



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

## BOARD OF DIRECTORS SPECIAL MEETING / RETREAT

January 21, 2015

A meeting of the Bay Area Air Quality Management District Board of Directors will be held in the Council Chambers at the City of South San Francisco Municipal Services Building at 33 Arroyo Drive, South San Francisco, California.

### Questions About an Agenda Item

The name, telephone number and e-mail of the appropriate staff Person to contact for additional information or to resolve concerns is listed for each agenda item.

### Meeting Procedures

The public meeting of the Air District Board of Directors begins at 9:45 a.m. The Board of Directors generally will consider items in the order listed on the agenda. However, any item may be considered in any order.

After action on any agenda item not requiring a public hearing, the Board may reconsider or amend the item at any time during the meeting.

## Public Comment Procedures

Persons wishing to make public comment must fill out a Public Comment Card indicating their name and the number of the agenda item on which they wish to speak, or that they intend to address the Board on matters not on the Agenda for the meeting.

**Public Comment on Non-Agenda Matters, Pursuant to Government Code Section 54954.3** For the first round of public comment on non-agenda matters at the beginning of the agenda, ten persons selected by a drawing by the Clerk of the Boards from among the Public Comment Cards indicating they wish to speak on matters not on the agenda for the meeting will have three minutes each to address the Board on matters not on the agenda. For this first round of public comments on non-agenda matters, all Public Comment Cards must be submitted in person to the Clerk of the Boards at the location of the meeting and prior to commencement of the meeting. The remainder of the speakers wishing to address the Board on non-agenda matters will be heard at the end of the agenda, and each will be allowed three minutes to address the Board at that time.

Members of the Board may engage only in very brief dialogue regarding non-agenda matters, and may refer issues raised to District staff for handling. In addition, the Chairperson may refer issues raised to appropriate Board Committees to be placed on a future agenda for discussion.

**Public Comment on Agenda Items** After the initial public comment on non-agenda matters, the public may comment on each item on the agenda as the item is taken up. Public Comment Cards for items on the agenda must be submitted in person to the Clerk of the Boards at the location of the meeting and prior to the Board taking up the particular item. Where an item was moved from the Consent Calendar to an Action item, no speaker who has already spoken on that item will be entitled to speak to that item again.

Up to ten (10) speakers may speak for three minutes on each item on the Agenda. If there are more than ten persons interested in speaking on an item on the agenda, the Chairperson or other Board Member presiding at the meeting may limit the public comment for all speakers to fewer than three minutes per speaker, or make other rules to ensure that all speakers have an equal opportunity to be heard. Speakers are permitted to yield their time to one other speaker; however no one speaker shall have more than six minutes. The Chairperson or other Board Member presiding at the meeting may, with the consent of persons representing both sides of an issue, allocate a block of time (not to exceed six minutes) to each side to present their issue.

# BOARD OF DIRECTORS SPECIAL MEETING / RETREAT AGENDA

WEDNESDAY  
JANUARY 21, 2015  
9:45 A.M.

COUNCIL CHAMBERS  
CITY OF SOUTH SAN FRANCISCO  
MUNICIPAL SERVICES BUILDING  
33 ARROYO DRIVE  
SOUTH SAN FRANCISCO, CA 94080

## CALL TO ORDER

Chairperson, Nate Miley

1. **Opening Comments**  
**Roll Call**  
**Pledge of Allegiance**

*The Chair shall call the meeting to order and make opening comments. The Clerk of the Boards shall take roll of the Board members. The Chair shall lead the Pledge of Allegiance.*

## PUBLIC COMMENT ON NON-AGENDA MATTERS

2. **Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3**

*For the first round of public comment on non-agenda matters at the beginning of the agenda, ten persons selected by a drawing by the Clerk of the Boards from among the Public Comment Cards indicating they wish to speak on matters not on the agenda for the meeting will have three minutes each to address the Board on matters not on the agenda. For this first round of public comments on non-agenda matters, all Public Comment Cards must be submitted in person to the Clerk of the Board at the location of the meeting and prior to commencement of the meeting.*

## COMMENDATIONS/PROCLAMATIONS/AWARDS

3. *The Board of Directors will recognize outgoing Board Chairperson Nate Miley for his outstanding leadership as Chair of the Board of Directors in 2014.*

*The Board of Directors will recognize outgoing Directors Susan Adams, Ash Kalra, Carol Klatt and Mary Piepho for their service, leadership and dedication to protecting air quality in the Bay Area.*

## CONSENT CALENDAR (ITEMS 4 – 10)

Staff/Phone (415) 749-

4. Minutes of the Regular Board of Directors Meeting of December 17, 2014

Clerk of the Boards/5073

*The Board of Directors will consider approving the draft minutes of the Regular Board of Directors Meeting of December 17, 2014.*

5. Board Communications Received from December 17, 2014 through January 20, 2015  
**J. Broadbent/5052**  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*A copy of communications directed to the Board of Directors received by the Air District from December 17, 2014 through January 20, 2015, if any, will be at each Board Member's place.*

6. Air District Personnel on Out-of-State Business Travel  
**J. Broadbent/5052**  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*In accordance with Section 5.4 (b) of the Air District's Administrative Code, Fiscal Policies and Procedures Section, the Board is hereby notified that the attached memorandum lists Air District personnel who have traveled on out-of-state business in the preceding month.*

7. Notices of Violations Issued and Settlements in Excess of \$10,000 in the month of December 2014  
**B. Bunger/4920**  
[bbunger@baaqmd.gov](mailto:bbunger@baaqmd.gov)

*In accordance with Resolution No. 2012-08, the Board of Directors will receive a list of all Notices of Violation issued, and all settlements for amounts in excess of \$10,000 during the month of December 2014.*

8. Adoption of Amendments to the Air District's Administrative Code, Division I: Operating Policies and Procedures, Section 7 Advisory Council  
**J. Broadbent/5052**  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*The Board of Directors will consider adoption of amendments to the Air District's Administrative Code, Division I: Operating Policies and Procedures, Section 7 Advisory Council.*

9. Consider Authorizing the Executive Officer/APCO to execute a contract in an amount not to exceed \$100,000, for the development of an expanded 60<sup>th</sup> Anniversary Annual Report  
**J. Broadbent/5052**  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*The Board of Directors will consider authorizing the Executive Officer/APCO to execute a contract with Curran & Connors in an amount not to exceed \$100,000 for the purpose of developing an expanded 60<sup>th</sup> Anniversary Annual Report including a historical review of air pollution progress through the years and accompanying website component of same.*

10. Update on the My Air Online Program  
**J. Broadbent/5052**  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*The Board of Directors will receive an update on the My Air Online Program and consider recommending authorizing the Executive Officer/APCO to execute contract amendments for C&G Technology in the amount not to exceed \$78,000, Farallon Geographics in the amount not to exceed \$44,200, IT Dependz in the amount not to exceed \$259,927; Trinity Technology Group in the amount not to exceed \$302,500; and Vertigo Software, Inc. in the amount not to exceed \$600,000.*

## **COMMITTEE REPORT(S)**

11. Report of the **Mobile Source Committee** Meeting of December 18, 2014

CHAIR: S. Haggerty

J. Broadbent/5052

[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*The Committee received the following reports:*

**A) Acceptance of Funds from the National Fish and Wildlife Foundation (NFWF) for a Commercial Lawn and Garden Equipment Replacement Program**

1. *Accept \$470,000 in funds from the NFWF to implement a commercial lawn and garden equipment replacement program in Alameda and Contra Costa counties; and*
2. *Authorize the Executive Officer/APCO to enter into all necessary agreements to implement the program and expend the \$470,000 in funds from the NFWF for a commercial lawn and garden equipment replacement program.*

**B) Consideration of Amendments to the Fiscal Year Ending (FYE) 2015 Transportation Fund for Clean Air (TFCA) Regional Fund Policies**

- 1) *Approve changes to the FYE 2015 TFCA Regional Fund Policies to include light-duty zero and partial zero emissions vehicles for fleets, heavy-duty zero emissions vehicles, and alternative fuel infrastructure (hydrogen and CNG) projects as eligible project types; and*
- 2) *Authorize the Executive Officer/APCO to enter into contracts for eligible projects.*

**C) Transportation Fund for Clean Air (TFC) Cost-Effectiveness Report**

- 1) *None; receive and file.*

12. Report of the **Climate Protection Committee** Meeting of January 15, 2015

CHAIR: J. Avalos

J. Broadbent/5052

[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*The Committee received the following reports:*

**A) Update on Regional Climate Protection Work Program, Rule Development and Staffing**

- 1) *None; receive and file.*

**B) University of California Berkeley Carbon Dioxide and Air Quality Monitoring Study**

- 1) *None; receive and file.*

## **BOARD OF DIRECTORS RETREAT**

13. **Opening Comments** **Chairperson, Carole Groom**

14. **State of the Air District** **J. Broadbent/5052**  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*The Executive Officer/APCO will address the Board of Directors regarding the state of the Air District.*

15. **Air Quality Summary** **J. Broadbent/5052**  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

**J. Roggenkamp/4646**  
[jroggenkamp@baaqmd.gov](mailto:jroggenkamp@baaqmd.gov)

*The Deputy Air Pollution Control Officer will provide an overview of air quality in the Bay Area.*

16. **Administrative and Financial Overview** **J. Broadbent/5052**  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

**J. McKay/4629**  
[jmckay@baaqmd.gov](mailto:jmckay@baaqmd.gov)

*The Deputy Air Pollution Control Officer will provide an administrative and financial overview of the Air District.*

17. **Update on Advisory Council Restructure** **J. Broadbent/5052**  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

**J. McKay/4629**  
[jmckay@baaqmd.gov](mailto:jmckay@baaqmd.gov)

*The Executive Officer/APCO and the Deputy Air Pollution Control Officer will address the Board of Directors regarding the Advisory Council Restructure.*

18. **Update on Community Programs** **J. Broadbent/5052**  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

**J. Roggenkamp/4646**  
[jroggenkamp@baaqmd.gov](mailto:jroggenkamp@baaqmd.gov)

*The Executive Officer/APCO and the Deputy Air Pollution Control Officer will provide an update on Community Programs.*

19. **Update on 375 Beale Street** **J. Broadbent/5052**  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

**D. Breen/5041**  
[dbreen@baaqmd.gov](mailto:dbreen@baaqmd.gov)

*The Executive Officer/APCO and the Deputy Air Pollution Control Officer will provide an update on 375 Beale Street.*

20. **Production System and Website Project Update**

J. Broadbent/5052  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

D. Breen/5041  
[dbreen@baaqmd.gov](mailto:dbreen@baaqmd.gov)

*The Deputy Air Pollution Control Officer will provide an update on the production system and website project.*

21. **Key Policy Initiatives**

J. Broadbent/5052  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*The Executive Officer/APCO will provide a summary of key policy initiatives for 2015.*

22. **Upcoming Committee Assignments and Goals**

Chairperson, Carole Groom

*The Chair will discuss the 2015 Board of Directors Committee assignments and goals.*

**PUBLIC COMMENT ON NON-AGENDA MATTERS**

23. **Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3**

*Speakers who did not have the opportunity to address the Board in the first round of comments on non-agenda matters will be allowed three minutes each to address the Board on non-agenda matters.*

**BOARD MEMBERS' COMMENTS**

24. *Any member of the Board, 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)*

**OTHER BUSINESS**

25. Report of the Executive Officer/APCO

26. Chairperson's Report

27. Time and Place of Next Meeting:

*Wednesday, February 4, 2015, 939 Ellis Street, San Francisco, California 94109 at 9:45 a.m.*

28. Adjournment

*The Board meeting shall be adjourned by the Board Chair.*

CONTACT:

**MANAGER, EXECUTIVE OPERATIONS**  
**939 ELLIS STREET, SAN FRANCISCO, CA 94109**  
**mmartinez@baaqmd.gov**

**(415) 749-5016**  
**FAX: (415) 928-8560**  
**BAAQMD homepage:**  
[www.baaqmd.gov](http://www.baaqmd.gov)

- To submit written comments on an agenda item in advance of the Board meeting. Please note that all correspondence must be addressed to the “Members of the Board of Directors” and received at least 24 hours prior, excluding weekends and holidays, in order to be presented at that Board meeting. Any correspondence received after that time will be presented to the Board at the following 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 Clerk’s Office should be given in a timely manner, 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.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
**939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109**  
**FOR QUESTIONS PLEASE CALL (415) 749-5016 or (415) 749-4941**

**EXECUTIVE OFFICE:**  
**MONTHLY CALENDAR OF AIR DISTRICT MEETINGS**

**JANUARY 2015**

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Climate Protection Committee</b> – (Meets 3 <sup>rd</sup> Thursday every other Month)	Thursday	15	9:30 a.m.	Board Room
<b>Board of Directors Executive Committee</b> (Meets on the 3 <sup>rd</sup> Monday of each Month) - CANCELLED	Monday	19	9:30 a.m.	Board Room
<b>Board of Directors Special Meeting/Retreat</b> (Meets on the 1 <sup>st</sup> & 3 <sup>rd</sup> Wednesday of each Month)	Wednesday	21	9:45 a.m.	City of SSF Municipal Services Building – 33 Arroyo Drive, South San Francisco, CA 94080
<b>Board of Directors Mobile Source Committee</b> (Meets on the 4 <sup>th</sup> Thursday of each Month)	Thursday	22	9:30 a.m.	Board Room
<b>Board of Directors Personnel Committee</b> (At the Call of the Chair)	Monday	26	9:30 a.m.	Board Room
<b>Board of Directors Budget &amp; Finance Committee</b> (Meets on the 4 <sup>th</sup> Wednesday of each Month)	Wednesday	28	9:30 a.m.	Board Room

**FEBRUARY 2015**

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Regular Meeting</b> (Meets on the 1 <sup>st</sup> & 3 <sup>rd</sup> Wednesday of each Month)	Wednesday	4	9:45 a.m.	Board Room
<b>Advisory Council Meeting</b> (Meets on the 2 <sup>nd</sup> Wednesday of each Month)	Wednesday	11	9:00 a.m.	Board Room
<b>Board of Directors Executive Committee</b> (Meets on the 3 <sup>rd</sup> Monday of each Month)	Monday	16	9:30 a.m.	Board Room

## FEBRUARY 2015

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Regular Meeting</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	18	9:45 a.m.	Board Room
<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets on the 4<sup>th</sup> Wednesday of each Month)</i>	Wednesday	25	9:30 a.m.	Board Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets on the 4<sup>th</sup> Thursday of each Month)</i>	Thursday	26	9:30 a.m.	Board Room

## MARCH 2015

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
<b>Board of Directors Regular Meeting</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	4	9:45 a.m.	Board Room
<b>Advisory Council Special Meeting</b> <i>(Meets on the 2<sup>nd</sup> Wednesday of each Month)</i>	Wednesday	11	9:00 a.m.	Board Room
<b>Board of Directors Executive Committee</b> <i>(Meets on the 3<sup>rd</sup> Monday of each Month)</i>	Monday	16	9:30 a.m.	Board Room
<b>Board of Directors Regular Meeting</b> <i>(Meets on the 1<sup>st</sup> &amp; 3<sup>rd</sup> Wednesday of each Month)</i>	Wednesday	18	9:45 a.m.	Board Room
<b>Board of Directors Climate Protection Committee</b> – <i>(Meets 3<sup>rd</sup> Thursday every other Month)</i>	Thursday	19	9:30 a.m.	Board Room
<b>Board of Directors Budget &amp; Finance Committee</b> <i>(Meets on the 4<sup>th</sup> Wednesday of each Month)</i>	Wednesday	25	9:30 a.m.	Board Room
<b>Board of Directors Mobile Source Committee</b> <i>(Meets on the 4<sup>th</sup> Thursday of each Month)</i>	Thursday	26	9:30 a.m.	Board Room

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Carole Groom and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/Air Pollution Control Officer

Date: January 7, 2015

Re: Minutes of the Regular Board of Directors Meeting of December 17, 2014

RECOMMENDED ACTION

Approve the attached draft minutes of the Board of Directors Regular Meeting of December 17, 2014.

DISCUSSION

Attached for your review and approval are the draft minutes of the Board of Directors Regular Meeting of December 17, 2014.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Sean Gallagher  
Reviewed by: Maricela Martinez

Attachment: Draft Minutes of the Board of Directors Regular Meeting of December 17, 2014

## AGENDA 4 – ATTACHMENT

Draft Minutes - Board of Directors Regular Meeting of December 17, 2014

Bay Area Air Quality Management District  
939 Ellis Street  
San Francisco, CA 94109  
(415) 749-5073

Board of Directors Regular Meeting  
Wednesday, December 17, 2014

### **DRAFT MINUTES**

*Note: Audio and video recordings of the meeting are available on the website of the Bay Area Air Quality Management District at <http://www.baaqmd.gov/The-Air-District/Board-of-Directors/Agendas-and-Minutes.aspx>.*

1. **CALL TO ORDER:** Chairperson Nate Miley called the meeting to order at 9:54 a.m.

**Opening Comments:** None.

#### **Roll Call:**

**Present:** Chairperson Nate Miley; Vice-Chairperson Carole Groom; Secretary Eric Mar; and Directors Susan Adams, John Avalos, Teresa Barrett, Tom Bates, John Gioia, Scott Haggerty, David Hudson, Ash Kalra, Liz Kniss, Jan Pepper, Mark Ross, Jim Spring, Brad Wagenknecht and Shirlee Zane.

