



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

## BOARD OF DIRECTORS' REGULAR MEETING

December 19, 2007

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  
DECEMBER 19, 2007  
9:45 A.M.

BOARD ROOM  
7TH FLOOR

## CALL TO ORDER

Opening Comments  
Roll Call  
Pledge of Allegiance

Chairperson, Mark Ross  
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.*

## PROCLAMATION/COMMENDATION

*The Board of Directors will recognize Luna Salaver former Senior Public Information Officer, for her 27 years of dedicated service to the Air District.*

*The Board of Directors will recognize Air District employees who have completed milestone levels of twenty-five (25), thirty (30) and thirty-five (35) years of service during the later half of 2007 with certificates and pins.*

## CONSENT CALENDAR (ITEMS 1 – 4)

Staff/Phone (415) 749-

1. Minutes of December 5, 2007

V. Johnson/4941

[vjohnson@baaqmd.gov](mailto:vjohnson@baaqmd.gov)

2. Communications

J. Broadbent/5052

[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*Information only.*

3. District Personnel on Out-of-State Business Travel

J. Broadbent/5052

[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*In accordance with Section 5.4 (b) of the District's Administrative Code, Fiscal Policies and Procedures Section, the Board is hereby notified that the attached memoranda lists District personnel who traveled on out-of-state business.*

4. Consideration of Proposed Regulatory Calendar for 2008

H. Hilken/4642

[hhilken@baaqmd.gov](mailto:hhilken@baaqmd.gov)

*State law requires each Air District to publish a list of potential regulatory measures for the upcoming year. No regulatory measures can be brought before the Board that is not on the list, with specified exceptions. Consequently, the list contains all measures that **may** come before the Board in 2008.*

## COMMITTEE REPORTS AND RECOMMENDATIONS

5. Report of the **Ad Hoc Committee on Port Emissions** Meeting of December 6, 2007

CHAIR: N. MILEY

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

6. Report of the **Mobile Source Committee** Meeting of December 10, 2007

CHAIR: T. SMITH

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

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

- A) *Authorize the Executive Officer/APCO to execute amended contracts with vehicle dismantlers to continue vehicle scrapping and related services, and authorize the release of funding approved for this program for FY 2007/2008 in the amount of \$7,000,000;*
- B) *TFCA County Program Manager projects for fiscal year 2007/2008, and amendments to expenditure programs for certain prior fiscal years;*
- C) *Proposed revisions to TFCA County Program Manager Fund Policies to govern allocation of FY 2008/2009 TFCA funds; and*
- D) *Authorize the Executive Officer/APCO to execute a supplemental Carl Moyer agricultural project contract with Dittmer Ranch for \$2,000.*

7. Report of the **Budget and Finance Committee** Meeting of December 12, 2007

CHAIR: C. DALY

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

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

- A) *Authorize the Executive Officer/APCO to execute agreements to Pre-Fund Air District "Other Post Employment Benefits" (OPEB) through CalPERS, and provide an initial contribution of \$2,800,000 from the Designated Reserve; and*
- B) *Approve transfer of \$100,000 from the designated Reserve for the Cleaner Burning Technology Incentives Program and a corresponding increase of \$100,000 to Program 302 Community Outreach budget; and a transfer of \$3,000,000 from the designated Reserve for Climate Protection and a corresponding increase of \$3,000,000 to Program 608 budget;*
- C) *Authorize the Executive Officer/APCO to execute agreements and issue Purchase Orders not to exceed \$600,000 to enhance Information Systems reliability and efficiency; and*
- D) *Authorize amendment to the FY 2007/2008 Budget to recognize increased revenue under an Environmental Protection Agency Grant, and authorize the Executive Officer/APCO to issue purchase orders not to exceed \$185,000 for monitoring equipment.*

8. Report of the **Climate Protection Committee** Meeting of December 13, 2007

**CHAIR: P. TORLIATT**

**J. Broadbent/5052**

[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*Action (s): The Committee recommends Board of Directors approval of Climate Protection grant awards totaling \$3 million dollars.*

9. Report of the **Executive Committee** Meeting of December 17, 2007

**CHAIR: M. ROSS**

**J. Broadbent/5052**

[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

### **CLOSED SESSION**

10. Conference with District's Labor Negotiators  
(Government Code § 54957.6(a))

*Agency Negotiators: Jack P. Broadbent, Executive Officer/APCO  
Michael Rich, Human Resources Officer*

*Employee Organization: Bay Area Air Quality Management District Employees'  
Association, Inc.*

### **OPEN SESSION**

### **OTHER BUSINESS**

11. Report of the Executive Officer/APCO  
12. Chairperson's Report  
13. 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)*

14. Time and Place of Next Meeting - 9:45 a.m., Wednesday, January 2, 2008- 939 Ellis Street, San Francisco, CA 94109  
15. Adjournment

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

**(415) 749-4941**

**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 Executive Office should be given at least 3 working days prior to the date of the meeting so that arrangements can be made accordingly.

## COMMENDATION/PROCLAMATIONS

### BAY AREA AIR QUALITY MANAGEMENT DISTRICT

#### Memorandum

To: Chairperson Mark Ross and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: December 11, 2007

Re: Commendations/Proclamations

#### RECOMMENDED ACTION:

Recognize Luna Salavar, former Senior Public Information Officer for her 27 years of dedicated service to the Air District.

Recognize employees who have completed milestone levels of twenty-five (25), thirty (30) and thirty-five (35) years of service with the Air District during the past six months with plaques or pins.

#### BACKGROUND:

Annually, the District recognizes employees who have contributed incremental years of dedicated service to the District. Formally, the Board of Directors recognizes and presents service awards to employees who have completed twenty-five (25) years or more of service to the District.

From July 1, 2007 to December 31, 2007, there were two employees who completed twenty-five (25) years of service, two employees who completed thirty (30) years of service and one employee who completed thirty-five (35) years of service with the Air District. A list of these employees is attached.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

*Employee Recognition Awards*

*25 Years of Service*

*Jamie Kendall*

*Kelly Wee*

*30 Years of Service*

*Edward Boehmer*

*Stanley Yamaichi*

*35 Years of Service*

*Jeannette Lim*

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Mark Ross and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: December 11, 2007

Re: Board of Directors' Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Board of Directors meeting of December 5, 2007.

DISCUSSION

Attached for your review and approval are the draft minutes of the December 5, 2007 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 – December 5, 2007

**Call To Order**

Opening Comments: Chair Mark Ross called the meeting to order at 9:56 a.m.

Roll Call: Present: Mark Ross, Chair, Harold Brown, Chris Daly, Dan Dunnigan, Erin Garner, John Gioia, Scott Haggerty, Jerry Hill, Carol Klatt, Liz Kniss (10:08 a.m.), Janet Lockhart, Nate Miley, Michael Shimansky, John Silva, Tim Smith, Pamela Torliatt, Gayle B. Uilkema, Brad Wagenknecht.

Absent: Tom Bates, Yoriko Kishimoto, Jake McGoldrick.

Pledge of Allegiance: The Board of Directors recited the Pledge of Allegiance.

**Public Comment Period:** The Chair called for public comment and the following individuals spoke:

Minister Christopher Muhammad  
NOI/Community BV/HP

Jaron Browne  
POWER  
San Francisco, CA 94103

Francisco DaCosta  
Environmental Justice Advocacy  
San Francisco, CA 94124

Alicia Schwartz  
POWER

Espanola Jackson  
Bayview resident  
San Francisco, CA 94124

Octavio G. Soarzano  
Bayview Hunters Point resident  
San Francisco, CA 94124

Daniel Muhammad  
NOI/BVHP

Adela A Flores Bolanos  
San Francisco, CA 94124

Comments were made regarding the dust emissions from the work being done by Lennar in the Bayview-Hunters Point community; the health issues associated with exposure to the dust; and a request for an update on penalties to be imposed on Lennar.

Director Liz Kniss arrived during the Public Comment Period at 10:08 a.m.

Commendation/Proclamation: The Board of Directors recognized Mary Romaidis, Clerk of the Boards, for her 22 years of dedicated service to the Air District upon her retirement.

Chair Ross stated that a request had been made to remove Items 4 and 5 from the Consent Calendar and it was so ordered.

**Consent Calendar (Items 1 – 3)**

1. Minutes of November 7, 2007
2. Communications – *Information only.*
3. Quarterly Report of Division Activities

**Board Action:** Director Shimansky moved approval of Consent Calendar Items 1 through 3; seconded by Director Brown; carried unanimously without objection

**Consent Calendar (Items 4 – 5)**

4. Consider Adoption of Resolution Endorsing Local Air District's Role in AB 32 Implementation of Mandatory Reporting of Greenhouse Gases

*The Board of Directors considered adoption of a resolution endorsing a role for local Air Districts in implementation of mandatory reporting of greenhouse gases through action being taken by the California Air Resources Board.*

5. Consider Adoption of Resolution Endorsing Changes to the California Air Resources Board's (ARB) Regulations to Reduce Emissions from Diesel Auxiliary Engines on Ocean-Going Vessels while at Berth at a California Port

Item 5: Jack Broadbent, Executive Officer/APCO, stated that, within the last 48 hours, discussions have taken place with CARB regarding the shore side power clean diesel technology and that CARB has agreed that the technology can achieve the early emission reductions. Therefore, the proposed Resolution on item 5 is no longer necessary and was tabled indefinitely.

Item 4: Mr. Broadbent stated that the California Air Pollution Control Officers Association (CAPCOA) has been debating ARB's proposed Regulation for Mandatory Reporting of Greenhouse Gases required by AB 32. The Air District's position is for the facilities to report greenhouse gas (GHG) emissions to local air districts in an integrated manner with other emissions data and that the local air districts act as third party verifiers of the data. CAPCOA has determined, within the last 24 hours, to take a neutral position on the matter. The regulation would not preempt the Air District from moving forward with plans to reduce GHG emissions and prepare inventories. The South Coast AQMD has moved forward with their carbon plan.

Director Brown moved the staff recommendation; seconded by Director Kniss. After a brief discussion on the motion, Director Kniss declined to second the motion and Director Daly seconded the motion.

Mr. Broadbent stated that the staff recommendation would send a message to CARB to amend its mandatory reporting rule to include local air districts; CAPCOA has changed its position and is now taking a neutral position. There was discussion on amending the last paragraph on the first page of the current resolution to read: NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Bay Area Air Quality Management District does hereby urge ARB, in the spirit of partnership, to amend its proposed regulation to provide for collection and verification of greenhouse gas emissions data by local and regional air districts.

**Board Action:** Director Haggerty amended his motion to include the amendment made to the resolution; seconded by Director Lockhart; carried unanimously with the following Board members voting:

AYES: Brown, Daly, Dunnigan, Garner, Gioia, Haggerty, Hill, Klatt, Kniss, Lockhart, Miley, Shimansky, Silva, Smith, Torliatt, Uilkema, Wagenknecht, Ross.

NOES: None

ABSENT: Bates, Kishimoto, McGoldrick.

**Adopted Resolution No. 2007-16: A Resolution of the Board of Directors of the Bay Area Air Quality Management District Urging that Local Air Districts Serve as Collectors and Verifiers of Global Warming Emissions Data Under AB 32 and that Pending ARB Regulations Reflect that Role**

### Committee Reports and Recommendations

6. Report of the Personnel Committee Meeting of November 14, 2007

*Action(s): The Committee recommended Board of Directors' approval of the following:*

- A) Appointment of (9) Advisory Council members effective January 1, 2008 ending December 31, 2009; and*
- B) Appointment of (2) Advisory Council members to a one-year term of office effective January 1, 2008 and ending December 31, 2008 due to 12-year term limits on the Advisory Council.*

Director Brown presented the report and stated that the Committee met on November 14, 2007 to conduct interviews of candidates to fill 11 positions on the Air District's Advisory Council. The Committee interviewed one non-incumbent candidate. A second candidate was scheduled to be interviewed, but did not show up.

The Committee recommends that the Board of Directors approve the following appointments to the Advisory Council in their respective category:

Ken Blonski	Regional Park District
Jeffrey Bramlett	Park & Recreation
Harold Brazil	Mass Public Transportation
Emily Drennen	Conservation Organization (5 <sup>th</sup> seated member in

Fred Glueck	category where only 4 required.)
William Hanna	General Contractor
Janice Kim, M.D.	Agriculture
Kraig Kurucz	Public Health Agency
Karen Licavoli-Farnkopf	Industry
Ken Oku	Conservation Organization
Brian Zamora	Organized Labor
	Public Health Agency

The appointments are for a two-year term of office ending December 31, 2009, except for William Hanna (agriculture) and Fred Glueck (general contractor), who will have reached their respective 12-year term limit as of December 31, 2008.

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

**Board Action:** Director Brown moved that the Board of Directors' approve the Committee recommendations for the appointment of the 11 candidates, as stated, in their respective categories on the Advisory Council; seconded by Director Wagenknecht; carried unanimously without objection.

7. Report of the Climate Protection Committee Meeting of November 15, 2007

Director Torliatt presented the report and stated that the Committee met on Thursday, November 15, 2007.

The Committee received a status report on implementation of AB 32. Staff provided an overview of the three early action measures adopted in June and the six additional early action measures adopted in October. CAPCOA is tracking implementation of AB 32 and is developing a White Paper. The White Paper will be a resource for lead agencies.

An update on the establishment of an Air District Foundation was provided to the Committee. The consensus of the Committee is to move forward with a Bay Area Clean Air Foundation. The Committee provided direction to staff.

Staff provided a report and options for adoption of a fee schedule for greenhouse gas emission reductions applicable to permitted stationary sources. Adoption of the proposed GHG fee schedule will be considered later this fiscal year. The consensus of the Committee was for staff to move forward on this item. Staff will provide updates to the Committee as work progresses.

The Committee received an overview of the climate protection curriculum pilot program. The curriculum is for 4<sup>th</sup> and 5<sup>th</sup> graders and is being piloted in 13 classrooms in 10 public schools throughout the Bay Area. The pilot program will end in June 2008 and, after assessment and appropriate changes to the program, will be available to more schools.

The next meeting of the Committee is scheduled for 9:30 a.m., Thursday, December 13, 2007.

**Board Action:** Director Torliatt moved that the Board of Directors approve the report of the Climate Protection Committee; seconded by Director Dunnigan; carried unanimously without objection.

8. Report of the Executive Committee Meeting of November 19, 2007

*Action(s): The Committee recommended Board of Directors' approval to initiate joint legislation with the Metropolitan Transportation Commission regarding a regional fee on gasoline.*

Chair Ross presented the report and stated that the Committee met on Monday, November 19, 2007 and received and filed the Reports of the Hearing Board and Advisory Council. Advisory Council Chair Fred Glueck provided a brief update on the work of each of the Council's standing committees and announced that the in-coming Council Chair is Dr. Louise Bedsworth.

The Committee received information regarding an increase in the size of the Board of Directors to 23 members next year and to 24 members in 2009. A series of options to the increase was presented to the Committee and staff was provided direction.

The Committee discussed possible joint legislative action with the Metropolitan Transportation Commission regarding a regional fee on gasoline. The Committee recommends that staff move forward with MTC on this project and the Committee seeks full Board of Directors support.

The Committee received a report on the Air District's financial assistance programs to small businesses. The Air District does not provide financial assistance to businesses to comply with its stationary source rules. The Committee received an overview of programs that are available to small businesses through agencies such as the California Small Business Loan Guarantee Program and the Pacific Gas & Electric Incentive Program.

The Committee received an update on the Carl Moyer Program Audits.

An update on the Joint Policy Committee was provided to the Committee.

The next meeting of the Committee is scheduled for 9:30 a.m., Monday, December 17, 2007.

**Board Action:** Chair Ross moved that the Board of Directors approve the recommendation and report of the Executive Committee; seconded by Director Wagenknecht; carried on the following roll call:

AYES: Daly, Dunnigan, Garner, Gioia, Haggerty, Hill, Klatt, Kniss, Lockhart, Miley, Smith, Torliatt, Wagenknecht, Ross.

NOES: Shimansky, Uilkema.

ABSENT: Bates, Brown, Kishimoto, McGoldrick, Silva.

9. Report of the Legislative Committee Meeting of November 26, 2007

Director Wagenknecht presented the report and stated that the Committee met on Monday, November 26, 2007.

The Committee received a summary of the recently-concluded legislative year in Sacramento and highlighted the outcome of measures on which the Air District adopted positions. One significant bill signed into law was AB 118 (Nunez). The bill will generate over \$213 million annually through 2016. The funds will come from an increase in vehicle fees and will fund three air quality programs; including:

- 1) an enhanced state vehicle scrappage program;
- 2) the Alternative and Renewable Fuel and Vehicle Program; and
- 3) the Air Quality Improvement Program.

The Committee discussed potential legislative proposals for the legislative agenda for 2008, including possible joint legislative action with the Metropolitan Transportation Commission regarding a regional gasoline fee. Another possible topic discussed was state-wide wood burning requirements or programs.

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

**Board Action:** Director Wagenknecht moved that the Board or Directors approve the report of the Legislative Committee; seconded by Director Smith; carried unanimously without objection.

10. Report of the Public Outreach Committee Meeting of November 26, 2007

Director Klatt presented the report and stated that the Public Outreach Committee met on Monday, November 26, 2007.

Staff provided a summary of the 2007/2008 Spare the Air Tonight outreach campaign. The campaign runs from November 13, 2007 through February 11, 2008. The outreach objectives and strategy were discussed. The Committee provided direction to staff regarding those cities and counties that have not as yet adopted the wood smoke ordinance. Suggestions were also made regarding the collateral material that was presented.

The Committee received an update on the development of the Cleaner Burning Technology Incentive Program. The Program would provide financial incentives for District residents to upgrade their conventional fireplaces and uncertified wood stoves to cleaner burning technologies. The Committee directed staff to move forward with a Cleaner Burning Technology Incentives Program and to explore working with the Hearth, Patio, Barbeque Association.

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

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

11. Report of the Stationary Source Committee Meeting of December 3, 2007

Director Haggerty presented the report and stated that the Committee met on Monday, December 3, 2007.

The Committee received a status report regarding proposed Regulation 6, Rule 2: Commercial Cooking Equipment. The report included the regulatory history and background on the proposed rule, health impacts and the proposals for chair-driven and under-fired charbroilers. Bay Area restaurant emissions and anticipated emission reductions were presented to the Committee. One member of the public spoke on this item. The public hearing on the proposed rule will be held today.

The Committee received a status report on the draft Regulation 6, Rule 3: Wood-burning Devices. The report provided background information on fine PM and health effects from exposure. The proposed rule would: A) prohibit burning on nights with a high PM forecast, B) limit smoke opacity from burning, C) require cleaner burning technology for Wood-Burning Device sales, D) require cleaner burning technology in new construction, E) prohibit burning garbage, and F) require seasoned wood sales and solid fuel labeling. Staff reviewed concerns expressed at seven public workshops on the proposed rule. The comment period for the proposed rule will close on December 10, 2007, additional workshops will be conducted in the first part of 2008, and a public hearing for the adoption of the rule could be held in mid-2008. The Committee provided direction to staff to increase the effectiveness of the public outreach and suggested improvements for the draft regulation.

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

**Board Action:** Director Haggerty moved that the Board of Directors approve the report of the Stationary Source Committee; seconded by Director Wagenknecht; carried unanimously without objection.

12. Report of the Nominating Committee Meeting of December 5, 2007

Chair Ross presented the report and announced the following slate of officers for 2008: Chair, Director Jerry Hill; Vice-Chair, Director Pamela Torliatt; and Secretary, Director Brad Wagenknecht.

**Public Hearing**

13. Considered Adoption of Regulation 6, Rule 2: Commercial Cooking Equipment, Amendments to Regulation 3: Fees, Amendments to Regulation 6: Particulate Matter and Visible Emissions, and Adoption of a CEQA Negative Declaration

*The Board of Directors considered adoption of proposed Regulation 6: Rule 2: Commercial Cooking Equipment. Proposed Regulation 6, Rule 2 would regulate chain driven charbroilers at restaurants that purchase over 500 lbs of beef per week and large under-fired charbroilers at restaurants that purchase over 1000 lbs of beef per week.*

Mr. Broadbent provided a brief introduction to the item and stated that the proposed regulation was before the Board of Directors in May 2007. Suggested changes have been incorporated into the rule and the proposed regulation targets the highest emitters and is cost effective.

Virginia Lau, Senior Air Quality Specialist, presented a brief overview of the proposed rule.

Chair Ross opened the public hearing at 11:23 a.m. Chair Ross summarized written comments submitted by Jenny Bard of the American Lung Association. The following individuals then came forward and spoke on the item:

Thomas Rivard  
San Francisco Health Department  
San Francisco, CA

Lewis Chiltl  
Elaine Bell Catering  
Yountville, CA 94599

Patrick Kruk, Outback  
Steakhouse/Restaurant Assoc.  
Dublin, CA 94566

Johnnise Foster Downs  
California Restaurant Association  
Sacramento, CA 95829

Chair Ross closed the public hearing at 11:35 a.m.

**Board Action:** Director Haggerty moved Board of Directors' approval of the staff recommendations to:

- Adopt Regulation 6, Rule 2: Commercial Cooking Equipment;
- Adopt amendments to Regulation 6: Particulate Matter and Visible Emissions;
- Adopt fee change in Regulation 3: Fees, Schedule R; and
- Adopt California Environmental Quality Act (CEQA) Negative Declaration.

The motion was seconded by Director Wagenknecht and carried unanimously with the following Board members voting:

AYES: Daly, Dunnigan, Garner, Gioia, Haggerty, Hill, Klatt, Kniss, Lockhart, Miley, Smith, Torliatt, Wagenknecht, Ross.

NOES: None.

ABSENT: Bates, Brown, Kishimoto, McGoldrick, Shimansky, Silva, Uilkema.

**Adopted Resolution No. 2007-17: A Resolution of the Board of Directors of the Bay Area Air Quality Management District Adopting District Regulation 6, Rule 2: Commercial Cooking Equipment; Renaming and Re-number District Regulation 6: Particulate Matter and Visible Emissions; Amending Regulation 3: Fees; and Adopting a CEQA Negative Declaration for this Project**

### **Other Business**

14. Report of the Executive Officer/APCO – Mr. Broadbent reported on the following:

- A) The Spare the Air Tonight season has started and two advisories have been called.
- B) The Air District is moving forward on the wood burning rule.
- C) TV and radio ads have been produced regarding the Spare the Air Tonight campaign.



- D) An update on the recent oil spill was provided to the Board.
- E) The District's Green Business Report is at each Board members place.

15. Chairperson's Report – Chair Ross thanked staff for their work on the wood burning work shops and the charbroiler rule.
16. Board Members' Comments – Director Daly requested an update, in a Closed Session, on the penalties to be imposed on Lennar.
17. Time and Place of Next Meeting – 9:45 a.m., Wednesday, December 19, 2007 – 939 Ellis Street, San Francisco, CA 94109
18. Adjournment – The meeting adjourned at 11:45 a.m.

Mary Romaidis  
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Mark Ross and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: December 11, 2007

Re: Board Communications Received from December 5, 2007 through December 18, 2007

RECOMMENDED ACTION:

Receive and file.

DISCUSSION

A list of Communications received by the Air District from December 5, 2007 through December 18, 2007, if any, will be at each Board member's place at the December 19, 2007 Regular Board meeting.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

**BAY AREA AIR QUALITY MANGEMENT DISTRICT**

Memorandum

To: Chairperson Mark Ross and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: December 10, 2007

Re: District Personnel on Out-of-State Business Travel

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

In accordance with Section 5.4 (b) of the District's Administrative Code, Fiscal Policies and Procedures Section, the Board is hereby notified that the following District personnel have traveled on out-of-state business.

DISCUSSION

Eric Stevenson, Air Monitoring Manager, attended NACAA Air Monitoring Steering Committee Meeting in Seattle, WA November 27 - 29, 2007.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Linda J. Serdahl  
Reviewed by: Jack M. Colbourn

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Memorandum

To: Chairperson Ross and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer / APCO

Date: December 11, 2007

Re: 2008 Regulatory Calendar

---

**RECOMMENDED ACTION:**

Receive and file.

**DISCUSSION**

Each year, the District is required by Health and Safety Code section 40923 to publish a list of regulatory measures scheduled or tentatively scheduled for consideration during the next calendar year. If a measure is not on this list, it may not be brought before the Board of Directors unless it is necessary (1) to satisfy federal requirements, (2) to abate a substantial endangerment to public health or welfare, (3) to comply with state toxic air contaminant requirements, (4) to comply with an ARB requirement that the District adopt contingency measures due to inadequate progress towards attainment, (5) to preserve an existing rule's "original intent," or (6) to allow for alternative compliance under an existing rule.

The attached list includes all measures that may come before the Board in 2008. Some of the measures fall within exceptions listed above but are nevertheless included for completeness. Control measures from the 2005 Ozone Strategy are included. There is no expectation that all of the measures on the list will be enacted during the calendar year. Rules are listed in numerical order as they appear in the District Rules and Regulations.

All new rules and rule amendments must be adopted at a public hearing conducted by the District's Board of Directors. Public comment is accepted at these hearings. Public notice of hearings is provided as required by law. In addition, the District conducts public workshops and provides opportunities for oral and written comments before scheduling a rule for public hearing. Information on workshops, hearings, and other rule development issues may be obtained from the District website at [www.baaqmd.gov/pln/ruledev/index.asp](http://www.baaqmd.gov/pln/ruledev/index.asp) or by calling the Planning, Rules and Research Division at (415) 749-4664.

