiveness evaluation of a FYE 2018 TFCA CPM light-duty vehicle project.

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 San Francisco Bay Area to fund projects that reduce on-road motor vehicle emissions. The Air District has allocated these funds through its TFCA program to fund eligible projects. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code (HSC) Sections 44241 and 44242.

By law, forty percent of these revenues are distributed to designated CPMs in each of the nine counties within the Air District's jurisdiction. Each year the Air District Board of Directors (Board) adopts policies for the TFCA programs that maximize emissions reductions and public health benefits.

DISCUSSION

On August 4, 2017, staff issued a draft of the proposed FYE 2019 policies to the nine Bay Area CPMs for comment. A meeting was held with CPM representatives to discuss the proposed policy updates on September 5, 2017, and staff followed up by phone with CPMs who had questions regarding the proposed policies. By the September 18, 2017 deadline, comments were received from three of the nine CPMs.

Based on the feedback and comments received during the past year and during the public comment period there are no substantive changes proposed for the FYE 2019 CPM Policies. Staff has made minor updates to last year's policies for clarity and to address typographical errors.

Attachment A contains the proposed FYE 2019 Policies, Attachment B shows the changes between the proposed Policies and the previous year's Policies, and Attachment C contains a listing of the comments received and the responses from staff.

*Request for Policy Waiver*

TFCA CPM Fund Policy #3 allows CPMs to seek Air District Board of Directors' approval on a case-by-case basis for projects that are authorized by the HSC section 44241 and achieve Board-adopted TFCA cost-effectiveness but otherwise do not meet all of the Board-adopted policies.

San Francisco County Transportation Agency (SFCTA) submitted a request to the Air District on August 1, 2017, seeking a policy waiver for a project (shown in Table 1) that replaces San Francisco Municipal Transportation Agency's medium-heavy duty diesel and gasoline cutaway vehicles with light-duty hybrid sedans. Air District staff has determined that this project does not fully meet Board-adopted Policy #22 for Alternative Fuel Light-Duty Vehicles, since that policy does not address emissions credit for voluntarily scrapping older vehicles in a different vehicle class. The waiver that is being requested would allow the SFMTA to qualify for additional TFCA funding by allowing the emissions reductions achieved by replacing older medium-heavy duty vehicles with light-duty vehicles in the evaluation of the cost-effectiveness of the proposed project.

Staff has reviewed the request and determined that the project does conform to the provisions of HSC section 44241 and Board-adopted TFCA cost-effectiveness. Therefore, staff is requesting that the Board consider SFCTA's request, as allowed by Policy #3.

**Table 1: FYE 2018 Project Requiring Case-by-Case Approval**

<b>Project Name</b>	<b>Description</b>	<b>TFCA CPM Funds</b>	<b>Est. Total Project Cost</b>
SFCTA- Replace SF Paratransit Diesel and Gasoline Cutaway Vehicles with Hybrid Sedans	Replace 10 medium-heavy duty cutaway vans with hybrid electric sedans.	\$201,700	\$300,000



BUDGET CONSIDERATION / FINANCIAL IMPACT

None. The recommended policy changes have no impact on the Air District's budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Director/APCO

Prepared by: Michael Neward  
Reviewed by: Karen Schkolnick and Chengfeng Wang

Attachment A: Proposed TFCA County Program Manager Fund Policies for FYE 2019

Attachment B: Proposed TFCA County Program Manager Fund Policies for FYE 2019 Policies as a redlined version of Board-approved TFCA County Program Manager Fund Policies for FYE 2018 Policies

Attachment C: Comments Received from County Program Managers on Proposed Policies and Air District Staff Responses.

The following Policies apply to the Bay Area Air Quality Management District’s (Air District) Transportation Fund for Clean Air (TFCA) County Program Manager Fund for fiscal year ending (FYE) 2019.

**BASIC ELIGIBILITY**

- 1. Reduction of Emissions:** 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 these Air District Board of Directors adopted TFCA County Program Manager Fund Policies for FYE2019.

Projects must achieve surplus emission reductions, i.e., reductions that are beyond what is required through regulations, ordinances, contracts, and other legally binding obligations at the time of the execution of a grant agreement between the County Program Manager and the grantee. Projects must also achieve surplus emission reductions at the time of an amendment to a grant agreement if the amendment modifies the project scope or extends the project completion deadline.

- 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 funds 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. All TFCA-generated funds (e.g., reprogrammed TFCA funds) that are awarded or applied to a project must be included in the evaluation. For projects that involve more than one independent component (e.g., more than one vehicle purchased, more than one shuttle route), each component must achieve this cost-effectiveness requirement.

County Program Manager administrative costs are excluded from the calculation of a project’s TFCA cost-effectiveness.

**Table 1: Maximum Cost-Effectiveness for FYE 2019**

Policy No.	Project Category	Maximum C-E (\$/weighted ton)
22	Alternative Fuel Light-Duty Vehicles	250,000
23	Reserved	Reserved
24	Alternative Fuel Heavy-Duty Vehicles and Buses	250,000
25	On-Road Goods Movement Truck Replacements	90,000
26	Alternative Fuel Infrastructure	250,000
27	Ridesharing Projects	150,000
28.a.-h.	Shuttle/Feeder Bus Service – Existing	200,000; 250,000 for services in CARE Areas or PDAs
29	Shuttle/Feeder Bus Service - Pilot	Year 1 - 250,000 Year 2 - see Policy #28.a-h.
29	Shuttle/Feeder Bus Service – Pilot in CARE Areas or PDAs	Years 1 & 2 - 500,000 Year 3 - see Policy #28.a-h.

**Agenda Item # 5 – Attachment A: Proposed TFCA County Program Manager Fund Policies for FYE 2019**

30	Bicycle Projects	250,000
31	Bike Share	500,000
32	Arterial Management	175,000
33	Smart Growth/Traffic Calming	175,000

3. **Eligible Projects and Case-by-Case Approval:** Eligible projects are those that conform to the provisions of the HSC section 44241, Air District Board-adopted policies, and Air District guidance. On a case-by-case basis, County Program Managers must receive approval by the Air District for projects that are authorized by the HSC section 44241 and achieve Board-adopted TFCA cost-effectiveness but do not fully meet other Board-adopted Policies.
4. **Consistent with Existing Plans and Programs:** All projects must comply with the Transportation Control and Mobile Source Control measures included in the Air District's most recently approved strategies for achieving and maintaining State and national ozone standards, those plans and programs established pursuant to HSC sections 40233, 40717, and 40919; and, when specified, other adopted federal, State, regional, and local plans and programs.
5. **Eligible Recipients:** Grant recipients must be responsible for the implementation of the project, have the authority and capability to complete the project, and be an applicant in good standing with the Air District (Policies #8-10).
  - a. **Public agencies** are eligible to apply for all project categories.
  - b. **Non-public entities** are only eligible to apply for new alternative-fuel (light, medium, and heavy-duty) vehicle and infrastructure projects, and advanced technology demonstrations that are permitted pursuant to HSC section 44241(b)(7).
6. **Readiness:** Projects must commence by the end of calendar year 2019. For purposes of this policy, “commence” means a tangible action taken in connection with the project’s operation or implementation, for which the grantee 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.
7. **Maximum Two Years Operating Costs:** Unless otherwise specified in policies #22 through #32, TFCA County Program Manager Funds may be used to support up to two years of operating costs for service-based projects (e.g., ridesharing, shuttle and feeder bus service). Grant applicants that seek TFCA funds for additional years must reapply for funding in the subsequent funding cycles.

**APPLICANT IN GOOD STANDING**

8. **Independent Air District Audit Findings and Determinations:** Grantees who have failed either the fiscal audit or the performance audit for a prior TFCA-funded project awarded by either County Program Managers or the Air District are excluded from receiving an award of any TFCA funds for three (3) years from the date of the Air District’s final audit determination in accordance with HSC section 44242 or for a duration determined by the Air District Air Pollution Control Officer (APCO). Existing TFCA funds already awarded to the project sponsor will not be released until all audit recommendations and remedies have been

## Agenda Item # 5 – Attachment A: Proposed TFCA County Program Manager Fund Policies for FYE 2019

satisfactorily implemented. A failed fiscal audit means a final audit report that includes an uncorrected audit finding that confirms an ineligible expenditure of TFCA funds. A failed performance audit means that the program or project was not implemented in accordance with the applicable Funding Agreement or grant agreement.

A failed fiscal or performance audit of the County Program Manager or its grantee may subject the County Program Manager to a reduction of future revenue in an amount equal to the amount which was inappropriately expended pursuant to the provisions of HSC section 44242(c)(3).

