

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
Thursday, March 26, 2009
9:30 a.m.

CALL TO ORDER:

Vice Chairperson Gayle Uilkema called the meeting to order at 9:35 a.m.

Roll Call:

Scott Haggerty, Chairperson; Gayle B. Uilkema, Vice Chairperson; Tom Bates, Yoriko Kishimoto, Carol Klatt, Mark Ross and Michael Shimansky

Absent:

Brad Wagenknecht

Also Present:

Chairperson Pamela Torliatt

PUBLIC COMMENTS:

There were no public comments

APPROVAL OF MINUTES:

Director Shimansky moved approval of the February 26, 2009 minutes; seconded by Director Bates; carried unanimously without objection.

COMMITTEE BUSINESS:

Update on TFCA Regional Fund Program Trends: *Staff Presentation by Jack Colbourn*

Background Information:

- Historical Funding overview:
 - 1992 – TFCA \$6 million (\$22 million – FY 08/09)
 - 1998 – Carl Moyer \$2 million (\$13 million – FY 08/09)
 - 2004 – MSIF \$9 million (\$11 million – FY 08/09)
 - 2007 – I-Bond at \$35 million (FY 08/09)
 - 2009 – RTP 2030 Truck Fund \$45 million (FY 09/10)
- Program has seen rapid growth over last two years in Air District's incentive funding; projected to increase to \$148 million in FY 2009/10
- Increase due mainly to funding for Heavy-Duty Diesel Vehicle (HDV) projects
- There is increased interest for funding sources that have potential to reduce GHGs and criteria pollutants, such as trip reduction/shuttle projects, electric/alternative-fuel vehicle and infrastructure projects, and advanced demonstration projects.
- District to seek Federal Stimulus funding
 - Regional EV Project - \$15 million (Clean Cities Program funded through DOE)
 - Diesel Emission Reduction Act (DERA) - \$10 million (Additional funds for Heavy-Duty Diesel Truck projects funded through ARB).

Committee Comments:

- Uilkema: Questioned how DERA Program works and confirmed funding is separate from I-Bond monies.
- Shimansky: Confirmed with Mr. Broadbent that staff was confident with TFCA Program which he said is funded by DMV. \$13 million will come in for Carl Moyer Program this year and there are indications that I-Bond monies will eventually be received, possibly with years 1 and 2 together, and staff was tracking this closely.
- Bates: Questioned electric projects. Jack Colbourn discussed the initial formation with 3 city mayors for Electric Vehicle Project Consortiums. Once partners are identified, additional municipalities will be involved; development of infrastructure will be addressed and seeking assistance from MTC.
- Bates: Referred to future heavy concentration of plug-in hybrids; confirmed Air District is working with the JPC on joint regional program.
- Colbourn: Commented real focus is to show job creation and growth and identify/secure partners.
- Kishimoto: Questioned and confirmed with staff that if federal monies are not received, recourse will be to use traditional grant programs, through a public process. She questioned the long-term trend of heavy vehicle spending. Mr. Colbourn discussed ARB regulations on drayage trucks and on-road rule, with priority of getting trucks replaced early. There has not been much funding for low speed, idling, heavy-duty on-road trucks, and TFCA will propose options for alternative fuels.

Public Comment: Bob Hayden, San Francisco Department of Environment, discussed development of a regional market for plug-in hybrid and full battery vehicles and regional work efforts involving economic stimulus funds for the Electric Vehicle Project Consortiums.

Committee Discussion:

Chairperson Torliatt's questioned infrastructure of plug-in technology, and Mr. Hayden discussed the undertaking of a survey of cities/counties which will return for inclusion in the final project proposal. Ms. Schkolnick reported that county supervisors, city managers, mayors as well as regional agencies will be surveyed. The first part will establish an inventory throughout the region as to numbers of hybrids or alternative fuel vehicles. The second part will involve a needs assessment and follow-up with agencies to determine how to connect to funding opportunities as they become available, which will ensure a strong application for federal funding. Chairperson Torliatt suggested that for special districts, staff contact LAFCO's.

Committee Action: Received and Filed.

Proposed Transportation Fund for Clean Air Regional Fund Policies and Evaluation Criteria for Fiscal Year 2009/2010 and Proposed Allocations for Specific Project Types:
Staff Presentation by Karen Schkolnick.

