



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

## BOARD OF DIRECTORS' REGULAR MEETING

MAY 4, 2005

A meeting of the Bay Area Air Quality Management District Board of Directors will be held at 9:45 a.m. in the 7<sup>th</sup> floor Board Room at the Air District headquarters, 939 Ellis Street, 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.



# BOARD OF DIRECTORS' REGULAR MEETING A G E N D A

WEDNESDAY  
MAY 4, 2005

BOARD ROOM  
7TH FLOOR

9:45 A.M.

## CALL TO ORDER

Opening Comments  
Roll Call  
Pledge of Allegiance  
Commendation/Proclamation

Marland Townsend, Chairperson  
Clerk of the Boards

## PUBLIC COMMENT PERIOD

**Public Comment on Non-Agenda Items, Pursuant to Government Code Section 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 Board's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.*

## CONSENT CALENDAR (ITEMS 1 – 6)

Staff/Phone (415) 749-

1. Minutes of April 20, 2005  
M. Romaidis/4965  
[mromaidis@baaqmd.gov](mailto:mromaidis@baaqmd.gov)
2. Communications  
*Information only*  
J. Broadbent/5052  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)
3. Report of the Advisory Council  
B. Zamora/4962  
[Bzamora@co.sanmateo.ca.us](mailto:Bzamora@co.sanmateo.ca.us)
4. Quarterly Report of Air Resources Board Representative  
J. Broadbent/5052  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)
5. Quarterly Report of the Clerk of the Boards  
J. Broadbent/5052  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)
6. Referral of Proposed Budget for Fiscal Year 2005/2006 to the Budget and Finance Committee  
J. Broadbent/5052  
[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*Pursuant to Administrative Code Division II, Section 3.2 Fiscal Policies and Procedures, and in compliance with Section 29064 of the Government Code, the Board shall refer the proposed budget for Fiscal Year 2005/2006 to the Budget and Finance Committee for review and consideration.*

## **COMMITTEE REPORTS AND RECOMMENDATIONS**

7. Report of the **Mobile Source Committee** Meeting of April 25, 2005

**CHAIR: S. HAGGERTY**

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

Action(s): The Committee recommends Board of Director approval of the following:

- A) Receive report entitled *Transportation Fund for Clean Air (TFCA) Report on FY 2004/2005 Allocations and Effectiveness*;
- B) Selection of Macias, Gini & Company as the auditor to conduct fiscal audits of 44 TFCA Regional Fund projects; and
- C) Authorize the Executive Officer/APCO to execute a contract with the selected auditor in the amount of \$85,610 for the provision of the audit services.

## **PRESENTATION**

8. Report on the 2005 Spare the Air Campaign

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

*Staff will review plans for the upcoming 2005 Spare the Air season, including free morning commutes on the first (5) five Spare the Air days announced during the weekdays.*

## **OTHER BUSINESS**

- 9. Report of the Executive Officer/APCO
- 10. Chairperson's Report

## **CLOSED SESSION**

11. Conference with Legal Counsel –

*Existing Litigation Government Code Section 54956.9(a)*

*A need exists to meet with Counsel to discuss existing litigation:*

*Bay Area Air Quality Management District Employees' Association v. Bay Area Air Quality Management District, PERB, Unfair Labor Practice Complaint, Case No. SF-CE-288-M.*

## **OPEN SESSION**

12. Board Members' Comments

*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)*

13. Time and Place of Next Meeting - 9:45 a.m., Wednesday, May 18, 2005 -939 Ellis Street, San Francisco, CA 94109
14. Adjournment

**CONTACT CLERK OF THE BOARD - 939 ELLIS STREET SF, CA 94109**

**(415) 749-4965**  
**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 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 3 working days prior to the date of the meeting so that arrangements can be made accordingly.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Townsend and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: April 26, 2005

Re: Board of Directors' Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Board of Directors meeting of April 20, 2005.

DISCUSSION

Attached for your review and approval are the draft minutes of the April 20, 2005 Board of Directors' meeting.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
939 ELLIS STREET – SAN FRANCISCO, CA 94109

Draft Minutes: Board of Directors' Regular Meeting – April 20, 2005

**Call To Order**

Opening Comments: Chairperson Marland Townsend called the meeting to order at 9:47 a.m.

Roll Call: Present: Marland Townsend, Chair, Harold Brown, Roberta Cooper, Chris Daly, Mark DeSaulnier, Erin Garner, Scott Haggerty (9:50 a.m.), Jerry Hill, Liz Kniss (9:55 a.m.), Jake McGoldrick, Nate Miley (9:50 a.m.), Julia Miller, Mark Ross, Michael Shimansky, John Silva, Pam Torliatt, Gayle B. Uilkema, Brad Wagenknecht, Shelia Young.

Absent: Dan Dunnigan, Patrick Kwok, Tim Smith.

Pledge of Allegiance: Director Shimansky led the Board in the Pledge of Allegiance.

Commendation/Proclamation: There were none.

**Public Comment Period:** There were none.

**Consent Calendar (Items 1 – 7)**

1. Minutes of March 16, 2005
2. Communications. Correspondence addressed to the Board of Directors
3. Report of the Advisory Council. There was no report.
4. Monthly Activity Report

*Report of Division Activities for the month of March 2005.*

5. District Personnel on Out-of-State Business Travel
6. Consider Approval of Resolution to Increase the Salary Range for the Vacant Finance Manager Job Classification to Support Recruitment

*Considered Approval of an Increased Salary Range for the Finance Manager Job Classification from Range 139 set at \$76,845 to \$93,406 to Range 146 set at \$91,155 to \$110,799 respectively.*

7. Set Public Hearing for May 18, 2005 to Consider Approval of Proposed Amendments to District Manual of Procedures, Volume III: Laboratory methods and Approval of a California Environmental Quality Act (CEQA) Notice of Exemption

*The proposed amendments to the Manual of Procedures, Volume III: Laboratory Methods would incorporate advances in analytical equipment, add clarity, improve accuracy, reduce expenses and respond to comments by EPA technical staff.*

**Board Action:** Director Brown moved approval of the Consent Calendar; seconded by Director Wagenknecht; carried unanimously with the following Board members voting:

AYES: Brown, Cooper, Daly, DeSaulnier, Garner, Hill, McGoldrick, Miller, Ross, Shimansky, Silva, Torliatt, Uilkema, Wagenknecht, Young, Townsend.

NOES: None

ABSENT: Dunnigan, Haggerty, Kniss, Kwok, Miley, Smith

**Adopted Resolution No. 2005-02 – A Resolution of the Bay Area Air Quality Management District Board of Directors increasing the salary of the Finance Manager job classification**

Chairperson Townsend requested the Closed Session be held next.

**Closed Session** – The Board Convened to Closed Session at 9:49 a.m.

17. Conference with Legal Counsel – Anticipated Litigation

*Pursuant to Government Code Section 54956.9(b), a need existed to meet in Closed Session to discuss a potential threat of litigation*

Directors Scott Haggerty and Nate Miley arrived at 9:50 a.m.  
Director Liz Kniss arrived at 9:55 a.m.

**Open Session** – The Board Reconvened to Open Session at 10:48 a.m.

### **Committee Reports and Recommendations**

8. Report of the Public Outreach Committee Meeting of March 21, 2005

Director Young presented the report and stated that the Public Outreach Committee met on Monday, March 21, 2005. Staff updated the Committee on the 2004-2005 wintertime outreach program and reviewed the results of the survey on wood burning and wood smoke air pollution. It was noted that the City of Gilroy has adopted a model woodsmoke ordinance and it is anticipated that Sonoma County will adopt a model ordinance soon.

Staff provided a status report on the Lawn Mower Buyback Program and reviewed this year's program. After discussion, the Committee provided direction to staff to continue with



the original program of holding the events on Saturdays and staff should move forward with planning the events. The cap for this program is \$100,000.

Staff reviewed the methods used by the American Lung Association to produce a yearly "Report Card" of air quality throughout the country. Staff reported that the "State of the Air" report is issued by the national ALA organization and local affiliates have little or no input into the report.

