



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS REGULAR MEETING/RETREAT

February 3, 2010

A meeting of the Bay Area Air Quality Management District Board of Directors will be held at 9:45 a.m. at the Sheraton Sonoma County, 745 Baywood Drive, Petaluma, CA 94956.

Questions About an Agenda Item

The name, telephone number and e-mail of the appropriate staff person to contact for additional information or to resolve concerns is listed for each agenda item.

Meeting Procedures

The public meeting of the Air District Board of Directors begins at 9:45 a.m. The Board of Directors generally will consider items in the order listed on the agenda. However, any item may be considered in any order.

After action on any agenda item not requiring a public hearing, the Board may reconsider or amend the item at any time during the meeting.

BOARD OF DIRECTORS REGULAR MEETING/RETREAT A G E N D A

WEDNESDAY
FEBRUARY 3, 2010
9:45 A.M.

Sheraton Sonoma County
745 Baywood Drive
Petaluma, CA 94956
Great Blue Heron Room - A

CALL TO ORDER

Opening Comments
Roll Call
Pledge of Allegiance

Chairperson, Brad Wagenknecht
Clerk of the Boards

PUBLIC COMMENT PERIOD

Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3
Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Board's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.

BOARD MEMBERS' COMMENTS

Any member of the Board, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)

CONSENT CALENDAR (ITEMS 1 –6)

Staff/Phone (415) 749-

1. Minutes of January 6, 2010

L. Harper/5073

lharper@baaqmd.gov

2. Communications

J. Broadbent/5052

jbroadbent@baaqmd.gov

Information only.

3. District Personnel on Out-of-State Business Travel

J. Broadbent/5052

jbroadbent@baaqmd.gov

In accordance with Section 5.4 (b) of the District's Administrative Code, Fiscal Policies and Procedures Section, the Board is hereby notified that the attached memoranda lists District personnel who traveled on out-of-state business.

4. Quarterly Report of Air Resource Board Representative - Honorable Ken Yeager

J. Broadbent/5052

jbroadbent@baaqmd.gov

5. Quarterly Report of Executive Office and Division Activities J. Broadbent/5052
jbroadbent@baaqmd.gov

A summary of Board of Directors, Hearing Board and Advisory Council meeting activities for the fourth quarter is provided for information only. Also included, is a summary of the Executive Office and Division Activities for the months of October –December 2009.

6. Adoption of Proposed Amendments to the Air District’s Administrative Code Division I - Operating Policies and Procedures - Section 11 adding new subsections 11.1 through 11.4 concerned with management, retention, and destruction of public records; and Adoption of a Record Retention Schedule J. Broadbent/5052
jbroadbent@baaqmd.gov

The Board will consider adoption of proposed amendments to the Administrative Code Division I - Operating Policies and Procedures - Section 11 adding new subsections 11.1 through 11.4 concerned with management, retention, and destruction of public records; and adoption of a Record Retention Schedule.

7. Consider Approval of a Hiring Recommendation at Step E of Salary Range 148M for the Senior Advanced Projects Advisor Position J. Broadbent/5052
jbroadbent@baaqmd.gov

The Board of Directors will consider approval of a hiring recommendation at Step E of salary range 148M for the Senior Advanced Projects Advisor Position.

COMMITTEE REPORTS AND RECOMMENDATIONS

8. Report of the **Legislative Committee** Meeting of January 21, 2010
CHAIR: S. GARNER J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee recommends Board of Directors approval of the following:

- A. *The District sponsor legislation to tie air penalty ceilings to future consumer price index.*

9. Report of the **Mobile Source Committee** Meeting of January 28, 2010
CHAIR: S. HAGGERTY J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee recommends Board of Directors approval of the following:

- A. *Carl Moyer and Transportation Fund For Clean Air (TFCA) Regional Fund Projects With Proposed Grant Awards Over \$100,000; and approval of authorization for the Executive Officer/APCO to execute Grant Agreements for the recommended projects;*
- B. *Transportation Fund For Clean Air (TFCA) County Program Manager Policies And Expenditure Plan Guidance For Fiscal Year 2010/11;*

- C. *Accepting Approximately \$8 Million From Year 2 of the California Goods Movement Bond (I-Bond) Program For Port Drayage Trucks, and authorize the Executive Director/APCO to execute Grant Agreements with the California Air Resources Board for approximately \$8 million from Year 2 of the I-Bond Program to retrofit and replace additional trucks at the Port of Oakland, and to authorize the Executive Officer/APCO to enter into all necessary contracts to expend this funding.*

BOARD OF DIRECTORS RETREAT

10. **Opening Comments** Chairperson, Brad Wagenknecht
11. **State of the Air District** **J. Broadbent/5052**
jbroadbent@baaqmd.gov
- The Executive Officer/APCO will address the Board of Directors regarding the state of the Air District.*
12. **Upcoming Committee Assignments and Goals** **J. Broadbent/5052**
jbroadbent@baaqmd.gov
- The Executive Officer/APCO will summarize the 2010 Board of Directors Committee goals for the upcoming year.*
13. **Air Quality Summary** **J. Roggenkamp/4646**
jroggenkamp@baaqmd.gov
- The Deputy Air Pollution Control Officer will present an overview of air quality in the Bay Area.*
14. **Administrative Overview** **J. McKay/4629**
jmkay@baaqmd.gov
- The Deputy Air Pollution Control Officer will provide an administrative and financial overview.*
15. **Community Risk Reduction Plans** **J. Broadbent/5052**
jbroadbent@baaqmd.gov
- The Executive Officer/APCO and staff will discuss with the Board of Directors the development of Community Risk Reduction Plans.*

CLOSED SESSION

16. **Significant Exposure to Litigation**
- Pursuant to Government Code Section 54956.9(b), a need exists to meet in closed session to discuss one potential litigation matter against the District.*

OPEN SESSION

OTHER BUSINESS

17. Report of the Executive Officer/APCO
18. Chairperson's Report
19. Time and Place of Next Meeting – 9:45 A.M. Wednesday, February 17, 2010 - 939 Ellis Street, San Francisco, CA 94109
20. Adjournment

CONTACT EXECUTIVE OFFICE - 939 ELLIS STREET SF, CA 94109

(415) 749-5130
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities. Notification to the Executive Office should be given at least 3 working days prior to the date of the meeting so that arrangements can be made accordingly.
- Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the Air District's headquarters at 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body. Such writing(s) may also be posted on the Air District's website (www.baaqmd.gov) at that time.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
(415) 771-6000

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF DISTRICT MEETINGS

FEBRUARY 2010

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting and Retreat <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	3	9:45 a.m.	Sheraton/Sonoma County 745 Baywood Drive Petaluma, CA 94956
Advisory Council Regular Meeting and Symposium – Air District Climate Protection Initiatives	Wednesday	10	9:00 a.m. – 12:00 p.m.	Board Room
Board of Directors Budget & Finance Committee <i>(At the Call of the Chair)</i>	Wednesday	10	1:00 p.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	17	9:45 a.m.	Board Room
Board of Directors Executive Committee <i>(At the Call of the Chair)</i>	Monday	22	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	25	9:30 a.m.	4 th Floor Conf. Room

MARCH 2010

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	3	9:45 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(At the Call of the Chair)</i>	Friday	5	9:30 a.m.	Board Room
Board of Directors Personnel Committee <i>(At the Call of the Chair)</i>	Monday	8	9:30 a.m.	4 th Floor Conf. Room
Advisory Council Regular Meeting and Symposium – CA 2050 GHG Emission Reduction Target – Industrial Sector	Wednesday	10	9:00 a.m. – 12:00 p.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	17	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	25	9:30 a.m.	4 th Floor Conf. Room

APRIL 2010

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	7	9:45 a.m.	Board Room
Advisory Council Regular Meeting	Wednesday	14	9:00 a.m. – 11:00 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	21	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	22	9:30 a.m.	4 th Floor Conf. Room

HL – 1/28/10 (10:50 a.m.)
P/Library/Forms/Calendar/Calendar/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson, Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 21, 2010

Re: Board of Directors Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Board of Directors Regular Meeting of January 6, 2010.

DISCUSSION

Attached for your review and approval are the draft minutes of the Board of Directors Regular Meeting of January 6, 2010.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

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

Board of Directors' Regular Meeting
January 6, 2010

DRAFT MINUTES

CALL TO ORDER: Chairperson Pamela Torliatt called the meeting to order at 9:45 a.m.

Roll Call: Chairperson Pamela Torliatt; Vice Chairperson Brad Wagenknecht; Secretary Tom Bates; Directors Harold Brown, Chris Daly, Dan Dunnigan, Susan Garner, John Gioia, Carole Groom, Scott Haggerty, David Hudson, Jennifer Hosterman, Ash Kalra, Carol Klatt, Liz Kniss, Eric Mar, Nate Miley, Mark Ross, James Spring, Gayle B. Uilkema, Ken Yeager and Shirlee Zane

Absent: None

OATH OF OFFICE/SWEARING-IN NEW BOARD MEMBERS:

Chairperson Torliatt introduced new Directors David Hudson, City of San Ramon Councilmember, and Ash Kalra, City of San Jose Councilmember. Both Directors were given the Oath of Office and sworn into Office.

PLEDGE OF ALLEGIANCE: Chairperson Torliatt led the Pledge of Allegiance.

Public Comments:

Francisco Da Costa spoke of the need to continue air quality improvements and to spend Lennar settlement funds to benefit the health of children and the elderly in the most impacted areas.

Board Member Comments:

In response to Chairperson Torliatt's request for an update, Mr. Broadbent provided an update on the use of Lennar settlement funds.

Director Zane provided an update on Sonoma County's Energy and Dependence Program, reporting that the County approved \$40 million in loans for energy-efficient residential projects and that a Congressional Brown Bag will be held in Washington next week to discuss the program.

CONSENT CALENDAR (Items 1-5):

1. Minutes of December 16, 2009;
2. Communications;
3. District Personnel Out-of-State Business Travel;

4. Adoption of Proposed Amendments to the Air District's Administrative Code, Division III Personnel Policies and Procedures - Section 11 Leave and Holidays: 11.5 Military Leave and 11.7: Family Care and Medical Leave;
5. Notice of Proposed Amendments to the Air District's Administrative Code Division I - Operating Policies and Procedures - Section 11 adding new subsections 11.1 through 11.4 concerned with management, retention, and destruction of public records.

Board Action: Vice Chairperson Wagenknecht made a motion to approve Consent Calendar Items 1, 2, 3, 4, and 5; Director Brown seconded the motion; carried unanimously without opposition.

RESOLUTION:

6. Consideration and Adoption of Proposed Bay Area Healthy Communities Resolution

Chairperson Torliatt announced that District staff and the Board of Directors has heard concerns on both sides of the issue and is requesting additional time to meet with both interest groups. She asked speakers to defer comments until after the item is heard due to potential amendments to the resolution.

Director Haggerty requested that prior to the resolution returning to the Board, staff be directed to agendaize it for Committee review.

Director Daly requested that Mr. Broadbent review an alternative path that both sides could voice interest in, and one which would also address air quality improvements in impacted communities.

Mr. Broadbent explained that environmental representatives believe that the resolution does not go far enough. Staff believes it appropriately expresses the Board's concerns. Reflected changes would call for the District to reduce risk further while addressing infill and economic development in these communities. He stated more time is needed to further meet and discuss concerns with all stakeholders and a Board Committee, at which time the resolution can return to the Board of Directors.

Chairperson Torliatt prefaced public comment by noting some speakers have requested to speak on Items 6, 7 and 8; although the Board was currently discussing Item 6.

Public Comments:

Janice Schroeder, West Berkeley Alliance for Clean Air and Safe Jobs, spoke of pollution from Pacific Steel Casting and requested BAEHC's recommended protocols be adopted.

George Smith, GBR Smith Group, Walnut Creek, voiced opposition to the tiered standard, citing economic consequences, reduction of revenues in cities, and asked for focused development in priority communities.

Bill Quinn, CCEEB, supported the recommendation to refer the Resolution to the CARE Task Force.

Michael Redemer, CEO, Hydrogen Solutions International, Danville, voiced opposition to the tiered approach and referred to *Freakonomics*, a book about economic policies and unintended consequences. He noted the disconnect between California public policy relating to expenditures of resources to protect public health and suggested better uses of resources by providing cancer screening in impacted communities.

Ella Marie Kallios, Roberts Companies, Concord, stated that construction and the economy is at standstill, she suggested allowing builders and developers to conduct due diligence on projects where they want to build and let people choose where they buy.

Dennis Bolt, WSPA, likened the “no net increase” language to a tiered standard and voiced opposition.

Director Uilkema asked Mr. Bolt to elaborate on his point in writing when the resolution is discussed at the Committee level, on how the “no net increase” interpretation might occur.

David Schonbrunn, TransDef, felt there is nothing about the resolution that is counter to economic development, but rather that it speaks to non-toxic development. He commended staff and the Board for its diligence formulating the resolution.

Anne Lamb, Director of Regional Asthma Management and Prevention (RAMP) and BAEHC, urged the Board to move forward with CEQA and NSR adoption, requested that the District allocate resources to address impacts, requested no new permits be granted in CARE communities, and suggested an exemption for projects that provide essential public services be limited to health care facilities, schools and child care facilities, low income housing and grocery stores.

Francisco Da Costa, Director, Environmental Justice Advocacy, stated that 95% of the Hunter's Point Shipyard is landfill and is very toxic, and the resolution provides guidelines only. He cited the existence of thousands of foreclosed and vacant homes and urged the Board to strengthen the resolution and support the health of elders and children.

Bradley Angel, Green Action, felt that testimony from industry representatives mirrored environmental racism. He supported green jobs, economic development, healthy communities, commended staff and the Board for their work, and asked that no new permits be allowed in CARE communities.

Christopher Kroll, West Berkeley Alliance for Clean Air and Safe Jobs, BAEHC, said he lives in a CARE community, supported continuance and strengthening of the resolution, and said at issue was not job creation but protection of people impacted every day by pollution.

Matt Regan, Bay Area Council, said the Bay Area Council has not yet taken an official position on any agenda items but have grave concerns about impacts relating to urban and infill development. He asked not to further hamper developers' abilities to build in urban areas.

Chairperson Torliatt announced conclusion of public comment and noted that the proposed Bay Area Healthy Communities Resolution will be reviewed by a Board Committee and continued to a future meeting.

PUBLIC HEARING(S):

7. Consideration and Adoption of California Environmental Quality Act (CEQA) Thresholds of Significance

Chairperson Torliatt indicated that in November the Board of Directors had agreed to hold off adoption during the month of December to allow time for additional outreach. The Board continued the matter to the January 6, 2010 meeting, and she recommended moving forward with the item today.

Director Haggerty said he was not prepared to vote on the matter today. He thanked staff for meeting on December 22nd and suggested continuance so that staff can provide active outreach, education and engage city/county staff from all nine Bay Area regions.

Director Hosterman supported Director Haggerty's suggestion to delay adoption of CEQA thresholds until the District provides additional guidance to local governments.

Director Daly asserted that at two previous hearings, timing was discussed and he was prepared to vote on the matter. He did not believe a path could be created that everybody will be pleased with and acknowledged the hesitancy with pushing out adoption of the New Source Review (NSR). However, he did believe CEQA guidelines are needed to address climate change, impacted communities, and environmental justice issues.

Director Uilkema pointed out that many people have been very preoccupied with their financial survival. She voiced concern that very little attention has been paid to the subject. She suggested District staff give short presentations to each County Mayors' Conference and for the matter to be reviewed by the Public Outreach Committee and referred back to the Board.

Director Zane supported postponement and said the process for public input is often inadequate and does not provide the public with sufficient opportunity for input. She also did not feel there has been enough discussion by the Board regarding constituent concerns on the matter.

Director Kalra echoed comments regarding the need for outreach to jurisdictions and reported that the City of San Jose has very aggressive plans in terms of creating a higher density transit corridor in its downtown. He supported more discussion and outreach, believes many agency staff are not aware of guidelines, and also suggested shortening the 90-day implementation period.

Director Ross argued that no regulation or guideline has clean edges. He supported additional education for jurisdictions. He thinks that market conditions and zoning have more to do with the issue, and that CEQA has never stopped California's economic engine from growing. While he supported a vote today, he was also supportive of delay, believing that the guidelines should stand the test of scrutiny. He perceives that risk reduction plans will allow for a holistic view of problems in local communities, and supported District resources to help guide city and county staff through the process.

Director Gioia felt the debate was healthy; the guidelines address both locating industrial facilities and new housing in communities, and he requested distinction be made between the two. He cited the need for further refinement, work on risk reduction plans, and more time.

Director Kniss acknowledged the desire to move the forward, discussed her own outreach to community constituents and said she was dismayed to learn that they have not had the chance to do much. She suggested District staff engage with cities, provide opportunities for discussion and supported implementing guidelines within a 90-day period.

Director Daly spoke of environmental justice referencing low income communities of color suffering from disproportionate amounts of pollution. He thinks its magnitude calls for bold action and leadership by the District. And while the NSR may have the power to hinder projects, he did not see CEQA guidelines having that same power.

Chairperson Torliatt said setting measurements to focus on cumulative impacts is critically important and currently this is not required. CEQA guidelines will provide assistance for local government to make decisions and avoid litigation by creating GHG thresholds which do not currently exist, and she briefly discussed the positive response in Sonoma County as a result of outreach and meetings.

Secretary Bates complimented staff for their work over the last five years, believes CEQA guidelines are helpful, and echoed concerns for more information-sharing.

MOTION: Secretary Bates made a motion to continue consideration of CEQA Guidelines to the March 1, 2010 Board meeting and asked that the Board consider shortening the effective date to 60 days; Director Brown seconded the motion.

Secretary Bates questioned the Board as to whether there was support to approve Item 8; New Source Review of Toxic Air Contaminants, and no motion was made.

AMENDED MOTION: Director Haggerty voiced support for a 60-day effective date, but recommended the guidelines not be hurried. He suggested an amendment to continue the item to April 7, 2010 with a 60-day effective date. Secretary Bates and Director Brown agreed to the amendment.

Director Haggerty requested that District staff visit each of the nine Bay Area counties, with the onus being on Directors to coordinate with their represented agency staff.

Director Sperring supported the substitute motion and additional outreach and education. He cautioned the Board of the potential negative economic impacts, cited the lack of investment and existence of social, economic, and visual blight in communities, and discussed a city in his jurisdiction that adopted a climate action plan which has negatively impacted it. He also appreciates the discussion and hopes that the added time will address the diversity of issues.

Director Gioia suggested additional work focus on the risk reduction plans, as well.

Director Dunnigan agreed with comments and said he will work with fellow Directors, community members and San Francisco City/County staff to meet and further strengthen outreach and understanding.

Director Kalra supported the amendment, agreed to work with jurisdictions and staff, and echoed comments relating to economic impacts, as well as affordable housing needs.

Secretary Bates suggested his preference for an even shorter period of time; a 30-day effective date.

Director Mar said that while he is sensitive to the needs of jurisdictions, he voiced frustration with the process. Staff has worked long and hard, three hearings have been held, and he feels the process is screeching to a halt. He heard testimony from CARE communities requesting no delay, along with

concerns of potential economic impacts, and thinks the Board should have adopted the guidelines in December.

Executive Officer/APCO Jack Broadbent expressed appreciation for the discussion and dialogue and said staff has attempted to develop and bring forward the best proposal for cities and counties. He agreed it is an extremely important step to ask cities to quantify the impacts of their decisions, he acknowledged the need for staff and Directors to provide additional outreach to all nine counties, and said policy thresholds can return in April.

Regarding the community risk reduction plans, Mr. Broadbent said staff has reviewed resources for their development and can allocate funds to assist cities/counties. He recommended that the timing of implementation be discussed once workshops have been held.

AMENDED MOTION: Secretary Bates and Director Brown amended the motion to indicate a maximum 60-day effective date.

Director Garner requested Air District staff notify Board Members of workshop dates and locations.

AMENDED MOTION: Director Haggerty requested an additional amendment to the amended motion that there be a minimum effective date of 30 days and a maximum of 60 days. Secretary Bates and Director Brown agreed to the amendment.

An audience member requested public comment be opened. Mr. Bunger clarified with the Board of Directors that debate was closed on the previous version of the item, and public comment could be taken on the current, final version.

Chairperson Torliatt opened the public hearing.

Public Comments:

Barbara Lee, Northern Sonoma AQMD, voiced support for adoption of the motion, asked that continuance not cause delay in implementation, reported that all air districts are working on a new set of guidelines and regulations, agreed that cities and counties are not well-versed on implementation processes, and supported additional outreach.

Bill Quinn, CCEEB, supported adoption of CEQA guidelines and emphasized the importance of balance, believing jobs could be created while still protecting the environment.

Debbie Woodward, Criterion Catalysts, voiced opposition to the tiered approach which she said could ultimately drive refineries out of California and said it made no scientific sense to have thresholds because risk is the same.

Dr. Henry Clark, West County Toxics Coalition, asked for a "no project" option in CEQA guidelines, agreed that delay would promote better regulations, and cited human rights and environmental justice violations.

Dennis Bolt, WSPA, applauded the deliberation by the Board, supported continuance, and believed all stakeholders' principles and goals were the same.

Linda Best, Contra Costa Council, voiced the Council's primary concerns of unintended consequences and impacts to economic and infill development, and supported continuance to gain a better understanding.

David Schonbrunn, TransDef, likened the proposal to a context of panic among planners and level of change coming for the climate. He supported thresholds of significance and asked the District to keep the focus on air quality.

Francisco Da Costa said he believed what is missing are the new baselines from the Copenhagen Summit and tools to quantify and collect sound empirical data.

Linda Weiner, American Lung Association, commended the Air District for their its leadership, voiced concerns regarding disproportionate disparities in CARE communities, and supported approval of CEQA guidelines with health protective measures and without further delay.

Director Uilkema asked that the American Lung Association and other organizations participate in the review and outreach process.

Janill Richards, Attorney General's Office, Department of Justice, supported GHG threshold recommendations, additional time for review, and adequate training for cities and counties. She believed the need to quantify is separate and apart from the Air District recommendations because the California Air Resources Board has issued guidelines that say reductions are possible. She also cited programmatic approaches which are also separate and apart from what the Air District is doing, as law already requires a process for streamlining and tiering.

Eric Smith, San Francisco Bay Railroad (SFBR), Bayview Hunter's Point, spoke of SFBR's use, and the District's assistance with, biodiesel technologies. He supported additional time for outreach to communities and asked that the Board take action in April.

Gillian Hayes, City of Santa Rosa Environmental Coordinator and Planner, cited the extensive outreach already provided and workshops held in Santa Rosa, Petaluma and San Francisco. She believed local government will get the training they need, urged the Board to move forward with adoption in April, and commended the staff for their outreach efforts.

Andy Katz, Breathe California, said climate change will dramatically affect the way people breathe. He urged the Board to adopt the CEQA guidelines as soon as possible and to utilize the 30 to 60 day implementation period to educate planners.

Olinda Orillana, (Spanish translation provided by Blanca Diaz, San Francisco Organizing Project), spoke of an unpermitted spray paint booth operation and contamination in her neighborhood, nearby schools and apartments, and respiratory and neurological illnesses caused from the operation. She requested the District require a condition for installation of a taller chimney if the permit application is approved.

Nile Malloy voiced support of the District's work to improve health, believed that climate change affects mostly the poor and people of color, and he supported a community-wide approach versus a project approach.

Wafaa Aborashed, Bay Area Healthy 880 Communities, said she supports additional outreach, especially to those most negative impacted, and thinks CEQA guidelines are essential.

Tessie Ester, Hunter's View Mother's Committee, spoke of unhealthy odors in her community, questioned what residents should do until April, and cited children's absences from school as a result of health impacts.

Joyce Eden, West Valley Citizens Air Watch, stated that GHG reductions under AB 32 as proposed for stationary sources would do nothing for the 1.6 million metric tons of CO2 emitted from the Lehigh Cement Plant and she asked that cumulative impacts be taken into account.

Carole Marasovic, Healthy Air Coalition, voiced concern over industry representatives' comments, commended the Board and District for work to update CEQA guidelines and working with communities, and she hoped that the additional time will not reduce the strength of regulations.

Board Action: Secretary Bates made a motion to continue consideration and adoption of California Environmental Quality Act (CEQA) thresholds of significance to April 7, 2010 and for the thresholds of significance to take effect between 30-60 days after adoption; Director Brown seconded the motion, which carried by the following roll call vote: 20 ayes; 1 no (Daly) 1 absent (Kniss).

8. Public Hearing to Consider Proposed Amendments to Regulation 2, Rule 5: New Source Review of Toxic Air Contaminants, and Adoption of a CEQA Negative Declaration

Director of Engineering, Brian Bateman, provided an overview of the District's Air Toxics NSR program which sets thresholds for toxic air contaminants for new stationary source projects. Exposure varies by location relative to the project. He displayed an example of staff modeling work which estimates air toxic emissions of a given project and presented existing standards of Best Available Control Technology for Toxics (T-BACT) and project risk limits for cancer and non-cancer risks. He reviewed public outreach performed by District staff, stating that in March, staff issued a regulatory concept. A public workshop was held on July 30, 2009. Outreach was provided to the CARE Task Force, the Cumulative Impacts Working Group, business and environmental groups, and 8 sets of written comments were received during the process.

Mr. Bateman discussed differences between the District's initial proposal and the current proposal, which involve the use of new and old OEHHA risk assessment methods and said staff revised the proposal which keeps the risk standards the same but uses new OEHHA methods. In the current proposal, staff also included tracking both mobile and stationary source emissions.

Regarding effects of the proposal, Mr. Bateman reported that a high percentage of proposed projects would be permitted if state-of-the-art controls are used. In some cases, project size and/or location would need to be changed. The current proposal, plus differential standards, would not be cost-effective and not technologically feasible for many projects and would result in adverse impacts for smaller businesses. In addition, priority communities comprise of approximately one-third of District permits, and impacts would be fairly widespread.

He described real examples of toxics NSR permitted sources' impacts and use of controls, which included a gas station with increased throughput, a fire station with a small backup generator limited

to 12 hours/year for engine testing, and a larger diesel generator at a hospital which would need to be equipped with diesel particulate filters and be 380 feet from a residential receptor.

Director Uilkema questioned the expense of installing diesel particulate filters and examples of not passing standards. She noted that a denial would require local land use agencies to adopt a Statement of Overriding Consideration when CEQA review is involved.

Mr. Bateman stated that the proposal allows for small, incremental increases in risk which do not add significantly to cumulative impacts, and it recognizes land use issues as within scope for CEQA and lead agencies.

He displayed information on trends in Bay Area ambient air monitoring data for carcinogenic toxic air contaminants previously presented at the Stationary Source Committee, showing how risk has improved and how toxics NSR is working. The vast majority toxics come from diesel fuel mobile sources, the regulations of which are not yet fully implemented. He added that staff is encouraged that trends for reduction will continue.

Mr. Bateman concluded by recommending that the Board of Directors adopt the proposed amendments and adopt the CEQA Negative Declaration.

Director Ross supported staff's proposal, asked for focus on priority communities, and questioned the affect of added regulations. Mr. Bateman replied that staff will use age sensitivity factors. The exposure assessment is still a work in progress and its timing will be ready sometime this year. The package is structured such that when OEHHA finalizes its guidelines, staff will start to implement it and it need not return to the Board.

Public Comment:

Gordon Mar, BAEHC, requested adding back differential thresholds as an option for approval and supported update of the NSR and more stringent methodology for the region. He requested the District start tracking cumulative pollution increases and address disproportionate burdens and impacts of CARE communities.

Yuen Mei Wong said she lives in the Excelsior District near two gas stations close to elementary schools and is suffering from cancer, along with four other neighbors. She asked that the District stop permitting businesses in overburdened communities when neighbors request and petition not be re-permitted.

Andy Katz, Breathe California, voiced support for a tiered approach, cited health disparities of two to four times cancer and asthma rates, spoke of refinery operations' maximizing of permits, and recommended more stringent protections at the permitting level.

Anna Lee, CBE/BAEHC, asked that projects be halted in impacted communities and requested exemption for health care facilities, schools, low income and healthy housing, and small grocery stores in local communities.

Bill Quinn, CCEEB, expressed support for the staff proposal without a tiered approach. He believed it is unfair for hospital generators to be impacted and voiced his support of the District's work in addressing mobile sources.

Matt Regan, Bay Area Council, said while the Council has taken no official position, he cautioned the Board to move carefully because of unintended consequences, and supported the solution as recommended by staff.

Curtis Stubbings, Praxair, Inc., said they employ 100 people in the Bay Area, thanked staff for citing reasons against a tiered approach and believes mobile sources are most polluting.

Linda Best, Contra Costa Council, urged the Board not to adopt the tiered approach and said while advocates feel it may improve health, it would discourage economic development, add to job loss, poverty, and decreased health.

Dennis Bolt, WSPA, requested staff study the impacts a tiered approach would have on permitting, and he voiced concerns with drawing lines around communities.

Joyce Eden, West Valley Citizens Air Watch, said the Air District's rules and regulations are a failure and do not protect people.

Joseph Partansky, Maritime/Ocean Source Reduction Advocate, acknowledged differences between industrial and residential standards, felt risk reduction plans should not stop at the planning level, and suggested additional monitoring around ports.

Chairperson Torliatt closed the public hearing.

Director Uilkema questioned what the most fundamental differences are if the Board adopts regulations with and without a tiered approach. Mr. Broadbent noted staff's proposal and recommendation incorporates OEHHA methods and adds a cumulative tracking protocol in CARE communities. If the Board wants staff to further investigate differential standards in CARE communities, staff could undertake this under the CEQA guidelines update in the future. Although today, the Board does not have the opportunity to adopt a tiered approach with the staff proposal before them.

Regarding recommendations from BAEHC on "no new net increase", Mr. Broadbent said this puts the Air District into choosing land uses, and staff does not support this proposal.

Director Uilkema referred to mandates for regional housing; and said often times, reuse of certain land is questionable. She cited complaints from people who live downwind from a facility, yet jurisdictions have the land use controls. She confirmed with Mr. Broadbent that the recommended proposal does not impact local land use jurisdiction but will result in additional risk reduction measures for the entire Bay Area. Additional technologies will need to be applied to existing and new sources and mitigation of impacts will need to occur to improve air quality.

