



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
MOBILE SOURCE COMMITTEE

COMMITTEE MEMBERS

TIM SMITH - CHAIR
SCOTT HAGGERTY
CAROL KLATT
JOHN SILVA

JAKE McGOLDRICK – VICE CHAIR
JERRY HILL
MICHAEL SHIMANSKY
PAMELA TORLIATT

MONDAY
JULY 17, 2006
9:00 A.M.

FOURTH FLOOR CONFERENCE ROOM
DISTRICT OFFICES

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 MAY 15, 2006**

4. **TRANSPORTATION FUND FOR CLEAN AIR (TFCA) COUNTY PROGRAM MANAGER EXPENDITURE PLANS FOR FISCAL YEAR 2006/2007**
J. Colbourn/5192
jcolbourn@baaqmd.gov

The Committee will consider recommending Board of Directors' approval of fiscal year 2006/2007 TFCA County Program Manager expenditure plans.

5. **TRANSPORTATION FUND FOR CLEAN AIR FUNDING TO AUGMENT SPARE THE AIR/FREE TRANSIT**
J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee will consider recommending Board of Directors' approval of transferring TFCA Regional Funds from Vehicle Buy Back (Program 612) to Spare the Air (Program 306) to help fund up to 3 additional Spare the Air/Free Transit days this summer.

6. **TRANSPORTATION FUND FOR CLEAN AIR PROGRAM AUDITOR SELECTION**
J. Colbourn/5192
jcolborun@baaqmd.gov

The Committee will consider recommending Board of Directors' approval to award a contract of up to \$77,320 to the firm of Macias, Gini & Company to perform an audit of TFCA Program Manager projects.

7. **VEHICLE BUY-BACK PROGRAM FISCAL YEAR 2005/2006 ANNUAL REPORT**

J. Colbourn/5192

jcolbourn@baaqmd.gov

Staff will present the Vehicle Buy-Back Program fiscal year 2005/2006 Annual Report.

8. **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).

9. **TIME AND PLACE OF NEXT MEETING: 9:30 A.M., MONDAY, AUGUST 14, 2006, 939 ELLIS STREET, SAN FRANCISCO, CA**

10. **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
Memorandum

To: Chairperson Smith and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 5, 2006

Re: Mobile Source Committee Draft Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Mobile Source Committee meeting of May 15, 2006.

DISCUSSION

Attached for your review and approval are the draft minutes of the May 15, 2006, Mobile Source Committee meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

**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., Monday, May 15, 2006

1. **Call to Order – Roll Call:** Chairperson Tim Smith called the meeting to order at 9:43 a.m.

Present: Tim Smith, Chairperson; Scott Haggerty, Jerry Hill, Carol Klatt, Jake McGoldrick (9:47 a.m.), Michael Shimansky, John Silva, Pamela Torliatt (9:48 a.m.).

Absent: Roberta Cooper.

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

3. **Approval of Minutes of March 15, 2006:** Director Shimansky moved approval of the minutes; seconded by Director Silva; carried unanimously without objection.

4. **Consider Recommending Proposed Delegation to the Metropolitan Transportation Commission (MTC) of the Authority to Conduct a Public Hearing on Amendments to Bay Area Transportation Conformity Procedures:** *The Committee considered recommending that the Board of Directors delegate authority to MTC to conduct a public hearing on proposed amendments to Bay Area Transportation Conformity Procedures.*

Henry Hilken, Director of Planning and Research, presented the report and provided an overview of the State Implementation Plan (SIP) and transportation conformity procedures. Mr. Hilken reviewed the Bay Area elements of the SIP. The national transportation bill – Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) was signed in August 2005, and allows regions to make certain revisions to transportation conformity procedures.

Director Jake McGoldrick arrived at 9:47 a.m. and Director Pamela Torliatt arrived at 9:48 a.m.

Mr. Hilken discussed the proposed conformity and interagency consultation procedures. The three co-lead agencies are the Metropolitan Transportation Commission (MTC), the Association of Bay Area Governments (ABAG), and the Air District. The SIP amendments require a public hearing, and the Air District and ABAG may delegate authority for the public hearing to MTC. Mr. Hilken reviewed the public process for the proposed revisions. Staff recommended that the Committee recommend that the Board of Directors delegate to MTC authority to conduct a public hearing on amendments to the Bay Area Transportation Conformity and Interagency Consultation Procedures.

Committee Action: Director Torliatt moved the staff recommendation; seconded by Director Silva; carried unanimously without objection.

5. Consider Recommending Proposed Revisions to Transportation Fund for Clean Air (TFCA) Policies and Evaluation Criteria For FY 2006/2007: *The Committee considered recommending Board of Directors' approval of proposed revisions to TFCA Policies and Evaluation Criteria to govern allocation of FY 2006/2007 TFCA funds.*

Juan Ortellado, Grant Programs Manager, presented the report and stated that the Air District considers revisions to the TFCA policies and evaluation criteria annually. Mr. Ortellado reported that the proposed changes apply only to the TFCA Regional Fund. There are substantive changes in proposed policies #5, #10, #24 and #27. It was noted that changes to policy #5 would allow non-public entities to apply for funds. There are minor changes proposed for the evaluation criteria. The proposed changes to the policies and evaluation criteria were reviewed. Mr. Ortellado stated that staff recommends that the Committee recommend that the Board of Directors approve the proposed fiscal year 2006/2007 TFCA Regional Fund Policies and Evaluation Criteria.

There was discussion regarding matching funds and the use of incentives by non-public entities, and staff was provided direction for further discussion by the Committee on this subject. Policy #24 was discussed regarding agencies that do not have heavy-duty diesel engines to scrap. Staff was directed to revise the policy by setting a baseline model year for an engine scrapping requirement. Policy #31 was discussed regarding improvements relying only on driving behavior modification not being eligible for funding. Staff was also directed to look at Smart Growth policies.

