1. Welcome and introductions:
The Steering Committee Chair began the meeting at 6:12pm. Meeting attendees introduced themselves and the group/organizations they represented. Steering committee members were provided copies of the presentations and other information. Copies of meeting materials were also made available to the public. The Vice Chair made a motion to move Item #3, Air Monitoring Update, to the next meeting in September. A steering committee member asked for
clarification on the motion and the topic of discussion to be postponed and the Vice Chair explained. A committee member seconded the motion to move the agenda item.

✓ The motion passed with one “no” to postpone the Air Monitoring Update until the September steering committee meeting.

2. **Incentive program update - CARB:**

   a. CARB staff introduced an overview of CARB’s incentive portfolio including Community Air Protection Incentives (CAPI), Low Carbon Transportation Investments (LCTI), Carl Moyer Program, and additional information about how the incentives will benefit the Sacramento area. CARB thanked the Committee and District for the opportunity to speak on CARB’s incentives and get more involved in the South Sacramento - Florin community. The staff member announced that they brought informational materials on how to apply and determine eligibility if anyone was interested.

   CARB discussed currently active incentive programs to support AB 617 efforts. The state legislature has distributed approximately $790M in CAP incentives made available to air districts since 2017 for a variety of projects. CARB noted they have heard the feedback to have more flexibility in their requirements and are trying to build that into their incentive programs. They want to make sure the funds currently available are available for stationary sources as well and not just mobile sources. CARB discussed the $455M available for Low Carbon Transportation Investments (LCTI), which includes both light duty vehicle investments for residents and heavy duty for businesses and government agencies.

   CARB also provided an overview of CAP incentive programs specific to Sacramento. In 2018, the District received $3.6M for mobile sources. In 2019, CARB allocated $14M to the District for mobile and stationary sources with $13M of these funds for the Sac Metro Air District and $1M for Yolo-Solano. CARB overviewed the various light-duty vehicle programs created for the Sacramento community using the LCTI funds including: Clean Vehicle Rebate Project, Financing Assistance, and Community Car Share. CARB staff clarified that the figures shown on slides are specific to funding for the Sacramento region, not statewide.

   CARB acknowledged that CARB staff are aware of community concerns about program restrictions and the need to provide more flexibility. He briefly mentioned stationary sources, incentive programs, and Community Emission Reduction Plans (CERP).

   CARB described the $455M available incentive funding being dispersed through the LCTI program. This program provides light and heavy-duty scrap-and-replace funding. The light-duty program targets individuals and families while the heavy-duty investment program targets business and government fleets.

   The Clean Vehicle rebate program provides a $7000 incentive to individuals for the purchase of advanced technology cars. He stated that there is also financing assistance available to help low-income applicants, and the Our Community Car Share pilot to
provide a shared-mobility option. CARB outlined the heavy-duty programs established for the Sacramento community using LCTI funds: Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project, Truck Loan Assistance Program, which has provided 715 loans since 2009, and the Sacramento Regional Zero-Emission School Bus Deployment Project which has funded deployment of 29 buses.

The CARB staff mentioned other sources of air quality funding including the Carl Moyer Program, the FARMER program, and the Wood Stove and Fireplace Incentive Program. CARB closed their presentation and provided contact information for the CARB incentive program leads.

Questions from Committee and Public:

A Committee member asked about the Vehicle Rebate Project and stated that she had referred people to sign up for the program but received feedback that they had difficulty applying because of a lack of computer access. The Committee member pointed out that these programs were developed to help residents in disadvantaged communities where not everybody has access to computers. CARB responded that they are aware of this issue and suggested applicants to call the Center for Sustainable Energy, which has technical support staff that can assist with applications over the phone.

The District asked CARB how they are thinking of addressing air quality in the South Sacramento - Florin community moving forward? Staff continued and asked about how AB 617 funds will be allocated next year and how regions and projects will be prioritized. A CARB manager responded that the future direction of the program was up to the legislature, but that she anticipated they would work with CAPCOA when identifying priorities. The District asked CARB if those legislative decisions are made following specific criteria. CARB reiterated that such decisions are made by the legislature and they do not have such information.

