

Butte County Air Quality Management District

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

Approved for Amendment on May 28, 2020 by the
Butte County Air Quality Management District Governing Board

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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). The 2017 state CMP Guidelines updated the program to meet new opportunities provided by Senate Bill 513 (SB 513, Beall, 2015). These changes include cost-effectiveness limits that recognize technology and regulatory costs, the ability to leverage Moyer dollars with project co-funding, and added eligibility for infrastructure projects to enable the Moyer Program to fully support emission reductions within the changing landscape of clean air technology. Legislation was passed in 2013 to extend the CMP until 2024.

The CMP is implemented as a partnership between the California Air Resources Board (CARB) and local air districts (districts). CARB provides overall administration and guidance for the program, with funding and implementation of projects conducted by the districts. The approved CMP Guidelines, adopted by CARB in April 2017, provide the minimum requirements under which the CMP is administered by CARB and the districts. The CMP Guidelines are based on requirements specified in the California Health and Safety Code (HSC), Chapter 9. The Guidelines are updated, when necessary, to reflect significant additions or changes to the program. In addition, CARB staff issues Technical Advisories to provide further clarification on specific areas, and to reflect changes in regulations. This version of the Policies and Procedures Manual is based on CARB's 2017 Guidelines.

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 Butte County Air Quality Management District (District) day-to-day operation of the Program in order to meet the requirements of the HSC, CMP Guidelines, CARB Technical Advisories, and District Policies and Procedures. The District Policies and Procedures do not replace the CMP Guidelines, but are intended to provide direction and procedures for the District's implementation of the CMP. The appendices to these Policies and Procedures include 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 CARB's CMP procedures and requirements.

Appendix B includes additional requirements for the Off-Road Equipment Program. Appendix C includes additional requirements for the On-Road Heavy-Duty Vehicle Program.

This Policies and Procedures manual is not intended to conflict with California State law – in the event of such a conflict, State law should be followed in all cases.

II. Program Timeline

CARB 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 (1) year for CARB to encumber funds and two (2) years for the local district to expend those funds.

The timeline for each year of funds is as follows:

By end of January: CARB solicits applications from the air districts.

By end of March: Air districts apply to CARB for funds.

By end of April: CARB notifies districts of final awards.

By end of May: Deadline for air districts to accept or decline funds.

August 31: Districts’ yearly report due to CARB.

June 30 of following year: Target date for contracts to be executed.

June 30 of second year: Deadline for air districts to receive fund disbursement requests. Target date for funds to be expended.

June 30 of fourth year: Deadline for air districts to liquidate funds.

The District implementation timeline to meet the CARB’s required deadlines for applying for local funding, and obligation and expenditure of those funds is as follows:

BCAQMD’s Timeline

2020		2021	
JAN	CARB awards and disburses Year 22 funds to districts		CARB awards and disburses funds to districts*
FEB			
MAR			
APR			
MAY			
JUNE	Year 19 Expended Year 21 Contracts		Year 20 Expended Year 22 Contracts
JULY			
AUG	Annual Report		Annual Report
SEPT			
OCT			
NOV			
DEC	Year 23 Solicitation		Future \$ Solicitation*

*Subject to available funds. TBD.

III. CARB CMP Award Process

CARB determines the tentative awards for each year in accordance with the formula identified in HSC 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.

CARB solicits district applications for the local programs by sending solicitation packets to the Air Pollution Control Officer (APCO) of each district by the end of January. The application packet must be completed and submitted by the posted deadline, which is sixty (60) calendar days from the date of the solicitation. The application packet must include the completed application with original signature, documentation for the match commitment, District Governing Board resolution, and a statement confirming that an implementation plan in the form of a Policies and Procedures Manual is maintained at the District office. Detailed requirements for each of these items are included in the CMP Guidelines, in Chapter 3, Program Administration. The designated District staff prepares the application package for submittal to CARB for CMP funding. The APCO must approve the application before submission to CARB.

The Governing Board adopts a resolution which completes the application process. District staff responsible for implementing the CMP include: the APCO, Program Manager, and Fiscal staff.