9. **Authorization for County Program Manager to Proceed:** Only a fully executed Funding Agreement (i.e., signed by both the Air District and the County Program Manager) constitutes the Air District's award of County Program Manager Funds. County Program Managers may incur costs (i.e., contractually obligate itself to allocate County Program Manager Funds) only after the Funding Agreement with the Air District has been executed.
10. **Maintain Appropriate Insurance:** Both the County Program Manager and each grantee must obtain and maintain general liability insurance, workers compensation insurance, and additional insurance as appropriate for specific projects, with required coverage amounts provided in Air District guidance and final amounts specified in the respective grant agreements.

### INELIGIBLE PROJECTS

11. **Duplication:** Duplicative projects are not eligible. Projects that propose to expand and achieve additional emission reductions of existing projects are eligible (e.g., shuttle service or route expansion, previously-funded project that has completed its Project Useful Life).
12. **Planning Activities:** A grantee may not use any TFCA funds for planning related activities unless they are directly related to the implementation of a project or program that result in emission reductions.
13. **Employee Subsidies:** Projects that provide a direct or indirect financial transit or rideshare subsidy or shuttle/feeder bus service exclusively to the grantee's employees are not eligible.
14. **Cost of Developing Proposals:** Grantees may not use any TFCA funds to cover the costs of developing grant applications.

### USE OF TFCA FUNDS

15. **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 County Program Manager Fund project. Projects that are funded by the TFCA County Program Manager Fund are not eligible for additional funding from other funding sources that claim emissions reduction credits. For example, County Program Manager-funded projects may be combined with Congestion Mitigation and Air Quality (CMAQ) funds because CMAQ does not require emissions reductions for funding eligibility.
16. **Administrative Costs:** The County Program Manager may not expend more than 6.25 percent of its County Program Manager Funds for its administrative costs. The County Program Manager's costs to prepare and execute its Funding Agreement with the Air District are eligible administrative costs. Interest earned on County Program Manager Funds shall not be included in the calculation of the administrative costs. To be eligible for

reimbursement, administrative costs must be clearly identified in the expenditure plan application and in the Funding Agreement, and must be reported to the Air District.

17. **Expend Funds within Two Years:** County Program Manager Funds must be expended within two (2) years of receipt of the first transfer of funds from the Air District to the County Program Manager in the applicable fiscal year, unless a County Program Manager has made the determination based on an application for funding that the eligible project will take longer than two years to implement. Additionally, a County Program Manager may, if it finds that significant progress has been made on a project, approve no more than two one-year schedule extensions for a project. Any subsequent schedule extensions for projects can only be given on a case-by-case basis, if the Air District finds that significant progress has been made on a project, and the Funding Agreement is amended to reflect the revised schedule.
18. **Unallocated Funds:** Pursuant to HSC 44241(f), any County Program Manager Funds that are not allocated to a project within six months of the Air District Board of Directors approval of the County Program Manager’s Expenditure Plan may be allocated to eligible projects by the Air District. The Air District shall make reasonable effort to award these funds to eligible projects in the Air District within the same county from which the funds originated.
19. **Reserved.**
20. **Reserved.**
21. **Reserved.**

**ELIGIBLE PROJECT CATEGORIES**

**22. Alternative Fuel Light-Duty Vehicles:**

These projects are intended to accelerate the deployment of qualifying alternative fuel vehicles that operate within the Air District’s jurisdiction. All of the following conditions must be met for a project to be eligible for TFCA funds:

- a. Vehicles purchased and/or leased have a gross vehicle weight rating (GVWR) of 14,000 lbs. or lighter.
- b. Vehicles are 2018 model year or newer
  - i) hybrid-electric, electric, fuel cell, and CNG/LNG vehicles that are certified by the California Air Resources Board (CARB) as meeting established super ultra-low emission vehicle (SULEV), partial zero emission vehicle (PZEV), advanced technology-partial zero emission vehicle (AT-PZEV), or zero emission vehicle (ZEV) standards; or
  - ii) electric neighborhood vehicles (NEV) as defined in the California Vehicle Code.
- c. Vehicles must be maintained and operated within the Air District’s jurisdiction.
- d. 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.

Gasoline and diesel (non-hybrid) vehicles are not eligible for TFCA funds. Funds are not available for non-fuel system upgrades, such as transmission and exhaust systems, and should not be included in the cost of the project.

Grantees 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.

**23. Reserved.**

**24. Alternative Fuel Heavy-Duty Vehicles and Buses:**

These projects are intended to accelerate the deployment of qualifying alternative fuel vehicles that operate within the Air District’s jurisdiction. All of the following conditions must be met for a project to be eligible for TFCA Funds:

- a. Vehicles purchased and/or leased either have a GVWR greater than 14,000 lbs or are classified as urban buses.
- b. Vehicles are 2018 model year or newer hybrid-electric, electric, CNG/LNG, and hydrogen fuel cell vehicles approved by the CARB.
- c. Vehicles must be maintained and operated within the Air District’s jurisdiction.
- d. 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.
- e. **Scrapping Requirements:** Grantees with a fleet that includes model year 1998 or older heavy-duty diesel vehicles must scrap one model year 1998 or older heavy-duty diesel vehicle for each new vehicle purchased or leased under this grant. Costs related to the scrapping of heavy-duty vehicles are not eligible for reimbursement with TFCA funds.

TFCA funds may not be used to pay for non-fuel system upgrades such as transmission and exhaust systems.

Grantees 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.

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.

- 25. On-Road Goods Movement 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 CARB emissions standards or cleaner. Eligible vehicles are those that are used for goods movement as defined by CARB. 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.

**26. Alternative Fuel Infrastructure:**

**Eligibility:** Eligible refueling infrastructure projects include new dispensing and charging facilities, or additional equipment or upgrades and improvements that expand access to existing alternative fuel fueling/charging sites (e.g., electric vehicle, CNG, hydrogen). This includes upgrading or modifying private fueling/charging sites or stations to allow public and/or shared fleet access. TFCA funds may be used to cover the cost of equipment and installation. TFCA funds may also be used to upgrade infrastructure projects previously funded with TFCA funds as long as the equipment was maintained and has exceeded the duration of its useful life after being placed into service.

TFCA-funded infrastructure projects must be available to and accessible by the public. Equipment and infrastructure must be designed, installed, and maintained as required by the existing recognized codes and standards and as approved by the local/state authority.

TFCA funds may not be used to pay for fuel, electricity, operation, and maintenance costs.

27. **Ridesharing Projects:** Eligible ridesharing projects provide carpool, vanpool or other rideshare services. Projects that provide a direct or indirect financial transit or rideshare subsidy are also eligible under this category.

28. **Shuttle/Feeder Bus Service:**

These projects are intended to reduce single-occupancy vehicle trips by providing short-distance connections. All of the following conditions must be met for a project to be eligible for TFCA funds:

- a. The service must provide direct 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 corresponding mass transit service.
- c. The service must be available for use by all members of the public.
- d. TFCA 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. Grantees 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.
- g. 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.
- h. Each route must meet the cost-effectiveness requirement in Policy #2. 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 Shuttle/Feeder Bus Service Projects:**

These projects are new shuttle/feeder bus service routes that are at least 70% unique and where no other service was provided within the past three years. In addition to meeting the conditions listed in Policy #28.a.-h. for shuttle/feeder bus service, project applicants must also comply with the following application criteria and agree to comply with the project implementation requirements:

- a. Provide data and other evidence demonstrating the public’s need for the service, including a demand assessment survey and letters of support from potential users. Project applicants must agree to conduct a passenger survey for each year of operation.
- b. Provide written documentation of plans for financing the service in the future;
- c. Provide a letter from the local transit agency denying service to the project’s proposed service area, which includes the basis for denial of service to the proposed areas. The applicant must demonstrate that the project applicant has attempted to coordinate service with the local service provider and has provided the results of the demand assessment survey to the local transit agency. The applicant must provide the transit service provider’s evaluation of the need for the shuttle service to the proposed area.
- d. Pilot projects located in Highly Impacted Communities as defined in the Air District CARE Program and/or a Planned or Potential PDA may receive a maximum of three years of TFCA Funds under the Pilot designation. For these projects, the project applicants understand and must agree that such projects will be evaluated every year, and continued funding will be contingent upon the projects meeting the following requirements:
  - i) During the first year and by the end of the second year of operation, projects must not exceed a cost-effectiveness of \$500,000/ton, and
  - ii) By the end of the third year of operation, projects must meet all of the requirements, including cost-effectiveness limit, of Policy #28.a.-h. (existing shuttles).
- e. Projects located outside of CARE areas and PDAs may receive a maximum of two years of TFCA Funds under this designation. For these projects, the project applicants understand and must agree that such projects will be evaluated every year, and continued funding will be contingent upon the projects meeting the following requirements:
  - i) By the end of the first year of operation, projects shall meet a cost-effectiveness of \$250,000/ton, and
  - ii) By the end of the second year of operation, projects shall meet all of the requirements, including cost-effectiveness limit, of Policy #28.a-h. (existing shuttles).

