



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
MOBILE SOURCE COMMITTEE

COMMITTEE MEMBERS

SCOTT HAGGERTY - CHAIR
JENNIFER HOSTERMAN
CAROL KLATT
JOHANNA PARTIN

CAROLE GROOM – VICE CHAIR
DAVE HUDSON
NATE MILEY
MARK ROSS
BRAD WAGENKNECHT

**THURSDAY
SEPTEMBER 22, 2011
9:30 A.M.**

**7TH FLOOR BOARD 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 JUNE 30, 2011**

4. **UPDATE ON PORT DRAYAGE TRUCK PROGRAM**

D. Breen/5041
dbreen@baaqmd.gov

The Committee will receive an informational update on the Port Drayage Truck program, upcoming regulatory deadlines and associated planning efforts for grant funding.

5. **UPDATE ON REGIONAL BICYCLE SHARING PILOT PROJECT**

D. Breen/5041
dbreen@baaqmd.gov

The Committee will receive an informational update on the Regional Bicycle Sharing Pilot project and will consider a request from San Francisco Transportation Authority to utilize Transportation Fund for Clean Air (TFCA) County Program Manager funds to support this project. The Committee will also consider a request to allow the Executive Officer/APCO to execute a resolution regarding "right-of-way" certification for the project.

6. **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).

7. **TIME AND PLACE OF NEXT MEETING**

9:30 A.M., Thursday, October 27, 2011; 939 Ellis Street, San Francisco, CA 94109

8. **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

SEPTEMBER 2011

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i> - CANCELLED	Wednesday	7	9:45 a.m.	Board Room
Board of Directors Personnel Committee <i>(At the Call of the Chair)</i> - RESCHEDULED TO 9/19/11	Monday	12	9:30 a.m.	4 th Floor Conf. Room
Advisory Council Meeting <i>(Meets 2nd Wednesday each Month)</i>	Wednesday	14	9:00 a.m.	Board Room
Board of Directors Personnel Committee <i>(At the Call of the Chair)</i>	Monday	19	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	21	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	22	9:30 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(At the Call of the Chair)</i>	Thursday	29	9:30 a.m.	Board Room

OCTOBER 2011

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	5	9:45 a.m.	Board Room
Advisory Council Meeting <i>(Meets 2nd Wednesday each Month)</i>	Wednesday	12	9:00 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	19	9:45 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(At the Call of the Chair)</i>	Wednesday	19	Following Board Meeting	Board Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	27	9:30 a.m.	4 th Floor Conf. Room

NOVEMBER 2011

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	2	9:45 a.m.	Board Room
Advisory Council Meeting <i>(Meets 2nd Wednesday each Month)</i>	Wednesday	9	9:00 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	16	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i> - CANCELLED	Thursday	24	9:30 a.m.	4 th Floor Conf. Room

HL – 9/12/11 (2:15 p.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: September 12, 2011

Re: Mobile Source Committee Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Mobile Source Committee meeting of June 30, 2011.

DISCUSSION

Attached for your review and approval are the draft minutes of the June 30, 2011 Mobile Source Committee meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Kris Krow
Reviewed by: Jennifer Cooper

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

DRAFT MINUTES

Board of Directors
Mobile Source Committee Meeting
9:30 a.m., Thursday, June 30, 2011

1) Call to Order/Roll Call: Chairperson Scott Haggerty called the meeting to order at 9:30 a.m.

Present: Chairperson Scott Haggerty, Directors David Hudson, Nate Miley, Mark Ross and Brad Wagenknecht. Directors Johanna Partin and Jennifer Hosterman and Board Chairman Tom Bates arrived after the roll had been called.

Absent: Vice Chairperson Carole Groom and Director Carol Klatt.

2) Public Comment Period: Chair Haggerty opened the public comment period. There were no comments made.

3) Approval of Minutes of June 2, 2011

Director Ross made a motion to approve the minutes of the June 2, 2011 meeting of the Mobile Source Committee. Director Wagenknecht seconded the motion and it was carried unanimously without objection.

