



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
MOBILE SOURCE COMMITTEE

COMMITTEE MEMBERS

SCOTT HAGGERTY - CHAIR
TOM BATES
JENNIFER HOSTERMAN
CAROL KLATT
MARK ROSS

GAYLE B. UILKEMA – VICE CHAIR
CAROLE GROOM
YORIKO KISHIMOTO
ERIC MAR

THURSDAY
NOVEMBER 5, 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 OCTOBER 5, 2009**

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

K.Schkolnick/5070

kschkolnick@baaqmd.gov

The Committee will consider recommending the Board of Director's approval of Carl Moyer Program Year 11 projects with proposed grant awards over \$100,000 and authorization for the Executive Officer/ APCO to execute all necessary agreements for the recommended Carl Moyer Program Year 11 projects.

5. **CONSIDERATION OF EXTENSION OF CONTRACTS AND REQUEST TO RESERVE \$4.5 MILLION IN MOBILE SOURCE INCENTIVE FUNDS FOR VEHICLE BUY BACK PROGRAM**

K. Schkolnick/5070

kschkolnick@baaqmd.gov

The Committee will consider recommending the Board of Directors' approval of contract extensions for vehicle scrapping and related services and an additional \$4.5 million in MSIF during fiscal year 2009/2010.

6. **CONSIDERATION OF APPROVAL OF PROPOSED REVISIONS TO TRANSPORTATION FUND FOR CLEAN AIR REGIONAL FUND PROJECTS**

K. Schkolnick/5070

kschkolnick@baaqmd.gov

The Committee will consider recommending the Board of Directors' approval of proposed revisions to 3 Transportation Fund for Clean Air Regional Fund Projects.

7. **CONSIDERATION OF APPROVAL OF FISCAL YEAR (FY) 2008/2009 TRANSPORTATION FUND FOR CLEAN AIR (TFCA) EXPENDITURES AND EFFECTIVENESS REPORT** K.Schkolnick/5070
kschkolnick@baaqmd.gov

The Committee will consider recommending the Board of Directors' approval of Fiscal Year (FY) 2008/2009 Transportation Fund for Clean Air (TFCA) Expenditures and Effectiveness Report

8. **CONSIDERATION OF PROPOSED REVISIONS TO TRANSPORTATION FUND FOR CLEAN AIR REGIONAL FUND POLICIES AND EVALUATION CRITERIA FOR FISCAL YEAR (FY) 2009/2010**
K. Schkolnick/5070
kschkolnick@baaqmd.gov

The Committee will consider recommending the Board of Directors' approval of proposed revisions for FY 2009/2010 Transportation Fund for Clean Air Regional Fund Policies and Evaluation Criteria.

9. **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).

10. **TIME AND PLACE OF NEXT MEETING:** 9:30 a.m., Monday, December 7, 2009 at 939 Ellis Street, San Francisco, CA 94109

11. **ADJOURNMENT**

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

**(415) 749-5130
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

NOVEMBER 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	2	9:30 a.m.	4th Floor Conf. Room
Board of Directors Personnel Committee Meeting <i>(At the Call of the Chair)</i>	Wednesday	4	9:00 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	4	9:45 a.m.	Board Room
Board of Directors Nominating Committee <i>(At the Call of the Chair)</i>	Wednesday	4	Following Board Regular Mtg.	Executive Office Conf. Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	5	9:30 a.m.	4 th Floor Conf. Room
Joint Policy Committee <i>(Meets 3rd Friday Every Other Month)</i>	Friday	6	10:00 a.m.	MTC Auditorium 101 8 th Street Oakland, CA 94607
Advisory Council Regular Meeting	Tuesday	10	9:00 a.m.	Board Room
Board of Directors Legislative Committee <i>(Meets 2nd Thursday each Month)</i>	Thursday	12	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i> - CANCELLED	Thursday	12	Following Board Legislative Cme. Mtg.	4th Floor Conf. Room
Board of Directors Public Outreach Committee <i>(Meets 1st Thursday each Month)</i>	Friday	13	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(Meets 3rd Monday Quarterly)</i>	Monday	16	9:30 a.m.	Board Room
Board of Directors Personnel Committee <i>(At the Call of the Chair)</i>	Wednesday	18	9:00 a.m.	4th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	18	9:45 a.m.	Board Room
Executive Committee Meeting <i>(Meets at the Call of the Chair)</i>	Thursday	19	9:30 a.m.	4 th Floor Conf. Room
Joint Policy Committee <i>(Meets 3rd Friday Every Other Month)</i> - RESCHEDULED TO FRIDAY, NOVEMBER 6, 2009	Friday	20	10:00 a.m.	MTC Auditorium 101 8 th Street Oakland, CA 94607

(November Continued on Next Page)

NOVEMBER 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> - CANCELLED & RESCHEDULED TO MONDAY, NOVEMBER 2, 2009	Wednesday	25	1:30 p.m.	4th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i> CANCELLED	Thursday	26	9:30 a.m.	4 th Floor Conf. Room

DECEMBER 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	2	9:45 a.m.	Board Room
Board of Directors Public Outreach Committee <i>(Meets 1st Thursday each Month)</i>	Thursday	3	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i>	Thursday	10	9:30 a.m.	4th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	16	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee - <i>(Meets 4th Thursday of each Month)</i>	Thursday	24	9:30 a.m.	4 th Floor Conf. Room

JANUARY 2010

<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	6	9:45 a.m.	Board Room
Board of Directors Public Outreach Committee <i>(Meets 1st Thursday each Month)</i>	Thursday	7	9:30 a.m.	4 th Floor Conf. Room
Advisory Council Regular Meeting	Wednesday	13	9:00 a.m.	Board Room
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i>	Thursday	14	9:30 a.m.	4th Floor Conf. Room
Joint Policy Committee <i>(Meets 3rd Friday Every Other Month)</i>	Friday	15	10:00 a.m.	MTC Auditorium 101 8 th Street Oakland, CA 94607
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 Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	28	9:30 a.m.	4 th Floor Conf. Room

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: October 30, 2009

Re: Mobile Source Committee Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Mobile Source Committee meeting of October 5, 2009.

DISCUSSION

Attached for your review and approval are the draft minutes of the October 5, 2009 Mobile Source Committee meeting.

Respectfully submitted,



a Jack P. Broadbent
Executive Officer/APCO

Prepared By: Lisa Harper
Reviewed by: Jennifer Chicconi

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
Monday, October 5, 2009
9:30 a.m.

CALL TO ORDER: Chairperson Scott Haggerty called the meeting to order at 9:31 a.m.

Roll Call: Scott Haggerty, Chairperson; Gayle B. Uilkema, Vice Chairperson; Tom Bates, Jennifer Hosterman, Carol Klatt and Eric Mar

Absent: Yoriko Kishimoto and Mark Ross

Also Present: Vice Chairperson Brad Wagenknecht

PUBLIC COMMENTS: There were no public comments

Consideration of Approval for Carl Moyer Program Year 11 Projects with Proposed Grant Awards over \$100,000 and Allocation of an Additional \$8 Million in Mobile Source Incentive Funds for this Year's Program

Supervising Environmental Planner, Anthony Fournier, gave the staff report and background of the Carl Moyer Program and Mobile Source Incentive Fund. He noted the District was currently in Year 11, applications were made available April 5, 2009, and the Board of Directors had previously approved two allocations; one for \$5,789,626 on June 3, 2009, and one for \$6,844,216 on July 1, 2009.

Mr. Fournier reviewed CMP Year 11 project recommendations over \$100,000 evaluated between June 12 and September 22, 2009. He discussed projects, their emission reductions, and total awards and funding distribution. Staff recommendation is for the Committee to recommend Board of Directors' approval of Carl Moyer Program Year 11, projects with proposed grant awards over \$100,000; authorize the Executive Officer/APCO to enter into agreements for the recommended Carl Moyer Program Year 11 projects; and reserve \$8 million in Mobile Source Incentive Funding for Carl Moyer Program eligible projects.

Committee Comments/Discussion:

Directors had questions relating to timing of applications, award of projects and qualifying criteria for applications.

Public Comments: None

Committee Action: Director Uilkema made a motion to recommend that the Board of Directors: 1) 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; and 3) reserve \$8 million in Mobile Source Incentive Funding for Carl Moyer Program eligible projects; seconded by Director Hosterman; unanimously approved without objection.

APPROVAL OF MINUTES: Director Hosterman made a motion to approve the June 25, 2009 minutes; seconded by Director Klatt; carried unanimously without objection.

Consideration of Approval for 09/10 Transportation Fund for Clean Air (TFCA) Regional Funds for Shuttle, Ridesharing and Vanpool Projects

Supervising Environmental Planner, David Wiley, gave the staff report, presented recommendations for the FY 2009/10 TFCA projects for shuttles, van pools and regional ridesharing, and program objectives to fund cost-effective projects which reduce criteria pollutants from motor vehicles and support implementation of the Clean Air Plan. The revenue source comes from a \$4 surcharge on vehicle registration; a portion of the 60% of TFCA revenues allocated directly by the District funds District programs like Spare the Air and Smoking Vehicle program with the balance funded on a competitive basis to projects.

Mr. Wiley said the funding process operates year-round; in April the Board allocated \$4 million and 12 applications were received. He reviewed the District's solicitation and outreach, evaluation criteria, and project funding status. Out of the 12 applications received, 10 met all program and eligibility criteria including 8 existing shuttle or regional rideshare projects totaling \$3.3 million and two pilot shuttle projects totaling \$550,000.

He said benefits from these 10 projects over a 12 month period include a reduction of 100 million vehicle miles traveled, a reduction of 101.6 tons of ozone precursors and particulate matter, and a reduction of 47,000 tons of CO₂. Impacted communities will receive 25% of funding and 20% of emission reductions from the 10 project recommended for funding.

Staff recommends the Committee recommend Board of Directors' approval of allocation of \$3,847,372 in Fiscal Year (FY) 2009/2010 TFCA Regional Funds for the ten (10) projects listed in Attachment 1; and authorize the Executive Officer/APCO to enter into funding agreements with recipients of grant awards for the projects listed in Attachment 1.

Committee Discussion/Comments:

Director Hosterman noted that the City of Pleasanton is starting a fuel efficient shuttle from its business parks to key locations. She confirmed with Mr. Wiley that shuttles would qualify under the TFCA program and suggested that City staff contact Air District staff to review the application process.

Director Bates confirmed with Ms. Schkolnick that the two incomplete projects still under consideration include a shuttle pilot program for the City of Richmond and a project operated by Golden Gate Transit Agency, and that a balance of \$200,000 remained from the original \$4 million.

Vice Chairperson Uilkema complimented staff on the report and suggested that a contact name and number be provided in staff reports.

Chairperson Haggerty verified with staff that Ace Routes 53 and 54 travel from Pleasanton to the BART station, to business parks and to various employer sites, and that the Livermore/Amador Valley Transit Authority route runs through Pleasanton to various business parks, as well. He noted a typographical error in Attachment 1 for Project #09R10 which should reflect Alameda

County and not Contra Costa County. He also questioned whether there may be redundancy in projects, and Ms. Roggenkamp noted that applicants must provide a letter which addresses non-duplication before the application is deemed complete.

Committee Action: Director Hosterman moved to recommend Board of Directors' approval of FY 09/10 Transportation Fund for Clean Air (TFCA) Regional Fund Shuttle, Ridesharing and Vanpool Projects' allocation of \$3,847,372 in fiscal year (FY) 2009/2010 TFCA Regional Funds for the ten (10) projects listed in Attachment 1; and Authorize the Executive Officer/APCO to enter into funding agreements with recipients of grant awards for the projects listed in Attachment 1; seconded by Director Uilkema; unanimously approved without objection.

Consideration of Increasing the TFCA Cost Effectiveness Threshold for Emissions Reductions for the Drayage Truck Retrofit Program at the Port of Oakland

Grants Manager Damien Breen gave the staff report, stating that in May 2009 the Air District began operation of the Port Truck Retrofit Program, which he said is subject to four sets of administrative guidelines; ARRRRA, Port, ARB I-Bond and TFCA and which has started and stopped due to delays in funding. He presented an historical timeline of the activities of the program, program successes, results to date and explained that current issues involve delays in manufacturing of ECS hybrid retrofits, drivers coming up with matching funds, projects missing deadlines which are throwing off TFCA cost effectiveness, TFCA funds not being spent due to cost effectiveness cap, and slowness in ARB funding.

Mr. Breen reviewed alternatives in cost effectiveness, cited the need to reduce emissions in impacted areas, and said the recommendation to increase the threshold to \$500,000 per ton of emissions reductions was the most conservative.

Committee Discussion/Comments:

Directors discussed the number of executed contracts on hold, confirmed the number of trucks already retrofitted or replaced and discussed the amount of time it takes to retrofit/replace trucks.

Committee Action: Director Hosterman made a motion that the Board of Directors to increase the Transportation Fund for Clean Air (TFCA) cost effectiveness threshold to \$500,000 per ton of emissions reduced for the Port Truck Retrofit Program in order to facilitate the maximum number of truck retrofits at the Port of Oakland (Port); seconded by Director Uilkema; unanimously approved without objection.

Committee Member Comments:

Next Meeting: 9:30 a.m., Thursday, October 22, 2009
939 Ellis Street, 4th Floor Conference Room

Adjournment: Meeting adjourned at 10:10 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: October 29, 2009

Re: Consideration of approval for Carl Moyer Program (CMP) Year 11 projects with
proposed grant awards over \$100,000

RECOMMENDATIONS

Request the Committee recommend that the Air District Board of Directors:

1. Approve Carl Moyer Program Year 11, projects with proposed grant awards over \$100,000; and
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 (NOx), 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 projects eligible for grants under the CMP.

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 are brought to the Committee for consideration at least on a quarterly basis. Staff reviews and evaluates the Year 11 CMP grant applications based upon: the 2008 CMP guidelines and subsequent

advisories issued by ARB, the Air District's CMP Year 11 procedures approved by ARB, and applicable regulations. Below is a list of Board CMP Year 11 project allocations to date.

Board Actions on CMP Projects Greater than \$100,000

- June 3, 2009 – approved 13 projects for a total allocation of \$5,789,626
- July 1, 2009 – approved 14 projects for a total allocation of \$6,844,216
- October 7, 2009 – approved 9 projects for a total allocation of \$2,344,567

More than 90% of the funds allocated to eligible projects have been awarded to projects that reduce emissions in highly impacted Bay Area communities.

