



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
MOBILE SOURCE COMMITTEE

COMMITTEE MEMBERS

DAVID CANEPA – CHAIR
PAULINE RUSSO CUTTER
DAVID HUDSON
KAREN MITCHOFF
LORI WILSON

TYRONE JUE – VICE CHAIR
SCOTT HAGGERTY
LIZ KNISS
KATIE RICE

**THIS MEETING WILL BE CONDUCTED UNDER PROCEDURES AUTHORIZED BY
EXECUTIVE ORDER N-29-20 ISSUED BY
GOVERNOR GAVIN NEWSOM**

- **THE PUBLIC MAY OBSERVE THIS MEETING THROUGH THE WEBCAST BY
CLICKING THE LINK AVAILABLE ON THE AIR DISTRICT’S AGENDA
WEBPAGE AT**

www.baaqmd.gov/bodagendas

- **THE PUBLIC MAY PARTICIPATE REMOTELY VIA ZOOM AT THE
FOLLOWING LINK OR BY PHONE**

<https://bayareametro.zoom.us/j/84455214794>

(669) 900-6833 or (408) 638-0968

WEBINAR ID: 844 5521 4794

- **THOSE PARTICIPATING BY PHONE WHO WOULD LIKE TO MAKE A
COMMENT CAN USE THE “RAISE HAND” FEATURE BY DIALING “*9”. IN
ORDER TO RECEIVE THE FULL ZOOM EXPERIENCE, PLEASE MAKE SURE
YOUR APPLICATION IS UP TO DATE**

**THURSDAY
DECEMBER 3, 2020
11:30 A.M.**

AGENDA

1. CALL TO ORDER - ROLL CALL

PLEDGE OF ALLEGIANCE

PUBLIC MEETING PROCEDURE

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

This meeting will be webcast. To see the webcast, please visit www.baaqmd.gov/bodagendas at the time of the meeting. Closed captioning may contain errors and omissions and are not certified for their content or form.

***Public Comment on Agenda Items** The public may comment on each item on the agenda as the item is taken up. Members of the public who wish to speak on matters on the agenda for the meeting, will have three minutes each to address the Committee. No speaker who has already spoken on that item will be entitled to speak to that item again.*

Staff/Phone (415) 749-

2. APPROVAL OF THE MINUTES OF OCTOBER 19, 2020

Clerk of the Boards/5073

The Committee will consider approving the attached draft minutes of the Mobile Source Committee meeting of October 19, 2020.

3. PROJECTS AND CONTRACTS WITH PROPOSED GRANT AWARDS OVER \$100,000

K. Schkolnick/5070

kschkolnick@baaqmd.gov

The Committee will consider recommending the Board of Directors approve the award of Carl Moyer Program and Transportation Fund for Clean Air Program funding to projects with proposed grant awards in excess of \$100,000 and authorizing the Executive Officer/APCO to execute grant agreements for the recommended projects.

4. **REPORT ON TRANSPORTATION FUND FOR CLEAN AIR (TFCA) PROJECTS EXPENDITURES AND EFFECTIVENESS FOR FISCAL YEAR ENDING 2020**

K. Schkolnick/5070

kschkolnick@baaqmd.gov

The Committee will receive an informational report summarizing the findings of the Fiscal Year Ending 2020 Report of Expenditures and Effectiveness of Transportation Fund for Clean Air (TFCA) Regional Fund and Air District-sponsored projects.

5. **TRANSPORTATION FUND FOR CLEAN AIR PROGRAM REGIONAL FUND PROJECTS - AUDIT #21 RESULTS**

K. Schkolnick/5070

kschkolnick@baaqmd.gov

The Committee will receive an informational report summarizing the findings of the financial and compliance audits (Audit #21) of Transportation Fund for Clean Air (TFCA) Regional Fund projects.

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

Members of the public who wish to speak on matters not on the agenda for the meeting, will have three minutes each to address the Committee

7. **COMMITTEE MEMBER COMMENTS**

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)

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

Thursday, January 28, 2021, at 9:30 a.m. via webcast, pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom.

9. **ADJOURNMENT**

The Committee meeting shall be adjourned by the Committee Chair.

CONTACT:

MANAGER, EXECUTIVE OPERATIONS
375 BEALE STREET, SAN FRANCISCO, CA 94105
vjohnson@baaqmd.gov

(415) 749-4941
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- 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 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, Terri Levels, at (415) 749-4667 or by email at tlevels@baaqmd.gov

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

375 BEALE STREET, SAN FRANCISCO, CA 94105

FOR QUESTIONS PLEASE CALL (415) 749-4941

EXECUTIVE OFFICE:

MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

DECEMBER 2020

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Special Meeting	Wednesday	2	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Legislative Committee - CANCELLED	Thursday	3	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Mobile Source Committee	Thursday	3	11:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Advisory Council Meeting	Thursday	3	2:00 p.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Ad Hoc Committee on Equity, Access, and Inclusion	Monday	14	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Special Meeting	Wednesday	16	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors & Advisory Council Joint Meeting	Wednesday	16	10:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Stationary Source Committee	Thursday	17	11:30 a.m.	Webcast only pursuant to Executive Order N-29-20

AD – 11/25/2020 – 12:10 PM

G/Board/Executive Office/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson David Canepa and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: November 19, 2020

Re: Approval of the Minutes of October 19, 2020

RECOMMENDED ACTION

Approve the attached draft minutes of the Mobile Source Committee (Committee) meeting of October 19, 2020.

DISCUSSION

Attached for your review and approval are the draft minutes of the Mobile Source Committee meeting of October 19, 2020.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

Attachment 2A: Draft Minutes of the Mobile Source Committee Meeting of October 19, 2020

AGENDA: 2A – ATTACHMENT

Draft Minutes – Mobile Source Committee Meeting of October 19, 2020

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

DRAFT MINUTES

Summary of Board of Directors
Mobile Source Committee Meeting
Monday, October 19, 2020

This meeting was conducted under procedures authorized by executive order N-29-20 issued by Governor Gavin Newsom. Members of the committee participated by teleconference.

1. CALL TO ORDER – ROLL CALL

Mobile Source Committee (Committee) Chair, David Canepa, called the meeting to order at 9:32 a.m.

Present: Chairperson David Canepa; Vice Chair Tyrone Jue; and Directors Pauline Russo Cutter, Scott Haggerty, David Hudson, Liz Kniss, Karen Mitchoff, Katie Rice, and Lori Wilson.

Absent: None.

Also Present: Board Chairperson Rod Sinks.

2. APPROVAL OF THE MINUTES OF SEPTEMBER 24, 2020

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director Hudson made a motion, seconded by Director Cutter, to **approve** the Minutes of September 24, 2020; and the motion carried by the following vote of the Committee:

AYES: Canepa, Cutter, Haggerty, Hudson, Kniss, Mitchoff, Rice, Sinks.
NOES: None.
ABSTAIN: None.
ABSENT: Jue, Wilson.

3. PROJECTS AND CONTRACTS WITH PROPOSED GRANT AWARDS OVER \$100,000

Karen Schkolnick, Division Director of Strategic Incentives, introduced Ken Mak, Supervising Staff Specialist, who gave the staff presentation *Projects and Contracts with Proposed Awards Over \$100,000*, including: overview; Carl Moyer Program (CMP), Mobile Source Incentive Fund (MSIF), Community Health Protection (CHP), and Funding Agricultural Replacement Measures for Emission Reductions (FARMER) project recommendations over \$100,000; Transportation Fund for Clean Air (TFCA) project recommendations over \$100,000; incentive funding awarded and recommended since July 2020 by funding source, project category, and county; incentive funding offered by Air District; and recommended actions.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed the variability of projects' cost-effectiveness, and why some projects perform better than others; the need for additional grants for public charging stations; the hope that grants are intentionally awarded to projects within Air District Community Air Risk Evaluation areas; and whether the Carl Moyer Program can fund fireplace replacement projects.

Committee Action

Director Hudson made a motion, seconded by Board Chair Sinks, to recommend that the Board **approve** recommended projects with proposed grant awards over \$100,000 and **authorize** the Executive Officer/Air Pollution Control Officer to enter into all necessary agreements with applicants for the recommended projects;

AYES: Canepa, Cutter, Haggerty, Hudson, Jue, Kniss, Mitchoff, Rice, Sinks.
NOES: None.
ABSTAIN: None.
ABSENT: Wilson.

4. PROPOSED UPDATES TO THE TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND POLICIES FOR FISCAL YEAR ENDING (FYE) 2022

Ms. Schkolnick introduced Hannah Cha, Staff Specialist, who gave the staff presentation *Proposed Updates to the Transportation Fund for Clean Air County Program Manager Fund Policies for FYE 2022*, including: overview; TFCA; tentative timeline for update to FYE 2022 policies; summary of proposed updates for FYE 2022 general policies and clean air vehicles and trip reduction; coordination with County Program Managers on policies; and recommended action.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed how eligible bicycle projects for Updated Policy #30 can be identified and groomed for the necessary environmental review process; types of projects the telecommuting policy may yield; whether the Air District is providing funds for electric bicycles; the status of all Air District bicycle funding programs; and local jurisdictions’ current practices for decommissioning old fleet vehicles, and the suggestion that the Air District help compile and share these practices.

