



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

**MONDAY
NOVEMBER 28, 2011
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 27, 2011**

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 Transportation Fund for Clean Air (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. **FISCAL YEAR ENDING (FYE) 2011 TRANSPORTATION FUND FOR CLEAN AIR (TFCA)
REPORT ON REGIONAL FUND EXPENDITURES AND EFFECTIVENESS**

D. Breen/5041

dbreen@baaqmd.gov

As required by the California Health and Safety Code, the Committee will receive an informational update on the expenditures on and effectiveness of projects concluding in FYE 2011.

6. **PORT DRAYAGE TRUCK REPLACEMENT PROGRAM FOR ENGINE MODEL YEAR (MY) 2004
TRUCKS**

D. Breen/5041

dbreen@baaqmd.gov

The Committee will consider recommending Board of Directors' approval of \$1.04 million in Transportation Fund for Clean Air (TFCA) Regional Fund monies and authorization for the Executive Officer/APCO to enter into all contracts and expenditures necessary to execute a Model Year 2004 drayage truck replacement program.

7. **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).

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

At 9:30 A.M., Thursday, January 26, 2012; at 939 Ellis Street, San Francisco, CA 94109

9. **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 2011

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
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
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Monday	28	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(At the Call of the Chair)</i> - CANCELLED	Monday	28	Immediately Following Mobile Source Cme.	4 th Floor Conf. Room
Board of Directors Climate Protection Committee <i>(At the Call of the Chair)</i> - CANCELLED	Monday	28	Immediately Following Mobile Source Cme.	4 th Floor Conf. Room

DECEMBER 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	7	9:45 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(At the Call of the Chair)</i>	Wednesday	14	9:30 a.m.	Board Room
Board of Directors Special Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	14	10:30 a.m.	Board Room
Board of Directors Executive 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> - CANCELLED	Wednesday	21	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i> - CANCELLED	Thursday	22	9:30 a.m.	Board Room

JANUARY 2012

<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	4	9:45 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(At the Call of the Chair)</i>	Monday	9	9:30 a.m.	4 th Floor Conf. Room
Advisory Council Retreat <i>(Meets 2nd Wednesday each Month)</i>	Wednesday	11	9:00 a.m.	Board Room
Board of Directors Special Meeting/ Retreat <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	18	9:45 a.m.	City of San Pablo Maple Hall, Building #4 13831 San Pablo Avenue San Pablo, CA. 94806
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	26	9:30 a.m.	4 th Floor Conf. Room
HL – 11/21/11 (8:15 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 16, 2011

Re: Mobile Source Committee Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Mobile Source Committee meeting of October 27, 2011.

DISCUSSION

Attached for your review and approval are the draft minutes of the October 27, 2011 Mobile Source Committee meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Vanessa Johnson
Reviewed by: Jennifer Cooper

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 27, 2011
9:30 a.m.

CALL TO ORDER: Chairperson Scott Haggerty called the meeting to order at 9:35 a.m.

Roll Call: Scott Haggerty, Chairperson; Directors David E. Hudson, Carol Klatt, Nate Miley, and Mark Ross

Absent: Vice Chairperson Carole Groom; Directors Jennifer Hosterman, Johanna Partin and Brad Wagenknecht

Also Present: Tom Bates, Board Chairperson

Public Comments: There were no public comments.

3. Approval of Minutes: Mobile Source Committee Meeting of September 22, 2011

Committee Action: Director Hudson made a motion to approve the September, 2011 Mobile Source Committee minutes; seconded by Director Miley, carried unanimously without objection.

4. Transportation Fund for Clean Air Policies for County Program Managers for Fiscal Year Ending (FYE) 2013

Damian Breen, Director of Strategic Incentives, introduced Geraldina Grunbaum, Supervisor Environmental Planner, who gave staff the presentation and background on the FYE 2013 TFCA Program Manager Fund Policies.

Ms. Grunbaum provided the Committee with background information which included:

- Beginning in FY 09/10, District revised CPM program to streamline the administration of the program and to provide greater flexibility to Program Managers
- District and Program Managers have worked to improve coordination of TFCA CPM policies and administration
- Each year, the District's Board is required to adopt TFCA policies that maximize emissions reductions and public health benefits
- Proposed FYE 2013 Policies reflect revisions to CPM Program and input from Program Managers

The steps taken to solicit input and comments of the proposed policies were as follows:

- 9/21/11 - Staff solicited comments on proposed revisions for the FYE 2013 cycle
- 9/29/11 - Staff met with Program Manager representatives to discuss proposed revisions and to address questions and comments
- By 10/7/11 - 3 written comments received
- Staff incorporated many of the comments received

Ms. Grunbaum said overall there are no major changes being proposed in the FYE 2013 policies. Summary of those changes include:

- Incorporated language in policies to be consistent with Health and Safety Code
- Clarified and incorporated text changes to respond to Program Managers' requests for clarification on specific policies
- Policy #1: Updated language to require emission reductions to be surplus at time of contract execution between the Program Manager and sub-awardee (since Air District no longer approves CPM list of projects)
- Policy #27: Added Ridesharing project category

In conclusion, Air District staff recommended approval of proposed revisions to County Program Manager Fund Policies to govern allocation of FYE 2013 TFCA County Program Manager funds.

Public Comments: None.

Committee Comments/Questions:

Director Ross asked if there were a need for surplus reductions at the time the contract is executed what is the length. Mr. Breen said the length is generally about six months. Director Ross also asked who verifies this information. Mr. Breen stated the attorneys have reviewed the documents, and if contracts were enacted during the timeframe that the emissions would not be included as part of the surplus.

Director Ross asked who is responsible for verifying the information. Mr. Breen said it is the responsibility of the County Program Manager.

Committee Action:

Director Hudson made a motion to recommend Board of Directors approval proposed revisions to County Program Manager Fund Policies to govern allocation of FYE 2013 TFCA County Program Manager funds. The motion was seconded by Director Klatt and carried unanimously without objection.

5. Regional Electric Vehicle Deployment Planning Grants

Damian Breen, Director of Strategic Incentives, gave staff the presentation on the Regional Electric Vehicle Deployment Planning Grants. Mr. Breen discussed the background, recent Air District efforts, and successful applications for planning grants, U.S. Department of Energy (USDOE) grant, California Energy Commission (CEC) grant, next steps, and recommendations.

Mr. Breen provided the Committee with the following background.

The Air District has been supporting PEV deployment since the 1990s:

- 1994-2009: \$1.3 million invested in infrastructure/vehicles
- 1996-2001: 16 projects with CMAs to deploy infrastructure/vehicles
 - Santa Rosa, Alameda, Napa, San Francisco, Pinole, San Mateo, Antioch
- 1998-2004: Air District “Charge!” program
 - Program partners: City of San Francisco, Clean Cities Coalitions, USDOE
 - TFCA Regional Fund monies used to match USDOE funds
 - 35 charge points (17 conductive/18 inductive) installed in 15 locations
- Program success was hampered by lack of vehicles

In 2009 and 2010 timeframe auto manufacturers (GM, Ford, Tesla, Toyota, Nissan, and Mitsubishi) announce planned availability of PEV in America. Mr. Breen said in support of those plans and because transportation emissions make up a large portion of the criteria pollutants for greenhouse gases, the Air District embarked on a program to support infrastructure and vehicle deployment.

In 2010, there has been an allocation of \$1.3 million to deploy fast chargers, a battery switch station and level II chargers, which is 220 volt charging. This was followed by an additional allocation between FYE 2011 and FYE 2012, to complete the following.

- FYE 2011/12: EV infrastructure program (\$5 million)
 - 3,000 level II home chargers, 50 DC Fast Chargers, 2,000 Public Chargers
 - Local Government Assistance
 - Infrastructure Planning Program

Mr. Breen stated in order to support infrastructure planning the Air District along with its regional partners, the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) applied for various grants in the Bay Area.

