BAY AREA AIR QUALITY MANAGEMENT DISTRICT

BOARD OF DIRECTORS
MOBILE SOURCE COMMITTEE

COMMITTEE MEMBERS

SCOTT HAGGERTY - CHAIR	CAROLE GROOM – VICE CHAIR
TOM BATES	JENNIFER HOSTERMAN
CAROL KLATT	ERIC MAR
NATE MILEY	MARK ROSS
GAYLE B. UILKEMA	

THURSDAY
NOVEMBER 18, 2010
9:30 A.M.

4TH FLOOR CONFERENCE ROOM
939 ELLIS STREET
SAN FRANCISCO, CA 94109

AGENDA

1. **CALL TO ORDER - ROLL CALL**

2. **PUBLIC COMMENT PERIOD**
(*Public Comment on Non-Agenda Items Pursuant to Government Code § 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 Committee's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.*

3. **APPROVAL OF MINUTES OF OCTOBER 28, 2010**

4. **CONSIDERATION OF PROJECTS WITH PROPOSED GRANT AWARDS OVER $100,000**
D. Breen/5041
dbreen@baaqmd.gov

The Committee will consider recommending Board of Directors' approval of Carl Moyer and TFCA Regional Fund projects requesting grant funding in excess of $100,000 and authorization for the Executive Officer/APCO to execute Grant Agreements for the recommended projects.

5. **UPDATE ON ELECTRIC VEHICLE CHARGING INFRASTRUCTURE DEPLOYMENT PROGRAM**
D. Breen/5041
dbreen@baaqmd.gov

Staff will present an update on the Air District's Electric Vehicle Charging Infrastructure Deployment Program.

6. **CONSIDERATION OF TRANSPORTATION FUND FOR CLEAN AIR (TFCA) COUNTY PROGRAM MANAGER POLICIES AND PROCEDURES FOR FISCAL YEAR (FY) 2011/2012**
D. Breen/5041
dbreen@baaqmd.gov

The Committee will consider recommending Board of Directors approval of TFCA County Program Manager Policies and Procedures for FY 2011/2012.

7. **CONSIDERATION OF APPROVAL FOR TRANSPORTATION FUND FOR CLEAN AIR (TFCA) REGIONAL FUNDS FOR SHUTTLE, RIDESHARING AND VANPOOL PROJECTS**
D. Breen/5041
dbreen@baaqmd.gov

The Committee will consider recommending Board of Directors' approval of $4 million in FY 2010/2011 Transportation Fund for Clean Air (TFCA) Regional Funds and $0.9 million in FY 2009/2010 TFCA Regional Funds for Shuttle, Ridesharing and Vanpool Projects.

8. **COMMITTEE MEMBER COMMENTS/OTHER BUSINESS**
Any member of the Committee, 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).

9. **TIME AND PLACE OF NEXT MEETING: AT THE CALL OF THE CHAIR,** 939 Ellis Street, San Francisco, CA 94109

10. **ADJOURNMENT**

CONTACT EXECUTIVE OFFICE - 939 ELLIS STREET
SAN FRANCISCO, 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 three 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 District's offices 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 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

NOVEMBER 2010

TYPE OF MEETING	DAY	DATE	TIME	ROOM
Advisory Council Regular Meeting	Wednesday	10	9:00 a.m.	Board Room
Joint Policy Committee Special Meeting	Friday	12	10:00 a.m.	MTC Auditorium 101 – 8th Street Oakland, CA 94607
Board of Directors Personnel Committee *(At the Call of the Chair)*	Wednesday	17	9:00 a.m.	4th Floor Conf. Room
Board of Directors Regular Meeting *(Meets 1st & 3rd Wednesday of each Month)* - **CANCELLED**	Wednesday	17	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee *(Meets 4th Thursday each Month)*	Thursday	18	9:30 a.m.	4th Floor Conf. Room
Board Executive Committee *(At the Call of the Chair)*	Monday	22	9:30 a.m.	4th Floor Conf. Room
Board of Directors Mobile Source Committee *(Meets 4th Thursday each Month)* **- RESCHEDULED TO NOVEMBER 18, 2010 at 9:30 a.m.**	Thursday	25	9:30 a.m.	4th Floor Conf. Room

DECEMBER 2010

TYPE OF MEETING	DAY	DATE	TIME	ROOM
Board of Directors Regular Meeting ***(Meets 1st & 3rd Wednesday of each Month)***	Wednesday	1	9:45 a.m.	Board Room
Board of Directors Legislative Committee *(At the Call of the Chair)*	Monday	6	9:45 a.m.	4th Floor Conf. Room
Board of Directors Budget & Finance Committee *(At the Call of the Chair)*	Wednesday	8	9:30 a.m.	4th Floor Conf. Room
Board of Directors Stationary Source Committee Meeting *(At the Call of the Chair)*	Monday	13	9:30 a.m.	Board Room
Board of Directors Regular Meeting *(Meets 1st & 3rd Wednesday of each Month)*	Wednesday	15	9:45 a.m.	Board Room

December 2010 Calendar Continued on Next Page

DECEMBER 2010

TYPE OF MEETING	DAY	DATE	TIME	ROOM
Joint Policy Committee **Special Meeting**	**Friday**	**17**	**10:00 a.m.**	**MTC Auditorium** **101 – 8th Street** **Oakland, CA 94607**
Board of Directors Mobile Source Committee *(Meets 4th Thursday each Month)* **- RESCHEDULED TO NOVEMBER 18, 2010 at 9:30 a.m.**	**Thursday**	**25**	**9:30 a.m.**	**4th Floor** **Conf. Room**

HL – 11/8/10 (10:05 a.m.)
P/Library/Forms/Calendar/Calendar/Moncal

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: November 9, 2010

Re: Mobile Source Committee Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Mobile Source Committee meeting of October 28, 2010.

DISCUSSION

Attached for your review and approval are the draft minutes of the October 28, 2010 Mobile Source Committee meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Vanessa Johnson
Reviewed by: Jennifer Cooper

AGENDA: 3

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

DRAFT MINUTES

Summary of Board of Directors
Mobile Source Committee Meeting
Thursday, October 28, 2010
9:30 a.m.

CALL TO ORDER: Director Tom Bates called the meeting to order at 9:40 a.m.

Roll Call: Scott Haggerty, Chairperson; Directors Tom Bates, Jennifer Hosterman, Carol Klatt, Eric Mar, Mark Ross, and Gayle B. Uilkema

Absent: Vice-Chairperson; Carole Groom, and Director Nate Miley

Public Comments: There were no public comments

Approval of Minutes: Mobile Source Committee Meeting of September 23, 2010

Committee Action: Director Mar made a motion to approve the September 23, 2010 Mobile Source Committee minutes; seconded by Director Ross, carried unanimously without objection.

Consideration of Projects with Proposed Grant Awards over $100,000

Damian Breen, Director of Strategic Incentives, gave the staff presentation and provided an overview of the Carl Moyer Program with proposed grant awards over $100,000.

Anthony Fournier, Grants Manager provided background of this item which included:

- **Carl Moyer Program (CMP)**
  - Created in 1998 to reduce emissions from heavy-duty engines
  - Voluntary program that funds surplus emission reductions

- **Mobile Source Incentive Fund (MSIF)**
  - AB 923 allowed for additional $2 motor vehicle registration fee surcharge (12/04)
  - CMP projects eligible for MSIF funding

Director Bates asked how much the $2 surcharge represents per year, and Mr. Breen stated the Air District receives approximately $11 million from AB 923 funds and approximately $80 million from the Carl Moyer Program.

Mr. Fournier continued with the following:

- On 3/17/10 District Board of Directors:
  - Approved participation in CMP Year 12
  - Authorized Executive Officer/APCO to execute contracts and amendments with grant awards up to $100,000

- **CMP Year 12 Project Recommendation (over $100k)**
  - Four projects to replace nine engines (four marine engines and five pieces of off-road equipment)
  - $772,839 in total awards
  - Emission reductions: Over 7 Tons Per Year (TPY) of criteria pollutants

Mr. Fournier continued with the presentation showing the Total Year 12 CMP/MSIF and Voucher Incentive Program (VIP) funds awarded as of October 14, 2010.

Staff recommended that the Committee request the Board of Directors approve the Carl Moyer projects with proposed grant awards over $100,000; and authorize the Executive Officer/APCO to enter into agreements for the recommended Carl Moyer Program projects.

Committee Comments/Questions:
Director Hosterman asked about the downside of bringing contracts with awards over $100,000 to the Committee for approval, prior to signing. Mr. Breen informed the Committee that the Executive Officer's signing authority is capped at $100,000, and that the Executive Officer is only allowed to authorize the smaller projects and that the Committee is responsible for the larger expenditures.

In addition, several Committee Members had questions relative to Attachment 1, with regard to business addresses, which staff agreed to research and report back to the Committee at a future meeting.

Public Comments: None.

