

Bay Area Air Quality Management District  
939 Ellis Street  
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## APPROVED MINUTES

Summary of Board of Directors  
Mobile Source Committee Meeting  
Monday, November 28, 2011  
9:30 a.m.

### **CALL TO ORDER:**

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

### Roll Call:

Scott Haggerty, Chairperson; Carole Groom, Vice Chair; Directors David E. Hudson, Carol Klatt, Nate Miley, Johanna Partin, Mark Ross, and Brad Wagenknecht; Tom Bates, Board Chairperson

### Absent:

Director Jennifer Hosterman

**Public Comments:** There were no public comments.

### **3. Approval of Minutes:** Mobile Source Committee Meeting of October 27, 2011

**Committee Action:** Director Hudson made a motion to approve the October 27, 2011 Mobile Source Committee minutes; seconded by Director Miley, carried unanimously without objection.

### **4. Consideration of Projects with Proposed Grant Awards over \$100,000**

Damian Breen, Director of Strategic Incentives, introduced Anthony Fournier, Grants Manager, who gave staff the presentation and background on Consideration of Projects with Proposed Grant Awards over \$100,000. Mr. Fournier's discussion included background, proposed projects, and recommendations.

The Air District has participated in the Carl Moyer Program (CMP), since in 1998. The program is voluntary and its goal is to primarily reduce emissions from heavy duty diesel powered equipment. CMP is administered by the California Air Resources Board (CARB) and with local air districts throughout the State with funding for both public and private entities.

The Mobile Source Incentive Fund (MSIF) is Air District's name for the funding source authorized by AB 923, which allowed the Air District to collect an additional \$2 motor vehicle registration surcharge fee. The Air District uses these fees to fund projects that are eligible under the CMP guidelines.

Mr. Fournier said this year is year 13 of the CMP. On February 2, 2011, the Air District Board of Directors approved participation in CMP year 13 and authorized the Executive Officer/APCO to execute contracts and amendments with grant awards up to \$100,000. He said that staff is accepting and evaluating applications on a first come, first serve basis and will continue to do so until all funds have been allocated. In addition, there is approximately \$14 million available for funding under this solicitation. He continued saying there are 4 projects to replace 14 pieces of

off-road equipment for a total of \$716,773 in total awards. These projects will reduce over 5 tons per year (TPY) of criteria pollutants.

Mr. Fournier provided a summary of the total allocations as of November 9, 2011. The summary includes projects by equipment category and location and includes the following:

- Off-road (non-Ag) – 34%
- On-road – 22%
- Off-road (Ag) – 44%
  
- Alameda – 10%
- Contra Costa – 5%
- Marin – 8%
- Napa – 2%
- San Francisco – 0%
- San Mateo – 4%
- Santa Clara – 35%
- Sonoma – 36%
- Solano – 0%

In conclusion, Air District staff requested the Committee recommend the Board of Directors approve Carl Moyer Programs projects with proposed grant awards over \$100,000; and authorize the Executive Officer/APCO to enter into agreements for the recommended Carl Moyer Program projects.

**Public Comments:**

None.

**Committee Comments/Questions:**

Chair Haggerty asked what the Equipment Category VIP is. Mr. Breen replied that it stands for the Voucher Incentive Program and is specific to heavy duty trucks, for example Class A trucks. Chair Haggerty also asked how much money has been allocated to this program. Mr. Breen said the funds are multi-district funding at approximately \$1.5 million for this year, and there is funding from last year, with the option to add additional funds if the Air District chooses to match funds.

**Committee Action:** Director Hudson made a motion to recommend Board of Directors' approval for Carl Moyer Program projects with proposed grant awards over \$100,000; and authorizes the Executive Officer/APCO to enter into agreements for the recommended Carl Moyer Program projects; Director Wagenknecht seconded the motion, carried unanimously without objection.

**5. Fiscal Year Ending (FYE) 2011 Transportation Fund for Clean Air (TFCA) Report on Regional Fund Expenditures and Effectiveness**

Damian Breen, Director of Strategic Incentives, introduced Geraldina Grunbaum, Supervising Environmental Planner, who gave the staff presentation on Fiscal Year Ending (FYE) 2011 Transportation Fund for Clean Air (TFCA) Report on Regional Fund Expenditures and Effectiveness.

Ms. Grunbaum provided the following background update:

- Revenue from \$4 surcharge on vehicle registration
- 60% of TFCA revenues allocated directly by District
  - District programs (e.g., Spare the Air, Smoking Vehicle)
  - Balance available, on a competitive basis, to projects
- TFCA funds cost-effective projects that reduce criteria pollutants from motor vehicles
- Board reviews expenditure of TFCA funds to determine their effectiveness in improving air quality

Ms. Grunbaum said the report summarizes expenditures and cost-effectiveness of the 28 TFCA Regional Fund projects and programs concluding in FYE 2011. The breakdown is as follows:

- Total Regional Fund expenditures: \$5.52 million
- Total TFCA Administration: \$1.19 million

Regional Fund by Category includes:

Bicycle Facilities - \$553,624  
Shuttle/Feeder Bus and Ridesharing - \$1,149,539  
Diesel Retrofit & Repowers - \$843,940  
Heavy-Duty Vehicles - \$1,365,947  
Light-Duty Vehicles - \$128,333  
Spare the Air - \$788,229  
Smoking Vehicle - \$693,730

Lifetime emission reductions achieved include:

- Reduction in criteria pollutant emissions: 227.7 tons
  - 29.2 tons of reactive organic gases
  - 185.9 tons of nitrogen oxides
  - 12.6 tons of particulate matter
- Reduction in carbon dioxide emissions: 68,654 tons

Ms. Grunbaum concluded the presentation requesting the Committee recommend the Board of Directors receive and file the FYE 2011 Transportation Fund for Clean Air Report on Regional Fund Expenditures and Effectiveness found in Attachment A of the staff report.

### **Committee Comments/Questions:**

Director Wagenknecht asked for further clarification for \$5.52 million for Regional Fund expenditures and \$1.2 million for Administration. Ms. Grunbaum stated \$5.52 million is the amount that was expended last year on Regional Fund projects, and \$1.2 million was spent on Administration of both the Regional Fund and Program Manager Funds.

Chair Haggerty asked if the Air District funds shuttles and how the ridership is monitored, and suggested the information be included as part of the staff report. Mr. Breen said staff provided the Committee with an overview in February 2011 of how grant funds were spent in 2012 and in February 2012, the Committee will receive an overview of the Grants Program, which will include expenditures included as part of the TFCA program.

Chair Haggerty asked about the \$700,000 for the Spare the Air Program and if this program was in jeopardy. Jean Roggenkamp, Deputy Air Pollution Control Officer, responded that TFCA dollars are not in jeopardy. Chair Haggerty asked how much has been spent thus far on the Spare the Air Program. Lisa Fasano, Division Director, Communications and Outreach, stated that an estimate of \$1.3.

**Public Comments:** None.

**Committee Action:**

Director Wagenknecht made a motion to recommend the Board of Directors receive and file the FYE 2011 Transportation Fund for Clean Air Report on Regional Fund Expenditures and Effectiveness found in Attachment A of the staff report; Director Hudson seconded the motion, carried unanimously without objection.

**6. Port Drayage Truck Replacement Program for Engine Model Year (MY) 2004 Trucks**

Damian Breen, Director of Strategic Incentives gave staff the presentation and an update Port Drayage Truck Replacement Program for Engine Model Year (MY) 2004 Trucks. Mr. Breen said the presentation would cover the following:

- Background
- Current Drayage Truck Population
- Proposed Program
- Next Steps
- Recommendations

The drayage truck regulation was adopted by the California Air Resources Board (CARB) in December 7, 2007. Mr. Breen said this program has two phases with a total of four compliance deadlines. The first compliance deadline was in 2009. Upcoming deadlines are the December 2011 for the 2004 model engine trucks and as part of the deadline those trucks are required to install a Level 3 filter, in order to meet compliance. However, when looking at the second phase of the regulation, which is scheduled to take effect two years later those trucks will be required to upgrade to MY 2007 standard engine.

Mr. Breen said the population of trucks affected by the deadline concentrates on the 2004 deadline, which includes 700 trucks in Northern California that need to meet regulatory requirements. He further stated in analyzing the 700 trucks they looked at their locations and found that 247 are located in the Bay Area with an additional 449 located outside of the Bay Area region. He said the vast majority of those trucks are located within Alameda County, followed by Contra Costa, Santa Clara, and San Francisco as shown below.

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%

<b>Solano</b>	7	4	1.01%
<b>Napa</b>	6	2	0.86%
<b>Marin</b>	1	1	0.14%
<b>Inside Bay Area</b>	247	138	35.49%
<b>Outside Bay Area</b>	449	207	64.51%
<b>TOTAL</b>	<b>696</b>	<b>345</b>	

Mr. Breen said in order to address the 247 trucks located in the Bay Area, staff is proposing program that includes:

- Eligible trucks:
  - Class 8 drayage trucks
  - MY 2004 engine
  - Registered in the ARB Drayage Truck Registry database to a Bay Area address
- Air District to provide \$10,000 grant for up to 247 trucks
- 11/15: RFP issued to seek contractor to provide:
  - Outreach and administrative assistance
  - Low cost (< \$60,000) trucks meeting the 2007 MY emissions standard
  - \$8,000-\$15,000 trade-in value for MY 2004 trucks
  - Coordination of out of state sale of MY 2004 trucks

Mr. Breen continued stating there are a number of actions needed in order to make the program a reality. Those actions include:

- Add Policy #32 to TFCA Regional Fund Policies to allow funding of drayage truck replacements (Attachment 1)
  - 2 Public comments received (Attachment 2)
- Allocate \$1.04 million in TFCA Regional Funds
  - Funding would replace 104 trucks
  - Approve drayage truck replacements as case-by-case projects under Program Manager Policy #3
  - Additional funding:
    - Requested \$1.43 million from Alameda County Congestion Management Agency (CMA)
    - Contacted other CMAs
- 12/7 – Contractor recommendation to Air District Board

Mr. Breen continued providing the following as next steps.