Director Uilkema referred to examples of gas stations, hospitals and fire stations not being able to be permitted and voiced concern that adoption will impede growth, development and services that cities and counties need. Mr. Broadbent agreed that if a differential standard is adopted, development will be

impacted; however, staff is not recommending this. If this is something the Board would like to consider, it could be adopted separately in the future. Ms. Roggenkamp reiterated that the examples presented would, in fact, be able to move forward, given staff's recommendations.

Director Daly said he thought that at the December 2nd Board meeting, he specifically requested the Board be given the opportunity to support more stringent standards for CARE communities. He spoke about environmental justice and reiterated his concern for the more impacted communities.

Mr. Broadbent noted that in terms of having the more stringent alternative, this is what staff included under the CEQA guidelines, and the Board has not held a public hearing on the NSR issue in the past. The Board wanted to be sure that a tiered approach be included on CEQA guidelines with and without a tiered approach. Staff did not believe this fell into the NSR and will return with differential standards for CEQA in April.

Director Mar said he appreciates staff's recommendation but shared some of Director Daly's sentiments along with the many individuals who testified. He believed the Board should look at tiered approaches for the most polluted areas, stating that Ms. Wong gave a perfect example of a gas station where the District approved a permit and where schools, children and families are impacted. He urged the District to reject the permit, voiced support for exemptions for hospitals, fire stations, and neighborhood grocery stores, and requested consideration for a tiered approach and a differential standard. He also referred to the auto painting shop operating illegally and thinks this is why a differential standard is needed.

Director Haggerty confirmed with Mr. Bateman that no other air districts have proposed to use the new OEHHA methodology, but that this may happen over time.

Director Gioia clarified that the new methodology implemented will make cancer risk much more sensitive. He discussed the effective results new rules and partnerships have on industry and believed members and the public should also recognize successes of measures implemented to date.

Director Zane voiced support for a more stringent cancer threshold, differential standards, a tiered approach, and logical exemptions for generators, grocery stores, schools, hospitals and health care clinics

Director Ross confirmed with Mr. Bateman that roughly 1,000 projects throughout the entire region may be affected. He cited improvements and work already underway to reduce emissions in West Oakland and the Port of Oakland.

Director Garner voiced concerns regarding gas stations and differential standards, which she believed would impact residents by having to drive further to fill their tanks, thereby adding emissions, as well. She questioned the incremental cost and impact to facilities from increased risk modeling and treatments required under the current proposal.

Mr. Bateman replied that a consultant conducted a socio-economic impact study on both requirements and estimated that about 15 gas station projects and 2 crematories would incur impact, and 30 cases of backup generators would require installation of filters.

Secretary Bates said he represents a CARE community and cited problems with a District-wide standard. He said emissions come from all over and the cumulative effect is significant. Mr. Broadbent stated that staff is confident that the best approach to comprehensively deal with the risk is to have the District develop community risk reduction plans for cities and counties. The stationary source rules will play a role in reductions and staff needs to differentiate which play a larger and lesser role. Secretary Bates said he does not see any controversy with the proposal and shared concerns of Directors Mar, Zane, and Daly regarding people's health and the need to move forward.

MOTION: Secretary Bates made a motion to approve the staff recommendation to adopt the resolution to amend the New Source Review of Toxic Contaminants; Director Zane seconded the motion.

Director Hosterman supported comments from Directors Mar and Zane, supported exemptions for needed facilities in a neighborhood and more stringent guidelines in the future. She requested an update return in the next six months to a year as to the effect the NSR's adoption has had.

Director Zane echoed concerns by Secretary Bates relating to health impacts in neighborhoods and requested a timeline of when differential standards would return. Director Gioia requested that a timeline also be prepared regarding risk reduction plans. Mr. Broadbent responded that staff will return with a timeline at the Board's February Retreat.

Board Action: Secretary Bates made a motion to adopt proposed amendments to Regulation 2, Rule 5: New Source Review of Toxic Air Contaminants; and Adopt a Negative Declaration pursuant to the California Environmental Quality Act (CEQA) for this rule-making activity; Director Zane seconded the motion; carried unanimously (Absent: Yeager, Dunnigan, Kniss, Brown).

Adoption of Resolution: The Board of Directors adopted Resolution No 2010-14; A Resolution of the Board of Directors of the Bay Area Air Quality Management District Adopting Amendments to District Regulation 2, Rule 5: New Source Review of Toxic Air Contaminants; and Adopting a CEQA Negative Declaration for the Project.

CLOSED SESSION:

The Board of Directors adjourned to Closed Session at 1:31 p.m.

9. Conference with Legal Counsel – Existing Litigation

Pursuant to Government Code Section 54956.9(a), a need exists to meet in closed session with Legal Counsel to consider the following case(s):

1. **Patricia Howell v. Bay Area AQMD**, San Francisco County Superior Court, Case no. CGC-07-461887
2. **Duraflame, Inc. v. Bay Area AQMD**, Contra Costa County Superior Court, Case No. N09-0102
3. **Pacific Steel Casting Company v. Bay Area AQMD**, San Francisco County Superior Court, Case No. CGC-08-482228
4. **Healthy Air Coalition v. Bay Area AQMD**, San Francisco County Superior Court, Case No. CGC-09-486990

OPEN SESSION:

The Board of Directors reconvened the Regular Board Meeting at 1:37 p.m. District Counsel Brian Bunger stated there was no reportable action taken in Closed Session.

PROCLAMATION/COMMENDATIONS:

10. Recognition of Outgoing Chairperson, Pamela Torliatt

Vice Chairperson Brad Wagenknecht, on behalf of the Board of Directors, recognized outgoing Chairperson Pamela Torliatt for her dedicated leadership and service to air quality in the Bay Area. He presented her with a gavel and plaque highlighting her service and discussed her accomplishments during 2009. Mr. Broadbent then presented Chairperson Torliatt with a framed photograph representing the Sonoma County portion of the Air District.

Outgoing Chairperson Torliatt thanked fellow Directors and staff for their work during 2009, stated that her role was both challenging and rewarding, and then turned over the gavel to incoming Chairperson Brad Wagenknecht.

Recognition of Incoming Chairperson, Brad Wagenknecht

The Board of Directors welcomed incoming Chairperson, Brad Wagenknecht.

Chairperson Wagenknecht acknowledged the Board and District staff's hard work to ensure clean air, education and grant opportunities for its nine Bay Area regions. He announced that the Board Retreat and Regular Meeting will be held on February 3, 2010 at the Sheraton Sonoma County - Petaluma, said he looks forward to positive working relations in 2010 and announced that Board Committee assignments will be emailed to Directors.

OTHER BUSINESS:

11. Report of Executive Officer/APCO

Mr. Broadbent deferred the Report, stating it will be included in his Weekly Report.

12. Chairperson's Report - None

13. Time and Place of Next Meeting: Retreat Meeting - Wednesday, February 3, 2010 – The Sheraton Sonoma County - Petaluma, 745 Baywood Road, Petaluma, CA 94954.

14 Adjournment: The Board of Directors Meeting adjourned at 1:49 p.m.

Lisa Harper
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson, Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 26, 2010

Re: Board Communications Received from January 6, 2010 through February 2, 2010

RECOMMENDED ACTION:

Receive and file.

DISCUSSION

A list of Communications directed to the Board of Directors received by the Air District from January 6, 2010 through February 2, 2010, if any, will be at each Board member's place at the January 6, 2010 Regular Board meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson, Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 27, 2010

Re: District Personnel on Out-of-State Business Travel

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

In accordance with Section 5.4 (b) of the District's Administrative Code, Fiscal Policies and Procedures Section, the Board is hereby notified that the following District personnel have traveled on out-of-state business:

The out-of-state business travel summarized below covers the period from January 1 – January 31, 2010. Out-of-state travel is reported in the month following travel completion.

DISCUSSION

Scott Beaver, Atmospheric Modeler, attended Air Pollution Meteorology Conference in Atlanta, GA January 19 – 22, 2009

Saffet Tanrikulu, Research & Modeling Manager, attended Air Pollution Meteorology Conference in Atlanta, GA January 19 – 22, 2009

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Linda J. Serdahl, CPA, CFE
Reviewed by: Jack M. Colbourn



Linda S. Adams
Secretary for
Environmental Protection

Air Resources Board

Mary D. Nichols, Chairman
1001 I Street • P.O. Box 2815
Sacramento, California 95812 • www.arb.ca.gov



Arnold Schwarzenegger
Governor

TO: Members of the Board of Directors

FROM: Honorable Ken Yeager 
Board Member

DATE: January 7, 2010

SUBJECT: QUARTERLY REPORT OF MY ACTIVITIES AS AN AIR RESOURCES BOARD MEMBER

The list below summarizes my activities as an Air Resources Board member from October 1 through December 31, 2009:

October Activities

No Board Meeting or other activities in October

November Activities

16th Air Resources Board Staff Briefings

19th Air Resources Board Meeting, Sacramento

December Activities

2nd Air Resources Board Staff Briefings

9th & 10th Air Resources Board Meeting, Sacramento

Attachments: Public Agendas

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.

California Environmental Protection Agency

LOCATION:

Air Resources Board
1001 I Street, 2nd Floor
Byron Sher Auditorium
Sacramento, California 95814

PUBLIC MEETING AGENDA**December 9 & 10, 2009****REVISED****Webcast****Electronic Board Book**

This facility is accessible by public transit. For transit information, call: (916) 321-BUSS, website <http://www.sacrt.com/> (This facility is accessible to persons with disabilities.)

TO SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO:

<http://www.arb.ca.gov/lispub/comm/bclist.php>

December 9, 2009**9:00 a.m.****CONSENT CALENDAR:**

All items on the consent calendar will be voted on by the Board immediately after the start of the public meeting. Any item may be removed from the consent calendar by a Board member or by someone in the audience who would like to speak on that item. The following items are on the consent calendar:

Consent**Item # Agenda Topic****09-10-1: Public Meeting to Consider 8 Research Proposals**

1. "Determination of the Spatial Distribution of Ozone Precursor and Greenhouse Gas Concentrations and Emissions in the Los Angeles Basin," University of California, Los Angeles, \$299,968, Proposal No. 2684-265. Proposed Resolution with Attachments
 2. "Improved Characterization of Primary and Secondary Carbonaceous Particles," University of California, San Diego, \$255,000, Proposal No. 2681-265. Proposed Resolution with Attachments
 3. "Hourly In-situ Quantitation of Organic Aerosol Marker Compounds during CalNex 2010," University of California, Berkeley, \$249,999, Proposal No. 2680-265. Proposed Resolution with Attachments
 4. "Determining Nitrogen Oxide Emissions from Soil in California Cropping Systems to Improve Ozone Modeling," University of California, Davis, \$83,500, Proposal No. 2683-265. Proposed Resolution with Attachments
 5. "Assessment of Baseline Nitrous Oxide Emissions in California's Dairy Systems," University of California, Davis, \$82,000, Proposal No. 2682-265. Proposed Resolution with Attachments
 6. "Three-Dimensional Measurements of Aerosol Mixing State During CalNex Using Aircraft Aerosol Time-of-Flight Mass Spectrometry," University of California, San Diego, \$400,000. Proposal No. 2689-265. Proposed Resolution with Attachments
 7. "Health Effects of Central Valley Particulate Matter," University of California, Davis, \$496,429, Proposal No. 2688-265. Proposed Resolution with Attachments
 8. "AMAX-DOAS Trace Gas Column Observations from Research Aircraft Over California," University of Colorado at Boulder, \$549,999, Proposal No. 2687-265. Proposed Resolution with Attachments
- More Information

09-10-2: Public Hearing to Consider Proposed Amendments to the Regulation for Limiting Ozone Emissions from Indoor Air Cleaning Devices

Staff has proposed amendments to the regulation to extend the labeling compliance date, incorporate refinements to the ozone emissions test method, and make other minor revisions to the regulation.

[More Information](#) [Proposed Resolution with Attachments](#)

DISCUSSION ITEMS:

Note: The following agenda items may be heard in a different order at the Board meeting. Also, **agenda item 09-10-7** may not be heard until Thursday, December 10, 2009, or may start on December 9 and then conclude on December 10, 2009, depending on the length of the other agenda items.

<u>Agenda Item #</u>	<u>Agenda Topic</u>
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09-10-8: Public Meeting to Update the Board on the Truck and Bus Regulation and the In-Use Off-Road Diesel-Fueled Fleet Regulation

Staff will present the Board with an update on a number of items related to the implementation of the In-Use On-Road Diesel Vehicle (Truck and Bus) regulations, including: an assessment of the health risks posed by agricultural trucks exempted from the truck and bus regulation, information on funding assistance, outreach efforts, and other items. Staff will also brief the Board on staff's assessment of the effects of the economy on emissions from In-Use On-Road and In-Use Off-Road regulations. These updates were requested by the Board at the December 2008 and July 2009 meetings, respectively. After staff's update, the Board may direct staff to return to the Board with proposed modifications to these regulations.

[More Information](#) [Staff Presentation](#)

**09-10-5: Public Meeting to Update the Board on the Low Carbon Fuel Standard
THIS ITEM HAS BEEN POSTPONED TO THE JANUARY BOARD MEETING**

Staff will update the Board on the status of the Low Carbon Fuel Standard (LCFS), which the Board approved in April 2009. At that hearing, the Board directed staff to do additional work for the implementation of LCFS. Staff will provide a status update on the additional work.

[More Information](#) [Staff Presentation](#)

[See note above on scheduling for this agenda item]

09-10-7: Public Hearing to Consider the Adoption of a Proposed Regulation for the Management of High Global Warming Potential Refrigerants for Stationary Sources

Staff will propose a new Refrigerant Management Program, an Assembly Bill 32 early action measure, which will mitigate high-global warming potential (GWP) greenhouse gas emissions from stationary refrigeration and air conditioning equipment. The regulation is proposed to: 1) reduce emissions of high-GWP refrigerants from stationary, non-residential refrigeration equipment, 2) reduce emissions resulting from the installation and servicing of refrigeration and air-conditioning appliances using high-GWP refrigerants, and 3) verify emission reductions. This regulation would result in significant greenhouse gas emission reductions in a cost effective manner.

[More Information](#) [Staff Presentation](#)

December 10, 2009

8:30 a.m.

Note: Regarding **Agenda Item 09-10-7**, see scheduling notes on this item above.

09-10-4: Public Meeting to Provide an Informational Update on the Zero Emission Vehicle Regulation Revisions

Staff will update the Board on the development of Zero Emission Vehicle (ZEV) technologies, the role these technologies may play in achieving the State's 2050 greenhouse gas emission goal, how the ZEV regulation could be modified to help achieve this goal, and what other policies may be beneficial or necessary to assure adequate and timely fueling infrastructure and to incentivize consumers to buy ZEVs. This is an informational item and no regulatory action will be taken at this time. A regulatory update of the ZEV program is planned in late 2010.

[More Information](#) [Staff Presentation](#)

CLOSED SESSION - LITIGATION

The Board will hold a closed session, as authorized by Government Code section 11126(e), to confer with, and receive advice from, its legal counsel regarding the following pending or potential litigation:

Central Valley Chrysler-Jeep, Inc. et al. v. Goldstene, U.S. Court of Appeals, Ninth Circuit, No. 08-17378 on appeal from U.S. District Court (E.D. Cal. - Fresno).

Fresno Dodge, Inc. et al. v. California Air Resources Board et al., Superior Court of California (Fresno County), Case No. 04CE CG03498.

General Motors Corp. et al. v. California Air Resources Board et al., Superior Court of California (Fresno County), Case No. 05CE CG02787.

Green Mountain Chrysler-Plymouth-Dodge-Jeep, et al. v. Crombie, 508-F.Supp.2d 295, U.S. District Court Vermont (2007), appeal to U.S. Court of Appeals, Second Circuit, Nos. 07-4342-cv(L) and 07-4360-cv(CON).

California Business Properties Association, et al. v. California Air Resources Board, et al., Superior Court of California (Sacramento), Case No. 34-2009-80000232.

Pacific Merchant Shipping Association v. Goldstene, U.S. District Court, EDCA, Case No. 2:09-CV-01151-MCE-EFB.

American Trucking Association, et al. v. U.S. Environmental Protection Agency, et al., U.S. Court of Appeals, District of Columbia Circuit, Case No. 09-1090.

Yamaha Motor Corporation, USA v. James Goldstene, et al., Superior Court of California (San Diego County), Case No. 37-2009-00094919-CU-MC-CTL.

OPPORTUNITY FOR MEMBERS OF THE BOARD TO COMMENT ON MATTERS OF INTEREST

Board members may identify matters they would like to have noticed for consideration at future meetings and comment on topics of interest; no formal action on these topics will be taken without further notice.

OPEN SESSION TO PROVIDE AN OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD ON SUBJECT MATTERS WITHIN THE JURISDICTION OF THE BOARD

Although no formal Board action may be taken, the Board is allowing an opportunity to interested members of the public to address the Board on items of interest that are within the Board's jurisdiction, but do not specifically appear on the agenda. Each person will be allowed a maximum of three minutes to ensure that everyone has a chance to speak.

THE AGENDA ITEMS LISTED ABOVE MAY BE CONSIDERED IN A DIFFERENT ORDER AT THE BOARD MEETING. BOARD ITEMS NOTED ABOVE WHICH ARE NOT COMPLETED ON DECEMBER 9, WILL BE HEARD ON DECEMBER 10 BEGINNING AT 8:30 A.M.

TO SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO:

<http://www.arb.ca.gov/lispub/comm/bclist.php>

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE CLERK OF THE BOARD

1001 J Street, 23rd Floor, Sacramento, CA 95814, (916) 322-5594

ARB Homepage: <http://www.arb.ca.gov>

To request a special accommodation or language needs for any of the following:

- An interpreter to be available at the hearing.
- Have documents available in an alternate format (i.e. Braille, large print) or another language.
- A disability-related reasonable accommodation.

Please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than 10 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Para solicitar alguna comodidad especial o si por su idioma necesita cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia.
- Documentos disponibles en un formato alternativo (es decir, sistema Braille, letra grande) u otro idioma.
- Una acomodación razonable relacionados con una incapacidad.

Porfavor llame a la officina del Consejo a (916) 322-5594 o envíe un fax a (916) 322-3928 lo mas pronto possible, pero no menos de 10 días de trabajo antes del el día programado para la audencia del Consejo. TTY/TDD/ Personas que nesessitan este servicioion pueden marcar el 711 para el Servicio de Retransmisión de Mensajes de California.

SMOKING IS NOT PERMITTED AT MEETINGS OF THE CALIFORNIA AIR RESOURCES BOARD

[Back to Board Meetings & Other Information Page](#)

LOCATION:

Air Resources Board
1001 I Street, 2nd Floor
Byron Sher Auditorium
Sacramento, California 95814

PUBLIC MEETING AGENDA**November 19, 2009**WebcastElectronic Board Book

This facility is accessible by public transit. For transit information, call: (916) 321-BUSS, website <http://www.sacrt.com/> (This facility is accessible to persons with disabilities.)

TO SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO:

<http://www.arb.ca.gov/lispub/comm/bclist.php>

November 19, 2009**9:00 a.m.****CONSENT CALENDAR:**

The consent calendar agenda item will be voted on by the Board immediately after the start of the public meeting. Consent items may be removed from the consent calendar by a Board member or by someone in the audience who would like to speak on that item. The following agenda item is on the consent calendar:

Consent**Item # Agenda Topic**

- 09-9-5: Public Hearing to Consider the Repeal of the 2007 Amendments to California's Emission Warranty Information Reporting (EWIR) and Recall Regulations and Emission Test Procedures and Readopt the Prior EWIR Regulations and Emission Test Procedures**

Staff has proposed a repeal of the 2007 amendments to the EWIR Regulations and to readopt the original 1988 EWIR Regulations.

More Information Proposed Resolution with Attachments

DISCUSSION ITEMS:

Note: The following agenda items may be heard in a different order at the Board meeting.

Agenda**Item # Agenda Topic**

- 09-9-6: Public Meeting to Update the Board on Health Impacts of Diesel Particulate Matter Emissions**

Staff will summarize the scientific evidence showing adverse health effects from exposure to diesel particulate matter (PM). In 1998, California identified diesel exhaust PM as a toxic air contaminant based on its potential to cause cancer, premature death, and other health problems. Diesel engines also contribute to California's fine PM 2.5 air quality problems. Those most vulnerable are children whose lungs are still developing and the elderly who may have other serious health problems.

More Information Staff Presentation Samet Presentation

- 09-9-1: Public Meeting to Present Information on the New Drive Clean Website**

Staff will present the Board with an overview of the new Drive Clean website. This website is a buying guide for clean and efficient vehicles, featuring smog and global warming scores for cars certified in California.

More Information Staff Presentation

- 09-9-2: Public Meeting to Report to the Board on Regional Targets Advisory Committee Recommendations on Methodologies for Setting Targets Under Senate Bill 375**

Staff will present to the Board the Regional Targets Advisory Committee's final recommendations to ARB on methodologies for setting regional greenhouse gas reduction targets pursuant to Senate Bill 375 (Steinberg, Chapter 728, Statutes of 2008).

More Information Staff Presentation

- 09-9-3: Public Meeting to Update the Board on 2009 Air Quality Legislation**

The Legislative Director and staff from the ARB Legislative Office will present a review of air quality legislation from the first year of the 2009-2010 Legislative Session.

Staff Presentation**09-9-4: Public Meeting to Update the Board on the Implementation of the California Global Warming Solutions Act of 2006 (Assembly Bill 32) and the Climate Change Scoping Plan**

Staff will present the Board with a summary of activities related to climate change, including an update on the implementation of the Assembly Bill 32 and the Climate Change Scoping Plan.

More Information Staff Presentation

CLOSED SESSION - LITIGATION

The Board will hold a closed session, as authorized by Government Code section 11126(e), to confer with, and receive advice from, its legal counsel regarding the following pending or potential litigation:

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Green Mountain Chrysler-Plymouth-Dodge-Jeep, et al. v. Crombie, 508 F.Supp.2d 295, U.S. District Court Vermont (2007), appeal to U.S. Court of Appeals, Second Circuit, Nos. 07-4342-cv(L) and 07-4360-cv(CON).

California Business Properties Association, et al. v. California Air Resources Board, et al., Superior Court of California (Sacramento), Case No. 34-2009-80000232.

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American Trucking Association, et al. v. U.S. Environmental Protection Agency, et al., U.S. Court of Appeals, District of Columbia Circuit, Case No. 09-1090.

Yamaha Motor Corporation, USA v. James Goldstene, et al., Superior Court of California (San Diego County), Case No. 37-2009-00094919-CU-MC-CTL.

Personnel -- Potential Litigation

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OPEN SESSION TO PROVIDE AN OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD ON SUBJECT MATTERS WITHIN THE JURISDICTION OF THE BOARD

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- An interpreter to be available at the hearing.

- Have documents available in an alternate format (i.e. Braille, large print) or another language.
- A disability-related reasonable accommodation.

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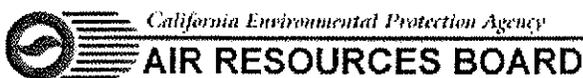
Para solicitar alguna comodidad especial o si por su idioma necesita cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia.
- Documentos disponibles en un formato alternativo (es decir, sistema Braille, letra grande) u otro idioma.
- Una acomodación razonable relacionados con una incapacidad.

Por favor llame a la oficina del Consejo a (916) 322-5594 o envíe un fax a (916) 322-3928 lo mas pronto posible, pero no menos de 10 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/ Personas que necesitan este servicio pueden marcar el 711 para el Servicio de Retransmisión de Mensajes de California.

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LOCATION:

South Coast Air Quality Management District
Office
Auditorium
21865 Copley Drive
Diamond Bar, California 91765-4182

PUBLIC MEETING AGENDA

September 24 & 25, 2009

WEBCAST

Electronic Board Book

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TO SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO:

<http://www.arb.ca.gov/lispub/comm/bclist.php>

September 24, 2009

9:00 a.m.

DAY-ONE

Agenda Item #

Agenda Topic

09-8-3:

Public Meeting to Consider a Report on Staff's Recommended Area Designations for the 2008 Federal Lead Standard

Staff will present its recommended area designations for the 2008 federal lead standard of 0.15 ug/m3. The Air Resources Board (ARB or Board) must submit these recommendations to the United States Environmental Protection Agency by October 15, 2009.

More Information

09-8-6:

Public Meeting to Consider Appointment of Replacement Member to AB 32 ETAAC

Staff will ask the Board to approve the appointment of a new member to the Economic and Technology Advancement Advisory Committee. A member, representing the California Chamber of Commerce, has resigned from the Committee and staff will recommend filling this seat, effective immediately, by appointing Mr. Marc Burgat, of the California Chamber of Commerce.

More Information

09-8-2:

Public Meeting to Present to the Board a Draft Report on Planned Air Pollution Research, FY 2009-2010

Staff will present a draft report, "Planned Air Pollution Research for Fiscal

Year 2009-2010," to the Board and recommend its approval. The draft report provides a portfolio of research concepts to guide ARB's extramural research program. This research portfolio supports key policy and regulatory drivers: Health Effects and Exposure, Climate Change, and State Implementation Plan Support. If the Board approves the Plan, staff will bring the proposed concepts to future Board meetings for approval as fully designed research proposals.

More Information Staff Presentation

09-8-9: Public Meeting to Update the Board on ARB's Plan to Hold a Workshop on its Enforcement Program

The Executive Officer will report back to the Board on staff's plan to conduct outreach and hold a workshop on ARB's enforcement program. The workshop is scheduled to be held on October 12, 2009, from 1:00 pm to 5:00 pm, in the Byron Sher Auditorium of the Cal/EPA Headquarters Building.

More Information

09-8-4: Public Hearing to Consider Adoption of Proposed Amendments to the California Consumer Products Regulations

Staff will present proposed amendments to the existing Consumer Products Regulation that would establish volatile organic compound limits for three product categories. Minor modifications are also proposed to clarify requirements and/or enhance enforceability.

More Information Staff Presentation

09-8-7: Public Hearing to Consider Proposed Amendments to New Passenger Motor Vehicle Greenhouse Gas Emission Standards

Staff will present proposed amendments to California's regulations to control greenhouse gas emissions from new light-duty vehicles. The amendments would allow manufacturers to demonstrate compliance based on a combined sales of California-certified vehicles in California and all other states that have adopted California's greenhouse gas regulations. The proposed amendments would also allow manufacturers to demonstrate compliance with the California greenhouse gas requirements by submitting test data from the federal Corporate Average Fuel Economy program.

More Information Staff Presentation

09-8-8: Public Meeting to Consider Adoption of the Climate Action Reserve Updated Forest Project Protocol for Greenhouse Gas Accounting

Staff will recommend adoption of the updated Climate Action Reserve Forest Project Protocol (version 3.0) for greenhouse gas accounting for emission reduction projects. The Protocol is the result of almost two years of work with considerable stakeholder involvement to update the previously-adopted forest protocols in order to encourage greater participation in forest projects.

More Information Staff Presentation

September 25, 2009
8:30 a.m.

DAY-TWO

- 09-6-5: CONTINUED FROM THE JUNE 25, 2009 BOARD MEETING: Public Hearing to Consider Adoption of a Proposed AB 32 Cost of Implementation Fee Regulation and Proposed Amendment to the Existing Regulation for the Mandatory Reporting of Greenhouse Gas Emissions**

The Board will conduct a continuation of a public hearing to consider adopting a regulation to assess fees on sources of greenhouse gas emissions and an amendment to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions. The revenue from these fees would be used for the purpose of carrying out the California Global Warming Solutions Act of 2006 (AB 32, Stats. 2006; Ch. 488; Health and Safety Code sections 38500 et seq.).

More Information Staff Presentation

- 09-8-5: Public Meeting to Consider Staff Recommendations to Provide Further Locomotive and Railyard Emissions Reductions**

Staff will present specific recommendations to provide further locomotive and railyard emissions and risks reductions beyond those expected from existing United States Environmental Protection Agency and ARB regulations and agreements.

More Information Staff Presentation

CLOSED SESSION - LITIGATION

The Board will hold a closed session, as authorized by Government Code section 11126(e), to confer with, and receive advice from, its legal counsel regarding the following pending litigation:

Central Valley Chrysler-Jeep, Inc. et al. v. Goldstene, U.S. Court of Appeals, Ninth Circuit, No. 08-17378 on appeal from U.S. District Court (E.D. Cal. - Fresno).

Fresno Dodge, Inc. et al. v. California Air Resources Board et al., Superior Court of California (Fresno County), Case No. 04CE CG03498.

General Motors Corp. et al. v. California Air Resources Board et al., Superior Court of California (Fresno County), Case No. 05CE CG02787.

Green Mountain Chrysler-Plymouth-Dodge-Jeep, et al. v. Crombie, 508 F.Supp.2d 295, U.S. District Court Vermont (2007), appeal to U.S. Court of Appeals, Second Circuit, Nos. 07-4342-cv(L) and 07-4360-cv(CON).

California Business Properties Association, et al. v. California Air Resources Board, et al., Superior Court of California (Sacramento), Case No. 34-2009-80000232.

Pacific Merchant Shipping Association v. Goldstene, U.S. District Court, EDCA, Case No. 2:09-CV-01151-MCE-EFB.

American Trucking Association, et al. v. U.S. Environmental Protection Agency, et al., U.S. Court of Appeals, District of Columbia Circuit, Case No. 09-1090.

Yamaha Motor Corporation, USA v. James Goldstene, et al., Superior Court of California (San Diego County), Case No. 37-2009-00094919-CU-MC-CTL.

OPPORTUNITY FOR MEMBERS OF THE BOARD TO COMMENT ON MATTERS OF INTEREST

Board members may identify matters they would like to have noticed for consideration at future meetings and comment on topics of interest; no formal action on these topics will be taken without further notice.

OPEN SESSION TO PROVIDE AN OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD ON SUBJECT MATTERS WITHIN THE JURISDICTION OF THE BOARD

Although no formal Board action may be taken, the Board is allowing an opportunity to interested members of the public to address the Board on items of interest that are within the Board's jurisdiction, but do not specifically appear on the agenda. Each person will be allowed a maximum of three minutes to ensure that everyone has a chance to speak.

THE AGENDA ITEMS LISTED ABOVE MAY BE CONSIDERED IN A DIFFERENT ORDER AT THE BOARD MEETING. BOARD ITEMS NOTED ABOVE WHICH ARE NOT COMPLETED ON SEPTEMBER 24, WILL BE HEARD ON SEPTEMBER 25 BEGINNING AT 8:30 A.M.

