

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, June 25, 2009
9:30 a.m.

CALL TO ORDER: Director Tom Bates called the meeting to order at 9:32 a.m. on behalf of Chairperson Scott Haggerty, who later arrived.

Roll Call: Scott Haggerty, Chairperson; Tom Bates, Jennifer Hosterman, Yoriko Kishimoto, Carol Klatt, Eric Mar, Mark Ross and Michael Shimansky

Absent: Vice Chairperson Gayle B. Uilkema and Brad Wagenknecht

Also Present: Chairperson Pamela Torliatt

PUBLIC COMMENTS: There were no public comments

APPROVAL OF MINUTES: Director Shimansky made a motion to approve the May 28, 2009 minutes; seconded by Director Hosterman; carried unanimously without objection.

Consideration of Implementation of a Carl Moyer Program Off-Road Equipment Replacement Program – Staff Presentation by Grants Manager Damian Breen

Mr. Breen gave an overview of the Carl Moyer Program, Mobile Source Incentive Fund and Off-Road Equipment Replacement Program, which was created in 1998 to reduce emissions from heavy-duty engines. It is a voluntary program that funds surplus emission reductions and is jointly administered by CARB and local Air Districts.

He described the Mobile Source Incentive Fund (MSIF) and noted that eligible project types fund new school buses, eligible CMP projects, the vehicle scrap program and the agricultural assistance program. He said the ARB established the Off-Road Equipment Replacement Program in the 2008 CMP guidelines which funds up to 80% of the new equipment costs, and up to 100% of a retrofit device cost could be funded. The District must have an ARB approved implementation plan and contract with equipment dealers to implement the Program. Projects will be solicited at the same time as other CMP equipment categories and could be funded with either CMP or MSIF funding.

Eligible projects must meet the requirements of the CMP guidelines (i.e. cost-effectiveness) and the Districts policies; not be required by any local, state or federal regulation; involve existing equipment with an uncontrolled engine greater than 25 hp (tractors and mobile agricultural equipment eligible) and involve the destruction & removal of service of an existing piece of equipment.

Recommendation:

Consider recommending that the Board of Directors:

1. Approve District implementation of an off-road equipment replacement program component of the Carl Moyer Program.
2. Authorize the Executive Officer/APCO to execute contracts with vendors and dismantlers to implement the Carl Moyer Program off-road equipment replacement program.

Committee Comments/Discussion:

Director Shimansky questioned the cost effectiveness of the new retrofit devices, which range in price between \$10,000 and \$15,000 as compared to replacement equipment which is in the \$100,000 range. 80% of new equipment replacements represent the oldest equipment which the ARB wants to retire as soon as possible. He confirmed with Mr. Breen that the 25 horsepower regulation is a CARB regulation, which the District is subject to.

Director Hosterman questioned whether there was an opportunity to utilize grant funds to purchase new school buses. Mr. Breen explained that the off-road equipment replacement program does not apply to school buses; regular transit buses can receive funding from the Carl Moyer Program (CMP) and school buses can apply for funding through the Lower Emissions School Bus Program (LESBP). She confirmed that information on total emissions reductions and benefits of each program is annually presented to the Board of Directors.

Director Kishimoto asked about the timeline for funding, and Mr. Breen noted that, as recommended by CARB, funding is available on a first come-first served basis because of streamlining and being able to expend funds more efficiently. She confirmed that the Off-Road Equipment Replacement Program is subject to a regulation passed two years ago; all large fleets over a combined horsepower of 2,500 are to be in compliance within the next two years. Those discussed at this meeting relate to smaller and medium duty construction fleets, which face a compliance deadline at the end of 2009, and that the District expects the program to be popular in the construction and agricultural industries.

Mr. Breen noted that on-ground airport equipment qualifies under the Transportation Fund for Clean Air Program. The District currently provides outreach to airports, but has not seen a groundswell of applications.

Chairperson Haggerty requested that efforts focus outreach to companies and users of smaller sources of agricultural equipment. Mr. Breen discussed his hope of increased applications for agricultural businesses, and discussed current outreach efforts.

Chairperson Torliatt suggested that staff outreach to the RCD (Resource Conservation District), NRCS (Natural Resource Conservation Service), and Western Dairymen. Mr. Breen discussed current efforts underway with the Farm Bureau and trade organizations.

Chairperson Haggerty also suggested staff also work with the Cattleman's Association and asked that District booths be set up at rodeos and county fairs.

Director Kishimoto questioned whether or not there was funding for leaf blowers. Mr. Breen said AB 188 program will hopefully come on line which covers funding for lawn mowers and leaf blowers. Such funding typically goes to San Joaquin and the South Coast, but the District is working to get funding for the Bay Area.

