

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, April 30, 2009
9:30 a.m.

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

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

Absent: Yoriko Kishimoto and Brad Wagenknecht

Also Present: Chairperson Pamela Torliatt

PUBLIC COMMENTS: There were no public comments

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

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

Overview:

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

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

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

- Provides \$15 million;

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

Potential Partners:

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

Potential Project Types:

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

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

Committee Discussion/Comments:

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

Public Comments:

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

Committee Action: None; informational only.

APPROVAL OF MINUTES:

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

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

Background Information:

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

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

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

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

Staff Recommendation:

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

Committee Discussion/Comments:

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

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

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

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

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

Overview:

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

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

Committee Discussion:

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

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

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

Overview:

Ms. Schkolnick provided the following background information:

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

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

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

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

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

Committee Comments/Discussion:

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

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

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

Chairperson Torliatt seconded the motion; carried unanimously without objection.

COMMITTEE MEMBER COMMENTS:

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

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

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

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

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

Lisa Harper
Clerk of the Boards