



**MOBILE SOURCE AIR POLLUTION REDUCTION REVIEW COMMITTEE  
THURSDAY, APRIL 16, 2020 MEETING MINUTES**

21865 Copley Drive, Diamond, Bar, CA 91765 - Conference Room CC-8

**All participants attended the meeting remotely pursuant to Executive Orders N-25-20 and N-29-20**

**MEMBERS PRESENT:**

(Chair) Larry McCallon, representing SBCTA  
Ben Benoit, representing SCAQMD  
Brian Berkson, representing RCTC  
Jack Kitowski, representing California Air Resources Board  
Rex Richardson, representing SCAG  
Dolores Roybal Saltarelli (Alt.), representing Regional Rideshare Agency  
Meghan Sahli-Wells (Alt.), representing SCAG  
Mark Yamarone (Alt.), representing Los Angeles County MTA

**MEMBERS ABSENT:**

(Vice-Chair) Greg Winterbottom, representing OCTA

**MSRC-TAC MEMBERS PRESENT:**

Jenny Chan, Riverside County Transportation Commission  
Rongsheng Luo, representing SCAG

**OTHERS PRESENT:**

Ruben Aronin, Better World Group  
Lauren Dunlap, SoCalGas  
Nancy Strickert, SBCTA  
Alex Van Houghton

**SOUTH COAST AQMD STAFF & CONTRACTORS**

Leah Alfaro, MSRC Contracts Assistant  
Maria Allen, Secretary  
Naveen Berry, Asst. Deputy Executive Officer  
Penny Shaw Cedillo, MSRC Administrative Liaison  
Ray Gorski, MSRC Technical Advisor-Contractor  
Daphne Hsu, Senior Deputy District Counsel  
John Kampa, Financial Analyst  
Matt Mackenzie, MSRC Contracts Assistant  
Ash Nikravan, Senior Staff Specialist  
Cynthia Ravenstein, MSRC Contracts Administrator  
Paul Wright, Information Technology Specialist

## **CALL TO ORDER**

- Call to Order

MSRC Chair Larry McCallon called the meeting to order at 2:00 p.m.

Roll call was taken at the start of the meeting. The following members and alternates were present: BEN BENOIT, BRIAN BERKSON, LARRY MCCALLON, REX RICHARDSON, DOLORES ROYBAL SALTARELLI, MARK YAMARONE.

- STATUS REPORT

[MSRC Member Jack Kitowski joined the discussion at 2:07 p.m.]

Cynthia Ravenstein, MSRC Contracts Administrator presented that the Governor has announced that he is going to focus on a very stripped-down budget for the next fiscal year due to the Coronavirus crisis. No new ideas or programs, that is going to obviously impact potential co-funding for some of the programs that the MSRC might wish to do. One example of this is often times a lot of the projects that are interested in MSRC funding are looking for co-funding from the Clean Truck and Bus Voucher Program (HVIP) and they are anticipating limited funding for the 2020-2021 fiscal year. They had a webinar and options being discussed to try to deal with that limited funding include graduating, as they call it, certain technologies and vehicles out of the program, making changes to vehicle and fleet eligibility, adjusting voucher amounts, putting caps on the number of voucher requests that will be accepted, and taking into account upcoming regulations to reduce funds as compliance deadlines draw near.

MSRC Chair Larry McCallon stated for the record that for Agenda Items #7 and #8, he does not have any financial interest, but is required to identify that he is a Governing Board Member for South Coast AQMD and Regional Council Member for Southern California Association of Governments, which are involved in these items.

MSRC Member Brian Berkson stated for the record that for Agenda Item #4, he does not have any financial interest, but is required to identify that he is a Commissioner for the Riverside County Transportation Commission, which is involved in this item.

MSRC Rex Richardson stated for the record that for Agenda Item #8, he does not have any financial interest, but is required to identify that he is a Regional Council

Member for the Southern California Association of Governments, which is involved in this item.

MSRC Member Ben Benoit stated for the record that for Agenda Items #4, #7 and #8, he does not have any financial interest, but is required to identify that he is a Commissioner of Riverside County Transportation Commission, Governing Board Member for South Coast AQMD and Regional Council Member for Southern California Association of Governments, which are involved in these items.

## **CONSENT CALENDAR (Items 1 through 4)**

### **Receive and Approve Items**

#### **Agenda Item #1 – MSRC Contracts Administrator’s Report**

The MSRC AB 2766 Contracts Administrator’s Report for February 27 through April 8, 2020 was included in the agenda package.