DISCUSSION

As of October 27, 2009, the Air District had received 120 CMP grant applications requesting more than \$20 million in incentive funds for potential emission reduction projects. Of the applications that have been evaluated between September 22, 2009 and October 27, 2009, eight eligible projects have individual grant awards over \$100,000. Attachment 1 lists the eight projects that staff recommends be awarded grants for an aggregate of \$2,962,895 in funding, using a combination of CMP funds and MSIF revenues. More than 60% of these funds will go to projects that will reduce emissions in impacted communities.

Attachment 2 to this staff report lists all of the eligible projects (Table 2) that have been received by the Air District as of October 27, 2009, and summarizes the allocation of funding by equipment category (Figure 1), and county (Figure 2). 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. Through the CMP the Air District distributes "pass-through" funds from the 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. The requested amount of additional MSIF funding would come from the \$2 surcharge in motor vehicle registration fees (authorized by AB923) collected within the Air District's jurisdiction.

Respectfully submitted,



h Jack P. Broadbent
Executive Director/APCO

Prepared by: Anthony Fournier
Reviewed by: Karen Schkolnick

Attachment 1: Projects with individual grant awards greater than \$100,000
Attachment 2: Summary of all eligible projects as of October 27, 2009

Attachment 1: BAAQMD Year 11 Carl Moyer Program/ MSIF projects with grant awards greater than \$100k (Evaluated between 9/22/09 and 10/27/09)

1 Project #: 11MOY11 Applicant Name: New Salmon Queen Sportfishing, LLC 2 engines										
Unit #	Equipment category	Project type	Cost-effectiveness	Proposed award	NOx (TPY)	ROG (TPY)	PM (TPY)	ABI1390 Designation		
New Salmon Queen-main-2	Marine	Repower	\$15,377.78	\$90,947.00	1.269	0.000	0.043	AB1390		
New Salmon Queen-main-1	Marine	Repower	\$15,377.78	\$90,947.00	1.269	0.000	0.043	AB1390		
Project Totals				\$181,894.00	2.538	0.000	0.086			
2 Project #: 11MOY102 Applicant Name: DeBernardi Dairy, Inc. 1 engine										
Unit #	Equipment category	Project type	Cost-effectiveness	Proposed award	NOx (TPY)	ROG (TPY)	PM (TPY)	ABI1390 Designation		
1	Off-Road	Replacement	\$13,730.53	\$132,853.00	0.907	0.152	0.056	Not AB1390		
Project Totals				\$132,853.00	0.907	0.152	0.056			
3 Project #: 11MOY107 Applicant Name: California Northern Railroad 1 engine										
Unit #	Equipment category	Project type	Cost-effectiveness	Proposed award	NOx (TPY)	ROG (TPY)	PM (TPY)	ABI1390 Designation		
CFNR 104	Locomotive	New purchase	\$15,998.35	\$879,450.00	3.900	0.379	0.124	AB1390		
Project Totals				\$879,450.00	3.900	0.379	0.124			
4 Project #: 11MOY111 Applicant Name: Westar Marine Services 2 engines										
Unit #	Equipment category	Project type	Cost-effectiveness	Proposed award	NOx (TPY)	ROG (TPY)	PM (TPY)	ABI1390 Designation		
Prowler-main-2	Marine	Repower only	\$15,772.39	\$79,674.00	0.449	0.000	0.015	AB1390		
Prowler-main-1	Marine	Repower only	\$15,772.39	\$79,674.00	0.449	0.000	0.015	AB1390		
Project Totals				\$159,348.00	0.898	0.000	0.030			

5 Project #: I1MOY112 Applicant Name: Evergreen Supply							2 engines	
Unit #	Equipment category	Project type	Cost-effectiveness	Proposed award	NOx (TPY)	ROG (TPY)	PM (TPY)	ABI390 Designation
446	Off-Road	Replacement	\$15,819.33	\$71,578.00	0.479	0.083	0.023	AB1390
550	Off-Road	Replacement	\$14,272.16	\$149,125.00	1.132	0.134	0.054	AB1390
Project Totals				\$220,703.00	1.611	0.217	0.077	

6 Project #: I1MOY116 Applicant Name: Livermore Sanitation, Inc.							29 engines	
Unit #	Equipment category	Project type	Cost-effectiveness	Proposed award	NOx (TPY)	ROG (TPY)	PM (TPY)	ABI390 Designation
LS-8	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	Not AB1390
LS-7	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	Not AB1390
LS-6	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	Not AB1390
LS-10	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	Not AB1390
LS-5	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	Not AB1390
LS-3	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	Not AB1390
LS-12	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	Not AB1390
LS-1	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	Not AB1390
LS-2	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	Not AB1390
LS-26	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	Not AB1390
LS-18	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	Not AB1390
LS-17	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	Not AB1390
LS-23	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	Not AB1390
LS-0	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	Not AB1390
LS-11	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	Not AB1390
LS-22	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	Not AB1390
LS-21	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	Not AB1390
LS-19	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	Not AB1390

LS-25	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	0.000	Not AB1390
LS-14	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	0.000	Not AB1390
LS-27	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	0.000	Not AB1390
LS-28	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	0.000	Not AB1390
LS-16	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	0.000	Not AB1390
LS-13	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	0.000	Not AB1390
LS-15	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	0.000	Not AB1390
LS-24	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	0.000	Not AB1390
LS-4	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	0.000	Not AB1390
LS-9	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	0.000	Not AB1390
LS-20	On-Road	New purchase	\$15,971.94	\$24,700.00	0.190	0.000	0.000	0.000	Not AB1390
Project Totals				\$716,300.00	5.510	0.000	0.000	0.000	

7 Project #: 11MOY118 Applicant Name: Marin Sanitary Services 3 engines

Unit #	Equipment category	Project type	Cost-effectiveness	Proposed award	NOx (TPY)	ROG (TPY)	PM (TPY)	AB1390 Designation
RL-4	Off-Road	Replacement	\$15,972.99	\$64,000.00	0.580	0.111	0.039	Not AB1390
L-8	Off-Road	Replacement	\$15,978.71	\$90,800.00	1.214	0.172	0.035	Not AB1390
L-2	Off-Road	Replacement	\$15,998.80	\$214,125.00	2.225	0.307	0.114	Not AB1390
Project Totals				\$368,925.00	4.019	0.590	0.188	

8 Project #: 11MOY120 Applicant Name: Sonoma-Cutrer Vineyards 14 engines

Unit #	Equipment category	Project type	Cost-effectiveness	Proposed award	NOx (TPY)	ROG (TPY)	PM (TPY)	AB1390 Designation
Les Pierres-510U30015	Agriculture	Repower only	\$13,437.66	\$21,673.00	0.332	0.042	0.010	Not AB1390
Curter-510U22243	Agriculture	Repower only	\$9,442.68	\$21,673.00	0.473	0.060	0.015	Not AB1390
Shiloh-510U21428	Agriculture	Repower only	\$15,435.54	\$21,673.00	0.134	0.017	0.004	Not AB1390
Shiloh-510U29109	Agriculture	Repower only	\$15,435.54	\$21,673.00	0.134	0.017	0.004	Not AB1390
Shiloh-510U30036	Agriculture	Repower only	\$15,435.54	\$21,673.00	0.134	0.017	0.004	Not AB1390

Shiloh-510U29108	Agriculture	Repower only	\$15,435.54	\$21,673.00	0.134	0.017	0.004	Not AB1390
Les Pierres-510U25307	Agriculture	Repower only	\$13,437.66	\$21,673.00	0.332	0.042	0.010	Not AB1390
Les Pierres-510U25300	Agriculture	Repower only	\$13,437.66	\$21,673.00	0.332	0.042	0.010	Not AB1390
Les Pierres-510U25768	Agriculture	Repower only	\$13,437.66	\$21,673.00	0.332	0.042	0.010	Not AB1390
Curter-510U21424	Agriculture	Repower only	\$9,442.68	\$21,673.00	0.473	0.060	0.015	Not AB1390
Curter-510U2240	Agriculture	Repower only	\$9,442.68	\$21,673.00	0.473	0.060	0.015	Not AB1390
Curter-510U24209	Agriculture	Repower only	\$9,442.68	\$21,673.00	0.473	0.060	0.015	Not AB1390
Kent-44967007	Agriculture	Repower only	\$12,182.93	\$21,673.00	0.119	0.022	0.008	Not AB1390
Shiloh-510U30037	Agriculture	Repower only	\$15,435.54	\$21,673.00	0.134	0.017	0.004	Not AB1390
Project Totals				\$303,422.00	4.009	0.515	0.128	

Summary:							
	<i>Projects</i>	<i>Engines</i>	<i>Proposed award</i>	<i>NOx (TPY)</i>	<i>ROG (TPY)</i>	<i>PM (TPY)</i>	
	8	54	\$2,962,895.00	23.392	1.853	0.689	

Attachment 2

Summary of all CMP Yr 11/ MSIF approved/ eligible projects (4/15/09 to 10/27/09)

Project #	Equipment category	# of engines	Proposed contract award	Applicant name	NOx (TPY)	ROG (TPY)	PM (TPY)	Board approval date	County
11MOY1	Marine	2	\$ 274,156.00	Robert S. Tuckey	3.435	0.065	0.101	6/3/2009	San Mateo
11MOY2	Marine	2	\$ 149,356.00	Blue and Gold Fleet LP	5.368	0.148	0.178	6/3/2009	San Francisco
11MOY3	Agriculture	6	\$ 159,834.00	Gallo Family Vineyards	1.550	0.186	0.052	7/1/2009	Sonoma, Napa
11MOY5	Marine	2	\$ 155,330.00	Kelli Dickinson	3.306	0.042	0.114	6/3/2009	Solano
11MOY6	Marine	2	\$ 152,088.00	Jacqueline G. Douglas	1.296	-0.014	0.045	6/3/2009	San Francisco
11MOY7	Marine	1	\$ 72,300.00	Frank A. Rescino	1.638	0.010	0.058	APCO	San Francisco
11MOY8	Marine	2	\$ 137,500.00	Chuck Louie	1.572	0.016	0.054	6/3/2009	San Francisco
11MOY9	Marine	1	\$ 103,830.00	Erik Anfinson	0.562	-0.004	0.019	6/3/2009	Marin
11MOY10	Marine	2	\$ 90,996.00	Golden Gate Bridge Highway and Transportation Dist	0.828	0.003	0.022	APCO	San Francisco
11MOY11	Marine	2	\$ 181,894.00	New Salmon Queen Sportfishing, LLC	2.538	0.000	0.086	11/18/2009	Alameda
11MOY12	Agriculture	1	\$ 23,193.00	Ricioli Brothers	0.486	0.059	0.016	APCO	Sonoma
11MOY13	Marine	3	\$ 227,461.00	Fly Rose Marine, Inc.	2.918	0.085	0.098	7/1/2009	Santa Clara
11MOY14	Off-road	4	\$ 215,318.00	Fremont Paving	1.294	0.204	0.101	6/3/2009	Alameda
11MOY17	Marine	2	\$ 182,160.00	David Underwood	1.557	0.055	0.059	7/1/2009	Solano
11MOY18	Marine	1	\$ 51,440.00	Shon Harbarth	1.430	0.036	0.042	APCO	Contra Costa
11MOY19	Marine	2	\$ 217,544.00	City of Alameda	15.069	-0.083	0.447	6/3/2009	Alameda
11MOY20	Marine	8	\$ 3,791,855.00	City of Vallejo	92.783	1.475	2.756	6/3/2009	Solano
11MOY21	Off-Road	1	\$ 12,974.00	Thomas D. Eychner Co., Inc.	0.059	0.017	0.005	APCO	Contra Costa
11MOY22	Marine	1	\$ 41,488.00	Bay Marine Services, Inc.	0.975	0.028	0.032	APCO	Marin
11MOY23	Marine	1	\$ 65,240.00	Andy Guiliano	0.455	0.000	0.015	APCO	Contra Costa
11MOY24	Locomotive	1	\$ 101,400.00	Richmond Pacific Railroad	1.052	0.020	0.007	6/3/2009	Contra Costa
11MOY26	Marine	2	\$ 165,898.00	State of California, State Parks Department	1.156	0.026	0.038	7/1/2009	Marin
11MOY27	Marine	2	\$ 178,962.00	City and County of San Francisco, San Francisco Police Department	2.253	-0.034	0.079	7/1/2009	San Francisco
11MOY30	Off-road	5	\$ 112,368.00	J. Flores Construction Company	0.364	0.067	0.066	6/3/2009	San Francisco
11MOY33	Marine	2	\$ 144,504.00	Brian Guiles	1.329	-0.007	0.046	7/1/2009	Marin
11MOY34	Marine	2	\$ 209,056.00	Bodega Bay Sportfishers, Inc.	2.644	0.040	0.084	7/1/2009	Sonoma
11MOY35	Marine	2	\$ 49,830.00	Matt Butler	1.148	0.030	0.042	APCO	Marin
11MOY36	Marine	2	\$ 106,394.00	Geoff and David Bettencourt	2.670	0.116	0.094	7/1/2009	San Mateo
11MOY37	Off-Road	1	\$ 58,384.00	Trucrew, Inc.	0.663	0.081	0.028	APCO	Contra Costa
11MOY39	Marine	2	\$ 61,616.00	Harry Vogel	0.423	0.002	0.015	APCO	San Francisco
11MOY40	Marine	1	\$ 102,984.00	James Gregory Smith	1.685	-0.001	0.057	7/1/2009	Contra Costa
11MOY41	Marine	2	\$ 199,466.00	Bay Marine Services, Inc.	7.122	0.196	0.230	7/1/2009	Marin
11MOY44	Locomotive	5	\$ 2,609,010.00	California Department of Transportation	49.088	1.158	0.394	7/1/2009	Solano, Contra Costa, Alameda, Santa Clara
11MOY46	Marine	3	\$ 2,068,071.00	APL Maritime Services, Ltd.	22.710	0.810	12.420	7/1/2009	Alameda
11MOY48	Off-Road	1	\$ 80,950.00	Contra Costa Topsoil, Inc	0.536	0.072	0.027	APCO	Contra Costa
11MOY51	Off-Road	4	\$ 191,709.00	Stroer & Graff, Inc.	5.007	0.650	0.181	7/1/2009	Contra Costa
11MOY52	Off-Road	4	\$ 275,481.00	Salt River Construction Corp.	3.568	0.461	0.142	7/1/2009	Marin
11MOY54	Off-Road	2	\$ 27,117.00	St. Francis Electric	0.264	0.052	0.014	APCO	Alameda

