



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS MOBILE SOURCE COMMITTEE

COMMITTEE MEMBERS

SHELIA YOUNG - CHAIRPERSON
ROBERTA COOPER
JAKE MCGOLDRICK
JOHN SILVA

TIM SMITH – VICE CHAIRPERSON
JERRY HILL
JULIA MILLER
PAM TORLIATT

THURSDAY
MAY 20, 2004
9:30 A.M.

BOARD ROOM

AGENDA

1. **CALL TO ORDER - ROLL CALL**
2. **PUBLIC COMMENT PERIOD** (*Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3*) *Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.*
3. **APPROVAL OF MINUTES OF APRIL 8, 2004**
4. **DIRECT MAIL SERVICE CONTRACTOR SELECTION FOR THE VEHICLE BUY-BACK PROGRAM**

J. Roggenkamp/4646
jroggenkamp@baaqmd.gov

Consider recommending Board of Directors approval of Ad Mail as the contractor for the FY 2003/2004 Vehicle Buy-Back Program direct mail service provider and authorization to the Executive Officer to execute a contract for up to \$90,000 to provide such service.
5. **PROPOSED MODIFICATIONS TO THE CALIFORNIA AIR RESOURCES BOARD FLEET RULE FOR TRANSIT AGENCIES**

J. Roggenkamp/4646
jroggenkamp@baaqmd.gov

Consider recommending Board of Directors approval of comments on proposed modifications to the Air Resources Board's fleet rule for transit agencies.
6. **REFERRAL FROM COMMITTEE**

J. Roggenkamp/4646
jroggenkamp@baaqmd.gov

Staff report on referral from last Committee meeting.

7. COMMITTEE MEMBER COMMENTS/OTHER BUSINESS

Any member of the Committee, 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).

8. TIME AND PLACE OF NEXT MEETING: 9:30 a.m., JUNE 10, 2004, 939 ELLIS STREET, SAN FRANCISCO, CA

9. ADJOURNMENT

**CONTACT CLERK OF THE BOARDS - 939 ELLIS STREET
SAN FRANCISCO, CA 94109**

**(415) 749-4965
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov**

- To submit written comments on an agenda item in advance of the 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 at least three working days prior to the date of the meeting so that arrangements can be made accordingly.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET
SAN FRANCISCO, CALIFORNIA 94109
(415) 771-6000**

DRAFT MINUTES

Summary of Board of Directors
Mobile Source Committee Meeting
9:30 a.m., Thursday, April 8, 2004

1. **Call to Order – Roll Call:** Chairperson Shelia Young called the meeting to order at 9:31 a.m.

Roll Call: Shelia Young, Chairperson; Jerry Hill, Julia Miller, John Silva, Pam Torliatt.

Absent: Roberta Cooper, Jake McGoldrick, Tim Smith.

Also Present: Scott Haggerty (9:45 a.m.), Gayle Uilkema.

2. **Public Comment Period:** There were no public comments.

Staff requested, and the Committee approved, that agenda Item 4 be deferred to the next meeting.

3. **Approval of Minutes of February 26, 2004:** Director Miller moved approval of the minutes; seconded by Director Hill; carried unanimously without objection.

4. **Contractor Selection for Direct Mail Service for the Vehicle Buy Back Program:** This item was deferred to the next Committee meeting.

5. **Transportation Fund for Clean Air Annual Report:**

The Committee considered recommending Board of Directors' approval of the report entitled Transportation Fund for Clean Air Report on FY 2003/2004 Allocations and Effectiveness.

David Burch, Sr. Environmental Planner, presented the Annual Report and stated that it summarizes allocations and estimated emission reductions for all projects that received funding in the fiscal year 2003/04 Transportation Fund for Clean Air (TFCA) cycle. Mr. Burch highlighted some of the key findings:

- A total of \$28.3 million has been allocated for eligible projects and programs: \$18.1 million in Regional funds for 46 projects, and \$10.2 million in Program Manager funds for 77 projects.
- The aggregate estimated lifetime emissions reduction is 1,558 tons, which includes 525 tons of reactive organic gas (ROG), 898 tons of oxides of nitrogen (NOx), and 135 tons of particulate matter (PM).
- The aggregate cost-effectiveness of all TFCA projects funded in 2003/2004 is \$18,155 per ton of emissions reduction.

- Since the inception of the TFCA program in 1992, the Air District has allocated \$258 million to 1,614 projects.

