

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
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APPROVED 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.

/s/ Vanessa Johnson
Vanessa Johnson
Executive Secretary