- 11/28/11: Contractor RFP period closes
- 12/7/11: Air District Board considers MSC recommendations, and contractor award
- 12/8/11 - 12/30/11: Tentative dates for project application period
- 1/2012 - 2/2012: Application review & contracting
- 3/2012: Delivery of replacement trucks

Mr. Breen concluded the presentation requesting the Committee recommend the Board of Directors 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, 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, 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, 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; and authorize the Executive Officer/APCO to accept and allocate funding from additional sources for the MY 2004 Drayage Truck Replacement Program.

Mr. Broadbent said the Air District has been in communication with the Port of Oakland and testified at their Commission meeting requesting they look for all available monies. He further stated the Port is putting implementing a band, which will ensure that the Air District only have trucks that in compliance accessing the Port as this will allow the Air District to identify individuals who are need of the monies. He further continued stating the Port has indicated their lack of additional available resources.

#### Committee Comments/Questions:

Chair Haggerty asked if the Air District has received all the funds needed from the CMAs, and how much is expected from the CMAs. Mr. Breen said conversations with the CMAs have not been fruitful. Ms. Roggenkamp stated ideally the Air District would see the amount of money for the number for the number of trucks that are registered in each county would be ideal. Chair Haggerty asked if the counties were not able to provide funding, does the Air District have a mechanism in place where the Air District would be able to obtain those additional funds. Mr. Breen further stated he is not sure if the Air District will see additional funding from the CMA's.

Mr. Breen provided further explanation and there are various programs for the 14 allocations for the Smoking Vehicle Program and for the Spare the Air Program. He said there is a commitment from last year in the amount \$2.5 million to electric vehicles. Mr. Breen said the remaining funds is approximately \$10.5 million are funds set aside to match the Metropolitan Transportation Commission's (MTC) grant program. Mr. Breen also said \$1.04 million that the Air District has for this program comes from the difference of \$10.37 million versus \$10.5 million interests earned from the program and projects that are closing.

Chair Haggerty asked what is the Air District currently doing to ensure the truckers will receive loans to purchase the vehicle. Mr. Breen said one of the requirements of the program is whoever is selected as the contractor must be California Capital Access Program (CALCAP) lenders. In addition, the overall program per truck is capped at \$60,000. The Air District would provide approximately \$10,000 by way of loan, \$10,000 - \$15,000 for the truck itself in terms of a trade-in and a loan guarantee from CALCAP of 15% against the particular truck. Chair Haggerty asked staff to provide the Committee with an update which provides examples of various credit score scenarios and the monthly payment of the truck. In addition, Chair Haggerty asked staff to provide the same examples for an automobile.

Mr. Broadbent said this process is short term in relation to those that are required to meet the deadline. He said the State hopes is will have sold bonds and have infrastructure bond monies available for next year. He further stated the Air District hopes to compile monies available to at least 300 to 800 individuals in order to meet a short term deadline.

Director Groom asked how much money is needed from San Mateo County. Mr. Breen said at least \$120,000.

Director Hudson suggested the Air District suggest a flat rate amongst the other eight counties.

Director Miley said the Deputy Director of Alameda County is approaching this issue with three options in terms ensuring the CMAs support. He asked if it only Alameda County is the Alameda only responsible for the 143 trucks registered in Alameda County. Mr. Breen said he was correct and that Alameda County's funding would only go the trucks in Alameda County.

Mr. Broadbent said the Air District is in a hurry to try and pull together monies to help the truckers. Mr. Broadbent said he does not anticipate the Air District spending all of the funds, but would do as much as possible, as some truckers may be required to obtain a loan as it will not cover the entire cost of purchasing the truck.

Board Chair Bates is it guaranteed that the purchased trucks will cost \$60,000. Mr. Breen said yes, that is an RFP requirement.

Director Miley asked if 2,800 trucks are for MYs 2004, 2005 and 2006. Mr. Breen said no, the first program is focuses only on MY 2004.

Board Chair Bates stated the Air District is making great recommendations. Mr. Breen stated the Air District has sent letters for the Port requesting they look for monies, support the Air District in terms of providing outreach to the truckers, and look at the situation that occurred in Los Angeles and Long Beach and implement some of those steps here in the Bay Area. In addition, he said the Air District has requested they schedule meetings with the cargo owners.

Mr. Broadbent said he supports a face to face meeting with the Port.

Chair Haggerty acknowledged Director Miley and his efforts on the Port Drayage Truck Replacement program.

Public Comments: None.

Committee Action:

Director Wagenknecht made a motion to recommend the Board of Directors 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, 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, 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, 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, authorize the Executive Officer/APCO to accept and allocate funding from additional sources for the MY 2004 Drayage Truck Replacement Program; Director Ross seconded the motion, carried unanimously without objection.

## **7. Committee Member Comments:**

Chairperson Bates suggested an invitation be extended to the truckers to attend future Mobile Source Committee meetings.

8. **Time and Place of Next Meeting:** At the call of the chair.
9. **Adjournment:** Meeting adjourned at 10:37 a.m.

*/s/ Vanessa Johnson*

Vanessa Johnson  
Executive Secretary II