Committee Action: Director Mar made a motion to recommend Board of Directors' approval of Carl Moyer projects with proposed grant awards over $100,000; and authorize the Executive Officer/APCO to enter into agreements for the recommended Carl Moyer Program projects; Director Ross seconded the motion. Vote 7-0: Bates, Haggerty, Hosterman, Klatt, Mar, and Ross. Noes: None. Absent: Groom and Miley, carried unanimously without objection.

Consideration of Acceptance of up to $6.7 Million in Climate Innovation Program Grant Funding from the Metropolitan Transportation Commission (MTC)

Damian Breen, Director of Strategic Incentives, provided an overview to the Committee. Mr. Breen continued stating it was announced that the Air District was awarded funding by the Metropolitan Transportation Commission for bicycle projects.

Karen Schkolnick, Air Quality Program Manager, continued with the presentation.

- Bay Area is in nonattainment for Ozone and PM2.5 ambient air quality standards

- Transportation sector accounts for more than:
  - 50% of "criteria" pollutants emissions
  - 40% of greenhouse gas (GHG) emissions

- Trip reduction and zero-emission vehicle projects are key to the Bay Area's attainment of air quality standards, to improve public health and to protect the climate.

On April 30, 2010, MTC opened a solicitation for its Climate Innovation Grants Program. The program supports high-impact innovative projects with the greatest potential to reduce GHG emissions that can be replicated on a larger scale around the region. On August 13, 2010, the Air District submitted two proposals to MTC:

  - Regional bike share pilot ($4.29 million), and
  - EV charging infrastructure deployment ($2.38 million).

- On October 27, 2010, MTC's Commission approved awards for these two Air District led projects.

Ms. Schkolnick provided the Committee with an overview of each project. The Regional Bike Share Pilot represents the first regional bike share program to be deployed in California. Funding for this project includes:

- Total Project Cost: $6.9 million
  - MTC $4.29 million
  - Air District $1.4 million
  - Partners $1.34 million

Partners of this project include Santa Clara Valley Transportation Authority, Sam Trans, the cities of San Francisco and Redwood City. This program also has strong support from bicycle coalitions and other sustainable transportation advocates.

This project will deploy 1,000 bikes in 5 cities along Caltrain peninsula transportation corridor:

500 bikes in San Francisco
200 bikes in San Jose
200 bikes in Palo Alto/Mountain view
100 bikes in Redwood City

The pilot will run for approximately for 1 – 2 years, with the goal of becoming self-sustaining through revenue created by membership subscription, user fees and other types of revenues.

Director Bates asked if a preference can be made for bikes that are made in the United States. Mr. Breen responded that because this is a construction project, there will be some requirements and will research implementing this plan.

Chairperson Haggerty asked how bikes are going to be checked out. Ms. Schkolnick, responded the vision would be a unified system, which will provide a variety of options. Those options would include an online reservation system, applications for SmartPhones such as I-Phones or Blackberry's and if an individual is at a kiosk, there would be a checkout system that will allow you to enter your subscription membership number or the card. The District is aiming to launch a unified card that connects with the Clipper system.

Director Hosterman asked what criterion was used for choosing the five cities. Mr. Breen responded that the five cities applied separately to MTC for similar bike sharing projects, and MTC requested the Air District to provide an umbrella to make this a regional wide process.
Chairperson Haggerty requested that staff research how to get bikes in both the North and East Bay. Chairperson Haggerty stated that it would be good to have this program at the end of the line at BART Stations, especially where transit options are limited.

Director Uilkema asked how the District will handle the issue of security, theft, and maintenance. Mr. Breen stated that the bicycles will have a modern monitoring system, which will include identification tags and GPS, which makes the bikes easier to locate. Mr. Breen also stated the overall administration of the program, there would be an entity that has the assignment to take care of the maintenance, as ideally a non-profit agency would manage this program and that the District will issue a Request for Proposal (RFP).

Director Uilkema also asked how the issue of liability will be addressed. Mr. Breen stated that there is a plan for insurance, which will be included as part of the RFP process. In addition to become an administrator of the program, insurance must be provided and maintenance. Mr. Breen continued that once the RFP has been rolled out, the results will be brought back to the Committee to ensure that all of the concerns have been addressed.

Director Mar expressed support for this project, including expansion in the East Bay and other areas. Director Mar asked what other regions in the United States have implemented such projects. In London, a bike sharing project achieved profitability by the end of their second year. Mr. Breen also stated that staff looked at projects in Paris as well as Chicago, Denver and Washington, D.C. Mr. Breen continued that no one has accomplished this type of project on a regional basis.

Ms. Schkolnick continued with the presentation to discuss the Electric Vehicle (EV) Infrastructure Regional Deployment Project. The presentation included:

- Project Costs:
  - MTC $2.38 million
  - Air District/Partner Match TBD

- MTC CIPG funds to be placed into a reserve account pending completion of Regional EV Strategic Plan:
  - Assess the Bay Area's readiness to support electric vehicles and the necessity to deploy additional public chargers
  - Develop criteria to inform funding priorities

Ms. Schkolnick continued stating that based on the outcome of the process, the District will direct a portion of the Transportation Fund for Clean Air (TFCA) and MTC funding to support further deployment of EV Charging Infrastructure. Also the project leverages TFCA Regional Funds in the amount of $5 million which was approved by the Board of Directors on August 4, 2010.

Committee Comments/Questions:
Director Uilkema asked if these funds could be used for Maritime sources, and Mr. Breen informed the Committee that the District is unable to use funds for the purpose of Maritime sources. Mr. Breen continued that anyone interested in funds for Maritime sources should seek assistance through the Carl Moyer Program.

Director Ross stated that as next steps, he would like to see electric bikes, along with charging stations. Mr. Breen replied that the District would research this and bring it back to the Committee at a future meeting.

Director Bates asked about the EV charging stations will be more complicated with reference to the numerous types of stations, and who is responsible is responsible for paying. Mr. Breen responded that the District has been working on these types of issues and will provide a full update at the November 18, 2010 Committee meeting.

Chairperson Haggerty stated he would like to see more public charging stations versus home charging stations. Mr. Breen responded that the District will continue to keep the Committee informed.

Public Comments: None.

Committee Action: Director Ross made a motion to accept up to $6.7 million in Climate Innovation Grant Program funding from the Metropolitan Transportation Commission for bicycle sharing pilot and electric vehicle charging infrastructure projects and authorize the Executive Officer/APCO to enter into agreements for the recommended projects; Director Uilkema seconded the motion. Vote 7-0: Bates, Haggerty, Hosterman, Klatt, Mar, Ross and Uilkema.
Noes: None. Absent: Groom and Miley, carried unanimously without objection.

Consideration of Allocating $5 million in Mobile Source Incentive Funds for Lower Emission School Bus Replacement Program (LESBP)

Damian Breen, Director of Strategic Incentives, introduced Geraldina Grunbaum, Environmental Planner, and she gave the presentation.

Assembly Bill 923, enacted in 2004, authorized local Air Districts to increase their motor vehicle registration fee surcharge by an additional $2 per vehicle. The revenues generated are deposited in the Air District's Mobile Source Incentive Fund (MSIF) and may be used for public school bus replacement projects.

The LESBP program was created by the California Air Resources Board (CARB) in Fiscal Year 2000/2001. This program funds the purchase of clean school buses and purchase of installation of particulate matter emission control devices. The Air District has participated in this program since its conception and to date a total of $21 million in both State and District funds have been used to replace more than 200 public school buses and retrofit over 300 school buses.

As a result of the proposed requirements for school buses in the upcoming CARB In-Use Heavy Duty Diesel Fuel Vehicle Regulation, the demand for school bus retrofit funding is high. Staff estimates that State funding will cover less than half of the 900 school buses potentially eligible for retrofit funding.

Local funds cannot be used to retrofit buses, only to replace them. As such, the District intends to allocate all State funds towards retrofits.

Staff estimates that several hundred buses are eligible for replacement in the Bay Area. This information is an update to a staff report, as CARB just modified the guidelines for the program, which will allow replacement through model year 1993, and not only through 1986.

Ms. Grunbaum continued stating with ongoing budget cuts faced by most school districts, the demand for funding for school bus replacement is high.

Staff recommended the Committee recommend the Board of Directors approve an allocation of $5 million in Mobile Source Incentive Funds (MSIF) to fund public school bus replacement projects under the Lower Emission School Bus Program (LESBP).

Committee Comments/Questions:
Chairperson Bates asked how eligibility is determined. Ms. Grunbaum responded that there is an open call for projects. Mr. Breen added that most of the programs operate on a first come, first served basis.

Director Uilkema asked about the cost of a bus, and Mr. Breen responded that it costs approximately $145,000.

Director Mar stated that he hopes the dirtiest buses are the ones being given priority. Director Mar also asked if the various buses can be retrofitted with the use of these funds. Mr. Breen informed the Committee that buses are not allowed to be retrofitted with the MSIF funding.

Director Bates asked that the District look at incentives to purchase buses locally, and if not locally, then within the United States.

Public Comments: None.

