MEETING OF THE
MOBILE SOURCE AIR POLLUTION REDUCTION REVIEW COMMITTEE
THURSDAY, JUNE 17, 2010 MEETING MINUTES
21865 Copley Drive, Diamond, Bar, CA 91765- Conference Room CC-8

MEMBERS PRESENT:

(Chair) Greg Winterbottom, representing OCTA
(Vice Chair) Cathedral City Council Member Greg Pettis, rep. RCTC
Temecula Council Member Ron Roberts, representing SCAG
Chino Hills Council Member Gwenn Norton-Perry, rep. SANBAG
San Fernando Council Member Steve Veres, rep. L.A. County MTA (via v/c)
Ric Teano (Alt.), rep. Orange County Transportation Authority
Jon Taylor (Alt.), rep. CARB (via teleconference)

MSRC MEMBERS ABSENT:

County of LA Supervisor Michael Antonovich, representing SCAQMD
Hemet Council Member Robin Lowe, rep. Regional Rideshare Agency

MSRC-TAC MEMBERS PRESENT:

Stacy Alameida, representing L.A. County MTA
Tanya Love, representing RCTC
Rongsheng Luo (Alt.), representing SCAG
Dean Saito, representing the SCAQMD

OTHERS PRESENT:

Russell Castaneda-Calleros, Rio Hondo College
Doug Kelly, Orange County Sanitation
Vlad Kogan, Orange County Sanitation District
Debra Mendelsohn, AQMD Board Asst. (Antonovich)
Aurora Wilson, CVAG

AQMD Staff

Ray Gorski, MSRC Technical Advisor
Drue Hargis, MSRC Administrative Liaison
John Kampa, Financial Analyst
Cynthia Ravenstein, MSRC Contracts Administrator
Rachel Valenzuela, MSRC Contracts Assistant
Matt MacKenzie, MSRC Contracts Assistant

Henry Hogo, Asst. DEO/Science & Technology Advancement
Jill Whynot, Director of Strategic Initiatives, PRDAS
Jeri Voge, Sr. Deputy District Counsel
Tracy Goss, Program Supervisor, PRD&AS
Paul Wright, Audio Visual Specialist

CALL TO ORDER

- Opening Comments

  MSRC Chair Ron Roberts called the meeting to order at 2:05 p.m. There were no opening comments.

PUBLIC COMMENT PERIOD

Public comments were allowed during the discussion of each agenda item. No comments were made on non-agenda items.

CLEAN TRANSPORTATION POLICY UPDATE

Cynthia Ravenstein, MSRC Contracts Administrator, highlighted key items from the report, including the Presidential Memorandum directing U.S. EPA and DOE to create the first-ever national policy to increase fuel efficiency and decrease GHG emissions from medium- and heavy-duty trucks; recent and upcoming ARB workshops on proposed on-road and off-road diesel rules; ARB training courses on diesel exhaust after-treatment devices, Moyer workshops to discuss proposed guideline revisions; and ARB's announcement about its voucher program.

CONSENT CALENDAR (Items 1 through 8)
Receive and Approve Items

Agenda Item #1 – Approval of Meeting Minutes for April 15 and May 20, 2010
The minutes of the May 20, 2010 MSRC meeting were emailed under separate cover with copies made available at the meeting. The April 15, 2010, minutes were pulled by staff.

> ON MOTION BY MSRC MEMBER GWENN NORTON-PERRY, AND SECONDED BY MSRC MEMBER RON ROBERTS, UNDER APPROVAL OF THE CONSENT CALENDAR ITEMS 1-7, THE MSRC UNANIMOUSLY APPROVED THE MINUTES OF THE MAY 20, 2010 MSRC MEETING, AS SUBMITTED.

ACTION: The minutes will be placed on the MSRC's website and in the files for the records. MSRC staff will also include them in Supervisor Antonovich's MSRC Committee Report for the July 9, 2010 AQMD Board meeting.

Agenda Item #2 – Summary of Final Reports by MSRC Contractors

The agenda package included only one final report summary for City of San Bernardino Contract #MS08014, which provided $390,000 towards the purchase of 13 natural gas refuse trucks.

> ON MOTION BY MSRC MEMBER GWENN NORTON-PERRY, AND SECONDED BY MSRC MEMBER RON ROBERTS, UNDER APPROVAL OF THE CONSENT CALENDAR ITEMS 1-7, THE MSRC UNANIMOUSLY APPROVED THE FINAL REPORT ABOVE.