Public Comments: None

Committee Action: Director Shimansky made a motion to recommend Board of Directors' approval of an off-road equipment replacement program component of the Carl Moyer Program, and authorize the Executive Officer/APCO to execute contracts with vendors and dismantlers to implement the Carl Moyer Program off-road equipment replacement program; seconded by Director Haggerty; unanimously approved without objection.

Consideration of Approval for Carl Moyer Program Year 11 Projects with Proposed Grant Awards Over \$100,000 - Staff Presentation by Supervising Environmental Planner Anthony Fournier

Overview:

Mr. Fournier noted that background information on the Carl Moyer Program and Mobile Source Incentive Fund had been provided in the previous presentation. He provided the following information regarding the Carl Moyer Program Year 11:

- On 2/4/09 the District Board of Directors:
 - Approved participation in CMP Year 11
 - Authorized Executive Officer/APCO to execute contracts and amendments with grant awards up to \$100,000
 - Approved first come-first served basis
- Up to \$20 million available from a combination of CMP and MSIF
- On 4/15/09 – Applications were made public and available
- On 6/3/09 – District Board of Directors allocated \$5,789,626 to eligible projects

Project Summary of CMP Year 11 Project Recommendations (over \$100,000) evaluated between May 11 and June 12, 2009:

- 14 Projects for a total of 40 engines
- \$6,844,216 in total awards
- Over 430 tons of lifetime reductions
- 93% of projects reduce emission in impacted areas

Mr. Fournier then presented the total Year 11 CMP/MSIF Funding distribution as of June 12, 2009 and recommended the Committee consider recommending that the 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.

Committee Discussion/Comments:

Chairperson Torliatt confirmed that the District was still accepting applications for the remainder of funding until such time as funds are allocated and/or expended. Mr. Breen said staff is recommending approval for all eligible projects, may recommend allocating an additional portion of funding if applications continue to come in, and/or recommend moving any remaining balance to next year's funding.

Director Ross clarified that the allocation of \$3 million to City of Vallejo is for the re-power of 8 engines on two ferries that travel between Vallejo to San Francisco, and funding for Department of Transportation is for operation of the Capitol Corridor trains.

Chairperson Haggerty suggested partnering with the Rail Commission in the funding of ACE trains which travel in the District's boundaries. Mr. Breen said staff held discussions with MTC who provide funding for 5 locomotives operating on tracks, and maintenance and repair is before the

MTC Commission as part of a vote on the federal stimulus package. He agreed to follow-up with them if stimulus funding is not approved.

Director Kishimoto questioned the large number of marine applications. Mr. Fournier discussed possible reasons and noted the cost to do marine projects are higher than agriculture pumps or retrofit projects; 50% of all marine engines in California operate in the Bay Area and it is a high emissions category. Mr. Breen said future outreach will be focused on the smaller applicant areas in the agricultural, on-road and off-road areas to increase the numbers of these applications.

Director Kishimoto referred to Santa Clara's application rate and confirmed with Mr. Breen that outreach had been done and that staff would welcome any suggestions to increase the numbers of applications.

Director Shimansky referred to a \$500,000 and a \$1 million application award and questioned why the cost effectiveness was the same. Mr. Fournier noted that the cost of effectiveness, in the referenced instance, was due to the difference in the project life. He also questioned why the State was applying for funding for its own Department of Transportation and the State Parks Department projects. Mr. Breen said the District looks primarily at the emissions reduction value and said funding comes from DMV revenues, tire surcharge and other sources. Caltrans trucks cannot be funded because they are part of a public fleet.

Director Ross noted that Project # 11MOY26 was for service to Tiburon and Angel Island and he requested staff look into request for funding because of possible park closures.

Committee Action: Director Bates moved to recommend Board of Directors' approval for Carl Moyer Program Year 11 Projects with proposed grant awards over \$100,000, and authorize the Executive Officer/APCO to enter into agreements for the recommended Carl Moyer Program Year 11 projects; seconded by Director Hosterman; unanimously approved without objection.

Consideration of FY 2009/2010 Bicycle Facility Program: Annual Report for FY 2008/2009; and Proposed Revisions to Policies and Adoption of Program for FY 2009/2010 – Staff Presentation by Environmental Planner Avra Goldman

Ms. Goldman provided an overview of the program, stating that is funded through the Transportation Fund for Clean Air (TFCA) and supported by a \$4 surcharge on motor vehicle registrations in the Bay Area. The goal is to reduce motor vehicle emissions through implementation of new bicycle facility projects in the Bay Area including: Class I, II, and III bikeways, and capital costs of bicycle parking. She said the program was streamlined in 2007 to make projects cost-effective in both air quality and in administrative processes.

The FY 2008/2009 Annual Report was presented wherein outreach was conducted at 3 workshops, 26 applications were received on June 16, 2008 (8 out of 9 counties), and of the 26 applications received, 22 were eligible for funding, requesting \$1,214,867 and 9 projects were awarded for FY 2008/2009 (Attachment A).