TO SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO:

<http://www.arb.ca.gov/lispub/comm/bclist.php>

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE CLERK OF THE BOARD
1001 I Street, 23rd Floor, Sacramento, CA 95814, (916) 322-5594
ARB Homepage: <http://www.arb.ca.gov>

To request special accommodation or language needs, please contact the following:

If you require special accommodations or language needs, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than 10 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

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[Back to Board Meetings & Other Information Page](#)

Frazier, Charlyn@ARB

From: AllHands@CALEPA
Sent: Monday, January 11, 2010 8:17 AM
To: ARB ^^ (ALLHANDS) AIR RESOURCES BOARD ^^
Subject: FW: Message about Governor's Budget Proposal
Attachments: State employees - budget open letter - 01.08.2010.pdf

From: Agency Secretary Linda Adams
Sent: Monday, January 11, 2010 8:17:26 AM
To: All Hands
Subject: Message about Governor's Budget Proposal
Auto forwarded by a Rule
Dear Colleagues:

On Friday, the Governor introduced his budget proposal for the upcoming fiscal year that begins July 1, 2010. I wanted to keep you informed about a portion of the proposal that could possibly affect state worker pay.

Please keep in mind that this is merely a proposal – a starting point – and it will require the approval of the Legislature and the signature of the Governor. I anticipate that this will open negotiations and likely will lead to an amended plan to save state payroll costs.

With that in mind, the proposal includes several new recommendations for salary savings for Fiscal Year 2010/11, including the following:

- Allow the current three-day furlough order to expire at the end of this fiscal year (June 30, 2010)
- Return to a regular, five-day workweek with a 5% reduction in salary
- Increase employee contributions to PERS by 5%
- Require all state boards, departments and offices to cut payroll costs by 5 percent at their discretion

I'm also attaching a letter to employees from the Governor. I know that you likely have many questions that are still unanswered. Please know that the Administration is carefully evaluating the impacts of the state's current fiscal situation and is working with the Legislature to resolve these issues. We will continue to keep you apprised as things develop.

I know these are times of great uncertainty, and I sincerely appreciate all that you do.

Sincerely,

1/11/2010

Linda Adams

Linda S. Adams
Secretary for Environmental Protection
California Environmental Protection Agency
SectyAdams@calepa.ca.gov



GOVERNOR ARNOLD SCHWARZENEGGER

January 8, 2010

An Open Letter to State Employees:

Last year, we confronted what history will record as the "Great Recession." The state made the profoundly difficult decisions necessary to close a \$60 billion budget gap, the largest in California's history.

With our national economy still struggling to recover, California, like most other states, is now confronting a nearly \$20 billion difference between expenditures and expected revenues. We are taking steps to rebuild our economy and to turn deficit years into surplus years – but it will take time and require your help.

Over the past year, you've helped our state deal with the challenges of a struggling economy by making your own economic sacrifice in the form of furloughs. These furlough savings are helping us preserve the safety net for many Californians and maintain essential services.

As of now, the furlough program will end as scheduled June 30, 2010. In the face of a \$20 billion deficit, we are forced to call on you again to help us through the next fiscal year. That is why I am seeking the following changes to take effect July 1:

- Five percent increase in your monthly employee contribution for your CalPERS pension benefit. This change will apply to all retirement categories.
- Five percent reduction in salaries. This change will apply to all employees in the executive branch, including civil service, non-civil service and non-elected officers.

In addition, through an executive order today, I will direct departments to cap the size of their workforce so that we can achieve an additional five percent salary savings in the 2010-11 fiscal year. In most cases, departments will be able to rely on normal attrition rates to meet their workforce cap by the time the fiscal year starts July 1.

I appreciate and thank you for the sacrifices that you have made and continue to make on behalf of this great state. I want all Californians to know how proud I am of your hard work, dedication and commitment.

Sincerely,

A handwritten signature in black ink, appearing to read "Arnold Schwarzenegger".

Arnold Schwarzenegger

To: Chairperson, Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 27, 2010

Re: Report of Executive Office and Division Activities for the Months of
October 2009 – December 2009

ADMINISTRATION AND HUMAN RESOURCES – J. COLBURN, DIRECTOR

2008-09 State Financial Reporting Requirement

The District is a Special District, as formed under the *California Air Pollution Control Laws*, Chapter 4, and required to report on an annual basis to the California State Controller's Office, Division of Accounting and Reporting. Staff completed the closing of the 2008-09 fiscal year and submitted the *Special Districts Financial Transactions Report* electronically, to the State Controller's office on October 19, 2009, as required.

Budget Standardization Project

The District executed a contract with Eskel Porter for the budget standardization project and met with project staff on November 5, 2009 for a planning kick-off meeting. Eskel Porter returned the week of November 9, 2009 to configure the Microsoft Forecaster 7.0 product to meet specifications for the FYE 2011 budget, and completed the configuration of the budget software and trained staff in the use of the budget software during the week of December 7, 2009.

2008-09 Financial Statements and Single Audit Fieldwork

The District's external auditors, Gilbert & Associates Inc. substantially completed fieldwork for the Financial and Single Audit reports for the year ended June 30, 2009, on November 19, 2009. The audit was conducted in accordance with the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, and *Government Auditing Standards*.

Proposition 1A Securitization Program

The Prop 1A Securitization Program was approved, at the November 4, 2009 Board of Directors Meeting, and all documents were executed and sent to the California Communities Joint Powers Authority legal counsel on Wednesday, November 4, 2009.

CA Goods Movement Receipt of Funds

The District received \$6.4 million in for Replacement and Retrofit Projects under the Prop 1B Goods Movement Emission Reduction Program during the latter part of December, 2009, as well as \$280,000 for Shore Power projects.

The Human Resources (HR) Office conducted eleven training sessions, including: Negotiations Training, Emotional Intelligence Workshop, Legal Training, Investigative Training, Pandemic Plan Workshop, Preventing Workplace Harassment; Nutrition Workshop, and Leadership Development Program. The HR Office also coordinated seven recruitment exams including exams for Director of Technical Services; Director of Strategic Incentives Division; Environmental Planner; Legal Secretary; Supervising AQ Specialist; Senior Engineer; and Senior Advanced Projects Advisor. The HR Office continues to administer payroll, benefits, safety, labor relations, and library services.

COMPLIANCE AND ENFORCEMENT – K. WEE, DIRECTOR

Enforcement Program

Staff issued 85 Notices of Violation to gas stations who failed to meet the April 1, 2009 Phase II Enhanced Vapor Recovery Deadline this quarter to complete its enforcement of the April 1 deadline and September 1, 2009 In-Station Diagnostic (ISD) deadline for large stations. On October 13, 2009 staff investigated the cause of rotten egg like odors impacting the Benicia community downwind of the Valero Refinery that led to the issuance of a public nuisance citation. Staff investigated elevated ambient asbestos readings from monitors at the Lennar Bayview Hunters Point - Parcel A' redevelopment project that occurred October 15th and 29th and verified dust generating activities were suspended per requirements. US EPA has concluded their review of the ambient asbestos monitoring being conducted and concluded that the District asbestos analysis protocols are more conservative for protecting public health than alternative EPA protocols. On November 9, 2009 staff met with the Environmental Justice Air Quality Coalition (EJAQC) members to discuss the group's proposals to improve the odor complaint and enforcement process. On November 16, 2009 staff documented an excessive visible emissions violation at a Lehigh Southwest Cement Company's materials handling source that resulted in a Notice of Violation (NOV). The unit was shutdown and repaired to stop the excessive dust emissions. Staff met with regulators from San Mateo County Health, EPA, and the South San Francisco Fire Department at Genentech's headquarters in South San Francisco on December 3, 2009 to discuss the August 28, 2009 Columbus Salami ammonia that resulted in a public nuisance NOV. Staff conducted wood smoke inspection patrols on November 26, 2009, December 9, 2009 and December 25, 2009 *Winter Spare the Air Alerts* resulting in 153 Warning Letters and 3 Notices of Violation. Staff conducted visible emission patrols on 28 days resulting in 3 Visible Emissions Warning Letters.

Compliance Assurance Program

The petroleum refinery Flare Minimization Plans 2nd Annual Update were approved on December 29, 2009 following a 30-day public comment period during which no comments were received. Staff conducted independent Ocean Going Vessel inspections at the Port of Richmond, the Shell Martinez Warf, the Benicia Valero Warf and the Chevron Long Wharf on October 27, 29 and 30. To date, staff has conducted more than 60 ship inspections as part of the Mobile Source Enforcement Program. In addition to these District-conducted inspections, staff also conducted joint inspections with CARB staff on November 4th and 5th at the Port of Oakland.

Compliance Assistance Program

Staff completed the BAAQMD/CARB Mobile Source Enforcement MOU was finalized and included in the District's Mobile Source Compliance Plan (MSCP) which was released in October 2009. Compliance assistance for the Drayage Truck Regulation (DTR) was conducted during this quarter that consisted of: 1) approximately 2,500 DTR flyers were distributed to all truckers entering the Port of Oakland; 2) DTR posters advertising compliance dates in both English and Spanish were posted at the Port of Oakland; 3) emails were sent to the California Trucking Association and the Western States Alliance with English and Spanish versions of the DTR pamphlets for posting on their websites; 4) DTR pamphlets were sent to 250 motor carriers who dispatch trucks to the Port of Oakland; 5) on October 19, 2009 staff gave a presentation at the monthly Port Trucker Work Group Meeting. Under the Pilot Small Business Incentive Program, staff held 3 Industry Compliance Schools (ICS) for mobile coaters on October 21, 2009 (District Office), October 22 and December 9 (Concord), where information was provided to companies to assist them with complying with new regulations; a registration discount was given for attendees. Forty-six mobile coaters attended. Staff gave an asbestos demolition/removal presentation to the Building Owners and Managers Association (BOMA) in San Jose on October 30. A Compliance Advisory was mailed to all hexavalent chrome platers advising them of the CARB Chrome environmental compliance training being held at the District; all the chrome plating businesses in the District completed the state-required mandatory training. A Compliance Advisory on the Perchloroethylene (PERC) phase-out upcoming requirements for drycleaners (Reg 11-16) was distributed in December. Non-English languages were translated for Spanish, Mandarin, Vietnamese and Cantonese during this quarter.

Operations

Staff hosted CARB training on October 13 (Polyester Resin, Fiberglass and Composite Manufacturing Facilities (Reg 8-50); October 14 (Surface Coating for Both Automobiles (Reg 8-45); and Metal Parts and Products (Reg 8-19); all trainings included a field trips to a local facilities. On October 22, October 29 and November 25, in-service training was conducted for all the inspection staff with key sections including: Community relations/customer service; Conducting air quality inspections and updates to the Wood Smoke Reduction Program. On October 28, four staff members were recertified at the Asbestos Hazardous Emergency Response Act asbestos refresher course. Hazardous Waste Operations and Emergency Response training was conducted at District offices for all inspectors on December 17. Staff mailed 254 reminder letters to residents who had

received warning letters during the 2008-09 Winter Spare the Air season. A new Wood Smoke Online Complaint System and a revised 1-877-4NO-BURN phone system that includes integrated voice response was launched in late October. The burn status is now in English and Spanish and provides information on other burn programs in California and the nation in order to support the solid fuel labeling requirement in the regulation. From November 1 – December 31, 2009, the new phone system received over 108,000 calls (approximately 44,000 calls used the Spanish option). Staff mailed out over 10,000 informational packets to high wood smoke complaint areas in Castro Valley, Concord, Crockett, Forest Knolls, Inverness, Lafayette, Lagunitas, Moraga, Martinez, Nicasio, Orinda, San Geronimo, San Jose, Santa Rosa and Woodacre to inform residents of the Wood Smoke reduction program and how to comply with the wood-burning rule.

(See Attachment for Activities by County)

ENGINEERING DIVISION – B. BATEMAN, DIRECTOR

Permit Systems Program

In the fourth quarter of 2009, 312 new permit applications were received: 245 standard New Source Review applications, 49 Gasoline Dispensing Facility applications, 13 Title V applications, and 5 Banking applications (all ERC transfers). During this period, the Division issued 121 Authorities to Construct and 421 Permits to Operate.

Engineering Division Permit Activity – 4th Quarter 2009			
Annual update packages started	999	Permits to Operate issued (new and modified)	421
Annual update packages completed	1,246	Exemptions	23
Total update pages entered	961	Authorities to Construct denied	0
New applications received	312	New Companies added to Data Bank during the 4 th quarter 2009	102
Authorities to Construct issued	121		

Toxics Program

A total of 70 Health Risk Screening Analyses (HRSAs) were completed during the fourth quarter of 2009. The majority of these HRSAs were for diesel engine emergency generators.

Staff continued rule development work on Regulation 11, Rule 16: Perchloroethylene and Synthetic Solvent Dry Cleaning, which would accelerate the Perc phase-out schedule mandated by the state ATCM. An Environmental Impact Report is being prepared for this proposal pursuant to CEQA requirements. Staff expects that the proposed amendments will be ready for consideration of adoption in the first quarter of 2010.

Staff prepared amendments to Regulation 2, Rule 5: New Source Review of Toxic Air Contaminants, incorporating Age Sensitivity Factors and other changes to the risk assessment guidelines adopted by the California Office of Environmental Health Hazard Assessment (OEHHA). The rule amendments also included a new provision for tracking increases and decreases of toxic air contaminants in "Priority Communities" identified under the District's CARE Program. The proposed amendments were prepared for consideration of adoption in January 2010.

Engineering Division staff provided technical assistance for the proposed revisions to the District's CEQA guidelines, and the new Metal Foundries and Metal Melting rule. Staff also continued work assessing health risks from Lehigh Southwest Cement Company (Cupertino) for the Air Toxics Hot Spots Program, and for the purpose of locating an air monitoring station near that facility.

Title V Program

EPA issued a final report on its Program Evaluation of the District's Title V Program on September 29, 2009. The report concluded that the District's program excelled in many areas, and did not have any significant deficiencies requiring correction. The District prepared a workplan to address suggested EPA recommendations for program improvement, and submitted the workplan to EPA on December 21, 2009.

The five refinery Title V Renewal Permits have been drafted, and will be ready for public review after the completion of facility-wide compliance reports. Staff has also been discussing issues on these draft permits with EPA staff. The public notices for these permits are expected to be issued in the first quarter of 2010.

Work on the Lehigh Southwest Cement Company (Cupertino) Title V Permit Renewal continues. Staff is working on responding to the many public comments received on this proposed permit, and revising the permit as appropriate. The District recently withdrew the proposed permit from EPA review, and will resubmit it after new standards are incorporated for reducing emissions of mercury, hydrochloric acid, and other pollutants. These new standards are expected to be promulgated by EPA in June 2010.

The NUMMI (Fremont) Title V Renewal Permit is currently undergoing internal review. NUMMI has announced plans to shutdown their facility on April 2, 2010, but will retain its District permits.

On October 27, 2009, EPA proposed a rule that would require Title V permits for facilities with the potential to emit greenhouse gases of 25,000 tons per year (CO₂e) or more. An estimated 132 additional Bay Area facilities would require Title V or Synthetic Minor operating permits under this EPA proposal. Staff provided information to NACAA and CAPCOA for their comment letters, and prepared a District comment letter that was issued on December 24, 2009. The District letter supported EPA's proposal, but provided suggestions in two areas: (1) EPA should allow state and local agencies a reasonable amount of time to revise their permitting rules to include GHG requirements, and (2) the obligation to permit Title V sources based on GHG emissions should be phased-in more gradually to avoid overburdening permitting agency staff.

Permit Evaluation Program

Permit applications for six proposed power plants are in various stages of review as follows:

1. A draft Responses to Comments document was prepared for the proposed Russell City Energy Center (Hayward) PSD permit. The final PSD permit for this project will likely be issued after EPA and the Fish and Wildlife Service conclude their consultation on Endangered Species Act issues. This is expected in the first quarter of 2010.
2. The District is preparing a Preliminary Determination of Compliance (PDOC) for the proposed Marsh Landing Generating Station (Antioch). It appears that this project will not trigger PSD requirements, and the PDOC is expected to be issued in the first quarter of 2010.
3. The applicant for the proposed Willow Pass Generating Station (Pittsburg) has requested that the District permit evaluation be put on-hold at this time.
4. The proposed Oakley Generating Station (Oakley) permit review is underway. The CEC held an Informational Hearing for the project on Nov. 9, 2009, in Oakley which District staff attended. The applicant is working with GE and PG&E, who will eventually purchase and operate the plant, to revise emission estimates. It is expected that the applicant will accept permit limits below PSD applicability levels.
5. The Los Esteros Critical Energy Facility (San Jose) has requested an extension to the Authority to Construct issued by the District in August 2007. The Authority to Construct would allow this existing simple-cycle power plant to be converted to a combined-cycle plant. The permit extension requires new permit limits to meet current Best Available Control Technology (BACT) requirements.
6. The Mariposa Energy Project (Alameda County -- seven miles east of Livermore) permit application is currently incomplete pending the submittal of additional information by the applicant.

Engineering Projects Program

Staff continues to participate in the production system project, including providing technical input on the authority to construct/permit to operate process, the Title V permit process, the flare report inspection/review process, and the permit renewal process. Staff also continues to write business rules (which will be used to develop production system program language) and completed design proposals for two source categories targeted for permit automation (internal combustion engines and gasoline dispensing facilities).

The annual report to the California Air Resources Board regarding the District's Interchangeable Emission Reduction Credit Program (Regulation 2, Rule 9) was prepared.

LEGAL DIVISION – B. BUNGER, DISTRICT COUNSEL

The District Counsel's Office received 83 violations reflected in Notices of Violation (NOVs) for processing.

Mutual Settlement Program staff initiated settlement discussions regarding civil penalties for 53 violations reflected in NOVs. In addition, 3 Final 30 Day Letter(s) were sent regarding civil penalties for 9 violation(s). Finally, settlement negotiations resulted in collection of \$25,875 in civil penalties for 24 violations.

Counsel in the District Counsel's Office initiated settlement discussions regarding civil penalties for 36 violations reflected in NOVs. Settlement negotiations by counsel resulted in collection of \$175,605 in civil penalties for 50 violations.

(See Attachment for Penalties by County)

COMMUNICATION AND OUTREACH – L. FASANO

Public Information and Media

Winter Spare the Air – The Winter Spare the Air Season began on November 1, and is scheduled to end February 28, 2010. Through December 31, there were three Winter Spare the Air Alerts: on Thursday, November 26 (Thanksgiving), Wednesday, December 9, and Friday, December 25 (Christmas). Staff implemented the revised notification procedures the day before each Alert, and successfully notified the public via media outlets, outbound phone messaging, Spare the Air email alerts, downloadable widget, the baaqmd.gov and sparetheair.org websites, and the 1-877-4NOBURN phone line.

Changes to this year's wood smoke program included:

- Winter Spare the Air Alerts are forecast and issued for the next day. The Alerts go in effect as of midnight that night and will be in place for 24 hours.
- A \$400.00 penalty amount has been established for the first violation following a warning letter.
- An Exemption Policy Guidance Document has been developed for the wood burning rule.

Staff prepared for the Winter Spare the Air season by producing educational materials and finalizing the District's media and outreach strategy. The Wood Burning Regulation brochure was revised and reprinted to include changes to this year's program

Winter Spare the Air Outreach – With the assistance of ABAG staff, informational letters explaining the Winter Spare the Air program and Wood Burning Regulation were emailed to all Bay Area city managers and County Administrators. The email letters contained links to a variety of Winter Spare the Air Resources. A short description of the program was posted on the ABAG website under the News section at:

<http://www.abag.ca.gov/>

Staff also conducted a door-to-door outreach campaign in the following communities:

- Concord 11/14/09
- Santa Rosa 11/14/09
- Los Gatos 11/17/09
- Corte Madera 11/17/09

Winter Spare the Air Advertising - The Winter Spare the Air TV spot appeared on the finale of the Lifetime Channel's Project Runway on November 19 at 10:20 pm. The Winter Spare the Air newspaper flag was distributed with the San Francisco Chronicle on Monday, November 23, 2009. The Winter Spare the Air radio spot aired on KCBS-AM radio on November 24, and 25, 2009 a total of six times.

Winter Spare the Air Media Campaign – Staff met with the following news outlets to discuss the Winter Spare the Air Campaign:

10/23 DJ Visit KFOG
10/26 Deskside Visit KNTV-TV NBC
10/26 Deskside Visit KLIV-AM
10/26 Deskside Visit KGO-AM
10/26 Deskside Visit KDTV-TV (Spanish)
Deskside Visit San Jose Mercury
10/27 News
10/27 Deskside Visit KCBS-AM
Deskside Visit Vallejo Times
10/28 Herald
Deskside Visit Marin Independent
10/28 Journal
10/28 Deskside Visit KSTF-TV (Chinese)
Deskside Visit KCBS Roberta
10/29 Gonzales
Deskside Visit Napa Valley
10/30 Register
Deskside Visit World Journal
10/30 (Chinese)
Deskside Visit Santa Rosa Press
10/30 Democrat
11/02 DJ Visit Alice 97.3
11/02 Deskside Visit – SF Chronicle

Staff also issued a media advisory to promote the downloadable Winter Spare the Air widget, and encouraged media outlets to put the widget on their websites.

Winter Spare the Air Media Features -

Staff coordinated an Air District wood smoke inspection “ride-along” for CBS 5 “Greenbeat” reporter Jeffrey Schaub. The report followed two District inspectors as they performed residential wood smoke inspections. The story aired on KPIX evening news on November 18, 2009.

Staff recorded an interview on the Winter Spare the Air program for Spanish-language TV station Univision. The show aired on Univision 14 KDTV Saturday, November 28; on TeleFutura 66 KFSF on Sunday, November 29; and on Univision's radio show both Saturday and Sunday.

Heavy media coverage of the Christmas Day Winter Spare the Air Alert resulted in numerous on-air and on-camera interviews with most major Bay Area media outlets. The Communications Director also made appearances on KQED Radio's Forum program and Mornings on 2 with Pam Cook.

Spare the Air Website – The Spare the Air website was re-designed and newly unveiled on October 27. The new look and feel was designed to be more user-friendly for Bay Area residents. Visitors will find it easier to access the air quality forecast, find air quality information, sign up for Air Alerts, become involved in local community resource teams, and find Spare the Air resources for their employers.

Spare the Air Employer Program - Staff prepared for employer outreach efforts that will take place in early 2010, including two tentatively planned commute alternatives workshops for employers in the North Bay and in Contra Costa County. The District will host a meeting with the Spare the Air Employer Leadership Committee in early 2010, to discuss ways to enhance the Employer Program's scope and effectiveness. The fourth quarter issue of the Employer Program newsletter, the Breeze, was distributed. Staff mailed 30 packages of Air Quality educational materials in response requests from member employers.

Smoking Vehicle Assistance Program – In October, the Air District launched phase I of an advertising and outreach campaign aimed at reducing the number of smoking vehicles in the Bay Area. The campaign featured advertisements created to increase public awareness about smoking vehicles and the many programs available to assist residents with their repair or retirement. The District also launched a pilot Vehicle Repair Program, wherein qualified residents can receive special discounts and a \$100 incentive to repair their smoking vehicle. The program will be administered by our advertising contractor.

The campaign included a new, one-stop-shop website which consolidates information for reporting, retiring or repairing older, polluting vehicles. The website, which can be seen at www.SmokingVehicleHelp.com, is the first of its kind in the U.S.

Phase II of the campaign is set to begin in January 2010, and will include a larger advertising and outreach effort to promote the 1 (800) EXHAUST line.

Repowering the Rails Press Conference - The *Repowering the Rails* press conference took place on November 17 at the Amtrak Maintenance Yard in Oakland. Members of the Bay Area press and staff from the Air District, U.S. Environmental Protection Agency, California Department of Transportation, Sacramento Metropolitan Air District, and Capitol Corridor Joint Powers Authority unveiled Locomotive 2015, the cleanest passenger diesel locomotive in California.

The event was attended by two television news outlets (NBC 11, KTSF 26), four newspapers (San Francisco Chronicle, Contra Costa Times, Oakland Tribune, Sing Tao Daily), one radio station (KCBS) and a writer from a monthly Bay Area publication (Bay Crossings). Over the course of the following days, the story was covered in over 25 unique local and national media outlets, and at the time of this report the story had been distributed through 31 total outlets.

APL Cold Ironing Press Conference - On Friday, December 18, the Bay Area Air Quality Management District and container carrier APL announced their shore-side electrical power project and retrofit of five vessels with “plug-in” capability to reduce emissions at the Port of Oakland, with the assistance of a \$4.8 million grant from the Air District.

Media coverage of the event included 33 clips:

- TV: 4 segments (KGO/ABC 7, KPIX/CBS 5, KTVU/FOX)
- Radio: 12 segments
- Print: 3 confirmed print articles, including the front page of Saturday's Oakland Tribune
- Online/Blog: 14 articles
- Twitter/Facebook Conversations: 11

Student Reporter Program – Staff worked with KGO Radio and MTC on a “Student Reporter” program in which KGO will allow four high school students to develop and feature four environmentally-focused news stories over the school year.

Other Events – In October, staff conducted outreach at the Transportation Fair at City Hall in San Francisco, the Commuter Fair at Kaiser Permanente in San Rafael, the Healthy Green Word Health Fair at Hitachi in Santa Clara, the Breath of Life Walk in San Francisco, the Loma Prieta Remembrance in Oakland, and the West Fest in San Francisco. Staff conducted Winter Spare the Air outreach at four screenings of Warren Miller’s movie, *Dynasty*: on November 12 in Santa Rosa, November 19 in Palo Alto, November 20 in San Rafael, and November 21 in Pleasanton. Staff also set up an outreach table at the Harvest Festival in San Mateo on November 13. In December, staff conducted Winter Spare the Air outreach at a holiday event at Jack London Square in Oakland, at *A Christmas Carol* at ACT Theatre in San Francisco, at “Zoo Lights” in Oakland, at the Holiday Fair in Fairfax, and at Radio Disney’s Happy Noon Year’s Eve in San Jose.

Media Inquiries and Coverage – During the quarter, numerous print stories were published or aired on a variety of topics concerning the Air District, including Winter Spare the Air Alerts, the port truck retrofit program, the CEQA Guidelines, the Toxics NSR amendments, the District’s greenhouse gas inventory, the Lehigh Title V Permit, the Russell City facility,

Press Releases – During the quarter, the Air District issued 24 press releases. Topics included the Winter Spare the Air program, the Port of Oakland truck retrofit program, the Repowering the Rails event, the APL shore-side power grant, and greenhouse gas reduction grant, CEQA guidelines, open burning, and other issues.

Public Inquiries – Staff responded to approximately 950 calls from the public, with topics including the Winter Spare the Air Alerts, the wood burning regulation, the CEQA guidelines update, the Vehicle Buy Back program, open burning, complaints, and general air quality issues. Staff also responded to over 650 e-mail inquiries from the Air District and Spare the Air websites.

Community Outreach

CAPCOA Public Outreach Committee Meeting – Staff attended the CAPCOA Public Outreach Committee Meeting hosted by the San Joaquin Valley Air Pollution Control District on October 7 and 8, 2009 at which staff delivered a presentation on the 2009 Summer Spare the Air Every Day Carpooling campaign. At the meeting, staff from various Air Districts were able to identify opportunities for partnership and resource leveraging on education and outreach programs, such as the carpooling campaign and youth education strategies.

Board of Directors Public Outreach Committee – Staff delivered presentations to the Board of Directors Public Outreach Committee on Thursday, October 15, 2009, on the Community Grant Program, the Spare the Every Day Campaign, and the Wood Smoke Communications Strategy.

Language Assistance – Staff continues to work on the Language Assistance and Translation Needs Study and Plan with District consultant, Fischer Communications.

Mission Bay Pollution Monitoring Group – Staff attended the quarterly meeting of the Mission Bay Pollution Monitoring Group (formerly the CalTrain Working Group) on Tuesday, October 20. Staff gave a report on air quality in the Bay Area and the Mission Bay neighborhood.

San Jose Resource Team Meeting – Staff attended the San Jose Resource Team meeting on Thursday, October 30. Staff gave a summary report on the summer Spare the Air program and announced plans for the winter wood burning season (including PM 2.5 health information). Staff also led a discussion about the potential for a school-based project in the City of San Jose. The City of San Jose is currently surveying schools about needs, and the team decided to use that survey information to plan an air quality project. The team also discussed a residential energy use reduction project it is planning (a series of workshops are targeted to begin in early 2010).

Building Owners & Managers Association – In October, staff spoke about air quality issues in the San Francisco Bay Area to a class for building and grounds managers for major companies in the Santa Clara Valley. Building and grounds professionals from Stanford Medical Center, Cushman & Wakefield, TMG Partners and Adobe participated in the 90-minute air quality component of class.

Contra Costa Environmental Justice Team Meeting – Staff attended the Contra Costa Environmental Justice meeting on November 19 in Richmond. The team participated in a discussion and brainstormed possible ideas for their next team project. The two projects that are being considered is hosting an energy efficient workshop and addressing health impacts in the Richmond community. The team will chose a project at their next meeting.

Environmental Protection Agency meeting- Staff met with the Community Involvement Coordinator and staff of the EPA to discuss the District's BVHP community dialog meetings held in July. The EPA wanted to understand what steps the District has taken to engage the community as they are preparing to meet with the BVHP community leaders.

MTC Partnerships - Staff participated in MTC's Regional Rideshare Technical Advisory Committee meeting on Thursday, November 19, 2009. Staff participated in a Climate Program Working Group meeting on Friday, November 20.

Chinese Delegation from Shandong Provincial Environmental Protection

Department – Staff hosted a delegation of environmental professionals from Shandong, China at the Potrero Hill monitoring station. Staff shared information about the Air District's mission and air monitoring.

African American Health Equity Council of San Francisco – Staff met the African American Health Equity Council of San Francisco regarding high asthma rates among African American children and the Council's focus on indoor and outdoor air pollution in San Francisco and specifically the Bay View. Staff provided information on the District's Air Monitoring network and CARE program.

CEQA Guidelines Update Workshop – Staff coordinated the logistics for the CEQA workshop on December 15 at the San Francisco Municipal Transportation Authority building in San Francisco. Meeting attendees included planning directors, health officers, and city officials from around the Bay Area. Staff facilitated meeting logistics, provided logistical support during the meeting, and was on-hand to address any questions and concerns.