ON MOTION BY MSRC MEMBER BEN BENOIT AND SECONDED BY MSRC MEMBER BRIAN BERKSON, UNDER APPROVAL OF CONSENT CALENDAR ITEMS #1 THROUGH #4, THE MSRC UNANIMOUSLY VOTED TO RECEIVE AND FILE THE CONTRACTS ADMINISTRATOR’S REPORT FOR FEBRUARY 27 THROUGH APRIL 8, 2020.

AYES: BENOIT, BERKSON, KITOWSKI, MCCALLON, RICHARDSON, ROYBAL SALTARELLI, YAMARONE.

NOES: NONE.

ACTION: Staff will include the MSRC Contracts Administrator’s Report in the MSRC Committee Report for the May 1, 2020 South Coast AQMD Board meeting.

#### **Agenda Item #2 – Financial Report on AB 2766 Discretionary Fund**

A financial report on the AB 2766 Discretionary Fund for March 2020 was included in the agenda package.

ON MOTION BY MSRC MEMBER BEN BENOIT AND SECONDED BY MSRC MEMBER BRIAN BERKSON, UNDER APPROVAL OF CONSENT CALENDAR ITEMS #1 THROUGH #4, THE MSRC UNANIMOUSLY VOTED TO RECEIVE AND FILE THE FINANCIAL REPORT FOR THE PERIOD ENDING MARCH 2020.

AYES: BENOIT, BERKSON, KITOWSKI, MCCALLON, RICHARDSON,  
ROYBAL SALTARELLI, YAMARONE.  
NOES: NONE.

**ACTION:** No further action is required.

**For Approval – As Recommended**

**Agenda Item #3 – Consider Nine-Month Term Extension for the City of Azusa, Contract #ML16032 (\$474,925 – Implement “Complete Streets” Pedestrian Access Project)**

The City requests a nine-month contract term extension due to delays associated with the larger project of which this is a part, and to align construction with Azusa Pacific University’s summer break to minimize impacts on pedestrian and vehicular traffic. THE MSRC-TAC UNANIMOUSLY RECOMMENDS APPROVAL.

ON MOTION BY MSRC MEMBER BEN BENOIT AND SECONDED BY MSRC MEMBER BRIAN BERKSON, UNDER APPROVAL OF CONSENT CALENDAR ITEMS #1 THROUGH #4, MSRC UNANIMOUSLY VOTED TO APPROVE A NINE-MONTH TERM EXTENSION FOR THE CITY OF AZUSA, CONTRACT #ML16032.

AYES: BENOIT, BERKSON, KITOWSKI, MCCALLON, RICHARDSON,  
ROYBAL SALTARELLI, YAMARONE.  
NOES: NONE.

**ACTION:** MSRC Staff will amend the above contract accordingly.

**Agenda Item #4 – Consider Twenty-One Month Contract Term Extension by Riverside County Transportation Commission (RCTC), Contract #MS14059 (\$1,250,000 – Implement Various Signal Synchronization Projects)**

RCTC requests a twenty-one month contract term extension due to the Coachella Valley Associated Governments’ Regional Synchronization Project taking longer than anticipated due to the necessary coordination with the numerous jurisdictions, the wide variety of existing equipment, and planning for synchronization that will be utilizing rapidly changing technology. THE MSRC-TAC UNANIMOUSLY RECOMMENDS APPROVAL.

ON MOTION BY MSRC MEMBER BEN BENOIT AND SECONDED BY MSRC MEMBER BRIAN BERKSON, UNDER APPROVAL OF CONSENT CALENDAR ITEMS #1 THROUGH #4, MSRC UNANIMOUSLY VOTED

TO APPROVE A TWENTY-ONE MONTH CONTRACT TERM EXTENSION BY RIVERSIDE COUNTY TRANSPORTATION COMMISSION, CONTRACT #MS14059.

AYES: BENOIT, BERKSON, KITOWSKI, MCCALLON, RICHARDSON, ROYBAL SALTARELLI, YAMARONE.

NOES: NONE.