Linda Civitello-Joy, Executive Director of the ALA of San Francisco-San Mateo, provided additional information to the Committee on efforts being made to collaborate with the national organization to make changes to the report to better reflect air quality conditions. Ms. Civitello-Joy noted that the local ALA has partnered with this Air District on several issues hopes to continue that partnership. The Committee requested that staff draft a letter to the national organization, with copies to the local affiliates, regarding the Air District's position on the grading system and that it be sent to all Board members for signature. The Committee directed staff to send out a preemptive press release.

Staff updated the Committee on the progress made in planning the District's 50<sup>th</sup> anniversary celebration. The Committee provided direction to staff on several activities. Staff updated the Committee on the referrals from the previous meeting. The next meeting of the Committee is scheduled for 9:30 a.m., Monday, May 16, 2005.

**Board Action:** Director Young moved that the Board approve the report of the Public Outreach Committee; seconded by Director Miller; carried unanimously without objection.

9. Report of the Stationary Source Committee Meeting of March 28, 2005

*Action(s): Approve Committee recommendation that a letter be sent to the Siting Committee of the California Energy Commission with the Air District's position on Petroleum Infrastructure Project Permitting*

Director DeSaulnier presented the report and stated that the Committee met on Monday, March 28, 2005. The Committee received a report on the California Energy Commission (CEC) workshops conducted on petroleum infrastructure project permitting. Staff reported that the focus of the workshops has been on the CEQA process and noted that some of the proposals being considered would affect the Air District's authority. Staff presented a draft letter to the Committee that would be sent to the CEC that outlines the District's position on the proposals and the recommendations the District would like the state to take on these issues.

There was a lengthy discussion on pipelines and staff noted that the District does not have regulatory authority over them. This issue will be brought back to the Committee at a later date.

Staff indicated the District will remain a participant in the CEC workshops and will monitor any legislation. The Committee provided direction to staff regarding stronger language in the letter to the CEC. The Committee recommends the Board of Directors send a letter to the Siting Committee of the CEC expressing concerns regarding some of the options being considered relative to permitting of petroleum infrastructure projects.

Staff provided an update on the development of the Refinery Flare Control Rule and reviewed the purpose of the Rule. Elements of the Rule include a Flare Management Plan, administrative requirements, and monitoring and recordkeeping. Staff noted that the District held two public workshops and has had meetings with interested parties. The next steps to be taken were also reviewed.

The Committee discussed safety issues as they relate to flaring. Staff noted this rule is designed to minimize the frequency of flaring and the amount of emissions released. The next meeting of the Committee is scheduled for Monday, May 23, 2005.

**Board Action:** Director DeSaulnier moved that the Board approve the report and recommendation of the Stationary Source Committee; seconded by Director Torliatt; carried unanimously without objection.

10. Report of the Executive Committee Meeting of March 30, 2005

*Action(s): A) Approved Committee recommendation that the Air District join the California Hydrogen Business Council at the Silver Member level*  
*B) Approved Committee recommendation that the Board of Directors authorize*  
*1) Approval of a transfer of funds from the Capital Account to the Professional Services Account in the Information Services Division Budget (Program 705); and 2) Authorize the Executive Officer/APCO to execute a purchase order not to exceed \$140,000 to Doculabs for consulting services to cover design and implementation support for internal pilots of the Production System replacement of IRIS and Databank*

Chairperson Townsend presented the report and stated that The Committee met on Wednesday, March 30, 2005 and received and filed the Report of the Hearing Board. Brian Zamora, Advisory Council Chairperson, presented the Report of the Advisory Council and noted that the Council would be discussing a Code of Conduct at its next meeting. In addition, the Council will submit recommendations to the Board later in the year on the issues the Council is discussing this year.

Staff presented an update on ozone modeling and the Central California Ozone Study.

Staff presented a status report on particulate matter (PM) planning. Staff reviewed SB 656 requirements; the sources of PM; the ARB's and District's lists of potential PM measures; the District's current efforts; and the next steps to be taken.

Staff presented information on the California Hydrogen Business Council. The Committee approved the staff recommendation that the Board of Directors approve the Air District joining the California Hydrogen Business Council at the Silver (\$1,000/year) Membership level.

Staff reviewed the work being done on the Production System Replacement. The Committee approved the staff recommendation that the Board of Directors authorize approval of the transfer of funds in the amount of \$140,000 from the Capital Account to the Professional Services Account in the Information Systems Division Budget and the execution of a

purchase order not to exceed \$140,000 to Doculabs for consulting services. The next meeting of the Executive Committee is scheduled for 9:45 a.m., Friday, May 20, 2005.

**Board Action:** Chairperson Townsend moved that the Board approve the report and recommendations of the Executive Committee; seconded by Director Miller.

Director Daly requested a roll call vote and Chairperson Townsend so ordered. Due to a question from Director Kniss, the roll call was suspended. There was discussion on the approval of the action items by the Committee and not the Board. The motion then passed on the following roll call:

AYES: Cooper, DeSaulnier, Garner, Haggerty, Hill, McGoldrick, Miley, Miller, Ross, Shimansky, Silva, Torliatt, Uilkema, Young, Townsend.

NOES: Daly.

ABSTAINED: Kniss.

ABSENT: Brown, Dunnigan, Kwok, Smith, Wagenknecht.

14. Report of the Joint Policy Committee Meeting of April 15, 2005

Vice-Chair Uilkema presented the report and stated that the Joint Policy Committee met in Oakland on April 15, 2005. Two agenda items were discussed.

1. MTC staff summarized MTC's proposed Transit-Oriented Development (TOD) Policy. The TOD policy would establish land use criteria for corridors receiving transit expansion funding through MTC's Resolution 3434. The discussion focused on 4 key questions posed by staff:

- What are the appropriate housing and jobs thresholds to be set for each corridor?
- Should the TOD Policy require affordable housing in the corridors?
- Should the TOD Policy require local parking policies for station areas?
- Should the TOD Policy prohibit auto-dependent uses in station areas, e.g., big box retail?

The JPC discussion focused on the substance of each question, as well as the appropriate role for MTC in addressing these issues. No clear consensus emerged. Staff will summarize the JPC discussion and provide it to MTC's Planning and Operations Committee when they discuss the TOD Policy in May.

2. Business, Housing and Transportation Secretary Sunne Wright McPeak discussed the Administration's efforts to increase housing supply and affordability. The Administration proposes actions at the State and local level, including:

- Revising General Plan laws and the Regional Housing Needs Allocation process to require jurisdictions to take specific actions to plan and zone for long-range housing needs.

- Encouraging Councils of Governments to facilitate cooperative planning between neighboring jurisdictions.
- Revising CEQA to promote long-range planning.
- Providing incentives for local jurisdictions, such as additional infrastructure funding.

District representatives to JPC in attendance were Chris Daly, Mark DeSaulnier, Pamela Torliatt, and Gayle B. Uilkema. The next JPC meeting will be Friday, May 27.

**Board Action:** Director Uilkema moved that the Board receive the report of the JPC; seconded by Director Torliatt; carried unanimously without objection.

11. Report of the Legislative Committee Meeting of April 4, 2005

*Action(s): The Committee recommended the Board of Directors adopt positions on 17 bills as indicated in the Committee report.*

Director Torliatt presented the report and stated that the Committee met on Monday, April 4, 2005. The Committee reviewed seventeen bills and, after discussion, is recommending the positions indicated in your packet. The Committee provided direction to staff for follow-up on several bills.

The next Committee meeting will be at the Call of the Chair.

**Board Action:** Director Torliatt moved that the Board approve the recommendations of the Legislative Committee; seconded by Director Cooper; carried unanimously without objection.

12. Report of the Budget and Finance Committee Meeting of April 6, 2005

*Action(s): Approved Committee recommendation to increase the FY 2004/05 budget by \$780,000 in program 306 to assist in funding the Spare the Air free morning commute program this summer.*

Director Miller presented the report and stated that the Committee met on Wednesday, April 6, 2005. Staff requested and the Committee recommends that the Board increase the fiscal year 2004/05 budget by \$780,000 in program 306 to assist in funding the Spare the Air free morning commute program this summer.