Project #	Equipment category	# of engines	Proposed contract award	Applicant name	NOx (TPY)	ROG (TPY)	PM (TPY)	Board approval date	County
11MOY55	Agriculture	2	\$ 42,180.00	Huneus Vintners, LLC	0.450	0.058	0.014	APCO	Napa
11MOY57	Marine	2	\$ 549,327.00	Harley Marine Services, Inc.	41.739	0.672	1.241	10/7/2009	Alameda
11MOY59	Off-Road	3	\$ 74,567.00	Alameda County Water District	0.069	0.081	0.045	APCO	Alameda
11MOY63	Marine	2	\$ 108,624.00	Salt River Construction Corporation	2.211	0.061	0.068	10/7/2009	Marin
11MOY64	Off-Road	7	\$ 154,249.00	Stroer & Graff, Inc.	1.966	0.240	0.064	10/7/2009	Contra Costa
11MOY65	Marine	2	\$ 179,896.00	C-Gulf II Sportfishing Inc.	2.131	0.000	0.072	10/7/2009	Alameda
11MOY66	Agriculture	1	\$ 39,940.00	Arthur Kunde and Sons, Inc.	0.211	0.026	0.009	APCO	Sonoma
11MOY72	Off-Road	2	\$ 41,388.00	TMT Enterprises, Inc.	0.099	0.000	0.024	APCO	Santa Clara
11MOY73	Marine	2	\$ 203,232.00	Edward Gallia	2.983	0.000	0.101	10/7/2009	Contra Costa
11MOY74	Marine	2	\$ 75,666.00	Marin County Sheriff's Office	1.706	0.018	0.056	APCO	Marin
11MOY76	Marine	2	\$ 166,182.00	Blue Runner, Inc.	1.124	0.022	0.038	10/7/2009	Marin
11MOY79	Off-Road	1	\$ 81,195.00	Kingsborough Atlas Tree Surgery, Inc.	0.654	0.087	0.020	APCO	Sonoma
11MOY82	Off-Road	2	\$ 153,350.00	West Coast Aggregates, Inc.	1.614	0.203	0.081	10/7/2009	San Mateo
11MOY84	Off-Road	2	\$ 75,075.00	Trucrew, Inc.	0.873	0.129	0.034	APCO	Contra Costa
11MOY85	Off-Road	1	\$ 209,292.00	Mission Trail Waste Systems	1.157	0.226	0.103	10/7/2009	Santa Clara
11MOY91	Off-Road	2	\$ 620,415.00	Howard Misle	3.965	0.559	0.210	10/7/2009	Santa Clara
11MOY97	Off-Road	1	\$ 47,790.00	Terry Barnard	0.274	0.055	0.017	APCO	Santa Clara
11MOY99	Off-Road	1	\$ 18,682.00	Galante Brothers General Engineering, Inc.	0.092	0.019	0.008	APCO	Santa Clara
11MOY100	Off-Road	2	\$ 83,490.00	G & G Heavy Equipment	0.773	0.144	0.048	APCO	Sonoma
11MOY102	Off-Road	1	\$ 132,853.00	DeBernardi Dairy, Inc.	0.907	0.152	0.056	11/18/2009	Sonoma
11MOY106	On-Road	2	\$ 10,000.00	North Bay Construction, Inc.	0.000	0.000	0.018	APCO	Sonoma
11MOY107	Locomotive	1	\$ 879,450.00	California Northern Railroad	3.900	0.379	0.124	11/18/2009	Napa
11MOY109	Off-Road	1	\$ 55,809.00	McCall Dairy	0.604	0.075	0.019	APCO	Sonoma
11MOY111	Marine	2	\$ 159,348.00	Westar Marine Services	0.898	0.000	0.030	11/18/2009	San Francisco
11MOY112	Off-Road	2	\$ 220,703.00	Evergreen Supply	1.611	0.217	0.077	11/18/2009	Santa Clara
11MOY113	Marine	1	\$ 89,565.00	S&J Fisheries	0.961	0.027	0.028	APCO	San Mateo
11MOY116	On-road	29	\$ 716,300.00	Livermore Sanitation, Inc.	5.510	0.000	0.000	11/18/2009	Alameda
11MOY118	Off-Road	3	\$ 368,925.00	Marin Sanitary Services	4.019	0.590	0.188	11/18/2009	Marin
11MOY120	Agriculture	14	\$ 303,422.00	Sonoma-Cutrer Vineyards	4.009	0.515	0.128	11/18/2009	Sonoma
67	Projects	184	\$ 18,910,072.00		329.309	10.621	21.186		

Figure 1: CMP/ MSIF Funding Distribution by Equipment Category as of 10/27/09

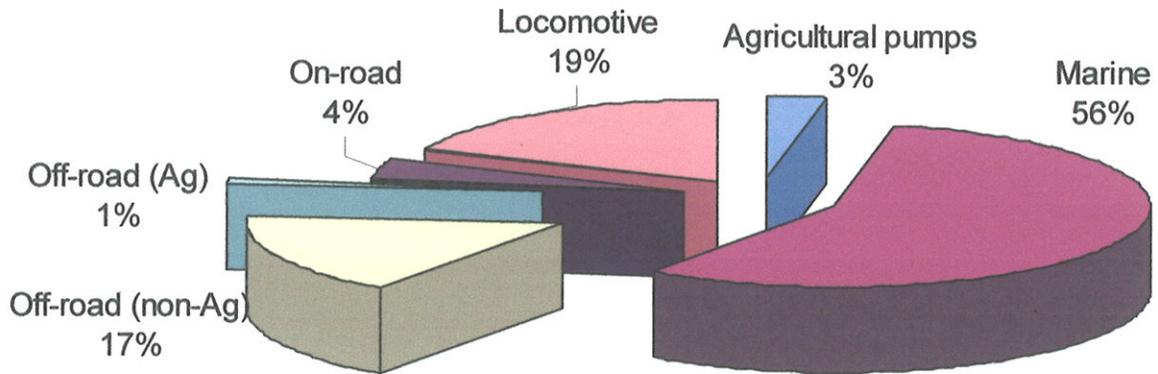
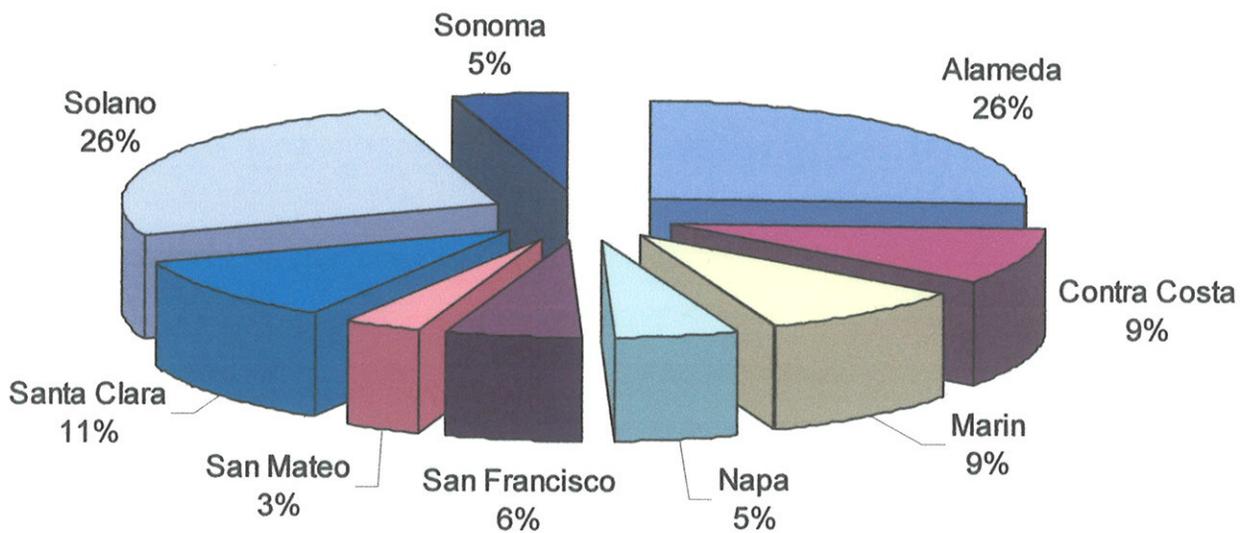


Figure 2: CMP/ MSIF Funding Distribution by County as of 10/27/09



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: October 29, 2009

Re: Consideration of Extension of Contracts and Request to Allocate \$4.5 Million
in Mobile Source Incentive Funds for Vehicle Buy Back Program

RECOMMENDED ACTION

Request that the Committee recommend that the Board of Directors:

- 1) Authorize the Executive Officer/APCO to execute contract extensions for vehicle scrapping and related services with Environmental Engineering Studies, Inc. and Pick-N-Pull, which will distribute, on a reimbursement basis, up to approximately \$4.5 million in Mobile Source Incentive Funds;
- 2) Allocate an additional \$4.5 million in Mobile Source Incentive Funds (MSIF) to fund the Vehicle Buy Back Program during fiscal year 2009/2010 and increase the District's Vehicle Buy Back Program FY 09/10 budget accordingly.

BACKGROUND

The Vehicle Buy Back Program (VBB) is a voluntary program that takes older, higher-polluting, light-duty vehicles off the road. The Bay Area Air Quality Management District (Air District) contracts with vehicle dismantlers to pay Bay Area vehicle owners \$1,000 to retire their 1989 and older vehicles. The VBB Program is funded primarily through the Air District's Mobile Source Incentive Fund (MSIF), with some support from the Transportation Fund for Clean Air and the Carl Moyer Program.

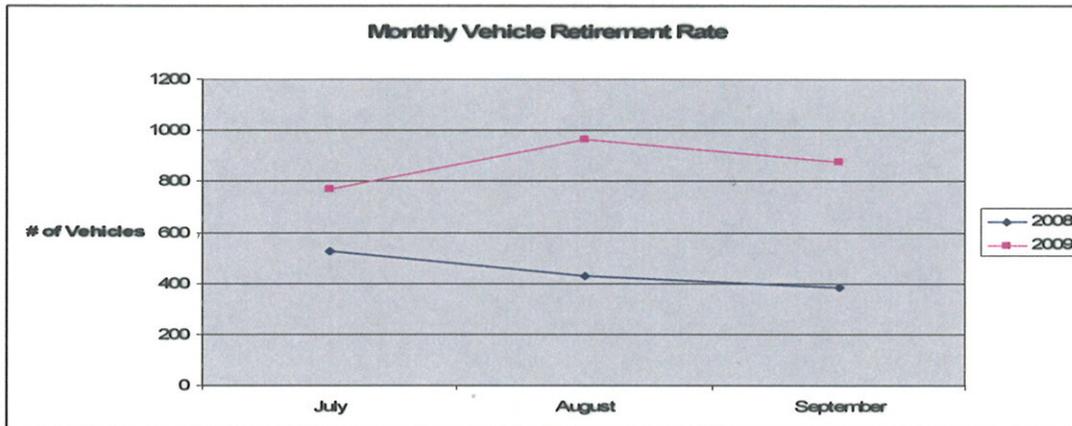
The program has experienced an almost 95% increase in the monthly vehicle retirement rate since a Board action in April 2009 to increase the amount of funding available and to expand the model years of vehicles eligible to participate in the program. Due to this success and a natural dovetail with an upcoming state program, staff is proposing to extend the vehicle dismantler contracts and add additional funding to the program to allow it to run until April, 2010.

DISCUSSION

On December 3, 2008, the Board approved the selection of Environmental Engineering Studies, Inc., Pick-N-Pull, and Pick Your Part as scrapping contractors for the program and authorized \$7 million in contracts for program execution. Contracts for all three were executed in January, 2009. Since that time, Pick Your Part has closed its northern California locations and its contract with the District has been terminated. The remaining two contracts are valid through December 31, 2009.

Even with the loss of this one contractor, the program has been extremely successful in this calendar year. Under the current contracts, 3587 vehicles have been retired during the first nine

months of 2009, versus 3161 during this same period in 2008. Lifetime emissions reductions in 2009 total 464 tons of reactive organic gases, oxides of nitrogen, and particulate matter, versus 332 tons during this period in 2008. Since the program expansion on July 1, 2009, the monthly retirement rate shows an almost 95% year-over-year increase, as shown in the chart below.



Beginning in April, 2010, a State vehicle retirement program will expand to cover many of the vehicles currently covered by the District’s VBB Program, pursuant to AB 118 (Nuñez). At this time, the California Bureau of Automotive Repair (BAR) is scheduled to expand its Consumer Assistance Program by providing \$1,000 to \$1,500 to retire vehicles registered within the Air District's boundaries. The expanded program will apply not only to vehicles that fail Smog Check, but also to vehicles that are in passing status.

Therefore, in order to achieve maximum emissions reductions from the current program and to avoid confusion among vehicle owners by competing with the BAR program, staff is proposing that the Committee recommend a Board allocation of \$4.5 million in MSIF to extend the current program and contracts until April 1, 2010, at which time the Air District’s VBB program will cease temporarily.

Staff is in contact with BAR and will monitor its program closely. In the likely event that the BAR program runs out of funding, staff will return to this committee with a proposal on reactivating the Air District VBB Program.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

Staff’s recommendation would result in a net increase to the District’s Strategic Incentives Division Vehicle Buy Back Program FY 09/10 budget in the amount of \$4.5 million. The requested amount of additional funding to cover costs associated with the retirement of vehicles would come from the Mobile Source Incentive Fund.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: David R. Wiley
Reviewed by: Karen M. Schkolnick

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: October 29, 2009

Re: Consideration of Revisions to Transportation Fund for Clean Air Regional Fund
Projects

RECOMMENDED ACTIONS

Recommend Board of Directors' approval of revisions to three Transportation Fund for Clean Air (TFCA) Regional Fund projects, listed below in Table 1.

BACKGROUND

On November 7, 2007, the Board of Directors (Board) approved the allocation of \$10.3 million in funding from fiscal year (FY) 2007/2008 TFCA Regional funds for 37 projects. On October 1, 2008, the Board approved the allocation of \$11.3 million for 46 FY 2008/2009 projects. On October 7, 2009, the Board approved the allocation of \$3.8 million for 10 FY 2009/2010 projects.

DISCUSSION

Following the Board's approval of the FY 2007/2008 and FY 2008/2009 TFCA Regional Fund projects, staff received new information from project sponsors that would reduce each of the project's useful life, given regulations that are currently in effect. This in turn would affect the cost-effectiveness value for the projects. Staff evaluated the projects and determined that, with a reduction in the award amount, the projects continue to meet the applicable Board-adopted TFCA Regional Fund policies, including for cost-effectiveness.

Also, following the Board's approval of the FY 2009/2010 Regional Fund projects, staff discovered a typographical error in one of the project numbers.

Staff therefore recommends Board approval of the revisions to three projects listed below in Table 1.