Committee Action

Director Kniss made a motion, seconded by Director Rice, to recommend that the Board **approve** proposed updates to the Transportation Fund for Clean Air County Program Manager Regional Fund Policies for Fiscal Year Ending 2022; and the motion carried by the following vote of the Committee:

AYES: Canepa, Cutter, Haggerty, Hudson, Jue, Kniss, Mitchoff, Rice, Sinks.
NOES: None.
ABSTAIN: None.
ABSENT: Wilson.

5. PROPOSED ALLOCATION OF MOBILE SOURCE INCENTIVE FUNDS FOR ELECTRIC VEHICLE CHARGING PROJECTS

NOTED PRESENT: Director Wilson was noted present at 9:57 a.m.

Anthony Fournier, Technology Implementation Officer, introduced Mark Tang, Staff Specialist, who gave the staff presentation *Allocation of Mobile Source Incentive Funds for Electric Vehicle (EV) Charging Projects*, including: overview; MSIF and TFCA; Charge! program and facility types; Bay Area EV chargers; Charge! program FYE 2021; and recommended action.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed the currently designated Assembly Bill (AB) 617 communities in the Bay Area; the need for Charge! program projects in the Northern Bay Area counties; and the needs assessment that has been conducted in the Bay Area for EV charging infrastructure.

Committee Action

Director Hudson made a motion, seconded by Director Kniss, to recommend that the Board **approve** allocating \$1 million in Mobile Source Incentive Funds for electric vehicle charging projects at multi-unit dwellings in AB 617 communities; and the motion carried by the following vote of the Committee:

AYES: Canepa, Cutter, Haggerty, Hudson, Jue, Kniss, Mitchoff, Rice, Sinks, Wilson.
NOES: None.
ABSTAIN: None.
ABSENT: None.

6. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

7. COMMITTEE MEMBER COMMENTS

Board Chair Sinks announce that the Air District is hosting Climate Tech Marketplace 2020 on October 22, 2020, from 10:00 a.m. to 1:00 p.m. This free online event will showcase emerging technologies that reduce greenhouse gases, bringing together technology developers, local governments, investors, and potential technology customers. The event will also feature panel discussions on climate resilience, equity, and government innovation, as well as a live technology exhibitor showcase. Registration can be found on the Air District’s website.

8. TIME AND PLACE OF NEXT MEETING

At the conclusion of the meeting, it was announced that the next meeting would be scheduled at the Call of the Chair. After the meeting adjourned, the next meeting was scheduled for Thursday, December 3, 2020, at 11:30 a.m., via webcast, pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom.

9. ADJOURNMENT

The meeting adjourned at 10:46 a.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson David Canepa and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: November 19, 2020

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

RECOMMENDED ACTIONS

Recommend Board of Directors:

1. Approve recommended 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

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

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

On March 4, 2020, the Board of Directors (Board) authorized Air District participation in Year 22 of the CMP and authorized the Executive Officer/APCO to execute grant agreements and amendments for projects funded with CMP funds or MSIF revenues with individual grant award amounts up to \$100,000.

In 2017, AB 617 directed the CARB, in conjunction with local air districts to establish the Community Air Protection Program (CAPP). AB 617 provides a new community-focused action framework to improve air quality and reduce exposure to criteria air pollutants and toxic air contaminants in communities most impacted by air pollution. AB 617 includes a variety of strategies to address air quality issues in impacted communities, including community-level monitoring, uniform emission reporting across the State, stronger regulation of pollution sources, and incentives for both mobile and stationary sources. Funding for incentives to support the AB 617 effort was approved by the California Legislature beginning in fiscal year ending (FYE) 2018. Funding for the CAPP comes from the State's Greenhouse Gas Reduction Fund (GGRF), which is used to reduce criteria pollutants, toxic air contaminants, and greenhouse gases.

In May 2020, the Governor issued a revised budget that authorized up to \$200 million for a third cycle of CAPP incentive funding. On June 17, 2020, the Board authorized the Air District to accept, obligate, and expend up to \$40 million in year-3 CAPP funding. These funds are primarily distributed through the Air District's Community Health Protection Grant Program to implement projects eligible under the CMP and optionally on-road truck replacements under the Proposition 1B Goods Movement Emission Reduction Program. Staff has also begun working with CARB to expand eligibility to include stationary source projects and projects that are identified as priorities by communities with a State-approved Community Emissions Reduction Program, pursuant to HSC Section 44391.2.

CARB developed the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program Guidelines in February 2018 that outlines requirements for eligible equipment, e.g., agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations. On October 21, 2019, CARB's Executive Officer approved an update to the FARMER Program Guidelines to include eligibility criteria for demonstration projects. The 2020 California State Budget appropriated \$65 million in Fiscal Year 2019-20 GGRF funds to the CARB for the continued reduction of criteria, toxic, and greenhouse gas emissions from the agricultural sector through the FARMER Program. On November 20, 2019, the Board authorized the Air District's participation in the current cycle of the FARMER program.

In 1991, the California State Legislature authorized the Air District to impose a \$4 surcharge on motor vehicles registered within the nine-county Bay Area to fund projects that reduce on-road motor vehicle emissions within the Air District's jurisdiction. The statutory authority and requirements for the Transportation Fund for Clean Air (TFCA) are set forth in the 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 program) and to a program referred to as the Regional Fund. Each year, the Board allocates funding and adopts policies and evaluation criteria that govern the expenditure of TFCA monies. The remaining forty percent of TFCA funds are pass-through funds that are awarded to the designated County Program Manager in each of the nine counties within the Air District's jurisdiction.

On April 15, 2020 and July 15, 2020, the Board authorized funding allocations for use of the sixty percent of the TFCA revenue in FYE 2021, cost-effectiveness limits for Air District-sponsored FYE 2021 programs, and the Executive Officer/APCO to execute grant agreements and amendments for projects with individual grant award amounts up to \$100,000. On June 3, 2020, the Board adopted policies and evaluation criteria for the FYE 2021 Regional Fund program.

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 grant applications based upon the respective governing policies and guidelines established by the CARB, the Board, and other funding agencies.

DISCUSSION

Carl Moyer Program and Community Health Protection Grant Program:

For the FYE 2021, the Air District had approximately \$45.9 million available in new CMP, MSIF, Community Health Protection Grant Program, and FARMER funds for eligible projects, including approximately \$3.4 million from prior year funds. The Air District accepts project applications on a rolling basis and evaluates them on a first-come, first-served basis.

As of November 2, 2020, the Air District had received or evaluated 27 project applications. Of the applications that were evaluated between September 26, 2020 and November 2, 2020, eight eligible projects have proposed grant awards over \$100,000. Three marine projects will replace four pieces of diesel engines to cleaner engines. Five off-road projects will replace five pieces of mobile, diesel-powered agricultural equipment and seven pieces of diesel-powered construction equipment. These projects will reduce over 13.6 tons of NOx, ROG and PM per year. Staff recommends the allocation of \$2,739,150 for these projects from a combination of CMP, FARMER, Community Health Protection, and MSIF revenues. Attachment 1, Table 1, provides additional information on these projects.

Attachment 2 lists all of the eligible projects that have been awarded by the Air District between July 1, 2020 and November 2, 2020, and includes information about equipment category, award amounts, estimated emissions reductions, and county location. To date, approximately 39% of the funds have been awarded to projects that reduce emissions in Air District designated Community Air Risk Evaluation, or CARE areas, and approximately 48% have been awarded to projects benefitting disadvantaged (SB 535) and low-income (AB 1550) communities.

Transportation Fund for Clean Air Program:

For the FYE 2021, the Air District had approximately \$31.44 million in TFCA monies available for eligible projects and programs. The Air District accepts project applications for certain project categories on a rolling basis and evaluates them on a first-come, first-served basis.

As of November 2, 2020, the Air District had received six project applications. Of the applications that were evaluated between September 26, 2020 and November 2, 2020, there is one project with proposed grant award over \$100,000. This project will provide incentives to shift single-occupancy modes going through the congested State Route 37 to ridesharing and will reduce over 0.387 tons of NOx, ROG, and PM per year. Staff recommends allocating \$184,500 in TFCA funds for this project. Attachment 1, Table 2, provides additional information on this project.

