

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

APPROVED MINUTES

Summary of Board of Directors
Mobile Source Committee Meeting
Friday, January 23, 2009

CALL TO ORDER: Chairperson Scott Haggerty called the meeting to order at 9:35 AM

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

Absent: Yoriko Kishimoto and Brad Wagenknecht

PUBLIC COMMENTS: There were no public comments

COMMITTEE BUSINESS:

Approval of Minutes: Director Shimansky moved to approve November 19, 2008 minutes;
seconded by Director Klatt; carried unanimously without objection.

4. Carl Moyer Program (CMP) – Consider for Recommendation:

- Board of Directors to adopt a resolution to allow Executive Officer/APCO Broadbent to accept up to \$14.5 million in funding from Air Resources Board (ARB) for Year 11 of Carl Moyer Program
- Board of Directors to authorize Executive Officer/APCO Broadbent to execute Grant Agreements for projects up to \$500,000 and to enter into agreements to start up a voucher component to the CMP

Staff Presentation by Grants Manager Damien Breen:

CMP Background Information:

- Voluntary program created in 1998 to reduce emissions from heavy-duty engines
- Funding to reduce surplus emissions
- Administered by California Air Resources Board (CARB) and local air districts
- Both private and public entities eligible for funding

Current Status:

- Air District applied for total CARB allocation up to \$14.5 million with 5% allocation for administrative costs
- District match (required) up to \$2.5 million will be met with MSIF projects
- Program will move forward if Executive Officer accepts this amount

- Staff requesting up to \$2.5 million in mobile source funds
- CARB will run voucher program providing up to \$2 million additional funds with operational changes
 - a. To replace multi-district funding
 - b. Collaborative effort between staff, truck vendors and scrap yards
- Applications available March 2009; funding required by June 2010, invoices paid by June 2011

Additional Information:

CARB Carl Moyer Program (CMP) guidelines and AB 1390

- Priority to projects reducing emissions in highly impacted areas
- At least 50% of funds for projects in most impacted areas
- CARB staff recommends continuing policy

Staff Recommended Operational Changes:

- Year-round, open call for projects to streamline distribution and expenditure of funds
- Projects reviewed on a first-come, first-served basis
- Grantees engaged in seasonal work to schedule projects during down times to increase program applications

Staff Recommended Executive Officer/APCO Signature Authority:

- Projects must meet CMP/MSIF guideline requirements
- EO/APCO project approval options:
 - a. APCO at an equivalent Air District can approve projects up to \$500,000
 - b. EO/APCO approval up to \$70,000 (approximately 50% of FY 08/09 projects)
 - c. EO/APCO approval up to \$100,000 (approximately 60% of FY 08/09 projects)
- Total value of approved projects not to exceed Board approved amounts
- Board to be updated quarterly on approved projects

General Comment:

- Over the past 10 years, routine projects have been successfully executed under guidelines; however, due to increases in regulatory activity and funds expected this year, staff expects that the Committee will deal with increasing size, complexity and difficulty.

To Receive Pro-rated Funds Without Extensive Reporting Requirements:

- District required to apply for funding along with other districts
- Committee to make the following recommendations to the Board of Directors
 - a. Adopt a resolution to authorize the Executive Officer/APCO to execute all necessary agreements with the California Air Resources Board (CARB) relating to the Air District's receipt of Carl Moyer Program funds for fiscal year (FY) 2008-2009 (Program Year 11)
 - b. Authorize the Executive Officer/APCO to approve Grant Agreements and amendments for projects funded with Carl Moyer or Mobile Source Incentive Funds

- c. Authorize the Executive Officer/APCO to enter into agreements with vehicle scrappers and dealers to implement a voucher program in accordance with the guidelines developed by CARB

Committee Discussion:

- Requested quarterly updates to Committee re projects received and approved for funding
- Approved projects posted to publicly available website link
- Equity and tenure issues of first-come, first-served program implementation
- Breakdown of funds distribution to be included quarterly report, Broadbent agreed
- Staff requested to provide comprehensive funding report showing all trucks and their areas served at the next Mobile Source Committee meeting
- General dialogue among members re attainment areas versus non-attainment areas, truck traffic along I-580, lack of correlation between income levels and health, true staff costs of administering the program

Board Action: Director Shimansky made a motion to:

1. Adopt resolution to authorize Executive Officer/APCO to execute all necessary agreements with the California Air Resources Board (CARB) relating to the Air District's receipt of Carl Moyer Program funds for fiscal year (FY) 2008-2009 (Program Year 11)
2. Authorize Executive Officer/APCO to approve Grant Agreements and amendments of up to \$100,000 for projects funded with Carl Moyer or Mobile Source Incentive Funds
3. Authorize Executive Officer/APCO to enter into agreements with vehicle scrappers and dealers to implement a voucher program in accordance with the guidelines developed by CARB

Director Klatt seconded the motion; unanimously carried without opposition.