**BUDGET CONSIDERATION/FINANCIAL IMPACTS**

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer / APCO

Prepared by: Daniel Belik  
Approved by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
2008 REGULATORY MEASURES LIST

<b>Control Measure <sup>1</sup></b>	<b>Regulation, Rule</b>	<b>Title</b>	<b>Objective <sup>2</sup></b>
	Reg. 1	General Provisions and Definitions	Clarify and enhance District administrative policies, wood smoke
	Reg. 2, Rule 1	General Requirements (Permits)	EPA, CARB policy; State law, clarifications
	Reg. 2, Rule 2	New Source Review	EPA policy, State law
	Reg. 2, Rule 4	Emissions Banking	Clarifications
	Reg. 2, Rule 5	New Source Review for Toxic Air Contaminants	Clarifications
	Reg. 2, Rule 6	Major Facility Review (Title V)	EPA policy, clarifications
	Reg. 2, Rule 9	Interchangeable Emission Reduction Credits	Clarifications
FS-18	Reg. 3	Fees	Cost recovery, mitigate impacts of indirect and federal sources
	Reg. 5	Open Burning	Clarifications, reduce emissions
	Reg. 6, Rule 3	Wood Burning Devices	Reduce emissions
	Reg. 7	Odororous Substances	Clarifications
	Reg. 8, All	General Provisions	Applicability, VOC definition
	Reg. 8, Rule 2	Miscellaneous Operations	Clarifications
FS-2	Reg. 8, Rule 3	Architectural Coatings	Clarifications; reduce emissions
FS-8	Reg. 8, Rule 4	General Solvent and Surface Coating Operations	Reduce emissions
	Reg. 8, Rule 6	Organic Liquid Bulk Terminals and Bulk Plants	Clarifications
	Reg. 8, Rule 7	Gasoline Dispensing Facilities	Reduce emissions
FS-8	Reg. 8, Rule 16	Solvent Cleaning Operations	Clarifications, reduce emissions
	Reg. 8, Rule 17	Petroleum Dry Cleaning Operations	Reduce emissions
FS-12	Reg. 8, Rule 18	Equipment Leaks	Reduce emissions
SS-2	Reg. 8, Rule 20	Graphic Arts Operations	Clarifications, reduce emissions
	Reg. 8, Rule 22	Valves and Flanges at Chemical Plants	Clarifications
	Reg. 8, Rule 28	Episodic Releases from Pressure Relief Devices at Petroleum Refineries and Chemical Plants	Clarifications, flexibility
SS-5	Reg. 8, Rule 32	Wood Products Coatings	Reduce emissions
SS-7	Reg. 8, Rule 33	Gasoline Bulk Terminals and Gasoline Delivery Vehicles	Reduce emissions, clarifications
SS-7	Reg. 8, Rule 39	Gasoline Bulk Plants and Gasoline Delivery Vehicles	Reduce emissions, clarifications
	Reg. 8, Rule 40	Aeration of Contaminated Soil and Removal of Underground Storage Tanks	Clarifications
SS-1	Reg. 8, Rule 45	Motor Vehicle and Mobile Equipment Coating Operations	Reduce emissions

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
2008 REGULATORY MEASURES LIST

<b>Control Measure <sup>1</sup></b>	<b>Regulation, Rule</b>	<b>Title</b>	<b>Objective <sup>2</sup></b>
	Reg. 8, Rule 49	Aerosol Paint Products	Consistency with ARB standards
SS-4	Reg. 8, Rule 50	Polyester Resin Operations	Reduce emissions
FS-1	Reg. 8, Rule 51	Adhesive and Sealant Products	Reduce emissions
	Reg. 8, Rule 52	Polystyrene, Polypropylene and Polyethylene Foam Product Mfg Ops.	Clarifications
SS-3	Reg. 8, Rule TBD	High Emitting Spray Booths	Reduce emissions
FS-4	Reg. 8, Rule TBD	Composting Operations	Reduce emissions
FS-6	Reg. 8, Rule TBD	Livestock Waste	Reduce emissions
	Reg. 8, Rule TBD	Episodic Controls	Reduce emissions
FS-9	Reg. 8, Rule TBD	Cooling Towers	Reduce emissions
FS-11	Reg. 8, Rule TBD	Vacuum Trucks	Reduce emissions
FS-13	Reg. 8, Rule TBD	Wastewater from Coke Cutting	Reduce emissions
	Reg. 9, Rule 1	Sulfur Dioxide	Monitoring, recording requirements
	Reg. 9, Rule 2	Hydrogen Sulfide	Monitoring, recording requirements
	Reg. 9, Rule 6	NOx from Natural Gas-Fired Water Heaters	Clarifications
SS-12	Reg. 9, Rule 7	NOx and CO from Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters	Clarifications; reduce emissions
FS-14	Reg. 9, Rule 10	NOx and CO From Boilers, Steam Generators And Process Heaters in Petroleum Refineries	Clarifications, reduce emissions
	Reg. 11	Hazardous Air Pollutants	Reference federal standards
	Reg. 11, Rule 2	Asbestos Demolition, Renovation and Manufacturing	Clarifications
	Reg. 11, Rule 14	Asbestos-Containing Serpentine	Clarifications
	Reg. 11, Rule 16	Perchloroethylene Dry Cleaners	Incorporate CARB rule
	Reg. 12, Rule 7	Motor Vehicle Air Conditioners	Clarifications
	Reg. 12, Rule 11	Flare Monitoring at Petroleum Refineries	Clarifications
	Reg. 12, Rule 13	Port Inventories and Emission Reduction Plans	Reduce emissions
FS-18	Reg. and Rule TBD	Indirect Source Mitigation	Reduce emissions
FS-20	Reg. and Rule TBD	Episodic Controls	Reduce emissions
	MOP, Volume I	Enforcement Procedures	Clarification, improve data submittals
	MOP, Volume II	Engineering Permitting Procedures	Consistency with EPA requirements, clarifications
	MOP, Volume III	Laboratory Methods	New and improved analytical procedures
	MOP, Volume IV	Source Test Methods	New and improved analytical procedures

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
2008 REGULATORY MEASURES LIST

<b>Control Measure <sup>1</sup></b>	<b>Regulation, Rule</b>	<b>Title</b>	<b>Objective <sup>2</sup></b>
	MOP, Volume V	Continuous Emission Monitoring	New and improved analytical procedures
	MOP, Volume VI	Ground Level Monitoring	Consistency with EPA requirements

---

<sup>1</sup> Control measure numbers given are from the Bay Area 2005 Ozone Strategy.

SS = stationary source control measure, FS = further study measure.

<sup>2</sup> Objectives are listed for information only and are subject to change. Rule development efforts for a rule are not limited to listed objectives.



BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson Mark Ross and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: December 10, 2007

Re: Report of the Ad Hoc Committee on Port Emissions Meeting of December 6, 2007

RECOMMENDED ACTIONS

None.

DISCUSSION

The Ad Hoc Committee on Port Emissions met on Thursday, December 6, 2007. The Committee received the following reports:

- 1) Status Report on the West Oakland health risk assessment; and
- 2) Status Report on the preliminary draft rule regarding port emission inventories and plans.

Attached are the staff reports presented in the Ad Hoc Committee packet.

Chairperson, Nate Miley will provide an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACTS

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Vanessa Johnson  
Reviewed by: Mary Ann Goodley

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson Miley and Members  
of the Ad Hoc Committee on Port Emissions

From: Jack P. Broadbent  
Executive Officer/APCO

Date: November 30, 2007

Re: Update on Activities at the Port of Oakland

RECOMMENDED ACTION:

None. The Committee will receive and discuss an update on the status of the West Oakland health risk assessment and the Port of Oakland's Maritime Air Quality Improvement Plan (MAQIP).

BACKGROUND

Beginning in late 2005, the California Air Resources Board (CARB) began a cooperative effort with the Air District and the Port of Oakland to better understand the health risks associated with diesel particulate matter pollution in the western part of the City of Oakland. In 2006, the Air District and Port of Oakland staffs began development of a comprehensive air quality improvement plan for the Port's maritime facilities. The release by CARB of a formal Health Risk Assessment (HRA) and the adoption by the Port of Oakland of its Maritime Air Quality Improvement Plan (MAQIP) are both scheduled for the 1<sup>st</sup> quarter of 2008.

The efforts underway to estimate both cancer and non-cancer health risks from diesel particulate matter (PM) emissions impacting the West Oakland community combines three tasks: 1) development of a comprehensive emissions inventory from all sources located within or traveling through West Oakland; 2) modeling of these emissions to derive diesel PM concentrations within West Oakland; and a final step, 3) the completion of a health risk assessment to estimate the adverse health impacts resulting from exposure to toxic emissions and concentrations quantified in the first two tasks.

The draft emissions inventory was presented at a public workshop in August 2007 and the final inventory report will be completed in December 2007. The modeling of concentrations for each emission source category has been completed and is currently being reviewed by Air District staff. A draft HRA for cancer was recently completed by CARB and is currently under review. The non-cancer health risk assessment along with assessments of cancer and non-cancer risk for future years, accounting for growth and controls are scheduled to be completed in mid-January, 2008, with a final report likely by early spring 2008.

The development of the MAQIP for the Port of Oakland had been proceeding on a parallel path to the health risk assessment. To assist in the development to the MAQIP, the Port of Oakland created a task force comprised of a broad array of interest groups, including representatives from community groups, labor unions, shipping lines, terminal operators,

truckers, and public agencies. The task force has four co-chairs, one of which is the Air District. The Port of Oakland has retained a facilitator to manage the task force meetings and to support an open, public process.

The task force has met four times and is scheduled to hold its 5<sup>th</sup> meeting on December 14, 2007. To date, the task force has adopted goals and guiding principles for the MAQIP. It will be considering at its next meeting a list of primary measures to control emissions from the trucks, ships, trains and other equipment in operation at the Port. The emissions inventory and health risk assessment will be used to inform the timing and scope of the primary control measures to be implemented. The Port of Oakland's Board of Commissioners is currently scheduled to consider the MAQIP in February 2008.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Director/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson Miley and Members  
of the Ad Hoc Committee on Port Emissions

From: Jack P. Broadbent  
Executive Officer/APCO

Date: November 29, 2007

Re: Discussion of Preliminary Draft Rule Requiring Port Inventories and Plans

RECOMMENDED ACTION:

None.

BACKGROUND

Air District staff have developed a preliminary draft of a rule that would apply to the five Bay Area seaports (Benicia, Oakland, Redwood City, Richmond, and San Francisco) and would impose inventory and planning requirements. Staff will discuss the draft at a meeting of the Green Ports Workgroup, which is scheduled for December 11, 2007 at the District office. Copies of the meeting notice and the preliminary draft rule are attached.

Staff intend the rule to serve as a regulatory “backstop” to a variety of activities that are underway at the ports. These activities include the Port of Oakland’s 2005 Seaport Air Emissions Inventory and its Maritime Air Quality Improvement Plan (MAQIP). In addition, Air District staff are working to develop a memorandum of agreement (MOA) among the Air District and the other ports regarding an inventory for those ports. The preliminary draft of the rule would impose inventory requirements that are in line with methodologies used for the Port of Oakland inventory and proposed in the draft MOA for the other ports. These completed or expected inventory activities would therefore “count” toward compliance with rule inventory requirements.

The preliminary draft would impose emission reduction plan requirements for the Port of Oakland and would reserve until later any plan requirements for the other ports. Whether plans would ultimately be required for the other ports through rule amendment would depend upon the results of the inventories. The draft rule’s plan requirements, which would initially only apply to the Port of Oakland, include requirements for descriptive and location information, for information on terminal leases, and for information on baseline emissions. The plan would also be required to include a listing of all federal and California laws and regulations expected to affect port emissions and an estimate of expected emission reductions for each law or regulation.

The central feature of a plan would be a demonstration by the port showing how it will achieve emission reduction goals for particulate matter, nitrogen oxides, and sulfur dioxide. The preliminary draft does not include specific numerical goals for these pollutants. Staff expect to develop the goals through meetings of the Green Ports Workgroup. Under the preliminary draft, if a port fails to achieve emission reduction goals, it would be required to revise its plan.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Director/APCO



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

# GREEN PORTS WORKGROUP MEETING NOTICE

(REVISED TO REFLECT NEW MEETING TIME)

**November 14, 2007**

TO: INTERESTED PARTIES  
FROM: EXECUTIVE OFFICER / APCO  
SUBJECT: **FIRST MEETING OF GREEN PORTS  
WORKGROUP - DRAFT REGULATION 12,  
RULE 13: PORT INVENTORIES AND  
EMISSION REDUCTION PLANS**

---

The Bay Area Air Quality Management District will conduct a public workgroup meeting to present, discuss and receive input on the preliminary draft of a regulation to require inventories and emission reduction plans for Bay Area seaports. The District will hold the public meeting from **2:00 p.m. to 4:00 p.m. on Tuesday, December 11, 2007** in the 7<sup>th</sup> Floor Board of Directors meeting room at the District office located at 939 Ellis Street, San Francisco.

The Air District is currently involved in a variety of activities related to air emissions at Bay Area ports. These activities include the District's Community Air Risk Evaluation (CARE) program, which identified the area near the Port of Oakland as having relatively high emissions of diesel particulate matter; District participation in the development of the Port of Oakland and West Oakland air emission inventories; participation in the West Oakland health risk assessment; participation in the Port of Oakland's current efforts to develop a Maritime Air Quality Improvement Plan (MAQIP); and discussions with the other Bay Area ports regarding the development of emission inventories for those ports. The District has also been participating with local ports, shipping lines and other parties in researching and demonstrating new technologies to reduce emissions from pollution sources at maritime facilities.

The District is proposing to develop and adopt a regulation that would serve as a regulatory "backstop" for these activities and would ensure that port inventories are sufficiently detailed and port emission reduction plans achieve significant emission reductions.

#### **PUBLIC TRANSPORTATION**

**MUNI - #47 AND #49** NORTH AND SOUTH ON VAN NESS AVENUE  
**#38** EAST AND WEST ON GEARY BOULEVARD/O'FARRELL STREET  
**BART** – CIVIC CENTER STATION, 8<sup>th</sup> AND MARKET STREETS

Attendees are encouraged to ride public transit, rideshare, bicycle, walk or use other non-motorized modes to and from the District

The preliminary draft of the regulation and other meeting documents will be available on the District's website at: <http://www.baaqmd.gov/pln/ruledev/workshops.htm> no less than a week before the meeting. For questions or comments on the workshop or any documents, please contact Bill Guy, Assistant Counsel, at (415) 749-4773 or by e-mail to [wguy@baaqmd.gov](mailto:wguy@baaqmd.gov).

**REGULATION 12**  
**MISCELLANEOUS STANDARDS OF PERFORMANCE**  
**RULE 13**  
**PORT INVENTORIES AND EMISSION REDUCTION PLANS**  
**INDEX**

**12-13-100 GENERAL**

- 12-13-101 Description
- 12-13-110 Applicability

**12-13-200 DEFINITIONS**

- 12-13-201 Baseline Emissions
- 12-13-202 Cargo Handling Equipment
- 12-13-203 Drayage Truck
- 12-13-204 Drayage Truck Trip
- 12-13-205 Harbor Craft
- 12-13-206 Intermodal Rail Yard
- 12-13-207 Locomotive
- 12-13-208 Marine Terminal
- 12-13-209 Nitrogen Oxides (NO<sub>x</sub>)
- 12-13-210 Ocean-going Vessel
- 12-13-211 Particulate Matter (PM)
- 12-13-212 Port
- 12-13-213 Port Emissions
- 12-13-214 Port of Benicia
- 12-13-215 Port of Oakland
- 12-13-216 Port of Redwood City
- 12-13-217 Port of Richmond
- 12-13-218 Port of San Francisco
- 12-13-219 Reactive Organic Gases (ROG)
- 12-13-220 Recreational Vessel
- 12-13-221 Total Organic Gases (TOG)
- 12-13-222 Tugboat

**12-13-300 STANDARDS**

- 12-13-301 Inventory Requirement
- 12-13-302 Emission Reduction Plan Requirement

**12-13-400 ADMINISTRATIVE REQUIREMENTS**

- 12-13-401 Emission Inventory Source Report
- 12-13-402 Port Emission Inventory
- 12-13-403 Emission Inventory Methodology
- 12-13-404 Emission Reduction Plan
- 12-13-405 Emission Reduction Goals
- 12-13-406 Document Submission Schedule
- 12-13-407 Review and Approval of Emission Reduction Plans
- 12-13-408 Plan Updates

**12-13-500 MONITORING AND RECORDS**

- 12-13-501 Annual Reports



**REGULATION 12**  
**MISCELLANEOUS STANDARDS OF PERFORMANCE**  
**RULE 13**  
**PORT INVENTORIES AND EMISSION REDUCTION PLANS**

(Adopted [date])

**12-13-100 GENERAL**

**12-13-101 Description:** The purpose of this rule is to require San Francisco Bay Area ports to prepare emission inventories and to prepare and implement plans to reduce emissions of particulate matter, nitrogen oxides, and sulfur dioxide.

**12-13-110 Applicability:** This rule applies only to the following San Francisco Bay Area ports: the Port of Benicia, the Port of Oakland, the Port of Redwood City, the Port of Richmond, and the Port of San Francisco.

**12-13-200 DEFINITIONS**

**12-13-201 Baseline Emissions:** Emissions of particulate matter, nitrogen oxides, sulfur dioxide, carbon monoxide, total organic gases, and reactive organic gases for the baseline year as determined by the inventory required by Section 12-13-301.

**12-13-202 Cargo Handling Equipment:** Cargo handling equipment as defined in California Code of Regulations, title 13, section 2479.

**12-13-203 Drayage Truck:** Any in-use on-road vehicle with a gross vehicle weight rating of 33,000 pounds or greater operating on or traversing port property for the purposes of loading, unloading, or transporting cargo, such as containerized, bulk, or break-bulk goods.

**12-13-204 Drayage Truck Trip:** [to be developed]

**12-13-205 Harbor Craft:** Any private, commercial, government, or military marine vessel including, but not limited to, passenger ferries, excursion vessels, tugboats, ocean-going tugboats, towboats, push-boats, crew and supply vessels, work boats, pilot vessels, supply boats, fishing vessels, research vessels, United States Coast Guard vessels, hovercraft, emergency response harbor craft, and barge vessels that do not otherwise meet the definition of ocean-going vessels or recreational vessels.

**12-13-206 Intermodal Rail Yard:** Any rail facility near a port where cargo is transferred from truck to train or from train to truck, including, but not limited to, Oakland International Gateway/BNSF, Richmond BNSF, and Union Pacific (UP) Oakland.

**12-13-207 Locomotive:** A self-propelled piece of on-track equipment designed for moving or propelling railroad cars that are designed to carry freight, passengers or other equipment, but which itself is not designed or intended to carry freight, passengers (other than those operating the locomotive) or other equipment.

**12-13-208 Marine Terminal:** An assigned area that is located at a port, that has facilities for loading and unloading cargo or passengers of various types of marine vessels, and that typically includes areas or structures devoted to receiving, handling, holding, consolidating, and loading or delivery of waterborne shipments or passengers and areas or structures devoted to the maintenance of the terminal or its equipment.

**12-13-209 Nitrogen Oxides (NO<sub>x</sub>):** The sum of nitric oxide (NO) and nitrogen dioxide (NO<sub>2</sub>) collectively expressed as nitrogen dioxide.

**12-13-210 Ocean-going Vessel:** Ocean-going vessel as defined in California Code of Regulations, title 13, section 2299.1.

**12-13-211 Particulate Matter (PM):** Any airborne finely divided material, except uncombined water, that exists as a liquid or solid at standard conditions (e.g., dust, smoke, mist fumes, or smog).

**12-13-212 Port:** For the purposes of this rule, port means the Port of Benicia, the Port of Oakland, the Port of Redwood City, the Port of Richmond, or the Port of San Francisco.

- 12-13-213 Port Emissions:** For purposes of this rule, emissions from the following sources shall be considered port emissions:
- 213.1 Drayage truck trips,
  - 213.2 Cargo handling equipment,
  - 213.3 Locomotive operations,
  - 213.4 Ocean-going vessels while at berth,
  - 213.5 Ocean-going vessels while underway between the Golden Gate and a berth at the port or between berths at the port,
  - 213.6 Harbor craft, including, but not limited to, tugboats providing assistance to an ocean-going vessel in arriving at or departing from a berth at the port.
- 12-13-214 Port of Benicia:** [to be developed]
- 12-13-215 Port of Oakland:** [to be developed]
- 12-13-216 Port of Redwood City:** [to be developed]
- 12-13-217 Port of Richmond:** For purposes of this rule, the Port of Richmond includes marine terminals owned by the City of Richmond and the following privately-owned marine terminals: [to be added].
- 12-13-218 Port of San Francisco:** [to be developed]
- 12-13-219 Reactive Organic Gases (ROG):** Total organic gases minus compounds with negligible photochemical reactivity as determined in accordance with California Air Resources Board inventory methodology.
- 12-13-220 Recreational Vessel:** A vessel that is intended by the vessel manufacturer to be operated primarily for pleasure or leased, rented or chartered to another for the latter's pleasure, excluding the following vessels: (1) vessels of less than 100 gross tons that carry more than 6 passengers, (2) vessels of 100 gross tons or more that carry one or more passengers, and (3) vessels used solely for competition.
- 12-13-221 Total Organic Gases (TOG):** Compounds of carbon, excluding carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, and ammonium carbonate.
- 12-13-222 Tugboat:** Any self-propelled vessel engaged in, or intending to engage in, the service of pulling, pushing, maneuvering, berthing, or hauling along side other vessels, or any combination of pulling, pushing, maneuvering, berthing or hauling along side such vessels in harbors, over the open seas, or through rivers and canals.

## **12-13-300 STANDARDS**

- 12-13-301 Inventory Requirement:** The owner or operator of a port shall prepare an emission inventory source report and a port emission inventory in accordance with the requirements of Sections 12-13-401, 402, and 403.
- 301.1 The *Port of Oakland 2005 Seaport Air Emissions Inventory* shall be ["supplemented by the following additional information but shall otherwise be deemed to comply with the requirements of this section and of Sections 12-13-401, 402, and 403" or "deemed to comply with the requirements of this section and of Sections 12-13-401, 402, and 403."
    - 1.1 [possible additional requirement]
    - 1.2 [possible additional requirement]
  - 301.2 Other ports within the District may jointly prepare an emission inventory that covers all or some of the ports, and the District may enter into an agreement with the ports to participate in the preparation of such an inventory.
- 12-13-302 Emission Reduction Plan Requirement:** The owner or operator of a port shall prepare and submit an emission reduction plan that complies with the requirements of Section 12-13-404.

## **12-13-400 ADMINISTRATIVE REQUIREMENTS**

- 12-13-401 Emission Inventory Source Report:** On or before the date set forth in Section 12-13-406, an operator of a port shall submit an Emission Inventory Source Report that

includes, for all sources of port emissions as defined in Section 12-13-212, the following information:

- 401.1 Specific identification, as described in *Current Methodologies and Best Practices in Preparing Port Emission Inventories* (Final Report, prepared for EPA by ICF Consulting, January 5, 2006), or the most recently approved revision to this document, of all dedicated and transient port equipment responsible for port emissions.
- 401.2 Description of the time interval over which emission information covering typical operations and equipment activity for the port, as required under Sections 12-13-402.1 and 12-13-402.2, will be provided and, if data for a period of 12 months or more is not available, description of the time interval over which the required information will be provided, including an explanation of the basis for selecting the time interval that:
  - 2.1 Covers a period of at least three months, or a shorter time interval as approved by the APCO, provided the shorter time interval can accurately characterize typical annual emissions; and
  - 2.2 Shows how a time interval less than 12 months will be extrapolated to develop an annual emission estimate that is representative of typical annual operations and equipment activity for the port;
- 401.3 Description of the source(s) of emission factors for all equipment to be used and emission control efficiencies, if applicable;
- 401.4 Description of the port, including detailed facility map, identifying entrance(s) and exit(s) of the port, location and boundaries of each marine terminal, loading and unloading areas, fueling areas, service and maintenance areas, cargo sorting and classification areas, parking/idling areas for all on-road and non-road mobile sources, and any other areas within the port where emission sources or operations contributing to emissions occur; and
- 401.5 Universal Transverse Mercator (UTM) coordinates for port location and port boundary vertices.

**12-13-402 Port Emission Inventory:** On or before the date set forth in Section 12-13-406, the operator of a port shall submit to the APCO a port-wide inventory of port emissions of particulate matter, nitrogen oxides, sulfur dioxide, carbon monoxide, total organic gases, and reactive organic gases that includes the following information:

- 402.1 For dedicated port equipment: emissions for the time interval described under subparagraph 401.2. Such emissions shall be based on fuel use or activity data specific to that emission source, or alternative methods proposed by the port and approved by the APCO, and engine information that is specific to that emission source, including: engine type, model classification, model year, horsepower, fuel type, emission factor or factors, load factor, and any emissions control devices on the emission source;
- 402.2 For transient port equipment: emissions for the time interval described under subparagraph 401.2. Such emissions shall be based on an average number of daily trips, the idling time, the duration of time the source is at the port, and emission factors that are representative of the fleet mix for each source category;
- 402.3 Documentation of emission factors used and emission control efficiency claimed, such as manufacturer certification data, source tests, or other data developed for or resulting from regulatory development processes. The APCO may approve the use of an alternative source of data, provided the alternative is demonstrated to the APCO's satisfaction as accurately characterizing the emission rate for the applicable equipment.

**12-13-403 Emission Inventory Methodology:** In preparing the Emission Inventory Source Report required by Section 12-13-401 and the Port Emissions Inventory required by Section 12-13-402, the owner or operator of a port shall comply with the following methodology requirements:

- 403.1 The inventory of port emissions shall be prepared according to the emissions inventory methodology specified in *Current Methodologies and Best*

*Practices in Preparing Port Emission Inventories* (Final Report, prepared for EPA by ICF Consulting, January 5, 2006) and in any updates to this document published by EPA.

403.2 The owner or operator of a port may propose alternative emissions inventory methodologies for specific pollutants or source categories, provided the alternative methodology can produce accurate emissions estimates and is approved by the APCO.

**12-13-404 Emission Reduction Plan:** On or before the date set forth in Section 12-13-406, the owner or operator of a port shall submit an emission reduction plan that meets the following requirements:

404.1 The plan shall include a port description that complies with the requirements of Section 12-13-401.4.

404.2 The plan shall list each business to which the port leases port property and provide the following information on each lease: the name of the business, a brief description of the business activities of the lessee; the term of the lease; whether the lease is tied to a particular version of the port tariff; whether the port or lessee has proposed or plans to propose changes to the lease that would reopen the lease for negotiation and, if so, the likely date of reopening; whether some other event is likely to reopen the lease and, if so, the likely date of reopening; and the port's determination about whether the lease includes provisions that would allow the imposition of emission reduction requirements during the term absent any reopening or other opportunity for renegotiation.