**Absent:** Directors Cindy Chavez, Margaret Fujioka, Roger Kim (on behalf of Edwin Lee), Carol L. Klatt (resigned) and Mary Piepho.

**Pledge of Allegiance:** Chairperson Miley led the Pledge of Allegiance.

2. **PUBLIC COMMENT ON NON-AGENDA MATTERS:**

Andrés Soto, addressed the Board of Directors (Board) regarding the growing concern among the population, various community groups and entities of west Contra Costa County about the crude-by-rail operations and the Air District permit relative to Kinder Morgan's operations.

**NOTED PRESENT:** Director Avalos was noted present at 9:56 a.m.

David McCoard, Sierra Club, addressed the Board regarding the decision by the Sacramento Metropolitan Air Quality Management District to conduct an environmental review of a crude-by-rail project and to encourage the same by the Air District relative to the Kinder Morgan permit.

Sylvia Gray-White, Communities for a Better Environment (CBE), addressed the Board regarding the air quality in and around Richmond.

Bill Pinkham, 350 Bay Area / Sunflower Alliance / Richmond Environmental Justice Coalition, addressed the Board regarding the urgency of the decisions being made.

Diane Bailey, Natural Resources Defense Council (NRDC), addressed the Board to reiterate messages of grave concern from a coalition of the Bay Area population, various community groups and organizations relative to the Kinder Morgan crude-by-rail permit and to urge consideration of public safety with such significant infrastructure in close proximity to railways within the Bay Area and a response to the City of Richmond's letter request for revocation of the same permit.

NOTED PRESENT: Director Mar was noted present at 10:03 a.m.

Ratha Lai, Sierra Club SF Bay, addressed the Board to echo the comments of Ms. Bailey relative to public concern about the Kinder Morgan crude-by-rail project and to ask why the permit has not yet been revoked in the name of community safety and public health.

Marie Walcek, California Nurses Association (CNA), addressed the Board regarding the danger of the recent train derailment in Richmond and the implications for the community had it been transporting crude oil and to ask for the revocation of the Kinder Morgan crude-by-rail permit.

Pilar Schiavo, CNA, addressed the Board regarding the series of incidents at the Chevron Richmond refinery and the need to take action now to prevent additional incidents in the future and to request responses to the City of Richmond's and CNA's requests for revocation of the Kinder Morgan crude-by-rail permit.

Carolyn Bowden read from a written statement by the CNA regarding the health impacts of air pollution.

Michelle Veneziano, D.O., addressed the Board regarding the health impacts of refinery emissions and the reliance of the public on regulatory bodies to mitigate those impacts due to their inability to do so on an individual basis.

NOTED PRESENT: Director Kalra was noted present at 10:13 a.m.

Eduardo Martinez addressed the Board to announce the successful election to the Richmond City Council of three candidates supported by the Richmond Progressive Alliance and to request the revocation of the Kinder Morgan permit and a moratorium on permits for crude-by-rail projects.

Charles Davidson addressed the Board to request review and revocation of the Kinder Morgan permit and to relay detailed chemistry information regarding the volatility and flammability of the materials involved in the refining process.

**CONSENT CALENDAR (ITEMS 3 – 8)**

- 3. Minutes of the Regular Board Meeting of December 3, 2014;**
- 4. Board Communications Received from December 3, 2014 through December 16, 2014;**
- 5. Air District Personnel on Out-of-State Business Travel;**
- 6. Notice of Violations Issued and Settlements in Excess of \$10,000 in the month of November 2014;**
- 7. Proposed Regulatory Agenda for 2015; and**

**8. Notification of Proposed Future Adoption of Amendments to the Air District's Administrative Code, Division I: Operating Policies and Procedures, Section 7 Advisory Council.**

Board Action:

Director Wagenknecht made a motion, seconded by Director Hudson, to approve Consent Calendar Items 3 through 8, inclusive.

Public Comments:

Jed Holtzman, 350 Bay Area, addressed the Board regarding Agenda Item 7, *Proposed Regulatory Agenda for 2015*, to praise the wide range of topics and, specifically, those relating to climate protection efforts; to suggest strong climate action, instead of monitoring, in the face of the knowledge that global fossil fuel reserves will generate carbon emissions well in excess of the carbon budget suggested by climate scientists.

Greg Karras, CBE, , addressed the Board regarding Agenda Item 7, *Proposed Regulatory Agenda for 2015*, to note that over 100 rules are slated for adoption in 2015 with only three making mention of greenhouse gases (GHG) and to echo the comment of Mr. Holtzman regarding fossil fuel reserves.

Mark Roest, Bay Climate Action Plan / Seawave Battery, submitted written material and addressed the Board regarding Agenda Item 7, *Proposed Regulatory Agenda for 2015*, to urge the Air District to follow the lead of local jurisdictions that have mandated the transition from wood to electricity and the reduction of energy and water use, to incentivize solar and to suggest that with near cost parity of fossil and renewable fuels, there is no public need to continue with business as usual.

Steven Nadel, Sunflower Alliance, addressed the Board regarding Agenda Item 7, *Proposed Regulatory Agenda for 2015*, to request greater democratization of the Air District processes, reduced energy demand through electrification, increased analysis of implementation of best available control technology (BACT), replacement of all possible combustion with electrical power, development of programs that promote new technology and greater protections of community health and safety.

Board Comments:

Director Gioia clarified that all of the rules and regulations scheduled for possible work in 2015 are on the list prepared by staff.

Board Action (continued):

The motion carried by the following vote of the Board:

AYES:	Adams, Avalos, Barrett, Gioia, Groom, Haggerty, Hudson, Kalra, Kniss, Mar, Miley, Pepper, Ross, Spring, Wagenknecht and Zane.
NOES:	None.
ABSTAIN:	None.
ABSENT:	Bates, Chavez, Fujioka, Kim, Klatt and Piepho.

## **COMMITTEE REPORTS**

### **9. Report of the Personnel Committee (PC) Meeting of December 15, 2014**

Committee Chairperson Wagenknecht

The PC met on Monday, December 15, 2014, and approved the minutes of September 22, 2014.

The PC received and discussed the staff presentation *Discussion Regarding Advisory Council (Council) Structure for 2015*, including a summary of the recently adopted Senate Bill 1415; future Council Structure and function; and next steps.

The PC then received the staff report *Consider Recommending Board Approval of Incumbent Reappointments to the Air District's Council* and the PC recommends Board approval of incumbent reappointments to the Council.

The PC then received and discussed the staff presentation *Equal Employment Opportunity and Plan (EEOP)*, including the purpose of EEOPs; the history of the EEOP at the Air District; Air District recruitment process; and other equal employment opportunity-related provisions at the Air District.

The next meeting of the PC is at the call of the Chairperson.

Board Comments: None.

Public Comments: No requests received.

Board Action:

Director Wagenknecht made a motion, seconded by Director Adams, to approve the recommendations of the PC; and the motion carried by the following vote of the Board:

AYES: Adams, Avalos, Barrett, Bates, Gioia, Groom, Haggerty, Hudson, Kalra, Kniss, Mar, Miley, Pepper, Ross, Spring, Wagenknecht and Zane.

NOES: None.

ABSTAIN: None.

ABSENT: Chavez, Fujioka, Kim, Klatt and Piepho.

### **10. Report of the Ad Hoc Building Oversight Committee (AHBOC) Meeting of December 15, 2014**

Committee Chairperson Miley

The AHBOC met on Monday, December 15, 2014, and approved the minutes of June 18, 2014.

The AHBOC received and discussed the staff presentation *Regional Agency Headquarters – 375 Beale Street, Project Status Report*, including a construction update and future schedule and photographs of construction and schematics of floor designs.

The AHBOC then received and discussed *Regional Agency Headquarters – 375 Beale Street, Construction, Furniture, and Network Redesign Costs*, including background; progress on

construction and shared services to date; fiscal year ending (FYE) 2015 shared services and construction project budget plan; and staff recommendations. The AHBOC recommends the Board:

1. Authorize the Executive Officer/Air Pollution Control Officer (APCO) to reimburse the Bay Area Headquarters Authority an additional \$500,000 for building redesign and construction; furniture; network redesign and consulting work associated with the Air District's tenant improvements and shared services costs at 375 Beale Street; and
2. Increase the FYE 2015, Program 702, budget by a corresponding \$500,000, to be transferred from the Air District's Building and Facilities reserve.

The next meeting of the AHBOC is at the call of the Chairperson.

Board Action:

Chairperson Miley made a motion, seconded by Director Spring, to approve the recommendations of the AHBOC.

Board Comments:

The Board and staff agreed to postpone the staff presentation, *Regional Agency Headquarters – 375 Beale Street, Project Status Report*, until the Board's annual Special Meeting and Retreat on January 21, 2015, and discussed the level of reserves remaining after the proposed transfer.

Public Comments: No requests received.

Board Action (continued):

The motion carried by the following vote of the Board:

AYES:	Adams, Avalos, Barrett, Bates, Gioia, Groom, Haggerty, Hudson, Kalra, Kniss, Mar, Miley, Pepper, Ross, Spring, Wagenknecht and Zane.
NOES:	None.
ABSTAIN:	None.
ABSENT:	Chavez, Fujioka, Kim, Klatt and Piepho.

**PRESENTATIONS**

**11. Bay Area Refinery Emissions Reduction Strategy**

Jack Broadbent, Executive Officer/APCO, introduced the topic and Gregory Nudd, Rule Development Manager of the Planning, Rules and Research Division, who gave the staff presentation *Bay Area Refinery Emissions Reduction Strategy*, including background; evaluation criteria; Bay Area RECLAIM [REgional CLean Air Incentives Market]; community/worker; WSPA [Western States Petroleum Association]; periodic control technology review; BARCT [Best Available Retrofit Control Technology]/focused toxics; “grandfathered” sources and high emitters; identifying emission reduction opportunities for Clean Air Plans; opportunities for emission reductions; summary of evaluation; proposed approach; and next steps.

The Board and staff discussed, at slide 11, “*Grandfathered*” Sources and High Emitters, the impact of and total emissions for the less than 3% that are not subject to either BARCT or BACT.

Mr. Nudd continued the presentation.

The Board and staff discussed, at slide 13, *Opportunities for Emission Reductions*, the definitions of the terminology and color coding used; the amount of emissions avoided through control technology that are not reported in the chart; whether red areas leave room for improvement; how and when control technologies are further enhanced; whether refinery opportunities for sulfur oxides (SOx) emissions reductions means there are no rules relative to SOx at this time and whether other SOx opportunities exist among non-refinery emitters; the public health impact of SOx; the best prioritization of opportunities and whether the emission types will be dealt with sequentially or collectively; and the impact of emissions limits and regulations on “grandfathered” sources.

Mr. Nudd concluded the presentation.

Mr. Broadbent commented on the staff process of exchanging proposals and thanked the stakeholder participants; suggested the staff proposal is comprised of the best aspects of each proposal; explained that the staff proposal does not address GHGs based on the staff recommendation that the Air District wait for the results of the State’s cap-and-trade program to avoid potential conflicts; and suggested that adoption of the staff proposal would represent a historic decision that will lead to significant reductions.

Board Comments:

The Board and staff discussed the proposals as very specific strategies for addressing a very complex situation and operations; the importance of developing rules in tandem, not serially, and the likely timeline under that approach; the likelihood that proposed rules would be bundled for development and approval and then refined further later as part of an overall package around the end of 2015; the noteworthiness of the significant reductions achieved under the Air District’s stewardship and the Air District as the first agency in the United States to impose fees on GHGs; the importance of addressing SOx and nitrogen oxides (NOx) emissions from both refinery and non-refinery sources simultaneously; the recent emergency declaration in Sonoma County as evidence of the importance of Air District reductions of GHGs to avoid climate impacts; who conducts the required health risk assessments (HRAs) for refineries and who reviews or approves them; the importance of independent review in place of guidelines and protocols; the possibility of asking the California Office of Environmental Health Hazard Assessment to comment on each HRA; whether self-monitoring by refiners relative to continuous improvement and additional controls is an acceptable substitute for Air District evaluations; gratitude for public participation; clarification that the continuous improvement process, when finalized, will include Air District evaluation and how that will likely work; the meaning of “strive to achieve” on slide 15, *Proposed Approach*, and how that will transpire in light of the applicable Health and Safety Code (HSC) and the rule-making process; and the likely impact of 20% reductions on the numbers provided on slide 13, *Opportunities for Emission Reductions*.

Public Comments:

Guy Bjerke, WSPA, addressed the Board to suggest the current proposal prejudices and subverts the clean air plan prepared by staff, that the Board should let the traditional rule-making process occur instead and that SO<sub>x</sub> was not addressed by staff in the past because there are no federal standards.

Kathy Wheeler, Shell, addressed the Board to opine that “grandfathered sources” is a misunderstood term relative to Bay Area refineries and that none of the Shell operations fall under the definition provided in today’s staff presentation; that thirty Air District rules apply to each and all of the Bay Area refineries, which taken together represent the most stringent standards in the nation and cover all of the sources; and that every source is regulated and will be further regulated by the refinery emissions tracking rule.

David Farabee, Pillsbury Winthrop Shaw Pittman on behalf of WSPA, addressed the Board to suggest that the key criterion for evaluation of strategies is compatibility with HSC and to provide a reminder of the legal requirements for Board actions.

Matthew Buell, Tesoro, addressed the Board regarding the significant improvements made through past rule-making; the Proposed Regulatory Agenda for 2015 shows further reductions are forthcoming; and to support the WSPA strategy based on its compatibility with HSC.

Bill Quinn, California Council for Environmental and Economic Balance (CCEEB), addressed the Board in support of the WSPA strategy based on its compatibility with HSC and regulatory transparency.

Don Cuffel, Valero, addressed the Board regarding his and his employer’s commitment to air quality and their support for a fact-based discussion and suggested the statements by CBE do not align with air quality information provided by the U.S. Environmental Protection Agency.

Greg Karras, CBE, addressed the Board to suggest the statements alluded to be Mr. Cuffel are drawn from Air District material; in support of and to compliment the staff proposal along with a request for direction to staff to adopt the rule in 2015; to request a strengthening of the study language; to suggest that additional GHG reductions will actually help, not conflict with, the cap-and-trade market; and to suggest that further reductions are possible.

Ms. Bailey addressed the Board to echo the comments by Mr. Karras and to suggest that while public health has improved, more work remains and that refinery emissions have a disproportionate impact for fence-line communities and federal ambient air quality standards do not speak accurately to this impact.

Mr. Soto addressed the Board to suggest that refinery self-evaluation is not a good policy given their track record and that federal ambient air quality standards are an inadequate final standard.

Nancy Rieser, Crockett-Rodeo United to Defend the Environment, addressed the Board to opine that jubilant WSPA representatives in the audience prior to the meeting being called to order implies a public loss and in support of imposing emission limits today that include GHGs.

Jed Holtzman, 350 Bay Area, addressed the Board in support of the staff proposal with reservations about the exclusion of GHGs; to note Air District literature suggests options for the public to minimize air quality impacts without equal demands on industry; to suggest that more is needed from Air District regulations than tracking, reviewing and reporting; and to request that GHGs are not ignored.

Ethan Buckner, Forest Ethics, addressed the Board to thank Director Kalra for his service; to suggest the public is disappointed with the staff proposal to leave railcars in the hands of the federal government; and to request the revocation of the Kinder Morgan permit.

Jeff Kilbreth, Richmond Planning Commission, addressed the Board regarding his lack of understanding about why the staff presentation being focused on only three of the hundreds of actual criteria air pollutants; to suggest there is no reason to believe that GHG reductions beyond 20% are not easily attainable; in support of increased transparency about the BACT for each emission; to opine that the health risk data and factors are completely unacceptable in the model; and to suggest there is a need to both determine where emissions tracking is adequate or inadequate and know the lead time for refinery updates.

Eduardo Martinez addressed the Board to suggest the WSPA proposal is obviously concerned with profitability, not health impacts, and there is a need to be concerned about global, not just local health.

Mr. McCoard addressed the Board to request retrofitting of the BACT for fluid catalytic crackers as soon as possible as there is no excuse for their continued toxic emissions; in support of 20% reductions by 2020; and to suggest the staff proposal is timid relative to GHGs and deserves another hard look at what can be achieved.

Mr. Lai addressed the Board to thank the staff and Board and to request the inclusion of GHGs.

Ms. Walcek addressed the Board to thank the staff and Board; to suggest that more can be done; to report that the impacts of air quality can be seen firsthand by nurses; and to opine that the cost-benefit analysis for the public is relative to the cost of their own health, not a profit.

Nick Despota, Sunflower Alliance, addressed the Board in gratitude and to question the statement by staff that a GHG proposal now may negatively impact the implementation of the State cap-and-trade program.

Colin Murphy addressed the Board to echo the statements by representatives of CBE and NRDC; and to suggest that international leaders are failing to combat climate change and the public depends on regional leaders to bring about the necessary change and that a social justice component is present in this debate.

Kristin Connelly, East Bay Leadership Council, addressed the Board in appreciation of the complexity of the issues and to urge all involved to work towards the promotion of economic vitality in balance with quality of life.

Heather MacLeod addressed the Board regarding her education on the topic being in preparation for educating her elementary school students; to report their concerns as relative to GHG-related impacts; and to suggest that many options exist to get away from fossil fuels now.

