

**Bay Area Air Quality Management District
939 Ellis Street
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APPROVED MINUTES

Summary of Board of Directors
Mobile Source Committee
9:30 A.M., Thursday, March 27, 2008

1. **Call to Order - Roll Call:** Chair Tim Smith called the meeting to order at 9:40 a.m.

Present: Tim Smith, Chair, Tom Bates (9:46 a.m.), Scott Haggerty, Carole Klatt, Jake McGoldrick (9:41 a.m.), and Mark Ross.

Absent: Yoriko Kishimoto, John Silva, and Gayle Uilkema.

Also Present: Pamela Torliatt.

2. **Public Comment Period:** There was none.
(Director McGoldrick Arrived.)

3. **Approval of Minutes of December 10, 2007:** Director McGoldrick moved approval of the minutes; seconded by Director Haggerty; carried unanimously without objection.

4. **Overview of the Air District's Integrated Priority Communities Strategy for Grant Funding Programs:** *The Committee received an overview of how the grant funding programs are being used as a part of an overall strategy to reduce emissions to impacted communities.*

As an extension to a discussion that took place at a previously held retreat of the Board of Directors, Jack Broadbent, Air District Executive Officer, stated the Community Air Risk Evaluation (CARE) Program is informing how the Air District makes grant program recommendations to the Board of Directors. Specifically, the CARE Program is showing that the Air District includes some areas more severely impacted by diesel particulate than others.

Mr. Broadbent presented slides and maps that provided CARE Program Objectives, and indicated the range of concentration of diesel particulate in the Bay Area and the identified impacted communities, adding that boundaries were not yet defined. These communities include:

- Concord
- Richmond
- West Oakland, particularly in and around the Port of Oakland
- East Oakland, where there are several distribution centers
- San Jose, where the 680 Interstate and Highway 101 meet

- East San Francisco

(Director Bates arrived 9:46 a.m.)

Mr. Broadbent outlined funding sources for projects in highly impacted communities:

- \$11 million - Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program)
- \$12 million - Transportation Fund for Clean Air (TFCA)
- \$10 million - Mobile Source Incentive Fund (MSIF) and up to:
- \$35 million - Infrastructure Bond (I-Bond)

It was noted that 3.4 million dollars of I-Bond funding had already been allocated by the ARB for the District.

Concluding the presentation, Mr. Broadbent stated that the Air District had been meeting with groups in the impacted communities to encourage grant applications.

Damien Breen, Air District Grants Manager, described the meetings, indicating that 32 meetings had taken place to-date, and that 38 total were planned through the end of April 2008.

In response to a question from Director Haggerty regarding conditions at the Interstate 580-680 corridor, Mr. Broadbent clarified that the six communities represented areas of peak diesel particulate concentration, and that the peaks would be addressed first. Director Haggerty requested a graph of the impacted communities, spread out to 10 or 12 communities, be produced and suggested, in light of impending high-density housing development around the Dublin BART station, that transit-oriented development (TOD) in areas near freeways needed looking at.

Director McGoldrick gave examples of the successful use of toll-roads in the congestion management of certain European cities, and suggested that the Air District become involved in assisting with congestion management. Director McGoldrick also requested that Air District staff contact San Francisco Supervisor Sophie Maxwell with regard to the public meeting in San Francisco.

Discussion regarding public comment, geographical areas of concern, and Air District responses ensued. Responding to a question from Director Bates, Mr. Broadbent clarified the intent of the Air District to match funds using TFCA dollars for diesel traps on trucks at the Port of Oakland. He further indicated that I-Bond funds would be used to reduce emissions from:

- Trucking firms
- Construction equipment companies
- Shippers
- Marine terminal operators in West Oakland, and probably
- Locomotive operations for Richmond and West Oakland.

Application prioritizations, regulatory authority, and the necessity of early regulatory compliance for grantees were also discussed.

Mr. Broadbent noted that, because this will probably impact the rest of the Board members, staff decided to include this topic on the Board of Directors agenda. With regard to the subject of positive rewards or recognition for retrofitting trucks, Mr. Broadbent related the Port of Oakland's potential use of a medallion system, similar to the one used with taxis in San Francisco.