CARB 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 (2) 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 CARB. April 30 of each year is the deadline to accept an annual grant award. As required in the grant award, the District meets all application stipulations in order to accept an award.

If funds are not expended in the current year they are carried over to the following year. If funds are not liquidated within the four (4) years, they will be returned to CARB within ninety (90) days of the liquidation deadline (HSC Sections 44287(j) and 44299.2(c)). The Governing Board must approve the return of any unexpended CMP funds to CARB. CARB will not request a return of any funds under contract. To date, the District has liquidated all CMP funds within the four (4) year requirement.

Following execution of the Grant Award and Authorization, the District must submit a Grant Disbursement Request to CARB to obtain funding. The District may request an initial disbursement of up to 10% of its allocation or \$200,000, whichever is greater, and all of the administrative funds. Disbursement requests must be received by CARB by May 15 each year to ensure payment within the fiscal year. Grant awards and disbursements are described in the 2017 CMP Guidelines, Program Administration Chapter 3, Section E. The District has the option to request additional project funds to be included in the

initial disbursement if they can meet and demonstrate all the criteria in (2) of this Section. Any CMP funds provided by the State of California that are deposited in interest bearing accounts must be reported to CARB. The interest income must be used to fund projects that meet the current CMP Guidelines or be returned to CARB. The District tracks and reports earned interest using the Fiscal Year Method, and the interest is reported to CARB in Yearly Reports using the format provided by CARB. The District will receive one check for both program administration and project funds, but must account for the expenditure of administration and project funds separately.

The District Program Manager uses a database which tracks fiscal and administrative activities of CMP grants beginning with Program Year 2 to present. CMP funds are deposited in interest bearing accounts. CMP contracts are scanned and digital copies are maintained permanently. Project files (which include financial information) must be retained for three (3) years after the end of the contract term, unless otherwise specified for a specific category.

The Carl Moyer Rural Assistance Program (RAP) is a program that was established to expend grant awards that air districts are unable to obligate. The California Air Pollution Control Officers Association (CAPCOA) receives applications and selects the projects. The District implements the program post-project selection in the same manner as the standard CMP funds. CARB may also solicit applications from Districts for State Reserve and Community Air Protection Program funding. These funds generally target specific equipment categories and may have unique requirements. Projects funded by RAP, the Carl Moyer State Reserve, the Community Air Protection Program or other non-regular Carl Moyer funding sources will be guided by this Policies and Procedures document except where otherwise directed by the project solicitation and grant agreement between CARB and the District. The District Governing Board, on a case by case basis, may approve program criteria (maximum funding amount, maximum number of awards, etc.) that differs from the District's Policies and Procedures but still complies with State Program Guidelines.

IV. Match Funding

Unless the match funding requirement is waived by CARB, districts participating in the CMP are required to commit match funds equaling 15% of the State funds awarded by CARB.

Following CARB's solicitation for funding, the District conducts a financial review and determines if match funding is available or uses the waiver request option. The District requests Governing Board authorization to participate in the current year funding cycle with or without the match funding option. If match funding is available it will be tracked separately using the District CMP database and a separate CMP bank account, and kept in fiscal files for seven (7) years after funds are expended. The District CMP staff tracks match funding projects using the CARB Clean Air Reporting Log (CARL) online database program.

V. Administration and Outreach Funds

CARB sets aside up to 12.5% of the total CMP annual funding for local air district administration and outreach to implement the local program. 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. The District administrative staff documents these expenditures and keeps these files for five (5) years after the expenses are paid. .

Following confirmation of CMP award, the District Program Manager solicits a Request for Proposals (RFP). Outreach activities include maintaining a list of interested parties which includes previous applicants, advertising in local newspapers, web site announcement, and direct contact by District staff with the agricultural community, Farm Bureau, diesel engine and equipment retailers, and small business organizations. Application forms are available on the District website, District office, or by request via email or U.S. Mail. The District RFP continues for a 30-day period. District staff tracks outreach expenditures through staff timecards. Allowable travel costs will be reimbursed by the reimbursement method. Allowable costs, reimbursement requirements and travel requests are outlined in the District Administration Code, Part B, Section 4. A general CMP file is established for each Program year and includes documentation of solicitation, timeline and outreach activities.

