REGULAR MEETING NOTICE OF THE
BUTTE COUNTY AIR QUALITY
MANAGEMENT DISTRICT
GOVERNING BOARD

May 27, 2021 at 10:00 a.m.

Due to the COVID-19 Pandemic, as authorized by Governor Gavin Newsom’s Executive Orders N-25-20 and N-29-20, the meeting of the Butte County Air Quality Management District Governing Board will be closed to public attendance. Members of the public may view the meeting through the web link below, and comment either before or during the meeting by providing emails to: ccollins@bcaqmd.org.

Members and the public may attend by:
Join Zoom Meeting:
https://us02web.zoom.us/j/87111751705?pwd=em1GWGk2cVJZTExqYmwraGw2T1pqdz09
Meeting ID: 871 1175 1705
Passcode: 298155
Call-in: 1-669-900-9128

Note: To join the video conference, you will need a webcam and computer audio (speakers and microphone). If you do not have either, you may dial the call-in number listed to join by audio only.

The Governing Board is committed to making its proceedings accessible to all citizens. Individuals with special needs should call the Clerk of the Board at (530) 332-9400, Monday through Friday, 7:30 a.m. to 4:30 p.m. to request disability-related modifications, accommodations or to request materials in alternate formats. All requests for special accommodations and/or alternative format documents must be made 48 hours prior to the meeting. Every reasonable attempt will be made to provide such accommodations.

1. Call to Order and Roll Call. Chair
2. Additions and Deletions to the Consent Agenda. Chair
Agenda for May 27, 2021
BCAG Board Room
Meeting is scheduled to begin at 10:00 a.m.

3. Consent Agenda.
   3.1 Minutes of the April 22, 2021 Meeting of the Board of Directors.
   3.2 Activity Report on Butte County Air Quality Management District Activities.
   3.3 Financial Status Report for Fiscal Year 2020-2021.
   3.4 Status Report on Calendar of Events.
   3.5 Status Report on Communications.
   3.6 PERS CERBT Report.

   ACTION REQUESTED: Approve Consent Agenda

REGULAR AGENDA

4. Items removed from the Consent Agenda for Board consideration and actions.  
   Chair

   Staff have made administrative and programmatic updates to the District’s Carl Moyer Program Policies and Procedures Manual.


   Chair

6. Approve Fiscal Year 2018-2019 AB 617 Implementation Grant.  
   The District was awarded $47,726.00 in FY2020-2021 funds by the California Air Resources Board (CARB) to implement the goals of AB 617.

   ACTION REQUESTED: Approve Resolution 2021-18 allowing Air Pollution Control Officer to sign grant agreement with CARB and accept funds.

   Jason Mandly

7. Approve Community Support Grants.  
   The District solicited for projects to be funded with Community Air Protection (CAP) Support Grants.

   ACTION REQUESTED: Approve awards for CAP Support Grants.

   Jason Mandly

8. Review of Impacts to Burn Program from Reduced Water Allocations in 2021.  
   District staff to provide a review of reduced water allocations in 2021 and its potential impacts to air quality concerns as it relates to the fall rice harvest and burning of rice fields.

   ACTION REQUESTED: None. This item is provided for information and discussion.

   Ursula Parker
9. **APCO Report.** Report from the Air Pollution Control Officer on current areas of potential interest to your Board, including air quality-related activities at the local, State, and federal scenes.

   **ACTIONS REQUESTED:** None. This item is provided for information and discussion.

10. **Other Business.**

11. **Public Comment Period.** Any person may address the Board of Directors on any matter within the jurisdiction of the Board that is not on the agenda for this meeting. Any person may address the Board on an agendized item when that time is called. The chair requests that each person addressing the Board limits their presentation to five (5) minutes.

12. **ADJOURNMENT:**

   The next Board of Directors Meeting is scheduled for June 24, 2021 at 10:00 a.m. at the Butte County Association of Governments Board Room, 326 Huss Drive, Suite 100, Chico, California.
Members Present:
Bill Connelly  Supervisor, District 1
Tod Kimmelshue  Supervisor, District 4
Doug Teeter  Supervisor, District 5

Remote:
Tami Ritter  Supervisor, District 3
John Busch  Vice Mayor, Biggs
Alex Brown  Councilmember, Chico
Angel Calderon  Councilmember, Gridley
Rose Tryon  Councilmember, Town of Paradise

Members Absent:
Debra Lucero  Supervisor, District 2
Chuck Reynolds  Mayor, City of Oroville

Staff Present:
Stephen Ertle  Air Pollution Control Officer
Cora Collins  Clerk of the Board

Remote:
Aleah Ing  Administrative Services Officer
Jason Mandly  Senior Air Quality Planner
Patrick Lucey  Air Quality Engineer
Ursula Parker  Senior Air Quality Compliance Specialist

Draft Minutes of the
Butte County Air Quality Management District
Governing Board of Directors Meeting of
April 22, 2021

Due to the COVID-19 pandemic, the meeting was closed to public attendance. Public comments were accepted before and during the meeting by emailing ccollins@bcaqmd.org.

1. Call to Order.
Chair Ritter called the meeting to order at 10:00 a.m. at the BCAG Conference Room, 326 Huss Drive, Suite 150, Chico, California.
Roll Call.
PRESENT: Connelly, Kimmelshue, Teeter.
REMOTE: Ritter, Busch, Brown, Tryon.
ABSENT: Lucero, Calderon, Reynolds.

2. Additions and Deletions to the Consent or Regular Agenda.

No additions or deletions.

3. Consent Agenda.

3.1 Minutes of the March 25, 2021 Meeting of the Board of Directors.
3.2 Activity Report on Butte County Air Quality Management District Activities.
3.3 Financial Status Report for Fiscal Year 2020-2021.
3.4 Status Report on Calendar of Events.
3.5 Status Report on Communications.
3.6 Additional AB617 Proceeds.
3.7 CalPERS CCR 570.5 Compensation Schedule Update Effective October 1, 2020.

ACTION REQUESTED: Approve Consent Agenda Items.

Board comments: None.
Public comments: None.

A motion was made by Councilmember Brown and seconded by Supervisor Teeter to approve the Consent Agenda.

Motion carries by the following vote:
AYES: Supervisor Connelly, Supervisor Kimmelshue, Supervisor Teeter (seconded), Supervisor Ritter, Vice Mayor Busch, Councilmember Brown (motion), Councilmember Tryon.
NOES: None.
ABSTAIN: None.
ABSENT: Supervisor Lucero, Councilmember Calderon, Mayor Reynolds.

4. Items removed from the Consent Agenda for Board consideration and actions.

No items removed.


ACTION REQUESTED: Accept and file the PERS annual Valuation reports for CLASSIC & PEPRA. Accept and file GASB 75 Valuation report from California School Boards Association.
Aleah Ing, Administrative Services Officer, reported: The PERS Annual Valuation report for June 30, 2019 shows an unfunded accrued Liability of $1,547,345 for CLASSIC employees and $3,677 for PEPRA employees resulting in a total unfunded liability of $1,551,022. PERS Pension Liability expense line includes the required contribution amount for FY 2021-22 in the amount of $110,693 for CLASSIC and $920 for PEPRA. The Unfunded Accrued Liability (UAL) for PEPRA is expected to be funded by FY 25-26. The UAL for CLASSIC at the current amortization schedule will be funded by FY 44-45.

The 2019 GASB 75 report lists the OPEB Liability at $410,827 with $20,757 in a trust account, resulting in a net liability balance of $390,070 as of July 1, 2019. $10,000 payment was made to the OPEB trust in June 2020, and another $100,000 scheduled to be made before June 2021 bringing the estimated liability closer to $280,070.

Board comment: None

Public comment: None

A motion was made by Supervisor Kimmelshue and seconded by Supervisor Connelly to accept and file the PERS annual Valuation reports for CLASSIC & PEPRA. Accept and file GASB 75 Valuation report from California School Boards Association.

Motion carries by the following vote:
AYES: Supervisor Connelly (seconded), Supervisor Kimmelshue (motion), Supervisor Teeter, Supervisor Ritter, Vice Mayor Busch, Councilmember Brown, Councilmember Tryon.
NOES: None.
ABSTAIN: None.
ABSENT: Supervisor Lucero, Councilmember Calderon, Mayor Reynolds.


ACTION REQUESTED: After holding a public hearing and considering any comments received, adopt the proposed amendment to Rule 432—Federal New Source Review (FNSR) and direct staff to prepare the adopted rule for submittal to CARB & US EPA for inclusion in the SIP.

Patrick Lucey, Air Quality Engineer, reported: The District was designated nonattainment for the 2015 Ozone National Ambient Air Quality Standards (NAAQS) on June 4, 2018. US EPA is requiring the District to certify that Rule 432 meets federal Clean Air Act requirements (40 CFR 51.1314), by August 3, 2021. The current Rule 432 already includes all the elements required by US EPA and the District could submit for approval as-is, but there are court decisions that will require States and Air Districts to remove Interpollutant Offsets from Federal New Source Review Rules in the near future. The District decided to remove Interpollutant Offsets now in anticipation of this change.

Public hearing opened: 10:07 a.m. Public hearing closed: 10:10 a.m.

Board comments: None.

Public comments: None.
A motion was made by Councilmember Brown and seconded by Supervisor Kimmelshue to adopt the proposed amendment to Rule 432—Federal New Source Review (FNSR) and direct staff to prepare the adopted rule for submittal to CARB & US EPA for inclusion in the SIP.

Motion carries by the following vote:
AYES: Supervisor Connelly, Supervisor Kimmelshue (seconded), Supervisor Teeter, Supervisor Ritter, Vice Mayor Busch, Councilmember Brown (motion), Councilmember Tryon.
NOES: None.
ABSTAIN: None.
ABSENT: Supervisor Lucero, Councilmember Calderon, Mayor Reynolds.


Jason Mandly, Senior Air Quality Planner, reported: District staff have identified projects eligible for funding using FY 2019-20 Community Air Protection (CAP) Incentive Funds. Participation in Year 3 of the CAP Incentives Program (FY 2019-20) was approved by the Board through Resolution 2020-06. The District was awarded $855,672.86 in project funds and $122,238.98 in implementation funds, to fund projects meeting the goals of AB 617 and the State CAP Incentives 2019 Guidelines.

Board comments: Councilmember Tryon asked if there were any ineligible projects? Jason replied, “all projects were eligible”.

Public comments: None

Councilmember Calderon joined the meeting at 10:12 a.m.

A motion was made by Councilmember Tryon and seconded by Councilmember Brown to approve FY 2019-20 Community Air Protection (CAP) Incentive Projects.

Motion carries by the following vote:
AYES: Supervisor Connelly, Supervisor Kimmelshue, Supervisor Teeter, Supervisor Ritter, Vice Mayor Busch, Councilmember Brown (seconded), Councilmember Calderon, Councilmember Tryon (motion).
NOES: None.
ABSTAIN: None.
ABSENT: Supervisor Lucero, Mayor Reynolds.

Board comments: None

Public comments: None

8. Supplemental Paid Sick Leave (SPSL) Extended Benefits. State legislation AB 84 (Ting) and SB 95 (Skinner) extended benefits of the Families First Coronavirus Response Act to employers with greater than 25 employees.
ACTION REQUESTED: Approve extended leave provisions benefits as adopted by Butte County to meet the requirements of AB 84 and SB 95.

Stephen Ertle, APCO, reported: Supplemental Paid Sick Leave (SPSL) and extended family and medical leave (E-FML) benefits were part of the First Families Coronavirus Response Act. These benefits were not extended in the Consolidated Appropriations Act, 2021 or in the American Rescue Plan Act, 2021, resulting in these benefits becoming voluntary for employers after December 31, 2020.

State legislation AB 84 (Ting) and SB 95 (Skinner) has been signed into law and requires 80 hours of employer-paid COVID-19 sick leave retroactive to January 1, 2021 through September 30, 2021. The law is limited to employers with greater than 25 employees.

Butte County is subject to this benefit and has extended the benefit to Butte County Employees.

The District’s MOU provides general guidance that, employee benefits, salaries, personnel rules and regulations, shall be guided by those provided to the Butte County employees, resulting in benefits are to be congruent with the County’s.

Board comments: Chair Ritter restated; Air Quality employees receive same benefits as Butte County. Stephen Ertle replied: Yes, as a general guidance.

Public comments: None.

A motion was made by Supervisor Kimmelshue and seconded by Vice Mayor Busch to approve extended leave provisions benefits as adopted by Butte County to meet the requirements of AB 84 and SB 95.

Motion carries by the following vote:
AYES: Supervisor Connelly, Supervisor Kimmelshue (motion), Supervisor Teeter, Supervisor Ritter, Vice Mayor Busch (seconded), Councilmember Brown, Councilmember Calderon, Councilmember Tryon.
NOES: None.
ABSTAIN: None.
ABSENT: Supervisor Lucero, Mayor Reynolds.

9. Burn Program Overview. District staff to provide an overview of the District’s Burn Program.

ACTION REQUESTED: None. This item is provided for information and discussion.

Ursula Parker, Senior Air Quality Compliance Specialist, reported: The District oversees all open burning in Butte County. Open burning is regulated by the California Health and Safety Code and the California Code of Regulations as well as District Rule 300, “Open Burning Requirements, Prohibitions and Exemptions”. Rule 300 divides open burning into three (3) main categories: Agricultural Burning, Nonagricultural Burning and Residential Burning.

Agricultural burning is defined as burning of crop waste or vegetation related to the raising of fowl or animals, or open outdoor fires used in forest management, range improvement, or the improvement of land for wildlife and game habitat, or for disease or pest prevention or the operation or maintenance of a system for the delivery of water. It also includes prescribed burning which is generally wildland vegetative management burning or forest management burning, including silviculture and timber operations.
Nonagricultural burning is burning done by a public officer or public entity, land clearing for commercial or residential property development, and fire hazard reduction burning. Except for fire hazard reduction burning, District permits are required for these types of burning and special fees and requirements apply to prescribed burning operations. Special fees and requirements also apply for burning of rice stubble.

Residential burning is defined as burning for the disposal of natural vegetation from a single- or two-family dwelling on lots less than one (1) acre. Like fire hazard reduction burning, the District does not issue permits for this type of burning.

All open burning activities are subject to burning only on permissive burn days, burning during burn hours and compliance with drying times as well as prohibitions against the use of burn barrels or burning of any non-vegetative waste or burning waste transported from an off-property location. Additional requirements for residential burning based on CAL FIRE permit requirements also apply and the District has a geographical restriction on burning in the Magalia/Upper Ridge to allow for some relief from smoke during the months of January through June. Some local jurisdictions have special requirements which the District advises the public of; for example, the City of Chico does not allow open burning within City limits.

District Staff update burn information on the District’s website, email, and voice recordings daily. Burn day status for residential (including fire hazard reduction) burning is typically forecast also for the following day to allow for flexibility, especially when CAL FIRE permits are required; without the forecast, burn status would not be available until well after burn hours begin during that time. More information about District burn requirements are available on the District website and on fact sheets (attached) which have also been translated into Spanish.

Enforcement of open burning regulations is typically complaint driven. During the years 2018 – 2020, half of all complaints received by the District were related to burning activities. Non-permitted open burning (residential and non-agricultural burning), accounted for the highest category of complaints at nearly 34%. Agricultural burning accounted for 16% of the complaints received over the period.

Board comments: Supervisor Ritter asked if there were any conversations between Cal Fire and CAR regarding adjusting the burn hours. She also asked if the District would consider issuing residential burn permits.

Supervisor Teeter mentioned that the District’s website is not clear regarding outdoor burning. He suggested adding a link to the jurisdiction authority, to clarify who is authorizing or not authorizing the burning.

Stephen Ertle, APCO, offered to work with Supervisor Teeter to resolve the issue. Supervisor Ritter suggested a flow chart showing how forecasting is done.

Public comments: None

10. **District Office Reopening Plan.** District office reopening plan and permanent schedule change proposal.

**ACTION REQUESTED:** Receive report and approve reopening plan and schedule change proposal.

Stephen Ertle, APCO, reported: Beginning March 19, 2020, the District office closed to the public in response to the Governor’s stay at home order for all non-essential services. The District implemented “Guidelines for Office Occupancy,” which limited in-office Staff to no more than four (4) at a time.
The District implemented an offsite work agreement with all staff allowing the in-office staffing limits to be met without interruption or loss of service to the Public:

- Installed instruction signage and an outdoor kiosk at the office to provide touchless permit issuance and other time sensitive functions,
- Remote desktop accounts deployed for all staff,
- Existing LaserFiche (LF) digital document workflows and new document management policies provided a platform to manage and coordinate major District programs with offsite work including the burn program, grant administration, inspection, enforcement, permitting and all business and HR activities,
- Installed a Voice Over Internet Phone (VOIP) system which allows direct dialing by the public to onsite and offsite staff and provided seamless staff communications.

Over the last year in this hybrid office environment staff encountered challenges and had to learn new ways of doing things to assure continued public service. An unexpected benefit of the office closure has been operational efficiencies for public facing staff. The ability to dedicate time blocks to more complex tasks and coordinate activities without interruption has improved productivity in those areas. Keeping the office closed to the public one day per week would allow staff to continue to apply these benefits with no loss of service to the public.

The Governor has announced plans to fully reopen the State on June 15th if current trends continue.

Proposed phase in reopening of the District office to the public starting the week after the State lifts all restrictions as follows:

- First two weeks:
  - Open to the public Tuesdays and Thursdays with pre-Covid business hours.
- Beginning week three:
  - Open to the public Tuesday through Friday with pre-Covid business hours.
  - Maintain Monday office closure permanently to allow for staffing efficiencies realized during the COVID shutdown to continue. Note: Staff will still be working Mondays.

Board comments: Councilmember Tryon asked if phone calls would be answered on Mondays? Stephen Ertle replied, “Yes, staff will be working but the office will be closed to the public”.

Public comments: None

Councilmember Calderon left at 10:52.

A motion was made by Supervisor Kimmelshue and seconded by Supervisor Connelly to approve reopening plan and schedule change proposal.

Motion carries by the following vote:

AYES: Supervisor Connelly (seconded), Supervisor Kimmelshue (motion), Supervisor Teeter, Supervisor Ritter, Vice Mayor Busch, Councilmember Brown, Councilmember Tryon.

NOES: None.

ABSTAIN: None.

ABSENT: Supervisor Lucero, Councilmember Calderon, Mayor Reynolds.

Code, Sections 40130 and 40131 in a separate meeting prior to the meeting where the Board adopts the Budget. The adoption hearing is scheduled for June 24th, 2021.

**ACTION REQUESTED:**
1. Open a Public Hearing and accept comments.
2. Take no action on the Proposed Fiscal Year 2021-2022 Budget at this time.