Committee Action: Director Bates made a motion to allocate $5 million in Mobile Source Incentive Funds (MSIF) to fund public school bus replacement projects under the Lower Emission School Bus Program (LESBP); Director Mar seconded the motion. Vote 7-0: Bates, Haggerty, Hosterman, Klatt, Mar, Ross and Uilkema. Noes: None. Absent: Groom and Miley, carried unanimously without objection.

Committee Member Comments: None.

Next Meeting: Thursday, November 18, 2010 at 9:30 a.m.

Adjournment: Meeting adjourned at 10:20 a.m.

Vanessa Johnson
Executive Secretary

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: November 9, 2010

Re: Consideration of Projects with Proposed Grant Awards Over $100,000

RECOMMENDATIONS:

Recommend Board of Directors:

1. Approve Carl Moyer Program projects with proposed grant awards over $100,000.
2. Authorize the Executive Officer/APCO to enter into agreements for the recommended Carl Moyer Program 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 March 17, 2010, the Board of Directors authorized Air District participation in Year 12 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. 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 Program:

The Air District started accepting applications for CMP Year 12 projects on May 3, 2010. The Air District has approximately $19 million available for CMP projects from a combination of MSIF and CMP funds. Project applications are being accepted and evaluated on a first-come, first-served basis.

As of November 1, 2010, the Air District had received 56 project applications. Of the applications that have been evaluated between October 14, 2010 and November 1, 2010 four eligible projects have proposed individual grant awards over $100,000. These projects will replace six pieces of off-road equipment, which will result in the reduction of 5.8 tons of NOx, ROG and PM per year. Staff recommends allocating $625,485 to these projects from a combination of CMP funds and MSIF revenues. Attachment 1 to this staff report provides additional information on these four projects.

Attachment 2 lists all of the eligible projects that have been received by the Air District as of November 1, 2010, and summarizes the allocation of funding by equipment category (Figure 1), and county (Figure 2). This list also includes the Voucher Incentive Program (VIP) on-road replacement projects awarded to date. Approximately 23% of the funds have been awarded to projects that reduce surplus emissions in highly impacted Bay Area communities.

TFCA:

No TFCA applications requesting individual grant awards over $100,000 received between October 14, 2010 and November 1, 2010 are being forwarded for approval at this time.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. Through the CMP, MSIF 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
Reviewed by: Damian Breen

Attachment 1: BAAQMD Year 12 Carl Moyer Program/MSIF projects with grant awards greater than $100,000 (evaluated between 10/14/10 and 11/1/10)

Attachment 2: Summary of all CMP Year 12/MSIF and VIP approved/eligible projects (5/3/10 to 11/1/10)

Attachment 1

BAAQMD Year 12 Carl Moyer Program/ MSIF projects with grant awards greater than $100k
(Evaluated between 10/14/2010 and 11/1/2010)

Project #	Applicant name	Equipment category		Proposed contract award	NOx (TPY)	ROG (TPY)	PM (TPY)	County
12MOY34	Robert Giacomini Dairy, Inc	Off-road	The replacement of one (1) diesel powered tractor and one (1) diesel powered loader.	$ 132,819.00	1.380	0.174	0.041	Marin
12MOY42	DJNI Engineering	Off-road	The replacement of one (1) diesel powered loader.	$ 194,615.00	1.558	0.173	0.070	Santa Clara
12MOY45	South Valley Mushroom Farm, Inc	Off-road	The replacement of one (1) diesel powered loader.	$ 130,955.00	0.603	0.100	0.023	Santa Clara
12MOY46	Sonoma Compost	Off-road	The replacement of two (2) diesel powered loaders.	$ 167,096.00	1.496	0.204	0.049	Sonoma
				$ 625,485.00	**5.037**	**0.651**	**0.183**	

Attachment 2

Summary of all CMP Yr 12/ MSIF and VIP approved/ eligible projects (5/3/10 to 11/1/10)

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	NOx (TPY)	ROG (TPY)	PM (TPY)	Board approval date	County
12MOY2	Agriculture	Engine repower	3	$ 57,831.00	Nichelini Vineyards, LLC	0.648	0.078	0.021	APCO	Napa
12MOY8	Off-road	Equipment replacement & retrofit	1	$ 201,620.00	Evergreen Supply	1.556	0.185	0.075	8/4/2010	Santa Clara
12MOY11	Off-road	Equipment replacement	2	$ 43,833.00	Domenico J. Carinalli, Jr. (farmer)	0.141	0.047	0.015	APCO	Sonoma
12MOY5	Agriculture	Engine repower	1	$ 35,119.00	Carpenter Ranchs Inc	0.542	0.079	0.022	APCO	Napa
12MOY6	Agriculture	Engine repower	1	$ 28,163.00	Vimark Inc.	0.218	0.027	0.008	APCO	Sonoma
12MOY18	Off-road	Equipment replacement	1	$ 115,900.00	Don Moreda JR. (dairy)	0.318	0.087	0.035	10/6/2010	Sonoma
12MOY7	Agriculture	Engine repower	1	$ 28,798.00	Beard Family Vineyards	0.223	0.030	0.009	APCO	Napa
12MOY4	Off-road	Equipment replacement	1	$ 115,887.00	Andy Poncia (fertilizer/farm support)	0.790	0.133	0.040	10/6/2010	Sonoma
12MOY10	Off-road	Equipment replacement	1	$ 39,868.00	Daniel H. Evans (farmer)	0.227	0.041	0.011	APCO	Marin
12MOY19	Agriculture	Engine repower	9	$ 187,170.00	Skalli Corporation DBA St. Supery	4.396	0.528	0.156	10/6/2010	Napa
12MOY26	Off-road	Equipment replacement	1	$ 108,517.00	Gerald & Kristy Spaletta (dairy)	0.645	0.110	0.033	10/6/2010	Sonoma
12MOY28	Off-road	Equipment replacement	2	$ 69,940.00	Terrilinda Dairy	0.468	0.085	0.022	APCO	Sonoma
12MOY22	Off-road	Equipment replacement	4	$ 122,062.00	ST Francis Winery& Vineyards	0.412	0.086	0.030	10/6/2010	Sonoma
12MOY9	Off-road	Equipment replacement	1	$ 31,260.00	Deniz Dairy	0.379	0.068	0.018	APCO	Sonoma
12MOY27	Off-road	Equipment replacement	1	$ 35,386.00	Alfred Corda	0.189	0.034	0.009	APCO	Marin
12MOY30	Agriculture	Engine repower	2	$ 31,610.00	Beckstoffer Vineyards	0.888	0.112	0.032	APCO	Napa
12MOY21	Marine	Engine repower	2	$ 149,288.00	James Smith (Commercial fishing)	1.530	0.034	0.051	11/3/2010	Contra Costa
12MOY32	Marine	Engine repower	2	$ 103,010.00	Monterey Canyon Research Vessels, Inc	0.519	0.014	0.018	11/3/2010	San Francisco
12MOY43	Agriculture	Engine repower	2	$ 51,834.00	Boisset Family Estates	0.954	0.113	0.031	APCO	Napa
12MOY29	Off-road	Equipment replacement	1	$ 63,667.00	Daniel Sare (farmer)	0.175	0.036	0.011	APCO	San Mateo
12MOY33	Off-road	Equipment replacement	1	$ 29,012.00	Eugene Poncia (farmer)	0.093	0.017	0.004	APCO	Marin
12MOY44	Off-road	Equipment replacement	1	$ 23,032.00	Moretti Family Dairy	0.164	0.027	0.009	APCO	Marin
12MOY17	Agriculture	Engine repower	4	$ 44,696.00	Korbel Vineyards	0.237	0.029	0.008	APCO	Sonoma
12MOY36	Off-road	Equipment replacement	2	$ 382,265.00	Marin Sanitary Service	2.612	0.419	0.156	11/3/2010	Marin
12MOY31	Off-road	Equipment replacement	2	$ 138,276.00	Hillside Drilling Inc	1.419	0.202	0.065	11/3/2010	Contra Costa
12MOY34	Off-road	Equipment replacement	2	$ 132,819.00	Robert Giacomini Dairy, Inc	1.380	0.174	0.041	Board	Marin
12MOY42	Off-road	Equipment replacement	1	$ 194,615.00	DJNI Engineering	1.558	0.173	0.070	Board	Santa Clara
12MOY45	Off-road	Equipment replacement	1	$ 130,955.00	South Valley Mushroom Farm, Inc	0.603	0.100	0.023	Board	Santa Clara
12MOY41	Off-road	Equipment replacement	2	$ 46,321.00	DeBernardi Dairy Inc.	0.495	0.158	0.041	APCO	Sonoma
12MOY35	Off-road	Equipment replacement	1	$ 23,350.00	Spaletta Dairy	0.301	0.051	0.017	APCO	Sonoma
12MOY46	Off-road	Equipment replacement	2	$ 167,096.00	Sonoma Compost	1.496	0.204	0.049	Board	Sonoma
12MOY52	Off-road	Equipment replacement	1	$ 52,114.00	MCE Amos Inc (dairy)	0.334	0.057	0.017	APCO	Sonoma