Nanette Lee Miller, CPA of Stonefield Josephson, Inc. provided an overview of the final report of the Cost Recovery Study. The report included key findings and short- and long-term recommendations. Staff provided responses to the recommendations made by Stonefield Josephson. The Committee provided direction to staff regarding a matrix comparing the Air District's fee schedules with those of the South Coast AQMD.

Staff from the Compliance and Enforcement Division presented a plan to update and upgrade the field communication system to modernize the two-way radio system and ensure its capabilities are integrated with other communication devices. The report included information on the business uses of the system, an overview of the communication system, and annual costs.

Staff provided a status report on the internal systems and controls audit. The next meeting of the Committee is scheduled for 9:45 a.m., Friday, May 5, 2005.

**Board Action:** Director Miller moved that the Board approve the recommendations and report of the Budget and Finance Committee; seconded by Director Torliatt; carried unanimously without objection.

13. Report of the Personnel Committee Meeting of April 7, 2005

*Action(s): The Committee recommended Board of Director approval of Julio Magalhães and Terry Trumbull to fill the Regular Public Member positions and Peter Chiu and Richard Grundy to fill the Alternate Public Member Positions on the Air district's Hearing Board.*

Director Ross presented the report and stated that the Committee met on April 7, 2005 to conduct interviews of candidates to fill the regular and alternate Public Member positions on the District's Hearing Board. Seven candidates were interviewed for the regular and alternate positions:

1. Julio Magalhães
2. Terry Trumbull
3. DeLia Sarmiento
4. Charles Belcher
5. Peter Chiu
6. Barbara Cohrsen
7. Richard Grundy

The Committee voted unanimously to recommend the reappointment of Julio Magalhães and Terry Trumbull as the regular members; and the reappointment of Peter Chiu and Richard Grundy as the alternate members for the Public Member positions. The appointments are for a three-year term of office ending April 2, 2008.

The Committee directed staff to forward the application and resume of Charles Belcher to the Advisory Council Applicant Selection Working Group to be included in their pool of applicants for positions on the Advisory Council.

The next meeting of the Committee will be at the Call of the Chair.

**Board Action:** Director Ross moved that the Board approve the Committee recommendations for the Public Member positions on the District's Hearing Board; seconded by Director Cooper; carried unanimously without objection.

17. Conference with Legal Counsel – Anticipated Litigation

Mr. Bunger stated that the Board met in Closed Session with Counsel and necessary staff to discuss the matter identified at item 17 on the agenda and provided general direction to Counsel on the item.

**Other Business**

15. Report of the Executive Officer/APCO – Mr. Broadbent reported on the following items:
  1. In honor of Earth Day staff would like the Board to see the performance of Smogzilla which will start after the Board meeting at about 11:30 a.m.
  2. June 1, 2005 is World Environment Day and the Air District is hosting an event with the City of San Francisco including showcasing a fuel cell car.
  3. On June 20, 2005 the Air District's 50<sup>th</sup> anniversary symposium will be held.
  4. The District has been working with MTC and the transit agencies to coordinate the free transit on five Spare the Air days this year.
  5. The District will be holding three lawn mower buy back days as follows: May 7<sup>th</sup> in Sunnyvale, May 14<sup>th</sup> in Pleasanton, and May 21<sup>st</sup> in Concord.
16. Chairperson's Report: Chairperson Townsend reported on the Air and Waste Management Association's 98<sup>th</sup> Annual Conference being held from June 21<sup>st</sup> to June 24<sup>th</sup> and urged Board members to attend.
18. Board Members' Comments – Chairperson Townsend thanked the Board for understanding the need to hold the lengthy Closed Session.
19. Time and Place of Next Meeting – 9:45 a.m., Wednesday, May 4, 2005, 939 Ellis Street, San Francisco, CA 94109.
20. Adjournment – The meeting adjourned at 11:17 a.m.

Mary Romaidis  
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Interoffice Memorandum

TO: Chairperson Townsend and Members  
of the Board of Directors

FROM: Mary Ann Goodley  
Executive Office Manager

DATE: April 25, 2005

RE: Quarterly Report of the Clerk of the Boards: January 1 – March 31, 2005

RECOMMENDED ACTION

This report is provided for information only.

DISCUSSION

Listed below is the status of minutes for the Board of Directors and Advisory Council and activities of the Hearing Board for the first quarter of 2005:

**Board of Directors**

<b><u>Meeting Type</u></b>	<b><u>Meeting Date</u></b>	<b><u>Status of Minutes</u></b>
Regular Meeting	January 19	Approved
Regular Meeting	February 16	Approved
Regular Meeting	March 16	Approved
Budget & Finance Committee	January 26	Approved
Budget & Finance Committee	March 2	Approved
Executive Committee	February 4	Approved
Executive Committee	March 30	Minutes Completed/Pending Approval
Legislative Committee	February 23	Approved
Public Outreach Committee	January 10	Approved
Public Outreach Committee	March 21	Minutes Completed/Pending Approval
Mobile Source Committee	February 10	Approved
Stationary Source Committee	January 24	Approved
Stationary Source Committee	March 28	Minutes Completed/Pending Approval

**Advisory Council**

<b><u>Meeting Type</u></b>	<b><u>Meeting Date</u></b>	<b><u>Status of Minutes</u></b>
Regular Meeting / Retreat	January 12	Approved
Regular Meeting	March 9	Minutes Completed/Pending Approval
Air Quality Planning Committee	February 9	Approved
Technical Committee	February 7	Approved
Executive Committee	March 9	Minutes Completed/Pending Approval
Public Health Committee	February 15	Approved

**Hearing Board**

1. During the Period January – March 2005, the Executive Office processed and filed seven Applications for Variance, one Emergency Variance, three Appeals, one Accusation and Request for Order for Abatement, and one Extension of Variance.
2. The Executive Office Manager’s staff attended and took minutes at a total of six hearings and other discussions at the District facility.
3. A total of \$ 4,055.89 was collected in excess emission fees.
4. On February 4, 2005, the Hearing Board presented its Quarterly Report (October –December 2004) to the Board Executive Committee.

Respectfully submitted,

Mary Ann Goodley  
Executive Officer Manager

Prepared by: Mary Romaidis

FORWARDED \_\_\_\_\_

MR:hl  
4/25/05  
G/Board/Quarter.doc



BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson Townsend and Members  
of the Board of Directors

From: Jack Broadbent,  
Executive Officer/APCO

Date: April 27, 2005

Re: Referral of Preliminary Operating Budget for Fiscal Year 2005/2006  
to the Budget & and Finance Committee

RECOMMENED ACTION

Refer preliminary operating budget for Fiscal Year 2005/2006 to the Budget and Finance Committee for review and consideration.

DISCUSSION

Pursuant to Administrative Code Division II, Section 3.2 Fiscal Policies and Procedures and in compliance with Health and Safety Code Section 40276, the Executive Officer/APCO requests that the Board of Directors refer the proposed budget for Fiscal Year 2005/2006 to the Budget and Finance Committee for review and consideration.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The preliminary operating budget for Fiscal Year 2005/2006 is \$58.2 million dollars.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Jeff Mckay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson Townsend and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: April 26, 2005

Re: Report of the Mobile Source Committee Meeting of April 25, 2005

RECOMMENDED ACTIONS

The Committee recommends Board approval of the following:

- A) Receive report entitled *Transportation Fund for Clean Air (TFCA) Report on FY 2004/2005 Allocations and Effectiveness*;
- B) Selection of Macias, Gini & Company as the auditor to conduct fiscal audits of 44 TFCA Regional Fund projects; and
- C) Authorize the Executive Officer/APCO to execute a contract with the selected auditor in the amount of \$85,610 for the provision of the audit services.

DISCUSSION

The Mobile Source Committee met Monday, April 25, 2005. Chairperson Scott Haggerty will give a summary of the meeting. The attached staff reports were presented to the Committee.

BUDGET CONSIDERATION/FINANCIAL IMPACTS

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Juan Ortellado

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Inter-Office Memorandum

To: Chairperson Haggerty and  
Members of the Mobile Source Committee

From: Henry Hilken  
Director of Planning and Research

Date: April 18, 2005

Re: Transportation Fund for Clean Air (TFCA) Report on Fiscal Year (FY)  
2004/2005 Allocations and Effectiveness

RECOMMENDED ACTION

Recommend Board approval of the *Transportation Fund for Clean Air Report on FY 2004/2005 Allocations and Effectiveness*.