Jan Cecil, 350 / Sunflower Alliance, addressed the Board to suggest the State cap-and-trade program may worsen the air quality situation in the Bay Area and to ask whether the billion-dollar oil companies are the ones who get to determine what is cost effective.

Board Comments (continued):

The Board and staff discussed the great work that has been done and remains outstanding; that all of the measures discussed will create jobs, not eliminate them; to clarify that GHGs are an important concern, which the California Air Resources Board (ARB) indicates the state is on track to achieve the 20% target reductions by 2020, but that toxic air contaminants are the focus of this process because of their impacts for neighboring communities; encouraging industry representatives to cease obstructing GHG progress at the state level in light of comments made locally that GHGs are being dealt with at the state level; clarification of the timing of the staff proposed approach; and that the emissions tracking rule is in process for Board consideration in the spring of 2015 which will address many of the concerns raised today.

Board Action:

Director Gioia made a motion, seconded by Director Ross, to approve the staff proposed strategy.

Board Comments (continued):

The Board and staff discussed the context for a 20% reduction and the meaning of “strive to achieve” in slide 15, *Proposed Approach*, as it applies to various categories; the need for latitude in measures that acknowledges the challenges of achieving goals and a history of being sued by parties over measures they supported in public meetings; the inclusion of socio-economic impact reports in staff analyses; the history of reductions through the traditional rule-making approach and concern about deviating and remaining effective; the commendable targets despite industry dissatisfaction; encouragement of third-party independent review of HRAs; whether the proposed periodic technology reviews will be a public process and the possible complications that could arise under “business confidential” claims; what the Air District would do if there was a decision to regulate GHGs immediately and staff’s recommendation relative to the timing of GHG proposals; whether the Air District will be monitoring the rolling out of the State cap-and-trade program; whether staff can provide a number of potential opportunities and proposals in the interim; the commendable staff approach; whether and how Air District work relative to climate protection compliments the strategy being discussed; and whether Richard Corey, Executive Officer, ARB, might be able to present to the Board on the State cap-and-trade program and concerns relative to aligning it with other regulations and programs.

Board Action (continued):

The motion carried by the following vote of the Board:

AYES: Avalos, Barrett, Bates, Gioia, Groom, Haggerty, Hudson, Kalra, Kniss, Miley, Pepper, Ross, Spering, Wagenknecht and Zane.  
NOES: None.  
ABSTAIN: None.

ABSENT: Adams, Chavez, Fujioka, Kim, Klatt, Mar and Piepho.

Chair Miley clarified that the just carried motion was to direct staff to develop the staff proposed strategy, to which there was no objection.

**12. Resolution Regarding Safety of Transporting Crude Oil by Rail**

The Board postponed this item to a future meeting date.

**13. PUBLIC COMMENT ON NON-AGENDA MATTERS:** No requests received.

**14. BOARD MEMBERS' COMMENTS:**

Director Kalra thanked the Board, staff and community for their service and encouraged continued boldness from the Air District.

Director Barrett reported that the City of Petaluma joined Sonoma Clean Power and encouraged more to do the same.

**OTHER BUSINESS**

**15. Report of the Executive Officer/APCO:**

Mr. Broadbent gave the staff presentation *Winter PM<sub>2.5</sub> [Fine Particulate Matter] Seasons*.

**16. Chairperson's Report:**

Chairperson Miley announced the cancellation of the Board meeting on January 7, 2015; that departing Directors Adams, Kalra and Klatt will be recognized at the annual Board retreat; the appointment of City of Cupertino Vice Mayor Rod Sinks to succeed Director Kalra on the Board; Sonoma County may get another seat on the Board; and the staff annual retreat is on December 18, 2014.

**17. Time and Place of Next Meeting:**

Wednesday, January 21, 2015, City of South San Francisco Municipal Services Building at 33 Arroyo Drive, South San Francisco, California 94080 at 9:45 a.m.

**18. Adjournment:** The Board meeting adjourned at 12:46 p.m.

Sean Gallagher  
Clerk of the Boards

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Carole Groom and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: January 9, 2015

Re: Board Communications Received from December 17, 2014, through January 20, 2015

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Copies of communications directed to the Board of Directors received by the Air District from December 17, 2014, through January 20, 2015, if any, will be at each Board Member's place at the January 20, 2015, Board meeting.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Vanessa Johnson  
Reviewed by: Maricela Martinez

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Carole Groom and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: January 5, 2015

Re: Air District Personnel on Out-of-State Business Travel

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

In accordance with Section 5.4 (b) of the District's Administrative Code, Fiscal Policies and Procedures Section, the Board is hereby notified of District personnel who have traveled on out-of-state business.

The report covers the out-of-state business travel for the month of December 2014. The monthly out-of-state business travel report is presented in the month following travel completion.

DISCUSSION

No out-of-state business travel activities occurred in the month of December 2014.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Stephanie Osaze  
Reviewed by: Jeff McKay

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Carole Groom and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: January 12, 2015

Re: Notices of Violations Issued and Settlements in Excess of \$10,000 December 2014

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

In accordance with Resolution No. 2012-08, attached to this Memorandum is a listing of all Notices of Violations issued, and all settlements for amounts in excess of \$10,000 during the calendar month prior to this report.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The amounts of civil penalties collected are included in the Air District's general fund budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Brian C. Bungler

Attachments

**NOTICES OF VIOLATIONS ISSUED**

The following Notice(s) of Violations were issued in December 2014:

<b>Alameda</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
A B & I Foundry	A0062	Oakland	A52531A	12/19/14	2-6-307	NTC# A41594 not reported (Title V Cond I, sub section F)
A B & I Foundry	A0062	Oakland	A52532A	12/22/14	2-6-307	RCA# 06P47 (Dev# 3914); below operating temp (PC# 9351-1)
Allegro Coffee Company	E2173	Berkeley	A53280A	12/8/14	2-1-307	No continuous temp recording device at afterburner
Robert/Janet Garcia	W9684	Oakland	A53574A	12/9/14	6-3-301	Wood smoke violation
Stanley/Jacqueline Gentle	W9685	Oakland	A53575A	12/9/14	6-3-301	Wood smoke violation

<b>Contra Costa</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
Cencom	B9185	Martinez	A53980A	12/15/14	2-1-301	Replaced engine with no A/C
Chevron Products Company	A0010	Richmond	A53859A	12/9/14	2-6-307	Dev# 3828, 40CFR60 subpart J (60.104(2)(1))
Chevron Products Company	A0010	Richmond	A53859B	12/9/14	10	Dev# 3828, 40CFR60 subpart J (60.104(2)(1))
Chevron Products Company	A0010	Richmond	A53860A	12/9/14	2-6-307	Dev# 3885, 40CFR60 subpart J (60.104(a)(1))

AGENDA: 7

Chevron Products Company	A0010	Richmond	A53860B	12/9/14	10	Dev# 3885, 40CFR60 subpart J (60.104(a)(1))
Deborah Maples	W9608	Antioch	A53567A	12/2/14	6-3-301	Wood smoke violation
Michael/Evelyn Cole	W9605	Pittsburg	A53566A	12/2/14	6-3-301	Wood smoke violation
Recipient	W9686	Concord	A53576A	12/9/14	6-3-301	Wood smoke violation
Recipient	X0022	Bethel Island	A53578A	12/31/14	6-3-301	Wood smoke violation
Recipient	X0023	Bethel Island	A53579A	12/31/14	6-3-301	Wood smoke violation
Robert Turcotte	W9662	Brentwood	A54059A	12/2/14	5-301	Unauthorized burn
Scott Herrick	W9794	Lafayette	A53979A	12/16/14	5-301.1	Burning illegal materials (not allowable fire)
SFPP, L P	A4022	Concord	A53884A	12/10/14	8-5-321.1	BD 06R46 EFRT failed 2ndry & primary seals
SFPP, L P	A4022	Concord	A53884B	12/10/14	8-5-322.5	BD 06R46 EFRT failed 2ndry & primary seals
SFPP, L P	A4022	Concord	A53885A	12/10/14	8-5-322.5	BD 06R60, Failed 2ndry wiper tip
Tesoro Refining & Marketing Company LLC	B2758	Martinez	A53094A	12/4/14	12-12-406	Did not submit July Flare Causal w/in 60 days
Tesoro Refining & Marketing Company LLC	B2758	Martinez	A53258A	12/1/14	2-6-307	F-55/56 NOx > 40 ppm/8 hr avg
Tesoro Refining & Marketing Company LLC	B2758	Martinez	A53259A	12/4/14	9-2-301	H2S > 60 ppb/3 min

AGENDA: 7

Tesoro Refining & Marketing Company LLC	B2758	Martinez	A53260A	12/4/14	9-2-301	H2S > 60 ppb/3 min; H2S > 30 ppb/60 min
Tesoro Refining & Marketing Company LLC	B2758	Martinez	A53261A	12/17/14	2-6-307	F-78 NOx > 7 ppm/3 hr avg. RCA #06R88
Tesoro Refining & Marketing Company LLC	B2758	Martinez	A53262A	12/17/14	9-2-301	Waterfront GLM, H2S > 60 ppb/3 min; H2S > 30 ppb/60 min

<b>Marin</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
Recipient	W9978	Woodacre	A53577A	12/29/14	6-3-302	Wood smoke violation

<b>San Mateo</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
Erick Ng	W9617	San Bruno	A53570A	12/2/14	6-3-301	Wood smoke violation
Norman/Jeri Regnart	W9623	Pacifica	A53572A	12/2/14	6-3-301	Wood smoke violation
Palo Alto Regional Water Quality Control Plant	A0617	Palo Alto	A53662A	12/10/14	8-34-503	No instrument inspections on landfill gas components
Patricia Manss	W9610	San Bruno	A53569A	12/2/14	6-3-301	Wood smoke violation
Recipient	W9683	Half Moon Bay	A53568A	12/2/14	6-3-301	Wood smoke violation
Recipient	W3498	Montara	A53573A	12/5/14	6-3-301	Wood smoke violation

AGENDA: 7

San Mateo County Youth Services Center	B6930	San Mateo	A53958A	12/4/14	2-1-307	No source tests and records available
Sequoia Hospital / Dignity Health	A2440	Redwood City	A53667A	12/8/14	9-7-403	No demonstration of compliance
Sequoia Hospital / Dignity Health	A2440	Redwood City	A53668A	12/8/14	9-7-403	No demonstration of compliance
Vera/John Slack	X0024	Pacifica	A53580A	12/31/14	6-3-301	Wood smoke violation

<b>Santa Clara</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
Shoreline Amphitheatre	A2561	Mountain View	A53663A	12/10/14	2-6-307	Gas not vented to flare. PC 876-4
Shoreline Amphitheatre	A2561	Mountain View	A53664A	12/10/14	CCR	CCR17 SS 95464(b)(3)(A)(1) No gas control device, no source test
Shoreline Amphitheatre	A2561	Mountain View	A53664B	12/10/14	CCR	CCR17 SS 95464(b)(4) No gas control device, no source test

<b>Solano</b>						
<b>Site Name</b>	<b>Site #</b>	<b>City</b>	<b>NOV #</b>	<b>Issuance Date</b>	<b>Regulation</b>	<b>Comments</b>
Bay Area Coffee Inc	B7062	Benicia	A53817A	12/23/14	6-1-301	Excessive visible emission > Ringelmann #1 / 8-minutes
Bay Area Coffee Inc	B7062	Benicia	A53817B	12/23/14	2-1-307	Excessive visible emission > Ringelmann #1 / 8-minutes
Recipient	X0026	Vallejo	A53581A	12/31/14	6-3-301	Wood smoke violation

Tammy Wong/Christopher James	W9619	American Canyon	A53571A	12/2/14	6-3-301	Wood smoke violation
Valero Refining Company - California	B2626	Benicia	A53819A	12/8/14	2-6-307	Excess ID-06P33; CO >100 ppm/day & >4402 lbs/day
Valero Refining Company - California	B2626	Benicia	A53820A	12/8/14	2-6-307	Excess ID-06P72; CO >100 ppm/day
Valero Refining Company - California	B2626	Benicia	A53821A	12/16/14	6-1-302	Excess ID-06P22/06P23; Opacity >20% & >30% / 12-minutes
Valero Refining Company - California	B2626	Benicia	A53821B	12/16/14	10	Excess ID-06P22/06P23; Opacity >20% & >30% / 12-minutes
Valero Refining Company - California	B2626	Benicia	A53822A	12/16/14	2-6-307	Benzene >5 ppm & Changeout >24-hours
Valero Refining Company - California	B2626	Benicia	A53823A	12/16/14	2-6-307	Excess ID-06Q25/06Q35; CO >28 ppm/ 8-hr. average
Valero Refining Company - California	B2626	Benicia	A53824A	12/17/14	2-6-307	Excess ID-06Q24/06Q34; CO >100 ppm/day & 4402 lbs/day
Valero Refining Company - California	B2626	Benicia	A53825A	12/17/14	2-6-307	Excess ID-06Q22/06Q23; CO >50 ppm & 2.04 lbs/hr. (8-hr avg)
Valero Refining Company - California	B2626	Benicia	A53826A	12/18/14	2-6-307	Excess ID-06Q21; NOx >9 ppm/3-hr. average

**SETTLEMENTS FOR \$10,000 OR MORE REACHED**

There were no settlement(s) for \$10,000 or more completed in December 2014.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Memorandum

To: Chairperson Carole Groom and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: January 7, 2015

Re: Adoption of Amendments to the Air District's Administrative Code, Division I:  
Operating Policies and Procedures, Section 7 Advisory Council

**RECOMMENDED ACTION**

Adoption of amendments to the Air District's Administrative Code, Division I: Operating Policies and Procedures, Section 7 Advisory Council.

**BACKGROUND**

The Air District's Administrative Code contains a Section describing Advisory Council activities. Existing law establishes the Bay Area Air Quality Management Advisory Council, which consists of the chair of the district board and 20 members appointed by the district board, as specified, for the purposes of advising and consulting with the district board and air pollution control officer in the implementation of their authority to regulate air emissions.

However, SB1415, beginning July 1, 2015, abolishes the membership of the council, reconstitutes the membership of the council to include 7 appointed members, and requires the members to be skilled and experienced in the fields of air pollution, climate change, or the health impacts of air pollution and to include a diversity of perspectives, expertise, and backgrounds.

For this reason, staff is recommending that the Board of Directors approve amendments to the Administrative Code.

**DISCUSSION**

In accordance with Administrative Code Section 14.1, Amendments Mechanism, notice of these proposed amendments was given at the previous meeting of the Board of Directors.

The proposed amendments to the Administrative Code are attached.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Jeff McKay

Attachment A: Air District's Administrative Code, Division I: Operating Policies and  
Procedures, Section 7 Advisory Council

## ATTACHMENT A

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### SECTION 7 ADVISORY COUNCIL

#### 7.1 ACTIVITIES OF COUNCIL. (Revised ~~1/7/09~~12/17/14)

~~(a) The Advisory Council shall meet as a full Council a total of up to ten four (104) times each year, for the following purposes: In or around January of each year the Advisory Council shall meet in a retreat format to consult with the Executive Officer/APCO to consider topics for no more than four (4) meetings in a symposium format at which presentations and discussion on specific topics shall take place. The topics for these meetings may include, but are not necessarily limited to, the following topics: (1) current developments in health information related to air quality; (2) current developments in technologies and techniques for control of air emissions from stationary sources; (3) current developments in technologies and techniques for control of air emissions from mobile sources; and (4) current developments related to air quality in land use planning and transportation planning. Each of these meetings shall be followed by one meeting at which the presentations made and materials received at the topical meeting are discussed and a report for the Board's consideration on the specific topic is agreed upon.~~

~~(b) For any single additional meeting, if at least two thirds (2/3) of the seated members of the Advisory Council determine by a vote taken in a regular meeting of the Advisory Council, or if at least two thirds (2/3) of the seated members of the Board of Directors determine by a vote taken during a regular meeting of the Board of Directors, that such additional meeting is necessary, the Advisory Council may meet at such additional times and occasions as the Advisory Council, itself, or the Board of Directors shall determine is necessary.~~

~~(c) The Advisory Council shall make recommendations and reports to the Board of Directors on the matters considered at its meetings as the Council determines to be advisable and in such manner and form as the Council determines advisable. The Advisory Council shall consider and report to the Board on specific matters which may be referred to the Council by the Board of Directors or by the Executive Committee of the Board of Directors through the Air Pollution Control Officer. The members of the Advisory Council are selected because of their eminence in their professions and fields of endeavor and as representatives of interest groups in the community. The Advisory Council shall consider for the Board of Directors matters which come before the Council to arrive at the best advice upon which the Council may agree, which advice may include the technical, social, economic, environmental and fiscal aspects of such issues.~~

~~(d) No more than four (4) Advisory Council members shall attend meetings other than meetings of the Advisory Council and meetings of the Board of Directors or Board of Directors' Committees at the District's expense.~~

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#### 7.2 TERM OF OFFICE.

The terms of office for members of the Advisory Council are fixed by Health and Safety Code Section 40263.

#### 7.3 LIMITS ON TERM OF OFFICE.

Effective with appointments for terms on the Advisory Council commencing on January 1, 1992, and thereafter, it is the policy of the Board of Directors that members with twelve (12) consecutive years of membership on the Council not be re-appointed to the Council, except that such members who were serving on the Council on the date of adoption of this policy may be appointed to one additional term. A member not re-appointed because of having

served twelve (12) consecutive years on the Council shall again be eligible for appointment after an absence of two years from the Council.