VI. Project Solicitation

The CMP allows districts discretion in how projects are solicited. The District CMP is implemented through a Request for Proposal process and projects are funded in order of cost-effectiveness until funds are exhausted.

Districts are not required to fund all eligible categories, and may target specific categories. As of the most recent approval date for this Policies and Procedures manual, the District may fund the following eligible categories:

1. Stationary and portable agricultural irrigation pump repower or retrofit;
2. Agricultural irrigation pump electrification;
3. Off-road equipment repower or retrofit;
4. Off-road equipment replacement;
5. On-road heavy-duty vehicle replacement;
6. Infrastructure associated with replacement zero-emission on-road heavy-duty vehicles.

All CMP eligible categories are entitled to apply for District funding for a maximum of two (2) awards per entity per program year. A sample RFP is included in Appendix A.

Option 1: For the 2020 solicitation period, the District is committing one (1) award for a zero emission school bus replacement project using Year 22 Carl Moyer Program Funds. The District is also committing \$437,500 in Year 22 Carl Moyer State Reserve funds towards non-agricultural on-road and off-road equipment replacement or repower

projects.

Option 2: For the 2020 solicitation period, the District is committing \$437,500 in Year 22 Carl Moyer State Reserve funds towards non-agricultural on-road and off-road equipment replacement or repower projects.

Projects demonstrating compliance with the current year emission standard (Tier 4 for off-road diesel engines, for example) will be prioritized in the ranking. Projects using older emission standards (Interim Tier 4, for example) may be prioritized on a case by case basis with supporting documentation explaining the unavailability or unfeasibility of an engine using the current year emission standard.

The Governing Board must approve the CMP structure and funding, and any delegation of authority to the APCO via formal resolution. The Governing Board authorizes the APCO to accept funding and to approve projects as long as they meet the cost effectiveness as stated in the CMP Air Quality Standards Attainment Guidelines. The Governing Board authorizes the APCO to execute agreements and make minor modifications to the CMP applications and agreements 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 and complete the regulatory compliance statement. Sample application forms, including funding certification, are included in the appendices; for stationary and portable agricultural irrigation pump repowers or retrofits (Appendix D), off-road (Appendix B-2) and on-road heavy-duty vehicle (Appendix C-2) replacements. All other funding category applications are available upon request.

The District has a commitment to outreach to all sectors and small businesses. This is accomplished through public workshops and meetings, one-on-one meetings, radio broadcasts and newspaper publication of funding availability, District mailing lists, and through the District website. The District maintains 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 Incentives Program Review.

VII. Project Selection

In accordance with HSC Section 44288(a), the District must review all applications for completeness upon receipt and notify the applicants in writing within thirty (30) working days of application receipt if the application is not complete. Applications determined to be incomplete will be issued a letter of incompleteness within thirty (30) 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 the application file.

All projects must meet the minimum requirements as stated in the CMP Guidelines and CARB Technical Advisories. Selected projects must be entered into the CARL online database program maintained by CARB.

District Project Selection Procedure is described below:

1. The CMP staff issues an RFP, conducts workshops to solicit applications, and sets a start and end date for accepting applications.
2. The District receives a project application, accepted on a first-come, first-served basis. Each application is date-stamped.
3. Applications are reviewed for completeness. An application complete/incomplete letter is sent to the applicant within thirty (30) business days.
4. Complete applications are reviewed for eligibility using CARB CMP Guidelines.
5. Project information is entered into the CARL database and evaluation of cost effectiveness is determined.
6. The CMP staff verifies eligibility of applications based on the CARB Program criteria, based on meeting the emission reduction requirements and cost-effectiveness criteria of the CMP, first-come, first-served.
7. The CMP staff presents a list of eligible applications for approval to the APCO; the APCO approves applications for funding.
8. The administrative staff allocates the funds after commitment by the APCO and issues a contract number.
9. All applicants are contacted by U.S. Mail with the results of the cost-effectiveness evaluation and amount of tentative selected grants awarded.
10. Selected applicants are contacted by telephone and a pre-inspection of the existing project engine/motor is scheduled.
11. The CMP staff performs a pre-inspection.
12. The CMP staff prepares the draft contract. The administrative staff reviews the draft contract and prepares copies for signatures.
13. The signature process is tracked through the Contract Signature Flow Form.
14. If the pre-inspection determines that the engine/motor qualifies, the applicant is scheduled for an office appointment to execute the contract or the contract is forwarded by U.S. Mail for signature. The applicant has sixty (60) calendar days to review, sign, and return the contract. Applicants must also provide insurance information and draft financing terms (if applicable) prior to contract execution.
15. When the applicant returns the signed contract, the APCO reviews and signs the contract. The CMP staff delivers the fully executed contract to the applicant.
16. The CMP staff designates the project as obligated in CARL.
17. The CMP staff performs the post-inspection and report.
18. The CMP staff reviews the paid itemized invoices, financing information (if applicable), verifies that an IRS Form W-9 and insurance requirements are on file, and requests payment from the administrative staff.
19. If appropriate to the project type, administrative staff will file a lien statement with the Uniform Commercial Code (UCC) or DMV.
20. The CMP staff designates the project as expended in the CARL database.

VIII. Commitment of Funds to Projects

Once final selection of projects to receive awards has been completed and approved by District management, commitment of funds can take place. Funds will not be committed by the District until an initial disbursement is received from CARB. Funds are committed

when APCO approves application and grantee is notified of the award. Project information is entered into the CARL database and monitored. The District is required to execute contracts for committed State funds one (1) year from June 30 of the year the District receives its initial Grant Award and Authorization Form.

IX. Contract Development

CARB requires that all CMP project contracts contain the following provisions:

1. Party names and date;
2. Contact information for correspondence;
3. Contract term, including project completion and projection implementation/life;
4. Payment provisions, including maximum contract amount, the requirement for itemized invoices, funding disclosure and noncompliance terms, where Program Participants certify that they have disclosed all other public funds they may have applied for or received for a project and prohibits Program Participants from applying for or receiving other public funds for the same project;
5. CMP compliance requirements;
6. Requirement for maintenance of engine/vehicle;
7. Project specifications and performance expectations, repercussions for nonperformance;
8. On-site inspections;
9. Records retention, reporting and Incentives Program Review;
10. Insurance requirements; notices; and
11. Signature blocks for both parties.

For projects for which historical usage data meets the criteria outlined in the CMP Guidelines, minimum annual usage is not required to be specified in the contract. Historical usage data must be submitted for at least twenty-four (24) consecutive months and may include the following:

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.
-Or-
2. One of the following items:
 - 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. Other documentation as approved by the District and CARB.

The contract also contains a statement that the Program Participant will certify compliance with all applicable federal, State, and local regulations and will maintain compliance for the full contract term. The contract for repower projects contains a statement that the installation of the engine must be completed in a way as to not void the engine warranty. The contracts specify that projects funded by the CMP must be

included when defining fleet size and must not be used to generate credits or compliance extensions and regulatory compliance determinations. The contract contains language regarding a District requirement to file a UCC / DMV lien to protect the District's interest in replacement equipment for the term of the contract. The District shall be listed as lien holder if there is no financing involved. If the project was financed, the District will be listed as lien holder after the financing is satisfied until the end of the contract term. The District's contracting process is described in Section VII, Project Selection, above.

The applicant has sixty (60) calendar days after receiving the contract to review, sign, and return the contract with all requested supporting documentation. If a contract and associated supporting documentation is not returned within sixty (60) calendar days, funds may be allocated to another project. Written requests for an extension may be approved on a case by case basis by the APCO.

If the Program Participant receives less than the maximum funding amount allowed in the state Guidelines, the contract length may be reduced proportionally. The contract length may not be reduced to below the minimum project life indicated in the state Guidelines. The contract length shall not cause the cost-effectiveness of the project to exceed cost-effectiveness limits in the Program Guidelines.