Attachment 3, Table 1, lists all eligible TFCA projects that have been evaluated and awarded between July 1, 2020 and November 2, 2020, including information about the project category, award amount, estimated emissions reduction, and county location. To date, approximately 31% of the funds have been awarded to projects that reduce emissions in Air District designated Community Air Risk Evaluation, or CARE areas, and approximately 40% have been awarded to projects benefitting disadvantaged (SB 535) and low-income (AB 1550) communities.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. The Air District distributes the CMP, MSIF, Community Health Protection Grant Program, and TFCA funding to project sponsors on a reimbursement basis. Funding for administrative costs is provided by each funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

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

- Attachment 1: Projects with grant awards greater than \$100,000
- Attachment 2: CMP/MSIF, FARMER and Community Health Protection Grant Program projects awarded and allocated between 7/1/20 and 11/2/20
- Attachment 3: TFCA projects awarded and allocated projects between 7/1/20 and 11/2/20
- Attachment 4: Summary of funding awarded and allocated between 7/1/20 and 11/2/20

AGENDA 3 - ATTACHMENT 1

Table 1 - Carl Moyer Program/ Mobile Source Incentive Fund, FARMER, and Community Health Protection Grant Program projects with grant awards greater than \$100k (Evaluated between 9/26/20 and 11/2/20)

Project #	Applicant name	Project Category	Project Description	Proposed contract award	Total project cost	Emission Reductions (Tons per year)			County
						NO _x	ROG	PM	
21MOY172	George Chiala Farms, Inc.	Ag/ off-road	Replacement of one diesel tractor and one diesel tractor/crawler	\$ 512,750.00	\$ 662,932	1.656	0.154	0.089	Santa Clara
21MOY226	Columbia Electric, Inc.	Off-Road	Replacement of two construction diesel backhoes	\$ 141,000	\$ 327,630	0.532	0.038	0.035	Alameda/ Contra Costa/ Santa Clara
21MOY274	Green Valley Cattle Co.	Ag/Off-road	Replacement of one diesel tractor, one diesel tractor-loader, and one diesel tractor with a mounted forklift	\$ 120,500	\$ 192,873	0.205	0.035	0.021	Solano
21MOY277	R.J.S. & Associates, Inc.	Off-Road	Replacement of five pieces of diesel construction equipment including one excavator, one backhoe, one backhoe/loader, and two telehandlers	\$ 345,500	\$ 948,943.00	1.815	0.171	0.107	Santa Clara/ Alameda
22MOY3	San Francisco Water Emergency Transportation Authority	Marine	Replacement of two diesel marine engines on a ferry servicing three counties	\$ 1,166,000	\$ 1,228,385	5.574	0.497	0.186	Alameda
22MOY4	Happy Hooker Sportfishing	Marine	Replacement of one diesel marine engine on a charter fishing vessel	\$ 128,000	\$ 160,021	0.307	-0.008	0.019	Alameda
22MOY6	Mazzetta Dairy	Ag/ off-road	Replacement one agricultural diesel rubber-tired loader	\$ 185,400.00	\$ 231,796	1.155	0.106	0.066	Sonoma
22MOY13	Lion Fisheries, LLC.	Marine	Replacement of one diesel marine engine on a commercial fishing vessel	\$ 140,000	\$ 175,976	0.898	-0.013	0.036	San Mateo
8 Projects				\$ 2,739,150	\$ 3,928,556	12.143	0.979	0.558	

Table 2 - Transportation Fund for Clean Air projects with grant awards greater than \$100k (Evaluated between 9/26/20 and 11/2/20)

Project #	Applicant name	Project Category	Project Description	Proposed contract award	Total project cost	Emission Reductions (Tons per year)			County
						NO _x	ROG	PM	
20R14	Solano Transportation Authority	Trip Reduction	State Route 37 Rideshare	\$ 184,500	\$ 205,000	0.104	0.113	0.169	Multi-County
1 Project				\$ 184,500	\$ 205,000	0.104	0.113	0.169	

AGENDA 3 - ATTACHMENT 2

*CMP/MSIF, FARMER and Community Health Protection Grant Program projects awarded and allocated
(between 7/1/20 and 11/2/20)*

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	CARE Area	AB1550/SB535 Area	County
						NOx	ROG	PM				
21MOY203	Ag/ off-road	Equipment replacement	1	\$ 60,000.00	Rider Vineyards dba Joseph Rider	0.104	0.005	0.006	APCO	No	No	Napa
21MOY198	On-road	Equipment replacement	1	\$ 10,000.00	EPP Transport, LLC	0.181	0.015	0.000	APCO	Yes	Yes	Alameda
21MOY206	Ag/ off-road	Equipment replacement	2	\$ 90,840.00	Hudson Vineyards LLC	0.162	0.005	0.009	APCO	No	No	Napa
21MOY210	On-road	Equipment replacement	1	\$ 20,000.00	Samuel's Trucking	0.466	0.039	0.003	APCO	Yes	Yes	Alameda
21MOY217	On-road	Equipment replacement	1	\$ 25,000.00	Daxin Trucking, LLC	0.566	0.048	0.000	APCO	Yes	Yes	Alameda
21MOY208	Ag/ off-road	Equipment replacement	2	\$ 76,300.00	M. German & Son Partnership	0.345	0.055	0.028	APCO	No	No	Solano
21MOY209	Ag/ off-road	Equipment replacement	1	\$ 48,800.00	Lum Family Farms, Inc.	0.145	0.026	0.018	APCO	No	No	Solano
21MOY214	Ag/ off-road	Equipment replacement	5	\$ 255,400.00	Robledo Vineyard Mgmt., LLC	0.563	0.092	0.061	TBD	No	No	Sonoma/ Napa
21MOY212	On-road	Equipment replacement	1	\$ 40,000.00	Ram Harak & Son Trucking	0.352	0.030	0.002	APCO	Yes	Yes	Alameda
21MOY235	Ag/ off-road	Equipment replacement	1	\$ 82,580.00	Mertens Dairy	0.213	0.038	0.028	APCO	No	No	Sonoma
21MOY228	Ag/ off-road	Equipment replacement	3	\$ 130,200.00	Turnbull Wine Cellars	0.191	0.037	0.026	TBD	No	No	Napa
21MOY239	Ag/ off-road	Equipment replacement	4	\$ 170,100.00	Michael Wolf Vineyard Services, Inc.	0.206	0.016	0.021	TBD	No	Yes	Napa
21MOY121	On-road	Equipment replacement	1	\$ 15,000.00	Prabhjit	0.321	0.027	0.000	APCO	No	Yes	San Joaquin
21MOY218	Ag/ off-road	Equipment replacement	2	\$ 76,100.00	Richard A. Zimmerman	0.194	0.030	0.017	APCO	No	No	Solano
21MOY240	On-road	Equipment replacement	1	\$ 20,000.00	Sunny Trucking	0.301	0.025	0.000	APCO	No	Yes	San Joaquin
21MOY227	On-road	Equipment replacement	1	\$ 40,000.00	Streamline Trans Inc., dba DM Trucking	0.836	0.071	0.006	APCO	Yes	Yes	Alameda
21MOY246	On-road	Equipment replacement	1	\$ 30,000.00	Ali Transportation	0.375	0.032	0.000	APCO	Yes	No	Alameda
21MOY241	Ag/ off-road	Equipment replacement	1	\$ 62,950.00	Wight Vineyard Management, Inc.	0.126	0.008	0.008	APCO	No	Yes	Napa
21MOY102	Off-Road	Equipment replacement	1	\$ 62,830.00	San Mateo Union High School District	0.184	0.041	0.033	APCO	No	Yes	San Mateo
21MOY166	Ag/ off-road	2-for-1 Equipment Replacement	1	\$ 39,400.00	Beckstoffer Vineyards Napa Valley	0.250	0.037	0.025	APCO	No	No	Napa

AGENDA 3 - ATTACHMENT 2

*CMP/MSIF, FARMER and Community Health Protection Grant Program projects awarded and allocated
(between 7/1/20 and 11/2/20)*

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	CARE Area	AB1550/SB535 Area	County
						NOx	ROG	PM				
21MOY223	On-road	Equipment replacement	1	\$ 30,000.00	Oakland Container Trucking	0.525	0.038	0.000	APCO	Yes	Yes	Alameda
21MOY265	Ag/ off-road	Equipment replacement	1	\$ 182,700.00	Paul P. Bianchi, Inc	1.251	0.138	0.079	TBD	No	No	Sonoma
21MOY245	Ag/ off-road	Equipment replacement	4	\$ 143,400.00	Ilsley Brothers Farming, LLC	0.209	0.078	0.035	TBD	No	No	Napa
21MOY236	Ag/ off-road	Equipment replacement	1	\$ 604,150.00	Morrison Cazares Boyer Construction, Inc.	1.060	0.098	0.056	TBD	No	No	Napa
21MOY232	Off-Road	Equipment replacement	1	\$ 125,000.00	L.H. Voss Materials	0.725	0.036	0.018	TBD	Yes	Yes	Alameda/ Contra Costa
21SBP196	School Bus	Equipment replacement	2	\$ 260,707.00	Fairfield-Suisun Unified School District	0.113	0.001	0.000	TBD	No	Yes	Solano
21MOY264	On-road	Equipment replacement	2	\$ 120,000.00	McKim Corp	2.260	0.160	0.014	TBD	Yes	Yes	Santa Clara
21MOY249	On-road	Equipment replacement	1	\$ 25,000.00	Jeevan Trucking, Inc.	0.478	0.040	0.000	APCO	Yes	Yes	Alameda
21MOY221	Ag/ off-road	Equipment replacement	2	\$ 91,650.00	Robert J Camozzi II	0.211	0.024	0.021	APCO	No	No	Sonoma
21MOY257	On-road	Equipment replacement	1	\$ 25,000.00	Harpinderpal Singh	0.466	0.035	0.000	APCO	Yes	Yes	Alameda
21MOY238	Ag/ off-road	Equipment replacement	1	\$ 64,700.00	Foley Family Farms, LLC	0.141	0.018	0.012	APCO	No	No	Sonoma
21MOY281	Ag/ off-road	Equipment replacement	1	\$ 42,200.00	Palm Drive Vineyards, LLC	0.044	0.005	0.006	APCO	No	No	Sonoma
21MOY233	Ag/ off-road	Equipment replacement	1	\$ 62,000.00	RR Farms	0.071	0.011	0.008	APCO	No	No	Sonoma
21MOY272	Ag/ off-road	Equipment replacement	1	\$ 58,000.00	StoneMar Properties, LLC	0.100	0.005	0.006	APCO	No	No	Contra Costa
21MOY280	Ag/ off-road	Equipment replacement	1	\$ 64,400.00	Barbour Vineyards Management LLC	0.113	0.007	0.007	APCO	No	No	Napa
21MOY274	Ag/ off-road	Equipment replacement	3	\$ 120,500.00	Green Valley Cattle Co.	0.205	0.035	0.021	TBD	No	No	Solano
21MOY251	Ag/ off-road	Equipment replacement	1	\$ 50,300.00	Wild Oak Vineyards, LLC	0.086	0.019	0.015	APCO	No	No	Solano
22MOY2	On-road	Equipment replacement	1	\$ 35,000.00	Mandeep Singh	0.337	0.029	0.000	APCO	Yes	Yes	Alameda
22MOY4	Marine	Engine Replacement	1	\$ 128,000.00	Happy Hooker Sportfishing	0.307	-0.008	0.019	TBD	Yes	Yes	Alameda
21MOY234	On-road	Engine Replacement	1	\$ 35,000.00	Jianye Trucking, Inc.	0.674	0.057	0.000	APCO	Yes	Yes	Alameda
21MOY242	On-road	Engine Replacement	1	\$ 30,000.00	OJM Trucking, Inc.	0.620	0.053	0.000	APCO	Yes	Yes	Alameda
22MOY3	Marine	Engine Replacement	2	\$ 1,166,000.00	San Francisco Water Emergency Transportation Authority	5.570	0.500	0.190	TBD	Yes	Yes	Alameda/ Contra Costa/ San Francisco