PLANNING DIVISION – H. HILKEN, DIRECTOR

Community Air Risk Evaluation (CARE) Program

Staff assisted with the CEQA Guidelines update, including contributing to the thresholds justification report, preparing technical appendices, collaborating with Engineering staff to perform case studies of project evaluations, and meeting with the Bay Area Environmental Health Collaborative (BAEHC) to discuss proposed local risk and hazard thresholds. Staff and Sonoma Technology, Inc. continued work on producing gridded annual average emissions estimates for future years 2015 and 2020. Staff evaluated preliminary findings from the summertime West Oakland Measurement Study and made preparations for the wintertime study which was initiated on December 9 and anticipated to continue through January. Staff evaluated preliminary results from the related Custom Alloy Scrap Sales monitoring study. Staff assisted in developing the proposed Resolution on Bay Area Healthy Communities. Staff presented background and highlights of the CARE program to the African American Community Health Equity Council, a community group funded by the San Francisco Department of Public Health to address health disparities among African Americans in San Francisco. Staff met with ABAG and City of San Jose planners to discuss challenges and progress made in designating priority development areas.

Air Quality Planning Program

Staff continued work to finalize the Bay Area 2009 Clean Air Plan (CAP) responding to written comments, conducting additional research on control measures and further assessment of emission reduction calculations and cost estimates. Staff presented the draft CAP at the second International Conference on Countermeasures to Urban Heat Islands hosted by Lawrence Berkeley National Laboratory and the CAPCOA Planning Managers symposium. Staff hosted additional public workshops on the CAP in Santa Clara County.

Staff continued the CEQA Guidelines update including participation in numerous workshops and meetings to present the Guidelines and proposed thresholds. Staff hosted a workshop for Bay Area planning and public health directors, and participated in meetings with staff and/or officials of the City and County of San Francisco, Berkeley, Contra Costa County, Pleasanton, San Jose, Santa Clara County, Daly City, and the Napa Valley Transportation Authority Technical Advisory Committee.

Staff participated in meetings of the MTC Transportation Climate Action Campaign Working Group. Staff attended the first meeting of the JPC's new initiative, Climate Bay Area, intended to provide a framework for coordinating and convening major actors (local agencies, non-profits, business groups consulting firms, etc.) in the Bay Area working on climate change. Staff continued to work on Climate Protection Grant Program reviewing semi-annual progress reports and some final reports from Climate Protection Grant recipients.

Staff presented a keynote address on Air Quality, Land Use and Transportation in the Bay Area at an AWMA conference in Vancouver.

Research and Modeling Program

Staff participated in several conference calls organized by CARB to coordinate the preparation of the State Implementation Plan for particulate matter (PM) in California. Staff participated in several CCOS and CRPAQS Technical Committee conference calls and meetings to discuss the status of ongoing ozone and particulate matter projects in northern California and to prepare for new projects. Staff participated in several conference calls with Sonoma Technology, Inc. and provided technical assistance to develop future year toxics and PM emissions inventories, and provided technical support to the CARE program. Staff continued to analyze metals data from the West Oakland Monitoring Study. Staff continued work on PM modeling, including working with UC Davis researchers to evaluate ozone and PM transport between the Bay Area and neighboring districts and analyzing ambient ammonia data from the San Jose and Concord monitoring sites for use in model validation. Staff provided meteorological data in response to various public requests. Staff assisted Engineering Division staff and consultants with permit modeling issues. Staff drafted the photochemical modeling section of the District's 2009 Clean Air Plan and provided support to the District's multi-pollutant evaluation effort.

Rule Development

Staff presented proposed amendments to Regulation 8, Rule 50: Polyester Resin Operations at a public hearing on December 2, 2009. The Board of Directors adopted the amendments. Staff prepared a CEQA Notice of Preparation for an Environmental Impact Report on potential amendments to Regulation 11, Rule 16: Perchloroethylene and Synthetic Solvent Dry Cleaning Operations and distributed it to appropriate agencies.

Staff has initiated development of a proposed regulation for foundries and metal melting facilities, has visited a number of potentially affected facilities and met with the California Metals Coalition to discuss the rule development process. A public workshop on draft amendments to Regulation 9, Rule 10: Nitrogen Oxides and Carbon Monoxide from Boilers, Steam Generators and Process Heaters in Petroleum Refineries has been scheduled for Friday, February 5. Staff has been participating in the San Joaquin air district's task force on composting emissions, and in the NARSTO/EPA Reactivity Implementation Working Group to discuss reactivity-based regulations.

Emission Inventory

Staff prepared a report on Bay Area emissions trends and presented the report to the Stationary Source Committee. Staff continued work on preparing the 2008 base year emission inventory and the Small Ports Emissions Inventory. Staff continued providing emission inventory data and guidance to District staff on various tasks, including the 2009 Clean Air Plan, the Heavy Duty Diesel Truck Replacement Program, and the CARE program. Staff began preparing the comprehensive point source data report for ARB. Staff attended ARB's GHG Sector (Refinery, Cement, and Electrical transactions) training in Sacramento and ARB's GHG Emissions Verification training in Diamond Bar. Staff prepared the documentation for the District's 2008 GHG inventory for verification. Staff responded to inquiries from local governments regarding preparation of GHG emission inventories.

STRATEGIC INCENTIVES – D. BREEN, DIRECTOR

Goods Movement/Port Truck Program

The 2009 Port Truck Program continued to execute projects at a very high rate. As of December 31:

- 621 retrofit devices had been installed; and
- 187 port truck replacement grant agreements had been executed.

Due to delays in retrofit manufacturing and delivery of replacement trucks the California Air Resources Board (ARB) extended the deadline for installation for all grant contracts until April 30, 2010. All Air District contracts are currently on schedule to meet this deadline.

Transportation Fund for Clean Air (TFCA) Program

During this quarter, the Board of Directors (Board) approved approximately \$3.8 million in FY 2009/2010 TFCA Regional Funds to 10 shuttle and regional rideshare projects. The Board also approved Revisions to Regional Fund Policies and Evaluation Criteria for FY09/10, which will enhance opportunities to coordinate and leverage TFCA funding with other sources such as the California Energy Commission.

Carl Moyer Program (CMP)/Mobile Source Incentive Fund (MSIF):

The Board approved approximately \$5.3 million in CMP Year 11 projects over \$100,000, and reserved an additional \$8 million in MSIF funding for CMP Year 11 projects. Throughout the quarter, staff worked with consultants on the development of an online grant application tool/production system. The project has advanced to the stage where internal and external focus groups have reviewed and commented on the system. The system scheduled to be in use by the first quarter of 2010.

Greenhouse Gas Reduction Grant Program

Nine applicants submitted 21 applications for a total of \$9.5 million by the December 14, 2009 deadline for this program. (Approximately \$4 million is available for energy efficiency and renewable energy projects in non-residential, public buildings in Rodeo, Hercules, Pinole, and Crockett). Staff is currently reviewing these applications and has launched a \$500,000 program for smaller projects with a view to presenting staff recommendations for funding to the Board in the first quarter of 2010.

TECHNICAL DIVISION – D. DUKER, ACTING DIRECTOR**Air Quality**

During the fourth quarter of 2009, there were no exceedances of the 8-hr national ozone standard in the Bay Area. For the entire year, there were 8 days with exceedances of the 8-hr national ozone standard, compared with 12 days in 2008.

The Wintertime Spare the Air program started on November 1st. Based on filter measurements and EPA approved continuous monitor measurements, there were 4 days when the 24-hr national PM_{2.5} standard of 35 µg/m³ was exceeded this quarter, compared to 7 days for the same period last year. The fewer exceedance days can be partially explained by an early start of the rainy season. Rainstorms in October reduced particulate levels in the Central Valley, which then continued to stay low during much of the quarter. During periods of high pressure when Bay Area winds were from the east, lower particulate concentrations were then carried into the Bay Area from the Central Valley.

Three Spare the Air Alerts were declared during the 4th quarter, two of these on holidays. Alerts were declared on Thanksgiving and Christmas due to expected limited vertical mixing and light winds. In past winters, PM_{2.5} concentrations surpassed the national standard on both holidays when winds were light. This year's mandatory wood-burning curtailment program resulted in PM_{2.5} levels slightly below the national standard on both days (33 µg/m³ on Thanksgiving and 34 µg/m³ on Christmas). The other Alert was called on December 9th, which resulted in a maximum PM_{2.5} concentration of 25 µg/m³.

Air Monitoring

Four ozone monitors at Hayward, San Martin, Gilroy and Fairfield were shut down during the low ozone season, as allowed under a waiver granted by the EPA. All 24 remaining air monitoring stations were operational from October 1st to December 31st 2009, with equipment operating on routine, EPA-mandated schedules with the exception of the San Pablo site that was damaged in a fire. Repairs have been completed, replacement equipment ordered and the San Pablo station should be operational in the next quarter.

Meteorology and Forecasting

The 3rd quarter 2009 air quality data were quality assured and entered into the EPA Air Quality System (AQS) database. Staff continued to make daily air quality and burn forecasts. Two staff attended the National Air Monitoring Conference in Nashville, TN and presented papers on uses of instrument metadata, and methods for quality assurance of air quality data. The final version of the Air Monitoring Quality Assurance Project Plan (QAPP) was submitted to EPA. The American Lung Association's "State of the Air Report 2010" report was reviewed by staff. Testing of the new Technical Services DMS database is continuing, while development of a new Particulate-Filter database continues. 1986 to 2006 toxics data from District stations were reviewed, edited, formatted, and input into the EPA AQS database.

Performance Evaluation

The Performance Evaluation Group conducted regular, mandated performance audits on 114 analyzers at 34 Air District monitoring stations. Staff also participated in CARB audits at 4 Air District monitoring stations. All gas analyzers and particulate samplers met CARB acceptance criteria and passed the audits.

Hydrogen Sulfide (H₂S) and Sulfur Dioxide (SO₂) monitors were audited at the Shell Refinery, the ConocoPhillips San Francisco Area Refinery, and the ConocoPhillips Carbon Plant Ground Level Monitoring (GLM) networks. All GLM monitors passed the audit.

The PE Group assisted the Enforcement and Compliance Section by conducting mobile surveillance for hydrogen sulfide (H₂S) in the Bahia neighborhood of East Novato. It was determined that an Audubon Society pond was off-gassing H₂S due to pond stagnation. A one-hour violation of the District's H₂S standard was recorded and documented.

Laboratory

In addition to routine ongoing analyses, eighteen samples of ship engine fuel were analyzed for sulfur content as part of a cooperative study with CARB to monitor percent sulfur in fuel used in the engines of the ocean going ships in the Bay Area.

The laboratory has been undergoing a renovation that began in the first week of November and will be complete by the first week of January 2010.

Source Test

Ongoing Source Test activities during October, November, and December of 2009 included Continuous Emissions Monitoring (CEM) Field Accuracy Tests, source tests, gasoline cargo tank testing, and evaluations of tests conducted by outside contractors. The ConocoPhillips Rodeo Refinery's open path monitor monthly reports for September, October, and November were reviewed. The Source Test Section continued its participation in the District's Rule Development efforts and Business System's Analysis for the new Production System.

STATISTICS

Administrative Services:**Accounting/Purchasing/Comm.**

General Checks Issued	1,493
Purchase Orders Issued	650
Coating and other petitions Evaluated	
Checks/Credit Cards Processed	3,147
Contracts Completed	
RFP's	

Executive Office:

Meetings Attended	163
Board Meetings Held	5
Committee Meetings Held	16
Advisory Council Meetings Held	2
Hearing Board Meetings Held	
Variances Received	2

Information Systems

New Installation Completed	6
PC Upgrades Completed	28
Service Calls Completed	968

Human Resources

Manager/Employee Consultation (Hrs.)	300
Management Projects (Hrs.)	300
Employee/Benefit Transaction	580
Training Sessions Conducted	11
Applications Processed	333
Exams Conducted	7
New Hires	
Payroll Administration (Hrs.)	520
Safety Administration	150
Inquiries (voice/telephone/in-person)	5,600

Vehicle/Building Maintenance

Vehicle Services Completed	100
Requests for Building Services	

Compliance and Operations Program

Asbestos Plans Received	965
Coating & other petitions received	10
Open burn notifications received	862
Prescribed burn plans evaluated	3
Tank/Soil Removal Notifications Rec'd	19
Compliance Assistance Inquiries Rec'd	190
Green Business Reviews	37
Flare Notifications	29

Compliance Assurance Program

Industrial Inspections Conducted	1,475
GDF Inspections Conducted	492
Asbestos Inspections Conducted	327
Open Burning Inspections Conducted	32
PERP inspections conducted	30
Grants Inspections conducted	981

Engineering Division:

Annual Update Packages Started	999
Annual Update Packages Completed	1,246
Total Update Pages Entered	961
New Applications Received	312
Authorities to Construct Issued	121
Permits to Operate Issued	421
Exemptions	23
Authorities to Construct Denied	0
New Companies added to Databank during the 4th Quarter 2009	102

Outreach & Incentives Division:

Presentations Made	2
Responses to Media Inquiries	165
Press Releases	24
General Requests for Information	950
Visitors	0

STATISTICS (continued)

Compliance and Enforcement Division:**Enforcement Program**

Violations resulting in Notices of Violations	185
Violations resulting Notice to Comply	95
New Hearing Board cases	0
Reportable Compliance Activity investigated	183
General complaints investigated	667
Smoking Vehicle complaints received	2,375

Technical Services:**4th Quarter 2009 Ambient Air Monitoring**

Days Exceeding Nat'l 24-hour PM _{2.5} Std.....	4
Days Exceeding Nat'l 24-hour PM ₁₀ Std.....	0
Days Exceeding Nat'l 24-hour PM ₁₀ Std.....	1
Days Exceeding the Nat'l 8-hour Ozone Std.....	0
Days Exceeding the State 1-hour Ozone Std.....	0
Days Exceeding the State 8-hour Ozone Std.....	0

Ozone Totals, Jan.-Dec. 2009

Days Exceeding Nat'l 8-hour Ozone Std.....	8
Days Exceeding State 1-hour Ozone Std.....	11
Days Exceeding State 8-hour Ozone Std.....	13

Particulate Totals, Jan.-Dec. 2009

Days Exceeding Nat'l 24-hour PM _{2.5} Std.....	11
Days Exceeding the Nat'l 24-hour PM ₁₀ Std.....	0
Days Exceeding State 24-hour PM ₁₀ Std.....	1

PM_{2.5} Winter Season Totals for 2008-2009

Days Exceeding Nat'l 24-hour PM _{2.5} Std.....	4
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4th Quarter 2009 Agricultural Burn Days

Oct.-Dec. Permissive Burn Days – North.....	71
Oct.-Dec. No-Burn Days – North.....	21
Oct.-Dec. Permissive Burn Days – South.....	72
Oct.-Dec. No-Burn Days – South.....	20
Oct.-Dec. Permissive Burn Days – Coastal.....	71
Oct.-Dec. No Burn Days – Coastal.....	21

Laboratory

Sample Analyzed.....	987
Inter-Laboratory Analyses.....	1

Technical Library

Titles Indexed/Cataloged	
Periodicals Received/Routed	

Source Test

Total Source Tests.....	145
Pending Source Tests.....	6
Violation Notices Recommended.....	6
Contractor Source Tests Reviewed.....	3,825

Continuous Emissions Monitoring (CEM)

Indicated Excess Emission Report Eval.....	32
Monthly CEM Reports Reviewed.....	138
Indicated Excesses from CEM.....	14

Ground Level Monitoring (GLM)

Oct.-Dec. Ground Level Monitoring SO ₂ Excess Reports.....	0
Oct.-Dec. Ground Level Monitoring H ₂ S Excess Reports.....	2

**These Facilities have received one or more Notices of Violations
Report period: October 1, 2009 – December 31, 2009**

Alameda County

Status Date	Site #	Site Name	City	Regulation Title
10/07/2009	B9772	Berkeley Wright's Automotive	Berkeley	Authority to Construct; Permit to Operate
12/15/2009	C0995	7-11 Store #33163	Dublin	Authority to Construct; Permit to Operate
12/01/2009	L6230	P. W. Stephens, Inc.	Fremont	Asbestos Demolition, Renovation
12/15/2009	C8930	ABE Petroleum - Olympic Oil	Hayward	Gasoline Dispensing Facilities
12/15/2009	C9968	AMV Gas & Food Inc	Hayward	Gasoline Dispensing Facilities
12/15/2009	C8278	Chevron #3142	Hayward	Gasoline Dispensing Facilities
10/19/2009	A7111	High Lustre Metal Finishing	Hayward	Failure to Meet Permit Conditions
12/15/2009	D0375	Valero Refining Co SS#7217	Hayward	Gasoline Dispensing Facilities
12/15/2009	C9549	ARCO Facility #00498	Livermore	Gasoline Dispensing Facilities
12/16/2009	D0258	Vasco Valero Inc	Livermore	Gasoline Dispensing Facilities
11/03/2009	A0062	A B & I Foundry	Oakland	Major Facility Review (Title V)
11/02/2009	B9860	Commercial Waste & Recycling LLC	Oakland	Authority to Construct; Permit to Operate
11/03/2009	A0030	Owens-Brockway Glass Container Inc	Oakland	Particulate Matter & Visible Emissions
10/7/2009	B2588	Sid's Collision and Glass Repair	Oakland	Permit to Operate
11/03/2009	B2387	Trans Bay Container Terminal	Oakland	Idling Trucks
12/15/2009	C9676	Foothill Valero	San Leandro	Gasoline Dispensing Facilities
12/15/2009	D1710	Rodgers Trucking	San Leandro	Gasoline Dispensing Facilities
12/15/2009	C8732	Unocal SS #3292 (Habrans Sing)	San Leandro	Authority to Construct; Permit to Operate; Gasoline Dispensing Facilities
11/03/2009	A0595	Mission Valley Rock Co	Sunol	Authority to Construct; Permit to Operate
12/15/2009	C1069	AMI Petroleum	Union City	Gasoline Dispensing Facilities

Contra Costa County

Status Date	Site #	Site Name	City	Regulation Title
12/15/2009	C9518	Fuel & Go	Antioch	Gasoline Dispensing Facilities
12/08/2009	D0404	Hillcrest Gas, Mart & Carwash-JANET LEE	Antioch	Gasoline Dispensing Facilities
10/02/2009	C9121	Concord Avenue Shell	Concord	Gasoline Dispensing Facilities
12/11/2009	C1296	Diamond Petroleum Inc	Concord	Gasoline Dispensing Facilities
12/08/2009	C7621	Unocal #4374	Concord	Gasoline Dispensing Facilities
12/11/2009	D0530	Willow Pass Gas and Shop	Concord	Gasoline Dispensing Facilities
11/02/2009	B1911	C & H Sugar Company, Inc	Crockett	Major Facility Review (Title V)
11/23/2009	A0581	ST Shore Terminals LLC	Crockett	Major Facility Review (Title V)
12/15/2009	C9380	Danville Valero Service Center	Danville	Gasoline Dispensing Facilities
10/19/2009	A0091	Chevron Avon Terminal	Martinez	Failure to Meet Permit Conditions
11/10/2009	B1661	Rhodia Inc	Martinez	Failure to Meet Permit Conditions

These Facilities have received one or more Notices of Violations
Report period: October 1, 2009 – December 31, 2009
Continued

Contra Costa County
Continued

Status Date	Site #	Site Name	City	Regulation Title
11/10/2009	A0011	Shell Martinez Refinery	Martinez	Major Facility Review (Title V)
11/10/2009	B2758	Tesoro Refining and Marketing Company	Martinez	Major Facility Review (Title V); Particulate Matter & Visible Emissions; Storage of Organic Liquids; Sulfur Dioxide; Hydrogen Sulfide
12/11/2009	D1482	ARCO AM/PM Fueling Facility	Oakley	Gasoline Dispensing Facilities
12/16/2009	D0123	Eagle Gas	Pittsburg	Gasoline Dispensing Facilities
12/11/2009	C7511	Pittsburg Chevron	Pittsburg	Gasoline Dispensing Facilities
12/16/2009	C9610	Unocal #2705704	Pittsburg	Gasoline Dispensing Facilities
12/16/2009	C7311	Valero	Pleasant Hill	Gasoline Dispensing Facilities
10/19/2009	A0057	BP West Coast Products, LLC	Richmond	Storage of Organic Liquids Surface Coating of Misc
10/19/2009	A0010	Chevron Products Company	Richmond	Metal Parts & Products
10/19/2009	A0745	Plains Products Terminals LLC	Richmond	Storage of Organic Liquids
10/19/2009	A1840	West Contra Costa County Landfill	Richmond	Solid Waste Disposal Sites
10/27/2009	A0016	ConocoPhillips - San Francisco Refinery	Rodeo	Flare Monitoring at Petroleum Refineries; Major Facility Review (Title V)
12/07/2009	D0220	SMP	San Pablo	Gasoline Dispensing Facilities
12/16/2009	C8371	San Ramon Bedrock	San Ramon	Gasoline Dispensing Facilities
10/19/2009	P8118	AEI Consultants	Walnut Creek	Aeration of Contaminated Soil & Removal of Underground Storage Tanks
12/16/2009	C8663	Golden Rain Foundation	Walnut Creek	Gasoline Dispensing Facilities

Marin County

Status Date	Site #	Site Name	City	Regulation Title
12/30/2009	B0674	Fairfax French Cleaners	Novato	Perc & Synthetic Solvent Dry Cleaning Operations
10/07/2009	B1705	Affordable Auto Body	San Rafael	Permit to Operate
10/27/2009	T8569	Interocean Steamship Corp.	San Rafael	Particulate Matter & Visible Emissions

Napa County

Status Date	Site #	Site Name	City	Regulation Title
NONE				

These Facilities have received one or more Notices of Violations
Report period: October 1, 2009 – December 31, 2009
Continued

San Francisco County

Status Date	Site #	Site Name	City	Regulation Title
12/15/2009	C9485	Junipero Serra 76 - Double AA Corp	San Francisco	Gasoline Dispensing Facilities
10/02/2009	C6634	Municipal Transportation Agency	San Francisco	Gasoline Dispensing Facilities
12/15/2009	A4116	San Francisco, City & County, PUC	San Francisco	Failure to Meet Permit Conditions

San Mateo County

Status Date	Site #	Site Name	City	Regulation Title
12/11/2009	C2785	Olde English Garage	Burlingame	Gasoline Dispensing Facilities
12/16/2009	C0137	City of Daly City Corp Yard	Daly City	Gasoline Dispensing Facilities
12/11/2009	C6680	Moss Beach Chevron	Moss Beach	Gasoline Dispensing Facilities
12/15/2009	C9787	Pacifica Alliance	Pacifica	Gasoline Dispensing Facilities
12/11/2009	C9882	Beach House at Gazos Creek	Pescadero	Gasoline Dispensing Facilities
12/15/2009	C7662	Pescadero Alliance	Pescadero	Gasoline Dispensing Facilities
12/16/2009	C8597	Canada College	Redwood City	Authority to Construct
12/16/2009	A0068	Granite Rock	Redwood City	Failure to Meet Permit Conditions
12/16/2009	B9927	SRDC Recycling	Redwood City	Authority to Construct; Permit to Operate
12/02/2009	C7050	Whipple Arco	Redwood City	Gasoline Dispensing Facilities
12/21/2009	D0462	Brentwood Auto Service	South San Francisco	Gasoline Dispensing Facilities
12/16/2009	D0513	Westborough Valero	South San Francisco	Gasoline Dispensing Facilities
12/02/2009	C8359	Alice's Restaurant	Woodside	Gasoline Dispensing Facilities

Santa Clara County

Status Date	Site #	Site Name	City	Regulation Title
12/16/2009	A0017	Lehigh Southwest Cement Company	Cupertino	Major Facility Review (Title V)
12/15/2009	C0265	Coast Oil Company, LLC	Gilroy	Gasoline Dispensing Facilities
12/11/2009	D0463	The Garlic Farm Center	Gilroy	Gasoline Dispensing Facilities
12/11/2009	D1453	Morgan Hill Gas - Tien Le	Morgan Hill	Authority to Construct Permit to Operate
12/11/2009	C7891	Unocal #6169	Morgan Hill	Gasoline Dispensing Facilities
12/16/2009	C8801	Gas Stop and Mini Mart	San Jose	Gasoline Dispensing Facilities
12/21/2009	D0385	Johnny's Fuel	San Jose	Gasoline Dispensing Facilities
12/11/2009	C0541	Petro America	San Jose	Gasoline Dispensing Facilities
12/16/2009	B7733	The Home Depot	San Jose	Failure to Meet Permit Conditions
12/11/2009	D0021	West San Carlos Gas	San Jose	Gasoline Dispensing Facilities
12/21/2009	C8730	Beacon 552	Santa Clara	Gasoline Dispensing Facilities
12/11/2009	C9404	Saratoga Gas Company	Saratoga	Gasoline Dispensing Facilities
12/21/2009	C9322	Goruba Fair Oaks 76	Sunnyvale	Gasoline Dispensing Facilities

These Facilities have received one or more Notices of Violations
Report period: October 1, 2009 – December 31, 2009
Continued

Solano County

Status Date	Site #	Site Name	City	Regulation Title
11/10/2009	A0901	Valero Benicia Asphalt Plant	Benicia	Major Facility Review (Title V) Failure to Meet Permit
11/10/2009	B2611	Valero Refining Company	Benicia	Conditions Review (Title V)
11/23/2009	B2626	Valero Refining Company - California	Benicia	Failure to Meet Permit Conditions; Major Facility Review (Title V); Surface Coating of Misc Metal Parts & Products; Hydrogen Sulfide
11/10/2009	A5167	Sunpol Resins & Polymers, Inc	Fairfield	Public Nuisance; Resin Mfg.
12/02/2009	C9572	Britton's Mini Mart	Vallejo	Gasoline Dispensing Facilities
10/15/2009	C6721	Morri's Auto Service	Vallejo	Gasoline Dispensing Facilities

Sonoma County

Status Date	Site #	Site Name	City	Regulation Title
12/11/2009	C0256	Cotati Chevron	Cotati	Gasoline Dispensing Facilities
12/11/2009	C9649	Gasco	Petaluma	Gasoline Dispensing Facilities
11/23/2009	T8993	Mazzetta, Clarence	Petaluma	Open Burning
12/16/2009	C8093	Plaza Gas	Petaluma	Gasoline Dispensing Facilities
12/16/2009	C0191	Rohnert Park Tesoro	Rohnert Park	Gasoline Dispensing Facilities
12/16/2009	C0867	Save Mart Supermarkets	Rohnert Park	Gasoline Dispensing Facilities
12/01/2009	B0635	Corby Auto Body	Santa Rosa	Motor Vehicle & Mobile Equip Coating Operations
12/11/2009	D0583	Fast Gas & Market	Santa Rosa	Gasoline Dispensing Facilities
12/11/2009	C9215	Larkfield Union 76	Santa Rosa	Gasoline Dispensing Facilities
12/01/2009	A1709	Maaco Auto Painting & Bodyworks	Santa Rosa	Storage of Organic Liquids
12/11/2009	C9373	Union 76 - Saiid Kahangi	Santa Rosa	Gasoline Dispensing Facilities
11/04/2009	C4908	Unocal #3312	Santa Rosa	Gasoline Dispensing Facilities
12/23/2009	C9244	Unocal #4935	Santa Rosa	Gasoline Dispensing Facilities

**Closed NOV's with Penalties by County
October 1, 2009 – December 31, 2009**

Alameda

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Foothill Chevron - Bedrock Oil, Inc	C9849	Hayward	\$1,500	2
STATE OF CA - Dept of Transportation	C9168	Fremont	\$500	1
Western Digital Corporation	A8391	Fremont	\$11,500	4
Vulcan Materials Company Western Division	A0705	Pleasanton	\$1,250	1
Campus Mini-Mart	C7925	Berkeley	\$600	1
ConocoPhillips #2611270	C9330	Alameda	\$250	1
East Bay Municipal Utility District	A0591	Oakland	\$5,440	2
Kaiser Foundation Hosp,	A3933	Hayward	\$750	1
Olympian #482	D1118	Hayward	\$800	1
Western Digital Corporation	A8391	Fremont	\$11,500	4

Total Violations Closed: 18

Contra Costa				
Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
ARCO AM/PM Fueling Facility	D1482	Oakley	\$1,000	1
Concord Avenue Shell	C9121	Concord	\$600	1
GWF Power Systems, LP (Site 5)	A3246	Pittsburg	\$5,000	1
John Muir Health - Concord Campus	A1753	Concord	\$1,200	1
USA Gasoline #91	C5801	Antioch	\$250	1
AEI Consultants	P8118	Walnut Creek	\$1,000	2
East Bay Municipal Utility District	A4556	EI Sobrante	\$640	1

**Closed NOV's with Penalties by County
October 1, 2009 – December 31, 2009
Continued**

Contra Costa Continued

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
GWF Power Systems,LP (Site 3)	A3245	Antioch	\$1,000	1
SMP	D0220	San Pablo	\$900	1
American Gas	D0504	Moraga	\$650	1
Arco Car Wash	C5954	Concord	\$375	1
Contra Costa Waste Services	S1744	Pittsburg	\$4,000	1
Gavs Auto Care	C9461	Walnut Creek	\$700	1
Lone Tree Shell	C9586	Antioch	\$1,050	3
Pittsburg Shell	C8271	Pittsburg	\$775	1
US GAS & MART, INC	C8372	Martinez	\$500	1
Winn Residential	T2044	Antioch	\$50,000	6
			Total Violations Closed:	25
Marin				
Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Strawberry Chevron Mini Mart	D1945	Mill Valley	\$750	1
Fara's Auto Repair	C8934	San Anselmo	\$3,000	3
			Total Violations Closed:	4
San Francisco				
Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
MiraLoma Auto Care Inc	C5338	San Francisco	\$700	1
			Total Violations Closed:	1

**Closed NOV's with Penalties by County
October 1, 2009 – December 31, 2009
Continued**

San Mateo

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
New A-1 Cleaners	A4177	San Mateo	\$750	1
Alice's Restaurant	C8359	Woodside	\$500	1
Skywood Trading Post	D0753	Woodside	\$500	1
Total Violations Closed:				3

Santa Clara

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Lehigh Southwest Cement Company	A0017	Cupertino	\$73,500	13
Hitachi Global Storage Technologies Inc	A0085	San Jose	\$2,000	1
Westfield Valley Fair	B9470	Santa Clara	\$2,250	2
Total Violations Closed:				16

Solano

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Morri's Auto Service	C6721	Vallejo	\$500	1
Solano Community College	A2284	Fairfield	\$1,000	2
Sunpol Resins & Polymers, Inc	A5167	Fairfield	\$6,500	1
Valero	C7890	American Canyon	\$700	1
Britton's Mini Mart	C9572	Vallejo	\$700	1
Total Violations Closed:				6

Closed NOV's with Penalties by County
October 1, 2009 – December 31, 2009
Continued

Sonoma

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Resident (Wood Smoke)	T6063	Santa Rosa	\$400	1

**Total Violations
Closed: 1**

ACRONYMS AND TERMINOLOGY

ABAG	Association of Bay Area Governments
AC	Authority to Construct issued to build a facility (permit)
AMBIENT	The surrounding local air
AQI	Air Quality Index
ARB	[California] Air Resources Board
ATCM	Airborne Toxic Control Measure
BAAQMD	Bay Area Air Quality Management District
BACT	Best Available Control Technology
BANKING	Applications to deposit or withdraw emission reduction credits
BAR	[California] Bureau of Automotive Repair
BARCT	Best Available Retrofit Control Technology
BIODIESEL	A fuel or additive for diesel engines that is made from soybean oil or recycled vegetable oils and tallow. B100=100% biodiesel; B20=20% biodiesel blended with 80% conventional diesel
BTU	British Thermal Units (measure of heat output)
CAA	[Federal] Clean Air Act
CAL EPA	California Air Resources Board
CCAA	California Clean Air Act [of 1988]
CCCTA	Contra Costa County Transportation Authority
CEQA	California Environmental Quality Act
CFCs	Chlorofluorocarbons
CMA	Congestion Management Agency
CMAQ	Congestion Management Air Quality [Improvement Program]
CMP	Congestion Management Program
CNG	Compressed Natural Gas
CO	Carbon monoxide
EBTR	Employer-based trip reduction
EJ	Environmental Justice
EIR	Environmental Impact Report
EPA	[United States] Environmental Protection Agency
EV	Electric Vehicle
HC	Hydrocarbons
HOV	High-occupancy vehicle lanes (carpool lanes)
hp	Horsepower
I&M	[Motor Vehicle] Inspection & Maintenance ("Smog Check" program)
ILEV	Inherently Low Emission Vehicle
JPB	[Peninsula Corridor] Joint Powers Board
LAVTA	Livermore-Amador Valley Transit Authority ("Wheels")
LEV	Low Emission Vehicle
LNG	Liquefied Natural Gas
MPG	Miles Per Gallon

MTC	Metropolitan Transportation Commission
NAAQS	National Ambient Air Quality Standards (federal standards)
NO _x	Nitrogen oxides, or oxides of nitrogen
NPOC	Non-Precursor Organic Compounds
NSR	New Source Review
O ₃	Ozone
PM _{2.5}	Particulate matter less than 2.5 microns
PM ₁₀	Particulate matter (dust) less than 10 microns
PM _{>10}	Particulate matter (dust) over 10 microns
POC	Precursor Organic Compounds
pphm	Parts per hundred million
ppm	Parts per million
PUC	Public Utilities Commission
RFG	Reformulated gasoline
ROG	Reactive organic gases (photochemically reactive organic compounds)
RIDES	RIDES for Bay Area Commuters
RTP	Regional Transportation Plan
RVP	Reid vapor pressure (measure of gasoline volatility)
SCAQMD	South Coast [Los Angeles area] Air Quality Management District
SIP	State Implementation Plan (prepared for <i>national</i> air quality standards)
SO ₂	Sulfur Dioxide
TAC	Toxic Air Contaminant
TCM	Transportation Control Measure
TFCA	Transportation Fund for Clean Air [BAAQMD]
TIP	Transportation Improvement Program
TMA	Transportation Management Association
TOS	Traffic Operations System
tpd	tons per day
Ug/m ³	micrograms per cubic meter
ULEV	Ultra low emission vehicle
ULSD	Ultra low sulfur diesel
USC	United States Code
UV	Ultraviolet
VMT	Vehicle miles traveled (usually per <i>day</i> , in a defined area)
VTA	Santa Clara Valley Transportation Authority
ZEV	Zero Emission Vehicle

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson, Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 22, 2010

Re: Adoption of Proposed Amendments to the Air District's Administrative Code
Division I - Operating Policies and Procedures - Section 11 Adding New Subsections
11.1 Through 11.4 Concerned with Management, Retention, and Destruction of
Public Records, and Adoption of Record Retention Schedule

RECOMMENDED ACTION:

The Board of Directors will consider (1) adoption of Proposed Amendments to the Air District's Administrative Code Division I - Operating Policies and Procedures - Section 11 adding new subsections 11.1 through 11.4 concerned with management, retention, and destruction of public records, and (2) adoption of an accompanying record retention schedule.