**7.4 EXPENSE REIMBURSEMENT. (Revised ~~1/14/09~~12/17/14)**

Members of the Advisory Council shall be reimbursed for actual and necessary expenses incurred by them in attending meetings of the Advisory Council and meetings and public hearings conducted by the Board of Directors. ~~Transportation~~Mileage, tolls, parking fees, meals, ~~lodging~~ and other incidental expenses will be allowed at the same rate as is allowed to Members of the Board of Directors provided that receipts are presented pursuant to Section II-5.6.

**7.5 OTHER EXPENSES. (Revised 1/14/09)**

Other expenses may be allowed after prior specific approval by a majority of the Board of Directors.

**7.6 CLERK CERTIFICATION OF ATTENDANCE AND EXPENSES.**

The Clerk of the Boards shall certify to the Director of Administrative Services the attendance and the expense reports of members of the Advisory Council.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Carole Groom and Members  
Of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: January 12, 2015

Re: Consider Authorizing the Executive Officer/APCO to execute a contract in an amount not to exceed \$100,000 for the development of an expanded 60<sup>th</sup> Anniversary Annual Report

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RECOMMENDED ACTION

Recommend the Board of Directors authorize the Executive Officer/APCO to execute a contract with Curran & Connors in an amount not to exceed \$100,000 for the purpose of developing an expanded 60<sup>th</sup> Anniversary Annual Report including a historical review of air pollution progress through the years and a website component of same.

BACKGROUND

During the 50<sup>th</sup> anniversary year of the Air District, an expanded annual report was produced that reviewed the accomplishments during that year as well as a timeline of Air District accomplishments over the 50 year history. This expanded annual report was mailed out to all the represented cities and counties as well as made available through various Air District sponsored events.

DISCUSSION

This year, 2015, marks the 60 year anniversary of the Bay Area Air Quality Management District. Air District staff, along with Curran & Connors, will develop an annual report that provides a summary of the significant milestones and achievements made by the Air District during its 60 years. The expanded annual report will include historic photographs and the story of the significant air quality improvement actions through the years. This historical review of air pollution progress will also be presented in an accompanying website component.

Curran & Connors has produced the Air District annual report for the past two years. They deliver both creative solutions and dedicated project management to develop a useful and visually appealing report. Air District staff recommends Curran & Connors to be the sole source contractor for this project.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding for this contract is included in the 2014/2015 budget, and will be funded from the Communications budget. This amount is a slight increase over the past annual report cost to allow for some unique features and photos to mark this anniversary year.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Lisa Fasano  
Reviewed by: Jean Roggenkamp

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Carole Groom and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: January 12, 2015

Re: Update on the My Air Online Program

RECOMMENDED ACTION

Recommend Board of Directors:

- 1) Authorize the Executive Officer/APCO to execute contract amendments with the following vendors in the amounts listed below:

<b>Vendor</b>	<b>Amount</b>	<b>Service Description</b>
C&G Technology Services	\$78,000	Software testing services for the permitting and compliance systems software.
Farallon Geographics	\$44,200	Geospatial software development and data management.
IT Dependz, Inc.	\$259,927	Software development, automated testing and quality assurance services related to the implementation of Production System and registration software.
Sushimedia, LLC.	\$41,600	User experience design.
Trinity Technology Group	\$302,500	Data clean-up and transfer services from legacy permitting and compliance systems to the new permitting and compliance systems. Software development, database and business rules logic implementation permitting and enforcement processes.
Vertigo Software, Inc.	\$600,000	Software development, automated testing and quality assurance services related to the implementation of Production System and registration software.
<b>TOTAL</b>	<b>\$1,326,227</b>	

## BACKGROUND

At the Board of Directors meeting of November 17, 2014, the Executive Officer/APCO presented an update on the My Air Online program. This included a discussion on the integration of the production system project, website redesign, and geospatial data visualization platform to present a unified face to the public.

Air District staff is recommending semi-annual contract amendments for vendors assisting with the development of the permitting and compliance systems of the My Air Online Program in order to meet the fiscal year 2015 goals.

Air District staff will present the current status of the My Air Online program.

## DISCUSSION

### My Air Online Program

The My Air Online Program is composed of the design and implementation of the following information systems:

- A new public website
- A map-based visualization platform for the public to view air quality related data
- The Permitting & Compliance System (Production System), including integration into the new public website

In December 2014, Air District staff deployed updates to the Permitting & Compliance System to allow small businesses (auto body coating shops, gas stations and dry cleaners) to complete permit applications and renewals over the Internet. In addition, Air District staff deployed a new wizard for collecting air quality complaints online. These deployments were in line with the 2014 calendar year goals for the My Air Online Program.

In the first half of the 2015 calendar year, the My Air Online Program aims to complete the following:

- Deployment of the redesigned public website ([www.baaqmd.gov](http://www.baaqmd.gov))
- Deployment of maps on the new public website to allow the public to visualize air quality related information
- Deployment of additional features to the Permitting & Compliance system to allow additional types of small businesses to complete permit applications and renewals over the Internet, including integration into the redesigned public website ([www.baaqmd.gov](http://www.baaqmd.gov))

In order to continue progress on the Permitting & Compliance System portion of the My Air Online program, Air District staff is recommending the continued use of proven vendors familiar with Air District systems for the second half of Fiscal Year End (FYE) 2015. The Air District has used these firms to assist with the design, development and testing of the permitting and

compliance software systems, and they have performed well.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding for the vendor contract recommendations is included in the proposed FYE 2015 budget and will be funded from the My Air Online Program (#125).

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Jaime A. Williams  
Reviewed by: Damian Breen

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Carole Groom and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/Air Pollution Control Officer

Date: January 14, 2015

Re: Report of the Mobile Source Committee Meeting of December 18, 2014

RECOMMENDED ACTION

The Mobile Source Committee (Committee) members present recommended Board of Directors' approval of the following items:

- A) Acceptance of Funds from the National Fish and Wildlife Foundation (NFWF) for a Commercial Lawn and Garden Equipment Replacement Program:
  - 1) Accept \$470,000 in funds from the NFWF to implement a commercial lawn and garden equipment replacement program in Alameda and Contra Costa counties; and
  - 2) Authorize the Executive Officer/APCO to enter into all necessary agreements to implement the program and expend the \$470,000 in funds from the NFWF for a commercial lawn and garden equipment replacement program.
- B) Consideration of Amendments to the Fiscal Year Ending (FYE) 2015 Transportation Fund for Clean Air (TFCA) Regional Fund Policies:
  - 1) Approve changes to the FYE 2015 TFCA Regional Fund Policies to include light-duty zero and partial zero emissions vehicles for fleets, heavy-duty zero emissions vehicles, and alternative fuel infrastructure (hydrogen and CNG) projects as eligible project types; and
  - 2) Authorize the Executive Officer/APCO to enter into contracts for eligible projects.
- C) None; receive and file.

## BACKGROUND

The Committee met on Thursday, December 18, 2014, and received the following reports and recommendations:

- A) Acceptance of Funds from the NFWF for a Commercial Lawn and Garden Equipment Replacement Program;
- B) Consideration of Amendments to the FYE 2015 TFCA Regional Fund Policies; and
- C) TFCA Cost-Effectiveness Report.

Chairperson Scott Haggerty will provide an oral report of the Committee meeting.

## BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) None. The Air District administrative funding for this project will come from the NFWF award.
- B) None. The Air District distributes program monies as “pass-through” funds on a reimbursement basis. Administrative costs for project staffing are provided by the Air District’s TFCA.
- C) None. The Air District distributes program monies as “pass-through” funds on a reimbursement basis. Administrative costs for project staffing are provided by the Air District’s TFCA.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Sean Gallagher  
Reviewed by: Maricela Martinez

Attachment A: 12/18/14 – Mobile Source Committee Meeting Agenda #4  
Attachment B: 12/18/14 – Mobile Source Committee Meeting Agenda #5  
Attachment C: 12/18/14 – Mobile Source Committee Meeting Agenda #6

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

## Memorandum

To: Chairperson Scott Haggerty and Members  
of the Mobile Source Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: November 26, 2014

Re: Acceptance of Funds from the National Fish and Wildlife Foundation (NFWF)  
for a Commercial Lawn and Garden Equipment Replacement Program

**RECOMMENDATIONS**

Recommend Board of Directors:

1. Accept \$470,000, in funds from the NFWF to implement a commercial lawn and garden equipment replacement program in Alameda and Contra Costa Counties.
2. Authorize the Executive Officer/APCO to enter into all necessary agreements to implement the program and expend the \$470,000, in funds from the NFWF for a commercial lawn and garden equipment replacement program.

**BACKGROUND**

Funding for a commercial lawn and garden equipment replacement program was made available as a result of a plea bargain by Shoreline Terminals LLC with the U.S. Attorney's Office for the Northern District of California. The plea bargain sentencing, which occurred in 2009, was for a Title V violation by Shoreline LLC for its Selby Terminal in Contra Costa County resulting from a truck loading rack vapor recovery unit that was not operating properly. The plea bargain set aside funding for the NFWF to administer a project "for the improvement of air quality in the Bay Area, and in particular, Contra Costa and Alameda counties." Representatives from the Contra Costa and Alameda County Health Departments approached the Air District and requested a draft proposal for the implementation of a commercial lawn and garden equipment replacement program. The Air District submitted a proposal to the NFWF on October 23, 2014, to implement a commercial lawn and garden equipment replacement program and was awarded a grant of \$470,000.

Lawn and garden equipment replacement programs provide a streamlined approach to reducing emissions by replacing existing gasoline lawn and garden equipment with cordless, zero/low-emission equipment. There are approximately one million pieces of lawn and garden equipment in Alameda and Contra Costa Counties which daily produce 2.1 tons of reactive organic gases (ROG), 0.7 tons of oxides of nitrogen (NO<sub>x</sub>), 0.15 tons of particulate matter (PM), and 116 tons of carbon dioxide (CO<sub>2</sub>). Replacement programs provide real emission benefits by providing commercial lawn and garden equipment owners the incentivized option of purchasing zero/low-

emission equipment instead of higher polluting gasoline equipment. Zero/low-emission lawn and garden equipment are not required by regulation, so all emissions reduced by equipment “change outs” are surplus.

## DISCUSSION

The project will replace commercial internal combustion lawn and garden equipment with cordless, battery-electric, zero-emission, and low-emission lawn and garden equipment in Alameda and Contra Costa Counties. Among the equipment targeted are lawn mowers, leaf blowers, sweepers, chainsaws, line trimmers, and hedge trimmers. In addition to funding the purchase of equipment, funds will be available for the purchase of two batteries for each piece of electric equipment and one battery charger. The Air District would act as the lead agency with support from staff at the Alameda and Contra Costa County Health Departments. A metal recycling facility will be contracted to recycle the equipment being replaced under this project.

If approved, the project will be launched in February 2015 and be completed by October 2015. The project will first prioritize funding of lawn and garden equipment replacements at school districts, then municipalities, and finally commercial enterprises. Projects will be ranked based on childhood asthma rates in the communities.

Municipal public works departments and commercial enterprises may only submit one application for up to \$10,000 toward the replacement of eligible conventional lawn and garden equipment with zero/low-emission equipment. If residual funds remain at the end of the project in October 2015, the project may be extended for a short term and entities that received prior awards, as well as new applicants, will be allowed to submit applications for equipment until all funds are exhausted.

This priority was established to provide the greatest protection from air emissions at schools, then allow increased access to these funds by other municipal agencies to test and deploy the equipment, and finally to commercial enterprises to expand the use of this lower emission technology in the commercial realm. The project is expected to replace about 450 pieces of equipment and reduce emissions of ROG by 0.21 tons/year, NO<sub>x</sub> by 0.64 tons/year, PM by 0.13 tons/year, and CO<sub>2</sub> by 103 tons/year.

Of the \$470,000, available from the NFWF, the Air District will use 10% of the funds for administering the project, or \$47,000. The remaining \$423,000, will be used to purchase equipment. The funds for purchasing equipment will be divided equally for distribution between the Alameda and Contra Costa Counties, with \$211,500 going to each county.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. The Air District administrative funding for this project will come from the NFWF award.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Joseph Steinberger  
Reviewed by: Anthony Fournier

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Scott Haggerty and Members  
of the Mobile Source Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: December 8, 2014

Re: Consideration of Amendments to the Fiscal Year Ending (FYE) 2015 Transportation  
Fund for Clean Air (TFCA) Regional Fund Policies

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RECOMMENDATIONS

Recommend the Board of Directors:

1. Approve changes to the FYE 2015 Transportation Fund for Clean Air (TFCA) Regional Fund Policies to include light-duty zero and partial zero emissions vehicles for fleets, heavy-duty zero emissions vehicles, and alternative fuel infrastructure (hydrogen and CNG) projects as eligible project types.
2. Authorize the Executive Officer/APCO to enter into contracts for eligible projects.

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 its Transportation Fund for Clean Air (TFCA) Program to fund eligible projects. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code (HSC) Sections 44241 and 44242.

Sixty percent of TFCA funds are awarded by the Air District's Board of Directors to eligible programs and projects implemented directly by the Air District (e.g., the Smoking Vehicle, Enhanced Mobile Source Enforcement, Spare the Air, and Bicycle Facility Programs) and through a grant program known as the Regional Fund. The remaining forty percent of TFCA funds are forwarded to a designated agency within each Bay Area county to be distributed via the County Program Manager Fund.

Each year the Air District Board of Directors is required to adopt policies for the TFCA Programs that maximize emissions reductions and public health benefits. On June 4, 2014, the Board adopted policies for the FYE 2015 TFCA Regional Fund that includes requirements for the following project types: Shuttle/Feeder Bus Service, Regional Ridesharing, Electronic Bicycle Lockers, and On-Road Truck Replacements.

In this report, staff will discuss the proposed update to the FYE 2015 TFCA Regional Fund Policies that seeks to expand the list of eligible project categories to include requirements for light-duty zero and partial zero emissions vehicles for fleets, heavy-duty zero emissions vehicles, and alternative fuel infrastructure (hydrogen and CNG) projects.

## DISCUSSION

### ***Alternative Fuels Program***

On June 5, 2013, the Board approved the allocation of \$2 million in funding for the Alternative Fuels Program to help advance deployment of natural gas and hydrogen infrastructure in the region. Both of these fuels are key to achieving long term regional reductions of criteria pollutants and greenhouse gases from heavy-duty vehicles (via nitrogen oxides and particulate matter emissions reductions, including black carbon, from freight transportation) and from light duty vehicles (in support of ARB's Advanced Clean Cars initiative).

On September 22, 2014, representatives from the Air Resources Board and the CEC made a joint presentation to the Air District's Mobile Source Committee to discuss the status of the deployment of Bay Area hydrogen stations and vehicles including information about the two stations that are currently open and the 14 stations that are planned to be deployed by 2017. Although CEC funding covers ~65%-75% of the hydrogen fueling station costs, given the high cost to deploy stations (\$2.5 - \$3 million) additional funding is necessary to supplement the CEC funds to ensure the Bay Area's stations are completed.

Staff is therefore recommending an update to the FYE 2015 TFCA regional fund policies that introduces Policy #24 that would provide up to \$300,000 for hydrogen station deployment. Given that there are currently very few entities that deploy hydrogen stations, staff is also proposing a modification to Policy #7 to increase the maximum amount of funding (up to \$1,250,000) that could be awarded to non-public entities for applicants applying for alternative fuel infrastructure project funding.

### ***Zero Emissions Vehicles Program***

On June 5, 2013, and on May 21, 2014, the Board approved the allocation of more than \$6 million in funding for deployment of zero emission vehicles. A streamlined grant program that provides rebate funding to public entities for the purchase of light-duty zero emission vehicles opened in March of 2014. That program, which only provides funding to public agencies, was recently expanded to provide rebate funding for the purchase of zero emission motorcycles and medium and heavy-duty vehicles. As part of this report, staff is recommending an update to the FYE 2015 TFCA Regional Fund Policies to add Policy #22 and #23 to provide funding to non-public entities for the purchase of light-duty zero and partial zero emissions vehicles in fleets and heavy-duty zero emissions vehicles.

The proposed updated policies are based on input received over this last year from the Air District Board of Directors (Board), members of the public, and industry leaders. On October 16, 2014, Air District staff issued a request for public comments on the proposed update to the FYE 2015 TFCA Regional Fund Policies and hosted a stakeholder workshop in San Francisco on October 29, 2014, to discuss the proposed policy updates. The workshop was also accessible via

an online webinar. During the workshop, Air District staff fielded several questions about the TFCA policies and the structure of award amounts. A copy of those questions and the Air District's responses are included in Attachment C. No other questions or comments were submitted by a November 10, 2014, deadline for additional input.

Attachment A contains the proposed update to FYE 2015 Policies and Attachment B shows the changes (redlined version) between the proposed Policies and the previously approved June 4, 2014, Board Adopted Policies.

Also, in accordance with the authorization granted to the Executive Officer/APCO on May 21, 2014, projects with individual grant awards up to \$100,000 will be executed by the Executive Officer/ APCO, and reported to the Mobile Source Committee (MSC) on at least a quarterly basis. Eligible projects with individual grant awards over \$100,000 will also be brought to the MSC for consideration at least quarterly.