BACKGROUND

State law allows air districts to impose a surcharge on motor vehicle registration fees paid within their jurisdictions to fund the implementation of transportation control measures and mobile source measures. Funds from the annual surcharge of \$4 per vehicle, applied to over 5 million vehicles registered in the Bay Area, are allocated by the Air District's Transportation Fund for Clean Air to projects that reduce emissions from mobile sources.

State law requires that the Air District Board of Directors review the expenditure of TFCA funds annually to determine their effectiveness in improving air quality. Staff has prepared a report in response to this requirement. The report, provided in Attachment A, summarizes allocations for all projects that received TFCA funds in FY 2004/2005.

DISCUSSION

Key findings of the report include the following:

- TFCA funds have been allocated to eligible projects, consistent with the legislation that authorizes the TFCA program.
- The Air District approved TFCA funding of \$25.4 million for eligible costs: \$16.3 million in Regional Funds (47 projects), \$7.4 million in Program Manager Funds (59 projects) and \$1.7 million in administration costs.
- Projects funded in FY 2004/2005 are expected to reduce criteria pollutant emissions over their lifetime by an estimated 1,033 tons, including 441 tons of reactive organic gases (ROG), 488 tons of nitrogen oxides (NO<sub>x</sub>), and 104 tons of particulate matter (PM<sub>10</sub>). The estimated lifetime emissions reduction for carbon dioxide (CO<sub>2</sub>), a greenhouse gas, for the projects funded in FY 2004/2005 is approximately 74,000 tons.
- The overall cost-effectiveness of TFCA projects funded in FY 2004/2005 is \$24,530 (TFCA dollars) per ton of criteria pollutant emissions reduced.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Henry Hilken

Director of Planning and Research

Prepared by: J. Steinberger

Reviewed by: J. Ortellado

FORWARDED: \_\_\_\_\_

Attachment

**TRANSPORTATION FUND  
FOR  
CLEAN AIR**

**REPORT ON FY 2004/2005**

**ALLOCATIONS AND EFFECTIVENESS**

**BAY AREA  
AIR QUALITY**



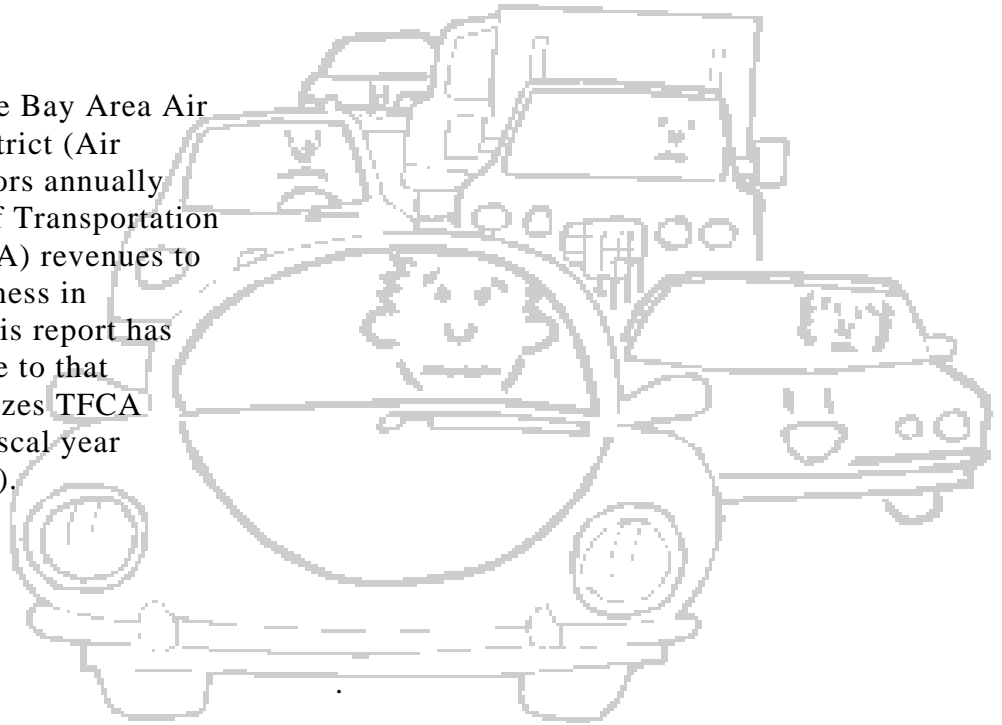
**TRANSPORTATION  
FUND FOR  
CLEAN AIR**

Bay Area Air Quality Management District  
939 Ellis Street, San Francisco, CA 94109

April 2005

# Summary

State law requires that the Bay Area Air Quality Management District (Air District) Board of Directors annually review the expenditure of Transportation Fund for Clean Air (TFCA) revenues to determine their effectiveness in improving air quality. This report has been prepared in response to that requirement and summarizes TFCA funding allocations for fiscal year 2004/2005 (FY 2004/05).



## Major findings of this report are:

- ◆ TFCA funds have been allocated to eligible recipients for eligible projects, consistent with the legislation that authorizes the TFCA program.
- ◆ In FY 2004/05, the Air District approved TFCA funding of \$25.4 million, including \$23.7 million for 106 eligible projects (\$16.3 million for 47 Regional Fund projects and \$7.4 million for 59 Program Manager Fund projects), and \$1.7 million for administration costs.
- ◆ The \$25.4 million in TFCA funds allocated for FY 2004/05 includes \$21 million in calendar year 2004 Department of Motor Vehicle receipts, \$1.4 million in interest, and \$3 million in TFCA funds reallocated from previously funded projects that were canceled or completed under budget.
- ◆ The estimated lifetime emission reductions for the projects funded in FY 2004/05 are 441 tons of reactive organic gases (ROG), 488 tons of oxides of nitrogen (NO<sub>x</sub>), and 104 tons of particulate matter (PM<sub>10</sub>). Combined lifetime emission reductions for the three pollutants total 1,033 tons.
- ◆ The estimated lifetime emissions reduction in carbon dioxide (CO<sub>2</sub>), a greenhouse gas, for the projects funded in FY 2004/05 is approximately 74,000 tons.
- ◆ The aggregate cost-effectiveness of all TFCA projects funded in FY 2004/05 is \$24,530 (TFCA dollars) per ton of emissions reduced (lifetime ROG, NO<sub>x</sub>, and PM<sub>10</sub>).
- ◆ Since the inception of the TFCA program in 1992, the Air District has allocated a total of \$283 million in TFCA funds to 1,720 projects.

## The Challenge

On-road motor vehicles, including cars, trucks, and buses, are the most significant source of air pollution in the San Francisco Bay Area. Vehicle emissions contribute to unhealthful levels of ozone (summertime "smog") and particulate matter.

To protect public health, the State Legislature enacted the California Clean Air Act in 1988. In response, the Air District, in cooperation with the Metropolitan Transportation Commission and the Association of Bay Area Governments, prepared the *Bay Area Clean Air Plan (CAP)*. To reduce emissions from motor vehicles, the *CAP* contains transportation control measures (TCMs) and mobile source measures (MSMs). A TCM is 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." Mobile source measures encourage the retirement of older, more polluting vehicles and the introduction of newer, less polluting motor vehicle technologies.

## One Solution

To fund the implementation of TCMs and MSMs, the State Legislature allows air districts to impose a surcharge on motor vehicle registration fees paid within their jurisdictions. For the San Francisco Bay Area, the annual surcharge is \$4 per vehicle and applies to over 5 million vehicles registered in the region.

Revenues raised by the surcharge are allocated by the Air District through the Transportation Fund for Clean Air. TFCA funds may only be awarded to public agencies, such as cities and counties, transit districts, school districts, and the Metropolitan Transportation Commission.

TFCA projects have many benefits:

- ♦ Reducing air pollution, including air toxics, such as benzene
- ♦ Conserving energy and helping to reduce carbon dioxide emissions
- ♦ Improving water quality by decreasing contaminated runoff from roadways
- ♦ Improving transportation options
- ♦ Reducing traffic congestion

### **State legislation restricts Bay Area TFCA funding to the following 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**

# The Process

In calendar year 2004, \$21.3 million in new funding was received from the \$4 surcharge on motor vehicle registrations. Additional funds were available from interest earned on TFCA funds and from prior projects that were completed under budget, withdrawn or canceled.

