

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET
SAN FRANCISCO, CALIFORNIA 94109
(415) 771-6000**

APPROVED MINUTES

Summary of Board of Directors
Mobile Source Committee Meeting
9:30 a.m., Thursday, April 10, 2003

1. Call to Order – Roll Call: 9:30 a.m.

Roll Call: Shelia Young, Chair, Roberta Cooper, Jerry Hill, Jake McGoldrick (9:45 a.m.), Julia Miller, John Silva, Pam Torliatt (10:00 a.m.), Tim Smith.

Absent: Dena Mossar.

Also Present: Scott Haggerty (9:40 a.m.), Gayle Uilkema.

2. Public Comment Period: There were none.

3. Approval of Minutes of February 13, 2003: Director Miller moved approval of the minutes; seconded by Director Hill; carried unanimously by acclamation.

4. Transportation Fund for Clean Air (TFCA) Proposed Revision to Policy # 1 and Evaluation Criterion # 1: *The Committee considered recommending that the Board of Directors approve proposed revisions to TFCA Policy #1 and Evaluation Criterion #1 to increase the cost-effectiveness limit from \$50,000/ton to \$90,000/ton of emissions reduced.*

Liz Berdugo, Supervising Environmental Planner, presented the report and information on the cost-effectiveness being raised from \$50,000 per ton to \$90,000 per ton. Ms. Berdugo stated that prior to each annual funding cycle, the Air District updates worksheets used to evaluate projects. This year, two revisions to the worksheets were necessary. The first revision incorporated new mobile source emission factors and the second included modifications to the structure of the worksheets to accommodate the new policies. TFCA staff evaluated last year's projects using the new worksheets and found that the cost-effectiveness for all projects decreased, and many of them exceeded the current limit of \$50,000 per ton. Ms. Berdugo stated that the change was significant enough that in order to fund the types of projects funded in the past, the cost-effectiveness limit should be raised to \$90,000 per ton.

During discussions the following issues were raised:

- There might be a shortage of applications that use TFCA funds.
- Projects that would have the hardest time qualifying for the money would be the Smart Growth and the bicycle projects because they are most affected by the changes.

- There would be a reduction in tons of emissions next year with this higher cost.
- The Committee is considering developing an outreach program.
- Raising the cost-effectiveness might penalize bicycle projects in the smaller cities.
- This change has been presented to all the TFCA Program Managers as well as to the Executive Directors of the CMA's at their meeting in March, 2003.

In response to questions from Matthew Todd, Senior Transportation Engineer, Alameda County Congestion Management Agency, and TFCA Program Manager for Alameda County, Ms. Berdugo pointed out that for the Program Managers it would now mean that their aggregate cost-effectiveness would have to be \$90,000 per ton. As an indicator for how the worksheet changes would affect the County Program Managers' expenditure programs this year, Staff verified that if they were to request the same amount of funding and use the same project inputs as last year, all Counties' expenditure programs would be accommodated by the \$90,000 per ton level.

William Norton explained that it is important to establish the criteria now so that the applicants know what it is and they can start submitting their applications for projects within the District's timeframe.

Committee Action: Director Hill moved that the Committee recommend Board approval of the revisions to the TFCA Policy # 1 and Evaluation Criterion # 1 raising the cost-effectiveness limit for TFCA projects to \$90,000 per ton, with the understanding that the Committee revisit this issue within three months, or at an appropriate time, to establish an outreach effort for next year, to consider further amendments to the cost-effectiveness limit, and to discuss prioritization of projects; seconded by Director Smith. The motion carried with one "No" vote by Director Cooper.

5. **Transportation Fund for Clean Air (TFCA) Annual Report:** *The Committee received the TFCA Annual Report for FY 2002/03 prepared per requirements of California Health and Safety Code Section 44241.5.*

David Burch, Environmental Planner, presented the TFCA Annual Report for FY 2002/2003 and pointed out key findings in the report.

Committee Action: The Committee received the Annual Report, as presented. Director McGoldrick moved the Committee recommend the Board approve the TFCA report on FY 2002/2003 Allocations and Effectiveness; seconded by Director Miller; carried unanimously by acclamation.