404.3 The plan shall include an overview of baseline port emissions of particulate matter, nitrogen oxides, sulfur dioxide, carbon monoxide, total organic gases, and reactive organic gases as shown in the port emission inventory.

404.4 The plan shall list each order, law, rule or regulation of any local, state or federal authority that will affect or is expected to affect port emissions and shall quantify emission reductions expected under each.

404.5 The plan shall demonstrate how the port will achieve the emission reduction goals set forth in Section 12-13-405 and shall provide descriptions of the mechanisms to achieve the reductions; the means of implementation, tracking and management; and the expected emission reductions.

404.6 The plan shall include a commitment to revise the plan as necessary to achieve the emission reduction goals set forth in Section 12-13-405.

**12-13-405 Emission Reduction Goals:** The plan required by Section 12-13-404 shall include measures sufficient to achieve the following emission reduction goals:

405.1 Goals for the Port of Oakland: The goals for the Port of Oakland shall be:

1.1 By December 31, 2012, port emission of PM shall be reduced by [to be determined]% from baseline PM emissions.

1.2 By December 31, 2020, port emissions of PM shall be reduced by [to be determined]% from baseline emissions.

1.3 By December 31, 2012, port emissions of NO<sub>x</sub> shall be reduced by [to be determined]% from baseline NO<sub>x</sub> emissions.

1.4 By December 31, 2020, port emission of NO<sub>x</sub> shall be reduced by [to be determined]% from baseline NO<sub>x</sub> emissions.

1.5 By December 31, 2012, port emissions of SO<sub>2</sub> shall be reduced by [to be determined]% from baseline SO<sub>2</sub> emissions.

1.6 By December 31, 2020, port emissions of SO<sub>2</sub> shall be reduced by [to be determined]% from baseline SO<sub>2</sub> emissions.

405.2 Goals for Other Ports: [reserved]

**12-13-406 Document Submission Schedule:** Any emission inventory source report, port emission inventory, or emission reduction plan required by this rule shall be submitted to the APCO in accordance with the following schedules:

406.1 The schedule for the Port of Oakland shall be:

1.1 No emissions inventory source report shall be required.

- 1.2 No later than [date], the Port of Oakland shall submit its final emission inventory report to the APCO.
- 1.3 No later than [date], the Port of Oakland shall submit its emission reduction plan to the APCO.
- 406.2 The schedule for the other San Francisco Bay Area ports shall be:
  - 2.1 No later than [date], the other San Francisco Bay Area ports shall submit an emissions inventory source report or reports.
  - 2.2 No later than [date], the other San Francisco Bay Area ports shall submit a port emissions inventory or inventories.
  - 2.3 [Reserved]

**12-13-407 Review and Approval of Emission Reduction Plans:** The procedure for determining whether the emission reduction plan meets the applicable requirements of this regulation is as follows:

- 407.1 **Completeness Determination:** Within 45 days of receipt of the emission reduction plan, the APCO will deem the plan complete if the APCO determines that it includes the information required by Section 12-13-404. If the APCO determines that the proposed emission reduction plan is not complete, the APCO will notify the owner or operator in writing. The notification will specify the basis for this determination and the required corrective action.
- 407.2 **Corrective Action:** Upon receipt of such notification, the owner or operator shall correct the identified deficiencies and resubmit the proposed emission reduction plan within 45 days. If the APCO determines that the owner or operator failed to correct any deficiency identified in the notification, the APCO will disapprove the emission reduction plan.
- 407.3 **Public Comment:** The complete emission reduction plan (with exception of confidential information) will be made available to the public for 30 days. The APCO will consider any written comments received during this period prior to approving or disapproving the emission reduction plan.
- 407.4 **Final Action:** Within 45 days of the close of the public comment period, the APCO will approve the emission reduction plan if the APCO determines that the plan meets the requirements of Section 12-13-404, and shall provide written notification to the owner or operator. If the APCO determines that the emission reduction plan does not meet the requirements of Section 12-13-404, the APCO will notify the owner or operator in writing. The notification will specify the basis for this determination. Upon receipt of such notification, the owner or operator shall correct the identified deficiencies and resubmit the emission reduction plan within 45 days. If the APCO determines that the owner or operator failed to correct any deficiency identified in the notification, the APCO will disapprove the emission reduction plan. If the owner or operator submitted a complete emission reduction plan in accordance with Section 12-13-404, and the APCO has not disapproved the plan under this section, the plan shall be considered an approved plan for the purposes of Section 12-13-302 until the APCO takes final action under Section 12-13-408.4

**12-13-408 Plan Updates:** A port shall update its approved emission reduction plan whenever the APCO notifies the port in writing that the APCO has determined, based on the annual report required by Section 12-13-501 and such other relevant information as is set forth in the notification, that the port is not making reasonable progress toward achieving the emission reduction goals in Section 12-13-405. Where progress depends upon adoption and enforcement of an order, law, rule or regulation of any local, state or federal authority, the APCO shall take into account whether such requirements have been adopted and enforced in determining whether reasonable progress has been made. In the absence of any such required update, a port shall update its approved emission reduction plan no less frequently than every 5 years.

**12-13-500 RECORDKEEPING AND REPORTING**

**12-13-501 Annual Reports:** Effective [date], the owner or operator of a port with an approved emission reduction plan shall provide an annual report to the APCO no later than December 31st of each year that describes progress toward the emission reduction goals set forth in the plan, and explains whether the port expects to meet the emission reduction goals in Section 12-13-405.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson Mark Ross and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: December 11, 2007

Re: Report of the Mobile Source Committee Meeting of December 10, 2007

RECOMMENDED ACTIONS

The Committee recommends Board of Directors' approval of the following items:

- A) *Authorize the Executive Officer/APCO to execute amended contracts with vehicle dismantlers to continue vehicle scrapping and related services, and authorize the release of funding approved for this program for FY 2007/2008 in the amount of \$7,000,000;*
- B) *TFCA County Program Manager projects for fiscal year 2007/2008, and amendments to expenditure programs for certain prior fiscal years;*
- C) *Proposed revisions to TFCA County Program Manager Fund Policies to govern allocation of FY 2008/2009 TFCA funds; and*
- D) *Authorize the Executive Officer/APCO to execute a supplemental Carl Moyer agricultural project contract with Dittmer Ranch for \$2,000.*

DISCUSSION

The Mobile Source Committee met on Monday, December 10, 2007. The Committee considered and received reports on the following items;

- A) Update on State-Wide Goods Movement Emission Reduction Program.
- B) Vehicle Buy Back Program – Amendment of Dismantler Contracts and Authorization for Release of Funding.
- C) Transportation Fund for Clean Air (TFCA) County Program Manager Expenditure Plans for Fiscal Year 2007/2008, and Certain Prior Fiscal Years.
- D) Proposed Revisions to Transportation Fund for Clean Air (TFCA) County Program Manager Fund Policies for FY 2008/2009.
- E) Update on the Carl Moyer Program and Request for Approval of Supplementary Agricultural Project.

Attached are the staff reports presented in the Mobile Source Committee packet.

Chairperson, Tim Smith will give an oral report of the meeting.

## BUDGET CONSIDERATION/FINANCIAL IMPACT

Item B relative to the Vehicle Buy Back Program: None. MSIF and TFCA revenues are generated from a dedicated outside funding source and funding for the continuation of the VBB Program is included in the FY 2007/2008 budget under program 312.

Item C relative to TFCA County Program Manager Expenditures Plans for FY 2007/2008 and Certain Prior Years: None. 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 grant recipients. TFCA allocations do not impact the Air District's general fund or operating budget.

Item D Relative to TFCA Program Manager Fund Policies for FY 2008/2009: None. Approval of the recommended policy changes will have no material impact on the Air District's budget. TFCA revenues come from a dedicated external funding source. TFCA allocations do not impact the Air District's general fund or operating budget.

Item E Relative to Carl Moyer Program and Approval of Supplemental Agricultural Project:None. Monies for the Carl Moyer Program are disbursed from the state to the Air District and will be used to fund this project.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Mary Ann Goodley



**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: December 3, 2007

Re: Update on the California Goods Movement Bond

**RECOMMENDED ACTION**

Informational report, receive and file.

**BACKGROUND**

The Proposition 1B transportation bond included \$1 billion to accelerate badly-needed air quality improvements in the freight transport industry. Voters approved the \$20 billion bond providing for significant investments in highway improvements, congestion relief, expanded public transit, safer rail crossings, and improved anti-terrorism security at shipping ports.

The California State 2007-08 Budget funds an initial \$250 million of the \$1 billion set aside for air quality improvement projects in Proposition 1B. The funds will be invested in projects intended to improve air quality related to the movement of goods along four major transportation corridors: from the Los Angeles ports to the Inland Empire, State Route 99 in the Central Valley, the San Francisco Bay Area, and the San Diego border region. The California Air Resources Board (ARB) is focused on funding projects that reduce emissions and health risk, incorporate simplicity and efficiency, ensure cost-effectiveness, leverage other funding sources, and provide transparency and accountability.

As part of this Bond, \$25 million is being made available for early grants which target emissions reductions that can be achieved by June 30, 2008. Applications for this money will be evaluated by the ARB via a competitive process.

**DISCUSSION**

Staff will update the board on the District's application for this early grant money and next steps to be taken as part of this program.

**BUDGET CONSIDERATION/FINANCIAL IMPACT**

None. This is an informational report.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Damian Breen  
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: December 3, 2007

Re: Vehicle Buy Back Program – Amendment of Dismantler Contracts

**RECOMMENDED ACTION**

Consider recommending that the Board of Directors authorize the Executive Officer to execute amended contracts with Environmental Engineering Studies Inc., Pick-N-Pull, and Pick Your Part, to continue vehicle scrapping and related services through 2008.

**BACKGROUND**

The Air District's Vehicle Buy Back (VBB) Program has been operating since 1996. The VBB Program utilizes Transportation Fund for Clean Air (TFCA) and the Mobile Source Incentive Fund (MSIF) monies to provide a financial incentive to owners of light-duty vehicles to retire their model year 1987 and older vehicles, which lack modern emission control systems. The VBB Program remains one of the Air District's most cost-effective incentive programs for reducing air emissions from mobile sources.

Staff recommends that the Board of Directors authorize the Executive Officer to extend the current FY 2006/2007 contracts with the vehicle dismantlers, Environmental Engineering Studies Inc., Pick-N-Pull, and Pick Your Part, through 2008.

**DISCUSSION**

The Air District's VBB Program pays vehicle owners \$650 to purchase and scrap 1987 and older vehicles that meet the program's eligibility criteria. Since its inception in 1996, the Air District has contracted with various vehicle dismantlers to implement aspects of the program including program outreach, verifying vehicle eligibility, inspecting potential vehicles, crushing accepted vehicles, and processing the appropriate Department of Motor Vehicles paperwork. The dismantlers invoice the Air District monthly for each vehicle purchased. The Air District reimburses the dismantlers to cover the costs of purchasing the vehicle and to offset the dismantlers advertising and overhead costs.

On October 18, 2006, the Board of Directors via a competitive bid process approved the selection of three contractors (Environmental Engineering Studies Inc., Pick-N-Pull, and Pick Your Part) to provide services (utilizing FY 2006/2007 funds) for the VBB Program.

District staff is proposing to bring the dismantlers' contracts onto a unified schedule, with each contract beginning and ending at the same time. In order to accomplish this goal, staff proposes the extension of each dismantler's contract through the end of calendar year 2008. Staff recommends that the Board of Directors authorize the Executive Officer to extend the current FY 2006/2007 contracts with the vehicle dismantlers, Environmental Engineering Studies Inc., Pick-N-Pull, and Pick Your Part, through 2008.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. MSIF and TFCA revenues are generated from a dedicated outside funding source and funding for the continuation of the VBB Program is included in the FY 2007/2008 budget under program 312.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Ryan Bell  
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: December 3, 2007

Re: Transportation Fund for Clean Air (TFCA) County Program Manager  
Expenditure Plans: Fiscal Year 2007/2008 and Certain Prior Fiscal Years

RECOMMENDED ACTION

Consider recommending Board of Directors' approval of staff recommendations on:

1. Fiscal year (FY) 2007/2008 Transportation Fund for Clean Air (TFCA) County Program Manager projects listed on Attachment 1; and
2. Amendments to TFCA County Program Manager Expenditure Plans for FY 2007/2008 for San Mateo City/County Association of Governments, for FY 2006/2007 for Contra Costa Transportation Authority, and for FY 2005/2006 for Sonoma County Transportation Authority, listed on Tables 1 through 3.

BACKGROUND

Pursuant to California Health and Safety Code (HSC) 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. The revenues fund the implementation of transportation control measures and mobile source control measures. By law, the Air District applies forty percent of the revenues generated by this surcharge to the TFCA Program Manager Fund. Each county has a designated County Program Manager that submits to the Air District an annual expenditure plan of projects in its county that it recommends for funding with its share of the Fund. If a Program Manager has not allocated its entire share within six months of the date of formal approval of its expenditure plan by the Air District, then the Air District is required to allocate the remaining funds itself.

This memo will first discuss Recommendation #1, regarding new projects for FY 2007/2008. On July 25, 2007, the Air District Board of Directors approved initial FY 2007/2008 expenditure plans for eight of the nine Bay Area counties. At that time, unallocated funds remained for five county program managers. The allocation for one of the five, Santa Clara Valley Transportation Authority, was approved by the Air District Board of Directors on October 3, 2007. All of the other four program managers provided proposed expenditure plans by an October 15, 2007 deadline established by the Air District for such

plans. Air District staff has reviewed the proposals from the remaining four program managers, and the results are presented below.

This memo will next discuss Recommendation #2, regarding proposed changes to existing expenditure plans. Three County Program Managers have requested funding changes to projects already approved by the Air District. In one case, a Program Manager proposed to use all of its FY 2007/2008 unallocated funds to expand an existing project. In all three cases, if the Air District Board of Directors approves the changes, the Air District will initiate amendments to the existing funding agreements between the Air District and the Program Managers.

## DISCUSSION—RECOMMENDATION #1

### FY 2007/2008 New Project List

Nine proposed projects for FY 2007/2008 TFCA funds were submitted by four Program Managers. Eight proposals were for new projects; Air District staff found that one of these eight was not eligible as presented.

Staff recommends the approval of seven new FY 2007/2008 TFCA County Program Manager projects, plus administrative costs for the Napa County Program Manager. These seven projects meet all applicable eligibility criteria, including a cost-effectiveness criterion of \$90,000 or less per weighted ton of emission reductions that applies to all projects except administration and light-duty vehicle projects. Summary information for the new projects is provided in Attachment 1 (attached). Attachment 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.

Attachment 2 shows the amount of TFCA County Program Manager unallocated funds available and the amount recommended for allocation, by county and by project type. Attachment 3 shows all allocations of FY 2007/2008 County Program Manager Funds, including those already made and those recommended.

### FY 2007/2008 Withdrawn/Ineligible Projects

Air District staff determined that one project from the Napa County Program Manager, the Oak Street Bicycle Gap Closure in the City of Calistoga, was not cost-effective as submitted. Air District staff will continue to work with the Program Manager to recommend allocation of the remaining unallocated funds for one or more cost-effective projects.

DISCUSSION—RECOMMENDATION #2

Proposed Changes to Existing Expenditure Plans

Three Program Managers—San Mateo City/County Association of Governments (C/CAG), Contra Costa Transportation Authority (CCTA), and Sonoma County Transportation Authority (SCTA)—have requested amendments to existing expenditure plans.

San Mateo County

C/CAG proposed to allocate all of its unallocated FY 2007/2008 County Program Manager Funds to an existing project (Project 07SM02). This project provides alternative transportation programming for commuters in San Mateo County, and the project continues to meet the TFCA cost-effectiveness criterion. A summary of the proposed allocation is provided in Table 1, below.

Table 1: San Mateo County Proposed Allocation

<b>Project Number</b>	<b>Project Sponsor</b>	<b>Project Title</b>	<b>Additional TFCA funds to be allocated</b>
07SM02	Peninsula Traffic Congestion Relief Alliance	County-wide Voluntary Trip Reduction Program	\$41,000

Contra Costa County

CCTA requested an amendment to the FY 2006/2007 expenditure plan in order to transfer \$40,800 from the 511 Contra Costa Countywide Vanpool Incentive Program (Project 06CC08) to the South Contra Costa County School Transit Ticket Program (Project 06CC10). Both programs are sponsored by the City of San Ramon. This funding change would allow for a total of 1,900 students to receive transit tickets—1,200 more students than currently covered by program funds. The receiving project would remain cost effective and eligible for funding at the increased dollar amount. A summary of the proposed reallocation is provided in Table 2, below.

Table 2: Contra Costa County Proposed Reallocation

<b>Project Number</b>	<b>Project Sponsor</b>	<b>Project Title</b>	<b>TFCA Funds</b>	
			<i>to be shifted</i>	<i>to be reallocated</i>
06CC08	City of San Ramon	511 Contra Costa Countywide Vanpool Incentive Program	(\$40,800)	
06CC10	City of San Ramon	South Contra Costa County School Transit Ticket Program		\$40,800

Sonoma County

SCTA requested an amendment to its FY 2005/2006 expenditure plan and funding agreement in order to allocate to two projects \$25,548 that was previously unallocated. These projects are the Sonoma County Transit - FY 2006 Transit Marketing Program (Project 05SON04), and Santa Rosa's FY 05-06 Student Bus Pass Subsidy (Project 05SON08). The funds that would be added to these projects would curtail emissions from motor vehicle trips. The projects would remain cost effective and eligible for funding at the increased dollar amount. A summary of the proposed allocation is provided in Table 3, below.

Table 3: Sonoma County Proposed Allocation

<b>Project Number</b>	<b>Project Sponsor</b>	<b>Project Title</b>	<b>Additional TFCA funds to be allocated</b>
05SON04	Sonoma County Transit	FY 2006 Transit Marketing Program	\$19,398
05SON08	Santa Rosa	FY 05-06 Student Bus Pass Subsidy	\$6,150

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. Approval of the recommended projects and allocations 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 allocations do not impact the Air District's general fund or operating budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: David Wiley  
Reviewed by: Jack M. Colbourn

Attachments

## Attachment 1: TFCA County Program Manager FY07/08 Supplemental Project List

Project Number	Sponsor	Project Description	Yrs Eff	TFCA Funding Requested (1)	TFCA Cost-Effectiveness (\$/Ton) (2)	Action
<b>MARIN COUNTY</b>						
07MAR02	Golden Gate Bridge Highway and Transportation District	Purchase and install bicycle racks (capacity 3 bikes each) on 135 Golden Gate Transit buses.	10	\$153,000	\$53,690	Approve
07MAR03	County of Marin	Construct a Class II bicycle lane (0.6 miles) by widening the westbound shoulder on Sir Francis Drake Boulevard from Baywood Canyon Road to Brown Bridge to provide a safe riding area for cyclist.	15	\$29,163	\$33,101	Approve
<b>NAPA COUNTY</b>						
07NAP00	Napa County Transportation Planning Agency	Program Manager costs to administer TFCA funds within the County.		\$9,679	NA	Approve
07NAP01	City of American Canyon	Construct 1,700 feet of Class II bicycle lane on West American Canyon Road between State Route 29 (SR 29) and James Street. This two-year project would close the gap, completing the connection between the Wetlands Edge Trail (Class I along the tidal marshlands at the City's western edge) and the remainder of the City system east of SR 29, including connections to the middle school and the high school sites.	15	\$160,000	\$63,225	Approve
07NAP02	County of Napa	Purchase 15 light-duty hybrid passenger vehicles for the County fleet.	NA	\$30,000	NA	Approve
07NAP04	Napa County Transportation Planning Agency	Purchase and install 80 bicycle lockers and 4 bicycle racks at various bus stops in the Napa communities, including two bus bicycle racks on new vehicles entering service.	10	\$11,521	\$18,652	Approve
<b>SOLANO COUNTY</b>						
07SOL03	City of Fairfield	Provide pedestrian lighting and enhanced pedestrian path-of-travel between the Solano County Government Center and County Court House facilities to the Suisun City Train Station and Intercity Transit facility.	20	\$87,248	\$41,189	Approve
07SOL04	Solano Napa Commuter Information	Employer Outreach and Incentives Program would promote alternative modes of transportation to Solano employers.	1	\$222,247	\$67,156	Approve

**Notes:**

(1) In addition to any TFCA funds already allocated.

(2) TFCA cost-effectiveness (\$/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 and light-duty clean air vehicle projects.



**Attachment 2: TFCA County Program Manager  
FY2007/08 Supplemental Projects by County and Project Type**

	Marin	Napa	Solano	Grand Total	Percent
<b>Previously Unallocated TFCA Funds</b>	<b>\$182,163</b>	<b>\$326,521</b>	<b>\$309,495</b>	<b>\$818,179</b>	
Program Administration	\$0	\$9,679	\$0	\$9,679	1.4%
Trip Reduction/Ridesharing	\$0	\$0	\$222,247	\$222,247	31.6%
Bicycle Facility Projects	\$182,163	\$171,521	\$0	\$353,684	50.3%
Low Emission Light Duty Vehicles	\$0	\$30,000	\$0	\$30,000	4.3%
Smart Growth	\$0	\$0	\$87,248	\$87,248	12.4%
<b>Total Allocated Funds</b>	<b>\$182,163</b>	<b>\$211,200</b>	<b>\$309,495</b>	<b>\$702,858</b>	<b>100.0%</b>
<b>Remaining Unallocated Funds*</b>	<b>\$0</b>	<b>\$115,321</b>	<b>\$0</b>		

\* \$41,000 in unallocated funds for San Mateo County are proposed to be allocated to project 07SM02, part of an already approved expenditure plan. This would leave San Mateo with \$0 in unallocated FY07/08 funds.

### Attachment 3: TFCA County Program Manager All FY2007/08 Projects, by County and Project Type\*

	Alameda	Contra Costa	Marin	Napa	San Francisco	San Mateo	Santa Clara	Solano	Sonoma	Grand Total	Percent
<b>Total Available TFCA Funds **</b>	<b>\$1,967,349</b>	<b>\$1,457,938</b>	<b>\$720,315</b>	<b>\$326,521</b>	<b>\$956,821</b>	<b>\$1,078,099</b>	<b>\$2,691,511</b>	<b>\$348,887</b>	<b>\$642,176</b>	<b>\$10,189,617</b>	
Program Administration	\$53,307	\$68,029	\$18,152	\$9,679	\$36,588	\$49,099	\$51,979	\$16,272	\$27,174	\$330,279	4.4%
Trip Reduction/Ridesharing	\$270,000	\$1,389,909	\$0		\$201,288	\$412,000	\$0	\$222,247	\$232,901	\$2,728,345	36.0%
Bicycle Projects	\$552,805	\$0	\$702,163	\$171,521	\$123,545	\$0	\$148,101	\$13,120	\$79,964	\$1,791,219	23.6%
Arterial Management	\$201,000	\$0	\$0		\$0	\$0	\$135,000	\$0	\$0	\$336,000	4.4%
Shuttle/Feeder Bus Service	\$36,883	\$0	\$0		\$0	\$576,000	\$383,000	\$0	\$0	\$995,883	13.1%
Clean Fuel Buses	\$0	\$0	\$0		\$96,000	\$0	\$0	\$0	\$0	\$96,000	1.3%
Low-Emis. Light-Duty Vehicles	\$0	\$0	\$0	\$30,000	\$276,900	\$0	\$79,709	\$0	\$0	\$386,609	5.1%
Transit Info/Telecommuting	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$302,137	\$302,137	4.0%
Smart Growth	\$0	\$0	\$0		\$222,500	\$0	\$296,260	\$87,248	\$0	\$606,008	8.0%
Diesel Repowers/Retrofits	\$0	\$0	\$0		\$0	\$0	\$0	\$10,000	\$0	\$10,000	0.1%
<b>Total Allocated Funds***</b>	<b>\$1,113,995</b>	<b>\$1,457,938</b>	<b>\$720,315</b>	<b>\$211,200</b>	<b>\$956,821</b>	<b>\$1,037,099</b>	<b>\$1,094,049</b>	<b>\$348,887</b>	<b>\$642,176</b>	<b>\$7,582,480</b>	<b>100.0%</b>
<b>Unallocated Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$115,321</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		

\* As of December 3, 2007. Assumes approval of recommended projects.

\*\* The total funds available for programming represents the sum of projected calendar year 2007 DMV receipts, interest earned on TFCA funds in calendar year 2006, and funds available for reprogramming from prior year projects that were canceled or completed under budget.

\*\*\* Total Allocated Funds do not include \$853,354 from Alameda County and \$1,070,778 from Santa Clara County allocated to the Vehicle Buy Back Program through an exchange of TFCA and CMAQ funds. They also do not include \$41,000 from San Mateo County allocated to an existing project.

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: December 3, 2007

Re: Proposed Transportation Fund for Clean Air County Program Manager  
Fund Policies for Fiscal Year 2008/2009

RECOMMENDED ACTION:

Consider recommending Board of Directors' approval of the proposed fiscal year (FY) 2008/2009 Transportation Fund for Clean Air (TFCA) County Program Manager Fund Policies, presented in Attachment A.

BACKGROUND

The Air District's Board of Directors has adopted policies and evaluation criteria that govern the allocation of TFCA funds to cost-effective projects. Prior to each annual funding cycle, the Air District considers revisions to the TFCA policies. Only proposed revisions to the TFCA County Program Manager Fund policies for the FY 2008/2009 funding cycle are being addressed at this time. Any revisions to the policies and evaluation criteria for the TFCA Regional Fund will be addressed separately at a later time.

On November 15, 2007, Air District staff issued a request for comments on proposed revisions to the TFCA County Program Manager Fund policies for the FY 2008/2009 funding cycle. The deadline for interested parties to submit comments was November 29, 2007. Six interested parties submitted comments by letter or e-mail in response to the Air District's request for comments. A table summarizing the comments received and Air District staff responses is provided in Attachment C.

DISCUSSION

Air District staff is proposing few substantive changes to the current TFCA County Program Manager Fund policies, along with minor administrative and editorial changes to improve clarity. The proposed FY 2008/2009 TFCA County Program Manager Fund Policies are found in Attachment A. Attachment B shows the changes between these currently proposed policies and the policies for the FY 2007/2008 County Program Manager Fund.