A public member asked for clarification on slide 10 and requested an explanation of “freight equipment demo and pilot commercial deployment”. CARB staff answered that this program was created to fund technologies at the cusp of commercialization but lacked the funding to expedite the certifications to make the technology more widespread. CARB wants to understand the communities suffering from pollution and achieve two broad goals. The first, is to clean air directly through programs like the Clean Vehicle Rebate Project and Our Community Car Share to provide incentives for people to get these cars. The second goal is to bring cleaner equipment technologies to market, so they are more accessible for disadvantaged communities.

A member of the public from Teichert commented that it is great to see all these programs but asked how people learn about them other than emails. They stated that small businesses and residents don’t know about these programs. CARB responded that they are partnering with communities and doing outreach at local events and going through community leaders to extend the outreach. CARB cited several community-based organizations and non-traditional partnerships such as religious congregations, local radio, and schools. CARB stated they want to give the right info to the right audience and provide the tools and information necessary to the relevant communities.
A Committee member asked if the incentive programs would include funding for the installation of zero-emission charging infrastructure in the South Sacramento area. District staff responded that zero-emission charging will be discussed in the next presentation. The Committee member followed up that they have heard a lot of interest from individuals from two different schools who would be interested in zero-emission school bus incentives and asked if there would be funding for a school bus program? District staff responded that this topic would be discussed shortly.

b. **Incentive program update - SMAQMD**

District staff presented an overview of existing incentives programs, CAPI guidelines, and the direction of the District’s incentive programs. The District reviewed a general program application process and noted that applicants must be able to pay the initial cost upfront and get partially reimbursed later. The District presented an overview of 10 incentive programs either running or being developed and announced the rollout of Clean Cars For All in January 2020.

District staff stated that technical study and experience have shown that investments in cleaner transportation are one of the fastest and most effective ways to reduce emissions in the region. The District has been running such programs 20+ years and is the forerunner of all statewide incentive programs. The Carl Moyer program was developed in the Sac Metro Air District in 1996. Previous District programs typically targeted sources of regional pollution while the CAPP programs focus on a specific community and present the District with unique opportunities and challenges.

The District talked about the application process and program participation requirements for the Clean Cars For All program. All participants must submit an application, scrap an eligible old vehicle, and cover the upfront purchase costs of the cleaner-technology replacement vehicle. Participants must sign a contract with the District and report on equipment usage.

The District briefly discussed other incentive programs like the Carl Moyer Program, the FARMER program, CAPP, SECAT, the Goods Movement Reduction (GMERP), Electric School Bus Pilot Program, Our Community Car Share, Clean Cars For All, the Wood Stove Change-Out program, and the Transportation Demand Management (TDM) programs such as the regional bike share system.

The District summarized the Year 1 CAPP projects and stated that the project list reflects the priorities identified by the community in initial outreach efforts. The main priority was to reduce emissions from trucks, buses, and cars. Specific projects funded in Year 1 include EV school buses, and CarShare. The District also released an RFP for public charging stations, but this wasn’t well-received. The project list will be updated as contracts are signed and as Year 2 projects are identified.
The District presented the criteria of the Carl Moyer Program and Prop 1B, which historically focused on on-road and off-road heavy-duty equipment, marine equipment, low carbon infrastructure, light-duty locomotives, and lawn and garden equipment. The District’s current incentive programs being offered under these programs include: cleaner buses, electric and hydrogen fueling stations, lawn and garden equipment replacement, and heavy-duty truck replacements. Active incentive efforts currently underway include working with Sacramento Regional Transit to get 100 zero-emission buses deployed, in addition to the deployment of ultra-low-emission buses. The District is working with SacRT to have the zero-emission buses deployed in the Franklin area and other low-income communities first.

District staff presented a question to the Committee if they would like the $5M available from CAPI funds to be used towards a heavy-duty truck replacement program. If so, the District asked if trucks operating in the South Sacramento – Florin area should be prioritized, or trucks registered in the area? The District stated that the discussion would continue after the presentation.

The District is also working to deploy electric vehicle charging infrastructure. Under current program guidelines, a Request for Proposals (RFP) process is required to utilize CAPP funding for publicly available chargers. The District released an RFP to fund charging stations, but the response was limited. Currently, public utilities are also receiving funding to implement public electric vehicle charging, and SMUD’s program has been more successful. The District plans to focus future EV charging infrastructure incentive programs on private parking areas (such as lots for light-duty vehicle fleets) that the SMUD program cannot currently fund.