**30. Bicycle Projects:**

New bicycle facility projects or upgrades to an existing bicycle facility that are included in an adopted countywide bicycle plan, Congestion Management Program (CMP), countywide transportation plan (CTP), city plan, or the Metropolitan Transportation Commission’s (MTC) Regional Bicycle Plan are eligible to receive TFCA funds. Projects that are included in an adopted city general plan or area-specific plan must specify that the purpose of the bicycle facility is to reduce motor vehicle emissions or traffic congestion. A project that



proposes to upgrade an existing bicycle facility is eligible only if that project involves converting an existing Class-2 or Class-3 facility to a Class-1 or Class-4 facility.

Eligible projects are limited to the following types of bicycle facilities for public use that result in motor vehicle emission reductions:

- a. New Class-1 bicycle paths;
- b. New Class-2 bicycle lanes;
- c. New Class-3 bicycle routes;
- d. New Class-4 cycle tracks or separated bikeways;
- e. Upgraded Class-1 or Class-4 bicycle facilities;
- f. Bicycle racks, including bicycle racks on transit buses, trains, shuttle vehicles, and ferry vessels;
- g. Electronic bicycle lockers;
- h. Capital costs for attended bicycle storage facilities; and
- i. Purchase of two-wheeled or three-wheeled vehicles (self-propelled or electric), plus mounted equipment required for the intended service and helmets.
- j. Reserved.

All bicycle facility 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.

**31. Bike Share:**

Projects that make bicycles available to individuals for shared use for completing first- and last-mile trips in conjunction with regional transit and stand-alone short distance trips are eligible for TFCA funds, subject to all of the following conditions:

- a. Projects must either increase the fleet size of existing service areas or expand existing service areas to include new Bay Area communities.
- b. Projects must have a completed and approved environmental plan and a suitability study demonstrating the viability of bicycle sharing.
- c. Projects must have shared membership and/or be interoperable with the Bay Area Bike Share (BABS) project when they are placed into service, in order to streamline transit for end users by reducing the number of separate operators that would comprise bike trips. Projects that meet one or more of the following conditions are exempt from this requirement:
  - i) Projects that do not require membership or any fees for use, or
  - ii) Projects that were provided funding under MTC's Bike Share Capital Program to start a new or expand an existing bike share program; or
  - iii) Projects that attempted to coordinate with, but were refused by, the current BABS operator to have shared membership or be interoperable with BABS. Applicants must provide documentation showing proof of refusal.

Projects may be awarded FYE 2019 TFCA funds to pay for up to five years of operations.

**32. Arterial Management:**

Arterial management grant applications must identify a specific arterial segment and define what improvement(s) will be made to affect traffic flow on the identified arterial segment. Projects that provide routine maintenance (e.g., responding to citizen complaints about malfunctioning signal equipment) are not eligible to receive TFCA funds. Incident management projects on arterials are eligible to receive TFCA funds. Transit improvement projects include, but are not limited to, bus rapid transit and transit priority projects. Signal timing projects are eligible to receive TFCA funds. Each arterial segment must meet the cost-effectiveness requirement in Policy #2.

**33. Smart Growth/Traffic Calming:**

Physical improvements that support development projects and/or calm traffic, resulting in motor vehicle emission reductions, are eligible for TFCA funds, subject to the following conditions:

- a. The development project and the physical improvements must be identified in an approved area-specific plan, redevelopment plan, general plan, bicycle plan, pedestrian plan, traffic-calming plan, or other similar plan.
- b. The project must implement one or more transportation control measures (TCMs) in the most recently adopted Air District plan for State and national ambient air quality standards. Pedestrian projects are eligible to receive TFCA funds.
- c. The project must have a completed and approved environmental plan. If a project is exempt from preparing an environmental plan as determined by the public agency or lead agency, then that project has met this requirement.

Traffic calming projects are limited to physical improvements that reduce vehicular speed by designing and improving safety conditions for pedestrians, bicyclists or transit riders in residential, retail, and employment areas.

The following Policies apply to the Bay Area Air Quality Management District’s (Air District) Transportation Fund for Clean Air (TFCA) County Program Manager Fund for fiscal year ending (FYE) ~~2018~~2019.

**BASIC ELIGIBILITY**

- 1. Reduction of Emissions:** 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 these Air District Board of Directors adopted TFCA County Program Manager Fund Policies for FYE ~~2018~~2019.

Projects must achieve surplus emission reductions, i.e., reductions that are beyond what is required through regulations, ordinances, contracts, and other legally binding obligations at the time of the execution of a grant agreement between the County Program Manager and the grantee. Projects must also achieve surplus emission reductions at the time of an amendment to a grant agreement if the amendment modifies the project scope or extends the project completion deadline.

- 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 funds 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. All TFCA-generated funds (e.g., reprogrammed TFCA funds) that are awarded or applied to a project must be included in the evaluation. For projects that involve more than one independent component (e.g., more than one vehicle purchased, more than one shuttle route), each component must achieve this cost-effectiveness requirement.

County Program Manager administrative costs are excluded from the calculation of a project’s TFCA cost-effectiveness.

**Table 1: Maximum Cost-Effectiveness for FYE ~~2018~~2019 County Program Manager Fund Projects**

Policy No.	Project Category	Maximum C-E (\$/weighted ton)
22	Alternative Fuel Light-Duty Vehicles	250,000
23	Reserved	Reserved
24	Alternative Fuel Heavy-Duty Vehicles and Buses	250,000
25	On-Road Goods Movement Truck Replacements	90,000
26	Alternative Fuel Infrastructure	250,000
27	Ridesharing Projects	150,000
28.a.-h.	Shuttle/Feeder Bus Service – Existing	200,000; 250,000 for services in CARE Areas or PDAs
<del>28</del> <u>i-29</u>	Shuttle/Feeder Bus Service - Pilot	Year 1 - 250,000 Year 2 - see Policy #28.a-h.

<del>28</del> <u>29</u>	Shuttle/Feeder Bus Service – Pilot in CARE Areas or PDAs	Years 1 & 2 - 500,000 Year 3 - see Policy #28.a-h.
<del>29</del> <u>30</u>	Bicycle Projects	250,000
<del>30</del> <u>31</u>	Bike Share	500,000
<del>31</del> <u>32</u>	Arterial Management	175,000
<del>32</del> <u>33</u>	Smart Growth/Traffic Calming	175,000

3. **Eligible Projects and Case-by-Case Approval:** Eligible projects are those that conform to the provisions of the HSC section 44241, Air District Board-adopted policies, and Air District guidance. On a case-by-case basis, County Program Managers must receive approval by the Air District for projects that are authorized by the HSC section 44241 and achieve Board-adopted TFCA cost-effectiveness but do not fully meet other Board-adopted Policies.
4. **Consistent with Existing Plans and Programs:** All projects must comply with the Transportation Control and Mobile Source Control measures included in the Air District's most recently approved strategies for achieving and maintaining State and national ozone standards, those plans and programs established pursuant to HSC sections 40233, 40717, and 40919; and, when specified, other adopted federal, State, regional, and local plans and programs.
5. **Eligible Recipients:** Grant recipients must be responsible for the implementation of the project, have the authority and capability to complete the project, and be an applicant in good standing with the Air District (Policies #8-10).
  - a. **Public agencies** are eligible to apply for all project categories.
  - b. **Non-public entities** are only eligible to apply for new alternative-fuel (light, medium, and heavy-duty) vehicle and infrastructure projects, and advanced technology demonstrations that are permitted pursuant to HSC section 44241(b)(7).
6. **Readiness:** Projects must commence by the end of calendar year ~~2018~~2019. For purposes of this policy, “commence” means a tangible -action taken in connection with the project’s operation or implementation, for which the grantee 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.
7. **Maximum Two Years Operating Costs:** Unless otherwise specified in policies #22 through #32, TFCA County Program Manager Funds may be used to support up to two years of operating costs for service-based projects (e.g., ridesharing, shuttle and feeder bus service). Grant applicants that seek TFCA funds for additional years must reapply for funding in the subsequent funding cycles.

