



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
MOBILE SOURCE COMMITTEE

COMMITTEE MEMBERS

SCOTT HAGGERTY - CHAIR
TOM BATES
CAROL KLATT
MARK ROSS
BRAD WAGENKNECHT

GAYLE B. UILKEMA – VICE CHAIR
YORIKO KISHIMOTO
ERIC MAR
MICHAEL SHIMANSKY

THURSDAY
May 28, 2009
9:30 a.m.

4TH FLOOR CONFERENCE ROOM
939 ELLIS STREET
SAN FRANCISCO, CA 94109

AGENDA

1. **CALL TO ORDER - ROLL CALL**

2. **PUBLIC COMMENT PERIOD**

(Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3) Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.

3. **APPROVAL OF MINUTES OF APRIL 30, 2009**

4. **CONSIDERATION OF APPROVAL FOR CARL MOYER PROGRAM YEAR 11 PROJECTS WITH PROPOSED GRANT AWARDS OVER \$100,000**

J. Colbourn/5192

jcolbourn@baaqmd.gov

The Committee will consider the approval of Carl Moyer Program Year 11 projects that have proposed grant awards over \$100,000.

5. **CONSIDERATION OF APPROVAL FOR AIR DISTRICT PARTICIPATION IN THE 2009 CALIFORNIA AIR RESOURCES BOARD (ARB) LOWER EMISSION SCHOOL BUS RETROFIT PROGRAM FUNDED BY THE STATE DIESEL EMISSION REDUCTION ACT (DERA)**

J. Colbourn/5192

jcolbourn@baaqmd.gov

The Committee will consider approving the Air District's participation in the 2009 California Air Resources Board (ARB) Lower Emission School Bus Retrofit Program funded by the State Diesel Emission Reduction Act (DERA).

6. **COMMITTEE MEMBER COMMENTS/OTHER BUSINESS**

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).

7. **TIME AND PLACE OF NEXT MEETING:** 9:30 a.m., Thursday, June 25, 2009 at 939 Ellis Street, 4th Floor Conference Room.

8. **ADJOURNMENT**

**CONTACT EXECUTIVE OFFICE - 939 ELLIS STREET
SAN FRANCISCO, CA 94109**

**(415) 749-5127
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov**

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities notification to the Executive Office should be given at least three working days prior to the date of the meeting so that arrangements can be made accordingly.
- 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 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body. Such writing(s) may also be posted on the District's website (www.baaqmd.gov) at that time.

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

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF DISTRICT MEETINGS

MAY 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Advisory Council Regular Meeting	Wednesday	13	9:00 a.m.	Board Room
Joint Policy Committee	Friday	15	10:00 a.m.	MTC Auditorium 101 8 th Street Oakland, CA 94607
Board of Directors Executive Committee <i>(At the Call of the Chair)</i>	Monday	18	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	20	9:45 a.m.	Board Room
Board of Directors Budget Hearing <i>(At the Call of the Chair)</i>	Wednesday	20	Immediately Following Board of Directors Regular Meeting	Board Room
Board of Directors Personnel Committee – <i>(At the Call of the Chair)</i>	Wednesday	27	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee – <i>(Meets 4th Thursday of each Month)</i>	Thursday	28	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i>	Thursday	28	Immediately Following Mobile Source Cme. Meeting	4 th Floor Conf. Room

JUNE 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Budget & Finance Committee <i>(At the Call of the Chair)</i>	Monday	1	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	3	9:45 a.m.	Board Room
Board of Directors Public Outreach Committee <i>(Meets 1st Thursday every other Month) - CANCELLED</i>	Thursday	4	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Legislative Committee <i>(Meets 2nd Thursday of each Month)</i>	Thursday	11	9:30 a.m.	4 th Floor Conf. Room

JUNE 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i>	Thursday	11	Immediately Following Legislative Cme. Meeting	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	17	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee - <i>(Meets 4th Thursday of each Month)</i>	Thursday	25	9:30 a.m.	4 th Floor Conf. Room

JULY 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	1	9:45 a.m.	Board Room
Advisory Council Regular Meeting	Wednesday	8	9:00 a.m.	Board Room
Board of Directors Legislative Committee <i>(Meets 2nd Thursday of each Month)</i>	Thursday	9	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Mont)</i>	Thursday	9	Following Legislative Cme. Mtg.	4th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	15	9:45 a.m.	Board Room
Joint Policy Committee	Friday	17	10:00 a.m.	MTC Auditorium 101 8 th Street Oakland, CA 94607
Board of Directors Stationary Source Committee <i>(Meets 3rd Monday Quarterly)</i>	Monday	20	9:30 a.m.	Board Room
Board of Directors Mobile Source Committee - <i>(Meets 4th Thursday of each Month)</i>	Thursday	23	9:30 a.m.	4 th Floor Conf. Room

HL - 5/11/09 (9:30 a.m.)
P/Library/Forms/Calendar/Calendar/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Haggerty and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 20, 2009

Re: Mobile Source Committee Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Mobile Source Committee meeting of April 30, 2009.

DISCUSSION

Attached for your review and approval are the draft minutes of the April 30, 2009 Mobile Source Committee meeting.

