

DISTRICT HEADQUARTERS

200 Litton Drive, Suite 320
Grass Valley, CA 95945
(530) 274-9360 / FAX: (530) 274-7546
email: office@myairdistrict.com or www.myairdistrict.com

NORTHERN FIELD OFFICE

257 E. Sierra, Unit E
Mailing Address: P.O. Box 2227
Portola, CA 96122
(530) 832-0102 / FAX: (530) 832-0101
email: julie@myairdistrict.com or www.myairdistrict.com

Northern Sierra Air Quality Management District

Policies and Procedures for Administration Of the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program)

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I. Background

The Carl Moyer Program (CMP) was established in 1998, as a grant program to fund the incremental cost of cleaner-than-required heavy-duty engines. Originally targeted to reducing oxides of nitrogen (NOx) emissions, the program now includes reduction of particulate matter (PM) emissions and reduction of reactive organic gases (ROG). Legislative modifications enacted in 2004 expanded the program to include projects that reduce emissions from agricultural sources, light-duty vehicles, and on-road fleet modernization eligible for CMP funding.

The CMP is implemented as a partnership between the California Air Resources Board (ARB) and local air districts (districts). ARB provides overall administration and guidance for the program, with funding and implementation of projects conducted by the districts. The approved latest CMP Guidelines, published by ARB and released in 2017 provide the minimum requirements under which the Carl Moyer Program is administered by ARB and the districts. The CMP Guidelines are based on requirements specified in the state Health and Safety Code, Chapter 9. The Guidelines are updated, when necessary, to reflect significant additions or changes to the program. In addition, ARB staff issues Technical Advisories to provide further clarification on specific areas, and to reflect changes in regulations.

The CMP Guidelines require that each participating district establish Policies and Procedures for administration of the CMP. This document contains Policies and Procedures intended to provide an explanation of district policies with regard to local implementation of the CMP. It also contains procedures for the Northern Sierra Air Quality Management District (NSAQMD) day-to-day operation of the Program in order to meet the requirements of the Health and Safety Code, CMP Guidelines, ARB Technical Advisories, and District policies and procedures. These Policies and Procedures are for the CMP 2017 Guidelines which the NSAQMD will use once the District receives Carl Moyer Year (CMY) 23 funding. The District policies and procedures do not replace the CMP but are intended to provide direction and procedures for the District's implementation of the CMP. The appendix to these policies and procedures includes samples of pertinent documents, forms, and specific District policies as referenced in this document. District staff should reference the CMP Guidelines for detailed descriptions of ARB's CMP procedures and requirements.

II. Program Timeline

ARB has established a consistent timeline for each year's funding and reporting cycle. This timeline allows for award, obligation and expenditure of state funds to meet state fiscal requirements. State fiscal policy requires one year for ARB to encumber funds and two years for the local district to expend those funds.

The timeline for each year of funds is as follows;

August 31 of the following year: Districts' annual report to ARB. Funds from the previous year must be committed by this date, i.e., funding accepted by the district in April must be committed by June 30 of the following year.

August 31 of second year: Districts' final report to ARB. Funds received two years prior to this June 30 date must be expended. The report includes projects invoiced and paid for, and funds expended. For example, the final report for funds accepted by the district in April 2015 is due June 30, 2017 and those funds must be expended by that date.

~~The NSAQMD implementation timeline to meet the ARB's required deadlines for applying for local~~

~~funding, and obligation and expenditure of those funds is as follows:~~

Public Outreach: has been continuous since NSAQMD participation in the CMP. Program continues as First Come - First Serve. Applicants shall be placed on the District waiting list, maintained by the CMP Manager, in the order in which the applicants' calls are received by the District.

Application Process Timeline:

1. The CMP Manager shall call and email the Applicant on the waiting list with a grant invitation.
2. The Applicant must accept or decline by email the grant invitation within 5 business days of the grant invitation being received by email.
3. If the CMP Manager does not hear back from the Applicant by email within 5 business days, then their name shall be removed from the Carl Moyer waiting list.
4. If the Applicant accepts the grant invitation, they will be emailed the Cost Effectiveness (CE) worksheet(s) by the CMP Manager.
5. The Applicant must return by email the fully completed CE Worksheet(s) within 10 business days of the worksheet(s) being sent to them by the CMP Manager.
6. If the Applicant fails to return the CE worksheet(s) within the allotted time, then their name shall be removed from the waiting list and the application process shall be terminated.
7. The CMP Manager shall return to the Applicant the fully evaluated CE worksheet(s).
8. An Applicant may submit no more than 3 CE worksheets per grant invitation.
9. An Applicant, after receiving the evaluated CE worksheet(s), shall have 3 business days to either accept or reject the offered grant awards.
10. If the Applicant fails to accept the offered grant awards, then their name shall be removed from the waiting list.
11. If the Applicant accepts a grant award, then an application packet shall be emailed to them by the CMP Manager.
12. The Applicant shall return via email to the CMP Manager the fully completed application packet within 10 business days of the packet being emailed to them by the CMP Manager.
13. If the Applicant fails to return the application packet via email to the CMP Manager within the allotted time, then their name shall be removed from the waiting list and the application process shall be terminated for the applicant.

If at any time in the process the Applicant declines, either by fax, letter or email, to participate any further in the grant award process, their name shall be removed from the waiting list. If the Applicant fails to respond to any email or phone call from the CMP Manager for more than 10 business days, then their name shall be removed from the waiting list and the application process shall be terminated.

If an Applicant is unable to take advantage of this grant program due to circumstances beyond their control, then the CMP Manager, after conferring with the Executive Director, shall have the discretion to keep their name and position on the list for one additional funding cycle and the next applicant will be notified of an opportunity to apply for grant money. If an Applicant who elects to skip one funding cycle is contacted and chooses not to apply for grant money in that next funding cycle, then their name shall be removed from the Carl Moyer Waiting List and the next applicant will be notified of an opportunity to apply for grant money.

An Applicant removed from the Carl Moyer Waiting List may at any time re-apply for a position on that list, but it will be at the end of that list as it exists at the time of their re-application to that list.

No Applicant shall be funded in consecutive Carl Moyer grant cycle years.

Only one project shall be funded per Applicant per grant cycle year.

Projects shall be funded at a maximum amount of 70% of the total project cost or less depending on the remaining Carl Moyer fund balance and grant funding shall never exceed the funding amount as specified by the CARL cost effectiveness calculation.

Only public agency or private sector fleets that permanently reside within Nevada, Sierra, or Plumas Counties qualify for funding. A fleet may be as small as one piece of equipment.

Contract Procedure:

Once the CMP Manager has a fully completed and approved grant application in their possession, the CMP Manager will draw up a contract. The contract will be presented to the NSAQMD Board of Directors at the next available Board meeting for their approval. The approved contract shall then be circulated to obtain the appropriate signatures of the Board Chairperson, the Air Pollution Control Officer and the grantee. Once the Air District and the grantee are each in possession of the fully signed contract, then and only then, may the grantee proceed with the purchase of the approved equipment.

Grant Award Payment:

The grantee will not be eligible for payment until 3 inspections are performed by the Air District:

1st Inspection: Verification that the old equipment is still operational;

2nd Inspection: Verification that the new equipment has been delivered and is operational;

3rd Inspection: Verification that the old equipment has been properly disabled or dismantled.

The grantee shall not disable, dismantle or destroy their old equipment without prior authorization from the CMP Manager. The grantee must obtain a vendor number with the Nevada County Auditor before any payment can be made to the grantee. Once the inspections have been conducted and completed to the satisfaction of the CMP Manager, then the CMP Manager will submit an invoice and payment request to the Air District accounting department.

III. ARB Carl Moyer Program Award Process

The ARB determines the tentative awards for each year in accordance with the formula identified in Health & Safety Code Section 44299.2(a). The formula provides a minimum allocation of \$200,000 to participating districts. With the exception of the South Coast Air Quality Management District, awards that exceed the minimum allocation of \$200,000 are calculated based on district population, severity of the air quality problems and the historical funding awards under the CMP.

The ARB solicits district applications for the local programs by sending solicitation packets to the Air Pollution Control Officer (APCO) at each district in mid-September. The application packet must be completed and submitted by the posted deadline, which is 60 days from the date of the solicitation. The application packet must include the completed application with original signature, documentation for the match commitment, Board resolution, an implementation plan for obligating the grant award, and documentation of obligation and expenditure of previous grant awards.

Detailed requirements for each of these items are included in the CMP Guidelines, in the Program Administration section. The designated Carl Moyer Program Manager (CMPM) prepares the application to the ARB for CMP funding. The APCO shall approve the application before submission to ARB. The NSAQMD Board adopts a resolution which completes the application process. District staff responsible for implementing the CMP include: the APCO, the CMPM; and fiscal staff, e.g. bookkeeper or Business Manager.

ARB determines the final awards for each district. These awards are incorporated into a Grant Award and Authorization form, which specifies the amount of the award for projects, and outreach funding. Two original copies are sent to the district. The APCO or his/her designee signs both copies; one is retained in district files and the other is returned to ARB. April 30 of each year is the deadline for acceptance of a grant award. As required in the grant award, the district meets all application stipulations in order to accept an award. From June 30 following the full execution of the agreement, the district has 12 months to commit funds and 48 months to liquidate grant funds. Any funds not expended within 48 months must be returned to ARB (Health and Safety Code Sections 44287(k) and 44299.2(c)).

If funds are not expended in the current year they are carried over to the following year. If funds are not expended within four years, they will be returned to ARB. The Governing Board must approve the return of any unexpended CMP funds to ARB. To date, NSAQMD has expended all CMP funds within the four-year requirement.

Following execution of the Grant Award and Authorization, the district must submit a Grant Disbursement Request to ARB to obtain funding. The district may request up to 10% of its allocation or \$200,000, whichever is greater, including all of the administrative funds. NSAQMD may also request an initial disbursement for up to an amount for which funds have been committed to specific, eligible projects. Prior to receiving the initial disbursement, the district must submit documentation of the obligation and expenditure of previous years' CMP funding and match funding. Grant awards and disbursements are further described in the CMP Guidelines, Program Administration section. Any CMP funds provided by the State of California that are deposited in interest bearing accounts must be reported to ARB. The interest income must be used to fund projects that meet the current CMP Guidelines. The NSAQMD tracks and reports earned interest using the Fiscal Year Method.

The CMPM uses an Access Database and Excel Spreadsheet which tracks fiscal and some administrative activities of CMP grants beginning with Program FY 1998-1999 to present. All CMP funds are deposited in an interest-bearing account. Program files (which include financial information) are kept for the life of the contract plus seven years. Financial files are kept seven years.

IV. Match Funding

Unless the match funds requirement is waived by ARB, districts participating in the CMP are required to provide \$1 in match funding for every \$2 of state CMP funding awarded by ARB, with a cap on statewide match funds at a total of \$12 million. **Districts receiving the minimum allocation are not required to participate in Match Funding.**

Following ARB's solicitation for funding, NSAQMD conducts a financial review and determines if match funding is available or uses the waiver request option. NSAQMD requests Governing Board authorization to participate in current year funding cycle with or without match funding option. If match funding is available, it will be tracked separately using the NSAQMD AB2766 database and spreadsheets. Match funding is located in a separate account.

V. Outreach and Administration Funds

NSAQMD may use up to twelve and a half (12.5%) percent of the total CMP annual funds and earned interest for program administration and outreach. These funds are distributed to each district based on the annual allocation of project funds that a district receives. Administrative funds may be used for direct costs associated with the tasks outlined in the Program Administration section of the CMP Guidelines, and must be documented by district staff.

Administration and Outreach Costs and Documentation	
Allowable Cost	Required Documentation
Air district staff time	Personnel documentation that may include timesheets or output of labor tracking software; duty statements or job descriptions indicating percentage of staff time; or written summaries of Moyer Program staff activities with time estimates by activity or task.
Consultant Fees	Consultant contracts and invoices
Printing and mailing costs	Receipts and invoices. Copies of solicitations and outreach materials indicating availability of grants
Travel expenses	Travel cost criteria must be consistent with written district travel policies for other air district programs, cited in the Policies and Procedures Manual or local administrative manual.
Indirect costs	Indirect cost calculation methodologies must be described or cited in the Policies and Procedures Manual or local administrative manual, and calculated costs must be documented.

Outreach and administration funds are used toward NSAQMD staff compensation and public outreach related to the Carl Moyer Program. ~~A pay code tracks staff time used for Carl Moyer Program implementation.~~ Allowable travel costs will be reimbursed by the reimbursement method. Allowable costs, reimbursement requirements and travel requests are outlined in the NSAQMD Policies and Procedures, #2165.

If funding remains, it is used for public outreach pertaining to the Carl Moyer Program. Outreach activities include maintaining a list of interested parties which includes previous applicants, some advertising in local newspapers, web site announcement, direct contact by District staff and small business organizations. Application forms are available on the District website, District office, or by request.

VI. Project Solicitation

The CMP allows district discretion in how projects are solicited. The NSAQMD CMP is implemented through a first come-first serve process. If more than one project is received at

the same time, the most cost-effective project receives first priority. Projects are funded until funds are exhausted. The NSAQMD has funded the following categories during the past 10 years of participation:

- On-road and Off-road heavy-duty vehicle repowers and/or retrofits, off-road vehicle replacements and beginning with year 10/11 funds Fleet Modernization with Sacramento Metro AQMD.
- New CNG transit bus purchase
The NSAQMD Governing Board authorizes the APCO to execute agreements and make minor modifications to the CMP applications and agreement for the purpose of maintaining consistency with the state Program.

All applications must include a disclosure statement, identifying whether the applicant has applied to other entities for funding and identification of the potential funding source(s). In addition, the applicant must certify that no other funding has been received for the project. Sample application forms, including funding certification, for off-road and on-road heavy-duty vehicle repowers or retrofits and replacements, are included in the appendix to this manual. All other funding category applications are available upon request.

The NSAQMD has a commitment to outreach to all sectors and small businesses. This is accomplished through public meetings, one-on-one meetings, some newspaper publication of funding availability if warranted, NSAQMD mailing lists, and through the NSAQMD website. The District keeps documentation of all outreach efforts. This documentation is kept in the general CMP files, so that it is available for reporting and for any potential audit.

VII. Project Selection

In accordance with Health & Safety Code Section 44288(a), the District must review all applications for completeness upon receipt and notifies the applicants in writing within five working days of application receipt if the application is not complete. Applications determined to be incomplete will be issued a letter of incompleteness within 5 days by U.S. mail, facsimile or email. The letter will specify deficiency and means of correction. A copy of the letter will be retained in application file.

NSAQMD Project Selection Procedure is described below:

1. **Only public or private agency fleets that permanently reside within Nevada, Sierra, or Plumas Counties qualify for funding.**
2. This is a first come-first serve program (See page 2).
3. Applications are reviewed for completeness.
4. If more than one application is received by the District at the same time, prioritization of qualifying grants occurs via most cost effective.
5. Complete applications are reviewed for eligibility using State CMP Guidelines.
6. Project information is entered into CARL database and evaluation of cost effectiveness is determined.
7. The ~~CMPM~~ **APCO** determines annually if and how much match funding will be allocated from DMV funds towards on/off road projects.
8. The maximum percent of repower cost eligible for Carl Moyer Program funding are:
 - a. Tier 1 Repower – 70%
 - b. Tier 2 Repower – 70%
 - c. Tier 3, Interim Tier 4, and Tier 4 Repower – 70%
9. On/Off Road rebuild costs are based on a percentage of the total project costs.
10. Retrofits are eligible for up to \$10,000 for on-road; retrofits other than on-road are eligible for up to 100% of the total retrofit costs. (See Table 4-2 in CM 2011 Guidelines, rev 12/15)
11. Replacement costs are taken from the itemized estimate included with the application.

12. Fleet Modernization - new off-road replacement vehicles are eligible for a maximum of 70% of the invoiced price.
13. Projects are ranked by cost effectiveness up to the CMP Guidelines allowed cost effectiveness maximum.
14. Applicants are contacted by telephone with the results of cost effectiveness evaluation and amount of tentative grant award.
- ~~15. Applicants are contacted by telephone and a pre-inspection of current engine/motor is scheduled.~~
- ~~16. If pre-inspection determine engine/motor qualifies the applicant is scheduled for an office appointment to execute the contract.~~

VIII. Obligation of Funds to Projects

Once final selection of projects to receive awards has been completed and approved by district management, obligation of funds can take place. After project selection above is completed, contracts are executed by the APCO and the applicant. Project information is entered into the District and CARL databases and monitored. The District is required to commit state funds one year from June 30 of the year the district receives its initial Grant Award and Authorization Form.

IX. Contract Development

ARB requires that all CMP project contracts contain the following provisions: party names and date; contract term, including project completion and projection implementation/life; payment provisions, including maximum contract amount, the requirement for itemized invoices, funding disclosure and noncompliance terms; CMP compliance requirements; requirement for maintenance of engine/vehicle; project specifications and performance expectations, repercussions for nonperformance, on-site inspections; records retention, reporting and auditing; insurance requirements; notices; and signature blocks for both parties.

NSAQMD contracting process is initiated after project selection and pre-inspections are complete. NSAQMD fiscal staff assigns contract numbers and enters data into the NSAQMD CMP database and spreadsheets. Appointments are made with the applicant to discuss the contract terms and for their signature. The APCO is the final signatory. The applicant is issued a copy of the fully executable contract (within 5 working days of all signatures required) and is authorized to start work on the project. One original contract is kept in the project file and maintained by the program manager.

X. Payment of Projects (Expenditure)

Once the project contract is executed, applicant submits an original or copy of the original invoice requesting payment. The NSAQMD will review each vendor invoice for eligible expenses and only approve payment for eligible expenses. NSAQMD CMP staff conducts necessary post-inspection as described Section XI below. After successful inspection, the CMP Manager ~~program manager~~ approves each invoice for payment and it is forwarded to fiscal staff for payment and to the ~~Deputy~~ APCO for final approval.

XI. Project Monitoring

Pre- and post-inspections must be completed for all funded projects.

The District has entered into a Memorandum of Understanding with the Sacramento Metropolitan

Air Quality Management District for assistance with the implementation of Fleet Modernization projects. A copy of the MOU is in the appendix.

A. Pre-Inspection

The pre-inspection process includes, at a minimum, collecting the serial number of the baseline engine and verifying the information in the application about the baseline engine (make, model, model year, horsepower). The pre-inspection shall also verify the engine is operational (with a start up) and that the engine is working as described in the application (document function and use). "Operational" means that the engine must start and be able to perform its intended purpose. Photos shall be taken for the file. The file containing the photos is located in the applicant's folder on the program manager's computer under the Carl Moyer folder and labeled "pre-inspection photos". The photo file containing the applicant's equipment photos is labeled with the applicant's name, and the photos must be date stamped with the date the photos were taken. The photos must show the engine in the vehicle/vessel/equipment and show a close up of the engine plate. A pre-monitoring inspection report shall be used to document the pre-inspection. The inspection report will be kept in the project file. ~~Pre-inspections will be performed by NSAQMD CMP staff prior to contract execution.~~ A copy of the pre-inspection report form can be found in the Appendices.

