

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, November 5, 2009
9:30 a.m.

CALL TO ORDER: Chairperson Scott Haggerty called the meeting to order at 9:34 a.m.

Roll Call: Scott Haggerty, Chairperson; Tom Bates, Carole Groom, Jennifer Hosterman, Carol Klatt, Eric Mar and Mark Ross

Absent: Vice Chairperson, Gayle Uilkema and Yoriko Kishimoto

Also Present: Pamela Torliatt

Public Comments: There were no public comments

Approval of Minutes:

Committee Action: Director Hosterman made a motion to approve the October 5, 2009 minutes; seconded by Director Klatt; carried unanimously without objection.

Consideration of Approval for Carl Moyer Program Year 11 Projects with Proposed Grant Awards Over \$100,000

Supervising Environmental Planner Anthony Fournier gave the staff presentation, provided background information regarding the Carl Moyer Program (CMP) and the Mobile Source Incentive Fund (MSIF). He said the Board previously approved the Carl Moyer Program Year 11 on February 4, 2009 and on April 15, 2009 applications were made available. The Board allocated projects over \$100,000 on the following dates and in the following amounts:

June 3, 2009	\$5,789,626
July 1, 2009	\$6,844,216
October 7, 2009	\$2,344,567

Mr. Fournier presented projects evaluated, said \$2,962,895 was awarded in funding, presented total Year 11 CMP/MSIF funding distribution, and reported a funding balance of approximately \$10 million.

Committee Action: Director Mar 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 execute all necessary agreements for the recommended Carl Moyer Program Year 11 projects; seconded by Director Klatt; unanimously approved without objection.

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

Supervising Environmental Planner David Wiley gave the staff presentation, a background of the Vehicle Buy Back Program (VBB) which is funded primarily through the Mobile Source Incentive Fund. The program has experienced a 95% increase in the monthly rate since April 2009; eligible model years are 1989 and older, and the program pays \$1,000 for qualifying vehicles.

Committee Discussion/Comments:

Director Haggerty suggested considering the miles per gallon threshold instead of looking at model years.

Board Chairperson Torliatt suggested having vehicle buy back based on low miles per gallon for any vehicle up to 1995.

Mr. Wiley continued his presentation, stating that the Board had approved contracts of \$7 million with three (3) contractors to handle dismantling. One contractor has relocated out of the Bay Area and two remain. He discussed the program's success and presented a graph showing vehicle retirement rates for July through October 2008 (1,716 vehicles) and the increase for 2009 (3,436 vehicles).

Board Chairperson Torliatt confirmed with Mr. Wiley that two vehicle years were added to the program, which represents 32% of the increase.

Mr. Wiley discussed expansion of the State Bureau of Automotive Repair's (BAR) program which will include vehicles that fail smog check or have been identified as "high emitters". The program will pay between \$1,000 and \$1,500 for qualifying vehicles depending on income levels. Staff's recommendation is to extend the current contracts until April 2010 and to bring a proposal to restart the program to the Committee if and when State BAR program funding is no longer available.

Public Comments: Receipt of letter received from Jan Daniels, Pick-N-Pull Auto Dismantlers, requesting approval of the recommendation.

Directors discussed advantages of the Air District restarting its VBB program when the State's BAR program funds are exhausted and differences in funding based on income levels, and requested an explanation of suspension of the program.

Mr. Wiley said the District funds the program to get to the point in time when the California Bureau of Automotive Repair (BAR) program expands dramatically and covers many of the same vehicles. It is at this time that the District's program is suspended until such time that the BAR program runs out of funding.

Board Chairperson Torliatt and Director Haggerty suggested this be called out in the recommendation to the Board of Directors. Mr. Wiley also reported that the Air District confirms, through DMV records, that the owner participating in the program has owned the vehicle for at least one year.

Committee Action: Director Bates moved to recommend that the Board of Directors 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 until

April 1, 2010, at which time the Air District's Vehicle Buy Back (VBB) program will cease temporarily and be reactivated in the likely event that the California Bureau of Automotive Repair (BAR) program runs out of funding; and allocate an additional \$4.5 million in Mobile Source Incentive Funds (MSIF) to fund the VBB Program during fiscal Year 2009/2010 and increase the VBB Program FY 2009/2010 budget accordingly; seconded by Director Hosterman; carried unanimously without objection.

Consideration of Approval of Proposed Revisions to Transportation Fund for Clean Air Regional Fund Projects

Supervising Environmental Planner David Wiley gave the staff presentation and the recommendation for approval of revisions to three (3) Transportation Fund for Clean Air (TFCA) Regional Fund projects previously approved on November 7, 2007, October 1, 2008 and October 7, 2009. He said the District received new information from project sponsors for two projects in FY 07/08 and FY 08/09 after the Board of Directors had approved awards. Mr. Wiley noted that the project useful life before regulatory deadlines would decrease and the cost-effectiveness value would rise. With a reduction in award, projects will continue to meet TFCA policies. He then provided an explanation of the TFCA Regional Fund projects and proposed revisions table, as presented in the staff report.

Committee Discussion/Comments:

Directors confirmed that because of CARB regulations, some vehicles were no longer eligible for funding for retrofits. It was noted that there were 19 original vehicles as part of the project and staff grouped vehicles into three tiers. One of those tiers fell out and there were a handful of vehicles the program could no longer fund.