AGENDA 3 - ATTACHMENT 2

*CMP/MSIF, FARMER and Community Health Protection Grant Program projects awarded and allocated
(between 7/1/20 and 11/2/20)*

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	CARE Area	AB1550/SB535 Area	County
						NOx	ROG	PM				
21MOY172	Ag/ off-road	Engine Replacement	2	\$ 512,750.00	George Chiala Farms, Inc.	1.656	0.154	0.089	TBD	No	No	Santa Clara
22MOY6	Ag/ off-road	Engine Replacement	1	\$ 185,400.00	Mazzetta Dairy	1.155	0.106	0.066	TBD	No	No	Sonoma
21MOY226	Off-Road	Engine Replacement	2	\$ 141,000.00	Columbia Electric, Inc.	0.532	0.038	0.035	TBD	Yes	Yes	Alameda/ Contra Costa/ Santa Clara
21MOY277	Off-Road	Engine Replacement	5	\$ 345,500.00	R.J.S. & Associates, Inc.	1.815	0.171	0.107	TBD	Yes	Yes	Santa Clara/ Alameda
22MOY13	Marine	Engine Replacement	1	\$ 135,000.00	Lion Fisheries, LLC	0.898	-0.013	0.036	TBD	No	No	San Mateo
47 Projects			74	\$ 6,138,857.00		27.705	2.511	1.130				

AGENDA 3 - ATTACHMENT 3

Table 1 - TFCA projects awarded and allocated (between 7/1/20 and 11/2/20)

Project #	Project Category	Project Description	Award Amount	Applicant Name	Emission Reductions (Tons per year)			Board/ APCO Approval Date	CARE Area	AB1550/ SB535 Area	County
					NO _x	ROG	PM				
20R14	Trip Reduction	State Route 37 Rideshare	\$184,500	Solano Transportation Authority	0.104	0.113	0.169	Pending	No	No	Multi-County
20R30	Bicycle Facilities	Upgrade 12.6 miles of Class II bikeways to Class IV in Fremont	\$130,000	City of Fremont	0.005	0.006	0.014	7/15/20	No	No	Alameda
20R31	Bicycle Facilities	Install and maintain 520 electronic bicycle locker spaces at 22 Caltrain stations in San Francisco, San Mateo and Santa Clara counties	\$1,041,000	Peninsula Corridor Joint Powers Board	0.097	0.139	0.306	7/15/20	No	No	Multi-County
20R32	Bicycle Facilities	Install 1.9 miles of Class IV bikeways in Hayward	\$200,790	City of Hayward	0.040	0.055	0.134	Pending	Yes	Yes	Alameda
21HMF01	LD Vehicles	Lease and operate 200 light-duty electric vehicles	\$1,000,000	Flexdrive Services, LLC	0.241	0.132	0.297	7/15/20	Yes	Yes	Regional
21R02	LD Vehicles	Vehicle Buy Back Program	\$300,000	BAAQMD	N/A	N/A	N/A	6/3/20	No	No	Regional
21R04	LD Vehicles	Clean Cars For All	\$5,000,000	BAAQMD	N/A	N/A	N/A	7/15/20	TBD*	TBD*	Regional
			\$5,000,000	BAAQMD	N/A	N/A	N/A	Pending	TBD*	TBD*	Regional
20R35	On-road Trucks & Buses	Purchase four electric delivery vans and scrap six existing vehicles	\$116,000	Santa Clara VTA	0.061	0.017	0.005	Pending	TBD	TBD	Santa Clara
21R01	Trip Reduction	Enhanced Mobile Source & Commuter Benefits Enforcement	\$850,000	BAAQMD	N/A	N/A	N/A	7/15/20	No	No	Regional
21R03	Trip Reduction	Spare The Air/Intermittent Control Programs	\$2,290,000	BAAQMD	N/A	N/A	N/A	6/3/20	No	No	Regional

Total **10 Projects** **\$16,112,290** **0.548** **0.463** **0.924**

*Funds have been allocated to the Clean Cars for All Program and will be awarded to eligible individuals on a first-come, first-served basis.

AGENDA 3 - ATTACHMENT 4

Figures 1-3 Summary of funding awarded and allocated between 7/1/20 and 11/2/20 from the following revenue sources:

- Carl Moyer Program (CMP)
- Community Health Protection Program (CHP)
- Funding Agricultural Replacement Measures for Emission Reductions (FARMER)
- Mobile Source Incentive Fund (MSIF)
- Transportation Fund for Clean Air (TFCA)

Figure 1. Status of FYE 2021 funding by source

includes funds awarded, recommended for award, and available

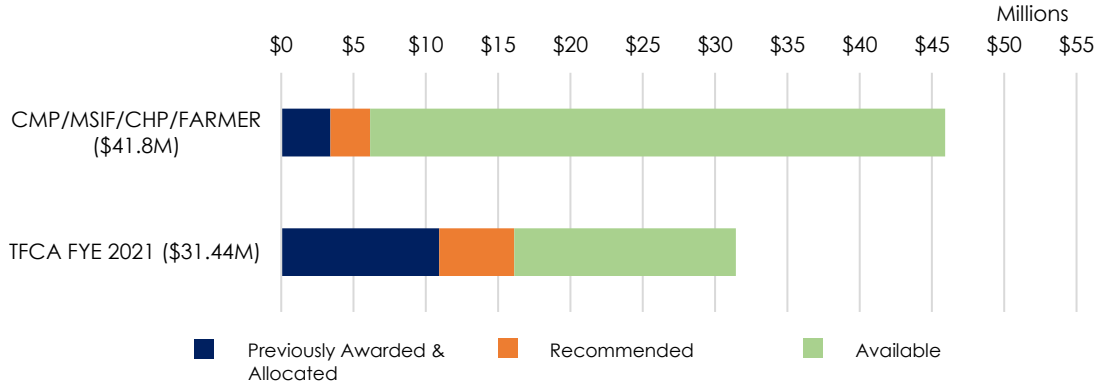


Figure 2. Funding awarded and allocated in FYE 2021 by county:

includes funds awarded & recommended for award

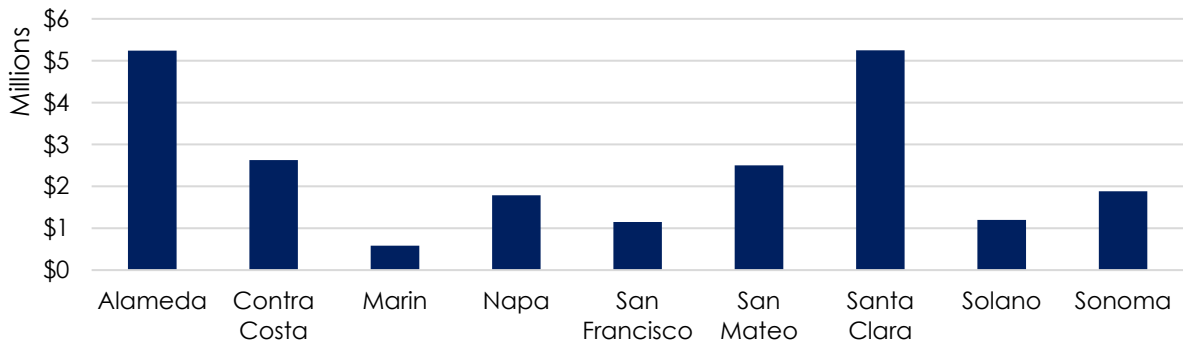
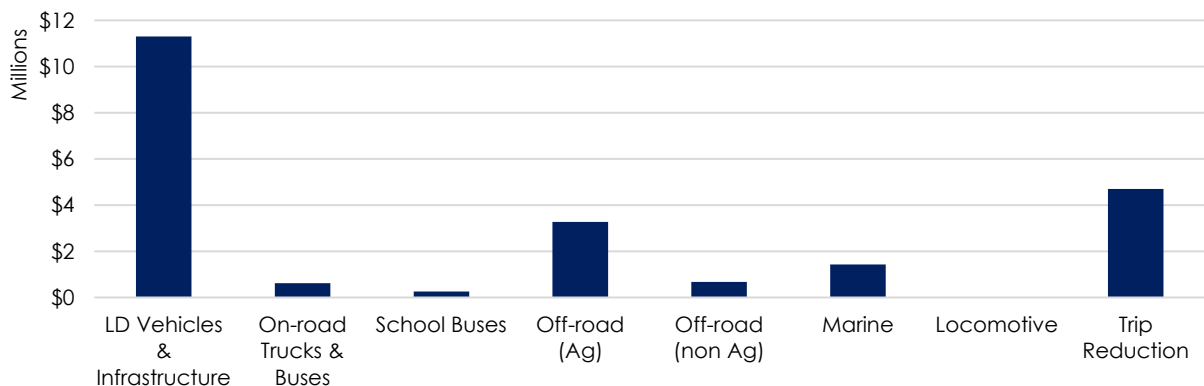