Speaker: The following individual spoke on this agenda item:

Roger Hooson
San Francisco International Airport

Committee Action: Director Torliatt moved that the Committee recommend that the Board of Directors approve the proposed fiscal year 2006/2007 TFCA Regional Fund policies and evaluation criteria as presented by staff, including the following changes:

1. The language in Policy 6 regarding a binding agreement with the Air District be added to Policy #5.
2. The language of Policy #24 be revised to require that fleets with older heavy duty diesel vehicles must scrap an old vehicle for each new heavy-duty vehicle purchased or leased with TFCA Regional Funds. Fleets with newer vehicles are relieved of this requirement. Staff was directed to determine the appropriate year.
3. Delete the last sentence in Policy #31.

The motion was seconded by Director Haggerty. After extensive discussion on reducing cold starts, mitigating emission impacts of dirty vehicles, and reducing motor vehicle trips, the motion passed unanimously without objection.

6. Consider Approval of Transportation Fund for Clean Air (TFCA) Annual Report: *The Committee considered recommending Board of Directors' approval of the report titled Transportation Fund for Clean Air Report on FY 2005/2006 Allocations and Effectiveness.*

Joe Steinberger, Principal Environmental Planner, presented the report and stated that the annual TFCA report for fiscal year 2005/2006 provides a list of all projects funded, funding allocations, and estimated emission reductions. The overall cost-effectiveness of TFCA projects funded in fiscal year 2005/2006 is \$18,298 per ton of emissions reduced. Staff recommends that the Committee recommend Board of Directors' approval of the Transportation Fund for Clean Air Report on Fiscal Year 2005/2006 Allocations and Effectiveness.

Committee Action: Director Haggerty moved the staff recommendation; seconded by Director Silva.

There was a brief discussion on allocation of any surplus funds. The motion then passed unanimously without objection.

7. **Committee Member Comments/Other Business:** There were none.
8. **Time and Place of Next Meeting:** 9:30 a.m., Monday, June 12, 2006, 939 Ellis Street, San Francisco, CA 94109.
9. **Adjournment:** The meeting adjourned at 10:59 a.m.

Mary Romaidis
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Smith and
Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 10, 2006

Re: Transportation Fund for Clean Air County Program Manager Expenditure
Plans for Fiscal Year 2006/2007

RECOMMENDED ACTION

Recommend Board of Directors approval of staff recommendations on:

- the fiscal year (FY) 2006/2007 Transportation Fund for Clean Air (TFCA) County Program Manager projects listed on the attached Table 1; and
- the exchange of \$1,843,344 and \$811,895 of the FY 2006/2007 TFCA County Program Manager funds of the Alameda and Santa Clara County Program Managers, respectively, with Congestion Mitigation and Air Quality (CMAQ) funds; and

BACKGROUND

Pursuant to California Health and Safety Code Sections 44241 and 44242, the Air District Board of Directors has imposed a \$4 per vehicle annual surcharge on all motor vehicles registered within the boundaries of the Air District^a. The revenues fund the implementation of transportation control measures and mobile source control measures. By law, forty percent of the revenues generated by this surcharge is returned to the designated TFCA Program Manager in each county. Each TFCA Program Manager submits to the Air District for approval an annual expenditure plan of recommended projects for its forty percent share. Air District staff has reviewed the TFCA County Program Manager expenditure plans submitted for FY 2006/2007, as discussed below.

DISCUSSION

Project Evaluation

To determine eligibility, Air District staff evaluated the projects in the TFCA County Program Manager expenditure plans relative to:

^a Revenues from an additional \$2 surcharge in motor vehicle registrations, authorized by Assembly Bill 923, are not part of TFCA. These revenues are directed to the Air District's Mobile Source Incentive Fund (MSIF) to provide incentives for the implementation of additional mobile source projects.

1. *Consistency with State Law:* the projects shall be consistent with one of the eligible project categories listed in California Health and Safety Code (HSC) Section 44241.
2. *Consistency with the Ozone Strategy:* pursuant to HSC Sections 40233, 40717, and 40719 the projects shall be consistent with the appropriate transportation control measures or mobile source measures contained in the Ozone Strategy.
3. *Reduction of Emissions from Motor Vehicles:* pursuant to HSC Section 44220(b), the projects shall reduce emissions from motor vehicles.
4. *Consistency with Board Adopted Policies:* the projects shall be consistent with policies adopted by the Air District Board of Directors.

The TFCA policies applicable to the current TFCA County Program Manager expenditure plans have not yet been revised to reflect the results of the TFCA performance review. The review should be completed by the end of this year in time for the next round of TFCA policies.

TFCA Cost Effectiveness

Pursuant to policies adopted by the Air District Board of Directors, individual projects included in the annual expenditure plans for County Program Manager funds must achieve a TFCA cost-effectiveness of less than \$90,000 per ton (TFCA dollars per ton of emissions reduced over the life of the project). Projects excluded from the calculation of TFCA cost-effectiveness include TFCA County Program Manager administrative costs, alternative fuel infrastructure projects, and light-duty clean air vehicles with a gross vehicle weight of 10,000 pounds or less.

Project List

Summary information for all of the projects in the FY 2006/2007 TFCA County Program Manager expenditure plans is provided in Table 1 (attached), which is divided into nine sections, one section for each Bay Area county. Table 1 lists the project sponsor, the project description, years of effectiveness, the TFCA funds requested, the TFCA cost-effectiveness, and staff's recommended action for the Air District Board of Directors.

Originally, 64 projects were submitted for consideration. One project was withdrawn by mutual agreement, as discussed in the next section below. Staff recommends the approval of the remaining 63 projects, with a conditional approval for project 06NAP07 - Hybrid Transit Buses. The amount requested for this project is \$112,828, but the Napa County Transportation Planning Agency (NCTPA) Board of Directors originally approved an allocation of only \$78,500; the NCTPA Board of Directors must approve the increase in funding from \$78,500 to \$112,828, which is expected to happen on July 19, 2006.