The District introduced a program under development to reduce air pollution in schools by replacing desks containing formaldehyde, installing air filtration systems, and replacing school lawn and garden equipment. The District is also working with SMUD to outreach to school districts on the zero-emission lawn and garden program, with the hopes of conducting an outreach event and program launch in spring 2020.

A replacement program for school buses is also in progress and is scheduled to pilot in spring 2020. Solicitation for zero-emission school bus program will begin October 2019 and prioritize school districts within the 10 identified AB 617 communities. District staff are advising local school districts to apply to the CARB Clean Mobility Pilot project. The District’s goal is to provide at least one zero-emission school bus to every school district in the County. Current obstacles to the deployment of electric school buses include limited range and lack of charging infrastructure which hinders their use for field trips or athletic events. To accommodate this need, the District is making funding available to assist with the purchase of ultra-low-emission natural gas school buses.

District staff also noted that they are investigating the feasibility of funding the installation of a public hydrogen fueling station. Currently, there are none in South
Sacramento. A primary intention of the fueling station would be to support the use of hydrogen vehicles for zero-emission programs such as Our Community Car Share Clean Cars For all Program in South Sacramento. Switching to hydrogen would increase the availability of the car-share vehicles by eliminating the need for charging. The station would also allow for the future refueling of zero-emission hydrogen heavy-duty freight trucks. The District is hoping to get input from a variety of community members and organizations to determine if this would be a valuable investment.

Air pollution from heavy-duty trucks traveling in the region has been identified as a primary community concern. To address this concern the District is offering funding to switch to cleaner trucks under the Prop 1B Goods movement program. The District has currently allocated 2 million dollars to the Good’s movement program and considering allocating an additional 5 million dollars in CAPP funding to this program. The District plans to open a solicitation in October 2019. After the District receives the applications they will be sorted through a ranking process. The current priorities for the ranking process are zero-emission vehicles, vehicles that operate in AB-617 or disadvantaged communities. The program could also fund trucks that operate in the larger region.

The District went on to explain that the regulations also allow the District to choose the best way to determine where the truck is operating. The District could also choose to prioritize vehicles that are registered in disadvantaged communities but operate in other areas or prioritize vehicles that are registered in another area but operate primarily in AB-617 monitoring community or other disadvantaged communities. An example was given. Applicant 1 could own a truck that is registered in the AB-617 monitoring community but operates primarily in the City of Stockton. Applicant 2 could own and register a truck in the City of Stockton but primarily operates it in the AB-617 monitoring community or other disadvantaged communities. The steering committee was informed that they would be asked to make a recommendation about which scenario should be given higher ranking priority later in the meeting.

District staff discussed the importance of community feedback and the development of a new outreach strategy to determine community preferences and priorities to inform future incentive programs. Past community engagement efforts for the Year 1 program included surveys, focus groups, presentations to the steering committee, meetings with community groups, and one-on-one discussions with community leaders. The District reports twice a year to CARB and is held accountable for inclusive outreach efforts to the community. District staff discussed the tight AB 617 timeline facing the District and the June 2020 deadline to spend $14M on incentive programs in Sacramento and Yolo-Solano regions. District staff opened the meeting up for discussion and re-posed the priority heavy-duty truck question.

Other District staff spoke recognizing the large amount of information being presented and reminded the Committee that the District is facing tight timeframes and aim to develop projects that reflect what the community wants and needs. The district has
$13M to spend by June 2020 and criteria for how to spend the money but this still leaves the question of how to prioritize spending this money. District staff noted that it takes approximately one year to develop an application process, accept, review, and rank applications, sign contracts and submit a project list to CARB. To meet the June 2020 deadline for using Year 2 funds, the District must start the application processes for the various incentive programs in fall 2019.

The District ended the presentation by asking the following: How much funding, up to $5 million should be devoted to the GMERP program in addition to the $2 million already budgeted? What method of determining the location of a truck does the steering committee recommend the District use to rank GMERP applications? Is funding a hydrogen station to serve emerging zero-emission vehicles a priority?