**APPLICANT IN GOOD STANDING**

8. **Independent Air District Audit Findings and Determinations:** Grantees who have failed either the fiscal audit or the performance audit for a prior TFCA-funded project awarded by either County Program Managers or the Air District are excluded from receiving an award of any TFCA funds for three (3) years from the date of the Air District’s final audit

determination in accordance with HSC section 44242 or for a duration determined by the Air District Air Pollution Control Officer (APCO). Existing TFCA funds already awarded to the project sponsor will not be released until all audit recommendations and remedies have been satisfactorily implemented. A failed fiscal audit means a final audit report that includes an uncorrected audit finding that confirms an ineligible expenditure of TFCA funds. A failed performance audit means that the program or project was not implemented in accordance with the applicable Funding Agreement or grant agreement.

A failed fiscal or performance audit of the County Program Manager or its grantee may subject the County Program Manager to a reduction of future revenue in an amount equal to the amount which was inappropriately expended pursuant to the provisions of HSC section 44242(c)(3).

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10. **Maintain Appropriate Insurance:** Both the County Program Manager and each grantee must obtain and maintain general liability insurance, workers compensation insurance, and additional insurance as appropriate for specific projects, with required coverage amounts provided in Air District guidance and final amounts specified in the respective grant agreements.

#### **INELIGIBLE PROJECTS**

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12. **Planning Activities:** A grantee may not use any TFCA funds for planning related activities unless they are directly related to the implementation of a project or program that result in emission reductions.
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#### **USE OF TFCA FUNDS**

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16. **Administrative Costs:** The County Program Manager may not expend more than 6.25 percent of its County Program Manager Funds for its administrative costs. The County

Program Manager’s costs to prepare and execute its Funding Agreement with the Air District are eligible administrative costs. Interest earned on County Program Manager Funds shall not be included in the calculation of the administrative costs. To be eligible for reimbursement, administrative costs must be clearly identified in the expenditure plan application and in the Funding Agreement, and must be reported to the Air District.

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18. **Unallocated Funds:** Pursuant to HSC 44241(f), any County Program Manager Funds that are not allocated to a project within six months of the Air District Board of Directors approval of the County Program Manager’s Expenditure Plan may be allocated to eligible projects by the Air District. The Air District shall make reasonable effort to award these funds to eligible projects in the Air District within the same county from which the funds originated.
19. **Reserved.**
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21. **Reserved.**

#### **ELIGIBLE PROJECT CATEGORIES**

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- a. Vehicles purchased and/or leased have a gross vehicle weight rating (GVWR) of 14,000 lbs. or lighter.
- b. Vehicles are ~~2017~~2018 model year or newer
  - i) hybrid-electric, electric, fuel cell, and CNG/LNG vehicles that are certified by the California Air Resources Board (CARB) as meeting established super ultra-low emission vehicle (SULEV), partial zero emission vehicle (PZEV), advanced technology-partial zero emission vehicle (AT-PZEV), or zero emission vehicle (ZEV) standards; or
  - ii) electric neighborhood vehicles (NEV) as defined in the California Vehicle Code.
- c. Vehicles must be maintained and operated within the Air District’s jurisdiction.

- d. 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.

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**23. Reserved.**

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These projects are intended to accelerate the deployment of qualifying alternative fuel vehicles that operate within the Air District's jurisdiction. All of the following conditions must be met for a project to be eligible for TFCA Funds:

- a. Vehicles purchased and/or leased either have a GVWR greater than 14,000 lbs or are classified as urban buses.
- b. Vehicles are ~~2017~~2018 model year or newer hybrid-electric, electric, CNG/LNG, and hydrogen fuel cell vehicles approved by the CARB.
- c. Vehicles must be maintained and operated within the Air District's jurisdiction.
- d. 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.
- e. **Scrapping Requirements:** Grantees with a fleet that includes model year 1998 or older heavy-duty diesel vehicles must scrap one model year 1998 or older heavy-duty diesel vehicle for each new vehicle purchased or leased under this grant. Costs related to the scrapping of heavy-duty vehicles are not eligible for reimbursement with TFCA funds.

TFCA funds may not be used to pay for non-fuel system upgrades such as transmission and exhaust systems.

Grantees 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.

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.

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Department of Motor Vehicles (DMV) to an address within the Air District’s jurisdiction, and must be scrapped after replacement.

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**Eligibility:** Eligible refueling infrastructure projects include new dispensing and charging facilities, or additional equipment or upgrades and improvements that expand access to existing alternative fuel fueling/charging sites (e.g., electric vehicle, CNG, hydrogen). This includes upgrading or modifying private fueling/charging sites or stations to allow public and/or shared fleet access. TFCA funds may be used to cover the cost of equipment and installation. TFCA funds may also be used to upgrade infrastructure projects previously funded with TFCA funds as long as the equipment was maintained and has exceeded the duration of its useful life after being placed into service.

TFCA-funded infrastructure projects must be available to and accessible by the public. Equipment and infrastructure must be designed, installed, and maintained as required by the existing recognized codes and standards and as approved by the local/state authority.

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**28. Shuttle/Feeder Bus Service:**

These projects are intended to reduce single-occupancy vehicle trips by providing short-distance connections. All of the following conditions must be met for a project to be eligible for TFCA funds:

- a. The service must provide direct 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 corresponding mass transit service.
- c. The service must be available for use by all members of the public.
- d. TFCA 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. Grantees 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.



- g. 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.
- h. Each route must meet the cost-effectiveness requirement in Policy #2. 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 Shuttle/Feeder Bus Service ~~P~~projects:**

~~These projects~~ are ~~defined as new shuttle/feeder bus service~~ routes that are at least 70% unique and where no other service was provided within the past three years. In addition to meeting the conditions listed in Policy #28.a.-h. for shuttle/feeder bus service, ~~pilot shuttle/feeder bus service~~, project applicants must also comply with the following application criteria and agree to comply with the project implementation requirements:

- ~~i.a.~~ Provide data and other evidence demonstrating the public’s need for the service, including a demand assessment survey and letters of support from potential users. Project applicants must agree to conduct a passenger survey for each year of operation.
- ~~j.b.~~ Provide written documentation of plans for financing the service in the future;
- ~~k.c.~~ Provide a letter from the local transit agency denying service to the project’s proposed service area, which includes the basis for denial of service to the proposed areas. The applicant must demonstrate that the project applicant has attempted to coordinate service with the local service provider and has provided the results of the demand assessment survey to the local transit agency. The applicant must provide the transit service provider’s evaluation of the need for the shuttle service to the proposed area.
- ~~l.d.~~ Pilot projects located in Highly Impacted Communities as defined in the Air District CARE Program and/or a Planned or Potential PDA may receive a maximum of three years of TFCA Funds under the Pilot designation. For these projects, the project applicants understand and must agree that such projects will be evaluated every year, and continued funding will be contingent upon the projects meeting the following requirements:
  - i) During the first year and by the end of the second year of operation, projects must not exceed a cost-effectiveness of \$500,000/ton, and
  - ii) By the end of the third year of operation, projects must meet all of the requirements, including cost-effectiveness limit, of Policy #28.a.-h. (existing shuttles).
- ~~m.e.~~ Projects located outside of CARE areas and PDAs may receive a maximum of two years of TFCA Funds under this designation. For these projects, the project applicants understand and must agree that such projects will be evaluated every year, and continued funding will be contingent upon the projects meeting the following requirements:
  - i) By the end of the first year of operation, projects shall meet a cost-effectiveness of \$250,000/ton, and
  - ii) By the end of the second year of operation, projects shall meet all of the requirements, including cost-effectiveness limit, of Policy #28.a.-h. (existing shuttles).

**29.30. Bicycle Projects:**

New bicycle facility projects or upgrades to an existing bicycle facility that are included in an adopted countywide bicycle plan, Congestion Management Program (CMP), countywide transportation plan (CTP), city plan, or the Metropolitan Transportation Commission's (MTC) Regional Bicycle Plan are eligible to receive TFCA funds. Projects that are included in an adopted city general plan or area-specific plan must specify that the purpose of the bicycle facility is to reduce motor vehicle emissions or traffic congestion. A project that proposes to upgrade an existing bicycle facility is eligible only if that project involves converting an existing Class-2 or Class-3 facility to a Class-1 or Class-4 facility.