4) Acceptance of \$2,060,000 in Funding from United States Environmental Protection Agency (US EPA) and California Air Resources Board (ARB) for Mobile Source Grants

Director of Strategic Incentives, Damian Breen, introduced Grants Manager, Anthony Fournier, who presented the staff report. Mr. Fournier gave an overview of the three grants from the California Air Resources Board (ARB) Assembly Bill 118 (AB118) for the demonstration of marine and locomotive technologies that reduce emissions; and one US EPA grant from the Diesel Emission Reduction Act (DERA) program. The funded projects and amounts are as follows:

- 1) A Caterpillar diesel particulate filter (DPF)/selective catalytic reduction (SCR) emission control device on a marine vessel - \$261,000,
- 2) The construction of a Tier-4 Genset locomotive with the Richmond Pacific Railroad - \$529,810,
- 3) A GTE DPF on a locomotive with the BNSF Railroad - \$270,190, and
- 4) Heavy-Duty Drayage Truck Replacement Program -\$1,000,000.

Mr. Fournier explained the technologies being funded by AB 118 have not previously been verified by ARB to reduce emissions, and the emission control technologies being installed will be monitored to determine their effectiveness. He stated that all three ARB projects will occur in highly impacted communities in the Richmond/Oakland areas.

Mr. Fournier expected these three projects will reduce a combined total of 1.2 tons of particulate matter (PM), 25.4 tons of reactive organic gases (ROG) and 6.3 tons of nitrogen oxides (NOx) annually. He explained that a resolution of local support was needed to obtain the grant awards.

Mr. Fournier stated the US EPA grant and matching funds will replace 54 Model Year (MY) 2003 or older, heavy-duty drayage trucks from the Port of Oakland (Port) or along the major transportation corridors in the Bay Area. He explained the program will give first preference to drayage trucks at the Port, providing \$50,000 per vehicle to replace older trucks with trucks that have EPA/ARB certified engines of MY 2007 or newer, and the project is expected to reduce 0.11 tons of PM, 0.96 tons of ROG and 41.2 tons of NOx annually.

Public Comments: None

Committee Member Comments:

There was discussion regarding retrofitting and replacement, and the benefit of replacing older trucks. Committee members discussed the 2014 compliance deadline, and the expectation of compliance for PM and NOx.

Committee Action:

Director Hudson moved to adopt a resolution to authorize the Executive Officer/APCO to accept grant funding and enter into three contracts with the California Air Resources Board (ARB) and one contract with the United States Environmental Protection Agency (USEPA) on behalf of the Air District, to authorize the Executive Officer/APCO to match DERA funding with \$1,000,000 in Goods Movement Bond (I-Bond) On-road truck Funding, and to authorize the Executive Officer/APCO to execute all necessary contracts to expend this funding. The motion was seconded by Director Ross and carried unanimously without objection.

5) Update on Bay Area Electric Vehicle (EV) Planning and Funding for Clean Cities Coalitions for EV Planning Project

Director of Strategic Incentives, Damian Breen, presented the staff report. Committee members received a review of the Air District's efforts related to EV planning from 1994 to the present. Mr. Breen explained the role of the Air District in the State-wide Plug-In Electric Vehicle Collaborative (PEVC) Government Co-ordination and Grants Committee, a State-wide organization which supports the adoption of EV.

Mr. Breen stated the Air District, together with the Collaborative has applied to the United States Department of Energy (USDOE) for \$300,000 to produce a comprehensive EV deployment plan to be adopted by regional agencies and local governments. Mr. Breen detailed the distribution of USDOE funding to provide \$75,000 to the Clean Cities Coalitions for plan outreach; \$75,000 to the

Air District to hire a consultant to write a Bay Area plan; and \$150,000 to issue a request for proposals for requirements by USDOE. Mr. Breen discussed the composition and goals of the EV Strategic Council, indicating funding would be dispersed by the Air District in consultation with this Council; and he affirmed no USDOE funding will go directly to the Air District, as staff costs would be covered by \$75,000 in budgeted TFCA Regional Fund monies.

