

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

APPROVED MINUTES

Summary of Board of Directors
Mobile Source Committee Meeting
Wednesday, June 30, 2010
9:30 a.m.

CALL TO ORDER: Chairperson Scott Haggerty called the meeting to order at 9:33 a.m.

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

Absent: Vice Chairperson Carole Groom; Director Nate Miley

Public Comments: There were no public comments

Approval of Minutes: Mobile Source Committee Meeting of May 27, 2010

Committee Action: Director Klatt made a motion to approve the May 27, 2010 Mobile Source Committee minutes; seconded by Director Uilkema. Vote 8-0: Ayes: Bates, Hosterman, Klatt, Mar, Ross, Uilkema, Haggerty and Wagenknecht. Noes: None. Absent: Groom and Miley, carried unanimously without objection.

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

Damian Breen, Director of Strategic Incentives, initiated the staff presentation and provided an overview of proposed Carl Moyer Program and TFCA 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
- **Transportation Fund for Clean Air (TFCA)**
 - Established in 1991 to reduce on-road mobile source emissions
 - \$4 motor vehicle registration surcharge fee
 - 60% of funds awarded through the District
- **Mobile Source Incentive Fund (MSIF)**
 - AB 923 allowed for additional \$2 motor vehicle registration fee surcharge (12/04)
 - CMP projects eligible for MSIF funding

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 Yr 12 Project Recommendation (over \$100k)**
 - 1 Project to replace one 1987 off-road wheel loader
 - Evergreen Supply, San Jose
 - \$201,620 in total awards
 - Over 7 tons of lifetime emission reductions

The TFCA portion included the following information:

- District Board of Directors allocated \$11,601,500 in set asides for the TFCA Regional Fund
- On 12/16/09 Board of Directors authorized Executive Officer/APCO to execute TFCA contracts with grant awards up to \$100,000
- **TFCA FY 2009/2010 Project Recommendation (over \$100k)**
 - One (1) Advanced Technology Demonstration Project – 09R50 to introduce battery swapping technology in San Francisco
 - \$470,000 in total awards
 - Estimated emissions reductions: Over 0.14 TPY of criteria pollutants and 1,179 TPY of CO₂

Committee Comments/Questions:

Chairperson Haggerty asked about the funding amount in the Regional Fund. Mr. Breen clarified the dollar amount in the Regional Fund is based on the fiscal year, and that this would be the last award from this funding, with an estimate total amount of \$11 million. It is estimated that approximately \$8 million has been spent and the remainder of that money will be awarded to the Spare the Air Campaign and the Smoking Vehicle Campaign.

Director Uilkema asked if there was some sort of monitoring to ensure the funding has been spent to its maximum, and that individuals are accountable for these funds or can the funds be allocated to a different program. Mr. Breen informed the Committee that reporting is conducted and there is follow up to ensure that the grantees are meeting the requirements of the grants. In addition, any funding returned goes to the next years TFCA allocation. Mr. Breen further stated staff ensures that the funding amount and the project targets are defined before the funds are allocated.

Director Wagenknecht asked if the Air District was at the end of the funding cycle for the Carl Moyer Program. Mr. Fournier informed the Committee that applications were accepted on May 3, 2010 and that they are being accepted and evaluated on a first-come, first-served basis. At present \$300,000 have been allocated out of \$19 million with the program at the beginning stages.

Staff recommended that the Committee request the Board of Directors approve the Carl Moyer Program Year 12 and TFCA FY 2009/2010 projects with proposed grant awards over \$100,000; and authorize the Executive Officer/APCO to enter into agreements for the recommended Carl Moyer Program Year 12 and TFCA FY 2009/2010 projects.

Public Comments: None.

Committee Action: Director Uilkema made a motion to recommend Board of Directors' approval of Carl Moyer Program Year 12 and TFCA FY 2009/2010 projects with proposed grant awards over \$100,000; and authorize the Executive Officer/APCO to enter into agreements for the recommended Carl Moyer Program Year 12 and TFCA FY 2009/2010 projects; Director Klatt seconded the motion. Vote 8-0: Ayes: Bates, Hosterman, Klatt, Mar, Ross, Uilkema, Haggerty and Wagenknecht. Noes: None. Absent: Groom and Miley, carried unanimously without objection.