Stephen Ertle, APCO, reported: Today's Public Hearing is for the purpose of reviewing and receiving comments on the District’s Proposed Fiscal Year 2021-2022 Budget. Staff is proposing a base budget of $2,127,614 and an operating budget of $1,875,064.

The second hearing, where the District Governing Board formally considers adopting the annual budget is scheduled for the June 24th Board meeting. If any public comments should be received, those comments will be forwarded to your Board at the June 24th, 2021 Public Hearing.

Councilmember Calderon returned at 10:54.

A motion was made by Supervisor Kimmelshue and seconded by Councilmember Brown to open the Public Hearing and accept comments.

**Motion carries by the following vote:**
- AYES: Supervisor Connelly, Supervisor Kimmelshue (motion), Supervisor Teeter, Supervisor Ritter, Vice Mayor Busch, Councilmember Brown (seconded), Councilmember Calderon, Councilmember Tryon.
- NOES: None.
- ABSTAIN: None.
- ABSENT: Supervisor Lucero, Mayor Reynolds.

Public hearing opened: 10:55 a.m. The Public hearing will remain open until June 24th, 2021.

Board comments: None.

Public comments: Stephen Ertle stated that a comment was received by email, with concerns about fee increases. Staff replied to the email, assuring that no fees are proposed, and no response was received.

**12. APCO Report.** Report from the Air Pollution Control Officer on current areas of potential interest to your Board, including air quality-related activities at the local, state, and federal scenes.

Stephen Ertle, APCO, reported on Air Quality Awareness Week, May 3 through 7, which focuses on what the public can do to improve air quality. Events for the week include free bus rides on May 6 and 7 and a publication, featured in the Chico News & Review, introducing the District, various air quality topics and success stories. He provided updates on the small engine restrictions, AB 1001, CARB Asbestos Delegation and requested cancellation of the August board meeting.

**ACTION REQUESTED:** None. This item is provided for information and discussion.

Board comments: None
Public comments: None

10. **Other Business.**

No other business.

11. **Public Comment Period.** Any person may address the Board of Directors on any matter within the jurisdiction of the Board that is not on the agenda for this meeting. Any person may address the Board on an agendized item when that time is called. The Chair requests that each person addressing the Board limits their presentation to five (5) minutes.

Public comment: None

12. The meeting adjourned at 11:06 a.m. The next Board of Directors Meeting is scheduled for May 27, 2021 at 10:00 a.m. at the Butte County Association of Governments Board Room, 326 Huss Drive, Suite 100, Chico, California.

________________________________________
Stephan Ertle, Air Pollution Control Officer
Butte County Air Quality Management District

I hereby attest that this is a true and correct copy of the action taken by the Butte County Air Quality Management District Board of Directors on April 22, 2021.

ATTEST: ________________________________
Cora Collins, Clerk of the Governing Board
Date of Release: May 20, 2021
Board Consideration: May 27, 2021

To: Butte County Air Quality Management District Board of Directors
From: Stephen Ertle, Air Pollution Control Officer
Staff Contact: Stephen Ertle, Air Pollution Control Officer
Re: Activity Report on Butte County Air Quality Management District Activities.

ISSUE:
Summary of District activities for calendar years 2019, 2020 and year 2021 as of April 30th.

ACTION REQUESTED:
Accept and file.

Attachment:
2021 Activity Report
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<td>Public Outreach</td>
<td>752</td>
<td>517</td>
<td>36</td>
<td>51</td>
<td>67</td>
<td>53</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental Documents Reviewed</td>
<td>2</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ YTD = Year-to-date totals  
² Burn Day Status reported below 3000' elevation
To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Aleah Ing, Administrative Services Officer


Date of Release: May 20, 2021
Board Consideration: May 27, 2021

ISSUE:
Financial Status Report.

ACTION REQUESTED:
Accept and File Report.

DISCUSSION:
The attached financial report summarizes the District’s finances during the period of July 1, 2020 to April 30, 2021 and Balance Sheet for the period ending April 30, 2021. The District operated within overall budgeted revenue and expenditures. As of April 30, 2021 the District is 83% of the fiscal year.

The Fiscal Year 19/20 draft audit has been received. Based on the audit some reconciling journals may be needed that could affect the financials.

Attachments:
Fiscal Year 20/21 Balance Sheet
Fiscal Year 20/21 Revenue & Expense Report
<table>
<thead>
<tr>
<th>ASSETS</th>
<th>April 30, 21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Checking/Savings</td>
<td></td>
</tr>
<tr>
<td>1002 · Cash on Hand - Change Box</td>
<td>200.00</td>
</tr>
<tr>
<td>1003 · Bank of America - General-0648</td>
<td>131,113.61</td>
</tr>
<tr>
<td>1004 · Bank of America - Payroll-0649</td>
<td>2,514.42</td>
</tr>
<tr>
<td>1007 · B of A Reserve Acct - 1789</td>
<td>286,693.92</td>
</tr>
<tr>
<td>1010 · B o f A -Woodsmove/Perscribed</td>
<td>25,806.99</td>
</tr>
<tr>
<td>1011 · Tri Counties - Carl Moyer 2618</td>
<td>498,818.95</td>
</tr>
<tr>
<td>1012 · Tri Counties - FARMER - 6831</td>
<td>92,877.89</td>
</tr>
<tr>
<td>1013 · Tri Counties - CAP-6855</td>
<td>1,776,830.86</td>
</tr>
<tr>
<td>1017 · Tri Counties - AB 617-6818</td>
<td>142,073.01</td>
</tr>
<tr>
<td>1018 · State LAIF Acct</td>
<td>488,059.74</td>
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<tr>
<td>Total Checking/Savings</td>
<td>3,444,989.39</td>
</tr>
<tr>
<td><strong>Accounts Receivable</strong></td>
<td></td>
</tr>
<tr>
<td>1200 · Accounts Receivable</td>
<td>997,821.67</td>
</tr>
<tr>
<td>Total Accounts Receivable</td>
<td>997,821.67</td>
</tr>
<tr>
<td><strong>Other Current Assets</strong></td>
<td></td>
</tr>
<tr>
<td>1102 · Due From Other Governments</td>
<td></td>
</tr>
<tr>
<td>1500 · Undeposited Funds</td>
<td>215.58</td>
</tr>
<tr>
<td>Total Other Current Assets</td>
<td>130,626.69</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>4,573,437.75</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>4,573,437.75</td>
</tr>
</tbody>
</table>

| LIABILITIES & EQUITY                      |             |
| **Liabilities**                           |             |
| **Current Liabilities**                   |             |
| Accounts Payable                          |             |
| 2000 · Accounts Payable                   | 3,651.94    |
| 2001 · A/P - Grantees                     | 1,619,321.36|
| Total Accounts Payable                    | 1,622,973.30|
| **Other Current Liabilities**             |             |
| 2100 · Accrual Payroll & Benefits         |             |
| 210001 · Payroll Taxes Payable            | 253.43      |
| 210004 · HI 125                           | -12,961.02  |
| 210011 · PERS Survivor Benefits          | -45.48      |
| 210013 · MED FLEX                         | 1,159.22    |
| 2100 · Accrual Payroll & Benefits - Other | 31,455.06  |
| Total 2100 · Accrual Payroll & Benefits   | 19,861.21   |
| **Unearned Revenue**                      |             |
| 210904 · FARMER                           | 256,633.03  |
| 210906 · Carl Moyer                       | 56,905.30   |
### April 30, 21

<table>
<thead>
<tr>
<th>Code</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>210910 · Community (CAP)</td>
<td>269,408.08</td>
</tr>
<tr>
<td>210914 · AB 617</td>
<td>141,997.13</td>
</tr>
<tr>
<td><strong>Total 2107 · Unearned Revenue</strong></td>
<td><strong>724,405.21</strong></td>
</tr>
<tr>
<td><strong>Total Other Current Liabilities</strong></td>
<td><strong>744,804.75</strong></td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>2,367,778.05</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>2,367,778.05</strong></td>
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</tbody>
</table>

**Equity**

<table>
<thead>
<tr>
<th>Code</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>3100 · Reserves</td>
<td>286,672.00</td>
</tr>
<tr>
<td>3200 · Restricted Fund</td>
<td></td>
</tr>
<tr>
<td>3004 · Carl Moyer Program</td>
<td>367,649.35</td>
</tr>
<tr>
<td>3005 · Reserved FARMER Prgm</td>
<td>28,439.05</td>
</tr>
<tr>
<td>3009 · Woodsmoke Grant</td>
<td>25,786.89</td>
</tr>
<tr>
<td>3012 · Community (CAP)</td>
<td>1,233,431.79</td>
</tr>
<tr>
<td><strong>Total 3200 · Restricted Fund</strong></td>
<td><strong>1,655,307.08</strong></td>
</tr>
<tr>
<td>3900 · Retained Earnings</td>
<td>1,406,622.81</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td><strong>-1,142,942.19</strong></td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td><strong>2,205,659.70</strong></td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES &amp; EQUITY</strong></td>
<td><strong>4,573,437.75</strong></td>
</tr>
</tbody>
</table>

### Notes:
- FY 2019-20 Audit has not been finalized. Some adjustments may be needed.
- FY 2020-21 Budget adopted May 28, 2020, Resolution 2020-07
### Ordinary Income/Expense

#### Income

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Jul '20</th>
<th>Apr 21</th>
<th>Over Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>4213010</td>
<td>Ag Burn Permits</td>
<td>82,299.34</td>
<td>90,000.00</td>
<td>-7,700.66</td>
<td>91.44%</td>
</tr>
<tr>
<td>4213013</td>
<td>Ag Engine Registration Program</td>
<td>514.96</td>
<td>0.00</td>
<td>514.96</td>
<td>100.0%</td>
</tr>
<tr>
<td>4213020</td>
<td>Title V Permits</td>
<td>3,648.71</td>
<td>3,500.00</td>
<td>148.71</td>
<td>104.25%</td>
</tr>
<tr>
<td>4213030</td>
<td>Operating Permits</td>
<td>261,103.31</td>
<td>305,000.00</td>
<td>-43,896.69</td>
<td>91.44%</td>
</tr>
<tr>
<td>4213035</td>
<td>Portable Engine Registration Program</td>
<td>43,956.90</td>
<td>27,500.00</td>
<td>16,456.90</td>
<td>159.84%</td>
</tr>
<tr>
<td>4213055</td>
<td>Emission Reduction Fee</td>
<td>0.00</td>
<td>400.00</td>
<td>-400.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>4213060</td>
<td>Misc. Other Permits</td>
<td>300.00</td>
<td>450.00</td>
<td>-150.00</td>
<td>66.67%</td>
</tr>
</tbody>
</table>

**Total 421 · License and Permits**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Jul '20</th>
<th>Apr 21</th>
<th>Over Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>421</td>
<td>License and Permits</td>
<td>424,898.47</td>
<td>446,350.00</td>
<td>-21,451.53</td>
<td>95.19%</td>
</tr>
</tbody>
</table>

#### 430 · Fines, Forefeitures & Penalties

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Jul '20</th>
<th>Apr 21</th>
<th>Over Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>430</td>
<td>Fines, Forefeitures &amp; Penalties</td>
<td>25,567.10</td>
<td>22,000.00</td>
<td>3,567.10</td>
<td>116.21%</td>
</tr>
</tbody>
</table>

#### 441 · Interest Income

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Jul '20</th>
<th>Apr 21</th>
<th>Over Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>441</td>
<td>Interest Income</td>
<td>8,366.69</td>
<td>2,000.00</td>
<td>6,366.69</td>
<td>418.34%</td>
</tr>
</tbody>
</table>

#### 451 · Intergovernmental

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Jul '20</th>
<th>Apr 21</th>
<th>Over Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>450001</td>
<td>State Subvention</td>
<td>57,404.91</td>
<td>59,428.00</td>
<td>-2,023.09</td>
<td>96.6%</td>
</tr>
<tr>
<td>4510904</td>
<td>FARMER Funding</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>4510905</td>
<td>105 Pilot Project Grant Funding</td>
<td>59,651.00</td>
<td>59,080.00</td>
<td>571.00</td>
<td>100.97%</td>
</tr>
<tr>
<td>4510906</td>
<td>Carl Moyer Grant</td>
<td>0.00</td>
<td>175,000.00</td>
<td>-175,000.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>4510907</td>
<td>DMV Surcharge</td>
<td>616,699.49</td>
<td>753,000.00</td>
<td>-136,300.51</td>
<td>81.9%</td>
</tr>
<tr>
<td>4510911</td>
<td>prescribed Fire Grant</td>
<td>3,327.30</td>
<td>33,528.00</td>
<td>-30,200.70</td>
<td>9.92%</td>
</tr>
</tbody>
</table>

**Total 451 · Intergovernmental**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Jul '20</th>
<th>Apr 21</th>
<th>Over Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>451</td>
<td>Intergovernmental</td>
<td>1,607,338.56</td>
<td>2,092,323.00</td>
<td>-484,984.44</td>
<td>76.82%</td>
</tr>
</tbody>
</table>

#### 471 · Miscellaneous Revenue

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Jul '20</th>
<th>Apr 21</th>
<th>Over Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>4610105</td>
<td>Return Check Fee</td>
<td>25.00</td>
<td>25.00</td>
<td>0.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>4719000</td>
<td>Other Reimbursements</td>
<td>0.00</td>
<td>50.00</td>
<td>-50.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>4719100</td>
<td>Copy Reimbursement</td>
<td>0.00</td>
<td>50.00</td>
<td>-50.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>4712523</td>
<td>Other Misc. Revenue</td>
<td>1,818.55</td>
<td>8,000.00</td>
<td>-6,181.45</td>
<td>22.73%</td>
</tr>
<tr>
<td>4712550</td>
<td>Implementation Funds</td>
<td>103,191.11</td>
<td>710,374.00</td>
<td>-607,182.89</td>
<td>14.53%</td>
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</tbody>
</table>

**Total 471 · Miscellaneous Revenue**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Jul '20</th>
<th>Apr 21</th>
<th>Over Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>471</td>
<td>Miscellaneous Revenue</td>
<td>105,034.66</td>
<td>718,499.00</td>
<td>-613,464.34</td>
<td>14.62%</td>
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</tbody>
</table>

**Total Income**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Jul '20</th>
<th>Apr 21</th>
<th>Over Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>Budget</td>
<td>2,171,205.48</td>
<td>3,281,172.00</td>
<td>-1,109,966.52</td>
<td>66.17%</td>
</tr>
</tbody>
</table>

**Gross Profit**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Jul '20</th>
<th>Apr 21</th>
<th>Over Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>2,171,205.48</td>
<td>3,281,172.00</td>
<td>-1,109,966.52</td>
<td>66.17%</td>
</tr>
</tbody>
</table>

### Expense

#### 511 · Payroll Expenses

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Jul '20</th>
<th>Apr 21</th>
<th>Over Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>511001</td>
<td>Salaries &amp; Wages</td>
<td>586,986.43</td>
<td>797,480.00</td>
<td>-201,493.57</td>
<td>73.61%</td>
</tr>
<tr>
<td>511002</td>
<td>Employer Taxes</td>
<td>8,097.87</td>
<td>0.00</td>
<td>8,097.87</td>
<td>100.0%</td>
</tr>
<tr>
<td>512</td>
<td>Extra Help</td>
<td>0.00</td>
<td>16,000.00</td>
<td>-16,000.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>514</td>
<td>Overtime</td>
<td>0.00</td>
<td>4,000.00</td>
<td>-4,000.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>518</td>
<td>Employee Benefits</td>
<td>514,961.06</td>
<td>587,000.00</td>
<td>-72,038.94</td>
<td>87.73%</td>
</tr>
</tbody>
</table>

**Total 511 · Payroll Expenses**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Jul '20</th>
<th>Apr 21</th>
<th>Over Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>511</td>
<td>Payroll Expenses</td>
<td>1,110,045.36</td>
<td>1,404,480.00</td>
<td>-294,434.64</td>
<td>79.04%</td>
</tr>
</tbody>
</table>

#### 523 · Communications

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Jul '20</th>
<th>Apr 21</th>
<th>Over Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>526201</td>
<td>Household/Janitorial</td>
<td>3,932.50</td>
<td>4,900.00</td>
<td>-967.50</td>
<td>80.26%</td>
</tr>
<tr>
<td>527</td>
<td>General Insurance</td>
<td>14,076.30</td>
<td>14,077.00</td>
<td>-0.70</td>
<td>100.0%</td>
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<tr>
<td>530001</td>
<td>Maintenance/Vehicles</td>
<td>324.83</td>
<td>3,000.00</td>
<td>-2,675.17</td>
<td>10.83%</td>
</tr>
<tr>
<td>530042</td>
<td>Maintenance/Computer</td>
<td>19,765.96</td>
<td>31,500.00</td>
<td>-11,734.04</td>
<td>62.75%</td>
</tr>
<tr>
<td>531103</td>
<td>Maintenance/Building</td>
<td>3,250.99</td>
<td>5,572.00</td>
<td>-2,321.01</td>
<td>58.35%</td>
</tr>
<tr>
<td>531201</td>
<td>Maintenance Misc.</td>
<td>0.00</td>
<td>2,000.00</td>
<td>-2,000.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>533</td>
<td>Memberships</td>
<td>4,993.63</td>
<td>6,000.00</td>
<td>-1,006.37</td>
<td>83.23%</td>
</tr>
</tbody>
</table>

**Total 523 · Communications**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Jul '20</th>
<th>Apr 21</th>
<th>Over Budget</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>523</td>
<td>Communications</td>
<td>14,634.18</td>
<td>18,000.00</td>
<td>-3,365.82</td>
<td>81.3%</td>
</tr>
<tr>
<td>Item Description</td>
<td>Jul '20 - Apr 21</td>
<td>Budget</td>
<td>$ Over Budget</td>
<td>% of Budget</td>
<td></td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>------------------</td>
<td>---------</td>
<td>---------------</td>
<td>-------------</td>
<td></td>
</tr>
<tr>
<td>535104 · Office Exp/Postage</td>
<td>2,032.80</td>
<td>3,000.00</td>
<td>-967.20</td>
<td>67.76%</td>
<td></td>
</tr>
<tr>
<td>535201 · Office Supplies</td>
<td>16,695.64</td>
<td>21,800.00</td>
<td>-5,104.36</td>
<td>75.59%</td>
<td></td>
</tr>
<tr>
<td>535203 · Office Expense-Computers</td>
<td>12,805.85</td>
<td>23,389.00</td>
<td>-10,583.15</td>
<td>54.75%</td>
<td></td>
</tr>
<tr>
<td>536 · Prof &amp; Specialized Serv</td>
<td>33,484.78</td>
<td>52,000.00</td>
<td>-18,515.22</td>
<td>64.39%</td>
<td></td>
</tr>
<tr>
<td>536101 · Legal Services</td>
<td>13,500.00</td>
<td>18,500.00</td>
<td>-5,000.00</td>
<td>72.97%</td>
<td></td>
</tr>
<tr>
<td>537 · Publications &amp; Legal Notice</td>
<td>1,147.08</td>
<td>3,500.00</td>
<td>-2,352.92</td>
<td>32.77%</td>
<td></td>
</tr>
<tr>
<td>538 · Rents &amp; Leases</td>
<td>50,105.00</td>
<td>54,750.00</td>
<td>-4,645.00</td>
<td>91.52%</td>
<td></td>
</tr>
<tr>
<td>539 · Rents &amp; Leases/Equip</td>
<td>431.37</td>
<td>600.00</td>
<td>-168.63</td>
<td>71.9%</td>
<td></td>
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<td>1,327,163.81</td>
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Internal Budget Transfers in January & February; Amend Budget for Year 3 CAP funds, AB617 Special Community Grants.
To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Stephen Ertle, Air Pollution Control Officer

Re: Status Report on Calendar of Events

<table>
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<td>May 21</td>
<td>BCC-TAC Meeting</td>
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<td>June 10</td>
<td>CAPCOA Planning Managers</td>
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<td>June 22</td>
<td>CAPCOA Public Outreach Committee Meeting</td>
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<td>June 24</td>
<td>CAPCOA Monitoring Committee Meeting</td>
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<td>June 26-27</td>
<td>CAPCOA TARMAC (Toxics and RM) Meeting</td>
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<td>CAPCOA Vapor Recovery Committee Meeting</td>
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<td>July 7-8</td>
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Date of Release: May 20, 2021
Board Consideration: May 27, 2021

Agenda Item 3.4
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To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Cora Collins, Clerk of the Board

Re: Status Report on Communications.