5. Update on California Goods Movement Bond Program: *The Committee received an update on the outreach and application process for funds and next steps to be taken as part of the District's Goods Movement Bond Program.*

Mr. Broadbent gave an overview of the funds approved by California voters for infrastructure improvements, one billion of which is allocated for air quality improvement, to be distributed over four years in \$250 million increments. Annually, \$35 million have been allocated for the Bay Area, \$140 million in total, based on a formula of the California Air Resources Board (CARB) using:

- Population
- Emissions associated with goods movement
- Attainment status

Early grants in the amount of \$3.4 million were allocated by ARB to the District for the purpose of electrifying APL Shipping and for 75 truck retrofits in the Port of Oakland. Mr. Breen responded to questions from Director Bates by stating that 50% of the cost of retrofitting these 75 independently-operated trucks had been covered by the Port of Oakland.

Mr. Broadbent then outlined the process of obtaining funding from the main I-Bond grant. He stated that the Air District, in daily conversation with CARB, needs to apply for these monies, declare what Air District staff thinks needs to be done, describe how the monies are matched, and indicate where the money will go. Discussions to-date have examined cost-effectiveness of reductions, determining what CARB's adopted emissions reduction plan included, and where emissions reductions would be needed, whether that would be trucks, e.g. Mr. Broadbent added that after the process was completed, a package would be presented to the Mobile Source Committee.

Mr. Broadbent stated that unlike Southern California, where the larger Ports of Los Angeles and Long Beach have their own grant programs and funding in partnership with the South Coast Air District, CARB clearly wants the Air District to be the recipient of these monies, as the sole entity in the Bay Area to distribute funds. CARB has seen what the Air District has done, in terms of responding to the changes and the processes that will be put into place as a result of the Carl Moyer audit, and are the most comfortable having the Air District determine how best to spend these monies. Implications of this, such as availability of Air District resources and staff were discussed at Budget & Finance Committee meeting of March 26. Mr. Broadbent noted that application for I-Bond funds is a competitive process, stating however that he believed the Air District would be the only applicant to qualify. Mr. Broadbent continued, saying that it is not a typical application process where funds come directly to the Air District, with I-Bonds, the funds must be applied for, and scrutiny is applied by the state.

Mr. Breen gave an account of a March 25th public meeting, relating that it had been advertised in three local newspapers, was conducted in Downtown Oakland and that there were, actually,

three public meetings scheduled to meet a requirement in the I-Bond program. Fifty to sixty people from the West Oakland community were in attendance, and many comments regarding where the Air District should spend this money were received.

Mr. Broadbent offered that, although the application would be due by April 4, staff would not commit the Board to anything at that time; rather, they would put together a plan based on discussion with CARB staff, then inform the Committee of what CARB staff members think ought to be done, what Air District staff thinks ought to be done and, as a result, what types of recommendations make sense to move forward with. Mr. Broadbent suggested that this set of recommendations be brought to the next Mobile Source Committee meeting.

Mr. Breen presented a list of projects that would serve as a basis for discussion with the Port of Oakland, for example. For port drayage trucks, the Air District would consider retrofits and add-on devices, made affordable with bond assistance. Messrs. Breen and Broadbent defined the term “drayage truck” as a truck that actually has a trip inside the port, primarily taking containers from ships to transport them to railheads and distribution centers on short-hauls.

Mr. Breen continued enumerating projects, stating that the larger goods movement trucks, i.e., company trucks—such as those along the Interstate 880 corridor—with the financial wherewithal to match the bond funding, would receive only fifty thousand for replacement of trucks, five thousand for retrofits, and would require no match from the Air District. The Air District is also looking at four to five high-emissions locomotive engines operating in close proximity to the West Oakland community. Two point eight million dollars for shipboard electrification represented the early grant that was put together with APL Shipping. The last category was Marine Harbor Craft. ARB marine regulation estimates that the Bay Area has about fifty percent of the harbor craft in California. Current thinking would include monies for the read power of some fishing vessels and tugboats.

Mr. Broadbent noted that the Port of Oakland is looking at imposing a container fee, to be the source of funding for their matching. However it is fraught with issues, because some do not believe that they have the authority, and because of potential economic consequences. Mr. Broadbent suggested that the Air District may want to think about using some of the monies particularly to help match and get the retrofitting of the trucks out, as a way to help incentivize replacements at the port, and that more discussion on the topic would be needed.

Mr. Breen stated that a very large air quality benefit could be had very quickly by putting diesel particulate traps on drayage trucks in that area. He further stated that the Air District was considering using TFCA and Mobile Source Incentive Fund monies, for use in matching bond monies as one way of helping truckers to obtain these devices at the Port of Oakland.