BACKGROUND:

The Air District's Administrative Code Division I, Section 14 enables the Board of Directors to amend its Administrative Code "at any meeting by a vote of a majority of the members of the Board of Directors, provided notice of such amendments has been given at a preceding regular meeting."

In accordance with provisions of the Administrative Code Division I, Section 14, notice was given at the Board of Directors regular meeting of January 6, 2010 that the Board of Directors was considering amendments to Division I of the Administrative Code, Operating Policies and Procedures, that would add new subsections 11.1 through 11.4 concerned with management, retention, and destruction of public records. Notice was also given that the Board was considering adoption of a record retention schedule to accompany the Administrative Code amendments.

The proposed Administrative Code amendments set forth general records management policy, and the record retention schedule lists Air District records by type and assigns a retention period for each type of record. Adoption of each component requires Board approval pursuant to California Government Code section 60201.

The Air District is currently managing its records in accordance with a 2001 court order that resolved a public records claim asserted in litigation over the 2001 Ozone Attainment Plan. The court order precludes destruction of any records unless electronic copies are made. The court order also requires a 14-day public comment period on any records policy that would replace the order. In addition to making the proposed Administrative Code amendments and record retention schedule available through notice in the Board package for its January 6, 2010 meeting,

the Air District consulted with the parties involved in the 2001 litigation and made the proposal available to the general public through notices on the Air District website.

The Administrative Code amendments and the record retention schedule are intended to provide the foundation for a modern records management program that complies with the requirements of state law, recommendations from the California Secretary of State, and recommendations from the Air District's auditors.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jeff McKay

Attachments: (1) Administrative Code, Division I – Operating Policies and Procedures – Section 11, Proposed New Subsections 11.1 through 11.4, and (2) Proposed Record Retention Schedule

Proposed Amendments to Administrative Code

SECTION 11 GUIDELINES FOR PUBLIC ACCESS TO RECORDS MANAGEMENT AND ACCESS

11.1 RECORDS MANAGEMENT POLICY

- (a) It is the policy of the Bay Area Air Quality Management District to identify, maintain, safeguard, and dispose of records in the normal course of business; to ensure prompt and accurate retrieval of records; and, to ensure compliance with legal and regulatory requirements.
- (b) District records shall be maintained as electronic records to the extent feasible and reasonable. Electronic records shall be created, stored, and maintained in accordance with standards adopted or recommended by the California Secretary of State pursuant to Government Code Section 12168.7.
- (c) Retention and disposal of records shall be governed by the provisions of Government Code Sections 60201 and 60203 and the provisions below in Sections I-11.3 and I-11.4.
- (d) The APCO is authorized by the Board of Directors to interpret and implement this policy, and, in order to ensure the efficient operation of the District in compliance with all legal requirements, to retain and destroy records in accordance with this policy.

11.2 DEFINITIONS

- (a) Duplicate record – Means a record that is produced by the same impression as the original, or from the same matrix, or by any other technique that accurately reproduces the original in a manner that complies with Government Code Section 60203, subdivisions (a)(1), (a)(2), and (a)(3).
- (b) Electronic record – Means a record created or reproduced in any medium by means of any system requiring the aid of electronic technology to make the record readable or otherwise comprehensible by ordinary human sensory capabilities.
- (c) Original record – Means a record prepared in the first instance or any counterpart intended to have the same effect by a person executing or issuing it. If data are stored in a computer or similar device, any printout or other output readable by sight shown to reflect the data accurately is an "original."
- (d) Public Record – Means any writing containing information relating to the conduct of the public's business prepared, owned, used, or retained by the District, regardless of physical form or characteristics.
- (e) Record – Means, pursuant to Government Code Section 60201, a "writing" as defined by Government Code Section 6252, subdivision (f), i.e. any handwriting, typewriting, printing, photostating, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof, and any record thereby created, regardless of the manner in which the record has been stored.

OPERATING POLICIES & PROCEDURES

SECTION 11 GUIDELINES FOR RECORDS MANAGEMENT AND ACCESS

Last revision

I - 22

12/2009

- (f) Retention Period – The length of time a record must be retained to fulfill its administrative, fiscal and/or legal function as specified in the record retention schedule developed in accordance with Section I-11.3.

11.3 RETENTION PERIODS

- (a) Pursuant to Government Code Section 60201, the APCO shall create and periodically revise a record retention schedule that classifies all of the District's records by category and establishes a retention period for each category.
- (b) Pursuant to Government Code Section 60201, the Board of Directors shall adopt by resolution the record retention schedule and any revisions to the schedule.

11.4 DESTRUCTION OF RECORDS

- (a) Except as provided in Section I-11.4(b), a record may be destroyed if:
- (1) The retention period for the record has passed; or
 - (2) The record is not expressly required by law to be filed and preserved in the format or medium in which it exists, and a duplicate record is retained.
- (b) In no instances is a record to be destroyed if there is a continuing need for the record for such matters as pending litigation or special projects, or if the record falls within one of the categories listed in Government Code Section 60201, subdivision (d).
- (c) The destruction of records pursuant to Section I-11.4(a)(1) shall occur as soon as possible after the retention period has passed.
- (d) The destruction of records pursuant to Section I-11.4(a)(2) may be carried out at any time provided the retained duplicate records comply with the provisions of Government Code Section 60203, subdivisions (a)(1), (a)(2), and (a)(3), which require that:
- (1) The record, paper, or document is photographed, microphotographed, reproduced by electronically recorded video images on magnetic surfaces, recorded in the electronic data processing system, recorded on optical disk, reproduced on film or any other medium that is a trusted system and that does not permit additions, deletions, or changes to the original document in compliance with Government Code Section 12168.7 for recording of permanent records or nonpermanent records.
 - (2) The device used to reproduce the record, paper, or document on film, optical disk, or any other medium is one that accurately reproduces the original thereof in all details and that does not permit additions, deletions, or changes to the original document images.
 - (3) The photographs, microphotographs, or other reproductions on film, optical disk, or any other medium are placed in conveniently accessible files and provision is made for preserving, examining, and using the files.

[Note: Existing subsections to be renumbered to follow the above inserted subsections]

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109

Record Retention Schedule

This schedule is a catalog of all record types employed by the Bay Area Air Quality Management District (Air District) in carrying out the work of the agency. Pursuant to California Government Code section 60201, this schedule and any revisions to the schedule must be adopted by the Air District Board of Directors. This schedule is a component of the Air District's records management program. Guidelines for the records management program are set forth in the Air District Administrative Code, Division I, Operating Policies and Procedures, Section 11. The purpose of this program is to maintain records in a manner that furthers the public purposes of the Air District while ensuring prompt and accurate retrieval of records and compliance with all legal requirements.

For each record type, the schedule establishes a retention period. The record types are sorted by retention period. Certain records will be kept permanently because of their continuing importance to the Air District and the public. For records not kept permanently, the schedule establishes a retention period. The retention period is the period of time that the Air District will keep a record after its "use period" is over. For most records, use occurs at a point in time, with the retention period beginning after this brief active use period. Most of the records in this schedule are of this type.

For certain records, the use period extends over a significant period of time. Examples include building blueprints, equipment manuals, contract documents, and grant documents. For these records, the schedule includes a note in boldface indicating the triggering event for the running of the retention period.

The substance of a record, rather than the format or medium in which it is held, determines the appropriate category for the record. Thus, paper records, e-mails, and electronic data alike acquire the retention period of the applicable substantive category.

Record type	Including these specific records:
PERMANENT RECORDS	
Activity authorization	Asbestos dust mitigation plans, asbestos removal, naturally occurring asbestos reports
Board records	Board, Board subcommittees, Hearing Board, Advisory Council and Advisory Council committees: agenda packages, minutes, reports, resolutions, and rosters
Bonds, insurance and warrants records	Bonds, property and liability insurance policies and documentation, warrants
Emission inventory records	Criteria pollutant and toxic emissions by facility and source, plan emission inventory, modeling & other related data (baseline years), EPA update
Emission monitoring records	Continuous emission monitoring (CEMS) monthly reports, CEM indicated excesses – source test evaluation forms, CEM approvals pursuant to Regulation 1, Section 522
Employee HR records	Disciplinary action log, employee workforce data, grievances & arbitrations, negotiations, complaint summary logs
Fiscal information	End-of-year statements and expenditure ledgers, final budgets
Legal records	Litigation-pleadings and orders, settlement agreements, opinions and advice files, rule interpretations/opinions, civil enforcement case records
Meteorological and air monitoring data	Ambient air monitoring data – data logger data, forecasts, meteorological monitoring data, ground level monitoring data; ground level monitoring audit reports
Payroll records	Payroll direct deposit records, CALPERS reports, Form 941 quarterly reports, payroll history YTD totals report, SF county payroll records, year end clearing/closing reports
Permit update and renewal records	Forms related to regular permit information updates and permit renewal
Permit application records	Authority to Construct documents, Permit to Operate documents, banking documents, registration documents, application forms, permit exemptions
Plant (facility) files	Facility correspondence, change of ownership/facility status records, source data forms
Rules, regulations, and plans	All versions of rules and regulations and rule development files, state and federal air quality plans, EPA annual updates
Source test results and raw data	Source test results and raw data from both the District and outside contractors, field accuracy test results, raw data, and reports, contractor-conducted source test notifications (ref: Volume IV, V, MOP)

BAAQMD Record Retention Schedule

Record type	Including these specific records:
Training records	Training program files, employee training completion records, ethics training certificates.
Violation and violation recommendation records	Notice of Violation and internal activity and tracking documents, Notice to Comply and internal activity and tracking documents, recommendations for violations including District and outside contractor tests, CEM indicated recommendations for violations, notifications of breakdowns, episodes, excesses and supporting documentation KEEP FOR 35 YEARS
I-Bond records	I-Bond records KEEP FOR 7 YEARS
Accident and injury records	Accident files, employee injury (first aid) files
Activity authorization	Open burns, exemption petitions, tank pulls/excavations, PERP, landfill reports
Asset tracking records	Fixed asset list, library acquisition records
Board files	Oaths of office, expense reports for Advisory Council, Board, Hearing Board, Board member correspondence, Board member travel authorizations and Board expense claims END OF TERM + 7 YEARS
Building records	Building blueprints, building equipment information, building maintenance information, construction drawings & information, drawings – space plans, maintenance working records. LIFE OF BUILDING + 7 YEARS
CEQA records	CEQA responsible agency project comments
Community meeting records	Community outreach community meeting files and resource team records
Compliance records	Compliance advisories and compliance reports required by regulation (Regs. 8-5, 8-10, 8-17, 8-18, 8-40, 9-10)
Complaints	All complaint information including wood smoke and smoking vehicle complaints
Contracts	Contract files and any related task orders or purchase orders, and any related bids, RFPs, RFQs or accepted proposals, contractor timesheets, contractor logs CONTRACT FINAL EXPIRATION + 7 YEARS
Employee benefit records	Tuition reimbursement, COBRA documentation, Section 125 documentation
Employee recruitment records	Classification studies, class specifications, recruitment files, wage and salary data, acquisition records
Executive files	Chronological correspondence files, conflict of interest forms, lobbyist employer/lobbyist registration

BAAQMD Record Retention Schedule

Record type	Including these specific records:
Hearing Board docket	All case related files FINAL COMPLIANCE DATE + 7 YEARS
Invoice and payment records	Automotive services contractor invoices, utility & service invoices, receivable paid invoices, claims (expenses and mileage), credit card payment and records, contract payment and records, fixed asset invoices
Laboratory samples and air quality monitoring data	PM 2.5 filters and PM 10 filters collected from sampling equipment, ambient air monitoring data – strip charts, air monitoring station log books, asbestos samples submitted for analysis, instrument log books, laboratory notebooks, results, methods of analysis, photo-micrographics, standard operating procedures
Legal records	Comments on legislative, administrative and hearing board matters
News media records	News releases and clips
Reports to CARB/EPA	Engineering and grant reports to CARB/EPA REVISED + 7 YEARS
Payroll records	Payroll registers, tickler files, timecards, vacation requests, family/medical leave requests
Personnel files	Personal and professional files of Executive Officer, deputies and staff. disciplinary support files, discrimination complaint files LAST DAY OF EMPLOYMENT + 7 YEARS
Policies, procedures and workbooks	Engineering, Enforcement, Information Systems, Technical Services (including source test protocols and plans), BACT/TBACT workbook, Permit Handbook REVISED + 7 YEARS
Flare records	Flare minimization – approved plans (Reg. 12-12), flaring notifications and reports (Reg. 12-12), plan review documents (Reg. 12-12), flare monitoring reports (Reg. 12-11)
Inspection records	Inspection reports, internal correspondence on inspections
QA/QC and calibration records	Lab, source test, and air monitoring equipment calibration records and QA/QC records, quality assurance manual
Tax records	457 deferred comp documents, income tax reports (1099), supporting documents, W2, W2 reports , transmittal of W2, use/sales tax returns and records, quarterly underground storage tank tax
Toxics Hotspots records	Toxics emissions inventory reports, risk assessments FACILITY DEMOLITION + 7 YEARS
Title V reports	Title V semi-annual and annual reports, Title V 10-day and 30-day deviation reports
Tort and workers compensation claims	Tort claim liability files, worker’s compensation files UNTIL CLOSED + 7 YEARS
Cal OSHA reports	Cal OSHA reports and citations

Record type	Including these specific records:
KEEP FOR 5 YEARS	
Grant files	Program audit documents, program eligibility guideline documents; grant application, review and decision documents; grant program financial records; grantee monitoring documents; internal activity and tracking documents; project audit documents END OF PROJECT + 5 YEARS
KEEP FOR 3 YEARS	
Asset purchase records	Fixed asset purchase orders and requisitions LIFE OF EQUIPMENT + 3 YEARS
Check files	Bad checks, checks – self insurance, detailed accounts payable check register, Clerk of Board check registers
Deposit records	Bank deposits/receipts - supporting documents, bank statements, deposits permits
EPA grants	EPA grants, EPA 105 grant documents FINAL REPORT + 3 YEARS
Fiscal records	Account analysis statement, accounts receivable aging report, BAAQMD receipts, bills (payable) - supporting documents, general journal, journal report, miscellaneous revenue registers, monthly statements, PAATS – overpayment report, budget – draft, budget transfer documents, payroll tax deposits, request for trust warrant, Toxic Hot Spot fee records, subvention – AUDIT + 3 YEARS
Fleet vehicle records	vehicle maintenance expenses, vehicle mileage reports, vehicle request forms, vehicle registration fees, travel trip slips LIFE OF VEHICLE + 3 YEARS
General correspondence	General interoffice memoranda, general correspondence
Insurance benefits records	Insurance contracts, life insurance documentation, health insurance documentation LIFE OF POLICY + 3 YEARS
Inventory records	Plan emission inventory, modeling & other related data (non-baseline years)
Legislative and bill files	Bill file (documents, analyses, correspondence), Legislative Committee records
Mailroom records	Certified mail log, certified mail receipts – fee invoices, fee billing invoices, fee billing problem resolution files, returned mail (fee invoices and validations)
Physical security reports	Security guard activity reports
Rejected bids	RFPs/RFQs/evaluations/unaccepted proposals and bids FISCAL YEAR OF BID + 3 YEARS
Requests from public	Requests for general information, requests for publications, requests for speaker, public records requests and responses

BAAQMD Record Retention Schedule

Record type	Including these specific records:
Technical equipment records	Manuals and maintenance records, 10% quality assurance analysis reports, additional records required by NVLAP accreditation program, audit records, blind sample analysis reports, inter-laboratory analysis reports, maintenance and calibration reports, proficiency test, quality control charts and data LIFE OF EQUIPMENT + 3 YEARS
KEEP FOR 1 YEAR	
Board audio records	Audio records of Advisory Council, Board of Directors, and committee meetings; Hearing Board hearings
Meteorological reports	Meteorological reports
Stockroom records	Stockroom requisitions
KEEP UNTIL REPLACED	
IT system backups	System backups
Outreach documents	Brochures
Mailing lists	Mailing lists
Affirmative action plan	Affirmative action plan
Vehicle Buy Back program	Vehicle Buy Back program – duplicates of scrapped vehicle eligibility documents retained by scrappers

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson, Brad Wagenknecht and
Members of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 21, 2010

Re: Consider Approval of Hiring Recommendation at Step E of
Salary Range 148M for the Senior Advanced Projects Advisor Position

RECOMMENDATION:

Approve hiring recommendation at Step E of Salary Range 148M for the Senior Advanced Projects Advisor position.

BACKGROUND:

The recruitment and selection process for the Senior Advanced Projects Advisor position has been completed. Division III, Section 6.4 of the District's Administrative Code and Section 7.04 of the Memorandum of Understanding between the District and the Employees' Association states that recommendation by the APCO and approval of the Board of Directors is required for hiring employees at Step E.

DISCUSSION:

The District has the opportunity to acquire an exceptional candidate. In order to offer a salary more commensurate with the applicant's current salary, staff is recommending approval to offer the position at Step E of salary range 148M.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

The salary for the Senior Advanced Projects Advisor position at Step E is \$128,276.94 per year. There is no additional financial impact beyond that contemplated in the current budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Reviewed by: Jack M. Colbourn

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson, Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 27, 2010

Re: Report of the Legislative Committee Meeting of January 21, 2010

RECOMMENDED ACTIONS

The Committee members present recommend Board of Directors' approval of the following item:

- A) The District sponsor legislation to tie air penalty ceilings to future consumer price index changes.

BACKGROUND

The Legislative Committee met on Thursday, January 21, 2010 without a quorum. The Committee considered and received the following report and recommendations:

- A) Potential Legislative Proposals for 2010

Attached is the staff report presented in the Legislative Committee packet.

Committee Chair Susan Garner will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACTS

- A) None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Lisa Harper
Approved by: Jennifer Chicconi

Attachment(s)

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Garner and
Members of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 7, 2010

Re: POTENTIAL LEGISLATIVE PROPOSALS FOR 2010

RECOMMENDED ACTION: Continue discussion from the last Committee meeting on a potential legislative proposal for the upcoming year.

BACKGROUND

At its last meeting, the Legislative Committee discussed priorities for the upcoming year. Given the dire state of California's finances, and its continuing economic problems, the Committee indicated that the District's highest legislative priority should be trying to prevent efforts to weaken existing air quality regulations or programs, either through changes in policy or funding. Additionally, the Committee directed staff to explore sponsoring an air quality bill, either reforming California's smog check program, or improving the penalties for those who violate air quality laws.

DISCUSSION

2010 is the second year of the current California legislative session, the final year in office for the current Governor, and an election year. However, the State's continuing fiscal problems will likely dwarf these and all other issues in 2010. Despite the unprecedented magnitude of the cuts made in the budget for the current fiscal year, current estimates are that this year's budget gap has mushroomed to \$6.6 billion. Additionally, it appears that California will face a deficit of over \$13 billion for the 2010-2011 fiscal year. Given that a number of the tactics employed last year cannot be replicated this year, 2010 will be a very difficult year financially.

Staff has had numerous meetings with Capitol staffers since the Committee last met, and explored a number of issues. Unfortunately, it appears that there will be strong pressure to relax environmental requirements this year, particularly regulations adopted by the Air Resources Board to cut diesel emissions. Staff expects to see bills introduced to accomplish this, as well as pressure in the budget process. The fiscal crisis will have a dramatic effect on virtually all legislative activity in 2010. Bills with costs to the State will be very difficult to adopt, and the policy atmosphere will be one of caution.

More specifically, staff explored the possible bill topic of reforms to the smog check program with a variety of Sacramento staff and interest groups. The general consensus was that it would be very difficult to attempt major programmatic changes in 2010. On the other hand, a recently-released report from the Inspection and Maintenance Review Committee (“A Comparison of Roadside Tests to Previous Smog Checks”) highlights major problems with the program. After discussion with the Transportation Committees in both houses, it appears likely that the Committees may hold hearings on Smog Check in 2010, and attempt to use those hearings as the basis for reforms in 2011.

Staff also explored with diverse interests the idea of sponsoring legislation on penalties in 2010. Here, the consensus seems to be that the tough economic climate will enable businesses to likely block major strengthening of the air penalty statutes. On the other hand, a more modest proposal, such as increasing penalty ceilings with inflation over time, might be possible. Breathe California are interested in co-sponsoring such a measure with the District, and staff recommend the Committee endorse our doing this.

The Committee also discussed at its last meeting whether the District should hire a contract lobbyist to assist the District in pursuing issues in Washington, D.C. Staff will discuss this further with the Committee at this meeting.

Finally, the Committee discussed whether the District could legally or should take positions on some of the initiatives that will be on the ballot in 2010 that would change the State constitution. Legally, there is nothing to prevent the District from adopting formal positions on ballot measures. In its history, the District has only once adopted a position on an initiative. We took a ‘support’ position on an unsuccessful ballot measure that would have funded retrofitting and replacing old dirty diesel engines. Staff strongly recommends the District not weigh in on any ballot measures that are not directly and primarily about improving air quality. Staff believes that to do so would harm our reputation at the Capitol as a non-partisan public health agency, and would diminish the effectiveness of our advocacy efforts. Additionally, staff believes that the District’s support or opposition on these non-air quality issues will have little influence on the electorate. In short, staff believes the organization has far more to lose than to gain by weighing in on these issues.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Thomas Addison

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson, Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 27, 2010

Re: Report of the Mobile Source Committee Meeting of January 28, 2010

RECOMMENDED ACTIONS

The Committee recommends Board of Directors' approval of the following items:

- A) Carl Moyer And Transportation Fund For Clean Air (TFCA) Regional Fund Projects With Proposed Grant Awards Over \$100,000; and approval of authorization for the Executive Officer/APCO to execute Grant Agreements for the recommended projects;
- B) Transportation Fund For Clean Air (TFCA) County Program Manager Policies And Expenditure Plan Guidance For Fiscal Year 2010/11;
- C) Accepting Approximately \$8 Million From Year 2 of the California Goods Movement Bond (I-Bond) Program For Port Drayage Trucks, and authorize the Executive Director/APCO to execute Grant Agreements with the California Air Resources Board for approximately \$8 million from Year 2 of the I-Bond Program to retrofit and replace additional trucks at the Port of Oakland, and to authorize the Executive Officer/APCO to enter into all necessary contracts to expend this funding.

BACKGROUND

The Mobile Source Committee will meet on Thursday, January 28, 2010. The Committee will receive and consider the following reports and recommendations:

- D) Carl Moyer And Transportation Fund For Clean Air (TFCA) Regional Fund Projects With Proposed Grant Awards Over \$100,000; and approval of authorization for the Executive Officer/APCO to execute Grant Agreements for the recommended projects;
- E) Transportation Fund For Clean Air (TFCA) County Program Manager Policies And Expenditure Plan Guidance For Fiscal Year 2010/11;
- F) Accepting Approximately \$8 Million From Year 2 of the California Goods Movement Bond (I-Bond) Program For Port Drayage Trucks, and authorize the Executive Director/APCO to execute Grant Agreements with the California Air Resources Board for approximately \$8 million from Year 2 of the I-Bond Program to retrofit and replace

additional trucks at the Port of Oakland, and to authorize the Executive Officer/APCO to enter into all necessary contracts to expend this funding.

Attached are the staff reports presented in the Mobile Source Committee packet.

Chairperson, Scott Haggerty will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) None. Through the CMP and TFCA, the Air District distributes “pass-through” funds to public agencies and private entities on a reimbursement basis. Administrative costs for both programs are provided by each funding source
- B) None. The recommended policy changes have no impact on the Air District’s budget.
- C) The supplemental Port Truck Retrofit Program will receive administrative funding from the I-Bond. Staff costs for the administration of the Program will be recommended for inclusion in the FY 2009/2010 budget at an upcoming Budget and Finance Committee meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Lisa Harper
Reviewed by: Jennifer Chicconi

Attachment(s)

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and
Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 21, 2010

Re: Consideration of approval for Carl Moyer Program Year 11 and Transportation
Fund for Clean Air FY 2009/2010 projects with proposed grant awards over
\$100,000

RECOMMENDATIONS

Request the Committee recommend the Air District Board of Directors:

1. Approve Carl Moyer Program Year 11 projects with proposed grant awards over \$100,000 listed on Attachment 1.
2. Approve Transportation Fund for Clean Air fiscal year (FY) 2009/2010 projects with proposed grant awards over \$100,000 listed on Attachment 3.
3. Authorize the Executive Officer/APCO to enter into agreements for the recommended Carl Moyer Program Year 11 and TFCA FY 2009/2010 projects.

BACKGROUND

The Bay Area Air Quality Management District (Air District) has participated in the Carl Moyer Program (CMP), in cooperation with the California Air Resources Board (ARB), since the program began in fiscal year 1998/1999. The CMP provides grants to public and private entities to reduce emissions of oxides of nitrogen (NOx), reactive organic gases (ROG) and particulate matter (PM) from existing heavy-duty engines by either replacing or retrofitting them. Eligible heavy-duty diesel engine applications include on-road trucks and buses, off-road equipment, marine vessels, locomotives, stationary agricultural pump engines, and forklifts.

Assembly Bill 923 (AB 923 - Firebaugh), enacted in 2004 (codified as Health and Safety Code Section 44225), authorized local air districts to increase their motor vehicle registration surcharge up to an additional \$2 per vehicle. The revenues from the additional \$2 surcharge are deposited in the Air District's Mobile Source Incentive Fund (MSIF). AB 923 stipulates that air districts may use the revenues generated by the additional \$2 surcharge for projects eligible for grants under the CMP.

Since 1991 the Transportation Fund for Clean Air (TFCA) program has funded projects that achieve surplus emission reductions from on-road motor vehicles. Sixty percent (60%) of TFCA funds are awarded directly by the Air District through a grant program known as the Regional Fund that is allocated on a competitive basis to eligible projects proposed by project sponsors. Funding for this program is provided by a \$4 surcharge on motor vehicles registered within the

San Francisco Bay Area as authorized by the California State Legislature. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code Sections 44241 and 44242.

On February 4, 2009, the Air District Board of Directors authorized Air District participation in Year 11 of the CMP, and authorized the Executive Officer/APCO to execute Grant Agreements and amendments for projects funded with CMP funds or MSIF revenues, with individual grant award amounts up to \$100,000. Later, on November 18, 2009, the Air District Board of Directors authorized the Executive Officer/APCO to execute Grant Agreements and amendments for projects funded with TFCA funds, with individual grant award amounts up to \$100,000.