Mr. Burch stated that staff recommends that the Committee recommend Board approval of the TFCA Annual Report. The Committee requested staff provide a chart that lists the amount of funds that have been allocated for each year since 1992. In response to a question from Director Torliatt, Mr. Burch noted that older engines or retrofits are funded and that some filters are approved for only a certain year engine. It was also noted that the Vehicle Buy-Back budget was increased for fiscal year 2003/04.

Committee Action: Director Torliatt moved that the Committee recommend the Board approve the staff recommendation as stated above; seconded by Director Miller; carried unanimously without objection.

6. Distribution of Lower Emission School Bus Program Funds:

The Committee received a report on the Air District's distribution of lower emission school bus funds.

Michael Murphy, Principal Environmental Planner, presented the report and reviewed the following:

- The current age of Bay Area school bus fleets, for both public and private schools.
- The county distribution of all school buses; there are 3,400 active school buses (1,700 public and the rest private) in the Bay Area and the private fleet is newer.
- The county distribution of public school buses; San Francisco County does not own any school buses.
- Replacement of old school buses with TFCA funding started in 1993.
- The Lower Emission School Bus Program began in 2000.
- The focus has been on publicly owned school buses.
- The Bay Area allocations to date are \$38.5 million.
- The total number of Lower Emission School Bus Projects in each county and the county allocation of Air District funds to public school districts for the Lower Emission School Bus Program.
- Future actions include:
 - \$1.9 million for additional bus replacements is available in the next funding cycle.
 - The Air District will continue to work with school districts and private school bus contractors to install diesel PM retrofits on buses that are model-1994 and newer.
 - The Air District will support continued funding from State agencies for school bus and engine replacements in pre-1994 buses.

In response to a question from Director Hill, Mr. Murphy stated that there are some bus companies that are not currently in the program. Staff has been meeting with one of the companies that has expressed an interest in the program. There was discussion on the South Coast AQMD rule, which has been challenged in court, that requires the school buses to be clean diesel when they are purchased. The consensus of the Committee is that this Air District should pursue legislation that would allow the District to promulgate a similar rule in the Bay Area.

Committee Action: None. This report provided for information only.

7. **Committee Member Comments.** There were none.
8. **Time and Place of Next Meeting:** Chairperson Young rescheduled the May 13, 2004 meeting to 9:30 a.m. Thursday, May 20, 2004, 939 Ellis Street, San Francisco, CA 94109
9. **Adjournment:** 10:15 a.m.

Mary Romaidis
Clerk of the Boards

MOBILE SOURCE COMMITTEE

Follow-up Items for Staff

April 8, 2004

1. The Committee requested that staff provide a chart that lists the amount of TFCA funds that have been allocated for each year since 1992.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Inter-Office Memorandum

To: Chairperson Young and
Members of the Mobile Source Committee

From: Jean Roggenkamp
Director of Planning and Research

Date: May 13, 2004

Re: Direct mail service contractor selection for the Vehicle Buy Back Program

RECOMMENDED ACTIONS

- 1) Recommend Board approval of Ad Mail as the contractor for the FY 03/04 Vehicle Buy Back Program direct mail service provider.
- 2) Recommend the Board authorize the Executive Officer to execute a contract for up to \$90,000 with Ad Mail to provide direct mail services for the Vehicle Buy Back Program, with the option to renew the contract for an additional year at the Air District's discretion.

BACKGROUND

The Air District's Vehicle Buy Back (VBB) Program purchases and scraps 1981 and older vehicles that lack modern emission control systems and produce more air pollution than newer cars. The Air District pays \$500 to the vehicle owner if the vehicle qualifies for the VBB Program. Since January 2000, the Air District has used a direct mail campaign to inform potentially eligible vehicle owners about the VBB Program. Based on the VBB Program surveys, the direct mail letters are the most effective means of generating participation in the program.

The VBB Program direct mail effort uses the California Department of Motor Vehicle's (DMV) database to contact, by mail, the owners of 1981 and older vehicles that may be eligible for the program. The scope of work requires the direct mail contractor to convert the DMV database of registered vehicle owners into an Access database format. Using the DMV database on a bi-monthly basis, the direct mail contractor will create a list of vehicles that are due for DMV registration renewal. The average bi-monthly list will have approximately 11,500 names. The direct mail contractor will print and merge the text of the one-page VBB Program letter with the names and addresses of vehicle owners on the bi-monthly list, and mail the letters via the United States Postal Service.