**ISSUE:**

On May 13, 2021, Governing Board Members Tod Kimmelshue and Rose Tryon met with District Staff at the District Office to discuss the current state of the California Drought and its impact to Water District surface water allocations. Implementation of the District Fall Burn Program and how burn allocation decisions are made was also discussed. Follow up materials, “Rice Burning Historical Summary thru 5-13-2021” was provided after the meeting via email.

**ACTION REQUESTED:**

Accept and File Report.

Attachment:

Rice Burning Historical Summary thru 5-13-2021
<table>
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<td>34,122</td>
<td>20,773</td>
<td>42,872</td>
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<td>44,094</td>
<td>40,008</td>
<td>39,597</td>
<td>29,329</td>
<td>27,086</td>
<td>24,771</td>
<td>27,730</td>
<td>18,239</td>
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<td>Fall Acreage Burned</td>
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<td>26,450</td>
<td>17,175</td>
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<tr>
<td>Spring Acreage Burned</td>
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<td>ND</td>
<td>16,422</td>
<td>29,460</td>
<td>19,223</td>
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<tr>
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<td>9,906</td>
<td>13,012</td>
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<td>Fall Acreage Burned</td>
<td>10,346</td>
<td>5,326</td>
<td>6,008</td>
<td>7,884</td>
<td>7,998</td>
<td>8266</td>
<td>7,684</td>
<td>4,176</td>
<td>2,298</td>
<td>4,937</td>
<td>5,604</td>
<td>5,103</td>
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<tr>
<td>Spring Acreage Burned</td>
<td>6,561</td>
<td>6,258</td>
<td>7,311</td>
<td>2022</td>
<td>5014</td>
<td>3235</td>
<td>4,597</td>
<td>4,594</td>
<td>4,821</td>
<td>3,220</td>
<td>2,101</td>
<td>3,805</td>
</tr>
<tr>
<td>Rice Acres Remaining</td>
<td>74,867</td>
<td>55,546</td>
<td>51,614</td>
<td>28,357</td>
<td>24,988</td>
<td>28,399</td>
<td>32,913</td>
<td>31,932</td>
<td>23,281</td>
<td>34,501</td>
<td>23,017</td>
<td>35,501</td>
</tr>
<tr>
<td>% of Acres Burned/Reported</td>
<td>18%</td>
<td>17%</td>
<td>21%</td>
<td>26%</td>
<td>34%</td>
<td>29%</td>
<td>27%</td>
<td>22%</td>
<td>23%</td>
<td>19%</td>
<td>25%</td>
<td>20%</td>
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<tr>
<td>% of Acres Burned in Fall</td>
<td>11%</td>
<td>8%</td>
<td>9%</td>
<td>21%</td>
<td>21%</td>
<td>21%</td>
<td>17%</td>
<td>10%</td>
<td>7%</td>
<td>12%</td>
<td>18%</td>
<td>11%</td>
</tr>
<tr>
<td>% of Acres Burned in Spring</td>
<td>7%</td>
<td>9%</td>
<td>11%</td>
<td>5%</td>
<td>13%</td>
<td>8%</td>
<td>10%</td>
<td>11%</td>
<td>1%</td>
<td>8%</td>
<td>7%</td>
<td>9%</td>
</tr>
<tr>
<td>% Burnable</td>
<td>23%</td>
<td>25%</td>
<td>21%</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
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</tr>
<tr>
<td></td>
<td>14/15</td>
<td>15/16</td>
<td>16/17</td>
<td>17/18</td>
<td>18/19</td>
<td>19/20</td>
<td>20/21</td>
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<td></td>
</tr>
<tr>
<td><strong>PLANTED ACREAGE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rice Acreage Planted in Butte Co.</td>
<td>97,000</td>
<td>85,000</td>
<td>113,000</td>
<td>112,000</td>
<td>92,000</td>
<td>107,000</td>
<td>98,469</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Acreage Burned</td>
<td>6,498</td>
<td>5,724</td>
<td>5,354</td>
<td>3,269</td>
<td>2,038</td>
<td>4,985</td>
<td>3,908</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fall Acreage Burned</td>
<td>3,980</td>
<td>3,539</td>
<td>2,274</td>
<td>1,604</td>
<td>1,184</td>
<td>3,502</td>
<td>2,643</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spring Acreage Burned</td>
<td>2,518</td>
<td>2,185</td>
<td>3,080</td>
<td>1,665</td>
<td>854</td>
<td>1,483</td>
<td>1,265</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rice Acres Remaining</td>
<td>90,502</td>
<td>79,276</td>
<td>107,646</td>
<td>108,731</td>
<td>89,962</td>
<td>102,015</td>
<td>94,561</td>
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<tr>
<td>% of Acres Burned/Planted</td>
<td>7%</td>
<td>7%</td>
<td>5%</td>
<td>3%</td>
<td>2%</td>
<td>5%</td>
<td>4%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of Acres Burned in Fall</td>
<td>4.1%</td>
<td>4.2%</td>
<td>2.0%</td>
<td>1.4%</td>
<td>1.3%</td>
<td>3.3%</td>
<td>2.7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of Acres Burned in Spring</td>
<td>2.6%</td>
<td>2.6%</td>
<td>2.7%</td>
<td>1.5%</td>
<td>0.9%</td>
<td>1.4%</td>
<td>1.3%</td>
<td></td>
<td></td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>14/15</th>
<th>15/16</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
<th>20/21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REPORTED ACREAGE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rice Acreage Reported to BCAQMD</td>
<td>36,143</td>
<td>36,183</td>
<td>30,967</td>
<td>22,031</td>
<td>15,273</td>
<td>23,365</td>
<td>22,305</td>
</tr>
<tr>
<td>Total Acreage Burned</td>
<td>6,498</td>
<td>5,724</td>
<td>5,354</td>
<td>3,269</td>
<td>2,038</td>
<td>4,985</td>
<td>3,908</td>
</tr>
<tr>
<td>Fall Acreage Burned</td>
<td>3,980</td>
<td>3,539</td>
<td>2,274</td>
<td>1,604</td>
<td>1,184</td>
<td>3,502</td>
<td>2,643</td>
</tr>
<tr>
<td>Spring Acreage Burned</td>
<td>2,518</td>
<td>2,185</td>
<td>3,080</td>
<td>1,665</td>
<td>854</td>
<td>1,483</td>
<td>1,265</td>
</tr>
<tr>
<td>Rice Acres Remaining</td>
<td>29,645</td>
<td>30,459</td>
<td>25,613</td>
<td>18,762</td>
<td>13,235</td>
<td>18,380</td>
<td>18,397</td>
</tr>
<tr>
<td>% of Acres Burned/Reported</td>
<td>18%</td>
<td>16%</td>
<td>17%</td>
<td>15%</td>
<td>13%</td>
<td>21%</td>
<td>18%</td>
</tr>
<tr>
<td>% of Acres Burned in Fall</td>
<td>11%</td>
<td>10%</td>
<td>7%</td>
<td>7%</td>
<td>8%</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>% of Acres Burned in Spring</td>
<td>7%</td>
<td>6%</td>
<td>10%</td>
<td>8%</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>% Burnable</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
</tr>
</tbody>
</table>
DATE: May 20, 2021

BOARD CONSIDERATION: May 27, 2021

To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Aleah Ing, Administrative Service Officer

Re: CERBT Account Update.

ISSUE:
CalPERS provided an CERBT Account Update Report.

ACTION REQUESTED:
Accept and file.

DISCUSSION:
The District participates in the California Employers' Retiree Benefit Trust (CERBT) fund with CalPERS. The attached summary is an update from CalPERS of the districts other Post-employment benefits (OPEB) prefunding progress as of March 31, 2021. This is incorporating the analysis from the CSBA OPEB report provided to the Board on April 22, 2021.

Attachment:
CalPERS CERBT Account Update Report
CERBT Account Update

Butte County Air Quality Management District

as of March 31, 2021
# OPEB Valuation Report Summary

<table>
<thead>
<tr>
<th>OPEB Actuarial Valuation Report by Demsey, Filliger, and Associates</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation Date</td>
<td>7/1/2019</td>
</tr>
<tr>
<td>Total OPEB Liability (TOL)</td>
<td>$410,827</td>
</tr>
<tr>
<td>Valuation Assets</td>
<td>$20,757</td>
</tr>
<tr>
<td>Net OPEB Liability (NOL)</td>
<td>$390,070</td>
</tr>
<tr>
<td>Funded Status</td>
<td>5%</td>
</tr>
<tr>
<td>Actuarially Determined Contribution (ADC)</td>
<td>$39,800</td>
</tr>
<tr>
<td>CERBT Asset Allocation Strategy</td>
<td>Strategy 2</td>
</tr>
<tr>
<td>Discount Rate</td>
<td>5.33%</td>
</tr>
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</table>

## CERBT Account Summary

<table>
<thead>
<tr>
<th>As of March 31, 2021</th>
<th>Strategy 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial contribution (06/30/2017)</td>
<td>$8,300</td>
</tr>
<tr>
<td>Additional contributions</td>
<td>$30,572</td>
</tr>
<tr>
<td>Disbursements</td>
<td>$0</td>
</tr>
<tr>
<td>CERBT expenses</td>
<td>($81)</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>$9,101</td>
</tr>
<tr>
<td>Total assets</td>
<td>$47,891</td>
</tr>
<tr>
<td>Annualized net rate of return (06/30/2017-03/31/2021 = 3.75 years)</td>
<td>9.81%</td>
</tr>
</tbody>
</table>
## Cash Flow Summary by Fiscal Year

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Contributions</th>
<th>Disbursements</th>
<th>Cumulative Investment Gains (Losses)</th>
<th>Cumulative Fees</th>
<th>Cumulative Ending Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2007-08</td>
<td>$0</td>
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<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>2008-09</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2009-10</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2010-11</td>
<td>$0</td>
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<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>2011-12</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>2012-13</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2013-14</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2014-15</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2015-16</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2016-17</td>
<td>$8,300</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$8,300</td>
</tr>
<tr>
<td>2017-18</td>
<td>$10,572</td>
<td>$0</td>
<td>$544</td>
<td>($8)</td>
<td>$19,409</td>
</tr>
<tr>
<td>2018-19</td>
<td>$0</td>
<td>$0</td>
<td>$1,916</td>
<td>($25)</td>
<td>$20,763</td>
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<tr>
<td>2019-20</td>
<td>$20,000</td>
<td>$0</td>
<td>$3,638</td>
<td>($51)</td>
<td>$42,459</td>
</tr>
<tr>
<td>as of 3/31/2021</td>
<td>$0</td>
<td>$0</td>
<td>$9,101</td>
<td>($81)</td>
<td>$47,891</td>
</tr>
</tbody>
</table>

as of 3/31/2021
## CERBT/CEPPT Investment Returns Outperform Benchmarks

**Periods ended February 28, 2021**

<table>
<thead>
<tr>
<th>Fund</th>
<th>Assets</th>
<th>1 Month</th>
<th>3 Months</th>
<th>FYTD</th>
<th>1 Year</th>
<th>3 Years</th>
<th>5 Years</th>
<th>10 Years</th>
<th>ITD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CERBT Strategy 1</strong></td>
<td>$11,797,094,997</td>
<td>1.44%</td>
<td>4.61%</td>
<td>18.33%</td>
<td>20.42%</td>
<td>9.40%</td>
<td>11.03%</td>
<td>7.70%</td>
<td>5.87%</td>
</tr>
<tr>
<td>(Inception June 1, 2007)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benchmark</td>
<td></td>
<td>1.43%</td>
<td>4.56%</td>
<td>18.19%</td>
<td>20.01%</td>
<td>9.12%</td>
<td>10.60%</td>
<td>7.42%</td>
<td>5.44%</td>
</tr>
<tr>
<td><strong>CERBT Strategy 2</strong></td>
<td>$1,705,837,808</td>
<td>0.55%</td>
<td>2.58%</td>
<td>12.68%</td>
<td>14.64%</td>
<td>8.72%</td>
<td>9.36%</td>
<td>-</td>
<td>8.06%</td>
</tr>
<tr>
<td>(Inception October 1, 2011)</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benchmark</td>
<td></td>
<td>0.54%</td>
<td>2.53%</td>
<td>12.55%</td>
<td>14.34%</td>
<td>8.50%</td>
<td>8.95%</td>
<td>-</td>
<td>7.76%</td>
</tr>
<tr>
<td><strong>CERBT Strategy 3</strong></td>
<td>$797,491,056</td>
<td>-0.17%</td>
<td>1.14%</td>
<td>8.23%</td>
<td>9.75%</td>
<td>7.78%</td>
<td>7.58%</td>
<td>-</td>
<td>6.28%</td>
</tr>
<tr>
<td>(Inception January 1, 2012)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Benchmark</td>
<td></td>
<td>-0.17%</td>
<td>1.10%</td>
<td>8.14%</td>
<td>9.50%</td>
<td>7.62%</td>
<td>7.22%</td>
<td>-</td>
<td>5.97%</td>
</tr>
<tr>
<td><strong>CERBT Total</strong></td>
<td>$14,300,423,861</td>
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</tr>
</tbody>
</table>

| CEPPT Strategy 1            | $19,364,172    | 0.47%   | 2.58%    | 12.15%| 14.29% | -       | -       | -        | 10.94%|
| (Inception October 1, 2019) |                |         |          |       |        |         |         |          |      |
| Benchmark                   |                | 0.60%   | 2.64%    | 12.05%| 14.41% | -       | -       | -        | 11.05%|
| **CEPPT Strategy 2**        | $10,034,968    | -0.52%  | 0.21%    | 4.87% | 6.62%  | -       | -       | -        | 6.61%|
| (Inception January 1, 2020) |                |         |          |       |        |         |         |          |      |
| Benchmark                   |                | -0.46%  | 0.13%    | 4.69% | 6.45%  | -       | -       | -        | 6.44%|
| **CEPPT Total**             | $29,399,140    |         |          |       |        |         |         |          |      |
# CERBT Expected Rates of Return & Risk

<table>
<thead>
<tr>
<th>Portfolios</th>
<th>CERBT Strategy 1</th>
<th>CERBT Strategy 2</th>
<th>CERBT Strategy 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected Return</td>
<td>7.59%</td>
<td>7.01%</td>
<td>6.22%</td>
</tr>
<tr>
<td>Risk</td>
<td>11.83%</td>
<td>9.24%</td>
<td>7.28%</td>
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</tbody>
</table>

## CERBT Portfolio Details

<table>
<thead>
<tr>
<th>Asset Classification</th>
<th>Benchmark</th>
<th>CERBT Strategy 1</th>
<th>CERBT Strategy 2</th>
<th>CERBT Strategy 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Equity</td>
<td>MSCI All Country World Index</td>
<td>59% ±5%</td>
<td>40% ±5%</td>
<td>22% ±5%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>Barclays Capital Long Liability Index (CERBT)</td>
<td>25% ±5%</td>
<td>43% ±5%</td>
<td>49% ±5%</td>
</tr>
<tr>
<td>Global Real Estate (REITs)</td>
<td>FTSE EPRA/NAREIT Developed Liquid Index</td>
<td>8% ±5%</td>
<td>8% ±5%</td>
<td>8% ±5%</td>
</tr>
<tr>
<td>Treasury Inflation Protected Securities (TIPS)</td>
<td>Barclays Capital Global Real: US TIPS Index</td>
<td>5% ±3%</td>
<td>5% ±3%</td>
<td>16% ±3%</td>
</tr>
<tr>
<td>Commodities</td>
<td>S&amp;P GSCI Total Return Index</td>
<td>3% ±3%</td>
<td>4% ±3%</td>
<td>5% ±3%</td>
</tr>
<tr>
<td>Cash</td>
<td>3-Month Treasury Bill</td>
<td>0% +2%</td>
<td>0% +2%</td>
<td>0% +2%</td>
</tr>
</tbody>
</table>
Total Participation Cost Fee Rate

- Total all-inclusive cost of participation
  - Combines administrative, custodial, and investment fees
  - Separate trust funds
  - Self-funded, fee rate may change in the future
  - Fee is applied daily to assets under management
    - 10 basis points - CERBT
    - 25 basis points - CEPPT

CERBT/CEPPT Consistently Low Fee Rate History

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>CERBT</th>
<th>CEPPT</th>
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</thead>
<tbody>
<tr>
<td>2007-2008</td>
<td>2.00 basis points</td>
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<td>2008-2009</td>
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<td>2009-2010</td>
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<td>2011-2012</td>
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<td>2012-2013</td>
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<td>2013-2014</td>
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<td>2015-2016</td>
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586 Prefunding Program Employers

580 CERBT and 30 CEPPT
- State of California
- 151 Cities or Towns
- 12 Counties
- 73 School Employers
- 31 Courts
- 319 Special Districts and other Public Agencies
  - (97 Water, 34 Sanitation, 33 Fire, 24 Transportation)

Financial Reporting
- CERBT is the Plan
  - Provides audited and compliant GASB 74 report in a Schedule of Changes in Fiduciary Net Position (FNP)
  - Published in February each year

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<th>FNP Fiscal Year</th>
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Questions? Where to Get Trust Fund Information?