Successful applications or planning grants were as follows:

Regional PEV Planning Grants: BAAQMD applied for and was awarded \$700,000 for the following:

- \$300,000 from USDOE (part of statewide \$1 million grant) – includes Monterey Bay Region (Monterey, Santa Cruz and San Benito)
- \$200,000 from CEC for Bay Area Regional Planning (Co-lead ABAG)
- \$200,000 from CEC for Monterey Bay Regional Planning (partnering with Ecology Action)

Mr. Breen continued the presentation providing the Committee with the requirements of the awards. He stated the USDOE grant is part of a statewide effort, and the Air District has been awarded \$300,000 for the Bay Area/Monterey Region to do the following:

- Produce Bay Area component of statewide PEV deployment plan
- USDOE Funding to be distributed by Air District as follows:

- \$75,000 to Clean Cities Coalitions to perform plan outreach (an additional \$75,000 in TFCA funding has been allocated to support this effort)
- \$75,000 to the Air District to hire a consultant to write a Bay Area plan (matched with \$76,209 in Air District staff time)
- \$150,000 to conduct RFP for 11 components required by USDOE. Funding to be dispersed by the Air District in consultation with the EV Strategic Council (to be matched with \$50,000 in pre-allocated consultant time – (ECOtality))

USDOE grant requirements include the Air District adopt and design a plan for the Bay Area region to support EV deployment in a one year timeframe which ends September 2012. The plan requires eleven elements which include:

- Demonstration of Partnerships
- Description of Partner Roles
- Analysis of Barriers to PEV Implementation
- Current Plans for PEV deployment
- A Deployment Plan (charging infrastructure)
- EV Benefits Communications Plan
- A Utility provider plan for PEV expansion
- A Plan to Update permitting/inspection processes
- A Plan to Update Building codes
- A Plan to update zoning, parking local ordinances
- A Plan for EV Marketing , Education and Outreach plan

Mr. Breen stated the plan does not involve actually completing these plans, but creating a road map. Planning to update zoning, building and inspection processes for local cities and counties will require funding.

He said the CEC has the same goals with a slight difference. USDOE will provide a component that is part of a statewide plan for California, and the CEC will focus on the regional plan for the Bay Area. The Air District has been awarded two \$200,000 CEC grants for PEV planning in the Bay Area and Monterey regions to do the following:

- Produce comprehensive regional PEV deployment plans
- Bay Area - CEC Funding to be distributed by Air District as follows:
 - \$200,000 to hire a consultant to write Bay Area plan
 - Match – Same Funds as USDOE match – (approximately \$200,000)
 - \$75,000 in TFCA funding match for outreach by Clean Cities Coalitions
 - \$76,209 in Air District staff time
 - \$50,000 in consultant time
- Monterey - CEC Funding to be distributed by Ecology Action on behalf of MBEVA; \$53,316 to be provided by Ecology Action in-kind match
- Air District act as fiscal agent for Monterey

Mr. Breen also said that as part of the grant application, the Monterey Bay region requested the Air District would act as its fiscal agent for the CEC funding. Mr. Breen stated the Air District applied for funding along with the Monterey Bay region, which they will provide \$53,000 in in-kind match to match this funding. The Air District will have oversight and fiscal responsibility for this grant.

CEC grant requirements include a two year timeframe commencing on the CEC award. The plan requires ten elements which include:

- PEV deployment guidelines
- Infrastructure location identification
- Region specific planning data
- Permitting, installation and inspection guidelines
- Education and promotion plans for PEV
- Adoption plans for PEV
- Charging pattern data collection plan
- Greenhouse gas emissions estimation
- Integration of PEV into SCS
- Sharing of best practices

Mr. Breen said there is three things that are important which include, the integration of greenhouse gas estimation, integration of PEV program into the strategy for sustainable communities, as well as the sharing of best practices. Mr. Breen stated that California Environmental Quality Act (CEQA) may need to be performed as part of the plan, and this cost will be borne by the Air District and Ecology Action.

In addition, the Air District will engage MTC and other regional agency partners with regard to sharing the cost of conducting a CEQA analysis. Lastly, the grant cannot be used to fund work paid for by other grants.

Next steps are as follows:

- Upon Board approval, execute grant agreements with USDOE and CEC
- Produce planning roadmap in consultation with partners:
 - Regional agencies
 - Bay Area EV Strategic Council
 - CEC
 - South Coast and PEVC
 - MBEVA/Ecology Action
- Produce RFP for a consultant in November/December timeframe, in order to meet the one year timeframe currently in place by USDOE

Staff recommended that the Committee recommend Board of Directors adopt a resolution that authorizes the Executive Officer/APCO to enter into contracts with the South Coast Air Quality Management District (South Coast) and the CEC to receive and expend PEV planning funding; and recognize \$201,209 in allocated TFCA Regional Funds as match monies for both grants from the Transportation Fund for Clean Air (TFCA) Regional Fund.

Committee Comments/Questions:

Director Miley expressed concern that once the consultant is on board the Committee should receive updates on the substance of the planning process, as well as being briefed on how the plan is coming together. Mr. Breen said as part of the RFP process staff will provide the Committee with updates.

Staff expects two rounds of public outreach to city and county planning departments and their administration departments and two rounds of public meetings.

Director Miley asked if there will be additional funding for implementation. Mr. Breen said one of the requirements is updates of all building, permitting, and inspection and the Air District would be required to look at mechanisms to fund the plan.

Public Comments: None.

Committee Action:

Director Hudson made a motion to adopt a resolution that authorizes the Executive Officer/APCO to enter into contracts with the South Coast Air Quality Management District (South Coast) and CEC to receive and expend PEV (plug-in electric vehicles) planning funding; and authorize the allocation of \$200,000 in match funding for both grants from the Transportation Fund for Clean Air (TFCA) Regional Fund. The motion was seconded by Director Miley and carried unanimously without objection.

6. Transportation Fund for Clean Air (TFCA) Regional Funds for Shuttle, Ridesharing and Vanpool Projects

Damian Breen, Director of Strategic Incentives, introduced Environmental Planner Avra Goldman who presented the FYE 2012 TFCA Grants for Shuttle, Ridesharing and Vanpool Projects. Ms. Goldman discussed the background on Transportation Fund for Clean Air (TFCA) Program, proposed FYE 2012 Regional Fund Shuttle, Ridesharing and Vanpool projects, proposed project revision to 10R15.

Ms. Goldman explained that TFCA's revenue source is \$4 surcharge on motor vehicle registration. In addition, 60% of TFCA revenues are allocated directly by the Air District for the following: Air District sponsored programs such as Spare the Air and Smoking Vehicle. The remaining balance is allocated on a competitive basis to projects via Regional Fund Program.

The objectives of the TFCA Program are to fund cost-effective projects that reduce criteria pollutants from motor vehicles and support implementation of the Clean Air Plan.

Ms. Goldman continued with the 2012 Shuttle Ridesharing and Vanpool solicitation. The timeline is as follows:

- 7/18/11 - District Board of Directors:
 - Approved TFCA FYE 2012 Regional Funds policies
 - Allocated up to \$4 million for Shuttle, Ridesharing and Vanpool Projects
- 8/1/11 - Solicitation and Outreach:
 - Call for Projects opened
 - 2 grant application workshops - San Francisco and Redwood City
- 9/1/11 - Received 16 Applications for over \$6.2 M for Shuttle, Ridesharing and Vanpool Projects

Ms. Goldman said out the 16 applications received six projects met a cost effectiveness of \$83,369 per ton of emissions reduced or better. In addition, given that the program was oversubscribed six additional projects were adjusted to a cost effectiveness of \$85,500 per ton, which is 95% of the cost effectiveness of \$90,000 per ton.

Three projects were not recommended for funding due to inability to achieve cost effectiveness of \$90,000 per ton, and one due to an incomplete application. Staff would like Committee to

consider increasing funding allocation to award \$4,089,221 for twelve projects. Those projects include:

- 2 Regional Ridesharing Projects - \$1,120,000
- 6 Existing Shuttle Projects - \$2,157,292
- 4 Pilot Shuttle Projects - \$811,929

The estimated emission reductions from the twelve projects are approximately 89 tons per year (tpy) of criteria pollutant and slightly over 24,000 tpy of CO₂.