Respectfully submitted,



Jack P. Broadbent
Executive Officer/APCO

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 749-5000

DRAFT MINUTES

Summary of Board of Directors
Mobile Source Committee Meeting
Thursday, April 30, 2009
9:30 a.m.

CALL TO ORDER: Chairperson Scott Haggerty called the meeting to order at 9:30 a.m.

Roll Call: Scott Haggerty, Chairperson; Gayle B. Uilkema, Vice Chairperson; Tom Bates, Carol Klatt, Eric Mar, Mark Ross and Michael Shimansky

Absent: Yoriko Kishimoto and Brad Wagenknecht

Also Present: Chairperson Pamela Torliatt

PUBLIC COMMENTS: There were no public comments

Due to lack of an initial quorum, Chairperson Haggerty requested discussion of Item 7.

Status Report of the Air District's Application for American Recovery and Reinvestment Act (ARRA) for 2009 Funding – Presentation by Director of Strategic Incentives Jack Colbourn

Overview:

Mr. Colbourn presented a status report of the Air District's application for ARRA 2009 federal stimulus funding, stating that staff submitted one application to date which was submitted by the April 28, 2009 deadline under the Diesel Emissions Reduction Act. He described the application as:

- \$10 million in Diesel Emissions Reduction Act (DERA) funding via the U.S. EPA;
- Replaces, retrofits and repowers diesel heavy-duty trucks, locomotives, buses and marine vessels;
- Reduces emissions from goods movement at Bay Area ports;
- Leverages approximately \$2 million in local funding from the Air District and approximately \$5 million in matching funds from local transportation companies;
- Saves up to 1,000 jobs at the Port of Oakland and creates and preserves 500 new jobs at local manufacturing, retail and maintenance facilities.

Mr. Colbourn reported that the second application is via to the Department of Energy (DOE) for the Clean Cities FY09 Petroleum Reduction Technologies Projects – Area #4, which is due May 29, 2009 and focuses on greenhouse gas reductions. Another application related to this is also due on May 8, 2009 which requests the California Energy Commission (CEC) to match the District's funds to expand funding further from \$10 million to \$25 million the project:

- Provides \$15 million;

- Rapidly expands the use of alternative fuels and advanced technology through investments in new electric/alternative-fuel vehicles and infrastructure, retrofits existing vehicles, and provides education;
- Provides significant reductions in GHGs, criteria pollutants, and toxic air contaminants
- Creates new and protects existing jobs in manufacturing, retail and service/maintenance;
- Leverages approximately \$25 million in funding from CEC, Air District, private sector and local cities and counties.

Potential Partners:

- Bay Area Cities and Counties
- Clean Cities Coalitions
- Universities and Community Colleges
- Transportation Agencies
- Other Special Districts
- Large Private Fleet Operators (taxis, shuttles, car sharing)
- Local Equipment and Maintenance Vendors
- Community Groups

Potential Project Types:

- Vehicle Fuel: Electric, Plug-in Hybrid Electric (PEHV), Hybrid (HEV) diesel/gas, Compressed Natural Gas (CNG);
- Infrastructure: Electric Charging Station/Spots, Electric Battery Swap Stations, CNG Stations, Hydrogen Stations;
- Applications: Passenger vehicles, Neighborhood Electric Vehicles (NEVs), Patrol Vehicles, Pickup Trucks, Delivery & Vans, Street Sweepers, SW Collection Vehicles, Shuttle Buses, Large Battery Buses, Off-Road.

Mr. Colbourn then presented the 2009 Timeline for alternative fuel funding opportunities.

Committee Discussion/Comments:

Directors discussed the District's application to the DOE that has goals of reducing petroleum usage, partnerships that cover all 9 Bay Area counties, the potential expansion of funding from \$10 million to \$25 million, receipt of letters of intent from 50 cities, use of TFCA money for project matches, solicitation of funds, and the phenomenal success of grant funding opportunities due to outreach by the District.

Public Comments: Vandana Bali, Clean Vehicles Program Manager and Coordinator of San Francisco Clean Cities Coalition, City & County of San Francisco Department of the Environment, discussed the 90-member coalition partnership, grant funding efforts to advance projects and assist cities in reducing petroleum usage, criteria pollutants and GHGs through advanced technology demonstration projects, fueling infrastructure, education and outreach.

Committee Action: None; informational only.

APPROVAL OF MINUTES: Director Shimansky moved approval of the March 26, 2009 minutes; seconded by Director Klatt; carried unanimously without objection.

Consideration of Proposed Supplemental Transportation Fund for Clean Air Regional Fund Policies and Evaluation Criteria for Fiscal Year (FY) 2009/2010 and Proposed Allocations for Specific Project Types - Staff Presentation by Director of Strategic Incentives, Jack Colbourn and Air Quality Programs Manager Karen Schkolnick

Background Information:

Ms. Schkolnick reported that on April 1, 2009 the Board of Directors approved the TFCA Regional Policies and Evaluation Criteria for FY 09/10, including the first set of project-specific policies and set-asides. She presented a schedule for approval of the remaining policies and noted the Board of Directors had also approved an open call for the program.