CMP and TFCA projects with grant award amounts over \$100,000 are brought to the Committee for consideration at least on a quarterly basis. Staff reviews and evaluates the grant applications based upon the respective governing policies and guidelines established by the ARB and/or the Air District’s Board of Directors.

DISCUSSION

Carl Moyer:

As of January 12, 2010, the Air District had received 142 CMP grant applications requesting more than \$20 million in incentive funds for potential emission reduction projects. Of the applications that have been evaluated between October 27, 2009, and January 12, 2010, six eligible projects have individual grant awards over \$100,000. Attachment 1 lists the six projects that staff recommends be awarded grants for an aggregate of \$1,097,183 in funding, using a combination of CMP funds and MSIF revenues. Table 1 summarizes the CMP Year 11 project allocations to date.

Table 1: Board Approval of CMP Projects Greater than \$100,000

Board date	Projects approved	Total allocation
June 3, 2009	13	\$5,789,626
July 1, 2009	14	\$6,844,216
October 7, 2009	9	\$2,344,567
November 18, 2009	8	\$2,962,895

More than 75% of the funds allocated to eligible projects have been awarded to projects that reduce emissions in highly impacted Bay Area communities. Attachment 2 lists all of the eligible projects that have been received by the Air District as of January 12, 2010, and summarizes the allocation of funding by equipment category (Figure 1), and county (Figure 2).

TFCA:

For FY 09/10 the Air District’s Board of Directors allocated \$5 million for Alternative Fuel Vehicle and Infrastructure Projects on May 5, 2009. The Air District opened the call for Alternative Fuel Vehicle and Infrastructure Projects on October 28, 2009, and as of January 15, 2010, had received 24 grant applications requesting more than \$3.1 million for alternative fuel related projects. Of the applications that have been evaluated by January 15, 2010, five eligible projects have individual grant awards over \$100,000. Attachment 3 lists the five projects that staff recommends be awarded grants for an aggregate of \$1,627,608 in TFCA funding. Attachment 3 also summarizes the allocation of funding by equipment category (Figure 1), and

county (Figure 2). Attachment 4 lists the eligible 15 projects requesting up to \$100,000 that have been received by the Air District as of January 15, 2010.

More than 52% of the TFCA funds allocated to eligible projects have been awarded to projects that reduce surplus emissions in highly impacted Bay Area communities.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. Through the CMP and TFCA, the Air District distributes “pass-through” funds to public agencies and private entities on a reimbursement basis. Administrative costs for both programs are provided by each funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Director/APCO

Prepared by: Anthony Fournier and Karen Schkolnick
Reviewed by: Damian Breen

Attachment 1: CMP Projects with individual grant awards greater than \$100,000
Attachment 2: Summary of all eligible CMP projects as of January 12, 2010
Attachment 3: TFCA Projects with individual grant awards greater than \$100,000
Attachment 4: Summary of all eligible TFCA projects as of January 15, 2010

Attachment 1: BAAQMD Year 11 Carl Moyer Program/ MSIF projects with grant awards greater than \$100k (Evaluated between 10/26/09 and 1/12/10)

1 *Project #: 11MOY117* *Applicant Name: Antioch Building Materials* **3 engines**

<i>Unit #</i>	<i>Equipment category</i>	<i>Project type</i>	<i>Cost-effectiveness</i>	<i>Proposed award</i>	<i>NOx (TPY)</i>	<i>ROG (TPY)</i>	<i>PM (TPY)</i>	<i>AB1390 Designation</i>
3	Off-Road	Replacement	\$15,998.98	\$89,199.00	0.871	0.107	0.028	Not AB1390
4	Off-Road	Replacement	\$13,750.01	\$111,599.00	1.215	0.144	0.044	Not AB1390
2	Off-Road	Replacement	\$15,998.80	\$87,510.00	0.819	0.097	0.029	Not AB1390
Project Totals				\$288,308.00	2.905	0.348	0.101	

2 *Project #: 11MOY119* *Applicant Name: James Robertson* **2 engines**

<i>Unit #</i>	<i>Equipment category</i>	<i>Project type</i>	<i>Cost-effectiveness</i>	<i>Proposed award</i>	<i>NOx (TPY)</i>	<i>ROG (TPY)</i>	<i>PM (TPY)</i>	<i>AB1390 Designation</i>
Outer Limits-main-1	Marine	Repower	\$14,565.75	\$65,277.00	0.505	-0.011	0.018	AB1390
Outer Limits-main-2	Marine	Repower	\$14,565.75	\$65,277.00	0.505	-0.011	0.018	AB1390
Project Totals				\$130,554.00	1.009	-0.023	0.036	

3 *Project #: 11MOY129* *Applicant Name: Daniel W. Silacci* **2 engines**

<i>Unit #</i>	<i>Equipment category</i>	<i>Project type</i>	<i>Cost-effectiveness</i>	<i>Proposed award</i>	<i>NOx (TPY)</i>	<i>ROG (TPY)</i>	<i>PM (TPY)</i>	<i>AB1390 Designation</i>
2	Off-Road	Replacement	\$15,998.76	\$127,610.00	1.010	0.120	0.033	Not AB1390
1	Off-Road	Replacement	\$13,335.22	\$157,848.00	1.348	0.164	0.058	Not AB1390
Project Totals				\$285,458.00	2.358	0.284	0.091	

4 *Project #: 11MOY132* *Applicant Name: Kilik General Engineering, Inc.* **1 engine**

<i>Unit #</i>	<i>Equipment category</i>	<i>Project type</i>	<i>Cost-effectiveness</i>	<i>Proposed award</i>	<i>NOx (TPY)</i>	<i>ROG (TPY)</i>	<i>PM (TPY)</i>	<i>AB1390 Designation</i>
973	Off-Road	Replacement	\$15,998.71	\$133,675.00	1.127	0.131	0.052	AB1390

Project Totals	\$133,675.00	1.127	0.131	0.052
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5	Project #: 11MOY137	Applicant Name: Mazzetta Dairy							1 engine
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<i>Unit #</i>	<i>Equipment category</i>	<i>Project type</i>	<i>Cost-effectiveness</i>	<i>Proposed award</i>	<i>NOx (TPY)</i>	<i>ROG (TPY)</i>	<i>PM (TPY)</i>	<i>AB1390 Designation</i>
544HB	Off-Road	Replacement	\$13,525.25	\$124,801.00	0.852	0.146	0.054	Not AB1390
Project Totals				\$124,801.00	0.852	0.146	0.054	

6	Project #: 11MOY139	Applicant Name: Mulas Dairy Company							1 engine
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<i>Unit #</i>	<i>Equipment category</i>	<i>Project type</i>	<i>Cost-effectiveness</i>	<i>Proposed award</i>	<i>NOx (TPY)</i>	<i>ROG (TPY)</i>	<i>PM (TPY)</i>	<i>AB1390 Designation</i>
950	Off-Road	Replacement	\$14,124.47	\$134,387.00	1.001	0.137	0.050	Not AB1390
Project Totals				\$134,387.00	1.001	0.137	0.050	

Summary:	<i>Projects</i>	<i>Engines</i>	<i>Proposed award</i>	<i>NOx (TPY)</i>	<i>ROG (TPY)</i>	<i>PM (TPY)</i>
	6	10	\$1,097,183.00	9.252	1.023	0.384

Attachment 2

Summary of all CMP Yr 11/MSIF approved/ eligible projects (4/15/09 to 1/12/10)

Project #	Equipment category	# of engines	Proposed contract award	Applicant name	NOx (TPY)	ROG (TPY)	PM (TPY)	Board approval date	County
11MOY1	Marine	2	\$ 274,156.00	Robert S. Tuckey	3.435	0.065	0.101	6/3/2009	San Mateo
11MOY2	Marine	2	\$ 149,356.00	Blue and Gold Fleet LP	5.368	0.148	0.178	6/3/2009	San Francisco
11MOY3	Agriculture	6	\$ 159,834.00	Gallo Family Vineyards	1.550	0.186	0.052	7/1/2009	Sonoma, Napa
11MOY5	Marine	2	\$ 155,330.00	Kelli Dickinson	3.306	0.042	0.114	6/3/2009	Solano
11MOY6	Marine	2	\$ 152,088.00	Jacqueline G. Douglas	1.296	-0.014	0.045	6/3/2009	San Francisco
11MOY7	Marine	1	\$ 72,300.00	Frank A. Rescino	1.638	0.010	0.058	APCO	San Francisco
11MOY8	Marine	2	\$ 137,500.00	Chuck Louie	1.572	0.016	0.054	6/3/2009	San Francisco
11MOY9	Marine	1	\$ 103,830.00	Erik Anfinson	0.562	-0.004	0.019	6/3/2009	Marin
11MOY10	Marine	2	\$ 90,996.00	Golden Gate Bridge Highway and Transportation Dist	0.828	0.003	0.022	APCO	San Francisco
11MOY11	Marine	2	\$ 181,894.00	New Salmon Queen Sportfishing, LLC	2.538	0.000	0.086	11/18/2009	Alameda
11MOY12	Agriculture	1	\$ 23,193.00	Riccoli Brothers	0.486	0.059	0.016	APCO	Sonoma
11MOY13	Marine	3	\$ 227,461.00	Fly Rose Marine, Inc.	2.918	0.085	0.098	7/1/2009	Santa Clara
11MOY14	Off-road	4	\$ 215,318.00	Fremont Paving	1.294	0.204	0.101	6/3/2009	Alameda
11MOY17	Marine	2	\$ 182,160.00	David Underwood	1.557	0.055	0.059	7/1/2009	Solano
11MOY19	Marine	2	\$ 217,544.00	City of Alameda	15.069	-0.083	0.447	6/3/2009	Alameda
11MOY20	Marine	8	\$ 3,791,855.00	City of Vallejo	92.783	1.475	2.756	6/3/2009	Solano
11MOY21	Off-Road	1	\$ 12,974.00	Thomas D. Eychner Co., Inc.	0.059	0.017	0.005	APCO	Contra Costa
11MOY22	Marine	1	\$ 41,488.00	Bay Marine Services, Inc.	0.975	0.028	0.032	APCO	Marin
11MOY23	Marine	1	\$ 65,240.00	Andy Guiliano	0.455	0.000	0.015	APCO	Contra Costa
11MOY24	Locomotive	1	\$ 101,400.00	Richmond Pacific Railroad	1.052	0.020	0.007	6/3/2009	Contra Costa
11MOY26	Marine	2	\$ 165,898.00	State of California, State Parks Department	1.156	0.026	0.038	7/1/2009	Marin
11MOY27	Marine	2	\$ 178,962.00	City and County of San Francisco, San Francisco Police Department	2.253	-0.034	0.079	7/1/2009	San Francisco
11MOY30	Off-road	5	\$ 112,368.00	J. Flores Construction Company	0.364	0.067	0.066	6/3/2009	San Francisco
11MOY33	Marine	2	\$ 144,504.00	Brian Guiles	1.329	-0.007	0.046	7/1/2009	Marin
11MOY34	Marine	2	\$ 209,056.00	Bodega Bay Sportfishers, Inc.	2.644	0.040	0.084	7/1/2009	Sonoma
11MOY35	Marine	2	\$ 49,830.00	Matt Butler	1.148	0.030	0.042	APCO	Marin
11MOY36	Marine	2	\$ 106,394.00	Geoff and David Bettencourt	2.670	0.116	0.094	7/1/2009	San Mateo
11MOY39	Marine	2	\$ 61,616.00	Harry Vogal	0.448	0.008	0.016	APCO	San Francisco
11MOY40	Marine	1	\$ 102,984.00	James Gregory Smith	1.685	-0.001	0.057	7/1/2009	Contra Costa
11MOY41	Marine	2	\$ 199,466.00	Bay Marine Services, Inc.	7.122	0.196	0.230	7/1/2009	Marin
11MOY44	Locomotive	5	\$ 2,609,010.00	California Department of Transportation	49.088	1.158	0.394	7/1/2009	Sacramento
11MOY46	Marine	3	\$ 2,068,071.00	APL Maritime Services, Ltd.	22.710	0.810	12.420	7/1/2009	Alameda
11MOY48	Off-Road	1	\$ 80,950.00	Contra Costa Topsoil, Inc	0.536	0.072	0.027	APCO	Contra Costa
11MOY51	Off-Road	4	\$ 191,709.00	Stroer & Graff, Inc.	5.007	0.650	0.181	7/1/2009	Contra Costa
11MOY52	Off-Road	4	\$ 275,481.00	Salt River Construction Corporation	3.568	0.461	0.142	7/1/2009	Marin
11MOY54	Off-Road	2	\$ 27,117.00	St. Francis Electric	0.264	0.052	0.014	APCO	Alameda
11MOY55	Agriculture	2	\$ 42,180.00	Huneus Vintners, LLC	0.450	0.058	0.014	APCO	Napa
11MOY57	Marine	2	\$ 526,302.00	Harley Marine Services, Inc.	41.738	0.672	1.240	10/7/2009	Alameda
11MOY64	Off-Road	7	\$ 154,249.00	Stroer & Graff, Inc.	1.966	0.240	0.064	10/7/2009	Contra Costa
11MOY65	Marine	2	\$ 179,896.00	C-Gull II Sportfishing Inc.	2.131	0.000	0.072	10/7/2009	Alameda
11MOY66	Agriculture	1	\$ 39,940.00	Arthur Kunde and Sons, Inc.	0.211	0.026	0.009	APCO	Sonoma
11MOY72	Off-Road	2	\$ 34,335.00	TMT Enterprises, Inc.	0.000	0.000	0.024	APCO	Santa Clara

Attachment 2 - Continued

Summary of all CMP Yr 11/ MSIF approved/ eligible projects (4/15/09 to 1/12/10)

Project #	Equipment category	# of engines	Proposed contract award	Applicant name	NOx (TPY)	ROG (TPY)	PM (TPY)	Board approval date	County
11MOY73	Marine	2	\$ 203,232.00	Edward Gallia	2.983	0.000	0.101	10/7/2009	Contra Costa
11MOY74	Marine	2	\$ 75,666.00	Marin County Sheriff's Office	0.666	-0.004	0.022	APCO	Marin
11MOY76	Marine	2	\$ 166,182.00	Blue Runner, Inc.	1.076	0.022	0.036	10/7/2009	Marin
11MOY79	Off-Road	1	\$ 81,195.00	Kingsborough Atlas Tree Surgery, Inc.	0.654	0.087	0.020	APCO	Sonoma
11MOY82	Off-Road	2	\$ 153,350.00	West Coast Aggregates, Inc.	1.614	0.203	0.081	10/7/2009	San Mateo
11MOY84	Off-Road	2	\$ 75,075.00	Trucrew, Inc.	0.873	0.129	0.034	APCO	Contra Costa
11MOY85	Off-Road	1	\$ 209,292.00	Mission Trail Waste Systems	1.157	0.226	0.103	10/7/2009	Santa Clara
11MOY91	Off-Road	2	\$ 195,987.00	American Metal and Iron, Inc.	2.141	0.274	0.099	10/7/2009	Santa Clara
11MOY93	Off-Road	1	\$ 54,288.00	American Soil Products, Inc	0.280	0.053	0.022	APCO	Contra Costa
11MOY97	Off-Road	1	\$ 47,790.00	Terry Barnard	0.274	0.055	0.017	APCO	Santa Clara
11MOY99	Off-Road	1	\$ 18,682.00	Galante Brothers General Engineering, Inc	0.092	0.019	0.008	APCO	Santa Clara
11MOY100	Off-Road	2	\$ 83,490.00	G & G Heavy Equipment LLC	0.773	0.144	0.048	APCO	Sonoma
11MOY102	Off-Road	1	\$ 132,853.00	DeBernardi Dairy, Inc.	0.907	0.152	0.056	11/18/2009	Sonoma
11MOY107	Locomotive	1	\$ 879,450.00	California Northern Railroad	3.900	0.379	0.124	11/18/2009	Napa
11MOY109	Off-Road	1	\$ 52,613.00	McCall Dairy	0.422	0.053	0.013	APCO	Sonoma
11MOY111	Marine	2	\$ 159,348.00	Westar Marine Services	0.898	0.000	0.030	11/18/2009	San Francisco
11MOY112	Off-Road	2	\$ 220,199.00	Evergreen Supply	1.603	0.215	0.076	11/18/2009	Santa Clara
11MOY113	Marine	1	\$ 89,565.00	S&J Fisheries	0.961	0.027	0.028	APCO	San Mateo
11MOY114	Off-Road	1	\$ 26,205.00	Mononi Ranches	0.191	0.032	0.011	APCO	Sonoma
11MOY115	Off-Road	1	\$ 54,142.00	George Grossi & Son Dairy	0.360	0.065	0.017	APCO	Marin
11MOY116	On-Road	29	\$ 716,300.00	Livermore Sanitation, Inc.	5.510	0.000	0.000	11/18/2009	Alameda
11MOY117	Off-Road	3	\$ 288,308.00	Antioch Building Materials	2.905	0.348	0.101	2/3/2010	Contra Costa
11MOY118	Off-Road	3	\$ 368,925.00	Marin Sanitary Service	4.019	0.590	0.188	11/18/2009	Marin
11MOY119	Marine	2	\$ 130,554.00	James Robertson	1.009	-0.023	0.036	2/3/2010	Marin
11MOY120	Agriculture	14	\$ 303,422.00	Sonoma-Cutrer Vineyards	4.009	0.515	0.128	11/18/2009	Sonoma
11MOY122	Off-Road	1	\$ 30,200.00	James Groverman/Petaluma Pumpkin Patch	0.182	0.031	0.011	APCO	Sonoma
11MOY124	Off-Road	1	\$ 24,225.00	Thomas W. Crane	0.148	0.025	0.008	APCO	Sonoma
11MOY126	Off-Road	1	\$ 27,460.00	Ricoli Brothers	0.165	0.029	0.010	APCO	Sonoma
11MOY127	Off-Road	1	\$ 56,832.00	Simoni & Massoni Farms	0.492	0.085	0.023	APCO	Contra Costa
11MOY129	Off-Road	2	\$ 285,458.00	Daniel W. Silacci	2.358	0.284	0.091	2/3/2010	Sonoma
11MOY131	Off-Road	2	\$ 78,688.00	George Bianchi, Inc.	0.662	0.100	0.025	APCO	Sonoma
11MOY132	Off-Road	1	\$ 133,675.00	Kilik General Engineering, Inc.	1.127	0.131	0.052	2/3/2010	Santa Clara
11MOY135	Off-Road	2	\$ 69,462.00	MCE, Inc. dba Amos Bros Dairy	0.575	0.103	0.027	APCO	Sonoma
11MOY136	Off-Road	1	\$ 35,714.00	Delmar Friedrichsen	0.214	0.037	0.013	APCO	Sonoma
11MOY137	Off-Road	1	\$ 124,801.00	Mazzetta Dairy	0.852	0.146	0.054	2/3/2010	Sonoma
11MOY139	Off-Road	1	\$ 134,387.00	Mulas Dairy Company	1.001	0.137	0.050	2/3/2010	Sonoma
11MOY140	Off-Road	1	\$ 97,738.00	Sonoma Compost	0.971	0.133	0.029	APCO	Sonoma
79	Projects	198	\$ 19,800,988.00		335.252	11.753	21.412		

Year 11 Funding - Carl Moyer and Mobile Source Incentive Funds

Figure 1: CMP/ MSIF Funding Distribution by Equipment Category as of 1/12/10

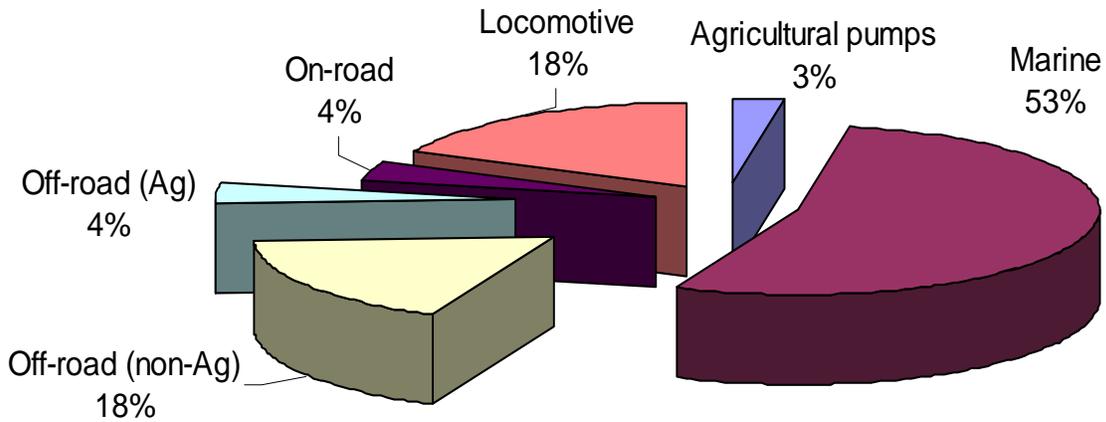
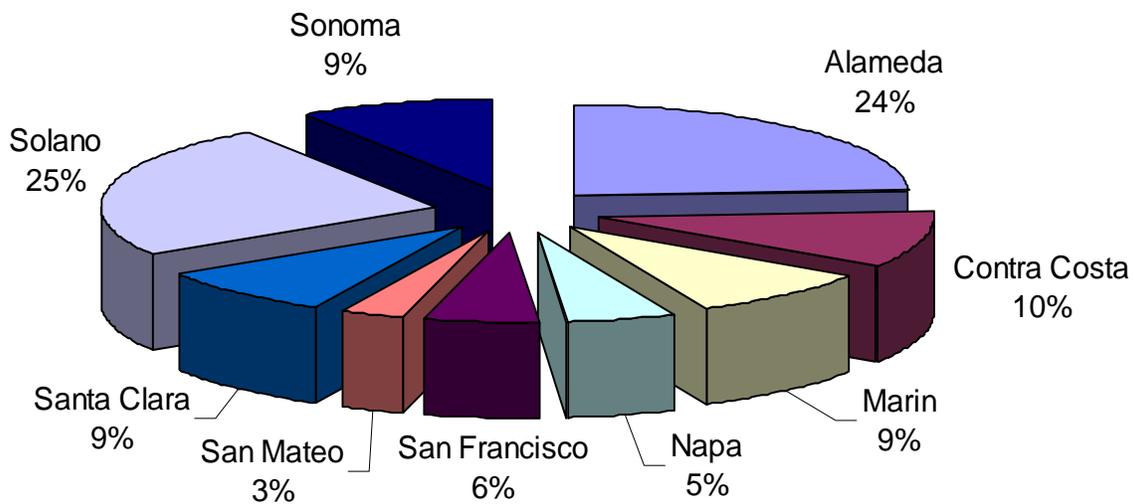


Figure 2: CMP/ MSIF Funding Distribution by County as of 1/12/10



Attachment 3:
09/10 TFCA Alternative Fuel Projects with grant awards greater than \$100k
(Evaluated between 12/21/09 and 1/15/10)

Project #	Project Sponsor	Project Title	TFCA \$ Awarded	CO2 (TPY)	NOX (TPY)	ROG (TPY)	PM (TPY)	C/E	Score	AB 130 Designation	County
09R25	WM of Alameda County, Inc.	(31) Compressed Natural Gas Refuse Trucks	\$ 500,000	725.83	8.13	-	-	\$33,836	87%	AB 1390	Alameda
09R15	Clean Energy	(1) Liquefied Natural Gas Station	\$ 200,000	113.61	1.27	-	-	\$52,318	83%	AB 1390	Alameda
09R21	Oakland Port Services Corp., dba AB Trucking	(6) Natural Gas Port Trucks	\$ 297,000	97.95	1.10	-	-	\$83,291	72%	AB 1390	Alameda
09R20	Mission Trail Waste Systems	(23) Compressed Natural Gas Refuse Trucks	\$ 426,503	171.05	1.92	-	-	\$48,710	75%	Not AB 1390	Santa Clara
09R16	County of Santa Clara	(1) Compressed Natural Gas Station & (3) CNG Sedans	\$ 204,105	30.06	0.30	0.03	0.00	\$83,021	67%	AB 1390	Santa Clara
		5 Projects	\$1,627,608	1,138.49	12.72	0.03	0.00				

Fiscal Year 09/10 TFCA Funding – Alternative Fuel Vehicle and Infrastructure Projects

Figure 1: TFCA Funding Distribution by Category (as of 1/15/10)

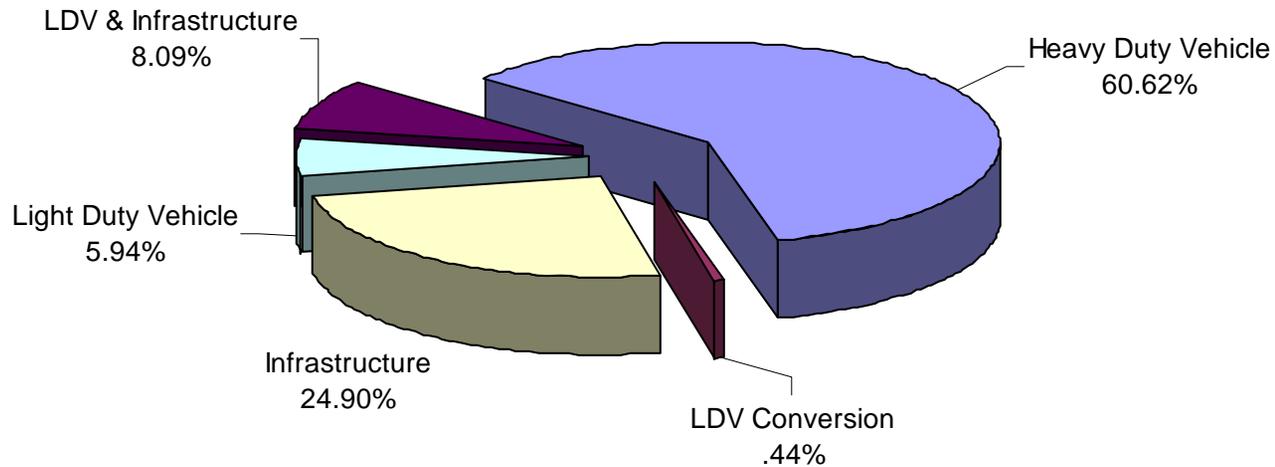
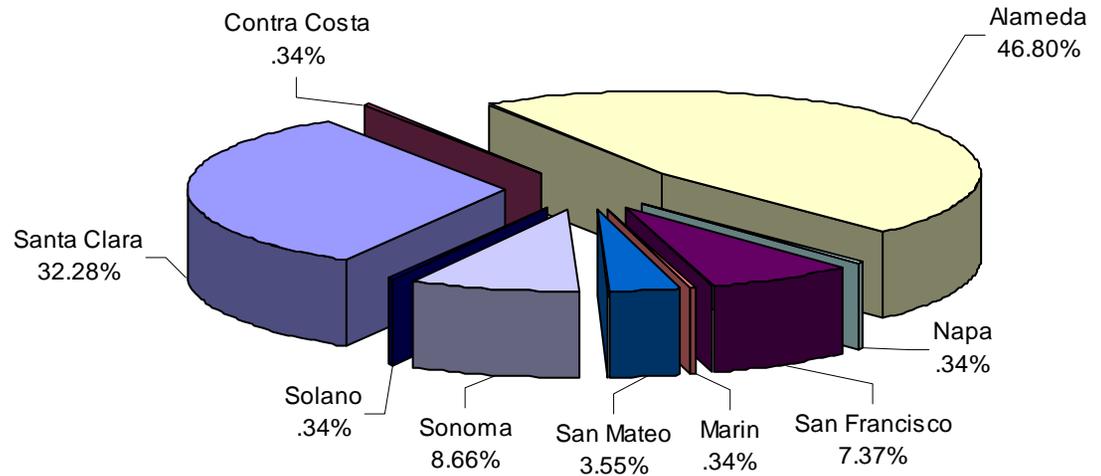


Figure 2: TFCA Funding Distribution by County (as of 1/15/10)



Attachment 4: Summary of all TFCA 09/10 approved/ eligible projects (12/21/09 to 1/15/10)

Project #	Project Sponsor	Project Title	TFCA \$ Awarded	CO2 (TPY)	NOX (TPY)	ROG (TPY)	PM (TPY)	C/E	Score	Board Approval Date	County
09R32	City & County of San Francisco	(60) Electric Vehicle Public Garage Charge Points	\$100,000	202.62	0.03	0.04	0.01	\$79,175	84%	APCO	San Francisco
09R30	Better Place	(30) Electric Vehicle Charge Points	\$30,000	101.31	0.02	0.02	0.00	\$49,799	77%	APCO	Santa Clara
09R35	County of Santa Clara	(40) Electric Vehicle Charge Points	\$ 85,720	135.08	0.02	0.03	0.00	\$89,906	75%	APCO	Santa Clara
09R26	Yellow Cab/Clean Energy Finance	(25) Compressed Natural Gas Taxis	\$ 75,000	-	0.11	0.19	-	\$63,552	74%	APCO	San Francisco
09R28	East Bay Clean Cities Coalition	Clean Air Vehicle Outreach	\$ 25,000	9.72	0.01	0.02	-	\$60,109	72%	APCO	9 County
09R27	Breathe California for Silicon Valley Clean Cities	Clean Air Vehicle Outreach	\$ 25,000	9.72	0.01	0.02	-	\$60,109	72%	APCO	9 County
09R29	SF Environment	Clean Air Vehicle Outreach	\$ 25,000	18.93	0.12	0.02	-	\$52,267	72%	APCO	9 County
09R39	County of Alameda	(40) Electric Vehicle Charge Points	\$ 84,760	135.07	0.02	0.03	0.00	\$89,355	72%	APCO	Alameda
09R18	County of Santa Clara	(1) Compressed Natural Gas Security Transfer Bus	\$ 36,000	20.69	0.06	-	-	\$88,383	71%	APCO	Santa Clara
09R33	City of Santa Rosa	(20) Electric Vehicle Charge Points & (14) Plug-in Hybrid Electric Vehicle conversions	\$ 45,811	75.74	0.01	0.02	0.00	\$85,743	71%	APCO	Sonoma
09R31	City of Palo Alto	(6) Electric Vehicle Charge Points	\$ 12,000	20.26	0.00	0.00	0.00	\$86,597	68%	APCO	Santa Clara
09R36	County of Sonoma	(30) Electric Vehicle Charge Points & Plug-in Hybrid Electric Vehicle Conversions	\$ 81,173	144.17	0.02	0.03	0.00	\$78,563	68%	APCO	Sonoma
09R22	Sonoma County Transit	(2) Compressed Natural Gas Transit Buses	\$ 80,000	53.18	0.41	-	-	\$64,684	67%	APCO	Sonoma
09R19	Livermore Sanitation	(3) Compressed Natural Gas Refuse Trucks	\$ 73,497	20.50	0.23	-	-	\$64,785	66%	APCO	Alameda
09R23	South SF Scavenger., INC	(4) Compressed Natural Gas Refuse Trucks	\$ 80,000	24.87	0.28	-	-	\$73,493	62%	APCO	San Mateo
		15 Projects	\$ 858,961	971.85	1.36	0.41	0.02				

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and
Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 20, 2010

Re: Consideration of Proposed Revisions to Transportation Fund for Clean Air (TFCA)
County Program Manager Fund Policies for Fiscal Year (FY) 10/11

RECOMMENDED ACTION:

Consider recommending Board of Directors approve proposed revisions to County Program Manager Fund Policies (Policies) to govern allocation of FY 10/11 TFCA County Program Manager funds.

