



**TECHNICAL ADVISORY COMMITTEE TO THE MSRC
THURSDAY, APRIL 5, 2018 MEETING MINUTES
21865 Copley Drive, Diamond Bar, CA 91765 - Room CC8**

MSRC-TAC MEMBERS PRESENT:

MSRC-TAC Vice-Chair Dan York, Cities of Riverside County
Martin Buford, Regional Rideshare Agency
Jaime Lai, Cities of Orange County
Steven Lee, Los Angeles County Metropolitan Transportation Authority
Rongsheng Luo, Southern California Association of Governments
Anthony (A.J.) Marquez, Orange County Board of Supervisors
Kelly Lynn, San Bernardino County Transportation Authority
Anthony (AJ) Marquez, Orange County Board of Supervisors
Sean O'Connor, Cities of San Bernardino County
Rick Teebay (Alt.), Los Angeles County Board of Supervisors
Eddie Washington, Los Angeles County Board of Supervisors

OTHERS PRESENT:

David Czamanske, Consultant to Board Member (Cacciotti)
Jennifer Farinas, Orange County Transportation Authority
Enid Joffe, Clean Fuels Connection Inc.
Louis Zhao, Orange County Transportation Authority
Rebekah Soto, San Bernardino County Transportation Authority

SCAQMD STAFF & CONTRACTORS

Leah Alfaro, Contracts Assistant
Penny Shaw Cedillo, MSRC Liaison
Ray Gorski, MSRC Technical Advisor-Contractor
John Kampa, Financial Analyst
Jennifer de la Loza, Secretary
Megan Lorenz, Principal Deputy District Counsel
Fred Minassian, Asst. DEO/Science and Technology Advancement

CALL TO ORDER

- Call to Order
MSRC-TAC Vice-Chair Dan York called the meeting to order at 1:32 p.m. A quorum was not yet present.

STATUS REPORT

- Clean Transportation Policy Update –
The Clean Transportation Policy Update provides information on key legislative and regulatory initiatives of potential interest to the MSRC. The report can be viewed at www.cleantransportationfunding.org.

CONSENT CALENDAR (Items 1 through 4)

Receive and Approve

Agenda Item #1 – Minutes for the March 1, 2018 MSRC-TAC Meetings

The Minutes for the March 1, 2018 Meeting were distributed at the meeting.

ON MOTION BY MSRC-TAC MEMBER A.J. MARQUEZ AND SECONDED BY MSRC-TAC MEMBER RONGSHENG LUO, UNDER APPROVAL OF CONSENT CALENDAR ITEMS 1-4, THE MSRC-TAC UNANIMOUSLY RECEIVED AND APPROVED THE MINUTES OF THE MARCH 1, 2018 MSRC-TAC MEETING.

ACTION: The approved meeting minutes will be placed on the MSRC's website.

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

One final report was submitted for MSRC-TAC review and approval during April:

- Transit Systems Unlimited, MS16084 (\$565,600 – Hollywood Bowl-union Station Shuttle)

ON MOTION BY MSRC-TAC MEMBER A.J. MARQUEZ AND SECONDED BY MSRC-TAC MEMBER RONGSHENG LUO, UNDER APPROVAL OF CONSENT CALENDAR ITEMS 1-4, THE MSRC-TAC UNANIMOUSLY VOTED TO RECEIVE AND APPROVE THE FINAL REPORT SUMMARY LISTED ABOVE.

ACTION: The final report summary will be included on the MSRC's next agenda for final action.

Information Only – Receive and File

Agenda Item #3 – MSRC Contracts Administrator’s Report

This report covers key issues addressed by MSRC staff, status of open contracts, and administrative scope changes from February 22, 2018 through March 28, 2018.

ON MOTION BY MSRC-TAC MEMBER A.J. MARQUEZ AND SECONDED BY MSRC-TAC MEMBER RONGSHENG LUO, UNDER APPROVAL OF CONSENT CALENDAR ITEMS 1-4, THE MSRC-TAC UNANIMOUSLY RECEIVED AND FILED THE CONTRACTS ADMINISTRATOR’S REPORT FOR FEBRUARY 22, 2018 THROUGH MARCH 28, 2018.

ACTION: The Contracts Administrator’s Report will be included on the MSRC's next agenda for final action.

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

The Financial report on the AB 2766 Discretionary Fund for March 2018.