**ACTION:** MSRC Staff will amend the above contract accordingly.

### **ACTION CALENDAR (Item 5 through 8)**

#### **Agenda Item #5 – Consider Modifications to the MSRC Operational Policies and Procedures Related to the Regional Rideshare Agency Representative**

Cynthia Ravenstein, MSRC Contracts Administrator, reported that part of the enabling legislation calls for there to be a Regional Rideshare Agency member on the MSRC. The MSRC itself has the discretion to select the agency that is going to designate the member. Back in 1991, originally the MSRC selected Commuter Transportation Services as the Regional Rideshare Agency. Commuter Transportation Services remained the agency until 2003, when they dissolved. At that point, the MSRC discovered that the four County Transportation Commissions (CTCs) were mutually providing rideshare services for the region. The intention was that the MSRC's Regional Rideshare Agency position would rotate, but nothing was ever said officially. Initially the Riverside County Transportation Commission (RCTC) was selected to be the Regional Rideshare Agency. Then in 2010, the CTCs thought maybe it was time that this should rotate. A group called the Regional Rideshare Implementation Committee submitted a letter recommending that the MSRC consider selecting Metro to be the Regional Rideshare Agency. The MSRC considered that recommendation, and a recommendation from the MSRC-TAC, and designated Metro to be the Regional Rideshare Agency in 2010. And that has been the agency up to this point. There really has not been any mechanism for anything to change. We have gathered that it is still the case that the four CTCs that are represented on the MSRC all provide some of the regional rideshare services. What is proposed is a modification to the MSRC Operational Policies and Procedures to ensure a smooth rotation of the Regional Rideshare Agency now and in the future, so it established that it would rotate every four years. If this was approved San Bernardino County Transportation Authority would become the new Regional Rideshare Agency and then four years after that it would be Orange County Transportation Authority. Then it would be RCTC, then it would be Metro, and then that cycle would repeat thereafter. So, it would be sort of an automatic thing instead of waiting for some impetus to come and cause the MSRC to consider it. This was not reviewed by the MSRC-TAC, it is a policy issue for the MSRC consideration.

MSRC Member Brian Berkson commented, related to the four-year terms, and wondering if that might be too long of a term for any one agency if we are going to do a rotating scenario. Two years sounds more in line with our Work Programs. Is it something that we want to do for four years at a time? Because then when you take a break, it is another 12 years till you are back in your county.

MSRC Alternate Meghan Sahli-Wells commented, in general, do the organizations put staff members forward? Who would be the appointees? MSRC Chair Larry McCallon replied, it is with my understanding the appointee would be a member of the board of that organization. In the case of Metro, they have not filled that position and it has fallen to staff as an alternate. Ms. Sahli-Wells asked, is it the policy that it would be a board member? Mr. McCallon replied, it is not spelled out in the policy currently, it could be. Ms. Ravenstein added, the policy as written right now does not speak to who the agency could designate as their member. Ms. Sahli-Wells commented, in my experience like on the Westside Cities COG, these types of bodies are usually filled by staff members and the idea is that there is a technical expertise that they usually bring to these conversations. If it does turn out to be staff members as opposed to board members, then there is a capacity issue. How do people get appointed? How does the board vote on who is going to represent? MSRC Alternate Dolores Roybal Saltarelli added, my understanding is that it has always been preferred to have a board member. However, if for various reasons that is not possible, then the staff member is the alternate. I do think it is important to formalize the rotation. This item is extremely appropriate. Going back to Brian's question in terms of the length, is there any input as to the four years versus something that shorter because it seems either one could work, but I think it is contingent on everybody feeling comfortable with that. Mr. McCallon commented, when I first saw the change to four years, I thought that was a little long, I would suggest like Brian, that we go to a two-year term.

MSRC Member Ben Benoit commented, I agree with the two years. To try and line up with our Work Programs, that would be the way to do it. We are in the middle of our two-year Work Program right now, maybe we need to give that first member an extra year so they can line that up with the Work Program. Cynthia, I will leave it to you to line it up in the most effective way, if we want that person coming into this to be able to participate in the upcoming Work Program. So, whenever timing would be right to time that out. Mr. McCallon commented, our current Work Program is three years. Ms. Sahli-Wells commented is the Work Program something that changes over time, is it always three years or is it sometimes two years? Mr. McCallon commented, it has always been two years recently until this year. This time we made it three years because we wanted to a larger pool of money to deal with. Ms. Sahli-Wells commented, if you had the appointment align with whatever the Work Program is, that would allow you that flexibility. Ms. Ravenstein commented, when do you define exactly when the Work Program is starting and ending? Ms. Sahli-Wells commented, is that something you vote on? Ms. Ravenstein commented, we have in the past asked the MSRC to authorize longer because the Work Program always used to be one year, and then for the past several years, it was two years and then three

years. Mr. McCallon commented, when does the Work Program begin? When do we vote on it? Ms. Ravenstein commented, typically you have been voting on it in the spring before the fiscal year when it starts. Mr. McCallon commented, we can align it to the Work Program. Since we are in the middle of this three-year Work Program, we can have this one go through the end of this Work Program.