**5. Implementation of the California Goods Movement Bond (I-Bond) Program:
Staff Presentation by Principal Environmental Planner Joseph Steinberger:**

Background:

- November 2006 California voters authorized the legislature to appropriate \$1 billion in bond funding to quickly reduce health risks from freight movement in California trade corridors
- February 28, 2008 the Air Resources Board (ARB) allocated \$140 million for Bay Area trade corridor (\$35 million for the next four years)

Air District submitted plan for disbursement of funding:

- May of 2008, Approved by ARB
- District conducted extensive outreach
- August 15, 2008, end call for projects
- 1,954 applications received totaling \$63,335,000
- \$5 million negotiated from Port of Oakland toward funding costs
- Transportation Fund for Clean Air (TFCA) reserved \$5 million for Port trucks
- Approved projects reviewed by category, number of applications and recommended funding amounts

Current Status:

- December 23, 2008, ARB requested Air District stop contracts and payments under I-Bond program
- Funds unavailable due to State's budget crisis and inability to float bonds
- \$2.8 million contract with APL Shipping Line only contract postponed to date
- ARB extended timelines for contract funding
- Staff continues pre-contract work with grantees

Review of Port of Oakland's Actions:

- November 19, 2008, Port Commissioners vote to suspend funding for retrofit program (no funds until after CTMP decision in September 2009)
- December 3, 2008, District Board acts to reject Port actions; approves Retrofit/Replacement using Port funds
- December 5, 2008, District Board Chair informs Oakland Mayor Dellums in writing of its decision
- December 19, 2008, Port of Oakland requests return of \$2 million previously transferred to the District
- District response currently under legal review

Intended Follow-up:

- Respond to the Port of Oakland's letter
- Continue work with grantees, dealers and recyclers re contracts
- Provide input into next round of I-Bond guidelines (scheduled for adoption in February 2009).

Committee Action: None requested. Presentation for information only

6. Consideration to Reserve an Additional \$3.5 Million in Mobile Source Incentive Funds (MSIF) for the Lower Emission School Bus Program and \$1 Million in MSIF for an Agricultural Assistance Program: Staff presentations by Supervising Environmental Planner Anthony Fournier:

Overview:

- AB 923 allowed additional \$2 in motor vehicle registration fee surcharge,
- December of 2004, Board of Directors approved surcharge
- Items to consider funding under MSIF Program
 - a. Purchase of new school buses
 - b. Projects eligible under Carl Moyer Program
 - c. The Vehicle Scrap Program
 - d. Agricultural Assistance Program

Lower Emission School Bus Program (LESBP)

Background:

- Provides financial incentives to replace older public school buses with new clean buses
- Retrofit diesel buses with particulate matter devices
- Program established by State in FY 2000/2001
- Air District involved since its inception
- To date, \$12 million used to replace over 100 pre-1987 school buses

Funding Update:

- May 2008, Proposition 1B allocated \$8.4 million to LESBP
- Funding to replace pre-1977, 1977-1986 buses, purchase and install retrofit devices
- July 2008, \$3.375 million allocated to MSIF funds
- Air District received over \$11 million in eligible project applications in the first year of the current program
- Proposition 1B funding currently on hold from CARB
- Staff proposing hold in reserve additional \$3.5 million MSIF funds for school bus replacement projects

Agricultural Assistance Program

Background:

- Projects eligible under MSIF category
- Funds projects to reduce emissions from previously unregulated agricultural sources
- Program does not require emission reductions to be surplus to regulations
- Staff proposes \$1 million in MSIF be reserved for Agricultural Assistance Program projects

Committee Discussion/Comments:

\$1 million may not be enough considering amount of agriculture in nine (9) Bay Area counties.

Broadbent: June program re-valuation; if higher demand, increase brought to Committee, and thereafter, to Board of Directors.

Discussed changes to school bus emissions and technology.

Colbourn: at next Mobile Source Committee meeting, staff will provide comprehensive funding report re all trucks, areas served, and school buses information the matrix.

Staff requested to give committee ideas and information re shuttles which to connect to BART, Park N Ride lots, ACE train stations, and other transit hubs, with both public and private options.

Recommendations to Board of Directors for Consideration:

- Reserve Additional \$3.5 Million for Lower Emission School Bus Program to replace vehicles
- Reserve \$1 Million to start Agricultural Assistance Program

Board Action: Director Shimansky made a motion to recommend Board of Directors:

- 1) Reserve an additional \$3.5 million in Mobile Source Incentive Funds (MSIF) to fund new school bus purchase projects under the Lower Emission School Bus Program
- 2) Reserve \$1 million in MSIF for projects under the Agricultural Assistance Program

Director Klatt seconded the motion; unanimously carried without opposition.

OTHER BUSINESS: None

Next Meeting: 9:30 AM, Thursday, February 26, 2009
939 Ellis Street, 4th Floor Conference Room

Adjournment: Meeting adjourned at 10:19 AM

Lisa Harper
Clerk of the Boards

Edited by Kathleen Wilson