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	NOx (TPY)	ROG (TPY)	PM (TPY)	Board approval date	County
VIP2	VIP	Truck replacement	1	$ 35,000.00	C. Hill Trucking	0.366	0.014	0.658	APCO	Alameda
VIP7	VIP	Truck replacement	1	$ 35,000.00	David Bianchi Inc.	0.366	0.014	0.658	APCO	Sonoma
VIP10	VIP	Truck replacement	1	$ 35,000.00	Donald Lopez	0.366	0.014	0.658	APCO	Alameda
VIP11	VIP	Truck replacement	1	$ 35,000.00	Leyvas Transport	0.366	0.014	0.658	APCO	Monterey
VIP15	VIP	Truck replacement	1	$ 35,000.00	Maddocks Construction Inc.	0.366	0.014	0.658	APCO	Sonoma
VIP16	VIP	Truck replacement	1	$ 35,000.00	Northern Truck & Equipment	0.366	0.014	0.658	APCO	Alameda
VIP17	VIP	Truck replacement	1	$ 30,000.00	Chahal Trucking	0.294	0.008	0.265	APCO	Alameda
VIP18	VIP	Truck replacement	1	$ 30,000.00	Mann Transp	0.294	0.008	0.265	APCO	Alameda
VIP19	VIP	Truck replacement	1	$ 40,000.00	Farlain Trucking	0.354	0.014	0.032	APCO	Sonoma
VIP20	VIP	Truck replacement	1	$ 30,000.00	C & G Trucking	0.383	0.010	0.017	APCO	Stanislaus
VIP21	VIP	Truck replacement	1	$ 35,000.00	Arrow Trucking	0.442	0.012	0.020	APCO	Alameda
VIP22	VIP	Truck replacement	1	$ 35,000.00	VJ Trucking	0.305	0.012	0.027	APCO	Contra Costa
VIP23	VIP	Truck replacement	1	$ 35,000.00	Dhindsa Trucking	0.305	0.012	0.027	APCO	Alameda
VIP24	VIP	Truck replacement	1	$ 35,000.00	Trent McGrew Trucking	0.305	0.012	0.027	APCO	Shasta
VIP25	VIP	Truck replacement	1	$ 30,000.00	Berkeley Warehouse	0.466	0.005	0.013	APCO	Alameda
VIP26	VIP	Truck replacement	1	$ 20,000.00	Gary S. Petersen	0.288	0.007	0.010	APCO	Sonoma
VIP27	VIP	Truck replacement	1	$ 30,000.00	GS Trucking	0.436	0.011	0.015	APCO	Alameda
VIP28	VIP	Truck replacement	1	$ 35,000.00	Mark Maxwell	0.305	0.012	0.027	APCO	Alameda
VIP29	VIP	Truck replacement	1	$ 45,000.00	JBV Trucking	0.649	0.016	0.022	APCO	Ventura
VIP30	VIP	Truck replacement	1	$ 35,000.00	Gill Trucking	0.510	0.013	0.017	APCO	Alameda
VIP32	VIP	Truck replacement	1	$ 45,000.00	Harjot Singh	0.649	0.016	0.022	APCO	Alameda
VIP33	VIP	Truck replacement	1	$ 45,000.00	John Whitney	0.390	0.015	0.035	APCO	Alameda
VIP34	VIP	Truck replacement	1	$ 45,000.00	James A. King	0.579	0.015	0.026	APCO	Merced
VIP35	VIP	Truck replacement	1	$ 35,000.00	Fourway Trucking, Inc.	0.510	0.013	0.017	APCO	Alameda
56	**Projects**		**83**	**$ 3,830,314.00**		**35.571**	**3.834**	**5.977**		

Figure 1: CMP/ MSIF Funding Distribution by Equipment Category as of 11/1/10

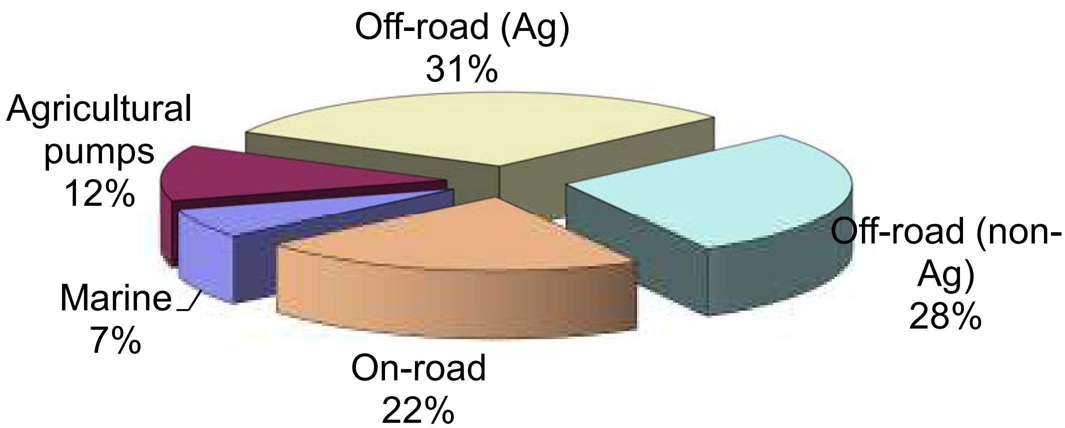
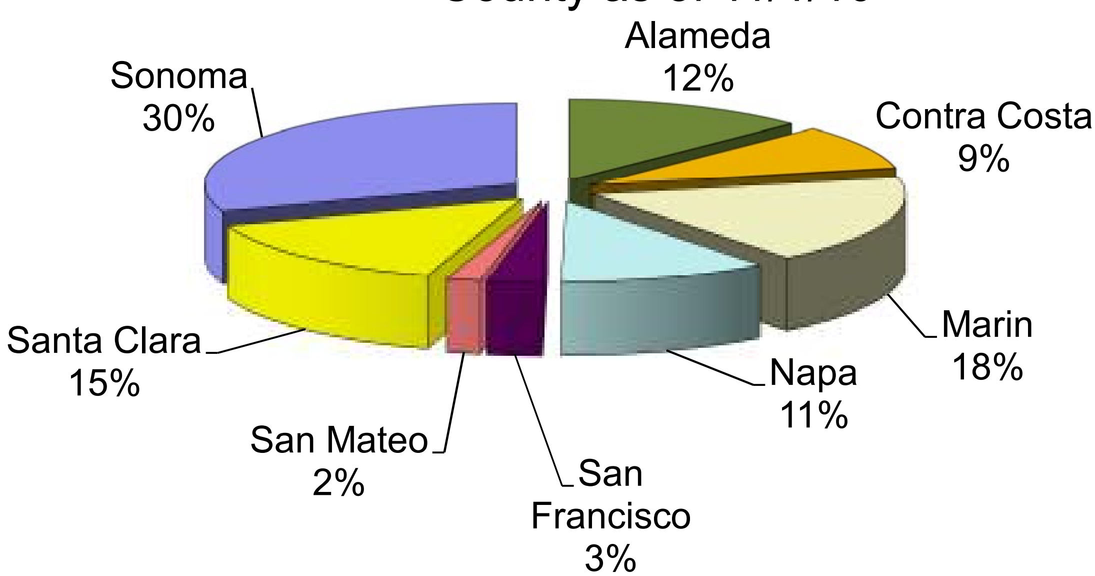


Figure 2: CMP/ MSIF Funding Distribution by County as of 11/1/10



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: November 9, 2010

Re: Update on Electric Vehicle Charging Infrastructure Deployment Program

RECOMMENDATIONS:

None. Informational item, receive and file.

BACKGROUND

In the Bay Area, the transportation sector accounts for more than 50% of criteria pollutants (ROG, NOX, and PM), and more than 40% of greenhouse gas (GHG) emissions. Within the transportation sector, more than 50% of ROG, NOX, and PM, and approximately 70% of GHG emissions are generated by on-road vehicles. Therefore, significant emission reductions from the on-road transportation sector are key to helping the Bay Area to attain State and Federal ambient air quality standards. Based on recent technological advances in plug-in electric vehicle (PEV) technology, PEVs are a promising solution to meeting local, State and Federal criteria and greenhouse gas emission reduction targets.

DISCUSSION

During the past two years, Bay Area Air Quality Management District (Air District) staff has collaborated with partner stakeholders to discuss and support the rapid introduction of PEVs in the Bay Area. Stakeholders include local clean cities coalitions, government agencies and industry representatives. Through these discussions the Air District has identified a number of barriers that may potentially hinder mass public adoption of PEVs. These issues include:

- High incremental costs associated with EVs and charging infrastructure;
- “Range anxiety” concerns due to lack of public charging infrastructure; and
- Non-standardized and slow local permitting process for home and public charging.

On August 4, 2000 the Air District Board of Director’s approved the allocation of $5 million from FY 10/11 and FY 11/12 Transportation Fund for Clean Air Regional Funds to support strategic investments in PEV charging infrastructure over the next two years. During the past two months, staff has been exploring opportunities to partner and leverage this funding with public and private funding sources.