DISCUSSION

On January 12, 2004, the Air District issued a Request for Proposals (RFP) seeking a direct mail service provider for the FY 03/04 VBB Program. The RFP was mailed to 42 mail service providers in the Bay Area. These included minority and women's business enterprises. In addition, the RFP was posted on the Association of Bay Area Governments website and the Air District website. Responses to the RFP were due by February 10,

2004. The procedures used in the issuance of this RFP comply with the Air District’s Administrative Code and with Division 2 of the California Public Contract Code.

The Air District received seven (7) proposals in response to the RFP. The proposals were evaluated against criteria set forth in the RFP: price and demonstration of ability to perform the work. Applicants were required to provide prices for data management costs, letter and envelope production costs, and standard mail bulk rate postage and delivery cost for up to 275,000 pieces of mail. The 275,000 figure represents the approximate number of registered vehicles, model years 1966 to 1981, within Air District’s jurisdiction that would be eligible for the VBB Program. Model year 1965 and older vehicle owners will not be targeted because vehicles of this vintage are usually classic or collector vehicles and would not be suitable for the program.

The table below lists the bid prices, from lowest to highest, for data management and production costs for each proposal. The cost of postage would be added to the bid prices. Postage would range from \$0.19 to \$0.23 per piece for standard bulk rate. At current postal rates, 275,000 pieces of mail would range in postage cost from \$52,250 to \$63,250.

The evaluation of the proposals using the price criterion set forth in the RFP indicates that Data Marketing, Inc.’s price was the lowest, followed by Mail Stream Corporation and Ad Mail. Based on the second criterion, ability to perform the mailing, staff believes that Ad Mail, located in Hayward, offers a few advantages. First, the sample letterhead and envelope Ad Mail provided is excellent. Second, Ad Mail has been under contract with the Air District in the past for direct mail services and performed well. Third, the VBB Program staff has had direct experience working with Ad Mail and considers this firm professional and reliable. Although Data Marketing, Inc. had the lowest price bid, the quality of the sample letterhead, text, and envelope was average. The print quality of the letterhead, text, and envelope, including the Air District logo, are very important in conveying to the public the credibility of the VBB Program. Currently, the Air District is under contract with Mail Stream Corporation, and although they have the second lowest bid, Air District staff has not been completely satisfied with Mail Stream Corporation’s responsiveness. Based on these factors and the small difference in the bid prices between these three proposals, staff recommends Ad Mail be awarded the contract. The contract with the proposed new direct mail contractor will commence on June 2, 2004 and extend to June 30, 2005, with the option to renew the contract for an additional year at the Air District’s discretion.

Direct Mail Service Provider Proposed Data Management and Production Costs

Company	City	State	Cost*
Data Marketing, Inc.	San Jose	CA	\$18,846
Mail Stream Corporation	Concord	CA	\$21,285
Ad Mail	Hayward	CA	\$25,761
Data Prose	Oxnard	CA	\$27,308
AID Mailing & Fulfillment	Mountain View	CA	\$39,050
Accurate Mailings, Inc.	Belmont	CA	\$43,186
Direct Mail Center	San Francisco	CA	\$50,720

*Cost does not include postage. At current rates, postage costs would add between \$52,250 to \$63,250.

BUDGET CONSIDERATION / FINANCIAL IMPACT

Funding for the continuation of the direct mail campaign is included in the approved FY 03/04 budget under Program 612.

Respectfully submitted,

Jean Roggenkamp
Director of Planning and Research

FORWARDED: _____

Prepared by: Vanessa Mongeon
Reviewed by: Juan Ortellado

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Inter-office Memorandum

To: Chairperson Young and
Members of the Mobile Source Committee

From: Jean Roggenkamp
Director of Planning and Research

Date: May 13, 2004

Re: Modifications to the California Air Resources Board’s Public Transit Bus Fleet Regulation

RECOMMENDED ACTION

Recommend Board approval of staff comments on CARB’s proposed modifications to the Public Transit Bus Fleet Regulation.

BACKGROUND

The California Air Resources Board (CARB) adopted a regulation in February 2000 to control emissions from public transit bus fleets and amended the regulation in October 2002. The regulation sets fleet-wide requirements applicable to each transit agency, considering each fleet as a whole, to meet emission reduction goals. The regulation also promotes advanced technologies by adopting a zero-emission bus (ZEB) demonstration and ZEB acquisition for large transit agencies.