Figure 3. Funding awarded and allocated in FYE 2021 by project category

includes funds awarded & recommended for award



BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson David Canepa and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: November 19, 2020

Re: Report on Transportation Fund for Clean Air (TFCA) Projects Expenditures and
Effectiveness for Fiscal Year Ending 2020

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

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

Sixty percent of TFCA funds are awarded by the Air District to eligible projects and programs implemented directly by the Air District (e.g., Spare the Air and Commuter Benefits Program) and through a grant program known as the Regional Fund. The remaining 40% of TFCA funds are forwarded to a designated agency (“County Program Manager”) within each Bay Area county to be distributed via the County Program Manager Fund.

HSC Section 44241 requires that the Board hold a public hearing each year to review the Air District’s expenditure of TFCA funds to determine their effectiveness in improving air quality. Additionally, County Program Managers are required to hold a public hearing each year to review their expenditure of TFCA funds.

DISCUSSION

The Fiscal Year Ending (FYE) 2020 Report on Expenditures and Effectiveness of Transportation Fund for Clean Air Regional Fund Projects and Air District-Sponsored Programs, found in Attachment 1, evaluated 29 TFCA Regional Fund projects and four Air District-sponsored programs that were completed prior to June 30, 2020. The following are key findings of the FYE 2020 report:

- TFCA funds were allocated to eligible projects and programs, consistent with the legislation that authorizes the TFCA program.
- The TFCA expenditures for projects and programs totaled \$5.59 million. This includes \$2.37 million in Regional Fund projects, \$2.28 million in Air District-sponsored programs, and \$0.94 million in administrative and indirect costs.
- Thirty-eight percent of TFCA Regional Fund expenditures went to projects in communities identified as cumulative impact areas by the Air District's Community Air Risk Evaluation (CARE) Program.
- During their operational period, the projects and programs reduced criteria pollutant emissions by an estimated 99.77 tons, including 26.75 tons of reactive organic gases (ROG), 25.15 tons of nitrogen oxides (NO_x), and 47.87 tons of particulate matter (PM₁₀) – and reduced emissions of carbon dioxide (CO₂) by over 62,700 tons.

A discussion of the expenditures, emission reductions, and cost-effectiveness of these TFCA Regional Fund projects and Air District-sponsored programs will be presented at the Committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. The Air District distributes TFCA monies as “pass-through” funds to public and nonpublic entities. Administrative costs for project staff are provided by the Air District's TFCA funding.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

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

Attachment 1: Fiscal Year Ending 2020 Report on Expenditures and Effectiveness of Transportation Fund for Clean Air Regional Fund Projects and Air District-Sponsored Programs

FISCAL YEAR ENDING (FYE) 2020
REPORT ON EXPENDITURES AND EFFECTIVENESS OF
TRANSPORTATION FUND FOR CLEAN AIR (TFCA)
REGIONAL FUND PROJECTS AND AIR DISTRICT-SPONSORED PROGRAMS



BAY AREA AIR QUALITY MANAGEMENT DISTRICT
375 BEALE STREET, SUITE 600, SAN FRANCISCO, CA 94105
WWW.BAAQMD.GOV

DECEMBER 2020

This page intentionally left blank.

CONTENTS

The Bay Area Air Quality Management District	4
Background	5
The Transportation Fund for Clean Air (TFCA)	5
FYE 2020 Summary	6
Expenditures	7
Effectiveness	8
APPENDIX A: TFCA Regional Fund Projects and Air District-Sponsored Programs	11

This page intentionally left blank.

THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT

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

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

BACKGROUND

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

To protect public health, the California State Legislature enacted the California Clean Air Act in 1988. As part of the requirements, the Air District prepared and adopted the *2017 Clean Air Plan*, which includes transportation control measures, defined as any strategy "to reduce vehicle trips, vehicle use, vehicle miles traveled, vehicle idling, or traffic congestion for reducing motor vehicle emissions," and mobile source measures, which encourage the introduction of newer, cleaner motor vehicle technologies and the retirement of older, more polluting vehicles.

THE TRANSPORTATION FUND FOR CLEAN AIR

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

Sixty percent of TFCA funds are awarded by the Air District's Board of Directors (Board) to eligible projects and programs implemented directly by the Air District (e.g., Commuter Benefits, Vehicle Buy-Back, and Spare the Air) and through a grant program known as the Regional Fund. The remaining forty percent of TFCA funds are pass-through funds to a designated agency within each Bay Area county to be distributed via the County Program Manager Fund. Each year, the Board adopts cost-effectiveness and other criteria for the evaluation and ranking of project applications for the TFCA Program.

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

- Conserving energy and helping to reduce emissions of carbon dioxide (CO₂);
- Reducing traffic congestion;

- Improving quality of life for residents and commuters by expanding access to services that provide first- and last-mile connections to rail, ferry, and mass transit; and
- Improving physical fitness and public safety by facilitating active modes of transportation such as walking and biking.

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

1. Implementation of ridesharing programs
2. Clean fuel school and transit bus purchases or leases
3. Feeder bus or shuttle service to rail/ferry stations and airports
4. Arterial traffic management
5. Rail-bus integration and regional transit information systems
6. Demonstrations in congestion pricing of highways, bridges and public transit
7. Low-emission vehicle projects
8. A smoking vehicles program
9. A vehicle buy-back scrappage program
10. Bicycle facility improvement projects
11. Physical improvements that support “smart growth” projects

California HSC Section 44241.5 requires the Board to hold a public hearing annually to review the expenditure of revenues received by the Air District pursuant to Section 44241 to determine their effectiveness in improving air quality. This report serves this purpose.

FYE 2020 SUMMARY

This report summarizes the *expenditures* and *effectiveness* of the 29 Regional Fund projects and 4 Air District-sponsored programs that were completed¹ as of the end of fiscal year ending (FYE) 2020 – which was June 30, 2020 – and that were not included in previous reports. **Appendix A** lists the each of the Regional Fund projects and Air District-sponsored programs that were summarized as part of this report.

¹ For the purpose of this report, staff considers a project to be “completed” when the Air District accepts and approves the project sponsor’s final invoice, which documents the project sponsor’s expenditure of all eligible project funds and the completion of transportation services or all initial project milestones (e.g., having procured, installed and/or placed all project-related vehicles, equipment, and infrastructure into service). Projects that involve the procurement of equipment/vehicles and construction of infrastructure typically also require continued operation of the funded equipment, vehicles, or infrastructure. These projects may continue to operate for several years after the final invoice is accepted and approved – until the operational and usage requirements are met.

