

## **Errata Sheet**

Revised Attachment

Board of Directors Special Meeting as the Sole Member of the  
Clean Air Foundation

Wednesday, November 1, 2017

The revised attachments reflect changes to Agenda 4A Attachment with removal of Jack Broadbent and addition of Damian Breen, as a Director and Brian Bunger, as General Counsel. Change to Agenda 5B Attachment to reflect additional revenue and matching funding distribution.

**Bay Area Clean Air Foundation**

2016 Annual Report

**1. Background**

On July 9, 2008, the Bay Area Air Quality Management District (Air District) Board of Directors approved the establishment of an Air District foundation. As a result of that action, the Bay Area Clean Air Foundation (Foundation) was established in September 2008. The purposes of the Foundation are as follows:

- To *provide* financial, administrative, programmatic, and other forms of support to the Air District; and
- To *engage* in activities that further serve such purposes.

The Foundation will serve to fund various air quality emissions reduction, and educational and service programs to support the mission of the Air District, which is “*to protect and improve public health, air quality, and the global climate.*”

**Directors and Officers**

The current Directors of the Foundation are as follows:

Damian Breen  
Kraig Kurucz  
Jeffrey McKay

The Foundation's staff is as follows:

Jack Broadbent, President  
Jean Roggenkamp, Vice President  
Jeffrey McKay, Secretary and Chief Financial Officer  
Brian Bunger, General Counsel

**2. Report on the Foundation's Activities**

This report provides the Foundation Directors the proposed budget for 2017, the financial report for the prior fiscal year, and an update on the activities related to funds received for two separate projects including:

- Project 1: Electric Vehicle (EV) Charging Demo Program - Reformulated Gasoline (RFG) Settlement Fund Grant; and
- Project 2: The Faria Preserve Residential Development (Faria) Project; and
- Project 3: New Proposed Project: Adoption of Zero 0- and Near-zero Emissions Equipment and Vehicles in and around the Port of Oakland

## ***Project 1: EV Charging Demo Program - Reformulated Gasoline (RFG)***

### **Project Background**

The RFG Open Grants Program is the result of the settlement of 14 class action lawsuits against Union Oil Company of California and Unocal Corporation. Before trial, the Plaintiff and Unocal agreed to settle the class actions and agreed to distribute approximately \$7 million through an open competitive grants program directed to nonprofit organizations for projects to achieve vehicle emissions or fuel efficiency benefits for California consumers. The majority of the RFG grants program funding was awarded in 2010, including a grant to the Bay Area Clean Air Foundation (BACAF) for a project to deploy ten converted plug-in electric vehicles in car-share service in partnership with City CarShare.

In order to support Bay Area public agencies' efforts to green their fleets and to deploy charging infrastructure in their communities, the BACAF, in partnership with the Bay Area Air Quality Management District (Air District), submitted an application to the RFG's Open Grants Program on February 5, 2015, requesting \$500,000 in remaining RFG funds for an electric vehicle charging station incentive program.

On May 12, 2015, the U.S. District Court approved a grant under the RFG Open Grants Program whereby the BACAF, who, contracting with the Air District, would develop and implement an Electric Vehicle Charging Demo Program (EV Charging Demo Program). This program is designed to: (a) provide up to \$450,000 in RFG funds that would be matched with the Air District's Transportation Fund for Clean Air (TFCA) funding for the installation of publicly available electric vehicle charging stations; (b) following installation, collect data to measure environmental, economic and operating benefits; (c) publish a White Paper to include a summary, key features, benefits of, and lessons learned from this grant; and (d) share Program results with local governments, air districts, and other entities with an interest in the deployment of electric vehicle infrastructure. Up to \$50,000 of the RFG funds may be used to pay for administration and for the development of the White Paper.

### **Discussion**

The EV Charging Demo Program will provide significant grant funding to public agencies that install electric vehicle charging stations along major transportation corridors, at workplaces, and at key destinations. The RFG funds will be matched with funds from the Air District's TFCA funded Charge! Program. The EV Charging Demo Program prioritizes projects that are "shovelready," help to expand the region's charging network, and are located in Air District-designated Community Air Risk Evaluation (CARE) Areas. At least 25% of RFG funding, or \$112,500, is reserved for projects in CARE Areas. Only public entities are eligible to apply and funds are awarded through a competitive grant application process.

The Air District released the Program guidance and opened a call for projects from August 18, 2015 - December 18, 2015. On February 17, 2016, the Air District's Board of Directors approved awards to nine projects with full funding to the seven highest ranked projects and partial funding

for the next two highest ranked projects. The total amount of funds awarded was \$1,142,233, of which \$692,233 is from TFCA and \$450,000 from RFG Settlement Funds. The Air District's Board also approved the creation of a contingency list consisting of four projects that were found eligible, but did not rank high enough for award; this list can be used in the event that any projects on the recommended list do not proceed or are completed under-budget.

The nine projects that were awarded funding will install a total of 77 charging stations at 19 locations throughout the Bay Area and are estimated to, over a three-year period, reduce 1.3 tons of criteria pollutant emissions, more than 2,500 tons of greenhouse gas emissions, and gasoline usage by approximately 300,000 gallons.

As of August 1, 2017, eight of the nine projects have completed all installation work and their charging stations are currently in service. The remaining project has installed the charging stations, and is working with PG&E to complete the electrical connection, which is expected to be completed by September 2017.