Mr. Breen requested that the Committee recommend Board of Directors' authorization for the Executive Officer/APCO to allocate \$75,000 in Transportation Fund for Clean Air (TFCA) Regional Fund monies to support Clean Cities Coalitions outreach activities as part of the USDOE grant for regional EV infrastructure planning.

Public Comments:

Ms. Diane Wittenberg, Executive Director of California Plug-in Electric Vehicle Collaborative (PEV Collaborative), addressed the Committee and discussed coordinated application efforts being made to obtain grant funding and increasing the success of getting EV money for California. She discussed the demand and shortage of electric vehicles and the need for aggregation purchases to make EV more affordable. Ms. Wittenburg thanked the Air District for their support of the PEV Collaborative.

Mr. Rafael Reyes, Executive Director of the Bay Area Climate Collaborative, also addressed the Committee and stated his desire to see the Bay Area become the EV capital with 10% of all vehicles being plug-ins. He discussed the regional need to plan for infrastructure and to collaborate with utilities, car manufacturers and other stakeholders. Mr. Reyes discussed the upfront cost barriers for consumers, and explained the Bay Area Climate Collaborative's goals to attract funding, increase incentives and create community readiness.

Committee Member Comments:

Committee members discussed improved regional EV coordination, public outreach efforts directed at individuals and municipalities, and participation in the Planners Institute was suggested. Aggregated purchasing, government agency EV fleets, decreasing prices and increasing vehicle availability were topics that committee members reviewed and discussed with staff.

Committee members were concerned about consumer utility costs for home vehicle chargers and the fair distribution of chargers throughout the Bay Area. Incentives and tax refunds were also discussed.

Committee Action:

Director Ross moved to authorize the Executive Officer/APCO to allocate \$75,000 in Transportation Fund for Clean Air (TFCA) Regional Fund monies to support Clean Cities Coalitions outreach activities as part of a United States Department of Energy grant for regional electric vehicle infrastructure planning. The motion was seconded by Director Hudson and carried unanimously without objection.

6) Transportation Fund for Clean Air (TFCA) Regional Fund Policies and Evaluation Criteria for Fiscal Year Ending (FYE) 2012 and Proposed Allocations for Shuttle and Ridesharing Projects

Ms. Deepti Jain, Environmental Planner, presented the staff report on Transportation Fund for Clean Air Regional Fund Policies and Evaluation Criteria. She stated that the Air District updates regional fund policies and evaluation criteria, each year, and noted that the proposed policies and strikeout versions are included for the Committee's review in the agenda packet. She indicated that staff opened the public comment period from April 4 to April 25 and the Air District received two sets of comments (also included in the staff report) and based on the public input, additional clarification from staff, the public comment period was re-opened from May 16 to May 31, 2011. Ms. Jain said the proposed allocation of \$4 million remains the same as the past two fiscal years, and there were four changes to the evaluation criteria which will now allow:

- Applicants that did not return agreements from a previous funding cycle to be eligible.
- District to accept signed contracts that are received beyond 60 days from the date of transmittal.
- Projects that are awarded more than \$100,000 in a fiscal year must reapply for funding annually.
- Rideshare projects to provide benefit to 5+ counties, with no one county accounting for more than 80% of participants.

The Committee also reviewed the staff recommendation to grant an extension and award of \$82,000 to the Oakland Waterfront shuttle. Ms. Jain stated that this is a pilot shuttle project along Broadway in Oakland connecting BART to Jack London Square and is cost effective. The extension will align this project with the usual cycle of funding for the next round.

Public Comments: None

Committee Member Comments:

Committee members discussed the ridership and success of the Waterfront shuttle. Staff confirmed that AC Transit provides the outreach and information for the shuttle, which travels from Jack London Square to the 12th Street BART Station, and has a ridership of approximately 2000 riders per day.

Committee Action:

Director Hudson moved to request Board of Directors' approval of the proposed fiscal year ending (FYE) 2012 TFCA Regional Fund Policies and Evaluation Criteria presented in Attachment A; approval of an allocation of up to \$4 million in TFCA Regional Funds for shuttle/feeder bus and regional ridesharing projects, and approval of an extension request and award of \$82,000 to Project #09R14 - Oakland Waterfront – Uptown Pilot Shuttle project. Director Wagenknecht seconded the motion and it passed unanimously without objection.