ACTION: MSRC staff will file the final reports in the AQMD's library and release any retention on these contracts.

Receive and File Items
Agenda Item #3 – MSRC Contracts Administrator's Report

The MSRC AB 2766 Contract Administrator's Report for June 2010 was included in the agenda package.

> ON MOTION BY MSRC MEMBER GWENN NORTON-PERRY, AND SECONDED BY MSRC MEMBER RON ROBERTS, UNDER APPROVAL OF THE CONSENT CALENDAR ITEMS 1-7, THE MSRC UNANIMOUSLY APPROVED THE CONTRACTS ADMINISTRATOR'S REPORT FOR JUNE 2010.

ACTION: AQMD staff will include the MSRC Contract Administrator's Report in Supervisor Antonovich's MSRC Committee Report for the July 9, 2010 AQMD Board meeting.

Agenda Item #4 – Financial Report on AB 2766 Discretionary Fund Account

A financial report on the AB 2766 Discretionary Fund for the period ending May 31, 2010, was included in the agenda package.

> ON MOTION BY MSRC MEMBER GWENN NORTON-PERRY, AND SECONDED BY MSRC MEMBER RON ROBERTS, UNDER APPROVAL OF THE CONSENT CALENDAR ITEMS 1-7, THE MSRC UNANIMOUSLY APPROVED THE FINANCIAL REPORT ABOVE.

No further action is required.

For Approval - As Recommended
Agenda Item #5 – Consider One-Year No-Cost Term Extension by Administrative Services Cooperative Contract #MS09001

Administrative Services Cooperative requests a one-year, no cost-contract term extension. This item was considered by the MSRC-TAC and unanimously recommended for approval.

> ON MOTION BY MSRC MEMBER GWENN NORTON-PERRY, AND SECONDED BY MSRC MEMBER RON ROBERTS, UNDER APPROVAL OF THE CONSENT CALENDAR ITEMS 1-7, THE MSRC UNANIMOUSLY APPROVED THE A ONE-YEAR, NO-COST TERM EXTENSION FOR ADMINISTRATIVE SERVICES COOPERATIVE CONTRACT #MS09001.

ACTION: MSRC staff will modify the contract above accordingly.

Agenda Item #6 – Consider Substitution of Two Liquefied Petroleum Gas (LPG) Aerial Trucks for CNG Aerial Trucks by City of Inglewood Contract #ML07045

The City of Inglewood requests to substitute two LPG trucks for two CNG trucks. This item was considered by the MSRC-TAC and unanimously recommended for approval.

> ON MOTION BY MSRC MEMBER GWENN NORTON-PERRY, AND SECONDED BY MSRC MEMBER RON ROBERTS, UNDER APPROVAL OF THE CONSENT CALENDAR ITEMS 1-7, THE MSRC UNANIMOUSLY APPROVED THE VEHICLE SUBSTITUTION FOR CITY OF INGLEWOOD CONTRACT #ML07045.

ACTION: MSRC staff will modify the contract above accordingly.

Agenda Item #7– Consider Potential Upgrades to MSRC Website and Contract Value Increase by Haaland Internet Productions (HiP Design) Contract #MS05070

The MSRC-TAC's Administrative Subcommittee considers ideas for improving the MSRC website as they arise. Over the past few months, the Subcommittee developed a number of concepts for website modifications. The Administrative Subcommittee also recommends establishing a budget of $1,200 for minor modifications. Because HiP Design's remaining contract balance is fully allocated towards ongoing hosting and maintenance, the Subcommittee further recommends that HiP Design's contract value be increased by $4,700 to cover this work. This item was considered by the MSRC-TAC and they unanimously recommended a six month extension.

> ON MOTION BY MSRC MEMBER GWENN NORTON-PERRY, AND SECONDED BY MSRC MEMBER RON ROBERTS, UNDER APPROVAL OF THE CONSENT CALENDAR ITEMS 1-7, THE MSRC UNANIMOUSLY APPROVED THE MSRC WEBSITE UPGRADES AND CONTRACT VALUE INCREASE FOR HAALAND INTERNET PRODUCTIONS CONTRACT #MS05070.

ACTION: MSRC staff will modify the contract above accordingly.

ACTION CALENDAR (Items 8 through 13)
Agenda Item #8 – Consider Contract Value Increase by A-Z Bus Sales Contract #MS09002

Cynthia Ravenstein reported the MSRC previously allocated $3,000,000 to the FY 2008-09 Work Program for alternative fuel school bus incentives for public schools, and two qualified vendors implement these incentives. Of the $3 million set aside, $500,000 remains unallocated. A-Z Bus Sales requests an additional $80,000 for incentives for two propane buses to fulfill an order from Inglewood Unified School District. The MSRC-TAC considered this request and unanimously recommends approval.