She said staff has developed a recommendation for additional project policies and cost-effective criteria for the following project categories and requests funds be used as a match or as overflow if the District is oversubscribed in order to maximize the number of projects that participate:

- #21, Alternative Fuel Light-Duty Vehicles;
- #23, Alternative Fuel Heavy-Duty Vehicles (high mileage)
- #24, Alternative Fuel Buses
- #25, Alternative Fuel Infrastructure

Staff also proposes an allocation of up to \$5 million for alternative fuel and infrastructure projects reserved to match Air District application to U.S. DOE and for Policies #21 through #25. She noted \$4 million for shuttles and rideshare and \$2 million for Advanced Tech Demonstrations was approved on April 1, 2009, and staff is recommending \$5 million be approved as TFCA FY 09/10 Set-Aside for Alt-Fuel Vehicles and Infrastructure.

Staff Recommendation:

1. Proposed FY 09/10 TFCA Regional Fund Policies and Evaluation Criteria presented in Attachment B;
2. Up to \$5 million for alternative-fuel vehicle and infrastructure projects (Policies #21-25) to be reserved to match the Air District's application to the Department of Energy (DOE) under the Clean Cities FY 09 Petroleum Reduction Technologies Projects for the Transportation Sector, Area Interest #4.

Committee Discussion/Comments:

- Directors confirmed that the recommendation affects the Regional Fund and not County Program Managers;
- Separate outreach was conducted with cities and counties for fleet programs;
- Confirmed the need to adhere to federal funding rules for funds used as a match to the DOE application;
- Biodiesel was not currently funded but staff was exploring current standards with CAPCOA;
- Directors discussed City and county funding cycles, open call for projects and the availability of TFCA programs throughout the year;
- Confirmed the recent approval of \$200,000 public outreach contracts which helps to ensure potential applicants are made aware of the open call time period;
- Confirmed that the proposed changes would address Sonoma County Transit's concerns by ensuring availability of funding for alternative fuel projects.

Ms. Schkolnick noted that bicycle facilities and SMART growth would be reviewed at the June Mobile Source Committee meeting and staff would be returning with a recommendation with policies and a request for set-aside funding. Mr. Colbourn further explained that staff was analyzing

each of the project categories which would be brought to the Board of Directors in the current fiscal year so that policies will be in place and a call for projects could be done at one time.

Committee Action: Director Ross made a motion to recommend Board of Directors' approval of: 1) The proposed Fiscal Year 2009/2010 TFCA Regional Fund Policies and Evaluation Criteria presented in Attachment A; and 2) Up to \$5 million for alternative-fuel vehicle and infrastructure projects (Policies #21-25) to be reserved to match the Air District's application to the Department of Energy (DOE) under Clean Cities FY 09 Petroleum Reduction Technologies Projects for the Transportation Sector, Area Interest #4; Director Uilkema seconded the motion, which carried unanimously without objection.

Consideration of Revisions to Three Fiscal Year (FY) 2008/2009 Transportation Fund for Clean Air Regional Fund projects - Staff Presentation by Supervising Environmental Planner David Wiley

Overview:

Mr. Wiley reported that on October 1, 2008 the Board of Directors approved the allocation of \$13,535,324 in funding from a combination of FY 2008/2009 TFCA Regional funds and Mobile Source Incentive Fund funds for 53 projects. Following approval, staff received new information from the project sponsors that would change the cost-effectiveness of three projects. He said staff evaluated the revised projects and determined that each met Board-adopted TFCA Regional Fund policies. Staff recommends that the Committee recommend Board of Directors' approval of funding for the revised projects as listed below:

Project #	Project Sponsor	Project Title	\$ Previously Allocated	Revised \$ Allocated	Cost-Effectiveness	Revised Cost-Effectiveness
08R53	Yandell Truckaway, Inc.	Retrofit 20 heavy duty trucks - Level 3 devices	\$362,436 (MSIF)	\$362,436 (TFCA)	\$3,394	\$6,305
08R59	Pacific Water Trucks	Repower and retrofit 3 heavy duty vehicles	\$154,430 (TFCA)	\$115,118 (TFCA)	\$14,068	\$19,207
08R76	Solano County Transportation Authority	Safe Route to School	\$400,000 (TFCA)	\$400,000 (TFCA)	\$8,929	\$16,417

Committee Discussion:

Directors questioned what guaranteed retrofitted trucks would operate in the Bay Area. Mr. Wiley responded that all sponsors' road logs are inspected; they are contractually bound and have stringent reporting requirements. While not required, Directors suggested staff consult with representatives of 511.org regarding the use of GPS.

Committee Action: Director Bates moved to recommend the Board of Directors approval of Revisions to Three Fiscal Year (FY) 2008/2009 Transportation Fund for Clean Air Regional Fund projects, as recommended by staff; Director Shimansky seconded the motion; carried unanimously without objection.

Consideration of Transportation Fund for Clean Air Regional Fund Policies and Evaluation Criteria for Fiscal Year 2009/2010 and an Amendment to the FY 2008/2009 Napa County Program Manager TFCA Expenditure Plan - Staff Presentation by Director of Strategic Incentives Jack Colbourn and Air Quality Program Manager Karen Schkolnick

Overview:

Ms. Schkolnick provided the following background information:

- TFCA funding source: \$4 surcharge on motor vehicle registration;

- 40% is designated for County Program Managers;
- Each year, the Board of Directors considers policies and evaluation criteria for the Program Manager Program and also approves Program Manager expenditure plans;
- On November 5, 2008, the Board approved revisions to TFCA Program Manager policies for 2009/2010 which were mainly to streamline administration of the program and to provide greater flexibility to the Program Managers.