Proposed award by county:

- Sonoma – 3%
- Alameda – 15%
- Contra Costa – 10%
- Santa Clara – 28%
- San Francisco – 7%
- San Mateo – 28%
- Marin – 3%
- Solano – 3%
- Napa – 3%

Proposed award by project category:

- Regional Ridesharing – 27%
- Existing Shuttle Project – 53%
- Pilot Shuttle – 20%

Ms. Goldman provided the following overview for Project 10R15 Estuary Crossing Bicycle/College Pilot Shuttle which included:

- FY 2010/11, Board approved Project 10R15 sponsored by the City of Alameda
- Project was modified after Board award – shuttle vehicle has less capacity than what was proposed in application, thereby exceeding allowable cost effectiveness (c/e)
- Consider change to allow increase to c/e (to max. amount allowed) at revised (reduced) award amount

<u>Original C/E</u>	<u>Original Board Award</u>	<u>Revised C/E</u>	<u>Proposed Award</u>
\$97,342	\$193,358	\$125,000	\$167,233

Ms. Goldman concluded her presentation requesting the Committee recommend the Board of Directors approve award of \$4,089,221 in TFCA FYE 2012 Regional Funds for Shuttle, Ridesharing, and Vanpool projects listed in Attachment A; authorize the Executive Officer/APCO to enter into agreements for the recommended TFCA FYE 2012 Regional Funds projects; and approve revisions to Project #10R15-Estuary Crossing Bicycle/College Shuttle-Pilot project.

Committee Comments/Questions:

Director Haggerty asked about the MTC 511 ridesharing program and the Spare the Air Program. Ms. Roggenkamp stated that at this time there is no sharing of the Spare the Air brand.

Director Haggerty requested further explanation of the Cal Train Shuttle. Mr. Breen said the particular project moves an estimate one million people annually. In addition, this project serves the Cal Train and the industrial manufacturing base in Silicon Valley. Mr. Breen also said the volume consists of 27 shuttles. Director Haggerty expressed his concern that the Air District is funding routes for a transit agency.

Ms. Roggenkamp stated there is pressure on the TFCA dollars for various projects. Staff can update the Committee on where the TFCA dollars are allocated at a future meeting. Director Haggerty suggested the Mobile Source Committee have a comprehensive discussion regarding TFCA.

Director Miley requested adding CARE communities, as a way of encouraging people to take transit.

Board Chair Bates said funding shuttle service will be worthwhile in the long run.

Director Ross said he would like to see the Air District become more involved with the car sharing program, and be able to provide TFCA funds towards the program. Mr. Breen said the Air District currently has \$500,000 ongoing with City Car Share.

Public Comments: None.

Committee Action:

Director Hudson made a motion to approve TFCA Shuttle, Ridesharing and Vanpool projects listed in Attachment 1; authorize the Executive Officer/APCO to enter into agreements for the recommended TFCA projects on Attachment A in the amount of \$4,089,221; and approve project revisions and Board adopted policy requirement waiver to Project #10R15-Estuary Crossing Bicycle/College Shuttle-Pilot Shuttle project. The motion was seconded by Director Haggerty and carried unanimously without objection.

7. Update on Port Drayage Truck Program

Damian Breen, Director of Strategic Incentives, provided an update on the Port Drayage Truck Program. Mr. Breen said he would provide the Committee with background of the program, provide information of the current drayage truck population, give an analysis of model year 2004 truck population, discuss Air District actions, provide information of the proposed program and discuss next steps.

The drayage truck regulation was adopted by the California Air Resources Board (CARB) in 2007. This requires trucks comply with two phases of the regulation. One portion of the program for 2009, banned 1993 and older drayage trucks, and required 1994 through 2003 trucks to either be replaced or retrofitted. Mr. Breen said there are two additional sets of vehicles that need to come into compliance. By the end of 2011, truck model year 2004, and then in 2012, vehicles with the model year 2005 and 2006 would need to come in compliance.

Mr. Breen said phase two of the regulation will begin in 2013, which will require that all vehicles be upgraded meet a 2007 model year engine emissions standards. Engine model year 1994-2003 affected by this regulation will be 1,700 in the Northern California region. The number of trucks that received grant funding to upgrade was 1,319. In addition, there are 700 trucks with the model year 2004 and 2,150 with the model years 2005 and 2006. All 6,300 vehicles will be affected by the compliance date in 2013, where they will all be required to upgrade to engine model year 2007 standards.

The Air District conducted the following analysis of 2004 model year truck population.

Location	Trucks	Companies	% of total trucks
Alameda	143	74	20.55%
Contra Costa	26	20	3.74%
Santa Clara	25	14	3.59%
San Francisco	15	9	2.16%
San Mateo	12	9	1.72%
Sonoma	12	5	1.72%
Solano	7	4	1.01%
Napa	6	2	0.86%
Marin	1	1	0.14%
Inside Bay Area	247	138	35.49%
Outside Bay Area	449	207	64.51%
TOTAL	696	345	

Mr. Breen said some of the Air District actions at this time are as follows:

- Alameda County Transportation Authority
 - Exploring TFCA County Program Manager funds for Alameda based trucks
 - Looking at other CMAs also
- Port of Oakland
 - Updating truck ban Nov. 3, 2011 to include future effective dates in ARB regulations
 - Cannot commit funding at this time
 - Assisting with outreach to affected parties
- CARB
 - Only loan guarantees available for model year 2004 trucks
 - Requested CARB notify model year 2004 owners of upcoming regulatory deadlines
- USEPA
 - \$1.5 million in funding awarded, however, Federal requirements on funding inflexible and require extensive process

The proposed program will include:

- Request \$1.43 million from Alameda County CMA, for an estimate of \$10,000 per truck
- Match with \$1.04 million in TFCA Regional Fund
- Projects will be cost effectiveness under TFCA but policy exception needed for County Program Manager Funds
- Seek dealers to provide Low cost 2007 model year trucks (\$50-\$60,000)
- Dealers to provide \$12-\$15,000 Trade-in value on model year 2004 trucks
- Air District to provide \$10,000 matching grant for 247 trucks

- Trade in plus grant to equals approximately 50% cost of 2007 MY truck
- Loan guarantee to be provided via CARB - PLACE program for low interest loan for the additional 50% financing needed

Mr. Breen concluded the presentation by providing the following as next steps.

- Staff to work with CMAs, Alameda County to secure funding
- Continue to seek funding from Port of Oakland and support update of truck ban
- Work with ARB on programs timeline
- Gauge interest at upcoming port outreach event (Oct. 29, 2011)
- Seek Board approval in November
- Execute program November/December

Committee Comments/Questions:

Director Miley thanked staff for their efforts in working to resolve this issue. Director Miley also expressed his concern with the Port of Oakland inability to assist with the truck program. In addition, he stated the need for the Air District to express their concerns with CARB not wanting to contact the drayage trucker owners that will be affected by the regulation.

Directory Haggerty requested an update on San Joaquin Air District and that they should be willing to provide assistance.

Director Ross asked what happens to the trucks if they do not comply. Mr. Breen said those trucks would not be allowed in the Port, but they can travel over the road.

Board Chair Bates asked what is the compliance deadline for the drayage trucks. Mr. Breen stated the deadline is 2013.

Public Comments: None.

Committee Action: None.

8. Committee Member Comments:

Director Bates asked about natural gas vehicles. Mr. Breen said in terms of natural gas versus a conventional vehicle the emissions of the tailpipe are the same. The benefit of natural gas is because of greenhouse gas side, as there is not as much carbon in the gas itself.

9. Next Meeting: At the call of the chair.

10. Adjournment: Meeting adjourned at 11:20 a.m.

Vanessa Johnson
Executive Secretary II

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 21, 2011

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 February 2, 2011, the Board of Directors authorized Air District participation in Year 13 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 13 projects on August 8, 2011. The Air District has approximately \$14 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 9, 2011, the Air District had received 22 project applications. Of the applications that have been evaluated between August 8, 2011, and November 9, 2011, four eligible projects have proposed individual grant awards over \$100,000. These projects will replace 14 pieces of off-road equipment, which will result in the reduction of 5 tons of NOx, ROG and PM per year. Staff recommends allocating \$716,775 to these projects from a combination of CMP funds and MSIF revenues. Attachment 1 to this staff report provides additional information on these projects.

Attachment 2 lists all of the eligible projects that have been received by the Air District as of November 9, 2011, 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 since the last committee update. Approximately 54% of the funds have been awarded to projects that reduce emissions in highly impacted Bay Area communities.