Additionally, the Alameda and Santa Clara County Program Managers proposed the exchange of \$1,843,344 and \$811,895, respectively, of their available TFCA funds for CMAQ funds. The Metropolitan Transportation Commission (MTC), through its Clean Air in Motion program, committed CMAQ funds for the Air District's VBB Program. However, the Federal Highway Administration has indicated that vehicle buy back programs are not eligible for CMAQ funding. MTC worked with the Air District and the TFCA Program Managers to exchange funding so that the Air District can use the TFCA Program

Manager funds to augment the VBB Program, and the TFCA Program Managers will receive CMAQ funding from MTC to implement CMAQ-eligible projects locally.

The Air District's budget for FY 2006/2007 already includes \$7,386,585 in TFCA Regional Funds for the VBB Program. With the additional contribution of \$2.6 million in TFCA County Program Manager funds, the VBB Program will have surplus funds for the current fiscal year. In a subsequent agenda item at the July 17, 2006 Mobile Source Committee meeting, staff will recommend that \$800,000 of TFCA funds be moved from the VBB Program budget (program 612) to the Spare the Air Program budget (program 306) to help fund up to three additional Spare the Air/Free Fare weekdays this summer.

Table 2 shows, for each county, the total amount of TFCA County Program Manager funds available and the amount recommended for programming. The total funds available for programming represents the sum of projected calendar year 2006 Department of Motor Vehicles (DMV) receipts, interest earned on TFCA funds in calendar year 2005, and funds available for reprogramming from prior year projects that were canceled or completed under budget. As required by a policy adopted by the Air District Board of Directors, all projects recommended for funding, including the exchange of funds, comply with the \$90,000 per ton TFCA threshold cost-effectiveness on an individual basis, as calculated by Air District staff.

Table 2 also provides a breakdown of TFCA County Program Manager funds by county and project type. Most of the TFCA Program Manager funds are requested for ridesharing programs (32.3%), bicycle projects (26.7%), shuttle services (14.9%), and arterial management projects (14.3%). The remaining funds are requested for other eligible project categories. Program administration costs are less than the maximum of 5% of new FY 2006/2007 revenues in each county, as required by the TFCA enabling legislation.

Withdrawn/Ineligible Projects

One project was withdrawn based on a mutual agreement between the Solano County Program Manager and Air District staff because the project was ineligible per TFCA policies:

- Allied Waste Services – Vehicle Retrofit.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Approval of the recommended projects will have no impact on the Air District's budget. TFCA revenues are generated from a dedicated outside funding source and passed through

to counties. TFCA Program Manager allocations do not impact the Air District's general fund or operating budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Juan Ortellado
Reviewed by: Jack M. Colbourn

**Table 1: TFCA County Program Manager
FY06/07 Project List**

Project Number	Sponsor	Project Description	Yrs Eff	TFCA Funding Requested	TFCA\$ Cost-Effectiveness Per Ton (1)	Action
ALAMEDA COUNTY						
06ALA00	Alameda County CMA	Program Manager costs to administer TFCA funds within the County.		\$7,500	NA	Approve
06ALA01	County of Alameda	The Alameda County Guaranteed Ride Home Program provides a guaranteed ride home to any registered employee working for a participating employer within Alameda County.	1	\$150,000	\$18,640	Approve

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration, clean air vehicle fueling infrastructure and light-duty clean air vehicles.

**Table 1: TFCA County Program Manager
FY06/07 Project List**

Project Number	Sponsor	Project Description	Yrs Eff	TFCA Funding Requested	TFCA\$ Cost-Effectiveness Per Ton (1)	Action
CONTRA COSTA COUNTY						
06CC00	Contra Costa Transportation Authority	Program Manager costs to administer TFCA funds within the County.		\$67,812	NA	Approve
06CC01	West Contra Costa Transportation Advisory Committee	Provide comprehensive trip reduction services to employers at worksites in western Contra Costa County. Project will provide information, hold workshops and transportation fairs, update video promoting public transit, and promote carpools and vanpools.	1	\$120,215	\$45,833	Approve
06CC02	West Contra Costa Transportation Advisory Committee	Provide up to six (6) taxi or rental car vouchers per year to registered participants working in Contra Costa County who regularly use alternative commute modes.	1	\$165,300	\$32,196	Approve
06CC03	West Contra Costa Transportation Advisory Committee	Provide financial incentives to increase transit ridership among West County residents, students, and commuters in the I-80 corridor in Contra Costa County. Offer transit tickets and informational materials to students and new residents, and support the North Richmond Transportation Center.	1	\$85,214	\$60,764	Approve
06CC04	West Contra Costa Transportation Advisory Committee	Install five (5) bicycle racks and fourteen (14) bicycle lockers at business sites and five (5) bicycle racks at schools in West Contra Costa County and provide information brochure on use and location of racks and lockers.	10	\$49,000	\$57,402	Approve
06CC05	TRANSPAC/City of Pleasant Hill	Provide comprehensive trip reduction services to employers at worksites in Central and Eastern Contra Costa County, including providing information and workshops, developing a ridematch database and promoting carpools, vanpools and bicycling.	1	\$207,500	\$29,103	Approve
06CC06	TRANSPAC/City of Pleasant Hill	Provide financial incentives to encourage residents and employees in Contra Costa County to use carpools. Includes a countywide commuter incentive program, a college carpool incentive program, a Carpool to BART project, a SchoolPool program, and a rideshare rewards/commuter club.	1	\$195,500	\$13,211	Approve
06CC07	TRANSPAC/City of Pleasant Hill	Provide financial incentives to encourage residents, students and employees in Contra Costa County to use transit (e.g., BART, train, bus). Services include informational materials, marketing and free tickets.	1	\$406,113	\$26,428	Approve
06CC08	City of San Ramon	Provide incentives to promote vanpool formation throughout Contra Costa County. Incentives include: 50% of vanpool expenses for first three months for new vanpool passengers and incentives for drivers who recruit at least 6 new riders for a year.	1	\$90,000	\$19,693	Approve
06CC09	City of San Ramon	Provide comprehensive trip reduction services to employers at worksites in southern Contra Costa County. Project will provide mailings, hold transportation fairs, workshops and presentations.	1	\$72,090	\$30,865	Approve

Notes:

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**Table 1: TFCA County Program Manager
FY06/07 Project List**