6. **Transportation Fund for Clean Air (TFCA) FY 2002/03 – Amend Vehicle Buy Back Contracts:** *The Committee considered recommending that the Board of Directors approve amendments to vehicle eligibility requirements and augment current Vehicle Buy Back contracts by a total of \$1.5 million from available FY 2002/2003 TFCA Funds.*

Vanessa Mongeon, Environmental Planner, presented the report on the amendments to the Voluntary Accelerated Light-Duty Vehicle Retirement Program (VAVR) regulation for the Air District's Vehicle Buy Back (VBB) Program. The California Air Resources Board recently amended the VAVR regulation. Those amendments went into effect in February 2003. The Air District's VBB Program will be modified to conform to the amended VAVR regulation, and the

amendments will be incorporated into the current dismantler contracts. Ms. Mongeon pointed out that the most significant change to the VAVR regulation is the reduction in the required vehicle registration period, prior to sale, from twenty-four (24) consecutive months to 120 days. Staff anticipates that this change will increase the monthly rate at which vehicles are purchased.

Committee Action: Director McGoldrick moved that the Committee recommend:

1. Board approval of the amended Voluntary Accelerated Light-Duty Vehicle Retirement Program (VAVR) regulations for the Air District's Vehicle Buy Back (VBB) Program;
2. Board authorization of the Executive Officer to amend current Air District contracts with vehicle dismantlers to incorporate the amended VAVR regulations; and
3. Board authorization of the Executive Officer to amend current contracts for an additional \$600,000 to Pick Your Part, an additional \$600,000 to Pick-N-Pull, and an additional \$300,000 to Environmental Engineering Studies to provide additional vehicle scrapping and related services for the Vehicle Buy Back Program through December 2003.

Seconded by Director Cooper; carried unanimously by acclamation.

7. **Bio Diesel:** *The Committee considered recommending that the Board of Directors select two proposals, a biodiesel feasibility study by CytoCulture International, and a pilot project by Biodiesel Industries; and authorize the Air Pollution Control Officer to enter into contracts to implement the study and project in amounts not to exceed \$28,000 and \$40,000 respectively.*

Joseph Steinberger, Senior Environmental Planner, presented the results of the review and evaluation of the Requests for Proposals (RFP) received to prepare a biodiesel feasibility study for the Bay Area and to conduct a biodiesel pilot project. Out of the seven proposals received in response to the RFP, CytoCulture International, Inc., had the most responsive and lowest cost (\$28,000) proposal for the preparation of the feasibility study; and Biodiesel Industries had a proposal that demonstrated the greatest technical expertise in regards to successfully operating a biodiesel pilot project in the Bay Area, at a cost of \$40,000. Staff recommended selection of these two contractors for the biodiesel feasibility study and the pilot project, respectively.

In response to a question from Director Haggerty, staff explained that the two recommended companies' proposals had received the highest scores and each of them had the necessary expertise and experience that was required for each of the projects. Mr. Steinberger also mentioned that the two companies would dovetail the two projects together.

Committee Action: Director Torliatt moved the Committee recommend:

1. Board approval of CytoCulture International, Inc., as the contractor to conduct the biodiesel feasibility study and authorize the Executive Officer to execute a contract for up to \$28,000 with CytoCulture to perform the study; and
2. Board approval of Biodiesel Industries as the contractor to conduct a biodiesel pilot project and authorize the Executive Officer to execute a contract for up to \$40,000 with Biodiesel Industries to perform the project.

Seconded by Director Miller; carried unanimously by acclamation.

8. **Committee Member Comments/Other Business:** There were none.
9. **Time and Place of Next Meeting:** 9:30 a.m., May 8, 2003, 939 Ellis Street, San Francisco, CA.
10. **Adjournment:** The meeting adjourned at 10:25 a.m.

Neel Advani
Deputy Clerk of the Boards

MOBILE SOURCE COMMITTEE

Follow-up Items for Staff

April 10, 2003

1. The Committee requested that the Transportation Fund for Clean Air (TFCA) Policy # 1 and Evaluation Criterion # 1 be revisited by the Committee within three months or at an appropriate time to establish an outreach effort for next year, to consider further amendments to the cost-effectiveness limits and to discuss prioritization of projects.