TFCA:

No TFCA applications requesting individual grant awards over \$100,000 received as of November 9, 2011 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 13 Carl Moyer Program/MSIF projects with grant awards greater than \$100,000 (evaluated between 8/8/11 and 11/9/11)
- Attachment 2: Summary of all CMP Year 13/MSIF and VIP approved/eligible projects (as of 11/9/11)

Attachment 1:

BAAQMD Year 13 Carl Moyer Program/ MSIF projects with grant awards greater than \$100k
(Evaluated between 8/8/2011 and 11/9/2011)

Project #	Applicant name	Equipment category		Proposed contract award	NOx (TPY)	ROG (TPY)	PM (TPY)	County
13MOY4	Humberto Castaneda (farmer)	Off-road	The replacement of two (2) off-road diesel powered tractors.	\$ 122,000.00	1.076	0.142	0.037	Sonoma
13MOY10	GreenWaste Recovery, Inc.	Off-road	The replacement of ten (10) off-road, diesel powered loaders.	\$ 379,700.00	2.095	0.456	0.115	Santa Clara
13MOY12	Deniz Dairy	Off-road	The replacement of one (1) off-road, diesel powered loader.	\$ 110,132.00	0.541	0.066	0.025	Sonoma
13MOY13	Renati Dairy	Off-road	The replacement of one (1) off-road, diesel powered loader.	\$ 104,943.00	0.375	0.070	0.025	Sonoma
				\$ 716,775.00	4.087	0.734	0.202	

Attachment 2

Summary of all CMP Yr 13/ MSIF and VIP approved/ eligible projects (As of 11/9/11)

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	NOx (TPY)	ROG (TPY)	PM (TPY)	Board approval date	County
13MOY4	Off-road	Tractor replacement	2	\$ 122,000.00	Humberto Castaneda (farmer)	1.076	0.142	0.037	TBD	Sonoma
13MOY6	Off-road	Tractor replacement	2	\$ 50,861.00	Ronald Palmer (Vineyard)	0.308	0.059	0.017	APCO	Sonoma
13MOY9	Off-road	Tractor replacement	1	\$ 23,576.00	Joesph Pinheiro (Dairy)	0.159	0.028	0.008	APCO	Sonoma
13MOY15	Off-road	Tractor replacement	1	\$ 23,576.00	David Evans dba Marin Sun Farms, Inc.	0.299	0.050	0.016	APCO	Marin
13MOY10	Off-road	Loader replacement	10	\$ 379,700.00	GreenWaste Recovery, Inc.	2.095	0.456	0.115	TBD	Santa Clara
13MOY12	Off-road	Loader replacement	1	\$ 110,132.00	Deniz Dairy	0.541	0.066	0.025	TBD	Sonoma
13MOY17	Off-road	Tractor replacement	1	\$ 36,163.00	Neil Mclsaac & Son Dairy	0.158	0.029	0.013	APCO	Marin
13MOY19	Off-road	Tractor replacement	1	\$ 24,577.00	Foley Family Wines dba Sebastiani Vineyards	0.151	0.033	0.008	APCO	Sonoma
13MOY13	Off-road	Loader replacement	1	\$ 104,943.00	Renati Dairy	0.375	0.070	0.025	TBD	Sonoma
VIP41	VIP	Truck replacement	1	\$ 40,000.00	James Bell	0.550	0.017	0.036	APCO	Santa Clara
VIP42	VIP	Truck replacement	1	\$ 40,000.00	Robert E. Poole	0.547	0.002	0.036	APCO	Marin
VIP43	VIP	Truck replacement	1	\$ 45,000.00	Thomas Garcia	0.970	0.019	0.022	APCO	San Mateo
VIP44	VIP	Truck replacement	1	\$ 20,000.00	Clark's Rock	0.280	0.010	0.019	APCO	Napa
VIP45	VIP	Truck replacement	1	\$ 45,000.00	Nanak Singh	0.970	0.019	0.022	APCO	Contra Costa
VIP48	VIP	Truck replacement	1	\$ 20,000.00	Jill Lee	0.282	0.009	0.019	APCO	Contra Costa
VIP49	VIP	Truck replacement	1	\$ 35,000.00	Domingo Rodriguez III	0.649	0.016	0.022	APCO	Alameda
VIP50	VIP	Truck replacement	1	\$ 15,000.00	Kon Chen	0.464	0.009	0.000	APCO	Alameda
VIP51	VIP	Truck replacement	1	\$ 10,000.00	Kon Chen	0.314	0.006	0.000	APCO	Alameda
VIP52	VIP	Truck replacement	1	\$ 10,000.00	Kon Chen	0.314	0.006	0.000	APCO	Alameda
VIP53	VIP	Truck replacement	1	\$ 10,000.00	Kon Chen	0.314	0.006	0.000	APCO	Alameda
VIP54	VIP	Truck replacement	1	\$ 45,000.00	Richard Renfro	0.452	0.000	0.048	APCO	Alameda
21 Projects			32	\$ 1,210,528.00		11.268	1.051	0.488		

Figure 1: CMP/ MSIF Funding Distribution by Equipment Category as of 11/9/11

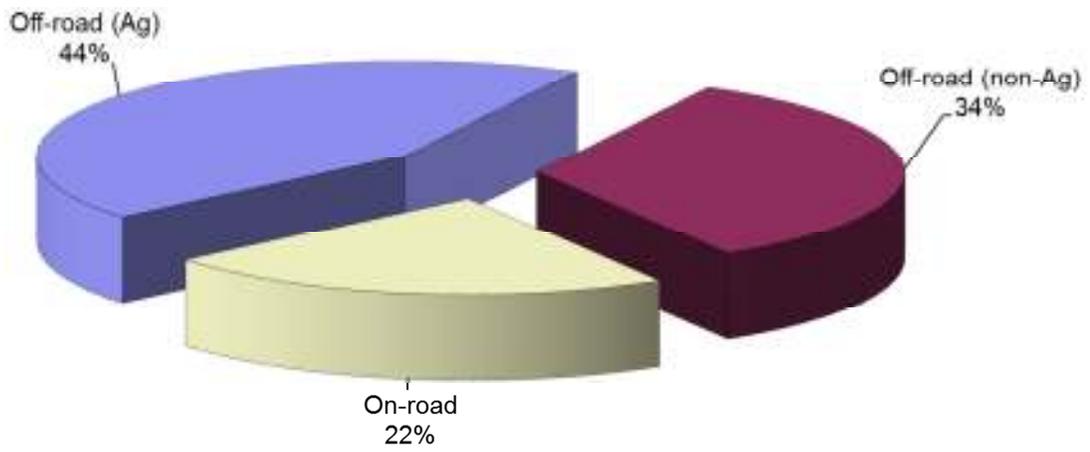
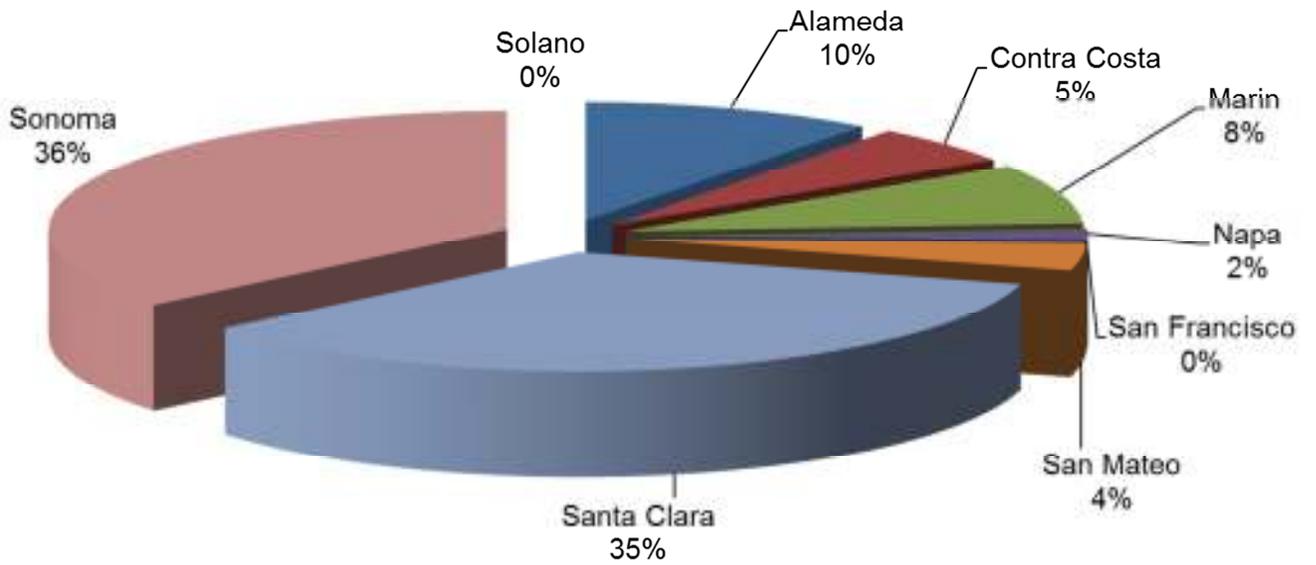


Figure 2: CMP/ MSIF Funding Distribution by County as of 11/9/11



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 14, 2011

Re: Fiscal Year Ending (FYE) 2011 Transportation Fund for Clean Air (TFCA)
Report on Regional Fund Expenditures and Effectiveness

RECOMMENDED ACTION:

None. Receive and file the Fiscal Year Ending (FYE) 2011 Transportation Fund for Clean Air (TFCA) Report on Regional Fund Expenditures and Effectiveness (Attachment A).