B. Post-Inspection

Post-inspection occurs after receipt of an invoice from the engine owner, but prior to district final reimbursement for the engine. The post-inspection verifies that the engine listed in the contract was installed. Information to be recorded includes serial number, make, model, model year, and horsepower. The engine must be operational in the equipment or vehicle as stated in the contract. "Operational" means that the engine must start and be able to perform its intended purpose. Inspecting district staff shall visually witness all engines start-up and mobile projects operating as intended. Vehicle/engine information shall be documented with photos. If applicable, the post-inspection shall verify that the baseline engine or vehicle is destroyed or otherwise rendered nonoperational. Depending on the method of destruction, district staff must see the destroyed engine, may witness the engine destruction, and take photos of the destroyed engine. The file containing the photos shall be located in the applicant's folder and labeled "post-inspection photos". The photo file containing the applicant's equipment photos must be labeled with the applicant's name, and the photos must be date stamped with the date the photos were taken. District staff must see the destroyed engine or the receipt from the qualified vehicle salvage yard. An inspection report shall be used to document the pre-post inspections. All pre- and post-inspection reports will be maintained in the project file. All photos will be maintained in the project file located on the District server. ~~program manager's computer.~~ A copy of the post-inspection report form can be found in the Appendices.

XII. Project Audits

The district audits at least five percent (or a statistically significant number) of the projects that are within two years of contract expiration. In addition, district audits include all of the projects whose owners fail to report annually. The audit is completed by NSAQMD CMP staff.

The audit includes verification that the engines paid for are still operational in the same equipment and meet the mileage, fuel usage, or hours of operation indicated on the executed contract. This is completed by checking the serial number of the engine; witnessing the engine operate; and checking the odometer, hour meter/usage device, fuel receipts, or electronic monitoring unit (EMU).

The district also randomly audits at least five percent (or a statistically significant number) of the

projects at the end of the contract term. NSAQMD also audits all projects whose owners failed to report annually and those projects that were found to be below the level of use during the audit two years prior to the end of the contract. The audit is completed by NSAQMD CMP staff.

At a minimum, the audits shall include verification that the engines paid for are still operational in the same equipment and meet the mileage, fuel usage, or hours of operation indicated on the executed contract. As required by the Guidelines, the district completes the audits by checking the serial number of the engine; witnessing the engine operate; and checking the odometer, hour meter/usage device, fuel receipts, or EMU.

If any audited project is more than 30 percent below or above an annual average of the level of use outlined in the executed contract, the district will take appropriate action to ensure the emissions benefits are realized and captured during the term of the contract. In addition, the District will audit all of the other engines owned by the same participant and included in the same CMP funded project. NSAQMD may extend the contract in order to receive the calculated emission reduction benefit.

XIII. Reporting

All project awardees are required via contract term to produce an annual report for the project. Requirements and format of these reports is included in the boilerplate contract language. The annual report is generated from the CMP database and a copy is found in the appendix. Applicants are required to submit annual reports to the District until termination of the contract.

The District is required to report to ARB on the status of each year of CMP funding using the Yearly Report process utilizing the CARL database.

A. Annual Report

The Status Report is submitted to ARB in mid-November. The report uses the ARB-prescribed format to discuss progress in meeting projected milestones from the current year's CMP funds. "Current year" is the year in which the funds were awarded to the district by ARB. This public report provides information on the District's progress in meeting its projected milestones from the current year's CMP. Committed funds are documented by updating the database. NSAQMD Moyer staff updates the ARB database annually. If all funds have been committed and the database updated, this status report may satisfy the requirement for the annual report (due August 31 of the next calendar year) if ARB so approves.

B. Annual Report

The annual report is due to ARB by or before June 30 of the year following ARB funding allocation. This public report includes a narrative on CMP implementation and an updated database. Required information includes total applications received; efforts to meet environmental justice mandates, if required; efforts to outreach to potential zero-emission and small business projects; monitoring and auditing efforts and results; enforcement actions and recaptured funds, if any; outstanding features and accomplishments; and challenges in implementation. NSAQMD CMP staff report this information based on annual review of the program.

Updated project information includes:

- CMP projects, including those funded by state funds and local match funds
- Interest accrued on state funds, and projects funded by the interest
- Any significant deviations relative to the original project shall be provided as an update. The status of emissions reductions by projects in the implementation phase is assumed to be as

originally submitted, unless updated by the District.

- Copies of executed contracts for all CMP projects. One complete copy of the standard contract format and the pertinent pages (initial page, signature page and page describing the project, i.e., work statement) of each agreement are to be included in the report.

C. Final Report

The final report is due no later than June 30 of the second year following award. This is the deadline for expending all CMP funds and local match commitments. In addition to an updated database, the report shall include a narrative, including information on:

- Results of environmental justice efforts, if required
- Monitoring and auditing efforts and results
- Enforcement actions and recaptured funds, if any
- Outstanding features and accomplishments
- Challenges in implementation

The update will ensure that the data in the database is current and accurate. Whenever a contract between the District and a project proponent is amended to change engine information, deliverables, timeline, etc., the database must be updated and ARB must be informed. The update shall include:

- Modifications to CMP projects, including both state funds, interest accrued on state funds, and local matching funds
- Any significant deviations relative to the original project shall be provided as an update. The status of emissions reductions by projects in the implementation phase is assumed to be as originally submitted, unless updated by the District
- Copies of executed contracts (as described above under “Contract Development”), that commit CMP and local match funds to projects, which were not previously submitted
- Copies of invoices that document the amount of CMP funds and local match funds expended for each project

If a satisfactory annual report was previously submitted, all funds have been expended and the database updated, a combined annual report and final report brief narrative may satisfy the requirement for the final report (with ARB approval).

XIV. Project File Set-Up and Maintenance

The NSAQMD maintains documentation of project selection by fiscal year, as well as program project and fiscal files. Project files at a minimum contain the following: application and estimated project cost, original contract, pre/post inspection forms and photographs (located on program manager’s computer), original or copy of invoice, and annual reports. Program files contain at a minimum the following: ARB grant award and authorization, copy of NSAQMD approved application, contract and forms, outreach and project selection information, cost effectiveness spreadsheet, and correspondence from contractors, NSAQMD staff, and ARB related to this project. Program files (which include financial information) are kept for the life of the contract plus seven years.

XV. Coordination with ARB

~~ARB has assigned a staff liaison for each district. The present liaison assigned to the NSAQMD is:~~

Hurshbir Shahi
(916) 323-9687
hshahi@arb.ca.gov

The Air Resources Board no longer assigns a staff person to assist each district. All assistance must be requested via email through the CARL database technical support staff.

District staff currently responsible for implementing the CMP include: the APCO; Program Manager; and fiscal staff. District staff shall document any correspondence with ARB staff regarding ARB interpretations, clarification, guidance or possible deviations from the CMP Guidelines. All documentation shall be kept in the CMP project files.

The ARB holds CMP Incentive Program Implementation (IPI) team meetings once a quarter, or as needed. These meetings give the district the opportunity to be involved in the formation of Technical Advisories and guideline modifications, to keep informed about other local district CMP activities, and to be informed on related ARB activities. All districts are required to attend at least two IPI meetings per year. NSAQMD program manager participates in the IPI meetings. NSAQMD fiscal staff participates as necessary.

ARB has developed a centralized database for all CMP projects. All districts are required to use this database as part of the streamlined Yearly Report process. ARB has provided training to district staff in the use of the database.

XVI. ARB Oversight

As part of their oversight responsibilities, ARB staff performs desk reviews of district CMP, on-site monitoring and audits. Audit of a district's program may involve other state agencies, such as the Department of Finance and State Bureau of Audits. Audits may be fiscal, programmatic, or both. District staff responsible for implementing the CMP include: APCO; program manager; and fiscal staff.

Appendix A: Application Year 23

Northern Sierra Air Quality Management District Off and On-Road Heavy-Duty Equipment Application

Please fill out one application for each engine or piece of equipment. All information necessary for completing this application is available in the 2017 Carl Moyer Program Guidelines. This document can be viewed at the District website www.myairdistrict.com click on "Grants and Incentives". Please print clearly or type all information on this application.

Eligibility Criteria

To be eligible for funding, projects must meet the criteria described in the 2017 Carl Moyer Program Guidelines and the Carl Moyer Program Advisories. These criteria include but are not limited to the following:

- Emission reductions obtained through Carl Moyer Program projects must not be required by any federal, state or local regulation, memorandum of agreement/understanding with a regulatory agency, settlement agreement, mitigation requirement, or other legal mandate.
- Projects must meet a cost-effectiveness of \$30,000 per weighed ton of NOx + ROG + twenty times combustion PM10 reduced, calculated in accordance with the cost-effectiveness methodology discussed in the Guidelines.
- No emission reductions generated by the Carl Moyer Program shall be used as marketable emission reduction credits, or to offset any emission reduction obligation of any person or entity.
- No project funded by the Carl Moyer Program shall be used for credit under any federal or state emission averaging banking and trading program.
- Funded projects must have at least 75 percent of their operation take place in California and be a public or private agency fleets that permanently reside within Nevada, Sierra, or Plumas Counties.
- All engines in new vehicle purchases and repower projects must be certified by the ARB for sale in California and must comply with durability and warranty requirements.
- All aftermarket emission controls (retrofits) must be verified by ARB.

Funding Disclosure

Has the engine or vehicle in this application been awarded funding from another public agency or are any being considered for funding?

___Yes ___No

If "yes", complete the following for each engine or vehicle: Agency applied to

_____ Date of application submittal

_____ Funding amount requested

_____ Baseline engine serial number

_____ Status of application

_____ State the value of any current financial incentive that directly reduces the project cost, including tax credits or deductions, grants, or other public financial assistance for the same engine or vehicle:

Please Note: The incremental cost of the project shall be reduced by the amount of the financial incentive or assistance listed above.

Please initial each applicable section:

The vehicle(s)/equipment/engine(s) will be used in the State California at a minimum of 75% of the time (with the emission reduction system operating, if applicable) for at least the projected usage shown in this application. Applicant's business and fleet must permanently reside within the NSAQMD.

I have not and will not apply for additional grant funds from any other entities or programs for this project.

The purchase of this low-emission technology is **NOT** required by any local, state, and/or federal rule or regulation.

I understand that an IRS Form 1099 will be issued to me for incentive funds received under the Northern Sierra Air Quality Management District (NSAQMD) Vehicle/Equipment/Engine Incentive Program(s). I understand that it is my responsibility to determine the tax liability associated with participating in the NSAQMD Vehicle/Equipment/Engine Incentive Program(s).

I understand that a NSAQMD approved digital hour meter/odometer/GPS unit may be required on NSAQMD specified project types and that the digital hour meter/odometer will record the hours/miles accumulated within and outside the State of California.

I understand that the NSAQMD and/or the California Air Resources Board (CARB) staff will evaluate this application and determine if it meets the eligibility requirements and criteria of any incentive program. The NSAQMD /CARB will at its sole discretion determine which program funds, if any, will be used for this application.

I understand that I must be in compliance and remain in compliance with all applicable federal, state, and local air quality rules and regulations.

Application Statement – Please Read

All information provided in this application will be used by the Northern Sierra Air Quality Management District (NSAQMD) and/or the California Air Resources Board (CARB) to evaluate the eligibility of this application to receive incentive funds. NSAQMD /CARB staff reserves the right to request additional information of the applicant and can deny the application if such requested information is not provided. Incomplete and illegible applications will be returned to the applicant or vendor. An incomplete application is an application that is missing information critical to the evaluation of the project. If the applicant does not respond within 30 days, the application will be automatically terminated and the application process will have to be re-initiated in order for the project to be considered.

- ◆ I certify to the best of my knowledge that the information contained in this application is true and accurate.
- ◆ I certify that all the existing vehicles/equipment/engines referred to in this application are operational.
- ◆ I agree to accept the evaluation performed on my application by the NSAQMD /CARB staff and that I can request that NSAQMD /CARB staff review that evaluation upon a reasonable request.
- ◆ I understand that all technologies must either be verified or certified by CARB to reduce Oxides of Nitrogen (NOx) and/or other criteria pollutants.
- ◆ I understand that there may be conditions placed upon receiving an incentive and agree to refund the incentive if it is found that at any time I do not meet those conditions and if directed by the NSAQMD /CARB.
- ◆ I understand as a participant that programs have limited funds and shall terminate upon depletion of program funding. The NSAQMD /CARB shall be under no obligation to honor requests received following depletion of program funding. I acknowledge that in accepting any incentive funding, I will

be prohibited from applying for any other form of emission reduction credits, including: Emission Reduction Credit (ERC); Mobile Emission Reduction Credit (MERC) and/or Certificate of Advanced Placement (CAP), for all time, from the NSAQMD /CARB or any other Air Quality Management or Air Pollution Control District.

- ◆ In the event that the vehicle(s)/equipment/engine(s) do not complete the minimum term of any agreement eventually reached from this application I agree to return to the NSAQMD /CARB a pro-rated portion of incentive received based on usage up to and including the full amount of the original incentive provided as directed by the NSAQMD /CARB. I understand that the Air Pollution Control Officer for the NSAQMD may relieve this obligation to return the funds depending on the circumstances.
- ◆ I have the legal authority to apply for incentive funding for the entity described in this application.
- ◆ I agree to the above statements by signing below.

Authorized Signature

Date

Authorized Representative's Name (please print)

Title

NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
Heavy-Duty Low-Emission Vehicle/Equipment/Engine Incentive Programs

On-Road Application Form

Instructions: ➤ Fill in all applicable sections with ink. Please print legibly. ➤ Return application to: NSAQMD 200 Litton Drive, Suite 320 Grass Valley, CA 95945	<i>(For office use only)</i> Date Received: Project Life:
--	---

Date of application submittal _____

Funding amount requested _____

Baseline engine serial number _____

Status of application _____

A. APPLICANT INFORMATION (required)

1. Company or organization name:		
2. Business type:		
3. Contact name and title:		
4. Person with contract signing authority (if different from above):		
5. Contact mailing address and information:		
Street:		
City:	State:	Zip code:
Phone: ()	Fax: ()	
E-mail:		
6. Project location address (if different from above):		
7. How many engines are being applied for?		
8. Total funding amount requested for this engine/equipment:		

Third Party Certification - I have completed the application, in whole or in part, on behalf of the applicant.

Print name of third party:	Title:
Signature of third party:	Date:
Amount paid to third party:	Source of funding to third party:

For each engine or vehicle, please complete sections B and C and D, E, or F (as appropriate).

B. BASELINE VEHICLE INFORMATION (required)

1. Vehicle type:		
2a. Vehicle Identification Number (VIN):		
b. Vehicle make:	c. Model:	d. Year:
e. Vehicle GVWR:	f. Vehicle license plate number:	
3. Registered owner:		
4a. Department of transportation number (if interstate):		
b. California Highway Patrol number (if applicable):		
5a. Fuel type main engine:	b. Fuel type auxiliary engine:	
6. New vehicle/equipment vendor:		

C. ACTIVITY INFORMATION (required)

1. Total annual miles traveled or annual gallons of fuel used (specify):
2. Percent operation in California:
3. List counties in California in which the vehicle operates and percent of operation in each:
4. Project Life:

D. NEW VEHICLE PURCHASE PROJECTS (if applicable)

1a. Engine make:	b. Engine model:	c. Engine year:
d. Engine serial number (if available):		
2. ARB certification executive order (if engine is certified to alternative Nox standard):		
3. Fuel type of new engine:		
4. New vehicle cost:		
5. Baseline cost:		
If the new vehicle has an auxiliary engine, complete the following.		
<u>Auxiliary Engine</u>		
6a. Make:	b. Model:	
c. Year:	d. Serial number:	
e. Horsepower:	f. Tier:	
g. Fuel:	h. Engine family (if applicable):	

E. REPOWER PROJECTS (if applicable)

1. <u>Baseline Main Engine</u>	b. Engine make:	c. Engine model:
a. Engine family:		
d. Engine year:	e. Engine serial number:	
f. Fuel type:		
2. Baseline main engine rebuild cost:		
3. <u>Reduced Emission Main Engine</u>		
a. Engine family:	b. Engine make:	
c. Engine model:	d. Engine year:	
e. Engine serial number (if available):	f. Fuel type:	
4. ARB executive order number (if engine certified to alternative NOx standard):		
5a. Reduced emission main engine cost:	b. Main engine cost with installation:	

E. REPOWER PROJECTS *continued*

6. <u>Baseline Auxiliary Engine</u>		b. Engine make:	c. Engine model:
a. Engine family:			
c. Engine model:		d. Engine year:	
e. Horsepower:		f. Engine serial number (if available):	
g. Tier:		h. Fuel type	
7. Baseline auxiliary engine rebuild cost:			
8. <u>Reduced Emission Auxiliary Engine</u>		b. Engine make:	
a. Engine family:			
c. Engine model:		d. Engine year:	
e. Horsepower:		f. Engine serial number (if available):	
g. Tier:		Fuel type	
Reduced emission engine cost:		Auxiliary engine cost with installation:	

F. RETROFIT PROJECTS

1a. Engine family:	b. Engine make:	c. Engine model:
d. Engine year:	e. Tier (if auxiliary engine):	
f. Engine serial number:		
2. ARB-verified retrofit device name:		
3. Retrofit device make:		
4. Retrofit device ARB executive order:		
5. Retrofit device serial number (if available):		
6. Verification level: <input type="checkbox"/> LEVEL 1 <input type="checkbox"/> LEVEL 2 <input type="checkbox"/> LEVEL 3		
7a. ARB-verified NOx reduction (%):	b. PM reduction (%)	c. ROG reduction (%)
8. Retrofit device cost:	9. Cost of retrofit device with installation:	
10. Total cost of retrofit maintenance over project life (optional):		

NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
Heavy-Duty Low-Emission Vehicle/Equipment/Engine Incentive Programs

Off-Road Application Form

<p><u>Instructions:</u></p> <ul style="list-style-type: none"> ➤ Fill in all applicable sections with ink. Please print legibly. ➤ Return application to: NSAQMD 200 Litton Drive, Suite 320 Grass Valley, CA 95945 	<p align="center"><i>(For office use only)</i></p> <p>Date Received: _____</p>
---	--

Date of application submittal _____

Funding amount requested _____

Baseline engine serial number _____

Status of application _____

A. APPLICANT INFORMATION (required)

1. Company or organization name:		
2. Business type:		
3. Contact name and title:		
4. Person with contract signing authority (if different from above):		
5. Contact mailing address and information:		
Street:		
City:	State:	Zip code:
Phone: ()	Fax: ()	
E-mail:		
6. Project location address (if different from above):		
7. How many engines are being applied for?		
8. Total funding amount requested for this engine/equipment:		

Third Party Certification

I have completed the application, in whole or in part, on behalf of the applicant.