7) California Goods Movement Bond (I-Bond) Program Funding for On-Road Trucks

Ms. Tina McRee, Environmental Planner, presented the staff report for Year 2 California Goods Movement Bond Program funding for on-road trucks. She outlined the program, noting outreach efforts had resulted in over 350 applications, totaling over \$60 million in funding requests. Ms. McRee explained that many port trucks were ineligible due to grant requirements, and explained the selection process including review and cost effectiveness ranking by the Air Resources Board. She stated that staff expects to conduct project inspections during summer of 2011 and enter into agreements with truck owners in the fall.

Public Comments: None

Committee Member Comments:

Committee members discussed the ranking criteria and whether there were funds set aside for retrofitting alone. Staff replied that all projects rank against each other and mileage reduction, emissions and other criteria are taken into consideration.

Committee Action:

Director Haggerty moved to recommend that the Board of Directors authorize the Executive Officer/APCO to enter into agreements for on-road truck replacement projects, based on the Air Resources Board rankings and not to exceed the funding available of \$7,232,574. The motion was seconded by Director Ross and carried unanimously without objection.

8) Participation in a Metropolitan Transportation Commission (MTC) Block Grant Pilot Program

Director of Strategic Incentives, Damian Breen presented the report on the OneBayArea Grant, a pilot regional grant program from the Metropolitan Transportation Commission (MTC), which manages federal transportation funding. He explained that the Air District is being requested to consider an initial contribution of \$2 million in Transportation Fund for Clean Air Regional Fund monies toward this pilot program. Mr. Breen described the proposal, which represents a 70% increase in the funding distributed to Bay Area counties as compared to the original framework, and does away with current silos, allowing more flexibility in use of funding. He stated that there are several issues to be resolved and the request is for exploration only, not a commitment and he recommended that Committee members recommended Board of Directors' authorization for the Executive Officer / APCO to explore this allocation.

Public Comments:

Craig Goldblatt of MTC was available to answer questions from the Committee. He explained the OneBayArea Grant program would be unveiled by the MTC Planning Committee next week and then feedback from stakeholders and technical working groups is being sought over the next several months. He hoped the OneBayArea Grant program would better integrate the region's federal transportation program with land-use and housing policies using methodology similar to the Regional Housing Needs Assessment (RHNA).

Committee Member Comments:

In answer to Committee Member questions, Mr. Breen explained that the County Program Managers are generally supportive but have questions. There was discussion about silos and the effective distribution of funds, and finalizing the formulas for distribution was likely to occur in December. Staff stated that when the funds were allocated, the matter would come to the Committee again for approval.

Committee Action:

Director Hudson moved to recommend Board of Director's authorization of the Executive Officer/APCO to explore allocation of \$2 million in Transportation Fund for Clean Air (TFCA) Regional Fund for a proposed Metropolitan Transportation Commission (MTC) Block Grant pilot program. The motion was seconded by Director Hosterman and passed unanimously with objection.

9) Committee Member Comments / Other Business

There were no additional comments.

10) Time and Place of Next Meeting

9:30 a.m., Thursday, July 28, 2011 at 939 Ellis Street, San Francisco, 94109
(This meeting was later cancelled and rescheduled for Thursday, September 22, 2011)

11) Adjournment

Chair Haggerty adjourned the meeting at 11:08 a.m.

Kris Perez Krow
Clerk of the Boards

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: September 12, 2011

Re: Update on Port Drayage Truck Program

RECOMMENDATION:

None. Informational report, receive and file.