#### BUDGET CONSIDERATION/FINANCIAL IMPACT

None. The Air District distributes program monies as "pass-through" funds on a reimbursement basis. Administrative costs for project staffing are provided by the Air District's Transportation Fund for Clean Air.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Michael Neward  
Reviewed by: Karen Schkolnick

Attachments:

- A. Proposed Updates to TFCA Regional Fund Policies for FYE 2015
- B. Proposed Updates to TFCA Regional Fund Policies for FYE 2015 as a redlined version of Board-approved policies
- C. Comments Received on Proposed Updates to TFCA Regional Fund Policies for FYE 2015

## TFCA REGIONAL FUND POLICIES AND EVALUATION CRITERIA FOR FYE 2015

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 2015.

Projects must achieve surplus emission reductions, i.e., reductions that are beyond what is required through regulations, contracts, and other legally binding obligations both a) at the time the Air District Board of Directors approves a funding allocation and b) at the time the Air District executes the project’s funding agreement.

Under certain circumstances following approval of the project by the Board of Directors, the Air District may approve modifications of the approved project or of the terms of the grant agreement. The Air District will evaluate whether the proposed modification will reduce the amount of emissions the originally-approved project was designed to achieve, will negatively affect the cost-effectiveness of the project, or will otherwise render the project ineligible (“major modification”). The Air District may approve the proposed major modification if the Air District determines that the project, as modified, will continue to achieve surplus emission reductions, based on the regulations, contracts, and other legally-binding obligations in effect at the time of the proposed modification. The Air District may approve minor modifications, such as to correct mistakes in the grant agreement or to change the grantee, without a re-evaluation of the proposed modification in light of the regulations, contracts, and other legally-binding obligations in effect at the time of the proposed minor modification.

2. **TFCA Cost-Effectiveness:** Unless otherwise noted below, projects must not exceed a cost-effectiveness (C-E) of \$90,000 per ton. Cost-effectiveness is based on the ratio of TFCA-generated funds awarded divided by the sum total tons of reactive organic gases (ROG), oxides of nitrogen (NO<sub>x</sub>), and weighted particulate matter 10 microns in diameter and smaller (PM<sub>10</sub>) 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 Category	Policy #	C-E Level Maximum (\$/weighted ton)
On-Road Truck Replacement	21	\$90,000
Light-Duty Zero and Partial-Zero Emissions Vehicles for Fleets	22	\$250,000
Heavy-Duty Zero Emissions Vehicles	23	\$250,000
Alternative Fuel Infrastructure (Hydrogen and CNG)	24	\$500,000
Reserved	25	Reserved
Reserved	26	Reserved
Shuttle/Feeder Bus Service—Existing	27	\$175,000
Shuttle/Feeder Bus Service—Pilot	28	Year 1 - \$200,000 Year 2 - \$175,000
Shuttle/Feeder Bus Service—Pilot in CARE areas or Priority Development Areas (PDAs)	28	Year 1 - \$500,000 Year 2 - \$200,000 Year 3 - \$175,000
Regional Ridesharing	29	\$90,000
Electronic Bicycle Lockers	30	\$90,000
Reserved	31	Reserved

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 specified, 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 (Policies #11 and #12).
  - 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 44241b(7).
  - b. **Authority to Apply:** Applications must include either: 1) a signed letter of commitment from the applicant's representative with authority to enter into a funding agreement and to carry out the project (e.g., Chief Executive or Financial Officer, Executive Director, or City Manager), or 2) a signed resolution from the governing body (e.g., City Council, Board of Supervisors, or Board of Directors) authorizing the submittal of the application and authorizing the project to be carried out.
5. **Viable Project and Matching Funds:** Unless provided for otherwise in the policies and priorities for the specific project category (which are listed below), project applicants must include in the application evidence of available matching funds from a non-Air District source that equal or exceed at least 10% of the total eligible project costs.

The project must be financially viable, which means that the project sponsor has adequate funds to cover all stages of the project from its commencement through project completion. Applications must include evidence of financial resources sufficient to undertake and complete the 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, except for project sponsors who propose projects in category 24. Alternative Fuel Infrastructure Deployment, which may be awarded up to \$1,250,000.
8. **Readiness:** Projects must commence by the end of calendar year 2015. "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; commencement of shuttle/feeder bus and ridesharing service; 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 TFCA Regional Funds 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 (2) years of funding. Projects that request more than \$100,000 annually in TFCA Regional Funds are eligible for only one (1) year of funding.
10. **Project Revisions:** Project revisions initiated by the project sponsor that 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 within the eligible project category as the original project, meet the same cost-

effectiveness as that of the original project application, comply with all TFCA Regional Fund Policies applicable for the original project, and are in compliance with all federal and State laws applicable to the revised project and District rules and regulations.

#### 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 Funds' 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 Regional Fund; or otherwise failed to comply with the approved project scope as set forth in the project funding agreement. An applicant who failed to reimburse such funds to the Air District from a prior Air District funded project will be excluded from future TFCA funding.

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 Regional Funds. At its discretion, the Air District may authorize an extension of up to a total period of 180 days from the transmittal because of circumstances beyond project sponsor's reasonable control.

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 Regional Funds.
17. **Duplication:** Projects that have previously received TFCA-generated 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:** Unless provided for otherwise in the policies and priorities for the specific project category (which are listed below), administrative costs (i.e., the costs associated with administering a TFCA Regional Fund grant) are limited to a maximum of five percent (5%) of total TFCA Regional Funds expended on a project and are only available to projects sponsored by public agencies. Electronic bicycle locker projects are not eligible for administrative costs. 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. **On-Road Truck Replacement Projects:** Eligible projects will replace Class 6 , Class 7, or Class 8 (19,501 lb. GVWR or greater) diesel-powered trucks with new or used trucks that have an engine certified to the 2010 California Air Resources Board (CARB) emissions standards or cleaner. The existing trucks must be registered with the California Department of Motor Vehicles (DMV) to a Bay Area address, and must be scrapped after replacement.
22. **Light-Duty Zero and Partial-Zero Emissions Vehicles for Fleets:** These projects are intended to accelerate the deployment of high mileage zero and partial zero-emissions light-duty vehicles in medium- and large-sized fleets. The following additional conditions must also be met :
  - a. Each project (fleet deployment) must consist of the purchase or lease of three or more new vehicles registered to a single owner;
  - b. Each vehicle must be a 2014 model year or newer and have a gross vehicle weight rating (GVWR) of 14,000 lbs. or lighter;
  - c. Each vehicle must be maintained and operated within the Air District’s jurisdiction for a minimum of three years and placed into a service route that meets the required minimum average annual mileage; and
  - d. Eligible vehicle types include the plug-in hybrid-electric, plug-in electric, and fuel cell certified by the CARB as meeting super-ultra low emission vehicle (SULEV) or zero-emission vehicle (ZEV) standard.

Non-plug-in hybrid gasoline, compressed natural gas, and diesel vehicles, and non-CARB approved or certified retrofit projects are not eligible.

TFCA funds awarded may not exceed incremental cost after all other applicable manufacturer and local/state rebates, tax credits, and cash equivalent incentives are applied. Incremental cost is the difference in cost between the purchase or lease price of the new vehicle and its new conventional vehicle counterpart that meets, but does not exceed, current emissions standards.

**The maximum award amount per vehicle is listed below:**

GVWR	Vehicle Type	Average Annual Mileage/Vehicle			
		15,000 – 24,999 miles per year	25,000 – 34,999 miles per year	35,000 – 44,999 miles per year	45,000 or more miles per year
8,500 or lighter	SULEV	\$1,250	\$2,500	\$3,500	\$4,500

	<b>ZEV</b>	\$4,000	\$6,500	\$8,500	\$10,500
<b>8,501 – 14,000</b>	<b>SULEV</b>	\$6,000	\$8,000	\$10,000	\$12,000
	<b>ZEV</b>	\$10,000	\$12,000	\$14,000	\$16,000

23. **Heavy-Duty Zero Emissions Vehicles:** These projects are intended to accelerate the deployment of high mileage zero emissions heavy-duty vehicles. The following additional conditions must also be met:

- a. Only new purchases or leases qualify;
- b. Each vehicle must be a 2014 model year or newer and have a GVWR of greater than 14,000 lbs.;
- c. Each vehicle must be maintained and operated within the Air District’s jurisdiction for a minimum of three years and placed into a service route that meets the required minimum average annual mileage; and
- d. Eligible vehicle types include zero emissions (electric or fuel cell technologies) that are certified by the CARB.

Gasoline, compressed natural gas, diesel, hybrid vehicles, and non-CARB approved or certified retrofit projects are not eligible.

TFCA funds awarded may not exceed incremental cost after all other applicable manufacturer and local/state rebates, tax credits, and cash equivalent incentives are applied. Incremental cost is the difference in cost between the purchase or lease price of the vehicle and/or retrofit and its new conventional vehicle counterpart that meets, but does not exceed, current emissions standards.

**The maximum award amount per vehicle is listed below:**

<b>GVWR/Intended Service Class</b>	<b>Average Annual Mileage/Vehicle</b>		
	<b>15,000 – 29,999 miles per year</b>	<b>30,000 – 44,999 miles per year</b>	<b>45,000 or more miles per year</b>
14,001 – 33,000	\$12,500	\$25,000	\$40,000
33,000+	\$20,000	\$40,000	\$60,000
URBAN BUS	\$15,000	\$30,000	\$45,000

24. **Alternative Fuel Infrastructure:** These projects are intended to accelerate the deployment of hydrogen and compressed natural gas (CNG) fueling stations. Funding may be used for the purchase and installation of equipment for new dispensing facilities and for upgrades and improvements that expand access to existing refueling sites. The following additional conditions must also be met:

- a. Stations must be located within the Air District’s jurisdiction and be available and accessible to the public;
- b. Equipment and infrastructure must be designed, installed, and maintained as required by the existing recognized codes and standards and approved by the local/state authority; and
- c. Each station must be maintained and operated for a minimum of three years.

TFCA funding may not be used to pay for fuel or on-going operations and maintenance costs.

TFCA funding is limited to 25% of the total project cost and may not exceed a maximum award amount of \$300,000 per station for hydrogen projects and \$200,000 per station for CNG projects.

Additionally, for hydrogen stations: proposed stations must have received at least a passing score and/or received approval for funding from a State or Federal agency.

25. **Reserved.**

26. **Reserved.**

Shuttle/Feeder Bus Service Projects

27. **Shuttle/Feeder Bus Service:** These projects are intended to reduce single-occupancy vehicle commute-hour trips by providing the short-distance connection between a mass transit hub and one or more definable commercial hub or employment centers. All of the following conditions must be met for a project to be eligible for TFCA Regional Funds:
- a. The project's route must provide connections only between mass transit hubs, e.g., a rail or Bus Rapid Transit (BRT) station, ferry or bus terminal, or airport, and distinct commercial or employment areas.
  - b. The project's schedule must coordinate with the transit schedules of the connecting mass transit service.
  - c. The service must be available for use by all members of the public.
  - d. The project may not duplicate existing local transit service or service that existed along the project's route within the last three years. "Duplication" of service means establishing a shuttle route where there is an existing transit service stop within 0.5 miles of the commercial hub or business center and that can be reached by pedestrians in 20 minutes or less. Projects that propose to increase service frequency to an area that has existing service may be considered for funding if the increased frequency would reduce the commuter's average transit wait time to thirty minutes or less.
  - e. The project must include only commuter peak-hour service, i.e., 5:00-10:00 AM and/or 3:00-7:00 PM.
  - f. Applicants must submit a written transit service financial plan to achieve financial self-sufficiency or reduced reliance on TFCA funding within five years. The plan must document 1) the funding source(s) that will be targeted and the bases for eligibility of such funding, 2) the amounts from each funding source for which the applicant is eligible and that will be pursued, (3) the schedule (timeline) from application to receipt of such funds, 4) the process for securing each funding source, and 5) the specific efforts taken by the applicant to be eligible for such funds, and the status of the applicants' application for securing funds.

For shuttle/feeder bus service projects, the total project cost is the sum of direct operational costs (i.e., shuttle driver wages, fuel, and vehicle maintenance) and the administrative costs paid for by TFCA Regional Funds. Matching funds must be provided to cover at least 10% of the total project cost, and must include only direct operational costs. Administrative costs are not eligible for use as matching funds.

Shuttle/feeder bus service applicants must be either: (1) a public transit agency or transit district that directly operates the shuttle/feeder bus service, or (2) a city, county, or any other public agency.

*Project applicants that were awarded FYE 2014 TFCA Regional Funds that propose identical routes in FYE 2015 may request an exemption from the requirements of Policy 27. D provided they meet the following requirements: (1) No further TFCA project funding as of January 2017; and (2) Submission of a financial plan to achieve financial self-sufficiency from TFCA funds within two years by demonstrating how they will come into compliance with this requirement or by securing non-TFCA Regional Funds. The plan must document: 1) the funding source(s) that will be targeted and the bases for eligibility of such funding, 2) the amounts from each funding source for which the applicant is eligible and that will be pursued, (3) the schedule (timeline) from application to receipt of such funds, 4) the process for securing each funding source, and 5) the specific efforts taken by the applicant to be eligible for such funds, and the status of the applicants' application for securing funds.*

28. **Pilot Shuttle/Feeder Bus Service:** Pilot projects are defined as routes that provide service to locations that are at least 70% unique and where no other service was provided within the past three years. In addition to meeting the requirements listed in Policy #27 for shuttle/feeder bus service, pilot shuttle/feeder bus service project applicants must also comply with the following:
- a. Applicants must provide data and other evidence demonstrating the public's need for the service, including a demand assessment survey and letters of support from potential users;
  - b. A letter from the local transit agency denying service to the project's proposed service area, which includes the basis for denial of service to the proposed areas. The applicant must demonstrate that the project applicant has attempted to coordinate service with the local service provider and has provided

the results of the demand assessment survey to the local transit agency. The applicant must provide the transit service provider's evaluation of the need for the shuttle service to the proposed area. .

- c. Applicants must provide written documentation of a financial plan for transitioning to a self-sustaining service and/or for reducing reliance on TFCA funding within five years. The plan needs to clearly identify 1) the funding source(s) that will be targeted, 2) the amounts from each source that will be pursued, 3) the process for securing each funding source, and 4) the status or timeline of the process for securing funds.
- d. Projects located in Highly Impacted Communities as defined in the Air District Community Air Risk Evaluation (CARE) Program and/or a Planned or Potential Priority Development Area (PDA) may receive a maximum of three years of TFCA Regional Funds under the Pilot designation and must meet the following requirements:
  - i. During the first year of operation, projects must not exceed a cost-effectiveness of \$500,000/ton,
  - ii. By the end of the second year of operation, projects must not exceed a cost-effectiveness of \$200,000/ton, and
  - iii. By the end of the third year of operation, projects must not exceed a cost-effectiveness of \$175,000/ton (see Policy #2) and meet all of the requirements of Policy #27 (existing shuttles).
- e. Projects located outside of CARE areas and PDAs may receive a maximum of two years of TFCA Regional Funds under this designation and must meet the following requirements:
  - i. By the end of the first year of operation, projects shall cost \$200,000 or less per ton (cost-effectiveness rating), and
  - ii. By the end of the second year of operation, projects shall cost \$175,000 or less per ton (cost-effectiveness rating) (see Policy #2) and shall meet all of the requirements of Policy #27 (existing shuttles).

#### Regional Ridesharing

29. **Regional Ridesharing Projects:** Eligible ridesharing projects provide carpool, vanpool, or other rideshare services. 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.

If a project includes ride-matching services, *only* ride-matches that are not already included in the Metropolitan Transportation Commission's (MTC) regional ridesharing program are eligible for TFCA Regional Funds. Projects that provide a direct or indirect financial transit or rideshare subsidy are also eligible under this category. 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. **Electronic Bicycle Lockers:** TFCA Regional Funds are available for project sponsors to purchase and install new electronic bicycle lockers. Projects must be included in an adopted countywide bicycle plan, Congestion Management Plan (CMP), or the Metropolitan Transportation Commission's Regional Bicycle Plan and serve a major activity center (e.g. transit station, office building, or school). The electronic bicycle lockers must be publicly accessible and available for use by all members of the public.

Costs for maintenance, repairs, upgrades, rehabilitation, operations, and project administration are not eligible for TFCA Regional Funds.

The maximum award amount is based on the number of bicycles accommodated, at the rate of \$2,500 per bicycle accommodated by the lockers.

TFCA County Program Manager funds may not be used towards fulfilling the matching funds requirement. Monies expended for administrative costs (i.e., the costs associated with administering a TFCA Regional Fund grant) are eligible matching funds for electronic bicycle lockers. Monies expended by the Project

Sponsor to maintain, repair, upgrade, rehabilitate, or operate the electronic lockers are not eligible as matching funds.

**REGIONAL FUND EVALUATION CRITERIA:**

1. **Shuttle/Feeder Bus Service and Ridesharing Projects:** The Air District will evaluate complete applications received by the submittal deadline based on the TFCA Regional Fund policies. All eligible projects will be ranked for funding based on cost-effectiveness. At least sixty percent (60%) of the funds will be reserved for eligible projects that meet one or more of the following District priorities:

- a. Projects in Highly Impacted Communities or Episodic Areas as defined in the Air District Community Air Risk Evaluation (CARE) Program;
- b. Priority Development Areas.