Table 1: TFCA Regional Fund Projects and Proposed Revisions

Approved Project #	Project Sponsor	Project Title	Proposed Revision/ Type of Change	Approved Award \$	Proposed Award \$	Original Cost-Effectiveness	Revised Cost-Effectiveness
07R24	San Francisco International Airport	Retrofit 19 Diesel Buses with PM/NOx Level 3 emission reduction devices	Project Useful Life	\$806,431	\$733,794	\$11,840	\$40,366
08R51	San Francisco Municipal Transportation Agency	Retrofit 22 heavy-duty vehicles - Level 3 devices	Project Useful Life	\$438,507	\$79,125	\$66,905	\$89,993
09R10	Livermore Amador Valley Transit Authority	Route 1A/B BART Shuttle	Project Number changed to 09R09	\$ 59,750	No Change	\$77,758	No Change

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. TFCA revenues are generated from a dedicated outside funding source. TFCA allocations do not impact the District's general fund or operating budget.

Respectfully submitted,

for Jack P. Broadbent
Executive Officer/APCO

Prepared by: David R. Wiley
Reviewed by: Karen M. Schkolnick

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: October 29, 2009

Re: Consideration of Approval of Fiscal Year (FY) 2008/2009 Transportation Fund for Clean Air (TFCA) Report on Regional Fund Expenditures and Effectiveness

RECOMMENDED ACTION

Recommend Board of Directors' approval of the Fiscal Year (FY) 2008/2009 Transportation Fund for Clean Air (TFCA) Report on Regional Fund Expenditures and Effectiveness found in Attachment A.

BACKGROUND

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 Sections 44241 and 44242.

Sixty percent (60%) of TFCA funds are awarded directly by the Air District through a grant program known as the Regional Fund. The remaining forty percent (40%) of TFCA funds are forwarded to the designated agency within each Bay Area county and distributed by these agencies through the Program Manager Fund. Portions of the TFCA Regional Fund are allocated to eligible programs implemented directly by the Air District, including the Smoking Vehicle Program and the Spare the Air Program. The balance is allocated on a competitive basis to eligible projects proposed by project sponsors.

State law requires that the Board hold an annual public hearing to review the expenditure of TFCA funds to determine their effectiveness in improving air quality.

DISCUSSION

The report, provided in Attachment A, summarizes TFCA Regional Fund expenditures on projects and programs that concluded during FY 2008/2009, and the effectiveness of these projects and programs. Key findings of the report include the following:

- TFCA funds were allocated to eligible projects and programs, consistent with the legislation that authorizes the TFCA program.
- The TFCA Regional Fund expenditures for projects and programs that concluded in FY 2008/2009 totaled \$7.16 million: \$4.99 million for projects, \$930,000 for Air District programs, and \$1.24 million in administrative costs.

- These projects and programs reduced criteria pollutant emissions over their lifetimes by an estimated 743 tons, including 161 tons of reactive organic gases (ROG), 521 tons of nitrogen oxides (NO_x), and 62 tons of particulate matter (PM₁₀). The lifetime reduction of carbon dioxide (CO₂), a greenhouse gas, was approximately 12,600 tons.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,



h Jack P. Broadbent
Executive Officer/APCO

Prepared by: David R. Wiley
Reviewed by: Karen M. Schkolnick

Attachment



Bay Area Air Quality Management District

FISCAL YEAR 2008/2009

**TRANSPORTATION FUND
FOR
CLEAN AIR (TFCA)**

**REPORT ON REGIONAL FUND
EXPENDITURES AND EFFECTIVENESS**

939 Ellis Street, San Francisco, CA 94109
www.baaqmd.gov

November 2009

Background

This Report summarizes expenditures for TFCA Regional Fund projects that concluded during fiscal year 2008/2009 (FY 2008/09).

Highlights of the Report

- ◆ **TFCA funds were allocated to eligible recipients for eligible projects and programs, consistent with the legislation that authorizes the TFCA.**
- ◆ **The TFCA Regional Fund expenditures for projects and programs that concluded in FY 2008/09 totaled \$7.16 million, including \$4.99 million for projects, \$930,000 for Air District programs, and \$1.24 million in administrative costs and indirect costs.**
- ◆ **The lifetime emission reductions achieved by these projects and programs are estimated to be 161 tons of reactive organic gases (ROG), 521 tons of oxides of nitrogen (NO_x), and 62 tons of particulate matter (PM₁₀). Combined lifetime emission reductions for the three pollutants total 743 tons.**
- ◆ **The lifetime reduction in carbon dioxide (CO₂, a greenhouse gas) from these projects is approximately 12,600 tons.**

Introduction

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") and particulate matter.

The TFCA

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 Sections 44241 and 44242.

Sixty percent (60%) of TFCA funds are awarded directly by the Air District through a grant program known as the Regional Fund. The remaining forty percent (40%) of TFCA funds are forwarded to the designated agency within each Bay Area county and distributed by these agencies through the Program Manager Fund. Portions of the TFCA Regional Fund are allocated to eligible programs implemented directly by the Air District, including the Smoking Vehicle Program and the Spare the Air Program. The balance is allocated on a competitive basis to eligible projects proposed by project sponsors.

The Air District Board of Directors has adopted criteria for the evaluation and ranking of project applications for TFCA Regional Funds. Cost-effectiveness, expressed in terms of TFCA dollars per ton of reduced emissions, is the most important criterion for ranking projects.

TFCA-funded projects have many benefits, including the following:

- ♦ Reducing air pollution, including toxic particulate matter;
- ♦ Conserving energy and helping to reduce emissions of carbon dioxide, a greenhouse gas;
- ♦ Reducing traffic congestion; and
- ♦ Improving water quality by decreasing contaminated runoff from roadways.

State legislation restricts TFCA funding to the following types of projects:

- ♦ **Implementation of ridesharing programs**
- ♦ **Clean fuel school and transit bus purchases or leases**
- ♦ **Feeder bus or shuttle service to rail and ferry stations and to airports**
- ♦ **Arterial traffic management**
- ♦ **Rail-bus integration and regional transit information systems**
- ♦ **Demonstrations in congestion pricing of highways, bridges and public transit**
- ♦ **Low-emission vehicle projects**
- ♦ **Smoking vehicles program**
- ♦ **Vehicle buy-back scrappage program**
- ♦ **Bicycle facility improvement projects**
- ♦ **Physical improvements that support "smart growth" projects**

Expenditures

This Report covers Regional Fund projects and programs with expenditures that concluded during FY 2008/09.

The TFCA Regional Fund expenditures for projects and programs that concluded in FY 2008/09 totaled \$7.16 million. This total includes \$930,000 for programs administered by the Air District and \$4.99 million in grants to other organizations for projects. Based on TFCA revenues of \$22.4 million for FY 2008/09, the Air District expended \$1.24 million in administrative and audit costs. Appendix A lists expenditure details.

Effectiveness

Air District staff calculates the emissions reduced over the life of projects that receive TFCA funding.

Projects and programs concluding in FY 2008/09 reduced criteria pollutant emissions over their lifetimes by an estimated total of 743 tons. This total is the sum of ozone precursors (161 tons of ROG and 521 tons of NO_x) and particulate matter (62 tons of

PM₁₀). The lifetime reduction of carbon dioxide (CO₂), a greenhouse gas, was approximately 12,600 tons.

The cost-effectiveness of TFCA projects is calculated by dividing the TFCA funds allocated to projects by the lifetime criteria pollutant emissions reductions (ROG, NO_x, and weighted PM₁₀ combined). The result is TFCA dollars per ton of reduced emissions.

For six of the projects listed in Appendix A, totaling \$276,738, the emissions reduced could not be accurately determined. Three projects were under the Bicycle Facility Program, which does not require monitoring, and monitoring data for three other projects were insufficient for calculations. In addition, for the Vehicle Buy Back program, expenses and emission reductions were shared with the Mobile Source Incentive Fund and Carl Moyer Program and therefore are not included in this report.

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

Table 1: Results of Projects with Calculated Emission Reductions

<i>Category</i>	<i># of Projects</i>	<i>TFCA \$ Expended</i>	<i>% of TFCA \$ Expended</i>	<i>Emission Reduction (tons)⁽¹⁾</i>	<i>% of Emission Reductions</i>	<i>Cost Effectiveness (\$/ton)⁽²⁾</i>
Smoking Vehicle Program	1	\$434,872	8.0%	40.9	5.5%	\$1,899
Diesel Repowers & Retrofits	15	\$2,802,622	51.4%	505.1	68.0%	\$2,000
Spare the Air Program	1	\$305,685	5.6%	16.3	2.2%	\$3,944
Heavy-Duty Vehicles	3	\$873,963	16.0%	170.7	23.0%	\$5,084
Smart Growth	1	\$80,000	1.5%	0.8	0.1%	\$19,048
Shuttle/Feeder Bus Service	1	\$114,919	2.1%	0.9	0.1%	\$23,744
Bicycle Facilities	9	\$734,134	13.5%	6.5	0.9%	\$26,041
<u>Light-Duty Vehicles</u>	<u>1</u>	<u>\$107,100</u>	<u>2.0%</u>	<u>2.2</u>	<u>0.3%</u>	<u>\$49,583</u>
TOTAL⁽³⁾	32	\$5,453,295	100.0%	743.3	100.0%	

(1) Lifetime emission reductions of ROG, NO_x, and PM₁₀ combined.

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

(3) Totals may vary due to rounding.

APPENDIX A: TFCA Regional Fund Projects Concluding in FY 2008/09

Project #	Sponsor	Project Title	TFCA \$ Expended
03R27	Peninsula Corridor Joint Powers Board	Bicycle Storage Facility - 4th and King	\$100,000.00
03R58	Metropolitan Transportation Commission	NOx/PM Filters for Transit Buses	\$357,441.45
04R31	Alameda County Public Works Agency	Class 2 Bicycle Lanes: E. Castro Valley Blvd. (1 mi.)	\$45,000.00
05R07	County of San Francisco	25th Avenue Road Diet	\$80,000.00
05R09	City of Sunnyvale	Evelyn Avenue Bicycle Lane: Phase 2	\$35,900.00
05R11	Oakland Unified School District	Roosevelt Middle School Bicycle Cage and Racks	\$18,500.00
05R14	County of Alameda	S. Livermore Ave.-Tesla Rd Bicycle Lane Gap Closure	\$165,000.00
05R18	City of Daly City	Lake Merced Boulevard Bike Lanes	\$60,000.00
05R19	City of Daly City	Southgate Avenue Bicycle Lane	\$50,000.00
05R20	BART	BART Electronic Bicycle Lockers	\$237,336.00
05R23	City of San Rafael	Bicycle Master Plan Implementation Project	\$106,738.28
05R40	Caltrans District 4	Retrofit 53 Heavy Duty Vehicles	\$911,070.00
05R41	San Francisco International Airport	Purchase of 12 CNG Airport Shuttles	\$203,963.00
05R75	Golden Gate Bridge, Highway & Transportation District	Golden Gate Bus Stop Improvements	\$36,000.00
06R15	County of Contra Costa	North Richmond Area Bikeway Project	\$27,398.77
06R20	University of California, San Francisco	UCSF/Mt. Zion Medical Center Bike & Ride - Secure Bicycle Parking	\$39,999.00
06R32	San Francisco International Airport	Purchase Fourteen (14) Compressed Natural Gas Heavy-duty Shuttle Buses	\$170,000.00
06R42	Waste Management of Alameda County, Inc.	Purchase Fourteen (14) Liquefied Natural Gas Recycling Trucks	\$500,000.00
06R44	Milpitas Unified School District	Repower Two (2) Heavy-duty Diesel School Buses	\$95,326.00
06R46	River Delta Unified School	Repower 2 heavy-duty diesel school buses with cleaner diesel engines.	\$95,326.00
06R51	Coach 21	Retrofit Ten (10) Diesel Buses	\$98,625.60
06R54	CUSA FL LLC	Retrofit Eighteen (18) Diesel Buses	\$406,904.85
06R58	Marin Airporter	Retrofit Fifteen (15) Diesel Buses	\$122,340.60
06R66	South San Francisco Scavenger Company	Retrofit Five (5) Diesel Solid Waste Collection Vehicles	\$52,695.74
06R67	Blue Line Transfer, Inc.	Retrofit Three (3) Diesel Transfer Trucks	\$42,792.00
06R69	Sysco Food Service	Retrofit Twenty-one (21) Heavy-duty Diesel Delivery Trucks	\$363,243.02
06R86	Presidio Trust	PresidiGo Downtown Shuttle Service	\$114,919.54
07R28	County of San Francisco	Purchase 51 Gasoline-Electric Hybrid Vehicles	\$107,100.00

07R32	Apple Trucking	Retrofit One Heavy Duty Truck - Level 3 Device	\$23,567.00
07R33	C&A Trucking	Retrofit Six Heavy Duty Trucks - Level 3 Devices	\$141,400.00
07R35	Foster Farms Dairy	Retrofit One Heavy Duty Truck - Level 3 Device	\$22,772.55
07R46	Cooper Crane & Rigging Inc.	Retrofit One Heavy Duty Truck - Level 3 Device	\$17,680.00
07R70	Cooper Crane & Rigging Inc.	Repower 2 Heavy Duty Trucks - Reconditioned Engines	\$51,436.85
07BFP14	City of Daly City	Callan Boulevard and Southgate Avenue Bicycle Route Improvements	\$15,000.00
07BFP21	Sonoma County Junior College District	Secured Bicycle Facilities Program, Phase I	\$50,000.00
07BFP22	San Francisco State University	Bicycle U - Bike Parking at SF State	\$24,000.00
Subtotal Projects			\$4,989,476.25

08R01	BAAQMD	Smoking Vehicle Program	\$434,872.29
08R02	BAAQMD	Vehicle Buy Back Program	\$193,302.11
08R03	BAAQMD	Spare The Air	\$305,685.26
Subtotal Air District Programs			\$933,859.66

08R00	BAAQMD	Administration	\$1,238,228.65
Grand Total			\$7,161,564.56

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: October 30, 2009

Re: Consideration of Proposed Revisions to Transportation Fund for Clean Air
Regional Fund Policies and Evaluation Criteria for Fiscal Year (FY) 2009/2010

RECOMMENDED ACTION

Consider recommending Board of Directors' approval of the proposed revisions to the FY 2009/2010 TFCA Regional Fund Policies and Evaluation Criteria presented in Attachment A.

BACKGROUND

On May 6, 2009, the Air District's Board of Directors adopted supplemental FY 2009/2010 TFCA Regional Fund Policies and Evaluation Criteria regarding alternative fuel vehicle and infrastructure projects.