> ON MOTION BY MSRC MEMBER GWENN NORTON-PERRY, AND SECONDED BY MSRC MEMBER RON ROBERTS, THE MSRC UNANIMOUSLY APPROVED THE CONTRACT VALUE INCREASE OF $80,000 FOR A-Z BUS SALES CONTRACT #MS09002.

ACTION: MSRC staff will submit this contract value increase to the AQMD Board for consideration at its July 9, 2010 Board meeting.

FY 2009-10 WORK PROGRAM
Agenda Item #9 – Consider Award to Durham School Servics under FY 2009-10 Alternative Fuel School Bus Incentives Program for Private Providers of Pupil Transportation

Ray Gorski, MSRC Technical Advisor, reminded the MSRC that it set aside $2 million for alternative fuel school bus incentives for private pupil transportation providers, and the AQMD administers the program on a first-come, first-served basis on the MSRC's behalf. Durham School Services has applied for funding in the amount of $1.5 million to purchase 47 CNG school buses which will be deployed in the greater San Bernardino region. Operated on first-come, first-served basis. This request would utilize all remaining program funds except $2,500 which would return to the Discretionary Fund. AQMD staff believe it is appropriate to fulfill Durham's request. The MSRC-TAC considered this request and unanimously recommends approval.

MSRC Member Steve Veres asked if Durham would be dispersing the buses geographically. Mr. Gorski replied they will be deployed primarily in the San Bernardino County region. They are actually purchasing 250 new buses and asking for incentives for 47 CNG buses because that is all the funding available. Henry Hogo, AQMD Asst. DEO/Science & Technology Advancment, clarified that under Fleet Rule 1195 any private provider has to request incentive funding for alternative fuel school buses if such funding is available and if it is not available they can receive a waiver to purchase diesel buses.

> ON MOTION BY MSRC MEMBER STEVE VERES, AND SECONDED BY MSRC MEMBER GWENN NORTON-PERRY, THE MSRC UNANIMOUSLY

APPROVED THE $1.5 MILLION AWARD TO DURHAM SCHOOL SERVICES FOR 47 CNG BUSES UNDER THE MSRC'S ALTERNATIVE FUEL SCHOOL BUS PROGRAM FOR PRIVATE PUPIL TRANSPORTATION PROVIDERS.

ACTION: AQMD staff will seek approval to award these funds from the AQMD Board at its July 9, 2010 meeting.

Item #10 – Consider Funding for Applications Received under Incentives for the Purchase of Heavy-Duty Alternative Fuel Engines for On-Road Vehicles as Part of the FY 2009-10 AB 2766 Discretionary Fund Work Program

Jeri Voge, AQMD Sr. Deputy District Counsel, advised the MSRC that a campaign disclosure form was not received from Frito Lay, which means the MSRC will not act upon the recommendation to award funds to Frito Lay at this time. She noted that there were five members present in the conference room in addition to CARB's representative who was participating by teleconference because the video screen went down at their site.

ON MOTION BY MSRC MEMBER GWENN NORTON-PERRY, AND SECONDED BY MSRC MEMBER STEVE VERES, THE MSRC APPROVED AWARDS TOTALING $2,302,556 FOR 21 APPLICATIONS EXCLUDING FRITO LAY UNDER THE FY 2009-10 AB 2766 DISCRETIONARY FUND WORK PROGRAM. MSRC MEMBER GREG PETTIS ABSTAINED BECAUSE OF CAMPAIGN CONTRIBUTIONS.

It was noted for the record that even with Mr. Pettis's abstention a quorum acted upon the above motion.

ACTION: Staff will seek approval of these awards by the AQMD Board at their July 9, 2010 AQMD Board meeting.

Item #11 – Consider Next Steps for the Alternative Fuel Infrastructure Program as Part of the FY 2009-10 AB 2766 Discretionary Fund Work Program

Next, Ms. Ravenstein explained that the MSRC as part of its FY 2009-10 Work Program released an RFP for $3.15 million to award funds for alternative fuel infrastructure projects. Proposals were reviewed and ranked and the MSRC-TAC considered the item and unanimously recommended awarding funds for seven proposals. The day before the MSRC's May 20, 2010 meeting an error in the RFP's scoring criteria was discovered and consequently staff asked the MSRC to defer the item until its next meeting. The error related to contradictory point values specified for strategic gap closure and multiple users in the evaluation criteria section of the RFP. The issue was reviewed at length by MSRC and AQMD staff but it was determined that due to the contradictory language there was no way to determine what to rely on for scoring and therefore no awards could or should be made.