Awarded in FY 2008/2009:

Funds allocated for FY 2008/2009	\$600,000
Funds remaining from FY 2007/2008	<u>50,288</u>
Total Amount Awarded in FY 2008/2009	\$650,288

Distribution of Awarded Funds in FY 2008/2009:

- 37% - Class II Bike Lanes
- 36% - Class III Bike Route
- 16% - Bicycle Parking
- 11% - Class I Bike Path

Ms. Goldman reported that a total of \$545,688 went toward implementing new bike lanes and \$600,000 is proposed for allocation for FY 2009/2010.

She said Bicycle Facility Program (BFP) proposed policy changes for FY 2009/2010 affect Policy #2, *Eligible Projects*: revised to clarify that letters of intent may not substitute for a project's inclusion in a countywide or regional bicycle plan or congestion management program; and Policy #5, *Maximum Grant Amount*: decreased from \$210,000 to \$120,000, in order to maximize the distribution of funds.

Recommendation:

Consider recommending that the Board of Directors:

1. Receive and file the Annual Report for the Bicycle Facility Program for Fiscal Year 2008/2009;
2. Approve the proposed Bicycle Facility Program Policies, presented in Attachment B, for use in Fiscal Year 2009/2010 and in subsequent years; and
3. Approve the allocation of \$600,000 in TFCA Regional Funds to the Bicycle Facility Program for Fiscal Year 2009/2010, and the authorization for the Executive Officer/APCO to execute funding agreements in accordance with the Board-approved Bicycle Facility Program Policies.

Committee Discussion/Comments:

Director Shimansky questioned the definitions of Class I, II and III bikeways. Ms. Goldman said Class I is off-road with a separate path, along side or separate from a road. Class II is on-road with a line or stripe. Class III is designated by signs and sharrows on road with no line separating the bikeway. He confirmed that BFP funding is open and available for application by cities, counties and other local agencies, and agencies can also apply through the CMA's directly.

Director Kishimoto questioned whether city bicycle plans are automatically incorporated into the County plan. Mr. Bunker noted that the State statute requires that whatever projects are funded be included with regional and local plans. Directors Kishimoto and Haggerty discussed comments in Attachment C about the high cost of U-shaped bicycle racks and suggested the District work with applicants on a pooled purchase and/or voucher program to assist in reducing costs of bicycle rack and locker equipment.

Director Ross suggested increasing the \$600,000 Bicycle Facility Program allocation amount and confirmed that any increase would lessen allocations of other project funding such as shuttles, alternative fuels, electric vehicles or other TFCA programs. Chairperson Haggerty asked that a report be returned to the Mobile Source Committee regarding increasing the allocation amount, which was supported by Committee members. Director Mar supported increasing the Bicycle Facility Program funding amount and commended staff for their responses contained in Attachment C.

Mr. Colbourn noted that the Bicycle Facilities Program is very complex and he offered to provide an orientation for Mobile Source Committee members and/or their staff in their respective cities/counties, and to also work with applicants on a pooled purchase or voucher program to reduce costs for equipment.

The Committee suggested increasing the funding allocation for the Bike Facility Program and directed staff to return to the Mobile Source Committee with information about the program's history and a proposal to increase the funding allocation.

Committee Action: Director Shimansky made a motion that the Board of Directors receive and file the Annual Report for the Bicycle Facility Program for Fiscal Year 2008/2009; approve the proposed Bicycle Facility Program Policies, presented in Attachment B, for use in Fiscal Year 2009/2010 and in subsequent years; and approve the allocation of \$600,000 in TFCA Regional Funds to the Bicycle Facility Program for Fiscal Year 2009/2010, and the authorization for the Executive Officer/APCO to execute funding agreements in accordance with the Board-approved Bicycle Facility Program Policies; seconded by Director Hosterman; unanimously approved without objection.

Committee Member Comments: Director Kishimoto requested an update be provided on the District's application for federal stimulus package funding for the electric vehicle and alternative fuels programs.

Mr. Colbourn reported that the District applied for a \$10 million grant under the Diesel Emissions Reduction Act, of which the District received \$2 million. The District also submitted an application for \$15 million for the electric vehicle and alternative fuels program and does not expect to hear back until August. He said, however, periodic updates are received regarding evaluation of the application. Regardless of whether or not stimulus funds are received, he highlighted the positive relationships the District has made with cities, counties and various vendors on alternative technology. He also noted that a Government-to-Government Forum would be held on July 8 and suggested those interested in attending should contact Ms. Karen Schkolnick.

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

Adjournment: Meeting adjourned at 10:21 a.m.

/s/ Lisa Harper
Lisa Harper
Clerk of the Boards