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<th>Mobile</th>
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<tbody>
<tr>
<td>Matt Goss</td>
<td>Outreach &amp; Support Program Manager</td>
<td><a href="mailto:Matthew.Goss@calpers.ca.gov">Matthew.Goss@calpers.ca.gov</a></td>
<td>(916) 795-9071</td>
<td>(916) 382-6487</td>
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<td>(916) 795-1387</td>
<td>(916) 501-2219</td>
</tr>
<tr>
<td>Jasper Jacobs</td>
<td>Outreach &amp; Support Analyst</td>
<td><a href="mailto:Jasper.Jacobs@calpers.ca.gov">Jasper.Jacobs@calpers.ca.gov</a></td>
<td>(916) 795-0432</td>
<td>(916) 717-3866</td>
</tr>
<tr>
<td>Jean MacDonald</td>
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<td><a href="mailto:Jean.MacDonald@calpers.ca.gov">Jean.MacDonald@calpers.ca.gov</a></td>
<td>(916) 795-0675</td>
<td>(916) 291-1325</td>
</tr>
<tr>
<td>Colleen Cain-Herrback</td>
<td>Administration &amp; Reporting Program Manager</td>
<td><a href="mailto:Colleen.Cain-Herrback@calpers.ca.gov">Colleen.Cain-Herrback@calpers.ca.gov</a></td>
<td>(916) 795-2474</td>
<td>(916) 505-2506</td>
</tr>
<tr>
<td>Robert Sharp</td>
<td>Assistant Division Chief</td>
<td><a href="mailto:Robert.Sharp@calpers.ca.gov">Robert.Sharp@calpers.ca.gov</a></td>
<td>(916) 795-3878</td>
<td>(916) 397-0756</td>
</tr>
</tbody>
</table>

### Program E-mail Addresses

- CERBT4U@calpers.ca.gov – Questions & Document Submittal
- CEPPT4U@calpers.ca.gov – Questions & Document Submittal
- CERBTACCOUNT@calpers.ca.gov – Online Record Keeping System

### Prefunding Programs Webpages

- [www.calpers.ca.gov/CERBT](http://www.calpers.ca.gov/CERBT)
- [www.calpers.ca.gov/CEPPT](http://www.calpers.ca.gov/CEPPT)
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To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Jason Mandly, Senior Air Quality Planner

Re: Consider Amending (updating) the Carl Moyer Policies and Procedures Manual.

ISSUE:
Staff have made administrative and programmatic updates to the District’s Carl Moyer Program Policies and Procedures Manual.

ACTION REQUESTED:

DISCUSSION:
The District maintains a Policies and Procedures Manual which details how the District implements the Carl Moyer Program in accordance with the State Carl Moyer Program Guidelines. The District Governing Board last approved updates to the District’s Carl Moyer Program Policies and Procedures Manual at the May 28, 2020 meeting.

District staff propose updates to the attached elements of the District’s Carl Moyer Program Policies and Procedures Manual. The attached documents include recommended changes in underline / strikeout format. The majority of updates are administrative changes to clarify language or to optimize the Program to increase efficiency and to ensure compliance with State requirements.

A significant programmatic update is the addition of Appendix J – Infrastructure Program. This new appendix of the Policies and Procedures Manual includes the requirements to fund infrastructure projects such battery charging...
stations and alternative fueling stations (natural gas and hydrogen). The District's On-Road Equipment Replacement Program already has provisions for infrastructure that supports zero-emission school buses. The District was tentatively awarded $54,660 ($47,652 in project funds, $6,808 in administrative funds) under the Carl Moyer Program Year 23 (FY 20-21) State Reserve. Eligible projects allowed under this funding allocation are limited to battery charging stations and hydrogen fueling stations. The addition of Appendix J will guide District staff with the implementation of these projects.

Attachments:
Resolution 2021-15
Carl Moyer Program Policies and Procedures Manual
Carl Moyer Program Policies and Procedures Manual Appendices B-1 – B-5, C-1 – C-4, E, F-1 – F-3, H, J
RESOLUTION 2021-15
BEFORE THE BOARD OF DIRECTORS OF
BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
STATE OF CALIFORNIA
AMENDMENTS TO THE CARL MOYER POLICIES AND PROCEDURES MANUAL

Resolution 2021-15 ......................................................... )
Amendments to the Carl Moyer Program ......................... )
Policies and Procedures Manual for FY 2021-2021 ........... )

WHEREAS, the District implements the Carl Moyer Heavy-Duty Low Emission Vehicle Incentive Program in accordance to Health and Safety Code Sections 44286, 44275, 44280-44288, 44290, and 44295-44297, the applicable Carl Moyer Program Guidelines, and the District’s Carl Moyer Program Policies and Procedures;

AND WHEREAS, the Butte County Air Quality Management District Board last approved updates to the Carl Moyer Program Policies and Procedures Manual on May 28, 2020;

AND WHEREAS, the Butte County Air Quality Management District Board approved participation in Year 23 of the Carl Moyer Program on February 25, 2021 and authorized the acceptance of any supplemental Carl Moyer funds that may become available from other Districts, or awarded under the Carl Moyer Rural Assistance Program, Carl Moyer State Reserve, as well as any other Carl Moyer funds;

THEREFORE, BE IT RESOLVED, that the Butte County Air Quality Management District Board hereby approves the proposed amendments to the Carl Moyer Program Policies and Procedures Manual attached herein;

BE IT FURTHER RESOLVED, that the Butte County Air Quality Management District Board hereby authorizes the Air Pollution Control Officer, subject to review by District Counsel, to make such minor modifications in the sample agreement, applications and program information as may be necessary from time to time to ensure the smooth and efficient operation of the Carl Moyer Memorial Air Quality Standards Attainment Program and to comply with State requirements.

On Motion of _________________, Seconded by _________________, the foregoing resolution is hereby PASSED AND ADOPTED by the Butte County Air Quality Management District Board of Directors on this 27th day of May, 2021 by the following:

AYES: 
NOES: 
ABSTAIN: 
ABSENT:

________________________________________
Stephen Ertle, Air Pollution Control Officer
Butte County Air Quality Management District

I hereby attest that this is a true and correct copy of the action taken by the Butte County Air Quality Management District Board of Directors on May 27, 2021.

ATTEST: __________________________________________
Cora Collins, Clerk of the Governing Board
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 Proposed for Amendment on May 28, 2021 by the Butte County Air Quality Management District Governing Board
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<th>Title</th>
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<td>X.</td>
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<td>Fiscal Practices and Procedures</td>
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<td>XVII.</td>
<td>CARB Oversight</td>
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<td>XVIII.</td>
<td>APCO Approval</td>
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Appendixes:
- Appendix A: Request for Proposals Sample Press Release
- Appendix B-1: Off-Road Equipment Program
- Appendix B-2: Off-Road Equipment Replacement Application
- Appendix B-3: Off-Road Equipment Checklist and Guide
- Appendix B-4: Off-Road Equipment Dealership Agreement
- Appendix B-5: Off-Road Equipment Salvage Yard Agreement
- Appendix B-6: Off-Road Equipment Repower/Retrofit Application
- Appendix C-1: On-Road Heavy-Duty Vehicle Program
- Appendix C-2: On-Road Heavy-Duty Vehicle Application
- Appendix C-3: On-Road Dealership Agreement
- Appendix C-4: On-Road Dismantler Agreement
- Appendix C-5: On-Road Heavy-Duty Checklist and Guide
- Appendix D: Application Completeness Letter
- Appendix E: Carl Moyer (CMP) Pre/Post Inspection Form
- Appendix F-1: CMP Sample Contract
- Appendix F-2: CMP Contract Checklist (Off-Road)
- Appendix F-3: CMP Contract Checklist (On-Road)
- Appendix G: CMP Contract Signature Flow
- Appendix H: CMP Annual Reporting Request
- Appendix I-1: CMP Sample Cover Letter (Off-Road Pre-Execution)
- Appendix I-2: CMP Sample Cover Letter (Off-Road Post-Execution)
- Appendix I-3: CMP Sample Cover Letter (On-Road Pre-Execution)
- Appendix I-4: CMP Sample Cover Letter (On-Road Post-Execution)
- Appendix J: CMP Infrastructure Program
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**

<table>
<thead>
<tr>
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<th>2020-2021</th>
<th>2021-2022</th>
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<td>CARB awards and disburses funds to districts*</td>
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<td>FEB</td>
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<tr>
<td>MAR</td>
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<td>Year 20-21 Expended Year 22-23 Contracts</td>
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<td>NOV</td>
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</tr>
<tr>
<td>DEC</td>
<td>Year 23 Solicitation</td>
<td>Future $ Solicitation*</td>
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</tbody>
</table>
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 (limited by State & District regulations);
2. Agricultural irrigation pump electrification (limited by State & District regulations);
3. Off-road equipment repower or retrofit;
4. Off-road equipment replacement;
5. On-road heavy-duty vehicle replacement (limited by State regulations);
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:

**ARB Carl Moyer Program Help Desk**
Dinh Quach, Air Resources Board

carlhelp@arb.ca.gov
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,       Date
Air Pollution Control Officer
This document describes the policies and procedures for off-road equipment projects funded through the Carl Moyer Program (CMP). Off-road equipment projects may include the replacement, repower, or retrofit of mobile and portable equipment powered by a 25 horsepower (hp) or greater compression ignition (CI) or large spark-ignited (LSI) engine. Stationary agricultural engines are also eligible for repower. This document expands upon the minimum requirements of Chapter 5 (Off-Road Equipment) of the state CMP Guidelines and the District’s CMP Policies and Procedures Manual.

A. Project Eligible for Funding

The following off-road equipment projects may be eligible for funding.

1. **Repower of Existing Equipment.** The replacement of the existing engine with a newer emission-certified engine or electric motor.

2. **Retrofit Purchase.** The installation of an California Air Resources Board (CARB) verified emission control system on an existing engine. Examples include but are not limited to particulate filters and diesel oxidation catalysts.

3. **Equipment Replacement.** The purchase of new or used equipment with an engine certified to the current emission standard or Tier to replace an older, fully functional piece of equipment that is to be scrapped.

4. **Infrastructure.** Infrastructure projects may be considered in the future after Governing Board approval.

B. Maximum Eligible Funding Amounts

1. Table 1 summarizes the maximum eligible funding for each project type as a percentage. The maximum grant amount per project is $100,000 unless a higher grant amount is approved by the Governing Board. All projects are also subject to cost-effectiveness limits.

   **Table 1**

<table>
<thead>
<tr>
<th>Project</th>
<th>Maximum Percentage Eligible (not to exceed $100,000 per project)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diesel repower</td>
<td>65%</td>
</tr>
<tr>
<td>LSI repower</td>
<td>65%</td>
</tr>
<tr>
<td>Repower to zero-emission</td>
<td>65%</td>
</tr>
<tr>
<td>Mobile equipment replacement</td>
<td>65%</td>
</tr>
</tbody>
</table>
C. Project Life

(A) Table 2 summarizes the maximum project life.

<table>
<thead>
<tr>
<th>Type</th>
<th>Project Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repower only (no retrofit)</td>
<td>7 years</td>
</tr>
<tr>
<td>Farm equipment (all projects)</td>
<td>10 years</td>
</tr>
<tr>
<td>Replacement and repower to zero-emission</td>
<td>10 years</td>
</tr>
<tr>
<td>Retrofit only</td>
<td>5 years</td>
</tr>
<tr>
<td>Replacement</td>
<td></td>
</tr>
<tr>
<td>Excavators</td>
<td>3 years</td>
</tr>
<tr>
<td>Skid steer loaders</td>
<td></td>
</tr>
<tr>
<td>Rough terrain forklifts</td>
<td></td>
</tr>
<tr>
<td>All other non-farm (existing diesel only)</td>
<td>5 years</td>
</tr>
<tr>
<td>All other non-farm (existing LSI only)</td>
<td>3 years</td>
</tr>
</tbody>
</table>

(B) The maximum project life does not consider regulatory requirements that may shorten the eligible project life. Regulatory requirements may reduce actual project lives below these maximum values.

(C) Unless otherwise stated in this document, the minimum project life allowed is three years.

(D) Mobile and portable farm equipment may be eligible for funding up to the compliance date of an applicable in-use regulation and a 10-year project life. In order to be eligible, farm equipment projects must be under a fully executed contract, and must be installed in the equipment and in operation prior to the applicable compliance date.

(D)(E) For zero-emission replacement equipment, Senate Bill 467 (H&SC § 44287.1) allows the replacement of off-road internal combustion equipment with zero-emission off-road equipment to incorporate the maximum life allowed of the equipment being scrapped (three to five years, as applicable per Section C.2.(A)) and the remaining useful life up to ten years of the equipment the applicant would have bought at the time of normal attrition (five to seven years, as applicable).
D. Project Criteria

The qualifications for off-road projects are listed below. All projects must also conform to the District’s Policies and Procedures Manual and the state CMP Guidelines.

1. General Criteria:

(A) New and existing CI and LSI engines greater than or equal to 25hp on mobile or portable off-road equipment and stationary agricultural equipment are eligible for funding. LSI engines above 25hp but with a displacement of less than or equal to one liter may be eligible for funding on a case by case basis.

(B) For existing equipment in which the actual engine horsepower cannot be determined based upon the engine label, manual, and engine records, the existing engine horsepower can be determined by the following formula: Engine horsepower = Power Take Off (PTO) x 120 percent.

(C) Future annual hours of equipment operation for determining emission reductions must be based upon readings from an installed and fully operational hour meter.

(D) New engines eligible for off-road projects must meet the current applicable standard or Tier. If repowering or replacing with an engine meeting the current applicable standard is technically infeasible, unsafe, or not available when the air district commits to the proposed project, the new engine must meet the most practicable previously applicable emission standard. Additional documentation will be required.

(E) The grant amount must be based on replacement equipment not greater than 125 percent of the original manufacturer rated horsepower (baseline horsepower) for the existing engine. In limited situations, such as where equipment in the original horsepower range is not available or the higher horsepower equipment will result in equal or lower annual emissions, the District may approve a greater than 25 percent increase in horsepower. New engines or equipment may be funded with horsepower greater than 125 percent of existing equipment. However, the eligible funding amount must be based upon the cost of an engine or equipment whose horsepower is no higher than 125 percent of the existing engine horsepower. The applicant must pay the additional costs associated with the higher horsepower engine, and the emission reduction calculation must be based upon the funded (higher horsepower) engine.

(F) New electric motors and equipment that are rated less than 19 kW are eligible for funding provided it can serve the same function and perform the same work as equipment with a 25hp or greater engine that it is replacing.

(G) No funds will be issued for maintenance or repairs related to the operation of the existing or new equipment. The participant takes sole responsibility for ensuring that the engine and/or equipment is/are in operational condition throughout the agreement period.

(K) Existing engines replaced as part of an off-road project must be destroyed and rendered useless. At a minimum, the destruction of an engine must include:

(1) A hole in the engine block with a diameter of at least three inches at the narrowest point. The hole must be irregularly shaped (i.e. no symmetrical squares or circles) and
(2) A section of the oil pan flange must be removed as part of the hole or have a line cut through it that connects the hole.

2. Repower

(A) New engines manufactured under the “Flexibility Provisions for Equipment Manufacturers” as detailed in CCR, title 13, section 2423(d), are ineligible for funding to repower equipment.

(B) New engines manufactured under the “replacement engine” provisions of CCR, title 13, section 2423(j) and/or the provisions of 40 Code of Federal Regulations (CFR) 1068.240 which are used to repower equipment are eligible for funding.

(C) Repower to convert to zero-emission technology is eligible for funding. Except for stationary agricultural equipment, zero-emission repower projects must include a three-year or 5,000-hour warranty. The warranty must cover zero-emission system parts and labor.

(D) In stationary electric motor projects, the grantee must provide documentation of application or payment to the local utility company for power installation.

(E) An electric motor on an agricultural irrigation pump project that is under contract may be considered for invoice payment once the motor has been delivered to the project site, and the motor has been connected to the electricity grid.

(F) For portable/stationary agricultural projects, applicants in compliance with District Rule 1001 and District Rule 441 are eligible to repower uncontrolled, Tier 1, Tier 2, and Tier 3 engines to Tier 4 Final engines as long as there is at least one year of surplus emissions reductions prior to the compliance date of District Rule 1001 for the specific tier. The minimum project life in these instances is one year. For pump electrification projects, there must be a minimum of one year ‘Step 1’ surplus emissions reductions prior to the compliance date.

3. Retrofit

(A) Existing off-road CI engines equipped with original engine manufacturer aftertreatment devices are ineligible for funding.

(B) The retrofit must be verified by CARB to the highest level available for the engine being retrofitted.

(C) Eligible project costs include:

(1) Retrofit system (including all essential components)

(2) Installation

(3) Maintenance (for duration of project life)

(4) Hour meter (if none existed on existing equipment)

(D) The data logging cost of a retrofit-only project is not eligible.

(E) Additional information on verified diesel retrofit systems may be found on CARB’s website at [http://www.arb.ca.gov/diesel/verdev/verdev.htm](http://www.arb.ca.gov/diesel/verdev/verdev.htm).
Information on verified LSI retrofit systems may be found at: http://www.arb.ca.gov/msprog/offroad/orspark/verdev.htm.

4. Equipment Replacement

(A) Equipment replacement projects are limited to mobile and portable equipment.

(B) The replacement of two (or more) pieces of existing equipment with one piece of replacement equipment is eligible for funding. Each piece of existing and replacement equipment must comply with all of the appropriate criteria in this section. The replacement equipment must execute the same job as the existing pieces of equipment. For baseline emissions calculation, the annual emissions of the two pieces of existing equipment are summed. For the replacement equipment emissions calculation, the annual usage of the two pieces of existing equipment is summed for the replacement equipment usage. The horsepower rating for the replacement equipment must not be greater than 125 percent of the original manufacturer rated horsepower (baseline horsepower) for the lowest horsepower of the two existing equipment engines (unless the grantee pays for the horsepower upgrade as specified in Section D.1.(E)).

(C) Reimbursement cannot be issued until all necessary documentation is received and approved by the District.