The following is a summary of the major proposed changes to the FY 2008/2009 TFCA County Program Manager Fund Policies (references below are to Attachment A):

- Policy # 11, *Insurance*, would be added to reflect a requirement Air District staff believe is appropriate.
- Policy #20, *Light-Duty Vehicles*, would be changed so that each light-duty vehicle project would be evaluated on its own merits, rather than the previous approach of qualifying for a set per-vehicle funding amount. Based on Air District staff analysis, this change is necessary to maintain cost-effectiveness of such projects. This change is consistent with TFCA Regional Fund policies.

In a parallel effort, Air District staff and Program Manager representatives are engaging in an effort to consider potential changes to the administration of the TFCA County Program Manager Fund. That process may result in recommendations for more significant changes to policies for subsequent fiscal years.

#### BUDGET CONSIDERATION/FINANCIAL IMPACT

None. Approval of the recommended policy changes will have no material impact on the Air District's budget. TFCA revenues come from a dedicated external funding source. TFCA allocations do not impact the Air District's general fund or operating budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: David Wiley  
Reviewed by: Jack M. Colbourn

Attachments

# ATTACHMENT A

## DRAFT TFCA COUNTY PROGRAM MANAGER FUND POLICIES FOR FY 2008/2009

The following policies apply only to the Transportation Fund for Clean Air (TFCA) County Program Manager Fund.

### **BASIC ELIGIBILITY**

- 1. Reduction of Emissions:** A project must result in the reduction of motor vehicle emissions within the Air District's jurisdiction to be considered eligible for TFCA funding. Projects that are subject to emission reduction regulations, contracts, or other legally binding obligations must achieve surplus emission reductions to be considered for TFCA funding. Surplus emission reductions are those that exceed the requirements of applicable State or federal regulations or other legally binding obligations at the time the Air District Board of Directors approves a grant award. Planning activities (e.g., feasibility studies) that are not directly related to the implementation of a specific project are not eligible for TFCA funding.
- 2. TFCA Cost-Effectiveness:** The Air District will only approve grant awards for projects included in County Program Manager expenditure plans that achieve a TFCA cost-effectiveness, on an individual project basis, equal to or less than \$90,000 of TFCA funds per ton of total reactive organic gases (ROG), oxides of nitrogen (NO<sub>x</sub>), and weighted particulate matter 10 microns in diameter and smaller (PM<sub>10</sub>) emissions reduced (\$/ton). TFCA County Program Managers' administrative costs are excluded from the calculation of TFCA cost-effectiveness.
- 3. Viable Project:** Each grant application should clearly identify sufficient resources to complete the respective project. Grant applications that are speculative in nature, or contingent on the availability of unknown resources or funds, will not be considered for funding.
- 4. Eligible Recipients:** TFCA grants may be awarded to public agencies and to non-public entities. Grant recipients must be responsible for the implementation of the project and have the authority and capability to complete the project. Non-public entities may only be awarded TFCA grants to implement certain clean air vehicle projects to reduce mobile source emissions within the Air District's jurisdiction for the duration of the useful life of the vehicle(s) or reduced emission equipment. Only public agencies, including public agencies applying on behalf of non-public entities, are eligible for TFCA grants for light-duty vehicles.

As a condition of receiving TFCA funds for projects sponsored by non-public entities, a County Program Manager must provide a written, binding agreement that commits the non-public entity to operate the clean air vehicle(s) within the

Air District for the duration of the useful life of the vehicle(s) or reduced emission equipment.

5. **Public Agencies Applying on Behalf of Non-Public Entities:** A public agency may apply for TFCA funds for clean air vehicle projects on behalf of a non-public entity. As a condition of receiving TFCA funds on behalf of a non-public entity, the public agency shall provide a written, binding agreement that commits the non-public entity to operate the clean air vehicle(s) within the Air District for the duration of the useful life of the vehicle(s) or reduced emission equipment.
6. **Consistent with Existing Plans and Programs:** All projects must conform to the types of projects listed in the California Health and Safety Code Section 44241 and the transportation control measures and mobile source measures included in the Air District's most recently approved strategy(ies) for State and national ozone standards and, when applicable, with other adopted State and local plans and programs.
7. **Readiness:** A project will be considered for TFCA funding only if the project will commence in calendar year 2009 or sooner. For purposes of this policy, "commence" means to order or accept delivery of vehicles or other equipment being purchased as part of the project, to begin delivery of the service or product provided by the project, or to award a construction contract.
8. **Maximum Two Years Operating Costs:** TFCA grant applications that request operating funds to provide a service, such as ridesharing programs, bicycle stations, and shuttle and feeder bus projects, are eligible for funding for up to two years. Grant applicants who seek TFCA funds for additional years must re-apply for funding in the subsequent funding cycles.

#### APPLICANT IN GOOD STANDING

9. **Failed Audit:** Project sponsors who have failed either the fiscal audit or the performance audit for a prior TFCA-funded project will be excluded from future funding for five (5) years, or another duration determined by the Air District Air Pollution Control Officer (APCO). Existing TFCA funds already awarded to the project sponsor will not be released until all audit recommendations and remedies have been satisfactorily implemented. A failed fiscal audit means an uncorrected audit finding that confirms an ineligible expenditure of TFCA funds. A failed performance audit means that the project was not implemented as set forth in the project funding agreement.
10. **Signed Funding Agreement:** Only a fully executed funding agreement (i.e., signed by both the Air District and the County Program Manager) constitutes a final approval and obligation on the part of the Air District to fund a project. While the Air District Board of Directors approval of grant awards is necessary for the funding of a project, such approval does not constitute a final obligation on the part of the Air District to fund a project.
11. **Insurance:** Each County Program Manager and project sponsor must maintain general liability insurance, workers compensation insurance, and additional insurance as appropriate for specific projects, with estimated coverage amounts

provided in Air District guidance and final amounts specified in the respective funding agreements.

### **INELIGIBLE PROJECTS**

- 12. Duplication:** Grant applications for projects that duplicate existing TFCA-funded projects and therefore do not achieve additional emission reductions will not be considered for funding. Combining TFCA County Program Manager Funds with TFCA Regional Funds to achieve greater emission reductions for a single project is not considered project duplication.
- 13. Employee Subsidy:** Grant applications for projects that provide a direct or indirect financial transit or rideshare subsidy exclusively to employees of the project sponsor will not be considered for funding. For projects that provide such subsidies, the direct or indirect financial transit or rideshare subsidy must be available, in addition to the employees of the project sponsor, to employees other than those of the project sponsor.

### **USE OF TFCA FUNDS**

- 14. Combined Funds:** TFCA County Program Manager Funds may be combined with TFCA Regional Funds for the funding of an eligible project. For the purpose of calculating TFCA cost-effectiveness, the combined sum of TFCA County Program Manager Funds and TFCA Regional Funds shall be used to calculate the TFCA cost of the project.
- 15. Cost of Developing Proposals:** The costs of developing grant applications for TFCA funding are not eligible to be reimbursed with TFCA funds.
- 16. Administrative Costs:** Administrative costs for TFCA County Program Manager Funds are limited to a maximum of five percent (5%) of the actual Department of Motor Vehicles (DMV) fee revenues that correspond to each county, received in a given year. Interest earned on prior DMV funds received shall not be included in the calculation of the administrative costs.

All reimbursement with TFCA funds of administrative costs (i.e., direct and indirect) must be requested and justified in writing in the project application or expenditure plan, and approved in advance and in writing by the Air District.

- 17. Expend Funds within Two Years:**

County Program Manager Funds must be expended within two (2) years of receipt of the first transfer of funds from the Air District to the County Program Manager in the applicable fiscal year, unless a longer period is formally (i.e., in writing) approved in advance by the County Program Manager. A County Program Manager may, if it finds that significant progress has been made on a project, approve no more than two (2) one-year (1-year) schedule extensions for a project, and must notify the Air District of each extension. Any subsequent schedule extensions for projects can only be given if the Air District finds that significant progress has been made on a project, and written approval is received by the Program Manager from the Air District.
- 18. Payments:** TFCA funds may not be expended for the implementation of a project if: a) the corresponding funding agreement with the Air District has not

been fully and properly executed, b) the costs were incurred (i.e., an obligation made to pay funds that cannot be refunded) before the date that the funding agreement with the Air District was executed, or c) the project is no longer eligible for TFCA funding (e.g., due to additional information becoming available after grant award approval by the Air District Board of Directors).

#### **CLEAN AIR VEHICLE PROJECTS**

- 19. Non-public entities:** Non-public entities may only apply for funding for certain clean air vehicle projects. Non-public entities may not apply for light-duty vehicle projects. No single non-public entity may be awarded more than \$500,000 in TFCA County Program Manager Funds for clean air vehicle projects in each funding cycle.

**20. Light-Duty Clean Air Vehicles**

**Eligibility:** For TFCA purposes, light-duty vehicles are those with a gross vehicle weight (GVW) of 10,000 pounds or lighter. Only public agencies, including public agencies applying on behalf of non-public entities, are eligible for TFCA grants for light-duty vehicles. Light-duty chassis-certified vehicles certified by the California Air Resources Board (CARB) as meeting established super ultra low emission vehicle (SULEV), partial zero emission vehicle (PZEV), advanced technology-partial zero emission vehicle (ATPZEV), or zero emission vehicle (ZEV) standards are eligible for TFCA funding. Hybrid-electric vehicles that meet the SULEV, PZEV, AT-PZEV, or ZEV standards are eligible for TFCA funding. Gasoline and diesel light-duty vehicles are not eligible for TFCA funding. Vehicle infrastructure is not eligible for TFCA funding, except under Policy 24.

**Funding participation:** Project sponsors may be awarded TFCA funds to cover no more than the incremental cost of a clean air vehicle. Incremental cost is the difference in the purchase or lease price of the new clean air vehicle that surpasses the applicable emissions standards and its new conventional vehicle counterpart that meets, but does not exceed, the emissions standards. Compliance with the TFCA cost-effectiveness requirement is not waived or altered by this policy.

**21. Heavy-Duty Clean Air Vehicles**

**Eligibility:** For TFCA Purposes, heavy-duty vehicles are on-road motor vehicles with a GVW of 10,001 pounds or heavier. Vehicle infrastructure is not eligible for TFCA funding, except under Policy 24.

**Funding Participation:** Project sponsors may be awarded TFCA funds to cover no more than the incremental cost of the new clean air vehicle. This includes public transit agencies that have elected to pursue the alternative fuel path under CARB's urban transit bus regulation. Incremental cost is the difference in the purchase or lease price of the new clean air vehicle that surpasses the applicable emission standards, and its new diesel counterpart that meets, but does not exceed, the emission standards. Compliance with the cost-effectiveness requirement is not waived or altered by this policy.



**Scrapping Requirements:** Project sponsors of heavy-duty vehicles purchased or leased with TFCA funds that have model year 1993 or older heavy-duty diesel vehicles in their fleet are required to scrap one model year 1993 or older heavy-duty diesel vehicle for each new vehicle purchased or leased with TFCA funds. Project sponsors with model year 1994 and newer vehicles in their fleet may, but are not required to, scrap an existing operational model year 1994 or newer heavy-duty diesel vehicle within their fleet. Emission reductions associated with scrapping an existing operational diesel vehicle will be factored into the calculations of the overall cost-effectiveness for the project. Costs related to the scrapping of heavy-duty vehicles are not eligible for reimbursement with TFCA funds.

**22. Reducing Emissions from Existing Heavy-Duty Diesel Engines:**

Options available to reduce emissions from existing heavy-duty diesel engines include:

- a) Repowers – To be eligible for TFCA funding, the new engine selected to repower an existing heavy-duty vehicle must reduce emissions by at least 15% compared to the direct exhaust emission standards of the existing engine that will be replaced.
- b) Diesel Emission Control Strategies – Diesel emission control strategies compatible with existing heavy-duty diesel engines are eligible for TFCA funding, subject to the conditions described below:
  - 1) All control strategies must be verified by CARB to reduce emissions from the relevant engine;
  - 2) TFCA will fund, at most, the incremental cost (over what is standard or required by regulation) of the emission control strategy; and
  - 3) The project sponsor must install the highest level (i.e., most effective) diesel emission control strategy that is verified by CARB for the specific engine.
- c) Clean Fuels or Additives – Clean fuels or additives compatible with existing heavy-duty engines are eligible for TFCA funding, subject to the conditions described below:
  - 1) All clean fuels or additives must be approved by CARB to reduce emissions and for use with the relevant engine; and
  - 2) TFCA will fund, at most, the incremental cost (over what is standard or required by regulation) of the clean fuel or additive.
- d) Replacement of Compressed Natural Gas (CNG) Fuel Tanks – the replacement of CNG fuel tanks will only be considered for projects that achieve surplus emissions via repowers or emission control strategies, described in a) and b) above.

- 23. Bus Replacements:** For purposes of transit and school bus replacement projects, a bus is any vehicle designed, used, or maintained for carrying more than fifteen (15) persons, including the driver. A vehicle designed, used, or maintained for carrying more than ten (10) persons, including the driver, which is used to transport persons for compensation or profit, or is used by any

nonprofit organization or group, is also a bus. A vanpool vehicle is not considered a bus.

- 24. Advanced Technology Demonstration Projects:** Vehicle-based advanced technology demonstration projects (i.e., technologies, motor vehicles and/or emission control devices not authorized by CARB) are eligible for TFCA funding. Such projects are subject to the TFCA cost-effectiveness requirement, and grant applications for such projects must include best available data that can be used to estimate the cost-effectiveness of such projects. For motor vehicles, only projects that achieve emissions performance beyond CARB's most stringent adopted regulatory requirements are eligible for funding under this category. For infrastructure projects, only applications that include vehicles and that include advanced infrastructure technology not currently being implemented in the Bay Area qualify for funding.

#### **SHUTTLE/FEEDER BUS SERVICE PROJECTS**

- 25. Shuttle/Feeder Bus Service:** Shuttle/feeder bus service projects are those requesting funds to operate a shuttle or feeder bus route. The service route must go to or from a rail station, airport, or ferry terminal, and the project must:
- a) Be submitted by a public transit agency; or
  - b) Be accompanied by documentation, from the General Manager of the transit agency that provides service in the area of the proposed shuttle route, which demonstrates that the proposed shuttle service does not duplicate or conflict with existing transit agency revenue service.

All shuttle/feeder bus service to rail or ferry stations must be timed to meet the rail or ferry lines being served.

Independent (non-transit agency) shuttle/feeder bus projects that received TFCA funding prior to FY 2007/08 and obtained a letter of support from all potentially affected transit agencies need not comply with b) above unless funding is requested for a new or modified shuttle/feeder bus route.

All vehicles used in any shuttle/feeder bus service must meet the applicable CARB particulate matter (PM) standards for public transit fleets. For the purposes of TFCA funding, shuttle projects comply with these standards by using one of the following types of shuttle/feeder bus vehicles:

- a) an alternative fuel vehicle (CNG, liquefied natural gas, propane, electric);
- b) a hybrid-electric vehicle;
- c) a post-1994 diesel vehicle and a diesel emission control strategy verified by CARB to reduce emissions from the relevant engine; or
- d) a post-1989 gasoline-fueled vehicle.

No other types of vehicles, except for those listed in a) through d) immediately above, are eligible for funding as shuttle/feeder bus service projects.

#### **BICYCLE PROJECTS**

- 26. Bicycle Projects:** New bicycle facility projects that are included in an adopted countywide bicycle plan or Congestion Management Program (CMP) are eligible

to receive TFCA funds. For purposes of this policy, if there is no adopted countywide bicycle plan, the project must be in the county's CMP, or the responsible Congestion Management Agency must provide written intent to include the project in the next update of the CMP. Eligible projects are limited to the following types of bicycle facilities for public use: a) new Class-1 bicycle paths; b) new Class-2 bicycle lanes; c) new Class-3 bicycle routes; d) bicycle racks, including bicycle racks on transit buses, trains, shuttle vehicles, and ferry vessels; e) bicycle lockers; f) attended bicycle storage facilities; g) the purchase of bicycles, mounted equipment required for the intended service, and helmets; and g) development of a region-wide web-based bicycle trip planning system. All bicycle facility projects must, where applicable, be consistent with design standards published in Chapter 1000 of the California Highway Design Manual.

#### **ARTERIAL MANAGEMENT PROJECTS**

- 27. Arterial Management:** Arterial management grant applications must specifically identify a given arterial segment and define what improvement(s) will be made to affect traffic flow on the identified arterial segment. Projects that provide routine maintenance (e.g., responding to citizen complaints about malfunctioning signal equipment) are not eligible to receive TFCA funding. Incident management projects on arterials are eligible to receive TFCA funding. Transit improvement projects include, but are not limited to, bus rapid transit and transit priority projects. For signal timing projects, TFCA funds may only be used for local arterial management projects where the affected arterial has an average daily traffic volume of 20,000 motor vehicles or more, or an average peak hour traffic volume of 2,000 motor vehicles or more.

#### **SMART GROWTH PROJECTS**

- 28. Smart Growth/Traffic Calming:** Physical improvements that support development projects and/or calm traffic, resulting in motor vehicle emission reductions, are eligible for TFCA funds, subject to the following conditions: a) the development project and the physical improvements must be identified in an approved area-specific plan, redevelopment plan, general plan, bicycle plan, traffic-calming plan, or other similar plan; and b) the project must implement one or more transportation control measures (TCMs) in the most recently adopted Air District strategy for State and national ozone standards. Pedestrian projects are eligible to receive TFCA funding. Traffic calming projects are limited to physical improvements that reduce vehicular speed by design and improve safety conditions for pedestrians, bicyclists or transit riders in residential and retail areas.

## ATTACHMENT B

### ~~BOARD-APPROVED~~DRAFT TFCA COUNTY PROGRAM MANAGER FUND POLICIES FOR FY ~~2007/2008/2009~~

The following policies apply only to the Transportation Fund for Clean Air (TFCA) County Program Manager Fund.

#### BASIC ELIGIBILITY

- 1. Reduction of Emissions:** A project must result in the reduction of motor vehicle emissions within the Air District's jurisdiction to be considered eligible for TFCA funding. Projects that are subject to emission reduction regulations, contracts, or other ~~legal~~legally binding obligations must achieve surplus emission reductions to be considered for TFCA funding. Surplus emission reductions are those that exceed the requirements of applicable State or federal regulations or other ~~legal~~legally binding obligations at the time the Air District Board of Directors approves a grant award. Planning activities (e.g., feasibility studies) that are not directly related to the implementation of a specific project are not eligible for TFCA funding.
- 2. TFCA Cost-Effectiveness:** The Air District will only approve grant awards for projects included in County Program Manager expenditure plans that achieve a TFCA cost-effectiveness, on an individual project basis, equal to or less than \$90,000 of TFCA funds per ton of total reactive organic gases (ROG,-), oxides of nitrogen (NOx), and weighted particulate matter 10 microns in diameter and smaller (PM<sub>10</sub>) emissions reduced (\$/ton). TFCA County Program ~~Manager~~Managers' administrative costs are excluded from the calculation of TFCA cost-effectiveness.
- 3. Viable Project:** Each grant application should clearly identify sufficient resources to complete the respective project. Grant applications that are speculative in nature, or contingent on the availability of unknown resources or funds, will not be considered for funding.
- 4. Eligible Recipients:** TFCA grants may be awarded to public agencies and to non-public entities. ~~Eligible grant~~Grant recipients must be responsible for the implementation of the project and have the authority and capability to complete the project. Non-public entities may only be awarded TFCA grants to implement certain clean air vehicle projects to reduce mobile source emissions within the Air District's jurisdiction for the duration of the useful life of the vehicle(s), ~~including, but not limited to, engine repowers, engine retrofits, fleet modernization, alternative fuels, and advanced technology demonstration projects.-) or reduced emission equipment. Only public agencies, including public agencies applying on behalf of non-public entities, are eligible for TFCA grants for light-duty vehicles.~~

As a condition of receiving TFCA funds for projects sponsored by non-public entities, a County Program Manager must provide a written, binding agreement that commits the non-public entity to operate the clean air vehicle(s) within the Air District for the duration of the useful life of the vehicle(s) ~~or reduced emission equipment.~~

5. **Public Agencies Applying on Behalf of Non-Public Entities:** A public agency may apply for TFCA funds for clean air ~~vehicles~~ vehicle projects on behalf of a non-public entity. As a condition of receiving TFCA funds on behalf of a non-public entity, the public agency shall ~~enter into a funding agreement with the Air District and~~ provide a written, binding agreement that commits the non-public entity to operate the clean air vehicle(s) within the Air District for the duration of the useful life of the vehicle(s) or reduced emission equipment.
6. **Consistent with Existing Plans and Programs:** All projects must conform to the types of projects listed in the California Health and Safety Code Section 44241 and the transportation control measures and mobile source measures included in the Air District's most recently approved strategy(ies) for State and national ozone standards and, when applicable, with other adopted State and local plans and programs.
7. **Readiness:** A project will be considered for TFCA funding only if the project will commence in calendar year ~~2008~~ 2009 or sooner. For purposes of this policy, "commence" means to order or accept delivery of vehicles or other equipment being purchased as part of the project, to begin delivery of the service or product provided by the project, or to award a construction contract.
8. **Maximum Two ~~Year~~ Years Operating Costs:** TFCA grant applications that request operating funds to provide a service, such as ridesharing programs, bicycle stations, and shuttle and feeder bus projects, are eligible for funding for up to two years. ~~Applicants~~ Grant applicants who seek TFCA funds for additional years must re-apply for funding in the subsequent funding cycles.

#### APPLICANT IN GOOD STANDING

9. **Failed Audit:** Project sponsors who have failed either the fiscal audit or the performance audit for a prior TFCA-funded project will be excluded from future funding for five (5) years, or another duration determined by the Air District Air Pollution Control Officer (APCO). Existing TFCA funds already awarded to the project sponsor will not be released until all audit recommendations and remedies have been satisfactorily implemented. A failed fiscal audit means an uncorrected audit finding that confirms an ineligible expenditure of TFCA funds. A failed performance audit means that the project was not implemented as set forth in the project funding agreement.
10. **Signed Funding Agreement:** Only a fully executed funding agreement (i.e., signed by both the Air District and the County Program Manager) constitutes a final approval and obligation on the part of the Air District to fund a project. While the Air District Board of Directors ~~must approve the Air District staff's recommendation for TFCA approval of~~ grant awards, Board is necessary for the funding of a project, such approval does not constitute a final obligation on the part of the Air District to fund a project. ~~No payment requests associated with~~

~~the implementation of a project will be processed if: a) the funding agreement for the project has not been fully and properly executed, b) the costs in the payment request were incurred before the date that the funding agreement was executed, or c) the project is no longer eligible for TFCA funding (e.g., due to additional information becoming available after grant award approval by the Air District Board of Directors).~~

**Comment [DW1]:** Payment-related text moved to new Policy 18.

- 11. **Insurance:** Each County Program Manager and project sponsor must maintain general liability insurance, workers compensation insurance, and additional insurance as appropriate for specific projects, with estimated coverage amounts provided in Air District guidance and final amounts specified in the respective funding agreements.

**Comment [DW2]:** New Insurance policy, consistent with current practice.

**INELIGIBLE PROJECTS**

~~11.12.~~ **Duplication:** Grant applications for projects that duplicate existing TFCA-funded projects and therefore do not achieve additional emission reductions will not be considered for funding. Combining TFCA County Program Manager Funds with TFCA Regional Funds to achieve greater emission reductions for a single project is not considered project duplication.

~~12.13.~~ **Employee Subsidy:** Grant applications for projects that provide a direct or indirect financial transit or rideshare subsidy exclusively to employees of the project sponsor will not be considered for funding. For projects that provide such subsidies, the direct or indirect financial transit or rideshare subsidy must be available, in addition to the employees of the project sponsor, to employees other than those of the project sponsor.

**USE OF TFCA FUNDS**

~~13.14.~~ **Combined Funds:** TFCA County Program Manager Funds may be combined with TFCA Regional Funds for the funding of an eligible project. For the purpose of calculating TFCA cost-effectiveness, the combined sum of TFCA County Program Manager Funds and TFCA Regional Funds shall be used to calculate the TFCA cost of the project.

~~14.15.~~ **Cost of Developing Proposals:** The costs of developing grant applications for TFCA funding are not eligible to be reimbursed with TFCA funds.

~~15.16.~~ **Administrative Costs:** Administrative costs for TFCA County Program Manager Funds are limited to a maximum of five percent (5%) of the actual Department of Motor Vehicles (DMV) fee revenues that correspond to each county, received in a given year. Interest earned on prior DMV funds received shall not be included in the calculation of the administrative costs.

All reimbursement with TFCA funds of administrative costs (i.e., direct and indirect) must be requested and justified in writing in the project application or expenditure plan, and approved in advance and in writing by the Air District.

~~17.~~ **Expend Funds within Two Years:**  
County Program Manager Funds must be expended within two (2) years of receipt of the first transfer of funds from the Air District to the County Program

Manager in the applicable fiscal year, unless a longer period is formally (i.e., in writing) approved in advance by the County Program Manager. A County Program ~~Managers~~ Manager may, if it finds that significant progress has been made on a project, approve no more than two (2) one-year (1-year) schedule extensions for a project, and must notify the Air District of each extension. Any subsequent schedule extensions for projects can only be given if the Air District finds that significant progress has been made on a project, and written approval is received by the Program Manager from the Air District.

- 18. Payments:** TFCA funds may not be expended for the implementation of a project if: a) the corresponding funding agreement with the Air District has not been fully and properly executed, b) the costs were incurred (i.e., an obligation made to pay funds that cannot be refunded) before the date that the funding agreement with the Air District was executed, or c) the project is no longer eligible for TFCA funding (e.g., due to additional information becoming available after grant award approval by the Air District Board of Directors).

**Comment [DW3]:** Text moved from Policy #10 and reworded to better fit TFCA Program Manager Fund, versus Regional Fund.

**CLEAN AIR VEHICLE PROJECTS**

- ~~17.~~**19. Non-public entities:** Non-public entities may only apply for funding for certain clean air vehicle projects. Non-public entities may not apply for light-duty vehicle projects. No single non-public entity may be awarded more than \$500,000 in TFCA County Program Manager Funds for clean air vehicle projects in each funding cycle.