Mr. Benoit asked, wouldn't that person who ever it was, want to be there for the planning of the Work Program and then be part of carrying it out? Maybe it is more important that they are there, the six months prior to the Work Program actually starting or when we vote out on it. Because before we vote on it, it has gone to the MSRC-TAC and before that it goes to our joint meeting and there have been other planning meetings to get it to that point. I would assume they would want to be a part of that. Mr. McCallon commented, targeting first of the year then. Mr. Benoit commented, when do we normally start planning for our Work Program? Obviously, it will not work for this one coming forward. Whoever gets assigned now would stay on until we are beginning the process of starting the following Work Program. So this first person to get assigned might be closer to the four-year term that was originally envisioned, but then after that would fall back to either a two- or three-year term based on how long the Work Program is after they have gone through the planning and then gotten up and running. Once it is up and running, switching at that point will probably be no big deal. If we are going to line it up with the Work Program, it needs to include the planning portion of it. Ms. Ravenstein commented, generally there is not a lot of planning that goes on before we are asking you how long the Work Program is going to be, because we cannot really plan too much until we know how much money there is going to be to work with. Mr. Benoit commented, they would not need to be part of the planning conversation of how long the Work Program would be.

Mr. Berkson asked, is there any issue with having an overlap where we actually have the transition from the old to the new and they are both overlapping and both on duty? One is wrapping up the Work Program they were completing, and the next group is coming on a little earlier so they can be involved in the setting up and staging of the new Work Program? Is that possible or is further complicating?

Mr. McCallon commented, you have to realize this is a position that is appointed like your position and my position and it is up to the organization that is appointing, when they make the appointments and that could change at any time. My position is up every couple of years. It does not coincide with any work program schedule or anything else. Maybe we are making this too complicated when this is just another one of our positions on this committee. Ms. Sahli-Wells commented, so then default to the two years that was suggested? Mr. McCallon commented, that is what I would suggest.

**ON MOTION BY MSRC MEMBER BEN BENOIT, AND SECONDED BY  
MSRC MEMBER BRIAN BERKSON, MSRC UNANIMOUSLY VOTED  
TO APPROVE MODIFICATIONS TO THE MSRC OPERATIONAL**

POLICIES AND PROCEDURES RELATED TO THE REGIONAL RIDESHARE AGENCY REPRESENTATIVE FOR A TWO-YEAR TERM.  
AYES: BENOIT, BERKSON, KITOWSKI, MCCALLON, RICHARDSON, ROYBAL SALTARELLI, YAMARONE.  
NOES: NONE.

**ACTION:** MSRC Staff will amend the Operational Policies and Procedures accordingly.

## **FYs 2016-18 WORK PROGRAM**

### **Agenda Item #6 – Consider Recommendation Regarding Extending Submittal Deadline Under the Hydrogen Infrastructure Partnership Program**

Cynthia Ravenstein, MSRC Contracts Administrator, reported the MSRC issued a Program Opportunity Notice as part of the 2016-18 Work Program for Hydrogen Infrastructure seeking to encourage the establishment of new and expanded hydrogen fueling stations. The MSRC has made one award in the amount of \$1 million under this program. We have also received numerous inquiries and had many discussions with interested parties. Some of them indicated that they needed more time. Towards the end of the application period the California Energy Commission (CEC) came out with a funding opportunity for hydrogen refueling infrastructure in January, that coincided with a marked increase in interest in the MSRC's funding opportunity because people were looking for co-funding. At the time that the MSRC-TAC considered this item, the CEC's deadline was April 30, 2020. The MSRC-TAC recommended that the MSRC extend the deadline on their funding opportunity to April 9, 2021. Since that time, the March 19th MSRC meeting was canceled because the South Coast AQMD offices were closed, and we did not have preparation time to set up a remote meeting like this. But we have been informed by legal counsel that it is possible for the MSRC to still extend the deadline and have that be effective retroactively. You could still act on the MSRC-TAC's recommendation to extend the submittal deadline for this solicitation. Also, since the MSRC-TAC met, the CEC has extended the deadline for their funding opportunity to May 22nd. The recommendation before for you is to extend the deadline to April 9, 2021. There is still a lot of interest. We did get a few applications from one proposer based on the current deadline, but we know there are a lot more out there that are still in the works.

