



**AGENDA: 4**

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Bay Area Air Quality Management District  
Mobile Source Committee

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

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December 17, 2018

Judy Williams  
Staff Specialist



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



## ❖ Carl Moyer Program (CMP)

- Created in 1998 to reduce emissions from heavy-duty engines
- Voluntary program that funds surplus emission reductions

## ❖ Mobile Source Incentive Fund (MSIF)

- Assembly Bill (AB) 923 allowed for additional \$2 motor vehicle registration fee surcharge (12/04)
- CMP and Lower Emission School Bus Program (LESBP) projects eligible for MSIF funding



# Community Health Protection Grant Program (CHP)

- ❖ Created by AB 134 appropriation of \$250 million from the Greenhouse Gas Reduction Fund (GGRF) to reduce mobile source emissions including criteria pollutants, toxic air contaminants, and greenhouse gases in AB 617 communities
- ❖ Bay Area Air Quality Management District (Air District) allocated \$50 million of these funds for emission reduction projects under the CMP, and optionally under the Proposition 1B Goods Movement Emission Reduction Program



## CMP/MSIF, & CHP

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### ❖ On 2/21/18 Air District Board of Directors:

- Approved participation in CMP Year 20
- Authorized Executive Officer/APCO to execute contracts and amendments with grant awards up to \$100,000

### ❖ On 12/20/17 Air District Board of Directors:

- Approved acceptance of \$50 M in AB 134 funding for the Community Health Protection Grant Program (CHP)



## Project Recommendations Over \$100k

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### ❖ \$13,270,776 in total awards and 16 projects:

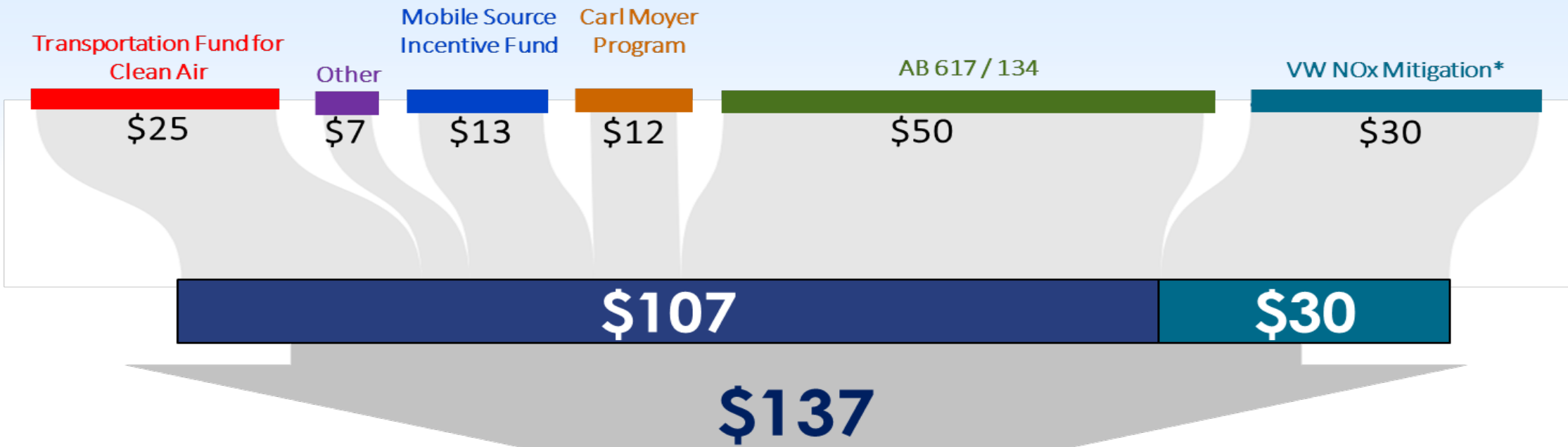
- 13 pieces of agricultural equipment
- 3 pieces of off-road equipment
- 19 school buses
- 15 marine engines