Key Highlights of the Projects and Programs Included in this Report

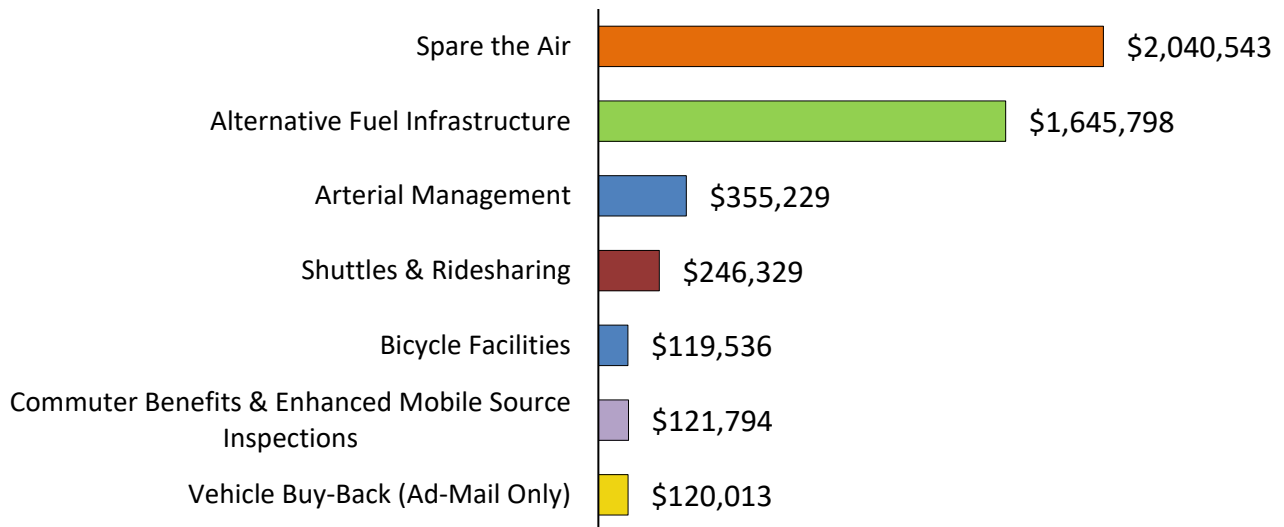
- TFCA funds were expended on eligible projects and programs, consistent with the legislation that authorizes the TFCA program.
- The TFCA expenditures for projects and programs totaled \$5.59 million. These expenditures include \$2.37 million in Regional Fund projects, \$2.28 million in Air District-sponsored programs, and \$0.94 million in administrative and indirect costs.
- 38% of TFCA Regional Fund expenditures went to projects in communities identified as *cumulative impact areas* by the Air District’s Community Air Risk Evaluation (CARE) Program.
- During their operational periods, the projects and programs reduced criteria pollutant emissions by an estimated 99.77 tons, including 26.75 tons of reactive organic gases (ROG), 25.15 tons of nitrogen oxides (NO_x), and 47.87 tons of particulate matter (PM₁₀) – and reduced emissions of carbon dioxide (CO₂), by over 62,700 tons.

EXPENDITURES

The expenditure of these projects and programs total approximately \$5.59 million. This total includes \$2.28 million for the programs administered directly by the Air District and \$2.37 million in Regional Fund grants to other organizations. In addition, the Air District expended about \$0.94 million in administrative and audit costs associated with the oversight of the TFCA program in FYE 2020.

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

Figure 1. Summary of FYE 2020 Expenditures



EFFECTIVENESS

The cost-effectiveness of a project or program is calculated by dividing the amount of TFCA funds assigned to the project (awarded or expended) by the sum of criteria pollutant emissions (ROG, NO_x, and weighted PM₁₀) reduced by the project during its operational period. Therefore, Projects with a lower value for cost-effectiveness require less TFCA funds to reduce one ton of criteria emissions. Typically, relatively cost-effective projects are highly utilized, involve the operation of zero-emission vehicles, are located in densely-populated areas or near activity centers or mass transit hubs, and/or are supported with relatively high percentages of matching funds.

Projects and programs included in this report will reduce criteria pollutant emissions over their operational periods by an estimated total of 99.77 tons. This total is the sum of ozone precursors (26.75 tons of ROG and 25.15 tons of NO_x) and particulate matter (47.87 tons of PM₁₀). These projects and programs will also reduce CO₂ emissions over their operational periods by an estimated 62,700 tons.²

The combined weighted-average cost-effectiveness of the projects and programs reported for FYE 2020 is \$36,965 per ton of criteria pollutant emissions reduced. Many projects continue to operate and reduce emissions even after their operational periods ended; these projects have the potential to be more cost-effective (i.e. lower cost per ton of emissions reduced) in reducing emissions than what is presented in this report.

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

² Emission reductions reported for criteria pollutants and CO₂ do not include emissions from the Vehicle Buy-Back Program.

**Table 1: Emission Reductions and Cost-Effectiveness by Program Category
for Projects and Programs Completed by the End of FYE 2020**

Category	# of Projects	TFCA \$ Expended	% of TFCA \$ Expended	Emissions Reduced (tons) ^a	% of Emissions Reduced	Weighted Cost-Effectiveness (\$/ton) ^b
Bicycle Facilities	12	\$119,536	2.57%	1.25	1.25%	\$93,165
Shuttles & Rideshare	3	\$246,329	5.30%	3.10	3.10%	\$75,295
Arterial Management	1	\$355,229	7.64	7.28	7.30%	\$19,525
Alternative Fuel Infrastructure	13	\$1,645,798	35.40%	3.40	3.41%	\$241,725
Commuter Benefits & Enhanced Mobile Source Inspections Program	2	\$121,794	2.62%	3.63	3.64%	\$29,669
Spare the Air Program	1	\$2,040,543	43.89%	81.11	81.30%	\$22,962
Vehicle Buy-Back Program	1	\$120,013	2.58%	-	-	-
Total for Projects and Programs^c	33	\$4,649,241	100%	99.77	100%	\$36,965
Administration		\$943,883				

(a) Combined emission reductions of ROG, NO_x, and PM₁₀ over project operational period.

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

(c) Totals may vary due to rounding.

The combined weighted-average cost-effectiveness of the projects and programs reported in FYE 2020 is a 28% improvement from FYE 2019. The variation of combined weighted-average cost-effectiveness from year to year is primarily due to that fact that different types of projects that have different cost-effectiveness limits were completed and included in the cost-effectiveness evaluation each year.

In FYE 2020, a portfolio of electric vehicle infrastructure projects had taken advantage of higher funding amounts available for electric infrastructure projects that are co-sited with solar generation. These projects resulted in higher cost-effectiveness values (less cost-effective), but also achieved additional greenhouse gas benefits that are not accounted for in the cost-effectiveness evaluation for TFCA funded projects.

This page intentionally left blank

APPENDIX A: TFCA REGIONAL FUND PROJECTS AND AIR DISTRICT-SPONSORED PROGRAMS

Project #	Project Sponsor	Project Description	Weighted Cost-Effectiveness (per ton)	TFCA Funds Expended
03R11	City of Richmond	Signal Timing - Cutting Boulevard	\$19,525	\$355,229
15BR021	City of East Palo Alto	Purchase and install 65 bike racks (130 bike capacity)	\$69,487	\$6,022
15BR029	Town of San Anselmo	Purchase and install 12 bike racks (24 bike capacity)	\$90,000	\$1,440
15BR031	City of Richmond	Purchase and install 32 bike racks (64 bike capacity)	\$79,995	\$3,413
15R29	Integrays Transportation Fuels, dba Trillium CNG	Install 1 CNG fueling station	\$292,942	\$170,500
15R30	Messer LLC	Install 2 hydrogen stations, upgrade 1 existing station	\$204,005	\$900,000
16BR001	San Carlos School District	Purchase and install 5 bike racks (50 bike capacity)	\$48,369	\$3,000
16BR005	City of Richmond	Purchase and install 72 bike racks (186 capacity)	\$48,369	\$10,922
16BR010	Mountain View Whisman School District	Purchase and install 150 bike racks (250 capacity)	\$48,369	\$15,000
16BR013	Napa County	Purchase and install 12 bike racks (24 capacity)	\$45,064	\$1,342
16BR018	City of Menlo Park	Purchase and install 30 bike racks (60 capacity)	\$48,369	\$3,600
16BR021	City of Richmond	Purchase and install 28 bike racks (60 capacity)	\$48,369	\$3,600

Project #	Project Sponsor	Project Description	Weighted Cost-Effectiveness (per ton)	TFCA Funds Expended
16BR023	City of Cupertino	Purchase and install 3 bike racks (36 capacity)	\$48,369	\$2,160
16EV055	Marin Clean Energy	Install and operate 10 single-port Level 2 charging stations (w/solar)	\$500,000	\$60,000
16EV056	Bay Area Headquarters Authority (BAHA)	Install and operate 8 dual-port and 1 single-port Level 2 and 1 DC fast charging stations	\$360,000	\$82,000
17EV021	North First SJ, LP	Install and operate 52 single-port Level 2 charging stations	\$229,307	\$156,000
17EV023	San Francisco Estuary Institute	Install and operate 3 single-port Level 2 chargers (w/solar)	\$458,613	\$18,000
17EV024	Old Redwood Commons Association	Install and operate 20 single-port Level 2 charging stations (w/solar)	\$458,613	\$120,000
17R30	City of Oakland	Install 4 electronic bicycle lockers (16 bike capacity)	\$224,960	\$36,000
18EV029	Creative Center of Los Altos dba Pinewood School	Install and operate 16 single-port Level 2 charging stations	\$229,307	\$48,000
18EV031	The Ignatian Corporation	Install and operate 5 dual-port Level 2 charging stations	\$229,307	\$20,000
18EV035	Marin Rowing Association	Install and operate 2 dual-port Level 2 charging stations	\$229,307	\$8,000
18R09	Presidio Trust	PresidiGo Shuttle	\$128,468	\$100,000
18R12	City of Emeryville	Emery Go-Round Watergate Express	\$63,878	\$67,177
18R14	City of Petaluma	Install and maintain 3.62 miles of Class III bikeway	\$211,136	\$33,037

Project #	Project Sponsor	Project Description	Weighted Cost-Effectiveness (per ton)	TFCA Funds Expended
19EV003	Union Investment Real Estate GmbH	Install and operate two 25-kW DC Fast charging stations	\$337,424	\$23,298
19EV023	Mode Residences, LLC	Install and operate 3 dual-port Level 2 charging stations	\$468,389	\$24,000
19EV025	Revere Residences LLC	Install and operate 2 dual-port level 2 charging stations	\$468,389	\$16,000
19R10	San Joaquin Regional Rail Commission	Pleasanton Connector Shuttles (Route 53 and 54)	\$54,911	\$79,152
29 Regional Fund Projects			Subtotal of Regional Fund Projects:	\$2,366,891