Eligible projects are limited to the following types of bicycle facilities for public use that result in motor vehicle emission reductions:

- a. New Class-1 bicycle paths;
- b. New Class-2 bicycle lanes;
- c. New Class-3 bicycle routes;
- d. New Class-4 cycle tracks or separated bikeways;
- e. Upgraded Class-1 or Class-4 bicycle facilities;
- f. Bicycle racks, including bicycle racks on transit buses, trains, shuttle vehicles, and ferry vessels;
- g. Electronic bicycle lockers;
- h. Capital costs for attended bicycle storage facilities; and
- i. Purchase of two-wheeled or three-wheeled vehicles (self-propelled or electric), plus mounted equipment required for the intended service and helmets.
- j. Reserved.

All bicycle facility 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.

**30.31. Bike Share:**

Projects that make bicycles available to individuals for shared use for completing first- and last-mile trips in conjunction with regional transit and stand-alone short distance trips are eligible for TFCA funds, subject to all of the following conditions:

- a. Projects must either increase the fleet size of existing service areas or expand existing service areas to include new Bay Area communities.
- b. Projects must have a completed and approved environmental plan and a suitability study demonstrating the viability of bicycle sharing.
- c. Projects must have shared membership and/or be interoperable with the Bay Area Bike Share (BABS) project when they are placed into service, in order to streamline transit for end users by reducing the number of separate operators that would comprise bike trips. Projects that meet one or more of the following conditions are exempt from this requirement:

- i) Projects that do not require membership or any fees for use, or

- ii) Projects that were provided funding under MTC’s Bike Share Capital Program to start a new or expand an existing bike share program; or.
- iii) Projects that attempted to coordinate with, but were refused by, the current BABS operator to have shared membership or be interoperable with BABS. Applicants must provide documentation showing proof of refusal.

Projects may be awarded FYE ~~2018~~2019 TFCA funds to pay for up to five years of operations.

**31.32. Arterial Management:**

Arterial management grant applications must identify a specific arterial segment and define what improvement(s) will be made to affect traffic flow on the identified arterial segment. Projects that provide routine maintenance (e.g., responding to citizen complaints about malfunctioning signal equipment) are not eligible to receive TFCA funds. Incident management projects on arterials are eligible to receive TFCA funds. Transit improvement projects include, but are not limited to, bus rapid transit and transit priority projects. Signal timing projects are eligible to receive TFCA funds. Each arterial segment must meet the cost-effectiveness requirement in Policy #2.

**32.33. Smart Growth/Traffic Calming:**

Physical improvements that support development projects and/or calm traffic, resulting in motor vehicle emission reductions, are eligible for TFCA funds, subject to the following conditions:

- a. The development project and the physical improvements must be identified in an approved area-specific plan, redevelopment plan, general plan, bicycle plan, pedestrian plan, traffic-calming plan, or other similar plan.
- b. The project must implement one or more transportation control measures (TCMs) in the most recently adopted Air District plan for State and national ambient air quality standards. Pedestrian projects are eligible to receive TFCA funds.
- c. The project must have a completed and approved environmental plan. If a project is exempt from preparing an environmental plan as determined by the public agency or lead agency, then that project has met this requirement.

Traffic calming projects are limited to physical improvements that reduce vehicular speed by designing and improvinge safety conditions for pedestrians, bicyclists or transit riders in residential, retail, and employment areas.

Committer and Organization	Comments received from County Program Managers (CPMs) between August 4 - September 18, 2017	Air District Staff's Responses
<p style="text-align: center;">Jacki Taylor Alameda County Transportation Commission</p>	<p><b>Policy 17. Expend funds within 2 years</b></p> <p>Although not explicitly stated under Policy 17, starting in FYE16, the Air District's TFCA Guidance document distributed to the County Program Managers (CPMs) has contained language related to Policy 17 that states the Air District will not approve any additional time extensions for bike projects over the two, one-year extensions allowed in under Policy 17. For all other project types, the Air District may consider additional (3<sup>rd</sup> and subsequent) extension requests on a case-by-case basis. Staff requests the Air District to reconsider its position and give bike projects the same consideration as other project types regarding requests for 3<sup>rd</sup> and subsequent extensions. Additionally, Air District staff's recommendation to CPMs to cancel/deprogram TFCA funds from bike projects that need a 3<sup>rd</sup> extension is problematic, especially if cancelling the TFCA funding will put a project's other funding at risk.</p>	<p>The requirement that funds be expended within two years from the date of award is a requirement of the authorizing legislation to ensure that TFCA funded projects are completed within two years so air quality benefits from the funded projects are achieved as quickly as possible.</p> <p>Because of the long delays associated with bicycle facility projects that had not yet completed their environmental review process, the following language was first included in the FYE 2017 CPM guidance, at the request of the Air District's Mobile Source Committee, and was intended to be a compromise solution to the language that had been proposed for the FYE 2017 CPM Policies re: Bicycle Facility Projects</p> <p><i>"Projects must also have a completed and approved environmental plan. If a project is exempt from preparing an environmental plan as determined by the public agency or lead agency, then that project has met this requirement."</i></p> <p>For this reason, CPMs are encouraged to wait to award funding to any bicycle facility project until it meets the readiness requirements, such as having received environmental clearance, before allocating funds to that project so that TFCA funds can be expended within the two year deadline.</p> <p>The policies and guidance still allow a project to be considered for an extension through a policy waiver approved by the Air District's Board of Directors if significant progress has been made on that project.</p>
	<p><b>Policies 22 and 24, Alternative Fuel Light- and Heavy-Duty Vehicles</b></p> <p>Staff supports including the Air District's proposed language for Policies 22 and 24 that clarifies a project's useful life is the period in which funded</p>	<p>Following the release of the draft to the CPMs, the Air District removed the additional language referring to "the duration of the project useful life" that was proposed to be included in policies #22 and #24 because it is already addressed in Policy # 1, which applies to all project categories.</p>

Committer and Organization	Comments received from County Program Managers (CPMs) between August 4 - September 18, 2017	Air District Staff's Responses
	<p>vehicles must be maintained and operated within the Air District's jurisdiction, but suggests also defining the term "project useful life", since this is a period defined by the Air District for each TFCA project category and is used to calculate a project's TFCA cost-effectiveness value.</p> <p>Staff proposes also incorporating the project useful life values into the policies, so that when changes to the project useful life periods are proposed by Air District staff, they can be reviewed and commented on by CPMs as part of the annual review of the TFCA policies. Changes to the useful life periods can affect the TFCA cost-effectiveness result for projects and correspondingly, the amount of TFCA funds that may be awarded to a project.</p>	<p>The maximum and recommended Years Effectiveness or Project Useful Life for each project category are incorporated in the CPM Fund Expenditure Plan Guidance document, which is circulated to the CPM's each year for their review and input.</p>
<p>Dana Turrey <i>Sonoma County Transportation Authority</i></p>	<p>I would like to get clarification on the term added to policies 22 and 24, "duration of the project useful life." Is the project useful life the same as the vehicle useful life?</p>	<p>The "Project Useful Life" is administrative period of the grant (also known as Years Effectiveness), which is used in calculating a project's Cost Effectiveness. The Project Useful Life is often different (i.e., shorter) from duration that funded equipment and vehicles will actually be available in service.</p>
<p>Bill Hough <i>Santa Clara Valley Transportation Authority</i></p>	<p>Improve the cost-effectiveness worksheet for trip reduction projects, or more specifically for smart growth/traffic calming projects.</p>	<p>Noted. Staff will follow up with CPMs regarding this request.</p>

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Karen Mitchoff and Members  
of the Mobile Source Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: October 12, 2017

Re: Accept, Obligate, and Expend Funding from the California Air Resources Board (ARB), Metropolitan Transportation Commission (MTC), and Bay Area Clean Air Foundation

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**RECOMMENDED ACTION**

Recommend Board of Directors:

1. Authorize the Bay Area Air Quality Management District (Air District) to accept, obligate, and expend funding from the following three new awards:
  - a. Up to \$10 million from the California Air Resources Board to implement an Enhanced Fleet Modernization Plus-up Program;
  - b. Up to \$2 million in Reformulated Gas Settlement Funds from the Bay Area Clean Air Foundation, to help accelerate the adoption of zero- and near-zero-emission equipment and vehicles operating in and around the Port of Oakland and the surrounding West Oakland community;
  - c. \$10 million from the Metropolitan Transportation Commission for the Air District's Spare the Air and light-duty electric vehicle programs.
2. Adopt resolutions authorizing the Air District to accept, obligate, and expend the funds awarded from the California Air Resources Board for the Enhanced Fleet Modernization Plus-up Program and the funds from the Metropolitan Transportation Commission for the Air District's Spare the Air and light-duty electric vehicle programs; and
3. Authorize the Executive Officer/APCO to enter into all agreements necessary to accept, obligate, and expend this funding.