Questions:

A Committee member asked District staff about whether applicants must provide money upfront for the Clean Cars For All Program and if that was the case for all the District’s incentive programs. The District explained they are working with local dealerships so the dealership would be reimbursed by grant funds instead of applicants. The District recognized that upfront costs are concerning as well as applicants being taken advantage of with high interest rates and are taking this into consideration.

The District emphasized the opportunity these incentive programs provide for the community and that somebody must make the upfront investment to finance the replacement of technology. The District recommended taking advantage of the program as much as possible and offered to make staff available to meet individually with anybody who wants more information on the light-duty reimbursement program. A Committee member agreed that the incentive program is a great opportunity but suggested that the District develop strategies to help community members overcome some of their disadvantages to make it more feasible for the target audience to participate. The District responded that they are working on this with financing institutions and possibly leasing the vehicles or using used vehicles instead to lower the upfront out-of-pocket costs to participants. If these measures are taken, then the out-of-pocket cost would be about $3,000-4,000. CARB added that they have launched a pilot project to complement Clean Cars For All that provides clean vehicle assistance to help communities of color get credit for financing and provide loan guarantees in collaboration with Beneficial State Foundation.

A Committee member asked how CARB is ensuring that the right people are qualifying for these programs. A member of the CARB staff in the audience commented that the program has income requirements and that staff are targeting communities of color for outreach. A steering committee member requested that CARB staff present on the outreach to these groups with data at a future steering committee meeting. CARB staff responded that they could and mentioned that information is also currently available on the web.

A Committee member asked if the school bus incentive program applies to public, private, or charter schools. The District explained that it only applies to public schools or public charter schools. This discussion led to identify the public charter school buses in the Sacramento City
Unified School District, but the District mentioned that the school district did not express interest in participating at this time. The same Committee member followed up that the program should be able to fund clean lawn and garden equipment and air purifiers in private homes. District staff agreed to bring this feedback to CARB. The same Committee member concluded by expressing their support for the vehicle replacement programs and encouraged staff to look for ways to offer vehicles without requiring scrap, especially for light-duty vehicles. They asked about how old the scrap car had to be to qualify for the program and District staff answered that the car must be 15 years or older and that District had implemented a SECAT fleet expansion program that was very successful and did not require vehicle scrappage. The District acknowledged these limitations and is working with CARB for more flexible requirements.

A Committee member requested that incentive programs not be advertised and rolled out before applications are available because they had many interested applicants who heard about the program, but the Clean Cars For All application wasn’t publicly available. The District replied that they understand this suggestion and explained the delay was due to the District wanting to ensure that participants get the most value possible through the program and have a more streamlined application process.

The Committee Vice Chair requested that staff develop a paper application for CleanCars4All. She further requested staff provide more “clarity” about the application process and timeframe so that potential participants could be given something to start the process. District staff responded by stating staff will take note of her recommendations. Staff stated that the District anticipates deploying the project in November 2019 at Mutual Housing and SHRA housing facilities, followed by a full launch in January 2020. He explained that the press release was put out to build public interest and the District currently has a list of 500 interested possible participants. District staff is working to ensure that the participants in the program get the “best bang for their investment” and finalizing how the application and voucher processes will work. A critical component of the voucher process is ensuring that any tax implications (1099) for participants are resolved before the program launches.

A Committee member asked if participation in the Clean Cars For All program could have negative implications for participants of other assistance programs. Another Committee member supported the question and stated that it wouldn’t make sense for this program to negatively affect participation in another assistance program with income restrictions. District staff responded by acknowledging the concern and stating that the District is structuring the program to ensure that this scenario won’t happen. The District staff offered to bring back the District staff specifically working on the Clean Cars For All program to a future steering committee meeting if the steering committee is interested in the details of the program.

A Committee member asked the District about “community feedback” cited on the slides and if that came from the survey that was presented to the Committee at the July meeting, which looks very similar to the final version included in the meeting packet. The District explained that in response to the feedback District staff had received at a previous steering committee meeting, District staff are developing a more inclusive survey development process to ensure
the survey or other information-gathering activities meet community expectations. The feedback that informed the final version of the survey came from outreach events and one-on-one conversations with community members and that the outreach process is still evolving, and the District is open to feedback as they develop an outreach protocol.