The MSRC-TAC brainstormed alternative approaches and considered two options: 1) to re-issue the RFP correcting the errors and deleting the contradictory language, and if this option is chosen, the RFP could be presented to the AQMD Board on July 9 and subsequently released for awards to be considered by the MSRC in September; or 2) forego any infrastructure awards for this work program year, which potentially could result in a larger program in FY 2010-11, the parameters of which will be discussed at the upcoming retreat.

The MSRC-TAC considered the potential of leveraging the CEC's AB 118 funds with MSRC funds, but noted that if the RFP was released in September the two programs would sync up but they might if the program was delayed until next year. However, in the end the MSRC-TAC recommended fixing and re-releasing the RFP. This recommendation, however, raised an issue. The MSRC has a policy in place that establishes the date by which projects are eligible for funding. The policy says the project cannot have started prior to the release of solicitation (an RFP, in this case), but this would mean that at least one applicant would no longer be eligible for an award. Consequently, does the MSRC want to consider waiving this policy for this program or amending the existing policy in some way.

Jeri Voge clarified that the policy was established so the MSRC wouldn't fund projects that would go forward even without the MSRC's funds. She expressed reluctance for the MSRC to modify its policy, especially one in effect for so many years, especially for only one applicant that to our knowledge would be affected by this policy at this time. However, it was suggested that the MSRC might consider making an exception for these awards and use the release date of the original RFP. Another idea considered was to try to work with the one contractor in question to address any inequities during the contracting process. The MSRC-TAC did not have a recommendation on the start date issue, only the re-release of the RFP.

Ray Gorski noted that both sides can argue for and against. Obviously, the affected proposer which thought they were being recommended for funding would want to remain eligible for funding. But the flip side prudent business practice would be to wait until the MSRC or AQMD Board actually approved the award. If the MSRC chooses to retain its policy as is, it protects you – it is why the MSRC established it – but it would mean at least one proposer will no longer be eligible.

MSRC Member Gwenn Norton-Perry cautioned she would prefer not to set a new precedent.

Henry Hogo noted that the AQMD defines the date based on the AQMD award but allows for pre-contract costs such that contractors can begin work at risk and their costs would only be reimbursable if a contract actually gets executed.

MSRC Member Greg Pettis asked what does started refer to. Mr. Gorski replied that he believes a start date refers to the date physical construction of alternative fuel station began.

Ms. Norton-Perry noted the proposer moved forward at their own risk, and they need to be accountable for their business decisions.

MSRC MEMBER GWENN NORTON-PERRY MADE A MOTION, WHICH WAS SECONDED BY MSRC MEMBER STEVE VERES, TO FOREGO AN ALTERATIVE FUEL STATION PROGRAM FOR FY 2009-10 AND TO ROLL THE FUNDING ORIGINALLY SET ASIDE INTO THE NEXT YEAR'S WORK PROGRAM CYCLE.

MSRC Member Steve Veres asked if some extra consideration can be given to the ones that already applied. Jeri Voge replied it would be difficult to justify extra points for them. Mr. Veres explained he is trying to give consideration to the projects that started but didn't finish. Ms. Voge said staff will look into whether some language can be included in the RFP that would allow them to apply if they have started but haven't finished the project.

MSRC Member Ron Roberts said coupling monies from FYs 2009-10 and 2010-11 will provide a larger pool of funds, and he believe those who applied this year will apply again. He does not support awarding anyone extra points or consideration. MSRC Alternate Jon Taylor said he has no comments but it is a tough decision. He asked if those who applied this year will have to re-apply or their original application would apply. Ms. Ravenstein said in either scenario they will have to re-apply; the current applications are dead. Mr. Gorski noted the program was significantly oversubscribed.

THE ABOVE MOTION WAS UNANIMOUSLY APPROVED.

ACTION: No further action at this time is required.