BACKGROUND

In December of 2007, the California Air Resources Board (ARB) approved a regulation to reduce emissions from drayage trucks operating at California’s ports and intermodal rail yards. The first phase of the regulation went into effect on December 31, 2009, and Phase 2 of the regulation goes into effect on December 31, 2013. A summary of the regulation’s compliance requirements is shown in Table 1:

Table 1: ARB Drayage truck regulation compliance schedule

Phase	Date	Engine Model Years (MY)	Regulation requirement
Phase 1	12/31/09	1993 and older	Prohibited from operation as a drayage truck
		1994 – 2003	Install a Level 3 retrofit device
	12/31/11	2004	Install a Level 3 retrofit device
	12/31/12	2005 and 2006	Install a Level 3 retrofit device
Phase 2	12/31/13	1994 – 2006	Meet 2007 * engine emissions standards

* Trucks with 2007-2009 model year engines are compliant through 2022. Trucks with 2010 and newer engines are fully compliant

In 2008, the Air District accepted applications for drayage truck retrofit and replacement projects as part of its port truck upgrade program. Through this program the Air District received and awarded a total of \$25.8 million [\$13.8 million in California Goods Movement Bond (I-Bond) funding, \$2 million in US Environmental Protection Agency (EPA) diesel emissions reduction act (DERA) funds, \$5 million from the Port of Oakland (Port), and \$5 million in Air District TFCA funding]. These monies were used to assist with the upgrade of 1,522 trucks (1,319 truck retrofits and 203 truck replacements) operating at the Port.

As the next compliance deadline approaches for this regulation the Air District must consider how to best assist the trucker population at Bay Area ports with early compliance. As part of this report staff will describe the trucker population impacted by the next regulatory deadlines, steps the Air District is taking to address this issue, roles for partner agencies, and next steps towards a new drayage truck program.

DISCUSSION

Table 2 below contains data from ARB’s Drayage Truck Registry database, and describes the population of vehicles calling on Northern California ports by engine model year. Table 2 also identifies which groups of trucks received grant funds from the original Air District Drayage Truck Program.

Table 2: Drayage truck population as of July 2011

Engine MY	Compliant until	# of Drayage trucks in Northern CA*	# of trucks that received grant funds	Grant funds expended **
MY 1994-2003 (w/ retrofits)	12/31/13	1,700	1,319	\$15,586,534
MY 2004	12/31/11	700	0	\$0
MY 2005 & 2006	12/31/12	2,150	0	\$0
MY 2007 – 2009	2022	1,350	203	\$10,150,000
MY 2010 +	Fully compliant	400		
Total		6,300	1,522	\$25,736,534

* Number of trucks registered in the ARB Drayage Truck Registry (DTR) with zip codes North of Fresno.

** Funding sources for the Air District’s Year 1 port truck funding program: TFCA (\$5 million), Port (\$5 million), ARB Prop 1B (\$13,835,133), and DERA (~\$2 million)

Retrofit projects accounted for a majority of the truck projects funded during the first round of the Drayage Truck program. Anecdotally, Air District Staff were informed that these truck owners chose to retrofit instead of replace their trucks because of economic reasons, with many citing lower cargo volumes at the Port as the reason for not seeking replacement trucks. Compliance with the regulation’s Phase 2 requirements is going to be costlier than Phase 1 as truck owners must purchase trucks that have 2007 or newer engines.

Air District Efforts

In preparation for the regulation’s Phase 2 requirements the Air District is working with its partners to put together a plan to provide comprehensive information on the assistance available to drayage truck drivers. Staff believes that a combination of grant funding, loan guarantees, and low interest loans will be needed to prepare truck owners for compliance. At this stage in the process, the Air District has:

- Applied for, and been awarded \$1.5 million in DERA funding from EPA for drayage truck projects.
- Continued working with ARB to determine how much I-Bond grant funding will be available for truck replacements. The Air District is also seeking to match I-Bond funding with Mobile Source Incentive Fund and Carl Moyer Program funds.
- Begun investigating a bulk purchase program to determine if it is allowable under the guidelines of the various grant programs that may provide the funding to replace Drayage Trucks. Such a program might offer the opportunity for lower-cost vehicles to drivers seeking to upgrade their equipment.

In order to provide a complete picture of the assistance that will be available to truckers, the Air District will need to work closely with its Public Agency Partners; ARB, the Port and the City of Oakland. Below are some of the areas that the Air District is working on with these partners to determine how best to provide assistance to the drayage trucking community.