BACKGROUND

In 1991, the California State Legislature authorized the Bay Area Air Quality Management District (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 eligible projects through the Transportation Fund for Clean Air (TFCA). 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.

State law requires that the Air District's Board of Directors hold an annual public hearing to review the expenditure of TFCA funds to determine their effectiveness in improving air quality.

DISCUSSION

The report, provided in Attachment A, summarizes TFCA Regional Fund expenditures on projects and programs that concluded during FYE 2011, and the effectiveness of these projects and programs. Key findings of the report include the following:

- TFCA funds were allocated to eligible projects and programs, consistent with the legislation that authorizes the TFCA program.

- The TFCA Regional Fund expenditures for projects and programs that concluded in FYE 2011 totaled \$6.72 million: \$4.04 million for projects by other entities, \$1.48 million for Air District programs, and \$1.19 million in administrative costs.
- These projects and programs reduced criteria pollutant emissions over their lifetimes by an estimated 227.7 tons, including 29.2 tons of reactive organic gases (ROG), 185.9 tons of nitrogen oxides (NO_x), and 12.6 tons of particulate matter (PM₁₀). The lifetime reduction of carbon dioxide (CO₂), a greenhouse gas, was approximately 68,654 tons.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Geraldina Grünbaum
Reviewed by: Damian Breen

Attachment A: Fiscal Year Ending (FYE) 2011 Transportation Fund for Clean Air (TFCA)
Report on Regional Fund Expenditures and Effectiveness



Bay Area Air Quality Management District

FISCAL YEAR ENDING 2011

**TRANSPORTATION FUND
FOR
CLEAN AIR (TFCA)**

**REPORT ON REGIONAL FUND
EXPENDITURES AND EFFECTIVENESS**

939 Ellis Street, San Francisco, CA 94109
www.baaqmd.gov

November 2011

Background

This Report summarizes expenditures for TFCA Regional Fund projects that concluded during fiscal year ending 2011 (FYE 2011).

Highlights of the Report

- ◆ **TFCA funds were allocated to eligible recipients for eligible projects and programs, consistent with the legislation that authorizes the TFCA.**
- ◆ **The TFCA Regional Fund expenditures for projects and programs that concluded in FYE 2011 totaled \$6.72 million, including \$4.04 million for projects, \$1.48 million for Air District programs, and \$1.19 million in administrative costs and indirect costs.**
- ◆ **The lifetime emission reductions achieved by these projects and programs are estimated to be 29.2 tons of reactive organic gases (ROG), 185.9 tons of oxides of nitrogen (NO_x), and 12.6 tons of particulate matter (PM₁₀). Combined lifetime emission reductions for the three pollutants total 227.7 tons.**
- ◆ **The lifetime reduction in carbon dioxide (CO₂, a greenhouse gas) from these projects is approximately 68,653 tons.**

Introduction

On-road motor vehicles, including cars, trucks, and buses, constitute the most significant source of air pollution in the San Francisco Bay Area. Vehicle emissions contribute to unhealthy levels of ozone (summertime "smog") and particulate matter.

The TFCA

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.

The Air District Board of Directors has adopted criteria for the evaluation and ranking of project applications for TFCA Regional Funds. Cost-effectiveness, expressed in terms of TFCA dollars per ton of reduced emissions, is the most important criterion for ranking projects.

TFCA-funded projects have many benefits, including the following:

- ♦ Reducing air pollution, including toxic particulate matter;
- ♦ Conserving energy and helping to reduce emissions of carbon dioxide, a greenhouse gas;
- ♦ Reducing traffic congestion; and
- ♦ Improving water quality by decreasing contaminated runoff from roadways.

State legislation restricts TFCA funding to the following types of projects:

- ♦ **Implementation of ridesharing programs**
- ♦ **Clean fuel school and transit bus purchases or leases**
- ♦ **Feeder bus or shuttle service to rail and ferry stations and to airports**
- ♦ **Arterial traffic management**
- ♦ **Rail-bus integration and regional transit information systems**
- ♦ **Demonstrations in congestion pricing of highways, bridges and public transit**
- ♦ **Low-emission vehicle projects**
- ♦ **Smoking vehicles program**
- ♦ **Vehicle buy-back scrappage program**
- ♦ **Bicycle facility improvement projects**
- ♦ **Physical improvements that support "smart growth" projects**

Expenditures

This Report covers Regional Fund projects and programs with expenditures that concluded during FYE 2011.

The TFCA Regional Fund expenditures for projects and programs that concluded in FYE 2011 totaled \$6.72 million. This total includes \$1.48 million for programs administered by the Air District and \$4.04 million in grants to other organizations for projects. Based on TFCA Regional Fund revenues of \$12.70 million for FYE 2011 (total TFCA revenues, including Program Manager, were \$21.17 million), the Air District expended \$1.19 million in administrative and audit costs. Appendix A lists expenditure details.

Effectiveness

Air District staff calculates the emissions reduced over the life of projects that receive TFCA funding.

Projects and programs concluding in FYE 2011 reduced criteria pollutant emissions over their lifetimes by an estimated total of 227.7 tons. This total is the sum of ozone precursors (29.2 tons of ROG and 185.9 tons of NO_x) and particulate matter (12.6 tons of PM₁₀). The lifetime reduction of carbon dioxide (CO₂), a greenhouse gas, was approximately 68,654 tons. It should be noted that for seven of the projects listed in Appendix A, totaling \$335,245, the emissions reduced could not be accurately determined. These projects were under the Bicycle Facility Program, which does not require monitoring.

The cost-effectiveness of TFCA projects is calculated by dividing the TFCA funds allocated to projects by the lifetime criteria pollutant emissions reductions (ROG, NO_x, and weighted PM₁₀ combined). The result is TFCA dollars per ton of reduced emissions.

A summary of expenditures, emission reductions, and cost-effectiveness values is provided in Table 1.

Table 1: Results of Projects with Calculated Emission Reductions

<i>Category</i>	<i># of Projects</i>	<i>TFCA \$ Expended</i>	<i>% of TFCA \$ Expended</i>	<i>Emission Reduction (tons)⁽¹⁾</i>	<i>% of Emission Reductions</i>	<i>Cost Effectiveness (\$/ton)⁽²⁾</i>
Heavy-Duty Vehicles	5	\$1,365,947	24.7%	40.99	18.0%	\$33,321
Shuttle/Feeder Bus & Rideshare	5	\$1,149,539	20.8%	15.32	6.7%	\$13,192
Diesel Repowers & Retrofits	6	\$843,940	15.3%	12.90	5.7%	\$33,825
Spare the Air	1	\$788,229	14.3%	12.40	5.4%	\$13,414
Smoking Vehicle	1	\$693,730	12.6%	139.41	61.2%	\$2,841
Bicycle Facilities	9	\$553,624	10.0%	4.05	1.8%	\$10,811
<u>Light-Duty Vehicles</u>	<u>1</u>	<u>\$128,333</u>	<u>2.3%</u>	<u>2.66</u>	<u>1.2%</u>	<u>\$48,173</u>
TOTAL⁽³⁾	28	\$5,523,343	100%	227.74	100%	

(1) Lifetime emission reductions of ROG, NO_x, and PM₁₀ combined.