### ❖ **Emission reductions:** over 27.9 Tons Per Year (TPY) of criteria pollutants



# Projected Grant Revenues for FYE 2019

## \$137 (in Millions)



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

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

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





# Funds Recommended & Awarded by Project Category

Total Since July 2018 = \$30 M

List of projects is shown in Attachments 2 and 3



**Light-duty  
Cars &  
Infra-  
structure**

**On-road  
Trucks &  
Buses**

**School  
Buses**

**Off-road**

**Marine**

**Trip  
Reduction &  
Bike  
Facilities**

**\$988,000**

**\$2,864,600**

**\$11,884,988**

**Ag:  
\$1,940,427  
Non-Ag:  
\$1,357,458**

**\$5,929,000**

**\$5,279,069**

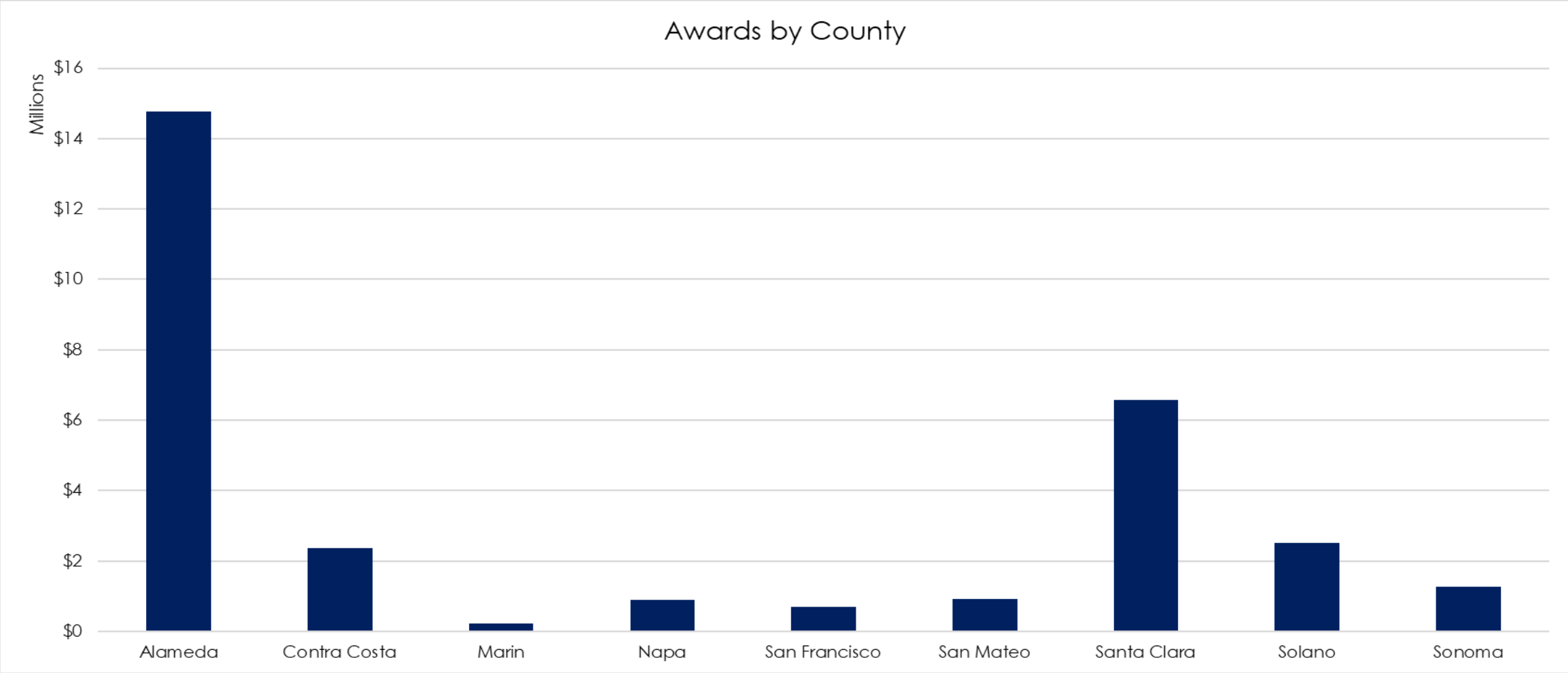




# Funds Recommended & Awarded by County Since July 2018

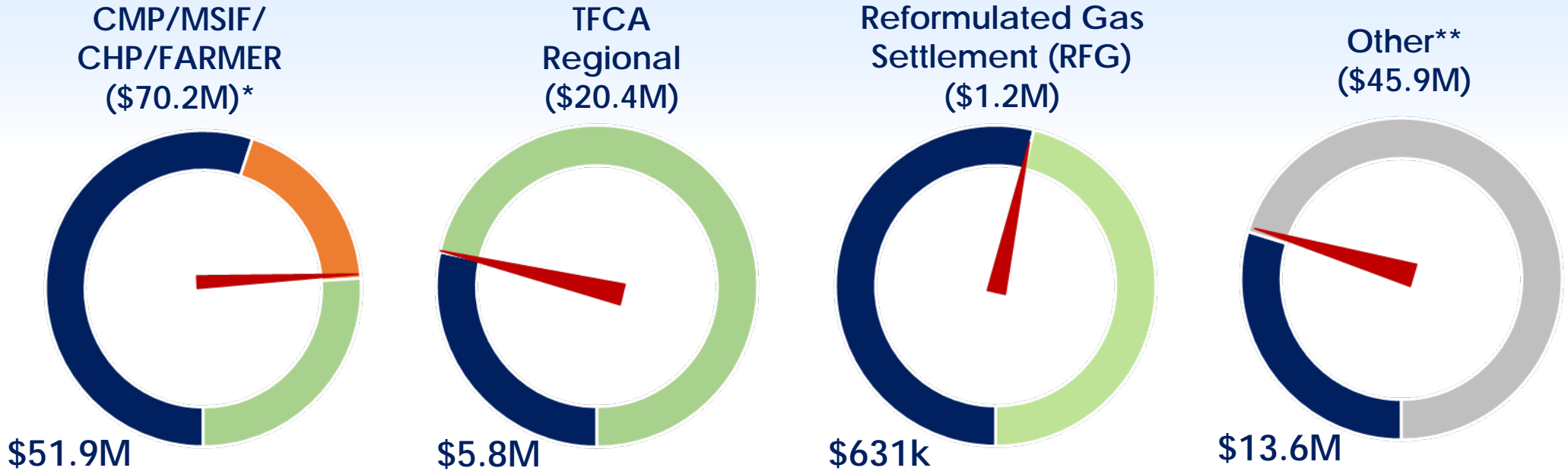
Total = \$30 M

List of projects is shown in Attachments 2 and 3





# Status of FYE 2019 Incentive Funding by Source



\*Includes funding and awards made in FYE 2018

\*\* includes passed-through funding from TFCA County Program Manager, ARB-funded Hydrogen Ferry Demo, EPA-funded DERA, and MTC for EV Outreach, and other funding that is not yet available from the Volkswagen NOx Mitigation, and ARB-funded EFMP.



# Open Solicitations & Available Funding

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



# Recommendations

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## *Recommend the Board of Directors:*

1. Approve recommended projects with proposed grant awards over \$100,000 as shown in Attachment 1; and
2. Authorize the Executive Officer/APCO to enter into all necessary agreements with applicants for the recommended projects.



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Bay Area Air Quality Management District  
Mobile Source Committee

# **Fiscal Year Ending (FYE) 2017 Transportation Fund for Clean Air (TFCA) Program Audit Results**

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December 17, 2018

Ken Mak  
Acting Supervising Staff Specialist



- **Background**
- **Audit #19:**
  - Process
  - Results & Trends
  - Next Steps



# Background

## Transportation Fund for Clean Air (TFCA)

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





# Audit #19

- Board approved award of contract to Simpson & Simpson, LLP for independent audit services on October 4, 2017
- Audit #19 Scope:
  - Covered 26 TFCRA Regional Fund projects and 119 County Program Manager Fund projects that were closed out by 6/30/2017
  - Auditors reviewed financial and compliance objectives for Regional Fund, Air District sponsored projects, and County Program Manager Fund projects