## BACKGROUND

The California Air Resources Board's (ARB) Enhanced Fleet Modernization Plus-up Program (EFMP Plus-up Program) is a voluntary vehicle retirement and replacement incentive program. The goal of the program is to incentivize lower-income California motorists to scrap their older, high-emitting vehicles and replace them with newer, cleaner and more fuel-efficient vehicles. The EFMP Plus-up Program, in conjunction with the EFMP Retire and Replace Program, provides up to \$9,500 towards the purchase of an advanced technology replacement vehicle (e.g. hybrid, plug-in hybrid, or zero-emission) when participants scrap an eligible older vehicle. The EFMP Plus-up Program alternatively allows participants that scrap their vehicle to receive up to \$4,500 to be used for alternative transportation mode options, such as transit passes. The incentive amount is determined by household income, the choice of replacement vehicle, and whether the applicant lives in or near a disadvantaged community. To be eligible, households must demonstrate an income less than 400% of the Federal Poverty Level.

For fiscal year 2016-2017, the California state legislature appropriated \$60 million to EFMP Plus-Up, of which \$10 million was set aside for the Bay Area, Sacramento, and San Diego air districts to launch programs. Depending on how many of the three air districts proceed with a program, the Air District may be awarded one-third, one-half, or the full \$10 million to implement the EFMP Plus-up in the Bay Area.

The Metropolitan Transportation Commission (MTC) Climate Initiatives Program identifies a variety of transportation strategies and programs that reduce per capita greenhouse gas (GHG) emissions to help meet per capita GHG emissions reduction targets established by ARB through SB 375. The mix of strategies was chosen to provide the most impact in reducing emissions taking into account a variety of mode types and trip purposes, and the programs cover education, solo commute driving reduction, transportation demand management technical assistance and vehicle ownership reduction. Also part of the package are electric vehicle programs, which are among the strategies with the highest greenhouse gas emissions reduction potential. MTC receives funding from the Federal Highway Administration's (FHWA) Congestion Mitigation and Air Quality Program (CMAQ). The CMAQ program goals are aligned with the goals of the Air District's Clean Air Plan.

The Bay Area Clean Air Foundation (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. 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.

## DISCUSSION

Every year, the Air District pursues various funding opportunities to implement projects that reduce air pollution in the Bay Area to complement and augment its other ongoing and perennial grant funds. The Air District was recently notified that it has been awarded funding from the following three sources:

### *Funding from ARB*

In 2017, the Air District applied for, and was successful in securing funding from the ARB to implement the EFMP Plus-up Program in the Bay Area. ARB requires the Air District's Board of Directors adopt a resolution to accept these funds before it will enter into a contract with the Air District to administer this program.

Air District and ARB staff will work together to implement an EFMP Plus-up Program tailored for the Bay Area. This tailored-program will consist of an on-line application and processing platform that the ARB will provide to the Air District, and includes marketing to encourage participation in the program. Up to 15% of the funds may be used by the Air District to administer the program, with 10% available to support Air District staff that will manage applications and cases. The remaining 5% can be used for a subcontractor to market the program. The program is also being designed to complement the Air District's successful Vehicle BuyBack (VBB) Program, and will rely on data from the VBB Program to help identify eligible applicants.

Additional information about the EFMP Plus up program will be brought to this committee once the formal award has been made by the ARB, which is anticipated to be by early next year.

### *Funding from MTC*

MTC has identified electric vehicle (EV) infrastructure and incentives strategies in their Plan Bay Area 2040. Because the Air District is the lead agency in the region for implementing EV programs, MTC has proposed to award the Air District \$10 million in CMAQ funds through its Climate Initiatives Program to help further advance regional implementation of EVs. To enable this funding partnership, the Air District would over the next five years invest at least \$20 million to support MTC's strategy through its current light duty EV and Charging Programs, which were approved by its Board of Directors on April 19, 2017, and through the proposed funding from the ARB for the EFMP Plus-up Program. CMAQ funding criteria restricts direct investment in the Air District EV programs and therefore the Air District would direct the \$10 million to support CMAQ eligible activities through its Spare the Air Program and light-duty electric vehicle programs.

In total, \$30 million of Air District and CMAQ combined funding would be used to support electric vehicle programs and the Spare the Air program through 2022.



### *Funding from RFG*

The Foundation was recently notified that it has been awarded approximately \$1.3 million in Reformulated Gas (RFG) funding to help accelerate the adoption of zero- and near-zero-emission equipment and vehicles operating in and around the Port of Oakland and the surrounding West Oakland community. This award requires a match of at least \$1.3 million Air District funding that will be provided through a combination of Carl Moyer, Goods Movement, Mobile Source Incentive Funds, and/or TFCA funding in addition to other state funds, which are currently being applied for by the Air District. The Foundation has been notified that it would also receive any other left-over RFG funds that may be available from other projects that were conducted in other parts of California.

The Air District, under contract with the Foundation will offer incentive funding to vehicle and equipment operators to help them accelerate their adoption of zero- and near-zero-emission equipment and vehicles in use at or near the Port. Using a combination of funding from the RFG, Air District, and end-users (project sponsors), this proposal will reduce petroleum usage by electrifying a combination of equipment and vehicles, whose emissions are impacting the health of the West Oakland community.

Applications would be evaluated for their ability to reduce petroleum usage and air pollution. RFG and Air District funding would be awarded to projects that would most cost-effectively achieve these benefits, with funding prioritized for projects located at and closest to the Oakland Army Base and port properties (both airport and maritime port). The Air District will conduct a solicitation that is tentatively scheduled to open early next year and to evaluate the projects using the criteria of the RFG and any other funding sources that are applied as match. Staff would then bring the highest ranking recommended projects back to this Committee for consideration.

### BUDGET CONSIDERATION / FINANCIAL IMPACT

None. The Air District distributes “pass-through” funds to grantees on a reimbursement basis. All three funding sources also cover Air District staff administration program costs.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Joseph Steinberger and Chengfeng Wang

Reviewed by: Karen Schkolnick and Ranyee Chiang

Attachment A: Board Resolution to accept, obligate, and expend up to \$10 million in EFMP Plus-up Program funds from ARB

Attachment B: Board Resolution to accept, obligate, and expend up to \$10 million in CMAQ funds from MTC

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**RESOLUTION NO. 2017-\_\_\_\_\_**

**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 up to \$10 million from the California Air Resources Board to implement the  
Enhanced Fleet Modernization Program Plus-Up 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 or BAAQMD”) to accept, obligate, and expend up to \$10 million in funding from the California Air Resources Board (ARB) to implement an Enhanced Fleet Modernization Program (EFMP) Plus-up 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 California Legislature added item 3900-101-3228 to Section 2.00 of the Budget Act of 2016 which directs at least \$60 million of the Low Carbon Transportation appropriation be allocated for the EFMP and EFMP Plus-up program, a vehicle retirement and replacement program;

WHEREAS, on June 23, 2016, ARB adopted the Fiscal Year 2016-17 Funding Plan for Low Carbon Transportation and Fuels Investments and the Air Quality Improvement Program appropriating \$10 million for the EFMP Plus-up program to air districts that did not have a program, such as the BAAQMD, to achieve significant emission reductions by incentivizing lower-income California motorists living in or near disadvantaged communities to replace their older, high-emitting vehicles with newer, cleaner and more fuel-efficient vehicles or choose an alternative transportation mode option;

WHEREAS, on July 31, 2017, the Air District received final comments from ARB on its draft EFMP Plus-up plan and was requested to make a formal submission to ARB after which an award would be made to the Air District to commence its program;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby approves the District’s acceptance of ARB funds, and commits the Air District to comply with the ARB EFMP Plus-up regulatory 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.

Agenda 6 - Attachment A: Board Resolution to accept, obligate, and expend up to \$10 million from ARB to implement the EFMP Plus-Up Program

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 \_\_\_\_\_, 2017 by the following vote of the Board:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Liz Kniss  
Chair of the Board of Directors

ATTEST:

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Katie Rice  
Secretary of the Board of Directors

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**RESOLUTION NO. 2017-\_\_\_\_\_**

**A Resolution of the  
Board of Directors of the Bay Area Air Quality Management District  
Authorizing the Executive Officer/Air Pollution Control Officer to accept, obligate,  
and execute all agreements and amendments for Congestion Mitigation and Air  
Quality Improvement grant funding**

WHEREAS, the purpose of this Resolution is to authorize the Bay Area Air Quality Management District's (Air District) Executive Officer/Air Pollution Control Officer to accept, obligate, and execute all agreements, required documents, and amendments for Congestion Mitigation and Air Quality Improvement (CMAQ) grant funding from the Metropolitan Transportation Commission (MTC) on behalf of the Air District for Spare the Air and electric vehicle programs;

WHEREAS, MTC's Climate Initiatives Program identifies a variety of transportation strategies and programs that reduce per capita greenhouse gas (GHG) emissions to help meet per capita GHG emissions reduction targets established by the California Air Resources Board through SB 375;

WHEREAS, MTC receives funding from the Federal Highway Administration's CMAQ program and the goals of MTC's Climate Initiatives Program and the CMAQ program are well aligned with the goals of the Air District's Clean Air Plan;

WHEREAS, MTC has proposed to award the Air District \$10 million in CMAQ funds through its Climate Initiatives Program to support eligible activities through the Air District's Spare the Air Program and light-duty electric vehicle programs and to help further advance regional implementation of electric vehicles in partnership with the Air District;

WHEREAS, the Air District is eligible to receive Federal and/or State funding for certain Transportation Projects through Caltrans;

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 CMAQ funding with MTC, and any amendments thereto.