Ms. Schkolnick provided recommended FY 2009/2010 allocations by county, which she said are estimated amounts that will be adjusted once TFCA revenues come in. She confirmed that the allocations are based on total number of vehicles registered, from interest reported from each Program Manager, and reallocation of any project funding that closed under budget.

The FY 2008/2009 Napa County Expenditure Plan was approved by the Board of Directors on November 5, 2008 and a balance of \$153,586.05 remained. An application for one additional project (#08NAP03-County of Napa-Duhig Road Class II Bike Lanes) was received on February 9, 2009 which complies with Board-adopted policies, and staff recommends approval of the request.

A third request is to allow the County Program Managers the option to be able to use policies for the Regional Fund Policies #21-25 in their evaluation of projects for the 2009/10 funding cycle. She confirmed that all counties have been extremely active and interested in helping their communities participate.

Committee Comments/Discussion:

Director Bates confirmed with Mr. Broadbent that the relationship with the County Program Managers has evolved over time in a positive direction and the Committee would be provided with a future update of County Program Manager funding categories and programs.

Committee Action: Director Bates moved to recommend the Board of Director's approval to:

1. Approve funding allocations for FY 2009/2010 TFCA County Program Manager listed on Table 1;
2. Approve the amended allocation of \$153,586 to the FY 2008/2009 Napa County TFCA Program Manager expenditure plan;
3. Amend FY 2009/2010 TFCA Program Manger Policies to allow County Program Managers the option to use Board approved Policies # 21-25 from the TFCA Regional Fund Policies and Evaluation Criteria for 2009/2010; and
4. Authorize the Executive Officer/APC to enter into funding agreements with the County Program Managers for FY 2009/2010 allocations and to amend the Napa County Program Manger's FY 2008/2009 Expenditure Plan, consistent with Board-adopted TFCA Program Manager Policies.

Chairperson Torliatt seconded the motion; carried unanimously without objection.

COMMITTEE MEMBER COMMENTS:

Director Haggerty questioned the availability of funding for particulate matter devices, noting that Alameda County had recently funded \$460,000 toward retrofits. Ms. Schkolnick responded that a significant amount of Carl Moyer and TFCA funds have been provided to a number of private and public jurisdictional projects for truck retrofits, replacements and repowers.

Director Bates questioned how the general standard for cancer rates was determined, and Mr. Broadbent reported there was no federal standard requirement; however, legislation requires

facilities evaluate their risk and he noted that the District was working toward lowering this standard through the CARE Program.

Next Meeting: 9:30 AM, Thursday, May 28, 2009
939 Ellis Street, 4th Floor Conference Room

Adjournment: Meeting adjourned at 10:28 a.m.

Lisa Harper
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and
Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 28, 2009

Re: Consideration of Approval for Carl Moyer Program Year 11 Projects with
Proposed Grant Awards Over \$100,000

RECOMMENDATION

1. Request the Committee recommend the Air District Board of Directors approve Carl Moyer Program Year 11 projects with proposed grant awards over \$100,000.
2. Authorize the Executive Officer/ APCO to enter into agreements for the recommended Carl Moyer Program Year 11 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 (ARB), since the program began in fiscal year 1998/1999. The CMP provides grants to public and private entities to reduce emissions of oxides of nitrogen (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, stationary agricultural pump engines, forklifts, and airport ground support equipment.

Assembly Bill 923 (AB 923 - Firebaugh), enacted in 2004 (codified as Health and Safety Code 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 any of the four programs listed below:

- Projects eligible for grants under the CMP;
- New purchase of clean school buses;
- Accelerated vehicle retirement or repair program; and
- Projects to reduce emissions from previously unregulated agricultural sources.

On February 4, 2009 the Air District Board of Directors authorized Air District participation in Year 11 of the CMP, and authorized the Executive Office/ 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. Projects with grant award amounts over \$100,000 will be brought to the Committee for consideration at least on a quarterly basis.

DISCUSSION

Air District staff began soliciting Year 11 CMP/ MSIF grant applications on April 15, 2009. The Air District expects to have approximately \$20 million available from a combination of CMP funds and MSIF revenues for eligible projects under this solicitation. Staff has developed and executed an extensive outreach campaign and has been working with equipment vendors to assist Air District staff in outreach to their customers to encourage the submittal of project applications. Project applications for this round of funding are being evaluated, and selected for funding on a first-come, first-served basis. Staff reviews and evaluates the Year 11 CMP grant applications based upon:

- The 2008 CMP guidelines issued by ARB on April 21, 2008
- The Air District’s CMP Year 11 procedures approved by ARB
- Applicable regulations
- The Air District’s AB 1390 methodology

As of May 11, 2009 the Air District has received 41 grant applications requesting incentive funds for potential CMP emission reduction projects. Of the applications that have been evaluated thus far 13 eligible projects have individual grant awards over \$100,000. Approximately 95% of the funds recommended for allocation will be for projects that reduce emissions in impacted communities, as summarized in Table 1. Attachment 1 lists 84 engines that staff recommends be awarded grants for an aggregate of \$5,789,626.00 in funding, using a combination of CMP funds and MSIF revenues. All of the applicants listed in Attachment 1 have projects with proposed individual grant awards greater than \$100,000.