Staff Presentation:

Ms. Schkolnick said that each year, the Air District considers revisions to TFCA policies and evaluation criteria. Request for written comments was issued February 11 – March 2, 2009. The District received 7 sets of written comments; the proposed policies and evaluation criteria for FY 2009/10 was updated accordingly as reflected in Attachment C. Comments had to do with specific project category types and general interest in determining how to use TFCA funding for communities to reduce greenhouse gases and carbon footprints.

In response to direction received from the Board of Directors and input from stakeholders, staff made revisions to streamline the process and established an open call for projects.

Proposed Changes:

- Adjust cost-effectiveness (C-E) requirements to be specific to each project category and minimum score to correspond with revised C-E;
- Introduce new project category eligible for TFCA: Alternative-Fuel/Hybrid Heavy-Duty Service Vehicles (low mileage/high idling)
- Proposed Allocations:
 - \$4 million for shuttles and regional ridesharing
 - \$2 million for Advanced Tech Demonstrations
 - \$750,000 for new alt-fuel/hybrid heavy-duty trucks in idling service (new project type)
 - Ongoing open call for projects

Ms. Schkolnick presented the time schedule for FY 2009/2010 for policies to be presented to the Board of Directors and the open call for projects, which recommends projects for shuttles/ridesharing, alternative demonstration technology, a new project category for heavy-duty alternative fuel/hybrid service (high idling) vehicles, heavy/medium/light-duty alternative fuel/hybrid vehicle projects, bicycle facilities, smart growth/arterial management.

Committee Consideration for Board of Directors' Approval:

1. The proposed Fiscal Year 2009/2010 TFCA Regional Fund Policies and Evaluation Criteria presented in Attachment A;
2. A shift to an ongoing-call for TFCA Regional Fund applications; and
3. The TFCA Regional Fund set-asides listed below. Any monies not spent in these categories within 12 months will revert back to the TFCA Regional Fund for re-allocation:
 - a. Up to \$4 Million for shuttles and rideshare projects,
 - b. Up to \$2 Million for vehicle-based advanced technology demonstration projects, and
 - c. Up to \$750,000 for new alternative-fuel/hybrid, heavy-duty trucks in low-mileage, idling service.

Ms. Schkolnick discussed the new project category for heavy-duty alternative fuel/hybrid service (high idling) vehicles, and noted that staff worked with cities and counties to collect data to create new evaluation tool to calculate potential emission reductions.

Committee Discussion:

- Torliatt: Confirmed that a total of \$13 million was available on a regional level; staff will return in October with recommendations for awards. Staff indicated that some projects get canceled, reduced in scope, and/or will come in under budget, and projects will be funded as additional monies become available. The District will also allocate \$600,000 in bike/pedestrian projects similar to last year's program.
- Bates: Was glad to see ridesharing category and confirmed it was just under \$4 million in funding. He confirmed the District was currently working with MTC and referred to ridesharing programs such as Dynamic Rideshare and casual carpools.
- Ross: Discussed a CCTA program already in place and developed with software, which could augment casual carpool and other rideshare programs.
- Kishimoto: Confirmed that staff reviews all categories and their demand since 1992 to determine overall allocation of funding. She questioned long-term demand for shuttles and confirmed that the District was looking at the ISRs, has met with cities that are doing

this on a local level as part of land use development and the creation of the funding mechanism is paid for through bonds.

- Bates: Suggested connecting shuttle funding with Priority Development Areas (PDAs) around climate change to identify how funds are focused, which he felt could be used to help cities and counties increase density and transit ridership.
- Haggerty: Believed there were other areas which are not PDAs but impacted and also in need of shuttles are Park N Ride lots.

Public Comment: Brian Albee, Sonoma County Transit Manager and TFCA recipient, discussed their agency's planned transition from diesel to a CNG fleet 13 years ago and voiced the need for heavy duty vehicle replacement funding.

Ms. Schkolnick discussed accelerated TFCA regional policy steps and said heavy/medium/light duty alternative projects which Mr. Albee mentioned will be brought to the next Mobile Source Committee for review. She noted that in the past, a small percentage of funding has gone to the heavy duty vehicle category; however, staff agrees there are agencies in addition to Sonoma County Transit that have switched out their fleets to CNG, she anticipated there will be funds in place, and the District is awaiting notice of additional federal stimulus monies. She said the survey includes questions about agency inventories of alternative fuel vehicles for light, medium and heavy duty vehicles and Air District staff will be able to identify communities and initiate follow-up.