Project Number	Sponsor	Project Description	Yrs Eff	TFCA Funding Requested	TFCA\$ Cost-Effectiveness Per Ton (1)	Action
CONTRA COSTA COUNTY						
06CC10	City of San Ramon	Provide two 12-ride transit passes to 700 students throughout the southwest areas of Contra Costa County. Passes will be mailed out with transit schedules prior to start of school year.	1	\$26,450	\$47,514	Approve
06CC11	City of San Ramon	Provide public agencies across Contra Costa County with partial funding for construction costs of installing on-site fueling stations and/or appropriate infrastructure to support clean fuel alternatives.	1	\$10,000	NA	Approve
06CC12	City of Lafayette	Provide funds to cover the incremental cost to lease 17 natural gas buses for school bus service in the Lamorinda area of Contra Costa County.	1	\$50,000	\$52,185	Approve
06CC13	City of Antioch	Provide Class-1,-2, and -3 bicycle facility improvements along 2 miles of the Southern Bicycle Arterial in Antioch, which connects Antioch and Pittsburg.	15	\$156,187	\$40,817	Approve

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration, clean air vehicle fueling infrastructure and light-duty clean air vehicles.

**Table 1: TFCA County Program Manager
FY06/07 Project List**

Project Number	Sponsor	Project Description	Yrs Eff	TFCA Funding Requested	TFCA\$ Cost-Effectiveness Per Ton (1)	Action
MARIN COUNTY						
06MAR00	Transportation Authority of Marin	Program Manager costs to administer TFCA funds within the County.		\$17,912	NA	Approve
06MAR01	County of Marin	Construct a new bicycle and pedestrian multi-use Class-1 (1.1 miles) bicycle path from Anderson Drive in San Rafael to Larkspur Landing Circle in Larkspur. The path will connect with the Larkspur Ferry Terminal and with the Transportation Center in downtown San Rafael.	20	\$536,252	\$81,936	Approve
06MAR02	City of Sausalito	Install a four gallon-per-hour slow-fill CNG fueling facility at the City-owned Martin Luther King property in the north end of Sausalito.		\$65,000	NA	Approve

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration, clean air vehicle fueling infrastructure and light-duty clean air vehicles.

**Table 1: TFCA County Program Manager
FY06/07 Project List**

Project Number	Sponsor	Project Description	Yrs Eff	TFCA Funding Requested	TFCA\$ Cost-Effectiveness Per Ton (1)	Action
NAPA COUNTY						
06NAP00	Napa County Transportation Planning Agency	Program Manager costs to administer TFCA funds within the County.		\$5,000	NA	Approve
06NAP01	City of American Canyon	Construct two segments of Class-1 bicycle path (0.4 miles total) extending the existing Class-1 path in American Canyon from Danrose Drive to Banbury Way and from Elliot Drive to Chaucer Lane and connecting to the existing Wetlands Edge Class-1 bicycle path.	20	\$86,000	\$57,464	Approve
06NAP02	City of Napa/County of Napa	Construct a Class-2 bicycle lane (0.6 miles) on Trancas Street between Big Ranch Road and Silverado Trail.	15	\$100,000	\$76,120	Approve
06NAP03	City of American Canyon	Construct two segments of Class-1 and Class-2 bikeway (1.2 miles total) extending the existing Wetlands Edge Road Class-1 bicycle path from Kensington Way south to the Napa/Solano County Line (Class-1) and from Eucalyptus Drive north to Green Island Road.	15	\$40,000	\$32,623	Approve
06NAP04	Napa County Transportation Planning Agency	Install PM only Level 3 emission control devices on four transit buses.	1	\$38,000	\$28,854	Approve
06NAP05	Solano/Napa Commuter Information	Provide a Guaranteed Ride Home Program for Napa County employers and a vanpool incentive program.	1	\$25,000	\$61,503	Approve
06NAP06	County of Napa	Purchase and install four bicycle lockers at a Napa County office building.	15	\$5,000	\$71,362	Approve
06NAP07	Napa County Transportation Planning Agency	Replace four diesel transit buses with cleaner gasoline/electric hybrid buses.	12	\$112,828	\$9,319	Approve with conditions

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration, clean air vehicle fueling infrastructure and light-duty clean air vehicles.

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FY06/07 Project List**

Project Number	Sponsor	Project Description	Yrs Eff	TFCA Funding Requested	TFCA\$ Cost-Effectiveness Per Ton (1)	Action
SAN FRANCISCO COUNTY						
06SF00	San Francisco County Transportation Authority	Program Manager costs to administer TFCA funds within the County.		\$36,507	NA	Approve
06SF01	BART	Purchase and install a total of twenty (20) electronic rented on-demand bicycle lockers at the Glen Park (12 lockers) and Balboa Park (8 lockers) BART stations.	10	\$69,500	\$79,600	Approve
06SF02	County of San Francisco	Purchase 30 bicycles and helmets to continue the implementation of the City of San Francisco's Fleet Bicycle Program. Bicycles will be used by City gardeners in the Department of Parks & Recreation.	5	\$18,900	\$73,002	Approve
06SF03	County of San Francisco	Funds will be used to participate in a demonstration program of plug-in hybrid vehicle technology. The City and County of San Francisco, through the Eaton/Ford plug-in hybrid technology program, will lease a Ford F450 truck or van for one year, which will be used by the City's Department of Public Works.	1	\$70,000	\$0	Approve
06SF04	County of San Francisco	Install a Class-2 bicycle lane (1.04 miles) and signage in both directions on Ceasar Chavez Street between Kansas and Mississippi Streets. This bicycle lane will connect to existing Ceasar Chavez Street Class-1, -2 and -3 bikeways and is part of a crosstown bike route (Route 60) being implemented for the community.	15	\$79,000	\$81,270	Approve
06SF05	County of San Francisco	Install a Class-2 northbound bicycle lane (0.28 mile) on Claremont Boulevard, between Portola Drive and Dewey Circle, and Class-3 striped shared roadway markings in the southbound direction of this lane.	15	\$27,700	\$53,872	Approve
06SF06	County of San Francisco	Install a Class-2 westbound bicycle lane (1.1 mile) on McAllister Street, between Franklin and Baker Street, and Class-3 striped shared roadway markings on McAllister Street, between Market and Franklin Streets.	15	\$47,000	\$91,407	Approve
06SF07	County of San Francisco	Install a Class-2 bicycle lane and signage in both directions on Ocean Avenue, between Alemany Boulevard and San Jose Avenue (0.57 mile).	15	\$56,000	\$67,421	Approve
06SF08	County of San Francisco	Install a Class-2 bicycle lane and signage in both directions (0.59 mile) on Portola Drive between O'Shaughnessy Boulevard and Corett Avenue.	15	\$50,200	\$66,757	Approve
06SF09	County of San Francisco	Install a Class-2 bicycle lane (0.47 mile) in both directions on Sagamore Street and Sickles Avenue between Brotherhood Way and Alemany Boulevard.	15	\$71,800	\$55,925	Approve
06SF10	County of San Francisco	Install a Class-2 bicycle lane on Kansas Street between 23rd and 26th Streets (0.52 miles) in both directions. Install center median or bulb-outs for pedestrian safety.	15	\$25,000	\$83,544	Approve