**20. ~~18.~~ Light-Duty Clean Air Vehicle-Vehicles**

**Eligibility:** For TFCA purposes, light-duty vehicles are those ~~10,000 pounds~~ with a gross vehicle weight (GVW) of 10,000 pounds or lighter. ~~All~~Only public agencies, including public agencies applying on behalf of non-public entities, are eligible for TFCA grants for light-duty vehicles. Light-duty chassis-certified vehicles certified by the California Air Resources Board (CARB) as meeting established super ultra low emission vehicle (SULEV), partial zero emission vehicle (PZEV), advanced technology-partial zero emission vehicle (AT-PZEV), or zero emission vehicle (ZEV) standards are eligible for TFCA funding. ~~Gasoline and diesel vehicles are not eligible for TFCA funding.~~ Hybrid-electric vehicles that meet the SULEV, PZEV, AT-PZEV, or ZEV standards are eligible for TFCA funding. Gasoline and diesel light-duty vehicles are not eligible for TFCA funding. Vehicle infrastructure is not eligible for TFCA funding, except under Policy 24.

- ~~19.~~ **Light-Duty Clean Air Vehicle Funding Participation:** For light-duty clean air vehicle projects for passenger cars, pick-up trucks, and vans, project sponsors may receive no more than the following funding incentive amounts:

<u>Emission Rating</u>	<u>Vehicle Type</u>	<u>Incentive Amount</u>
<u>PZEV/SULEV</u>	<u>Hybrid electric</u>	<u>\$2,000</u>
<u>PZEV/SULEV</u>	<u>Natural gas / propane</u>	<u>\$4,000</u>
<u>ZEV</u>	<u>Highway battery electric</u>	<u>\$5,000</u>
<u>ZEV</u>	<u>City battery electric</u>	<u>\$3,000</u>
<u>ZEV</u>	<u>Neighborhood battery electric</u>	<u>\$1,000</u>

~~ZEV 3-wheel battery electric \$1,000~~

~~These incentive amounts above will be pro-rated for leased vehicles in those cases where the vehicle is available for purchase. The incentive amounts for partial zero-emission vehicles (PZEV) and advanced technology partial zero-emission vehicles (AT-PZEV) are the same as for SULEV-rated vehicles.~~

~~20. **Funding participation:** Project sponsors may be awarded TFCA funds to cover no more than the incremental cost of a clean air vehicle. Incremental cost is the difference in the purchase or lease price of the new clean air vehicle that surpasses the applicable emissions standards and its new conventional vehicle counterpart that meets, but does not exceed, the emissions standards. Compliance with the TFCA cost-effectiveness requirement is not waived or altered by this policy.~~

**Comment [DW4]:** Eligibility to be project-by-project, to ensure that light-duty vehicle projects are cost-effective.

**21. Heavy-Duty Clean Air Vehicles**

**Eligibility:** ~~Heavy-duty~~ For TFCA Purposes, heavy-duty vehicles are on-road motor vehicles with a GVW of 10,001 pounds or heavier. ~~To qualify for TFCA funding, a heavy-duty vehicle project must provide surplus emission reductions beyond the requirements of any applicable State or federal standard, regulation, contract or other legal obligation. In addition, advanced technology heavy-duty vehicle projects can be funded with TFCA revenues~~ Vehicle infrastructure is not eligible for TFCA funding, except under Policy 24.

**Comment [DW5]:** Deleting repetitive language found in Policy #1.

**Funding Participation:** Project sponsors may be awarded TFCA funds to cover no more than the incremental cost of the new ~~cleaner~~ clean air vehicle. This includes public transit agencies that have elected to pursue the "alternative fuel" path under CARB's urban transit bus regulation. Incremental cost is the difference in the purchase or lease price of the new clean air vehicle that surpasses the applicable emission standards, and its new diesel counterpart that meets, but does not exceed, the emission standards. Compliance with the cost-effectiveness requirement is not waived or altered by this policy.

**Scrapping Requirements:** Project sponsors of heavy-duty vehicles purchased or leased with TFCA funds that have model year 1993 or older heavy-duty diesel vehicles in their fleet are required to scrap one model year 1993 or older heavy-duty diesel vehicle for each new vehicle purchased or leased with TFCA funds. Project sponsors with ~~only~~ model year 1994 and newer vehicles in their fleet may, but are not required to, scrap an existing operational model year 1994 or newer heavy-duty diesel vehicle within their fleet. Emission reductions associated with scrapping an existing operational diesel vehicle will be factored into the calculations of the overall emission reductions cost-effectiveness for the project. ~~TFCA funds will not cover the cost of the scrapped vehicle~~ Costs related to the scrapping of heavy-duty vehicles are not eligible for reimbursement with TFCA funds.

**21.22. Reducing Emissions from Existing Heavy-Duty Diesel Engines:**

Options available to reduce emissions from existing heavy-duty diesel engines include:



- a) Repowers – To be eligible for TFCA funding, the new engine selected to repower an existing heavy-duty vehicle must reduce emissions by at least 15% compared to the direct exhaust emission standards of the existing engine that will be replaced.
- b) Diesel Emission Control Strategies – Diesel emission control strategies compatible with existing heavy-duty diesel engines are eligible for TFCA funding, subject to the conditions described below:
  - 1) All control strategies must be ~~approved~~ verified by CARB to reduce emissions from the relevant engine;
  - 2) TFCA will fund, at most, the incremental cost (over what is standard or required by regulation) of the emission control strategy; and
  - 3) The project sponsor must install the highest level (i.e., most effective) diesel emission control strategy that is ~~approved~~ verified by CARB for the specific engine.
- c) Clean Fuels or Additives – Clean fuels or additives compatible with existing heavy-duty engines are eligible for TFCA funding, subject to the conditions described below:
  - 1) All clean fuels or additives must be approved by CARB to reduce emissions and for use with the relevant engine; and
  - 2) ~~2) —~~ TFCA will fund, at most, the incremental cost (over what is standard or required by regulation) of the clean fuel or additive.
- ~~22~~d) Replacement of Compressed Natural Gas (CNG) Fuel Tanks – the replacement of CNG fuel tanks will only be considered for projects that achieve surplus emissions via repowers or emission control strategies, described in a) and b) above.

**Comment [DW6]:** Amended to be consistent with Regional Fund policy. Tank replacement must be paired with emission reductions in order to show cost-effectiveness.

**23. Bus Replacements:** For purposes of transit and school bus replacement projects, a bus is any vehicle designed, used, or maintained for carrying more than fifteen (15) persons, including the driver. A vehicle designed, used, or maintained for carrying more than ten (10) persons, including the driver, which is used to transport persons for compensation or profit, or is used by any nonprofit organization or group, is also a bus. A vanpool vehicle is not considered a bus.

**~~23~~24. Advanced Technology Demonstration Projects:** Vehicle-based advanced technology demonstration projects (i.e., technologies, motor vehicles and/or emission control devices not authorized by CARB) are eligible for TFCA funding. ~~Advanced technology demonstration~~Such projects are subject to the TFCA cost-effectiveness requirement, and grant applications for such projects must include best available data that can be used to estimate the cost-effectiveness of such projects. For motor vehicles, only projects that achieve emissions performance beyond CARB's most stringent adopted regulatory requirements are eligible for funding under this category. For infrastructure projects, only applications that include vehicles and that include advanced infrastructure technology not currently being implemented in the Bay Area qualify for funding.

## SHUTTLE/FEEDER BUS SERVICE PROJECTS

**2425. Shuttle/Feeder Bus Service:** Shuttle/feeder bus service projects are those requesting funds to operate a shuttle or feeder bus route. The service route must go to or from a rail station, airport, or ferry terminal, and the project must:

- a) Be submitted by a public transit agency; or
- b) Be accompanied by documentation, from the General Manager of the transit agency that provides service in the area of the proposed shuttle route, which demonstrates that the proposed shuttle service does not duplicate or conflict with existing transit agency revenue service.

All shuttle/feeder bus service to rail or ferry stations must be timed to meet the rail or ferry lines being served.

Independent (non-transit agency) shuttle/feeder bus projects that received TFCA funding prior to FY ~~2006/07~~2007/08 and obtained a letter of support from all potentially affected transit agencies need not comply with b) above unless funding is requested for a new or modified shuttle/feeder bus route.

All vehicles used in any shuttle/feeder bus service must meet the applicable CARB particulate matter (PM) standards for public transit fleets. For the purposes of TFCA funding, shuttle projects comply with these standards by using one of the following types of shuttle/feeder bus vehicles:

- a) an alternative fuel vehicle (CNG, ~~LNG~~liquefied natural gas, propane, electric);
- b) a hybrid-electric vehicle;
- c) a post-1994 diesel vehicle and a diesel emission control strategy ~~approved~~verified by CARB to reduce emissions from the relevant engine; or
- d) a post-1989 gasoline-fueled vehicle.

No other types of vehicles, except for those listed in a) through d) immediately above, are eligible for funding as shuttle/feeder bus service projects.

## BICYCLE PROJECTS

**2526. Bicycle Projects:** New bicycle facility projects that are included in an adopted countywide bicycle plan or Congestion Management Program (CMP) are eligible to receive TFCA funds. For purposes of this policy, if there is no adopted countywide bicycle plan, the project must be in the county's CMP, or the responsible Congestion Management Agency must provide written intent to include the project in the next update of the CMP. Eligible projects are limited to the following types of bicycle facilities for public use: a) new Class-1 bicycle paths; b) new Class-2 bicycle lanes; c) new Class-3 bicycle routes; d) bicycle racks, including bicycle racks on transit buses, trains, shuttle vehicles, and ferry vessels; e) bicycle lockers; f) attended bicycle storage facilities; g) the purchase of bicycles, mounted equipment required for the intended service, and helmets; and g) development of a region-wide web-based bicycle trip planning system. All bicycle facility projects must, where applicable, be consistent with design standards published in Chapter 1000 of the California Highway Design Manual.

**ARTERIAL MANAGEMENT PROJECTS**

~~26~~27.

**Arterial Management:** Arterial management ~~project~~grant applications must specifically identify a given arterial segment and define what improvement(s) will be made to affect traffic flow on the identified arterial segment. Projects that provide routine maintenance (e.g., responding to citizen complaints about malfunctioning signal equipment) are not eligible to receive TFCFA funding. Incident management projects on arterials are eligible to receive TFCFA funding. Transit improvement projects include, but are not limited to, bus rapid transit and transit priority projects. For signal timing projects, TFCFA funds may only be used for local arterial management projects where the affected arterial has an average daily traffic volume of 20,000 motor vehicles or more, or an average peak hour traffic volume of 2,000 motor vehicles or more.

**SMART GROWTH PROJECTS**

~~27~~28.

**Smart Growth/Traffic Calming:** Physical improvements that support development projects and/or calm traffic, resulting in motor vehicle emission reductions, are eligible for TFCFA funds, subject to the following conditions: a) the development project and the physical improvements must be identified in an approved area-specific plan, redevelopment plan, general plan, bicycle plan, traffic-calming plan, or other similar plan; and b) the project must implement one or more transportation control measures (TCMs) in the most recently adopted Air District strategy for State and national ozone standards. Pedestrian projects are eligible to receive TFCFA funding. Traffic calming projects are limited to physical improvements that reduce vehicular speed by design and improve safety conditions for pedestrians, bicyclists or transit riders in residential and retail areas.

**ATTACHMENT C**  
**PROPOSED TFCA COUNTY PROGRAM MANAGER FUND**  
**POLICIES FOR FY 2008/2009**  
**COMMENTS RECEIVED AND STAFF RESPONSES**

<b>Signer and Agency</b>	<b>Comment</b>	<b>Staff Response</b>
--------------------------	----------------	-----------------------

gency		
<p>Peter Engel, Contra Costa Transportation Authority. Matt Todd, Alameda County CMA.</p>	<p><b>Proposed Policy #11: Insurance coverage amounts specified in the funding agreement.</b> The policy states that coverage amounts will be specified in the respective funding agreements. Coverage requirements should be provided in the program guidance so that project sponsors can include the cost of any additional insurance requirement in the project budget.</p> <p>The ACCMA also requests that the guidance include limits for agencies that may be self-insured in this guidance (if they differ).</p>	<p>Air District staff agrees with these comments and has changed the proposed policy to state that estimated insurance coverage amounts will be provided in Air District guidance. The guidance will break out estimated amounts by project type, and will include self-insurance limits, if different.</p>
<p>Daryl Halls, Moderator, CMA Directors. Concurrence by Engel of the CCTA, José Luis Moscovich of the San Francisco County Transportation Authority (SFCTA), and Lynne March of Sonoma County Transportation Authority.</p>	<p><b>Proposed Policy #18: Prohibition on incurring costs before funding agreement execution.</b> The Fiscal Year 2007/08 TFCA Program Manager policies delayed the date that project sponsors can begin incurring costs. This delay caused hardship for several Program Managers, and threatened the ability of project sponsors to effectively implement TFCA projects for which funds were allocated. We request that the Air District return to the previous policy of allowing project sponsors to incur costs at-risk from the date the funds are allocated by the Air District Board. We are confident that sufficient policy language can be developed to mitigate any perceived risk to the Air District, especially since the granting of at-risk, pre-award authority is a common practice for many state and federal fund sources.</p>	<p>It is the policy of the Air District not to allow services, purchases of goods, or grant projects to proceed without a fully-executed contract in place. This policy assures that both parties are aware of and accept all terms and conditions of the contract.</p>

<p>Marcella M. Rensi, Santa Clara Valley Transportation Authority (VTA).</p>	<p><b>Policy #18 (and Policy #10): Signed Funding Agreement and Payments</b>  The VTA believes that these policies should be revised to allow project sponsors to start reimbursable work on their projects, at their own risk, as of the date of the grant approval by the BAAQMD Board of Directors. This would be consistent with how CMAQ grant funds are administered on behalf of the Federal Highway Administration (FHWA) by the California Department of Transportation (Caltrans).</p> <p>The current policies, which do not allow reimbursable work to begin before the BAAQMD executive director executes the agreements, are proving to be unworkable. The Program Managers (and project sponsors in the Regional program) have consistently experienced two to three month gaps between grant approvals by BAAQMD’s Board and final execution of the agreements. Ongoing operating projects are facing funding gaps, and delays in starting capital projects are making their delivery within a two-year timeframe even more challenging.</p>	<p>Please see response immediately above. Delays in the last round were attributable in large part to new insurance requirements developed by the Air District in response to recommendations by its risk management and insurance consultants.</p>
<p>Engel, CCTA</p>	<p><b>Proposed Policy #18: “Fully and properly executed” funding agreement.</b>  There is concern with the policy language which uses the term "properly executed." The agreement is executed in what both parties consider a proper format and begin incurring costs, only to find out some period later a glitch which deems the agreement improperly executed. With this language, technically any costs incurred would be ineligible even though both parties reasonably assumed the agreement was executed.</p>	<p>The term “fully and properly executed” refers to the requirement that both parties (i.e., the grantee and the District) must execute the agreement and that only persons who are authorized to execute the agreement on behalf of that party may do so in order for the agreement to be valid and effective. Improperly-executed agreements can render the agreements void or voidable. Inclusion of this term in the Policies reminds all parties that agreements must be fully and properly executed to be valid.</p>

<p>Todd, Alameda County CMA</p>	<p><b>Proposed Policy #18: Payments.</b>  This section indicates that funds “may not be expended for the implementation of a project if: ...c) the project is no longer eligible for TFCA funding (e.g., due to additional information becoming available after grant award approval by the Air District Board of Directors)”. The ACCMA does not believe this language is necessary. If the implemented project is within the scope of work defined in the funding agreement, the BAAQMD should fund the project as originally approved and detailed in the funding agreement. In the BAAQMD response to comments for the 2007/08 Guidelines, it was stated that: ”A project approved under one set of policies will remain eligible for that funding cycle, even if the eligible project types are changed for subsequent TFCA funding cycles.” Please clarify the BAAQMD intends to maintain this standard, which does not seem to be consistent with the language from the proposed 2008/09 Guidelines.</p>	<p>The text in question does not disallow payments for a project merely if the eligibility of that project type is changed in subsequent years. Rather, it applies to eligibility requirements that apply to the year of the project.</p>
<p>José Luis Moscovich, SFCTA.</p>	<p><b>Proposed Policy #20: Light-Duty Clean Air Vehicles.</b>  I am pleased to see the proposal to calculate the true cost effectiveness for light-duty vehicle projects, rather than using set incentive amounts. By prioritizing the use of TFCA funds to purchase clean air vehicles for high-mileage fleets, the Air District will encourage much more significant emission reductions and will likely achieve better air quality outcomes.</p>	<p>Air District staff appreciates the comment.</p>

<p>Todd, Alameda County CMA</p>	<p><b>Infrastructure (currently only eligible under Policy #24: Advanced Technology Demonstration Projects).</b>  The revisions to the 2007/08 Guidelines included the removal of the eligibility of Clean Air Infrastructure as a project category. BAAQMD staff indicated that Clean Air Infrastructure projects are not precluded, but would have to meet the requirements of advanced technology demonstration projects to qualify for TFCA funds (in the response to comments provided on the 2007/08 Guidelines). The ACCMA has funded many successful Alternative Fuel Infrastructure projects in Alameda with TFCA funds. The Health and Safety Code allows for this type of projects as detailed in section 44242 (b) which includes the “Implementation of vehicle-based projects to reduce mobile source emissions, including, but not limited to, ...alternative fuels....”. The ACCMA requests that Clean Air Infrastructure be reinstated as an eligible TFCA project category.</p>	<p>Based on changes to the TFCA legislation made in 2005, which required that each project meet criteria including cost-effectiveness, Air District staff is maintaining its proposed wording. While it recognizes that infrastructure is necessary for some alternative fuel vehicle projects, Air District staff notes a lack of methodologies to quantify emission reductions from infrastructure projects.</p>
<p>Moscovich, SFCTA.</p>	<p><b>Proposed Policy #26: Bicycle Projects.</b>  I am glad that the Air District has proposed only minor modifications to the bicycle project eligibility and cost effectiveness calculations, rather than introduce broad changes as was done in the Fiscal Year 2007/08 TFCA Regional Fund grant cycle. We believe that bicycle projects must be evaluated on a case-by-case basis, because design, location, population, and other environmental factors strongly impact their cost effectiveness.</p>	<p>Air District staff appreciates the comment.</p>
<p>Halls, CMA Directors.  Concurrence by Moscovich, SFCTA.</p>	<p><b>Cost-Effectiveness Worksheets:</b>  Provide Final Cost-Effectiveness Worksheets for FY 2007/2008</p>	<p>Although this comment does not relate to the proposed TFCA Policies for FY 2008-2009, Air District staff expects to provide worksheets for all Program Managers with executed funding agreements by December 6.</p>



<p>Halls, CMA Directors. Concurrence by Moscovich, SFCTA</p>	<p><b>Program Timeline:</b> Formally establish a program timeline with date-certain milestones to increase reliability for Program Managers</p>	<p>Although this comment does not pertain to the proposed TFCA Policies, Air District staff is accommodating the CMAs' request for earlier milestones in multiple cases. One example is the early review and approval of these FY 2008/2009 Policies. Air District Staff will, with input from the CMAs, finalize and communicate the schedule by December 14, 2007.</p>
--	---	--

<p>Halls, CMA Directors. Concurrence by Moscovich, SFCTA.</p>	<p><b>Six-month deadline for allocation of funds:</b> Clarify the Air District's policies and procedures with respect to the 6-month allocation deadline imposed by AB 694. We are pleased that the Air District did not redirect any Fiscal Year 2007/08 TFCA Program Manager funds because of failure to comply with the six-month allocation deadline, and also that the Air District worked with the San Francisco County Transportation Authority to successfully resolve the prior-year withholding of TFCA Program Manager funds from that county. However, we still contend that the six-month allocation deadline language, as modified by AB 694 legislation, presents a real conflict of interpretation with the 40% return-to-source mandate in the same statute, and that there are other effective means of encouraging timely use of funds to meet to the spirit of the deadline.</p> <p>We reiterate our request that you seek guidance from Air District legal counsel on interpretation of this conflict in the statute language, and we propose that the TFCA Program Manager working group that the Air District has formed be used to discuss possible next steps on resolving the conflict presented by this requirement.</p> <p>We look forward to continuing to work with the District to address our concerns about the direction of the TFCA program, and to consider a more comprehensive overhaul of Fiscal Year 2009/10 TFCA Program Manager policies. We anticipate that the Air District's proposed TFCA Program Manager working group will provide a welcome forum for our agencies to discuss and resolve these and any remaining issues regarding the TFCA program.</p>	<p>It is the policy of the Air District to require a six-month allocation deadline. Although this comment does not pertain to the proposed TFCA Policies for FY 2008-2009, Air District staff concurs that this is an appropriate topic for the TFCA Program Manager Fund working group. The Air District plans to host a meeting of the working group on December 11, 2007.</p>
---	---	--

**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: December 3, 2007

Re: Update on the Carl Moyer Program and Request for Approval of  
Supplementary Agricultural Project

**RECOMMENDED ACTION**

1. Receive and file informational portion.
2. Consider recommending that the Board of Directors' authorize the allocation of \$2,215 of Carl Moyer funds to Agricultural Pump project

**BACKGROUND**

In March of 2006 Senator Dean Florez requested that the Bureau of State Audits (BSA) conduct a performance audit on management of programs that administer State Carl Moyer Program funding. The request was directed towards programs implemented by the California Air Resources Board (ARB) and indicated three areas of focus: the efficiency and equity of the application process, the effectiveness of project selection and funding distribution in emission reduction and public health protection, and the availability and quality of public information and public outreach to ensure participation.

Following the request from Senator Florez, the ARB announced that it would also perform project audits of the District's Carl Moyer Program (the first audit in the nine year history of the program) in conjunction with the Department of Finance (DOF). The BSA and ARB audits occurred simultaneously.

On June 13, 2007, ARB issued its audit report on the District's Carl Moyer Program. Since that time, Staff has executed a series of actions to improve the District implementation of the Carl Moyer Program. Accomplishments include remediation of past project files, implementation of new controls, reallocation of matching funds, acceleration of Moyer processes, and review of outreach.

**DISCUSSION**

As part of this report staff will:

- Update the committee on actions taken to date related to the Carl Moyer Program;
- Request the committee authorize the allocation of funds for an additional Carl Moyer project.

Allocation of Carl Moyer Program Funds for Agricultural Pump Project

As part of the Districts new quality controls an additional Carl Moyer grant has been identified for Program Year 8 which requires board approval. Dittmer Ranch, located in Solano County, submitted an application to replace a diesel powered pump engine used for agricultural irrigation with an electric motor. The project was originally evaluated and deemed ineligible for funding; however, a reevaluation in accordance with the “Zero-emissions Technologies” chapter of the Carl Moyer Program Guidelines indicates that the project is eligible for \$2,215 in funding. Staff recommends that the Board approve this project as it will result in the annual reduction of 0.607 and 0.037 tons of NOx and PM, respectively.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. Monies for the Carl Moyer Program are disbursed from the state to the District and will be used to fund this project.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Damian Breen  
Reviewed by: Jack M. Colbourn

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Mark Ross and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: December 11, 2007

Re: Report of the Budget & Finance Committee Meeting of December 12, 2007

RECOMMENDED ACTION

The Budget and Finance Committee recommends Board of Directors' approval of the following:

- A) *Authorize the Executive Officer/APCO to execute agreements to Pre-Fund Air District "Other Post Employment Benefits" (OPEB) through CalPERS, and provide an initial contribution of \$2,800,000 from the Designated Reserve; and*
- B) *Approve transfer of \$100,000 from the designated Reserve for the Cleaner Burning Technology Incentives Program and a corresponding increase of \$100,000 to the FY 07/08 Program 302 budget; and a transfer of \$3,000,000 from the designated Reserve for Climate Protection and a corresponding increase of \$3,000,000 to the FY 07/08 Program 608 Climate Protection budget for Climate Protection Grant awards;*
- C) *Authorize the Executive Officer/APCO to execute agreements and issue Purchase Orders not to exceed \$600,000 to enhance Information Systems reliability and efficiency; and*
- D) *Authorize amendment to the FY 2007/2008 Budget to recognize increased revenue under an Environmental Protection Agency Grant, and authorize the Executive Officer/APCO to issue purchase orders not to exceed \$185,000 for monitoring equipment.*

BACKGROUND

The Budget & Finance Committee met on Wednesday, December 12, 2007. The Committee received the following reports and recommendations:

- A) First Quarter Financial Report;
- B) Update on Other-Than-Pension Post-Employment Benefits (OPEB) and Air District Use of CalPERS as Funding Agent;
- C) Consideration of Transfer of Funds from Designated Reserves;
- D) Consideration of Resource Funding For IT Infrastructure to Support Business Continuity; and
- E) Consideration of Amendment of FY 2007/2008 Budget to Recognize Increased Revenue Under an Environmental Protection Agency (EPA) Grant.

Attached are the staff reports presented in the Budget and Finance Committee packet.

Chairperson Chris Daly will give an oral report of the meeting.

**BUDGET CONSIDERATION/FINANCIAL IMPACT:**

The recommendation for the Air District use of CalPers as the funding agent would transfer \$2,800,000 from designated reserves for deposit in a CalPERS administered fund.

The recommendation to transfer funds from designated reserves for the Community Outreach budget for FY 07-08 will increase by \$100,000 with the transfer from the designated Reserve for Cleaner Burning Technology Incentives, leaving a balance of \$400,000 in the reserve.

The FY 07-08 Climate Protection budget will increase by up to \$3,000,000 with the transfer from the designated Reserve for Climate Protection.

The recommendation for Resource Funding for IT infrastructure to support business continuity is included in the FY 07/08 budget.

Funds for this Budget Amendment and related purchase order are provided by an increase in the EPA PM<sub>2.5</sub> Grant that will cover the entire cost of the monitoring equipment. There will be no financial impact on the Air District's general revenue resources.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Mary Ann Goodley

**BAY AREA AIR QUALITY MANGEMENT DISTRICT**

Memorandum

To: Chairperson Daly and Members  
of the Budget and Finance Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: December 4, 2007

Re: First Quarter Financial Report – Fiscal Year 2007-08

RECOMMENDED ACTION:

Informational report. Receive and file.