At the November 18, 2010, Mobile Source Committee, staff will present an informational status update on PEVs and their schedule for deployment in the Bay Area. The report will describe regional efforts to support the deployment of these technologies and the development of the Air District's approach to support the introduction of PEVs into the region. Staff will also update the Committee on the Charging Infrastructure Incentive Program, EV program outreach elements, and technical assistance for permitting officials to help them successfully navigate the PEV charging infrastructure permitting process.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. The Air District distributes "pass-through" funds to public agencies and private entities on a reimbursement basis. Administrative costs for the TFCA program is provided by the funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Director/APCO

Prepared by: Karen Schkolnick
Reviewed by: Damian Breen

AGENDA: 6

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: November 11, 2010

Re: Consideration of Proposed Revisions to Transportation Fund for Clean Air (TFCA) County Program Manager Fund Policies for Fiscal Year (FY) 2011/2012

RECOMMENDED ACTION:

Recommend Board of Directors:

- Approve proposed revisions to County Program Manager Fund Policies to govern allocation of FY 2011/2012 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 Bay Area Air Quality Management District (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 of Directors is required to adopt policies that maximize emissions reductions and public health benefits. As part of this report, staff will present policies for FY 2011/2012 for Committee review.

DISCUSSION

On September 9, 2010, Air District staff issued a request for comments on proposed revisions to FY 2011/2012 TFCA Program Manager Policies. Air District staff met with Program Manager representatives via conference call on September 21, 2010, to discuss proposed revisions and to address concerns. Six Program Managers submitted comments to staff by the October 15, 2010, deadline. Many of these comments have been incorporated into the policies that are before the Committee today. Attachment A contains the proposed FY 2011/2012 Policies and Attachment B shows the changes between the proposed policies and the previous year's policies. A listing of comments received and responses by the Air District is provided in Attachment C.

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: David Wiley
Reviewed by: Damian Breen

Attachments:

A. Proposed TFCA County Program Manager Fund Policies for FY 2011/2012
B. Proposed FY 2011/2012 Policies Compared with FY 2010/2011 Policies
C. Comments Received and Staff Responses on Proposed Policies

ATTACHMENT A

PROPOSED TFCA COUNTY PROGRAM MANAGER FUND POLICIES FOR FY 2011/2012

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

BASIC ELIGIBILITY

1. **Reduction of Emissions**: Only projects that result in the reduction of motor vehicle emissions within the Air District's jurisdiction are eligible.

   Projects must conform to the provisions of the California Health and Safety Code (HSC) sections 44220 et seq. and these Air District Board of Directors adopted TFCA Program Manager Fund Policies for FY 2011/2012.

   Projects must achieve surplus emission reductions, beyond what is currently required through regulations, ordinances, contracts, or other legally binding obligations at the time of the execution of a funding agreement between the Program Manager and the Air District.

2. **TFCA Cost-Effectiveness:** Projects must achieve TFCA cost-effectiveness, on an individual project basis, equal to or less than $90,000 of TFCA funds per ton of total of emissions reduced, unless a different value is specified in the below policy for that project type. Cost-effectiveness is based on the ratio of TFCA funds awarded divided by the sum total tons of reactive organic gases (ROG), oxides of nitrogen (NO_x), and weighted particulate matter 10 microns in diameter and smaller (PM10) reduced ($/ton).

   Program Manager administrative costs are excluded from the calculation of TFCA cost-effectiveness.

3. **Eligible Projects, and Case-by-Case Approval**: 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:** All project categories must comply with the transportation control measures and mobile source measures included in the Air District's most recently approved plan for State and national ambient air quality standards and, when applicable, with other adopted State, regional, and local plans and programs.

5. **Eligible Recipients:** Grant recipients must be responsible for the implementation of the project, have the authority and capability to complete the project, and be an applicant in good standing.

   A. Public agencies are eligible to apply for all project categories.

B. Non-public entities are only eligible to apply for new alternative-fuel (light, medium, and heavy-duty) vehicle and infrastructure projects, and advanced technology demonstrations, 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 in each funding cycle.

6. **Readiness:** Projects must commence in calendar year 2012 or sooner. For purposes of this policy, "commence" means to order or accept delivery of vehicles, equipment, services, or to award a construction contract.

7. **Maximum Two Years Operating Costs:** Projects that provide a service, such as ridesharing programs and shuttle and feeder bus projects, are eligible to apply for a period of up to two (2) years. Grant applicants that seek TFCA funds for additional years must reapply 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 the Air District's award of funds for a project. 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 (including Bicycle Facility Program projects) and therefore do not achieve additional emission reductions are ineligible. 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. **Planning Activities:** Feasibility studies are not eligible, nor are projects that only involve planning activities and that do not include an implementation phase.

13. **Employee Subsidies**: Projects that provide a direct or indirect financial transit or rideshare subsidy or shuttle/feeder bus service exclusively to employees of the project sponsor are not eligible.

USE OF TFCA FUNDS

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

15. **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 sum of TFCA County Program Manager Funds and TFCA Regional Funds shall be used to calculate the TFCA cost of the project.

16. **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 for a given fiscal year. Interest earned on prior DMV funds received shall not be included in the calculation of the administrative costs. To be eligible for reimbursement, administrative costs must be clearly identified in the expenditure plan application and in the funding agreement between the Air District and the Program Manager.

17. **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.

18. **Unallocated Funds:** Pursuant to HSC 44241(f), 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 the funds originated.

19. **Reserved for potential future use.**

20. **Reserved.**

21. **Reserved.**

ELIGIBLE PROJECT CATEGORIES

22. 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 include:

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) as defined in the California Vehicle Code.
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, 2011 emissions standards.

Each vehicle funded must meet the cost-effectiveness requirement.

23. Alternative Fuel Medium Heavy-Duty and Heavy 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, current emissions standards (incremental cost).

Each vehicle funded must meet the cost-effectiveness requirement.

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

24. 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-heavy-duty vehicles (MHDV) are those with a GVWR between 14,001 lbs. and 33,000 lbs., and heavy-heavy-duty vehicles (HHDV) are those with a GVWR equal to or greater than 33,001 lbs. LHDV, MHDV and HHDV types and equipment eligible for funding include the following:

A. New hybrid-electric, electric, and CNG/LNG vehicles certified by the CARB or that are listed by the IRS as eligible for a federal tax credit pursuant to the Energy Policy Act of 2005.

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, 2011 emissions standards.

Scrapping requirements are the same as those in Policy #23. Each vehicle funded must meet the cost-effectiveness requirement.

25. Alternative Fuel Buses:

Buses are subject to the same Eligibility and Scrapping requirements listed in Policy #24. Each vehicle funded must meet the cost-effectiveness requirement.

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.

26. Alternative Fuel Infrastructure:

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

TFCA-funded infrastructure projects must be available to and accessible by the public. 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.

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

TFCA-funded charging infrastructure projects must be available to and accessible by the public. Charging/charging 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.

Project sponsors are required to maintain the equipment for at least five years after installation.

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, electricity, operation, and maintenance costs.

27. Reserved.

28. 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: 1) be a public transit agency or, 2) 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-1998 diesel vehicle with a CARB Verified Diesel Emission Control Strategy (e.g., retrofit); or

D. A post-1990 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 #2). 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.

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 that result in motor vehicle emission reductions:

A. New Class-1 bicycle paths;
B. New Class-2 bicycle lanes;
C. New Class-3 bicycle routes;
D. New bicycle boulevards;
E. Bicycle racks, including bicycle racks on transit buses, trains, shuttle vehicles, and ferry vessels;
F. Bicycle lockers;
G. Capital costs for attended bicycle storage facilities;
H. Purchase of two-wheeled or three-wheeled vehicles (self-propelled or electric), plus mounted equipment required for the intended service and helmets; and
I. 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 (counting volume in both directions). Each arterial segment must meet the cost-effectiveness requirement in Policy #2.

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 plan for State and national ambient air quality 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.

ATTACHMENT B

~~BOARD-ADOPTED~~PROPOSED TFCA COUNTY PROGRAM MANAGER FUND POLICIES FOR FY ~~2010/~~2011/2012

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~~Only projects that result in the reduction of motor vehicle emissions within the Air District's jurisdiction ~~to be considered~~are eligible~~ for TFCA funding. ~~.

   Projects ~~that are subject to emission reduction~~must conform to the provisions of the California Health and Safety Code (HSC) sections 44220 et seq. and these Air District Board of Directors adopted TFCA Program Manager Fund Policies for FY 2011/2012.

   Projects must achieve surplus emission reductions, beyond what is currently required through regulations, ordinances, 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~~of the execution of a funding agreement between the ~~purpose of TFCA, "fleet averaging" may not be considered when evaluating surplus emissions~~Program Manager and the Air District.

~~1.~~2. **TFCA Cost-Effectiveness:** Projects must achieve TFCA cost-effectiveness, on an individual project basis, equal to or less than $90,000 of TFCA funds per ton of total of emissions reduced, unless a different value is specified in the below policy for that project type. ~~For~~Cost-effectiveness is based on the ~~purpose~~ratio of ~~this program, emissions that are calculated include a)~~ TFCA funds awarded divided by the sum total tons of reactive organic gases (ROG), ~~b)~~ oxides of nitrogen (NO_x), and ~~c)~~ weighted particulate matter 10 microns in diameter and smaller (PM10) ~~emissions~~ reduced ($/ton).