(D) Existing Equipment Requirements:

(1) Equipment Ownership: the applicant must have owned the existing equipment in California for the previous two years. The applicant must provide documentation of the following specific to the existing equipment (select one):
   a. Bill of sale for the old existing equipment (preferred)
   b. Tax depreciation logs
   c. Property tax records
   d. Equipment insurance records
   e. Bank appraisals for equipment
   f. Maintenance/service records
   g. General ledgers
   h. Fuel records specific to the existing equipment that identify the equipment owner
   i. Other documentation approved by CARB

(2) Operational Requirements: the existing equipment must be in operational condition to qualify for funding. A pre-inspection of the existing equipment must be performed prior to funding to verify the operational status of the equipment. In addition, the applicant must provide documentation to demonstrate that the equipment was operational for the previous year. The following types of documents are acceptable:
   a. Revenue and usage records that identify operational, standby, and down hours for the equipment
b. Routine inspections which document the operating condition of the existing equipment (Occupational Safety and Health Administration or workplace required)

c. Employee timesheets linked to specific equipment use

d. Preventative maintenance/service records tied to specific hours of equipment use

e. Repair work orders specific to the equipment

f. Other documents approved by CARB

(3) Pre-Inspection Requirements: Pre-inspection must verify the operational condition of the existing equipment. The pre-inspection must verify, at a minimum, the following items:

a. Tires in usable condition (able to hold air, sufficient tread or tracks, etc.)

b. Steering wheel operational

c. Equipment able to start up and move backwards and forwards

d. Buckets, blades, rollers, etc. are working

e. Undercarriage structurally sound

f. Fuel tank in usable condition

g. No parts stripped

h. Equipment not vandalized

i. Clear photographs of the existing equipment must include the following: Right side (hood down), Front (hood down), Left side - hood down, Equipment serial number, Engine serial number - either tag or stamp on block, Diesel Off-Road Online Reporting System (DOORS) Equipment Identification Number (EIN, if applicable), Rear

(4) Destruction and Salvage Requirements: Equipment replacement requires that the existing equipment be scrapped to permanently remove it from service. This ensures that emission reductions are real and prevents the existing equipment from being moved into another locale to continue emitting high levels of pollutants.

a. Destruction of the equipment may occur either at an air district approved salvage yard or another facility in conjunction with a District salvage inspection.

b. Both the existing engine and equipment must be destroyed. Refer to Section D.1.(K) for the engine destruction method. The destruction method of the equipment will vary depending on the structure of the equipment:

i. Equipment with permanent frame rails running the length of the equipment: complete cuts of both frame rails between the front and rear axles.
ii. Equipment with removable/bolt-on frame rails: structural damage, with cuts or otherwise, that renders the main body of the equipment inoperable and unrepairable.

iii. Equipment without frame rails: structural damage, with cuts or otherwise, that renders the main body of the equipment inoperable and unrepairable.

iv. Articulated equipment: damage, cuts or otherwise, to the articulation joints of front and rear halves of the equipment so that neither half can be joined.

v. Other equivalent methods of destruction are acceptable if approved by the District.

c. The existing engine and equipment must be destroyed within 60 days of being replaced. The Program Participant may select to surrender the existing equipment to an authorized Salvage Yard. The Program Participant must submit proof of submission to a Salvage Yard to the District within thirty (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 sixty (60) days of the Program Participant receiving new equipment, as described in the Salvage Yard Agreement.

d. Documentation of the destruction must be provided to the District within 10 days of destruction.

e. Funding is not available for the salvage of any existing equipment.

f. The existing equipment salvage value will be negotiated between either the applicant, the dealership, and/or the salvage yard.

g. A salvage inspection of the existing equipment must be performed by either the air district or a contracted salvage yard.

h. The District must be notified within 10 days of destruction so that a salvage inspection can occur.

i. Salvage inspection must include clear photographs of the following views: DOORS EIN (if applicable), Equipment serial number, Engine serial number either stamped on the block or on the tag, Destroyed engine block as described in Section D.1.(P), Cut structural components as described in Section D.4.(D)(4)b., Other views dependent on the method of equipment destruction.

j. Salvage inspection of the existing equipment must be completed prior to disbursement of funds.

(F) Replacement Equipment Requirements

(1) The replacement equipment must serve the same function and perform the same work equivalent as the existing equipment (e.g., replacement of an agricultural tractor with another agricultural tractor).

(2) Only items essential to the operation of the equipment and the minimum attachments normally sold with the original equipment, as determined by the
District, are eligible for reimbursement on the replacement equipment. Equipment owners may remove non-emission related body components and place them on the replacement equipment as long as the components do not exist on the replacement equipment and are not part of the paid components for the replacement equipment.

(3) Applicants may purchase the replacement equipment from a private party, provided all required documentation is submitted and approved. This includes warranty requirements and all other equipment replacement requirements.

(4) If an applicant elects to install a retrofit with the replacement equipment, then the retrofit must be installed prior to equipment delivery to the grantee and must stay in operation on the replacement equipment for the project life. The retrofit must meet all the requirements per Section D.3.

(5) Warranty Requirements
   a. All new or used replacement equipment must have a minimum one-year or 1600-hour powertrain warranty. The warranty must cover parts and labor. A separate supplemental minimum one-year or 1600-hour power and drivetrain warranty must be purchased if the equipment does not have one. The supplemental warranty costs are not eligible for funding.
   b. It is recommended that the highest grade warranty be purchased in order to avoid expensive repairs in the future.
   c. Warranty documentation must be provided to the air district.

(6) Post-Inspection Requirements
   a. Post-inspection of the replacement equipment must be completed prior to disbursement of funds.
   b. The post-inspection must include clear photographs of the following views: Pictures(s) of full equipment, equipment serial number, engine serial number and engine information, retrofit (if available), hour meter reading.

(G) Dealer Requirements

Dealership requirements are listed in the District Off-Road Equipment Replacement Dealership Agreement (Appendix **-B-4).

(H) Salvage Yard Requirements

Salvage yard requirements are listed in the District Off-Road Equipment Replacement Dealership Agreement (Appendix **-B-5).

E. District Administrative Requirements

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

1. The District’s Request for Proposals (RFP) will solicit applications for off-road equipment projects along with the other CMP 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 project applications will compete for funding with all CMP project applications unless otherwise indicated by the District.

2. The District staff will work with equipment Dealerships and/or applicants to complete the standard applications (available at http://bcaqmd.org/incentives-grants-rebates/carl-moyer-program/), 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 CARB’s Clean Air Reporting Log (CARL) database.

3. 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 of the existing equipment. The Pre/Post-Inspection Form will be used.

4. A Grant Contract will be executed for each off-road equipment replacement project that competes successfully in the RFP process and is approved by the District Air Pollution Control Officer. A sample Grant Contract is included in the District’s Policy and Procedures Manual. Financing terms (if applicable) must be approved prior to the contract being signed. No Leasing or renting of equipment will be eligible for funding.

5. Upon delivery of the new equipment to the Dealership, the District staff will conduct a post-inspection. The Pre/Post-Inspection Form will be used. After the District staff approves the post-inspection of the new equipment the Dealership may deliver the new equipment to the Program Participant. The Dealership must receive District approval to deliver the equipment prior to the post-inspection.

6. The existing equipment must be destroyed and the destruction verified within sixty (60) days after Program Participant receipt of new equipment.

7. Payment will be processed once the District confirms the following:
   a. Approved destruction of existing equipment
   b. Approved pre-inspection
   c. Approved post-inspection
   d. Approved invoice with warranty information
   f. Confirmed submittal of a W-9
   g. District listed as additional insured

   All payments will be issued to the Program Participant. Two-party checks may be issued to both the Program Participant and Dealership if requested by the parties.

8. The District will require annual reporting from the Program Participant through the contract life.

9. Specific information about the District’s administrative process can be found in the District’s Policies and Procedures Manual.

F. Projects subject to the In-Use Off-Road Diesel-Fueled Fleets Regulation (Off-Road Regulation)

1. The existing equipment must be registered in DOORS.
2. Fleets must be in compliance with the regulation in order to be eligible for and receive funding. Fleets subject to the Off-Road Regulation that meet the final compliance requirements of the Off-Road Regulation are eligible for funding, and are exempt from the requirements of Section E.2.(E) through (I).

(A) Applicants must submit information regarding fleet size and compliance status. All documentation submitted must be signed and dated by the applicant and include language certifying that the fleet list provided is accurate and complete. The following information shall be submitted at the time of application:

1) DOORS ID of the fleet.
2) DOORS EIN of the existing equipment.
3) Fleet size information (total horsepower) as reported to DOORS
4) Information to determine compliance with the Off-Road Regulation
   a. Large fleets and medium fleets are required to show compliance with the Off-Road Regulation.
   b. Prior to 1/1/2019, small fleets are not required to show compliance with the Off-Road Regulation.
5) For those fleets that have previously received Moyer Program funding, a list of funded equipment with the DOORS EIN of the funded equipment.
6) Large fleets must certify that they have not applied for Moyer Program funding for their off-road diesel fleet in another fiscal year (July 1 - June 30) after January 1, 2017, excluding applications for which no funding was ultimately received.

(B) Applicants must submit to the District the DOORS EIN of the replacement equipment no later than at post-inspection of replacement equipment.

(C) Applicants are not required to submit information on exempted equipment. Information on exempted off-road equipment can be found in the Off-Road Regulation.

(D) No emission reductions achieved from a funded project can count towards a fleet’s regulatory requirements for the duration of the contract term.

(E) Eligibility for a project is based upon the Best Available Control Technology (BACT) requirements of the Off-Road Regulation.

1) Any equipment funded through the Moyer program, and that is still under contract, must be deducted from the amount of equipment eligible for funding. For instance, a fleet that is eligible for funding to reduce emissions for 50 percent of its horsepower, but which has already received funding in previous years to reduce emissions from 20 percent of its horsepower, is only eligible for funding to reduce emissions from 30 percent of its horsepower.

2) Equipment funded through the Moyer program must be included in the fleet’s total horsepower from which the BACT requirements of the regulation are calculated.

(F) Large Fleets
(1) Eligible projects for large fleets, as defined in the Off-Road Regulation must provide at least three years emission reductions surplus to the regulation with a corresponding minimum project life of at least three years.

(2) Projects must be installed and in operation at least three years before the BACT requirements become effective for the funded equipment.
   a. The first compliance date for large fleets, as defined in the Off- Road Regulation, is January 1, 2014. The final compliance date is January 1, 2023. Funding for these fleets is available through December 31, 2019.
   b. Large fleets are eligible for funding once after January 1, 2017. After January 1, 2017, for those large fleets eligible for funding a second or subsequent time, only zero-emission projects are eligible.

(G) Medium Fleets

(1) Eligible projects for medium fleets, as defined in the Off-Road Regulation must provide at least three years emission reductions surplus to the regulation with a corresponding minimum project life of at least three years.

(2) Projects must be installed and in operation at least three years before the BACT requirements become effective for the funded equipment.

(3) The first compliance date for medium fleets, as defined in the Off-Road Regulation is January 1, 2017. The final compliance date is January 1, 2023. Funding for these fleets is available through December 31, 2019.

(H) Small Fleets (includes Captive Attainment Area Fleets)

(1) Eligible projects for small fleets, as defined in the Off-Road Regulation must provide at least two years emission reductions surplus to the regulation, with a corresponding minimum project life of at least two years.

(2) Projects must be installed and in operation at least two years before the BACT requirements become effective for the funded equipment.

(3) The first compliance date for small fleets, as defined in the Off-Road Regulation is January 1, 2019. The final compliance date is January 1, 2028. Funding for these fleets is available through December 31, 2025.

G. Projects subject to the Large Spark Ignition Engine Fleet Requirements (LSI Fleet Regulation)

1. Eligible funding must provide at least three years of emission reductions surplus to the LSI Fleet Regulation, with a corresponding minimum project life of at least three years.

2. Large and Medium Forklift Fleets and Fleets of Four or More
   Sweeper/Scrubbers, Ground Support Equipment, and/or Industrial Tow Tractors: In order to be eligible for funding, large and medium forklift fleets and fleets of four or more non-forklift LSI equipment must meet the final fleet average emission level applicable on January 1, 2013.

3. Agricultural Crop Preparation Forklift Fleets Model Year 1990 and Newer: These fleets are required to either retrofit, repower, or replace 100 percent of their fleet by January 1, 2012, or...
currently meet a 3.0 g/bhp hr fleet average HC + NOx level. Fleets that have met the 3.0 g/bhp-hr fleet average can apply for funding. Additionally, in accordance with SBx2 3 (H&SC § 44282.5(a)), fleets that have retrofitted/repowered 20 percent of their fleet in compliance with the regulation are eligible for funding up to the final compliance date. In order to be eligible, these projects must be under executed contract and must be installed and in operation prior to the applicable compliance date.

4. LSI fleets that have met the final compliance requirements of the LSI Fleet Regulation are eligible for funding. Due to the regulatory requirements for rental and lease equipment subject to the LSI Fleet Regulation, projects that include rented or leased equipment are not eligible.

5. Fleets with equipment not subject to the LSI Fleet Regulation are eligible for funding, including:
   (A) Agricultural crop preparation non-forklift equipment and pre-1990 forklifts.
   (B) Forklifts used exclusively in fields to harvest and maintain crops.
   (C) Non-forklift LSI equipment such as aerial lifts, lawn and garden tractors, commercial turf equipment, mining and construction equipment, and industrial equipment.
   (D) Small fleets (one to three forklifts and/or one to three sweepers/scrubbers, industrial tow tractors, or pieces of airport ground support equipment (airport GSE)).

6. Required Off-Road LSI Fleet Information: For forklifts, sweeper/scrubbers, airport GSE, and/or industrial tow tractors, an applicant’s fleet size impacts project eligibility. Applicants must submit information regarding fleet size and compliance status. All documentation submitted must be signed and dated by the applicant and include language certifying that the fleet list provided is accurate and complete. Air districts are not required to validate submitted information and will not be held liable if fleet owners falsify fleet information.
   (A) Large/Medium/Non-Forklift Fleets: For large, medium, and non-forklift fleets subject to the LSI Fleet Regulation, applicants are required to report compliance records for the entire statewide fleet as described in the regulatory language (CCR, title 13, section 2775.2).
      (1) DOORS ID of the fleet.
      (2) DOORS EIN of the existing equipment.
      (3) Fleet size information (total number of forklifts; total number of non-forklift LSI equipment).
      (4) Information to determine compliance with the LSI fleet Regulation. Large and medium fleets are required to show compliance with the applicable final fleet average emission level.
   (B) Small Fleets: Small fleets are not required to maintain compliance records, but for the purposes of determining project eligibility, air districts must obtain the following information for the entire statewide fleet:
      (1) Equipment identification number (equipment identification number, fleet assigned identification, etc.)
      (2) Equipment type (e.g., forklift, GSE, etc.)
7. If applicable, applicants must submit to the air district the DOORS EIN of the replacement equipment not later than at post-inspection of the replacement equipment.

8. Applicants are not required to submit information on exempted equipment (except as noted above for small fleets). Information on exempted LSI equipment can be found in CCR, title 13, sections 2775(b), 2775.1(c) (4), and 2775.1(d-f) of the Final Regulation Order (http://www.arb.ca.gov/regact/lore2006/oalapprovedfro.pdf).

H. Projects subject to the Airborne Toxic Control Measure for Diesel Particulate Matter from Portable Engines Rated at 50 Horsepower and Greater (Portable Engine ATCM)

1. In order to be eligible for funding, diesel engines regulated under the Portable Engine ATCM must be registered with the District or registered in the Portable Equipment Registration Program.

2. In order to be eligible for funding, fleets must be fully compliant with the regulatory requirements of the Portable Engine ATCM.

I. Projects subject to the Regulation to Reduce Emissions of Diesel Particulate Matter, Oxides of Nitrogen and Other Criteria Pollutants from In-Use Heavy-Duty Diesel-Fueled Vehicles (Statewide Truck and Bus Regulation) (CCR, title 13, section 2025)

This regulation impacts the eligibility of all on-road heavy-duty diesel-fueled and alternative diesel-fueled vehicles operated in California with a manufacturer’s GVWR greater than 14,000 pounds. Although this regulation primarily affects vehicles with on-road engines, some vehicles with off-road engines are also covered. Any application for Moyer Program funding to replace a vehicle with an off-road engine that is subject to an on-road regulation must comply with the applicable surplus requirements described in Chapter 4. For example, a yard truck with an off-road engine that is subject to the Statewide Truck and Bus Regulation (including yard trucks used primarily in agricultural operations) must meet the applicable on-road surplus requirements described in Chapter 4, Section C.2., and must also comply with all off-road project criteria described in this chapter.

J. Additional Off-Road Equipment Program Documents

1. Off-Road Equipment Replacement Application
2. Off-Road Equipment Repower & Retrofit Application
3. Off-Road Equipment Replacement Program Dealership Agreement
4. Off-Road Equipment Replacement Program Salvage Yard Agreement
5. Off-Road Equipment Replacement Project Checklist and Guide
Instructions

Please print clearly or type all information on the application (pages 3-8) and submit to:

Butte County Air Quality Management District
629 Entler Avenue, Suite 15
Chico, CA  95928
Or fax to (530) 332-9417

Fill out one (1) application for each engine or piece of equipment. The 2017 Carl Moyer Program (CMP) Guidelines are available on the District’s website at www.bcaqmd.org or at California Air Resources Board (CARB)’s website at http://www.arb.ca.gov/msprog/moyer/guidelines/current.htm. Please note that additional information may be requested from the applicant in order to process this application.

General Eligibility Criteria
To be eligible for funding, projects must meet the criteria described in the 2017 CMP Guidelines and all current CMP Advisories. These criteria include, but are not limited to, the following:

• Emission reductions obtained through CMP 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 established by the District and calculated in accordance with the cost-effectiveness methodology in the 2017 CMP Guidelines. All State funds plus any other funds under a district’s budget authority or fiduciary control contributed toward a project must be included in the cost-effectiveness calculation.
• No emission reductions generated by the CMP 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 CMP shall be used for credit under any federal or State emission averaging banking and trading program.
• Funded projects must have at least 75% of their total activity for the project life in California.
• Emission reduction technologies must be certified/verified by CARB and must comply with durability and warranty requirements. For the purposes of the CMP, a technology granted conditional certification/verification by CARB is considered certified/verified.

