

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

APPROVED MINUTES

Board of Directors
Mobile Source Committee Meeting
9:30 a.m. Thursday, June 2, 2011

1) Call to Order/Roll Call: Board Chairperson Tom Bates called the meeting to order at 9:30 a.m.

Present: Directors Carol Klatt, Jennifer Hosterman, David Hudson, Mark Ross and Brad Wagenknecht. Chairperson Scott Haggerty arrived after the roll had been called.

Absent: Vice Chairperson Carole Groom, Directors Nate Miley and Johanna Partin.

2) Public Comment Period: Board Chairperson Bates opened the public comment period and seeing no one come forward to speak he closed the comment period.

3) Approval of Minutes of May 2, 2011

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

4) Audit of Transportation Fund for Clean Air (TFCA) Regional Fund Projects and Request to Reallocate Funds

Damian Breen, Director of Strategic Incentives, presented the staff report and explained the background of TFCA and the biennial audit requirement. TFCA is funded by motor vehicle registration fee surcharge, with 60% of the revenue going to the Regional Fund, and 40% to the County Program Manager Fund. TFCA Audit 12 has now been completed. Mr. Breen discussed specific findings of the audit report submitted by Gilbert Associates on Regional Fund projects and programs that closed as of June 30, 2009, such as record keeping issues, extensions without notification and enforcement of the requirement to display logos.

Mr. Breen stated that staff is taking corrective action by providing outreach and training to project sponsors and is considering making funding contingent on completion of training and submittal of reports. Staff will also increase project inspections and on-site visits.

Mr. Breen said that the Board of Directors approved \$200,000 in September 2009 for modernization of TFCA Regional Fund files. A balance of \$110,000 remains and staff

recommends that the existing agreement with Armanino, McKenna, LLP, be expanded to include modernization of TFCA County Program Manager Fund files.

Public Comment: None

Committee Member Comments:

The Committee confirmed that the location of the audit firm, Armanino, McKenna, LLP, is in Sacramento with a local office in San Francisco.

Committee Action:

Director Ross moved that the Committee recommend Board of Directors approval to expand the existing agreement with Armanino, McKenna, LLP, to include modernization of TFCA County Program Manager Fund files. The motion was seconded by Director Hosterman and carried unanimously without objection.

5) Selection of an Auditor for Transportation Fund for Clean Air (TFCA) Regional and County Program Manager (CPM) Funds

Supervising Environmental Planner David Wiley presented the staff report and discussed the process the Air District has followed to select an auditor for Audit 13, the scope of which will include both TFCA programs (Regional Fund and Program Managers).

Mr. Wiley reported Gilbert and Associates was the firm selected, by the four person panel, from three proposals received.

Mr. Wiley requested that the Committee recommend the Board of Directors approve the selection of Gilbert Associates, Inc. to conduct TFCA Audit #13; and authorize the Executive Officer to execute a contract with Gilbert Associates, Inc. for audit services, for an amount that shall not exceed \$228,600.

Public Comment: None.

Committee Member Comments:

The Committee members discussed the selection criteria, and preferred that staff give more consideration to certified green businesses in future selection processes, perhaps making it a minimum requirement.

Committee Action:

Director Wagenknecht moved to recommend the Board of Directors approve the selection of Gilbert Associates, Inc. to conduct TFCA Audit #13; and authorize the Executive Officer to execute a contract with Gilbert Associates, Inc. for audit services, for an amount that shall not exceed \$228,600, and further moved that staff give more consideration to green businesses in contracts. The motion was seconded by Director Hudson and carried unanimously without objection.

6) Waiver for San Francisco Municipal Transportation Authority (SFMTA) for a Fiscal Year Ending (FYE) 2010 Bicycle Facility Program (BFP) Policy

Supervising Environmental Planner Geraldina Grunbaum presented the staff report and outlined the Air District's Bicycle Facility Program policy regarding signing of funding agreements. She stated that three project contracts from SFMTA required Board of Supervisors approval and were fully executed after the 120 day deadline. Staff is recommending a waiver for the 120 day policy for these three projects. It was noted this project is very significant with 1400 bike racks and 2 bike lanes being installed.

Public Comment: None

Committee Member Comments: None.

Committee Action:

Director Ross moved that the Committee recommend Board of Directors approval to waive the requirement of Policy #9 of the Bicycle Facility Program (BFP) for fiscal year ending (FYE) 2010 that project sponsors sign and return funding agreements within 120 days of transmittal of the agreement for three San Francisco Municipal Transportation Authority (SFMTA) projects. The motion was seconded by Director Klatt and carried unanimously without objection.

7) Lower Emission School Bus Program (LESBP)

Environmental Planner Avra Goldman presented the update on the lower emission school bus program (LESBP). It was noted that the LESBP replaces 1986 model year (MY) and older public school buses, starting with the oldest first, and retrofits 1987 MY and newer school buses. Ms. Goldman gave the results and statistics of the 2008 and 2011 requests for funding. Using a total of \$8 million, Ms. Goldman explained the first priority is to replace 29 - 1986 MY and older buses (\$4.5M), and use remaining funds to replace the oldest, dirtiest buses and buses in Highly Impacted Communities. Staff is working with applicants to encourage retrofits if feasible, as retrofit money can be spread to more buses. Staff requests allocation of \$4.2 million in unspent FYE 2011 Mobile Source Incentive Funds (MSIF) for approximately 30 additional bus replacements. Ms. Goldman requested that the Committee receive and file the update on the LESBP, and recommend Board of Directors approval to allocate \$ 4.2 in MSIF.

Public Comments: None.

Committee Member Comments:

Discussion by Committee members of the LESBP included comments about the need to take older dirtier buses off the road, and replace, rather than retrofit those models; questions about private bus companies, who may have purchased older buses from out of the region, now receiving funds to retrofit or replace old busses; and a desire to see CARE communities and school districts receive priority when applications are approved.

Mr. Breen answered programmatic questions about the LESBP and explained the Air District is not able to impose local requirements as the program must adhere to the Air Resources Board (ARB) requirements, however the concern about older buses being purchased elsewhere and

then retrofitted could be identified as a weakness in program, and Mr. Breen will discuss this with the ARB. Committee members also suggested that this matter go before the Legislative Committee for review of the issues.

Committee Action:

Director Wagenknecht moved that the Committee receive and file the update on the LESBP, recommend Board of Directors approval to allocate \$ 4.2 in MSIF, and refer the concerns raised at this meeting to the Legislative Committee. The motion was seconded by Director Hudson and carried unanimously without objection.

8) Committee Member Comments / Other Business:

Mr. Breen announced that the Air District has been successful in recent grant competitions, with awards totaling over \$2.3 million. The following are a list of grants recently awarded to the Air District.

From Assembly Bill (AB) 118 – Advanced Technology Demonstration:

- **Marine** - Demonstration of DPF/SCR on a Vessel-Caterpillar - \$261,000
- **Locomotive #1** - Construction and Demonstration of Tier-4 Genset - NREC and Richmond Pacific Railroad - \$529,810
- **Locomotive #2** - GTE Diesel Particulate Matter Filter Demonstration -BNSF Railroad - \$270,190

From the Carl Moyer Multi-District Program:

- On-Road Voucher Incentive Program - \$1,252,923

9) Time and Place of Next Meeting

9:30 a.m., Thursday, June 30, 2011, at 939 Ellis Street, San Francisco, 94109.

10) Adjournment

Chair Haggerty adjourned the meeting at 10:34 a.m.

ISI Kris Perez Krow

Kris Perez Krow
Clerk of the Boards