ON MOTION BY MSRC-TAC MEMBER A.J. MARQUEZ AND SECONDED BY MSRC-TAC MEMBER RONGSHENG LUO, UNDER APPROVAL OF CONSENT CALENDAR ITEMS 1-4, THE MSRC-TAC UNANIMOUSLY RECEIVED AND FILED THE FINANCIAL REPORT FOR THE MONTH OF MARCH 2018.

ACTION: No further action is required.

ACTION CALENDAR (Items 5 through 10)

Agenda Item #5 – Consider Modified Project List and Seven-Month Term Extension by Southern California Association of Governments (SCAG) (\$2,500,000 – Implement “Go Human” Program)

SCAG indicated that some of the previously approved projects have opted out of the Program. SCAG requests to substitute projects within the same counties as those projects being replaced: Chino in place of Redlands, Riverside in place of Hemet, South El Monte in place of Rancho Palos Verdes, and Los Angeles in place of El Segundo. Additionally SCAG requests a seven-month term extension to accommodate the substitutions as well as delays in some of their matching projects.

ON MOTION BY MSRC-TAC MEMBER SEAN O’CONNOR AND SECONDED BY MSRC-TAC MEMBER STEVEN LEE, THE MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND TO APPROVE FOR SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS, A MODIFIED PROJECT LIST AND A SEVEN-MONTH TERM EXTENSION.

ACTION: MSRC staff will include these modifications on the next MSRC agenda for approval.

Agenda Item #6 – Consider Modified Station Specifications, Contract Value Reduction and One-Year Term Extension by City of South Pasadena, Contract #ML16025 (\$180,535 – Expand CNG Station and Purchase Heavy-Duty CNG Vehicle)

The City of South Pasadena requests to substitute the installation of an all-in-one unit with additional buffer storage for the installation of a separate compressor and storage vessels. As the new configuration would have a lower total cost, the contract value would be reduced by \$20,000. The City further requests a one-year contract term extension.

ON MOTION BY MSRC-TAC MEMBER SEAN O’CONNOR AND
SECONDED BY MSRC-TAC MEMBER STEVEN LEE, THE MSRC-TAC
UNANIMOUSLY VOTED TO RECOMMEND TO APPROVE FOR THE CITY
OF SOUTH PASADENA, CONTRACT #ML16025, MODIFIED STATION
SPECIFICATIONS, A \$20,000 CONTRACT VALUE REDUCTION AND A
ONE-YEAR TERM EXTENSION.

ACTION: MSRC staff will include these modifications on the next MSRC agenda for approval by the MSRC.

FYs 2016-18 WORK PROGRAM

Agenda Item #7 – Consider Funding for Applications Received under the Local Government Partnership Program

Ray Gorski, MSRC Technical Advisor, reported that this item has been revised. We are currently having additional discussions with the City of San Fernando relative to their application. The City originally requested two specific elements: (1) the purchase of a zero-emission vehicle; and (2) signal synchronization work. The Subcommittee expressed concern relative to the signal synchronization work. Staff has been asked to work with the City for clarification and a potential revised proposal.

MSRC-TAC Vice-Chair Dan York added the Local Match Subcommittee understands that traffic signal signalization is an eligible expense, however, what the City is asking for at this time is to install traffic signal synchronization cabinets and not necessarily address synchronization. Staff will go back and work with applicant for clarification.

Mr. Gorski commented we have received a fair amount of applications over the last month and as you are aware, the MSRC did extend the program to August 2, 2018. There is still ample time for additional jurisdictions to put their proposals together for committee evaluation. We are conducting additional outreach including working directly with South Coast Air Quality Management District to target those cities whom have not yet put in an application or have not expressed the intent to do so.

ON MOTION BY MSRC-TAC MEMBER A.J. MARQUEZ AND SECONDED BY MSRC-TAC MEMBER MARTIN BUFORD, THE MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND APPROVAL OF AWARDS TO THE CITIES OF ANAHEIM, REDLANDS, AGOURA HILLS, WEST HOLLYWOOD, SAN FERARND, YORBA LINDA, MALIBU, CULVER CITY, SANTA ANA, WHITTIER, LYNWWOD, DOWNEY, IRVINE, RANCHO CUCAMONGA, GARDEN GROVE, PARAMOUNT, LA HABRA HEIGHTS, LONG BEACH, CHINO, CARSON, PERRIS, GLENDALE, MORENO VALLEY, BEAUMONT, RIVERSIDE, EASTVALE AND THE COUNTY OF LOS ANGELES, FOR A TOTAL OF \$5,061,695. MSRC-TAC MEMBER JAIME LAI ABSTAINED.