Print name of third party:	Title:
Signature of third party:	Date:
Amount paid to third party:	Source of funding to third party:

B. PROJECT DESCRIPTION (required)

1. Project name:
2. Total annual hours of operation and/or annual gallons of fuel consumed (specify which):
3. Percent operation in California:
4. Counties in which the equipment operates <u>and</u> percent of total operation in each county:
5. Project life

C. EQUIPMENT INFORMATION (required)

1. Equipment type and function:
2. Equipment make:
3. Equipment model:
4. Equipment model year:
5. Equipment serial number:
6. Number of main engines on this equipment:
7. Number of auxiliary engines on this equipment:

D. REPOWER PROJECTS

1. Number of main engines to be repowered:	
<u>Baseline Engine:</u>	<u>Reduced Emission:</u>
2a. Baseline engine make:	3a. Reduced emission engine make:
b. Baseline engine model:	b. Reduced emission engine model:
c. Baseline engine year:	c. Reduced emission engine year:
d. Baseline engine horsepower:	d. Reduced emission engine horsepower:
e. Baseline engine tier:	e. Reduced emission engine tier:

f. Baseline engine serial number:	f. Reduced emission engine serial number (if available):
g. Baseline fuel type:	g. Reduced emission engine fuel type:
4. Baseline annual gallons of fuel consumed or annual hours of operation:	h. Reduced emission engine family:
5. Baseline engine rebuild cost:	6. Reduced emission engine cost:
	7. Reduced emission engine cost with installation (optional):

E. RETROFIT PROJECTS (if applicable)

1a. Engine make:	b. Engine model:	c. Engine year:
d. Engine horsepower:	e. Engine serial number:	f. Engine tier:
2. ARB – Verified retrofit device name:		
3. Retrofit device ARB executive order number:		
4. Retrofit device verification level: <input type="checkbox"/> LEVEL 1 <input type="checkbox"/> LEVEL 2 <input type="checkbox"/> LEVEL 3		
5. Retrofit device serial number (if available):		
6a. ARB – Verified NOx reduction (%):		
b. ARB – Verified PM reduction (%):		
c. ARB – Verified ROG reduction (%):		
7a. Cost of retrofit device:	b. Cost of retrofit device with installation (optional):	
c. Total cost of retrofit device maintenance over life of project (optional):		

APPENDIX A-1

OFF-ROAD EQUIPMENT REPLACEMENT WORK PLAN

I. PURPOSE

This Work Plan sets forth the structure for the Northern Sierra Air Quality Management District (NSAQMD) Off-Road Equipment Replacement Program. The Off-Road Equipment Replacement Program will provide grants to projects which reduce emissions from off-road mobile sources for which the California Air Resources Board (CARB) establishes Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program) Guidelines. Funding for the program will include such portion of NSAQMD's Carl Moyer Program funds as well as NSAQMD's motor vehicle registration surcharge (AB 2766) funds as may be used to satisfy the District's matching funds requirement, and as such will be included in the cost-effectiveness calculations.

The Work Plan covers all major policy aspects of the program. This includes: the program term, the kinds of projects eligible for funding, the proposal submission process, the proposal evaluation process, evaluation criteria, funds distribution, and audits. The Work Plan is general in nature, in that it does not set forth all of the specific procedures which will need to be developed in order to implement the Off-Road Equipment Replacement Program.

II. ENVIRONMENTAL JUSTICE

The District acknowledges that some portions of the NSAQMD population are more impacted by exposure to air pollutants from off-road equipment than others. The population within the NSAQMD is less than one million and therefore NSAQMD is not required to incorporate an environmental justice component into their Moyer Program. The District will structure the Off-Road Equipment Replacement Program so that all businesses within its jurisdiction have a fair and equal opportunity to participate in this voluntary program. Outreach efforts will be focused on a District-wide scale.

III. EMISSION REDUCTIONS & COST EFFECTIVENESS

The District will be utilizing the calculation methodology as described in the current Carl Moyer Guidelines.

IV. PROGRAM TERM

As long as the Carl Moyer Program provides funding, the Program will operate on a one-year funding cycle. Unlike AB 2766 funds, Carl Moyer funds are subject to strict time frames for expenditure. It is only feasible to meet these time frames with an annual term.

V. ELIGIBLE PROJECTS

Equipment Replacement projects must meet the following general eligibility requirements:

- A. Eligible projects are those in which new equipment having the most recent Model Year California emission standard engine, 25 horsepower or larger, replaces an uncontrolled, Tier 1 or Tier 2 fully functional piece of self propelled off-road equipment that is to be scrapped.
- B. The emission reductions from the project must not be required by any local, state, and/or federal rule, regulation, or other legally binding requirement.
- C. Equipment purchased before a Grant Agreement for the project is fully executed is not eligible for funding.
- D. Applicants that do not provide credible records to document the previous two year's amount of historical operations with 75% in California and 50% in the District are not eligible for funding.

E. All projects must achieve a cost-effectiveness as described in the District's Policy and Procedures Manual. Pollutants included in the cost-effectiveness calculation are NO_x (oxides of nitrogen), ROG (reactive organic gases) and diesel PM (particulate matter). PM is weighted by a factor of 20; (NO_x + ROG + 20*PM). The District staff will calculate cost effectiveness using the average of two recent years of documented equipment usage.

VI. MAXIMUM ELIGIBLE FUNDING AMOUNTS

A. New or used equipment purchased is eligible for up to ~~80~~ 70 percent of total equipment purchase costs.

B. Engine Retrofits are eligible for up to ~~400~~ 70 percent of the total costs, including all filters and maintenance of the filters needed during the project life.

VII. EQUIPMENT REQUIREMENTS

A. Existing (Old) Equipment Requirements

(1) The old equipment engine must be an uncontrolled, Tier 1 or Tier 2 engine. (For LSI, this equates to a model year 2009 or earlier engine.)

(2) The old equipment must be registered in the Diesel Off-road On-line Reporting System (DOORS) if it is subject to the Regulation for In-Use Off-Road Diesel Vehicles (Off-Road Regulation).

(3) The applicant must have owned and operated the old equipment in California for the previous two years. The applicant must provide the following documentation:

1. Bill of sale for the old equipment and

2. Two years of documentation for at least one item in the following list. If a bill of sale cannot be provided, two items from the following list may be submitted in substitution:

a. Tax depreciation logs

b. Property tax records

c. Equipment insurance records

d. Bank appraisals for equipment

e. Maintenance/service records

f. General ledgers

g. Fuel records specific to the old equipment (To be used as evidence of CA residency the fuel records must also identify the equipment owner)

h. Other documentation approved by ARB

(4) Applicants must submit documentation of annual usage and operational status of the old equipment for the previous two years. Usage from this documentation will be used to calculate the cost-effectiveness of the project. The applicant must provide at least one of the following types of documentation:

1. Hour meter reading log collected at minimum of once per year from an installed and fully functioning hour meter or historical fuel usage documentation specific for the old equipment. Documentation must include fuel logs, purchase receipts, or ledger entries, and
2. At least one items from the following list:
 - a. Revenue and usage records that identify operational, standby, and down hours for the equipment
 - b. Employee timesheets linked to specific equipment use
 - c. Preventative maintenance records tied to specific hours of equipment use
 - d. Repair work orders specific to the equipment
 - e. Six months of tracking normal equipment usage with a functional, tamper proof hour meter with prior district approval
 - f. Other documentation approved by ARB
3. If hour meter reading or historical fuel usage is not available provide two items from the list in #2 above.

(5) The replacement of two (or more) pieces of old, like equipment with one piece of replacement equipment is eligible for funding. Each piece of old and replacement equipment must comply with all of the appropriate criteria. The replacement equipment must execute the same job as the old pieces of equipment. For baseline cost-effectiveness calculation, the annual emissions of the two pieces of old equipment are summed. For the replacement equipment cost-effectiveness calculation, the usage of the two pieces of old equipment is summed for the replacement equipment usage.

IX. REPLACEMENT EQUIPMENT REQUIREMENTS

A. The replacement equipment must have an engine meeting the most recent Model Year CA emission standard. If a specific piece of equipment cannot be purchased with an engine meeting the most recent Model Year emission standard at the time the District obligates funds, then equipment with an engine meeting the previous Model Year emission standard may be purchased. Documentation from the equipment manufacturer that equipment with an engine meeting the current Model Year emission standard is unavailable must be provided to the District. Used equipment meeting the most recent Model Year CA emission standard qualifies as new equipment if sold by a dealer with the required warranties and documentation of how the price was depreciated to account for the used condition and the number of operation hours accumulated since new.

- (1) Engines participating in the averaging, banking, and trading program that are certified to family emission limits higher than the applicable emission standards are ineligible to participate in the Carl Moyer Program.
- (2) Engines that are participating in the “Tier 4 Early Introduction Incentive for Engine Manufacturers” program, as detailed in Title 13, CCR, section 2423(b)(6), are eligible for Carl Moyer Program funding provided that they are certified to the final Tier 4 emission standards.
- (3) The certification emission standard and/or Tier designation for the engine must be determined from the ARB Executive Order issued for that engine which may be found at <http://www.arb.ca.gov/msprog/offroad/cert/cert.php>.

B. The replacement equipment must serve the same function and perform the same work equivalent as the old equipment (i.e. replacement of an agricultural tractor with another agricultural tractor). This requirement may be waived by District with approval from ARB for instances where general purpose farming equipment changes commodities.

- (1) Only the minimum attachments normally sold with the original equipment, as determined by the District, are eligible for funding on the replacement equipment. Incentive funding can only be used to pay for items essential to the operation of the equipment.
- (2) The horsepower rating for the replacement equipment engine must not be greater than 125 percent of the original manufacturer rated horsepower (baseline horsepower) for the lowest horsepower of the old equipment engine unless a higher horsepower rating is approved on a case by case basis by ARB. For old equipment in which the actual engine horsepower cannot be determined, horsepower can be calculated by multiplying the power take off by 120%.
- (3) Purchases of new CI equipment must purchase a minimum of a one-year or 1600 hours power and drive train warranty must be purchased for the replacement equipment. The warranty must cover parts and labor. Warranty documentation must be provided to the District. Warranty costs are not eligible for funding. The district may waive this requirement if they have provided ARB a satisfactory plan to ensure that funded equipment will be maintained and operated as if under warranty.
- (4) No funds will be issued for maintenance or repairs related to the operation of the equipment. The participant takes sole responsibility for ensuring that the equipment is in operational condition throughout the agreement period.
- (5) If the applicant obtains financing to assist in the purchase of replacement equipment, full documentation of financing must be provided to the District. No more than the applicant's share of the cost of the equipment may be financed. The equipment shall not be used as collateral for the loan.
- (6) Future annual hours of equipment operation must be based only on readings from an installed and fully operational hour meter. If during the project life the hour meter fails for any reason, the hour meter must be repaired or replaced as soon as possible at the owner's expense
- (7) An ARB Verified Diesel Emission Control System (VDECS) is required on all replacement equipment if available.
 1. If the additional cost of the VDECS causes the cost-effectiveness to be above the cost effectiveness cap, then the VDECS is not required.
 2. If documentation is provided to the District or ARB that a VEDCS is not technically feasible, available, or safe, then the retrofit is not required.
 3. VDECS that control PM must use the highest level ARB-verified technology available at obligation of funds for the equipment being retrofitted.
 4. The VDECS must be installed prior to delivery of the replacement equipment to the Grantee and must stay in operation on the replacement equipment for the project life. The issuance of a two-party check made payable to both the VDECS supplier and the Grantee is authorized if both parties agree to such payment.
 5. If the applicant signs the VDECS waiver acknowledging that due to current or future regulations they may be required to install a retrofit on the funded equipment at their own cost, then the retrofit is not required.
- (8) The cost of the VDECS, filters, and maintenance of the VDECS needed during the project life is eligible for incentive funding, provided its inclusion in the project cost still meets the weighted cost-effectiveness limit.
- (9) For the purpose of project selection based on cost-effectiveness, the District shall use a cost-effectiveness value that is calculated by excluding cost of the VDECS.

X. EXISTING EQUIPMENT DESTRUCTION REQUIREMENTS

The equipment replacement program requires the existing equipment to be destroyed. The chassis and engine must be destroyed to permanently remove old equipment from service. The participant shall permanently destroy and render useless or cause to be destroyed permanently or rendered useless each engine and equipment chassis. Critical mating surfaces in the engine cylinder block and cooling or lubricant passages shall be breached, by burning, cutting, or breaking. The chassis shall be cut in such a manner as to make it permanently unusable and not repairable. The participant shall make each destroyed component

available for District inspection in order for the District to certify such work has been properly done within 60 days of receiving new equipment.

The participant may select to surrender the old equipment to an authorized Salvage Yard. The participant must submit the Salvage Certification Form to the District within 30 days of receiving new equipment. The Salvage Yard must destroy the engine and chassis as described above, and submit documentation to the District within 60 days of the participant receiving new equipment, as described in the Salvage Yard Agreement.

XI. DISTRICT ADMINISTRATIVE REQUIREMENTS

The District staff will implement the Carl Moyer Off-Road Equipment Replacement Program using the following administrative procedures:

- A. The District's call-for-projects (CFPs) will solicit applications for off road equipment replacement projects along with the other Moyer Program categories listed in the District's Policies and Procedures Manual. Each application will be evaluated and ranked in accordance with the District's Policies and Procedures Manual. Off road equipment replacement project applications will compete for funding with all Carl Moyer project applications.
- B. The District staff will work with equipment dealers and/or applicants to complete the standard "Off-Road Equipment Replacement Project Application" and may develop additional forms if necessary to collect all information, records, and price quotes necessary to evaluate the proposal and to populate the data fields in the ARB's CARL database.
- C. The District staff will evaluate each proposal to verify the eligibility and cost-effectiveness in accordance with the CMP Guidelines. As part of the evaluation, staff will conduct a pre-inspection on the old equipment. The Off-Road Equipment Replacement Program (ORERP) pre-inspection form will be used.
- D. A Grant Agreement will be executed for each off-road equipment replacement project that competes successfully in the CFP process and is approved by the District's Executive Officer. A sample Grant Agreement with a section specifically for this Off-Road Equipment Replacement Program is included as Appendix D in the District's Policy and Procedures Manual.
- E. Upon delivery of the new equipment to the dealer, the District staff will conduct a post-inspection. The ORERP post-inspection form will be used. The dealer shall not deliver the new equipment to the applicant until the post inspection is complete.
- F. After the District staff approves the post-inspection of the new equipment the dealer may deliver the new equipment to the participant. The old equipment must be destroyed and the destruction verified within 60 days after Participant receipt of new equipment.
- G. Payment will be processed once the District confirms the following: approved destruction of old equipment, approved pre-inspection, approved post-inspection, approved invoice, and confirmed submittal of W-9. All payments will be issued to the applicant. Two party checks may be issued to both the applicant and dealer if requested by the parties.
- H. Monitoring and enforcement of Grant Agreements is covered in Appendix A of the District's Policies and Procedures Manual.

XII. DEALER REQUIREMENTS

Unless otherwise indicated, the Dealer must meet each requirement before the District will be obligated to release the incentive funds to the Program Participant. The Dealer agrees to do the following:

- A. Provide basic information to participants about the equipment replacement program. The District will provide training to dealership staff.
- B. Inform participants of rights and responsibilities as outlined in the air district and ARB guidelines.
- C. Help the participants correctly complete the application. It is important to make sure that all information is filled out correctly and that the participant understands the program and the meaning of the Grant Agreement. Information necessary for preliminary evaluation of the project includes, but is not limited to the following:
 - (1) Description and specifications of the old equipment including year, model, power rating, a list of included attachments and accessories, serial numbers of the equipment and engine, and credible records of the previous two years of ownership, operation and amount of usage in Yuba and Sutter Counties.
 - (2) Description and specifications of the proposed new equipment including year, model, power rating, ARB engine Family Number and Executive Order number, a list of included attachments and accessories, price quote, warrantee information, and financing information-if financed.
 - (3) If a verified diesel emission control system (VDECS) is feasible, specifications of the VDECS to be installed on the equipment including: make, model, a price quote that will be valid at the time the VDECS is installed, warrantee information, and identification of the installer. If a VDECS is not available, verifiable information from the retrofit manufacturer, retrofit distributor, and/or dealer regarding the unavailability of verified retrofits must be submitted with the application, unless the applicant signs the retrofit waiver.
 - (4) Applicant should complete the Salvage Certification Form to indicate old equipment will be delivered to qualified salvage yard. If not using salvage yard, method and description of destruction should be indicated.
 - (5) Documentation of replacement equipment warranty.
 - (6) Proof of replacement equipment financing.
 - (7) The District will provide all necessary forms.
- D. The Participant will schedule a time and place for the District to pre-inspect and to verify the identity, operation, and condition the old equipment. The Dealer will be invited to attend the pre-inspection, however it is not mandatory.
- E. After the Grant Agreement is executed, the Dealer will order the replacement equipment, have it delivered to the dealership and, if feasible, arrange for installation of the VDECS.
- F. Before delivering the replacement equipment to the Grantee, the Dealer will schedule a time and place for the District to inspect and verify the identity, operation, and condition the replacement equipment and VDECS, if installed. The Dealer may not deliver the replacement equipment to the participant until the District inspects the replacement equipment and verifies that it is eligible for funding.
- G. The Dealer shall submit copies of itemized invoices, warranty information, and financing information, prior to the District issuing payment for the grant.
- H. The Dealer will use only OEM certified parts for any repairs to any engine or equipment covered under the District Program.

DISTRICT HEADQUARTERS
200 Litton Drive, Suite 320

Grass Valley, CA 95945
(530) 274-9360 / FAX: (530) 274-7546

email: office@myairdistrict.com or www.myairdistrict.com

NORTHERN FIELD OFFICE
257 E. Sierra, Unit E
Mailing Address: P.O. Box 2227

Portola, CA 96122
(530) 832-0102 / FAX: (530) 832-0101

email: julie@myairdistrict.com or www.myairdistrict.com

CARL MOYER PROGRAM OFF-ROAD EQUIPMENT REPLACEMENT PROGRAM ELIGIBILITY

1. Funding Opportunity Limitations:

- Grant-funded equipment replacement projects must be completed 3 years in advance of emission-reduction requirements of the ARB Off-Road Regulation (2 years for small fleets).
- Exempt Agricultural Equipment as defined in the ARB Off-Road Regulation currently has no time limitation on funding eligibility.