## Audit #19 Process (cont'd)

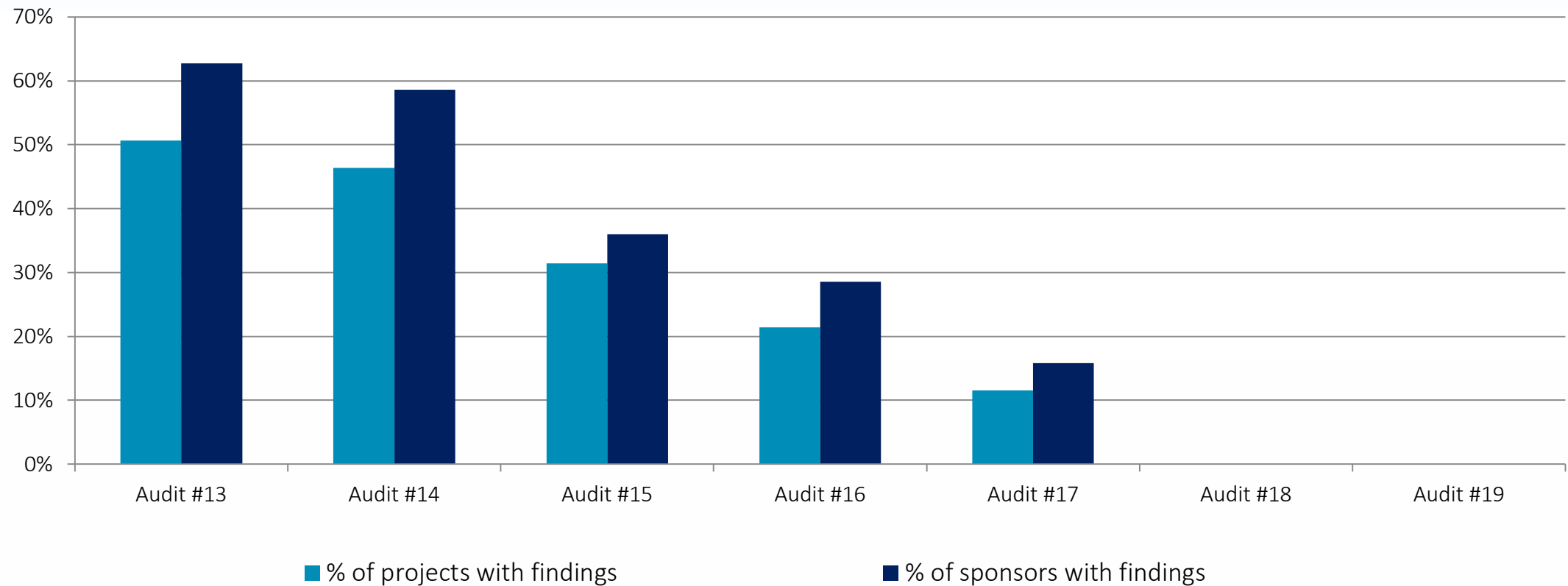
- **Financial audits** performed in accordance with generally accepted auditing standards in the U.S. and applicable standards contained in *Government Auditing Standards*
- **Compliance audits** performed in accordance with the requirements outlined in the Health and Safety Code, funding agreements, and *Government Auditing Standards*
  - Focus to ensure TFCFA expenditures were paid in accordance with program's objectives
  - Not designed to provide assurance on overall project compliance



# Audit #19 Results

## Regional Fund and Air District-Sponsored Projects:

- No sponsor or Air District oversight findings noted





# County Program Manager Fund

## Audit #19 Results

- Transportation Authority of Marin (TAM) over-reported TFCA funds expended for project #10MAR07 by \$38,872
  - Finding is a reporting discrepancy that has been corrected
- City/County Association of Governments of San Mateo submitted two Final Reports late



# Next Steps

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- Continue to work closely with Project Sponsors and County Program Managers to improve and strengthen administrative processes and to clarify program and contractual requirements



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# **Report on Transportation Fund for Clean Air (TFCA) Projects Expenditures and Effectiveness for Fiscal Year Ending (FYE) 2018**

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December 17, 2018

Linda Hui  
Staff Specialist II



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





# Background

## Transportation Fund for Clean Air (TFCA)

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- Statutory authority: California Health and Safety Code (HSC)
- Funding: \$4 surcharge on motor vehicles
  - 6% of TFCA funds awarded directly by the Air District
  - 40% is distributed to the nine Bay Area Congestion Management Agencies
  - HSC Section 44241.5: Air District's Board to annually review the expenditure of revenues received to determine their effectiveness in improving air quality