Agenda 6 - Attachment B: Board Resolution to accept, obligate and expend up to \$10 million in CMAQ funding for Spare the Air and electric vehicle programs

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 \_\_\_\_\_, 2017 by the following vote of the Board:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

ATTEST:

\_\_\_\_\_  
Katie Rice  
Secretary of the Board of Directors

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Liz Kniss and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: October 24, 2017

Re: Report of the Advisory Council Meeting of October 30, 2017

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RECOMMENDED ACTION

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

BACKGROUND

The Council will meet on Monday, October 30, 2017 and discuss the following items:

- A) Protecting Refinery Communities from Air Pollution;
- B) Air Monitoring and Attainment Status of Criteria Pollutant Standards in the San Francisco Bay Area;
- C) Advisory Council Next Area of Focus: Beyond Attainment - Prioritization for Local Health Impacts;
- D) Introduction of the Office of Environmental Health Hazard Assessment (OEHHA) in Anticipation of Future Discussion Regarding Particulate Matter Health Effects;
- E) Complexity of Particulate Matter and Its Effects on Human Health;
- F) Advisory Council Deliberation: Beyond Attainment – Prioritization for Local Health Impacts; and
- G) Advisory Council Terms

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: Marcy Hiratzka  
Reviewed by: Maricela Martinez

Attachment 7A: 10/30/17 – Advisory Council Meeting Agenda #4  
Attachment 7B: 10/30/17 – Advisory Council Meeting Agenda #5  
Attachment 7C: 10/30/17 – Advisory Council Meeting Agenda #6  
Attachment 7D: 10/30/17 – Advisory Council Meeting Agenda #7  
Attachment 7E: 10/30/17 – Advisory Council Meeting Agenda #8  
Attachment 7F: 10/30/17 – Advisory Council Meeting Agenda #9  
Attachment 7G: 10/30/17 – Advisory Council Meeting Agenda #10



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Stan Hayes and Members  
of the Advisory Council

From: Jack P. Broadbent  
Executive Officer/APCO

Date: October 16, 2017

Re: Protecting Refinery Communities from Air Pollution

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RECOMMENDED ACTION

None; receive and file.

BACKGROUND

In 2012, staff began a rule development process designed to address communities' concerns regarding air pollution from refineries and the potential of these emissions to increase due to changes in crude oil inputs. The Air District has taken a three-pronged approach to addressing these concerns: (1) *Direct regulation of emissions*; (2) *Capping risk from toxic air emissions*; and (3) *Closely monitoring crude oil properties and refinery pollution*.

Direct regulation of emissions is being implemented through traditional Best Available Retrofit Control Technology (BARCT) rulemaking required under the California Health and Safety Code. In October 2014, the Board directed staff to develop rules to reduce refinery emissions by 20% or as much as feasible by 2020. In December 2015, the Board approved three rules projected to reduce refining criteria pollutant emissions by 14%. In April 2016, the Board adopted a fourth rule that would reduce refining emissions by up to an additional 3%. Staff is working on two more rules that will further criteria pollutant emissions from refining operations. These rules will be brought to the Board for consideration in 2018.

Risk from toxic air contaminants will be capped under proposed Rule 11-18. This rule applies to all significant, multi-category, sources of risk, including the refineries. Under proposed Rule 11-18, impacted sources will have to minimize risk from toxic air pollutants to the lowest levels feasible. Proposed Rule 11-18 will be brought to the Board for consideration on November 15, 2017.

Air District staff can now closely monitor crude oil properties and refinery emissions due to the Board's adoption of Rule 12-15 in April 2016. This rule requires the refineries to make historical and ongoing data about crude oil properties available to the Air District. It also requires the refineries to install and operate fence-line monitoring systems and make that information available to the public. And, it increases the accuracy of the Air District's emissions inventory for the refineries. These tools, combined with community monitoring operated by the Air District, will

allow Air District staff to monitor changing crude slates and ensure that any significant changes in emissions due to changing crude slates can be identified and addressed.

## DISCUSSION

Staff will provide an update on all three tools being used to protect refinery communities from air pollution. Staff will also provide an update on the next steps in the coming year and how Assembly Bill 617 will fit into and extend and strengthen these efforts.

Regarding direct regulation; staff will provide detailed estimates of expected emission reductions from regulations already in place, including significant particulate matter reductions from fluid catalytic cracking units. Staff will also provide an updated schedule for rules that will further reduce emissions from refineries along with estimated emission reductions for those rules.

Regarding capping risk from toxic air contaminants; staff will provide an update on Rule 11-18, including changes made in response to comments from stakeholders and an estimate of the benefits of the proposed risk action levels.

Regarding refinery crude oil monitoring; staff will provide a status on the implementation of Rule 12-15 and will describe how the data collected under the rule will be used to identify any changes in emissions due to changes in crude oil properties, such as a possible switch to heavier and more sulfurous crudes from Canada or Venezuela.

Finally, staff will provide information on how the BARCT and community emission reduction plan requirements of AB 617 provide a roadmap for the next steps in reducing air emissions in refinery communities.

## BUDGET CONSIDERATIONS/FINANCIAL IMPACTS

No additional costs. This is an update on ongoing activities already accounted for in the current, approved budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Greg Nudd

**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: October 17, 2017

Re: Air Monitoring and Attainment Status of Criteria Pollutant Standards in the San  
Francisco Bay Area

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RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Much of the Bay Area Air Quality Management District's (Air District) past efforts have focused on bringing ambient concentrations of criteria pollutants below the state and federal standards. Although some of these standards have gradually become more stringent, the Air District has succeeded in reducing ambient concentrations such that attainment with federal and state standards has been almost entirely achieved. Continuous air monitoring tracks and documents whether these standards are met and maintained.

Staff will provide information on the current National Ambient Air Quality Standards (NAAQS), State Ambient Air Quality Standards (SAAQS), attainment status of the Air District for criteria pollutants and the locations of air monitoring stations throughout the Bay Area.

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/APCO

Date: October 10, 2017

Re: Advisory Council Next Area of Focus: Beyond Attainment – Prioritization for Local Health Impact

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RECOMMENDED ACTION

None; receive and file.

BACKGROUND

The San Francisco Bay Area is at, or near, attainment for criteria pollutants. Yet negative health effects from air pollution remain. The Bay Area Air Quality Management District (Air District) seeks to review its prioritization of efforts based on public health impact. The Air District has deployed its Community Air Risk Evaluation (CARE) program to identify locations that experience the highest levels of pollution-related health impacts. Important work remains to further characterize the nature and source of the impacts and to prioritize actions.

DISCUSSION

Federal and State standards in place for criteria pollutants provide targets for ambient air, but may not provide protection from local concentrations. In addition, progress in health science suggests that significant impacts may exist below the standards.

In seeking to prioritize its efforts based on health effects, the Air District is engaging in work to both better characterize local emissions, and to further advance the understanding of health impacts from those emissions. The cumulative effect of multiple pollutants is of importance in the most impacted locations. The effect of particulate matter is especially concerning in this regard. Particulate matter exists in a wide variety of forms, may serve as a carrier for other compounds, and may evolve rapidly after emission. Therefore, particulate matter is an appropriate first topic for review of the Air District's prioritization of actions to reduce public health effects from air pollution.

Air District staff will suggest future agenda items for this topic.

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/APCO

Date: October 10, 2017

Re: Introduction to the Office of Environmental Health Hazard Assessment (OEHHA) in  
Anticipation of Future Discussion Regarding Particulate Matter Health Effects

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

The Office of Environmental Health Hazard Assessment (OEHHA) has conducted several epidemiological studies on the health effects of particulate matter in California, and is working on a number of studies looking at other widespread air pollutants identified in the Clean Air Act. These studies join other studies done in California, nationally, or internationally that examine the health impacts of air pollution exposure.