Item #12 – Receive Update on CVAG Regional Street Sweeping Program Discussion Held at the May 20, 2010 MSRC Meeting, Discuss Options That Would Allow CVAG Street Sweeping to be Eligible for Future MSRC Co-Funding, and Forward Recommendations to the MSRC for Consideration at their June 17, 2010 Meeting

Ray Gorski reported the MSRC-TAC considered two options for the MSRC. Option 1: MSRC consider allowing CVAG to participate in a future Local Government Match Program. Since CVAG currently uses AB 2766 Subvention Funds allocated from their member jurisdictions to implement the Regional Street Sweeping Program, the MSRC could consider allowing CVAG to be an eligible participant in a future program, thereby receiving an MSRC "match" against AB 2766 Subvention Funds offered by CVAG. Notably, the MSRC has allowed street sweeping in Coachella Valley to be an eligible category in past match programs. Option 2: MSRC consider awarding CVAG a modest sole-source contract to support near term funding of street sweeping obligations. This would serve as "bridge funding" until the MSRC developed and implemented a Local Government Match Program under which CVAG would be an eligible participant.

The MSRC-TAC recommended option 1 as the favored choice because the AQMD has the opportunity to appropriate additional funds to CVAG for the "bridge funding." While it's not confirmed, staff is assessing it.

Mr. Gorski noted that the MSRC is imminently about to launch development of its next work program.

MSRC Member Steve Veres asked if the CVAG's request is to cover future or past expenses on CVAG's part. Mr. Gorski replied he understands it would be for new work and new emissions reductions and would commence with execution of a contract. Mr. Veres commented that would apply for Option 1 but he wondered if the MSRC voted for Option 2 would the sole-source contract apply to future or new work too.

PULBLIC COMMENT: Aurora Wilson, representing CVAG, said either option would provide funding for new work.

MSRC Member Gwenn Norton-Perry cautioned that the MSRC should have a sole-source policy and she wants to bifurcate this. With all due respect to CVAG, she hopes they will compete well but the MSRC is starting a new work program.

MSRC Member Greg Pettis noted that if street sweeping operations don't happen the entire region will be out of compliance. MSRC Chair Greg Winterbottom replied that it appears the timeframe is not as tight as it was.

Mr. Veres asked staff to clarify the AQMD's role. Mr. Gorski explained that the AQMD Board approved $400,000 for CVAG street sweeping operations, but contingent upon them identifying an alternative funding source for the future. He does not know, however, what the trigger is that will release these funds to CVAG. Henry Hogo replied that staff understands that CVAG has funding to continue street sweeping until the end of August. Staff has also spoken with the Executive Officer and the AQMD would be open to providing some bridge funding until the announcement for the MSRC's Local Government Program can go out. However, we will seek a clearer answer and get back to the MSRC. Mr. Winterbottom commented he will assume open means yes.

Mr. Veres said if the AQMD has the money then they should give it to CVAG. The MSRC is already looking at an oversubscribed work program. In fact, it is the same reason that he had pause at the last meeting.

> ON MOTION BY MSRC MEMBER RON ROBERTS, AND SECONDED BY MSRC MEMBER GWENN NORTON-PERRY, THE MSRC UNANIMOUSLY APPROVED THE MSRC-TAC'S RECOMMENDATION TO GO WITH OPTION 1.

ACTION: MSRC staff will consider the above as part of development of the FY 2010-11 Work Program elements.

Item #13 – Consider FY 2010-11 Administrative Budget

Henry Hogo, AQMD Asst. DEO/Science & Technology Advancement, reported superpage 72 has the proposed FY 2010-11 budget and estimate actual expenditures for this past year. Expenditures around April totaled $616,207 out of $690,000. The cap has increased slightly based on projected revenues. The proposed Administrative Budget for FY 2010-11 is $695,000, which is about $46,000 under the 5% administrative cap. We've had a cost savings on administrative expenses because less contracts were approved and executed this year but we expect the workload to return to the normal average this coming year. The budget does not include any salary adjustments because labor union negotiations are not final but no increases in salary or COLA are anticipated, only in insurance costs. At this time staff and the MSRC-TAC recommends approval of the proposed budget.

> ON MOTION BY MSRC VICE-CHAIR GREG PETTIS, AND SECONDED BY MSRC MEMBER STEVE VERES, THE MSRC UNANIMOUSLY APPROVED THE FY 2010-11 ADMINSTRATIVE BUDGET IN THE AMOUNT OF $695,000.

ACTION: Staff will track actual expenditures for the fiscal year to ensure costs are reimbursed by the MSRC and don't exceed the cap.

ADJOURNMENT

> THERE BEING NO FURTHER BUSINESS, THE MSRC MEETING ADJOURNED AT 3:05 PM.

[Prepared by Drue Ann Hargis]