DISCUSSION

The FY 09/10 policies were developed to be compatible with funding opportunities available in early 2009 from the California Energy Commission and the U.S. Department of Energy. As these other funding opportunities are currently unavailable, staff is proposing revisions to streamline the existing TFCA policies. The following is a summary of the proposed revisions:

- **Revise policy 2b** to update the policy regarding process by which projects are ranked.
- **Revise policy 21** to clarify neighborhood electric vehicle (NEV) requirements and to remove annual minimum mileage requirements. Also, remove chart listing maximum award amounts in order to optimize the amount of funding potentially available for each vehicle project.
- **Revise policy 22** to reduce the minimum annual mileage required (from 1000 miles per year down to 500 miles per year). Also, remove chart listing maximum award amounts in order to optimize the amount of funding potentially available for each vehicle project.
- **Revise policy 23** to clarify that vehicles listed by the IRS as eligible for federal tax credits are also eligible for funding under TFCA, and remove the minimum annual mileage requirement. Also, remove chart listing maximum award amounts in order to optimize the amount of funding potentially available for each vehicle project.
- **Revise policy 25** to allow infrastructure projects that have demonstrated demand and support for the project. Also include require applicants to provide plan for on-going maintenance.

- **Revise Regional Fund Evaluation Criteria** to remove the requirement that vehicle projects covered by policies 21 - 24 provide information regarding their operation in Priority Development Areas.
- **Delete Criterion 1: TFCA Funding Effectiveness b.** and evaluate vehicle projects using point scale in Criterion 1a.

The proposed revised TFCA Regional Fund Policies and Evaluation Criteria for FY 2009/2010 are provided in Attachment A. Attachment B provides a comparison between the proposed policies and the current Board approved version (redline).

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. TFCA revenues are generated from a dedicated outside funding source. TFCA allocations do not impact the District's general fund or operating budget.

Respectfully submitted,



W Jack P. Broadbent
Executive Officer/APCO

Prepared by: Michael Neward
Reviewed by: Karen Schkolnick

PROPOSED AMENDED TFCA REGIONAL FUND POLICIES AND EVALUATION CRITERIA FOR FY 2009/2010

The following policies apply only to the Transportation Fund for Clean Air (TFCA) Regional Fund.

BASIC ELIGIBILITY

1. **Eligible Projects:** Only projects that result in the reduction of motor vehicle emissions within the Air District’s jurisdiction are eligible.

Projects must conform to the provisions of the California Health and Safety Code (HSC) sections 44220 et seq. and Air District Board of Directors adopted TFCA Regional Fund Policies and Evaluation Criteria for FY 2009/10.

Projects must achieve surplus emission reductions, that is, beyond what is currently required through regulations, contracts, or other legally binding obligations at the time the Air District Board of Directors approves a funding allocation and at the time of the execution of a funding agreement.

2. **TFCA Cost-Effectiveness and Minimum Score:** Projects must meet cost-effectiveness (C-E) levels and minimum scores established by the Air District’s Board of Directors.

- a. **Cost-Effectiveness:** The ratio of TFCA funds awarded divided by the sum total tons of reactive organic gases (ROG), oxides of nitrogen (NO_x), and weighted particulate matter 10 microns in diameter and smaller (PM₁₀) reduced (\$/ton). Certain project categories further specify the eligible funding amount per item (for example, \$/vehicle) which is based on the cost-effectiveness levels below.

Cost-effectiveness levels are limited to the amounts set forth below.		
Project Type	Policy #	C-E level maximum (\$/weighted ton)
Alternative Fuel Light-Duty Vehicles	21	\$90,000
Alternative Fuel Heavy-Duty Service Vehicles (Low-mileage utility trucks in idling service)	22	\$90,000
Alternative Fuel Heavy-Duty Vehicles	23	\$90,000
Alternative Fuel Bus Replacements	24	\$90,000
Alternative Fuel Infrastructure	25	\$90,000
Advanced Technology Demonstration	26	\$500,000
Shuttle/Feeder Bus Service—Pilot	27	\$125,000
Regional Ridesharing	28	\$90,000

- b. **Minimum Score:** In addition, applicants must earn at least 60 percent of available points based upon the project evaluation and scoring criteria listed in the Board approved Regional Fund Evaluation Criteria.

3. **Consistent with Existing Plans and Programs:** With the exception of Clean Air Vehicle Projects and Advanced Technology Demonstration Projects, all other project categories must comply with the transportation control measures and mobile source measures included in the Air District’s most recently approved strategy(ies) for State and national ozone standards and, when applicable, with other adopted State, regional, and local plans and programs.
4. **Eligible Recipients and Authority to Apply:** Grant recipients must be responsible for the implementation of the project, have the authority and capability to complete the project, and be an applicant in good standing.

a. **Eligible Recipients:**

- i. **Public agencies** are eligible to apply for all project categories.
- ii. **Non-public entities** are only eligible to apply for new alternative-fuel (light, medium, and heavy-duty) vehicle projects, and advanced technology demonstrations, as described in HSC section 44241(b)7.

b. **Authority to Apply:** Applications must include either: 1) a signed letter of commitment from an individual with authority to enter into a funding agreement and carry out the project (e.g., Chief Executive or Financial Officer, Executive Director, City Manager, etc.), or 2) a signed resolution from the governing body (e.g., City Council, Board of Supervisors, Board of Directors, etc.) authorizing the submittal of the application and identifying the individual authorized to submit and carry out the project.

5. **Viable Project and Matching Funds:** Unless otherwise specified in the project category policies below, applications of \$150,000 or less do not require matching funds. Applications requesting greater than \$150,000 must provide matching funds from a non-Air District source, which equal or exceed 10% of the total project cost.

Applications must identify sufficient resources to complete the respective project. The project sponsor shall not enter into a TFCA Regional Fund funding agreement until all non-Air District funding has been approved and secured.

6. **Minimum Grant Amount:** \$10,000 per project.

7. **Maximum Grant Amount:** Maximum award per calendar year:

- a. **Each public agency** may be awarded up to \$1,500,000, and
- b. **Each non-public entity** may be awarded up to \$500,000.

8. **Readiness:** Projects must commence in calendar year 2010 or sooner. For purposes of this policy, “commence” means to receive delivery of vehicles, equipment, services, or to award a construction contract.

9. **Maximum Two Years Operating Costs:** Projects that provide a service, such as ridesharing programs and shuttle and feeder bus projects, are eligible to apply for a period of up to two (2) years.

10. **Project Revisions:** Project revisions initiated by the project sponsor which significantly change the project before the allocation of funds by the Air District Board of Directors may not be accepted. Following Air District Board of Directors allocation of funds for a project, an applicant may request revisions to that project that the applicant deems necessary or advisable, based on information the applicant received after the Board’s allocation of funding. The District will consider only requests that are based on new information, are within the same eligible project category, and meet the same cost-effectiveness.

APPLICANT IN GOOD STANDING

11. **In Compliance with Agreement Requirements:** Project sponsors who have failed to meet project implementation milestones or who have failed to fulfill monitoring and reporting requirements for any project funded by the Air District may not be considered eligible for new funding until such time as all of the unfulfilled obligations are met.

12. **Failed Audit:** Project sponsors who have failed either a fiscal audit or a performance audit for a prior Air District funded project will be excluded from future funding for five (5) years. Additionally, project sponsors with open projects will not be reimbursed for those projects until all audit recommendations and remedies have been satisfactorily implemented. A failed fiscal audit means an uncorrected audit finding that confirms an ineligible expenditure of funds. A failed performance audit means that a project was not implemented as set forth in the project funding agreement.
13. **Signed Funding Agreement:** Only a fully executed funding agreement (i.e., signed by both the project sponsor and the Air District) constitutes the Air District's award of funds for a project. The Air District Board of Directors approval of an application does not constitute a final obligation on the part of the Air District to fund a project.

Project sponsors must sign a funding agreement within 60 days from the date it has been transmitted to them in order to remain eligible for award of TFCA funds. The Air District may authorize an extension of up to a total period of 120 days from the transmittal because of circumstances beyond project sponsor's reasonable control and at the Air District's discretion.

Project sponsors who failed to return a funding agreement from a previous funding cycle are not eligible to apply for a 12-month period.
14. **Insurance:** Each project sponsor must maintain general liability insurance and such additional insurance that is appropriate for specific projects, with coverage amounts specified in the respective funding agreements.

INELIGIBLE PROJECTS

15. **Planning Activities:** Feasibility studies are not eligible for funding, nor are projects that only involve planning activities and that do not include an implementation phase. In addition, land-use projects (i.e., Smart Growth, Traffic Calming, and Arterial Management) that have not completed the Preliminary Design phase are not eligible.
16. **Cost of Developing Proposals and Grant Applications:** The costs to develop proposals or prepare applications are not eligible for TFCA funding.
17. **Duplication:** Projects that have previously received TFCA funds and therefore do not achieve additional emission reductions are not eligible. Combining TFCA County Program Manager Funds with TFCA Regional Funds to achieve greater emission reductions for a single project is not considered project duplication.

USE OF TFCA FUNDS

18. **Combined Funds:** TFCA County Program Manager Funds may be combined with TFCA Regional Funds for the funding of an eligible project. For the purpose of calculating the TFCA cost-effectiveness (Regional Fund Evaluation Criterion #1), the combined sum of TFCA County Program Manager Funds and TFCA Regional Funds shall be used to calculate the TFCA cost of the project.
19. **Administrative Costs:** Administrative costs (i.e., the costs associated with administering a TFCA grant) are limited to a maximum of five percent (5%) of total TFCA funds expended on a project. To be eligible for reimbursement, administrative costs must be clearly identified in the application project budget and in the funding agreement between the Air District and the project sponsor.
20. **Expend Funds within Two Years:** Project sponsors must expend the awarded funds within two (2) years of the effective date of the funding agreement, unless a longer period is formally (i.e., in writing) approved in advance by the Air District in a funding agreement or as an amendment to the funding agreement.

ELIGIBLE PROJECT CATEGORIES:

CLEAN AIR VEHICLE PROJECTS

21. Alternative Fuel Light-Duty Vehicles:

Eligibility: For TFCA purposes, light-duty vehicles are those with a gross vehicle weight rating (GVWR) of 8,500 lbs. or lighter. Light-duty vehicle types and equipment eligible for funding includes:

- a. New hybrid-electric, electric, fuel cell, and CNG/LNG vehicles certified by the CARB as meeting established super ultra low emission vehicle (SULEV), partial zero emission vehicle (PZEV), advanced technology-partial zero emission vehicle (AT-PZEV), or zero emission vehicle (ZEV) standards.
- b. New electric neighborhood vehicles (NEV) as defined in the California Vehicle Code.
- c. CARB emissions compliant vehicle system retrofits that result in reduced petroleum use (e.g., plug-in hybrid systems).

Gasoline and diesel (non-hybrid) vehicles are not eligible for TFCA funding.

Funds are not available for non-fuel system upgrades such as transmission and exhaust systems and should not be included in the incremental cost of the project.

TFCA funds awarded may not exceed incremental cost after all other applicable manufacturer and local/state/federal rebates, tax credits, and cash equivalent incentives are applied. Incremental cost is the difference in cost between the purchase or lease price of the new vehicle and/or retrofit and its new conventional vehicle counterpart that meets, but does not exceed, 2009 emissions standards.

22. Alternative Fuel Heavy-Duty Service Vehicles (Low-mileage utility trucks in idling service):

Eligibility: For TFCA purposes, heavy-duty vehicles are on-road motor vehicles with a Gross Vehicle Weigh Rating (GVWR) of 10,001 pounds or heavier. This category includes only vehicles in which engine idling is required to perform the primary function (for example, crane or aerial bucket trucks). In order to qualify for this incentive, each new vehicle must be placed into a service route that has a minimum idling time of 520 hours/year, and a minimum mileage of 500 miles/year.

TFCA funds awarded may not exceed the difference in the purchase or lease price of the new clean air vehicle that surpasses the applicable emissions standards and its new conventional vehicle counterpart that meets, but does not exceed, the emissions standards (incremental cost).

Scrapping Requirements: Project sponsors of heavy-duty clean air vehicles purchased or leased with TFCA funds that have model year 1997 or older heavy-duty diesel vehicles in their fleet are required to scrap one model year 1997 or older heavy-duty diesel vehicle for each new clean air vehicle purchased or leased with TFCA funds. Project sponsors with model year 1998 and newer heavy-duty diesel vehicles in their fleet may, but are not required to, meet this scrapping requirements. Applications that include scrapping components may receive additional credit towards the calculation of the overall cost effectiveness of the project. Costs related to the scrapping of heavy-duty vehicles are not eligible for reimbursement with TFCA funds.

23. Alternative Fuel Heavy-Duty Vehicles (high mileage):

Eligibility: For TFCA purposes, light-heavy-duty vehicles (LHDV) are those with a GVWR between 8,501 lbs. and 14,000 lbs, medium-duty vehicles (MDV) are those with a GVWR between 14,001 lbs. and 33,000 lbs., and heavy-duty vehicles (HDV) are those with a GVWR equal to or greater than 33,001 lbs. LHDV, MDV and HDV types and equipment eligible for funding include:

- a. New hybrid-electric, electric, and CNG/LNG vehicles certified by the CARB and/or that are listed by the IRS as eligible for a federal tax credit pursuant to the Energy Policy Act of 2005.
- b. CARB emissions compliant vehicle system retrofits that result in reduced petroleum use.

TFCA funding may not be used to pay for non-fuel system upgrades such as transmission and exhaust systems.

TFCA funds awarded may not exceed incremental cost after all other applicable manufacturer and local/state rebates, tax credits, and cash equivalent incentives are applied. Incremental cost is the difference in cost between the purchase or lease price of the vehicle and/or retrofit and its new conventional vehicle counterpart that meets, but does not exceed, 2009 emissions standards.

Scrapping Requirements: Project sponsors of heavy-duty clean air vehicles purchased or leased with TFCA funds that have model year 1997 or older heavy-duty diesel vehicles in their fleet are required to scrap one model year 1997 or older heavy-duty diesel vehicle for each new vehicle purchased or leased with TFCA funds. Project sponsors with model year 1998 and newer heavy-duty diesel vehicles in their fleet may, but are not required to, meet this scrapping requirement. Costs related to the scrapping of heavy-duty vehicles are not eligible for reimbursement with TFCA funds.

24. Alternative Fuel Buses: Buses are subject to the same Eligibility and Scrapping requirements listed in Policy #23:

For purposes of transit and school bus replacement projects, a bus is any vehicle designed, used, or maintained for carrying more than fifteen (15) persons, including the driver. A vehicle designed, used, or maintained for carrying more than ten (10) persons, including the driver, which is used to transport persons for compensation or profit, or is used by any nonprofit organization or group, is also a bus. A vanpool vehicle is not considered a bus.