DISCUSSION

GENERAL FUND BUDGET: STATEMENT OF REVENUE

Comparison of Budget to Actual Revenue

- There were no County Revenue receipts received in the first quarter. The bulk of the revenue is received in January and June.
- Permit Fee receipts were \$7,934,004 (40.64%) of budgeted revenue.
- Title V Permit Fees were \$1,086,787 (47.83%) of budgeted revenue.
- Asbestos Fees were \$439,952 (25.30%) of budgeted revenue.
- Toxic Inventory Fees were \$236,784 (44.26%) of budgeted revenue.
- Penalties and Settlements were \$802,506 (35.67%) of budgeted revenue.
- Miscellaneous Revenue receipts were \$22,453 (5.04%) of budgeted revenue.

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES

Comparison of Budget to Actual Expenditures

- Salaries and Benefits were \$9,913,996 (24.86%) of budgeted expenditures.
- Operational Services and Supplies were \$2,218,461(13.04%) of budgeted expenditures.
- Capital Outlay was \$557,710 (11.45%) of budgeted expenditures.

**TFCA FUND: STATEMENT OF INCOME AND EXPENDITURES**

- Total Revenue was \$2,075,181 (16.14%) of budgeted revenue and expenditures.
- In keeping with TFCA Fund requirements, expenditures must equal revenue.
- Salary and Benefits were \$281,837 (13.27%) of budgeted expenditures.
- Operational Services and Supplies were \$1,793,345 (12.47%) of budgeted expenditures.

<b><u>FUND BALANCES</u></b>	<b><u>6/30/2006</u></b>	<b><u>6/30/2007</u></b>	<b><u>6/30/2008</u></b>
	<b><u>Audited</u></b>	<b><u>Unaudited</u></b>	<b><u>Projected</u></b>
<b>SPECIAL RESERVES:</b>			
Imprest Cash	\$1,200	\$500	\$500
Building and Facilities	2,693,550	1,810,315	1,510,315
PERS Funding	3,500,000	3,100,000	2,700,000
Radio Replacement	3,500,000	75,000	75,000
Climate Protection	0	3,000,000	3,000,000
OPEB Liability	0	0	2,800,000
Production System	250,000	1,250,000	1,250,000
Capital Equipment	130,425	130,425	130,425
Encumbrances	2,466,145	2,466,145	2,466,145
Contingencies	400,000	400,000	400,000
Workers Compensation	1,000,000	1,000,000	1,000,000
Cleaner Burning Technology	0	0	500,000
<b>TOTAL SPECIAL RESERVES:</b>	<b>13,941,320</b>	<b>13,232,385</b>	<b>15,832,385</b>
<b>MULTI-YEAR APPROPRIATION</b>			
Appropriation – Production System	1,552,141	152,141	152,141
<b>UNDESIGNATED:</b>	<b>12,934,168</b>	<b>11,934,168</b>	<b>7,724,168</b>
<b>TOTAL FUND BALANCES</b>	<b>\$28,427,629</b>	<b>\$25,318,694</b>	<b>\$23,708,694</b>



BUDGET CONSIDERATION/FINANCIAL IMPACT:

No impact on Fiscal Year 2007/2008 budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Linda J. Serdahl, CPA, CFE

Reviewed by: Jeffrey McKay

**BAY AREA AIR QUALITY MANGEMENT DISTRICT**

## Memorandum

To: Chairperson Daly and Members  
of the Budget and Finance Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: December 5, 2007

Re: Update on Retiree Medical Benefit Obligation and Use of CalPERS as  
Pre-Funding Agent

---

**RECOMMENDED ACTION:**

Recommend that the Board of Directors authorize the Executive Officer/APCO to execute agreements to Pre-Fund Air District "Other Post Employment Benefits" (OPEB) through CalPERS, and provide an initial contribution of \$2,800,000 from the Designated Reserve.

**BACKGROUND:**

Each year the Air District accrues an increasing obligation for future retiree medical benefits. This obligation is referenced as the "Other Post Employment Benefit" (OPEB) obligation in contrast to the pension obligation. The Air District will be required to report this obligation as a liability in its financial statements. Although pre-funding of the OPEB obligation is not required, pre-funding has proven very advantageous for pension obligations.

**DISCUSSION:**

CalPERS has recently initiated a pre-funding plan for health care coverage obligations. This plan offers the benefit provided by CalPERS' high rate of investment return. The accrued OPEB obligation is an actuarially determined figure. Therefore, the annual pre-funding requirement can be significantly reduced when invested with CalPERS as opposed to with a general governmental investment portfolio.

In anticipation of the opportunity to pre-fund, the Air District allocated \$1,400,000 to a designated reserve in each of the two prior fiscal years. This amount is equivalent to the yearly increase in the Air District OPEB obligation for each of those years. The Air District now has the opportunity to move those reserves to a CalPERS fund. The Air District may continue to pre-fund the yearly obligation in each future budget year.

Although the Air District recently began allocating funds to pre-fund the yearly OPEB obligation, there is also a pre-existing obligation from prior years. Staff will provide recommendations for funding that pre-existing obligation at a future committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

This recommendation will transfer \$2,800,000 from designated reserves for deposit in a CalPERS administered fund.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Jeff McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson Daly and Members  
of the Budget and Finance Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: December 5, 2007

Re: Request to Approve Transfer of Funds from Designated Reserves and  
Corresponding Increase to FY 07-08 Budget

---

RECOMMENDED ACTION:

Consider recommending that the Board of Directors approve the following:

- A.) A transfer of \$100,000 from the designated Reserve for the Cleaner Burning Technology Incentives Program and a corresponding increase of \$100,000 to the FY 07-08 Program 302 Community Outreach budget for fireplace and woodstove replacement;
- B.) A transfer of \$1,500,000 from the designated Reserve for Climate Protection and a corresponding increase of \$1,500,000 to the FY 07-08 Program 608 Climate Protection budget for Climate Protection Grant Awards.

BACKGROUND

Woodsmoke

At the July 18, 2007 Budget and Finance Committee meeting, staff presented the proposed Cleaner Burning Technology Incentives Program to encourage the replacement of high-emitting conventional fireplaces and older wood stoves with more modern, EPA-certified wood-burning devices or natural-gas fueled devices. Replacement of high-emitting fireplaces and stoves is recommended because the District likely will not meet the 24-hour Particulate Matter PM<sub>2.5</sub> National Ambient Air Quality Standard, and wood smoke is a major component of PM<sub>2.5</sub> during exceedence days. To fund this program, the Board of Directors approved the establishment of a Designated Reserve of \$500,000.

### Climate Protection Grant Program

Air District staff issued a call for projects for the Climate Protection Grant Program from September 21, 2007 through November 9, 2007. Staff will present recommended grant awards to the Climate Protection Committee at the December 13, 2007 Committee meeting.

### DISCUSSION

#### Woodsmoke

Cleaner burning technology promoted through a “Wood Stove Change-out” program will provide Bay Area residents with financial incentives ranging from \$300 to \$600 to upgrade their current wood burning devices and fireplaces. Conventional fireplaces and uncertified wood stoves emit significantly more PM<sub>2.5</sub> than low emission EPA certified devices and natural gas fired devices and pellet stoves.

In order to reduce wood smoke PM<sub>2.5</sub> emissions in the Bay Area, the Air District is proposing a financial incentive program to encourage the change-out of dirty technology for newer, low emission technology. Staff has examined PM<sub>2.5</sub> emission rates, energy efficiency, green house gas impacts, and random telephone survey results, as factors in setting the incentive amounts. The incentive amounts will be from \$300 to \$600 to convert from either a conventional fireplace or an older, non-EPA certified, wood burning device to a cleaner burning technology. The incentive amounts may need to be adjusted in the future in order to stimulate demand on the part of the public.

Staff is proposing to implement the incentives through a contractual arrangement similar to the mechanism used for the Air District’s Vehicle Buy Back Program. Staff is still developing incentive programs for “do-it-yourself” installations and situations where conventional fireplaces or uncertified wood stoves are completely removed from service. Staff proposes to bring forward those program details at a future Public Outreach Committee meeting.

Staff expects the incentives to be offered to the public in early 2008 and recommends an initial funding level of \$100,000 for the first phase of incentives.

### Climate Protection Grant Program

A transfer of \$1,500,000 from the Reserve for Climate Protection to the Climate Protection Program (Program 608) will allow staff to proceed with establishing funding agreements with grant recipients, pending Board approval of the recommended projects;

BUDGET CONSIDERATION:

The FY 07-08 Community Outreach budget will increase by \$100,000 with the transfer from the designated Reserve for Cleaner Burning Technology Incentives, leaving a balance of \$400,000 in the reserve.

The FY 07-08 Climate Protection budget will increase by \$1,500,000 with the transfer from the designated Reserve for Climate Protection, leaving a balance of \$1,500,000 in the reserve.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Paul Hibser, Henry Hilken, Jeff McKay  
Reviewed by: Jean Roggenkamp, Kelly Wee

**BAY AREA AIR QUALITY MANGEMENT DISTRICT**

Memorandum

To: Chairperson Daly and Members  
of the Budget and Finance Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: December 4, 2007

Re: Resource Funding for IT Infrastructure to Support Business Continuity

RECOMMENDED ACTION:

Authorize the Executive Officer/APCO to execute agreements and issue Purchase Orders not to exceed \$600,000 to enhance Information Systems reliability and efficiency through server consolidation and other related methods in accordance with the FY 07-08 budget.

BACKGROUND

In January of 2007 the Air District embarked on a pilot effort to evaluate server consolidation through virtualization technology. Air District resources were used to engineer the new systems while employing limited contract support from AccessFlow Inc. to fill in knowledge gaps, and train Air District personnel on newer Virtual Server technologies.

Virtual server technologies are targeted for integration in the existing datacenter, and also for support of the new production system. These tools increase efficiency and reliability and also serve to reduce overall operational costs.

Access Flow Inc. was identified as a unique resource in this regard, as they are currently the leading systems integrator, supplier, installer and training resource for virtual server technology in the San Francisco bay area. The vendor performed well and the project was completed on time and on budget, allowing for successful proof of concept of the technology.

DISCUSSION

Staff will present the Air District plan and expected benefit for integrating virtualization technology into existing infrastructure and provide a breakdown of the costs.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

This expenditure is included in the FY 07-08 budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: John Chiladakis  
Reviewed by: Jeff McKay



**BAY AREA AIR QUALITY MANGEMENT DISTRICT**

## Memorandum

To: Chairperson Daly and Members  
of the Budget and Finance Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: November 15, 2007

Re: Consider Amending the FY 2007/2008 Budget to Recognize Increased  
Revenue Under an Environmental Protection Agency Grant

**RECOMMENDED ACTION:**

Consider recommending that the Board of Directors amend the FY 2007/2008 Budget by increasing the Environmental Protection Agency (EPA) Grant Revenue for Particulate Matter 2.5 microns or less (PM<sub>2.5</sub>) by \$185,000, and correspondingly increase the capital equipment budget for Air Monitoring (Program 802). In addition, authorize the Executive Officer/APCO to issue a purchase order for PM<sub>2.5</sub> monitoring equipment not to exceed \$185,000 to meet EPA requirements that these funds be used for this purpose.

**DISCUSSION**

The EPA provided funding for purchase of sampling equipment designed to quantify PM<sub>2.5</sub> in 1999. Since that time, the instrumentation used by the Air District is no longer manufactured and has reached the end of its useful life. The EPA recognized the need to provide funding to replace this sampling equipment and provided an additional \$185,000 in the Federal Fiscal year 2007 – 2008 PM<sub>2.5</sub> Grant specifically designated to purchase new sampling equipment. As outlined by EPA, all replaced equipment will become the property of EPA for their designated use.

There is currently only one major manufacture of this sampling equipment, ThermoFisher Scientific. The Air District has negotiated a quote for \$170,980.53 to replace all Federal Reference Method PM<sub>2.5</sub> sampling equipment currently in use in the air monitoring network. This quote includes a 15% discount from list price. The remaining funds from the grant increase will be used to purchase spare parts to support the new sampling equipment. Therefore, staff requests the Committee recommend that the Executive Officer/APCO be authorized to issue a Purchase Order not to exceed \$185,000 to ThermoFisher Scientific for purchase of this equipment and associated spare parts.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

Funds for this Budget Amendment and related purchase order are provided by an increase in the EPA PM<sub>2.5</sub> Grant that will cover the entire cost of the monitoring equipment. There will be no financial impact on the Air District's general revenue resources.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Eric Stevenson  
Gary Kendall

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson, Mark Ross and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: December 11, 2007

Re: Report of the Climate Protection Committee Meeting December 13, 2007

RECOMMENDED ACTION

The Committee recommends Board of Directors' approval of Climate Protection grant awards totaling up to \$3 million dollars.

DISCUSSION

The Climate Protection Committee will meet on Thursday, December 13, 2007. The Committee will receive the following reports and presentations:

- A) Consideration of Climate Protection Grant Awards; and
- B) Status Report on AB 32 Implementation.

Attached are the staff reports presented in the Climate Protection Committee packet.

Chairperson, Pamela Torliatt will provide an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACTS

A \$3,000,000 transfer from the Reserve for Radio Replacement to fund the Climate Protection Grant incentive program was approved by the Board of Directors on November 1, 2006. A transfer of \$3,000,000 million from Reserve for Climate Protection to the FY 2007/08 budget (Program 608) is requested.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Mary Ann Goodley

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson Torliatt and Members  
of the Climate Protection Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: December 5, 2007

Re: Climate Protection Grant Awards Recommendations

RECOMMENDED ACTION:

Recommend Board of Directors approval of Climate Protection grant awards to applicants listed in Attachment 1, totaling \$1,500,000.

BACKGROUND

The Air District Board of Directors approved the establishment of a \$3,000,000 climate protection incentive program to fund greenhouse gas reduction activities in the Bay Area on November 1, 2006.

On July 19, 2007, staff presented to the Climate Protection Committee concepts for a grant program utilizing a portion of these funds. Based on comments received from the Climate Protection Committee, as well as several months of interviews with a wide variety of stakeholders from local governments, non-profit organizations, small business associations and youth organizations, staff developed guidelines for awarding \$1.5 million of the \$3 million climate protection incentive funds<sup>1</sup>. The grant guidelines, goals, objectives, application procedures, eligibility requirements, and evaluation and scoring criteria (Attachment 2) were approved by the Board of Directors on September 19, 2007.

The grant application period ran from September 21, 2007 through November 9, 2007. Staff held three regional workshops in San Jose, Oakland and Santa Rosa during the first week of October 2007 and fielded numerous telephone and email inquiries during the grant application period. A total of 81 applications were received requesting \$4,759,131. Table 1 provides a summary of applications received.

---

<sup>1</sup> At its July 19<sup>th</sup> meeting the Committee designated the remaining \$1.5 million to provide seed funding for a separate non-profit foundation (\$1 million) and to fund regional climate outreach activities.

**Table 1:  
Summary of Applicants**

<b>Type of Applicant</b>	<b># of Applications</b>
Local Government / Public Agency	37
Non-profit	40
K-12 School	2
Small Business	2
<b>Applications by County</b>	<b># of Applications</b>
Alameda	17
Marin	10
Sonoma	9
Contra Costa	7
San Mateo	7
Santa Clara	7
San Francisco	5
Napa	2
Solano	2
Applications serving multiple counties	15

Nine of these applications lacked required elements and were determined to be ineligible due to being incomplete (see Table 2 below).

## DISCUSSION

The response to this grant program from across the Bay Area was significant and demonstrates a great need in the region for funding to support climate protection efforts. The level of innovation and commitment shown in the applications reflects an exciting opportunity for the Bay Area to shine as the nation’s leading region in climate protection.

A discussion of the evaluation and scoring process follows.

### **Evaluation Criteria**

All applications were scored against the following criteria.

*Potential for GHG Emission Reduction* – how the proposed activity will reduce GHG emissions in the near (1-2 years) and medium (3-5 years) terms.

*Connection with Grant Program’s Objectives* – how well the project meets one or more of the District’s stated objectives.

*Strength and Feasibility of Approach* – likelihood of the strategic approach to achieve its stated goals; appropriateness of budget, deliverables and timeline.

*Organizational Capacity* – the applicant’s history of relevant work, identification of key staff and demonstration of fiscal soundness.

*Matching Funds* – not required, but points were awarded for increasing levels of demonstrated match.

*Demonstration of Climate Achievement* – awards went to demonstration of early action on climate protection (carbon footprint/inventory, reduction target, GHG reduction plan). Some specific grant categories also had additional criteria against which they were scored.

*Engagement of Impacted Communities* (for Climate Planning applications) – how well the project reaches out to and involves targeted impacted communities in their proposed planning process.

*Finance Strategy* (for Capacity-building applications) – demonstration that funding will be provided to sustain the energy officer position after grant funds are expended.

*Cost-effectiveness* (for Regionalizing Best Practices and Fostering Innovation applications) – total dollar amount requested divided by estimated emission reductions.

## **Evaluation Process**

A total of 72 applications met all of the relevant eligibility criteria and were evaluated based on the criteria set forth in the approved Climate Protection Grant Program Guidelines (Attachment 2). Ten Air District staff members participated in teams of two to score applications from five primary categories. All of the scoring team members were provided with training on how to interpret the guidelines and score the proposals. Each team of two discussed the projects together and their rationale for assigning points per the scoring criteria. The program's lead staff person did not participate in the initial scoring but reviewed the scoring of all applications to ensure consistency in assigning points within and between all the scoring teams.

## **Ineligible Grant Applications**

Staff reviewed the applications to determine eligibility based on compliance with criteria set forth in the grant application and guidelines. Table 2 provides a listing of grant applications that were not evaluated because they were deemed to be not eligible. In all cases, applications were deemed ineligible due to an absence of required documentation, such as a project budget, proof of 501(c)(3) tax-exempt status, proof of fiscal solvency, etc.

**Table 2:  
Ineligible Applications**

<b>Category</b>	<b>Sponsor</b>	<b>County</b>	<b>Request</b>
Youth Climate Outreach	Aquarium of the Bay Fdn	Bay Area wide	\$ 25,000
Youth Climate Outreach	Env'l Ed. Center of Marin	Marin	\$ 25,000
Youth Climate Outreach	Friends of Outdoor Rec.	Alameda	\$ 25,000
Youth Climate Outreach	Wilcox High School	Santa Clara	\$ 24,000
Fostering Innovation	W. Oakland Indicators Proj.	Alameda	\$ 74,954
Best Practices	Cool the Earth	Bay Area wide	\$ 75,000
Best Practices	LITE Initiatives	Sonoma	\$ 70,000
category not specified	Computers and Education	not specified	\$ 60,000
category not specified	Green Gears	San Francisco	\$ 16,500
		<b>Total</b>	<b>\$395,454</b>

**Project Scoring**

Attachment 1 lists the final project scores, ranking, amount of funds requested and the amount of funding recommended by staff for the eligible projects. There are six projects for which staff is recommending partial funding due to the scopes of work and deliverables proposed. Five of these projects are within the “Climate Planning” category and include development of Climate Action Plans that are not part of the jurisdictions’ general plan process. Staff’s experience working with organizations like ICLEI indicates that \$40,000 should be sufficient to complete the projects that these applicants have proposed. Within this group, one applicant proposed using grant funds for CEQA review of their general plan update related to greenhouse gases. Staff determined that use of the grant funds for this purpose was not consistent with program goals and objectives. An additional applicant, Acterra, proposed a project with an adjustable scope and staff recommends reducing the organization’s award amount from the requested \$75,000 to \$60,000. These reductions will allow for more funding to be offered to other worthy projects without jeopardizing the integrity of these six proposed projects.

**Projects Recommended for Funding**

A list of all eligible applicants is included in Attachment 1. Projects recommended for funding are those whose scoring places them at or above the \$1.5 million cut-off line. The project at the cut-off line, Urban Releaf, would be partially funded at approximately \$25,000.

**Projects Not Recommended for Funding**

Projects whose scoring places them below the \$1.5 million cut-off line are not recommended for funding at this time (see Attachment 1).

## Emission Reductions

The 27 projects recommended for funding will reduce greenhouse gas emissions in a variety of ways. Some projects, such as those funded under the Youth Climate Outreach, Regionalizing Best Practices and Fostering Innovation categories, will achieve direct emission reductions. Staff is confident that funding these projects will result in a minimum reduction of 340,000 tons of greenhouse gas emissions within 5 years. Projects funded under the Climate Planning and Capacity-building categories will reduce emissions indirectly, through the changes to energy consumption, land use, zoning, transportation planning and waste management that these projects will accommodate. Most of these projects will put in place mechanisms and policy infrastructure that will achieve significant emission reductions long into the future.

## Grant Allocation Summary

Table 3 shows the funding, by category, for the 27 projects recommended for funding.

**Table 3:  
Recommended Climate Protection Grant Program  
Allocations by Category**

<b>Category</b>	<b>Total # of Applications Rec'd</b>	<b># of Projects Recommended for Funding</b>	<b>Total Grant Awards</b>	<b>% of Total Grant Funds</b>
Climate Planning	21	11	\$549,336	37%
Fostering Innovation	26	6	\$399,868	27%
Regionalizing Best Practices	11	4	\$283,360	19%
Capacity-building	9	3	\$200,000	13%
Youth Climate Outreach	14	3	\$67,436	4%
<b>Totals</b>	<b>81</b>	<b>27</b>	<b>\$1,500,000</b>	<b>100%</b>



**BUDGET CONSIDERATION / FINANCIAL IMPACT:**

A \$3,000,000 transfer from Reserve for Radio Replacement to fund this incentive program was approved by the Board of Directors on November 1, 2006. At the December 12, 2007 Budget and Finance meeting, the Committee will consider the transfer of \$1.5 million from Reserve for Climate Protection to the FY 2007/08 budget (Program 608).

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Abby Young  
Reviewed by: Henry Hilken

**ATTACHMENT 1**

**Climate Grant Program Funding Recommendations**

**Breakdown by Category**

Youth Climate Outreach (Youth) 3  
 Climate Planning (CP) 11  
 Capacity-building (CB) 3  
 Regionalizing Best Practices (BP) 4  
 Fostering Innovation (FI) 6

**Breakdown by County**

Alameda 9                      San Mateo 3  
 Contra Costa 4                Santa Clara 4  
 Marin 4                            Solano 1  
 Napa 0                             Sonoma 3  
 San Francisco 1

Category	County	Sponsor	Project Description	Amount recommended	Amt requested	GHG reductions	Meeting District's Objectives	Strength of Approach	Org'l Capacity	Matching Funds	Climate Achievement	Strength of Proposal	Impacted Communities*	Financial Strategy**	Cost Effectiveness***	Total Score	Running Total
FI	Marin	Marin County	Community Choice Aggregation (CCA)	\$ 75,000	\$ 75,000	13	12.5	18.5	9	4	10	5			10	<b>82.0</b>	\$ 75,000
FI	Alameda	City of Berkeley	Sustainable energy financing districts for solar	\$ 75,000	\$ 75,000	15.5	16.5	16	9.5	1.5	10	4.5			8	<b>81.5</b>	\$ 150,000
CP	Alameda	City of Hayward	Develop climate action plan	\$ 40,000	\$ 75,000	15	16	14.5	10	10	6	5	4.5			<b>81.0</b>	\$ 190,000
CP	Alameda	City of Berkeley	Community EMS to implement climate plan	\$ 40,000	\$ 75,000	17	12	15	10	6	8	5	4			<b>77.0</b>	\$ 230,000
BP	Sonoma	City of Sebastopol	Replicate Solar Sebastopol for all Sonoma County	\$ 73,360	\$ 73,360	12	15	19	7.5	1	8	4			10	<b>76.5</b>	\$ 303,360
CP	Alameda	Alameda County	Develop climate action plan	\$ 40,000	\$ 74,970	14	14	16.5	9	10	6	3.5	3			<b>76.0</b>	\$ 343,360
FI	Sonoma	City of Santa Rosa	Biomass from wastewater technology	\$ 75,000	\$ 75,000	12.5	15.5	16.5	9	4	8	5			5	<b>75.5</b>	\$ 418,360
CP	Contra Costa	City of Richmond	Integrate climate into general plan	\$ 74,987	\$ 74,987	14.5	17	17	9.5	8	0	4	5			<b>75.0</b>	\$ 493,347
CB	Alameda	City of Newark	Fund Climate Protection Special Assistant	\$ 50,000	\$ 50,000	17.5	11.5	13.5	8	10	4	4		6		<b>74.5</b>	\$ 543,347
FI	San Francisco	Sustainable Earth Initiative	Promote fleet management tools to private fleets	\$ 75,000	\$ 75,000	9	15.5	15.5	10	2	7	5			10	<b>74.0</b>	\$ 618,347
CP	Alameda	City of San Leandro	Develop local climate action plan	\$ 40,000	\$ 49,571	15.5	13.5	18.5	9	6	6	4.5	0.5			<b>73.5</b>	\$ 658,347
CP	San Mateo	Redwood City	Develop local climate action plan	\$ 55,000	\$ 55,000	13.5	11.5	18.5	8.5	10	0.5	4.5	5			<b>72.0</b>	\$ 713,347
CB	Sonoma	City of Rohnert Park	Municipal Efficiency Coordinator position	\$ 75,000	\$ 75,000	14.5	9	13	9.5	6	5	4		9.5		<b>70.5</b>	\$ 788,347
CP	Marin	City of San Rafael	Develop local climate action plan	\$ 25,000	\$ 25,000	14	13	10.5	9.5	10	4	5	4			<b>70.0</b>	\$ 813,347
CP	Solano	City of Vallejo	Integrate climate into general plan	\$ 75,000	\$ 75,000	18.5	12	18.5	9	6	0	4	0.5			<b>68.5</b>	\$ 888,347
BP	S Mateo, S Clara	Sustainable Silicon Valley	Packaging, promoting business best practices	\$ 75,000	\$ 75,000	12.5	13.5	18.5	9.5	0	0	4			10	<b>68.0</b>	\$ 963,347
CP	Santa Clara	City of Mountain View	Integrate climate protection into general plan	\$ 45,130	\$ 59,730	16.5	10.5	18.5	8.5	6	2	4	1.5			<b>67.5</b>	\$ 1,008,477
FI	Bay Area wide	Trans. & Land Use Coalition	LEED-type certification for traffic reduction	\$ 75,000	\$ 75,000	11	15.5	17.5	8.5	3	0	3.5			8	<b>67.0</b>	\$ 1,083,477
CB	Marin	City of Novato	County-wide energy officer circuit rider	\$ 75,000	\$ 75,000	18	13	10	7	4	4.5	3		7.5		<b>67.0</b>	\$ 1,158,477
BP	S Mateo, S Clara	Acterra	Neighborhood-based home greening	\$ 60,000	\$ 75,000	12	16	19	10	1	0	5			4	<b>67.0</b>	\$ 1,218,477
Youth	Alameda, C Cost	Earth Team	Cool Schools	\$ 25,000	\$ 25,000	20	16	15	9	4	0	3				<b>67.0</b>	\$ 1,243,477
CP	Alameda	Cities of Albany & Piedmont	Develop local climate action plan for 2 cities	\$ 55,000	\$ 55,000	12	12.5	15.5	8.5	4	6	4.5	3.5			<b>66.5</b>	\$ 1,298,477
Youth	Contra Costa	Solar Living Institute	Train students to install solar PV	\$ 25,000	\$ 25,000	9.5	18	19	10	5	0	5				<b>66.5</b>	\$ 1,323,477
Youth	Santa Clara	Breathe California	Trip reduction outreach in 3 schools in Milpitas	\$ 17,436	\$ 17,436	21	16	12	10	1	1	5				<b>66.0</b>	\$ 1,340,913
CP	Contra Costa	Contra Costa County	Develop climate action plan	\$ 59,219	\$ 59,219	12.5	12	11.5	8.5	10	4.5	5	2			<b>66.0</b>	\$ 1,400,132
BP	Marin	Strategic Energy Innovations	Helping local governments reduce GHGs	\$ 75,000	\$ 75,000	12	14	18	9	3	0	4			6	<b>66.0</b>	\$ 1,475,132