ACTION: MSRC staff will include these recommended awards on the next MSRC agenda for approval by the MSRC.

Agenda Item #8 – Consider Funding for Application Received under the Major Event Center Transportation Program

Ray Gorski, MSRC Technical Advisor, reported although there is a handout distributed for your review, the TCM Subcommittee recommends that this be deferred for a one-month period.

Agenda Item #9 – Consider Work Plan Received under the CTC Partnership Program

As an element of their FYs 2016-18 Work Program, the MSRC allocated \$8M for a program to partner with the region's County Transportation Commissions (CTCs) to implement transportation-related air quality improvement projects within their respective jurisdictions. The MSRC approved a solicitation document in November 2017 seeking work plans from CTCs to partner with the MSRC. \$2M is reserved for each CTC. To date, the MSRC has approved awards totaling \$2M. An additional work plan requesting \$2M has been received from San Bernardino County Transportation Authority for a Metrolink San Bernardino Line Fare Discount Program.

ON MOTION BY MSRC-TAC MEMBER SEAN O'CONNOR AND SECONDED BY MSRC-TAC MEMBER STEVEN LEE, THE MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND APPROVAL OF AN AWARD TO SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY FOR \$2 MILLION. MSRC-TAC MEMBER KELLY LYNN ABSTAINED.

ACTION: MSRC staff will include this recommended award on the next MSRC agenda for approval by the MSRC.

Agenda Item #10 – Consider Early Termination of Natural Gas Infrastructure Program and Reallocation of Fund Balance to Hydrogen Infrastructure Program

Ray Gorski, MSRC Technical Advisor reported this is relative to the Infrastructure Solicitation and offers incentives primarily for the installation of alternative fuels, specifically natural gas infrastructure. The targeted allocation from the MSRC is \$4M and it closes June 29, 2018. To date, this program has been undersubscribed. The amount that has been requested is \$1.05M. The Infrastructure Subcommittee believes it might be beneficial to terminate this solicitation early and take the balance and roll it into a solicitation which they believe will have a greater need for funding; that solicitation is the Hydrogen Infrastructure Program which is going to the Governing Board tomorrow for final approval. We have received additional information from the SCAQMD's Procurement Office relative to the necessary steps to terminate a solicitation. In order to terminate a solicitation, it must be taken the Governing Board. In this case that could happen no earlier than May 4th. Given that the solicitation closes on the 29th, the SCAQMD Procurement Office would need to seek Governing Board approval and post a termination notification for 30 days and have it open for approximately 27 additional days. The earliest the solicitation could terminate the program would be June 2nd. There's no recommendation from the SCAQMD; it is a policy consideration by the MSRC. However, given the timeline that was presented, it would be longer than Infrastructure Subcommittee thought when they made the recommendation.

PUBLIC COMMENT: Enid Joffe, Clean Fuels Connection, requested that the MSRC-TAC not shorten the timelines. She has been working on an application for quite some time and with all of their approvals, it's not a quick process. This is definitely going to create a problem. This is a project that involves Walmart and the natural gas station in Colton that will serve the Walmart Warehouse.

PUBLIC COMMENT: Jason Lewis, Finance and Grants Marketing Advisor, Southern California Gas Company, thanked the MSRC for the opportunity to comment on the program. SoCalGas supports the MSRC and the SCAQMD mission in reducing air pollution in the South Coast Air Basin. As you are all aware, heavy-duty trucks are the number one producer of NO_x in the South Coast Air Basin. As such, any MSRC program that helps facilitate the purchase of in-use zero and near-zero emission heavy-duty trucks should be encouraged. Although the MSRC has supported natural gas infrastructure projects in the past, many of these projects have supported municipalities, school districts, street sweepers and other medium-duty fleet operators which predominantly use time filled stations. Of the 340 CNG stations currently in operation throughout Southern California, only 38 are heavy-duty accessible. Heavy-duty accessible means stations that are specifically designed to support heavy-duty vehicles, such as class 8 heavy-duty trucks. The market for near-zero natural gas heavy-duty trucks is still developing with a small number of accessible heavy-duty stations and the recent release of the Cummins Westport ISX12 G NZ, the first near-zero 12-liter natural gas engine. This engine is perfectly suited to replace heavy-duty engines and class 8 trucks. Recent depressed crude oil prices have temporarily removed the direct economic pressure to immediately adopt an alternative-fuel, which explains one aspect of their recent reduction in NGV station building. SoCalGas was pleased to learn that the Carl Moyer Program will be supporting infrastructure products for the first time. That being said, there isn't clarity as to how infrastructure proposals will be weighed against vehicle