Each year the Air District distributes TFCA funds through **two processes**.

**Sixty percent** of the TFCA funds are referred to as “Regional Funds.” The Regional Funds are used to fund eligible programs that are implemented by the Air District, such as the Smoking Vehicle, Vehicle Buy-Back, and Spare the Air programs. The remainder of the Regional Funds is distributed to public agencies through a competitive process.

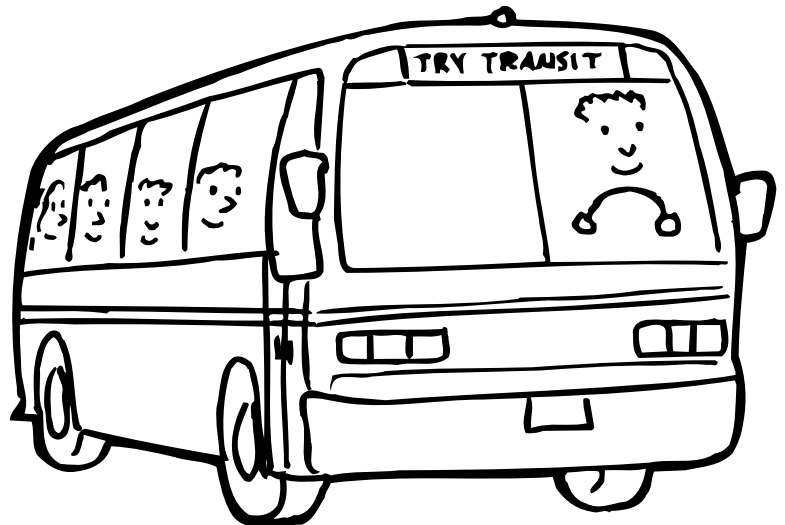
The Air District Board of Directors adopts criteria to evaluate and rank project applications for TFCA Regional Funds. The evaluation criteria for FY 2004/05 are shown below. Proposed projects are evaluated with respect to each criterion. Projects are ranked based upon their total point score, and projects are funded in descending order until available funds have been allocated.

Cost-effectiveness, expressed in terms of TFCA dollars per ton of reduced emissions, is the most important criterion for ranking projects. Board-adopted policy requires that all projects must achieve a cost-effectiveness of \$90,000 per ton or less (TFCA \$\$ per ton).

**Forty percent** of the funds generated in each Bay Area county are returned to the county’s designated Program Manager, as mandated by the TFCA-enabling legislation. The 40% funds are referred to as “Program Manager Funds.” Program Managers adopt their own criteria to select projects for funding, provided all projects meet basic TFCA eligibility requirements. In some counties, all or a portion of the TFCA Program Manager Funds are allocated by formula as a direct subvention to cities within the county. Each city then selects an eligible project or projects for its share of the Program Manager funds.

The Program Manager projects are reviewed by Air District staff and submitted to the Air District Board of Directors for approval. Board-adopted policy requires that the projects in each Program Manager expenditure plan achieve a cost-effectiveness of \$90,000 per ton or less (TFCA \$\$ per ton) on an aggregate basis.

<i>Scoring Criteria:</i>	
<i>FY 2004/05 Regional Funds</i>	<i>Points</i>
TFCA Funding Effectiveness	60
Other Project Attributes	15
Clean Air Policies and Programs	10
Disadvantaged Community	10
Promote Alternative Transportation Modes	5
<b>Total</b>	<b>100</b>



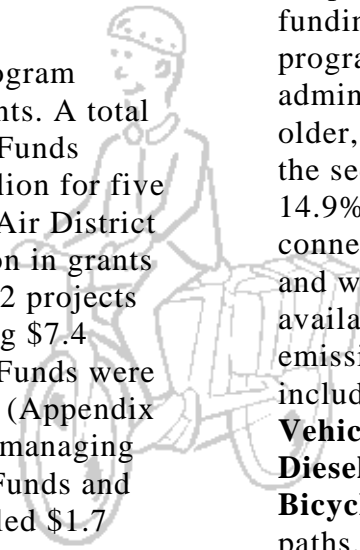


# Projects

In FY 2004/05, the TFCA program awarded \$25.4 million in grants. A total of \$16.3 million in Regional Funds allocations included \$7.3 million for five projects administered by the Air District (Appendix A) and \$9.0 million in grants to other public agencies for 42 projects (Appendix B). Grants totaling \$7.4 million in Program Manager Funds were awarded for 59 local projects (Appendix C). Administrative costs for managing District programs, Regional Funds and Program Manager Funds totaled \$1.7 million.

**Trip Reduction/Ridesharing** projects, providing services and incentives to encourage the use of carpools and

vanpools, received the largest percent of funding, 17.2%. The **Vehicle Buy Back** program, a voluntary program administered by the Air District to scrap older, higher polluting vehicles, received the second largest percentage of funds, 14.9%. **Shuttle and Feeder Bus** projects, connecting people between home, transit, and work, received 14% of the total available funding. Projects to reduce emissions from the heavy-duty fleet, including **Heavy-Duty Natural Gas Vehicles, School Buses and Filters for Diesel Engines**, together received 18.3%. **Bicycle Facilities**, including bike lanes, paths, routes, lockers and racks, received 10.4% of the total funds. **Arterial Management** projects, including signal timing to smooth traffic flow received 6%.



Category	# of FY 2004/05 Projects	FY 2004/05 TFCA \$	% of 04/05 TFCA \$	Emissions Reduction, (tons) <sup>(2)</sup>	% of Emissions Reduction
Administration	N/A <sup>(1)</sup>	\$1,698,534	6.7%	N/A	N/A
Smoking Vehicle Program	1	\$692,616	2.7%	62	6%
Vehicle Buy Back Program	1	\$3,770,625	14.9%	505	49%
Light-Duty Vehicle Incentives	3	\$562,000	2.2%	5	0%
Spare the Air Program	1	\$822,076	3.2%	9	1%
Trip Reduction/Ridesharing	27	\$4,366,779	17.2%	101	13%
Smart Growth	4	\$857,100	3.4%	12	1%
Arterial Management	6	\$1,516,397	6.0%	31	3%
Bicycle Facilities	26	\$2,648,580	10.4%	32	3%
Shuttle and Feeder Buses	15	\$3,560,463	14.0%	45	4%
School Buses	1	\$40,000	0.2%	1	0%
Heavy-Duty Natural Gas Vehicles	10	\$2,349,828	9.3%	69	7%
Natural Gas Infrastructure	2	\$82,526	0.3%	N/A	N/A
Electric/Hydrogen Infrastructure	2	\$150,000	0.6%	N/A	N/A
Filters for Diesel Engines	7	\$2,238,066	8.8%	162	16%
<b>T O T A L</b>	106	\$25,355,590	100% <sup>(3)</sup>	1034	100%

N/A= not applicable. No direct emission reductions are attributed to Administration or to infrastructure for clean air vehicles.

(1)The Air District and each of the nine counties have an “Administration” component of their TFCA programs. Beginning with this Annual Report, Administration will no longer be counted as a “project”.

(2) Lifetime emissions reductions of ROG, NOx, and PM<sub>10</sub> combined.

(3) Total equals 99.9% due to rounding.

# Results

## Emission Reductions

Air District staff estimates the emissions reduced over the life of every project that receives TFCA funding. The potential of each project to reduce motor vehicle emissions varies depending upon the type of project, the scale of the project, geographic location and other factors.