BACKGROUND

Pursuant to California Health and Safety Code Sections 44241 and 44242, a \$4 per vehicle annual surcharge is imposed on all motor vehicles registered within the boundaries of the Air District. By law, 40% of these revenues are distributed to designated Program Managers in each of the nine counties within the Air District's jurisdiction. Each year the Air District's Board is required to adopt policies that maximize cost-effective emissions reductions and public health benefits.

DISCUSSION

On November 25, 2009, Air District staff issued a request for comments on proposed revisions to FY 2010/2011 TFCA Program Manager Policies. By December 28, 2009, seven sets of comments were received. Air District staff met with Program Manager representatives on December 8, 2009, and January 7, 2010, to review and discuss proposed revisions and to address concerns. A listing of comments and responses by the Air District is provided in Attachment C. Attachment A contains the proposed FY 10/11 Policies and Attachment B shows the changes between the proposed policies and the previous year's policies.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. The recommended policy changes have no impact on the Air District's budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Karen M. Schkolnick
Reviewed by: Damian Breen
Attachments

BOARD-ADOPTED TFCA COUNTY PROGRAM MANAGER FUND POLICIES FOR FY 2010/2011

The following policies apply only to the Transportation Fund for Clean Air (TFCA) County Program Manager Fund.

BASIC ELIGIBILITY

- 1. Reduction of Emissions:** A project must result in the reduction of motor vehicle emissions within the Air District's jurisdiction to be considered eligible for TFCA funding. Projects that are subject to emission reduction regulations, contracts, or other legally binding obligations must achieve surplus emission reductions to be considered for TFCA funding. Surplus emission reductions are those that exceed the requirements of applicable State or federal regulations or other legally binding obligations at the time the Air District Board of Directors approves an expenditure plan. Planning activities (e.g., feasibility studies) that are not directly related to the implementation of a specific project are not eligible for TFCA funding. For the purpose of TFCA, "fleet averaging" may not be considered when evaluating surplus emissions.
- 2. TFCA Cost-Effectiveness:** Projects must achieve TFCA cost-effectiveness, on an individual project basis, equal to or less than \$90,000 of TFCA funds per ton of total of emissions reduced, unless a different value is specified in the policy for that project type. For the purpose of this program, emissions that are calculated include a) reactive organic gases (ROG), b) oxides of nitrogen (NO_x), and c) weighted particulate matter 10 microns in diameter and smaller (PM₁₀) emissions reduced (\$/ton). Program Manager administrative costs are excluded from the calculation of TFCA cost-effectiveness.
- 3. Eligible Projects:** Eligible projects are those that conform to the provisions of the California Health and Safety Code (HSC) section 44241, Air District Board adopted policies and Air District guidance. On a case-by-case basis, Program Managers must receive approval by the Air District for projects that are authorized by the HSC Section 44241 and achieve Board adopted TFCA cost-effectiveness, but do not fully meet other Board adopted Policies.
- 4. Consistent with Existing Plans and Programs:** Only projects described in HSC Section 44241 are eligible for funding. Projects must also comply with the transportation control measures and mobile source measures included in the Air District's most recently approved strategy(ies) for State and national ozone standards and, when applicable, with other adopted State and local plans and programs.
- 5. Eligible Recipients:** TFCA grants may be awarded to public agencies and to non-public entities.

Non-public entities may only apply for funding for certain clean air vehicle projects including but not limited to engine repowers, engine retrofits, fleet modernization, alternative fuels, vehicle and infrastructure projects, as described in HSC Section 44241(b)7. No single non-public entity may be awarded more than \$500,000 in TFCA County Program Manager Funds for clean air vehicle projects in each funding cycle.
- 6. Readiness:** A project will be considered for TFCA funding only if it will commence in calendar year 2011 or sooner. For purposes of this policy, "commence" means to order or accept delivery of vehicles or other equipment being purchased as part of the project, to begin delivery of the service or product provided by the project, or to award a construction contract.

- 7. Maximum Two Years Operating Costs:** TFCA grant applications that request operating funds to provide a service, such as ridesharing programs or bicycle stations, are eligible for funding for up to two years. Grant applicants who seek TFCA funds for additional years must re-apply for funding in the subsequent funding cycles.

APPLICANT IN GOOD STANDING

- 8. Failed Audit:** Project sponsors who have failed either the fiscal audit or the performance audit for a prior TFCA-funded project will be excluded from future funding for five (5) years, or duration determined by the Air District Air Pollution Control Officer (APCO). Existing TFCA funds already awarded to the project sponsor will not be released until all audit recommendations and remedies have been satisfactorily implemented. A failed fiscal audit means an uncorrected audit finding that confirms an ineligible expenditure of TFCA funds. A failed performance audit means that the project was not implemented as set forth in the project funding agreement.

In case of a failed audit, a Program Manager may be subject to a reduction of future revenue in an amount equal to the amount which was inappropriately expended pursuant to the provisions of HSC Section 44242(C)3.

- 9. Authorization for County Program Manager to Proceed:** Only a fully executed funding agreement (i.e., signed by both the Air District and the County Program Manager) constitutes a final approval and obligation on the part of the Air District. Program Managers may only incur costs (i.e., an obligation made to pay funds that cannot be refunded) after the funding agreement with the Air District has been executed.
- 10. Insurance:** Each County Program Manager and project sponsor must maintain general liability insurance, workers compensation insurance, and additional insurance as appropriate for specific projects, with estimated coverage amounts provided in Air District guidance and final amounts specified in the respective funding agreements.

INELIGIBLE PROJECTS

- 11. Duplication:** Grant applications for projects that duplicate existing TFCA-funded projects and therefore do not achieve additional emission reductions will not be considered for funding. Combining TFCA County Program Manager Funds with TFCA Regional Funds to achieve greater emission reductions for a single project is not considered project duplication.
- 12. Employee Subsidy:** Grant applications for projects that provide a direct or indirect financial transit or rideshare subsidy exclusively to employees of the project sponsor will not be considered for funding.

USE OF TFCA FUNDS

- 13. Cost of Developing Proposals:** The costs of developing grant applications for TFCA funding are not eligible to be reimbursed with TFCA funds.
- 14. Combined Funds:** TFCA County Program Manager Funds may be combined with TFCA Regional Funds for the funding of an eligible project with the exception of clean air vehicle projects. For the purpose of calculating TFCA cost-effectiveness, the combined sums shall be used to calculate the TFCA cost of the project.
- 15. Administrative Costs:** Administrative costs for TFCA County Program Manager Funds are limited to a maximum of five percent (5%) of the actual Department of Motor Vehicles (DMV) fee revenues that correspond to each county, received in a given year. Interest

earned on prior DMV funds received shall not be included in the calculation of the administrative costs. All reimbursement with TFCA funds of administrative costs (i.e., direct and indirect) must be requested and justified in writing in the project application or expenditure plan, and approved in advance and in writing by the Air District.

16. **Expend Funds within Two Years:** County Program Manager Funds must be expended within two (2) years of receipt of the first transfer of funds from the Air District to the County Program Manager in the applicable fiscal year. A County Program Manager may, if it finds that significant progress has been made on a project, approve no more than two (2) one-year (1-year) schedule extensions for a project. Any subsequent schedule extensions for projects can only be given on a case-by-case basis, if the Air District finds that significant progress has been made on a project, and the funding agreement between the Program Manager and the Air District is amended to reflect the revised schedule.
17. **Unallocated Funds:** Any TFCA County Program Manager funds that are not allocated to a project within six months of the Air District Board of Directors approval of the Program Manager's Expenditure Plan may be allocated to eligible projects by the Air District. The Air District shall make reasonable effort to award these funds to eligible projects within the same county from which they originated.
18. **Reserved.**
19. **Reserved.**
20. **Reserved.**

ELIGIBLE PROJECT CATEGORIES

21. Alternative Fuel Light-Duty Vehicles:

Eligibility: For TFCA purposes, light-duty vehicles are those with a gross vehicle weight rating (GVWR) of 8,500 lbs. or lighter. Light-duty vehicle types and equipment eligible for funding includes:

- A. New hybrid-electric, electric, fuel cell, and CNG/LNG vehicles certified by the CARB as meeting established super ultra low emission vehicle (SULEV), partial zero emission vehicle (PZEV), advanced technology-partial zero emission vehicle (AT-PZEV), or zero emission vehicle (ZEV) standards.
- B. New electric neighborhood vehicles (NEV).
- C. CARB emissions compliant vehicle system retrofits that result in reduced petroleum use (e.g., plug-in hybrid systems).

Gasoline and diesel (non-hybrid) vehicles are not eligible for TFCA funding.

Funds are not available for non-fuel system upgrades such as transmission and exhaust systems and should not be included in the incremental cost of the project.

TFCA funds awarded may not exceed incremental cost after all other applicable manufacturer and local/state/federal rebates, tax credits, and cash equivalent incentives are applied. Incremental cost is the difference in cost between the purchase or lease price of the new vehicle and/or retrofit and its new conventional vehicle counterpart that meets, but does not exceed, 2010 emissions standards.

22. Alternative Fuel Medium and Heavy-Duty Service Vehicles (Low-mileage utility trucks in idling service):

Eligibility: For TFCA purposes, medium and heavy-duty service vehicles are on-road motor vehicles with a Gross Vehicle Weigh Rating (GVWR) of 14,001 pounds or heavier. This category includes only vehicles in which engine idling is required to perform the primary function (for example, crane or aerial bucket trucks). In order to qualify for this incentive, each new vehicle must be placed into a service route that has a minimum idling time of 520 hours/year, and a minimum mileage of 500 miles/year.

TFCA funds awarded may not exceed the difference in the purchase or lease price of the new clean air vehicle that surpasses the applicable emissions standards and its new conventional vehicle counterpart that meets, but does not exceed, the emissions standards (incremental cost).

Scrapping Requirements: Project sponsors of heavy-duty clean air vehicles purchased or leased with TFCA funds that have model year 1997 or older heavy-duty diesel vehicles in their fleet are required to scrap one model year 1997 or older heavy-duty diesel vehicle for each new clean air vehicle purchased or leased with TFCA funds. Project sponsors with model year 1998 and newer heavy-duty diesel vehicles in their fleet may, but are not required to, meet this scrapping requirements. Applications that include scrapping components may receive additional credit towards the calculation of the overall cost effectiveness of the project. Costs related to the scrapping of heavy-duty vehicles are not eligible for reimbursement with TFCA funds.

23. Alternative Fuel Heavy-Duty Vehicles (high mileage):

Eligibility: For TFCA purposes, Alternative Fuel Heavy-Duty Vehicles are defined as follows: Light-heavy-duty vehicles (LHDV) are those with a GVWR between 8,501 lbs. and 14,000 lbs., medium-duty vehicles (MDV) are those with a GVWR between 14,001 lbs. and 33,000 lbs., and heavy-duty vehicles (HDV) are those with a GVWR equal to or greater than 33,001 lbs. LHDV, MDV and HDV types and equipment eligible for funding include the following:

- A. New hybrid-electric, electric, and CNG/LNG vehicles certified by the CARB.
- B. CARB emissions compliant vehicle system retrofits that result in reduced petroleum use.

TFCA funding may not be used to pay for non-fuel system upgrades such as transmission and exhaust systems.

TFCA funds awarded may not exceed incremental cost after all other applicable manufacturer and local/state rebates, tax credits, and cash equivalent incentives are applied. Incremental cost is the difference in cost between the purchase or lease price of the vehicle and/or retrofit and its new conventional vehicle counterpart that meets, but does not exceed, 2010 emissions standards.

Scrapping Requirements: Project sponsors of heavy-duty clean air vehicles purchased or leased with TFCA funds that have model year 1997 or older heavy-duty diesel vehicles in their fleet are required to scrap one model year 1997 or older heavy-duty diesel vehicle for each new vehicle purchased or leased with TFCA funds. Project sponsors with model year 1998 and newer heavy-duty diesel vehicles in their fleet may, but are not required to, meet this scrapping requirement. Costs related to the scrapping of heavy-duty vehicles are not eligible for reimbursement with TFCA funds.

24. Alternative Fuel Buses:

Buses are subject to the same Eligibility and Scrapping requirements listed in Policy #21.

For purposes of transit and school bus replacement projects, a bus is any vehicle designed, used, or maintained for carrying more than fifteen (15) persons, including the driver. A vehicle designed, used, or maintained for carrying more than ten (10) persons, including the driver, which is used to transport persons for compensation or profit, or is used by any nonprofit organization or group, is also a bus. A vanpool vehicle is not considered a bus.

25. Alternative Fuel Infrastructure:

Eligible refueling infrastructure projects include new dispensing facilities, or additional equipment or upgrades and improvements that expand access to existing alternative fuel refueling sites. This includes upgrading or modifying private fueling stations to allow public and/or shared fleet access. Funding may be used to cover the cost of equipment and installation.

TFCA funded refueling infrastructure projects must be available to and accessible by the public. Refueling equipment and infrastructure must be designed, installed and maintained as required by the existing recognized codes and standards and approved by the local/state authority.

Applicants must provide data supporting the demand for the infrastructure (e.g., letters of support from potential users) and plans for maintaining the equipment in the future.

TFCA funding is limited to 50% of the total project cost and may not exceed a maximum award amount of \$200,000 per project sponsor.

TFCA funding may not be used to pay for fuel, operation, and maintenance costs.

26. Reserved.

27. Shuttle/Feeder Bus Service:

Shuttle/feeder bus service projects are those requesting funds to operate a shuttle or feeder bus route to or from a rail station, airport, or ferry terminal. To be eligible, shuttle/feeder bus service schedules must be coordinated with connecting rail or ferry schedules.

Shuttle/feeder bus service applicants must either: a) be a public transit agency or, b) submit documentation from the General Manager of the transit agency that provides service in the area of the proposed shuttle route, which demonstrates that the proposed shuttle service does not duplicate or conflict with existing transit agency service.

All vehicles used in shuttle/feeder bus service must meet the applicable CARB standards for public transit fleets use one of the following types of shuttle/feeder bus vehicles:

- A. an alternative fuel vehicle (CNG, liquefied natural gas, propane, electric);
- B. a hybrid-electric vehicle;
- C. a post-1996 diesel vehicle with a CARB Verified Diesel Emission Control Strategy (e.g., retrofit); or
- D. a post-1989 gasoline-fueled vehicle.

Pilot shuttle/feeder bus service projects are required to meet a cost-effectiveness of \$125,000/ton during the first two years of operation (see Policy # 3). A pilot project is a defined route that is at

least 70% unique and has not previously been funded through TFCA. Applicants must provide data supporting the demand for the service, letters of support from potential users and providers, and plans for financing the service in the future.

28. Ridesharing Projects:

Applications for projects that provide a direct or indirect financial transit or rideshare subsidy exclusively to employees of the project sponsor are not eligible.

29. Bicycle Projects:

New bicycle facility projects that are included in an adopted countywide bicycle plan or Congestion Management Program (CMP) are eligible to receive TFCA funds. Eligible projects are limited to the following types of bicycle facilities for public use: a) new Class-1 bicycle paths; b) new Class-2 bicycle lanes; c) new Class-3 bicycle routes; d) bicycle racks, including bicycle racks on transit buses, trains, shuttle vehicles, and ferry vessels; e) bicycle lockers; f) attended bicycle storage facilities; g) the purchase of bicycles, mounted equipment required for the intended service, and helmets; and g) development of a region-wide web-based bicycle trip planning system. All bicycle facility projects must, where applicable, be consistent with design standards published in Chapter 1000 of the California Highway Design Manual.

30. Arterial Management:

Arterial management grant applications must specifically identify a given arterial segment and define what improvement(s) will be made to affect traffic flow on the identified arterial segment. Projects that provide routine maintenance (e.g., responding to citizen complaints about malfunctioning signal equipment) are not eligible to receive TFCA funding. Incident management projects on arterials are eligible to receive TFCA funding. Transit improvement projects include, but are not limited to, bus rapid transit and transit priority projects. For signal timing projects, TFCA funds may only be used for local arterial management projects where the affected arterial has an average daily traffic volume of 20,000 motor vehicles or more, or an average peak hour traffic volume of 2,000 motor vehicles or more.

31. Smart Growth/Traffic Calming:

Physical improvements that support development projects and/or calm traffic, resulting in motor vehicle emission reductions, are eligible for TFCA funds, subject to the following conditions: a) the development project and the physical improvements must be identified in an approved area-specific plan, redevelopment plan, general plan, bicycle plan, traffic-calming plan, or other similar plan; and b) the project must implement one or more transportation control measures (TCMs) in the most recently adopted Air District strategy for State and national ozone standards. Pedestrian projects are eligible to receive TFCA funding. Traffic calming projects are limited to physical improvements that reduce vehicular speed by design and improve safety conditions for pedestrians, bicyclists or transit riders in residential and retail areas. Only projects with a completed and approved environmental plan may be awarded TFCA funds.

**BOARD-ADOPTED TFCA COUNTY PROGRAM MANAGER FUND
POLICIES FOR FY 2010/2011**

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The following policies apply only to the Transportation Fund for Clean Air (TFCA) County Program Manager Fund.

BASIC ELIGIBILITY

1. **Reduction of Emissions:** A project must result in the reduction of motor vehicle emissions within the Air District’s jurisdiction to be considered eligible for TFCA funding. Projects that are subject to emission reduction regulations, contracts, or other legally binding obligations must achieve surplus emission reductions to be considered for TFCA funding. Surplus emission reductions are those that exceed the requirements of applicable State or federal regulations or other legally binding obligations at the time the Air District Board of Directors approves an expenditure plan. Planning activities (e.g., feasibility studies) that are not directly related to the implementation of a specific project are not eligible for TFCA funding. For the purpose of TFCA, “fleet averaging” may not be considered when evaluating surplus emissions.

2. **TFCA Cost-Effectiveness:** Projects must achieve TFCA cost-effectiveness, on an individual project basis, equal to or less than \$90,000 of TFCA funds per ton of total of emissions reduced, unless a different value is specified in the policy for that project type. For the purpose of this program, emissions that are calculated include a) reactive organic gases (ROG), b) oxides of nitrogen (NOx), and c) weighted particulate matter 10 microns in diameter and smaller (PM₁₀) emissions reduced (\$/ton). Program Manager administrative costs are excluded from the calculation of TFCA cost-effectiveness.

3. **Eligible Projects:** Eligible projects are those that conform to the provisions of the California Health and Safety Code (HSC) section 44241, Air District Board adopted policies and Air District guidance. On a case-by-case basis, Program Managers must receive approval by the Air District for projects that are authorized by the HSC Section 44241 and achieve Board adopted TFCA cost-effectiveness, but do not fully meet other Board adopted Policies.

4. **Consistent with Existing Plans and Programs:** Only projects described in HSC Section 44241 are eligible for funding. Projects must also comply with the transportation control measures and mobile source measures included in the Air District's most recently approved strategy(ies) for State and national ozone standards and, when applicable, with other adopted State and local plans and programs.

5. **Eligible Recipients:** TFCA grants may be awarded to public agencies and to non-public entities.

Non-public entities may only apply for funding for certain clean air vehicle projects including but not limited to engine repowers, engine retrofits, fleet modernization, alternative fuels, vehicle and infrastructure projects, as described in HSC Section 44241(b)7. No single non-public entity may be awarded more than \$500,000 in TFCA County Program Manager Funds for clean air vehicle projects in each funding cycle.

6. **Readiness:** A project will be considered for TFCA funding only if it will commence in calendar year 2011 or sooner. For purposes of this policy, “commence” means to order or accept delivery of vehicles or other equipment being purchased as part of the project, to begin delivery of the service or product provided by the project, or to award a construction contract.

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Cost-effectiveness for Advanced Technology Demonstration = \$500,000/ton; Shuttle/Feeder Bus Service - Pilot = \$125,000/ton.¶
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7. **Maximum Two Years Operating Costs:** TFCA grant applications that request operating funds to provide a service, such as ridesharing programs or bicycle stations, are eligible for funding for up to two years. Grant applicants who seek TFCA funds for additional years must re-apply for funding in the subsequent funding cycles.

APPLICANT IN GOOD STANDING

8. **Failed Audit:** Project sponsors who have failed either the fiscal audit or the performance audit for a prior TFCA-funded project will be excluded from future funding for five (5) years, or duration determined by the Air District Air Pollution Control Officer (APCO). Existing TFCA funds already awarded to the project sponsor will not be released until all audit recommendations and remedies have been satisfactorily implemented. A failed fiscal audit means an uncorrected audit finding that confirms an ineligible expenditure of TFCA funds. A failed performance audit means that the project was not implemented as set forth in the project funding agreement.

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In case of a failed audit, a Program Manager may be subject to a reduction of future revenue in an amount equal to the amount which was inappropriately expended pursuant to the provisions of HSC Section 44242(C)3.

9. **Authorization for County Program Manager to Proceed:** Only a fully executed funding agreement (i.e., signed by both the Air District and the County Program Manager) constitutes a final approval and obligation on the part of the Air District. Program Managers may only incur costs (i.e., an obligation made to pay funds that cannot be refunded) after the funding agreement with the Air District has been executed.

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10. **Insurance:** Each County Program Manager and project sponsor must maintain general liability insurance, workers compensation insurance, and additional insurance as appropriate for specific projects, with estimated coverage amounts provided in Air District guidance and final amounts specified in the respective funding agreements.

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INELIGIBLE PROJECTS

11. **Duplication:** Grant applications for projects that duplicate existing TFCA-funded projects and therefore do not achieve additional emission reductions will not be considered for funding. Combining TFCA County Program Manager Funds with TFCA Regional Funds to achieve greater emission reductions for a single project is not considered project duplication.

12. **Employee Subsidy:** Grant applications for projects that provide a direct or indirect financial transit or rideshare subsidy exclusively to employees of the project sponsor will not be considered for funding.

USE OF TFCA FUNDS

13. **Cost of Developing Proposals:** The costs of developing grant applications for TFCA funding are not eligible to be reimbursed with TFCA funds.

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14. **Combined Funds:** TFCA County Program Manager Funds may be combined with TFCA Regional Funds for the funding of an eligible project with the exception of clean air vehicle projects. For the purpose of calculating TFCA cost-effectiveness, the combined sums shall be used to calculate the TFCA cost of the project.

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15. **Administrative Costs:** Administrative costs for TFCA County Program Manager Funds are limited to a maximum of five percent (5%) of the actual Department of Motor Vehicles (DMV) fee revenues that correspond to each county, received in a given year. Interest

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earned on prior DMV funds received shall not be included in the calculation of the administrative costs. All reimbursement with TFCA funds of administrative costs (i.e., direct and indirect) must be requested and justified in writing in the project application or expenditure plan, and approved in advance and in writing by the Air District.

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16. **Expend Funds within Two Years:** County Program Manager Funds must be expended within two (2) years of receipt of the first transfer of funds from the Air District to the County Program Manager in the applicable fiscal year. A County Program Manager may, if it finds that significant progress has been made on a project, approve no more than two (2) one-year (1-year) schedule extensions for a project. Any subsequent schedule extensions for projects can only be given on a case-by-case basis, if the Air District finds that significant progress has been made on a project, and the funding agreement between the Program Manager and the Air District is amended to reflect the revised schedule.

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17. **Unallocated Funds:** Any TFCA County Program Manager funds that are not allocated to a project within six months of the Air District Board of Directors approval of the Program Manager’s Expenditure Plan may be allocated to eligible projects by the Air District. The Air District shall make reasonable effort to award these funds to eligible projects within the same county from which they originated.

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Eligibility: For TFCA purposes, light-duty vehicles are those with a gross vehicle weight (GVW) of 10,000 pounds or lighter. Only public agencies, including public agencies applying on behalf of non-public entities, are eligible for TFCA grants for light-duty vehicles. Light-duty chassis-certified vehicles certified by the California Air Resources Board (CARB) as meeting established super ultra low emission vehicle (SULEV), partial zero emission vehicle (PZEV), advanced technology-partial zero emission vehicle (ATPZEV), or zero emission vehicle (ZEV) standards are eligible for TFCA funding. Hybrid-electric vehicles that meet the SULEV, PZEV, AT-PZEV, or ZEV standards are also eligible for TFCA funding. Gasoline and diesel light-duty vehicles are not eligible for TFCA funding. Vehicle infrastructure is not eligible for TFCA funding unless the project is an Advanced Technology Demonstration Project (Policy 22.) . . . Project sponsors may be awarded TFCA funds to cover no more than the incremental cost of a clean air vehicle. Incremental cost is the difference in the purchase or lease price of the new clean air vehicle that surpasses the applicable emissions standards and its new conventional vehicle counterpart that meets, but does not exceed, the en[... [1]

18. **Reserved.**

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ELIGIBLE PROJECT CATEGORIES

21. Alternative Fuel Light-Duty Vehicles:

Eligibility: For TFCA purposes, light-duty vehicles are those with a gross vehicle weight rating (GVWR) of 8,500 lbs. or lighter. Light-duty vehicle types and equipment eligible for funding includes:

- A. New hybrid-electric, electric, fuel cell, and CNG/LNG vehicles certified by the CARB as meeting established super ultra low emission vehicle (SULEV), partial zero emission vehicle (PZEV), advanced technology-partial zero emission vehicle (AT-PZEV), or zero emission vehicle (ZEV) standards.
- B. New electric neighborhood vehicles (NEV).
- C. CARB emissions compliant vehicle system retrofits that result in reduced petroleum use (e.g., plug-in hybrid systems).

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Gasoline and diesel (non-hybrid) vehicles are not eligible for TFCA funding.

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Funds are not available for non-fuel system upgrades such as transmission and exhaust systems and should not be included in the incremental cost of the project.

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Maximum Award (per vehicle/retrofit) listed below:

TFCA funds awarded may not exceed incremental cost after all other applicable manufacturer and local/state/federal rebates, tax credits, and cash equivalent incentives are applied. Incremental cost is the difference in cost between the purchase or lease price of the new vehicle and/or retrofit and its new conventional vehicle counterpart that meets, but does not exceed, 2010 emissions standards.

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22. Alternative Fuel Medium and Heavy-Duty Service Vehicles (Low-mileage utility trucks in idling service):

Eligibility: For TFCA purposes, medium and heavy-duty service vehicles are on-road motor vehicles with a Gross Vehicle Weigh Rating (GVWR) of 14,001 pounds or heavier. This category includes only vehicles in which engine idling is required to perform the primary function (for example, crane or aerial bucket trucks). In order to qualify for this incentive, each new vehicle must be placed into a service route that has a minimum idling time of 520 hours/year, and a minimum mileage of 500 miles/year.

TFCA funds awarded may not exceed the difference in the purchase or lease price of the new clean air vehicle that surpasses the applicable emissions standards and its new conventional vehicle counterpart that meets, but does not exceed, the emissions standards (incremental cost).

Scraping Requirements: Project sponsors of heavy-duty clean air vehicles purchased or leased with TFCA funds that have model year 1997 or older heavy-duty diesel vehicles in their fleet are required to scrap one model year 1997 or older heavy-duty diesel vehicle for each new clean air vehicle purchased or leased with TFCA funds. Project sponsors with model year 1998 and newer heavy-duty diesel vehicles in their fleet may, but are not required to, meet this scrapping requirements. Applications that include scrapping components may receive additional credit towards the calculation of the overall cost effectiveness of the project. Costs related to the scrapping of heavy-duty vehicles are not eligible for reimbursement with TFCA funds.

23. Alternative Fuel Heavy-Duty Vehicles (high mileage):

Eligibility: For TFCA purposes, Alternative Fuel Heavy-Duty Vehicles are defined as follows: Light-heavy-duty vehicles (LHDV) are those with a GVWR between 8,501 lbs. and 14,000 lbs., medium-duty vehicles (MDV) are those with a GVWR between 14,001 lbs. and 33,000 lbs., and heavy-duty vehicles (HDV) are those with a GVWR equal to or greater than 33,001 lbs. LHDV, MDV and HDV types and equipment eligible for funding include the following:

- A. New hybrid-electric, electric, and CNG/LNG vehicles certified by the CARB.
- B. CARB emissions compliant vehicle system retrofits that result in reduced petroleum use.

TFCA funding may not be used to pay for non-fuel system upgrades such as transmission and exhaust systems.

TFCA funds awarded may not exceed incremental cost after all other applicable manufacturer and local/state rebates, tax credits, and cash equivalent incentives are applied. Incremental cost is the difference in cost between the purchase or lease price of the vehicle and/or retrofit and its new conventional vehicle counterpart that meets, but does not exceed, 2010 emissions standards.

Scraping Requirements: Project sponsors of heavy-duty clean air vehicles purchased or leased with TFCA funds that have model year 1997 or older heavy-duty diesel vehicles in their fleet are required to scrap one model year 1997 or older heavy-duty diesel vehicle for each new vehicle purchased or leased with TFCA funds. Project sponsors with model year 1998 and newer heavy-duty diesel vehicles in their fleet may, but are not required to, meet this scrapping requirement. Costs related to the scrapping of heavy-duty vehicles are not eligible for reimbursement with TFCA funds.

24. Alternative Fuel Buses:

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Buses are subject to the same Eligibility and Scrapping requirements listed in Policy #21.