proposals. SoCalGas would like to state that we appreciate past MSRC support with CNG fueling infrastructure and ask that the program be allowed to continue in its current form until the original June 29th due date. This will allow the projects currently writing a grant proposal to submit them to MSRC. For future programs, SoCalGas proposes that the MSRC consider changing the infrastructure program to be fuel agnostic to support not one particular fuel or technology but both zero and near-zero emission fuel technologies with an emphasis on public heavy-duty accessible alternative fuel stations that are fast fueled. Heavy-duty trucks are the target for NO_x reductions for mobile source air pollution. NO_x reduction from the heavy-duty trucking sector is a goal of the South Coast AQMD's AQMP and all fuels that directly produce NO_x should be eligible for infrastructure funding. Heavy-duty accessible stations benefit all station users. Any CNG vehicle class that can fuel, can fuel at a heavy-duty CNG station not just heavy-duty trucks. Fleet owners and consumers should decide which alternative fuel works best for their application. SoCalGas is currently planning to complete construction and began operations on four new heavy-duty accessible stations in Southern California. We encourage the MSRC to support this activity from both SoCalGas and other fuel providers. Heavy-duty stations for alternative fuels are very expensive, for example SoCalGas estimates that at each of the four new heavy-duty CNG stations will cost approximately \$3M each. Additional, funding will be needed to help cover the cost for additional capability and potential emission reductions. If alternative fuels can serve fleets of class 8 trucks, we can reduce a tremendous amount of pollution.

Vice Chair Dan York commented this is a big topic. The input we give can also be given to the Infrastructure Subcommittee. There were some recommendations on fuel.

MSRC-TAC Alternative Rick Teebay commented he learned today that the County is preparing applications for two sites. Was glad to hear that this solicitation won't be terminated earl.

Mr. York questioned is there any additional background information that helped the Infrastructure Subcommittee make that recommendation, that might be helpful for the group to understand. Mr. Gorski replied the Subcommittee believes there are some near term needs for infrastructure funding in the hydrogen sector, specifically as it pertains to an unfunded list of projects for the South Coast region which result from a California Energy solicitation. The Natural Gas Infrastructure Program has been to date, highly undersubscribed. This program has been open for nearly two years. If you look at the actual break down of projects which have been awarded funding, the majority of them are simply to do modifications to facilities to support indoor maintenance of natural gas fueled vehicles, as well as some expansion of existing stations; there are very few new stations. If there is a price comparison between conventional fuels and alternative fuel, often times you'll see a reduction in alternative fuel applications. The Infrastructure Subcommittee takes their job very seriously and if there is a relatively substantial amount of money that is not being utilized they want to bring that to the attention of the MSRC and allow them to make a policy decision as how that money can potentially be better reallocated.

Mr. Teebay added the proposal was to focus on quick fill. If you look at refuse operations or some other operations, slow fill can be more cost-effective and a lot better operational solution. Instead of having a line of refuse trucks waiting for fuel, you just go back to the parking stall and plug in. There's a real need for fast fill but there is also real opportunities for slow fill, and if you lump all of the fuels together, my personal opinion, when you are comfortable with electric, you

don't want everyone here queued for 4 or 6 fast chargers. It's much better as the SCAQMD has installed a hundred units out there and let people charge during the duration of their work time.

PUBLIC COMMENT: Mr. Lewis acknowledged everything Rick was saying about time fueling for refuse, and stated that his comments were more to the 12L engine which is not found in most refuse applications, that's an 8.9L. What we are trying to do with this technology is to replace diesel trucks. Diesel trucks don't necessarily sit in one place and they do not return to base, so to speak. They are looking to fill on the go, they are looking to fill fast and in order to replace that for operators and drivers we basically need the exact same range and a driver with experience with our fuel and technology, regardless of what alternative fuel it is.

MSRC-TAC Member Rongsheng Luo asked for the pending application, approximately how much money?

PUBLIC COMMENT: Ms. Joffe replied it is a private organization that is applying for its fleet, it will have limited public access, and it's no more than \$150,000.