The Air District will evaluate all shuttle/feeder bus service and ridesharing project applications received after the submittal deadline on a first-come, first-served basis, based on the TFCA Regional Fund policies.

2. **Electronic Bicycle Locker(s) Projects: Applications will be evaluated on a first-come, first-served basis.**

## TFCA REGIONAL FUND POLICIES AND EVALUATION CRITERIA FOR FYE 2015

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

### BASIC ELIGIBILITY

- 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 2015.

Projects must achieve surplus emission reductions, i.e., reductions that are beyond what is required through regulations, contracts, and other legally binding obligations both a) at the time the Air District Board of Directors approves a funding allocation and b) at the time the Air District executes the project’s funding agreement.

Under certain circumstances following approval of the project by the Board of Directors, the Air District may approve modifications of the approved project or of the terms of the grant agreement. The Air District will evaluate whether the proposed modification will reduce the amount of emissions the originally-approved project was designed to achieve, will negatively affect the cost-effectiveness of the project, or will otherwise render the project ineligible (“major modification”). The Air District may approve the proposed major modification if the Air District determines that the project, as modified, will continue to achieve surplus emission reductions, based on the regulations, contracts, and other legally-binding obligations in effect at the time of the proposed modification. The Air District may approve minor modifications, such as to correct mistakes in the grant agreement or to change the grantee, without a re-evaluation of the proposed modification in light of the regulations, contracts, and other legally-binding obligations in effect at the time of the proposed minor modification.

- TFCA Cost-Effectiveness:** Unless otherwise noted below, projects must not exceed a cost-effectiveness (C-E) of \$90,000 per ton. Cost-effectiveness is based on the ratio of TFCA-generated funds awarded divided by the sum total tons of reactive organic gases (ROG), oxides of nitrogen (NO<sub>x</sub>), and weighted particulate matter 10 microns in diameter and smaller (PM<sub>10</sub>) 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 Category	Policy #	C-E Level Maximum (\$/weighted ton)
On-Road Truck Replacement	21	\$90,000
<u>Light-Duty Zero and Partial-Zero Emissions Vehicles for Fleets</u> <del>Reserved</del>	22	<del>\$250,000</del> Reserved
<u>Heavy-Duty Zero Emissions Vehicles</u> <del>Reserved</del>	23	<del>\$250,000</del> Reserved
<u>Alternative Fuel Infrastructure (Hydrogen and CNG)</u> <del>Reserved</del>	24	<del>\$500,000</del> Reserved
Reserved	25	Reserved
Reserved	26	Reserved
Shuttle/Feeder Bus Service—Existing	27	\$175,000
Shuttle/Feeder Bus Service—Pilot	28	Year 1 - \$200,000 Year 2 - \$175,000
Shuttle/Feeder Bus Service—Pilot in CARE areas or Priority Development Areas (PDAs)	28	Year 1 - \$500,000 Year 2 - \$200,000 Year 3 - \$175,000
Regional Ridesharing	29	\$90,000
Electronic Bicycle Lockers	30	\$90,000
Reserved	31	Reserved

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Proposed update to FYE 2015 Transportation Fund for Clean Air (TFCA) Regional Fund Policies

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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 specified, 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 (Policies #11 and #12).
  - 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 44241b(7).
  - b. **Authority to Apply:** Applications must include either: 1) a signed letter of commitment from the applicant's representative with authority to enter into a funding agreement and to carry out the project (e.g., Chief Executive or Financial Officer, Executive Director, or City Manager), or 2) a signed resolution from the governing body (e.g., City Council, Board of Supervisors, or Board of Directors) authorizing the submittal of the application and authorizing the project to be carried out.
5. **Viable Project and Matching Funds:** Unless provided for otherwise in the policies and priorities for the specific project category (which are listed below), project applicants must include in the application evidence of available matching funds from a non-Air District source that equal or exceed at least 10% of the total eligible project costs.

The project must be financially viable, which means that the project sponsor has adequate funds to cover all stages of the project from its commencement through project completion. Applications must include evidence of financial resources sufficient to undertake and complete the 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, [except for project sponsors who propose projects in category 24. Alternative Fuel Infrastructure Deployment, which may be awarded up to \\$1,250,000.](#)
8. **Readiness:** Projects must commence by the end of calendar year 2015. "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; commencement of shuttle/feeder bus and ridesharing service; 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 TFCA Regional Funds 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 (2) years of funding. Projects that request more than \$100,000 annually in TFCA Regional Funds are eligible for only one (1) year of funding.
10. **Project Revisions:** Project revisions initiated by the project sponsor that 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 within the eligible project category as the original project, meet the same cost-

Field Code Changed

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**Proposed update to FYE 2015 Transportation Fund for Clean Air (TFCA) Regional Fund Policies**

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effectiveness as that of the original project application, comply with all TFCA Regional Fund Policies applicable for the original project, and are in compliance with all federal and State laws applicable to the revised project and District rules and regulations.

**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 Funds' 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 Regional Fund; or otherwise failed to comply with the approved project scope as set forth in the project funding agreement. An applicant who failed to reimburse such funds to the Air District from a prior Air District funded project will be excluded from future TFCA funding.

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 Regional Funds. At its discretion, the Air District may authorize an extension of up to a total period of 180 days from the transmittal because of circumstances beyond project sponsor's reasonable control.

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 Regional Funds.
17. **Duplication:** Projects that have previously received TFCA-generated 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**

**Proposed update to FYE 2015 Transportation Fund for Clean Air (TFCA) Regional Fund Policies**

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:** Unless provided for otherwise in the policies and priorities for the specific project category (which are listed below), administrative costs (i.e., the costs associated with administering a TFCA Regional Fund grant) are limited to a maximum of five percent (5%) of total TFCA Regional Funds expended on a project and are only available to projects sponsored by public agencies. Electronic bicycle locker projects are not eligible for administrative costs. 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. **On-Road Truck Replacement Projects:** Eligible projects will replace Class 6 , Class 7, or Class 8 (19,501 lb. GVWR or greater) diesel-powered trucks with new or used trucks that have an engine certified to the 2010 California Air Resources Board (CARB) emissions standards or cleaner. The existing trucks must be registered with the California Department of Motor Vehicles (DMV) to a Bay Area address, and must be scrapped after replacement.
22. **Reserved Light-Duty Zero and Partial-Zero Emissions Vehicles for Fleets:** These projects are intended to accelerate the deployment of high mileage zero and partial zero-emissions light-duty vehicles in medium- and large-sized fleets. The following additional conditions must also be met :
  - a. Each project (fleet deployment) must consist of the purchase or lease of three or more new vehicles registered to a single owner;
  - b. Each vehicle must be a 2014 model year or newer and have a gross vehicle weight rating (GVWR) of 14,000 lbs. or lighter;
  - c. Each vehicle must be maintained and operated within the Air District’s jurisdiction for a minimum of three years and placed into a service route that meets the required minimum average annual mileage; and
  - d. Eligible vehicle types include the plug-in hybrid-electric, plug-in electric, and fuel cell certified by the CARB as meeting super-ultra low emission vehicle (SULEV) or zero-emission vehicle (ZEV) standard.

Non-plug-in hybrid gasoline, compressed natural gas, and diesel vehicles, and non-CARB approved or certified retrofit projects are not eligible.

TFCA funds awarded may not exceed incremental cost after all other applicable manufacturer and local/state rebates, tax credits, and cash equivalent incentives are applied. Incremental cost is the difference in cost between the purchase or lease price of the new vehicle and its new conventional vehicle counterpart that meets, but does not exceed, current emissions standards.

The maximum award amount per vehicle is listed below:

GVWR	Vehicle Type	Average Annual Mileage/Vehicle			
		15,000 – 24,999 miles per year	25,000 – 34,999 miles per year	35,000 – 44,999 miles per year	45,000 or more miles per year
8,500 or lighter	SULEV	\$1,250	\$2,500	\$3,500	\$4,500

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**Proposed update to FYE 2015 Transportation Fund for Clean Air (TFCA) Regional Fund Policies**

	<u>ZEV</u>	<u>\$4,000</u>	<u>\$6,500</u>	<u>\$8,500</u>	<u>\$10,500</u>
<u>8,501 – 14,000</u>	<u>SULEV</u>	<u>\$6,000</u>	<u>\$8,000</u>	<u>\$10,000</u>	<u>\$12,000</u>
	<u>ZEV</u>	<u>\$10,000</u>	<u>\$12,000</u>	<u>\$14,000</u>	<u>\$16,000</u>

23. **Reserved Heavy-Duty Zero Emissions Vehicles:** These projects are intended to accelerate the deployment of high mileage zero emissions heavy-duty vehicles. The following additional conditions must also be met:

- a. Only new purchases or leases qualify;
- b. Each vehicle must be a 2014 model year or newer and have a GVWR of greater than 14,000 lbs.;
- c. Each vehicle must be maintained and operated within the Air District’s jurisdiction for a minimum of three years and placed into a service route that meets the required minimum average annual mileage; and
- d. Eligible vehicle types include zero emissions (electric or fuel cell technologies) that are certified by the CARB.

Gasoline, compressed natural gas, diesel, hybrid vehicles, and non-CARB approved or certified retrofit projects are not eligible.

TFCA funds awarded may not exceed incremental cost after all other applicable manufacturer and local/state rebates, tax credits, and cash equivalent incentives are applied. Incremental cost is the difference in cost between the purchase or lease price of the vehicle and/or retrofit and its new conventional vehicle counterpart that meets, but does not exceed, current emissions standards.

**The maximum award amount per vehicle is listed below:**

<u>GVWR/Intended Service Class</u>	<u>Average Annual Mileage/Vehicle</u>		
	<u>15,000 – 29,999 miles per year</u>	<u>30,000 – 44,999 miles per year</u>	<u>45,000 or more miles per year</u>
<u>14,001 – 33,000</u>	<u>\$12,500</u>	<u>\$25,000</u>	<u>\$40,000</u>
<u>33,000+</u>	<u>\$20,000</u>	<u>\$40,000</u>	<u>\$60,000</u>
<u>URBAN BUS</u>	<u>\$15,000</u>	<u>\$30,000</u>	<u>\$45,000</u>

24. **Reserved Alternative Fuel Infrastructure:** These projects are intended to accelerate the deployment of hydrogen and compressed natural gas (CNG) fueling stations. Funding may be used for the purchase and installation of equipment for new dispensing facilities and for upgrades and improvements that expand access to existing refueling sites. The following additional conditions must also be met:

- a. Stations must be located within the Air District’s jurisdiction and be available and accessible to the public;
- b. Equipment and infrastructure must be designed, installed, and maintained as required by the existing recognized codes and standards and approved by the local/state authority; and
- c. Each station must be maintained and operated for a minimum of three years.

TFCA funding may not be used to pay for fuel or on-going operations and maintenance costs.

TFCA funding is limited to 25% of the total project cost and may not exceed a maximum award amount of \$300,000 per station for hydrogen projects and \$200,000 per station for CNG projects.

Additionally, for hydrogen stations: proposed stations must have received at least a passing score and/or received approval for funding from a State or Federal agency.

25. **Reserved.**

26. **Reserved.**

Shuttle/Feeder Bus Service Projects

27. **Shuttle/Feeder Bus Service:** These projects are intended to reduce single-occupancy vehicle commute-hour trips by providing the short-distance connection between a mass transit hub and one or more definable commercial hub or employment centers. All of the following conditions must be met for a project to be eligible for TFCA Regional Funds:

- a. The project's route must provide connections only between mass transit hubs, e.g., a rail or Bus Rapid Transit (BRT) station, ferry or bus terminal, or airport, and distinct commercial or employment areas.
- b. The project's schedule must coordinate with the transit schedules of the connecting mass transit service.
- c. The service must be available for use by all members of the public.
- d. The project may not duplicate existing local transit service or service that existed along the project's route within the last three years. "Duplication" of service means establishing a shuttle route where there is an existing transit service stop within 0.5 miles of the commercial hub or business center and that can be reached by pedestrians in 20 minutes or less. Projects that propose to increase service frequency to an area that has existing service may be considered for funding if the increased frequency would reduce the commuter's average transit wait time to thirty minutes or less.
- e. The project must include only commuter peak-hour service, i.e., 5:00-10:00 AM and/or 3:00-7:00 PM.
- f. Applicants must submit a written transit service financial plan to achieve financial self-sufficiency or reduced reliance on TFCA funding within five years. The plan must document 1) the funding source(s) that will be targeted and the bases for eligibility of such funding, 2) the amounts from each funding source for which the applicant is eligible and that will be pursued, (3) the schedule (timeline) from application to receipt of such funds, 4) the process for securing each funding source, and 5) the specific efforts taken by the applicant to be eligible for such funds, and the status of the applicants' application for securing funds.

For shuttle/feeder bus service projects, the total project cost is the sum of direct operational costs (i.e., shuttle driver wages, fuel, and vehicle maintenance) and the administrative costs paid for by TFCA Regional Funds. Matching funds must be provided to cover at least 10% of the total project cost, and must include only direct operational costs. Administrative costs are not eligible for use as matching funds.

Shuttle/feeder bus service applicants must be either: (1) a public transit agency or transit district that directly operates the shuttle/feeder bus service, or (2) a city, county, or any other public agency.

*Project applicants that were awarded FYE 2014 TFCA Regional Funds that propose identical routes in FYE 2015 may request an exemption from the requirements of Policy 27. D provided they meet the following requirements: (1) No further TFCA project funding as of January 2017; and (2) Submission of a financial plan to achieve financial self-sufficiency from TFCA funds within two years by demonstrating how they will come into compliance with this requirement or by securing non-TFCA Regional Funds. The plan must document: 1) the funding source(s) that will be targeted and the bases for eligibility of such funding, 2) the amounts from each funding source for which the applicant is eligible and that will be pursued, (3) the schedule (timeline) from application to receipt of such funds, 4) the process for securing each funding source, and 5) the specific efforts taken by the applicant to be eligible for such funds, and the status of the applicants' application for securing funds.*

28. **Pilot Shuttle/Feeder Bus Service:** Pilot projects are defined as routes that provide service to locations that are at least 70% unique and where no other service was provided within the past three years. In addition to meeting the requirements listed in Policy #27 for shuttle/feeder bus service, pilot shuttle/feeder bus service project applicants must also comply with the following:

- a. Applicants must provide data and other evidence demonstrating the public's need for the service, including a demand assessment survey and letters of support from potential users;
- b. A letter from the local transit agency denying service to the project's proposed service area, which includes the basis for denial of service to the proposed areas. The applicant must demonstrate that the project applicant has attempted to coordinate service with the local service provider and has provided

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**Proposed update to FYE 2015 Transportation Fund for Clean Air (TFCA) Regional Fund Policies**

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- the results of the demand assessment survey to the local transit agency. The applicant must provide the transit service provider's evaluation of the need for the shuttle service to the proposed area.
- c. Applicants must provide written documentation of a financial plan for transitioning to a self-sustaining service and/or for reducing reliance on TFCA funding within five years. The plan needs to clearly identify 1) the funding source(s) that will be targeted, 2) the amounts from each source that will be pursued, 3) the process for securing each funding source, and 4) the status or timeline of the process for securing funds.
  - d. Projects located in Highly Impacted Communities as defined in the Air District Community Air Risk Evaluation (CARE) Program and/or a Planned or Potential Priority Development Area (PDA) may receive a maximum of three years of TFCA Regional Funds under the Pilot designation and must meet the following requirements:
    - i. During the first year of operation, projects must not exceed a cost-effectiveness of \$500,000/ton,
    - ii. By the end of the second year of operation, projects must not exceed a cost-effectiveness of \$200,000/ton, and
    - iii. By the end of the third year of operation, projects must not exceed a cost-effectiveness of \$175,000/ton (see Policy #2) and meet all of the requirements of Policy #27 (existing shuttles).
  - e. Projects located outside of CARE areas and PDAs may receive a maximum of two years of TFCA Regional Funds under this designation and must meet the following requirements:
    - i. By the end of the first year of operation, projects shall cost \$200,000 or less per ton (cost-effectiveness rating), and
    - ii. By the end of the second year of operation, projects shall cost \$175,000 or less per ton (cost-effectiveness rating) (see Policy #2) and shall meet all of the requirements of Policy #27 (existing shuttles).

#### Regional Ridesharing

29. **Regional Ridesharing Projects:** Eligible ridesharing projects provide carpool, vanpool, or other rideshare services. 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.

If a project includes ride-matching services, *only* ride-matches that are not already included in the Metropolitan Transportation Commission's (MTC) regional ridesharing program are eligible for TFCA Regional Funds. Projects that provide a direct or indirect financial transit or rideshare subsidy are also eligible under this category. 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. **Electronic Bicycle Lockers:** TFCA Regional Funds are available for project sponsors to purchase and install new electronic bicycle lockers. Projects must be included in an adopted countywide bicycle plan, Congestion Management Plan (CMP), or the Metropolitan Transportation Commission's Regional Bicycle Plan and serve a major activity center (e.g. transit station, office building, or school). The electronic bicycle lockers must be publicly accessible and available for use by all members of the public.

Costs for maintenance, repairs, upgrades, rehabilitation, operations, and project administration are not eligible for TFCA Regional Funds.

The maximum award amount is based on the number of bicycles accommodated, at the rate of \$2,500 per bicycle accommodated by the lockers.