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration, clean air vehicle fueling infrastructure and light-duty clean air vehicles.

**Table 1: TFCA County Program Manager
FY06/07 Project List**

Project Number	Sponsor	Project Description	Yrs Eff	TFCA Funding Requested	TFCA\$ Cost-Effectiveness Per Ton (1)	Action
SAN FRANCISCO COUNTY						
06SF11	County of San Francisco	Install a Class-2 bicycle lane on Clipper Street (0.7 miles) in both directions between Diamond Heights Boulevard and Douglas Streets.	15	\$32,000	\$85,796	Approve
06SF12	County of San Francisco	Install a Class-2 bicycle lane on Kirkham Street (1.04 miles) in both directions between 9th and 18th Avenues, and install a center median between Funston and 17th Avenues.	15	\$89,000	\$82,925	Approve
06SF13	County of San Francisco	Purchase and install traffic signal priority emitters on 12 articulated motor coaches used on the 38-Geary line in San Francisco.	4	\$36,400	\$35,760	Approve
06SF14	San Francisco International Airport	Subsidize the incremental costs to purchase 7 CNG 30-passenger shuttles that will serve hotels near the San Francisco International Airport.	6	\$204,000	\$8,070	Approve

Notes:

(1) TFCAS per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration, clean air vehicle fueling infrastructure and light-duty clean air vehicles.

**Table 1: TFCA County Program Manager
FY06/07 Project List**

Project Number	Sponsor	Project Description	Yrs Eff	TFCA Funding Requested	TFCA\$ Cost-Effectiveness Per Ton (1)	Action
SAN MATEO COUNTY						
06SM00	San Mateo C/CAG	Program Manager costs to administer TFCA funds within the County.		\$51,397	NA	Approve
06SM01	City of Menlo Park	Provide shuttle service between the Menlo Park Caltrain Station and major activity centers in the area.	1	\$45,000	\$58,137	Approve
06SM02	Peninsula Traffic Congestion Relief Alliance	Encourage use of commute alternatives for trips to employment sites through such programs as Emergency Ride Home, Commuter Benefits, Bike Rack and Locker Subsidy, Bicycle and Pedestrian Safety, Vanpool/Carpool Incentives and Try Transit programs.	20	\$450,000	\$7,566	Approve
06SM03	SamTrans	Provide shuttle service from BART stations to major employment sites in San Mateo County during peak commute periods.	10	\$638,000	\$39,876	Approve

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration, clean air vehicle fueling infrastructure and light-duty clean air vehicles.

**Table 1: TFCA County Program Manager
FY06/07 Project List**

Project Number	Sponsor	Project Description	Yrs Eff	TFCA Funding Requested	TFCA\$ Cost-Effectiveness Per Ton (1)	Action
SANTA CLARA COUNTY						
06SC00	Santa Clara Valley Transportation Authority	Program Manager costs to administer TFCA funds within the County.		\$81,956	NA	Approve
06SC01	Santa Clara Valley Transportation Authority	Provide continued operation and expansion of light rail shuttle services from Santa Clara Valley Transportation Authority light rail stations to employment destinations.	1	\$485,000	\$70,879	Approve
06SC02	City of Sunnyvale	Install 4 bicycle lockers at Sunnyvale Multimodal Station.	10	\$11,000	\$70,196	Approve
06SC03	City of Sunnyvale	Install an adaptive traffic control system for Mathilda Avenue between Ross Drive and Moffett Park Drive.	2	\$175,905	\$80,831	Approve
06SC04	City of Los Altos	Install 69 new bicycle racks throughout the city of Los Altos.	10	\$17,250	\$18,622	Approve
06SC05	City of Mountain View	Extend the Stevens Creek Class-1 bicycle trail (0.5 miles) from El Camino Real to Sleeper Avenue.	20	\$275,000	\$44,100	Approve
06SC06	County of Santa Clara	Develop and implement weekend signal timing plans for 13 signalized over a 5-mile segment of Lawrence Expressway from I280 to US101.	2	\$45,000	\$18,048	Approve
06SC07	County of Santa Clara	Purchase and install two new signal controllers with associated software at the off-ramps of Highway 17 to San Tomas Expressway, allowing timing coordination along San Tomas Expressway and Camden Avenue.	10	\$90,000	\$4,747	Approve
06SC08	City of San Jose	Install 200 on-street bicycle racks in the City of San Jose.	25	\$40,000	\$7,698	Approve
06SC09	City of San Jose	Replace existing traffic signal controllers along VTA light rail routes to address critical shortcomings of the existing controllers.	2	\$600,000	\$30,921	Approve

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration, clean air vehicle fueling infrastructure and light-duty clean air vehicles.