25. Alternative Fuel Infrastructure: Eligible refueling infrastructure projects include new dispensing facilities, or additional equipment or upgrades and improvements that expand access to existing alternative fuel refueling sites. This includes upgrading or modifying private fueling stations to allow public and/or shared fleet access. Funding may be used to purchase the cost of equipment and installation..

TFCA funded refueling infrastructure projects must be available to and accessible by the public. Refueling equipment and infrastructure must be designed, installed and maintained as required by the existing recognized codes and standards and approved by the local/state authority.

Applicants must provide data supporting the demand for the infrastructure (e.g., letters of support from potential users) and plans for maintaining the equipment in the future.

TFCA funding is limited to 50% of the total project cost and may not exceed a maximum award amount of \$200,000 per project sponsor.

TFCA funding may not be used to pay for fuel, operation, and maintenance costs.

- 26. **Advanced Technology Demonstration Projects:** Only vehicle-based advanced technology demonstration projects (i.e., technologies, motor vehicles and/or emission control devices not certified by CARB) not already implemented in the Bay Area are eligible for funding under this category. Applicants must clearly demonstrate the potential for concurrent or future emission reductions due to implementation of the project, and must provide estimates of emission reductions. All projects will require before and after evaluation data. TFCA funding for each project is limited to 25% of the total project cost, not to exceed \$500,000.

SHUTTLE/FEEDER BUS SERVICE PROJECTS

- 27. **Shuttle/Feeder Bus Service:** Shuttle/feeder bus service projects are those requesting funds to operate a shuttle or feeder bus route to or from a rail station, airport, or ferry terminal. To be eligible, shuttle/feeder bus service schedules must be coordinated with connecting rail or ferry schedules.

Shuttle/feeder bus service applicants must either: a) be a public transit agency or, b) submit documentation from the General Manager of the transit agency that provides service in the area of the proposed shuttle route, which demonstrates that the proposed shuttle service does not duplicate or conflict with existing transit agency service.

All vehicles used in shuttle/feeder bus service must meet the applicable CARB standards for public transit fleets use one of the following types of shuttle/feeder bus vehicles:

- a. an alternative fuel vehicle (CNG, liquefied natural gas, propane, electric);
- b. a hybrid-electric vehicle;
- c. a post-1997 diesel vehicle with a CARB Verified Diesel Emission Control Strategy (e.g., retrofit);
or
- d. a post-1989 gasoline-fueled vehicle.

Pilot shuttle/feeder bus service projects are required to meet a cost-effectiveness of \$125,000/ton during the first two years of operation (see Policy #2). A pilot project is a defined route that is at least 70% unique and has not previously been funded through TFCA. Applicants must provide data supporting the demand for the service, letters of support from potential users and providers, and plans for financing the service in the future.

RIDESHARING PROJECTS

- 28. **Regional Ridesharing Projects:** For TFCA Regional Fund eligibility, ridesharing projects must be comprised of riders from at least three Bay Area counties. Applications for projects that provide a direct or indirect financial transit or rideshare subsidy exclusively to employees of the project sponsor are not eligible.

29. **Reserved.**

30. **Reserved.**

REGIONAL FUND EVALUATION CRITERIA

Grant applications must comply with the TFCA Regional Fund Policies, and also are evaluated based on six criteria.

Both public agencies and non-public entities are eligible to receive points under Criteria 1, 2, 3, 5, and 6. Only public agencies are eligible to receive points under Criterion 4. Clean air vehicle projects covered by Policies 21 – 24 are not eligible for points under Criterion 6. An applicant must achieve a minimum percentage of 60% of available points to be eligible for consideration for funding. Projects will be ranked by calculating the percentage of total eligible points scored in descending order. In the event that two or more projects achieve an equal score, the project with the best TFCA cost-effectiveness will receive a higher ranking.

Available TFCA Regional Funds will be allocated to projects beginning with the highest ranking project and proceeding in sequence to lower ranking projects. If the TFCA Regional Fund is oversubscribed, the point where the next-ranked eligible project cannot be fully funded defines the cut-off point for the funding cycle, i.e., all projects above this point will be funded. If the Regional Fund is undersubscribed, any remaining funds are generally allocated to projects in the subsequent funding cycle. By mutual consent of the project sponsor and the Air District, grant awards may be reduced from the amount requested in the original application.

FY 2009/2010 TFCA Regional Fund Scoring Criteria

Criteria	Maximum Points
1. TFCA Funding Effectiveness	60
2. Greenhouse Gas Emission Reductions	10
3. Other Project Attributes	5
4. Clean Air Policies and Programs*	10
5. Sensitive and PM Impacted Communities	---
A. General	10
B. Highly-Impacted Communities	<i>High priority**</i>
6. Priority Development Areas***	5
Total	100

* Only public agencies eligible to receive points. **High priority is defined per Criterion 5 below.

*** Not available to vehicle projects covered by Policies 21 – 24.

DISCUSSION

Criterion 1: TFCA Funding Effectiveness (maximum 60 points)

Measures the cost-effectiveness (C-E) of a project in reducing air pollutant emissions. Generally, applications that include higher rates of matching funds will score better than those that request higher percentage of TFCA funding. TFCA funds budgeted for the project (TFCA Regional Funds and TFCA County Program Manager Funds combined) will be divided by the estimated lifetime emission reductions for the project. The estimated lifetime emission reductions are the sum of reactive organic gases, oxides of nitrogen, and weighted particulate matter (PM)¹ that will be reduced over the life of the project. Air District staff will determine the estimated emission reductions and TFCA funding effectiveness for the project.

¹ PM emissions include tailpipe PM, as well as brake particles, tire particles and re-entrained road dust. Consistent with California Air Resources Board methodology to calculate PM emission reductions for the Carl Moyer Program, weighted PM emissions will be calculated by adding the tailpipe PM multiplied by a factor of 20, plus the sum of tire, brake, and road dust PM.

The point scales for awarding points for this criterion are presented below:

a. For projects that must achieve a C-E threshold of \$90,000/ton:

TFCA \$/Ton	Points	TFCA \$/Ton	Points
\$0 - \$19,999	60	\$56,000 - \$57,999	53
\$20,000 - \$21,999	60	\$58,000 - \$59,999	52.5
\$22,000 - \$23,999	60	\$60,000 - \$61,999	52
\$24,000 - \$25,999	59.75	\$62,000 - \$63,999	51.5
\$26,000 - \$27,999	59.5	\$64,000 - \$65,999	51
\$28,000 - \$29,999	59.25	\$66,000 - \$67,999	50.5
\$30,000 - \$31,999	59	\$68,000 - \$69,999	50
\$32,000 - \$33,999	58.75	\$70,000 - \$71,999	49.5
\$34,000 - \$35,999	58.5	\$72,000 - \$73,999	49
\$36,000 - \$37,999	58	\$74,000 - \$75,999	48.5
\$38,000 - \$39,999	57.5	\$76,000 - \$77,999	48
\$40,000 - \$41,999	57	\$78,000 - \$79,999	47.5
\$42,000 - \$43,999	56.5	\$80,000 - \$81,999	47
\$44,000 - \$45,999	56	\$82,000 - \$83,999	46.5
\$46,000 - \$47,999	55.5	\$84,000 - \$85,999	46
\$48,000 - \$49,999	55	\$86,000 - \$87,999	45.5
\$50,000 - \$51,999	54.5	\$88,000 - \$89,999	45
\$52,000 - \$53,999	54	\$90,000 - and above	0
\$54,000 - \$55,999	53.5		

b. For projects that must achieve a C-E threshold of \$125,000/ton (Pilot Shuttles):

TFCA \$/Ton	Points	TFCA \$/Ton	Points
\$0 - \$19,999	60	\$74,000 - \$76,999	53
\$20,000 - \$22,999	60	\$77,000 - \$79,999	52.5
\$23,000 - \$25,999	60	\$80,000 - \$82,999	52
\$26,000 - \$28,999	59.75	\$83,000 - \$85,999	51.5
\$29,000 - \$31,999	59.5	\$86,000 - \$88,999	51
\$32,000 - \$34,999	59.25	\$89,000 - \$91,999	50.5
\$35,000 - \$37,999	59	\$92,000 - \$94,999	50
\$38,000 - \$40,999	58.75	\$95,000 - \$97,999	49.5
\$41,000 - \$43,999	58.5	\$98,000 - \$100,999	49
\$44,000 - \$46,999	58	\$101,000 - \$103,999	48.5
\$47,000 - \$49,999	57.5	\$104,000 - \$106,999	48
\$50,000 - \$52,999	57	\$107,000 - \$109,999	47.5
\$53,000 - \$55,999	56.5	\$110,000 - \$112,999	47
\$56,000 - \$58,999	56	\$113,000 - \$115,999	46.5
\$59,000 - \$61,999	55.5	\$116,000 - \$118,999	46
\$62,000 - \$64,999	55	\$119,000 - \$121,999	45.5
\$65,000 - \$67,999	54.5	\$122,000 - \$124,999	45
\$68,000 - \$70,999	54	\$125,000 - and above	0
\$71,000 - \$73,999	53.5		

c. For projects that must achieve a C-E threshold of \$500,000/ton (Advanced Technology Demonstration):

TFCA \$/Ton		Points	TFCA \$/Ton		Points
\$0	- \$44,999	60	\$279,000	- \$291,999	50
\$45,000	- \$57,999	59.5	\$292,000	- \$304,999	49
\$58,000	- \$70,999	59	\$305,000	- \$317,999	48
\$71,000	- \$83,999	58.5	\$318,000	- \$330,999	47
\$84,000	- \$96,999	58	\$331,000	- \$343,999	46
\$97,000	- \$109,999	57.5	\$344,000	- \$356,999	45
\$110,000	- \$122,999	57	\$357,000	- \$369,999	44
\$123,000	- \$135,999	56.5	\$370,000	- \$382,999	43
\$136,000	- \$148,999	56	\$383,000	- \$395,999	42
\$149,000	- \$161,999	55.5	\$396,000	- \$408,999	41
\$162,000	- \$174,999	55	\$409,000	- \$421,999	40
\$175,000	- \$187,999	54.5	\$422,000	- \$434,999	39
\$188,000	- \$200,999	54	\$435,000	- \$447,999	38
\$201,000	- \$213,999	53.5	\$448,000	- \$460,999	37
\$214,000	- \$226,999	53	\$461,000	- \$473,999	36
\$227,000	- \$239,999	52.5	\$474,000	- \$486,999	35
\$240,000	- \$252,999	52	\$487,000	- \$499,999	34
\$253,000	- \$265,999	51.5	\$500,000	- and above	0
\$266,000	- \$278,999	51			

Criterion 2: Greenhouse Gas Emission Reductions (maximum 10 points)

Rewards projects that reduce greenhouse gas emissions. Awards a maximum of 10 points (on a sliding scale, 0 to 10 points) for projects that reduce emissions of greenhouse gases, predominately carbon dioxide. Generally, projects that promote alternative modes of transportation and reduce single occupant vehicle trips (e.g., transit, ridesharing, bicycling and walking), as well as projects that improve motor vehicle fuel economy, will reduce greenhouse gas emissions. TFCA funds budgeted for the project will be divided by the estimated lifetime emission reductions of greenhouse gases for the project. Air District staff will determine the estimated emission reductions, TFCA funding effectiveness for greenhouse gases, and the scale for awarding points.

Criterion 3: Other Project Attributes (maximum 5 points)

Provides a mechanism in the evaluation and scoring process to identify and assess desirable project attributes that are not captured in the analysis of TFCA funding effectiveness. Projects may score points under this criterion based upon other project attributes identified for each project type. The specific project attributes for each project type will be identified after grant applications have been received and reviewed. Examples of Other Project Attributes will be provided in TFCA Guidance document.

Criterion 4: Clean Air Policies and Programs (maximum 10 points)

Recognizes and encourages the efforts of public agencies to implement policies and programs that promote the region’s air-quality objectives, especially land use and transportation policies that help to reduce air pollution from motor vehicles.

To receive points for this criterion, the sponsoring agency must describe its policies and actions to implement the transportation control measures (TCMs) in the most recently adopted strategy(ies) for State and national ozone standards throughout the agency’s jurisdiction. Points will be awarded based upon the performance of the project sponsor in implementing those elements of each TCM which are within the purview of the sponsor agency.

Non-public entities are not eligible for points under this criterion.

Criterion 5: Sensitive and Particulate Matter (PM) Impacted Communities (maximum 10 points)

Under Criterion 5, grant applications are eligible for credit under two sub-criteria.

- a. General: This sub-criterion will award a maximum of 10 points (on a sliding scale, 0-10 points) for projects that directly reduce emissions in communities with both high PM_{2.5} emissions and sensitive populations (i.e., children, seniors, those with low-incomes or elevated asthma rates).
- b. Highly Impacted Communities: Additional credit will be given to projects in these communities by providing them with the maximum score of 10 points in this Criterion and an additional 5 points under Criterion 3 "Other Project Attributes" provided that they meet a minimum percentage of operations in highly impacted communities. These communities have been identified by the Air District as having the most severe health risk and relatively low income levels.

Both sub-criteria 5A and 5B are based on data from the Air District's Community Air Risk Evaluation (CARE) Program; maps that identify these communities will be made available on the Air District's website. To qualify for points, a project must directly benefit one or more of these communities. The credit awarded will be determined by Air District staff, and will be based upon the percentage of project resources or services that would directly benefit the community, and the extent to which the project sponsor demonstrates this benefit.

Criterion 6: Priority Development Areas (maximum 5 points)

Awards additional points to projects located in concentrated areas identified for future growth near transit and in existing Bay Area communities. Funding projects operating in regionally approved Priority Development Areas (PDAs) will lead to reduced emissions in the region generally, and in PDAs in particular. Both public agencies and non-public entities are eligible for points under this criterion.

As with Criterion 5, to receive points for this criterion, the project must directly benefit one or more approved PDAs. The credit awarded will be determined by Air District staff, and will be based upon the percentage of project resources or services that would directly benefit the PDA, and the extent to which the project sponsor demonstrates this benefit.

Clean air vehicle projects covered by Polices 21 – 24 are not eligible for points under this criterion.

PROPOSED AMENDED TFCA REGIONAL FUND POLICIES AND EVALUATION CRITERIA FOR FY 2009/2010

The following policies apply only to the Transportation Fund for Clean Air (TFCA) Regional Fund.

BASIC ELIGIBILITY

1. **Eligible Projects:** Only projects that result in the reduction of motor vehicle emissions within the Air District's jurisdiction are eligible.

Projects must conform to the provisions of the California Health and Safety Code (HSC) sections 44220 et seq. and Air District Board of Directors adopted TFCA Regional Fund Policies and Evaluation Criteria for FY 2009/10.

Projects must achieve surplus emission reductions, that is, beyond what is currently required through regulations, contracts, or other legally binding obligations at the time the Air District Board of Directors approves a funding allocation and at the time of the execution of a funding agreement.