MSRC member Jack Kitowski asked, is this a competitive solicitation or is this a set amount? Ms. Ravenstein replied, there is not a set amount, but it was somewhat first-come, first served. We were primarily seeking to be that last little bit of funding for projects that had already been vetted by other funders, primarily CARB, CEC, and South Coast AQMD. That was the primary goal, although we were not necessarily going to turn away projects that came in directly from the proposers.

ON MOTION BY MSRC MEMBER BEN BENOIT, AND SECONDED BY MSRC MEMBER JACK KITOWSKI, MSRC UNANIMOUSLY VOTED TO APPROVE EXTENDING SUBMITTAL DEADLINE UNDER THE HYDROGEN INFRASTRUCTURE PARTNERSHIP PROGRAM TO APRIL 9, 2021.

AYES: BENOIT, BERKSON, KITOWSKI, MCCALLON, RICHARDSON, ROYBAL SALTARELLI, YAMARONE.

NOES: NONE.

**ACTION:** This item will be considered by the South Coast AQMD Governing Board at its May 1, 2020 meeting.

### **FYs 2018-21 WORK PROGRAM**

#### **Agenda Item #7 – Consider Partnership with South Coast AQMD on Implementation of a Voucher Incentive Program (VIP) Plus Up Incentive**

Cynthia Ravenstein, MSRC Contracts Administrator, reported this is to consider a partnership with South Coast of AQMD on a Plus Up Incentive for the Voucher Incentive Program (VIP). The current Voucher Incentive Program under the Carl Moyer Program provides incentive funding for the cost of replacing older, higher polluting vehicles with newer, lower emission vehicles that meet the 0.20 g/bhp-hr NOx standard. That is basically the current standard for a new vehicle. Participation is limited to fleets which have 10 or fewer vehicles. They submit applications through approved dealers. Current engines have to be model year 2009 or older and in compliance with the Truck and Bus Regulation. The applicant gets issued a voucher and that amount is deducted from the purchase price of the new truck. The voucher amounts vary depending on the vehicle class and mileage. The maximum amount that they could get is \$60,000. The majority of the new vehicles that are purchased under this program are diesel. Given the technology developments that have been occurring, and the need to achieve emission reductions as soon as practicable, we saw that there is an opportunity to partner with South Coast AQMD to support vehicle owners in going a step further to achieve emission reductions that are at least 90% cleaner than what the current standards are, going with engines that meet 0.02 g/bhp-hr and cleaner. This could be achieved by adding MSRC funds to what the applicant would get under the regular VIP. For Class 7 and 8, the maximum would be a \$100,000, for Class 6 vehicles \$80,000, and for Class 5 vehicles, \$60,000. Other than the funding caps, all the requirements of the VIP guidelines would remain in place. There would not be any difference that the fleets would see in terms of the process. We have run this by CARB in terms of policy; there are some little details that need to be worked out in terms of the implementation. The MSRC-TAC has recommended a \$5 million initial allocation as the minimum that would make the program viable, that would match \$5 million in the VIP funds. If all the trucks were Class 8 and they receive the maximum VIP voucher amount, then 100 low NOx trucks could be

funded. If there were smaller trucks in there, then the total number of trucks would be increased. But if some of them were getting less than the maximum amount on the VIP vouchers, which is probably likely, then that could decrease the total number of trucks. There are a lot of variables there. The 2020 VIP funding tables have not been out all that long. The interest in doing this soon after the VIP launched is to try to encourage as many fleets as possible to consider taking the low NOx option rather than just buying the diesel truck. You may have heard; CARB is currently working on adding a low NOx incentive to their Statewide VIP. That is expected to come out sometime in the next few months. The early indications are that their incentive amounts would be lower than what we are proposing here. If that is the case, then probably there would still be some funding coming from the MSRC to make up that difference. On March 5<sup>th</sup>, the TAC also recommended a sunset date on these the MSRC funds of December 31, 2020. A lot of things have changed since March 5<sup>th</sup>. So that just might be something to think about in terms of that sunset date, that perhaps people are not going to be buying trucks quite as quickly as they were before.