**Table 1: TFCA County Program Manager
FY06/07 Project List**

Project Number	Sponsor	Project Description	Yrs Eff	TFCA Funding Requested	TFCA\$ Cost-Effectiveness Per Ton (1)	Action
SOLANO COUNTY						
06SOL00	Solano Transportation Authority	Program Manager costs to administer TFCA funds within the County.		\$15,986	NA	Approve
06SOL01	City of Fairfield	Install approximately 1 mile of Class-1 bicycle route along McGary Road, from Lynch Canyon to Red Top Road, in Fairfield. Project addresses bicycle route gap between Vallejo and Fairfield.	20	\$90,000	\$18,041	Approve
06SOL02	City of Benicia	Provide shuttle service in AM and PM rushes between Vallejo Ferry Terminal and Benicia Industrial Park (and points in between).	1	\$29,325	\$87,497	Approve
06SOL03	Solano Napa Commuter Information (SNCI)	Develop and implement comprehensive transit marketing and customer service approach, especially for intercity transit services in Solano County. Project will include production of countywide transit brochures, maps and public information presentation materials, to promote commute alternatives such as bicycling, carpooling and vanpooling.	1	\$210,000	\$78,178	Approve

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration, clean air vehicle fueling infrastructure and light-duty clean air vehicles.

**Table 1: TFCA County Program Manager
FY06/07 Project List**

Project Number	Sponsor	Project Description	Yrs Eff	TFCA Funding Requested	TFCA\$ Cost-Effectiveness Per Ton (1)	Action
SONOMA COUNTY						
06SON00	Sonoma County Transportation Authority	Program Manager costs to administer TFCA funds within the County.		\$29,449	NA	Approve
06SON01	Sonoma County Transit	Support Sonoma County Transit marketing program and promoting conversion of its entire transit fleet to compressed natural gas, marketed as "The Clean Air Alternative".	1	\$124,055	\$58,137	Approve
06SON02	Sonoma County Transit	Construct Cotati Intermodal Facility/Park & Ride facility served by Sonoma County Transit local and intercity services.	20	\$32,000	\$7,566	Approve
06SON03	Sonoma County Transit	Design and installation of improved multi-agency bus stop signs at locations where two or more transit agencies operate service.	10	\$30,000	\$39,876	Approve
06SON04	City of Rohnert Park	Construct Class-2 bicycle lanes (0.38 miles) on Redwood Drive from Commerce Boulevard to the western City limits.	15	\$14,500	\$21,569	Approve
06SON05	City of Rohnert Park	Construct Class-2 bicycle lane (3 miles) and install bicycle detector loops and signage on Rohnert Park Expressway from the eastern to the western City limits.	15	\$142,000	\$70,651	Approve
06SON06	City of Rohnert Park	Traffic signal coordination at five intersections of Rohnert Park Expressway.	2	\$40,000	\$80,319	Approve
06SON07	City of Santa Rosa	Fund a student monthly transit pass subsidy.	1	\$80,000	\$55,839	Approve
06SON08	City of Santa Rosa	Provide incentives for voluntary trip reduction program, including funding incentives, outreach materials, commute alternative training, and bicycle equipment/facilities.	1	\$154,507	\$76,954	Approve
06SON09	City of Sebastopol	Purchase of a 2006 Ford Escape Hybrid light-duty vehicle.		\$2,000	NA	Approve
06SON10	City of Petaluma	Replace existing All-Way STOP controls and construct a modern roundabout at the intersection of McDowell Blvd. South/Baywood Drive.	20	\$195,000	\$22,743	Approve
06SON11	Town of Windsor	Construct Class-2 bicycle lane (1.08 miles) on Hembree Lane and a Class-2 (0.85 mile) bicycle lane on Arata Lane.	15	\$30,000	\$26,349	Approve

Notes:

(1) TFCA\$ per ton = TFCA\$ divided by the estimated lifetime emission reductions (ozone precursors and weighted particulate matter) for the project. NA = not applicable. Emission reductions are not attributed to administration, clean air vehicle fueling infrastructure and light-duty clean air vehicles.

**Table 2: TFCA County Program Manager
FY2006/07 Projects by County and Project Type**

	Alameda	Contra Costa	Marin	Napa	San Francisco	San Mateo	Santa Clara	Solano	Sonoma	Grand Total	Percent
Total Available TFCA Funds *	\$2,000,844	\$1,701,381	\$619,164	\$411,828	\$1,055,071	\$1,184,397	\$2,633,006	\$345,311	\$873,511	\$10,824,513	
Program Administration	\$7,500	\$67,812	\$17,912	\$5,000	\$36,507	\$51,397	\$81,956	\$15,986	\$29,449	\$313,519	3.9%
Trip Reduction/Ridesharing	\$150,000	\$1,368,382	\$0	\$25,000	\$88,900	\$450,000	\$0	\$210,000	\$296,507	\$2,588,789	32.3%
Bicycle Projects	\$0	\$205,187	\$536,252	\$231,000	\$547,200	\$0	\$343,250	\$90,000	\$186,500	\$2,139,389	26.7%
Arterial Management	\$0	\$0	\$0	\$0	\$0	\$0	\$910,905	\$0	\$235,000	\$1,145,905	14.3%
Shuttle/Feeder Bus Service	\$0	\$0	\$0	\$0	\$0	\$683,000	\$485,000	\$29,325	\$0	\$1,197,325	14.9%
Clean Fuel Buses	\$0	\$50,000	\$0	\$112,828	\$204,000	\$0	\$0	\$0	\$0	\$366,828	4.6%
Low Emission Light Duty Vehicles	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000	\$2,000	0.0%
Transit Information/Telecommuting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$124,055	\$124,055	1.5%
Fuel Substitutes/Infrastructure	\$0	\$10,000	\$65,000	\$0	\$0	\$0	\$0	\$0	\$0	\$75,000	0.9%
Diesel Repowers/Retrofits	\$0	\$0	\$0	\$38,000	\$36,400	\$0	\$0	\$0	\$0	\$74,400	0.9%
Total Allocated Funds	\$157,500	\$1,701,381	\$619,164	\$411,828	\$913,007	\$1,184,397	\$1,821,111	\$345,311	\$873,511	\$8,027,210	100%

* The total funds available for programming represents the sum of projected calendar year 2006 DMV receipts, interest earned on TFCA funds in calendar year 2005, and funds available for reprogramming from prior year projects that were canceled or completed under budget.