TFCA County Program Manager funds may not be used towards fulfilling the matching funds requirement. Monies expended for administrative costs (i.e., the costs associated with administering a TFCA Regional Fund grant) are eligible matching funds for electronic bicycle lockers. Monies expended by the Project

Field Code Changed

Sponsor to maintain, repair, upgrade, rehabilitate, or operate the electronic lockers are not eligible as matching funds.

**REGIONAL FUND EVALUATION CRITERIA:**

1. **Shuttle/Feeder Bus Service and Ridesharing Projects:** The Air District will evaluate complete applications received by the submittal deadline based on the TFCA Regional Fund policies. All eligible projects will be ranked for funding based on cost-effectiveness. At least sixty percent (60%) of the funds will be reserved for eligible projects that meet one or more of the following District priorities:
  - a. Projects in Highly Impacted Communities or Episodic Areas as defined in the Air District Community Air Risk Evaluation (CARE) Program;
  - b. Priority Development Areas.The Air District will evaluate all shuttle/feeder bus service and ridesharing project applications received after the submittal deadline on a first-come, first-served basis, based on the TFCA Regional Fund policies.
2. **Electronic Bicycle Locker(s) Projects: Applications will be evaluated on a first-come, first-served basis.**

**Workshop: FYE 2015 Policies for Zero, Partial Zero Emissions and Alternative Fuel Vehicle Infrastructure Programs**

Date of Webinar: October 29, 2014

Questions & Comments

**1) In reference to funding awards under Policy #24 (Alternative Fuel Vehicle Infrastructure), the maximum award per project is \$300,000? If you had two projects, the maximum funding you could receive is \$1.25 million?**

*Non-public entities applying alternative fuel infrastructure projects that support hydrogen fuel stations would qualify for up to \$300,000 per station. If a project sponsor proposed two hydrogen stations, either as a single application or as two separate applications, the maximum award amount for that non-public applicant would be \$600,000.*

**2) Why are there minimum mileage requirements for vehicle projects?**

*The proposed Policies #22 and 23 are designed to simplify the application process by proactively identifying the maximum funding that can be awarded to an applicant for each vehicle depending on their vehicle usage (mileage). The proposed award amounts directly relate to the cost-effectiveness of the emissions reductions obtained from the project, which determine the amount of funding that can be awarded. This approach is consistent with the approach taken by the Air District's public sector PEV Rebate Program and the California Air Resources Board's California Vehicle Rebate Project (CRVP) and Hybrid Vehicle Incentive Program (HVIP).*

**3) Why must applicants apply for the purchase of a minimum of 5 vehicles to qualify for funding?**

*A minimum vehicle purchase requirement applies to only light-duty zero and light-duty partial-zero emissions vehicles for fleets.*

***Please note that the minimum purchase requirement for fleet purchases was reduced down to three vehicles to maximize the opportunity for program participation by eligible entities.***

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Scott Haggerty and Members  
of the Mobile Source Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: December 4, 2014

Re: Transportation Fund for Clean Air (TFCA) Cost-Effectiveness Report

RECOMMENDATION

None. Receive and file the TFCA Report on Expenditures and Effectiveness of Regional Fund and Air District-Sponsored Programs and Projects Closing in Fiscal Year Ending (FYE) 2014 (Attachment 1).

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 its nine-county jurisdiction to fund projects that reduce on-road motor vehicle emissions. The Air District allocates 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 (HSC) Sections 44241, and 44242.

Sixty percent of TFCA funds are awarded by the Air District to eligible programs implemented directly by the Air District (e.g., the Enhanced Mobile Source Inspections/Smoking Vehicle and the Spare the Air Programs) and through a grant program known as the Regional Fund. The remaining forty percent of TFCA funds are forwarded to a designated agency within each Bay Area county to be distributed via the County Program Manager Fund.

HSC Section 44241, requires that the Air District 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 TFCA Report on Expenditures and Effectiveness of Regional Fund and Air District-sponsored programs and projects closing in FYE 2014 (report), provided in Attachment 1, summarizes the expenditures and effectiveness of the projects and programs that concluded during FYE 2014. The following are the key findings of the report:

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

- The TFCA expenditures for projects and programs that concluded in FYE 2014, totaled \$8.84 million. This includes \$4.46 million in Regional Fund projects, \$3.58 million in Air District-sponsored programs, and \$803,192 in administrative and indirect costs.
- These projects and programs reduced criteria pollutant emissions over their lifetimes by an estimated 229.57 tons, including 72.83 tons of reactive organic gases (ROG), 92.30 tons of nitrogen oxides (NOx), and 64.45 tons of particulate matter (PM10). The lifetime reduction of carbon dioxide (CO2), a greenhouse gas, is estimated to be over 116,327 tons.
- These projects and programs achieved a combined (average) cost-effectiveness of \$39,332 per ton of criteria pollutant emissions reduced.

A discussion of the expenditures, emission reductions, and cost-effectiveness of the TFCA Regional Fund and Air District-sponsored programs and projects closing in FYE 2014 will be presented to the Mobile Source Committee. This information is also available in Attachment 1.

#### BUDGET CONSIDERATION/FINANCIAL IMPACT

None. The Air District distributes program monies as “pass-through” funds on a reimbursement basis. Administrative costs for project staffing are provided by the Air District’s Transportation Fund for Clean Air.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Linda Hui  
Reviewed by: Karen Schkolnick

Attachment 1: TFCA Report on Expenditures and Effectiveness of Regional Fund and Air District-Sponsored Programs and Projects Closing in FYE 2014



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

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

**REPORT ON EXPENDITURES AND EFFECTIVENESS  
OF REGIONAL FUND AND AIR DISTRICT-  
SPONSORED PROGRAMS AND PROJECTS  
CLOSING IN  
FISCAL YEAR ENDING (FYE) 2014**

939 Ellis Street, San Francisco, CA 94109  
[www.baaqmd.gov](http://www.baaqmd.gov)

December 2014

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# THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT

The California Legislature created the Bay Area Air Quality Management District (Air District) in 1955 as the first regional air pollution control agency in the country, recognizing that air emissions overflow political boundaries. The nine counties of the San Francisco Bay Area form a regional air basin, sharing common geographical features and weather patterns, and therefore similar air pollution burdens, which cannot be addressed by counties acting on their own.

The Air District is the public agency entrusted with regulating stationary sources of air pollution in the nine counties that surround San Francisco Bay: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, southwestern Solano, and southern Sonoma counties.

## BACKGROUND

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"), particulate matter, and greenhouse gases. Because of this, emission reductions from the on-road transportation sector are essential to helping the Bay Area attain State and Federal ambient air quality standards and meet greenhouse gas reduction commitments.

To protect public health, the State Legislature enacted the California Clean Air Act in 1988. As part of the requirements, the Air District prepared the *2010 Clean Air Plan (CAP)* which includes transportation control measures (TCMs), defined as "any strategy to reduce vehicle trips, vehicle use, vehicle miles traveled, vehicle idling, or traffic congestion for the purpose of reducing motor vehicle emissions," and mobile source measures (MSMs), which encourage the introduction of newer, cleaner motor vehicle technologies and the retirement of older, more polluting vehicles.

## THE TRANSPORTATION FUND FOR CLEAN AIR (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 of TFCA funds are awarded by the Air District's Board of Directors to eligible programs and projects implemented directly by the Air District (e.g., the Enhanced Mobile Source Inspections/Smoking Vehicle, Vehicle Buy-Back, Spare the Air, and Bicycle Facility Programs) and through a grant program known as the Regional Fund. The remaining forty percent of TFCA funds are forwarded to a designated agency within each Bay Area county to be distributed via the County Program Manager Fund.

Each year, the Air District Board of Directors adopts criteria for the evaluation and ranking of project applications for the TFCA Program. 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 (CO<sub>2</sub>), a greenhouse gas;
- Reducing traffic congestion; and
- Improving physical fitness and public safety by facilitating pedestrian and other car-free modes of travel.

**State legislation restricts TFCA funding to the following 11 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

This report summarizes expenditures and effectiveness of the TFCA Regional Fund projects and Air District-sponsored programs that concluded during fiscal year ending (FYE) 2014.

**Key Highlights**

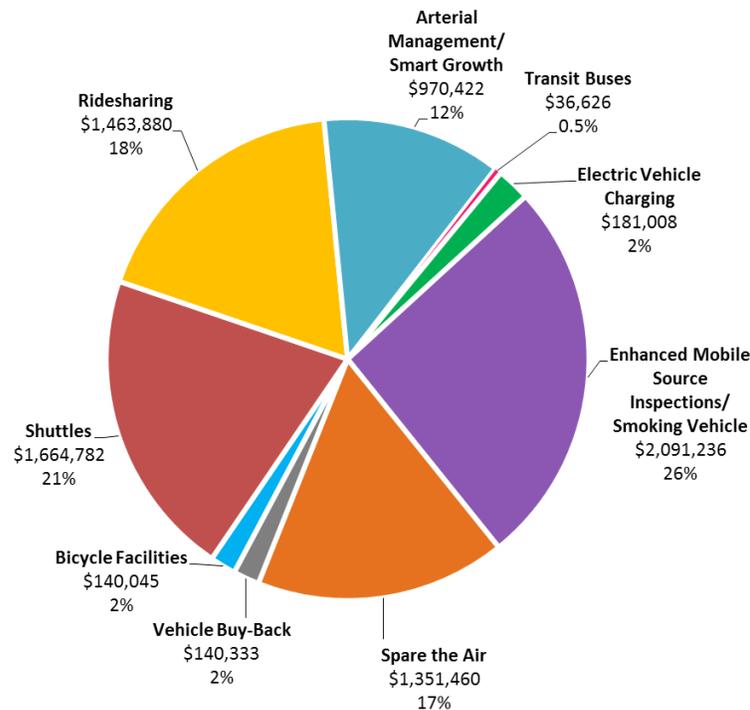
- TFCA funds were allocated to eligible projects and programs, consistent with the legislation that authorizes the TFCA program.
- The TFCA expenditures for projects and programs that concluded in FYE 2014, totaled \$8.84 million. This includes \$4.46 million in Regional Fund projects, \$3.58 million in Air District-sponsored programs, and \$803,192 in administrative and indirect costs.
- These projects and programs reduced criteria pollutant emissions over their lifetimes by an estimated 229.57 tons, including 72.83 tons of reactive organic gases (ROG), 92.30 tons of nitrogen oxides (NO<sub>x</sub>), and 64.45 tons of particulate matter (PM<sub>10</sub>). The lifetime reduction of carbon dioxide (CO<sub>2</sub>), a greenhouse gas, is estimated to be over 116,327 tons.
- These projects and programs achieved a combined (average) cost-effectiveness of \$39,332 per ton of criteria pollutant emissions reduced.

# EXPENDITURES

The expenditure of TFCA Regional Fund and Air District-sponsored projects and programs that concluded in FYE 2014 totaled \$8.84 million. This total includes \$3.58 million for the programs administered directly by the Air District and \$4.46 million in Regional Fund grants to other organizations. In addition, the Air District expended \$803,192 in administrative and audit costs associated with the oversight of these projects and programs.<sup>1</sup> **Appendix A** lists expenditure details.

A summary of the expenditures for the TFCA Regional Fund projects and Air District-sponsored programs that concluded in FYE 2014 is shown in **Figure 1**.

**Figure 1. Expenditures for Projects and Programs Closing in FYE 2014**



# EFFECTIVENESS

The cost-effectiveness of TFCA projects and programs is calculated by dividing the TFCA funds allocated or awarded by the lifetime criteria pollutant emissions reductions (ROG, NO<sub>x</sub>, and weighted PM<sub>10</sub> combined). The result is TFCA dollars per ton of reduced emissions.

Projects and programs concluding in FYE 2014 are anticipated to reduce criteria pollutant emissions over their lifetimes by an estimated total of 229.57 tons. This total is the sum of ozone precursors (72.83 tons of ROG and 92.30 tons of NO<sub>x</sub>) and particulate matter (64.45 tons of PM<sub>10</sub>). The lifetime reduction of CO<sub>2</sub> is estimated to be over 116,327 tons.<sup>2</sup>

<sup>1</sup> In FYE 2014, total TFCA revenues, for both the Regional Fund and County Program Manager Fund, were \$23.26 million. Administrative and audit costs across both programs totaled \$1.34 million.

<sup>2</sup> Lifetime reduction in carbon dioxide from the Enhanced Mobile Source Inspections/Smoking Vehicle and Vehicle Buy-Back Programs are not included in the total amount.

The Regional Fund projects and Air District-sponsored programs that concluded in FYE 2014 achieved a combined (average) cost-effectiveness of \$39,332 per ton of criteria pollutant emissions reduced.

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

**Table 1: Emission Reductions and Cost-Effectiveness (C/E) by Program Category for Projects and Programs Concluding in FYE 2014**

Category	# of Projects	TFCA \$ Expended	% of TFCA \$ Expended	Emissions Reduced (tons) <sup>a</sup>	% of Emissions Reduced	C/E - Weighted (\$/tons) <sup>b</sup>
Bicycle Facilities	3	\$140,045	1.74%	1.75 <sup>c</sup>	0.76%	\$90,000
Shuttles	7	\$1,664,782	20.71%	15.70	6.84%	\$80,104 <sup>d</sup>
Ridesharing	3	\$1,463,880	18.21%	59.91	26.10%	\$19,100
Arterial Management/Smart Growth	5	\$970,422	12.07%	16.24	7.07%	\$26,721 <sup>e</sup>
Transit Buses	1	\$36,626	0.46%	0.44	0.19%	\$78,220
Electric Vehicle Charging	3	\$181,008	2.25%	0.54	0.23%	\$78,312
Enhanced Mobile Source Inspections/Smoking Vehicle Program	1	\$2,091,236	26.01%	4.89	2.13%	\$277,346 <sup>f</sup>
Spare the Air Program	1	\$1,351,460	16.81%	122.72	53.46%	\$37,813 <sup>g</sup>
Vehicle Buy-Back Program	1	\$140,333 <sup>h</sup>	1.75%	7.38 <sup>i</sup>	3.22%	\$6,089
<b>Total for Projects and Programs<sup>j</sup></b>	<b>25</b>	<b>\$8,039,794</b>	<b>100%</b>	<b>229.57</b>	<b>100%</b>	<b>\$39,332</b>
<b>Administration</b>		<b>\$803,192</b>				

(a) Lifetime emission reductions of ROG, NO<sub>x</sub>, and PM<sub>10</sub> combined.

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

(c) Emissions reduced from the bicycle facility projects were determined using the default cost-effectiveness value of \$90,000 per ton of emissions reduced.

(d) Three of seven projects met the established cost-effectiveness cap, and four projects did not.

(e) Two of five projects met the established cost-effectiveness cap, and three projects did not. Cost-effectiveness for one project could not be determined.

(f) The resulting cost-effectiveness value was higher than \$90,000/tons of reduced emissions.

(g) In FYE 2014, the resulting C/E was \$37,813/tons of reduced emissions compared to \$140,430/tons of reduced emissions in FYE. This difference is due to major changes in program evaluation where emissions were calculated based on episodes for FYE 2013, and emissions were calculated based on year-long trip reduction activities for FYE 2014.

(h) Total FYE 2014 program cost was \$5,476,225.44, which includes funds from CMP, Mobile Source Incentive Fund (MSIF), and TFCA.

(i) Emission reductions were proportioned based on the proportion of TFCA dollars spent on the program.

(j) Total may vary due to rounding.

Eight of the 25 projects and programs listed in Table 1 achieved lower-than originally estimated emissions reductions. The following sections provide further analysis of the Enhanced Mobile Source Inspection/Smoking Vehicle, Shuttle, and Arterial Management/Smart Growth Programs.

## ENHANCED MOBILE SOURCE INSPECTION/SMOKING VEHICLE PROGRAM

In FYE 2014, this program achieved a final cost-effectiveness of \$277,236 per tons of emissions reduced. This result is based on the completed repair of 88 vehicles (31 diesel vehicles and 57 gasoline vehicles). The program also logged 21,240 hours of patrol; however, patrol work does not currently factor into the cost-effectiveness calculation. In comparison, for FYE 2013 the program completed the repair of 211 vehicles (2

buses, 85 diesel vehicles, and 124 gasoline vehicles) and achieved a cost-effectiveness of \$57,257 per tons of emissions reduced.

While the program's scope has expanded since FYE 2013, the cost-effectiveness methodology is still tied to the number of repaired vehicles. Staff is exploring options to refine this methodology in order to ensure all emission reductions are captured.

## SHUTTLE PROGRAM

The Shuttle Program, consisting of seven projects that closed in FYE 2014, achieved a total cost-effectiveness of \$80,104 per ton of emissions reduced.

Three of the seven projects in this category met the established cost-effectiveness cap for the program and four projects did not.<sup>3</sup> The major reasons for projects exceeding the cost-effectiveness threshold are: 1) pre-project assumptions differed significantly from post-project results (e.g., ridership and survey data), and 2) as engines become cleaner over time,<sup>4</sup> the baseline of emissions reduced has fallen making shuttle projects less cost-effective over time.

In response to these issues, staff is exploring the option of having a third-party vendor conduct surveys of funded shuttle projects. This would streamline and standardize the data collection process and the data collected would also help to inform potential pilot-project sponsors' default assumptions during the pre-project application process. In addition, staff is also exploring options to refine the pre- and post-evaluation methodology in order to ensure all emission reductions are captured.