(2) Consistent with the current California Air Resources Board methodology to calculate cost-effectiveness for the Carl Moyer Program, PM emissions were weighted by a factor of 20 to account for their harmful impacts on human health.

(3) Totals may vary due to rounding.

APPENDIX A: TFCA Regional Fund Projects Concluding in FYE 2011

Project #	Sponsor	Project Title	TFCA \$ Expended
04R27	City of Suisun City	Class 1 Bicycle Path: Central County Bikeway (0.6 mi.)	\$130,000.00
06R18	San Francisco MTA	North Point Street Bicycle Lanes between The Embarcadero and Van Ness Avenue	\$88,378.39
07BFP15	City of Santa Rosa	Mendocino Avenue Bicycle Lanes - Gap Closure Project	\$33,000.00
07BFP16	City of Half Moon Bay	Highway 1 Trail Project Phase 3	\$34,784.90
07BFP18	City of Union City	Alvarado-Niles Road - Union City Blvd. Gap Closure Connector	\$23,494.79
07BFP25	Marin County Public Works Department	Alameda Del Prado Class II Project	\$42,500.00
07R42	San Francisco International Airport	Retrofit 24 Diesel Buses - Level 3 Devices	\$425,894.88
07R61	Sonoma County Transit	Replace 10 CNG Buses	\$720,379.06
08BFP01	City of Daly City	King Drive Bicycle Lanes	\$15,327.42
08BFP06	Marin County DPW	Build-Out of Marin County Bicycle Network	\$163,480.00
08BFP09	City of Hayward	Bikeways Class II and III	\$22,658.00
08R19	City of San Francisco	Purchase 98 gasoline-electric hybrid light duty vehicles	\$128,333.33
08R39	MAG Trucking	Retrofit 1 Heavy Duty Trucks Diesel - Level 3 Device	\$23,495.00
08R42	Pacific Rim Recycling	Retrofit 4 Heavy Duty Diesel Vehicles - Level 3 Device	\$38,885.16
08R56	Cooper Crane & Rigging	Repower 3 heavy-duty vehicles	\$176,896.74
08R59	Pacific Water Trucks	Repower 3 heavy-duty vehicles	\$115,118.20
08R62	West County Transportation Agency	Repower 2 School buses	\$63,650.04

08R63	Specialty Solid Waste and Recycling	Purchase 4 heavy-duty compressed natural gas vehicles	\$269,002.36
08R65	Presidio Trust	Purchase 1 heavy-duty bus	\$28,500.00
09R05	Santa Clara Valley Transportation Authority	ACE Shuttle Bus Program	\$945,649.17
09R06	San Joaquin Regional Rail Commission	ACE Shuttle - Route 54	\$38,022.31
09R09	Livermore Amador Valley Transit Authority	Route 1A/B BART Shuttle	\$46,623.74
09R10	Associated Students, San Jose State University	SJSU Ridesharing and Trip Reduction	\$105,123.19
09R12	City of Redwood City	Redwood City Commuter Shuttle	\$14,120.95
09R17	Santa Clara Valley Industries, LLC	(11) CNG Refuse Trucks	\$275,000.00
09R19	Livermore Sanitation	(3) CNG Refuse Trucks	\$73,065.87
Subtotal Projects			\$4,041,383.50

	BAAQMD	Smoking Vehicle Program	\$693,729.68
	BAAQMD	Spare the Air	\$788,229.45
Subtotal Air District Programs			\$1,481,959.13

	BAAQMD	Administration	\$1,193,575.19
Grand Total			\$6,716,917.82

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 21, 2011

Re: Port Drayage Truck Replacement Program for Engine Model Year (MY)
2004 Trucks

RECOMMENDATION:

Recommend Board of Directors:

1. Approve the addition of Policy #32 to the FYE 2012 Transportation Fund for Clean Air (TFCA) Regional Fund Policies to allow the replacement of MY 2004 drayage trucks as an eligible project type.
2. Authorize the expenditure of \$1.04 million in TFCA Regional Fund monies to execute a program to replace MY 2004 port drayage trucks registered in the Bay Area.
3. Authorize the Executive Officer/APCO to enter into all contracts and make all expenditures necessary to allocate the TFCA Regional Fund monies to eligible projects.
4. Allow the CMAs to contribute their TFCA County Program Manager funds to the Air District's program to replace MY 2004 drayage trucks as allowed under Policy #3 of the current TFCA Program Manager Fund Policies.
5. Authorize the Executive Officer/APCO to accept and allocate funding from additional sources for the MY 2004 Drayage Truck Replacement Program.

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 set of compliance deadlines approach for this regulation the Air District must consider how to best assist the trucker population at Bay Area ports with early compliance.

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)

Air District Efforts

Staff analysis determined that of the 700 Northern California drayage trucks required to meet the 12/31/11 deadline listed in Table 2, only 247 are registered within the boundaries of the Air District (Table 3).

Table 3: Analysis of MY 2004 Northern California Drayage Trucks

Location	Trucks	Companies	% of total trucks
Alameda	143	74	20.55%
Contra Costa	26	20	3.74%
Santa Clara	25	14	3.59%
San Francisco	15	9	2.16%
San Mateo	12	9	1.72%
Sonoma	12	5	1.72%
Solano	7	4	1.01%
Napa	6	2	0.86%
Marin	1	1	0.14%
Inside Bay Area	247	138	35.49%
Outside Bay Area	449	207	64.51%
TOTAL	696	345	

Staff is proposing to amend the current FYE 2012 TFCA Regional Fund policies to add Policy #32 to allow drayage truck replacement projects as an eligible project type. Attachment 1 to this staff report contains the proposed amended policies. Staff sent out the proposed language for public comment on November 14, 2011. A summary of the comments received can be found in Attachment 2 to the staff report.

In order to support Bay Area drayage truck drivers that are looking to upgrade their engine MY 2004 trucks, staff is proposing the allocation and expenditure of \$1.04 million in TFCA Regional Fund monies to provide grants for truck replacement projects. Staff is requesting the Committee recommend the Board authorize the Executive Officer/APCO to enter into all contracts and make all expenditures necessary to allocate this funding to eligible projects.

The grant funding would provide approximately \$10,000 for each eligible Bay Area truck owner towards the cost of a truck with a compliant MY 2007 engine. The program would allow the engine MY 2004 truck owner to trade their current vehicle in for its worth. In order to ensure that this trade-in and replacement is done in such a manner that the engine MY 2004 trucks surrendered do not return to service in California for 10 years, the Air District is currently seeking a contractor (s) to administer the trade-in

program. The request for proposals (RFP) for the contractor(s) for this program requires the following:

- Truck costs cannot exceed \$60,000. The contractor(s) with the lowest prices on replacement vehicles will receive additional points in RFP scoring.
- The contractor(s) must provide the trade-in value of between \$8,000 and \$15,000 on the engine MY 2004 truck being traded in (dependent on condition).
- The contractor(s) must be a "CalCap" qualified lender in order to ensure that truckers with local and poor credit scores can receive loan guarantees under an ARB program being run concurrently.
- The contractor(s) must assist truckers in availing themselves of the program and meet all Air District administrative requirements.
-

The RFP was posted on November 15, 2011 and closes on November 28, 2011. With Committee approval, staff will present the results of the RFP to the Air District Board of Directors (Board) on December 7, 2011. Should the Board choose to select a contractor(s) at that time, Air District staff plans to open a call for projects for the proposed program on December 8, 2011 to run through the end of the calendar year. It is envisioned that applications will be processed in January 2012 with contracts being issued in February of 2012, and trucks delivered in March 2012.

Additional Funding

The requested allocation of \$1.04 million in TFCA Regional funds only covers the replacement of 104 drayage trucks and is not a comprehensive solution for the 247, Bay Area engine MY 2004 trucks needing to be replaced. However, Alameda County's congestion management agency (CMA) has expressed interest in participating in the program but this will require action by its Commission on December 2, 2011.

In order to ensure that every source of funding is being looked at for this program, staff is working with the CMAs of other Bay Area counties to determine if they can provide additional funding for this program. The Air District is also requesting funding support for this program from the Port of Oakland (Port). It is envisioned that additional funding from these sources has the potential to cover an additional 143 trucks for a comprehensive solution for engine MY 2004 trucks registered in the Bay Area. Such funding would need to be allocated based on the counties from which the monies came and will require further work on behalf of staff to devise an equitable distribution plan. In order to allow the CMAs to contribute funding to the Air District in support of the drayage truck replacement program, staff is proposing the approval of drayage truck replacement projects, under TFCA County Program Manager Policy #3 (*Eligible Projects, and Case-by-Case Approval*) of the current TFCA County Program Manager policies.