** Total Allocated Funds do not include \$1,843,344 from Alameda County and \$811,895 from Santa Clara County allocated to the Vehicle Buy Back Program through a swapping of TFCA and CMAQ funds.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Smith and
Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 12, 2006

Re: TFCA Regional Funds to Augment Spare the Air/Free Fare Program

RECOMMENDED ACTION

Recommend Board of Directors approval of staff recommendation to transfer \$800,000 in TFCA Regional Funds from the Vehicle Buy Back Program (program 612) to the Spare the Air Program (program 306) to add three more weekdays to the 2006 Spare the Air/Free Fare program.

BACKGROUND

This Spare the Air season, the Air District and MTC partnered with 25 Bay Area transit operators to offer free rides all day during the first three non-holiday Spare the Air weekdays. As a result of record high temperatures, high pressure, and low winds, the Air District declared consecutive weekday Spare the Air advisories on June 22, 23, and June 26, therefore, monies allocated for the 2006 Spare the Air/Free Fare campaign budget is almost fully expended, with three months remaining in the summer ozone season.

The Spare the Air/Free Fare program results to date have been exceptional. Ridership increased 10 percent regionwide, resulting in over 155,000 additional riders per day using regional transit systems. Ridership increased seven-fold over last year's campaign. Media coverage about the program and the Air District was unprecedented, resulting in high public awareness of the Spare the Air program. Free transit was implemented smoothly by each participating transit service.

DISCUSSION

MTC has expressed interest in expanding the Spare the Air/Free Fare days to include 3 additional weekdays. MTC has available a one-time allocation of State Transit Assistance funds, and the Commission is considering an MTC staff recommendation to use \$5.3 million of the STA funds to extend the Free Fare aspect of the Spare the Air program.

Air District funding is needed to augment the MTC funding, and Air District staff recommends adding three more Spare the Air/Free Fare days to the program. MTC has indicated that an additional \$688,000 is needed from the Air District for matching funds. Staff is working with its contractors to determine what additional costs may be incurred. Staff is estimating that a total of \$800,000 may be needed.

If the Board of Directors approves the transfer of approximately \$2.6 million in funding to the Vehicle Buy Back program from the TFCA County Program Managers as recommended by staff (see July 17, 2006 Mobile Source Committee item #4), the FY 2006/07 budget for the Vehicle Buy Back Program will have excess TFCA Regional Funds. Transferring \$800,000 in TFCA Regional Funds to the Spare the Air program will not affect the objectives of the Vehicle Buy Back program.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The recommendation to fund up to three additional Spare the Air/Free Fare days involves the transfer of \$800,000 in TFCA Regional Funds from the Vehicle Buy Back Program (program 612) to the Spare the Air Program (program 306) in the District's FY 2006/07 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Luna Salaver
Reviewed by: Jack M. Colbourn

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Smith and
Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 10, 2006

Re: Selection of Auditor for Transportation Fund for Clean Air (TFCA)
County Program Manager Fund Projects

RECOMMENDED ACTION

Recommend Board of Directors approval of:

- 1) selection of Macias, Gini & Company as the contractor to conduct fiscal audits of TFCA Program Manager projects; and
- 2) authorizing the Executive Officer to execute a contract with the selected auditor in the amount of \$77,320 for the provision of fiscal audit services.

BACKGROUND

California Health and Safety Code Section 44242 requires that the Air District, as an agency receiving motor vehicle registration fee surcharges, conduct a fiscal audit on projects funded with those revenues at least once every two years. The fiscal audits are to be conducted by an independent auditor selected by the Air District. To date, the Air District has conducted eight rounds of TFCA fiscal audits. The currently proposed services will include the auditing of 290 TFCA Program Manager Fund projects. TFCA funds to cover the cost of the audits are included in the Air District's fiscal year (FY) 2006/2007 budget. If approved by the Board of Directors, the selected contractor will begin work in August 2006, with the final report being completed by October 2006. A summary of staff's evaluation of audit proposals is presented below.

DISCUSSION

Request for Proposals

On April 3, 2006, the Air District issued a request for proposals (RFP) seeking a qualified contractor to perform the ninth round of audits of projects funded by the TFCA program. The RFP was mailed to 61 public accounting firms, and also posted on the Air District's website. Proposals were due by May 3, 2006. 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 May 3, 2006, 4:00 PM deadline. The proposals were submitted by the firms indicated below.

Company Name

Caporicci & Larson
 Macias, Gini & Company
 Simpson & Simpson

Office Location

Oakland
 Walnut Creek
 Los Angeles

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 proposing firms. In addition, past performance on prior TFCA fiscal audits was also taken into consideration. Scores were then assigned for each criterion. The table below shows each firm's score for each criterion.

Scoring of Proposals

CRITERIA	MAX. PTS.	CAPORICCI & LARSON	MACIAS, GINI & COMPANY	SIMPSON & SIMPSON
1. Technical expertise; size/structure of firm as affecting ability to perform and complete work in a professional and timely manner	30	26	27.5	21
2. References of the firms	10	8.5	10	8.5
3. Proposed cost	20	5	20	6
4. Past experience of the firm and, in particular, experience of the audit team on projects of similar scope for governmental agencies	20	17	18	16
5. Responsiveness of the proposal, stating a clear understanding of the work to be performed	20	15.5	18	15.5
Total	100	72	93.5	67

Macias, Gini & Company (Total Bid Cost: \$77,320)

Macias, Gini & Company received a total score of 93.5 points. The firm placed first in technical expertise and ability to perform the duties required for the TFCA Program Manager Fund fiscal audit. The firm's proposal conveyed significant experience in conducting financial and compliance audit services for many non-profit and government agencies, and demonstrated skills considered essential to successfully completing the audit work. The firm's proposal expressed a clear understanding of the work to be performed to conduct the TFCA Program Manager Fund audit services, and the audit process was

clearly stated in the proposal. The firm demonstrated an in-depth understanding of the TFCA Program Manager Fund fiscal audit objectives and the resources needed to complete the audit services. Air District staff contacted listed references for all the consulting firms. Macias, Gini and Company received unqualified endorsements from staff at other government agencies that had experience with this firm. The firm conducted the TFCA financial audits in 1998, 2000 and 2004 and provided organized and efficient services to the Air District. Macias, Gini & Company also submitted the lowest cost proposal.