2. Maximum Eligible Funding Amounts:

- New or used equipment purchased is eligible for up to 70 percent of total equipment purchase costs.
- VDECS (Retrofits) are eligible for up to 100 percent of the total costs, including all filters and maintenance of the filters needed during the project life.
- Eligible costs are defined as the purchase price of the new equipment, the purchase price and installation cost of the VDECS, taxes, and reasonable delivery charges. Grant funding shall only be used to pay for items essential to the operation of the equipment.

3. Existing Equipment Requirements:

- Must be self-motive heavy-duty off-road equipment (e.g. agricultural tractor or construction equipment) with an uncontrolled (Tier 0), Tier 1 or Tier 2 engine of at least 25 hp.
- Old equipment must be in operational condition and in regular use with 75% in California and 50% in the District.
- If old equipment is subject to registration by an ARB regulation, it must be registered in the reporting system specified by the regulation (e.g. Diesel Off-road On-line Reporting System).
- Old equipment and engine shall be destroyed and sold to an approved salvage yard.
- The replacement of two (or more) pieces of old, like equipment with one piece of equipment may be eligible for funding.

4. Replacement Equipment Requirements:

- Replacement equipment must be purchased through an NSAQMD approved dealer.
- Replacement equipment must have an engine meeting the current California emission standard. If such engines are not available, contact the NSAQMD for alternative considerations.
- Replacement equipment must serve the same function and perform equivalent work as the old equipment (i.e. like for like functionality).
- Horsepower of new engine in replacement equipment may not be greater than 125% of the original manufacturer rated hp for the old engine.
- Replacement equipment must have a one year or 1600 hour engine and drive train warranty covering parts and labor.
- Replacement equipment must be equipped with a fully operational, non-resettable hour meter.
- Verified Diesel Emission Control Systems (VDECS) (other than factory-installed OEM systems) are optional. The applicant acknowledges that they may be required to install such a device in the future at their own expense.

For more information regarding Off-Road Equipment Replacement grants contact the Carl Moyer Program Manager at 530-832-0102 or office@myairdistrict.com

This information is a summary. The full program requirements are available from the California Air Resources Board (ARB) at www.arb.ca.gov/msprog/moyer/guidelines/current.htm.

DISTRICT HEADQUARTERS
200 Litton Drive, Suite 320

Grass Valley, CA 95945
(530) 274-9360 / FAX: (530) 274-7546
email: office@myairdistrict.com or www.myairdistrict.com

NORTHERN FIELD OFFICE
257 E. Sierra, Unit E
Mailing Address: P.O. Box 2227
Portola, CA 96122
(530) 832-0102 / FAX: (530) 832-0101
email: julie@myairdistrict.com or www.myairdistrict.com

CARL MOYER PROGRAM OFF-ROAD EQUIPMENT REPLACEMENT PROGRAM APPLICATION

**All applicants must complete this form.
Please print or type all information on this and any attached applications.**

APPLICANT INFORMATION												
Company Name					Mailing Address							
Type of Business												
Contact Person					City							
Title					State		ZIP					
Phone Number					Fill in physical address below if different from mailing address							
Fax Number					Physical Address							
E-mail Address					City							
Name and title of person who will sign Agreement	<i>Name</i>				State		ZIP					
	<i>Title</i>											
Tax ID (Check one)	<input type="checkbox"/> Federal Employers ID #											
	<input type="checkbox"/> Individual/Sole Proprietor											

Vehicle / Equipment / Engine Vendor Information					
Contact				Address	
Company				City	
Phone				State	
					ZIP
Fax				E-mail	

APPLICATION STATEMENT

- I understand that in order to receive incentive funds, I must enter into a Grant Agreement (contract) with the Northern Sierra Air Quality Management District (NSAQMD) and that there will be conditions placed upon receiving the grant award. I agree to refund the grant award, or a portion thereof as specified in the Grant Agreement, if it is found that at any time I do not meet those conditions and if directed to do so by the NSAQMD or the California Air Resources Board (ARB).
- I shall not place orders, make purchases or begin any work associated with this project until notified by the NSAQMD that all parties have signed the project's Grant Agreement and it is effective.
- I understand that the replacement equipment and any certified emission system must operate in a manner consistent with historic usage of the old equipment, with at least 75% of operation in California and 25% in the District, for the life of the Grant Agreement.
- I certify that the new or replacement equipment will be of the same type and be used for essentially the same work as the old equipment specified in this application.
- I certify that the proposed project has not been funded and is not being considered for funding by any air district, the ARB, or any other public agency. Any applicant who is found to have applied for or received incentive funds from another entity or program for the same project without disclosing that information shall at a minimum be disqualified from all funding sources within the control of any air district or the ARB, and may be banned by the ARB from submitting any future applications to any State Grant Program solicitations. NSAQMD and the ARB may also seek civil penalties or criminal sanctions for such non-disclosure. I understand that if I want to apply for alternative funding for this project, I must first withdraw my NSAQMD application. A project may be funded cooperatively by multiple air districts if the project parameters are coordinated amongst the participating districts and the project meets all applicable grant program criteria.
- I certify that the applicant entity is in compliance and will remain in compliance with all applicable federal, state, and local laws, air quality rules and regulations, and that the applicant entity does not have any outstanding/unresolved/unpaid Notices of Violation (NOV) or citations for violations of any federal, state or local air quality regulation.
- I understand that all information provided with this application will be used by the NSAQMD and/or ARB to evaluate the eligibility of this application to receive incentive funds. NSAQMD/ARB will at its sole discretion determine which program funds, if any, will be used for this project. I understand that NSAQMD/ARB staff reserves the right to request additional information of the applicant and can deny the application if such requested information is not provided. NSAQMD will contact applicants who submit incomplete or illegible applications and work with them to complete the application. If the applicant does not respond within 30 days, the application shall be suspended; in such cases, that applicant can petition the NSAQMD to re-initiate the application if they supply the previously identified missing information. The NSAQMD may require the applicant to provide updated information.
- I understand that grant programs have limited funds and shall terminate upon depletion of program funding. The NSAQMD shall honor projects that have been contracted, but are under no obligation to honor applications prior to contracting.
- I understand that the NSAQMD will issue IRS form 1099 to grant recipients as required by law. It is the grant recipient's responsibility to determine their tax liability associated with their participation in the grant program.

- I certify that I have the legal authority to apply for incentive funding for the entity described in this application.
- I have reviewed the information contained in this application and all attachments and I certify under penalty of perjury that it is complete, accurate and correct.
- I agree to the above statements by signing below.

Printed Name of Responsible Party:	Title:
Signature of Responsible Party:	Date:

Third Party application preparation:

List any preparation fee and source of funding:	
Printed Name of Responsible Party:	Title:
Company:	
Signature of Responsible Party:	Date:

DELIVERABLES

All applicants must provide the information specified on this form.

Provide the information detailed below. Attach additional pages if necessary.

A program schedule, with project milestones and dates clearly identified;

Record-keeping for the life of the funded project: Please list steps taken to ensure information is available to provide at a minimum the following reports:

1. **Quarterly status reports** until the equipment purchase has been accomplished. These reports shall include a discussion of any problems encountered and how they were resolved, any changes in the schedule, and recommendations for completion of the project. These progress reports are required before payment will be made.

2. An **annual report**, for the duration of the project life used to determine cost-effectiveness, which provides the annual hours of operation, amount and type of fuel used, and operational and maintenance issues encountered and how they were resolved. All equipment will be required to have a non-re-settable hour meter or odometer installed. NSAQMD reserves the right to verify the information provided.

⊕ Refueling (alternative fuels only: Describe how and where equipment will be refueled (on-site, existing facility, mobile equipment, etc.):

DISTRICT HEADQUARTERS
200 Litton Drive, Suite 320

Grass Valley, CA 95945
(530) 274-9360 / FAX: (530) 274-7546

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NORTHERN FIELD OFFICE

257 E. Sierra, Unit E
Mailing Address: P.O. Box 2227

Portola, CA 96122
(530) 832-0102 / FAX: (530) 832-0101

email: julie@myairdistrict.com or www.myairdistrict.com

VEHICLE / EQUIPMENT INFORMATION FORM

Primary Function of Vehicle:

--

Equipment Type (check one):

<input type="checkbox"/> Off Road NEW	<input type="checkbox"/> Off Road REPOWER	<input type="checkbox"/> Off Road RETROFIT	<input type="checkbox"/> On Road NEW	<input type="checkbox"/> On Road REPOWER	<input type="checkbox"/> On-Road RETROFIT	<input type="checkbox"/> Agricultural	<input type="checkbox"/> Forklift	<input type="checkbox"/> Auxiliary Power Unit	<input type="checkbox"/> GSE	<input type="checkbox"/> Other
---------------------------------------	---	--	--------------------------------------	--	---	---------------------------------------	-----------------------------------	---	------------------------------	--------------------------------

Annual Vehicle Usage:

Operation within California (%):	Operation within NSAQMD Boundaries (%):
Annual Hours Spent within NSAQMD Boundaries:	
Estimated Annual Fuel Consumption:	

Existing Vehicle Information:

Make:	Model:	Model Year:	GVWR:
Vehicle Identification Number:	Fleet ID Number:	License Plate:	Odometer Reading: Vehicle Type:

Existing Engine Information:

Make:	Model:	Model Year:	Serial Number:	HP:	Hour Meter:
Fuel Type: <input type="checkbox"/> CNG <input type="checkbox"/> LNG <input type="checkbox"/> LPG <input type="checkbox"/> Diesel <input type="checkbox"/> Gasoline <input type="checkbox"/> Other:					
Engine Tier:	Engine Family #:	Total Replacement Cost:			

✦ All estimates must be accompanied by proper documentation.

New or Replacement Vehicle Information:

Make:	Model:	Model Year:	GVWR:
Vehicle Identification Number:	Fleet ID Number:	License Plate:	Odometer Reading: Vehicle Type:

New Engine or Retrofit System Information:

Make:	Model:	Model Year:	Serial Number:	HP:	Hour Meter:
Fuel Type: <input type="checkbox"/> CNG <input type="checkbox"/> LNG <input type="checkbox"/> LPG <input type="checkbox"/> Diesel <input type="checkbox"/> Gasoline <input type="checkbox"/> Other:					
Engine Repower Parts Cost:		Engine Repower Labor Cost:		Total Repower Cost:	
Description of retrofit technology (REQUIRED IF CARB VERIFIED):				Retrofit Cost:	
EMU required: Installed cost + data summarization fees:					
Certified NO _x Emission Level:		List any other financial incentives/programs (tax credits, deductions, grants, or other public assistance) applied to project:			
EPA Engine Family: REQUIRED					

✦ All estimates must be accompanied by proper documentation.

Remember: You must submit a completed W-9 FORM to be eligible for reimbursement of the Grant Award.

APPLICATION REQUIREMENTS CHECKLIST

	<p>Completed Application: If the owner, partner or corporate officer will not be signing the Grant Agreement, please provide a letter naming and authorizing another individual to sign the grant agreement and other documents on behalf of the business.</p>
	<p>W-9 Form: Complete and submit IRS form W-9, available from the IRS web site: www.irs.gov/pub/irs-pdf/fw9.pdf. NSAQMD will issue form 1099 as required by law.</p>
	<p>Participating Dealer Quote & Supporting Documents for New Equipment: New equipment must be purchased from a District approved dealer. (Equipment and parts are eligible for funding only if they are required to ensure the effective installation and functionality of the equipment/engine.)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Quote for the new equipment, itemizing all standard equipment and options, including tax and delivery. <input type="checkbox"/> Evidence of warranty with minimum parts and labor coverage on engine and drive train for 1 year, 1600 hours. Warranty costs are not eligible for grant funding. <input type="checkbox"/> Optional: An itemized quote of the parts and labor necessary to install the highest level ARB verified retrofit device available on the new engine. <input type="checkbox"/> Copy of ARB Emissions Executive Order for new engine and/or retrofit device. <input type="checkbox"/> Manufacturer's specification sheet for the new equipment, engine, and/or retrofit device.
	<p>Annual Usage: Include documentation of the equipment usage for at least the twenty-four (24) month period immediately prior to the application date. More than 24 months' usage can be considered if the average over that period is more indicative of future usage. Engine hour documentation is preferred. Please provide at least one of the following types of usage documentation:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Hour meter reading log collected at minimum of once per year from an installed and fully functioning hour meter, or; <input type="checkbox"/> Historical fuel usage documentation specific to the old equipment. Documentation must include fuel logs, purchase receipts, or ledger entries, or; <input type="checkbox"/> At least two items from the following list: <ul style="list-style-type: none"> ◆ Revenue and usage records that identify operational, standby, and down hours for the equipment; ◆ Employee timesheets linked to specific equipment use; ◆ Preventative maintenance records tied to specific hours of equipment use; ◆ Repair work orders specific to the equipment; ◆ Six months of tracking normal equipment usage with a functional, tamper proof hour meter with prior District approval <p>Limited usage documentation or other circumstances will be considered on a case-by-case basis. Prior to contracting, the District will conduct a pre-inspection of the old equipment to verify its operational status.</p> <p>NSAQMD Inspection of Existing Equipment: Arrange with the District an on-site inspection of the existing equipment.</p>
	<p>Proof of Existing Equipment Ownership and Residency in CA (2 years):</p> <ul style="list-style-type: none"> <input type="checkbox"/> Bill of sale for existing equipment; and

	<p>One of the following:</p> <ul style="list-style-type: none"> ◆ Tax depreciation logs ◆ Property tax records ◆ Equipment insurance records ◆ Bank appraisal for equipment ◆ Maintenance/service records ◆ General ledgers ◆ Fuel records specific to existing equipment ◆ Other: <p>If no bill of sale, must provide 2 items from list above</p>
	<p><u>DOORS Report:</u> Attach report from ARB Diesel Off-road, On-line Reporting system, if required.</p>
	<p><u>Certificates of Insurance:</u> Provide current certificates of insurance with your application as evidence of coverage for General Liability and Worker’s Compensation*. <small>* If the Applicant is exempt from the requirement of maintaining workers compensation insurance, provide evidence of such exemption.</small></p>
	<p><u>Certificates of Insurance:</u> Funded projects will be required to provide certificates of insurance endorsing the District as additionally insured for this project for General Liability and Property Insurance that covers the replacement cost of the new equipment. When these policies, as well as your Worker’s Compensation policy are renewed or changed, updated certificates must be submitted to the APCD until the Grant Agreement expires.</p>
	<p><u>Financing Documentation:</u> If the Grantee obtains financing to assist in the purchase of replacement equipment, full documentation of financing must be provided to the APCD. No more than the Grantee’s share of the cost of the equipment may be financed.</p>

Loan Assistance: Loan assistance may be available for equipment replacement through the California Capital Access Program (CalCAP). Contact your lender for eligibility requirements and to see if they participate in CalCAP. Additional information on CalCAP loans is available from the ARB at: www.arb.ca.gov/ba/loan/off-road/off-road.htm or at 866-6-DIESEL, and from the California Pollution Control Financing Authority at: www.treasurer.ca.gov/cpcf/calcap.asp For a list of participating lenders, see: www.treasurer.ca.gov/cpcf/calcap/institutions.pdf

After Replacement Equipment is Delivered

	<p><u>NSAQMD Inspection of New Equipment:</u> Arrange with the District an on-site inspection of the New equipment.</p>
	<p><u>Salvage Certification Form:</u> Salvage yard must be a District approved salvage yard. Submit this form to the District within 30 days of receiving new equipment.</p>
	<p><u>Final Invoice from Dealership:</u> The applicant cannot finance more than their portion of the cost of the new equipment</p>

Northern Sierra Air Quality Management District
Carl Moyer Program - Application Statement

Please initial each item to signify that you understand and agree with each statement. If you have questions on any of the statements, please call or email the CMP Manager at (530) 832-0102 or office@myairdistrict.com.

Initials

- I have legal authority to apply for grant funding for the entity described in this application.
- The proposed project is not required to be implemented by any local, state, and/or federal rule, regulation, or other legally binding requirement.
- No replacement engine/equipment/vehicles have been purchased and no work on this project has begun or will begin until the Grant Agreement is approved by the Board and signed by the Executive Director.
- I understand that I must complete the purchase, repower, or retrofit work specified in the application no later than 18 months after approval of the Grant Agreement and will be required to submit a progress reporting form each calendar quarter until that work is complete. This deadline may be earlier than 18 months after approval of the Grant Agreement in cases where a regulatory deadline is approaching. This deadline may be extended in some circumstances if requested by the applicant and approved in writing by the NSAQMD.
- I understand that it is my responsibility to ensure that all technologies are either verified or certified by the California Air Resources Board (CARB) to reduce NOx and/or PM pollutants.
- I understand that any engine which has been replaced using Carl Moyer Program funds must be permanently destroyed and rendered useless. Cooling or lubricant passages, and critical mating surfaces in the cylinder block must be breached by burning, cutting, or impact. This work will be documented by NSAQMD inspection.
- I understand that the engine may not be removed from the vehicle/equipment until the manufacturer's permanently marked serial number is made clearly legible and inspected by NSAQMD personnel. If no serial number is legible, I will make certain that an NSAQMD representative has documented a unique indelible mark on the engine prior to removal that ensures the engine's identity can be verified after removal. Alternatively an NSAQMD representative may witness that the engine has been permanently destroyed and rendered useless before it is removed from the vehicle, equipment, or boat.
- I understand that there will be conditions placed upon receiving a grant and agree to refund the grant (or a pro-rated portion) if it is found that at any time I do not meet those conditions. One such condition is that the amount of future annual operation must be at least 70 percent of the historical level of operation claimed in the grant application. Another condition is that at least 75 percent of the equipment's operation must be in California for the entire term of the Grant Agreement. I understand that I must document compliance with these conditions and submit reports annually.
- I certify that the proposed project has not been funded and is not being considered for Carl Moyer Program funds by another air district or any other public agency.
- I understand that I will be prohibited from applying for any form of emission reduction credits for Moyer-funded vehicles/engines, including: Emission Reduction Credit (ERC); Mobile Source Emission Reduction Credit (MSERC) and/or Certificate of Advanced Placement (CAP), for all time, from the NSAQMD, CARB or any other Air Quality Management or Air Pollution Control District.
- I understand that disclosure is required of the value of any current financial incentive that directly reduces the project price, including tax credits or deductions, grants, or other public financial assistance. The incremental cost of the project will be reduced by the amount of the current financial incentive, except for federal funding or funding provided by the Alternative and Renewable Fuel and Vehicle Technology Program to reduce greenhouse gas emissions (GHG).
- I certify that the requested funding does not include administrative costs. Administrative costs are defined as costs related to project submittal preparation, project administration, monitoring, oversight, data gathering,

and report preparation. I will include funds necessary to cover administrative costs and any required matching funds in my budget for the duration of the project.