MSRC Chair Larry McCallon asked, the reason for the sunset date? Ms. Ravenstein replied, the TAC just thought that there should be some kind of an end point.

MSRC Member Ben Benoit asked, does the sunset date line up with the end of the Work Program? Ms. Ravenstein replied, I am not entirely sure why they picked that date. I think that they just felt like that there should be an end point and that there might be a reasonable chance that the money would have been spent by then. I do not really have a clear picture of why they picked that date.

Mr. McCallon commented, if we have an end date, we need to extend it until the end of next year because of the way the economy is and where things are headed.

Naveen Berry, Assistant Deputy Executive Officer, commented, typically speaking of the funds that the South Coast AQMD allocates to the subset of the Carl Moyer Program for VIP are exhausted in the October/November time frame, so perhaps that is why that end of the year date was selected, but I would suggest that we extend by a year, as the Committee is discussing, just because we are not certain as to how quickly the incentive funds are going to be drawn down after this Covid-19 issue starts to settle down.

MSRC Member Brian Berkson commented, in essence is this a combination of half of our money and half of South Coast AQMD's money? It went from \$60,000 to \$100,000 as the max for those large trucks. If we go through this process and partner up, is the benefit that rather than just allow a normal diesel truck to be qualified, this goes that step further to make sure that these are even more beyond the standard diesel? Ms. Ravenstein replied, yes, sometimes South Coast AQMD's Carl Moyer funds are going to be taking a little more than half, sometimes MSRC funds are going to be taking a little more than half, depending on the mileage of the truck and so forth. The ones that are higher mileage are going to get more of the South Coast AQMD funds, the ones that have a little bit lower mileage, the MSRC is

going to be making up a little more for those. This is going to be encouraging people to go with the lower emitting trucks.

MSRC Member Jack Kitowski commented, there is one other aspect that I think is going to make it better as folks are trying to advertise and outreach this program and that is there is a known set amount. The Carl Moyer program is highly variable depending on how many miles you drive so you could get the full \$100,000 out of the Carl Moyer account, you could get much less. You will not know until somebody analyzes your mileage and plugs the numbers in and all of that. That is hard to explain to a fleet as you're trying to say it. The combination of these two together simply means okay, you're going to be eligible for \$100,000. Do you want to do this or not? And that is I think that is easier for more fleet owners to understand.

Mr. McCallon commented, with the trucks being one of our major sources of criteria pollutants in the South Coast Area, it certainly makes sense for us to encourage turnover of these older trucks and I would like to see us partner with South Coast AQMD to do this because I think it's a very important program if we can help incentivize some of these older trucks to get off the road. It benefits all of us and I would hope that personally that we get down to the 0.02 engines.

Mr. Berkson commented, I move the recommendation with an amendment to change the ending date that staff suggested to December 31, 2021.

ON MOTION BY MSRC MEMBER BRIAN BERKSON, AND SECONDED BY MSRC MEMBER BEN BENOIT, MSRC UNANIMOUSLY VOTED TO APPROVE THE PARTNERSHIP WITH SOUTH COAST AQMD ON IMPLEMENTATION OF A VOUCHER INVENTIVE PROGRAM (VIP) PLUS UP INCNETIVE WITH AN AMENDMENT TO THE SUNSET DATE TO DECEMBER 31, 2021.

AYES: BENOIT, BERKSON, KITOWSKI, MCCALLON, RICHARDSON, ROYBAL SALTARELLI, YAMARONE.

NOES: NONE.

**ACTION:** This item will be considered by the South Coast AQMD Governing Board at its May 1, 2020 meeting.

### **Agenda Item #8 – Update on MSRC’s Regional Goods Movement Program and Consider Direction on Solicitations and Authorization of Submissions**

Ray Gorski, MSRC Technical Advisor, provided an update on the overall Goods Movement Program that the MSRC has embarked upon. The Inland Ports Program Opportunity Notice which opened on December 6th is now closed. As you may recall during some of the

intervening meetings, we were expressing that we were uncertain as to what type of a response this PON would generate. We had had prior meetings and we were trying to see if we could get some traction with some of the warehouse distribution centers located out in the Inland Empire to gauge their interest in partnering with the MSRC on implementing clean air projects, but in all honesty, we were not getting a lot of responses. We thought that there might be some concern about the Indirect Source Rule that the South Coast AQMD is promulgating and that be having a chilling effect on entities coming forward to participate in an MSRC-sponsored program, in association with the South Coast AQMD. The targeted funding amount we had asked the MSRC for was \$20 million, because we thought that value would get these entities' attention. Putting \$20 million on the street as the target of opportunity would raise some interest.