Off-Road Equipment Eligibility Criteria
• Existing engines must be greater than 25 horsepower (hp) (19 kilowatts). If actual engine hp cannot be determined, hp can be estimated by the following:
  ▪ Engine hp = Power Take-Off x 120%
• Grant amount must be based off of equipment with new engine within 125% of the hp of the existing engine.
• The owner must be in compliance with federal, State, and local regulations. Use the table below to determine if the existing engine is eligible for funding.
• For fleets subject to the Off-Road Regulation, applicants must submit the Diesel Off-Road Online Reporting System (DOORS) Identification Number (ID), Engine Identification Number (EIN), and results of the fleet calculator. See 2017 CMP Guidelines Chapter 5(E).
## Summary of Off-Road Compression Ignition (CI) Equipment Replacement Funding Opportunities

<table>
<thead>
<tr>
<th>Engine Type</th>
<th>Subject to CARB Fleet Rule?</th>
<th>CMP Funding Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile agricultural equipment</td>
<td>No</td>
<td>Not limited by regulation.</td>
</tr>
<tr>
<td>Portable equipment (e.g. compressors, generators, chippers, etc.)</td>
<td>Portable Engine Airborne Toxic Control Measure</td>
<td>No opportunities for Tier 0 portable equipment. Limited opportunities exist for Tier 1, Tier 2, and Tier 3 portable equipment.¹</td>
</tr>
<tr>
<td>All other equipment (e.g. construction, mining, rental, airport ground support and other industries)</td>
<td>Off-Road Regulation²</td>
<td>Small fleets: Opportunities exist through 12/31/2025, after which the fleet must show 100% compliance with the regulation. Medium fleets: Opportunities exist through 12/31/2019, after which the fleet must show 100% compliance with the regulation. Large fleets: Opportunities exist through 12/31/2019, after which the fleet must show 100% compliance with the regulation.</td>
</tr>
</tbody>
</table>

¹ Limited opportunities means a fleet’s compliance status with the CARB regulation must be determined. Contact District CMP staff or consult the fleet rule CMP Implementation Charts at: [http://www.arb.ca.gov/msprog/moyer/guidelines/supplemental-docs.htm](http://www.arb.ca.gov/msprog/moyer/guidelines/supplemental-docs.htm) in addition to these guidelines.

² Regulation for In-Use Off-Road Diesel Vehicles at [http://www.arb.ca.gov/msprog/ordiesel/ordiesel.htm](http://www.arb.ca.gov/msprog/ordiesel/ordiesel.htm).

## Summary of Off-Road Large Spark Ignition (LSI) Equipment Funding Opportunities

<table>
<thead>
<tr>
<th>Equipment Type</th>
<th>Subject to CARB Fleet Rule?</th>
<th>CMP Funding Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forklifts, sweeper/ scrubbers, industrial tow tractors, airport Ground Support Equipment (GSE)</td>
<td>LSI Fleet Rule¹</td>
<td>Small fleets: Not limited by regulation. Large/Medium fleets: Funding opportunities are limited.¹</td>
</tr>
<tr>
<td>Agricultural crop preparation services (forklifts only)</td>
<td>LSI Fleet Rule</td>
<td>• Pre-1990 Model Year forklifts: Not limited by regulation. • 1990 and later Model Year forklifts: Funding opportunities are limited.¹</td>
</tr>
<tr>
<td>All other equipment (e.g. aerial lifts, construction, mining, other industrial)</td>
<td>No</td>
<td>Not limited by regulation.</td>
</tr>
</tbody>
</table>

¹ Limited opportunities means a fleet’s compliance status with the CARB regulation must be determined. Contact air district CMP staff or consult the Regulation for Off-Road LSI Engines at [http://www.arb.ca.gov/regact/2010/offroadlsi10/offroadlsi10.htm](http://www.arb.ca.gov/regact/2010/offroadlsi10/offroadlsi10.htm).

Additional criteria may be found in the 2017 CMP Guidelines, Chapter 5: Off-Road Equipment.
This application is to be used for incentive funds for off-road equipment replacement. Additional information may be requested during the review process if needed. The applicant acknowledges that award of cash incentive is conditional upon approval by the District and must meet the minimum eligibility criteria.

REQUIRED ATTACHMENTS TO APPLICATION
Check each applicable box below to indicate inclusion.

- Completed application
- Proof of equipment ownership (Bill of sale, tax records, equipment insurance records) showing ownership for at least 24 months.
- 24 months of complete historical usage (hour meter readings, employee logs, fuel logs)
- Itemized quote for new equipment with warranty information
- Executive order for new engine
- Proof of general liability insurance
- Proof of workers compensation insurance OR:
  - IRS Form W-9 (for the entity that will sign the grant contract and receive funds, if awarded)
- Other _____________________________________________________________________

Applicant (Organization/Company/Individual Name): _____________________________________
_________________________________________________________________________________
Business Type: _____________________________________________________________________
Mailing Address/Street: _____________________________________________________________________
City/State/Zip Code: _____________________________________________________________________
Contact Name: _____________________________________________________________________
Phone: _____________________________________________________________________ Fax: _____________________________________________________________________
E-Mail: _____________________________________________________________________

“I certify that the applicant does not have employees and does not carry workers compensation insurance.”

Name: ___________________________ Initial: ______

May 27, 2021

BCAQMD Governing Board Meeting
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Person with contract signing authority (if different than above): __________________________
_______________________________________________________________________________
Funding Disclosure

Have any engines or vehicles listed in this application applied for or have been awarded Carl Moyer Program funding, or any other incentive funding?

☐ Yes
☐ No

If “Yes,” complete the following for each engine or vehicle:

Agency applied to: _________________________________________________________________
Date and number of Agency Solicitation: _____________________________________________
Funding Amount Requested or Awarded: _____________________________________________
Equipment Identification: __________________________________________________________
Old Engine Serial Number: _________________________________________________________
Status of Funding: _________________________________________________________________

Please list any other financial incentive, including tax credits or deductions, grants, or other public financial assistance for the vehicle/engine:
_______________________________________________________________________________________

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: ___________________________
Disclosure Statement

As an applicant/participant of the Carl Moyer Program, I declare that __________________________________________

1. Is in compliance with, and
2. Will remain in compliance with, and
3. Does not have any outstanding/unresolved/unpaid Notices of Noncompliance (NON) or citations for violations of

Any federal, State and local air quality regulations including, but not limited to, the following:

<table>
<thead>
<tr>
<th>Regulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cargo Handling Equipment Regulation</td>
</tr>
<tr>
<td>Commercial Harbor Craft Regulation</td>
</tr>
<tr>
<td>Drayage Truck Regulation (including dray-off trucks)</td>
</tr>
<tr>
<td>In-Use Off-Road Diesel Vehicle Regulation</td>
</tr>
<tr>
<td>Marine Shore Power Regulation</td>
</tr>
<tr>
<td>Portable Diesel Airborne Toxic Control Measure</td>
</tr>
<tr>
<td>Public Agency and Utility Rule</td>
</tr>
<tr>
<td>Sleeper Berth Truck Idling Regulation</td>
</tr>
<tr>
<td>Solid Waste Collection Vehicle Regulation</td>
</tr>
<tr>
<td>Stationary Engine Airborne Toxic Control Measures</td>
</tr>
<tr>
<td>Statewide Truck and Bus Regulation</td>
</tr>
<tr>
<td>Transit Fleet Rule</td>
</tr>
</tbody>
</table>

By signing below and submitting this application, I understand and acknowledge grant requirements and I hereby certify under penalty of perjury that the information in the application and attachments is accurate and true.

Authorized Signature: __________________________________________ Date: __________________

Authorized Representative’s Name (Print): ________________________________________________________

Authorized Representative’s Title: _______________________________________________________________

Legal Owner’s Name: _________________________________________________________________________

Company Name:  ___________________________________________________________________________

Mailing Address:  _________________________________________________________________________

City/State/Zip:  __________________________________________________________________________

Physical Address of Equipment (if different than mailing address):  ______________________________

Phone:  ______________________________________ E-Mail: _____________________________________

Fact sheets and additional information on the Regulations are available at https://www.arb.ca.gov/permits/permits.htm or by calling CARB’s diesel hotline at 866-6DIESEL (866-634-3735). To obtain these documents in an alternative format or language, please call (866) 634-3735.
A. **Project Information**

1. Number of applications being submitted: ______________

2. Project Name: ____________________________

3. Project Life:  □ Maximum (see notes below)  
   □ Other: ____________________________

4. Funding Requested:  □ Maximum (see notes below)  
   □ Other: ____________________________

5. Percentage of operation in California: ______________

6. Counties in which the equipment operates: __________________________________

7. Percentage of operation in each of above counties: ______________________________

8. Project Type (select one):  
   □ Replacement of one (1) piece of equipment for one (1) new piece of equipment  
   □ Replacement of two pieces of equipment for one (1) new piece of equipment

9. Method of equipment purchase (please note, the grant is designed as a reimbursement):  
   □ Purchase in full  
   □ Use of short-term financing (PO account, Net 30 terms, etc.)  
   □ Use of long-term financing (the grant amount must immediately go towards principal).  
   **Lease agreements are not allowed. Draft financing terms required before contract execution.**

Notes:
The maximum project life for off-road CI projects is five (5) years with the following exceptions:

- Excavators, skid steer loaders, and rough terrain forklifts (as defined in Appendix B: Definitions) – three (3) years.
- All off-road non-farm LSI equipment replacement projects – three (3) years.
- Replacement of an LSI forklift with a zero-emission forklift – ten (10) years.
- Off-road farm equipment – ten (10) years. Air districts must offer a 10-year project life for farm equipment; however, applicants may request a project life of less than ten (10) years.

Maximum percentage of funding (up to $100,000):

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>New or Used Equipment Purchase</td>
<td>65%</td>
</tr>
<tr>
<td>Retrofit</td>
<td>100%</td>
</tr>
</tbody>
</table>
**B. Information About Existing Equipment**

1. Equipment Type/Function: _______________________________________________________
2. Equipment Make: ______________________  3. Equipment Model: ______________________
4. Equipment Serial Number: ______________  5. Model Year: ________________________
6. Number of Engines on Equipment (for CI engines only): __________
7. Equipment Location: ___________________________________________________________________
8. Engine Family (for controlled engines): ________________________
13. Manufacturer’s Maximum Rated Brake Hp Rating: ____________________________________
14. Fuel Type: ____________________________ 15. Est. Hours of Operation (Hrs/Year): __________
16. Forklift Class (if applicable, for LSI only): __________________________________________
17. Method of destruction:
   - [ ] Existing equipment will be delivered to an approved Salvage Yard within thirty (30) days of receipt of new equipment.
   - [ ] Existing equipment will be destroyed at a site other than an approved Salvage Yard.
     - [ ] Applicant must destroy engine by making a 3-inch irregular hole with a cut including the oil pan flange. The equipment must be damaged in a manner that makes it inoperable.
     - [ ] Applicant must contact the District within thirty (30) days of receipt of new equipment to schedule a salvage inspection.
C. **New Equipment Information**

1. Projected Date of Purchase & Delivery of New Equipment: _______________________
2. New Equipment Make: ____________________________________________________
3. New Equipment Model/Model Year: _________________________________________
4. New Equipment Serial Number (if available): ________________________________
5. Number of Main Engines on New Equipment: _________________________________
6. New Engine Family: ______________________________________________________
7. New Engine Make/Model: _________________________________________________
10. New Engine Serial Number (if available): _________________________________
11. New Engine Tier: _________________________________________________________

☐ Check this box if the new equipment engine is Interim or Final Tier 4 and includes a diesel particulate trap as a control device on the executive order.

If a retrofit is to be included, please complete the following:

D. **Information About the Engine Retrofit (if applicable)**

1. CARB-verified Retrofit Device Manufacturer: ________________________________
2. Retrofit Device Make/Model: _____________________________________________
3. Retrofit Device CARB Executive Order Number: _____________________________
4. Retrofit Device Serial # (if available): _________________________________
6. Cost of Retrofit Maintenance for Project Life (optional): ____________________
Carl Moyer Off-Road Equipment Program  
Agreement between Equipment Dealership and Butte County AQMD

This agreement (Agreement) is between the Butte County Air Quality Management District (District) and ________________________________ (Dealership).

1.0 Recitals

1.1 The entire District is classified as a State and federal ozone nonattainment area due to the level of ozone in the ambient air exceeding the State and federal health-based standards.

1.2 Ozone is formed by the interaction of Nitrogen Oxides (NOx) and other precursor pollutants in the atmosphere. The majority of NOx in the District is generated from vehicles, including off-road equipment. In order to bring the District into attainment with the State and federal standards, we must reduce the levels of NOx emitted by off-road equipment.

1.3 The California Air Resources Board (CARB) has developed several programs to help the District achieve the State and federal ozone standards. One of these programs is the Carl Moyer Program (CMP). This Agreement is one step in implementing this Program.

1.4 The objective of the CMP is to accelerate the retirement of existing high-polluting off-road equipment through financial incentives that will encourage the voluntary replacement of uncontrolled equipment with new equipment that uses low emission technology.

1.5 Under the CMP, the District will provide financial incentives to eligible equipment owners that agree to destroy their existing equipment and then replace it with new, low emission equipment.

1.6 To ensure that actual reductions result from the Program, it is essential:
   a. That the existing equipment is inspected to verify that it qualifies for the CMP,
   b. That the existing equipment is destroyed properly to permanently eliminate its potential for emissions,
   c. That a digital hour meter is installed in/on the replacement equipment to measure future actual hours of operation within the District, and
   d. That particulate emission control devices be installed if they are available, safe, and cost effective.

1.7 The Dealership is in the business of selling new or used off-road equipment.

1.8 The Dealership has reviewed and is familiar with the District’s Off-Road Equipment Program.

1.9 The Dealership understands that the purpose of the CMP, and this Agreement, is to help the
District achieve clean air standards as required by State and federal law.

1.10 The Dealership wishes to enter into this Agreement so that it will be eligible to market its equipment and services to Program Participants.

1.11 The District has not reviewed the Dealership’s operations, or reached any conclusion on the quality of the Dealership’s operation. The District is permitting the Dealership to enter into this Agreement solely because the Dealership has represented to the District that it is aware of the CMP goals, and agrees to abide by the CMP requirements.

2.0 Conditions

The parties agree to the following conditions:

2.1 Definitions: As used in this Agreement, the following terms have the following meanings:

a. “Program Participant” means the individual or business entity that is surrendering its existing off-road equipment and receiving funds to aid in the purchase of new off-road equipment.

b. “Existing (Old) Equipment” means the off-road equipment that the Program Participant surrenders for destruction.

c. “Replacement Equipment” means the new equipment purchased by the Program Participant. Used equipment meeting the most recent Model Year California Emission Standard qualifies as new equipment if sold by the Dealership with the required warranties and documentation of how the price was depreciated to account for the used condition and the number of operating hours accumulated since new.

2.2 Payment: The Dealership will not be paid or otherwise reimbursed directly by the District. Rather, the benefit received by the Dealership under this Agreement is the opportunity to participate in the CMP, which carries the corresponding opportunity to profit through the sale of equipment to be purchased by Program Participants. The issuance of two-party checks made payable to both the Dealership and the Program Participant is authorized if both parties agree to such payments.

2.3 Dealership Qualifications: The Dealership warrants that it meets the following minimum qualifications for participation in the CMP, and will continue to meet these qualifications throughout its participation in the CMP. The Dealership may petition the District to waive or modify any of these minimum qualifications:

a. The owner has had a valid California business license for a minimum of the last two (2) years.

b. A minimum of one (1) employee has been trained by the District regarding the CMP.
2.4 **Dealership Requirements:** Unless otherwise indicated, the Dealership must meet each requirement before the District will be obligated to release the incentive funds to the Program Participant. The Dealership agrees to meet the following requirements so that the Program Participant is eligible for payment of incentive funds:

to do the following:

a. The Dealership shall be able to provide basic information to applicants about the equipment replacement Carl Moyer program and inform applicants of their responsibilities as outlined in the District and CARB guidelines. The District will provide training to Dealership staff.

b. An applicant may not order or make a down payment on a new engine, piece of equipment, or vehicle prior to contract execution or approval by the District. Dealers ordering engines, equipment, or vehicles prior to District approval of grant applications assume all financial risk. A program participant may not receive engines, equipment, or vehicles, nor may work begin on a repower or retrofit project, until the project contract is fully executed.

c. Help applicants correctly complete the application. It is important to make sure that all information is filled out correctly and that the applicant understands the CMP and the meaning of the Carl Moyer Grant Contract. Assist applicants with completing the program application, where applicable. Convey to the applicants that the CMP is a reimbursement program (reimbursed after payment in full has been made) and that all financing must be authorized by the District before the contract is signed and that no leasing is allowed. Information necessary for preliminary evaluation of the project includes, but is not limited to, the following:

c.1 Description and specifications of the existing equipment including year, model, power rating, a list of included attachments and accessories, serial numbers of the equipment and engine, proposed method of destruction, and credible records of the previous two (2) years of ownership, operation and amount of usage in Butte County.

c.2 Description and specifications of the proposed replacement equipment including year, model, power rating, CARB Engine Family Number and Executive Order number, a list of included attachments and accessories, price quote, warranty information, and financing information if financed.

c.4 The applicant should complete the Salvage Certification Form to indicate existing equipment will be delivered to a qualified salvage yard. If not using a salvage yard, method and description of destruction should be indicated.

c.5 Documentation of replacement equipment warranty.

d. The Program Participant will schedule a time and place for the District to pre-inspect and
to verify the identity, operation, and condition of the existing equipment. The Dealership will be invited to attend the pre-inspection; however, it is not mandatory.

e. If the Program Participant wishes to finance any portion of the equipment cost, draft financing terms must be submitted to the District prior to Contract execution.

f. After the Carl Moyer Grant Contract is executed, the Dealership will order the replacement equipment and have it delivered to the Dealership. and, if feasible, arrange for installation of the VDECS.

g. Before delivering the replacement equipment to the Program Participant, the Dealership will schedule a time and place for the District to inspect and verify the identity, operation, and condition of the replacement equipment and VDECS, if installed. The Dealership may not deliver the replacement equipment to the Program Participant until the District inspects the replacement equipment or authorizes delivery.

h. The Dealership shall submit copies of itemized paid invoices, warranty information, and final financing information, prior to the District issuing payment for the grant.

i. The Dealership will use only Original Equipment Manufacturer (OEM) certified parts for any repairs to any engine or equipment covered under the District Program.

2.5 **Cancellation:** The District may cancel this agreement if the Dealership fails to comply with its requirements. Any Dealership whose agreement was cancelled and is re-submitting a new signed Agreement must include with the submittal a written description of the actions that will be taken to eliminate the cause of the cancellation of the previous Agreement.

2.6 **Amendments:** No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by all parties.

2.7 **Term:** This Agreement shall begin upon execution by both parties and terminate on June 30, 2024.

2.8 This Agreement consists of:
- This Agreement
- Exhibit A, District Off-Road Equipment Program
- Exhibit B, Off-Road Equipment Replacement Application
- Exhibit C, Off-Road Heavy-Duty Vehicle Checklist and Guide

2.9 Correspondence between the District and the Dealership should be addressed to the following:

<table>
<thead>
<tr>
<th>To District:</th>
<th>To Dealership:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carl Moyer Program Representative</td>
<td>Contact Name: ____________________________</td>
</tr>
<tr>
<td>Butte County AQMD</td>
<td>Business Name: ____________________________</td>
</tr>
</tbody>
</table>
629 Entler Avenue, Suite 15  Business Address: ____________________________
Chico, CA  95928  City, State, Zip: ______________________________
Phone: (530) 332-9400  Phone: ______________________________
Fax: (530) 332-9400  Fax: ______________________________
Email: air@bcaqmd.org  Email: ______________________________

The address and/or contacts may be changed by written notice to the other party. Such
written notice may be given by mail, email, or fax.
2.10 The undersigned representative of the Dealership affirmatively states that he or she has legal authority to bind the Dealership to the terms of this Agreement.