Mr. Luo questioned for the reallocation, is there usually a recommendation needed after the end of the solicitation for that particular program. Mr. York commented the situation now is the program ends June 29th, unless there is a recommendation, those funds won't necessarily be reallocated for the next fiscal year or will they? Mr. Gorski replied the MSRC policy is that any underutilized Work Program category that has remaining funds will revert back to the overall Discretionary Fund. In this case, the Infrastructure Subcommittee is requesting that any underutilize funds within the current infrastructure solicitation be reallocated to the new Hydrogen Program Opportunity Notice (PON), which is on the agenda for the SCAQMD Governing Board for approval and subsequently release tomorrow. The Infrastructure Subcommittee had two requests (1) an early termination of an existing solicitation; and (2) the reallocation of residual funds to another infrastructure solicitation. That infrastructure solicitation was an element of their overall Infrastructure Program for fiscal years 2016-2018.

Mr. Luo questioned is it necessary to know the amount, does that need to be added to the action? John Kampa, Financial Analyst, added there is no dollar amounts, all we know is the remaining amount. We will have to put a recommended action and come back later to add money. Mr. Gorski replied from a TAC level, there could be an action to recommend to the MSRC that any residual monies from the current infrastructure solicitation, once it closes, be appropriated towards the Hydrogen Program Opportunity Notice and at that time we would give the MSRC what that remaining balance is.

Mr. York commented it might be advantageous to take a two-part motion. The first motion is to address the reallocation of the funds as recommended in the staff report. At the end of June 29th, the remainder of residual monies from the current program, the recommendation would be to move to the other program. Megan Lorenz, Principal Deputy District Counsel, clarified that would be assuming the correct June 29th closing not the June 3rd if it was terminated early. Mr. York replied either way, regardless of the next vote this would reallocate the residual funds.

[MSRC-TAC Member Jaime Lai arrived at 1:42 p.m., and a quorum was achieved.]

ON MOTION BY MSRC-TAC MEMBER RONGSHENG LUO AND SECONDED BY MSRC-TAC MEMBER KELLY LYNN, THE MSRC-TAC UNANIMOUSLY VOTED TO REALLOCATE ANY RESIDUAL FUND BALANCE FROM THE NATURAL GAS INFRASTRUCTURE PROGRAM TO THE HYDROGEN INFRASTRUCTURE PROGRAM.

Mr. York commented the second motion comes to the early termination. Currently the program terminates on June 29th. Based on staff's presentation, the earliest the program could end is June 2nd. Madame Chair Hardison did make a recommendation to allow this program to run its course and not terminate early.

Mr. Luo questioned was the Subcommittee aware of the timeline? Mr. Gorski replied they were not. During the Subcommittee deliberations, we had not yet received the input from the SCAQMD relative to the recommended timeline for procurement. That information was received very recently. Mr. Luo questioned were they also not aware of the pending applications. Mr. Gorski replied no member of the Infrastructure Subcommittee or staff were aware of any pending applications to be submitted. Mr. Luo questioned are there any members of the Subcommittee here and would they like to comment? MSRC-TAC Member A.J. Marquez commented yes, in light of current events from our partners and the fact that we are only going to gain 27 days, I would like to make a recommendation that we let the program terminate on the date that was originally proposed, June 29th. Mr. York commented the motion is rejecting the staff report's recommendation; it would to allow the program to run its course.

ON MOTION BY MSRC-TAC MEMBER A.J. MARQUEZ AND SECONDED BY MSRC-TAC MEMBER RONGSHENG LUO, THE MSRC-TAC UNANIMOUSLY VOTED TO ALLOW THE NATURAL GAS INFRASTRUCTURE PROGRAM TO TERMINATE ON THE ORIGINAL DATE OF JUNE 29, 2018.

ACTION: MSRC staff will include this recommended action on the next MSRC agenda for approval by the MSRC.

OTHER BUSINESS

Agenda Item #11 – Other Business

No other business was introduced.

PUBLIC COMMENTS:

No public comment.

ADJOURNMENT

There being no further business, the MSRC-TAC meeting adjourned at 2:07 p.m.

4/5/18 MSRC-TAC Meeting Minutes

NEXT MEETING: Next meeting: Thursday, May 3, 2018, 1:30 p.m., at the South Coast Air Quality Management District.

(Minutes prepared by Penny Shaw Cedillo)