In reviewing deadlines, Mr. Broadbent reiterated that although the matching funds need to be identified up front, it would be stated, “This is in general what we’re looking to do,” thereby meeting requirements while maintaining the flexibility to change. Mr. Broadbent noted that CARB staff knows that Board agreement is needed, and understand the processes and the Air District’s timeframe as well.

In response to a question from Chairperson Smith about why the Air District would be using TFCA money, Mr. Breen replied that the Air District had talked with the Port of Oakland (Port) about having a Memorandum of Understanding to clarify that they would provide the matching funds. However, monies provided by the Port were not guaranteed and it may be necessary to

use TFCA funding in order to make affordable retrofits available to port truckers. Should the Air District choose to use TFCA monies, it will be only for the first year of the four-year I-Bond funding.

Mr. Broadbent clarified points about cost-effectiveness for Chairperson Smith, noting that the match funding from TFCA for truck retrofits, repowers, and replacements had the greatest flexibility, whereas MSIF match funding has guidelines mandated by the Carl Moyer Program.

In response to a question from Director Haggerty, Mr. Breen explained that the 75 retrofitted trucks would be under contract—both with the Port of Oakland and with the Air District—to continue to operate in the port. Specifically, a four-year contract with the Air District would require them to make 150 trips to the port each year, and allows for installation of electronic monitoring devices, that would provide GPS data on those trucks. The state is working on a state-wide GPS system at the moment and, toward the end of this program, these trucks could actually be monitored, and there has been discussion of having ARB monitoring personnel at the Port.

Director Haggerty expressed concern about agricultural retrofits and about Oakland paying their fair share, and recommended that an agreement or strong message, stating that they need to comply, be made.

Discussion regarding ramifications of non-compliance, applicant screening, and waivers ensued. Mr. Breen added that one of the contract possibilities being investigated is that the Air District be a lienholder on trucks funded on the program. Further discussion regarding accident liability, insurance requirements, and regulation deadlines followed, namely: by December 31st, 2009—no drayage truck older than a 1993 model will be able to enter the port, and any truck produced between 1994 and 2003 must be retrofitted with a diesel particulate filter (DPF) device. The second phase of that regulation stipulates that by 2014 all drayage trucks must be equipped with an engine that meets the 2007 model year California or federal emission standards.

Director McGoldrick asked whether the Air District would have any recovery rights, or perhaps some kind of a buy-back, for recovering traps, and inquired how much the traps would be worth. Messrs. Broadbent and Breen responded that the parts themselves would be about fifteen thousand dollars each, and added that they have been standing up to a lot of wear and tear so far.

Director McGoldrick asked if there were anything comparable in other states that the Air District could borrow best practices from, to which Mr. Broadbent responded that all of California is going through this all at the same time; Ms. Roggenkamp added that Texas has a similar program, but that it is behind California's program.

6. **Proposed revisions to the Transportation Fund for Clean Air (TFCA) Policies and Evaluation Criteria for FY 2008/2009:** *The Committee considered recommending Board of Directors approval of proposed revisions to TFCA Policies and Evaluation Criteria to govern allocation of FY 2008/2009 TFCA funds, including the allocation of \$1,000,000 in TFCA Regional Funds to the Clean-Air Vehicle Advanced Technology Demonstration projects that meet the Fiscal Year 2008/2009 TFCA Regional Fund Policies.*

Jack Colbourn, Air District Director of Administration introduced Damien Breen, Grants Manager, who presented the proposed revisions. Mr. Breen described the process for staff preparation of proposed revisions to the regional fund policies and criteria, requests for

comments from all affected parties (included in Attachment B of the staff report), and referenced an additional comment from the Santa Clara Valley Transportation Authority (VTA), in a rider sheet. Results of the process were included in Attachment A of the staff report.

Most of the policies and criteria are proposed to remain unchanged, with three exceptions:

1. A new policy, number 19, requiring insurance of grantees, will be added.
2. A change would be made to criterion 5, to give first priority to highly impacted communities, as discussed earlier today.
3. Provide additional priority, in criterion 6, to development areas. These areas were established by the FOCUS program, which involved the Joint Policy Committee of ABAG, the Bay Conservation Development Commission, MTC, and Bay Area Air Quality Management District, to promote smart growth.

Finally, adoption of a \$1 million allocation for clean-air vehicle advanced technology demonstration projects was requested, based on what was used last year to fund fuel cell transit bus projects, and a hydrogen CMV fuel-brand project at the San Francisco Airport.