Director Ross referred to the criteria on scoring and SMART growth and suggested adding a 5% category for projects that meet AB 375 goals, which he thought may be different than SMART growth goals. Ms. Roggenkamp noted there is a category for 10% for GHG reduction and Director Haggerty said that while premature, he suggested re-titling the 10% category, as it could be incorporated into AB 375 next year.

Committee Action: Director Uilkema moved to recommend the Board of Directors approval of: 1) the proposed Fiscal Year 2009/2010 TFCA Regional Fund Policies and Evaluation Criteria presented in Attachment A; 2) a shift to an ongoing-call for TFCA Regional Fund applications; and 3) The TFCA Regional Fund set-asides listed below. Any monies not spent in these categories within 12 months will revert back to the TFCA Regional Fund for re-allocation:

- a. Up to \$4 Million for shuttles and rideshare projects;
- b. Up to \$2 Million for vehicle-based advanced technology demonstration projects, and
- c. Up to \$750,000 for new alternative-fuel/hybrid, heavy-duty trucks in low-mileage, idling service.

Director Kishimoto seconded the motion; carried unanimously without objection.

Update on the Carl Moyer Voucher Incentive Program: *Staff Presentation by Grants Manager Damien Breen*

Committee Consideration for Board of Directors Approval:

1. Reserve up to \$2 million in Mobile Source Incentive Funds (MSIF) to match \$2 million in California Air Resources Board (CARB) funds to establish a Carl Moyer Voucher Incentive Program (VIP).

Overview:

Mr. Breen provided background and objectives of the Carl Moyer Program and discussed types of projects and eligible equipment the program funded. On February 4, 2009, the Board of

Directors approved the VIP Program which authorized the Executive Officer/APCO to enter into agreements with truck vendors and dismantlers. Staff sees this as an opportunity to increase funding.

Carl Moyer Voucher Incentive Program (VIP):

- CARB has dedicated Yr 11 CMP Multi-District funds for a statewide VIP
- Requires one-to-one Air District match
- Districts must follow VIP guidelines and cannot institute additional limitations or make changes to the guidelines to address local priorities
 - ❖ District cannot reject eligible applications submitted by vehicle owners from outside the jurisdiction
 - ❖ High volume of “outside” applications is unlikely, similar programs are slated to run throughout the state, District plans extensive local outreach
- The Air District must match on a dollar-by-dollar basis, and staff proposes using Mobile Source Incentive funds.

Program Highlights:

- Only small fleets (1-3 diesel vehicles) can participate
- Provides funding to categories not eligible for Goods Movement funds, such as concrete and construction trucks
- Allows for increased vehicle purchase funds
- Existing vehicles must be 1993 or older
- Gross Combined Vehicle Weight Range must be greater than 60,000 lbs.
- At least 75% operation within California, with at least 30,000 miles traveled per year, over the previous 2 years
- The replacement vehicle must have a 2007 or newer engine
- Replaced vehicle must be scrapped
- Port trucks are not eligible for VIP funding

Mr. Breen said support of the program will provide a streamlined approach, and he noted that the pilot project could be expanded to all areas, easing the burden on Air District and grantees.

Committee Discussion:

Committee members discussed and compared matching fund categories by model year of vehicles, differences in costs associated with the model year purchased, enforcement provisions, the high demand for funding, and the District’s approximate 14% apportioned funding from CARB, which is equivalent to \$2 million.

The Committee then discussed funding for agriculture engines and it was noted that tractors and equipment are included and cover approximately 80% of the total cost of replacement. Also discussed was the competitive ranking process, numbers of applicants, and benefits of streamlining the program, which opens April 15, 2009.

Committee Action: Director Uilkema moved to recommend the Board of Director’s approval to reserve up to \$2 million in Mobile Source Incentive Funds (MSIF) to match \$2 million in California Air Resources Board (CARB) funds to establish a Carl Moyer Voucher Incentive Program (VIP); Director Bates seconded the motion; carried unanimously without objection.

COMMITTEE MEMBER COMMENTS: None

Next Meeting: 9:30 AM, Thursday, April 23, 2009
939 Ellis Street, 4th Floor Conference Room

Adjournment: Meeting adjourned at 10:52 a.m.

/s/ Lisa Harper
Clerk of the Boards