Caporicci & Larson (Total Bid Cost: \$320,500)

Caporicci & Larson received a total score of 72. The firm ranked second in technical skills and ability to complete the work set forth in the RFP. The firm's proposal showed strong technical ability, and the firm appears qualified to perform the services for the TFCA Program Manager Fund audit. Caporicci & Larson conducted compliance audit work for numerous government agencies throughout California and the firm received good references. The proposal, however, did not convey as clear an understanding of the audit requirements as stated in the TFCA County Program Manager Fund audit RFP. Caporicci & Larson's audit plan entailed auditing each individual agency on the RFP project list, rather than auditing the records of the TFCA County Program Manager that distributed funds to the agencies on the RFP project list. Because of this, Caporicci & Larson overestimated the staff time necessary for the TFCA Program Manager Fund fiscal audit, which resulted in the highest cost proposal.

Simpson & Simpson (Total Bid Cost: \$269,000)

Simpson & Simpson received a total score of 67 points. Although the firm has the experience necessary to perform the tasks required for the TFCA audits, its proposal did not score as high in the responsiveness to proposal criteria. The firm's proposal demonstrated that the firm did not have as clear an understanding of the core expectation required for the TFCA Program Manager Fund audit services. Simpson & Simpson also scored the lowest in the technical expertise criterion. Additionally, Simpson & Simpson submitted the second highest cost proposal.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. The audit cost, funded by TFCA revenues, is included in the Air District's FY 2006/07 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Andrea Gordon
Reviewed by: Jack M. Colbourn

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Smith and
Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 10, 2006

Re: Vehicle Buy Back Program Fiscal Year 2005/2006 Annual Report

RECOMMENDED ACTION

Receive and file the fiscal year (FY) 2005/2006 annual report on the Vehicle Buy Back (VBB) Program.

BACKGROUND

The Air District's VBB Program began in June 1996 to provide a financial incentive to retire older, higher polluting vehicles. The VBB Program currently purchases and scraps model year 1985 and older light-duty vehicles that lack modern emission control systems and, therefore, produce more air pollution than newer cars. The VBB Program is completely voluntary and pays \$650 to a vehicle owner if the vehicle qualifies for the program. The VBB Program adheres to the Voluntary Accelerated Light-Duty Vehicle Retirement (VAVR) regulation adopted by the California Air Resources Board. The VBB Program is funded by the Transportation Fund for Clean Air (TFCA).

Since its inception in June 1996 through June 30, 2006, the VBB Program has purchased and scrapped 30,819 eligible vehicles. It is expected that the total number of vehicles purchased and scrapped by the VBB program will reach 35,321 with the current level of FY 2005/2006 funding. Total emission reductions through FY 2005/2006 will amount to 4,997 tons: 3,245 tons of reactive organic gases, 1,731 tons of oxides of nitrogen and 21 tons of particulate matter. The VBB Program remains one of the most cost-effective programs funded by TFCA, with an estimated cost-effectiveness of \$7,294 (TFCA dollars) per ton of reduced emissions for FY 2005/2006. Several factors have helped to achieve and maintain an increased scrapping rate in FY 2005/2006, including the VBB Program direct mail campaign, the increase in model year to 1985 and older light-duty vehicles, and an increase in the amount paid per vehicle to \$650. The VBB Program is functioning well and, with sustained funding, will continue to serve as an excellent program to reduce mobile source emissions in the Bay Area.

The purpose of this report is to provide a summary of the VBB Program for the FY 2005/2006 TFCA funding cycle.

DISCUSSION

Following is a summary of major elements of the Vehicle Buy Back Program for the FY 2005/2006 TFCA funding cycle.

Vehicle Dismantler Scrapping Contracts: The Air District implements the VBB Program by contracting with vehicle dismantlers to screen, purchase, and destroy eligible vehicles. For FY 2005/2006, the Air District approved contracts totaling \$7,000,000 with Pick Your Part, Pick-N-Pull, and Environmental Engineering Studies to purchase and scrap 7,968 eligible vehicles. There are a total of 21 buy back sites including eleven operated by Environmental Engineering Studies, six operated by Pick-N-Pull and four operated by Pick Your Part. At the current purchase rate, the remaining funding under the FY 2005/2006 contracts should be used up by December 2006. The Air District's FY 2006/2007 budget includes \$7.4 million in TFCA funds to continue the VBB program implementation.

Direct Mail: The direct mail campaign has been in place since January 2000 and, based upon VBB Program surveys, it is the most successful method of informing potential participants about the program. The Air District's current direct mail contractor has delivered over 195,000 pieces of mail since October 2005 to eligible vehicle owners, to inform them of the program.

Vehicle Scrapping Rates: Scrapping rates have almost tripled, to approximately 520 vehicles per month, since the Board of Directors approved changes to the VBB Program in October 2004. The changes included an increase in the eligible vehicle model year to 1985 and older, and an increase in the amount paid per vehicle from \$500 to \$650.

CONCLUSION

The VBB Program is one of the most cost-effective programs funded by TFCA. The VBB Program's direct mail campaign continues to attract a high rate of voluntary participants. Air District staff believes that the near tripling of the monthly buy back rate since October 2004 is due to the expansion of the eligible model years to 1985 and older vehicles and the increase in the amount paid for each vehicle to \$650.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. VBB Program costs are covered by TFCA revenues, which are based on motor vehicle registration fee surcharges. Funding for the continuation of the VBB Program is included in the FY 2006/2007 budget under Program 612.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Joseph Steinberger
Reviewed by: Jack M. Colbourn