Update on the Strategic Incentives Division Database System

Damian Breen, Director of Strategic Incentives, gave the staff report on an Online Application Tool for the Carl Moyer Program (CMP). Mr. Breen informed the Committee that he would explain why the tools were put in place and give an overview of the system.

- 2007 ARB & Department of Finance Audits
 - Carl Moyer & Lower Emission School Bus Programs
 - Increase in performance, accuracy and accountability
- July 2007 – District Board authorized \$900,000 in general fund revenues for grant program upgrades to improve processes including grants database
- Late 2007 District staff began defining the specifications for an online application system
- May 2010 the system was available to the public

System Overview

- **Collaborative effort:**
 - District ISS & SID staff
 - Consultants: Viaspire, and Trinity Technology Group
 - \$389,000 for System design and development
- **System benefits:**
 - Simplified, online application process
 - Allows vendor assistance with applications
 - Improves accuracy, and automates District procedures
 - Single database for project recordkeeping
- Currently accepts CMP project applications with the potential for expanding the system to other grant programs

Mr. Breen provided the Committee with an online demonstration of how the program works.

Chairperson Haggerty asked if this program is to be a groundbreaking program for the Air District. Mr. Breen responded that the Air District is the first in the State to launch an online application system, in addition to being the first to have a paperless system.

Mr. Fournier continued with the simulation of the program reiterating that staff has access the data that is entered directly by the applicant. In addition, the system creates a central database for all projects.

The database also provides a number of filter options which allows staff to sort through projects which have been submitted. In addition, staff is able to view the organization type, status of the proposal, category and the project number. Mr. Fournier further elaborated that staff will have the ability to view multiple pages and will enter the emission factors from the program data and the system provides the calculations the emission benefits in terms of tons per year, percent reduction and cost effectiveness. In addition, it provides the information to determine the maximum award that the respective project would be eligible to receive.

One of the important features of the database is the workflow which allows the Grant staff to route their work to supervisors and managers. The database will not only save time, but it will improve accuracy.

Director Uilkema asked if the system allows the District to sort for equitable distribution in priority areas. Mr. Fournier replied that system will allow the District to track projects and various locations by impacted areas. For example, the AB 1390 analysis, is included for communities that are in impacted areas and those communities can be flagged to track how much funding went towards those particular areas. Director Uilkema also asked if system feeds into an overall map or picture of where the District has allowed projects in the past. Mr. Breen responded that at present, the District does not have mapping in place as of yet. Director Uilkema would like the District to issue equitable distribution and expressed its importance and would like this information to be included with future tracking. Mr. Breen agreed and informed that the District does have the ability to view the information by county.

Committee Comments/Questions:

Director Mar asked if the cost was roughly \$400,000 to design and develop, and if the cost is covered by saving staff time and making it easier for applicants to submit information. Mr. Breen stated that the database helps minimize all the work previously associated with the application process.

Public Comments: None.

Committee Action: None, this item is informational for receive and file.

Request to Approve \$5 Million in Transportation Fund for Clean Air Regional Fund for Electric Vehicle Infrastructure Projects

Karen Schkolnick, Air Quality Programs Manager, gave the staff report and discussed proposed changes to TFCA Regional Fund Policies, as follows:

Under General Policies:

- Further streamlining to align TFCA evaluation criteria with other District incentive programs;
- Reintegration of Bicycle Facility Program into the Regional Fund program to streamline administration and to allow bicycle projects to be funded directly through the Regional Fund;
- Extension of the existing requirement of matching funds for projects greater than \$150,000 to all projects in order to maximize funding distribution.

For Project Category Specific Policies:

- Only policies and funding allocations for Shuttle, Ridesharing and Bicycle projects proposed at this time;
- Other Project Category Specific policies to be proposed later this year.

