

**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, September 11, 2003

1. Call to Order – Roll Call: 9:32 a.m.

Roll Call: Shelia Young, Chairperson; Roberta Cooper, Jerry Hill, Julia Miller, Dena Mossar, Pam Torliatt (9:34 a.m.).

Also Present: Scott Haggerty (9:57 a.m.), Gayle Uilkema.

Absent: Jake McGoldrick, John Silva, Tim Smith.

2. Public Comment Period: There were no public comments.

3. Approval of Minutes of July 10, 2003: Director Hill moved approval of the minutes; seconded by Director Mossar; carried unanimously without objection.

4. Audit of Transportation Fund for Clean Air: *The Committee received a report on the audit of projects funded by the TFCA Regional Fund.*

Liz Berdugo, Supervising Environmental Planner, presented the findings and recommendations of the audit. Ms. Berdugo indicated that State law requires that any agency receiving TFCA funding be subject, at least once every two years, to an audit of each project funded. Ms. Berdugo noted this was the sixth audit; that it covers FY June 30, 1999 to June 30, 2002, and 103 projects were audited. The auditor made four suggestions to improve the administration and fiscal management of TFCA funds as follows:

1. The Air District should clarify reporting requirements to the project sponsors by modifying the funding agreements to emphasize that reporting requirements are necessary regardless of the amount of project activity.
2. In order to facilitate project reviews, the Air District should consider adding a provision in the funding agreement requiring the project sponsor to maintain all supporting documentation in one central location until the Air District audit is conducted.
3. For project sponsors that fail to acknowledge the Air District in newspaper articles and promotional materials for the project, the Air District should consider enforcing the 15% penalty outlined in the funding agreement or withholding final payment until requirements have been met.

4. The Air District should require that a copy of the third party contracts for shuttle operations be submitted for review to ensure that TFCA payments are not made for shuttle routes that have no third party contract in place.

Ms. Berdugo stated that staff recommends that all but one of the auditor suggestions be implemented. Because of the amount of paperwork involved, staff recommends that the fourth auditor suggestion be modified so that project sponsors of third party shuttle operations submit a certification of compliance letter to the Air District instead of a copy of the third party agreement. This letter would identify all third party contractors and the date and duration of their contracts.

In response to a question from Director Mossar, Ms. Berdugo stated that the audit is based on the year the project closes. In response to a question from Director Torliatt, Ms. Berdugo indicated that there are checks and balances in place to make sure the projects comply.

Committee Action: Director Hill moved the Committee recommend Board acceptance of the results of the TFCA Audit Report #6, including the auditor's findings and staff's recommendations for Air District actions to address four minor administrative issues; seconded by Director Mossar; carried unanimously without objection.

5. Amendment to Vehicle Incentive Program

Considered recommending the Board of Directors approve:

1. *Proposed revisions to the Vehicle Incentive Program guidelines for FY 2003/04 to provide eligibility for used vehicles.*
2. *Additional allocation of \$200,000 in FY 2003/04 Transportation Fund for Clean Air Regional Funds to ensure sufficient funds are available for both new and used vehicle incentives.*

David Burch, Senior Environmental Planner, presented the report on incentives for used vehicles for the Vehicle Incentive Program for FY 2003/04. The current VIP program guidelines cover new vehicles only. The Board has expressed an interest in expanding the program to provide incentives for used vehicles. Staff proposes two requirements as follows:

1. Incentives should be provided only for used vehicles that have not received any previous funding via the Air District's TFCA and VIP programs; and
2. The used vehicle must have been registered outside the boundaries of the Air District for at least the last 180 days.

Mr. Burch noted that incentives would be prorated based on the model year of the vehicle. To accommodate these incentives, staff is requesting an additional allocation of \$200,000 in TFCA Regional Funds for the FY 2003/04. Mr. Burch stated that the District would start accepting applications for the VIP next week.

In response to a question from Director Haggerty, Mr. Burch stated that vehicles coming from outside the boundaries of the Air District would ensure additional emission reductions within our Air District. There was discussion on the availability of vehicles; fleets being brought from other areas into this Air District; CARB's incentive program; and the California Energy Commission's incentive program.

Committee Action: Director Haggerty moved the Committee recommend the Board approve the following:

1. Revisions to TFCA Policy #23 to provide eligibility for used vehicles to receive incentives;
2. Allocation of an additional \$200,000 in TFCA Regional Funds for the FY 2003/04 VIP program to ensure that sufficient funds are available for both new and used vehicle incentives; and
3. Staff is requested to come back with a proposal that this would also apply to private individuals.

The motion was seconded by Director Torliatt and carried unanimously without objection.