X. Payment of Projects (Expenditure)

Once the project contract is executed, the Program Participant submits an original or certified copy of the original invoice requesting payment. If any portion of the equipment purchase requires financing, the Program Participant shall provide the financing terms to the District before the District issues payment. A minimum of the full Contract amount shall be used to pay down any financing within 30 days of receiving payment from the District. Proof of payment is due to the District within 45 days of receiving payment from the District. The amount financed may not exceed the incremental cost of the project. District CMP staff conduct necessary post-inspections as described Section XI below. After successful inspection, the Program Manager approves each invoice for payment and it is forwarded to fiscal staff for payment and to the APCO for final approval. For multi-stage projects, partial payments may be approved on a case-by case basis and is described in the contract. The District will maintain a clear record of progress payment in the project file and in the administration fiscal database.

An applicant that is not a public entity must provide at least 15 percent of a project's Moyer eligible cost from non-public sources. The applicant cost share cannot be covered through in-kind contributions.

XI. Project Monitoring

Pre- and post-inspections must be completed for all funded projects. An Inspection Report (Appendix F) shall be used to document the pre/post inspections. All pre/post-inspection reports and photos will be maintained in the project file. The exception to the required inspections is for public fleets. Public fleets are discussed below in the pre/post-inspection sections.

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. The pre-inspection shall also verify the project usage (hours or miles). Photos shall be taken for the file. The photos must be labeled with the applicant's name, date the photos were taken, and the serial number of the engine. The photos must show the engine in the vehicle/vessel/equipment and show a close up of the engine ID plate. A pre-inspection report shall be used to document the pre-inspection. The pre-inspection report with photographs will be kept in the project file. Pre-inspections will be performed by District CMP staff prior to contract execution.

B. Post-Inspection

Post-inspection occurs after receipt of an invoice from the engine owner, but prior to District final reimbursement for the engine. In the case of public fleets of more than twenty (20) vehicles, the District inspects a random, statistically-significant number of vehicles. 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 engine start-ups 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 photos shall be labeled with the name of the owner and date of post-inspection, and project number. For engines with a complete, fully visible and legible engine serial number, District staff must see the destroyed engine or the receipt from the qualified vehicle salvage yard. For engines without a complete, visible, and legible serial number, District staff must stamp the engine block with the CMP project number and be present to personally verify engine removal from the project vehicle or equipment and the subsequent engine destruction. CARB will consider alternatives to stamping the engine block on a district-by-district basis.

XII. Project Program Reviews

The District annually reviews at least 5% of projects or twenty (20) active projects (whichever is less). The District may include in this total the Incentives Program Reviews of the projects whose owners fail to submit their most recently required project annual report. The Program Review is completed by District CMP staff.

The Incentives Program Review 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).

If any Incentives Program Review of a project reveals more than 30% above or below an annual average of the level of use identified in the executed contract, the Program Participant shall describe any conditions that significantly impacted project usage. In instances where annual usage is significantly lower than the contracted level due to unforeseen circumstances beyond the control of the engine owner, the owner may request a waiver from the District per Section EE.4(D)(2) of the CMP Guidelines Program Administration Chapter 3. To be considered for a waiver, the Program Participant must submit a written request and acceptable documentation. The types of acceptable documentation include:

1. Documentation from appropriate government agencies regarding surface water deliveries,
2. Agricultural pump engine registration or permit information,
3. Records that show that idled vehicles or equipment are still owned by the Program Participant,
4. Relevant information from CARB's Diesel Off-Road On-Line Reporting System (DOORS), or
5. Other pertinent records as approved by the District and CARB on a case-by-case basis.

The APCO has the discretion to consider circumstances leading to the failure to fulfill the minimum performance requirements.

XIII. Reporting

All project Program Participants are required via contract term to complete 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 from returned Annual Reporting Requests (Appendix I). Program Participants are required to submit Annual Reports to the District by March 31 of each year until termination of the contract. Section 2.9 of the District contract describes the procedures for dealing with nonperforming Program Participants.

Once the Annual Report has been reviewed and approved for completeness, accuracy, and usage by CMP staff, it is recorded in the District database file. If usage is more than 30% above or below that identified in the project application, the Program Participant shall describe any conditions that significantly impacted project usage. In instances where annual usage is significantly lower than the contracted level due to unforeseen circumstances beyond control of the engine owner, the owner may request a waiver from the District per section EE.4(D)(2) of the CMP Guidelines Administration Chapter 3. The District's findings will be documented in writing, signed by the APCO, be included in the

project file, and mentioned in the “comments” field in the CARL database.