   Program Manager administrative costs are excluded from the calculation of TFCA cost-effectiveness.

~~2.~~3. **Eligible Projects, and Case-by-Case Approval**: 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.

~~3.~~4. **Consistent with Existing Plans and Programs:** ~~Only projects described in HSC Section 44241 are eligible for funding. Projects~~All project categories must~~ also~~ comply with the transportation control measures and mobile source measures included in the Air District's most recently approved

~~strategy(ies)~~plan for State and national ~~ozone~~ambient air quality standards and, when applicable, with other adopted State, regional, and local plans and programs.

5. **Eligible Recipients:** ~~TFCA grants may~~Grant recipients must be ~~awarded~~responsible for the implementation of the project, have the authority and capability to ~~public~~complete the project, and be an applicant in good standing.

   A. Public agencies ~~and~~ are eligible to ~~non-public entities~~apply for all project categories.

   B. Non-public entities ~~may~~are only ~~apply for funding for certain clean air vehicle projects including but not limited~~eligible to ~~engine repowers, engine retrofits, fleet modernization,~~apply for new alternative ~~fuels,~~ fuel (light, medium, and heavy-duty) vehicle and infrastructure projects, and advanced technology demonstrations, as described in HSC ~~Section~~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.

~~4.~~6. **Readiness:** ~~A project will be considered for TFCA funding only if it will~~ Projects must commence in calendar year ~~2011or~~2012 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~~, services, or to award a construction contract.

~~5.~~7. **Maximum Two Years Operating Costs:** ~~TFCA grant applications~~Projects that ~~request operating funds to~~ provide a service, such as ridesharing programs ~~or bicycle stations~~and shuttle and feeder bus projects, are eligible to apply for ~~funding for~~ a period of up to two (2) years. Grant applicants ~~who~~that seek TFCA funds for additional years must ~~re-apply~~reapply for funding in the subsequent funding cycles.

APPLICANT IN GOOD STANDING

~~6.~~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)~~c)(3~~.~~).

~~7.~~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.~~the Air District's award of funds for a project. 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.

~~8.~~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

~~9.~~11. **Duplication:** Grant applications for projects that duplicate existing TFCA-funded projects (including Bicycle Facility Program projects) and therefore do not achieve additional emission reductions ~~will not be considered for funding.~~are ineligible. 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~~**Planning Activities:** Feasibility studies are not eligible, nor are projects that only involve planning activities and that do not include an implementation phase.

~~10.~~13. **Employee Subsidies**: Projects that provide a direct or indirect financial transit or rideshare subsidy or shuttle/feeder bus service exclusively to employees of the project sponsor ~~will~~are not ~~be considered for funding~~eligible.

USE OF TFCA FUNDS

~~11.~~14. **Cost of Developing Proposals:** The costs of developing grant applications for TFCA funding are not eligible to be reimbursed with TFCA funds.

~~12.~~15. **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~~sum of TFCA County Program Manager Funds and TFCA Regional Funds shall be used to calculate the TFCA cost of the project.

~~13.~~16. **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~~for a given fiscal year. Interest earned on prior DMV funds received shall not be included in the calculation of the administrative costs. ~~All~~To be eligible for reimbursement~~ with TFCA funds of~~, administrative costs ~~(i.e., direct and indirect)~~ must be ~~requested and justified in writing~~clearly identified in the ~~project application or~~ expenditure plan~~,~~ application and ~~approved~~ in ~~advance and in writing by~~the funding agreement between the Air District and the Program Manager.

~~14.~~17. **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.

~~15.~~18. **Unallocated Funds:** ~~Any~~Pursuant to HSC 44241(f), 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~~the funds originated.

~~16.~~19. Reserved for potential future use.

~~17.~~20. Reserved.

~~18.~~21. Reserved.

ELIGIBLE PROJECT CATEGORIES

~~19.~~22. 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~~include:

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~~).~~) as defined in the California Vehicle Code.
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~~2011 emissions standards.

Each vehicle funded must meet the cost-effectiveness requirement.

~~20.~~23. Alternative Fuel Medium Heavy-Duty and Heavy Heavy-Duty Service Vehicles (~~Low~~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~~current emissions standards (incremental cost).

Each vehicle funded must meet the cost-effectiveness requirement.

Scrapping Requirements: Project sponsors of heavy-duty clean air vehicles purchased or leased with TFCA funds that have model year ~~**1997**~~1998 or older heavy-duty diesel vehicles in their fleet are required to scrap one model year ~~**1997**~~1998 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.

~~21.~~24. 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-heavy-duty vehicles (~~MDV~~MHDV) are those with a GVWR between 14,001 lbs. and 33,000 lbs., and heavy-heavy-duty vehicles (~~HDV~~HHDV) are those with a GVWR equal to or greater than 33,001 lbs. LHDV, ~~MDV~~MHDV and ~~HDV~~HHDV types and equipment eligible for funding include the following:

A. New hybrid-electric, electric, and CNG/LNG vehicles certified by the CARB or that are listed by the IRS as eligible for a federal tax credit pursuant to the Energy Policy Act of 2005.

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~~2011 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.~~

Scrapping requirements are the same as those in Policy #23. Each vehicle funded must meet the cost-effectiveness requirement.

~~22.~~25. Alternative Fuel Buses:

Buses are subject to the same Eligibility and Scrapping requirements listed in Policy #~~21~~24. Each vehicle funded must meet the cost-effectiveness requirement.

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.

~~23.~~26. Alternative Fuel Infrastructure:

Eligible refueling infrastructure projects include new dispensing and charging facilities, or additional equipment or upgrades and improvements that expand access to existing alternative fuel ~~refueling~~fueling/charging sites. This includes upgrading or modifying private fueling/charging 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.

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

TFCA-funded charging infrastructure projects must be available to and accessible by the public. Charging/charging 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.~~

Project sponsors are required to maintain the equipment for at least five years after installation.

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, electricity, operation, and maintenance costs.

~~24.~~27. Reserved.

~~25.~~28. 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~~1) be a public transit agency or, ~~b~~2) 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~~1998 diesel vehicle with a CARB Verified Diesel Emission Control Strategy (e.g., retrofit); or

D. ~~a~~A post-~~1989~~1990 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).~~2). 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.

~~26. 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.~~

~~27.~~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~~ that result in motor vehicle emission reductions:

A. New Class-1 bicycle paths; ~~b) new~~
B. New Class-2 bicycle lanes; ~~c) new~~
C. New Class-3 bicycle routes; ~~d)~~
D. New bicycle boulevards;
E. Bicycle racks, including bicycle racks on transit buses, trains, shuttle vehicles, and ferry vessels;~~ e) bicycle~~
F. Bicycle lockers;~~ f)~~
G. Capital costs for attended bicycle storage facilities;~~ g) the purchase~~
H. Purchase of ~~bicycles,~~two-wheeled or three-wheeled vehicles (self-propelled or electric), plus mounted equipment required for the intended service~~,~~ and helmets; and~~ g) development~~
~~A.~~I. 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.

~~28.~~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~~.~~ (counting volume in both directions). Each arterial segment must meet the cost-effectiveness requirement in Policy #2.

~~29.~~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**~~

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**~~

B. The project must implement one or more transportation control measures (TCMs) in the most recently adopted Air District ~~**strategy**~~plan for State and national ~~**ozone**~~ambient air quality 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.

Attachment C: Comments Received and Staff Responses on Proposed FY 2011/2012 TFCA Program Manager Policies

Commenter and Agency	Comment	Staff Response
Matt Todd, Alameda Co. Transportation Commission (Alameda CTC); Amber Crabbe, San Francisco County Transportation Authority (SFCTA); Robert Guerrero, Solano Transportation Authority (STA)	**Policy #1, Reduction of Emissions:** Requests that the language from the FY 2010/11 Policies be retained specifying that projects must achieve surplus emissions, beyond those required through regulations, ordinances, contracts, or other legally binding obligations at the time the Air District Board of Directors approves the Expenditure Plan.	Air District staff has retained the requirement that emissions reductions be surplus at the time of Agreement, and dropped the requirement at the time of Board approval. Air District staff believes the time of Agreement is the appropriate time for the determination, as the Agreement is the point of obligation of public funds. In addition, this is the standard point in time used in Air Resources Board and other Air District programs.
Lynne March, Sonoma County Transportation Authority (SCTA)	**Policy #1, Reduction of Emissions:** Concern that regulations, ordinances, etc. "in force at time of contract" could come after the application (when cost effectiveness is calculated) and after all approvals—by perhaps six months. Requiring compliance with unknown future changes seems unreasonable. Compliance at the time of application seems reasonable. We request restoration of the language to make compliance at the time of the expenditure plan approval sufficient.	Please see response immediately above. Also, regarding the likelihood of regulatory changes between Air District Board approval and Agreement, the time between Board approval and Agreement is typically short. In 2010, the Agreements were mailed to Program Managers the day after Board approval.
Alameda CTC	**Policy #2, TFCA Cost-effectiveness:** Requests moving the sentence, "For vehicle projects, each vehicle funded must meet the cost-effectiveness requirement" to under the policies for vehicle projects. Having it listed under the general cost-effectiveness policy and not under the policies that specifically pertain to vehicle projects may cause it to be overlooked.	This suggestion has been incorporated in the applicable proposed Policies.
Alameda CTC	**Policy #2, TFCA Cost-effectiveness:** Requests that any TFCA funds (estimated or expended) for project monitoring activities such as surveys or counts that are required by the TFCA program to complete final project reports and cost-effectiveness calculations be excluded from both the initial and final calculation of TFCA cost-effectiveness.	TFCA is a results-based program, and Air District staff believes that performance monitoring is an integral part of each project. Thus, staff is not proposing to exempt such costs from the cost-effectiveness requirement. Air District staff will work with Program Managers to see that monitoring requirements are appropriate, particularly for smaller projects and recurring projects with consistent track records.