Due to the tight timeline for this program staff requests the Committee recommend the Board of Directors authorize the Executive Officer/APCO to accept and allocate other funds for this program as they are awarded from non-District funding sources (e.g. CMA, Port, etc.). Upon commitment of additional funding to this program, staff will present a comprehensive funding distribution plan to the Committee as part of a future update on the program.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. The TFCA Regional Fund program provides funding to the Air District for administration.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Damian Breen
Reviewed by: Jean Roggenkamp

- Attachment 1: Proposed amendments to BAAQMD TFCA Regional Fund Policies
- Attachment 2: Summary of public comments received on the proposed modifications to the TFCA Regional Fund Policies

Attachment 1:
Proposed amendments to BAAQMD TFCA
Regional Fund Policies

TFCA REGIONAL FUND POLICIES AND EVALUATION CRITERIA FOR FYE 2012

The following policies apply to the Transportation Fund for Clean Air (TFCA) Regional Fund.

BASIC ELIGIBILITY

1. **Eligible Projects:** 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 Air District Board of Directors adopted TFCA Regional Fund Policies and Evaluation Criteria for FYE 2012.

Projects must achieve surplus emission reductions, that is, beyond what is currently required through regulations, contracts, or other legally binding obligations at the time the Air District Board of Directors approves a funding allocation and at the time of the execution of a funding agreement.

2. **TFCA Cost-Effectiveness:** Unless otherwise noted below, projects must meet a cost-effectiveness (C-E) of \$90,000 per ton. 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).

Certain project categories further specify the eligible funding amount per item (for example, \$/vehicle) which is based on the cost-effectiveness levels below.

Project Type	Policy #	C-E Level Maximum (\$/weighted ton)
Reserved	21	Reserved
Reserved	22	Reserved
Reserved	23	Reserved
Reserved	24	Reserved
Reserved	25	Reserved
Reserved	26	Reserved
Shuttle/Feeder Bus Service—Existing	27	\$90,000
Shuttle/Feeder Bus Service—Pilot	28	\$125,000
Regional Ridesharing	29	\$90,000
Reserved	30	Reserved
Reserved	31	Reserved
<u>2004 Drayage Truck Replacement Projects</u>	<u>32</u>	<u>\$90,000</u>

3. **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 strategy(ies) for achieving and maintaining State and national ozone standards, those plans and programs established pursuant to California Health & Safety Code (HSC) sections 40233, 40717 and 40919, and, when applicable, with other adopted State, regional, and local plans and programs.
4. **Eligible Recipients and Authority to Apply:** 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 with the Air District.
 - a. **Eligible Recipients:**
 - i. **Public agencies** are eligible to apply for all project categories.

ii. **Non-public entities** are only eligible to apply for new alternative-fuel (light, medium, and heavy-duty) vehicle projects, and advanced technology demonstrations that are permitted pursuant to HSC section 44241(b)(7).

b. **Authority to Apply:** Applications must include either: 1) a signed letter of commitment from an individual with authority to enter into a funding agreement and carry out the project (e.g., Chief Executive or Financial Officer, Executive Director, City Manager, etc.), or 2) a signed resolution from the governing body (e.g., City Council, Board of Supervisors, Board of Directors, etc.) authorizing the submittal of the application and identifying the individual authorized to submit and carry out the project.

5. **Viable Project and Matching Funds:** Unless otherwise specified in the project category policies below, applications must provide matching funds from a non-Air District source, which equal or exceed at least 10% of the total project cost.

Applications must identify sufficient resources to complete the respective project. The project sponsor shall not enter into a TFCA Regional Fund funding agreement until all non-Air District funding has been approved and secured.

6. **Minimum Grant Amount:** \$10,000 per project.

7. **Maximum Grant Amount:** Maximum award per calendar year:

a. **Each public agency** may be awarded up to \$1,500,000, and

b. **Each non-public entity** may be awarded up to \$500,000.

8. **Readiness:** Projects must commence in calendar year 2012 or sooner. "Commence" includes any preparatory actions in connection with the project's operation or implementation. For purposes of this policy, "commence" can mean the issuance of a purchase order to secure project vehicles and equipment the delivery of the award letter for a service contract; or the delivery of the award letter for a construction contract.

9. **Maximum Two Years Operating Costs:** Service-based projects such as shuttle/feeder bus and ridesharing programs, may receive funding for up to two (2) years of operation or implementation. Projects that request up to \$100,000 annually in TFCA Regional Funds are eligible to apply for two years of funding. Projects that request more than \$100,000 annually in TFCA Regional Fund are eligible for only one year of funding and must apply each year for subsequent funding.

10. **Project Revisions:** Project revisions initiated by the project sponsor which significantly change the project before the allocation of funds by the Air District Board of Directors may not be accepted. Following Air District Board of Directors allocation of funds for a project, an applicant may request revisions to that project that the applicant deems necessary or advisable to carry out the purposes of the project, based on information the applicant received after the Board's allocation of funding. The Air District will consider only requests that are based on new information, are within the same eligible project category, and meet the same cost-effectiveness.

APPLICANT IN GOOD STANDING

11. **In Compliance with Agreement Requirements:** Project sponsors who have failed to meet project implementation milestones or who have failed to fulfill monitoring and reporting requirements for any project funded by the Air District may not be considered eligible for new funding until such time as all of the unfulfilled obligations are met.

12. **Independent Air District Audit Findings and Determinations:** Project sponsors who have failed either a fiscal audit or a performance audit for a prior Air District funded project will be excluded from future

funding for five (5) years from the date of the Air District's final determination in accordance with HSC section 44242. Additionally, project sponsors with open projects will not be reimbursed for those projects 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 funds. A failed performance audit means that a project was not implemented as set forth in the project funding agreement.

Reimbursement is required where it has been determined that funds were expended in a manner contrary to the TFCA Regional Program's requirements and requirements of HSC Code section 44220 et seq.; the project did not result in a reduction of air pollution from the mobile sources or transportation control measures pursuant to the applicable plan; the funds were not spent for reduction of air pollution pursuant to a plan or program to be implemented by the TFCA Program, or otherwise failed to comply with the approved project scope as set forth in the project funding agreement.

13. **Signed Funding Agreement:** Only a fully executed funding agreement (i.e., signed by both the project sponsor and the Air District) constitutes the Air District's award of funds for a project. Approval of an application for the project by the Air District Board of Directors does not constitute a final obligation on the part of the Air District to fund a project.

Project sponsors must sign a funding agreement within 60 days from the date it has been transmitted to them in order to remain eligible for award of TFCA funds. The Air District may authorize an extension of up to a total period of 120 days from the transmittal because of circumstances beyond project sponsor's reasonable control and at the Air District's discretion.

14. **Insurance:** Each project sponsor must maintain general liability insurance and such additional insurance that is appropriate for specific projects, with coverage amounts specified in the respective funding agreements throughout the life of the project.

INELIGIBLE PROJECTS

15. **Planning Activities:** Feasibility studies and other planning studies are not eligible for funding by the Air District. Funding may not be used for any planning activities that are not directly related to the implementation of a specific project or program. In addition, land-use projects (i.e., Smart Growth, Traffic Calming, and Arterial Management) that have not completed the Preliminary Design phase are not eligible.
16. **Cost of Developing Proposals and Grant Applications:** The costs to develop proposals or prepare grant applications are not eligible for TFCA funding.
17. **Duplication:** Projects that have previously received TFCA funds and therefore do not achieve additional emission reductions are not eligible.

Combining TFCA County Program Manager Funds with TFCA Regional Funds to achieve greater emission reductions for a single project is not considered project duplication.

USE OF TFCA FUNDS

18. **Combined Funds:** TFCA County Program Manager Funds may be combined with TFCA Regional Funds to fund a project that is eligible and meets the criteria for funding under both Funds. For the purpose of calculating the 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.
19. **Administrative Costs:** Administrative costs (i.e., the costs associated with administering a TFCA grant) are limited to a maximum of five percent (5%) of total TFCA funds expended on a project. To be eligible for reimbursement, administrative costs must be clearly identified in the application project budget and in the funding agreement between the Air District and the project sponsor.