Approved by the Dealership:

_________________________________________  Title: ____________________________
(Print Name)

_________________________________________  Date: ____________________________
(Signature)

Approved by the Butte County Air Quality Management District:

Reviewed by:

_________________________________________  Date: ____________________________
Stephen Ertle, Air Pollution Control Officer
Aleah Ing, Administrative Services Officer

Approved as to legal form by:

_________________________________________  Date: ____________________________
Stephen Ertle, Air Pollution Control Officer
District Legal Counsel
Carl Moyer Off-Road Equipment Replacement Program
Agreement between Salvage Yard and Butte County AQMD

This agreement (Agreement) is between the Butte County Air Quality Management District (District) and ________________________________ (Salvage Yard).

1.0 Recitals

1.1 The entire District is classified as a State ozone nonattainment area as well as a federal ozone nonattainment area due to the level of ozone in the ambient air exceeding the State and federal health-based standards.

1.2 Ozone is formed by the interaction of Nitrogen Oxides (NOx) and other precursor pollutants in the atmosphere. The majority of NOx in the District is generated from vehicles, including off-road equipment. In order to bring the District into attainment with the State and federal standards, we must reduce the levels of NOx emitted by off-road equipment.

1.3 The California Air Resources Board (CARB) has developed several programs to help the District achieve the State and federal ozone standards. One of these programs is the Carl Moyer Program (CMP). This Agreement is one step in implementing this Program.

1.4 The objective of the CMP is to accelerate the retirement of existing high-polluting off-road equipment through financial incentives that will encourage the voluntary replacement of uncontrolled equipment with new equipment that uses low emission technology.

1.5 Under the CMP, the District will provide financial incentives to eligible equipment owners that agree to destroy their existing equipment and then replace it with new, low emission equipment.

1.6 To ensure that actual reductions result from the Program, it is essential:

a. That the existing equipment is inspected to verify that it qualifies for the CMP,

b. That the existing equipment is destroyed properly to permanently eliminate its potential for emissions,

c. That a digital hour meter is installed in/on the replacement equipment to measure future actual hours of operation within the District, and

d. That particulate emission control devices be installed if they are available, safe, and cost effective.

1.7 The Salvage Yard is in the business of scrapping used off-road equipment.

1.8 The Salvage Yard has reviewed and is familiar with the District’s Off-Road Equipment Replacement Program.
1.9 The Salvage Yard understands that the purpose of the CMP, and this Agreement, is to help the District achieve clean air standards as required by State and federal law.

1.10 The Salvage Yard wishes to enter into this Agreement so that it will be eligible to receive existing equipment participating in the CMP.

1.11 The District has not reviewed the Salvage Yard operations, or reached any conclusion on the quality of the Salvage Yard operation. The District is permitting the Salvage Yard to enter into this Agreement solely because the Salvage Yard has represented to the District that it is aware of the CMP goals, and agrees to abide by the CMP requirements.

2.0 Conditions

The parties agree to the following conditions:

2.1 Definitions: As used in this Agreement, the following terms have the following meanings:

a. “Program Participant” means the individual or business entity that is surrendering its off-road equipment and receiving funds to aid in the purchase of new off-road equipment.

b. “Existing (Old) Equipment” means the off-road equipment that the Program Participant surrenders for destruction.

c. “Replacement Equipment” means the new equipment purchased by the Program Participant. Used equipment meeting the most recent Model Year California Emission Standard qualifies as new equipment if sold by the Dealership with the required warranties and documentation of how the price was depreciated to account for the used condition and the number of operating hours accumulated since new.

2.2 Payment: The Salvage Yard will not be paid or otherwise reimbursed by the District. Funding is not available for the salvage of any existing equipment. The existing salvage value will be negotiated between the Program Participant, the Dealership, and the Salvage Yard.

2.3 Salvage Yard Requirements: The Salvage Yard agrees to meet the following requirements so that the Program Participant is eligible for payment of incentive funds: Unless otherwise indicated, the Salvage Yard must meet each requirement before the District will be obligated to release the incentive funds to the Program Participant. The Salvage Yard agrees to do the following:

a. Within thirty (30) days of notification from the District, Program Participant, and/or Dealership that replacement equipment has been delivered to the Program Participant, the Salvage Yard shall receive the existing equipment.

    a. Within sixty (60) days of notification from the District, Program Participant, and/or Dealership, receiving the existing equipment, the Salvage Yard shall destroy the existing equipment engine and chassis to permanently remove them from service. The engine
shall be destroyed by cutting/punching an irregular hole no less than three (3) inches in the engine block. A section of the oil pan flange must either be included in the hole or connected to the hole with a cut. The chassis shall be destroyed by cutting structural components off of the equipment, or other manner as approved by the District.

b. The Salvage Yard shall provide the following photographs to the District within ten (10) days of salvaging the existing equipment:

c.i. Destroyed engine block
c.ii. Cut frame rails
c.iii. Equipment serial number
c.iv. Engine side view
c.v. Engine serial number
c.vi. Destroyed attachments, if scrapped
c.vii. Other photographs as requested by District

d. The Salvage Yard or District may request that the District staff perform the salvage inspection and take photographs in lieu of submitting photographs in 2.3 cb. above. The Salvage Yard shall contact the District to schedule a salvage inspection at least one (1) week prior to scheduled salvage to arrange an inspection.

ed. The Salvage Yard shall submit a destruction certification form or receipt and all photographs listed in 2.3 cb. within ten (10) days of destruction.

2.4 Cancellation: The District may cancel this Agreement if the Salvage Yard fails to comply with its requirements. Any Salvage Yard whose Agreement was cancelled and is re-submitting a new signed Agreement must include with the submittal a written description of the actions that will be taken to eliminate the cause of the cancellation of the previous Agreement.

2.5 Amendments: No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by all parties.

2.6 Term: This Agreement shall begin upon execution by both parties and terminate on June 30, 2024.

2.7 This Agreement consists of:
- This Agreement
- Exhibit A, District Off-Road Equipment Program
- Exhibit B, Off-Road Equipment Application
- Exhibit C, Off-Road Heavy-Duty Vehicle Checklist and Guide

2.8 Correspondence between the District and the Salvage Yard should be addressed to the following:

To District:
Carl Moyer Program Representative
Butte County AQMD

To Salvage Yard:
Contact Name: _____________________________
Business: __________________________________
629 Entler Avenue, Suite 15
Chico, CA 95928
Phone: (530) 332-9400
Fax: (530) 332-9417
Email: air@bcqaqmd.org

The address and/or contacts may be changed by written notice to the other party. Such written notice may be given by mail, email, or fax.

2.9 The undersigned representative of the Salvage Yard affirmatively states that he or she has legal authority to bind the Salvage Yard to the terms of this Agreement.

Approved by the Salvage Yard:

_________________________    Title: _______________________
(Print Name)

_________________________    Date: _______________________
(Signature)

Approved by the Butte County Air Quality Management District

Reviewed by:

_________________________    Date: _______________________
Aleah Ing, Administrative Services Officer

Approved by:

_________________________    Date: _______________________
Stephen Ertle, Air Pollution Control Officer

Approved as to legal form:

_________________________    Date: _______________________
W. James Wagoner, Air Pollution Control Officer
Date: _____________________

District Legal Counsel
This document describes the policies and procedures for on-road vehicle projects funded through the Carl Moyer Program (CMP). On-road vehicle projects may include the replacement of heavy-duty vehicles with a Gross Vehicle Weight Rating (GVWR) of 14,000 pounds or greater. This document expands upon the minimum requirements of Chapter 4 (On-Road Heavy-Duty Vehicles) and Chapter 10 (Infrastructure) of the state CMP Guidelines and the District’s CMP Policies and Procedures Manual.

A. Projects Eligible for Funding

The California Air Resources Board (CARB) has adopted many fleet rules that effect on-road heavy-duty vehicles. Various types of projects can be incentivized to provide surplus emission reductions from on-road heavy-duty vehicles.

1. **Vehicle Project Types.** Projects must include commercially available technologies certified by CARB to be cleaner than the baseline engine (unless otherwise noted). Project types and applications include:

   (A) Vehicle Replacements: The replacement of an older, dirtier vehicle with a newer, cleaner one.

   (B) Associated Infrastructure: Infrastructure that is associated with a replacement zero-emission electric vehicle or alternative fuel vehicle.

2. **Project Categories.** Taking the above project types into consideration, the following categories may be eligible for funding:

   (A) Heavy-Duty Trucks and Buses: Heavy-duty diesel trucks and buses with gross vehicle weight ratings (GVWR) greater than 14,000 pounds (lbs.) are subject to the Statewide Truck and Bus Regulation. Replacement engines certified to the 2010 emissions standards or cleaner are eligible. For more information, see section C.2.(A).

   (B) School Buses: School buses as defined in Vehicle Code section 545 are subject to the Statewide Truck and Bus Regulation. They are required to be filtered. Project types include replacements, repowers, and conversions. Replacement engines certified to the 2010 emissions standards or cleaner are eligible. For more information, see Section C.2.(B).

   (C) Transit Vehicles: Transit vehicles are subject to the Fleet Rule for Transit Agencies and must be compliant with final regulatory requirements. All transit projects must use engines certified to optional low oxides of nitrogen (NOx) standards or cleaner. For more information, see Section C.2.(C).
B. Determining Funding Amounts

The information contained in this section shall be used to determine the funding amount for which any given heavy-duty on-road project is eligible.

1. State Funding Limits. Funding for an on-road heavy-duty project includes funds from all State sources including the Moyer Program. The maximum dollar amount or maximum percentage of eligible cost (Tables 4-2 through 4-7), as applicable, represents a funding cap, or the maximum funding available for the project. If the project is co-funded with other State funds, the funding cap represents the maximum amount of funds from all State sources that can be applied to the project. Federal, local, or other non-State grant funds can be used in addition to the funding caps stated in this chapter if the criteria for co-funded projects in Chapter 3, Section L are satisfied.

2.1. Cost-Effectiveness. The maximum amount of funding available to a project is limited by a cost-effectiveness limit (see Appendix C of the State Guidelines), in addition to the funding caps specified below.

3.2. Maximum Funding Percentage. For fleets with ten or fewer vehicles over 14,000 lbs. GVWR, the State funding amount cannot exceed 80 percent of the vehicle cost (excluding taxes and fees). For fleets with more than ten vehicles, the funding amount cannot exceed 50 percent of the vehicle cost (excluding taxes and fees). School buses and emergency vehicles are not limited by maximum funding percentages based on fleet size. The funding caps that apply from these maximum percentages of eligible cost and maximum dollar amounts, as applicable, are summarized in Tables 1 through 6— or 65% of the total replacement vehicle cost, whichever is lower. Where allowed by the State Guidelines, a higher funding amount can be approved by the Governing Board.

Table 1: District Funding Caps for Moyer School Bus Projects

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Funding Cap</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Bus Diesel or Alternative Fuel Replacements</td>
<td>$100,000</td>
</tr>
<tr>
<td>School Bus Optional Low-NOx or Hybrid Replacements</td>
<td>$100,000</td>
</tr>
<tr>
<td>School Bus Zero-Emission Replacements</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

Table 2: District Funding Caps for Conventional Diesel or Alternative Fuel or Hybrid Replacements (2013+ engine model year; 0.20 g/bhp-hr NOx or cleaner standard)
<table>
<thead>
<tr>
<th>Weight Class</th>
<th>Funding Cap (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heavy Heavy-Duty (HHD) GVWR &gt; 33,000 lbs.</td>
<td>$60,000</td>
</tr>
<tr>
<td>Medium Heavy-Duty (MHD) GVWR 19,501-33,000 lbs.</td>
<td>$40,000</td>
</tr>
<tr>
<td>Light Heavy-Duty (LHD) GVWR 14,001-19,500 lbs.</td>
<td>$30,000</td>
</tr>
<tr>
<td>Emergency Vehicles GVWR &gt; 14,000 lbs.</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

(a) No more than 65 percent of vehicle cost for fleets with ten or fewer vehicles, no more than 50 percent of vehicle cost for larger fleets except for emergency vehicles.

Table 3: District Funding Caps for Optional Low NOx Replacements (a)

<table>
<thead>
<tr>
<th>Optional Low NOx standard (g/bhp-hr)</th>
<th>HHD</th>
<th>MHD</th>
<th>LHD</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.02</td>
<td>$100,000</td>
<td>$80,000</td>
<td>$70,000</td>
</tr>
<tr>
<td>0.05</td>
<td>$80,000</td>
<td>$60,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>0.10</td>
<td>$70,000</td>
<td>$50,000</td>
<td>$40,000</td>
</tr>
<tr>
<td>Transit Buses</td>
<td></td>
<td></td>
<td>$25,000</td>
</tr>
</tbody>
</table>

(a) No more than 65 percent of vehicle cost for fleets with 10 or less vehicles, no more than 50 percent of vehicle cost for larger fleets except for emergency vehicles.

Table 4: District Funding Caps for Zero Emission Replacements or Conversions

<table>
<thead>
<tr>
<th>Weight Class/Vocation Type</th>
<th>Funding Caps (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transit Bus</td>
<td>$80,000</td>
</tr>
<tr>
<td>HHD Truck or Bus</td>
<td>$100,000</td>
</tr>
<tr>
<td>MHD Truck or Bus</td>
<td>$100,000</td>
</tr>
<tr>
<td>LHD Truck or Bus</td>
<td>$80,000</td>
</tr>
</tbody>
</table>

(a) No more than 65 percent of vehicle cost for fleets with 10 or less vehicles, no more than 50 percent of vehicle cost for larger fleets except for emergency vehicles.

Table 5: State Funding Caps for Associated Infrastructure
<table>
<thead>
<tr>
<th>Infrastructure Project</th>
<th>Funding Caps(^{(a)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Projects</td>
<td>50%</td>
</tr>
<tr>
<td>Publicly Accessible Projects</td>
<td>60%</td>
</tr>
<tr>
<td>Public School Buses -Battery Charging and Alternative Fueling</td>
<td>100%</td>
</tr>
</tbody>
</table>

\(^{(a)}\) Maximum percentage of eligible costs.

### 4.3. Project Life
The minimum eligible project life for all vehicle replacement projects is one year. The minimum project life for infrastructure projects is three years. The maximum eligible project life for each project type is summarized in Table 6.

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Maximum Project Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Replacements</td>
<td>7 Years</td>
</tr>
<tr>
<td>Transit Bus Replacements</td>
<td>12 Years</td>
</tr>
<tr>
<td>School Bus Replacements</td>
<td>10 Years</td>
</tr>
<tr>
<td>Emergency Vehicles</td>
<td>14 Years</td>
</tr>
<tr>
<td>Other On-Road Projects</td>
<td>3 Years</td>
</tr>
</tbody>
</table>

A longer project life may be approved on a case-by-case basis if applicants provide justifying documentation. The maximum project life does not consider regulatory requirements that may reduce the actual project life.

### 5. Annual Usage
Grant amounts will be based on the minimum of two 12-month periods of California usage during the previous twenty-four months. Fleet averages cannot be used. If a fleet has reported the existing vehicle in the Truck Regulations Upload and Compliance Reporting System (TRUCRS) under a limited-usage compliance option (such as the Low-Mileage Work Truck Option, the NOx Exempt Area Extension, etc.) and the historical usage exceeds the limit, the usage limit for that compliance option must be used to determine the State grant amount instead. On-road calculations shall be based on historical annual mileage instead of fuel usage or engine hours due to the fact that the mileage-based exhaust emission factors are more robust. Applicants must submit conclusive documentation of the existing engine or vehicle’s mileage such as logbooks, and maintenance records maintained for individual vehicles, or CHP inspection reports. In cases where only fuel use records are available, a case-by-case request must be submitted. The applicant must provide two years of historical fuel usage documentation to the District. Documentation must show specific usage of the existing vehicle and may include fuel logs, International Fuel Tax Association reports for single fleets, purchase receipts or ledger entries. If the case-by-case is approved, fuel use will be converted to mileage according to the vocation.
6. Calculating emissions. Emission factors and deterioration rates in the State Guidelines must be used to determine the emissions of the baseline and reduced engines; consequently, the engine model year and applicable emission standard will determine the relevant emission factors.

For projects that contain Moyer Program funding for both infrastructure and engine replacement or repower within the same contract, only the cost of the engine replacement or repower will be considered when performing a cost-effectiveness calculation.

7. Two-for-One Replacement Calculations. Projects in which two old vehicles of similar design and function are replaced with one vehicle are eligible for Moyer Program grant funding. The two baseline vehicles must be in the same weight class (LHD, MHD, or HHD) but may be in different weight classes if there is a ten percent or less variation in GVWR. If the two baseline engines are not the same model year, the newest engine model year must be used when calculating emission reductions. The maximum State funding amount must also be funded according to the lighter weight class of the two vehicles. The replacement vehicle’s annual usage must be determined by adding the annual usage of both baseline vehicles together. The maximum annual usage that can count toward grant determinations for the two baseline vehicles is 30,000 miles each for a maximum total annual usage of 60,000 miles for the replacement vehicle. The replacement vehicle is eligible for only one grant based on the combined usage of the baseline vehicles.

8. Expenses Eligible for Funding. CMP grant funding can only be used to pay for items essential to the operation of the vehicle. For replacements, eligible project costs include the cost of the cab and chassis including parts that are integrated into the vehicle. The cab and chassis cost may include but is not limited to the following:

   (A) The capital cost of the cab.
   (B) The capital cost of the chassis which may include but is not limited to:
       (1) Engine
       (2) Transmission
       (3) Suspension system
       (4) Steering system
       (5) Frame
       (6) Electrical system
       (7) Cooling System
       (8) Fuel system
       (9) Emission system

C. Project Criteria

1. General Criteria

   (A) Fleet Size: All fleet sizes are eligible for funding. The following criteria must be followed for each group:
(1) Fleet Size 1-10: State Guidelines require that small fleets receive priority during the solicitation process. Funds may be used for school bus projects at any time.

(2) Fleet Size > 10: Large fleets will be considered after all small fleet projects have been considered during each solicitation. Fleets with more than ten vehicles must select optional low NOx or zero emission technologies except for certain operating vocations and locations defined in the Statewide Truck and Bus Regulation (i.e., school buses, log trucks, low mileage work trucks, agricultural vehicles, and NOx Exempt Areas).

(B) Weight Class Range:

(1) The replacement vehicle must be in the same weight class as the existing vehicle. An MHD vehicle can replace an HHD vehicle if they both have the same axle configuration (e.g., an existing HHD vehicle with two axles can be replaced with an MHD vehicle with two axles) but the funding amount must be at the MHD funding level.