Initials

- I have reviewed the sample grant agreement and it is acceptable, without revisions
- I have attached records, fuel receipts or logs or operating hour documentation that can be used to validate the amount of historical operation within NSAQMD boundaries. I understand that if the amount of future annual operation is less than 70 percent of this historical level of operation, I hereby agree to abide by actions taken by the District to ensure emission benefits are realized and captured including refunding the grant, or a pro-rated portion of the grant.**
- I understand that for engine replacement projects, the new engine must be certified to the highest Tier NOx and diesel particulate emission standards that can be installed in the equipment. If an engine with a certification lower than the highest Tier is proposed to be installed, I have attached a letter from the equipment manufacturer or vendor specifying the reason(s) a highest Tier engine cannot be used. All engines must meet the emission standards as described in the current CMP Guidelines.
- I understand that all engine replacement and retrofit projects must be certified and/or verified to the current applicable emission standards. If applicable, a VDECS lower than highest level available is to be installed, a letter from the engine manufacturer is attached specifying the highest level of VDECS that can be installed on the engine and will perform in the specific engine application. The costs of this device and associated installation are eligible for funding and may be included in the project grant request. Failure to install an available VDECS will trigger the refund provisions of the Grant Agreement
- I understand that an IRS Form 1099 will be issued to me for incentive funds received under the Carl Moyer Program. I understand that it is my responsibility to determine the tax liability associated with participating in the Moyer Program.
- I understand that a Global Positioning System (GPS) unit may be required to be installed vehicles/equipment. I will submit data as requested and otherwise cooperate with all data reporting requirements.
- I understand that the NSAQMD has the right to conduct unannounced inspections to ensure the project equipment is fully operational and at the activity level committed to in the grant agreement.
- I understand that a tamper proof, non-resettable digital hour meter/odometer must be installed and maintained in operating condition on all vehicles/equipment.
- I understand that all projects must achieve a cost-effectiveness of \$30,000 per weighted ton of air pollutants reduced. Pollutants included in the cost-effectiveness calculation are NOx (oxides of nitrogen), ROG (reactive organic gases) and diesel PM (particulate matter). PM is weighted by a factor of 20; (NOx + ROG + 20*PM). AQMD staff will calculate cost effectiveness.
- I understand that for ranking purposes, only emission reductions occurring in the Antelope Valley AQMD will be used to calculate cost-effectiveness.
- I understand that information regarding fleet size and compliance status must be submitted at time of application submittal. Fleet size must include Moyer project and compliance must be maintained throughout the contract term. This must include the Diesel Off-Road On-line Reporting System (DOORS) ID of the fleet and the DOORS Equipment Identification Number (EIN) of the funded equipment. All documentation submitted must be signed and dated by the applicant and include language certifying that the fleet list provided is accurate and complete.
- I understand that Moyer projects are not to be used for compliance extension or credit.
- I certify to the best of my knowledge that the information contained in this application is true and accurate.
- I understand that third party contracts are not permitted. A third party may, however complete an application on an owner's behalf. Third parties are required to list how much compensation, if any, they are receiving to prepare the application, and to certify that no Carl Moyer Program funds are being used for this compensation. (see below)

Applicant's Signature

Date

Applicant's Name (please print)

Title

If an entity other than the applicant assisted in the preparation of the application, please provide the information requested below.

Application Preparer's Name and Contact Information (please print)

Compensation received for application preparation: \$_____

I certify that no Carl Moyer Program funds are the source for this compensation:

Application Preparer's Signature

Date

**NSAQMD
CARL MOYER PROGRAM
FUNDING DISCLOSURE STATEMENT**

Have you applied for or been awarded other grants for any engines listed in this application? <input type="checkbox"/> Yes, complete section below <input type="checkbox"/> No, skip the remaining items in this table and sign below
Agency Applied to:
Date of Application:
Funding Amount:
Engines Included In This Request (list engine serial numbers):
Status of Application: <input type="checkbox"/> Cancelled <input type="checkbox"/> Pending <input type="checkbox"/> Funded <input type="checkbox"/> Other, explain:

(photocopy this page when blank to complete for engines included in separate funding/grant requests)

By signing below, the Applicant hereby certifies the following:

- (1) Applicant has disclosed to the Grantor/District any and all other grant or funding applications it has directly or indirectly submitted to any other air pollution control districts or air quality management districts for the same specific engine(s).
- (2) Applicant agrees not to submit other Carl Moyer Grant applications or sign other contracts or Grant Agreements for the same specific engine(s) with any other source of funds, including but not limited to, other state or local air pollution control district or the California Air Resources Board for a multi-district solicitation. Applicant further agrees and understands that this Grant Agreement shall, at a minimum, be immediately terminated and may result in the Applicant being banned from submitting future applications to any and all Carl Moyer Program administering air pollution control district or air quality management district if it is discovered that the Applicant has submitted multiple applications or signed multiple contracts or grant agreements, not previously disclosed, for the same engine(s) as set forth in this Grant Agreement.
- (3) Applicant has disclosed the value of any current financial incentive that directly reduces the project price, including tax credits or deductions, grants, or other public financial assistance, for the same engine(s). The incremental cost of the project will be reduced by the amount of the current financial incentive, except for projects, beginning July 1, 2011, in which the following funding sources are used to reduce greenhouse gas emissions: a. Federal funding to reduce greenhouse gas emissions. b. Alternative and Renewable Fuel and Vehicle Technology Program.
- (4) Applicant understands that if it is found to be in violation of the terms and conditions of this Grant Agreement and/or this Disclosure Statement, the California Air Resources Board may levee fines and/or seek criminal charges to the fullest extent allowed by law against the Applicant, including but not limited to the Business and Professional Code and California Health and Safety Code Section 43016.

Printed Name of Responsible Party:	Title:
Signature of Responsible Party:	Date:

**NSAQMD
CARL MOYER PROGRAM
REGULATORY COMPLIANCE STATEMENT**

Legal Owner Name:
Company Name:
Mailing Address:
Physical Address (if different than mailing address):
Phone:
E-mail:

As an applicant/participant of the Carl Moyer Program, I declare that [COMPANY NAME]

1. Is in compliance with, and
2. Will remain in compliance with, and
3. Does not have any outstanding/unresolved/unpaid Notices of Violations (NOV) or citations for violations of any federal, state, and local air quality regulations including, but not limited to, the following:

- Cargo Handling Equipment Regulation
- Commercial Harbor Craft Regulation
- Drayage Truck Regulation (including dray-off trucks)
- In-Use Off-Road Diesel Vehicle Regulation
- Marine Shore Power Regulation
- Off-Road Large Spark Ignition Fleet Regulation
- Portable Diesel Airborne Toxic Control Measure
- Public Agency and Utility Rule
- Sleeper Berth Truck Idling Regulation
- Solid Waste Collection Vehicle Regulation
- Statewide Truck and Bus Regulation
- Stationary Engine Airborne Toxic Control Measure
- Transit Fleet Rule

I certify under penalty of perjury that the information provided is accurate.

Authorized Signature:	Date:
Authorized Representative's Printed Name:	Authorized Representative's Title:

Appendix B: Year 23 Sample Contract

GRANT AGREEMENT

between

The Northern Sierra Air Quality Management District

and

Participant

This Agreement is made and entered into this _____ day of _____, 2021, by and between the NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT (NSAQMD), an air pollution control district formed pursuant to the laws of the State of California and Participant (Contractor).

WITNESSETH

This Agreement (“Agreement”) between the Northern Sierra Air Quality Management District, a public agency of the State of California, hereinafter referred to as “District” and “Participant”, a California Corporation, hereinafter referred to as “Participant”:

WHEREAS, pursuant to Health and Safety Code §41082, the District may undertake programs that include financial assistance or other incentives to fleet operators for the purchase, conversion or operation of low-emission motor vehicles; and

WHEREAS, only public or private agency fleets that permanently reside within Nevada, Sierra, or Plumas Counties qualify for funding; and

WHEREAS, under Resolution No. 2008-08 on November 24, 2008, NSAQMD’s Board of Directors authorized the NSAQMD to participate in the eleventh year of the “Carl Moyer Memorial Air Quality Standards Attainment Program (Heavy-Duty Low-Emission Vehicle Incentive Program)”; and

WHEREAS, pursuant to Northern Sierra Air Quality Management District Board Resolution No. 2004-03, the Air Pollution Control Officer is authorized to execute incentive agreements for the “Carl Moyer Memorial Air Quality Standards Attainment Program (Heavy-Duty Low-Emission Vehicle Incentive Program)”; and

WHEREAS, “Participant” represents that the purchase is NOT required by any local, state, and/or federal rule or regulation. For public agencies, controlling board policy does NOT require the purchase.

Participant Initial

APCO Initial

NOW, THEREFORE, based on their mutual promises, covenants, and conditions, the parties hereby agree as follows:

1. PROJECT

Contractor shall perform all activities and work necessary to implement and complete the project set forth in the proposal which is incorporated herein as Exhibit A. Contractor agrees to furnish all labor, materials, equipment, licenses, permits, fees, and other incidentals necessary to perform and complete, per schedule, in a professional manner, the services described herein. Contractor represents that Contractor has the expertise necessary to adequately perform the project specified in Exhibit A.

In the event of any conflict between or among the terms and conditions of this Agreement, the exhibits incorporated herein, and the documents referred to and incorporated herein, such conflict shall be resolved by giving precedence in the following order of priority:

1. The text of this Agreement;
2. Exhibits A, B, Exhibit B-1a to this Agreement;
3. The NSAQMD Year 20 Carl Moyer Incentive Program Policy and Procedures prepared by the NSAQMD; and,
4. The Carl Moyer Program Guidelines (April 21, 2017) and applicable Carl Moyer Program Advisories.

In addition, unless stricter compliance requirements are defined by Items 1 to 3 in the list above, then the project shall comply with the requirements established in Item 4.

2. PERIOD OF PERFORMANCE/TIMETABLE

Contractor shall commence performance of work and produce all work products in accordance with the work schedule and deadlines for performance identified in Exhibit A (Statement of Grant Obligations) unless this Agreement is terminated sooner as provided for elsewhere in this Agreement.

3. ENGINE(S)/EQUIPMENT REQUIREMENTS

A. Installation: The Contractor shall provide the NSAQMD with written authorization from the manufacturer for that agent to perform the installation. Use of an unauthorized agent for the engine(s)/equipment installation shall constitute a breach of this Agreement.

C. Maintenance: The Contractor shall maintain the new grant-funded engine(s)/equipment pursuant to the manufacturer's written specifications. Prior to operating the engine(s)/equipment, the Contractor will provide the NSAQMD with a copy of the manufacturer's written maintenance specifications. The Contractor will keep a maintenance log containing records of all maintenance performed on the engine(s)/equipment.

Participant Initial

APCO Initial

The Contractor shall make these maintenance logs available for NSAQMD review upon request by the NSAQMD. To ensure accurate engine(s)/equipment reporting, Contractor is required to maintain equipment (hour meters, odometers) necessary to determine usage. The Contractor must document usage during a failure of such equipment and provide the NSAQMD with that documentation with the Annual Usage Report. Failure to comply with these conditions will constitute a breach of this Agreement. Failure to maintain the engine(s)/equipment to the manufacturer's specifications will constitute a breach of this Agreement.

C. Operation: The Contractor shall operate the new grant-funded engine(s)/equipment pursuant to the manufacturer's written specifications. Prior to operating the engine(s)/equipment, the Contractor will provide the NSAQMD with a copy of the manufacturer's written operating specifications. Failure to operate the engine(s)/equipment within the manufacturer's specifications will constitute a breach of this Agreement.

D. Modification: The Contractor is prohibited from modifying the engine(s)/equipment configuration. This includes but is not limited to modifications to the engine(s)/equipment, electronic control unit, cooling, exhaust, crank-case ventilation and lubrication systems, power take-offs, and the transmission/gear reduction as applicable. The Contractor is required to conduct routine maintenance and repair as needed. All components replaced as part of routine maintenance and/or repair must comply with the original installed engine(s)/equipment configuration and manufacturer's specification. Any modifications to the engine(s)/equipment configuration without written consent from an agent authorized by the manufacturer and the NSAQMD will constitute a breach of this Agreement.

4. PERFORMANCE

This project will result in emission reductions because the replacement engine(s)/equipment has (have) lower emissions than the original engine(s)/equipment. The required emission reductions over the Agreement term are specified in Exhibit A. The performance measure to ensure that the required emission reductions are achieved for this project shall be derived from the total engine operation since it (they) was (were) installed, based on either fuel usage or engine(s)/equipment hours as Specified in Exhibit A. As required by the Carl Moyer Program Guidelines (April 21, 2017), a minimum of 75 percent of the project's operation must be within California.

Annually, through the term of this Agreement or any amendments to it, and starting one year from the day of the NSAQMD post-inspection, Contractor shall provide the NSAQMD with Annual Engine/Equipment Usage Reports as outlined in Exhibit B using the report form in (Exhibit B-1 a). Prior to this Agreement being deemed complete, the NSAQMD shall assess whether the engine(s)/equipment was (were) sufficiently operated to achieve the required emission reductions. Engine(s)/equipment operation over the Agreement term, must result in the contracted usage as stated in Exhibit A being achieved. In the case where the actual usage is between plus or minus 30% of the contracted usage, then the NSAQMD shall declare the Agreement complete. In the case where the actual usage is 30% above the contracted usage, the Contractor will provide the NSAQMD with the reason for the extra usage and if the NSAQMD, the ARB or their designee(s) deem the reasoning acceptable, the NSAQMD shall declare the Agreement complete. In the case where the actual usage is 30% below the contracted usage or excessive usage is not acceptable to the NSAQMD, the ARB or their designee(s), then one of the following performance compliance options for the project shall be selected by the NSAQMD:

Participant Initial

APCO Initial

1. The Contractor shall repay a portion of the grant amount to the NSAQMD where the repayment portion is determined using the following formula:

$$R = G \times \left(1 - \frac{O_{act}}{O_{con}} \right)$$

Where:

R is the repayment amount;

G is the total grant amount as stated in Paragraph 6;

O_{act} is the total actual engine(s) operation amount since the repower was completed;

O_{con} is the total required engine(s) operation amount over the term of this Agreement defined in Exhibit A; or,

2. The APCO may, at his or her sole discretion, relieve this obligation to return the funds after considering the circumstances leading to the failure to fulfill the minimum performance requirements. Additionally, the APCO may, at his or her sole discretion, require full reimbursement of all funds paid to the Participant.

5. RECORD KEEPING AND REPORTING

A. Records: Contractor shall keep, and provide to NSAQMD or its agents, upon request, accurate financial records (including invoices and published price lists on which Agreement was based) necessary to enable NSAQMD to review Contractor's performance of this Agreement. These records shall demonstrate the grant funding has been used for the purchase of engine(s)/equipment and/or provision of services as described in Exhibit A to this Grant Agreement, Statement of Grant Obligations. Contractor shall maintain all such records for at least five years after the date on which the engine(s)/ equipment and or/services was (were) purchased.

B. Reports: The Contractor shall submit report(s) to the NSAQMD in accordance with the schedule and format specified in Exhibit B (Annual Grant Status Report Format) and Exhibit B-1a (Annual Engine Usage Report). Failure to comply with reporting requirements will trigger District Auditing as specified in the Carl Moyer Program Guidelines.

6. COMPENSATION

The total obligation of NSAQMD under this Agreement shall not exceed **fifty eight thousand, nine hundred and ninety five dollars (\$58,995)**.

A. Payments: Only expenditures incurred by Contractor in the direct performance of this Agreement can be reimbursed by NSAQMD. Contractor shall invoice the NSAQMD in accordance with the schedule specified in Exhibit A. Payments by NSAQMD to Contractor for any services detailed in Exhibit A shall be permitted only after said services have been satisfactorily rendered, and after a written request and claim from Contractor for such payment has been received by NSAQMD. Said written request shall set forth the work completed in the claim period and shall include copies of any and all invoices or financial records needed to verify that stated costs have been incurred by Contractor.

Participant Initial

APCO Initial

Invoices and supporting records shall be submitted to NSAQMD no more often than once every five months, unless prior approval for a greater frequency has been given by NSAQMD. Claims and all supporting documentation shall be submitted to the Northern Sierra Air Quality Management District (NSAQMD), 200 Litton Dr., Suite 320, Grass Valley, California 95945, Attention: Carl Moyer Program Manager.

NSAQMD shall pay Contractor within thirty (30) calendar days after receiving a request for payment and verifying that services have been satisfactorily completed as cited in the invoice.

The amount to be paid to Contractor under this Agreement shall include all sales and use taxes incurred pursuant to this Agreement, if any, including any such taxes due on equipment purchased by Contractor.

B. Surplus Funds: Any part or all of a payment by NSAQMD to Contractor, which is not utilized for any reason by Contractor to pay costs pursuant to the terms and conditions of this Agreement or as detailed in a claim by Contractor, shall be refunded to NSAQMD within 30 days after the end of the project term defined in Paragraph 2 above.

C. Close-out Period: All final claims for repayment shall be submitted by Contractor to NSAQMD within sixty (60) days following the final month of activities for which payment is claimed. No action will be taken by NSAQMD on claims submitted beyond the 60-day close-out period.

7. NON-ALLOCATION OF FUNDS

The terms of this Agreement and the services to be provided thereunder are contingent on the approval and appropriation of funds by the Air Pollution Control Officer. Should sufficient funds not be allocated, the services provided may be modified or this Agreement may be terminated at any time by NSAQMD after giving Contractor thirty (30) days notice in writing.

8. INDEPENDENT CONTRACTOR

In performance of the work, duties, and obligations assumed by Contractor under this Agreement, it is mutually understood and agreed that Contractor, including any and all of Contractor's officers, agents, and employees, will at all times be acting and performing as an independent contractor and shall act in an independent capacity and not as an officer, agent, servant, employee, joint venturer, partner, or associate of NSAQMD. Furthermore, except for requirements specifically stated in this Agreement, NSAQMD shall have no right to control, supervise or direct the manner or method by which Contractor shall perform its work and function. However, NSAQMD shall retain the right to administer this Agreement so as to verify that Contractor is performing its obligations in accordance with the terms and conditions thereof. Contractor and NSAQMD shall comply with all applicable provisions of law and the rules and regulations, if any, of governmental authorities having jurisdiction over matters the subject thereof.

Because of its status as an independent contractor, Contractor shall have absolutely no right to employment rights and benefits available to NSAQMD employees. Contractor shall be solely liable and responsible for providing to, or on behalf of, itself all legally required employee benefits.