Public Agency and Partner Roles

ARB

ARB plays a large role as the lead regulatory agency for the drayage truck rule and oversight agency for the I-Bond program. It is important that ARB provides I-Bond funding to support any replacement projects funded by the Air District. ARB can also contribute to this effort by providing funds to ensure competitive loans for truckers via a loan guarantee program. Such a program would provide up to 20% of the cost of a truck replacement to a bank or lending institution as a guarantee against a loan default. This may make financial institutions more willing to take a chance on lending to an owner operator or individual trucker with lower credit scores.

ARB is also launching a low interest loan program (PLACE-DL) which will be made available to port truckers. This program could be combined with grants to lower the overall costs of ownership for new compliant trucks.

Port and City of Oakland

The Port and City of Oakland (City) must also become involved in the development and implementation of a comprehensive assistance program. The Port is the beneficiary of services provided by these truck drivers and should provide funding to the Air District's grant program and/ or provide funding to ARB's loan/financing program. The Port and City are key to establishing low interest loan programs for drayage truckers. The City, through its development office, is experienced in establishing loans for small businesses and other enterprises. This experience could be harnessed to see if a financial package from various lenders in the Oakland area can be put together for drayage truckers.

Private Industry

Motor carriers and dispatchers must also be approached as part of any solution to determine if they can act as co-signers for trucker loans. This may help independent owner/ operators obtain loans with better terms from financial institutions.

Issues

Funding Availability

While the Air District is working to build partnerships on all fronts, available funding to address the need for truck replacements remains the most significant issue at present. This is due to the fact that there is no certainty regarding the sale of the California Bonds which would provide the majority of the funding for any grant or loan guarantee program.

2004-2006 Trucks

Additionally, trucks with model year engines between 2004 and 2006 account for approximately 45% of the drayage truck fleet in the Bay Area. These trucks have to prepare for compliance with both the Phase 1 and Phase 2 requirements in the next two years. Based on recent ARB projections, it is unlikely that grant funding will arrive in time or be available to these truckers. Therefore, the only financial assistance expected to be available for these truckers is through loan programs.

Funding May Not Be Available for All Trucks

Also, it may not be possible to assist all of the impacted drayage truck drivers in upgrading to meet the Phase 2 requirements (an estimated cost of \$136.5 million if each drayage truck was provided with a \$30,000 grant). Therefore, staff believes that services and information regarding available retraining programs must be provided as part of any package to truck drivers. In 2009, as part of the adoption of the first phase of the drayage truck regulation, the City provided extensive outreach, information and education to drivers on new career paths and available training. Staff recommends that a similar effort be coordinated by the City as part of outreach for any future grants/ assistance programs.

Who Needs Help?

Air District staff believes that there is a lot of misinformation regarding the numbers of truckers who need assistance under any future grant/loan program. Some data, while accurate in terms of the overall number of vehicles that are in the Port's and ARB's trucking databases, do not reflect how often those vehicles called on the Port. For example, a truck calling one time on the Port requires an entry pass. This entry pass generates a unique record which is then quoted by some stakeholders as a vehicle that needs to be addressed as part of any grant program. The Air District and ARB are currently working together to determine how many trucks would meet the 150 call threshold that was used for the original program that provided retrofits to Port drayage truckers. This information will give us a better picture of what the needs are at the Port and how best to proceed.

Next Steps

Air District staff will continue to work with stakeholders to develop a comprehensive strategy that identifies the assistance opportunities that are available to the drayage trucking community. Staff will continue to seek new grant and loan funding sources for truck replacement projects, and investigate the possibility of a bulk truck purchase. Staff will also work to develop an outreach campaign to ensure all drayage truckers are aware of the available assistance opportunities.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Anthony Fournier

Reviewed by: Damian Breen

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: September 12, 2011

Re: Update on the Regional Bicycle Share Pilot Project

RECOMMENDED ACTION:

Recommend Board of Directors:

- Receive and file information update on the Regional Bicycle Share Pilot Project,
- Approve San Francisco Municipal Transportation Authority's (SFMTA) request to use fiscal year (FY 2011/12) Transportation Fund for Clean Air (TFCA) County Program Manager funds as a local match for the Project, and
- Adopt a resolution that authorizes the Executive Officer/APCO to execute the Right of Way Certification form for the project.