Attachment C: Comments Received and Staff Responses on Proposed FY 2011/2012 TFCA Program Manager Policies

Commenter and Agency	Comment	Staff Response
SFCTA; STA	**Policy #2, TFCA Cost-effectiveness:** We request that any TFCA funds (estimated or expended) for non-standard project monitoring activities such as surveys or counts that are required by the TFCA program but not typically required by other programs be excluded from both the initial and final calculation of TFCA cost-effectiveness.	Please see response immediately above.
CCTA	**Policy #2, TFCA Cost-effectiveness:** In general it appears that the Air District continues to require follow-up surveys and monitoring to validate cost effectiveness calculations after project completion. In some cases initial surveys are required either for benchmarking or to justify the project's cost effectiveness prior to approval. While in some cases this level of surveying and monitoring seems necessary, it always takes funds away from projects themselves which improve air quality. The Air District needs to consider these costs. At the very least these monitoring costs should not be used in the calculation of cost effectiveness as part of the final reporting as they are outside of the project itself.	Please see response above.
Alameda CTC; SFCTA	**Policy #6, Readiness:** Requests that the "order or accept" language be maintained. Please confirm that the receipt of services applies to project development work, and that a project that includes development and construction would be considered commenced with the initiation of the project development work.	The proposed Policy has been revised to incorporate the "order or accept" suggested change. The proposed Policy does not add project development work to the list of activities under the definition of "commence." This is because projects will have until the end of 2012 to commence, and Air District staff is concerned about the length of time that a number of past development and construction TFCA projects have taken to begin construction, complete construction, and yield air quality benefits.
CCTA; NCTPA	**Policy #6, Readiness:** Suggests that the "order or accept" language be maintained. Ultimately, project sponsors can only control when order equipment, not when it is delivered. The policy should be further clarified that the "receipt of services" applies to project development work, and that a project that includes development and construction would be considered commenced with the initiation of the project development work.	Please see response immediately above.
SCTA	**Policy #6, Readiness:** The definition of "commence" includes delivery of vehicles or equipment and award of construction contracts. Project sponsors control ordering, but delivery can be beyond their control. And the two definitions do not cover all circumstances. The "order or accept" language was more appropriate.	The proposed Policies have been revised to incorporate the "order or accept" suggested change.

Attachment C: Comments Received and Staff Responses on Proposed FY 2011/2012 TFCA Program Manager Policies

Commenter and Agency	Comment	Staff Response
Alameda CTC; CCTA; NCTPA; SFCTA	**Policy #7, Maximum 2 Years Operating Costs:** Requests that the last sentence of this section from the 2010/11 policies be reinstated to the 2011/12 policies to clarify that ongoing programs and operations may be funded for additional periods.	Air District staff has made this clarifying change.
STA	**Policy #7, Maximum 2 Years Operating Costs**: The STA's Ridesharing Program continues to be Solano County's most cost effective TFCA priority project. The proposed modification to Policy #7 suggests rideshare and shuttle/feeder bus services are ineligible to apply after two years. STA requests that the language from Fiscal Year 2010-11 policies be retained in the Fiscal Year-12 policies to clarify that ongoing effective programs and operations may be funded for additional periods.	Please see response immediately above.
Alameda CTC; CCTA; NCTPA; SFCTA	**Policy #12, Planning Activities:** Requests the deletion of the last sentence of the proposed "Planning Activities" section. Preliminary design activities that lead to the construction of the proposed improvements are eligible expenses for the program.	The proposed Policy has been revised to incorporate the suggested change.
CCTA	**Policy #12, Planning Activities:** Clean air projects cannot generally be effectively provided without some level of planning. The Air District should consider these costs as necessary elements to potentially beneficial clean air projects.	Please see response immediately above.
STA	**Policy #12, Planning Activities:** It is our understanding that preliminary design is an eligible activity as long as it leads to the construction of the proposed improvement. This includes preliminary design for Smart Growth, Traffic Calming and Arterial Management projects. STA requests the deletion of the last sentence of the proposed Planning Activities section.	Please see response immediately above.
SCTA	**Policy #12, Planning Activities:** Recommend deletion of the Preliminary Design text. Also "arterial management" is not a "development project," rather it involves optimizing the operation of existing infrastructure.	Please see response immediately above.

Attachment C: Comments Received and Staff Responses on Proposed FY 2011/2012 TFCA Program Manager Policies

Commenter and Agency	Comment	Staff Response
Alameda CTC; CCTA; SFCTA	**Policy #26, Alternative Fuel Infrastructure:** Requests the removal of the 50% and/or $200,000 funding threshold. This is an eligible project type and as such will be required to meet project cost effectiveness requirements.	The proposed Policy retains the maximum TFCA funding and match funding requirements, which are also found in the TFCA Regional Fund policies. Projects exceeding these thresholds are not necessarily excluded. As long as a project is an eligible type and meets the cost-effectiveness requirement, per Policy #3 a Program Manager may request an exception to other Policies, including these requirements. Also, Air District staff's experience shows that it is challenging to accurately project the use of fueling/charging infrastructure and determine the associated air quality benefits. Moreover, matching funding is increasingly available from equipment and service providers, which stand to gain from use of the infrastructure. Therefore, maintaining maximum funding level and match requirements encourages projects that will maximize the benefits of TFCA funding.
STA	**Policy #26, Alternative Fuel Infrastructure:** STA supports the clarifications made for eligible activities under this policy. However, limiting the funding for these types of projects is unnecessary if the project applicant can demonstrate that the project and the requested amount is within the qualifying cost-effectiveness threshold limit.	Please see response immediately above.
Alameda CTC; CCTA; SCTA	**Previous Policy #29, Ridesharing Projects:** This Policy is redundant with Policy 13.	Air District staff has incorporated this change in the proposed Policies.
SFCTA; SCTA	**Policy #30 (now #29), Bicycle Projects:** We request the addition of capital and operating costs associated with bike sharing as an eligible project.	Bike-sharing costs are not included in the proposed Policy. A regional bike-sharing pilot project is now being launched, in part with TFCA Regional Funds, and further TFCA funding should wait until the pilot has demonstrated the best use of public funding, as soon as FY 2012/2013.

Attachment C: Comments Received and Staff Responses on Proposed FY 2011/2012 TFCA Program Manager Policies

Commenter and Agency	Comment	Staff Response
Alameda CTC	**Policy #30 (now #29), Bicycle Projects:** Requests the addition of the following project types to this project category: 1) The capital and operating costs associated with bike sharing projects; and 2) Bicycle boulevards.	1. Regarding bike-sharing, please see response immediately above. 2. The proposed Policy has been revised to include bicycle boulevards.
Alameda CTC; CCTA; NCTPA; SFCTA; STA; SCTA	**Policy #31 (now #30), Arterial Management:** Is supportive of continuing to fund arterial management projects under the Program Manager program.	Arterial management remains as an eligible project type in the proposed Policies. Air District staff is gathering data on various project types, to ensure that projects deliver air quality benefits.
NCTPA; SFCTA	**Other Issues—Reports:** Asks that projects are only required to provide reporting information that was specified at the time of original grant application, instead of having to report information based on the current year's policies.	This is the case now. Projects must report only that information required at the time of the Agreement.
STA	**Other Issues—Additional Funding:** In addition, the STA would like to request the BAAQMD consider making additional funding to assist agencies in planning clean air programs, projects and educational opportunities. The Air District currently does not offer any on-going planning funds for developing sustainable clean air programs and projects.	TFCA funding is limited by statute and cannot be used exclusively for planning projects. For the past 20 years the Air District has funded community-based air quality resource teams which support local emissions reductions and education efforts. Interested parties should contact the resource team coordinator at sanderson@communityfocus.org.
NCTPA	**Other Issues—Bicycle Facility Projects:** Another concern comes from the perspective of our project sponsors, who are finding it more difficult to come up with projects that meet ever increasing program requirements. The ever changing cost effectiveness sheets have made it more difficult for some of the bicycle projects within the county to be funded through the TFCA Program. One of Napa County's project sponsors has articulated the concern as follows: "The TFCA program has been a worthwhile source of funding for implementing bike lane improvements, among its many eligible programs. However, we are finding that its ability to significantly assist in delivering such projects, especially in rural areas, is extremely limited. The County of Napa, for example, has several much-needed bike lane improvement projects which will greatly increase the use of bicycling for area commuters, and thus pose great potential for reducing emissions from motor vehicle trips which would be reduced. However, the cost of implementing bike lane improvements in rural settings is	Air District staff understands that it can be challenging to find cost-effective trip-reduction and bicycle projects in more rural areas. However, the purpose of TFCA funding is to implement cost-effective emissions reduction projects. Regarding the cost-effectiveness worksheets, the Air District is required to update emission factors to reflect the increasingly clean light-duty Bay Area fleet, when values published by the California Air Resources Board are updated. 1. Air District staff is not proposing to increase the $90,000 per ton cost-effectiveness value, and notes that other air-quality grant programs are required to meet a much more stringent $16,000 per ton level.