Participant Initial

APCO Initial

In addition, Contractor shall be solely responsible and hold NSAQMD harmless from all matters relating to payment of Contractor's employees, including compliance with social security, withholding, and all other regulations governing such matters. It is acknowledged that during the term of this Agreement, Contractor may be providing services to others unrelated to NSAQMD or to this Agreement.

9. TERMINATION

A. Breach of Agreement: NSAQMD may immediately suspend or terminate this Agreement, in whole or in part, for any of the following reasons:

1. An illegal or improper use of funds;
 2. A failure to comply with any term of this Agreement;
 3. A substantially incorrect or incomplete report submitted to NSAQMD;
 4. Improperly performed services; or
5. Contractor breaches any requirements of the Carl Moyer Program Guidelines (April 21, 2008) and applicable Carl Moyer Program Advisories.

In no event shall any payment by NSAQMD constitute a waiver by NSAQMD, the ARB or their designee(s) of any breach of this Agreement or any default which may then exist on the part of Contractor, nor shall such payment impair or prejudice any remedy available to NSAQMD, the ARB or their designee(s) with respect to the breach or default. NSAQMD, the ARB or their designee(s) shall have the right to demand of Contractor the repayment to NSAQMD of any funds disbursed to Contractor under this Agreement which in the judgment of NSAQMD, the ARB or their designee(s) were not expended in accordance with the terms of this Agreement. Contractor shall promptly refund any such funds upon demand.

In addition to immediate suspension or termination, NSAQMD, the ARB or their designee(s) may impose any other remedies available at law, in equity, or otherwise specified in this Agreement.

B. Without Cause: Either party may terminate this Agreement at any time after giving the other party at least thirty (30) days advance written notice of intention to terminate. In such case, Contractor shall be paid the reasonable value of all services, if any, satisfactorily rendered and actual, reasonable costs incurred up to the time of the termination. Upon such termination, all the work, if any, produced by Contractor shall be promptly delivered to NSAQMD. Additional terms and conditions may apply in the event of termination by the Contractor, as identified in Paragraph 27.C of this Agreement.

10. MODIFICATION

Any matters of this Agreement may be modified from time to time by the written consent of all the parties without in any way affecting the remainder.

11. NON-ASSIGNMENT

Neither party shall assign, transfer, or subcontract this Agreement, nor their rights or duties under this Agreement, without the prior express, written consent of the other party.

Participant Initial

APCO Initial

12. INDEMNIFICATION

Contractor agrees to indemnify, save, hold harmless, and at NSAQMD's request, defend NSAQMD, its boards, committees, representatives, officers, agents, and employees from and against any and all costs and expenses (including reasonable attorneys' fees and litigation costs), damages, liabilities, claims, and losses (whether in contract, tort, or strict liability, including, but not limited to, personal injury, death, and property damage) occurring or resulting to NSAQMD which arises from any negligent or wrongful acts or omissions of Contractor, its officers, agents, subcontractors, or employees in their performance of this Agreement.

In addition, by signing this agreement, Contractor affirms that the project proposed in

Exhibit A to this Grant Agreement has not been funded and is not being considered for funding by another air district, ARB, or any other public agency. Any applicant who is found to have submitted multiple applications for the same project may be banned by the ARB from submitting future applications to Carl Moyer Program solicitations and may be subject to criminal sanctions. A project funded cooperatively by multiple air districts is eligible for funding if the project parameters are coordinated amongst the participating districts and the project meets all applicable Carl Moyer Program criteria. Applicants are allowed to re-apply for project funding if a previous application has been rejected and is no longer being considered for funding or if the applicant withdraws the previous application from the other funding source.

13. INSURANCE

A. Without limiting NSAQMD's right to obtain indemnification from Contractor or any third parties, Contractor, at its sole expense, shall maintain in full force and effect the following insurance policies throughout the term of this Agreement:

Commercial general liability insurance with minimum limits of coverage in the amount of one million dollars (\$1,000,000) per occurrence;

Commercial automobile liability insurance which covers bodily injury and property damage with a combined single limit with minimum limits of coverage in the amount of one million dollars (\$1,000,000) per occurrence; and,

Workers' compensation insurance in accordance with California law.

In the event Contractor is exempt from the requirement of maintaining workers compensation insurance, Contractor shall provide to the District satisfactory evidence of such exemption.

B. Prior to finalizing this Agreement, Contractor shall provide certifications of insurance on the foregoing policies, as required herein, to NSAQMD, stating that such insurance coverages have been obtained and are in full force. The Contractor's general commercial liability insurance policy, worker's compensation policy, and automotive general liability shall endorse/name the NSAQMD, its officers, agents, employees, individually and collectively, as additional insured, but only insofar as the engine(s)/equipment provided under this Agreement. Such coverage for additional insured shall apply as primary insurance, and any other insurance maintained by NSAQMD, its officers, agents, and employees, shall be excess only and not contributing with insurance provided under Contractor's policies herein. This insurance shall not be canceled or changed without a minimum of thirty (30) days advance, written notice given to NSAQMD.

Participant Initial

APCO Initial

C. In the event Contractor fails to keep in effect at all times insurance coverage as herein provided, NSAQMD may, in addition to other remedies it may have, suspend or terminate this Agreement upon the occurrence of such event.

14. AUDITS AND INSPECTIONS

Contractor shall at any time during regular business hours, and as often as NSAQMD, the ARB or their designee(s) may deem necessary, make available to and permit NSAQMD, the ARB or their designee(s) to inspect and audit all of the Contractor's engine(s)/equipment and/or records necessary to determine Contractor's compliance with the terms of this Agreement.

Contractor shall be subject to an audit by NSAQMD, the ARB or their designee(s) to determine if the revenues received by Contractor were spent for the reduction of pollution as provided in this Agreement and to determine whether said funds were utilized as provided by law and this Agreement. If, after audit, NSAQMD, the ARB or their designee(s) makes a determination that funds provided to the Contractor pursuant to this Agreement were not spent in conformance with this Agreement or any other applicable provisions of law, Contractor agrees to immediately reimburse NSAQMD all funds determined to have been expended not in conformance with this Agreement.

Contractor shall retain all records and data for activities performed under this Agreement for at least five (5) years from the date of final payment under this Agreement or until all state and federal audits are completed for that fiscal year, whichever is later.

The Contractor understands and agrees that the ARB has the authority and reserves the right to monitor and enforce the terms of the contract at any time during the project life to ensure emission reductions are obtained for a minimum of 75 percent operation within California. The NSAQMD, the ARB or their designee(s) may seek whatever legal, equitable and other remedies are available under State law for the owner's failure to comply with the Carl Moyer Program requirements and failure to fully perform under the grant agreement.

15. NOTICES

The persons and their addresses having authority to give and receive notices under this Agreement are as follows:

CONTRACTOR	NSAQMD
John XYZ	Gretchen Bennitt
President	Air Pollution Control Officer
XYZ Company	Northern Sierra Air Quality Management District
5356 Donner Pass Road	200 Litton Drive, Suite 320
Truckee, CA 96161	Grass Valley, CA 95945

Any and all notices between NSAQMD and Contractor provided for or permitted under this Agreement or by law shall be in writing and shall be deemed duly served when personally delivered to one of the parties, or in lieu of such personal service, when deposited in the United States mail, postage prepared, addressed to such party.

Participant Initial

APCO Initial

16. POLITICAL ACTIVITY PROHIBITED

None of the funds, materials, property, or services provided under this Agreement shall be used for any political activity, or to further the election or defeat of any candidate for public office.

17. LOBBYING PROHIBITED

None of the funds provided under this Agreement shall be used for publicity, lobbying, or propaganda purposes designed to support or defeat legislation before the Congress of the United States of America or the Legislature of the State of California.

18. CONFLICT OF INTEREST

No officer, employee, or agent of NSAQMD who exercises any function or responsibility for planning and carrying out the services provided under this Agreement shall have any direct or indirect personal financial interest in this Agreement. Contractor shall comply with all federal and state conflict of interest laws, statutes, and regulations, which shall be applicable to all parties and beneficiaries under this Agreement and any officer, agent, or employee of NSAQMD.

19. GOVERNING LAW

This Agreement shall be governed in all respects by the laws of the State of California. Venue for any action arising out of this Agreement shall only be in Nevada County, California.

20. BINDING ON SUCCESSORS

This Agreement, including all covenants and conditions contained herein, shall be binding upon and inure to the benefit of the parties, including their respective successors-in-interest, assigns, and legal representatives.

21. TIME IS OF THE ESSENCE

It is understood that for Contractor's performance under this Agreement, time is of the essence. The parties reasonably anticipate that Contractor will, to the reasonable satisfaction of NSAQMD, complete all activities provided herein within the time schedule outlined in the attachments to this Agreement, provided that Contractor is not caused unreasonable delay in such performance.

22. DATA OWNERSHIP

Upon termination or expiration of this Agreement, all data which is received, collected, produced, or developed by Contractor under this Agreement shall become the exclusive property of NSAQMD, provided, however, Contractor shall be allowed to retain a copy of any non-confidential data received, collected, produced, or developed by Contractor under this Agreement, subject to NSAQMD's exclusive ownership rights stated herein. Accordingly, Contractor shall, if requested, surrender to NSAQMD all such data which is in its possession (including its subcontractors or agents), without any reservation of right or title, not otherwise enumerated herein. NSAQMD shall have the right at reasonable times during the term of this Agreement to inspect and reproduce any data received, collected, produced, or developed by Contractor under this Agreement.

Participant Initial APCO Initial

No reports, professional papers, information, inventions, improvements, discoveries, or data obtained, prepared, assembled, or developed by Contractor, pursuant to this Agreement, shall be released or made available (except to NSAQMD) without prior, express written approval of NSAQMD while this Agreement is in force.

23. NO THIRD-PARTY BENEFICIARIES

Notwithstanding anything else stated to the contrary herein, it is understood that Contractor's services and activities under this Agreement are being rendered only for the benefit of NSAQMD, and no other person, firm, corporation, or entity shall be deemed an intended third-party beneficiary of this Agreement.

24. SEVERABILITY

In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be unenforceable in any respect by a court of competent jurisdiction, such holding shall not affect any other provisions of this Agreement, and the Agreement shall then be construed as if such unenforceable provisions are not a part hereof.

25. TITLE TO EQUIPMENT

Title to and risk of loss of equipment purchased with funds received through this Agreement shall, at all times, vest in and with Contractor. Contractor acknowledges that NSAQMD did not supply, design or manufacture the equipment or any of its components. This equipment is commercially manufactured and sold by a manufacturer to be determined by Contractor. NSAQMD specifically disclaims all warranties, express and implied, including the implied warranties of merchantability and fitness for the intended purpose, as to the purchased equipment, any test equipment or field tests. In no event shall NSAQMD be liable to Contractor or any third party for any direct, indirect, consequential, special, incidental, or punitive damages for the design, manufacture, operation, maintenance, performance, or demonstration of the purchased equipment under any theory, including but not limited to, tort, contract, breach of warranty, or strict liability.

26. RIGHTS TO EMISSION REDUCTIONS

With the exception of early compliance credits authorized by State statute or regulations

written by the California Air Resources Board, Contractor transfers and conveys to NSAQMD all rights and claim to ownership of the emission reductions achieved through the project funded by this Agreement. Contractor shall not use or attempt to use the emission reductions achieved by the project as emission reduction credits. Contractor hereby fully and completely relinquishes such rights for the useful life of the project as specified in Exhibit A.

27. SPECIAL CONDITIONS

A. Agreement Completion: The entire proposed project must be completed according to the schedule presented in Exhibit A, Statement of Grant Obligations. The NSAQMD, at its discretion, may instead elect to modify the said schedule unless such an extension is not possible as a result of regulatory requirements.

Participant Initial

APCO Initial

B. Disposal of Replaced Equipment: Contractor will be removing from service the existing equipment as outlined in Exhibit A.

C. Termination: Contractor may terminate its obligation to operate the low emissions equipment funded under this Agreement for good cause provided that Contractor shall reimburse the NSAQMD based on the repayment equation specified in Paragraph 4 (“Performance”) of this Agreement. Notice of termination shall be provided in writing and shall be effective upon completion of the terms of this Paragraph. Such notice shall terminate Contractor’s obligation under Paragraphs 1 (Project) and 2 (Period of Performance / Timetable) of this Agreement.

D. Replacement, Sale, Relocation or Damage to Engine(s)/Equipment:

1. Replacement: If for any reason, the new engine(s)/equipment is (are) rendered inoperable during the life of this Agreement, the Contractor shall notify the NSAQMD of this fact in writing within 15 days and begin working with the NSAQMD to promptly complete one of the two options listed below:

(a) Contractor shall replace the engine(s)/equipment with an engine(s)/equipment that has (have) equal or lesser air emissions, as determined by the NSAQMD. Once the replacement engine(s)/equipment is (are) determined, the NSAQMD will amend the Agreement to specify the replacement engine(s)/equipment. The amendment will also extend the life of the Agreement to account for the time that the engine(s)/equipment was (were) out of service and unable to meet the original Agreement performance obligations. In the event that such an amendment is not possible as a result of regulatory requirements, this Agreement’s performance requirements shall be addressed by the Contractor repaying the NSAQMD a portion of the grant amount based on the repayment equation specified in Paragraph 4 (“Performance”) of this Agreement.

(b) If the Contractor elects not to replace the inoperable engine(s)/equipment with an engine(s)/equipment that has (have) greater air emissions, as determined by the NSAQMD, then the Contractor shall repay the NSAQMD based on the repayment equation specified in Paragraph 4 (“Performance”) of this Agreement.

2. Sale: If for any reason, the new engine(s)/equipment is (are) to be sold by the Contractor during the life of this Agreement, the Contractor shall notify the NSAQMD of this fact in writing 15 days prior to listing or otherwise preparing for the sale of the engine(s)/equipment and begin working with the NSAQMD to promptly complete one of the following two available options:

(a) Contractor shall make compliance with this Agreement a written condition of the sale and a new Agreement between the NSAQMD and the new owner must be finalized as part of the final sale. Sale of the engine(s)/equipment can only occur within Nevada, Sierra or Plumas counties. Copies of all forms pertaining to the sale of the engine(s) shall be provided to the NSAQMD within 30 days of the sale and the forms shall refer to the existence of this Agreement and the new Agreement in the space provided for Warranties / Appurtenances / Limitations / Exceptions.

(b) If the Contractor elects to sale the engine(s)/equipment without the completion of the grant Agreement obligations or the engine(s)/equipment is sold outside of Nevada, Sierra or Plumas counties, the Contractor shall repay the NSAQMD based on the repayment equation specified in Paragraph 4 (“Performance”) of this Agreement.

Participant Initial

APCO Initial

3. Relocation: If for any reason during the life of this Agreement the Contractor wants to relocate outside of Nevada, Sierra or Plumas counties and continue to use the new engine(s)/equipment inside California, Contractor shall notify the NSAQMD of the specifics of the relocation in writing 15 days prior to the relocation and begin working with the NSAQMD to determine the possibility of modifying the Grant Agreement. If relocation occurs outside of California, Contractor shall repay the NSAQMD based on the repayment equation specified in Paragraph 4 (“Performance”) of this Agreement.

4. Damage: If for any reason, the new engine(s)/equipment is (are) damaged but repairable during the life of this Agreement, the Contractor shall notify the NSAQMD of this fact in writing within 15 days and begin working with the NSAQMD to promptly complete one of the two options listed below:

(a) Contractor shall have the damaged engine(s)/equipment repaired by an agent that is authorized by the manufacturer to complete the repairs. Use of an unauthorized agent for the engine(s)/equipment repair shall constitute a breach of this Agreement. Depending on the needed repair time, the NSAQMD will determine if an amendment to the Agreement is needed to extend the life of the Agreement to account for the time that the engine(s)/equipment will be out of service and unable to meet the original Agreement performance obligations. In the event that such an amendment is not possible as a result of regulatory requirements, this Agreement’s performance requirements shall be addressed by the Contractor repaying the NSAQMD a portion of the grant amount based on the repayment equation specified in Paragraph 4 (“Performance”) of this Agreement.

(b) If the Contractor elects not to have the damaged engine(s)/equipment repaired, then the Contractor shall repay the NSAQMD based on the repayment equation specified in Paragraph 4 (“Performance”) of this Agreement.

E. New Truck Title Requirements: Contractor agrees to the following motor vehicle title requirements for the new truck:

1. Contractor shall provide a copy of the replacement vehicle's title to the NSAQMD, demonstrating that the Northern Sierra Air Quality Management District is named as a lien holder for the vehicle.

2. Contractor must be the legal owner of the replacement vehicle throughout the term of this Agreement.

3. If the replacement vehicle is financed, the Contractor will list both the NSAQMD and the finance company as lien holders for the vehicle.

4. If the replacement vehicle is financed, and the loan is repaid before the termination of this Agreement, Contractor must ensure that the NSAQMD remains a lien holder on the replacement vehicle for the term of this Agreement.

Participant Initial

APCO Initial

5. If the replacement vehicle is repossessed by the finance company, Contractor must reimburse the NSAQMD in accordance with the formula in Section 4.

6. Any changes to the replacement vehicle's title must be pre-approved in writing by the NSAQMD.

28. ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement between Contractor and NSAQMD with respect to the subject matter hereof and supersedes all previous negotiations, proposals, commitments, writings, advertisements, publications, and understandings of any nature whatsoever unless expressly included in this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first hereinabove written.

_____ Date: _____
"CONTRACTOR"

_____ Date: _____
Chair, Board of Directors
Northern Sierra Air Quality Management District

_____ Date: _____
Northern Sierra Air Quality Management District
Gretchen Bennitt
Air Pollution Control Officer

EXHIBIT A

STATEMENT OF GRANT OBLIGATIONS

General

The NSAQMD promotes voluntary diesel engine emission reduction programs under cooperative agreements with eligible applicants to reduce public exposure to ozone precursors and toxic diesel particulate matter. The objective of this Grant Agreement is to reduce these air pollution emissions from one heavy-duty truck in the Contractor's fleet by replacing that truck with a new truck and scrapping the old truck including the engine. The truck is based in Nevada County at 55555 Donner Pass Road within the Town of Truckee, CA. This project's cost effectiveness is less than the Carl Moyer Program cost effectiveness limit of \$16,000 per weighted ton of pollutants as defined in the April 21, 2008 Carl Moyer Guidelines (Moyer Guidelines) with the Grant Agreement life being 5 years.