Table 1: Recommended CMP Yr 11 grant awards by AB1390 designation *

Designation	Number of engines	Total grant awards	Lifetime emissions reduction (tons)		
			NOx	ROG	PM
AB1390 **	79	\$5,525,228.00	407.16	5.66	12.97
Not AB1390	5	\$264,398.00	7.27	1.10	0.52
Totals	84	\$5,789,626	414.43	6.76	13.49

* Eligible CMP grant awards greater than \$100,000 as of 5/11/09

** Projects reducing emissions in the six most highly impacted communities: Concord, Richmond/ San Pablo, Western Alameda County, San Jose, Redwood City/ East Palo Alto, and Eastern San Francisco.

Staff requests the Committee recommend the Air District’s Board of Directors approve CMP Year 11 projects with proposed grant awards over \$100,000 as listed in Attachment 1, and authorize the Executive Officer/ APCO to enter into agreements for these projects.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. The Air District distributes "pass-through" funds from ARB to public agencies and private entities on a reimbursement basis. Therefore, the grant funds awarded do not directly impact the Air District's budget.

Respectfully submitted,



Jack P. Broadbent
Executive Director/APCO

Prepared by: Anthony Fournier
Reviewed by: Jack M. Colbourn

Attachment 1: Projects with individual grant awards greater than \$100,000

Wacky Jacky-main-1	Marine	Repower	\$15,658.29	\$76,046.00	0.648	-0.007	0.023	AB1390
Wacky Jacky-main-2	Marine	Repower	\$15,658.29	\$76,046.00	0.648	-0.007	0.023	AB1390
Project Totals				\$152,092.00	1.296	-0.014	0.045	

5	Project #: 11MOY8	Applicant Name: Chuck Louie						2 engines
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Unit #	Equipment category	Project type	Cost-effectiveness	Proposed award	NOx (TPY)	ROG (TPY)	PM (TPY)	AB1390 Designation
Chucky's Pride-main-1	Marine	Repower	\$15,467.65	\$68,750.00	0.941	0.017	0.032	AB1390
Chucky's Pride-main-2	Marine	Repower	\$15,467.65	\$68,750.00	0.941	0.017	0.032	AB1390
Project Totals				\$137,500.00	1.883	0.033	0.064	

6	Project #: 11MOY9	Applicant Name: Erik Anfinson						1 engine
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Unit #	Equipment category	Project type	Cost-effectiveness	Proposed award	NOx (TPY)	ROG (TPY)	PM (TPY)	AB1390 Designation
Bass-Tub-main-1	Marine	Repower	\$14,707.48	\$103,830.00	0.562	-0.004	0.019	AB1390
Project Totals				\$103,830.00	0.562	-0.004	0.019	

7	Project #: 11MOY11	Applicant Name: New Salmon Queen Sportfishing, LLC						2 engines
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Unit #	Equipment category	Project type	Cost-effectiveness	Proposed award	NOx (TPY)	ROG (TPY)	PM (TPY)	AB1390 Designation
New Salmon Queen-main-2	Marine	Repower	\$7,185.61	\$68,820.00	2.055	0.000	0.070	AB1390
New Salmon Queen-main-1	Marine	Repower	\$7,185.61	\$68,820.00	2.055	0.000	0.070	AB1390
Project Totals				\$137,640.00	4.110	0.000	0.139	

8	Project #: 11MOY14	Applicant Name: Fremont Paving						5 engines
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Unit #	Equipment category	Project type	Cost-effectiveness	Proposed award	NOx (TPY)	ROG (TPY)	PM (TPY)	AB1390 Designation
627BS-Engine A	Off-road	Repower & retrofit	\$15,998.94	\$47,808.00	0.230	0.036	0.020	Not AB1390
140H	Off-road	Repower & retrofit	\$15,998.66	\$49,080.00	0.328	0.043	0.016	Not AB1390

627BS-Engine B	Off-road	Repower & retrofit	\$15,998.94	\$47,808.00	0.230	0.036	0.020	Not AB1390
627BB-Engine A	Off-road	Repower & retrofit	\$15,114.57	\$59,851.00	0.417	0.065	0.030	Not AB1390
627BB-Engine B	Off-road	Repower & retrofit	\$15,114.57	\$59,851.00	0.417	0.065	0.030	Not AB1390
Project Totals				\$264,398.00	1.622	0.247	0.117	

9	Project #: 11MOY19	Applicant Name: City of Alameda	2 engines
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<i>Unit #</i>	<i>Equipment category</i>	<i>Project type</i>	<i>Cost-effectiveness</i>	<i>Proposed award</i>	<i>NOx (TPY)</i>	<i>ROG (TPY)</i>	<i>PM (TPY)</i>	<i>AB1390 Designation</i>
Bay Breeze-main-2	Marine	Repower	\$3,273.54	\$108,772.00	7.535	-0.042	0.223	AB1390
Bay Breeze-main-1	Marine	Repower	\$3,273.54	\$108,772.00	7.535	-0.042	0.223	AB1390
Project Totals				\$217,544.00	15.069	-0.083	0.447	