I am happy to say that the response that we received as of the 21st of February, when the program closed, was overwhelming. It does present the MSRC with some really exceptional opportunities. The entities which have submitted proposals, for the most part, are very well-recognized entities; these are large companies. We had a \$20 million MSRC funding target, but we have received over \$80 million in MSRC requests. With the co-funding which is being offered to implement these projects there is a total program response that is a quarter million dollars. We were very happy with the response but to a certain extent we were also victims of our own success because now we have the responsibility to go through all these applications. Now, this PON is an instrument which affords the MSRC maximum flexibility. The PON process allows the MSRC to disregard a conceptual project if you deem it non-meritorious. It allows the MSRC to move forward with a more formal solicitation, should you choose that course of action. Also, it allows the MSRC to negotiate directly with one or more of these respondents, if you deem their project to be meritorious and to have benefit that warrants entering into a contract based upon the PON.

Where we are right now is that we have several applications that the Subcommittee is working through. However what is really interesting is many of the responses that we've received under the Inland Ports PON are directly applicable to other Work Program categories that the MSRC has identified, including those relevant to drayage trucks which operate at the ports and some of the work that LA Metro is doing to implement a Clean Truck Corridor on the I-710. Many of these projects are looking to incentivize zero and near-zero emission fleets. They have direct applicability not only to the warehouse distribution centers that these trucks will service but also the Maritime Ports, the drayage trucks coming out of the ports, as well as those trucks which operate along the major corridors. What is also important is that there is a lot of discussion that is currently going on with the South Coast AQMD and with many stakeholders relative to the deployment of large numbers of zero emission Class 8 tractors. There are working groups which have been set up, of which the MSRC is a member, and the focus is to identify a program to demonstrate 50 to 100 zero emission Class 8 trucks. Some of the proposals that you have received under these PON responses are offering to deploy greater than 50 zero emission trucks per a single application. If you look at the number of trucks for which funding has

been requested, it is in the 100s of trucks, both near-zero and zero emission. This is an opportunity which not only is of interest to the MSRC but should also be of interest to other stakeholders including the South Coast AQMD, as well as the Maritime Ports and Los Angeles Metro. So, what we are doing is looking for opportunities to leverage the MSRC funding by working with other stakeholders, and the Subcommittee has directed MSRC staff to identify these additional co-funding sources, and we have already started the dialogue. There are large corporations who are offering to bring substantial co-funding to the table to partner with the MSRC to deploy a large numbers of the types of vehicles that the South Coast AQMD has identified in the AQMP as being essential to meeting the air quality goals of the South Coast AQMD region.

The Subcommittee has asked staff to go out and identify other potential partnerships that the MSRC can enter into to leverage the MSRC funds which were made available under the PON. The goal is to fund as many of these projects as the MSRC deems appropriate. And given that the ask was for \$80 million, and only \$20 million has been identified, we will need to find substantial co-funding to leverage the MSRC investment. We are off working to do that. Many of these projects do identify other funds which are available through the state, specifically the HVIP Program. We understand that there is at least a staff recommendation to have \$150 million in HVIP funds available again at the first of the year. Given the situation which we are in, we will need to revisit that on a regular basis to determine if in fact that money can be made available. If it cannot, then we will have to identify other ways to get these projects funded, but we will go off and do that. In addition to the identification of partnerships to help fund some of these projects, we are going to short list them and come back with recommendations to the MSRC. At that time, we will be disclosing more of the specific attributes of these projects. We have just begun the Subcommittee process and we have not engaged the full TAC yet, but we will be doing so in the next month. Most likely it will be June when we bring back some initial recommendations. However, of course, we will provide an update at the May 2020 MSRC meeting as to the status of reviewing the applications submitted under this PON. We feel that there are some really excellent projects that warrant consideration and we will give them due consideration and then bring back some initial recommendations for MSRC input.

MSRC Chair Larry McCallon commented, I am gratified with the response, it looks like we got a good response and it is a nice problem to have. We got more asking than we have money because that shows that people are really interested in doing something and putting substantial amounts of their own money forward. That is fantastic.