BACKGROUND

The Regional Bicycle Share Pilot Project will deploy an organized network of publically-accessible bicycles for transportation use along the Peninsula transportation corridor. The project will install approximately 1,000 bicycles at up to 100 kiosk stations in San Francisco, Redwood City, Mountain View, Palo Alto and San Jose.

The Air District administers the project in partnership with the Santa Clara Valley Transportation Authority, SamTrans, San Francisco Municipal Transportation Agency (SFMTA), San Mateo County and Redwood City. Funding for the project (totaling \$7 million) comes from the Congestion Mitigation and Air Quality Improvement Program (CMAQ) (\$4.29 million), the Transportation Fund for Clean Air (TFCA) Regional Fund (\$1.4 million), and local match funds from the partners (\$1.3 million).

As part of this report, Bay Area Air Quality Management District (Air District) staff will update the Committee on project milestones and present a request from SFMTA to use FY 2011/12 TFCA County Program Manager funds to meet their \$241,250 match commitment for the project.

DISCUSSION

To date, work on the Regional Bicycle Share Pilot Project has been focused on securing necessary approvals from its partners and Caltrans and also preparing materials that will be used to select Bike Share vendors. In particular, Air District staff has developed an Intergovernmental Agreement, which defines the organization structure for implementing the project, the partner's financial and logistical commitments and basic policy direction for the project. This agreement has been finalized and is currently in the process of being executed by all parties.

Additionally, the Air District has executed a CMAQ agreement with Caltrans to secure the federal funding for the project. Air District staff is also currently working on the final environmental clearance documents for Caltrans' review and approval. As part of this submittal, the Air District must also include a resolution approved by the Air District's Board of Directors authorizing the Executive Officer/APCO to execute the Right of Way Certification (ROW) form. In order to expedite Caltrans' approval of the environmental clearance documents, the Bike Share pilot will be limited to areas that do not require right-of-way acquisition, relocation assistance, and involve no railroad or utility relocation.

Air District is also in the final stages of preparing a Request for Proposals (RFP) to select a vendor to design, build, operate, maintain, manage and publicize the project. The Air District expects to issue this RFP in October 2011 and recommend a contractor in December 2011 to be approved by the Air District Board of Directors.

Further details on past and future milestones are listed below in Table 1:

Table 1 - Regional Bicycle Share Pilot Program Milestones Past and Future

Date	Past Milestones
10/6/2010	Air District Board of Directors approved \$1.4 million for the project
10/27/2010	Air District awarded CMAQ funding by Metropolitan Transportation Commission (MTC)
5/24/2011	Air District circulated the Intergovernmental Agreement to partners
7/11/2011	Air District executed CMAQ funding agreement with Caltrans
	Future Milestones
Fall 2011	Release RFP and select vendor to provide equipment and service
Winter 2011/12	Contract with selected vendor
Spring 2012	System launch and begin data collection

Funding for San Francisco Project Component

Given that bike sharing is currently being tested as a pilot, the activity has not yet been included as an eligible project type in the TFCA Program Manager Policies. TFCA Program Manager Policy #3 allows Program Managers to seek Air District Board of Director's approval on a case-by-case basis for projects that are not included in the list of eligible project types that otherwise conform to the provisions of the California Health and Safety Code (HSC) section 44241 and other TFCA policies. In order to meet their financial match obligation, SFMTA has requested Air District approval of an allocation of \$241,250 in FY 2011/12 TFCA County Program Manager funds (11SF09). Staff has reviewed SFMTA's request and determined that the project conforms to the provisions of HSC section 44241 and other TFCA policies including the Board-approved TFCA cost-effectiveness requirement. Therefore, staff is requesting that the Board approve SFMTA's request to provide FY 2011/12 TFCA County Program Manager funds to this Project, as allowed by Policy #3.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. The Air District distributes CMAQ monies as "pass-through" funds on a reimbursement basis. Administrative costs for project staffing are provided by the funding sources (CMAQ, TFCA and local funding from partner agencies).

Respectfully submitted,

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Executive Officer/APCO

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