10	Project #: 11MOY20	Applicant Name: City of Vallejo	8 engines
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<i>Unit #</i>	<i>Equipment category</i>	<i>Project type</i>	<i>Cost-effectiveness</i>	<i>Proposed award</i>	<i>NOx (TPY)</i>	<i>ROG (TPY)</i>	<i>PM (TPY)</i>	<i>AB1390 Designation</i>
Mare Island-aux-1	Marine	Repower	\$15,997.44	\$26,600.00	0.298	0.000	0.008	AB1390
Initinoli-main-1	Marine	Repower	\$8,868.74	\$921,363.75	23.222	0.374	0.690	AB1390
Initinoli-aux-2	Marine	Repower	\$15,997.44	\$26,600.00	0.298	0.000	0.008	AB1390
Mare Island-aux-2	Marine	Repower	\$15,997.44	\$26,600.00	0.298	0.000	0.008	AB1390
Mare Island-main-2	Marine	Repower	\$8,868.74	\$921,363.75	23.222	0.374	0.690	AB1390
Initinoli-main-2	Marine	Repower	\$8,868.74	\$921,363.75	23.222	0.374	0.690	AB1390
Initinoli-aux-1	Marine	Repower	\$15,997.44	\$26,600.00	0.298	0.000	0.008	AB1390
Mare Island-main-1	Marine	Repower	\$8,868.74	\$921,363.75	23.222	0.374	0.690	AB1390
Project Totals				\$3,791,855.00	94.079	1.495	2.793	

11	Project #: 11MOY24	Applicant Name: Richmond Pacific Railroad	1 engine
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<i>Unit #</i>	<i>Equipment category</i>	<i>Project type</i>	<i>Cost-effectiveness</i>	<i>Proposed award</i>	<i>NOx (TPY)</i>	<i>ROG (TPY)</i>	<i>PM (TPY)</i>	<i>AB1390 Designation</i>
4449	Locomotive	Remanufacture kit	\$15,974.00	\$101,400.00	1.052	0.020	0.007	AB1390

Project Totals \$101,400.00 1.052 0.020 0.007

12 Project #: HMOY25 Applicant Name: Cemex Construction Materials Pacific LLC 49 engines

Unit #	Equipment category	Project type	Cost-effectiveness	Proposed award	NOx (TPY)	ROG (TPY)	PM (TPY)	AB1390 Designation
35892	On-road	Retrofit	\$15,991.55	\$2,990.00	0.000	0.000	0.003	AB1390
35982	On-road	Retrofit	\$15,991.06	\$2,605.00	0.000	0.000	0.003	AB1390
35976	On-road	Retrofit	\$15,991.80	\$3,178.00	0.000	0.000	0.004	AB1390
35977	On-road	Retrofit	\$15,992.74	\$2,638.00	0.000	0.000	0.003	AB1390
36042	On-road	Retrofit	\$15,992.37	\$3,210.00	0.000	0.000	0.004	AB1390
35993	On-road	Retrofit	\$15,995.57	\$3,791.00	0.000	0.000	0.004	AB1390
36003	On-road	Retrofit	\$15,991.40	\$2,939.00	0.000	0.000	0.003	AB1390
35899	On-road	Retrofit	\$15,993.58	\$3,565.00	0.000	0.000	0.004	AB1390
35898	On-road	Retrofit	\$15,989.91	\$2,738.00	0.000	0.000	0.003	AB1390
35897	On-road	Retrofit	\$15,991.68	\$2,706.00	0.000	0.000	0.003	AB1390
35896	On-road	Retrofit	\$15,991.10	\$3,284.00	0.000	0.000	0.004	AB1390
35980	On-road	Retrofit	\$15,991.70	\$2,663.00	0.000	0.000	0.003	AB1390
35891	On-road	Retrofit	\$15,991.92	\$2,834.00	0.000	0.000	0.003	AB1390
35926	On-road	Retrofit	\$15,994.50	\$4,252.00	0.000	0.000	0.005	AB1390
36018	On-road	Retrofit	\$15,990.61	\$2,585.00	0.000	0.000	0.003	AB1390
35999	On-road	Retrofit	\$15,991.54	\$2,917.00	0.000	0.000	0.003	AB1390
35979	On-road	Retrofit	\$15,994.38	\$3,022.00	0.000	0.000	0.003	AB1390
35985	On-road	Retrofit	\$15,994.64	\$3,389.00	0.000	0.000	0.004	AB1390
35988	On-road	Retrofit	\$15,990.49	\$3,050.00	0.000	0.000	0.003	AB1390
35978	On-road	Retrofit	\$15,993.77	\$3,140.00	0.000	0.000	0.004	AB1390
35833	On-road	Retrofit	\$15,992.83	\$3,221.00	0.000	0.000	0.004	AB1390
35962	On-road	Retrofit	\$15,989.66	\$2,502.00	0.000	0.000	0.003	AB1390
36017	On-road	Retrofit	\$15,993.97	\$3,015.00	0.000	0.000	0.003	AB1390