Ms. Schkolnick described the proposed funding allocation of approximately \$4.6 million, to be considered by the Committee and also the proposed policy changes. She further described how reintegration of the Bicycle Facility Program into the Regional Fund program would streamline administration and allow bike projects to be funded directly through the Regional Fund. She said only policies and funding allocations for shuttles, regional ride sharing and bikes are being brought forward at this time, and that other project types will be presented to the Committee later this year.

She described proposed funding allocations, as follows:

- Shuttle and ridesharing, \$4 million
- Bicycle Lanes and Parking, \$600,000
- Smoking Vehicle, \$1,156,216
- Spare the Air, \$1,050,751
- Other Programs (i.e., alt. fuel vehicle infrastructure advance technology), \$4 million

Ms. Schkolnick requested the Committee recommend the Board of Directors approve Transportation Fund for Clean Air Fiscal Year (FY) 10/11 Regional Fund Policies presented in Attachment A; and approve TFCA Regional Fund project category specific policies and set-asides listed below. Any monies not spent in these categories within 12 months will revert back to the TFCA Regional Fund for re-allocation:

- a. Up to \$4 million for shuttles and rideshare projects, and
- b. Up to \$600,000 for bicycle facility projects

Committee Comments/Questions:

Directors reviewed the chart of proposed funding allocations for the 2010/2011 cycle, discussed the concept of bicycle sharing programs at transit facilities in Portland, Oregon and in Europe, and requested that staff evaluate the potential for funding these programs in the Bay Area.

Public Comments: None

Committee Action: Director Hosterman made a motion to recommend Board of Directors' approval of proposed Transportation Fund for Clean Air (TFCA) Regional Fund policies and evaluation criteria for Fiscal Year 2010/2011 and proposed allocations for specific project types; Director Mar seconded the motion; carried unanimously without objection.

Request to Approve Contract for Transportation Fund for Clean Air Program Review in the Amount of \$200,000

Anthony Fournier, Grants Manager, provided a staff presentation and background on truck funding through the I-Bond Program, TFCA and Carl Moyer Program (CMP) programs. He reviewed the I-Bond program which serves to fund truck replacements and retrofits for Port and non-Port trucks operating in the Bay Area trade corridor.

He reported that \$22 million was initially allocated to address clean up of 1,000 port trucks, and that subsequently an additional \$4.5 million was allocated for another 648 port trucks. Of the second group of 648 trucks, 250 trucks have been completed, and none have been denied funding; however, an Air Resources Board (ARB) deadline has prevented some trucks from entering the Port on 4/30/10. The next deadline for the program is June 30, 2010 which will apply to about 200 trucks for which the ARB granted extension stickers. Those trucks will also not be able to enter the Port of Oakland if not retrofitted/replaced at that time.

Future funding includes \$15 million for non-port trucks in late 2010.

Regarding outreach, Mr. Fournier noted that the District will continue to schedule public workshops, establish vendor partnerships, add trucking associations/trade groups to its mailing lists, and will consider off-site outreach locations, advertising on billboards, websites and trucker Wi-Fi points.

Committee Comments/Questions:

Directors reviewed with staff the number of contracts signed to date, the number of outstanding contracts, and confirmed funding was on a reimbursement basis.

Directors reviewed 40% reductions in cargo volumes at the port last year, but acknowledged this volume had increased in 2010. They also confirmed that on-road trucks were those trucks with administrative barriers imposed by the ARB.

Directors clarified garbage trucks have been subject to regulation since 2004, discussed alternative fuels, retrofits and compliance deadlines. They also suggested enhanced advertising of the District's efforts in funding retrofits at the Port of Oakland, and confirmed that the ARB is considering focusing on replacements only in the next round of funding.

Public Comments: None

Committee Action: None; Informational only.

Committee Member Comments: None

Next Meeting: 9:30 a.m., Thursday, September 23, 2010
939 Ellis Street, 4th Floor Conference Room

Adjournment: Meeting adjourned at 10:50 a.m.

/s/ Vanessa Johnson
Vanessa Johnson
Executive Secretary