Mr. Breen concluded the presentation by requesting on behalf of Air District staff, that the Committee approve the regional fund policies for the evaluation criteria, and allocate \$1 million in TFCA regional funds to clean air advanced technology demonstration.

In response to questions from Director Haggerty, Mr. Breen clarified that impacted communities are those communities, indicated in Agenda Item 4, most impacted by the toxic risk from particulate emissions and that those communities were to be priority project targets, however all other areas would be still eligible for funding. Mr. Breen added that while, in terms of volume of projects, the Air District *does* get some projects from those impacted areas, it is not a significant number, and therefore, by providing the priority, the Air District is trying to incentivize application.

In response to concerns about the potential of funding projects solely in the areas noted in Agenda Item 4, Ms. Roggenkamp stated that, for this year, those are the most highly impacted areas, in terms of emissions and sensitive populations, and that the Air District will revisit this determination next year.

Following additional comments from Director Haggerty regarding priority of funding, Mr. Broadbent rejoined by stating that the Air District actually gives some other areas higher priorities, and that staff fully expects there will be TFCA projects that are not necessarily in these areas.

Further discussion of codification of recommendations ensued. Responding to a question from Director Ross, Mr. Breen replied that cost-effectiveness still carried the greatest weight, in terms of criteria used in ranking projects. In preparation for a motion to approve staff's request, members of staff and the Committee discussed possible outcomes and clarified points of concern.

Chairperson Smith recognized Mr. Hough, who recommended, that with regard to policy number 18, the Air District revert to the previous policy and, with regard to drafted policy number 26, asked if staff could determine whether Serendipity's objections had any merit in the intervening year before the 2009 cycle, and suggested that perhaps used vehicles should be eligible in the next cycle.

Chairperson Smith suggested looking at awarding higher priority to proposals that include support from their various jurisdictions, cities, and areas that are participating in providing the match portion.

Committee Action: Director Haggerty moved approval of the staff recommendations; motion seconded by Director McGoldrick; carried unanimously without objection.

7. **Consideration of FY 2007/2008 Bicycle Facility Program: Annual Report; Proposed Revisions to Guidelines and Adoption of Program for FY 2008/2009:** *The Committee received FY 2007/2008 annual report on the Bicycle Facility Program (BFP) and considered recommending Board of Directors approval of 1) BFP Guidelines to govern allocation of FY 2008/2009 funds; 2) an allocation of \$600,000 in TFCA Regional Funds to the BFP; and 3) authorization of the Executive Officer to enter into BFP funding agreements with project sponsors.*

Jack Colbourn introduced the presenter Avra Goldman, Environmental Planner. Ms. Goldman greeted the Committee, stating that she had been working at the Air District as a planner in the Grants Section since October of 2007.

Ms. Goldman presented slides covering the annual report for the Bicycle Facility Program for '07-'08 and the proposed guidelines and funds allocation for '08-'09. These included addition of:

- Guideline 9, Insurance
- Guideline 15, Eligible Bicycle Facility Projects, revised to allow retrofit of mechanical lockers to electronic lockers.

Comments on these proposed changes were to be found in Attachment B.

Ms. Goldman introduced additional slides, which indicated the Bicycle Facility Program's purpose of reducing emissions from mobile sources by implementing bicycle facilities in the Bay Area, and mentioned the progress to-date of fourteen funded projects, listed in Attachment A, and the overall success of the program.

Ms. Goldman noted that during the public comments period for the proposed changes to guidelines, all of the comments supported further enhancements of the program. Staff proposed allocation of 600,000 dollars in TFCA regional funds to the program for '08-'09; which would be the same as that of the '07-'08 fiscal year.

In conclusion, staff recommended that the Mobile Source Committee consider recommending that the Board of Directors

1. Receive a file of the annual report for the Bicycle Facility Program for '07-'08,
2. Approve the proposed BFP Guidelines, presented in Attachment B, for fiscal year '08-'09, and
3. Approve the allocation.

Chairperson Smith recognized Mr. Hough. Mr. Hough commented that the CTA wished to thank Air District staff for continuing to fund mechanical bike lockers.

Committee Action: Director Haggerty moved approval of the staff recommendations; motion seconded by Director McGoldrick; carried unanimously without objection.

8. **Committee Member Comments/Other Business:** There was none.
9. **Time and Place for Next Meeting:** At the call of the Chair.
10. **Adjournment:** Meeting was adjourned at 11:14 a.m.

/s/ Lisa Harper
Lisa Harper for Jean Marie Mink
Clerk of the Boards