Projects and Contracts with Proposed Grant Awards Over $100,000

December 17, 2018

Judy Williams
Staff Specialist
Overview

- Background
- Proposed projects with awards over $100,000
- Overview of Fiscal Year Ending (FYE) 2019 funds:
  - Awards by project type
  - Awards by county
  - Available
- Recommendations
CMP & MSIF

- **Carl Moyer Program (CMP)**
  - Created in 1998 to reduce emissions from heavy-duty engines
  - Voluntary program that funds surplus emission reductions

- **Mobile Source Incentive Fund (MSIF)**
  - Assembly Bill (AB) 923 allowed for additional $2 motor vehicle registration fee surcharge (12/04)
  - CMP and Lower Emission School Bus Program (LESBP) projects eligible for MSIF funding
Community Health Protection Grant Program (CHP)

- Created by AB 134 appropriation of $250 million from the Greenhouse Gas Reduction Fund (GGRF) to reduce mobile source emissions including criteria pollutants, toxic air contaminants, and greenhouse gases in AB 617 communities.

- Bay Area Air Quality Management District (Air District) allocated $50 million of these funds for emission reduction projects under the CMP, and optionally under the Proposition 1B Goods Movement Emission Reduction Program.
On 2/21/18 Air District Board of Directors:
- Approved participation in CMP Year 20
- Authorized Executive Officer/APCO to execute contracts and amendments with grant awards up to $100,000

On 12/20/17 Air District Board of Directors:
- Approved acceptance of $50 M in AB 134 funding for the Community Health Protection Grant Program (CHP)
$13,270,776 in total awards and 16 projects:

- 13 pieces of agricultural equipment
- 3 pieces of off-road equipment
- 19 school buses
- 15 marine engines

Emission reductions: over 27.9 Tons Per Year (TPY) of criteria pollutants
Projected Grant Revenues for FYE 2019
$137 (in Millions)

Transportation Fund for Clean Air: $25
Mobile Source Incentive Fund: $7
Carl Moyer Program: $13
AB 617 / 134: $50
VW NOx Mitigation*: $30

Total: $137

Carl Moyer Category Includes Funding From:
- CMP Year 20
- CMP Statewide Funds
- Farmers (agriculture only)
- LCFS - Low Carbon Fuel Standard

Other Funding Sources:
- EFMP – Enhanced Fleet Modernization Program
- RFG – Reformulated Gasoline Settlement Fund
- DERA – Diesel Emissions Reduction Act
- Zero-Emission Hydrogen Ferry Demonstration Project

*Total Volkswagen funding is $423M statewide, which will be dispersed over ~5 year period. Staff projects that as much as 33% of funding could go to projects located in the Bay Area.
Funds Recommended & Awarded by Project Category

Total Since July 2018 = $30 M

<table>
<thead>
<tr>
<th>Project Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Light-duty Cars &amp; Infrastructure</td>
<td>$988,000</td>
</tr>
<tr>
<td>On-road Trucks &amp; Buses</td>
<td>$2,864,600</td>
</tr>
<tr>
<td>School Buses</td>
<td>$11,884,988</td>
</tr>
<tr>
<td>Off-road Ag:</td>
<td>$1,940,427</td>
</tr>
<tr>
<td>Non-Ag:</td>
<td>$1,357,458</td>
</tr>
<tr>
<td>Off-road Marine</td>
<td>$5,929,000</td>
</tr>
<tr>
<td>Trip Reduction &amp; Bike Facilities</td>
<td>$5,279,069</td>
</tr>
</tbody>
</table>

List of projects is shown in Attachments 2 and 3.
Funds Recommended & Awarded by County Since July 2018

Total = $30 M

Awards by County

List of projects is shown in Attachments 2 and 3
**Status of FYE 2019 Incentive Funding by Source**

CMP/MSIF/CHP/FARMER ($70.2M)*

- Awarded or Passed-through: $51.9M
- Available: $5.8M
- Recommended: $631k
- Scheduled to open this FY: $13.6M

TFCA Regional ($20.4M)

- Awarded or Passed-through: $5.8M

Reformulated Gas Settlement (RFG) ($1.2M)

- Recommended: $631k

Other** ($45.9M)

*Includes funding and awards made in FYE 2018

** Includes passed-through funding from TFCA County Program Manager, ARB-funded Hydrogen Ferry Demo, EPA-funded DERA, and MTC for EV Outreach, and other funding that is not yet available from the Volkswagen NOx Mitigation, and ARB-funded EFMP.
# Open Solicitations & Available Funding

<table>
<thead>
<tr>
<th>Program Name, Description, and Website</th>
<th>Funding Available</th>
<th>Status</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Carl Moyer</strong> Funding to replace heavy-duty on-road vehicles &amp; and off-road equipment <a href="http://www.baaqmd.gov/moyer">www.baaqmd.gov/moyer</a></td>
<td>$33M</td>
<td>Open until funds exhausted</td>
<td>CMP, MSIF, CHP, FARMER</td>
</tr>
<tr>
<td><strong>Vehicle Buy Back</strong> Funding to scrap 1996 or older light duty cars <a href="http://www.baaqmd.gov/vbb">www.baaqmd.gov/vbb</a></td>
<td>$6M</td>
<td>Open until funds exhausted</td>
<td>MSIF</td>
</tr>
<tr>
<td><strong>Clean Fleets</strong> Funding to purchase Light &amp; Medium Duty ZEVs <a href="http://www.baaqmd.gov/cleanfleets">www.baaqmd.gov/cleanfleets</a></td>
<td>$5M</td>
<td>Open until Jan 31, 2019</td>
<td>TFCA</td>
</tr>
<tr>
<td><strong>Charge!</strong> Funding to install public charging stations <a href="http://www.baaqmd.gov/charge">www.baaqmd.gov/charge</a></td>
<td>$5M</td>
<td>Open until June 30, 2019</td>
<td>TFCA</td>
</tr>
<tr>
<td><strong>Pilot Trip Reduction</strong> Funding to deploy and test new trip reduction services <a href="http://www.baaqmd.gov/PTR">www.baaqmd.gov/PTR</a></td>
<td>$7M</td>
<td>Competitive: Applications due March 4, 2019</td>
<td>TFCA</td>
</tr>
</tbody>
</table>
Recommend the Board of Directors:

1. Approve recommended projects with proposed grant awards over $100,000 as shown in Attachment 1; and

2. Authorize the Executive Officer/APCO to enter into all necessary agreements with applicants for the recommended projects.
Fiscal Year Ending (FYE) 2017
Transportation Fund for Clean Air (TFCA)
Program Audit Results

December 17, 2018

Ken Mak
Acting Supervising Staff Specialist
Overview

• Background

• Audit #19:
  ➢ Process
  ➢ Results & Trends
  ➢ Next Steps
Background
Transportation Fund for Clean Air (TFCA)

- Statutory authority set forth in California Health and Safety Code (HSC)
- Funding: $4 surcharge on motor vehicles
  - 60% of TFCA funds awarded directly by the Air District
  - Remaining 40% is distributed to the nine Bay Area Congestion Management Agencies
- HSC Section 44242 requires agencies that receive TFCA funds to conduct a fiscal audit of all TFCA-funded projects and programs at least once every two years
Audit #19

- Board approved award of contract to Simpson & Simpson, LLP for independent audit services on October 4, 2017

- Audit #19 Scope:
  - Covered 26 TFCA Regional Fund projects and 119 County Program Manager Fund projects that were closed out by 6/30/2017
  - Auditors reviewed financial and compliance objectives for Regional Fund, Air District sponsored projects, and County Program Manager Fund projects
Audit #19 Process (cont’d)

• **Financial audits** performed in accordance with generally accepted auditing standards in the U.S. and applicable standards contained in Government Auditing Standards

• **Compliance audits** performed in accordance with the requirements outlined in the Health and Safety Code, funding agreements, and Government Auditing Standards
  - Focus to ensure TFCA expenditures were paid in accordance with program’s objectives
  - Not designed to provide assurance on overall project compliance
Regional Fund and Air District-Sponsored Projects:

- No sponsor or Air District oversight findings noted
• Transportation Authority of Marin (TAM) over-reported TFCA funds expended for project #10MAR07 by $38,872
  ➢ Finding is a reporting discrepancy that has been corrected

• City/County Association of Governments of San Mateo submitted two Final Reports late
Continue to work closely with Project Sponsors and County Program Managers to improve and strengthen administrative processes and to clarify program and contractual requirements.
Report on Transportation Fund for Clean Air (TFCA) Projects Expenditures and Effectiveness for Fiscal Year Ending (FYE) 2018

AGENDA: 6

December 17, 2018

Linda Hui
Staff Specialist II
Overview

• Background

• FYE 2018 Expenditures and Cost-Effectiveness:
  ➢ Expenditures
  ➢ Emissions Reductions
  ➢ Cost-Effectiveness
  ➢ Next Steps
Background

Transportation Fund for Clean Air (TFCA)

- Statutory authority: California Health and Safety Code (HSC)

- Funding: $4 surcharge on motor vehicles
  - 6% of TFCA funds awarded directly by the Air District
  - 40% is distributed to the nine Bay Area Congestion Management Agencies
  - HSC Section 44241.5: Air District’s Board to annually review the expenditure of revenues received to determine their effectiveness in improving air quality
Expenditures by Project Category

Report covers 76 TFCA Regional Fund and 3 Air District-sponsored programs that concluded by FYE 2018

Expenditures: $11.12 million (M)
- $2.39 M - Air District programs
- $8.73 M - Regional Fund
- $0.99 M - FYE 2018 admin & audit costs
Summary of FYE 2018
Expenditures and Effectiveness Report Results

- **Lifetime criteria pollutants reduced**: 173.28 tons
  - 55.27 tons of reactive organic gases
  - 48.94 tons of nitrogen oxides
  - 69.07 tons of particulate matter

- **Lifetime greenhouse gas emissions reduced**: 105,000 tons
Key Expenditures and Effectiveness

Report Findings

• TFCA funds allocated to eligible projects and programs

• Overall cost-effectiveness: $55,896/ton criteria pollutant emissions reduced:
  ➢ Two projects exceeded the cost-effectiveness threshold for the year they were awarded
Key Expenditures and Effectiveness
Report Findings (cont’d)

• **Public health benefits:**
  - Conserve energy and help to reduce greenhouse gases
  - Reduce traffic congestion
  - Expand first and last-mile connection services to rail, ferry, and mass transit
  - Improve physical fitness and public safety by facilitating pedestrian and other car-free modes of travel
  - Accelerate adoption of zero-emissions vehicles
Next Steps

• Evaluate opportunities for funding most cost-effective projects and programs and for focusing funds in CARE/AB 617 areas

• Partner with transit and congestion management agencies on identifying new cost-effective trip reduction solutions

• Refine estimated emissions reductions for clean-vehicle projects using project data reported annually