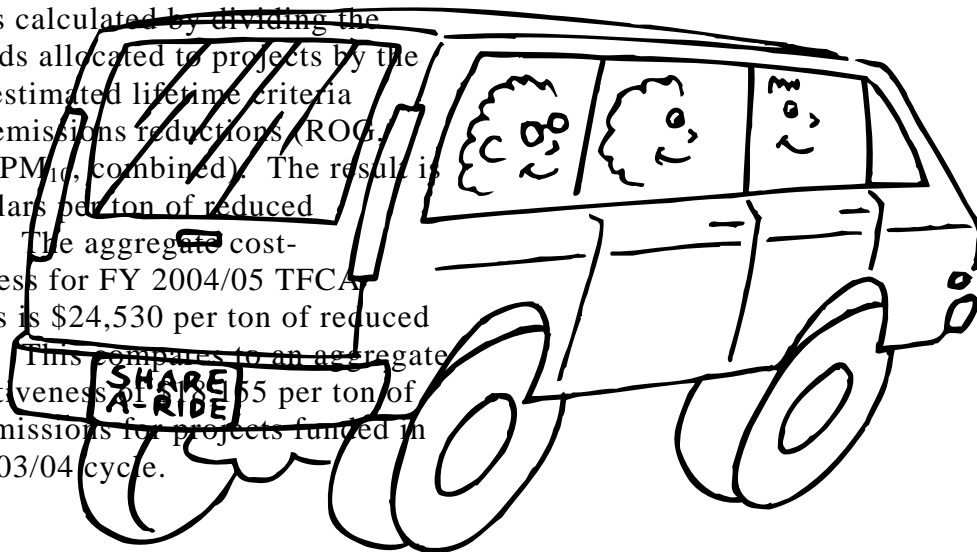
The total lifetime emission reductions expected from the implementation of projects receiving TFCA funding in FY 2004/05 is 1,033 tons – this represents the sum of ozone precursors (441 tons of ROG and 488 tons of NO<sub>x</sub>) and particulate matter (104 tons of PM<sub>10</sub>). This figure includes 231 tons of emissions reduced from diesel-powered equipment, including projects to replace heavy duty diesel engines and to install filters on existing diesel engines. The estimated lifetime emissions reduction for carbon dioxide (CO<sub>2</sub>), a greenhouse gas, for the projects funded in 2004/05 is approximately 74,000 tons.

## Cost-Effectiveness

The cost-effectiveness of the TFCA program is calculated by dividing the TFCA funds allocated to projects by the projects' estimated lifetime criteria pollutant emissions reductions (ROG, NO<sub>x</sub>, and PM<sub>10</sub>, combined). The result is TFCA dollars per ton of reduced emissions. The aggregate cost-effectiveness for FY 2004/05 TFCA allocations is \$24,530 per ton of reduced emissions. This compares to an aggregate cost-effectiveness of \$18,155 per ton of reduced emissions for projects funded in the FY 2003/04 cycle.

## Projects

Appendices A, B, and C list all the projects that received TFCA funding in FY 2004/05.



## APPENDIX A: FY 2004/05 TFCA-Funded Air District Projects

Proj#	Sponsor	Project Title	TFCA\$ Awarded
04R01	BAAQMD	Smoking Vehicle Program	\$692,616
04R02	BAAQMD	Vehicle Buy Back Program *	\$3,770,625
04R03	BAAQMD	Spare The Air	\$822,076
04R04	BAAQMD	Vehicle Incentive Program *	\$500,000
04R70	BAAQMD	Solid Waste Collection Vehicle Incentives	\$1,533,216
		<b>SUB-T O T A L : 5 projects</b>	<b>\$7,318,533</b>
	BAAQMD	<b>SUB-T O T A L : Admin Costs</b>	<b>\$1,280,052</b>
		<b>T O T A L</b>	<b>\$8,598,585</b>

\* Greater than 95% of the funds for the Vehicle Buy-Back Program (Project 04R02) are “pass-through” funds from the Air District to vehicle owners and to contractors who implement the program. Similarly, all funds allocated to the Vehicle Incentive Program (Project 04R04) are awarded to public agencies to acquire light-duty clean air vehicles.

## APPENDIX B: FY 2004/05 TFCA Regional Fund Projects

Proj#	Sponsor	Project Title	TFCA\$ Awarded
04R07	AC Transit	Heavy-duty Vehicle - 10 gasoline-electric transit buses	\$1,000,000
04R44	Alameda County Congestion Management Agency	Telegraph Transit Priority for AC Transit	\$394,000
04R31	Alameda County Public Works Agency	Class 2 Bicycle Lanes: E. Castro Valley Blvd. (1 mi.)	\$45,000
04R61	Alameda-Contra Costa Transit District	Shuttle Bus Service - Oakland MacArthur Corridor BART Connection (2 year)	\$514,672
04R62	Alameda-Contra Costa Transit District	Oakland MacArthur Corridor Transit Bus Traffic Signal Prioritization	\$205,000
04R38	City of Albany	Class 2 Bicycle Lanes: Marin Ave. (1.5 mi.)	\$120,000
04R17	City of Belmont	Heavy-Duty Vehicle Replacement -- 1 CNG street sweeper	\$73,000
04R52	City of Berkeley	Dwight Way Traffic Calming	\$99,000
04R18	City of Cupertino	Heavy-Duty Vehicle Retrofit -- 7 refuse trucks with emission control devices	\$63,000
04R51	City of Cupertino	Mary Avenue Gateway & Refuge Project	\$100,000
04R53	City of Livermore	Downtown First Street Streetscape Improvement Project	\$600,000
04R39	City of Morgan Hill	Class 2 / Class 3 Bicycle Lanes: Cochrane Rd. (1.5 mi.)	\$73,166
04R20	City of Oakland	Heavy-Duty Vehicle Replacement -- 1 CNG street sweeper & 1 CNG truck	\$124,500
04R26	City of Oakland	Bicycle Racks and Lockers	\$60,000
04R28	City of Oakland	Class 2 Bicycle Lane: Market St. (1 mi.)	\$49,711
04R15	City of Palo Alto	Heavy-Duty Vehicle Replacement -- 1 CNG street sweeper	\$60,000
04R68	City of San Carlos	Shuttle Bus Service- San Carlos	\$62,082
04R13	City of San Leandro	Heavy-Duty Vehicle Retrofit -- 24 refuse truck emission control devices	\$216,000
04R34	City of San Leandro	Class 1 Bicycle Trail: Bay Trail Segment (0.2 mi.)	\$85,000
04R69	City of San Leandro	Shuttle Bus Service- San Leandro LINKS	\$67,838
04R40	City of Santa Rosa	Class 1 Bicycle Path: Joe Rodota Trail	\$140,000
04R27	City of Suisun City	Class 1 Bicycle Path: Central County Bikeway (0.6 mi.)	\$130,000
04R48	City of Sunnyvale	In-Pavement Crosswalk Warning Lights	\$58,100
04R14	City of Union City	Heavy-Duty Vehicle Replacement -- 5 CNG refuse vehicles	\$225,483
04R09	Hayward Area Recreation and Park District	Heavy-Duty Vehicle Repower -- 1 CNG truck	\$40,000
04R56	Metropolitan Transportation Commission	Regional Rideshare Program	\$1,000,000
04R19	Napa Valley Unified School District	Repower 2 heavy-duty school buses to Electricity	\$323,350
04R65	Peninsula Corridor Joint Powers Board	Caltrain Shuttle Bus Service - New Tamien Weekend Shuttle	\$25,000
04R64	Peninsula Corridor Joint Powers Board	Shuttle Bus Service - Caltrain Stations	\$996,371
04R22	Port of Oakland	Heavy-Duty Vehicle Replacement -- 5 CNG transit buses (Air BART)	\$290,000
04R23	Port of Oakland	Heavy-Duty Vehicle Replacement -- 1 CNG street sweeper	\$68,000
04R24	Port of Oakland	Heavy-Duty Vehicle Replacement -- 12 CNG airport shuttles	\$323,625
04R06	San Francisco Department of Parking and Traffic	Class 2 Bicycle Lanes: Alemany Blvd. (2.1 mi.)	\$26,500