Commenter and Agency	Comment	Staff Response
	not compatible with the amount of funding which can be obtained from this program. In such locations, the project usually involves widening the pavement on a narrow, high-speed road, to create bike lanes where there were not even paved shoulders before. The cost of such work is an average of $112/linear foot, or $593,000/mile of road, based on our recent experience. Napa County considered seeking TFCA funding for some of these projects. However, using the emission-reduction formulas which are currently part of this program resulted in these projects being eligible for funding in amount which represented only 5% to 7% of their estimated cost (and as a result, we did not pursue this funding or even advance these projects). I recommend that consideration be given to two possible changes which could improve this: 1. Adjust upward, the maximum $90,000/ton of emissions reduced. 2. Revise the percentage factors (again upward) used for estimating the number of trips."	2. Air District staff is interested in any available data on number of vehicle trips reduced from bicycle facility projects, so that default values can most accurately reflect air quality benefits. 3. The Air District liaison continues to be available to assist with outreach to project sponsors, to consult on potential projects, and to support and explain the use of cost-effectiveness worksheets.

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: November 9, 2010

Re: Consideration of Approval for Transportation Fund for Clean Air (TFCA) Regional Funds for Shuttle, Ridesharing and Vanpool Projects

RECOMMENDATIONS:

Recommend Board of Directors:

1. Approve TFCA Shuttle, Ridesharing and Vanpool projects listed in Attachment 1.

2. Authorize the Executive Officer/APCO to enter into agreements for the recommended TFCA projects on Attachment 1.

BACKGROUND

In 1991, the California State Legislature authorized the Air District to impose a $4 surcharge on motor vehicles registered within the San Francisco Bay Area to fund projects that reduce on-road motor vehicle emissions. The Air District has allocated these funds to its Transportation Fund for Clean Air (TFCA) to fund eligible projects. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code Sections 44241 and 44242.

Sixty percent (60%) of TFCA funds are awarded directly by the Air District through a grant program known as the Regional Fund. The remaining forty percent (40%) of TFCA funds are forwarded to the designated agency within each Bay Area county and distributed by these agencies through the Program Manager Fund. Portions of the TFCA Regional Fund are allocated to eligible programs implemented directly by the Air District, including the Smoking Vehicle Program and the Spare the Air Program. The balance is allocated on a competitive basis to eligible projects proposed by project sponsors.

DISCUSSION

On June 2, 2010, the Board approved TFCA Fiscal Year 2010/2011 Regional Fund policies for Shuttle, Ridesharing and Vanpool Projects and allocated up to $4 million for these project types. The Air District opened the Call for Projects on July 19, 2010, and held grant application workshops in San Francisco on August 2, 2010, and in San Jose on August 9, 2010. The Air

District started accepting applications for Shuttle, Ridesharing and Vanpool projects on August 16, 2010. Project applications are accepted and evaluated on a first-come, first-served basis.

Additionally, based on Air District Board adopted policies, 60% of funding is reserved for projects:

- In Highly Impacted Communities (HIC) as defined in the Air District CARE Program
- In Priority Development Areas (PDA)
- That reduce greenhouse gases (GHG)

As of September 30, 2010, the Air District had received and evaluated 15 grant applications. Of these, 13 projects were found to meet Board adopted polices. These projects will achieve a combined reduction of 159.8 tons of NOx, ROG and PM per year.

Two projects are not being recommended for funding. One was submitted by Bay Area Rapid Transit District (BART) to fund a shuttle coordinator. The other project was submitted by Solano Transportation Authority for a shuttle to run between Solano and Napa counties. Both projects are ineligible because they exceed the $125,000 per ton of emissions reduced cost-effectiveness threshold.

For the 13 projects that meet Board adopted policies, staff recommends allocating $4,914,043 from a combination of TFCA Fiscal Year 2010/2011 Regional Funds ($4 million) and unallocated TFCA FY 2009/2010 Regional Funds ($914,043). Attachment 1 to this staff report provides additional information on these projects.

<u>BUDGET CONSIDERATION / FINANCIAL IMPACT:</u>

None. The Air District distributes "pass-through" funds to public agencies and private entities on a reimbursement basis. Administrative costs for the TFCA program is provided by the funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Director/APCO

Prepared by: <u>Karen Schkolnick</u>
Reviewed by: <u>Damian Breen</u>

Attachment 1: Recommended TFCA Shuttle, Ridesharing, and Vanpool Projects

ATTACHMENT 1: Recommended TFCA Shuttle, Ridesharing and Vanpool Projects

Project #	Project Sponsor	Project Title	TFCA $ Awarded	PUL (Yrs.)	C/E	ROG (TPY)	NOX (TPY)	PM (TPY)	CO2 (TPY)	HIC	PDA	GHG C/E	AB 1390 Designation	County	Project Type
09R08-EXT	Metropolitan Transportation Commission	511 Rideshare Program (10/1/10-6/30/11)	$750,000	0.75	$ 19,277	13.61	15.19	23.02	19,843.61	16%	2%	$ 38	Not AB 1390	Reg	RR-E
10R08	Metropolitan Transportation Commission	511 Rideshare Program (71/11-6/30/12)	$1,000,000	1	$ 21,634	12.97	14.17	19.08	18,024.90	18%	10%	$ 55	Not AB 1390	Reg	RR-E
10R06	San Jose State University-Associate Students	SJSU - Ridesharing and Trip Reduction	$120,000	1	$ 32,923	0.96	1.04	1.65	1,339.00	21%	100%	$ 90	Not AB 1390	Reg	RR-E
10R07	City of Redwood City	Redwood City Community Shuttle Program	$20,000	1	$ 35,963	0.16	0.16	0.24	211.31	100%	100%	$ 95	AB 1390	San Mateo	S-E
10R05	Santa Clara Valley Transportation Authority	ACE Shuttle Bus Program	$920,000	1	$ 36,561	6.32	7.19	11.65	9,445.15	10%	39%	$ 97	Not AB 1390	Santa Clara	S-E
10R09	San Joaquin Regional Rail Commission	Wheels - Route 54	$50,000	1	$ 40,196	0.58	0.50	1.05	815.70	0%	0%	$ 105	Not AB 1390	Alameda	S-E
10R12	Livermore Amador Valley Transportation Authority	Modification for BART to ACE Route	$426,585	1	$ 50,450	2.39	2.35	3.72	2,278.90	0%	75%	$ 187	Not AB 1390	Alameda	S-E
10R11	Peninsula Corridor Joint Powers Board	Caltrain Shuttle Project	$1,000,000	1	$ 64,671	7.96	1.52	5.98	7,837.20	10%	59%	$ 128	Not AB 1390	San Mateo	S-E
10R13	Livermore Amador Valley Transportation Authority	Route 1A/B BART to East Dublin	$63,375	1	$ 68,540	0.35	0.00	0.58	386.50	0%	70%	$ 164	Not AB 1390	Alameda	S-E
10R14	City of San Mateo	San Mateo Campus and Norfolk Shuttle Program	$22,455	1	$ 89,862	0.10	0.09	0.07	101.40	0%	80%	$ 221	Not AB 1390	San Mateo	S-E
10R10	San Joaquin Regional Rail Commission	Wheels - Route 53	$10,670	1	$ 89,988	0.16	0.07	0.28	192.00	0%	0%	$ 237	Not AB 1390	Alameda	S-E
10R15	City of Alameda	Estuary Crossing Bicycle/College Shuttle-Pilot	$193,358	1	$ 97,342	0.59	0.45	0.94	821.90	56%	56%	$ 235	AB 1390	Alameda	S-P
10R16	City of Richmond	Richmond Circular Shuttle-Pilot	$337,600	1	$ 124,867	0.71	0.78	1.21	1,016.90	100%	100%	$ 332	AB 1390	Contra Costa	S-P
		TOTAL	$4,914,043			46.86	43.51	69.47	62,314.47						

Project Types: RR-E = Regional Ridesharing-Existing, S-E = Shuttle-Existing , S-P = Shuttle-Pilot