MSRC Member Jack Kitowski commented, CARB is fully supportive of these measures. We are going through a funding process and this would be a very high priority for us, but we also have some money from last year that we are implementing. We would be happy to coordinate that funding and look for opportunities to leverage it with MSRC.

MSRC Member Rex Richardson commented, I had a chance to check in with SCAG staff this week. We had a chance to really talk through some of the details of this program. Those numbers are impressive, a quarter of a billion dollars investment is what has been produced out of the initial \$20 million investment in this program. Given that I represent a 710 city, the anchor of the 710 and I live adjacent to the 710, I am incredibly supportive here. The sentiments from SCAG is that they sincerely thank you particularly Ray and Cynthia for all your technical and administrative support over the last two years in the program and with the proposed new partnership.

Mr. Gorski commented, the fourth category under the MSRC Goods Movement Program is Last Mile. These are the delivery trucks which go into the local areas to deliver goods which are really coming out of the warehouses for their distribution to consumers. We have had considerable interaction with SCAG over the last several months, working on conceptual ideas to move the Last Mile component forward. Today SCAG is offering to provide, on behalf of the MSRC, a multi-phase implementation of the Last Mile Goods Movement element of the MSRC Work Program. This is not something which has been introduced to the MSRC-TAC but SCAG has provided us some information relative to doing that. Mr. Richardson would probably like to give some additional comment as to the role that SCAG can enter into on behalf of the MSRC to bring the Last Mile component to fruition.

Mr. Richardson commented, SCAG is proposing to serve as the lead in the establishment of the Last Mile component. The plan is to have a two-phase approach both to work with private industry and to meet the goals of cost-effective emission reductions from the Last Mile freight operations. In Phase 1, SCAG would do a Call for Projects process to solicit interest from these participants and project concepts from private industry that will be focused on the purchase and commercial use of zero emission or near-zero emission heavy- and medium-duty on-road trucks. We anticipate that proposals will be provided from delivery companies like UPS, FedEx, and Sysco. Many of these companies have already expressed their interest in participating in the program. For Phase 1, our MSRC funding request totals \$10 million to support the purchase and the commercial deployment of trucks. The schedule would entail an immediate solicitation for projects starting in the spring and summer of 2020, With anticipated deployment into winter 2020. In Phase 2, SCAG would expand upon the first phase, establishing engagement between local jurisdictions and private sector stakeholders to deploy broader innovative zero emission technologies, such as e-cargo bikes together with zero emission trucks, low to zero emissions zones, and delivery consolidation/staging. And for this phase, the request is totaled at \$5 million. The schedule may partly overlap with Phase 1, starting in summer and fall to include the completion of Phase 2 by winter of 2021. SCAG has demonstrated that it has the capacity for substantial research and planning knowledge in Last Mile Freight. They have conducted extensive research in the past few months with key stakeholders. And we're in a unique position to ensure broad long-term implementation of emissions reductions in Last Mile freight operations beyond the proposed partnership, as these strategies are core components of our RTP/SCS Connect SoCal Plan, as well as an element within the South Coast's AQMP. For

the next steps, we are requesting that the MSRC-TAC Last Mile Subcommittee review the draft proposal before the May meeting. Upon the Subcommittee recommendation, we request that the MRSC-TAC review the final draft of the proposal addressing any comments that may be given at their next teleconference on May 7<sup>th</sup>. And upon MSRC-TAC recommendation, request the MSRC committee consider the final SCAG proposal that has been vetted by the MSRC-TAC at our next meeting on May 21st.

ON MOTION BY MSRC MEMBER REX RICHARDSON, AND  
SECONDED BY MSRC MEMBER BEN BENOIT, MSRC  
UNANIMOUSLY VOTED TO APPROVE SUBMITTAL OF A SOLE-  
SOURCE PROPOSAL FROM SOUTHERN CALIFORNIA ASSOCIATION  
OF GOVERNMENTS.

AYES: BENOIT, BERKSON, KITOWSKI, MCCALLON, RICHARDSON,  
ROYBAL SALTARELLI, YAMARONE.

NOES: NONE.

**ACTION:** MSRC Staff will amend the above contract accordingly.

### **Agenda Item #9 – Other Business**

No other business was introduced.

### **PUBLIC COMMENT PERIOD**

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

### **ADJOURNMENT**

There being no further business, the MSRC meeting adjourned at 3:03 p.m.

### **NEXT MEETING**

Thursday, May 21, 2020, at 2:00 p.m.