## APPENDIX B: FY 2004/05 TFCA Regional Fund Projects

Proj#	Sponsor	Project Title	TFCA\$ Awarded
04R10	San Francisco International Airport	Heavy-Duty Vehicle Replacement -- 2 LPG airport shuttles	\$27,300
04R11	San Francisco International Airport	Heavy-Duty Vehicle Replacement -- 8 CNG airport shuttles	\$157,920
04R05	San Joaquin Regional Rail Commission	Shuttle Bus Service - Pleasanton ACE and Dublin/Pleasanton BART stations	\$43,500
04R57	San Jose State University - Associated Students	Trip Reduction Program	\$100,000
04R55	Santa Clara Valley Transportation Authority	Transportation Demand Management Incentive Program	\$49,000
04R66	Santa Clara Valley Transportation Authority	Shuttle Bus Service - ACE Commuter Rail	\$800,000
04R08	Santa Rosa CityBus	Retrofit 26 transit buses with diesel and NOx emission control devices	\$22,500
04R59	The Regents of the University of California (Berkeley Campus)	UC Berkeley Transportation Alternatives Marketing & Outreach Project	\$44,750
04R63	University of California, San Francisco	Shuttle Bus Service - Mission Bay - China Basin, Powell Street BART station.	\$50,000
		<b>T O T A L : 42 projects</b>	<b>\$8,953,368</b>

## APPENDIX C: FY 2004/05 TFCA Program Manager Fund Projects

Proj#	Sponsor	Project Title	TFCA\$ Awarded
04ALA01	City of Fremont	Signal Timing - various corridors	\$123,000
04ALA02	City of Union City	Natural Gas Fueling Facility Improvements	\$50,000
04ALA03	BART	Free AM BART on Spare The Air Days	\$780,000
04CC01	TRANSPAC / City of Pleasant Hill	Countywide Carpool Incentive Program	\$146,000
04CC02	TRANSPAC / City of Pleasant Hill	Countywide Transit Incentive Program	\$170,000
04CC03	TRANSPAC / City of Pleasant Hill	Central/East County Employer Network	\$120,000
04CC04	TRANSPAC / City of Pleasant Hill	West/Central/East SchoolPool Program	\$180,000
04CC05	City of San Ramon / SWAT	Countywide Vanpool Incentive Program	\$70,000
04CC06	City of San Ramon / SWAT	South County Employer Network	\$69,238
04CC07	City of San Ramon / SWAT	South County School Ridematching Program	\$25,000
04CC08	City of San Ramon / SWAT	Countywide Clean Fuel Vehicle Program	\$32,526
04CC09	City of Lafayette	Lamorinda School Bus Program - 17 School Buses	\$40,000
04CC10	WCCTAC	Countywide Guaranteed Ride Home Program	\$148,000
04CC11	WCCTAC	West County Transit Incentive Program	\$83,500
04CC12	WCCTAC	West County Employer Network	\$87,000
04CC13	City of Martinez	San Francisco Bay Trail, Phase II	\$87,508
04MAR01	City of Novato	Class II Bicycle Lanes - Diablo Ave.	\$59,300
04MAR02	City of Novato	Purchase 10 Bicycles for Police Patrol	\$22,180
04MAR03	Marin County Transit District	Ride & Roll Project: Free Bus Passes	\$75,000
04MAR04	Transportation Authority of Marin	Safe Routes to School	\$266,000
04MAR05	City of San Anselmo	Police Electric Parking Enforcement Vehicles - 4 LDV	\$12,000
04NAP01	County of Napa	Class II bicycle lane - SR 121 to Cuttings Wharf	\$115,000
04NAP02	Napa County Transportation Planning Agency	Bus Bike Racks - Calistoga Handy Van	\$1,500
04SC01	County of Santa Clara	Alamden Expway Bike/Ped Imp. (Ironwood to Foxworthy)	\$370,000
04SC02	County of Santa Clara	Expway Bike Shoulder Delineation	\$128,895
04SC03	City of Mountain View	Stevens Creek Bicycle-Pedestrian Trail - Reach 4	\$700,000
04SC04	City of San Jose	Bascom Corridor Signal Timing	\$119,000
04SC05	City of San Jose	San Jose ITS West - Stevens Creek	\$346,000
04SC06	Santa Clara Valley Transportation Authority	VTA Light Rail Shuttle Program	\$300,000
04SC07	City of San Jose	Bascom signal Transit Priority	\$329,397
04SF01	Golden Gate Park Concourse Authority	Golden Gate Park Shuttle	\$64,000
04SF02	Golden Gate Park Concourse Authority	Arguello Class II Bike Lane	\$35,000
04SF03	County of San Francisco	Hall of Justice Shuttle	\$52,000
04SF04	County of San Francisco	Bicycles for Gardeners - Dept. of Parks & Recreation	\$19,000
04SF05	County of San Francisco	Sidewalk Bicycle Racks	\$95,000
04SF06	County of San Francisco	Class 2 Bicycle Lanes - Mississippi St.	\$8,500
04SF07	County of San Francisco	Class 2 Bicycle Lanes - Sloat Blvd.	\$58,000
04SF08	County of San Francisco	Class 2 Bicycle Lanes - Laguna Honda Blvd.	\$10,500
04SF09	County of San Francisco	Class 2 Bicycle Lanes - Phelan Ave.	\$82,000

## APPENDIX C: FY 2004/05 TFCA Program Manager Fund Projects

Proj#	Sponsor	Project Title	TFCA\$ Awarded
04SF10	Presidio Trust	Class 2 Bicycle Lanes - Washington Blvd.	\$77,000
04SF11	County of San Francisco	SFPUC 24th Street BART Station Shuttle	\$30,000
04SF12	University of California, San Francisco	Bicycle Patrol Program	\$7,000
04SF13	County of San Francisco	Hydrogen Fuel Cell Vehicle Pilot Project	\$100,000
04SF14	County of San Francisco	Clean Air Vehicle Replacement - 6 SULEV, 8 CNG & 3 ZEV	\$50,000
04SF15	BART	Embarcadero Station O&M	\$40,000
04SM01	City of Menlo Park	Mid-Day Shuttle	\$35,000
04SM02	Peninsula Congestion Relief Alliance	Voluntary Trip Reduction Program	\$350,000
04SM03	San Mateo County Transit District	SamTrans Shuttle Bus Program	\$495,000
04SOL01	Solano Transportation Authority	Route 30 Natural Gas Shuttle Service	\$25,000
04SOL02	STA Solano Napa Commuter Information	Ridesharing/Trip Reduction Program	\$195,000
04SOL03	City of Suisun City	Central County Bikeway Gap Closure	\$32,000
04SOL04	Solano County	Electric Vehicle Public Charging Station	\$50,000
04SON01	City of Santa Rosa	Purchase of PM & NOx Retrofit Kits (7 Buses)	\$40,000
04SON02	City of Santa Rosa	FY 04/05 Student Pass Subsidy	\$70,000
04SON03	City of Santa Rosa	FY 04/05 Voluntary Trip Reduction Program	\$129,802
04SON04	Sonoma County Transit	Cotati Intermodal Facility/ Park & Ride	\$26,369
04SON05	Sonoma County Transit	Petaluma Transit Mall	\$38,282
04SON06	Sonoma County Transit	Windsor Intermodal Facility/ Park & Ride Lot	\$66,658
04SON07	Sonoma County Transit	Local Transit Pass Subsidy/Marketing Program	\$48,000
		<b>SUB-T O T A L : 59 projects</b>	<b>\$7,385,155</b>
	Alameda County CMA	Program Administration Cost	\$90,850
	Contra Costa Transportation Authority	Program Administration Cost	\$64,019
	Transportation Authority of Marin	Program Administration Cost	\$18,738
	Napa County Transportation Planning Agency	Program Administration Cost	\$5,000
	Santa Clara Valley Transportation Authority	Program Administration Cost	\$110,409
	San Francisco County Transportation Authority	Program Administration Cost	\$35,460
	San Mateo C/CAG	Program Administration Cost	\$49,403
	Solano Transportation Authority	Program Administration Cost	\$15,237
	Sonoma County Transportation Authority	Program Administration Cost	\$29,366
		<b>SUB-T O T A L: Admin Costs</b>	<b>\$418,482</b>
		<b>T O T A L</b>	<b>\$7,803,637</b>

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Inter-office Memorandum

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

From: Henry Hilken, Director of Planning and Research

Date: April 18, 2005

Re: Selection of Auditor for Transportation Fund for Clean Air (TFCA)  
Regional Fund

**RECOMMENDED ACTION**

Recommend Board approval of:

- 1) the selection of Macias, Gini & Company as the auditor to conduct fiscal audits of 44 TFCA Regional Fund projects, and
- 2) the authorization for the Air Pollution Control Officer to execute a contract with the selected auditor in the amount of \$85,610 for the provision of the audit services.