The current CARB transit bus regulation includes two main components: emission standards for new urban buses and a fleet rule requiring reductions from the in-use fleet of buses. CARB provides two compliance paths - diesel and alternative fuel - for transit agencies when purchasing new buses. For in-use buses, transit operators are required to achieve a fleet-wide oxides of nitrogen (NOx) emissions average, and reduce particulate matter (PM₁₀) emissions by specified percentages, from a 2002 baseline fleet average, through vehicle turnover or the use of verified emission control devices.

Nearly all Bay Area transit fleets are following the diesel compliance path.¹ All of them currently meet the fleet-wide NOx average and are proceeding to implement the PM₁₀ reduction.

The engine emission standards² for new urban buses in CARB’s regulations are summarized in the table below.

Year	Diesel Path		Alternative Fuel Path	
	NOx (g/bhp-hr)	PM ₁₀ (g/bhp-hr)	NOx (g/bhp-hr)	PM ₁₀ (g/bhp-hr)
2004-2006	0.5	0.01	2.5	0.03
2007	0.2	0.01	0.2	0.01

¹ Sonoma County Transit and Union City Transit are the only Bay Area transit agencies following the Alternative Fuel compliance path.

² 2004 – 2006 engine emission standards for all other heavy-duty engines is 2.4 g/bhp-hr for NOx + NMHC and 0.05 g/bhp-hr for PM₁₀.

Currently, no certified diesel bus engines meet CARB's NO_x standards. Furthermore, engine manufacturers have indicated to CARB that they will not certify diesel urban bus engines to the 2004-2006 standards and might not certify engines to the 2007 urban bus standards. Current diesel engines can meet the PM₁₀ standard through the use of diesel particulate filters.

Currently, gasoline hybrid electric and natural gas bus engines are certified at or below the 2004-2006 NO_x and PM₁₀ standards for alternative fuel engines. Engine manufacturers have indicated to CARB that they might not certify alternative fuel engines to the 2007 urban bus standards. Nonetheless, two natural gas engine manufacturers stated at CARB's March 2004 workshop that they intend to produce compliant engines in 2007.

Bay Area transit districts on the diesel compliance path can purchase alternative fuel buses. Thus, while diesel-powered buses are not currently available, a local transit district could purchase, for instance, natural gas or gasoline hybrid electric buses as part of any fleet turnover or expansion. However, there is a possibility that no certified engines of any fuel type will be available during the 2007 to 2010 period if the emission standards remain unchanged.

DISCUSSION

CARB is now proposing changes to the current public transit bus fleet regulation. Initial public workshops to discuss possible changes were held by CARB in December 2003 and March 2004. CARB staff considered a variety of possible changes proposed during the public workshops. Final proposed changes to the public transit bus fleet regulation, scheduled for consideration at the June 24, 2004 CARB meeting, were released on May 7, 2004. The proposed changes are:

- Add a definition for hybrid-electric bus (HEB) modeled on the definition in the "California Interim Certification Procedures for 2004 and Subsequent Model Hybrid-electric Vehicles, in the Urban Bus and Heavy-duty Vehicle Classes." The proposed definition is already being used in the certification procedure for HEBs.
- Add a 2004-2006 engine exhaust emission standard of 1.8 g/bhp-hr NO_x and 0.01 g/bhp-hr PM₁₀ for diesel HEBs. The intended effect of the change is to set the lowest technologically feasible emission standard for diesel HEBs to encourage manufacturers to produce and sell HEBs in California.
- Add emission reduction requirements to the fleet rule for transit agencies for the purchase of diesel HEBs. This provision, which only applies to transit agencies on the diesel path, provides procedures to offset the NO_x emissions that would result from the purchase and operation of diesel HEBs that meet the less stringent NO_x exhaust emission standard.
- Add a mechanism to allow CARB to receive applications and decide on the merits of exhaust emission offset actions proposed by a transit agency that chooses to purchase diesel HEBs. Transit agencies would be required to submit a plan prior to purchasing diesel-fueled HEBs, including the plan to reduce NO_x emissions.
- Reduce the number of buses required for the ZEB rule to three buses per demonstration project, as opposed to three buses per participant, and revise the start of the demonstration to February 28, 2006.

Air District staff is preparing comments on CARB's proposed changes to the public transit bus fleet regulation. We support the proposed changes to the ZEB rule because they match the program goals with the current status of technology. On the other hand, given that no diesel bus engines meet CARB's current NOx standard, we believe that CARB's regulation should provide transit operators on the diesel path with multiple compliance options while ensuring that significant emission reductions are achieved.