Ms. Schkolnick explained that the reason the request is being brought to the Committee is that staff states what the cost effectiveness is; the project was approved on the basis that it scored approximately \$12,000 per ton of emissions. This number triggered its ranking and scoring and the dollar amount has changed, which is less. In addition, there are public transit fleet rules that go into effect which are more stringent, and this would be the maximum amount of funding the Air District could provide to keep the projects within the \$90,000 threshold.

Committee Action: Board Chairperson Torliatt moved to recommend that the Board of Directors approve proposed revisions to three (3) Transportation Fund for Clean Air Regional Fund Projects; seconded by Director Groom; unanimously approved without objection.

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

Acting Director of Strategic Incentives, Karen Schkolnick gave the staff presentation and background of TFCA funding.

Staff has prepared the Fiscal Year (FY) 2008/2009 TFCA Expenditures and Effectiveness Report and key findings are identified in Attachment A of the staff report. Regional Fund expenditures totaled \$7.16 million: \$4.99 million for projects, \$930,000 for Air District programs, and \$1.24 million in administrative costs which is based on total revenue received (Regional and Program Manager Fund).

Reduction in criteria pollutant emissions over the project lifetimes totaled 743 tons; 161 tons of reactive organic gases, 521 tons of nitrogen oxides, and 62 tons of particulate matter. Additionally 12,600 tons of carbon dioxide was reduced.

Committee Discussion/Comments:

Chairperson Haggerty questioned how Bay Area results measure up to other regions. It was noted that the Bay Area was very different from other regions; overall, the District is able to determine cost effectiveness for projects. Results are meeting expectations of when projects were originally awarded and, in most cases, are coming in better than estimated. Ms. Schkolnick added that many regions do not have the extent of funding and portfolio to reduce emissions that the Bay Area has and she discussed examples.

Director Groom questioned the overall percentage of reduction from the previous year. Ms. Roggenkamp explained that any one thing the Air District does is a fairly small percentage of the overall region, but reductions are now comparable to District's rules and a lot of progress has been made on how much emissions reductions can be achieved for the numbers of dollars.

Director Hosterman confirmed that the telephone number to report smoking vehicles is 1-800-Exhaust, and Ms. Schkolnick briefly explained the reporting and notification process.

Committee Action: Director Hosterman moved to recommend that the Board of Directors approve Fiscal Year (FY) 2008/2009 Transportation Fund for Clean Air (TFCA) Expenditures and Effectiveness Report; seconded by Director Ross; unanimously approved without objection.

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

Acting Director of Strategic Incentives, Karen Schkolnick, gave the staff presentation, stating that on May 6, 2009 the Board of Directors adopted supplemental FY 09/10 TFCA Regional Fund policies and evaluation criteria for alternative fuel vehicle and infrastructure projects, which were developed to be compatible with funding opportunities available in 2009 from the California Energy Commission and the U.S. Department of Energy. These outside funding opportunities are not currently available and staff proposes revisions to streamline the existing policies, which include reducing minimum annual mileage requirements, expanding the types of eligible vehicles, requirement for an on-going maintenance plan that applicants provide at the time of application, amendments to minimum score and evaluation requirements, and removal of the requirement that vehicle projects covered by TFCA regional policies 21-24 not be subject to criterion 6 which relates to Priority Development Areas (PDA's).

Ms. Schkolnick reviewed the proposed revisions, which affect the following policies:

- Policy 21-23 – Alternative Fuel Vehicles Projects
- Policy 25 – Alternative Fuel Infrastructure Projects
- Policy 2b – Minimum Score
- Evaluation Criteria
- Criterion 1b Point Scale

Committee Discussion/Comments:

Directors confirmed with Ms. Schkolnick that numerous written and verbal comments were received at the time original policies were proposed in April and May 2009. Since that time, many cities and counties have indicated that they would not be able to apply for TFCA funds because they cannot meet certain requirements. Removal of such requirements would allow potential applicants to meet the \$90,000 per ton criteria which has led to the recommendation.

Ms. Roggenkamp and Ms. Schkolnick noted that the call for alternative fuel vehicle and infrastructure projects is open, extensive solicitation for input was conducted, and feedback has been received from those wanting to apply but have been prohibited based on certain policies.

Board Chairperson Torliatt asked that when staff returns with changes in the future, any suggestions or feedback made from those wanting to apply be provided to the Committee.

Chairperson Haggerty acknowledged that the recommendation will assist cities and counties in the application process. He thanked staff for their foresight and agreed it would be helpful for staff to include and present the additional information, and Directors agreed.

Committee Action: Director Bates moved to recommend that the Board of Directors approve proposed revisions for FY 2009/2010 Transportation Fund for Clean Air Regional Fund Policies and Evaluation Criteria; seconded by Director Hosterman; unanimously approved without objection.

Committee Member Comments: None

Next Meeting: 9:30 a.m., Monday, December 7, 2009
939 Ellis Street, 4th Floor Conference Room

Adjournment: Meeting adjourned at 10:19 a.m.

/s/ Lisa Harper
Lisa Harper
Clerk of the Boards