**BACKGROUND**

California Health and Safety Code Section 44242 requires that any agency receiving a TFCA grant undergo a fiscal audit of each project or program funded by TFCA. The fiscal audits are to be conducted by an independent auditor selected by the Air District. To date, the Air District has conducted seven rounds of TFCA fiscal audits. The currently proposed audit services will include 44 TFCA Regional Fund projects that have been completed since the last audit of TFCA Regional Fund projects in 2002. The cost of the audits, funded by TFCA, is included in the Air District's FY 2004/2005 budget. If approved by the Board, the selected auditor will begin work in June 2005, with the final report being completed by August 2005. A summary of staff's evaluation of audit proposals is presented below.

**DISCUSSION**

**Request for Proposals**

On January 28, 2005, the Air District issued a request for proposals (RFP) seeking an auditor for the eighth round of audits of TFCA-funded projects. The RFP was mailed to 61 public accounting firms. The RFP was also posted on the Air District's website. Proposals were due at the Air District by February 28, 2005. The procedures used for the RFP comply with the Air District's Administrative Code Division II, Section 4.6, and with applicable portions of the California Public Contract Code Section 1100 et seq.

The Air District received three proposals in response to the RFP by the February 28, 2005, 4:00 PM deadline. The proposals were submitted by:

<b><u>Name</u></b>	<b><u>Office Location</u></b>
Izabal, Bernaciak & Company	San Francisco
Macias, Gini & Company	Walnut Creek
Vargas & Company	San Jose



**Evaluation of Proposals**

The RFP set forth five criteria to be used in evaluating the proposals. Air District staff evaluated the proposals using these criteria and contacted references provided by the three applicants. Each applicant has previously conducted TFCA fiscal audits for the Air District. Past performance on prior TFCA fiscal audits was also taken into consideration. Scores were then assigned for each criterion. The table below shows the criteria and each firm’s score for each criterion.

**Scoring of Proposals**

<b>CRITERIA</b>	<b>MAX. PTS.</b>	<b>MACIAS, GINI &amp; COMPANY</b>	<b>IZABAL, BERNACIAK &amp; COMPANY</b>	<b>VARGAS &amp; COMPANY</b>
1. Technical expertise; size/structure of firm as affecting ability to perform and complete work in a professional and timely manner	30	28	20	15
2. References of the firms	10	10	9	9
3. Cost	20	13	20	14
4. Past experience of the firm and, in particular, experience of the audit team on projects of similar scope for governmental agencies	20	18	15	13
5. Responsiveness of the proposal, stating a clear understanding of the work to be performed	20	18	15	10
<b>Total</b>	<b>100</b>	<b>87</b>	<b>79</b>	<b>61</b>

**Macias, Gini & Company (Total Bid Cost: \$85,610)**

Macias, Gini & Company received a total score of 87 points, the highest overall score. This firm was ranked as the best in technical expertise and qualifications due to their extensive work in providing financial and compliance audit services. The firm has conducted compliance audit work for numerous transit and government agencies statewide. The proposal expressed a clear understanding of the work to be performed under the TFCA Regional Fund audits, and the audit timeline and process were clearly delineated in the proposal. The firm placed first in past experience and ability to perform the duties required for the TFCA Regional Fund audits. Macias, Gini & Company has a

**AGENDA: 5**

proven record in providing high quality, professional services as TFCA auditors. The firm conducted the TFCA financial audits in 1998, 2000 and 2004 and provided organized, efficient and responsive services to the Air District. Additionally, Macias, Gini & Company has recommended several programmatic changes to the TFCA program, which have proven effective. The firm's bid, although not the lowest, is competitive given the resources necessary to conduct the TFCA fiscal audits.

**Izabal, Bernaciak & Company (Total Bid Cost: \$64,980)**

Izabal, Bernaciak & Company received a total score of 79 points. The firm placed second in technical expertise and ability to perform the duties required for the TFCA Regional Fund fiscal audits. The firm has experience in conducting financial and compliance audit services for many non-profit and government agencies. The proposal showed a clear understanding of the work to be performed under the TFCA Regional Fund fiscal audits. Izabal, Bernaciak & Company performed the last round of TFCA Regional Fund financial audits and performed satisfactorily. However, the final summary audit report required several revisions, involving considerable staff time and resources. Izabal, Bernaciak & Company submitted the lowest bid.

**Vargas & Company (Total Bid Cost: \$84,000)**

Vargas & Company received a total score of 61 points. Although this firm has the experience necessary to perform the duties required for the TFCA audits, its proposal scored the lowest in the responsiveness to proposal criteria. The proposal did not demonstrate a clear understanding of the work to be performed, and discussed both Regional and Program Manager Funds. Vargas & Company also scored the lowest in the technical expertise criterion. This firm conducted the Air District's first two rounds of TFCA fiscal audits, which required considerable supervision and assistance by Air District staff. Vargas & Company submitted the second highest bid.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The audit cost, funded by TFCA, is included in the Air District's FY 2004/05 budget.

Respectfully submitted,

Henry Hilken  
Director of Planning and Research

Prepared by: A. Gordon  
Reviewed by: J. Ortellado

FORWARDED: \_\_\_\_\_

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Inter-Office Memorandum

To: Chairperson Haggerty and  
Members of the Mobile Source Committee

From: Henry Hilken  
Director of Planning and Research

Date: April 18, 2005

Re: Review of Proposed Activities for Selected Transportation Fund for Clean Air (TFCA) Projects

RECOMMENDED ACTION

None. Information only.

BACKGROUND

At the February 10, 2005 Mobile Source Committee meeting, staff was directed to perform a more in-depth review of certain TFCA-funded project types, namely arterial management and pedestrian projects. Some Committee members suggested that a workshop be conducted to discuss the TFCA policies and evaluation criteria regarding those project types with the Congestion Management Agency (CMA) directors. This is a report on staff's strategy to comply with the Committee's direction.

DISCUSSION

Staff plans to evaluate specific project types currently eligible for TFCA funding as follows.

- Conducting a performance audit - Staff is currently preparing a request for qualifications to contract with a consulting firm that can: 1) conduct an assessment of the range of emissions reductions that can be achieved by specific project types; and 2) assess the emissions reductions and cost-effectiveness of a representative sample of completed TFCA projects.
- Workshop - Staff will conduct one or more workshops with CMA directors and other interested parties to discuss the TFCA policies and evaluation criteria regarding arterial management and pedestrian projects. The workshop(s) will be conducted in time to provide the basis for potential future changes to the current TFCA policies and evaluation criteria affecting those project types.
- Committee review – Staff will review with the Mobile Source Committee the findings of the performance audit and workshop(s), and any resulting recommended revisions to TFCA policies and evaluation criteria.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding of the performance evaluation is included in the proposed fiscal year 2005/2006 budget under Program 606.

Respectfully submitted,

Henry Hilken

Director of Planning and Research

Prepared by: J. Ortellado

FORWARDED: \_\_\_\_\_

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
InterOffice Memorandum

To: Chairperson Townsend and Members  
of the Board of Directors

From: Jean Roggenkamp  
Deputy Air Pollution Control Officer

Date: April 27, 2005

Re: Update on the 2005 Spare the Air Campaign

RECOMMENDED ACTION

Informational item only.

BACKGROUND

Staff will give the Board of Directors a presentation on the upcoming 2005 Spare the Air campaign that will include:

- An overview of the program;
- Partnership with the Metropolitan Transportation Commission (MTC) to provide five free morning commutes on Spare the Air days;
- Status of participating transit agencies in the program;
- Media and advertising;
- Employer and other partners in the campaign and
- Measurement of public participation in the program

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding for the program is provided by the Congestion Mitigation Air Quality (CMAQ) program and the Transportation Fund for Clean Air (TFCA).

Respectfully submitted,

Jean Roggenkamp  
Deputy Air Pollution Control Officer

FORWARDED: \_\_\_\_\_

Prepared by: Teresa Galvin Lee