## ARTERIAL MANAGEMENT/SMART GROWTH PROGRAM

The Arterial Management/Smart Growth Program, consisting of five projects that closed in FYE 2014, achieved a total cost-effectiveness of \$26,721 per ton of emissions reduced.

Two of the five projects in this category met the \$90,000 per ton of emissions reduced cost-effectiveness cap for the program, two projects did not, and one project's cost-effectiveness could not be determined. Similar to the Shuttle Program, the major reasons for projects exceeding the cost-effectiveness threshold are: 1) pre-project assumptions differ significantly from post-project results, and 2) post-project results do not reflect realized benefits, since traffic counts were completed immediately after project completion. In other words, people need time to change their travel behavior, which may take a few years after project is completed. Finally, the cost-effectiveness for one project cannot be determined due to an environmental factor that appears to have affected the results; data was collected on a day when a nearby bikeway was temporarily closed (bicycle counts collected may be a direct result from both the closure as well as the project).

In response to these issues, staff is exploring the option to having a third-party vendor conduct surveys of funded arterial management/smart growth projects. This would streamline and standardize the data collection process and the data collected would also help to inform potential pilot-project sponsors' default assumptions during the pre-project application process.

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<sup>3</sup> For the purpose of this report, the shuttle projects that closed in FYE 2014 had a cost-effectiveness cap of \$90,000 per ton of emissions reduced for existing projects and a cap of \$125,000 per ton of emissions reduced for pilot projects.

<sup>4</sup> This is due to changes in Air Resources Board regulations and changes in engine emissions standards.

# APPENDIX A: TFCA REGIONAL FUND PROJECTS AND AIR DISTRICT PROGRAMS CONCLUDING IN FYE 2014

Project #	Sponsor	Project Title	C/E - Weighted (\$/tons)	TFCA \$ Expended
03R24	City of Oakland	Coliseum Transit Hub Streetscape Improvements	\$153,433	\$303,188.00
06R07	City of El Cerrito	San Pablo Avenue Transit, Streetscape, Bicycle and Pedestrian Access Improvements	cannot be determined	\$172,441.47
07BFP24	San Francisco Recreation and Parks Dept.	Marina Pedestrian and Bicycle Improvement Project	\$90,000	\$40,045.00
07R65	City of Burlingame	Bayshore Highway Corridor Interconnect	\$162,890	\$105,642.86
08BFP03	County of Sonoma	County of Sonoma Electronic Bicycle Locker Program	\$90,000	\$70,000.00
08R71	City of San Ramon	Crow Canyon Rd. Signal Timing	\$7,468	\$124,700.00
08R72	City of San Ramon	Bollinger Canyon Road Signal Timing Project	\$15,561	\$264,450.00
08R76	Solano Transportation Authority	Safe Route to School Program	\$77,963	\$399,999.56
09BFP16	Alameda County Public Works Agency	Class II Bicycle Lane on Greenville Road	\$90,000	\$30,000.00
09R24	UC Davis Fleet	(1) CNG Bus	\$78,220	\$36,625.88
09R32	City & County of San Francisco	(60) Electric Vehicle Charging Spots	\$69,305	\$84,206.70
09R35	County of Santa Clara	(40) Electric Vehicle Charging Spots	\$89,952	\$12,858.00
09R39	County of Alameda	(40) Electric Vehicle Charging Spots	\$88,044	\$83,943.62
11R05	Metropolitan Transportation Commission	511 Rideshare Program	\$15,468	\$943,880.93
11R12	City of Richmond	Transmetro (Richmond Circular and Marina Bay Shuttle Routes)	\$1,356,566 <sup>a</sup>	\$313,036.00
11R16	City of Alameda	Estuary Crossing Bicycle/College Shuttle	\$640,106 <sup>a</sup>	\$104,402.54
12R06	San Joaquin Regional Rail Commission	Shuttle Route 53	\$57,344	\$44,000.00
12R07	City of Redwood City	Midpoint Caltrain Shuttle	\$73,061	\$17,673.52
12R08	San Joaquin Regional Rail Commission	Shuttle Route 54	\$158,332	\$50,000.00
12R12	Associated Students, San Jose State University	SJSU Ridesharing & Trip Reduction	\$11,437	\$120,000.00
12R15	Santa Clara Valley Transportation Authority	ACE Shuttles	\$55,285	\$958,368.17
12R18	City of Oakland	Oakland "B" Shuttle	\$102,550	\$177,302.00
<b>22 Projects</b>			<b>Subtotal Projects:</b>	<b>\$4,456,764.25</b>
FYE 2014	BAAQMD	Enhanced Mobile Source Inspections /Smoking Vehicle Program	\$277,346	\$2,091,235.79
FYE 2014	BAAQMD	Spare the Air	\$37,813	\$1,351,460.31
FYE 2014	BAAQMD	Vehicle Buy-Back <sup>b</sup>	\$6,089	\$140,333.44
<b>3 Programs</b>			<b>Subtotal Air District Programs:</b>	<b>\$3,583,029.54</b>
FYE 2014	BAAQMD	TFCA Regional Fund Administration <sup>c</sup>	N/A	\$803,192.39
<b>Subtotal TFCA Regional Fund Administration:</b>				<b>\$803,192.39</b>
<b>GRAND TOTAL:</b>				<b>\$8,842,986.18</b>

(a) The C/E threshold for these pilots was \$125,000. All other projects and programs must meet a C/E of \$90,000.

(b) Total FYE 2014 program cost (which includes funds from CMP, MSIF, and TFCA) was \$5,476,225.44.

(c) Sixty percent of the total administrative and audit costs expended in FYE 2014.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Carole Groom and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/Air Pollution Control Officer

Date: January 15, 2015

Re: Report of the Climate Protection Committee Meeting of January 15, 2015

RECOMMENDED ACTION

The Climate Protection Committee (Committee) received only informational items and will have no recommendations of approval by the Board of Directors.

BACKGROUND

The Committee met on Thursday, January 15, 2015, and received the following reports:

- A) Update on Regional Climate Protection Work Program, Rule Development and Staffing;  
and
- B) University of California Berkeley Carbon Dioxide and Air Quality Monitoring Study.

Chairperson John Avalos will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) Enhanced climate protection activities require additional resources that have been included in the Fiscal Year Ending (FYE) 2015 budget, with additional resources anticipated in the FYE 2016 budget.
- B) None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Sean Gallagher  
Reviewed by: Maricela Martinez

Attachment A: 01/15/15 – Climate Protection Committee Meeting Agenda #4  
Attachment B: 01/15/15 – Climate Protection Committee Meeting Agenda #5

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson John Avalos and Members  
of the Climate Protection Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: January 7, 2015

Re: Update on Regional Climate Protection Work Program, Rule Development, and Staffing

RECOMMENDED ACTION

None. Receive and file.

BACKGROUND

At the April 2, 2014, Board of Directors meeting, the Board adopted a 10-Point Climate Action Work Program (Attachment A) to guide the Air District's climate protection activities in the near term. This Program includes the development of a Regional Climate Protection Strategy, which will support progress toward achieving the Air District's regional goal of reducing greenhouse gas emissions 80% below 1990 levels by 2050. This goal was established on November 6, 2013, when the Air District Board of Directors unanimously adopted Resolution 2013-11, *Resolution Adopting a Greenhouse Gas Reduction Goal and Commitment to Develop a Regional Climate Action Strategy*.

At the June 4, 2014, Board of Directors meeting the Board approved an increase to the Air District's Greenhouse Gas (GHG) fee for permitted sources, which would support additional staff for the Climate Protection program. The Board approved a two-year phase-in to the fee, such that two Full Time Employees (FTEs) could be hired in Fiscal Year Ending (FYE) 2015, and two FTEs could be hired in FYE 2016, pending Board approval of the Fiscal Year Ending 2016 budget.

Air District staff has taken a variety of steps to implement the 10-Point Work Program, and has periodically updated the Climate Protection Committee on these activities. At the December 1, 2014, Committee meeting, the Committee requested more information on rule development activity and on staff resources assigned to the Climate Protection Program.

DISCUSSION

Staff will update the Committee on progress made to date to implement each of the 10 points in the Program, including rule development; next steps; and how existing and potential additional staff will support implementation of the Program.

BUDGET CONSIDERATION / FINANCIAL IMPACT

Enhanced climate protection activities require additional resources that have been included in the FYE 2015 budget, with additional resources anticipated in the FYE 2016 budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Abby Young  
Reviewed by: Henry Hilken

Attachment A: 10-Point Climate Action Work Program for the Bay Area

## 10-Point Climate Action Work Program

*March 25, 2014*

This 10-Point Climate Action Work Program represents the focus and direction of the Air District's Climate Protection Program in 2014 and 2015. This Work Program reflects the Air District's strength in playing a coordinating role for policy implementation at the federal, state, regional and local levels. The actions described below will serve as the Air District's priorities for the next two years as it continues to work with many stakeholders to reduce the Bay Area's greenhouse gas (GHG) emissions.

1. **Set GHG Reduction Goal** – Set a goal to reduce GHG emissions in the Bay Area 80% below 1990 levels by 2050 to align the Air District with Executive Order S-3-05, and work with stakeholders to develop interim targets and performance objectives, including per capita targets, to support this goal.
2. **Update GHG Inventory and Forecasting** – Update the Air District's regional GHG emissions inventory for the Bay Area. Conduct GHG emissions forecasts for 2020, a mid-term year and 2050. Use input from stakeholders, including local governments, to develop different GHG emissions scenarios, which will lay a foundation for the development of the Regional Climate Action Strategy described below. Seek to incorporate effects of federal, state (Scoping Plan), regional (Plan Bay Area and 2015 Clean Air Plan), and local (local climate action plans) initiatives. Identify gaps between forecast reductions from existing and proposed plans and measures, and the 2050 goal.
3. **Implement GHG Emissions Monitoring** – Initiate local monitoring of certain greenhouse gases, including methane and carbon dioxide. The Air District will integrate monitoring of methane within its current air monitoring network. The Air District will work with UC Berkeley researchers to collect local CO<sub>2</sub> emissions data through a university-led network of local CO<sub>2</sub> monitoring stations. Data collected will help develop a better understanding of ambient concentrations, variability and trends over time, as well as provide more specific local data for the regional GHG inventory.
4. **Develop Regional Climate Action Strategy** – Identify policy gaps between the 2050 GHG goal and interim GHG reduction targets and local climate action plans, Plan Bay Area, federal and state regulations and programs, and policies where the Air District has authority or influence to control GHG emissions. These potential Air District actions could be included in the 2015 Clean Air Plan and serve as a Regional Climate Action Strategy. The Strategy will encourage regional and local economic approaches that support the 2050 goal and interim targets of this Work Program. Conduct an economic and public health impacts study of the Strategy, including a focus on disadvantaged communities. Continue to work with the Joint Policy Committee and its member agencies to support regional planning efforts to reduce GHG emissions and benefit public health. Conduct a robust public outreach effort, as part of the 2015 Clean Air Plan process, including work with local researchers, representatives of affected industry, commercial interests, governing bodies, environmental organizations and community groups to engage them in discussion about the need, and path forward, for significant GHG reductions.
5. **Support and Enhance Local Action** – Increase the local implementation of GHG-reducing policies and programs through enhanced technical assistance to cities and counties and special districts in preparing and implementing local Climate Action Plans. Expand technical assistance to local governments through development of incentive programs, CEQA mechanisms and providing necessary data:
  - Support local climate action planning through data delivery, technical tools, providing a clearinghouse of information and promoting best practices;
  - Promote EV readiness and best practices in local plans;

- Explore funding sources for incentives to improve energy efficiency, including work with ARB to potentially use Cap and Trade auction proceeds, and working with other potential sources of funding to increase investment in local and regional GHG reduction;
  - Update CEQA thresholds for GHGs and update CEQA Guidelines to assist cities, counties and other lead agencies;
  - Work with lead agencies to use the CAPCOA GHG Exchange for offsite mitigation under CEQA (e.g., work with organizations such as the Marin Carbon Project to develop protocols for GHG reduction credits); develop offset protocols that support GHG reduction projects in the Bay Area;
  - Work with GHG emissions data providers to provide regular and consistent data to local governments;
6. **Initiate Rule Development** – Initiate rule development to advance GHG reduction in sources subject to Air District regulatory authority, and identify opportunities to require GHG emission reductions in existing rules and policies. Examples may include:
- Integrate GHG emission reduction into the Air District’s permitting program to facilitate GHG emission reductions consistent with California’s Cap and Trade program and other federal and state provisions;
  - Reduce methane emissions and other short-lived climate pollutants, such as black carbon;
  - Enhance and/or backstop upcoming federal requirements to control GHG emissions from new and existing power plants;
  - Increase deployment of heat mitigating technologies and policies, such as cool roofing and cool paving;
  - Explore opportunities to reduce energy use in the residential, commercial and industrial sectors;
  - Work with stakeholder groups to identify additional opportunities to reduce GHG emissions through Air District rule-making.
7. **Expand Enforcement** – Expand enforcement of statewide regulations to reduce GHGs, especially short-term climate pollutants. Continue working with the Air Resources Board (ARB) to enforce existing Scoping Plan regulations addressing landfills, semiconductors and refrigerants. Work with ARB to explore further opportunities through the development of the Scoping Plan Update.
8. **Launch Climate Change & Public Health Impacts Initiative** – Collect and synthesize information, reports and data on climate change impacts related to air quality, public health and disproportionate impacts. Work with state and local public health professionals to identify policies and programs targeting impacts that affect air quality and public health, including wildfires and extreme heat. Include impacts associated with black carbon emissions. Identify strategies and funding opportunities to assist the most vulnerable populations and disadvantaged communities.
9. **Report Progress to the Public** – Select indicators to measure, track and report on progress toward the 2050 goal and related performance objectives. Report this information publicly, presented in a manner that informs and engages the public, such as Berkeley’s Climate Action Plan Results web page.
10. **Explore the Bay Area’s Energy Future** – Assign the Air District’s Advisory Council the role of investigating technical issues related to the Air District’s Climate Protection Program. Initially focus on the energy future of the Bay Area, including examining trends in Bay Area fossil fuel demand and production, and exploring opportunities for the Air District to promote and support the development of clean energy options.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson John Avalos and Members  
of the Climate Protection Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: January 8, 2015

Re: UC Berkeley Carbon Dioxide and Air Quality Monitoring Study

RECOMMENDED ACTION

None. Receive and file.

BACKGROUND

The BEACON Project (Berkeley Atmospheric CO<sub>2</sub> Observing Network), led by researchers at the University of California, Berkeley, is a new approach to observing air pollution at a very localized level. In contrast to the high-precision measurements that form the backbone of the Air District's regional monitoring network, BEACON's objective is to explore the usefulness of a dense network of moderate-quality instruments in constructing a highly detailed, real-time picture of local pollution sources and sinks. The Air District has partnered with BEACON researchers to support the deployment and evaluation of data from low-cost air quality sensors in laboratory experiments and field trials.

For the past 5 years, BEACON has been collecting CO<sub>2</sub> measurements at 5-minute intervals through a dense network of approximately 20 low-cost (\$5,000 each) stations in the Bay Area. Most are located on school rooftops in Western Alameda County. A new site was recently installed at the San Francisco Exploratorium; BEACON is actively seeking to expand coverage within the Bay Area, as well as other cities within the United States and across the globe. Low-cost sensors for co-pollutants, including particulate matter (PM), nitrogen oxides (NO<sub>x</sub>), and ozone, are also being evaluated with Air District support.

Through the construction and analysis of its unique, highly localized, measurement-based datasets, BEACON aims to provide information crucial to the evaluation of sector-specific and source-specific emission management strategies. The identification and promotion of the most effective strategies, based on real-world data, will be critical to meeting greenhouse gas (GHG) reduction goals in a timely and efficient manner.

BEACON has recently been recognized as a "Climate Data in Action" effort by the White House, and been profiled by ABC 7 News. As part of its local educational outreach, BEACON

has also forged partnerships with the San Francisco Exploratorium, the Chabot Space & Science Center, and K-12 science teachers working for the Oakland Unified School District.

## DISCUSSION

Preliminary results presented at the Fall 2014 American Geophysical Union (AGU) conference have demonstrated that the BEACON approach can, in fact, generate improved CO<sub>2</sub> estimates at a very localized level. Research conducted in partnership with the Air District has also indicated that uniquely valuable, highly localized air quality data can be derived from air pollution sensors deployed in conjunction with traditional networks.

Work is under way at UC Berkeley to combine data from BEACON's innovative CO<sub>2</sub> monitoring approach with new fuel-based GHG emissions estimates. The resulting inventory provides a high-definition, real-time picture of transportation emissions in the urban core and includes thousands of Bay Area point sources of GHGs.

Air District staff anticipates that the BEACON Project will advance scientific and public understandings of GHG-related processes in the Bay Area and will provide concrete measurements that are suitable for comparison with more conventional GHG emission inventories. It can thereby serve multiple important roles in the Regional Climate Protection Strategy. As the BEACON network improves its capacity to monitor other air pollutants at a very localized level, Air District staff also anticipates that the network will be helpful in improving estimates of localized patterns of exposure to health-damaging co-pollutants, including exposures that occur along transportation corridors.

Prof. Ronald C. Cohen, Director of the Berkeley Atmospheric Science Center and the Project's principal investigator, will present a briefing on the BEACON Project to the Committee.

## BUDGET CONSIDERATION / FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: David Holstius  
Reviewed by: Henry Hilken