2. **TFCA Cost-Effectiveness and Minimum Score:** Projects must meet cost-effectiveness (C-E) levels and minimum scores established by the Air District's Board of Directors.

- a. **Cost-Effectiveness:** The ratio of TFCA funds awarded divided by the sum total tons of reactive organic gases (ROG), oxides of nitrogen (NO_x), and weighted particulate matter 10 microns in diameter and smaller (PM₁₀) reduced (\$/ton). Certain project categories further specify the eligible funding amount per item (for example, \$/vehicle) which is based on the cost-effectiveness levels below.

Cost-effectiveness levels are limited to the amounts set forth below.		
Project Type	Policy #	C-E level maximum (\$/weighted ton)
Alternative Fuel Light-Duty Vehicles	21	\$90,000
Alternative Fuel Heavy-Duty Service Vehicles (Low-mileage utility trucks in idling service)	22	\$90,000
Alternative Fuel Heavy-Duty Vehicles	23	\$90,000
Alternative Fuel Bus Replacements	24	\$90,000
Alternative Fuel Infrastructure	25	\$90,000
Advanced Technology Demonstration	26	\$500,000
Shuttle/Feeder Bus Service—Pilot	27	\$125,000
Regional Ridesharing	28	\$90,000

- b. **Minimum Score:** In addition, applicants must earn ~~a score of~~ at least 60 percent points ~~(out of a possible 100 points) for public agencies and 54 of available points (out of a possible 90 points) for non-public entities~~, based upon the project evaluation and scoring criteria listed in ~~the FY 2009/10 TFCA Regional Fund Application Guidance document~~ the Board approved Regional Fund Evaluation Criteria.

3. **Consistent with Existing Plans and Programs:** With the exception of Clean Air Vehicle Projects and Advanced Technology Demonstration Projects, all other project categories must comply with the transportation control measures and mobile source measures included in the Air District's most recently approved strategy(ies) for State and national ozone standards and, when applicable, with other adopted State, regional, and local plans and programs.
4. **Eligible Recipients and Authority to Apply:** Grant recipients must be responsible for the implementation of the project, have the authority and capability to complete the project, and be an applicant in good standing.

- a. **Eligible Recipients:**
 - i. **Public agencies** are eligible to apply for all project categories.
 - ii. **Non-public entities** are only eligible to apply for new alternative-fuel (light, medium, and heavy-duty) vehicle projects, and advanced technology demonstrations, as described in HSC section 44241(b)7.
 - b. **Authority to Apply:** Applications must include either: 1) a signed letter of commitment from an individual with authority to enter into a funding agreement and carry out the project (e.g., Chief Executive or Financial Officer, Executive Director, City Manager, etc.), or 2) a signed resolution from the governing body (e.g., City Council, Board of Supervisors, Board of Directors, etc.) authorizing the submittal of the application and identifying the individual authorized to submit and carry out the project.
5. **Viable Project and Matching Funds:** Unless otherwise specified in the project category policies below, applications of \$150,000 or less do not require matching funds. Applications requesting greater than \$150,000 must provide matching funds from a non-Air District source, which equal or exceed 10% of the total project cost.
- Applications must identify sufficient resources to complete the respective project. The project sponsor shall not enter into a TFCA Regional Fund funding agreement until all non-Air District funding has been approved and secured.
6. **Minimum Grant Amount:** \$10,000 per project.
7. **Maximum Grant Amount:** Maximum award per calendar year:
- a. **Each public agency** may be awarded up to \$1,500,000, and
 - b. **Each non-public entity** may be awarded up to \$500,000.
8. **Readiness:** Projects must commence in calendar year 2010 or sooner. For purposes of this policy, "commence" means to receive delivery of vehicles, equipment, services, or to award a construction contract.
9. **Maximum Two Years Operating Costs:** Projects that provide a service, such as ridesharing programs and shuttle and feeder bus projects, are eligible to apply for a period of up to two (2) years.
10. **Project Revisions:** Project revisions initiated by the project sponsor which significantly change the project before the allocation of funds by the Air District Board of Directors may not be accepted. Following Air District Board of Directors allocation of funds for a project, an applicant may request revisions to that project that the applicant deems necessary or advisable, based on information the applicant received after the Board's allocation of funding. The District will consider only requests that are based on new information, are within the same eligible project category, and meet the same cost-effectiveness.

APPLICANT IN GOOD STANDING

11. **In Compliance with Agreement Requirements:** Project sponsors who have failed to meet project implementation milestones or who have failed to fulfill monitoring and reporting requirements for any project funded by the Air District may not be considered eligible for new funding until such time as all of the unfulfilled obligations are met.
12. **Failed Audit:** Project sponsors who have failed either a fiscal audit or a performance audit for a prior Air District funded project will be excluded from future funding for five (5) years. Additionally, project sponsors with open projects will not be reimbursed for those projects until all audit recommendations and remedies have been satisfactorily implemented. A failed fiscal audit means an uncorrected audit finding

that confirms an ineligible expenditure of funds. A failed performance audit means that a project was not implemented as set forth in the project funding agreement.

- 13. Signed Funding Agreement:** Only a fully executed funding agreement (i.e., signed by both the project sponsor and the Air District) constitutes the Air District's award of funds for a project. The Air District Board of Directors approval of an application does not constitute a final obligation on the part of the Air District to fund a project.

Project sponsors must sign a funding agreement within 60 days from the date it has been transmitted to them in order to remain eligible for award of TFCA funds. The Air District may authorize an extension of up to a total period of 120 days from the transmittal because of circumstances beyond project sponsor's reasonable control and at the Air District's discretion.

Project sponsors who failed to return a funding agreement from a previous funding cycle are not eligible to apply for a 12-month period.

- 14. Insurance:** Each project sponsor must maintain general liability insurance and such additional insurance that is appropriate for specific projects, with coverage amounts specified in the respective funding agreements.

INELIGIBLE PROJECTS

- 15. Planning Activities:** Feasibility studies are not eligible for funding, nor are projects that only involve planning activities and that do not include an implementation phase. In addition, land-use projects (i.e., Smart Growth, Traffic Calming, and Arterial Management) that have not completed the Preliminary Design phase are not eligible.
- 16. Cost of Developing Proposals and Grant Applications:** The costs to develop proposals or prepare applications are not eligible for TFCA funding.
- 17. Duplication:** Projects that have previously received TFCA funds and therefore do not achieve additional emission reductions are not eligible. Combining TFCA County Program Manager Funds with TFCA Regional Funds to achieve greater emission reductions for a single project is not considered project duplication.

USE OF TFCA FUNDS

- 18. Combined Funds:** TFCA County Program Manager Funds may be combined with TFCA Regional Funds for the funding of an eligible project. For the purpose of calculating the TFCA cost-effectiveness (Regional Fund Evaluation Criterion #1), the combined sum of TFCA County Program Manager Funds and TFCA Regional Funds shall be used to calculate the TFCA cost of the project.
- 19. Administrative Costs:** Administrative costs (i.e., the costs associated with administering a TFCA grant) are limited to a maximum of five percent (5%) of total TFCA funds expended on a project. To be eligible for reimbursement, administrative costs must be clearly identified in the application project budget and in the funding agreement between the Air District and the project sponsor.
- 20. Expend Funds within Two Years:** Project sponsors must expend the awarded funds within two (2) years of the effective date of the funding agreement, unless a longer period is formally (i.e., in writing) approved in advance by the Air District in a funding agreement or as an amendment to the funding agreement.

ELIGIBLE PROJECT CATEGORIES:

CLEAN AIR VEHICLE PROJECTS

21. Alternative Fuel Light-Duty Vehicles:

Eligibility: For TFCA purposes, light-duty vehicles are those with a gross vehicle weight rating (GVWR) of 8,500 lbs. or lighter. Light-duty vehicle types and equipment eligible for funding includes:

- a. New hybrid-electric, electric, fuel cell, and CNG/LNG vehicles certified by the CARB as meeting established super ultra low emission vehicle (SULEV), partial zero emission vehicle (PZEV), advanced technology-partial zero emission vehicle (AT-PZEV), or zero emission vehicle (ZEV) standards.
- b. New electric neighborhood vehicles (NEV) as defined in the California Vehicle Code.
- c. CARB emissions compliant vehicle system retrofits that result in reduced petroleum use (e.g., plug-in hybrid systems).

~~With the exception of NEV, vehicles must be placed into a service route that has a minimum mileage of 10,000 miles per year.~~

Gasoline and diesel (non-hybrid) vehicles are not eligible for TFCA funding.

Funds are not available for non-fuel system upgrades such as transmission and exhaust systems and should not be included in the incremental cost of the project.

~~Maximum Award (per vehicle/retrofit) listed below:~~

Vehicle Type	Annual Mileage	
	10,000 – 50,000 miles	Greater than 50,000 miles
NEV (exempt from mileage minimum)	\$500	
SULEV, PZEV, AT-PZEV	\$2000	\$3000
ZEV and retrofits	\$4000	\$5000

TFCA funds awarded may not exceed incremental cost after all other applicable manufacturer and local/state/federal rebates, tax credits, and cash equivalent incentives are applied. Incremental cost is the difference in cost between the purchase or lease price of the new vehicle and/or retrofit and its new conventional vehicle counterpart that meets, but does not exceed, 2009 emissions standards.

22. Alternative Fuel Heavy-Duty Service Vehicles (Low-mileage utility trucks in idling service):

Eligibility: For TFCA purposes, heavy-duty vehicles are on-road motor vehicles with a Gross Vehicle Weigh Rating (GVWR) of 10,001 pounds or heavier. This category includes only vehicles in which engine idling is required to perform the primary function (for example, crane or aerial bucket trucks). In order to qualify for this incentive, each new vehicle must be placed into a service route that has a minimum idling time of 520 hours/year, and a minimum mileage of ~~1,000~~500 miles/year.

~~Maximum Award Amount (per vehicle):~~ TFCA funds awarded may not exceed the difference in the purchase or lease price of the new clean air vehicle that surpasses the applicable emissions standards and its new conventional vehicle counterpart that meets, but does not exceed, the emissions standards (incremental cost).

~~Maximum funding is set forth below:~~

GVWR, lbs	Idling Time	
	Average 2-4 hours/day	Average ≥ 4 hours/day
10,001-33,000	\$16,000	\$20,000
Greater than 33,000	\$25,000	\$30,000
Additional funds for scrapping pre-1998 vehicles	+\$4000	+\$4000

Scrapping Requirements: Project sponsors of heavy-duty clean air vehicles purchased or leased with TFCA funds that have model year 1997 or older heavy-duty diesel vehicles in their fleet are required to scrap one model year 1997 or older heavy-duty diesel vehicle for each new clean air vehicle purchased or leased with TFCA funds. Project sponsors with model year 1998 and newer heavy-duty diesel vehicles in their fleet may, but are not required to, meet this scrapping requirements. Applications that include scrapping components may receive additional credit towards the calculation of the overall cost effectiveness of the project. Costs related to the scrapping of heavy-duty vehicles are not eligible for reimbursement with TFCA funds.

23. **Alternative Fuel Heavy-Duty Vehicles (high mileage):**

Eligibility: For TFCA purposes, light-heavy-duty vehicles (LHDV) are those with a GVWR ~~greater than 8,500~~ 8,501 lbs. and ~~less than~~ 14,000 lbs, medium-duty vehicles (MDV) are those with a GVWR ~~greater than~~ between 14,001 lbs. and ~~less than~~ 33,000 lbs., and heavy-duty vehicles (HDV) are those with a GVWR equal to or greater than 33,001 lbs. LHDV, MDV and HDV types and equipment eligible for funding include:

- a. New hybrid-electric, electric, and CNG/LNG vehicles certified by the CARB and/or that are listed by the IRS as eligible for a federal tax credit pursuant to the Energy Policy Act of 2005.
- b. CARB emissions compliant vehicle system retrofits that result in reduced petroleum use.

~~Vehicles must be placed into a service route that has a minimum mileage of 15,000 miles per year.~~

TFCA funding may not be used to pay for non-fuel system upgrades such as transmission and exhaust systems.

~~Maximum Award (per vehicle/retrofit) listed below:~~

		15,000 – 40,000 Miles	40,001 – 80,000 Miles
CNG/LNG	MDV	\$3,500	\$8,000
	HDV	\$8,000	\$20,000
Hybrid-EV and Retrofits (>15,000 Miles)	LHDV	\$10,000	
	MDV	\$25,000	
	HDV	\$30,000	
Fuel Cell and EV (>15,000 Miles)	LHDV	\$20,000	
	MDV	\$40,000	
	HDV	\$60,000	

TFCA funds awarded may not exceed incremental cost after all other applicable manufacturer and local/state rebates, tax credits, and cash equivalent incentives are applied. Incremental cost is the difference in cost between the purchase or lease price of the vehicle and/or retrofit and its new conventional vehicle counterpart that meets, but does not exceed, 2009 emissions standards.

Scrapping Requirements: Project sponsors of heavy-duty clean air vehicles purchased or leased with TFCA funds that have model year 1997 or older heavy-duty diesel vehicles in their fleet are required to scrap one model year 1997 or older heavy-duty diesel vehicle for each new vehicle purchased or leased with TFCA funds. Project sponsors with model year 1998 and newer heavy-duty diesel vehicles in their fleet may, but are not required to, meet this scrapping requirement. Costs related to the scrapping of heavy-duty vehicles are not eligible for reimbursement with TFCA funds.

24. **Alternative Fuel Buses:** Buses are subject to the same Eligibility, ~~Maximum Award~~ and Scrapping requirements listed in Policy #23:

For purposes of transit and school bus replacement projects, a bus is any vehicle designed, used, or maintained for carrying more than fifteen (15) persons, including the driver. A vehicle designed, used, or maintained for carrying more than ten (10) persons, including the driver, which is used to transport persons for compensation or profit, or is used by any nonprofit organization or group, is also a bus. A vanpool vehicle is not considered a bus.

25. **Alternative Fuel Infrastructure:** ~~Projects that construct infrastructure to support electric, fuel cell and natural gas vehicles that are part of a project sponsor's existing fleet or part of a current application for alternative fuel vehicles are eligible for funding.~~ Eligible refueling infrastructure projects include new dispensing facilities, or additional equipment or upgrades and improvements that expand access to existing alternative fuel refueling sites. This includes upgrading or modifying private fueling stations to allow public and/or shared fleet access. Funding may be used to purchase the cost of equipment or and installation. ~~to pay for specific turnkey fueling services by alternative fuel providers.~~

TFCA funded refueling infrastructure projects must be available to and accessible by the public. Refueling equipment and infrastructure must be designed, installed and maintained as required by the existing recognized codes and standards and approved by the local/state authority.

