Bay Area Air Quality Management District
Mobile Source Committee

December 15, 2016

Projects with proposed awards over $100,000

Damian Breen
Deputy Air Pollution Control Officer
Overview

• Background
• Proposed projects with awards over $100,000
• Recommendations
• Carl Moyer Program (CMP)
  ➢ Created in 1998 to reduce emissions from heavy-duty engines
  ➢ Voluntary program that funds surplus emission reductions

• Mobile Source Incentive Fund (MSIF)
  ➢ AB 923 allowed for additional $2 motor vehicle registration fee surcharge (12/04)
  ➢ CMP and LESBP projects eligible for MSIF funding
CMP Year 18

• On 3/16/16 District Board of Directors:
  ➢ Approved participation in CMP Year 18
  ➢ Authorized Executive Officer/APCO to execute contracts and amendments with grant awards up to $100,000

• CMP Project Recommendations over $100k:
  ➢ 3 Projects to reduce emissions from 4 marine engines and 1 off-road tractor
  ➢ $525,230 in total awards
  ➢ Emission reductions: Over 2.54 TPY of criteria pollutants
CMP and MSIF Funds
Awarded as of 11/21/16

Allocations Over $100k
CMP and MSIF Funds
Awarded since 2009

Allocations Over $100k

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Recommend the Board of Directors:

1. Approve Carl Moyer Program (CMP) projects with proposed grant awards over $100,000 as shown in Attachment 1; and

2. Authorize the Executive Officer/APCO to enter into agreements with applicants for the recommended projects.
Fiscal Year Ending (FYE) 2015
Transportation Fund for Clean Air (TFCA) Audit Report
Results

Damian Breen
Deputy Air Pollution Control Officer
Overview

• Background

• TFCA Audit #17
  ➢ Process
  ➢ Findings and Air District Responses
  ➢ Trends

• Questions
• **Transportation Fund for Clean Air (TFCA)**
  - Funded by $4 motor vehicle registration fee surcharge
    - 60% to Regional Fund & Air District-sponsored projects
    - 40% to County Program Manager Fund

• **Health and Safety Code (HSC) Section 44242**
  - Requires a fiscal audit of all projects and programs funded with TFCA monies
Audit #17
Process

• February 18, 2015, Board approved award of contract to Gilbert Associates, Inc. (Gilbert) for independent audit services

• Audit # 17 Scope:
  - Reviewed financial and compliance objectives for Regional Fund, Air District-sponsored projects, and County Program Manager (CPM) projects that were closed between 7/1/14 and 6/30/15
  - Covered 140 TFCA projects (26 Regional and Air District-sponsored, 114 CPM) and over $28M in TFCA funds expended
  - Conducted audit field work and follow-up Jun - Oct. 2016
• Financial audits performed in accordance with generally accepted auditing standards in the U.S. and applicable Government Auditing Standards

• Compliance audits performed in accordance with the requirements outlined in the Health and Safety code, funding agreements, and Government Auditing Standards
  ➢ Focus to ensure TFCA expenditures were paid in accordance with program objectives
  ➢ Not designed to provide assurance on overall project compliance
Regional Fund Sponsor Findings

- **2015-1**: Late Filing of Reports

**Air District Response:** Taken a series of steps that have significantly reduced the incidence of late reports:
- Strengthened Air District’s Administrative Procedures
- Transitioned to online electronic report submittal
- Fined Project Sponsor for late reports
- Required correction of findings to be eligible for future funding
- Continue to explore other options

County Program Manager Sponsor Findings

- **None**
Audit #17

Trends – Audit Findings by Year

FYE 2015 TFCA Audit Report
Questions
Bay Area Air Quality Management District
Mobile Source Committee

December 15, 2016

Fiscal Year Ending (FYE) 2016 Report on Transportation Fund for Clean Air (TFCA) Regional Fund Expenditures and Effectiveness

Damian Breen
Deputy Air Pollution Control Officer
Overview

• Background

• Results & key findings
  ➢ Expenditures
  ➢ Emissions reductions
  ➢ Cost-effectiveness