The District re-posed the initial question from slide 44 of how the $5M from CAP incentive funding should be invested. A Committee member asked if they can focus on both trucks operating in the priority area and trucks registered in the area. District responded that funding can go towards both. The Vice Chair agreed prioritizing both is a good idea but perhaps shouldn’t be 50/50 and suggested focusing on sources that most directly impact the community. 100% of the available funding in one of the categories probably isn’t wise but the bulk of focus should be in the community. The Committee member suggested an 80/20 split, with 80% of the funding allocated to trucks operating in the area and 20% allocated to trucks registered in the area. The same Committee member suggested rewording the question because “operating” and “registered” aren’t mutually exclusive and to perhaps give priority to vehicles that meet both criteria. The Committee member stated that including vehicles that are registered elsewhere but operating in the community may give economic benefit to areas outside of the South Sacramento-Florin community.

A member of the public commented that they are impressed with the variety of incentives being brought by both the District and CARB. He suggested outreach to businesses to get a better understanding of how they are operating and suggested focused outreach to small businesses and operators of the trucks. He also suggested that the District consider partnering with a non-profit to lead a business outreach effort.

The District recapped the discussion that the Committee wanted to prioritize trucks “operating” and “registered” in the community, those operating within but registered outside the community would rank second, and trucks registered in the community but operating elsewhere would rank lowest. District staff responded to the public comment and stated that they had workshops with dealers in early August so that the dealers could inform their potential buyers. The District will also be holding two workshops in October including one in South Sacramento. The event in South Sacramento will be an application workshop where staff will be on hand to assist potential applicants. The District has also conducted previous outreach efforts in support of the goods movement program by leaving program materials at truck stops and similar locations.

A Committee member expressed concerns of what would happen to the $5M from Year 2 CAP funding if it goes unused. The District responded that if the money is not spent on the Goods Movement program, then it might end up in other programs or school districts. District staff noted however, if a particular category of projects is over-budgeted then there may not be enough available projects to utilize the funding. For example, the District has currently allocated 5 million to electric school buses. If more funding were allocated to the school bus category the District may not be able to recruit a sufficient number of applications from school districts to utilize the additional funding.
The District stated that the questions were great and sensitive to District constraints. The District explained that the legislature allocated the money to air districts throughout the state and the District would like to make a plan for how to get that pool of money to the Sacramento region for Year 2. The District is restricted by what is feasible in terms of what partners and applicants can apply for. The District restated that they do not want to lead the process and wants to take a direct approach getting immediate feedback from the Committee so they can lead the project, but they are also constrained by the types of applications received and the difficult timeframe.

The District acknowledged that the timelines come down from CARB and are very strict and ambitious but that some of the deadlines for rolling out their programs have a bit of flexibility. The District can have as many discussions as the community wants except that the more discussion they have, the shorter the timeline gets to implement the program. The same Committee member expressed concerns that the Committee was only asked for their feedback only a month before the proposed rollout of the program. The District reiterated that the timelines are challenging for everybody and they understand the Committee member’s concerns.

Vice Chair acknowledged tight timelines and the issue of black carbon from heavy duty trucks in the community. Vice Chair suggested moving forward and prioritizing the trucks that are currently in the community and doing a combination of “operating” and “registered” in the community. Vice Chair provided a motion to move forward with spending the $5M on this initiative.

Another Committee member asked about the meaning of the term “program development.” District staff explained that this is the term used to describe the process of working with other partners, such as school districts, to see if they are interested in utilizing incentive funding and if it would be feasible for them to apply. A Committee member suggested that a subcommittee be formed to go through this budgeting exercise to help determine how to allocate the incentive funds. The Committee member encouraged collaboration between the District and Committee to work together on budgeting decisions and come up with real solutions. Staff responded that the District is trying to get public input within the limited variance allowed by the CAP guidelines for funding allocation.

The Chair reminded the Committee that a motion was proposed and requested a second. A Committee member suggested a meeting between the District and the Committee to discuss any community feedback the District has received to determine what the community needs. The District responded that they are open to closer collaboration with the steering committee in the future and that the purpose of the Committee meetings is to collect this community feedback.