## ***Project 2: Final Report – Foundation, Faria Preserve Residential Development Mitigation Project***

### **Project Background**

In October 2012, Faria LT Ventures, LLC (Faria Preserve), the owner of the Faria Residential Development parcel filed Vesting Tentative Map 9342 for 738 residential units and a 12-acre community park with the City of San Ramon (City) to obtain a permit to construct, operate and maintain the Faria Preserve Residential Development. The City approved Faria LT Ventures, LLC's Vesting Tentative Map in September 2014. The City approved Faria LT Ventures, LLC's Initial Study/Negative Declaration on May 6, 2014 subject to conditions, including Mitigation Measure 3.3 -1(b) (See attachment 1), which requires that Faria Residential Development in order to comply with the California Environmental Quality Act (CEQA).

On April 12, 2016, the Foundation received an electric copy of a letter from the City of San Ramon CalAtlantic Homes stating that the City understand the terms of the conditions between the Foundation and CalAtlantic Homes, and that CalAtlantic Homes will purchase a mix of 13.64 tons of NOx and Reactive Organic Gases (ROG), together referred to as "ozone precursors", from the Foundation.

On September 15, 2016, the Foundation and Faria Preserve entered into an agreement to assist Faria Preserve in satisfying the requirements of Mitigation Measure 3.3-1(b), and to ensure the proper funding and management of an emissions reduction program to offset zone precursor emissions attributable to construction of the Faria Preserve Residential Development. Through this agreement the Foundation is the project administrator and will, through its contractor, the Bay Area Air Quality Management District (BAAQMD), solicit for, evaluate, administer, calculate emissions reductions for, inspect, contract with, verify, pay and report on reduction of NOx and ROG, together referred to as "ozone precursors"; emissions reductions projects using funds provided by Faria Preserve. The Foundation shall seek to achieve a minimum reduction of 13.64 tons of ozone precursors through the selection of qualifying emissions reduction projects. Faria

Preserve shall pay a total of \$472,262.70 to the Foundation to satisfy the requirements under Mitigation Measure 3.3-1(b), which Funds comprise Project funds of \$449,774.00 and administrative fees of \$22,488.70 for the Foundation to administer this project.

**Discussion**

Section 3(F) of the agreement signed between the Foundation and Faria Preserve requires the Foundation to provide a report to Faria Preserve of all qualifying emissions reductions projects selected for funding, the type and amount of emissions they reduce, their location, the costeffectiveness of the emissions reductions, and the dollar amount allocated to each project within 90 days of disbursing all project funds.

**Project Schedule:**

- **September 25, 2015** – Foundation received mitigation payment #1 for \$89,756.95
- **April 18, 2016** – Foundation received mitigation payment #2 for \$382,505.75
- **September 15, 2016** – Contract executed between Foundation and Faria Preserve, LLC, / CalAtlantic Group, Inc. for a total mitigation of 13.64 tons of ozone precursors from a mitigation amount of \$472,262.70 (\$465,167 in project funds and up to \$22,488.70 in administrative funds).
- **October 21, 2016** – Foundation completes the expenditure of mitigation funds through the BAAQMD Vehicle Buyback Program ([www.baaqmd.gov/vbb](http://www.baaqmd.gov/vbb)). These funds were used to scrap 436 vehicles which had an average model year of 1990.

**Program Data and Results:**

The Faria Preserve mitigation funds received were used to fund light-duty voluntary accelerated vehicle retirement emission reduction projects in accordance with the California Air Resources Board’s Carl Moyer Program guidelines and the requirements of the BAAQMD program. Projects were reviewed to ensure that these requirements were achieved and have been deemed qualifying emissions reduction projects. Table 1 summarizes the results of the emission reduction projects funded.

Table 1 – Summary of Vehicle Buyback Program project results

	<b>Actual project payment data</b>
<b>Total funds expended</b>	<b>\$472,262.70</b>
<b>Project funds expended</b>	\$465,167.00
<b>Administrative funds expended</b>	\$7,095.70
<b>Emissions reductions: NOx + ROG (Tons per year – TPY)</b>	NOx: 5.33 TPY ROG: 8.32 TPY <b>Total: 13.65 TPY</b>
<b>Vehicles retired</b>	436

<b>Vehicle model year (MY) data</b>	Average MY: 1990 MY range: 1970-1994
<b>Project amount awarded for each vehicle retired</b>	\$1,049 or \$1,100
<b>CMP Cost-effectiveness</b>	\$11,999 / ton of NOx + ROG
<b>Project location</b>	Bay Area – regional program

***Project 3: New Proposed Project: Adoption of Zero – and Near-zero Emissions Equipment and Vehicles in and Around the Port of Oakland***

The Foundation has been developing a proposal that will seek approximately \$1.3 million in RFG funding to help accelerate the adoption of zero- and near-zero-emission equipment and vehicles operating in and around the Port of Oakland and the surrounding West Oakland community. This is the last tranche of RFG funds and the Foundation’s application is currently under review and consideration by the RFG administrators. If approved, this project would be matched by up to \$1.3 million of TFCA funding and in addition to other state funds, which are currently being applied for by the Air District.

**BAY AREA  
CLEAN AIR  
FOUNDATION**

**Proposed Budget Calendar Year 2017**

**Revenues/Sources**

Interest Income	\$1,150.00
General Fund Subsidy	\$10,000.00
*RFG Grant	\$2,000,000.00
Use of Prior Year Cash Balance	\$100,000.00
<b>Total Revenues/Sources</b>	<b>\$ 2,111,150</b>

**Expenditures**

Administrative Overhead/Support	\$ 6,000
*Program/Project Distributions	\$ 2,100,000
Tax Filing Services	\$ 3,000
Insurance Premium	\$ 2,000
Other Charges	\$ 150
<b>Total Expenditures</b>	<b>\$ 2,111,150</b>

\*RFG Grant funds incoming and to be disbursed between 2017 and 2018