Project Description

This project involves the replacement of an existing 1973 Peterbilt vehicle with a 1987 Cummins engine with a comparable 2008 Peterbilt truck with a 2008 Cummins engine. The following **baseline (old)** truck and engine will be permanently removed from service as a result of this project:

1. TRUCK: 1973- Peterbilt, model 259; Contractor's Equipment ID MC73; Vehicle Identification Number: 55555P; GVWR: 80,000; License Plate Number: XXXXXXX; 3 axel transfer dump style truck.
2. ENGINE: 1987- 424hp Cummins, model NTC recon diesel engine; Contractor's Equipment ID MC73; Serial Number 555555; Usage 17, 985 miles/yr; NOx Emission Factor 21.11g/mi; ROG Emission Factor 0.81g/mi; PM Emission Factor 1.354g/mi

The funding award for this project will not exceed \$58,995. This project will be funded from the NSAQMD's 11th Year Moyer funding.

The following **new** truck and engine will be placed into service as a result of this project. The performance requirements, emission certifications and usage over the life of this Agreement for the new replacement engine/equipment technology shall be as follows:

1. TRUCK: 2008- Peterbilt, model 15x; Contractor's Equipment ID MC73; Vehicle Identification Number: TBD; 3 axel transfer dump style truck.
2. ENGINE: 2008- 485hp Cummins, model ISX 485 diesel engine; Contractor's Equipment ID to be defined; Serial Number to be defined; Usage 17,985miles/yr; NOx Emission Factor 6.36g/mi; ROG Emission Factor 0.23g/mi; PM Emission Factor 0.28g/mi; Engine Family Number 8CEXH0912XAL.

Matching Funds

Costs incurred in excess of \$58,995 will be the responsibility of the Contractor and shall constitute their matching and/or in-kind contribution for the project.

STATEMENT OF WORK AND PROJECT TIMELINE

Installation Deadline: Tasks 1 to 6 below need to be completed as rapidly as possible but must be completed before _____ 2019. These project tasks are consistent with those identified in the Memorandum of Understanding between the two partnering air districts for the NSAQMD's fleet modernization program, NSAQMD and Sacramento Metropolitan Air Quality Management District (SMAQMD). Should these tasks not be completed by this date, the Agreement shall be deemed terminated, Contractor shall forfeit the funding award and the NSAQMD shall apply the funds to another project.

Task 1: Agreement and Insurance Documentation: Contractor shall submit insurance documents (Paragraph 13) and signed Agreement to the NSAQMD. The Contractor shall not commence the project until they have received their copy of the finalized Agreement from the NSAQMD.

Task 2: Project Purchase Order: Upon receiving a copy of the executed Agreement, the Contractor is required to:

- a. Place an order for new replacement truck meeting contract specifications from the Sacramento Fleet Modernization dealer that provided the project quote;
- b. Make any required payment to Dealer for costs not reimbursed by grant.
- c. Mail NSAQMD a copy of the purchase order.

Task 3: Invoice Preparation:

- a. Truck dealer will invoice Contractor for all costs and ensure delivery of old truck to scrap yard;
- b. Upon receipt of dealer invoice, Contractor will invoice NSAQMD, using the NSAQMD provided form, for Grant Award amount, attaching a copy of the dealer invoice.

Task 4: Invoice Approval and Check for Grant Award: NSAQMD will review and approve dealer invoice and provide a 2-party check payable to dealer and Contractor. NSAQMD shall mail the check to SMAQMD.

Task 5: Post-Inspection, Truck Exchange, and Grant Payment:

- a. Upon receipt of NSAQMD check, SMAQMD will notify dealer, who will schedule a mutually acceptable place, date and time to meet with Contractor and SMAQMD staff to complete the exchange the old truck for the new truck;
- b. At that meeting, SMAQMD will conduct a Moyer pre-salvage inspection of the old truck and a post inspection of the new truck, including:
 1. Verifying the old truck is the same as pre-inspected truck (pre-salvage inspection);
 2. Verifying the new truck meets the contract specifications (post inspection).
 3. Confirming with dealer which SMAQMD approved salvage yard will scrap the old truck.
- c. Upon completion of Task 5b, SMAQMD will provide the NSAQMD 2-party check to dealer and ensure that both the dealer and the Contractor sign SMAQMD's check delivery form and that the Contractor endorses the check that is retained by the dealer.
- d. SMAQMD will prepare and transmit a Moyer post-inspection report, take pictures, and review the delivery form to the NSAQMD.

Task 6: Old Truck Salvage Inspection: SMAQMD staff will inspect the destroyed truck at the SMAQMD approved salvage yard. SMAQMD staff will prepare and send a Moyer salvage inspection report and pictures to NSAQMD. SMAQMD staff will ensure that the salvage yard files the vehicle title as non-repairable with the California DMV and sends this verification to the NSAQMD.

Task 7: Usage and Maintenance Logs: A usage and maintenance log for the new truck shall be maintained by Contractor and made available to NSAQMD staff upon request.

Task 8: Annual Usage Reports: Annually, through the term of this Agreement or any amendments to it, and starting one year from the day of the SMAQMD post-inspection, Contractor shall provide the NSAQMD with Annual Usage Reports as outlined in Exhibit B using the report form in Exhibit B-1a. To ensure accurate engine(s)/equipment reporting, Contractor is required to maintain equipment (hour meters, odometers) necessary to determine usage. The Contractor must document usage during a failure of such equipment and provide the NSAQMD with that documentation with the Annual Usage Report.

Task 9: Annual Insurance Requirements: Annually through the term of this Agreement or its amendments, after the engine(s)/equipment is (are) installed, Contractor shall send the NSAQMD updated insurance certificates that list the NSAQMD as additionally insured with respect to the policies listed in Paragraph 13 of this Agreement. **XYZ Company** leases the trucks from Contractor (**ABC Leasing, Inc.**) and is solely responsible for all insurance requirements for this truck and is responsible for also listing **ABC Leasing, Inc.** as additionally insured with respect to the policies listed in Paragraph 13 of this Agreement.

Term of Agreement

1. For the purposes of this Agreement, the term of the Agreement is defined herein to be five (5) years from the date of the final post inspection.
2. No work may begin until contract is fully executed.

EXHIBIT B
ANNUAL GRANT STATUS REPORT FORMAT

Contractor shall submit the “Annual Engine/Equipment Usage Report” form below to the NSAQMD for each new low emission engine/equipment funded under this Agreement. The first report is due one year from the day of the NSAQMD post-inspection. The report form will be provided to the NSAQMD annually for five (5) years. The purpose of this report form is to provide the NSAQMD with feedback as to Contractor’s experience with the new low emissions equipment and to provide a record of the actual usage versus the usage identified in the Contractor’s grant application. The report shall include the following items:

1. Name and address of Contractor;
2. Project Agreement number;
3. Make and model of equipment purchased;
4. Usage information for the new equipment:
 - Hours of use of the new equipment over the past 12 months; or
 - Estimated fuel use with the new equipment over the past 12 months;
5. Discussion of any repairs, problems, or benefits with the equipment.

Northern Sierra Air Quality Management District
Exhibit B-1a: Annual Engine Usage Report
(Agreement#: CMP 2021-00)

INSTRUCTIONS: Complete this Annual Engine Usage Report every year for 5 year(s) after the NSAQMD completes this project's post inspection. The report shall be sent to the NSAQMD within 2 weeks post inspection anniversary date.

SECTION 1: GRANTEE INFORMATION

Company/Grantee Name: John XYZ

Company/Grantee Address: XYZ Company/ PO Box 5555, Truckee, CA 96162

Company/Grantee Phone Number: _____

Date: _____

SECTION 2: ENGINE INFORMATION: Please verify the information below and complete any missing Information. **Failure to complete information may lead to an immediate engine inspection and audit.**

1. Location of Truck/Engine Identified Below: _____

2008 Peterbilt 388 On-Road 3 axel Transfer Truck, GVWR: 80,000; VIN# _____

2. Model Year, Make, Model and Family Number of new truck engine:

2008 Cummins – ISX 485

3. Engine Serial #: _____

4. Power Rating: :485 HP

5. Fuel Type: Diesel

SECTION 3: ANNUAL USAGE INFORMATION: Provide the following Engine Usage Information:

1. Report Start Date: _____ (MM/DD/YY)

2. Report End Date: _____ (MM/DD/YY)

3. Percent of Time Operated in California: _____

4. Engine Use within the period stated above (complete all that apply):

_____ gallons

_____ hours

_____ miles

5. Has the fleet mod functioned effectively over this period _____

(Yes/No; if No, please attach description of issue(s) & steps taken to resolve issue(s).)

Signature _____

Date _____

Mail to: NSAQMD, 200 Litton Dr., Suite 320, Grass Valley, CA 95945 **Fax to:** 530-274-7546 **Questions:** 530- 274-9360

Appendix C: Carl Moyer Pre/Post Inspection Form

**Northern Sierra Air Quality Management District
Carl Moyer Grant Program Equipment Inspection Form**



Pre-Inspection



Post-Inspection

Date/Time: _____

Location: _____

Owner/Company Name: _____

Owner/Company Address: _____

Owner/Company Phone Number: _____

Owner/Company Contract Number: _____

License Plate: _____
(for on-road equipment)

Vehicle Gross Weight Range: _____
(for on-road equipment)

California Highway Patrol Number: _____
(for on-road equipment)

Department of Transportation Number: _____
(for on-road equipment)

Condition of Engine: Does it Run (circle)? Yes No

VIN #: _____

Base Line Engine Info: (Obtained from the engine block)

New Engine Info: (Obtained from the engine block)

Manufacturer: _____

Manufacturer: _____

Model: _____

Model: _____

Horsepower: _____

Horsepower: _____

Serial Number: _____

Serial Number: _____

Mfr Year: _____

Mfr Year: _____

Did Equipment Undergo a Retrofit (circle)? Yes No Not Applicable

Retrofit Manufacturer: _____

Engine Hours: _____
(for off-road equipment)

Retrofit Model Number: _____

Retrofit Serial Number: _____

Odometer: _____
(for on-road equipment)

Method and Conformation of Old Engine Destroyed
(I.e.: Photos, Scrap Receipt)

Fuel Type: _____
(diesel, gasoline, CNG, propane)

Location of Photos: _____
(I.e.: Computer file and location, printed photos in file)

Inspected By: _____

Air District Staff Person

Notes: _____

rev 5/22/05

Appendix D: Fleet Modernization MOU

**SACRAMENTO METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT
MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding (MOU) is entered into between the Sacramento Metropolitan Air Quality Management District, a California local public agency (SMAQMD) and Northern Sierra Air Quality Management District (NSAQMD).

1.0 Recitals

- 1.1 Under Health and Safety Code Section 40961, SMAQMD is the local agency within the boundaries of the Sacramento district with the primary responsibility for the development, implementation, monitoring, and enforcement of air pollution control strategies, clean fuel programs, and motor vehicle use reduction measures.
- 1.2 Under Health and Safety Code Sections 41062(a) and 41082 SMAQMD is authorized to implement programs to reduce transportation emissions, including programs to encourage the use of alternative fuels and low-emission vehicles.
- 1.3 Resolution No. 98-0007, dated February 5, 1998, authorized the creation of the Heavy-Duty Low Emission Vehicle Incentive Program for the purpose of reducing emissions from heavy-duty mobile sources operating within the Sacramento Federal Nonattainment Area.
- 1.4 The California Air Resources Board (ARB) Carl Moyer Program Guidelines as revised in 2008, authorize air districts to create and implement a regional fleet modernization program.
- 1.5 The Carl Moyer Program (CMP) Guidelines allow air districts with approved fleet modernization programs the ability to offer assistance to smaller districts to implement the fleet modernization program.
- 1.6 On January 6, 2006, ARB approved SMAQMD's fleet modernization implementation plan authorizing SMAQMD the ability to fund projects using Carl Moyer Program funds.
- 1.7 On November 24, 2008, the NSAQMD Board authorized NSAQMD to enter into an MOU with SMAQMD authorizing SMAQMD to administer the NSAQMD Carl Moyer Fleet On-road Heavy Duty Vehicle Fleet Modernization Program under SMAQMD's ARB approved program.

1.8 Resolution No. 2008-029, dated May 22, 2008, authorized the Air Pollution Control Officer (APCO) to execute MOU's with other smaller air districts agreeing to assist them with the implementation of their Fleet Modernization Programs, so long as the districts reimburse SMAQMD for the reasonable costs incurred by SMAQMD.

NOW, THEREFORE, in consideration of the mutual promises hereafter set forth, the SMAQMD and NSAQMD agree as follows:

2.0 Terms and Conditions

2.1 **Purpose of MOU**
The purpose of this MOU is to set forth the expectation of the NSAQMD and SMAQMD regarding SMAQMD's assistance with the implementation of a Fleet Modernization Program and review of individual modernization projects in accordance with Exhibit A, Scope of Services.

2.2 **Term of MOU**
The term of this MOU will commence upon execution by all parties and terminate December 31, 2010.

2.3 **Payment**
Upon completion of each modernization project, SMAQMD will invoice NSAQMD in the amount of \$400 per project in accordance with Exhibit B, Funding Source Requirements.

2.4 **Indemnification**

A. SMAQMD will indemnify and defend NSAQMD its officers, agents and employees from and against all claims, demands, losses, damages, liability, costs, and expenses of whatever nature including court costs and attorney fees, whether for damages or loss of property, injury to or death of person, or economic or consequential loss arising from or related to or claimed or alleged to have arisen from or been related to the negligence of SMAQMD in the performance of its obligations under this MOU.

B. NSAQMD will indemnify and defend SMAQMD, its officers, agents and employees from and against all claims, demands, losses, damages, liability, costs, and expenses of whatever nature including court costs and attorney fees, whether for damages or loss of property, injury to or death of person, or economic or consequential loss arising from or related to or claimed or alleged

SMAQMD MOU No. E2008030

to have arisen from or been related to the negligence of NSAQMD in the performance of its obligations under this MOU.

2.5

Communication

All written communications regarding this MOU must be either personally delivered or sent by prepaid, certified first class mail, return receipt requested, addressed as follows:

TO NSAQMD	TO SMAQMD
Ryan Murano Air Pollution Control Specialist Northern Sierra Air Quality Management District P.O. Box 9766 Truckee, CA 96162 Phone (530) 550-7872 Fax (530) 587-2623	Larry Greene, APCCO SMAQMD 777 12 th Street, Suite 300 Sacramento, CA 95814 Phone (916) 874-4800 Fax (916) 874-4805

A. **Change of Address:** Either party may change the address for service by giving 15 days advance written notice to the other party.

B. **Effective Date:** All notices will be effective upon receipt and will be deemed received (i) upon delivery if personally delivered, (ii) on the 5th day following deposit in the mail, if sent by certified mail, or (iii) upon the date stated in the facsimile delivery confirmation, if sent by facsimile.

2.6

Audit of Records

With regard to this MOU, NSAQMD will maintain appropriate financial records and SMAQMD may demand access to these financial records to perform an audit. NSAQMD must ensure that SMAQMD staff have access, at all reasonable times, to the documents kept by NSAQMD in connection with all funds expended under this MOU. NSAQMD must maintain records for 5 years after the termination of the MOU.

2.7

Severability

If any provision of this MOU is held invalid or unenforceable, its invalidity or unenforceability will not affect any other provisions of this MOU, and this MOU will be construed and enforced as if the invalid or unenforceable provision had not been included.

2.8

Statutory Limitations

This MOU and any payments for compensation and expenses are subject to the provisions and limitations imposed by federal and state law. NSAQMD has no liability for payment of any compensation and expenses that are found to be in contravention of federal or state law. SMAQMD will

reimburse NSAQMD for any funds paid by it under this MOU that are later determined to be in contravention of any federal and state law.

2.9

MOU Manager

Mark Loutzenhiser is SMAQMD's named Contract Manager for this MOU. Gail Williams is NSAQMD's Contract Manager for this MOU. It is the responsibility of the Contract Manager to: 1) verify compliance with the terms and conditions of the MOU, 2) determine that the work has been completed, and 3) submit an invoice to NSAQMD.

2.10

Authority to Bind

The persons signing on behalf of the parties to this MOU warrant that they have the legal authority to execute this MOU.

Executed by:

Sacramento Metropolitan Air Quality Management District

Northern Sierra Air Quality Management District

Larry Greene
Air Pollution Control Officer


Gretchen Bennett
Air Pollution Control Officer

Date: _____

Date: Feb 26, 2009

Reviewed by:

Reviewed by:

Kathrine Pittard
District Counsel


Michael Jamison
Deputy County Counsel

Exhibit A
Scope of Services

SMAQMD will perform the services identified in Items 7 and 8 for NSAQMD, provided sufficient SMAQMD staff are available to perform the work. If sufficient staff are not available, SMAQMD will inform NSAQMD. The services are provided for the sole purpose of implementing On-Road Fleet Modernization projects for NSAQMD applicants under either the 2005 or 2008 Guidelines of the Carl Moyer Program:

Item #1: Solicit grant applications for review, completion and pre-inspection
Responsibility: NSAQMD

- a. Solicit grant applications from local on-road heavy duty fleets.
- b. Review applications for completion to ensure they meet the CMP Guidelines.
- c. Contact the applicant to set up a pre-inspection to verify pre-1991 model year heavy duty diesel vehicle meets the CMP Guidelines.
- d. Create pre-inspection report and catalog required photos of vehicle.

Item #2: Qualification for Contract
Responsibility: NSAQMD

NSAQMD will qualify applicants for funding as follows:

- a. Review data as needed, with applicant or dealer, by phone and/or email.
- b. Obtain additional documentation required to complete application, if needed.
- c. Calculate emission reductions, cost-effectiveness and eligible grant amounts.

Item #3: Contract
Responsibility: NSAQMD

- a. NSAQMD will prepare and transmit draft contract to applicants using either a standard SMAQMD contract or a standard NSAQMD contract. After execution of the contract by all necessary parties, NSAQMD will mail

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a copy of the executed contract to SMAQMD staff and the grantee, and will electronically mail to SMAQMD a copy of the pre-inspection form and of the pictures taken.

b. Contracts will include:

1. The eligible replacement truck make, model, model year, engine make, engine model, engine family number, engine model year, and horsepower.
2. The eligible old truck make, model, model year, engine make, engine model, engine model year, and horsepower.
3. Dealer selected by grantee.
4. Grant award amount to be paid with two-party check for NSAQMD's portion of costs.
5. Cost of the EMU, EMU contract, and installation costs.
6. Amount grantee must pay dealer for costs not reimbursed by grant.
7. Provision for delivery of old truck to SMAQMD approved truck dealer.
8. Provision that SMAQMD will verify scrapage of old truck.
9. Performance requirements.

c. NSAQMD will send invoice form to grantee.

Item #4: Purchase Order

Responsibility: Grantee, under contract with NSAQMD

Upon receiving a copy of the executed contract, the grantee is required by contract to:

- a. Place an order for new replacement truck meeting contract specifications from a listed dealer.
- b. Make any required payment to Dealer for costs not reimbursed by grant.
- c. Mail the NSAQMD a copy of the purchase order.