Work at OEHHA has focused on a number of areas based on two legislative mandates: 1) the ascertainment of air pollution constituents most strongly linked to disease, and 2) the identification of subpopulations most vulnerable to the impacts of pollutants (e.g. young children, the elderly, low socioeconomic status individuals).

DISCUSSION

The Bay Area Air Quality Management District anticipates an ongoing discussion with OEHHA and the Advisory Council regarding approaches to mitigation of local health effects due to particulate matter.

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/APCO

Date: October 10, 20017

Re: Complexity of Particulate Matter and its Effects on Human Health

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Although the Bay Area is near attainment for criteria air pollutants, many local concerns remain, especially for certain disproportionality affected communities. The Air District employs its Community Air Risk Evaluation (CARE) program to characterize and address the disproportionate air quality impacts around the Bay Area. Particulate Matter (PM) may have the largest air quality impact on public health in these areas.

Particulate matter (PM) is a broad designation for a complex set of materials. PM may include dry solid fragments, solid cores with liquid coatings and small droplets of liquid, as well as varying combinations of these forms. The shape, size and chemical composition extend across a wide range including sources related to soot, soil, dust and combustion.

DISCUSSION

Professor Michael Kleinman will discuss the role of toxic organic components of ambient particles in the development of inflammation and oxidative stress that leads to damage of the heart, lung and brain. Studies demonstrate neurological and cardiopulmonary effects of inhaled particles, including nanomaterials and ultrafine, fine and coarse ambient particles in humans and laboratory animals. Professor Kleinman's recent health effects studies have demonstrated that inhalation of combustion-generated particles can promote airway allergies and accelerate the development of cardiovascular disease and that these effects may be associated with organic and elemental carbon components of the ultrafine fraction of the ambient aerosol. His studies have also demonstrated that inhalation of ambient particles is associated with persistent inflammation in the brain and that particles associated with manganese can alter dopamine and serotonin levels in the brain and can cause changes in nerve structure during brain development. Professor Kleinman's recent work also includes studies of firefighter exposure to particulate matter.

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/APCO

Date: October 10, 2017

Re: Advisory Council Deliberation: Beyond Attainment – Prioritization for Local Health  
Impacts

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RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Following presentations regarding the Bay Area attainment status for criteria pollutants and particulate matter, the Advisory Council will deliberate on the information provided, and on next steps to inform the Council further on these topics

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/APCO

Date: October 10, 2017

Re: Advisory Council Terms

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RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Per the Health and Safety Code Section 40263, each Council Member shall hold office for a term of two years and until the appointment and qualification of his/her successor.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Jeff McKay

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Liz Kniss and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: October 26, 2017

Re: 2017 Summer Spare the Air Season Summary

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RECOMMENDED ACTION

None; receive and file.

BACKGROUND

The Spare the Air program is now in its 26<sup>th</sup> year. Spare the Air continues to be a highly recognized program and generally well received by the public. Survey data indicate that more than 80% of Bay Area residents are aware of the Spare the Air program and more than 75% view it favorably. Each season the advertising campaign helps to elevate the visibility of the Spare the Air alerts when air quality is forecast to be unhealthy.

DISCUSSION

The 2017 Spare the Air season was book-ended this year by heat waves at the beginning and end of the summer. Temperatures in September reached record levels throughout the Bay Area including 106 in San Francisco. Air quality was made worse by smoke from northern California wildfires coming down from the northern Sacramento Valley and from northern California/southern Oregon. Smoke was blowing out to sea and then brought back in through the Golden Gate. Visibility became poor and the region reached the “Unhealthy” and “Very Unhealthy” stage during the late summer heat wave.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding for the Spare the Air campaign was included in the FY2016/17 and FY2017/18 budgets.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Lisa Fasano  
Reviewed by: Jean Roggenkamp

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

## Memorandum

To: Chairperson Liz Kniss and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: October 24, 2017

Re: Winter Spare the Air Season 2017-18 Update

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**RECOMMENDED ACTION**

None; receive and file.

**BACKGROUND**

In the winter, the estimated 1.4 million fireplaces and other wood-burning residential heating devices account for more than 30% of PM<sub>2.5</sub> air pollution in the Bay Area. On July 9, 2008, the Bay Area Air Quality Management District's (Air District) Board of Directors (Board) adopted Regulation 6, Rule 3: Wood-Burning Devices, to protect Bay Area residents from the public health impacts of wood smoke pollution. Wood-burning devices include fireplaces, fire pits, wood stoves, pellet stoves, and any other wood-fired heating device. The rule bans wood burning during Winter Spare the Air Alerts; limits excess visible smoke; prohibits burning garbage; prohibits the sale and installation of non-EPA certified wood-burning devices; and requires labeling on firewood and other solid fuels sold within the Air District's jurisdiction.

Regulation 6, Rule 3 has successfully reduced wintertime PM<sub>2.5</sub> emissions regionally by about 2,660 tons per year (tpy). However, wood smoke continues to exceed the PM<sub>2.5</sub> federal health standard, and to negatively impact local air quality. On October 21, 2015, the Board adopted amendments to the rule that tighten the exemptions and the requirements from the original rule. The amendments to Regulation 6, Rule 3 include the following provisions:

- Restrictions on the availability of the "sole source of heat" exemption: Residents seeking to use the exemption will be required to replace or upgrade any existing non-certified wood-burning device or fireplace with an EPA-certified wood-burning device, and to register that EPA-certified device with the Air District;
- Adoption of EPA emissions requirements for the manufacturing, sale or resale of wood-burning devices;
- Requirement for a proactive and informative disclosure describing the negative health impacts of PM<sub>2.5</sub> when selling, leasing, or renting properties with a wood-burning device;

- Requirement for rental properties in natural gas service areas to have a permanently installed form of heat that does not burn solid fuel;
- Limits on installations in new building construction to only non-wood-burning devices; and
- Requirements for the replacement of an existing uncertified wood-burning device with a clean burning device if a fireplace or chimney remodel exceeds \$15,000 and requires a building permit.

In addition to the proposed rule change, on September 2, 2015, the Board allocated \$3 million from the Air District's reserves to fund an incentive program to aid Bay Area homeowners and landlords to change to cleaner heating devices.

The Winter Spare the Air campaign highlighted changes to the wood burning rule, publicize the benefits of changing out old fireplaces and continued to focus on the localized health impacts from wood smoke.

#### DISCUSSION

Staff will present an update on the Wood Smoke Reduction Program including information about:

- Regulation 6, Rule 3 implementation.
- The Wood Smoke Reduction Incentive Program that was developed to help Bay Area homeowners and landlords replace their wood-burning heating devices with cleaner options.
- The Winter Spare the Air campaign which highlights changes to the wood burning rule, publicizes the benefits of replacing old fireplaces and continue to focus on the localized health impacts from wood smoke.

#### BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Wayne Kino  
Reviewed by: Jeff McKay

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

## Memorandum

To: Chairperson Liz Kniss and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: October 26, 2017

Re: Informational Presentation on Toxic Air Contaminants and Control Programs

**RECOMMENDED ACTION**

None; receive and file.

**BACKGROUND**

Toxic air contaminants (TACs) are air pollutants, which may cause or contribute to an increase in mortality or in serious illness, or which may pose a potential hazard to human health. For nearly 30 years, the Air District has implemented programs that are designed to identify and reduce the public's exposure to TACs. Air District and state toxic programs have reduced the average Bay Area cancer risk from TACs by about 83% over the last two decades. However, TAC emissions from mobile and stationary sources remain a significant driver of both cancerous and non-cancerous public health impacts to residents and workers in local Bay Area communities.

**DISCUSSION**

The mitigation of TACs from permitted facilities represent an important part of the Air District's overall risk reduction strategy. The Air District mitigates TAC emissions from regulated facilities through a variety of programs including:

- Community Air Risk Evaluation (CARE)
- AB2588 Air Toxics "Hot Spots" Program
- BAAQMD Regulation 2, Rule 5: Air Toxics New Source Review Program
- Stationary Source Control Measures
- California Environmental Quality Act (CEQA)

Staff will provide an overview of TACs emitted in the Bay Area, the programs above which regulate their emission, as well as health risk assessment methodologies used to quantify risk, and control technologies used to limit TAC emissions from stationary sources.



BUDGET CONSIDERATION/FINANCIAL IMPACT

None. Activities accounted for in approved budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Jaime Williams  
Reviewed by: Damian Breen