Applicants must provide data supporting the demand for the infrastructure (e.g., letters of support from potential users) and plans for maintaining the equipment in the future.

TFCA funding is limited to ~~30~~50% of the total project cost and may not exceed a maximum award amount of \$200,000 per project sponsor.

TFCA funding may not be used to pay for fuel, operation, and maintenance costs.

26. **Advanced Technology Demonstration Projects:** Only vehicle-based advanced technology demonstration projects (i.e., technologies, motor vehicles and/or emission control devices not certified by CARB) not already implemented in the Bay Area are eligible for funding under this category. Applicants must clearly demonstrate the potential for concurrent or future emission reductions due to implementation of the project, and must provide estimates of emission reductions. All projects will require before and after evaluation data. TFCA funding for each project is limited to 25% of the total project cost, not to exceed \$500,000.

SHUTTLE/FEEDER BUS SERVICE PROJECTS

27. **Shuttle/Feeder Bus Service:** Shuttle/feeder bus service projects are those requesting funds to operate a shuttle or feeder bus route to or from a rail station, airport, or ferry terminal. To be eligible, shuttle/feeder bus service schedules must be coordinated with connecting rail or ferry schedules.

Shuttle/feeder bus service applicants must either: a) be a public transit agency or, b) submit documentation from the General Manager of the transit agency that provides service in the area of the proposed shuttle route, which demonstrates that the proposed shuttle service does not duplicate or conflict with existing transit agency service.

All vehicles used in shuttle/feeder bus service must meet the applicable CARB standards for public transit fleets use one of the following types of shuttle/feeder bus vehicles:

- a. an alternative fuel vehicle (CNG, liquefied natural gas, propane, electric);
- b. a hybrid-electric vehicle;
- c. a post-1997 diesel vehicle with a CARB Verified Diesel Emission Control Strategy (e.g., retrofit);
or
- d. a post-1989 gasoline-fueled vehicle.

Pilot shuttle/feeder bus service projects are required to meet a cost-effectiveness of \$125,000/ton during the first two years of operation (see Policy #2). A pilot project is a defined route that is at least 70% unique and has not previously been funded through TFCA. Applicants must provide data supporting the demand for the service, letters of support from potential users and providers, and plans for financing the service in the future.

RIDESHARING PROJECTS

- 28. **Regional Ridesharing Projects:** For TFCA Regional Fund eligibility, ridesharing projects must be comprised of riders from at least three Bay Area counties. Applications for projects that provide a direct or indirect financial transit or rideshare subsidy exclusively to employees of the project sponsor are not eligible.
- 29. **Reserved.**
- 30. **Reserved.**

REGIONAL FUND EVALUATION CRITERIA

Grant applications must comply with the TFCA Regional Fund Policies, and also are evaluated based on six criteria.

Both public agencies and non-public entities are eligible to receive points under Criteria 1, 2, 3, 5, and 6. Only public agencies are eligible to receive points under Criterion 4. Clean air vehicle projects covered by Policies 21 – 24 are not eligible for points under Criterion 6. An applicant must achieve a minimum percentage of 60% of available points to be eligible for consideration for funding. ~~The maximum possible score for a public agency is 100 points and the maximum possible score for a non-public entity is 90 points. A public agency must achieve a minimum score of 60 points to be considered for funding while a non-public entity must achieve a minimum of 54 points to be considered for funding.~~

Projects will be ranked by calculating the percentage of total eligible points scored ~~(100 for public agencies and 90 for non-public entities)~~ in descending order. In the event that two or more projects achieve an equal score, the project with the best TFCA cost-effectiveness will receive a higher ranking.

Available TFCA Regional Funds will be allocated to projects beginning with the highest ranking project and proceeding in sequence to lower ranking projects. If the TFCA Regional Fund is oversubscribed, the point where the next-ranked eligible project cannot be fully funded defines the cut-off point for the funding cycle, i.e., all projects above this point will be funded. If the Regional Fund is undersubscribed, any remaining funds are generally allocated to projects in the subsequent funding cycle. By mutual consent of the project sponsor and the Air District, grant awards may be reduced from the amount requested in the original application.

FY 2009/2010 TFCA Regional Fund Scoring Criteria

Criteria	Maximum Points
1. TFCA Funding Effectiveness*	60
2. Greenhouse Gas Emission Reductions*	10
3. Other Project Attributes*	5
4. Clean Air Policies and Programs**	10

5. Sensitive and PM Impacted Communities*	---
A. General	10
B. Highly-Impacted Communities	<i>High priority**</i>
6. Priority Development Areas***	5
Total	100

~~*Public agencies and non-public entities eligible to receive points.~~

** Only public agencies eligible to receive points. ***High priority is defined per Criterion 5 below.

*** Not available to vehicle projects covered by Policies 21 – 24.

DISCUSSION

Criterion 1: TFCA Funding Effectiveness (maximum 60 points)

Measures the cost-effectiveness (C-E) of a project in reducing air pollutant emissions. Generally, applications that include higher rates of matching funds will score better than those that request higher percentage of TFCA funding. TFCA funds budgeted for the project (TFCA Regional Funds and TFCA County Program Manager Funds combined) will be divided by the estimated lifetime emission reductions for the project. The estimated lifetime emission reductions are the sum of reactive organic gases, oxides of nitrogen, and weighted particulate matter (PM)¹ that will be reduced over the life of the project. Air District staff will determine the estimated emission reductions and TFCA funding effectiveness for the project.

The point scales for awarding points for this criterion are presented below:

a. For projects that must achieve a C-E threshold of \$90,000/ton:

TFCA \$/Ton	Points	TFCA \$/Ton	Points
\$0 - \$19,999	60	\$56,000 - \$57,999	53
\$20,000 - \$21,999	60	\$58,000 - \$59,999	52.5
\$22,000 - \$23,999	60	\$60,000 - \$61,999	52
\$24,000 - \$25,999	59.75	\$62,000 - \$63,999	51.5
\$26,000 - \$27,999	59.5	\$64,000 - \$65,999	51
\$28,000 - \$29,999	59.25	\$66,000 - \$67,999	50.5
\$30,000 - \$31,999	59	\$68,000 - \$69,999	50
\$32,000 - \$33,999	58.75	\$70,000 - \$71,999	49.5
\$34,000 - \$35,999	58.5	\$72,000 - \$73,999	49
\$36,000 - \$37,999	58	\$74,000 - \$75,999	48.5
\$38,000 - \$39,999	57.5	\$76,000 - \$77,999	48
\$40,000 - \$41,999	57	\$78,000 - \$79,999	47.5
\$42,000 - \$43,999	56.5	\$80,000 - \$81,999	47
\$44,000 - \$45,999	56	\$82,000 - \$83,999	46.5
\$46,000 - \$47,999	55.5	\$84,000 - \$85,999	46
\$48,000 - \$49,999	55	\$86,000 - \$87,999	45.5
\$50,000 - \$51,999	54.5	\$88,000 - \$89,999	45
\$52,000 - \$53,999	54	\$90,000 - and above	0
\$54,000 - \$55,999	53.5		

~~**b. For Alternative Fuel Light Duty, Alternative Fuel Heavy-duty Service Vehicles in Low Mileage Idling Service, Alternative Fuel Heavy-duty Vehicles, Alternative Fuel Medium and Heavy-Duty Vehicles and Alternative Fuel Bus Replacements.**~~

~~**50 Points**—(amount requested must be equal to or less than the maximum allowable amounts listed in policies 21-24.)~~

¹ PM emissions include tailpipe PM, as well as brake particles, tire particles and re-entrained road dust. Consistent with California Air Resources Board methodology to calculate PM emission reductions for the Carl Moyer Program, weighted PM emissions will be calculated by adding the tailpipe PM multiplied by a factor of 20, plus the sum of tire, brake, and road dust PM.

e.b. For projects that must achieve a C-E threshold of \$125,000/ton (Pilot Shuttles):

TFCA \$/Ton			Points	TFCA \$/Ton			Points
\$0	-	\$19,999	60	\$74,000	-	\$76,999	53
\$20,000	-	\$22,999	60	\$77,000	-	\$79,999	52.5
\$23,000	-	\$25,999	60	\$80,000	-	\$82,999	52
\$26,000	-	\$28,999	59.75	\$83,000	-	\$85,999	51.5
\$29,000	-	\$31,999	59.5	\$86,000	-	\$88,999	51
\$32,000	-	\$34,999	59.25	\$89,000	-	\$91,999	50.5
\$35,000	-	\$37,999	59	\$92,000	-	\$94,999	50
\$38,000	-	\$40,999	58.75	\$95,000	-	\$97,999	49.5
\$41,000	-	\$43,999	58.5	\$98,000	-	\$100,999	49
\$44,000	-	\$46,999	58	\$101,000	-	\$103,999	48.5
\$47,000	-	\$49,999	57.5	\$104,000	-	\$106,999	48
\$50,000	-	\$52,999	57	\$107,000	-	\$109,999	47.5
\$53,000	-	\$55,999	56.5	\$110,000	-	\$112,999	47
\$56,000	-	\$58,999	56	\$113,000	-	\$115,999	46.5
\$59,000	-	\$61,999	55.5	\$116,000	-	\$118,999	46
\$62,000	-	\$64,999	55	\$119,000	-	\$121,999	45.5
\$65,000	-	\$67,999	54.5	\$122,000	-	\$124,999	45
\$68,000	-	\$70,999	54	\$125,000	-	and above	0
\$71,000	-	\$73,999	53.5				

d.c. For projects that must achieve a C-E threshold of \$500,000/ton (Advanced Technology Demonstration):

TFCA \$/Ton			Points	TFCA \$/Ton			Points
\$0	-	\$44,999	60	\$279,000	-	\$291,999	50
\$45,000	-	\$57,999	59.5	\$292,000	-	\$304,999	49
\$58,000	-	\$70,999	59	\$305,000	-	\$317,999	48
\$71,000	-	\$83,999	58.5	\$318,000	-	\$330,999	47
\$84,000	-	\$96,999	58	\$331,000	-	\$343,999	46
\$97,000	-	\$109,999	57.5	\$344,000	-	\$356,999	45
\$110,000	-	\$122,999	57	\$357,000	-	\$369,999	44
\$123,000	-	\$135,999	56.5	\$370,000	-	\$382,999	43
\$136,000	-	\$148,999	56	\$383,000	-	\$395,999	42
\$149,000	-	\$161,999	55.5	\$396,000	-	\$408,999	41
\$162,000	-	\$174,999	55	\$409,000	-	\$421,999	40
\$175,000	-	\$187,999	54.5	\$422,000	-	\$434,999	39
\$188,000	-	\$200,999	54	\$435,000	-	\$447,999	38
\$201,000	-	\$213,999	53.5	\$448,000	-	\$460,999	37
\$214,000	-	\$226,999	53	\$461,000	-	\$473,999	36
\$227,000	-	\$239,999	52.5	\$474,000	-	\$486,999	35
\$240,000	-	\$252,999	52	\$487,000	-	\$499,999	34
\$253,000	-	\$265,999	51.5	\$500,000	-	and above	0
\$266,000	-	\$278,999	51				

Criterion 2: Greenhouse Gas Emission Reductions (maximum 10 points)

Rewards projects that reduce greenhouse gas emissions. Awards a maximum of 10 points (on a sliding scale, 0 to 10 points) for projects that reduce emissions of greenhouse gases, predominately carbon dioxide. Generally, projects that promote alternative modes of transportation and reduce single occupant vehicle trips (e.g., transit, ridesharing, bicycling and walking), as well as projects that improve motor vehicle fuel economy, will reduce greenhouse gas emissions. TFCA funds budgeted for the project will be divided by the estimated lifetime emission reductions of greenhouse gases for the project. Air District staff will determine the estimated emission reductions, TFCA funding effectiveness for greenhouse gases, and the scale for awarding points.

Criterion 3: Other Project Attributes (maximum 5 points)

Provides a mechanism in the evaluation and scoring process to identify and assess desirable project attributes that are not captured in the analysis of TFCA funding effectiveness. Projects may score points under this criterion based upon other project attributes identified for each project type. The specific project attributes for each project type will be identified after grant applications have been received and reviewed. Examples of Other Project Attributes will be provided in TFCA Guidance document.

Criterion 4: Clean Air Policies and Programs (maximum 10 points)

Recognizes and encourages the efforts of public agencies to implement policies and programs that promote the region's air-quality objectives, especially land use and transportation policies that help to reduce air pollution from motor vehicles.

To receive points for this criterion, the sponsoring agency must describe its policies and actions to implement the transportation control measures (TCMs) in the most recently adopted strategy(ies) for State and national ozone standards throughout the agency's jurisdiction. Points will be awarded based upon the performance of the project sponsor in implementing those elements of each TCM which are within the purview of the sponsor agency.

Non-public entities are not eligible for points under this criterion.

Criterion 5: Sensitive and Particulate Matter (PM) Impacted Communities (maximum 10 points)

Under Criterion 5, grant applications are eligible for credit under two sub-criteria.

- a. General: This sub-criterion will award a maximum of 10 points (on a sliding scale, 0-10 points) for projects that directly reduce emissions in communities with both high PM_{2.5} emissions and sensitive populations (i.e., children, seniors, those with low-incomes or elevated asthma rates).
- b. Highly Impacted Communities: Additional credit will be given to projects in these communities by providing them with the maximum score of 10 points in this Criterion and an additional 5 points under Criterion 3 "Other Project Attributes" provided that they meet a minimum percentage of operations in highly impacted communities. These communities have been identified by the Air District as having the most severe health risk and relatively low income levels.

Both sub-criteria 5A and 5B are based on data from the Air District's Community Air Risk Evaluation (CARE) Program; maps that identify these communities will be made available on the Air District's website. To qualify for points, a project must directly benefit one or more of these communities. The credit awarded will be determined by Air District staff, and will be based upon the percentage of project resources or services that would directly benefit the community, and the extent to which the project sponsor demonstrates this benefit.

Criterion 6: Priority Development Areas (maximum 5 points)

Awards additional points to projects located in concentrated areas identified for future growth near transit and in existing Bay Area communities. Funding projects operating in regionally approved Priority Development Areas (PDAs) will lead to reduced emissions in the region generally, and in PDAs in particular. Both public agencies and non-public entities are eligible for points under this criterion.

As with Criterion 5, to receive points for this criterion, the project must directly benefit one or more approved PDAs. The credit awarded will be determined by Air District staff, and will be based upon the percentage of project resources or services that would directly benefit the PDA, and the extent to which the project sponsor demonstrates this benefit.

Clean air vehicle projects covered by Polices 21 – 24 are not eligible for points under this criterion.