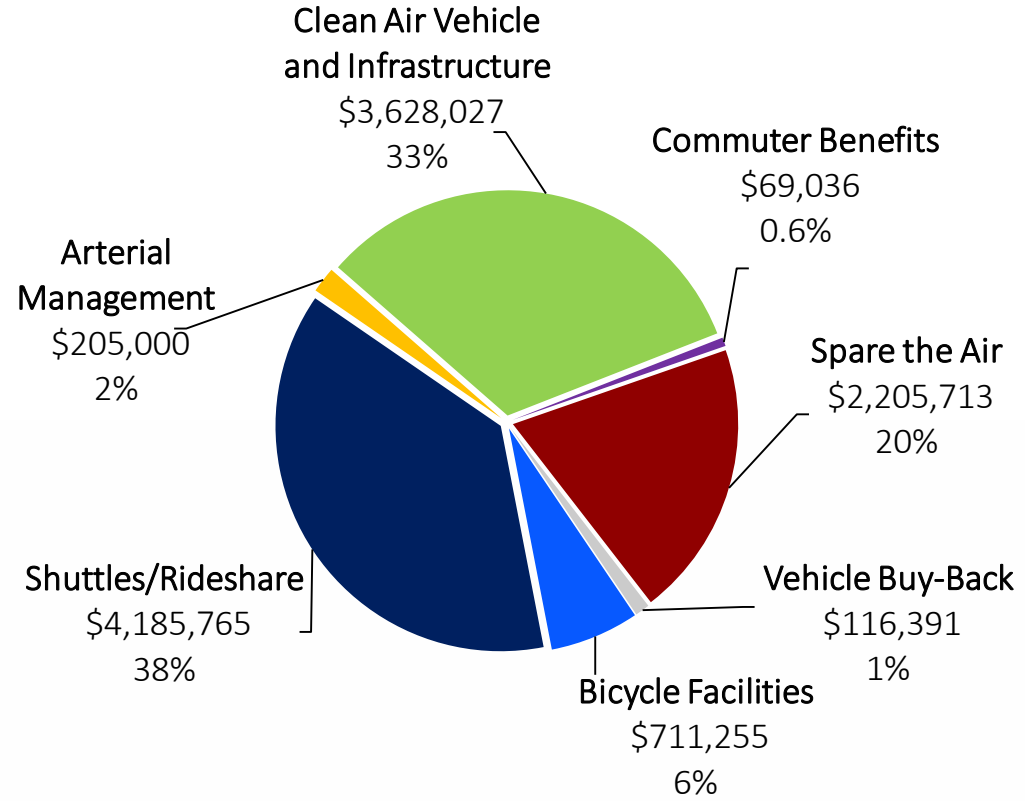


# Expenditures by Project Category

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

## Expenditures: \$11.12 million (M)

- \$2.39 M - Air District programs
- \$8.73 M - Regional Fund
- \$0.99 M - FYE 2018 admin & audit costs





# Summary of FYE 2018 Expenditures and Effectiveness Report Results

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- **Lifetime criteria pollutants reduced: 173.28 tons**
  - 55.27 tons of reactive organic gases
  - 48.94 tons of nitrogen oxides
  - 69.07 tons of particulate matter
- **Lifetime greenhouse gas emissions reduced: 105,000 tons**



# Key Expenditures and Effectiveness Report Findings

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- TFCAs funds allocated to eligible projects and programs
- Overall cost-effectiveness: \$55,896/ton criteria pollutant emissions reduced:
  - Two projects exceeded the cost-effectiveness threshold for the year they were awarded



# Key Expenditures and Effectiveness Report Findings (cont'd)

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



# Next Steps

- Evaluate opportunities for funding most cost-effective projects and programs and for focusing funds in CARE/AB 617 areas
- Partner with transit and congestion management agencies on identifying new cost-effective trip reduction solutions
- Refine estimated emissions reductions for clean-vehicle projects using project data reported annually