The Chair reopened the question posed by the District on how to prioritize spending the $5M in CAP funds for heavy-duty trucks. The Chair reminded the Committee that heavy-duty trucks were a primary concern at an initial meeting months ago. The Chair stated that considering the District has $13M for Year 2 projects and the proposal is to spend $5M on heavy-duty trucks which were an initial priority for the Committee then the Vice Chair’s proposal was reasonable and aligned with the Committee’s initial concerns. Another Committee member asked for
clarification that the District would be spending $2M on Goods Movement no matter what and that the question before the Committee was whether or not to allocate $5M of the $13M CAP allocation to the Goods Movement. District staff confirmed that this was the question before the Committee.

The District noted that the money under discussion was allocated from the annual state budget and that the District must take advantage of it. The District stated that they want to pursue “no regrets” decisions and reiterates that they are facing very strict timelines to prepare programs and utilize this funding. The District continued that the District is working with CAPCOA and the state legislature to ensure that the Year 3 allocation allows the District to better accommodate community needs.

A Committee member made a motion for $3M of CAP funds to go towards the solicitation for heavy-duty trucks as part of the Goods Movement program in addition to the $2M already allocated to the program giving a total of $5M. If the number of eligible projects exceeds the available funds, then the Committee shall reevaluate with the option of allocating an additional $2M towards the program which would allocate a total of $7M towards the program. A Committee member made a motion that if the solicitations opening in October 2019 go beyond the $5M available in CAP funds, then all $7M available will be used for heavy-duty trucks.

・ The motion passed.

District staff then introduced the idea of funding a hydrogen fueling station in South Sacramento. District staff commented that expanding the availability of hydrogen in the region is a priority for the District, and staff wanted to assess if it is also a priority for the community. She noted that the cost of the project is significant and could require up to $5 million in public investment. The Committee Chair asked for the pros and cons of spending money on hydrogen fuel stations instead of other ventures. District staff responded that the potential downsides to investing in the fueling stations is that they are expensive to build and may remain unused due to low demand for a while until more people in the area buy hydrogen cars to make use of the stations. One of the “pros” to investing in hydrogen fueling stations is that the District is expanding the Community Car Share program to include hydrogen cars since they have shorter fueling time and longer driving range and the District plans to expand the Community Car Share program to the South Sacramento area so those residents would benefit. The Committee Chair expressed concerns about investing in something that may be obsolete in several years. District staff responded that this is a question of equity and that building these charging stations would bring the South Sacramento community into more equitable territory and provide more access to alternative transportation. The District explained that as the electric car numbers increase in all communities, the wealthy areas will move to hydrogen cars. So, by jumping to give communities the option of hydrogen, they can help those communities achieve more equitable transportation options. The Vice Chair asked who is currently switching to hydrogen. District staff responded that the technology is cutting edge and that District staff anticipate increased demand for heavy-duty hydrogen-fueled trucks.

A Committee member asked what percentage of the South Sacramento community would benefit today from hydrogen cars being added to the Community Car Share program. District answered that there are very few users currently but that the fueling station is a critical first
step and is necessary for the vehicles to be adopted and deployed in the community. A Committee member emphasized that their priority is to protect the children in their community from asthma and questioned how investing in hydrogen fuel cells would equate to improved health outcomes in the community. The same Committee member followed up and asked what the out of pocket cost would be to households after rebates. The Committee Chair responded that battery operated cars were prohibitively expensive a decade ago but are now much more affordable and offer ample rebates. District staff noted they don’t want the South Sacramento community left behind and they don’t need a decision on this right now. The discussion of the hydrogen fueling station concluded at this time.

3. Administrative items:
   a. The Committee Vice Chair read aloud the thank you letter written on behalf of the District and Steering Committee to Evelyn Craine and thanked Evelyn for her efforts. The letter was being mailed out the following day.
   b. The Committee Vice Chair announced and welcomed the newest Steering Committee member, Denise McCoy. Ms. McCoy introduced herself.
   c. The Committee Vice Chair made a motion to approve the meeting notes from the July meeting.
      ✓ The motion passed.
   d. The District announced there was one remaining seat on the steering committee and requested those in attendance share information about the opportunity with anyone who might be interested in serving on the steering committee. The District noted the application is available online and would be open until September 6, 2019.

Public Comment:
   a. Public comments were taken during discussions after presentations from both CARB and the District. Please sections 2a and 2b.

Meeting adjourned at 8:20 pm.