For purposes of transit and school bus replacement projects, a bus is any vehicle designed, used, or maintained for carrying more than fifteen (15) persons, including the driver. A vehicle designed, used, or maintained for carrying more than ten (10) persons, including the driver, which is used to transport persons for compensation or profit, or is used by any nonprofit organization or group, is also a bus. A vanpool vehicle is not considered a bus.

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25. Alternative Fuel Infrastructure:

Eligible refueling infrastructure projects include new dispensing facilities, or additional equipment or upgrades and improvements that expand access to existing alternative fuel refueling sites. This includes upgrading or modifying private fueling stations to allow public and/or shared fleet access. Funding may be used to cover the cost of equipment and installation.

TFCA funded refueling infrastructure projects must be available to and accessible by the public. Refueling equipment and infrastructure must be designed, installed and maintained as required by the existing recognized codes and standards and approved by the local/state authority.

Applicants must provide data supporting the demand for the infrastructure (e.g., letters of support from potential users) and plans for maintaining the equipment in the future.

TFCA funding is limited to 50% of the total project cost and may not exceed a maximum award amount of \$200,000 per project sponsor.

TFCA funding may not be used to pay for fuel, operation, and maintenance costs.

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27. Shuttle/Feeder Bus Service:

Shuttle/feeder bus service projects are those requesting funds to operate a shuttle or feeder bus route to or from a rail station, airport, or ferry terminal. To be eligible, shuttle/feeder bus service schedules must be coordinated with connecting rail or ferry schedules.

Shuttle/feeder bus service applicants must either: a) be a public transit agency or, b) submit documentation from the General Manager of the transit agency that provides service in the area of the proposed shuttle route, which demonstrates that the proposed shuttle service does not duplicate or conflict with existing transit agency service.

All vehicles used in shuttle/feeder bus service must meet the applicable CARB standards for public transit fleets use one of the following types of shuttle/feeder bus vehicles:

- A. an alternative fuel vehicle (CNG, liquefied natural gas, propane, electric);
- B. a hybrid-electric vehicle;
- C. a post-1996 diesel vehicle with a CARB Verified Diesel Emission Control Strategy (e.g., retrofit); or
- D. a post-1989 gasoline-fueled vehicle.

Pilot shuttle/feeder bus service projects are required to meet a cost-effectiveness of \$125,000/ton during the first two years of operation (see Policy #3). A pilot project is a defined route that is at

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least 70% unique and has not previously been funded through TFCA. Applicants must provide data supporting the demand for the service, letters of support from potential users and providers, and plans for financing the service in the future.

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28. **Ridesharing Projects:**

Applications for projects that provide a direct or indirect financial transit or rideshare subsidy exclusively to employees of the project sponsor are not eligible.

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29. **Bicycle Projects:**

New bicycle facility projects that are included in an adopted countywide bicycle plan or Congestion Management Program (CMP) are eligible to receive TFCA funds. Eligible projects are limited to the following types of bicycle facilities for public use: a) new Class-1 bicycle paths; b) new Class-2 bicycle lanes; c) new Class-3 bicycle routes; d) bicycle racks, including bicycle racks on transit buses, trains, shuttle vehicles, and ferry vessels; e) bicycle lockers; f) attended bicycle storage facilities; g) the purchase of bicycles, mounted equipment required for the intended service, and helmets; and g) development of a region-wide web-based bicycle trip planning system. All bicycle facility projects must, where applicable, be consistent with design standards published in Chapter 1000 of the California Highway Design Manual.

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30. **Arterial Management:**

Arterial management grant applications must specifically identify a given arterial segment and define what improvement(s) will be made to affect traffic flow on the identified arterial segment. Projects that provide routine maintenance (e.g., responding to citizen complaints about malfunctioning signal equipment) are not eligible to receive TFCA funding. Incident management projects on arterials are eligible to receive TFCA funding. Transit improvement projects include, but are not limited to, bus rapid transit and transit priority projects. For signal timing projects, TFCA funds may only be used for local arterial management projects where the affected arterial has an average daily traffic volume of 20,000 motor vehicles or more, or an average peak hour traffic volume of 2,000 motor vehicles or more.

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31. **Smart Growth/Traffic Calming:**

Physical improvements that support development projects and/or calm traffic, resulting in motor vehicle emission reductions, are eligible for TFCA funds, subject to the following conditions: a) the development project and the physical improvements must be identified in an approved area-specific plan, redevelopment plan, general plan, bicycle plan, traffic-calming plan, or other similar plan; and b) the project must implement one or more transportation control measures (TCMs) in the most recently adopted Air District strategy for State and national ozone standards. Pedestrian projects are eligible to receive TFCA funding. Traffic calming projects are limited to physical improvements that reduce vehicular speed by design and improve safety conditions for pedestrians, bicyclists or transit riders in residential and retail areas. Only projects with a completed and approved environmental plan may be awarded TFCA funds.

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Light-Duty Clean Air Vehicles:

Eligibility: For TFCA purposes, light-duty vehicles are those with a gross vehicle weight (GVW) of 10,000 pounds or lighter. Only public agencies, including public agencies applying on behalf of non-public entities, are eligible for TFCA grants for light-duty vehicles. Light-duty chassis-certified vehicles certified by the California Air Resources Board (CARB) as meeting established super ultra low emission vehicle (SULEV), partial zero emission vehicle (PZEV), advanced technology-partial zero emission vehicle (ATPZEV), or zero emission vehicle (ZEV) standards are eligible for TFCA funding. Hybrid-electric vehicles that meet the SULEV, PZEV, AT-PZEV, or ZEV standards are also eligible for TFCA funding. Gasoline and diesel

light-duty vehicles are not eligible for TFCA funding. Vehicle infrastructure is not eligible for TFCA funding unless the project is an Advanced Technology Demonstration Project (Policy 22.)

Project sponsors may be awarded TFCA funds to cover no more than the incremental cost of a clean air vehicle. Incremental cost is the difference in the purchase or lease price of the new clean air vehicle that surpasses the applicable emissions standards and its new conventional vehicle counterpart that meets, but does not exceed, the emissions standards. Compliance with the TFCA cost-effectiveness requirement is not waived or altered by this policy.

Heavy-Duty Clean Air Vehicles:

Eligibility: For TFCA Purposes, heavy-duty vehicles are on-road motor vehicles with a GVW of 10,001 pounds or heavier. Vehicle infrastructure is not eligible for TFCA funding unless the project is an Advanced Technology Demonstration Project (Policy 22).

Project sponsors may be awarded TFCA funds to cover no more than the incremental cost of a new clean air vehicle. Incremental cost is the difference in the purchase or lease price of the new clean air vehicle that surpasses the applicable emission standards, and its new diesel counterpart that meets, but does not exceed, the emission standards.

Scrapping Requirements: Project sponsors of heavy-duty vehicles purchased or leased with TFCA funds that have in their fleet model year 1993 or older heavy-duty diesel vehicles are required to scrap one model year 1993 or older heavy-duty diesel vehicle for each new vehicle purchased or leased with TFCA funds. Project sponsors who have in their fleet model year 1994 and newer vehicles are not required to scrap an existing operational model year 1994 or newer heavy-duty diesel vehicle within their fleet. When applicable, emission reductions associated with scrapping an existing operational diesel vehicle will be factored into the calculations of the overall cost-effectiveness for the project. Costs related to the scrapping of heavy-duty vehicles are not eligible for reimbursement with TFCA funds.

Reducing Emissions from Existing Heavy-Duty Diesel Engines: Options available to reduce emissions from existing heavy-duty diesel engines include:

Repowers – To be eligible for TFCA funding, the new engine selected to repower an existing heavy-duty vehicle must reduce emissions by at least 15% compared to the direct exhaust emission standards of the existing engine that will be replaced.

Diesel Emission Control Strategies – Diesel emission control strategies compatible with existing heavy-duty diesel engines are eligible for TFCA funding, subject to the conditions described below:

All control strategies must be verified by CARB to reduce emissions from the relevant engine;

TFCA will fund, at most, the incremental cost (over what is standard or required by regulation) of the emission control strategy; and

The project sponsor must install the highest level (i.e., most effective) diesel emission control strategy that is verified by CARB for the specific engine. Clean Fuels or Additives – Clean fuels or additives compatible with existing heavy-duty engines are eligible for TFCA funding, subject to the conditions described below:

All clean fuels or additives must be approved by CARB to reduce emissions and for use with the relevant engine; and

TFCA will fund, at most, the incremental cost (over what is standard or required by regulation) of the clean fuel or additive.

Replacement of Compressed Natural Gas (CNG) Fuel Tanks – the replacement of CNG fuel tanks will only be considered for projects that achieve surplus emissions via repowers or emission control strategies, described in Paragraphs A and B above.

Bus Replacements: Transit and school buses are defined as any vehicle used or maintained for carrying more than fifteen (15) persons, including the driver. Other buses are those used or maintained for carrying more than ten (10) persons, including the driver, which is used to transport persons for compensation or profit, or is used by any nonprofit organization or group. A vanpool vehicle is not considered a bus.

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With the exception of NEV, vehicles must be placed into a service route that has a minimum mileage of 10,000 miles per year.

Vehicle Type	Annual Mileage	
	10,000 - 50,000 miles	Greater than 50,000 miles
NEV (exempt from mileage minimum)	\$500	
SULEV, PZEV, AT-PZEV	\$2000	\$3000
ZEV and *retrofits (*Device to reduce petroleum use)	\$4000	\$5000

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Maximum Award Amount (per vehicle):

Maximum funding is set forth below:

GVWR, lbs	Idling Time	
	Average 2 - 4 hours/day	Average \geq 4 hours/day
10,001-33,000	\$16,000	\$20,000
Greater than 33,000	\$25,000	\$30,000
Additional funds for scrapping pre-1998 vehicles	+ \$4000	+ \$4000

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and/or that are listed by the IRS as eligible for a federal tax credit pursuant to the Energy Policy Act of 2005

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Vehicles must be placed into a service route that has a minimum mileage of 15,000 miles per year.

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Maximum Award (per vehicle/retrofit) listed below:

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CNG/LNG	MDV	\$3,500	\$8,000
	HDV	\$8,000	\$20,000
Hybrid-EV and Retrofits (>15,000 Miles)	LHDV	\$10,000	
	MDV	\$25,000	
	HDV	\$30,000	
Fuel Cell and EV (>15,000 Miles)	LHDV	\$20,000	
	MDV	\$40,000	
	HDV	\$60,000	

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BAAQMD Transportation Fund for Clean Air

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For TFCA Regional Fund eligibility, ridesharing projects must be comprised of riders from at least three Bay Area counties.

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1. Cost-effectiveness for Advanced Technology Demonstration = \$500,000/ton; Shuttle/Feeder Bus Service - Pilot = \$125,000/ton.

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This requirement may be waived if the responsible Congestion Management Agency provides a letter of intent to include the project in the next update of the CMP.

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Addendum, May 6, 2009; Additional FY2009/2010 Policies (#27 - #31) approved by Air District Board of Directors on May 6, 2009.

SUPPLEMENTAL PROJECT TYPES

Alternative Fuel Light-Duty Vehicles:

Eligibility: For TFCA purposes, light-duty vehicles are those with a gross vehicle weight rating (GVWR) of 8,500 lbs. or lighter. Light-duty vehicle types and equipment eligible for funding includes:

New hybrid-electric, electric, fuel cell, and CNG/LNG vehicles certified by the CARB as meeting established super ultra low emission vehicle (SULEV), partial zero emission vehicle (PZEV), advanced technology-partial zero emission vehicle (AT-PZEV), or zero emission vehicle (ZEV) standards.

New electric neighborhood vehicles (NEV).

CARB emissions compliant vehicle system retrofits that result in reduced petroleum use (e.g., plug-in hybrid systems).

With the exception of NEV, vehicles must be placed into a service route that has a minimum mileage of 10,000 miles per year.

Gasoline and diesel (non-hybrid) vehicles are not eligible for TFCA funding.

Funds are not available for non-fuel system upgrades such as transmission and exhaust systems and should not be included in the incremental cost of the project.

Maximum Award (per vehicle/retrofit) listed below:

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BAAQMD Transportation Fund for Clean Air

Comments Received and Staff Responses to Proposed FY 2010/2011 TFCA Program Manager Policies and Guidance

Commenter and Agency	Comment	Staff Response
Matt Todd, Alameda Co. Congestion Management Agency (ACCMA)	Policy re. Administrative Costs. “It is the understanding of the ACCMA that the Air District will be providing additional clarification regarding administrative costs. The ACCMA requests clarification of whether a Program Manager can continue to use the estimated 5% administrative limit as stated in the TFCA Expenditure Plan Application, or adjust the 5% limit for the year after the actual DMV revenues have been received.”	Per the TFCA legislation, admin costs are limited to 5% of TFCA funds <i>received</i> . The Air District will ensure this requirement is clarified in all materials.
Peter Engel, Contra Costa Transportation Authority (CCTA)	Policy re: Administrative Costs. “Please ensure the guidance is clear on the basis for the 5% limit on administrative costs.”	Per the TFCA legislation, admin costs are limited to 5% of TFCA funds <i>received</i> . The Air District will ensure this requirement is clarified in all materials.
CCTA	Policy re: Administrative Costs. “The term “given year” needs to be defined. Is it calendar year? Fiscal year? Is it the two checks we receive from the Air District after the adoption of the years expenditure plan? What constitutes the “given year”?”	Per the TFCA legislation, admin costs are limited to 5% of TFCA funds <i>received</i> . The Air District will ensure this requirement is clarified in all materials.
Lynne March, Sonoma County Transportation Authority (SCTA)	Policy re: Administrative Costs. Please make clear that the 5% calculation can be applied to the revenue estimate we just received (to be used on the Summary Sheet) –versus a future adjusted amount. Please clarify the changed wording on page 12 from “TFCA funds distributed by” to “TFCA funds received from.”	Per the TFCA legislation, admin costs are limited to 5% of TFCA funds <i>received</i> . The Air District will ensure this requirement is clarified in all materials.
Amber Crabbe, San Francisco County Transportation Authority (SFCTA)	Policy re: Alternative Fuel Heavy-Duty Service Vehicles (high mileage). “The definition of heavy-duty vehicles seem to be defined differently in Policy 22 (GVWR of 10,001 lbs or heavier) and Policy 23 (GVWR of 33,001 lbs or heavier). If the different definitions are due to the difference between the idling and high-mileage vehicle categories, it may be useful to clarify this in the policies or otherwise reconcile the definitions.”	Air District staff has revised this policy to clarify and reconcile the definitions.
SFCTA	Policy re: Alternative Fuel Heavy-Duty Service Vehicles (Low-mileage utility trucks in idling service)/. “The definition of heavy-duty vehicles seem to be defined differently in Policy 22 (GVWR of 10,001 lbs or heavier) and Policy 23 (GVWR of 33,001 lbs or heavier). If the different definitions are due to the difference between the idling and high-mileage vehicle categories, it may be useful to clarify this in the policies or otherwise reconcile the definitions.”	Air District staff has revised this policy to clarify and reconcile the definitions.
CCTA	Policy re: Alternative Fuel Light-Duty Vehicles. “Does the term “new” in Section B refer to a specific vehicle model year?”	“New” refers to current engine standard year (e.g. Vehicles purchased in 2010 would have an engine that meets or exceeds 2010 diesel engine standards)

Comments Received and Staff Responses to Proposed FY 2010/2011 TFCA Program Manager Policies and Guidance

Commenter and Agency	Comment	Staff Response
SFCTA	Policy re: Arterial Management. “We thank Air District staff for removing its proposed language to restrict the amount of TFCA funds that can be used to fund arterial management projects.”	Air District staff has revised this policy to incorporate this suggestion.
Bill Hough, Santa Clara Valley Transportation Authority (SCVTA)	Policy re: Arterial Management. Santa Clara VTA staff strongly objects to this new provision [limiting TFCA funding to 25% of total project cost, not to exceed \$1 million]. If an arterial signal timing project meets the cost-effectiveness criteria at 100% of project cost, then it should be fundable at 100%. The cost-effectiveness criteria ensure that the grant money is effective in improving air quality/reducing emissions.	Air District staff has revised this policy to incorporate this suggestion.
ACCMA	Policy re: Authorization for County Program Manager to Proceed. The ACCMA requests that the Air District remove the language that requires the funding agreement between the Program Manager and the project sponsor be fully executed prior to the sponsor being able to incur project costs.	Air District staff has revised this policy to incorporate this suggestion.
CCTA	Policy re: Authorization for County Program Manager to Proceed. “Remove the new requirement that the Program Manager – Project Sponsor Agreement needs to be fully executed prior to the project sponsor incurring costs.”	Air District staff has revised this policy to incorporate this suggestion.
ACCMA	Policy re: Bicycle Projects. The ACCMA is concerned about change to remove provisions allowing letter indicating that a project will be included in either the CMP or Countywide Bicycle Plan	This policy was revised in order to be consistent with the Health and Safety Code requirement.
CCTA	Policy re: Bicycle Projects. “While the regulatory language specifically states the bicycle project must be in the CMP, we believe the letter from the CMA committing to include the project in the next CMP update meets the requirement in spirit. Delaying the project until the CMP is updated will increase the cost on the project.”	This policy was revised in order to be consistent with the Health and Safety Code requirement.
Paul Price, Napa County Transportation & Planning Agency (NCTPA)	Policy re: Bicycle Projects. NCTPA believes that a letter indicating that the project will be included in either the CMP or the Countywide Bicycle Plan at the next update should suffice. If Policy 29 is not changed it will prevent some very feasible projects from being funded through the TFCA program.	This policy was revised in order to be consistent with the Health and Safety Code requirement.
SCTA	Policy re: Bicycle Projects. Concerned about change to remove provisions allowing letter indicating that a project will be included in either the CMP or Countywide Bicycle Plan.	This policy was revised in order to be consistent with the Health and Safety Code requirement.

Comments Received and Staff Responses to Proposed FY 2010/2011 TFCA Program Manager Policies and Guidance

Commenter and Agency	Comment	Staff Response
SFCTA	Policy re: Bicycle Projects. “We do not support the removal of the language allowing CMAs to waive the requirement that bicycle projects be included in the CMP if the CMA intends to include the project in the next update. This level of commitment by the CMAs should, as in the past, be considered sufficient, and its inclusion may delay cost-effective projects that are otherwise ready to implement.”	This policy was revised in order to be consistent with the Health and Safety Code requirement.
SCVTA	Policy re: Bicycle Projects-Bicycle Loops. “This policy says nothing about bicycle loop detectors, but in the chart listing project type codes, code 7h=Other type of bicycle project (e.g., bicycle loop detectors). What is your intention related to bicycle loop detectors?”	Bicycle loop detector projects are eligible.
SCTA	Policy re: Combined Funds. “What is the reasoning for excluding clean air vehicle projects from the option of combining funding with the Regional TFCA source?”	Vehicle projects are generally cost-effective at relatively low dollar amounts. In order to minimize administrative costs, these should be funded by either program but not both.
SFCTA	Policy re: Eligible Recipients. “We do not support removing the ability of a public entity to apply on behalf of a non-public entity for light-duty vehicle projects.”	The policy was revised to reflect that non-public entities are eligible to apply for TFCA funding. The proposed policies include a mechanism for Program Managers to propose cost-effective projects that that do not meet all other Board-adopted policies.
SFCTA	Policy re: Heavy-Duty Clean Air Vehicles. “We do not support removing heavy-duty engine repowers from the list of eligible projects, if they can be shown to be cost effective. If the Air District does eliminate this project type’s eligibility, we request that Air District staff provide us with information we can give to previous sponsors of these types of projects outlining other available grant opportunities.”	Repowers are no longer a viable option because the new engines are oversized and generally do not fit into old vehicle bodies. However, the proposed policies allow program managers to submit projects that meet cost-effectiveness criteria but are otherwise inconsistent with the policies for approval on a case by case basis.
ACCMA	Policy re: Minimum Grant Amount. “The ACCMA requests the minimum amount of \$10,000 for grant awards be removed from the Policies and request that it be left to the discretion of each county program manager of whether to set a minimum grant amount for their county’s program.”	Air District staff has revised this policy to incorporate this suggestion.
CCTA	Policy re: Minimum Grant Amount. CCTA does not support a minimum grant amount and would like this to be at the discretion of the Program Managers.	Air District staff has revised this policy to incorporate this suggestion.

Comments Received and Staff Responses to Proposed FY 2010/2011 TFCA Program Manager Policies and Guidance

Commenter and Agency	Comment	Staff Response
NCTPA	Policy re: Minimum Grant Amount. "NCTPA believes that there should not be a minimum requirement, and that funding amounts should be left to the Program Manager's discretion."	Air District staff has revised this policy to incorporate this suggestion.
SFCTA	Policy re: Minimum Grant Amount. "We do not support a prescribed minimum grant award, and request that this be left to the discretion of county program managers for the county program."	Air District staff has revised this policy to incorporate this suggestion.
SCTA	Policy re: Minimum Grant Amount. Concerned about policy to require a minimum grant award amount.	Air District staff has revised this policy to incorporate this suggestion.
ACCMA	Policy re: Smart Growth/Traffic Calming. The ACCMA requests clarification of "Approved Environmental Plan". We are concerned that this could be interpreted narrowly, effectively disqualifying the majority of this category of project.	This policy was revised to ensure that these projects are completed within 2 years of award of funding as required by the legislation. The proposed policies allow Program Managers to propose, on a case-by-case basis, cost-effective projects that that do not meet all other Board-adopted policies.
SFCTA	Policy re: Smart Growth/Traffic Calming." We strongly object to the addition of the policy requiring that smart growth and traffic calming projects have a completed and approved environmental plan to apply for funds and request elimination of this new requirement. Requiring this level of clearance prior to even applying for construction funds would likely prevent us from funding these types of projects altogether."	This policy was revised to ensure that these projects are completed within 2 years of award of funding as required by the legislation. The proposed policies allow Program Managers to propose, on a case-by-case basis, cost-effective projects that that do not meet all other Board-adopted policies.
CCTA	Policy re: TFCA Cost-Effectiveness. Should administrative costs be considered in the cost effectiveness of a project?	Project sponsor admin costs are also limited to 5% of the funds awarded and should be included in the evaluation of cost-effectiveness of funds awarded. This policy has been updated to clarify that the cost-effectiveness requirement does not apply to Program Manager admin costs.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and
Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: January 20, 2010

Re: Consideration of accepting approximately \$8 million from Year 2 of the
California Goods Movement Bond (I-Bond) program for Port Drayage Trucks

RECOMMENDED ACTION

- Staff requests that the Committee recommend that the Board of Directors (Board) accept up to \$8 million in funding from Year 2 of the I-Bond to retrofit and replace additional trucks at the Port of Oakland (Port) and authorization for the Executive Officer/APCO to enter into all necessary contracts to expend this funding.

BACKGROUND

Since May of 2009, the Bay Area Air Quality Management District (District) has operated a drayage truck retrofit and replacement program for vehicles visiting the Port of Oakland (Port). This program was funded by a combination of monies: \$5 million provided by the Port, \$15 million in District funding from the TFCA and Goods Movement Bond (I-Bond) programs, and \$2 million from the United States Environmental Protection Agency (USEPA) via the American Resource and Recovery Act (ARRA) Diesel Emissions Reduction Program (DERA).

While the program has been extremely successful in retrofitting and replacing approximately 1,000 trucks at the Port of Oakland, a significant population of vehicles (approximately 1,300) were not addressed by the original \$22 million assembled by the Air District. These vehicles are still eligible to operate on Bay Area highways for at least one more year and still represent a significant source of diesel particulate matter (DPM). However, funding has been recently made available as part of the I-Bond program to retrofit and replace a number of these vehicles. As part of this report, staff will update the Committee on the original program, explain the circumstances of the funding that has recently become available and make a recommendation to the Committee.

DISCUSSION

As of December 31, 2009, the original Port truck drayage program had contracted with over 800 truckers to retrofit their vehicles and over 600 of those devices are currently installed and operational. Additionally, staff has contracted for 187 replacement vehicles with port truckers, many of which were scheduled for delivery in December 2009. Currently, invoices for these vehicles are being tallied by staff and more accurate estimates of the current number of vehicles in service will be available at the end of January 2010. This is due to a lag between vehicle retrofit or replacement and invoicing of the Air District. However, what is evident from these figures is that not all of the vehicles for which the Air District has contracts were delivered or retrofitted by the January 1, 2010, deadline imposed by the California Air Resources Board's (ARB) for its drayage truck rule.

In recognition of the fact that there have been significant delays in the production of retrofits, the availability of replacement trucks and the availability of I-Bond funding, ARB has allowed an extension until April 30, 2010 for:

- Individuals with retrofit or replacement truck grant contracts with the Air District
- Individuals who have purchase orders funded privately for retrofits or replacement trucks that have been delayed but can be delivered by April 30, 2010.

In both of these circumstances, truckers meeting these criteria have received extensions to work at California ports until the April 30th, deadline. At present, all of the projects under Air District contracts are proceeding to meet this timeline and it is expected that the majority of retrofits will be completed by February 2010, with replacements being completed by the end of March.

Supplemental Funding

From the outset, the original Port truck retrofit and replacement program did not seek to address every vehicle operating at the Port of Oakland. The number of vehicles targeted by the original program was based on the funding received. This number happened to coincide with estimates given by the Port of Oakland for the number of trucks required to sustain operations at its terminals (approximately 1,600 trucks, 600 of which were to be funded by private industry). This objective has more than been achieved in that the Port has indicated that there are as many as 2,000 compliant vehicles utilizing the "active tag" system required by its terminal operators to allow trucks to access their facilities.

However, at the end of the original program, the Air District issued over 1,300 notifications to applicants due to the fact that the all funding sources had been depleted. In recognition of the fact that many of these vehicles would continue to operate in the Bay Area as in many cases they are compliant with ARB's on-road regulation for many years to come; members of the Board of Directors Mobile Source and Ad-Hoc Port Emissions Committees requested that staff look into providing additional funding to reduce emissions from these trucks. In order to accommodate this request, staff approached the ARB to seek to transfer \$3 million in locomotive funding from Year 1 of the I-Bond program to provide additional funding for these drayage trucks (the locomotive application in question can be funded with Carl Moyer and the applicant has agreed to seek that funding source).

On December 31, 2009, in response to that request, the ARB indicated that it would allow this transfer and offered to provide up to an additional \$8 million in funding from Year 2 of the I-Bond program (see Attachment 1) to address all of the approximately 1,300 applicants who had initially applied for the program. If accepted by the Board, this funding could provide up to \$5,000 per retrofit device and \$50,000 per replacement device for successful applicants under a supplemental program.

Due to the late noticing of this additional funding and a request by the Mayor of Oakland, the Port temporarily suspended its noncompliant drayage truck ban for two weeks (between January 1 and January 18, 2010) to allow applicants interested in receiving this additional funding to contact the Air District. Between January 4 and January 8, 2010, a total of 912 applicants notified in the Air District of their interest in receiving these supplemental funds. Following review of the information submitted Air District staff has identified approximately 786 trucks that can comply with a very narrow set of initial qualification guidelines defined by the ARB for the available funding.

With Board approval of the additional \$8 million, staff will follow an expedited timeline to get this funding to these truckers. The timeline to accomplish this will include a number of milestones that will allow truckers to retrofit or replace their equipment by the April 30, 2010, deadline imposed on this program by the ARB. Proposed milestones include:

- Truckers providing documentation showing that they can finance the balance of the retrofit or replacement truck by February 5, 2010.
- Pre-inspection of all vehicles by Air District staff by February 19, 2010.
- Execution of contracts with eligible grantees by February 26, 2010.
- Installation of retrofits filter or acquisition of replacement truck by April 30, 2010.

BUDGET CONSIDERATION / FINANCIAL IMPACT

The supplemental Port Truck Retrofit Program will receive administrative funding from the I-Bond. Staff costs for the administration of the Program will be recommended for inclusion in the FY 2009/2010 budget at an upcoming Budget and Finance Committee meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Damian Breen
Reviewed by: Jean Roggenkamp

Attachment 1: ARB Letter on Supplemental I-Bond Funding



Air Resources Board



Linda S. Adams
Secretary for
Environmental Protection

Mary D. Nichols, Chairman
1001 I Street • P.O. Box 2815
Sacramento, California 95812 • www.arb.ca.gov

Arnold Schwarzenegger
Governor

January 6, 2010

Mr. Jack P. Broadbent
Executive Officer/Air Pollution Control Officer
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109

Dear Mr. Broadbent:

The Air Resources Board (ARB or Board) recognizes and appreciates the extraordinary efforts of the Bay Area Air Quality Management District (District) to secure and administer additional grant funding for trucks serving the Port of Oakland to protect nearby communities.

As stated in our December 31, 2009 joint press release, ARB has committed \$22 million in Proposition 1B monies for these grants. As allowed by statute, this includes five percent of the project funds for the District's administrative costs. The subset of \$11 million in new monies comes from the \$3 million that the District requested be transferred from the existing locomotive grant, plus up to \$8 million in supplemental funding. ARB is allocating this supplemental funding from bond cash on hand, with payouts to the District based on the level of participation in the new grants.

The \$11 million is intended to provide \$5,000 towards a particulate filter for the 1,218 trucks owned by truckers who applied and qualified on time under the District's 2008 and 2009 port truck solicitations, but were denied grants when the money ran out. These funds will also provide \$50,000 towards the replacement of the 103 trucks owned by truckers who applied and qualified for replacement funding under the District's 2008 solicitation, but did not receive grants. These funds are limited to the universe of the trucks described above.

By January 13, 2010, ARB will provide amended grant agreements to the District for signature to implement the additional funding for port trucks. To date, ARB has made two payments totaling \$6 million to the District for this project, and will deliver the next payment of \$4 million in January from existing bond proceeds.

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.

California Environmental Protection Agency

Mr. Jack P. Broadbent
January 6, 2010
Page 2

We will work with the District over the next two weeks to identify the expected level of demand for the \$11 million in additional funds based on the number of trucks qualifying for grants and expedite payment to support the District's ability to sign contracts. The remainder of the initial funding for the District to administer these new grants will be available over the next month as well.

We thank the District for its extensive work to help owner-operators and small fleets retrofit or replace their diesel port trucks with cleaner technology, including administration of the grants funded under the Prop. 1B program.

If you have any questions, please contact Ms. Cynthia Marvin, Assistant Division Chief, Planning and Technical Support Division, at (916) 322-7236.

Sincerely,

Original signed by

James N. Goldstene
Executive Officer

cc: Mr. Damian Breen
Director, Strategic Incentives Division
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109

Ms. Cynthia Marvin
Assistant Division Chief
Planning and Technical Support Division