Category	County	Sponsor	Project Description	Amount recommended	Amt requested	GHG reductions	Meeting District's Objectives	Strength of Approach	Org'l Capacity	Matching Funds	Climate Achievement	Strength of Proposal	Impacted Communities*	Financial Strategy**	Cost Effectiveness***	Total Score	Running Total
FI	Alameda	Urban Releaf	Heat island mitigation, green jobs for youth	\$ 75,000	\$ 75,000	9.5	17	17.5	9.5	5	0	5			2	65.5	\$ 1,550,132
FI	Sonoma	City of Santa Rosa	Water conservation in commercial laundry facilities	\$ 43,000	\$ 43,000	10	10	14	5	5	8	4			9	65.0	\$ 1,593,132
Youth	Marin	Marin Conservation Corp	School-based "cancel-a-car"	\$ 25,000	\$ 25,000	23	11	13	10	4	0	4				65.0	\$ 1,618,132
FI	San Francisco	SF Power	Community-based carbon-trading experiment	\$ 75,000	\$ 75,000	9.5	14	16.5	8.5	3.5	2.5	4			6	64.5	\$ 1,693,132
CP	Alameda	City of Fremont	Integrate climate protection into general plan	\$ 70,962	\$ 70,962	11.5	10.5	15.5	8.5	6	2.5	4.5	4.5			63.5	\$ 1,764,094
CP	Alameda	City of Oakland	Municipal energy action plan	\$ 71,000	\$ 71,000	10	15	15.5	7	6	4	3.5	2.5			63.5	\$ 1,835,094
CP	San Mateo	City of Menlo Park	Develop local climate action plan	\$ 25,000	\$ 25,000	13	8.5	18.5	9	2	4	5	3			63.0	\$ 1,860,094
FI	Bay Area-wide	Build It Green	Tracking system for green rated homes	\$ 75,000	\$ 75,000	11	14.5	18	9.5	0.5	0	4.5			5	63.0	\$ 1,935,094
BP	Sonoma	Accountable Dev. Coalition	Promote green building ordinances	\$ 30,000	\$ 30,000	15	16	7	9	1	0	4			10	62.0	\$ 1,965,094
FI	Marin	Water Planet Alliance	Technical support for Marin CCA	\$ 74,438	\$ 74,438	7	11	14.5	9	1	4.5	4.5			10	61.5	\$ 2,039,532
FI	Sonoma	Climate Protection Campaign	Explore getting Sonoma to join Marin's CCA	\$ 75,000	\$ 75,000	11	17	17	10	1	0	5			0	61.0	\$ 2,114,532
CB	Santa Clara	Santa Clara County	Fund Utility Prog. Manager & Climate Coordinator	\$ 75,000	\$ 75,000	12.5	14	12	7.5	2	1	4		8		61.0	\$ 2,189,532
CB	Santa Clara	City of Sunnyvale	Fund Sustainability Officer	\$ 55,550	\$ 55,550	15.5	10	12	8.5	4	4.5	3		3.5		61.0	\$ 2,245,082
CP	Solano	City of Benicia	Develop local climate action plan	\$ 50,000	\$ 50,000	11.5	10	14	8	8	0	5	4.5			61.0	\$ 2,295,082
CP	San Mateo	City of San Carlos	Integrate climate into general plan	\$ 75,000	\$ 75,000	14	8	17.5	9.5	6	0	4	2			61.0	\$ 2,370,082
BP	Sonoma	Sonoma County	Packaging, training best practices for local govts	\$ 75,000	\$ 75,000	8	11	16	6	2	10	4			3	60.0	\$ 2,445,082
Youth	Alameda	Trans.and Land Use Colaition	Pollution Punchcard in schools for trip reduction	\$ 25,000	\$ 25,000	10	16	19	9	2	0	4				60.0	\$ 2,470,082
Youth	Marin	Strategic Energy Innovations	Youth-led energy audits for affordable housing	\$ 24,986	\$ 24,986	19	14	12	9	1	0	4				59.0	\$ 2,495,068
Youth	Sonoma	Sonoma Ecology Center	Training 6th graders to do home energy upgrades	\$ 25,000	\$ 25,000	8	15	17	10	3	0	5				58.0	\$ 2,520,068
CB	Alameda	City of El Cerrito	Fund Municipal Energy Office	\$ 75,000	\$ 75,000	8.5	10	13.5	7.5	4	2.5	4		7.5		57.5	\$ 2,595,068
CP	San Mateo	Town of Hillsborough	Integrate climate protection into general plan	\$ 69,620	\$ 69,620	12.5	10	12	8.5	8	0	4	2			57.0	\$ 2,664,688
CB	San Mateo	San Mateo County	Fund Municipal Energy Office	\$ 75,000	\$ 75,000	16	8.5	11.5	6	3	3	3		4.5		55.5	\$ 2,739,688
CP	San Mateo	City of San Mateo	Community Energy Ed/Outreach Officer	\$ 75,000	\$ 75,000	11.5	10.5	13	8	0	5	4.5	2.5			55.0	\$ 2,814,688
CP	Contra Costa	City of Lafayette	Integrate climate into downtown plan	\$ 75,000	\$ 75,000	11.5	9	13.5	9	2	0.5	4.5	3.5			53.5	\$ 2,889,688
FI	Bay Area wide	ICLEI	Early action handbook for GHG reduction	\$ 52,109	\$ 52,109	6	11	14	6	1	0	4			10	52.0	\$ 2,941,797
CP	Napa	Napa Co. Transport. Authority	"Circuit rider" for Napa cities to do climate plans	\$ 75,000	\$ 75,000	9.5	9	14	8	4	1	4.5	2			52.0	\$ 3,016,797
FI	Alameda	Eco-city Builders	Innovative sustainable development in Oakland	\$ 75,000	\$ 75,000	6.5	15	14	10	2	0	4			0	51.5	\$ 3,091,797
FI	Marin	Strategic Energy Innovations	Solar for public facilities, schools, non-profits	\$ 70,000	\$ 70,000	7	15	14.5	9.5	1	0	4			0	51.0	\$ 3,161,797
CB	S Mateo, S Clara	Joint Venture Silicon Valley	Circuit rider energy officer	\$ 75,000	\$ 75,000	16.5	8	10	6.5	2	0	3		5		51.0	\$ 3,236,797
BP	Napa	Gasser Foundation	Helping non-profits measure/reduce GHGs	\$ 65,600	\$ 65,600	8	10.5	14.5	9	1.5	0	3			4	50.5	\$ 3,302,397
FI	Alameda	KyotoUSA	Community off-set fund	\$ 74,908	\$ 74,908	5	15.5	14.5	8	1.5	0	3.5			2	50.0	\$ 3,377,305
FI	San Francisco	Literacy for Env'l Justice	Construction of off-grid outdoor education center	\$ 73,785	\$ 73,785	6	16	13	8	3	0	3			0	49.0	\$ 3,451,090

Category	County	Sponsor	Project Description	Amount recommended	Amt requested	GHG reductions	Meeting District's Objectives	Strength of Approach	Org'l Capacity	Matching Funds	Climate Achievement	Strength of Proposal	Impacted Communities*	Financial Strategy**	Cost Effectiveness***	Total Score	Running Total
FI	not yet known	Greenbelt Alliance	Decision-support tool on climate impacts of dev.	\$ 75,000	\$ 75,000	6	14	14	9	2	0	4			0	49.0	\$ 3,526,090
FI	San Francisco	City of San Francisco	Library-based community outreach	\$ 75,000	\$ 75,000	6.5	14	14	6	4	0	4			0	48.5	\$ 3,601,090
CP	Santa Clara	City of Campbell	Integrate climate into general plan	\$ 75,000	\$ 75,000	7.5	10	15	8.5	0	0	4.5	3			48.5	\$ 3,676,090
Youth	Contra Costa	Ma'at Youth Academy	Anti-idling youth outreach	\$ 13,000	\$ 13,000	6	17	9	10	0	0	4				46.0	\$ 3,689,090
FI	S Mateo, S Clara	Joint Venture Silicon Valley	Innovative fundraising for small projects	\$ 30,000	\$ 30,000	9	11.5	12.5	7.5	0	0	4			0	44.5	\$ 3,719,090
BP	San Mateo	Sustainable San Mateo	Promote numerous GHG best practices to cities	\$ 75,000	\$ 75,000	8	8	11	9	2	0	4.5			0	42.5	\$ 3,794,090
FI	Bay Area wide	Breath California	Replicate Berkeley's solar financing initiative	\$ 75,000	\$ 75,000	6	11.5	11.5	7	1	0	4			0	41.0	\$ 3,869,090
FI	not yet known	Livability Project	Sustainability mapping process	\$ 73,200	\$ 73,200	4.5	12	12.5	7.5	0.5	0.5	2.5			1	41.0	\$ 3,942,290
FI	Alameda	Hayward Area Planning Assn	Measuring GHG benefits of sustainable dev.	\$ 50,000	\$ 50,000	5	13	11	6.5	2	0	3.5			0	41.0	\$ 3,992,290
Youth	Contra Costa	Alhambra High School	Solar demonstration project	\$ 22,496	\$ 22,496	8	7	16	7	0	0	2				40.0	\$ 4,014,786
FI	Bay area wide	Bay Area Alliance for SD	Support MTC's transport, pricing innovations	\$ 75,000	\$ 75,000	5	14	9	4.5	2	1	4			0	39.5	\$ 4,089,786
Youth	Marin	Novato Public Access TV	Youth-targeted web episodes	\$ 24,900	\$ 24,900	4	8	12	9	2	0	3				38.0	\$ 4,114,686
BP	Contra Costa	Generation Green	Set up Climate Protection Campaign in CC County	\$ 29,850	\$ 29,850	4.5	4	10.5	8	4	0	3			0	34.0	\$ 4,144,536
CB	Santa Clara	City of Campbell	Fund Municipal Energy Office	\$ 75,000	\$ 75,000	2.5	7	4.5	6.5	2	0	1		2		25.5	\$ 4,219,536

\* This criteria applies only to Climate Planning applications

\*\* This criteria applies only to Capacity-building applications

\*\*\* This criteria applies only to Regionalizing Best Practices and Fostering Innovation categories

## ATTACHMENT 2

# Bay Area Air Quality Management District Climate Protection Grant Program GUIDELINES

## SECTION I GENERAL INFORMATION

### Background

The Bay Area Air Quality Management District (District) is committed to achieving clean air to protect the public's health and the environment. The District adopts and enforces regulations and implements programs to achieve healthy air quality.

In June of 2005, the District established a Climate Protection Program to reduce pollutants that contribute to global climate change and affect air quality in the Bay Area. Temperature increases due to global warming may impact the region's air quality. Many of the actions that can be taken to reduce the greenhouse gas emissions that contribute to global warming also reduce harmful local air pollutants. The District seeks to support and complement current climate protection programs in the region, stimulate additional emission reduction efforts through public education, outreach, and technical assistance to local governments and other interested parties, and promote collaboration among stakeholders.

Also in June of 2005, Governor Schwarzenegger signed Executive Order # S-3-05, establishing greenhouse gas reduction targets for the State:

- By 2010, Reduce to 2000 Emission Levels
- By 2020, Reduce to 1990 Emission Levels
- By 2050, Reduce to 80 percent Below 1990 Levels

The Governor formed the multi-departmental Climate Action Team to implement global warming emission reduction programs and report on the progress made toward meeting the statewide greenhouse gas targets that were established in the executive order. In September of 2006, the State Legislature passed the California Global Warming Solutions Act of 2006 (AB 32), codifying the Governor's goal by requiring that the State's global warming emissions be reduced to 1990 levels by 2020. This law represents the first mandatory reduction target for greenhouse gas emissions in the nation.

State strategies to address these new greenhouse gas emission reduction targets, including the *2006 Climate Action Team Report to the Governor and Legislature*, and the state Air Resources Board's *Proposed Early Actions to Mitigate Climate Change in California*, recommend many actions to be taken to begin reducing greenhouse gas emissions. These efforts, however, do not fully address actions that are best initiated at the local level, such as land use and transportation planning, and public outreach and education.

Achieving greenhouse gas emission reductions on the scale called for by the State of California will require significant action on the parts of governments, businesses, institutions and communities throughout the Bay Area. In order to achieve this, a major refocusing of resources and support for climate activities must occur. Existing grant programs will not be enough to facilitate the scale of activity required. On November 10, 2006, the District led a Summit of 500 Bay Area business, community, and government leaders to seek and implement local solutions to climate change. At the Summit, the District announced its plans to create a new grant program to support climate protection activities in the Bay Area.

In developing this new grant program, the District conferred with numerous stakeholders, funders and public agencies in the Bay Area. These guidelines reflect the outcomes of those communications as well as the strategic objectives of the District.

### **Geographic region**

Grants will be made to eligible applicants that provide services within the District's 9-county jurisdiction. This encompasses all of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo and Santa Clara counties, and the southern parts of Solano and Sonoma counties.

### **Grant range**

A total of \$1.5 million is available for climate protection grants. Grants will range from \$10,000 - \$75,000, depending on program area.

### **Duration**

Grant periods may range from 12-24 months, depending on program area.

### **Who Can Apply**

Eligible applicants include public agencies, non-profit 501c3 organizations, K-12 schools and small businesses<sup>1</sup> located in the 9-county jurisdiction of the District. Eligible grant recipients must be responsible for the implementation of the project and have the authority and capability to complete the project.

### **Available Funds**

The District is focusing its climate protection grant funding on areas where there is a demonstrated need for resources, where there is a synergy with the District's own mission and approach, and where resources can be utilized to achieve long-term impact on reducing greenhouse gas emissions. The District's Climate Protection Grant Program will fund activities in the areas of outreach, city and county planning, and strategies that have a regional impact in reducing greenhouse gas emissions.

---

<sup>1</sup> In order to be eligible for grants, business applicants must fall within the size limits defined by the Small Business Administration see [http://www.sba.gov/idc/groups/public/documents/sba\\_homepage/serv\\_sstd\\_tablepdf.pdf](http://www.sba.gov/idc/groups/public/documents/sba_homepage/serv_sstd_tablepdf.pdf).

<b>Program Area</b>	<b>Amount Available</b>
<b><i>Outreach</i></b>	
Youth Climate Grants	grant range: \$10,000 - \$25,000
<b><i>Climate Planning</i></b>	
Climate Protection Planning Grants	grant range: \$25,000 - \$75,000
Capacity-building Grants	grant range: \$50,000 - \$75,000
<b><i>Regional Strategies</i></b>	
Regionalizing Best Practices Grants	grant range: \$25,000 - \$75,000
Fostering Innovation Grants	grant range: \$25,000 - \$75,000

**Ineligible activities**

The Grant Program will not fund:

- cost of preparing or submitting grant application
- deficit budgets
- lobbying
- endowment campaigns
- fundraising activities
- grants/scholarships to individuals
- primary academic research
- marketing of products or technologies
- R&D for new technologies or products

District funds may only be used for project costs that are incurred after the date that the funding agreement is fully executed.

**Important dates**

September 21, 2007	Release of solicitation
October 2007	Public workshops
November 9, 2007	All proposals are due
December 2007	Proposed grant awards reviewed by Air District Board of Directors (tentative)
December 2007	Awards are announced
January / February 2008	Prepare and execute funding award agreements

**Contact Information**

Grant applicants are encouraged to discuss their grant applications with District staff prior to submittal. The primary District contact person for the Climate Protection Grant Program is:

Abby Young  
Principal Environmental Planner  
ayoung@baaqmd.gov  
415-749-4754

## SECTION II GOAL AND OBJECTIVES

The over-arching goal of the Bay Area Climate Protection Grant Program is to ***achieve meaningful reductions in greenhouse gas emissions through implementation of long-term solutions throughout the region.***

The District will achieve this goal by funding activities that support the following objectives. These objectives represent cross-cutting principles that apply to all grant program areas.

*Objective 1: Expand tested approaches to achieve regional reductions in greenhouse gas emissions*

There are many “best practices” for reducing greenhouse gas emissions. The District seeks to identify those best practices with the biggest potential for reducing emissions and that are ripe for widespread replication, and facilitate implementation of those practices across the region.

*Objective 2: Implement innovative new approaches with regional potential*

There are a lot of great ideas that may never come to fruition simply because there are no resources to “think them out”. Grant funds may be used for scoping and incubating innovative new projects or policy approaches, followed by a regional implementation phase.

*Objective 3: Institutionalize long-term climate protection through the planning process*

The District encourages local planning processes to integrate greenhouse gas reduction in the best manner to ensure long-term reductions. This may be through the land use planning process, the environmental review process, or through integration into development guidelines.

*Objective 4: Achieve market transformation favoring “climate friendly” goods and services*

Large-scale demand changes can drive the market for environmentally responsible goods and services. Grant funds may be used to facilitate widespread regional implementation of model practices that promote “climate friendly” goods and services.

*Objective 5: Implement activities that achieve other co-benefits and reduce criteria air pollutants and toxic air contaminants*

Many, but not all, actions that reduce greenhouse gas emissions also reduce criteria air pollutants (ozone, carbon monoxide, particulate matter, sulfur dioxide, lead, and nitrogen oxide) and toxic air contaminants<sup>2</sup>. Other economic and quality of life co-benefits from reducing greenhouse gas emissions can include job creation, financial savings, reductions in energy and fuel use, improvements to community livability, reduced traffic congestion, etc. The District seeks to fund projects that demonstrate benefits in addition to greenhouse gas reduction.

---

<sup>2</sup> For a list of toxic air contaminants, see [http://www.oehha.ca.gov/air/toxic\\_contaminants/pdf\\_zip/Appendix%20A.pdf](http://www.oehha.ca.gov/air/toxic_contaminants/pdf_zip/Appendix%20A.pdf)



*Objective 6: Engage impacted communities<sup>3</sup> in projects and planning processes*

High levels of harmful emissions – toxic air contaminants, particulate matter and emissions that lead to smog formation – often occur near communities where, due to age (youth or seniors), high rates of asthma or other medical conditions, lack of medical services, and other socio-economic factors, residents may be particularly sensitive to the effects of these emissions. These “impacted communities” are often also those most at risk from the perils of climate change (extreme weather impacts, increased health risks, etc.), while at the same time potentially benefiting from the promise of climate protection solutions (financial savings, job creation, improved air quality, etc.). The District seeks to fund projects that engage impacted communities in the planning process, and by ensuring their ability to enjoy the many co-benefits of climate protection activities.

All proposals will be evaluated in part according to how well they address one or more of these objectives.

### **SECTION III APPLICATION PROCEDURES**

#### **Application Process**

Applications are due no later than 5:00pm on Friday, November 9, 2007. Applications submitted after 5:00pm on Friday, November 9, 2007, or incomplete applications, will not be accepted.

#### **Electronic Submittal Process**

In support of its internal policy of being a carbon neutral agency, the District is conducting a paperless application process for this grant program. All proposals must be submitted electronically to [climategrants@baaqmd.gov](mailto:climategrants@baaqmd.gov). Failure to do so may result in your application not being reviewed. Faxed, mailed or couriered proposals will not be accepted. ***If you have not received a confirmation of receipt from the District within 3 days of the application deadline, please contact Abby Young at 415-749-4754.*** Applicants that foresee a problem meeting this requirement should contact Abby Young.

#### **Formatting**

Proposals must be single-spaced, with a minimum of 1 inch margins and 12 point font. The District’s Climate Protection Grant Cover Sheet (Appendix A) will serve as the proposal’s cover sheet / title page. Proposals should have the name of the applying organization and page number on each page. Proposals must be submitted as either PDF or Word documents.

---

<sup>3</sup> See [http://www.baaqmd.gov/pln/grants\\_and\\_incentives/carl\\_moyer/PM\\_Exposure\\_Map.pdf](http://www.baaqmd.gov/pln/grants_and_incentives/carl_moyer/PM_Exposure_Map.pdf) for a map of areas within the Bay Area region that are considered “impacted communities” by the District.

## **Application Requirements**

***Any items submitted other than those specified in these application requirements will not be reviewed.***

### Cover page

Use the District's Climate Protection Grant Program Cover Page located in Appendix A as the first page of your application packet. The cover page must be signed by a person with authority to legally bind your organization (in electronic applications, a typed in name is legally equivalent to a signature<sup>4</sup>).

### Proposal Narrative – Maximum 8 pages

Requirements vary by grant program area – see Section IV below. Please use required elements as headings in your narrative to facilitate evaluation of your proposal.

### Organizational Capacity – Maximum 3 pages

Provide a brief description of the applying organization and its demonstrated ability to achieve success with the proposed activity. Include a bio (1 paragraph) for each key staffperson.

### Project Budget – Maximum 2 pages

Provide a full budget for the proposed activity, broken out by year (if applicable). Identify budget line items funded by the District's Climate Protection Grant Program. List all other funders, their total contribution (including in-kind), and indicate whether or not that contribution has been secured (in-hand), committed, requested or not yet requested. *In evaluation scoring, in-kind resources will count 50% as much as cash contributions.*

Include, at a minimum, the following line items:

- Salary – list project team members, hours for each and hourly rates for each
- Fringe/benefits – list fringe rate
- Consultants/sub-contractors – list estimated hours and rates
- Meetings (convening of) – any public meetings, workshops, trainings, etc. required as part of your project (NOT internal project team meetings)
- Materials design & production (including web)
- Indirect expenses / overhead – list your indirect/overhead rate

In addition, provide a brief budget narrative of 1-2 sentences on each line item to add clarity and specificity.

### Required Attachments

*For local governments and public agencies:*

- list of 3 most recent grantors with contact information
- letters of commitment from any significant project partners itemizing what they are providing (technical support, matching funds, etc.)
- authorizing letter of commitment approving the submittal of the proposal and identifying the individual authorized to submit and carry out the proposal.

---

<sup>4</sup> See the Electronic Signatures in Global and National Commerce Act, <http://www.ftc.gov/os/2001/06/esign7.htm>

*For non-profit organizations:*

- list of Board of Directors with affiliations
- 501c3 IRS designation letter
- 2006 audit
- organizational budgets for 2007 (or FY 07/08) and 2008 (or FY 08/09)
- letters of commitment from any significant project partners itemizing what they are providing (technical support, matching funds, etc.)
- authorizing letter of commitment approving the submittal of the proposal and identifying the individual authorized to submit and carry out the proposal.

*For K-12 schools:*

- list of 3 most recent grantors with contact information
- letters of commitment from any significant partners itemizing what they are providing (technical support, matching funds, etc.)
- authorizing letter of commitment approving the submittal of the proposal and identifying the individual authorized to submit and carry out the proposal.

*For small businesses:*

- proof of fiscal solvency (balance sheet, etc.)
- letters of commitment from any significant project partners itemizing what they are providing (technical support, matching funds, etc.)
- authorizing letter of commitment approving the submittal of the proposal and identifying the individual authorized to submit and carry out the proposal.

**Demonstration of Climate Achievement**

Applicants demonstrating achievement in climate protection by completing a greenhouse gas emissions inventory, adopting a greenhouse gas emission reduction target, or developing a greenhouse gas reduction strategy, will receive points in the evaluation criteria. *Documentation of climate achievement (e.g. copy of or web link to inventory/plan/target) must be included in application as an attachment.*

**Evaluation Criteria and Scoring**

Specific evaluation criteria and their relative weights in scoring applications are listed in each of the grant program areas in Section IV below.

**SECTION IV GRANT PROGRAM AREAS**

The District is offering grants in three program areas: Outreach, Climate Planning, and Regional Strategies. Under each program area, specific proposal requirements and evaluation criteria (scoring) are listed, as well as examples of potentially fundable projects. The sample projects listed are given to provide general guidance, and are neither intended to limit the range of projects submitted for funding nor to assure funding for any particular project.

## **1) Outreach**

Through its outreach grants, the District seeks to promote personal behavior alternatives to carbon-intense consumption and lifestyle patterns, and empower youth to play a significant role in developing the region's climate solutions.

⇒ *Youth Climate Grants*

Grant range: \$10,000 – 25,000

Duration: 12 months

Eligible applicants: youth/community organizations, K-12 schools

The young people of today will be the decision-makers of tomorrow. The District seeks to empower young people to begin developing solutions to climate change. Grants will support activities that have a strong impact beyond the borders of an individual school (i.e. to homes, other campuses, the community at large).

Eligible projects could include (but are not limited to):

- campus-based education and greenhouse gas reduction activities;
- school-to-home education that encourages actions at home or in the community;
- reduction in school-related vehicle travel (field trips, sports “away games”, etc.);
- projects that get kids to walk, ride bikes/scooters/skateboards, take transit or carpool to school instead of driving or being driven;
- innovative peer-to-peer education approaches (multi-media, arts, web-based, etc.);
- school-to-school best practice exchanges and presentations.