The regulation already provides all transit operators, including those on the diesel path, the following compliance options, which meet the current standards for alternative fuel engines, for model year 2004 – 2006 buses:

- Purchase and operation of natural gas buses, and
- Purchase and operation of gasoline HEBs.

CARB is proposing to add a third option for transit operators on the diesel path:

- Purchase and operation of diesel HEBs with engines certified by CARB to a 1.8 g/bhp-hr standard.

We believe that this third option should be included in the regulation if:

- After-treatment technology is required for each diesel HEB, if technically feasible, to further reduce NOx emissions (effectively to 1.35 g/bhp-hr), and
- The mitigation plan requirement proposed by CARB is applied to offset the NOx emission difference between the certified NOx emission standard of the HEB and a level beyond the current standard (0.5 g/bhp-hr) set for the diesel path. One option would be to offset the NOx emission difference between the certified NOx emission standard of the HEB and the 2007 NOx standard (0.2 g/bhp-hr). Transit operators could accomplish this by installing after-treatment technology on their remaining diesel buses or repowering old diesel engines with certified cleaner engines.

Air District staff believes that providing the options outlined above would move transit operators toward more advanced technologies, make it more feasible for transit agencies on the diesel path to retire their older more polluting diesel buses, and achieve significant emission reductions.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None.

Respectfully submitted,

Jean Roggenkamp
Director of Planning and Research

FORWARDED: _____

Prepared by: Juan Ortellado
Reviewed by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Inter-Office Memorandum

To: Chairperson Young and
Members of the Mobile Source Committee

From: Jean Roggenkamp
Director of Planning and Research

Date: May 13, 2004

Re: Referrals from Committee

RECOMMENDED ACTION

Information.

BACKGROUND

Staff response to referrals from the last meeting of the Mobile Source Committee.

DISCUSSION

On April 8, 2004, staff presented the Transportation Fund for Clean Air (TFCA) Annual Report for FY 2003/04 to the Mobile Source Committee. In reviewing the report, Committee members requested that staff provide aggregate data summarizing allocations and emission reductions by project type over the life of the TFCA program.

In response to the Committee's request, the attached table provides these data for the years FY 1996/97 through FY 2003/04, using the same format as the table on page 4 of the FY 2003/04 Annual Report. Please note that the table covers only the period from FY 1996/97 onward, because the District did not estimate emission reductions for TFCA Program Manager projects prior to FY 1996/97.

Respectfully submitted,

Jean Roggenkamp
Director of Planning and Research

FORWARDED: _____

TFCA Program - Allocations and Emission Reductions - 1996 to 2003 *					
Category	# of Projects	TFCA\$ Funded	% of TFCA\$	Emission Reductions, (tons) **	% of Emission Reductions
Administration	80	\$10,255,773	5.0%	0	na
Smoking Vehicle Program	8	\$4,230,003	2.1%	3,851	26.0%
Vehicle Buy Back Program	8	\$18,403,121	9.0%	3,299	22.3%
Light-Duty Clean Air Vehicle Incentives	86	\$9,290,538	4.6%	182	1.2%
Spare the Air Program	4	\$2,096,514	1.0%	82	0.6%
Trip Reduction / Ridesharing	214	\$35,252,087	17.3%	1,882	12.7%
Smart Growth ***	16	\$3,748,749	1.8%	98	0.7%
Arterial Management	64	\$16,832,909	8.3%	589	4.0%
Bicycle Facilities	236	\$23,834,718	11.7%	811	5.5%
Shuttle and Feeder Bus	180	\$37,921,854	18.6%	1,761	11.9%
School Buses	64	\$25,021,919	12.3%	1,023	6.9%
Heavy-Duty Natural Gas Vehicles	40	\$11,072,634	5.4%	676	4.6%
Infrastructure for Natural Gas Vehicles	30	\$4,280,698	2.1%	6	0.0%
Electric Vehicle Charging Stations	19	\$701,607	0.3%	0	na
Retrofit Devices for Diesel Engines ****	6	\$938,840	0.5%	556	3.7%
T O T A L	1,055	\$203,881,963	100%	14,817	100%

Notes:

* Table summarizes allocation of Program Manager Funds and Regional Funds from FY 96/97 through FY 03/04. (The District did not estimate emission reductions for Program Manager projects prior to the FY 1996/97 cycle.)

** Emission reductions represents sum of ozone precursors (ROG and NOx) and PM10.

*** "Smart Growth" projects first became eligible for funding in FY 2000/01.

**** Retrofits and repowers of existing diesel engines first became eligible for funding in FY 2003/04.