36000	On-road	Retrofit	\$15,993.42	\$2,700.00	0.000	0.000	0.003	AB1390
36015	On-road	Retrofit	\$15,987.96	\$2,542.00	0.000	0.000	0.003	AB1390
35996	On-road	Retrofit	\$15,993.21	\$2,705.00	0.000	0.000	0.003	AB1390
35975	On-road	Retrofit	\$15,989.12	\$2,521.00	0.000	0.000	0.003	AB1390
35974	On-road	Retrofit	\$15,993.46	\$2,807.00	0.000	0.000	0.003	AB1390
35895	On-road	Retrofit	\$15,993.33	\$2,606.00	0.000	0.000	0.003	AB1390
35983	On-road	Retrofit	\$15,993.26	\$2,752.00	0.000	0.000	0.003	AB1390
35990	On-road	Retrofit	\$15,990.17	\$2,892.00	0.000	0.000	0.003	AB1390
36040	On-road	Retrofit	\$15,992.64	\$3,595.00	0.000	0.000	0.004	AB1390
35986	On-road	Retrofit	\$15,993.29	\$2,559.00	0.000	0.000	0.003	AB1390
36045	On-road	Retrofit	\$15,991.98	\$3,027.00	0.000	0.000	0.003	AB1390
35893	On-road	Retrofit	\$15,993.88	\$3,131.00	0.000	0.000	0.004	AB1390
36043	On-road	Retrofit	\$15,993.87	\$3,448.00	0.000	0.000	0.004	AB1390
35989	On-road	Retrofit	\$15,994.68	\$3,453.00	0.000	0.000	0.004	AB1390
36041	On-road	Retrofit	\$15,993.54	\$3,818.00	0.000	0.000	0.004	AB1390
35997	On-road	Retrofit	\$15,994.19	\$3,194.00	0.000	0.000	0.004	AB1390
36038	On-road	Retrofit	\$15,995.86	\$4,392.00	0.000	0.000	0.005	AB1390
36037	On-road	Retrofit	\$15,993.15	\$3,374.00	0.000	0.000	0.004	AB1390
36036	On-road	Retrofit	\$15,993.06	\$2,847.00	0.000	0.000	0.003	AB1390
36035	On-road	Retrofit	\$15,995.35	\$4,925.00	0.000	0.000	0.006	AB1390
36034	On-road	Retrofit	\$15,995.43	\$3,890.00	0.000	0.000	0.004	AB1390
36033	On-road	Retrofit	\$15,994.09	\$3,006.00	0.000	0.000	0.003	AB1390
36044	On-road	Retrofit	\$15,994.85	\$4,064.00	0.000	0.000	0.005	AB1390
35967	On-road	Retrofit	\$15,993.32	\$3,369.00	0.000	0.000	0.004	AB1390
35994	On-road	Retrofit	\$15,992.12	\$3,108.00	0.000	0.000	0.003	AB1390
35972	On-road	Retrofit	\$15,990.97	\$2,601.00	0.000	0.000	0.003	AB1390
Project Totals				\$153,560.00	0.000	0.000	0.173	

Unit #	Equipment category	Project type	Cost-effectiveness	Proposed award	NOx (TPY)	ROG (TPY)	PM (TPY)	AB1390 Designation
Ldr4	Off-road	Retrofit	\$14,063.32	\$22,054.00	0.000	0.000	0.018	AB1390
BH6	Off-road	Retrofit	\$15,998.12	\$12,089.00	0.000	0.000	0.009	AB1390
Exc2	Off-road	Repower	\$15,998.92	\$27,975.00	0.225	0.030	0.007	AB1390
Exc3	Off-road	Repower	\$15,998.39	\$25,501.00	0.145	0.031	0.009	AB1390
Exc5	Off-road	Repower	\$15,998.77	\$30,076.00	0.219	0.036	0.008	AB1390
BH3	Off-road	Retrofit	\$11,245.50	\$22,648.00	0.000	0.000	0.023	AB1390
Project Totals				\$140,343.00	0.589	0.097	0.073	

Summary:	<i>Projects</i>	<i>Engines</i>	<i>Proposed award</i>	<i>NOx (TPY)</i>	<i>ROG (TPY)</i>	<i>PM (TPY)</i>
	13	84	\$5,789,626.00	132.370	2.045	4.271

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and
Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 28, 2009

Re: Consideration of approval for Air District participation in the 2009 California
Air Resources Board (ARB) Lower Emission School Bus Retrofit Program
funded by the State Diesel Emission Reduction Act (DERA)

RECOMMENDATION

Request that the Committee recommend the Board of Directors:

1. Adopt a resolution to authorize Air District participation in the 2009 California Air Resources Board (ARB) Lower Emission School Bus Retrofit Program;
2. Authorize the Executive Officer/ APCO to execute the necessary paperwork with ARB relating to the Air District's receipt of the 2009 Lower Emission School Bus Program Retrofit Funds.

BACKGROUND

On May 21, 2008, the Air District Board of Directors approved the acceptance of up to \$8.4 million in Lower Emission School Bus Program (LESBP) California Goods Movement Bond funding from the California Air Resources Board (ARB). As described in the 2008 ARB LESBP Guidelines, these funds are first to be used to replace any remaining pre-1977 public school buses in the Bay Area and then can be used to retrofit existing school buses. On July 9, 2008 the Board of Directors authorized the allocation of \$3.375 million of Mobile Source Incentive Fund (MSIF) revenues to the LESBP for the purchase of replacement public school buses and authorized the Executive Officer/ APCO to enter into funding agreements with recipients of grant awards under the LESBP.