A. Yearly Report to CARB

The District is required to report to CARB on the status of the CMP annually. The report is due to CARB on August 29. The District reports progress on contract funding received earlier in the year, as well as funds obligated that were received the prior year, and funds expended that were received by the District two (2) years earlier.

The Yearly Report will include the following information from the CARL online database:

- Interest and other funds generated through the CMP
- Expenditures for program projects
- Expenditures for program administration

A certification document, signed by the District APCO, Administrative Services Officer, and CMP staff accompanies the Yearly Report that indicates the project and financial data submitted is complete, accurate, and the District’s responsibility, and that there are no known instances of fraud.

XIV. Fiscal Practices and Procedures

A. Coordination between Fiscal and Program Staff

The District CMP staff and Fiscal staff shall hold meetings periodically to reconcile CMP projects entered into the CARL online database, CMP staff records, and allocated funds in the program reviewer’s monthly financials. These meetings are to be held as staff deems necessary, as well as prior to submittal of Annual Reports to ensure accurate reporting to CARB. Each year of CMP funding is tracked separately and each project is tracked for amount of funding, date of obligation, amount of expenditure, and date of expenditure.

B. Earned Interest

The District deposits CMP funds into a restricted account that accrues interest. The interest is tracked using the Fiscal Year method. Interest is received on the account quarterly. Interest earned on CMP project funds is spent on CMP projects according to the current Guidelines. Interest earned on previous year CMP is carried into the following year project funding total.

Interest earned on CMP administrative funds is used for the administration of the CMP as described in Section V above.

XV. Project File Set-Up and Maintenance

The District maintains documentation of solicitation and project selection by fiscal year, as well as program project and fiscal files. Project files contain, at a minimum, the

following:

1. Application and estimated project cost
2. Original contract
3. Pre/post inspection forms and photographs
4. Original or certified copy of invoice, and
5. Annual reports.

Program files contain, at a minimum, the following:

1. CARB grant award and authorization
2. Copy of District approved application
3. Contract and forms
4. RFP solicitation, outreach and project selection information
5. cost effectiveness spreadsheet
6. Correspondence from the Program Participant, District staff, and CARB related to this project.

Digital copies of CMP contracts are maintained permanently. Program files (which include financial information) are kept for the life of the contract plus three (3) years. Digital financial files are kept seven (7) years.

XVI. Coordination with CARB

CARB has assigned a staff liaison for each district. The present liaison assigned to the District is:

Dinh Quach, Air Resources Board
9480 Telstar Ave, Suite 4
El Monte, CA 91731
626-350-6485
dquach@arb.ca.gov

District staff currently responsible for implementing the CMP include: the APCO; Program Manager, and Fiscal staff. District staff shall document any correspondence with CARB staff regarding CARB interpretations, clarification, guidance or possible deviations from the CMP Guidelines. All documentation shall be kept in the CMP project files and should be retained for at least three (3) additional years after the last year of the District's participation of this program.

The CARB 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 CARB activities. All districts are required to attend at least two (2) IPI meetings per year. The District Program Manager participates in the IPI meetings. District Fiscal staff participates as necessary. CARB has developed a centralized database for all CMP projects called the Clean Air Report Log (CARL). All districts are required to use this database. CARB has provided

training to District staff in the use of the database.

XVII. CARB Oversight

As part of their oversight responsibilities, CARB staff performs desk reviews of District CMP, on-site monitoring and Incentives Program Reviews. Review of a district's program may involve other State agencies, such as the Department of Finance and State Bureau of Audits. Incentives Program Review may be fiscal, programmatic, or both. District staff responsible for implementing the CMP include: APCO, Program Manager, and Fiscal staff.

XVIII. APCO Approval

As authorized by the Governing Board, this version of the Butte County Air Quality Management District's Policies and Procedures Manual for the Carl Moyer Memorial Air Quality Standards Attainment Program is approved by:

Stephen Ertle,
Air Pollution Control Officer

Date