Project #	Project Sponsor	Project Description	Weighted Cost-Effectiveness (per ton)	TFCA Funds Expended
20R01	BAAQMD	FYE 2020 Commuter Benefits	\$29,259	\$100,443
20R02	BAAQMD	FYE2020 Admail for Vehicle Buy-Back (TFCA portion)*	N/A	\$120,013
20R03	BAAQMD	FYE 2020 Spare the Air	\$22,962	\$2,040,543
20R04	BAAQMD	FYE 2020 Enhanced Mobile Source Inspections	\$31,766	\$21,351
4 Air District-Sponsored Programs			Subtotal of Air District-Sponsored Programs:	\$2,282,350
20R00	BAAQMD	FYE 2020 Administration	N/A	\$943,883
Subtotal of Administration Expenditures for Regional Fund Projects and Air District-Sponsored Programs:				\$943,883
Grant Total:				\$5,593,124

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson David Canepa and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: November 19, 2020

Re: Transportation Fund for Clean Air Program Regional Fund Projects - Audit #21 Results

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

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

Sixty percent of TFCA funds are awarded by the Air District to eligible projects and programs implemented directly by the Air District (e.g., Spare the Air) and through a grant program known as the Regional Fund. The remaining 40% of TFCA funds are forwarded to the designated agency within each Bay Area county to be distributed via the County Program Manager Fund.

HSC Section 44242 requires that the Air District conduct an audit of projects and programs funded with TFCA monies, at least once every two years. The Air District typically conducts an audit of Regional Fund projects and Air District-Sponsored programs annually and County Program Manager Fund projects biennially. On October 4, 2017, the Air District's Board of Directors (Board) approved the award of a contract to Simpson & Simpson, LLP for audit services, including a financial and compliance review of TFCA-funded projects and programs.

DISCUSSION

The *Audit Summary Report*, included as Attachment 1, summarizes the results of Audit #21 conducted by Simpson & Simpson covering Regional Fund projects completed prior to June 30, 2019, and a review of Air District's administrative expense of TFCA funds incurred between July 1, 2018 and June 30, 2019. For the purpose of TFCA audits, projects are considered "completed" after the Air District has approved a project sponsor's final invoice, which documents the project sponsor's expenditure of all eligible project funds and the completion of transportation services or all initial project milestones. A list of these projects is available in Appendix B of the attached report. **No audit findings were identified during this audit.**

Audit field work was conducted by Simpson & Simpson, LLP during the months of March 2020 through November 2020. Following the completion of field work, Simpson & Simpson, LLP issued a draft audit report to each of the project sponsors and offered an opportunity to those with any preliminary findings to provide a management response.

In addition to conducting the financial and compliance audits, Simpson & Simpson, LLP also performed a review of Agreed-Upon Procedures (AUP) to verify project sponsors' compliance with other aspects of the TFCA Funding Agreement, including that

1. Expenditures are properly supported;
2. Administrative expenses are appropriately documented;
3. Use of an indirect cost rate is consistent with the Air District Guidelines;
4. Appropriate resolutions authorizing the grant application are adopted or, where applicable, an authorizing letter of commitment is included;
5. Required reports are submitted on time and contained all information required;
6. The Air District is acknowledged as a project funder; and
7. Matching Funds requirements are met or exceeded.

The AUP is currently being reviewed internally and will be used by staff to further improve its administration of the TFCA program. In addition, the auditors are completing work related to financial and compliance audits covering Air District-sponsored programs and County Program Manager Fund projects. The result of these audits is anticipated to be presented to the Mobile Source Committee early next year.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. Administrative costs for the TFCA audit and staff are provided by the funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Sara Lanning

Reviewed by: Karen Schkolnick, Chengfeng Wang and Ken Mak

Attachment 1: TFCA Audit #21 Summary Report for Regional Fund projects completed prior to
June 30, 2019

12/3/2020 MOBILE SOURCE COMMITTEE MEETING

AGENDA ITEM #5 – ATTACHMENT 1

**BAY AREA AIR QUALITY
MANAGEMENT DISTRICT**

**TRANSPORTATION FUND
FOR CLEAN AIR PROGRAM**

AUDIT NO. 21 SUMMARY REPORT



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM**

Table of Contents

	Page
1. Introduction.....	1
2. Project Description	1
3. Audit Process.....	2
4. Project Sponsor Findings.....	3
5. Other Program Compliance Review.....	4
 Appendix:	
A- Health and Safety Code Sections 44241 and 44242.....	6
B- Listing of Audited Projects.....	10

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Audit No. 21 Summary Report**

1 – INTRODUCTION

The Bay Area Air Quality Management District (Air District) was created by the California legislature in 1955. The Air District's structure, operating procedures and authority are established by Division 26 of the California Health and Safety Code.

The Air District includes seven counties: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo and Santa Clara and portions of two other counties, Southwestern Solano and Southern Sonoma. The Air District is governed by a twenty-two-member Board of Directors that includes representatives from all of the above counties.

The Air District's jurisdiction is limited principally to policing non-vehicular sources of air pollution within the Bay Area, primarily industry pollution and burning. Any company wishing to build or modify a facility in the Bay area must first obtain a permit from the Air District to ensure that the facility complies with all applicable rules.

The Air District also acts as the program administrator for Transportation Fund for Clean Air (TFCA) funds and Mobile Source Incentive funds (MSIF) derived from Assembly Bill 434 and Assembly Bill 923 respectively. TFCA and MSIF funding comes from a \$4 and \$2 surcharge, respectively, on motor vehicles registered within the Air District. TFCA funding may only be used to fund eligible projects that reduce motor vehicle emissions and support the implementation of the transportation and mobile source control measures in the Clean Air Plan in place at time of award. All projects must fall within the categories listed in State Law (Health and Safety Code Section 44241).

The Health and Safety Code requires the Air District to pass-through no less than 40% of the TFCA revenues raised within a particular county, after audit and administrative costs, to that county's designated Program Manager. The remaining 60% is for Regional Fund grants and is being allocated to projects on a competitive basis. Projects are evaluated using the Air District's Board adopted evaluation and scoring criteria.

2 – PROGRAM DESCRIPTION

Health and Safety Code Section 44223 and 44225 authorize a surcharge on the motor vehicle registration fee (surcharge) to be used by the Bay Area Air Quality Management District (Air District) and local governments specifically for programs to reduce air pollution from motor vehicles. The Department of Motor Vehicles collects the surcharge and allocates the amounts to the Air District. The Air District administers these funds through the Transportation Fund for Clean Air (TFCA) Program. Under the TFCA Program, money is allocated to two funds: (1) 60% is placed in the Regional Fund and allocated to agencies on a competitive basis by the Air District and (2) 40% is placed in the Program Manager Fund and allocated to designated agencies. Allowable projects under Health and Safety Code Section 44241 include the following:

- The implementation of ridesharing programs.
- The purchase or lease of clean fuel buses for school districts and transit operators.
- The provision of local feeder bus or shuttle service to rail and ferry stations and to airports.
- Implementation and maintenance of local arterial traffic management, including, but not limited to, signal timing, transit signal preemption, bus stop relocation and “smart streets.”

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Audit No. 21 Summary Report**

2 – PROGRAM DESCRIPTION (continued)

- Implementation of rail-bus integration and regional transit information systems.
- Implementation of demonstration projects in telecommuting and in congestion pricing of highways, bridges, and public transit.
- Implementation of vehicle-based projects to reduce mobile source emissions, including, but not limited to, engine repowers, engine retrofits, fleet modernization, alternative fuels, and advanced technology demonstrations.
- Implementation of a smoking vehicles program.
- Implementation of an automobile buy-back scrappage program operated by a governmental agency.
- Implementation of bicycle facility improvement projects that are included in an adopted countywide bicycle plan or congestion management program.
- The design and construction by local public agencies of physical improvements that support development projects that achieve motor vehicle emission reductions. The projects and the physical improvements shall be identified in an approved area-specific plan, redevelopment plan, general plan, or other similar plan.

State law requires that any agency receiving TFCA funding be subject to an audit, at least once every two years. Health and Safety Code Section 44242 provides the legal compliance guidelines for the Air District to follow in the event revenues are not spent appropriately or when projects do not result in emission reductions. Health and Safety Code Sections 44241 and 44242 are provided in Appendix A.

The Air District retained the firm of Simpson and Simpson LLP to conduct TFCA financial and compliance Audit No. 21, which included Regional Fund projects and Air District-sponsored programs completed prior to June 30, 2019. These audits were conducted during the months of March 2020 through November 2020.

A total of 5 individual project sponsors and 7 projects were audited, with \$648,697 total funds expended for projects included in Audit No. 21. A listing of the projects audited is provided in Appendix B. Unmodified opinions were issued on all 5 financial audit reports.