Between August 1, 2008 and September 30, 2008 Air District staff solicited applications for school bus retrofit and replacement projects. This solicitation yielded over 40 applications for more than \$12 million (\$6 million for retrofits, and \$6 million for replacements) in eligible projects. On December 23, 2008 ARB issued a letter to LESBP participants placing a hold on all California Goods Movement Bond funded projects, due to the unavailability of Bond funding.

On February 4, 2009 the Air District Board of Directors authorized the allocation of an additional \$3.5 million in MSIF revenues to be used to fund school bus replacement projects. This allocation increased the total MSIF allocation for school bus replacement projects to \$6.875 million, which allowed school bus replacement projects to move forward while the California Goods Movement Bond funds are unavailable.

DISCUSSION

Due to the unavailability of California Goods Movement Bond funding, the Air District has used MSIF revenues to fund school bus replacement projects under the LESBP. Retrofit projects that were received during the August/ September solicitation period have been on hold due to the unavailability of California Goods Movement Bond funding, and because they cannot be funded with MSIF revenues.

ARB has received an allocation of \$1.73 million from the United States Environmental Protection Agency (EPA) to use the American Recovery and Reinvestment Act of 2009 funding for State Clean Diesel Grant Program (2009 State DERA grant) to purchase, and install retrofit devices on California school buses. The 2009 State DERA grant funds are Stimulus funds and carry specific priorities for commencing activities and expenditures as quickly as possible, and to preserve and/or create jobs.

On April 20, 2009 ARB issued a solicitation to distribute the 2009 State DERA grant funding based on population of air districts that have a sufficient number of “shovel ready” retrofit applications, like those that the Air District collected during its recent project solicitation period. Pursuant to the ARB solicitation, the Air District submitted an application requesting up to \$503,855 in program funding. These funds would be used to retrofit approximately 24 school buses in the Bay Area, and allow up to 7% of the allocation to be used for administrative costs.

Staff requests the Committee recommend the Air District’s Board of Directors adopt a resolution to authorize Air District participation in the 2009 ARB Lower Emission School Bus Retrofit Program. Staff also requests that the Committee recommend the Board of Director’s authorize the Executive Officer/ APCO to execute the necessary paperwork with ARB relating to the Air District’s receipt of the 2009 LESBP Retrofit Funds.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. The Air District distributes “pass-through” funds from ARB to public agencies and private entities on a reimbursement basis. Therefore, the grant funds awarded do not directly impact the Air District’s budget.

Respectfully submitted,


Jack P. Broadbent
Executive Officer/APCO

Prepared by: Anthony Fournier
Reviewed by: Jack M. Colbourn

Attachment 1: A Resolution Accepting 2009 LESBP Retrofit Funds from ARB

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

RESOLUTION No. 2009 -

**A Resolution to Accept 2009 State Clean Diesel Grant Program Funds
From the California Air Resources Board**

WHEREAS, Chapter 10 of Part 5 of Division 26 of the California Health and Safety Code authorizes the California Air Resources Board (ARB) to administer and allocate to local air quality districts funds to replace and retrofit school buses in California (“Lower Emission School Bus Program” or “LESBP”);

WHEREAS, the United States Environmental Protection Agency (U.S. EPA) will distribute to ARB \$1.73 million of its State Clean Diesel Grant Program grant funds, which have been made available through the American Recovery and Reinvestment Act of 2009;

WHEREAS, the purpose of the U.S. EPA grant to ARB is to expand the LESBP in order to retrofit model year 1987 or newer public school buses with ARB-verified and California Highway-approved Level III+ retrofit devices (2009 State DERA-Funded Grant);

WHEREAS, on April 20, 2009, ARB solicited applications from local air districts to award and administer grants for the purchase and installation of retrofit devices on California public school buses, in accordance with ARB’s 2008 LESBP Program Guidelines and other applicable ARB administrative requirements;

WHEREAS, the District timely submitted an application to ARB to participate in and receive a \$503,855 grant from ARB’s 2009 State DERA-Funded Grant’s school bus retrofit program;

WHEREAS, ARB has reviewed the District’s application and will allocate an award up to \$503,855 to the District, subject to acceptance and approval by the District Board of Directors;

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors hereby approves the District’s participation in the 2009 State DERA–Funded Grant program for school bus retrofit projects and acceptance of 2009 State DERA–Funded Grant funds, to be awarded for eligible projects in accordance with ARB’s 2008 LESBP Program Guidelines and other ARB administrative requirements.

BE IT FURTHER RESOLVED, the Executive Officer/Air Pollution Control Officer is hereby authorized and empowered to execute on behalf of the District a grant agreement

with ARB and all other necessary documents to implement and carry out the purposes of this resolution.

The foregoing resolution was duly and regularly introduced, passed and adopted at a regular meeting of the Board of Directors of the Bay Area Air Quality Management District, on the Motion of Director _____, seconded by Director _____, on the ____ day of _____, 2009 by the following vote of the Board:

AYES:

NOES:

ABSENT:

Pamela Torliatt
Chairperson of the Board of Directors

ATTEST:

Tom Bates
Secretary of the Board of Directors