20. **Expend Funds within Two Years:** Project sponsors must expend the awarded funds within two (2) years of the effective date of the funding agreement, unless a longer period is formally (i.e., in writing) approved in advance by the Air District in a funding agreement or as an amendment to the funding agreement.

ELIGIBLE PROJECT CATEGORIES:

CLEAN AIR VEHICLE PROJECTS

- 21. **Reserved.**
- 22. **Reserved.**
- 23. **Reserved.**
- 24. **Reserved.**
- 25. **Reserved.**
- 26. **Reserved.**

SHUTTLE/FEEDER BUS SERVICE PROJECTS

27. **Shuttle/Feeder Bus Service:** Projects that significantly lower single-occupancy vehicle trips while minimizing emissions created by the shuttle vehicle are eligible for funding. The project's route must operate to or from a rail station, airport, or ferry terminal and must coordinate with connecting rail or ferry schedules. Projects cannot replace a local bus service or serve the same route as a local bus service, but rather must connect transit facilities to local commercial, employment and residential areas.

Shuttle/feeder bus service applicants must be:

- a. A public transit agency or transit district that directly operates the shuttle/feeder bus service;
- b. A city, county, or any other public agency.

Unless the applicant is the transit agency or transit district that directly implements this project, the project applicant must submit documentation from the General Manager of the transit district or transit agency that provides service in the area of the proposed route, which demonstrates that the proposed service does not duplicate or conflict with existing service.

Applicants are strongly encouraged to use the cleanest vehicle powered with the best-available technology (e.g., electric, hydrogen) to provide the shuttle/feeder bus service. Eligible vehicle types include:

- a. A zero-emission vehicle (e.g. electric, hydrogen)
- b. An alternative fuel vehicle (e.g. compressed natural gas, liquefied natural gas, propane);
- c. A hybrid-electric vehicle;
- d. A post-1997 diesel vehicle with a CARB Verified Diesel Emission Control Strategy (e.g., retrofit); or
- e. A post-1989 gasoline-fueled vehicle.

28. **Pilot Shuttle/Feeder Bus Service:** Pilot projects are defined as new routes that are at least 70% unique and have not been in operation in the past five years. In addition to meeting the requirements listed in Policy 27 for Shuttle/Feeder Bus Service, pilot shuttle/feeder project applicants must also provide data supporting the demand for the service, including letters of support from potential users and providers, and plans for financing the service in the future. Pilot projects must meet and maintain a minimum cost-effectiveness of \$125,000/ton during the first year of operation and a minimum cost-effectiveness of \$90,000 by the end of the second year of operation (see Policy #2). Projects may only receive a maximum

of two years of funding under the Pilot designation. Applicants must apply for subsequent funding under the Shuttle/Feeder Bus designation, described above.

REGIONAL RIDESHARING

29. **Regional Ridesharing Projects:** For TFCA Regional Fund eligibility, ridesharing projects must be comprised of riders from at least five Bay Area counties, with no one county accounting for more than 80% of all riders, as verified by documentation submitted with the application. Ride matching services must be coordinated with the Metropolitan Transportation Commission's regional ridesharing program. Applications for projects that provide a direct or indirect financial transit or rideshare subsidy exclusively to employees of the project sponsor are not eligible.

BICYCLE FACILITY PROJECTS

30. **Reserved**

31. **Reserved**

2004 DRAYAGE TRUCK REPLACEMENT PROJECTS

- ~~31-32.~~ 2004 Drayage Truck Replacement Projects: Projects that replace Class 8 (33,001 lb GVWR or greater) drayage trucks with engine Model Year (MY) 2004, with trucks that have engines certified to 2007 California Air Resources Board (CARB) emissions standards or cleaner are eligible for funding. The existing trucks with the 2004 engines must be registered with the California Department of Motor Vehicles (DMV) and with the CARB drayage truck registry to a Bay Area address, and must be taken out of service after replacement.

REGIONAL FUND EVALUATION CRITERIA

TFCA projects will be evaluated on a first-come-first-serve basis. In order to address Air District priorities, funding available will be reserved as follows:

1. **For Shuttle/Feeder Bus Services and Ridesharing Projects:** 60% of funding available in this category will be reserved for projects that fall within one or more of the following categories:
 - a. Projects in Highly Impacted Communities as defined in the Air District Community Air Risk Reduction plans;
 - b. Priority Development Areas; and
 - c. Projects that reduce greenhouse gasses (GHG).
2. **Reserved.**

Attachment 2:

Summary of public comments received
on the proposed modifications to the
TFCA Regional Fund Policies

Attachment 2: Summary of public comments received on the proposed modifications to the TFCA Regional Fund Policies

Committer and Agency/ organization	Comment	Staff Response
<p>Carl Dolk, Controller</p> <p>Devine Intermodal</p> <p>West Sacramento, CA 95691</p> <p>Submitted on: 11/14 and 11/15</p>	<p>Policy 32: We don't support the TFCA modification as proposed. Based on ARB statistics, the majority of freight that goes to or from the Port of Oakland are from trucks that originate or terminate outside the District boundaries. All trucks that travel within the District should be given equal opportunity to apply for a grant. The desired result is to reduce the emissions in the District based on the mileage traveled in the District. This is consistent with the TFCA objective stated on the District's website:</p> <p><i>TFCA provides grants to projects that implement the most cost-effective projects in the Bay Area that will decrease motor vehicle emissions, and thereby improve air quality. Projects must be consistent with the 1988 California Clean Air Act and the Bay Area Ozone Strategy.</i></p> <p>Accordingly, we respectfully request that a change be made to the Proposal to allow '04 engine model year trucks' the ability to participate regardless of address. This will be consistent with BAAQMD policy and provide transparency so that the most cost-effective projects are selected.</p> <p>Section 44241 (b)(2) of the Code reaffirms what I mentioned yesterday [above] about the District's website. The Code says. <i>"the bay district shall adopt cost-effectiveness criteria for fee revenue generated under this chapter that projects and programs are required to meet. The cost-effectiveness criteria shall maximize emissions reductions and public health benefits."</i></p>	<p>Staff is proposing to evaluate all drayage truck replacement projects in accordance with the \$90,000/ weighted ton of emission reduction TFCA cost-effectiveness limit. Projects that do not meet this limit will not be eligible for funding.</p> <p>Staff believes that by targeting the limited funds available for this project category to Bay Area registered vehicles would be in line with the District's emphasis on funding projects that reduce emissions in highly impacted areas. It may be true that an individual project for a truck registered outside the District could show higher cost effectiveness purely on a dollars per ton basis, but it is likely that this would be because additional miles would be driven in getting to the Bay Area. By requiring local registration, the program would be more likely to fund trucks that spend most of their time in the Bay Area, thereby maximizing Bay Area public health benefits. Staff is not recommending a change to the proposed policy language.</p>

<p>Ron Light, Executive Director</p> <p>West State Alliance</p> <p>Oakland, CA 94623</p> <p>Submitted on: 11/17/11</p>	<p>Policy 32: This note is in regard to your request for a response from WSA to the TFCA Fund Policies under consideration for adoption by the Air District. WSA fully endorses #32, the adoption of a policy to fund 2007 or newer emissions compliant truck replacements for 2004 model year trucks. This policy will assist up to 247 Bay Area truckers by providing necessary financial support for truck replacement, thus enabling small trucking businesses at the Port to remain in operation beyond the ban on 2004 model year trucks.</p> <p>With respect to actual wording and intent of the proposed policy: (1) We understand the intent is to allow trade-ins of existing 2004 model year equipment that may be sold out of state, thus providing a fair liquidation value and return of equity back to the trucker; (2) 2004 model year trucks are required to be registered with the California DMV; and (3) they also must be registered in the CARB Drayage Truck Registry with a Bay Area address.</p> <p>We very much appreciate the time, attention and good will of BAAQMD board and staff in causing this program to become a reality for Bay Area truckers.</p>	<p>Comment noted. Staff has issued an RFP for a drayage truck contractor that would be responsible for providing the compliant replacement trucks, and assisting with the trade-in of the existing engine MY 2004 drayage trucks.</p>
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