**Item #5: Invoice Preparation
Responsibility: Grantee will submit invoice to NSAQMD**

- a. Truck dealer will invoice Grantee for all costs, including installed EMU, and ensure delivery to scrap yard.
- b. Upon receipt of dealer invoice, grantee will invoice NSAQMD, using the form provided, for Grant Award amount, attaching a copy of the dealer invoice.

**Item #6: Invoice Approval
Responsibility: NSAQMD**

NSAQMD will review and approve dealer invoice and provide a 2-party check payable to dealer and Grantee. Check must be mailed to SMAQMD.

**Item #7: Post-Inspection
Responsibility: SMAQMD**

- a. Upon receipt of NSAQMD check, SMAQMD will notify dealer, who will schedule a place, date and time to meet with Grantee at which Grantee will exchange trucks.
 1. Verify the old truck is the same as pre-inspected truck (pre-salvage inspection).
 2. Verify the new truck meets the contract specifications (post inspection).
 3. Verify the new truck EMU has been installed and is operational (part of post inspection).
 4. Confirm with dealer which SMAQMD approved salvage yard will scrap old truck.
- b. At that meeting, SMAQMD will conduct a Moyer pre-salvage inspection of the old truck and a post inspection of the new truck:
 1. Verify the old truck is the same as pre-inspected truck (pre-salvage inspection).
 2. Verify the new truck meets the contract specifications (post inspection).
 3. Verify the new truck EMU has been installed and is operational (part of post inspection).
 4. Confirm with dealer which SMAQMD approved salvage yard will scrap old truck.
- c. Upon completion of #7b, SMAQMD will provide NSAQMD's 2-party check to dealer and ensure that both the dealer and the grantee sign SMAQMD's check delivery form and that the grantee endorses the check that is retained by the dealer.

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- d. SMAQMD will prepare and transmit a Moyer post-inspection report, take pictures, and review the delivery form to the NSAQMD.

**Item #8: Salvage Inspection
Responsibility: SMAQMD**

SMAQMD staff will inspect the destroyed truck at the SMAQMD approved salvage yard. SMAQMD staff will prepare and send a Moyer salvage inspection report and pictures to the NSAQMD. SMAQMD staff will ensure that the salvage yard files the vehicle title as non-repairable with the DMV and sends this verification to the NSAQMD.

**Item #9: Usage Reports & Audits
Responsibility: NSAQMD**

- a. NSAQMD will perform contract oversight and monitoring after the completion of a post-inspection through the term of the contract.
- b. SMAQMD responsibility ends upon receipt of a post-inspection and salvage inspection reports by NSAQMD.

**Item #10: ARB Auditing Requirements
Responsibility: ARB**

- a. Regarding auditable documentation for the projects accomplished under this MOU, NSAQMD will retain all of the original documentation for each project and SMAQMD will retain copies of the work that they performed for each project.
- b. Should the ARB audit a project accomplished under this MOU, then NSAQMD and SMAQMD will be audited for their district defined responsibilities under this MOU.
- c. The NSAQMD will be responsible for anything that is not specifically stated in this MOU that is required under the CMP Guidelines or the ARB-approved Sacramento Carl Moyer Fleet Modernization Option Guidelines and Policies Manual.

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Exhibit B
Funding Source Requirements
(Administrative Fees Only)

1. SMAQMD will invoice NSAQMD after the completion of each project (or after the completion of numerous projects if this is more feasible).
2. NSAQMD will reimburse SMAQMD **\$400** per project for all work completed. The total amount of projects SMAQMD will assist with is 100 through 12/31/2010. **\$40,000** is the maximum amount SMAQMD will be reimbursed.
3. NSAQMD will use either CMP administrative fees, AB 923 administrative fees, or other available funds to cover these administrative costs.
4. A review of the staff time shall be allowed and the MOU will be renegotiated if necessary to ensure that the SMAQMD is recouping its costs for the work performed.
5. NSAQMD will administer all project funds for this MOU. SMAQMD will not be disbursing any project funds.

Appendix E – Community Air Protection Program Addendum

Community Air Protection Program (AB 617) Addendum to the Carl Moyer Policies and Procedures Manual as adopted by the Northern Sierra Air Quality Management District Board of Directors on January 25, 2021.

Introduction

This addendum shall be used in conjunction with The *Carl Moyer Program 2017 Guidelines*, adopted by the California Air Resources Board (CARB) in April 27, 2017, and apply to all projects implemented pursuant to the Moyer Program using CAP incentives, as allocated by AB 134, SB 856, and future appropriations of funds for CAP incentives.

Project selection should prioritize zero-emission vehicles or infrastructure whenever feasible. When zero-emission technologies are not feasible, natural gas engines meeting the lowest optional NOx standard are preferred over diesel engines meeting current emissions standards. CARB’s GHG emissions reduction quantification methodologies, co-benefit assessment methodologies, priority population benefit criteria tables, and reporting templates will be used to track and report project benefits. *See Community Air Protection Incentives 2019 Guidelines, Revised in October of 2020.* (Look in AB 617 folder on server)

Guideline Modifications to Reduce the Cost of Participation in the Program

The table below originates from each source category chapter of the Moyer Guidelines, and contain updated Maximum Percentages of Eligible Cost and State funding caps for which CAP incentives projects are eligible. The cost-effectiveness limits in the 2017 Moyer Guidelines still apply.

Maximum Percentage Eligible for Community Air Protection Incentives Off-Road Projects Project	Maximum Percentage Eligible
Diesel repower	95%
LSI repower	95%
Repower to zero-emission	95%
Mobile equipment replacement	90%
Portable equipment replacement (excludes stationary)	90%
Retrofit	100%

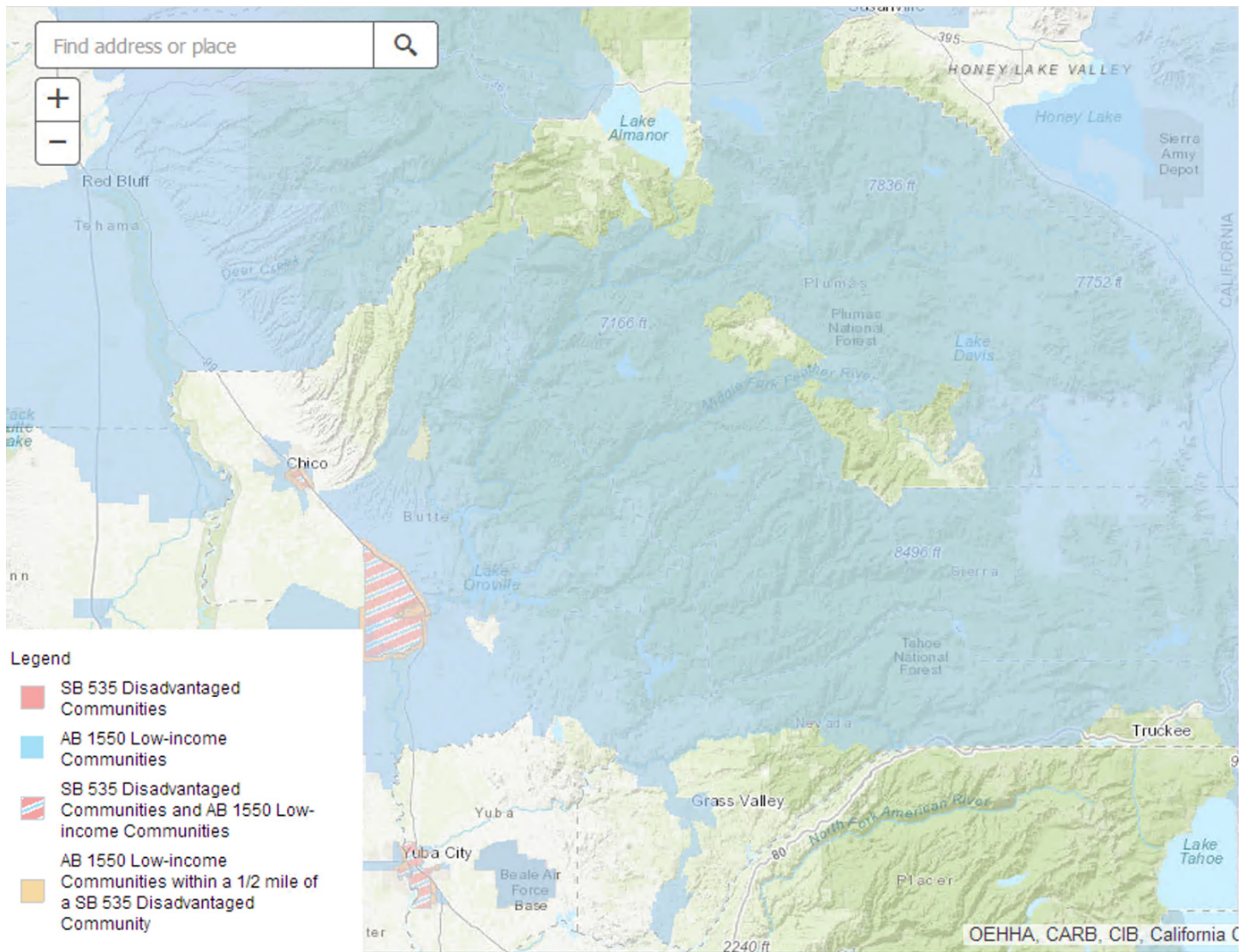
TARGETING INVESTMENTS TO AB 1550 POPULATIONS AND MAXIMIZING BENEFITS TO DISADVANTAGED COMMUNITIES AND LOW-INCOME COMMUNITIES AND HOUSEHOLDS

Funding for CAP incentives is appropriated from GGRF, so these funds must be spent in accordance with the requirements of California Climate Investments. The CCI Funding Guidelines, most recently approved by CARB in July 2018, establish requirements and recommendations for agencies administering California Climate Investments. See

<https://ww2.arb.ca.gov/resources/documents/cci-funding-guidelines-administering-agencies>.

Maps of priority populations can be found at: www.arb.ca.gov/cci-communityinvestments

It might be necessary in some instances to go to the CARB web site and zoom in on the map boundaries for recipients of Carl Moyer-like projects who live near non-AB 1550 communities. In general, going from south to north in our District, the following areas are eligible for CAP program grant money: the City of Grass Valley, all of Sierra County, Portola, Beckwourth, Chilcoot, Greenville, Taylorsville, and the town portion of Chester (but not the peninsula and lake side communities).



The CCI Funding Guidelines contain set requirements for administering agencies to promote community-based solutions to meet our climate and air quality goals among other requirements and recommendations. This Appendix to the CAP Guidelines summarizes the steps CARB staff is taking to address specific requirements in the CCI Funding Guidelines related to targeting investments to be located within and benefit AB 1550 populations and maximizing benefits to disadvantaged communities.

Requirements for Targeting Investments to Benefit AB 1550 Populations

CCI Funding Guidelines Requirement: Assess program structure for potential opportunities to target investments to benefit AB 1550 populations (e.g., set-asides, scoring criteria for competitive solicitations). CAP Incentives Action: Through its Grant Agreements for CAP incentives, CARB staff is requiring that at least 80 percent of funds be invested in projects benefiting AB 1550 populations. This addendum modifies that 80 percent number to 100 percent of CAP incentive funds will be invested in projects benefiting AB 1550 populations.

Air districts are required to submit tentative project lists to CARB staff when requesting disbursement of their CAP incentives beyond the initial ten percent. This provides the opportunity to assess whether a sufficient number of those projects are in and benefit AB 1550 populations. Air districts must also submit documentation that demonstrates sufficient levels of community engagement and outreach and shows that the air district is being responsive to the needs of their communities, as determined by CARB. That can be as simple as the Carl Moyer waiting list.

- Air districts can employ a variety of other design mechanisms to help target benefits to AB 1550 populations, including setting aside a percentage of funding or dollar amount that will be used only for projects that provide benefits to AB 1550 populations.
- In addition to solicitation structures, the Board previously approved changes to the Moyer Program contained in the CAP Supplement, which included an increase in the percentage of the total project cost that the Moyer Program can pay for most equipment, and removal of State funding caps for zero-emission on-road projects.

CCI Funding Guidelines Requirement: Evaluate project types for potential benefits to priority populations using the criteria available at: www.arb.ca.gov/cci-resources.

CAP Incentives Action: Staff reviewed the Clean Transportation and Equipment Benefit Criteria Table and determined that eligible project types will provide direct, meaningful, and assured benefits via incentives for vehicles, equipment, or renewable transportation fuel that reduce criteria air pollutant or TAC emissions, such as diesel particulate matter.

Projects that benefit priority populations must identify a need that the project will address. CARB recommends that air districts and/or funding recipients directly engage local residents and community-based groups to identify an important need for that community along with steps to meaningfully address that need. As an alternative to direct community engagement, air districts and/or funding recipients can refer to the list of common needs in Table 5 of the CCI Funding Guidelines and select a need that has documented broad support from local community-based organizations and/or residents. Staff also reviewed the commonly identified needs of AB 1550 populations in the CCI Funding Guidelines and identified the following needs applicable to Community Air Protection-funded projects:

- Reduce health harms suffered disproportionately by AB 1550 populations due to air pollutants. All CAP incentives projects will reduce criteria air pollutants and/or TACs as co-benefits, thereby reducing health harms due to air pollutants.
- Provide educational and community capacity building opportunities through community engagement and leadership.

Public workshops have informed the development of this Supplement. Continued public outreach by air districts will be a critical step in CAP incentives project selection and is required by Grant Agreements.

- Reduce exposure to local environmental contaminants, such as TACs, criteria air pollutants, and drinking water contaminants.

The purpose of CAP incentives is to directly reduce toxic and criteria air pollutants in the communities most burdened by air pollution, as an early action in support of AB 617. New direction described in SB 856 also includes elements of consideration for risk and exposure reduction. Air districts will evaluate projects using the Clean Transportation and Equipment Benefit Criteria Table to ensure that projects counted toward the statutory investment minimums:

- 1) are located within a census tract identified as a disadvantaged community or low-income community, or directly benefit residents of a low-income household;
- 2) meaningfully address an important community or household need for the disadvantaged community, low-income community, or low-income household; and
- 3) identify at least one direct, meaningful, and assured benefit to priority populations, using the evaluation criteria in the table. Air districts can fund projects that otherwise provide meaningful benefits, but do not meet these criteria; however, those projects will not be counted toward investment minimums. As noted above, new priority population benefit criteria will be developed if necessary, for the new stationary source project categories.

(The Clean Transportation and Equipment Benefit Criteria Table is found at <https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/ccidoc/criteriatable/criteria-table-cte.pdf>)

CCI Funding Guidelines Requirement: Target funding, to the extent feasible, to projects that are located within and benefit residents of AB 1550 communities and low-income households.

CAP Incentives Action: As discussed above, the existing program structure will help ensure the targets identified for CAP incentives are met. The Grant Agreements also require that air districts target funds to prioritize emissions reductions in communities identified or under consideration through the AB 617 process.

CARB considers the investment targets to be a floor and strives to exceed them. In project implementation, CARB and air districts must consider, in particular, advice and guidance from residents of disadvantaged communities, especially disadvantaged communities that are identified as particular areas of concern through the AB 617 process.

CCI Funding Guidelines Requirement: Create or modify program guidelines or procedures to meet or exceed AB 1550 program targets.

CAP Incentives Action: CARB staff has developed the proposed CAP Guidelines and the already approved Moyer Supplement to provide project opportunities in ways that are responsive to AB 617, the Legislature's direction in its budget appropriations, the comments made at public workshops, and the guiding principles for California Climate Investments. This will help the expenditure of CAP incentives to meet or exceed AB 1550 program requirements.

CCI Funding Guidelines Requirement: Design programs and select projects that avoid substantial burdens to residents of disadvantaged and low-income communities, such as increased exposure to toxics or other health risks.

CAP Incentives Action: The proposed CAP Guidelines and the already approved CAP Supplement include changes to further incentivize the adoption of zero-emission equipment to maximize reductions in criteria air pollutants and TACs by removing State funding caps for zero-emission on-road projects. The Board also stipulated that any funding incentives should prioritize zero-emission vehicles or infrastructure whenever feasible when it approved the CAP Supplement last year. Additionally, Grant Agreements require the air districts to "hold public meetings and conduct other outreach to seek input from local residents and community groups on community needs and potential projects" and to "select and fund projects in accordance with feedback received during community outreach in support of AB 617." Community input may include identification of potential substantial burdens.

CCI Funding Guidelines Requirement: Implement outreach efforts that seek to directly engage and involve local community residents and community-based organizations in disadvantaged and low-income communities. These actions should begin in the early stages and continue through project implementation, as feasible.

Requirements for Maximizing Benefits to Disadvantaged Communities

CCI Funding Guidelines Requirement: When selecting projects for a given investment, give priority to those that maximize benefits to disadvantaged communities (e.g., use scoring criteria that favors projects that provide multiple benefits or the most significant benefits, as defined by the administering agency) and provide clarity in how that priority is given.

CAP Incentives Action: Air districts have the ability to select projects according to their local priorities and concerns, within the constraints of the program guidelines. When requesting disbursements of funds from CARB, air districts must submit documentation that demonstrates that they are being responsive to the

needs of communities disproportionately affected by air pollution, as well as a project list demonstrating sufficient funding is going to disadvantaged communities.

CCI Funding Guidelines Requirement: Provide direct outreach to groups of potential applicants in disadvantaged communities to increase awareness of funding opportunities and the ability of applicants to seek funding and benefit from projects. Conduct outreach in or near disadvantaged communities to seek input on important community needs from local residents and community-based organization.

CAP Incentives Action: In cooperation with local air districts and CAPCOA, CARB has held and is continuing to hold workshops and public meetings on CAP Incentives, reaching out to both disadvantaged and communities and to potential Moyer Program grant applicants for equipment they operate in those communities. Outreach by air districts is ongoing. Grant Agreements require the air districts to “hold public meetings and conduct other outreach to seek input from local residents and community groups on community needs and potential projects.” Air districts have established or are setting up Community Air Protection websites, including information on CAP incentives and projects under consideration. Additionally, CARB has developed a website to promote the CAP incentives and increase awareness of funding opportunities for eligible projects at <https://www.arb.ca.gov/msprog/cap/capfunds.htm>.

CCI Funding Guidelines Requirement: Publicly identify an agency or program point of contact or liaison to provide program-specific information, including funding opportunities, program application requirements, eligibility determinations, and application or technical assistance.

CAP Incentives Action: Agency points of contact for CAP incentives have been designated by both CARB and local air districts. There is also a CAP incentives contact responsible for outreach events and updating the consolidated California Climate Investments Calendar on a regular basis.