The District discourages proposals for curriculum development (which the District is addressing outside of this grant program).

### ***Proposal Narrative Requirements for Outreach Grants***

Proposal narratives must not exceed 8 pages. Proposals should be concise, and adequately and clearly address the following elements. Proposal narratives must include ALL of the following:

- Description of the project – Provide a concise description of what you will undertake and the amount requested.
- Need(s) being addressed – Succinctly explain the need for the proposed activity and why funding from the District is critical in meeting that need.
- Goals and objectives of the proposed activity – List all goals and objectives for the proposed activity. Goals are broad aspirations, such as “increasing energy efficiency in low income households,” whereas objectives are means to achieving a goal, such as “improving weatherization in homes,” which helps achieve the goal of increasing energy efficiency.
- Strategic approach – The strategic approach describes how objectives (improving weatherization in homes) will be achieved (through neighborhood workshops, etc.). Include a detailed description of what you will do, how you will do it, any partners you will collaborate with, and why this particular approach is proposed. Make sure your strategic approach relates to the goals and objectives you have listed.

- Connection with District's goal and objectives – State specifically how your project and approach will support the District's goal and objectives; be clear as to which objective(s) your project will support.
- Potential for GHG reduction – Provide a qualitative discussion of how your proposed activity will ultimately result in the reduction of greenhouse gas emissions. What are the nature of the emission reductions: upstream/downstream, direct/indirect, short-term/long-term? Support your assertions with realistic estimates of the impact your project will have, in terms such as the size of your target audience, number of people reached (directly and indirectly), events held, etc. Explain how you arrived at your estimations. Use the emissions quantification guidelines in Appendix B to make your estimations.
- Achievement of co-benefits – Discuss benefits above and beyond reduction of greenhouse gas emissions that will accrue as a result of your proposed activity, focusing on reduction in criteria air pollutants and toxic air contaminants (improving air quality), reduction in energy and fuel (gasoline, diesel) use, and benefits to impacted communities. Use quantitative descriptions of co-benefits as much as possible, clearly explaining the assumptions and methodologies you used for making your estimations.
- Measuring success – Clearly state the metrics by which you will evaluate success – how will you know that you have achieved your goals and objectives? You may use both qualitative and quantitative metrics.
- Timeline / Deliverables – Create an easy-to-read table listing major deliverables and estimated months in which each deliverable will be completed.

***Evaluation Criteria and Scoring for Outreach grants***

Potential for GHG reduction	25
Connection with Grant Program's objectives	20
Strength and feasibility of strategic approach	20
Organizational capacity (including fiscal soundness)	10
Matching funds	10
Demonstration of climate achievement	10
<u>Strength of proposal (adheres to instructions, well-written)</u>	<u>5</u>
Total possible points	100

**2) Climate Planning**

Local governments directly control or strongly influence many of the activities that produce greenhouse gas emissions in communities. They do this through their authority over land use, zoning, permitting, building codes, development standards, design guidelines and waste management, and through their influence over energy use, transportation choices and economic development. The District views the local planning process as a central mechanism to reduce energy use and greenhouse gas emissions. The District will offer two types of climate planning grants.

⇒ *Climate Protection Planning Grants*  
Grant range: \$25,000 – 75,000  
Duration: 1-2 years  
Eligible applicants: local governments

These grants may be used for integrating climate protection into local general plans by developing goals, policies, implementation measures and evaluation metrics. Grants may also be used for developing stand-alone climate protection plans. Applicants are encouraged to reach out to impacted communities and actively engage them in the planning process.

Eligible projects could include (but are not limited to):

- expansion of technical capacity (by fully funding existing part-time staff, adding temporary staff, or hiring consultants ) to integrate climate planning into general plan processes;
- developing and implementing public input process for integrating climate protection planning into existing planning processes or for a stand-alone climate action plan;
- active engagement of impacted communities in the climate planning process.

The District discourages proposals to assist with planning processes that do not specifically address climate protection, or that only address climate change preparation/adaptation and not the reduction of greenhouse gas emissions.

⇒ *Capacity-building Grants*  
Grant range: \$50,000 - 75,000  
Duration: 12-18 months  
Eligible applicants: local governments

History has demonstrated that local governments most successful at climate protection are those that have energy officers dedicated to monitoring energy use and coordinating the implementation of the local government's adopted climate protection program. Through the Capacity-building grants, seed funding is available for local governments to establish internal staffing positions to manage and coordinate energy and climate protection programs. In almost all cases, municipal energy officers pay for their own positions through energy savings and grant writing (i.e., securing new funds). The purpose of these grants is to build the capacity within local governments to sustain a full-time position responsible for reducing the local government's energy use and coordinate climate protection activities.

Examples of the type of work energy officers might do:

- perform audits of municipal buildings and facilities to identify potential energy savings;
- conduct surveys of employee behavior to identify potential energy savings;
- review energy bills to check for accuracy/find over-payments;
- serve as point of contact for new energy information, opportunities;
- develop energy plan for municipality;
- identify sources of new (grant) funding or assistance and apply for it.

The District will provide funding for this position for a period of 12-18 months, after which the position must be self-sustaining. Applicants must demonstrate clearly in their

proposals a financing strategy for supporting the position for a minimum of two years after the period of seed funding ends.

### ***Proposal Narrative Requirements for Climate Planning Grants***

Proposal narratives must not exceed 8 pages. Proposals should be concise, and adequately and clearly address the following elements. Proposal narratives must include ALL of the following:

- Description of the project – Provide a concise description of what you will undertake and the amount requested.
- Need(s) being addressed – Succinctly explain the need for the proposed activity, including any mandates from your local government, and why funding from the District is critical in meeting that need.
- Strategic approach – Include a detailed description of what you will do, how you will do it, any partners you will collaborate with, and why this particular approach is proposed.
- Connection with District's goal and objectives – State specifically how your project and approach will support the District's goal and objectives; be clear as to which objectives your project will support.

- Potential for GHG reduction –

FOR CLIMATE PROTECTION PLANNING GRANTS: Describe how climate protection planning principles would be integrated into the planning documents (including which elements), or how stand-alone climate action plans would be implemented to reduce greenhouse gas emissions. Discuss the degree of influence your proposed planning activity has over emission-producing activities in your community (e.g. will targets and implementation actions be mandatory versus voluntary). Use the emissions quantification guidelines in Appendix B to make your estimations.

FOR CAPACITY-BUILDING GRANTS: Discuss the potential opportunities that exist within your local government to reduce energy use and therefore greenhouse gas emissions. Use the emissions quantification guidelines in Appendix B to make your estimations.

- Achievement of co-benefits – Discuss benefits above and beyond reduction of greenhouse gas emissions that will accrue as a result of your proposed activity, focusing on reduction in criteria air pollutants and toxic air contaminants (improving air quality), reduction in energy and fuel (gasoline, diesel) use, and benefits to impacted communities. Use quantitative descriptions of co-benefits as much as possible, clearly explaining the assumptions and methodologies you used for making your estimations.

FOR CLIMATE PROTECTION PLANNING GRANTS: Specifically include discussion of how stakeholders from impacted communities will be included in your planning process.

- Measuring success – Clearly state the metrics by which you will evaluate success – how will you know that you have achieved your goals and objectives? You may use both qualitative and quantitative metrics.
- Timeline / Deliverables – Create an easy-to-read table listing major deliverables and estimated months in which each deliverable will be completed.

FOR CAPACITY-BUILDING GRANTS: Include a strategy for how you will sustain this position for a minimum of two years after grant funds are expended – this strategy could include creating a new budget item, funding the position out of energy savings (need to explain assumptions on how much energy savings can be expected) or new grants (include what types of grants, size, etc.). Extra points will be granted in the evaluation process for strategies that demonstrate funding for the position for up to five years after grant funding is expended.

***Evaluation Criteria and Scoring for Climate Planning grants***

	Climate Protection Planning Grants	Capacity-building Grants
Potential for GHG reduction	20	20
Connection with Grant Program’s objectives	20	20
Strength and feasibility of strategic approach	20	20
Organizational capacity (including fiscal soundness)	10	10
Matching funds	10	10
Demonstration of climate achievement	10	5
Finance strategy for sustaining position	0	10
Engagement of impacted communities	5	0
Strength of proposal (adheres to instructions, well-written)	5	5
Total possible points	100	100

**3) Regional Strategy Grants**

Grant range: \$25,000 – 75,000

Duration: 1-2 years

Eligible applicants: public agencies, community organizations, small businesses, K-12 schools

Grants will be awarded to projects with the greatest regional application and long-term reduction of greenhouse gas emissions. The District will maximize the impact of its grant funding by focusing on projects that scale up implementation of proven best practices region-wide, or that foster the development and implementation of ground-breaking approaches to reduction greenhouse gas emissions.

“Regionalizing” Best Practices



There are many “best practices” for reducing greenhouse gas emissions. The District seeks to identify those best practices with the biggest potential for reducing emissions that are ripe for widespread replication, and facilitate broader implementation of those practices across the region.

For example, a simple roof-lightening project (e.g. painting a city hall’s roof white) would probably not be a competitive proposal. However, if that project included a change in municipal building code requiring roof lightening for all new construction and major retrofits, that would be considered as having a long-term impact (through codification). If it further included a component for creating boiler plate code language, how-to documents, group training and individual follow-up for other local governments with specific targets for replication, then there is a potential regional application.

Eligible projects could include (but are not limited to):

- developing permitting incentives or new standards for green building into user-friendly implementation packages with targets/commitments to get an additional X# of local governments to adopt the practices;
- developing energy efficient procurement policies for carbon-intense products (e.g. cement) and services (e.g. construction) with targets/commitments to get an additional X# of local governments to adopt the policies;
- developing implementation strategies for cost-effective private sector approaches to bundle energy efficiency and/or renewable energy investments with targets/commitments to get an additional X# of businesses to adopt the practices.

The District encourages proposals that include targets/commitments for replicating best practices.

Proposals should focus most of the grant funds on the replication piece of this approach (i.e. details on how replication will be ensured – through workshops, training programs, enlisting commitments, etc.) in order to maximize the impact of any given best practice. These are most likely one-year grants.

#### Fostering Innovation

There are a lot of great ideas that may never come to fruition simply because there are no resources to “think them out”. Meeting California’s aggressive targets for reducing greenhouse gas emissions will require the development and implementation of new approaches and new ways of conducting business, by all sectors of the community. Grant funds may be used for scoping and incubating innovative new projects or policy approaches, followed by a regional implementation phase.

Eligible projects could include (but are not limited to):

- development of a lifecycle cost analysis method for policy-making: research and development of the mathematical approach, development of any kind of tool, beta testing with a target group, pilot phase and then widespread training and implementation regionally;
- development of a carbon tax or other revenue shift: research and recommendations, developing the tax and seeing it through to implementation, training for other entities to implement a similar tax/revenue shift;

- changing of “price signals” to influence transportation behavior, such as implementation of congestion pricing (e.g. New York City’s proposed \$8 fee for driving in Manhattan during peak commute hours);
- creation of a small business purchasing collective for energy efficient lighting/equipment/solar/clean vehicles/etc.

The District discourages proposals in this category that do not propose an activity that is innovative and new.

These would most likely be two-year grants, with the first year being devoted to scoping and incubating (pilot testing), and the second year devoted to spreading success across the region.

### ***Proposal Requirements for Regional Strategy Grants***

Proposal narratives must not exceed 8 pages. Proposals should be concise, and adequately and clearly address the following elements. Proposal narratives must include ALL of the following:

- Description of the project – Provide a concise description of what you will undertake and the amount requested.
- Need(s) being addressed – Succinctly explain the need for the proposed activity and why funding from the District is critical in meeting that need.
- Goals and objectives of the proposed activity – List all goals and objectives for the proposed activity. Goals are broad aspirations, such as “reducing emissions from cement production”, whereas objectives are means to achieving a goal, such as creating a market for “climate friendly cement”.
- Strategic approach – The strategic approach describes how objectives (creating a market) will be achieved (through development of boilerplate purchasing guidelines and bid specifications, support materials, training programs, etc.). Include a detailed description of what you will do, how you will do it, any partners you will collaborate with, and why this particular approach is proposed. Make sure your strategic approach relates to the goals and objectives you have listed.
- Connection with District’s goal and objectives – State specifically how your project and approach will support the District’s goal and objectives; be clear as to which objectives your project will support.
- Reduction of GHG emissions – Estimate the annual amount of greenhouse gas emissions expected to be reduced by your project. If appropriate, state these reductions as short-term (e.g. pilot phase) and long-term (e.g. regional ramp-up). Use the emissions quantification guidelines in Appendix B to make your estimations.
- Achievement of co-benefits – Discuss benefits above and beyond reduction of greenhouse gas emissions that will accrue as a result of your proposed activity, focusing on reduction in criteria air pollutants and toxic air contaminants (improving air quality), reduction in energy and fuel (gasoline, diesel) use, and benefits to impacted communities. Use quantitative descriptions of co-benefits as much as

possible, clearly explaining the assumptions and methodologies you used for making your estimations.

- Measuring success – Clearly state the metrics by which you will evaluate success – how will you know that you have achieved your goals and objectives? You may use both qualitative and quantitative metrics.
- Timeline / Deliverables – Create an easy-to-read table listing major deliverables and estimated months in which each deliverable will be completed.

***Evaluation Criteria and Scoring for GHG Reduction Project grants***

Potential for GHG reduction	20
Connection with Grant Program’s objectives	20
Strength and feasibility of strategic approach	20
Cost-effectiveness of emission reductions	10
Organizational capacity (including fiscal soundness)	10
Demonstration of climate achievement	10
Matching funds	5
<u>Strength of proposal (adheres to instructions, well-written)</u>	<u>5</u>
Total possible points	100

**SECTION V AFTER RECEIVING A GRANT**

**Award Process**

Notification of awards will be made by December 31, 2007. Applicants will be notified electronically after projects are preliminarily approved for funding by the District Board of Directors. However, final approval for funding occurs only when a signed funding agreement has been executed by both the project sponsor and the District. District staff will prepare funding agreements that set forth the terms, conditions, and monitoring and reporting requirements of each Climate Protection Grant. **Via funding agreements, project sponsors are legally bound to meet certain requirements**, including notifying the District of any change in operation, making periodic reports, and providing certificates of insurance. If a project sponsor does not comply with all the terms and conditions of a funding agreement, it may have to repay a portion or all of the funds granted, and the sponsor may be barred from future District grants. In the event that the District awards an amount that differs from the amount requested, District staff will work with the awardee to align deliverables, outcomes and timelines appropriately. Upon execution of the grant contract, the awardee can commence work on its funded activities.

**Payment of Grant Funds**

The payment schedule will be established in the funding agreement for each project. No funds will be released until the funding agreement has been signed by the project sponsor and the District (i.e. fully executed). In general, payment will be made on a reimbursement basis, after project costs are incurred and documented. The final payment will be made upon adequate completion of all deliverables and submittal of a complete final report (including narrative and financial reporting).

## **Reporting**

Grantees are required to report on the progress of their grant activities every six months. Interim reports (for the first six-month period) include narrative descriptions of progress and financial accounting of the grant program to date. Annual reports include narrative descriptions of the second half of the year's activities and final fiscal accounting for the whole year. For one-year grants, the annual report is considered the final report. Interim reports are used by the District to identify potential problems with grant implementation, in order to intervene with grantees and modify approaches to ensure successful outcomes. Final reports are used to analyze the impact of the District's investments and assist in shaping future grant programs. All reports will be used to share information and promote successes among grantees and with the greater Bay Area community.

Report formats and requirements will be provided to grantees with their award materials.

## **Meetings/conferring**

The District will convene an annual meeting of all its grantees in order to share program information and results, and to foster the creation of partnerships and important collaborations among diverse stakeholders throughout the Bay Area. Attendance at the annual meeting is strongly encouraged, but not required.

In addition, District staff will make every attempt to meet individually with all grantees midway through their project implementation. District staff will meet with grantees onsite, to gain as much knowledge as possible about the grantee organization and the project.

**APPENDIX A  
CLIMATE PROTECTION GRANT COVER SHEET**

**I. Applicant**

Name of Organization: \_\_\_\_\_

Type of Organization:  Public agency       Small business       K-12 school  
 501c3 non-profit       Sponsored project of another 501c3 non-profit

Mailing Address: \_\_\_\_\_  
\_\_\_\_\_

Website: \_\_\_\_\_

Primary Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_

Phone #: ( ) \_\_\_\_\_ Fax #: ( ) \_\_\_\_\_ E-mail: \_\_\_\_\_

Executive Director: \_\_\_\_\_

Phone #: ( ) \_\_\_\_\_ Fax #: ( ) \_\_\_\_\_ E-mail: \_\_\_\_\_

<p><b>Fiscal Sponsor (if applicable)*:</b> _____</p> <p>Mailing Address: _____</p> <p>Primary Contact Person: _____ Title: _____</p> <p>Phone #: ( ) _____ Fax #: ( ) _____ E-mail: _____</p> <p><i>* A fiscal sponsor is a non-profit or public agency that permits an organization that does not have a tax-exempt status to operate under its auspices. If you have a fiscal sponsor, please complete this box AND attach your fiscal sponsor's IRS tax-exempt letter.</i></p>
---

**II. Project**

Project Title: \_\_\_\_\_

Program Area / Grant Type (e.g. Outreach / Youth Climate Grants):  
\_\_\_\_\_

Total Project Cost: \$ \_\_\_\_\_ District Funding Request: \$ \_\_\_\_\_

**Individual authorized to enter into a formal agreement with the Air District:**

I, \_\_\_\_\_, authorize the submittal of this grant application and certify that all information is correct and accurately reflects the project scope, costs, timeline, and availability of funds.

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

## APPENDIX B GUIDELINES FOR ESTIMATING GREENHOUSE GAS REDUCTIONS

### Basic Calculations

To determine the amount of greenhouse gas emissions reduced from reductions in various types of energy use, or in switches to “clean” energy sources (solar, wind, etc.), use the following equations:

Electricity: (# of kilowatt hours saved) X 0.000365 = tons of GHG emissions reduced

Natural gas: (# of therms saved) X 0.005277 = tons of GHG emissions reduced

Gasoline: (# gallons of gas saved) X 0.00855 = tons of GHG emissions reduced

Diesel: (# gallons of diesel saved) X 0.01 = tons of GHG emissions reduced

Other energy/fuel sources – contact the Air District for specific guidelines not provided here (Abby Young, [ayoung@baaqmd.gov](mailto:ayoung@baaqmd.gov)).

For waste reduction projects, identify the type(s) of waste reduced, and the amount reduced for each type: aluminum, glass, plastic, yardwaste, foodwaste, newspaper, office paper, cardboard. If you do not know or can't estimate waste reduction by waste type, indicate the type as “mixed waste”.

### Guidelines for Each Program Area

#### I. Outreach Grants

- Define the target audience – who is your target audience, what is the size of your target audience?

*“One hundred households in the Banana Belt neighborhood will be targeted for home weatherization outreach.”*

- Estimate the saturation you will achieve into your target audience, describe any assumptions you used.

*“The project goal is to reach 50% of these households through door-to-door weatherization audits.”*

- Connect the saturation into your target audience with its impact on energy use (electricity, natural gas, gasoline, diesel, other), describe any assumptions you used.

*“It is estimated that, as a result of these audits, households will increase energy efficiency and reduce electricity use by 10% and reduce natural gas use by 5%.”*

Provide a basis for the estimation – cite a report or similar project, or indicate if it is an educated guess based on experience.

## **II. Planning Grants**

### Climate Protection Planning Grants

Describe the breadth of the planning process that will be impacted by the proposed project – for example, which general plan elements will be affected, what sectors/activities will be covered by a greenhouse gas inventory and plan, etc. Also describe the level of authority that your proposed planning project has over emission-producing activities – will targets be mandatory or voluntary?

Provide 3-5 specific examples of how your planning project might impact greenhouse emissions.

### Capacity-building Grants

List 3-5 specific known opportunities to save energy that might be facilitated by an energy staff person, and that may help fund the position after the District's seed funding ends. Opportunities may include new municipal construction that is planned, remodels/retrofits that are scheduled for implementation, traffic lights that need upgrading to LEDs, etc.

## **III. Regional Strategies Grants**

In order to estimate emission reductions from your project, you will need to know the amount of energy (electricity, natural gas, gasoline, diesel, etc.) that will be reduced by your proposed activity. If you are planning a policy change, then estimate the emission reductions that policy change will achieve in the near-term (1-2 years) and the long-term (3-5+ years) by following the Basic Calculations above.

Differentiate between greenhouse gas emission achieved in the near-term (pilot phase) versus medium-term (regional implementation phase).

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson Torliatt and Members  
of the Climate Protection Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: December 6, 2007

Re: AB 32 Implementation

RECOMMENDED ACTION:

None. For information only.

BACKGROUND

On September 27, 2006, Governor Schwarzenegger signed AB 32, the Global Warming Solutions Act. The Act caps California's greenhouse gas emissions at 1990 levels, and requires the state to meet this emission level by 2020. AB 32, designates the California Air Resources Board (ARB) as the lead agency for implementation. Specifically, ARB must:

- Adopt mandatory reporting rules for significant sources of greenhouse gases by January 1, 2008;
- Define the 1990 emissions baseline by January 1, 2008;
- Adopt a scoping plan by January 1, 2009 indicating how emission reductions will be achieved from significant greenhouse gas sources via regulations, market mechanisms and other actions; and
- Adopt a list of discrete, early action measures by July 1, 2007 that can be implemented before January 1, 2010.

DISCUSSION

Staff will present an update on implementation of AB 32, focusing on developments since the last committee meeting, including adoption of mandatory reporting regulations, establishment of the 1990 emissions inventory baseline, and the initiation of the scoping plan process. Staff will discuss the Air District's contribution to these distinct processes.



BUDGET CONSIDERATION / FINANCIAL IMPACT:

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Ana Sandoval  
Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson Mark Ross and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: December 11, 2007

Re: Report of the Executive Committee Meeting of December 17, 2007

RECOMMENDED ACTION

Receive and file.

BACKGROUND

The Executive Committee will meet on Monday, December 17, 2007.

The Committee will receive the following presentations and reports:

- A) Consideration of 2008 Priority Recommendations of the Advisory Council;
- B) Production System Update;
- C) Comprehensive Air District Audits Update; and
- D) Labor Relations Closed Session Discussion.

Attached are the staff reports presented in the Executive Committee packet.

Chairperson Mark Ross will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

No budgetary impacts.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Mary Ann Goodley

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson, Mark Ross and Members  
of the Board of Executive Committee

From: Advisory Council Chairperson, Fred Glueck

Date: December 8, 2007

Re: Consideration of 2008 Priority Recommendations of the Advisory Council

RECOMMENDATIONS:

Consider recommending Board of Directors' approval of priority topics and issues of concern for 2008.

DISCUSSION:

At the Monday, November 19, 2007, Executive Committee meeting of the Air District's Board of Directors, Chairperson Ross requested that the Advisory Council identify priority topics and issues of concern for the Air District to address in 2008.

The Air District's Advisory Council has identified three primary topics/issues of importance that it recommends be addressed as priorities in 2008. These recommendations are based on discussions of the Advisory Council Executive Committee meeting on Tuesday, December 4, 2007.

These recommendations are not necessarily listed in order of priority and are also not necessarily mutually exclusive of each other. In fact, the suggestions as presented are part of the overall efforts of the Advisory Council in attempting to assist the Air District in its effort to integrate its policies and procedures towards the goal of achieving a synergy of three of the Air District's objectives; air quality, public health and climate protection policies.

Climate Protection and Air Quality:

- A) Review Air District policies to establish consistency in goals and objectives. Identify ways to maximize synergies and resolve potential conflicts between air quality and climate protection goals. Evaluate and address any potential unintended consequences occurring with the adoption of new climate change mitigation policies.
- B) Review transportation measures to identify how the district can use its authority to reduce transportation emissions.
- C) Identify policies to allocate revenue from new fees.

- D) Port regulations.
- E) Examine land use planning and how the Air District can affect decisions to reduce both criteria pollutant and GHG emissions (e.g., through CEQA).
- F) Develop consistent public education and outreach messages for public health, climate protection, and air quality.

CARE Program:

- A) Identify public health impacts.
- B) Continue to monitor analysis methodology and recommend modification as necessary.
- C) Review Air District permitting and citing policies for new applications in light of information collected through the CARE program.
- D) Analyze feasibility of traffic and congestion management policies and land use to reduce impacts in affected communities.
- E) Use data collected through the programs to respond proactively to community concerns and complementary studies (e.g., the West Oakland health risk assessment being prepared by CARB).

Holistic Approach:

- A) Integrate Air District policies to ensure that efforts currently underway towards improvements in Air Quality/Climate protection/Public Health are harmonized.
- B) Expand Air District efforts in Public Outreach and Education with data and the efforts toward advancing Public Health, Air Quality, and Climate Protection.
- C) Consider establishing a new Public Health Officer staff position to work with existing staff to develop and improve existing integration and synergistic.

We hope this will lead towards public participation and acceptance of Air District policies through a willingness to participate with policies that achieve a cumulative improvement in public health, air quality and an improved quality of life.

The efforts of the Air District will not take place overnight; the integration process will take time and effort as the constituents within the Air District's sphere of influence become more aware and knowledgeable about the effects of climate change, air quality and public health and how all issues are "tied together".

Thank you for giving the Advisory Council this opportunity.

Respectfully submitted,

Fred Glueck  
Advisory Council Chairperson

**BAY AREA AIR QUALITY MANGEMENT DISTRICT**

Memorandum

To: Chairperson Ross and Members  
of the Executive Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: December 17, 2007

Re: Production System Project Update

RECOMMENDED ACTION:

Receive and File.

DISCUSSION:

In September of this year Staff presented an update on the status of the Production System project. Staff will describe the latest accomplishments for this multi-year project, and also will provide a brief description of the next milestones. In December of 2006 staff presented a plan for implementation of the new production system and replacement of IRIS and Databank. At that time, staff indicated that execution of the plan would be accompanied by detailed reports on the status of actual costs as compared to projected costs, and by detailed reports on the status of actual accomplishments as compared to projected accomplishments.

BUDGET CONSIDERATION/FINANCIAL IMPACT

No impact.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Jeffrey McKay