6. Transportation Fund for Clean Air FY 03/04 Regional Fund Grant Awards

Considered recommending Board of Directors' approval of TFCA Regional Fund grand awards for FY 03/04, including \$8.2 million to 40 public agency projects, \$1 million to the Regional Rideshare Program, and an increase of \$1 million to the District's Vehicle Buy Back Program.

Ms. Berdugo presented the recommendations for the FY 2003/04 TFCA Regional Fund grant awards and reviewed the background, the fund process, and evaluation criteria for the Committee. Ms. Berdugo reviewed those projects that were not eligible and those that were not recommended for funding. Ms. Berdugo noted that Project #03R54 should be listed in the first table on Attachment 1.

Staff requests that CARB's NO2 slip standard be waived to allow projects 03R51 and 03R55 requesting funds for retrofit filters to proceed. No filters meet the CARB standard at this time and the benefit of PM reductions from the filters outweighs the modest potential risks association with an increase in NO2.

Ms. Berdugo explained the new proposal for funding the Regional Rideshare Program (RRP) and noted that the Metropolitan Transportation Commission (MTC) and the Air District will enter into a multi-year contract and the Air District will fund the RRP with up to \$1 million off the top of the Regional Fund, as long as the project meets annual goals.

Ms. Berdugo stated that staff recommends that the Committee recommend Board approval of the following:

1. Staff recommendations for FY 2003/04 TFCA Regional Fund grant awards listed on Attachment 1, with the exception of 03R14 Shuttle Bus Service-Dumbarton Bridge. This project will be re-evaluated for eligibility and brought to the Committee at a future meeting.
2. Allowing an extension to further clarify and evaluate the City of Berkeley's Dynamic Ridesharing Program and the City of Sunnyvale's Battery Back-up System. These projects will be presented to the Committee at a future meeting.
3. Allocation of \$1 million to the Regional Rideshare Program.
4. Allocation of \$1 million in additional TFCA Regional Funds for the Vehicle Buy Back (VBB) Program. This would increase the FY 2003/04 funds allocated for the scrappage of old vehicles from \$2.5 million to \$3.5 million.

In response to a question from Director Hill regarding Project #03R14-Shuttle Bus Service-Dumbarton Bridge, Ms. Berdugo stated that the project was submitted originally with a route that

East Palo Alto wanted to use. The District requires that any competing transit in the area provide the District with a letter of support. The letter that came from SamTrans requested changes in the route because the project would compete with their service. The project sponsor has agreed to the changes SamTrans requested, but the proposed changes are still in competition with SamTrans service.

In response to a question from Director Mossar, Ms. Berdugo stated that staff would like to come back to the Committee with a proposal on what to do with any extra money, which, along with several unmet funding needs, could include money for school buses. William Norton, Executive Officer/APCO noted that, in addition to other funds, some Supplemental Environmental Project (SEP) money from United Airlines will be going to school buses.

There was discussion on traffic calming, signal timing, and matching funds for the projects. Mr. Norton stated that projects over \$100,000 require 20% matching funds. There was also discussion on Project #03R26, Class 2 Bicycle Lanes on Tesla Road; Project #03R20, the Mary Avenue Bicycle Footbridge; the possibility of changing the criteria for funding bicycle and pedestrian bridges; and AC Transit running buses on specific school routes.

Committee Action: Director Hill moved to recommend the Board approve the four staff recommendations as stated above; that staff reconsider the Alameda County Project #03R26 regarding Class 2 Bicycle Lanes on Tesla Road; and request staff look at a change in the criteria that would be favorable toward funding bicycle and pedestrian bridges in the future; seconded by Director Mossar; carried unanimously without objection.

7. **Committee Member Comments.** Director Mossar commented on the lack of signage when taking BART to the San Francisco Airport.
8. **Time and Place of Next Meeting:** 9:30 a.m., Thursday, October 9, 2003, 939 Ellis Street, San Francisco, California 94109. Chairperson Young noted she would not be able to attend the October 9th meeting.
9. **Adjournment:** 10:52 a.m.

Mary Romaidis

Mary Romaidis
Clerk of the Boards

MOBILE SOURCE COMMITTEE

Follow-up Items for Staff

September 11, 2003

1. Staff to come back to the Committee with a proposal on the feasibility of the VIP program so that it would also apply to private individuals. (Director Haggerty)
2. Reconsideration of the Alameda County Project #03R26 regarding Class 2 Bicycle Lanes on Tesla Road. (Director Haggerty)
3. Staff to look at a change in the criteria for TFCA Regional Fund Applications that would be favorable toward funding bicycle and pedestrian bridges in the future. (Director Miller)