• Questions
• **Transportation Fund for Clean Air (TFCA)**
  - Funded by $4 motor vehicle registration fee surcharge
  - 60% to Regional Fund projects and Air District-sponsored programs
  - 40% to County Program Manager Fund

• **Health and Safety Code (HSC) Section 44241.5:**
  Requires annual public hearing to review TFCA expenditures to determine effectiveness in improving air quality
• Reviewed expenditures and effectiveness of 42 TFCA Regional Fund projects and Air District-sponsored programs that closed in FYE 2016

• **Expenditures:** $8.56 million
  - $4.57 million for Regional Fund projects
  - $3.17 million for Air District-sponsored programs
  - $825,838 in administrative and audit costs

• **Lifetime criteria pollutant emissions reduced:** 203.61 tons
  - 70.35 tons of reactive organic gases
  - 79.29 tons of nitrogen oxides
  - 53.97 tons of particulate matter

• **Lifetime greenhouse gas emissions reduced:** 91,000 tons
• TFCA funds were allocated to eligible projects and programs, consistent with the authorizing legislation

• **Overall cost-effectiveness:** $36,585/ton of criteria pollutant emissions reduced

• Out of 42 projects and programs evaluated:
  - 7 did not meet cost-effectiveness limit
    - 6 Shuttles/Trip Reduction projects
    - Enhanced Mobile Source Inspections Program
  - 1 Smart Growth project cost-effectiveness could not be determined

• Other public health benefits:
  - Conserve energy and reduce greenhouse gases
  - Reduce traffic congestion
  - Expand access to first and last-mile connections to rail, ferry, and mass transit
  - Improve physical fitness and public safety by facilitating active transportation
Expenditures of Projects Closed in FYE 2016 by Project Category

- **Enhanced Mobile Source Inspections**: $1,450,000 (19%)
- **On-Road Alternative Fuel Vehicles**: $881,573 (11%)
- **Smart Growth**: $378,761 (5%)
- **Spare the Air**: $1,587,663 (20%)
- **Vehicle Buy-Back**: $128,590 (2%)
- **Bicycle Facilities**: $280,462 (4%)
- **Shuttles/Trip Reduction**: $3,031,165 (39%)
### Summary of Expenditures and C-E of Projects closed in FYE 2016

**Attachment A - Table 1**

<table>
<thead>
<tr>
<th>Category</th>
<th># of Projects</th>
<th>TFCA $ Expended</th>
<th>% of TFCA $ Expended</th>
<th>Emissions Reduced (tons)</th>
<th>% of Emissions Reduced</th>
<th>C/E - Weighted ($/ton)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bicycle Facilities</td>
<td>18</td>
<td>$280,462</td>
<td>3.62%</td>
<td>2.87</td>
<td>1%</td>
<td>$89,621</td>
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<td>Shuttles/Trip Reduction</td>
<td>10</td>
<td>$3,031,165</td>
<td>39.17%</td>
<td>80.00</td>
<td>39%</td>
<td>$28,214</td>
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<td>Smart Growth</td>
<td>1</td>
<td>$378,761</td>
<td>4.89%</td>
<td>-</td>
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<td>-</td>
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<tr>
<td>On-Road Alternative Fuel Vehicles</td>
<td>10</td>
<td>$881,573</td>
<td>11.39%</td>
<td>24.07</td>
<td>12%</td>
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<tr>
<td>Enhanced Mobile Source Inspections</td>
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<td>$1,450,000</td>
<td>18.74%</td>
<td>3.43</td>
<td>2%</td>
<td>$349,347</td>
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<td>Spare the Air</td>
<td>1</td>
<td>$1,587,663</td>
<td>20.52%</td>
<td>93.24</td>
<td>46%</td>
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<tr>
<td>Vehicle Buy-Back</td>
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<td>$128,590</td>
<td>1.66%</td>
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<td>-</td>
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<td>Total for Projects and Programs</td>
<td>42</td>
<td>$7,738,213</td>
<td>100%</td>
<td>203.61</td>
<td>100%</td>
<td>$36,585</td>
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<tr>
<td>Administration</td>
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<td>$825,838</td>
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**FYE 2016 TFCA Cost-Effectiveness Report**  
**Slide 7**
Questions