3 – AUDIT PROCESS

The audits were designed to address numerous financial and compliance objectives; however, the principal objectives of the audits were to (1) provide assurance that amounts reported in the Schedules of Expenditures are fairly stated, and (2) determine whether projects financed through the Air District's Regional Fund met funding agreement requirements. The audit procedures were specifically designed for TFCA financial and compliance requirements, which is described below:

Audit of the Schedules of Expenditures

The financial audits were conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Audit No. 21 Summary Report**

3 – AUDIT PROCESS (continued)

Procedures performed included, but were not limited to:

- Gaining an understanding of the project sponsors' internal controls over financial reporting of the TFCA program through observation, inquiry, and supporting documentation.
- Tracing expenditures related to the TFCA program to the project sponsor's accounting records.
- Validating TFCA expenditures related to vendor disbursements, payroll, and administrative charges to supporting documentation.
- Conducting interviews with project sponsors to inquire about known, alleged or suspected fraud related to the program.

Compliance Auditing Procedures

The audits were performed in accordance with the requirements outlined in the Health and Safety Code, individual funding agreements and Government Auditing Standards. The principal focus of the compliance auditing procedures was to ensure TFCA expenditures were paid in accordance with the program's objectives (Health and Safety Code Section (HSC) 44241). Compliance audits were planned and performed to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to in the HSC could have a direct and material effect on projects reported in the Schedules occurred.

The audit includes examining, on a test basis, evidence about the project sponsor's compliance with those requirements and performing such other procedures as considered necessary in the circumstances.

Auditing procedures performed included, but were not limited to:

- Testing expenditures for allowable costs in accordance with Section 44241 of the Health and Safety Code.
- Verifying that the project sponsor used the TFCA funds for the reduction of emissions from motor vehicles.

4 – PROJECT SPONSOR FINDINGS

Audit of the Schedules of Expenditures

No project sponsor findings were identified for the projects audited as part of Audit No. 21.

Compliance Auditing Procedures

No project sponsor findings were identified for the projects audited as part of Audit No. 21.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Audit No. 21 Summary Report**

5 – OTHER PROGRAM COMPLIANCE REVIEW

An Agreed Upon Procedures (AUP) engagement was performed to test the project sponsor's compliance with other aspects of the TFCA Funding Agreement. These procedures were determined and prepared by the Air District for the auditors to perform.

The auditors issued a separate AUP Report over their results of the procedures performed.

APPENDIX A
HEALTH AND SAFETY CODE SECTIONS 44241 AND 44242

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Appendix A - Health and Safety Code Sections 44241 and 44242
For Audit No. 21**

44241

- (a) Fee revenues generated under this chapter in the bay district shall be subvened to the bay district by the Department of Motor Vehicles after deducting its administrative costs pursuant to Section 44229.
- (b) Fee revenues generated under this chapter shall be allocated by the bay district to implement the following mobile source and transportation control projects and programs that are included in the plan adopted pursuant to Sections 40233, 40717, and 40919:
 - (1) The implementation of ridesharing programs.
 - (2) The purchase or lease of clean fuel buses for school districts and transit operators.
 - (3) The provision of local feeder bus or shuttle service to rail and ferry stations and to airports.
 - (4) Implementation and maintenance of local arterial traffic management, including, but not limited to, signal timing, transit signal preemption, bus stop relocation and "smart streets."
 - (5) Implementation of rail-bus integration and regional transit information systems.
 - (6) Implementation of demonstration projects in telecommuting and in congestion pricing of highways, bridges, and public transit. No funds expended pursuant to this paragraph for telecommuting projects shall be used for the purchase of personal computing equipment for an individual's home use.
 - (7) Implementation of vehicle-based projects to reduce mobile source emissions, including, but not limited to, engine repowers, engine retrofits, fleet modernization, alternative fuels, and advanced technology demonstrations.
 - (8) Implementation of a smoking vehicles program.
 - (9) Implementation of an automobile buy-back scrappage program operated by a governmental agency.
 - (10) Implementation of bicycle facility improvement projects that are included in an adopted countywide bicycle plan or congestion management program.
 - (11) The design and construction by local public agencies of physical improvements that support development projects that achieve motor vehicle emission reductions. The projects and the physical improvements shall be identified in an approved area-specific plan, redevelopment plan, general plan, or other similar plan.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Appendix A - Health and Safety Code Sections 44241 and 44242
For Audit No. 21**

44241 (continued)

- (c) (1) Fee revenue generated under this chapter shall be allocated by the bay district for projects and programs specified in subdivision (b) to cities, counties, the Metropolitan Transportation Commission, transit districts, or any other public agency responsible for implementing one or more of the specified projects or programs. Fee revenue generated under this chapter may also be allocated by the bay district for projects and programs specified in paragraph (7) of subdivision (b) to entities that include, but are not limited to, public agencies, consistent with applicable policies adopted by the governing board of the bay district. Those policies shall include, but are not limited to, requirements for cost-sharing for projects subject to the policies. Fee revenues shall not be used for any planning activities that are not directly related to the implementation of a specific project or program.
- (2) The bay district shall adopt cost-effectiveness criteria for fee revenue generated under this chapter that projects and programs are required to meet. The cost-effectiveness criteria shall maximize emissions reductions and public health benefits.
- (d) Not less than 40 percent of fee revenues shall be allocated to the entity or entities designated pursuant to subdivision (e) for projects and programs in each county within the bay district based upon the county's proportionate share of fee-paid vehicle registration.
- (e) In each county, one or more entities may be designated as the overall program manager for the county by resolutions adopted by the county board of supervisors and the city councils of a majority of the cities representing a majority of the population in the incorporated area of the county. The resolution shall specify the terms and conditions for the expenditure of funds. The entities so designated shall be allocated the funds pursuant to subdivision (d) in accordance with the terms and conditions of the resolution.
- (f) Any county, or entity designated pursuant to subdivision (e), that receives funds pursuant to this section, at least once a year, shall hold one or more public meetings for the purpose of adopting criteria for expenditure of the funds, if those criteria have been modified in any way from the previous year. Any county, or entity designated pursuant to subdivision (e), that receives funds pursuant to this section, at least once a year, shall also hold one or more public meetings to review the expenditure of revenues received pursuant to this section by any designated entity. If any county or entity designated pursuant to subdivision (e) that receives funds pursuant to this section has not allocated all of those funds within six months of the date of the formal approval of its expenditure plan by the bay district, the bay district shall allocate the unallocated funds in accordance with subdivision(c).

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Appendix A - Health and Safety Code Sections 44241 and 44242
For Audit No. 21**

44242

- (a) Any agency which receives funds pursuant to Section 44241 shall, at least once every two years, undertake an audit of each program or project funded. The audit shall be conducted by an independent auditor selected by the bay district in accordance with Division 2 (commencing with Section 1100) of the Public Contract Code. The district shall deduct any audit costs which will be incurred pursuant to this section prior to distributing fee revenues to cities, counties, or other agencies pursuant to Section 44241.
- (b) Upon completion of an audit conducted pursuant to subdivision (a), the bay district shall do both of the following:
 - (1) Make the audit available to the public and to the affected agency upon request.
 - (2) Review the audit to determine if the fee revenues received by the agency were spent for the reduction of air pollution from motor vehicles pursuant to the plan prepared pursuant to Sections 40233 and 40717.
- (c) If, after reviewing the audit, the bay district determines that the revenues from the fees may have been expended in a manner which is contrary to this chapter or which will not result in the reduction of air pollution from motor vehicles pursuant to that plan, the district shall do all of the following:
 - (1) Notify the agency of its determination.
 - (2) Within 45 days of the notification pursuant to paragraph (1), hold a public hearing at which the agency may present information relating to expenditure of the revenues from the fees.
 - (3) After the public hearing, if the district determines that the agency has expended the revenues from the fees in a manner which is contrary to this chapter or which will not result in the reduction of air pollution from motor vehicles pursuant to the plan prepared pursuant to Sections 40233 and 40717, the district shall withhold these revenues from the agency in an amount equal to the amount which was inappropriately expended. Any revenues withheld pursuant to this paragraph shall be redistributed to the other cities within the county, or to the county, to the extent the district determines that they have complied with the requirements of this chapter.
- (d) Any agency which receives funds pursuant to Section 44241 shall encumber and expend the funds within two years of receiving the funds, unless an application for funds pursuant to this chapter states that the project will take a longer period of time to implement and is approved by the district or the agency designated pursuant to subdivision (e) of Section 44241. In any other case, the district or agency may extend the time beyond two years, if the recipient of the funds applies for that extension and the district or agency, as the case may be, finds that significant progress has been made on the project for which the funds were granted.

APPENDIX B
LISTING OF AUDITED PROJECTS

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Appendix B – Listing of Audited Projects
For Audit No. 21**

TFCA Project Number	Project Sponsor	Project Description	Final Project Expenses
17EV017	601 Marshall Street Owner, LLC	Install 5 dual-port and 1 single-port level 2 (high) charging stations in Redwood City	23,000.00
16R12	Associated Students of San Jose State University	Smart Pass Program	140,000.00
17R12	Associated Students of San Jose State University	Smart Pass Program	139,329.00
18R05	Associated Students of San Jose State University	Smart Pass Program	140,000.00
18R12	City of Emeryville	Emeryville Go-Round Watergate Express Project	67,177.00
17EV004	MPVCA Brisbane, LLC	Install 3 dual-port level 2 charging stations in Brisbane	12,000.00
15R29A	Trillium USA Company, LLC	Upgrade existing CNG refueling station in Berkeley	127,191.00
Final Project Expenses			648,697.00
Total Projects			7
Total Project Sponsors			5