(2) On-road heavy-duty vehicles (with GVWR over 14,000 lbs.) must be powered by an engine certified to the applicable heavy-duty intended service class as shown on the engine certification Executive Order. However, the following cases may be allowed:
   a. MHD engines may be installed in HHD vehicles with GVWR up to 36,300 lbs. (ten percent higher than 33,000 lbs. GVWR) with written warranty verification by the engine and chassis manufacturer. A copy of the written warranty verification must be maintained in the air district project file.
   b. HHD engines may be installed in MHD vehicles if necessary for vocational purposes but only if the GVWR are within ten percent of the HHD intended service class (i.e., GVWR of 29,701 lbs. or greater).

(C) At least 51 percent total annual usage must occur in California. Only usage in California can be used for on-road calculations.

(D) Compliance Check:

(1) Before contract execution, participants must be pre-screened for regulatory compliance, outstanding violations, open cases, and previous project funding by supplying to the air district the registered owner’s name, company name or Doing Business As (DBA), address, Vehicle Identification Number (VIN) of the vehicle being replaced/repowered/converted, and TRUCRS ID number, if applicable. VINs of vehicles not subject to in-use diesel rules, such as CNG vehicles, need not be submitted, but every vehicle in the fleet needs to be in compliance and have no outstanding violations in order to receive funding. The District shall email this information to its CARB Moyer Program liaison.
   a. The fleet owner will report in TRUCRS vehicles Subject to the Statewide Truck and Bus Regulation. The fleet owner must also provide the air district with the following:
      i. A copy of the TRUCRS Fleet List located on the Vehicle Info tab showing the compliance option each vehicle in the fleet is using, and
ii. A copy of the TRUCRS General Fleet and Compliance Information Summary showing compliance located on Compliance Status tab (“Meets Small Fleet Option” will specify “yes” if the fleet is using the Small Fleet option), and

iii. A copy of the Compliance Certificate printed from TRUCRS, if applicable.

b. Vehicles Subject to Other On-Road Regulations:

i. Fleet information must be submitted by the air district to the ARB Moyer Program district liaison to check compliance with other regulations such as the Public Agency and Utility Regulation, when applicable. The fleet information needed for the compliance check may change with time.

ii. To receive funding, a fleet owner/operator must be compliant with all federal, State, and local air quality rules and regulations including the Periodic Smoke Inspection Program (PSIP). The application must include a statement of compliance in which the applicant must certify that they are in compliance at the time of application submittal. The District will also include the following language with a checkbox for the fleet owner/operator to indicate compliance:

I have read and understand that I am responsible for meeting the requirements of the PSIP. I am either currently in compliance with PSIP requirements or I have paid all penalties for non-compliance and continue to meet requirements since payment.

c. A regulation index for statewide on-road regulations is available at http://www.arb.ca.gov/msprog/truckstop/azregs/azregs.htm

(2) The liaison will email the District the result of the compliance check within ten business days. All compliance check documentation must be kept in the project file.

(3) If the vehicle has already received funding and is still under contract, the District will be notified and the project must be rejected.

(4) If there is an open case or outstanding violation, or if the fleet is not in compliance, the air district shall inform the participant in writing that no disbursement may be made until the owner provides proof that the fleet has been brought into compliance and all fines have been paid. If the outstanding violation is based on problems with the baseline engine (e.g., gross polluter), then the violation must be cleared. The engine owner must pay the fine for each violation and submit documentation of violation correction with, or before submitting, the invoice.

(5) Compliance Check Tool: A compliance check tool for the Truck and Bus Regulation is available on ARB’s website located at: https://www.arb.ca.gov/msprog/onrdiesel/tblookup.php. To help with the initial review, air districts may check current compliance status by entering any part of the company name, TRUCRS ID, or Motor Carrier Number in the search field. Only fleets that have confirmed compliance requirements and printed their certificate will be listed. Applicants must still meet the requirements in Section C.1.(D)(1)a.
(E) Emission Reduction Technologies: Emission reduction technologies must be certified or verified by ARB and must comply with durability and warranty requirements. A technology granted a conditional certification or verification by ARB is considered certified or verified.

(F) Obtaining Financing: The participant may obtain financing to assist in the purchase of the emission reduction technology.

(G) Equipment Leasing is Not Allowed: If financing is necessary, the equipment purchase must be financed with a conventional purchase loan.

(H) Engines operating under an extension not included in the applicable regulation, such as the Statewide Truck and Bus Regulation, or under program advisory are not eligible. This includes extensions received under enforcement settlement agreements. Fleets with PM filter availability extensions and economic hardship extensions are eligible but PM reductions will not be funded. Fleet owners must submit documentation confirming extensions.

(I) The existing vehicle must be based in Butte County as shown through vehicle registration.

2. Project Categories and Applicable Project Types

(A) Heavy-Duty Trucks and Buses
   (1) Eligibility: Heavy-duty vehicles following the Engine Model Year Schedule or taking one of the Statewide Truck and Bus Regulation compliance options below as defined in the Statewide Truck and Bus Regulation, California Code of Regulations, title 13, section 2025(f), (g), (h), (i), (m), and (p) may apply for funding:
      a. Small Fleet option
      b. Low Mileage Work Truck option
      c. PM Filter Phase-In option
      d. Log Truck Phase-In option
      e. NOx Exempt Area extension
      f. Agricultural Vehicle extension
   Other vehicles subject to the Statewide Truck and Bus Regulation such as heavy cranes and sweepers or other vehicles approved to use credits or extensions specified in the regulation may also be eligible.
   (2) Replacement Projects: On-road vehicles subject to the Truck and Bus Regulation that are replaced with newer vehicles equipped with diesel or alternative fueled engines meeting the current standards.
   (3) Other Project Types: Other project types may be eligible if approved through case-by-case and must be funded through contract.
   (4) Surplus: Vehicles can have a filter compliance deadline that is less than one year from the post-inspection date as long as PM emission reductions are
not funded. The 2010 standard compliance deadline must be at least one full year from when the replacement vehicle is delivered and post-inspected.

(5) Log Truck Requirements: Log trucks using the Log Truck Phase-In option must have log bunks permanently attached at pre- and post-inspection. Vehicles taking the Log Truck Phase-In option are not eligible for two-for-one replacements as described in Section B.7.

(B) School Buses
(1) General Eligibility: School buses are eligible for Moyer Program funding if they meet the general program criteria in Section C.1., as well as additional criteria in this subsection.
(2) Eligible Applicants: Public school districts in California that own their own school buses are eligible for funding. Where a Joint Power Authority (JPA) has been formed by several public school districts and the JPA holds ownership of the school buses, then the JPA is also eligible for funding. School transportation contractors, non-profit agencies, private schools, and other private companies are not eligible to receive funding for school bus projects.
(3) Truck and Bus Regulation Compliance: School buses subject to the Truck and Bus Regulation are only eligible if they meet one of the following requirements:
   a. The existing school bus must have an OEM diesel particulate filter (DPF) installed.
   b. The existing school bus must be retrofitted with a DPF that reduces diesel PM emissions by at least 85 percent.
   c. The existing school bus must be reported in TRUCRS under the Low-Use exemption.
(4) Used Vehicle Eligibility: Used school buses are not eligible as replacements. The replacement vehicle for any project must be new.
(5) Maximum District Funding Amounts: School bus projects have unique maximum grant amounts as summarized in Table 1, and also a unique cost-effectiveness limit of $276,230/ton.
(6) Calculating Emissions: Zero-emission school bus projects (including replacements, repowers, and electric conversions) are eligible for NOx, reactive organic gases (ROG), and PM emission reductions. All other school bus projects are eligible only for NOx and ROG emission reductions.
(7) Engine Intended Service Class: The weight class range for school buses is determined as in Section C.1.(B), but in cases where the Executive Order of the baseline school bus engine does not list an intended service class, the intended service class of the engine shall be assumed to be MHD.
(8) CHP Safety Certification. All existing school buses must have a current CHP safety certification (CHP Form 292) at the time funding is awarded for the project (i.e., the school bus may not have a lapsed CHP safety certification), and it must be currently registered with the Department of Motor Vehicles (DMV).

(C) Transit Vehicles (Urban Buses and Transit Fleet Vehicles)
(1) Eligibility: Transit vehicles that have achieved compliance with all applicable regulatory requirements are eligible for surplus emission reduction
funding. New regulation requirements may affect surplus and funding amounts in the future.

(2) Replacement Projects: A replacement engine for a replacement vehicle project must be an ARB certified engine meeting emissions levels of 0.10 g/bhp-hr NOx or cleaner.

(3) Applicable Emission Factors: Emission factor tables for urban transit buses are included in Appendix D of the State Guidelines as Tables D-3 and D-4. Other transit fleet vehicles such as shuttle buses must use the MHD or HHD emission factor tables, Tables D-1 and D-2. Cost-effectiveness calculations for transit urban buses do not include deterioration since those fleets are generally well-maintained per EMFAC 2014. Deterioration must also not be included in the cost-effectiveness calculations for other transit vehicles.

(4) Calculating Emission Reductions: Cost-effectiveness calculations can only include emission reductions from the 2007 engine model year for a 12-year maximum project life. No other additional emission reductions may be included. Only NOx and ROG surplus emission reductions can be funded. PM emission reductions may also be funded for zero emission projects.

(D) Emergency Vehicles

(1) Eligible Vehicles: Authorized emergency vehicles as described in the California Vehicle Code 165 including, but not limited to fire apparatus, pumper, ladder trucks, and water tenders. Other MHD HHD diesel authorized emergency vehicles, such as prisoner buses, are also eligible for funding under this chapter.

(2) Replacement Projects: Eligible projects are those in which a new or used replacement vehicle with an engine meeting the current model year California emission standard replaces an older, more polluting equipment or vehicle. The older, replaced vehicle must be destroyed. A fire truck reuse option is also available on a case-by-case basis. The fire truck reuse option allows fire departments to give away the existing old vehicle and destroy another older vehicle in its place.

(3) Eligible Costs: Eligible project costs include those parts specified in Section B.8 but excludes parts that are not bolted on and movable, such as the tank on the water tender. In addition, the following costs are eligible:
   a. Tax and transport for eligible parts or costs.
   b. Labor for installation of or modification to parts eligible for funding.

(E) Associated Infrastructure

(1) Eligibility:
   a. The applicant must be able to demonstrate to the air district that the applicant can obtain all required land use permits from agencies needed to install and operate the station. Applicants must demonstrate that they either own the land on which the project will be located, or control it through long-term lease, easement or other legal arrangement, for the duration of the project life. For a proposed project where the land is not owned by the applicant, an executed lease agreement or letters of commitment lasting for
the duration of the project life must be signed by property owners/authorized representatives and must be submitted with the application.
b. Applicants must be able to provide documentation that power or fuel is being provided to the site (e.g. application, payment to the local utility company for power installation, or contract).

(2) Eligible Costs: Eligible costs are limited to the purchase and installation of the equipment for power delivery or fueling directly related to the infrastructure project. The eligible costs listed below must utilize commercially available technologies.
a. Cost of design and engineering, (i.e., labor, site preparation, Americans with Disabilities Act accessibility, signage).
b. Cost of equipment (e.g., charging/fueling units, electrical parts, energy storage equipment, materials).
c. Cost of installation directly related to the construction of the station.
d. Meter/data loggers.
e. On-site power generation system that fuels or powers covered sources (i.e., solar and wind power generation equipment).
f. Federal, sales, and other taxes.

3. Participant Requirements

(A) Ownership: The participant must currently be the sole owner of the existing vehicle, documented through a copy of the existing vehicle title. The title must show no active lienholders. The title need not be a California title. In addition, the participant must have owned and operated the vehicle the previous 24 months. If the title does not show sole ownership for the previous 24 months, the applicant must be listed as one of the owners or shown as a registered owner on registration documentation for the previous 24 months. If the existing vehicle title is not available, then all three of the following must be used as alternative documentation until a duplicate title is received from the California DMV: 1) a copy of the current and valid vehicle registration, 2) a copy of the DMV Vehicle Registration Record (printout), and 3) a copy of the DMV receipt for duplicate title request. A copy of the duplicate title must be received by the air district before contract execution.

(B) Usage Documentation and Self-Certification for California Minimum Usage: Covering each 12-month period for the previous 24 months, the participant must:
(1) Submit conclusive documentation (logbooks, maintenance records, tax records, etc.) of annual miles traveled in California, and
(2) Certify that at least 51 percent of total usage has been in California.

(C) Military Service Provision: If an applicant has been on active military duty at any time during the previous 24 months, documentation prior to deployment and covering the same length of time as the deployment period may be used to meet the title, registration, usage, and operation in California requirements as described in Sections C.3.(A)-(B) and C.4.(C). The applicant must submit a copy of DD Form 214, Certificate of Release or Discharge from Active Duty to verify military service during the deployment period.
Participants may only apply to one air district at a time for each project.

Participants must submit an application for funding consideration.

Participants must provide the District with the full contact information of the seller/dealer of the replacement vehicle.

The participant must be the sole registered owner of the replacement engine or vehicle for the duration of the contract term. Throughout the contract term (project life), the participant must annually:

1. Provide registration and proof of insurance to the District.
2. Provide reports that include items specified by the District which may include miles driven in the District and in California, and details regarding maintenance and servicing.
3. Operate the engine/vehicle within California for at least the percentage of time specified in the contract.

Report accident or loss of vehicle: If the replacement engine/vehicle is in an accident or is stolen, the accident or theft must be reported to the air district within 10 business days. The participant must provide the police report, a letter from the insurance company regarding the accident or theft, and other information requested by the air district. The participant must repair the vehicle and return it to operation, if possible. If the vehicle is totaled, the participant and the air district staff must come to an agreement regarding any requirements that still need to be met. If the participant will continue the business, efforts should be made to obtain a substitute vehicle that can take over the terms of the contract. The substitute vehicle must be at least as clean as the original CMP funded vehicle, be in the same weight class, and cannot have more miles than would have been accumulated based on the mileage used to determine the funding amount, or no more than 600,000 miles for HHD vehicles, 350,000 miles for MHD vehicles, and 250,000 miles for LHD vehicles.

Any change of ownership, change in registration status, or change of mailing address during the contract term must be reported to the District within 10 business days.

4. Existing Engine and Vehicle Requirements

The existing vehicle must currently operate on diesel fuel or alternative fuel such as compressed natural gas.

The existing vehicle must have an engine of model year 2010 or older, except if it is a school bus or log truck which may be powered by an engine of any model year. The maximum chassis age for all-electric conversions must be no more than ten years old.
The existing vehicle must either be: 1) currently registered and have been registered in California for the past 24 months supported by documentation showing no lapses (except for seasonal vehicles and those eligible under the military service provision); or 2) must have been registered in California for the previous eight consecutive months with supporting documentation supplemented by alternate documentation showing California operation for the past 24 months. California International Registration Plan (IRP) documents are acceptable. Out of State IRP or registration is not eligible. The existing vehicle must be based in Butte County.

If the existing vehicle operates seasonally, then the existing vehicle may be eligible to participate if it has been registered in California for three to six continuous months per 12 month period for the previous 24 months. DMV partial year registration documentation for each period the vehicle was registered must be included with the application.

The participant must provide proof of insurance for the old vehicle for the previous 24 months.

The existing vehicle must meet the criteria for either an LHD vehicle, MHD vehicle, or an HHD vehicle, as defined below:

1. LHD vehicles must have a manufacturer GVWR of 14,001-19,500 lbs.
2. MHD vehicles must have a manufacturer GVWR of 19,501-33,000 lbs.
3. HHD vehicles must have a manufacturer GVWR of 33,001 lbs. or greater.
4. GVWR may be documented with a photo of the vehicle manufacturer tag or a copy of the manufacturer build sheet. Air districts may request ARB approval of alternate GVWR documentation on a case-by-case basis.

Engine Verification:
1. The District file must include a copy of the existing engine Executive Order. If an Executive Order is not available, the air district may request approval of alternative documentation on a case-by-case basis.
2. If the old vehicle engine tag is missing, then verification of the engine information can be satisfied with the engine serial number. The participant must provide verification of the engine make, model, model year, engine serial number, and horsepower from the manufacturer. The participant may also verify the horsepower with the results of a dynamometer test. The dynamometer test will take into account a 15 percent loss in actual horsepower, accounting for transmission loss. Verification can include a letter or a printout from an engine manufacturer or dealership. On a case-by-case basis, ARB may approve other means of obtaining the information.

The existing vehicle must be in operational or roadworthy condition, as determined through a CHP Biennial Inspection of Terminals (BIT) or equivalent District-approved inspection.
(I) Glider Kits: Glider kits are replacement chassis and cabs for on-road heavy-duty vehicles. Glider kits are generally identified with a VIN starting with the letters “GL”. In situations where the model years of the glider kit vehicle’s chassis and engine differ, approval determination shall be made using the model year of the engine. Existing glider kit vehicles are eligible to participate but the replacement vehicle has to be a complete Original Equipment Manufacturer vehicle; i.e., the replacement vehicle cannot be a glider kit.

(J) Existing Vehicle Body Components: The body of the existing vehicle does not play a part in the participation in the program. Program funds can only be used to purchase the new vehicle, not external body components or parts used for a particular vocation (e.g., dump body). The common practice for vehicle owners to remove non-emission related body components from the existing vehicle and place them on the replacement vehicle is still permissible as long as the components do not exist on the replacement vehicle and are not a part of the paid components for the replacement vehicle.

(K) Operation of Existing Vehicle After Approval: If the existing vehicle is in an accident or has an engine failure after receiving approval from the air district but prior to replacement, then the existing vehicle will still be eligible for receiving funds from the program as long as all other on-road requirements have been met.

5. Replacement Engine and Vehicle Requirements

(A) Emission Standards: Replacement vehicles with a 2013 model year or newer engine certified to a PM emission standard of 0.01 g/bhp-hr and a NOx family emission limit or NOx standard level of 0.20 g/bhp-hr or lower are eligible for funding (unless noted otherwise). New electric vehicles and non-combustion hybrid vehicles (e.g., electric vehicles powered by a hydrogen fuel cell) must have an ARB approval letter confirming the vehicle does not emit any vehicle exhaust emissions or fuel-based evaporative emissions. If the baseline engine model year is 2010, the replacement engine must be certified to a NOx standard level of 0.10 g/bhp-hr NOx or lower.

(B) Engine class: The engine’s primary intended service class must match the replacement vehicle’s weight class (i.e., an MHD diesel engine is used in a vehicle with a GVWR of 19,501-33,000 lbs. and an HHD diesel engine is used in a vehicle with a GVWR greater than 33,000 lbs.). As an exception, an HHD engine may be installed in an MHD vehicle if necessary for vocational purposes, but only if the GVWR is within 10 percent of the engine’s intended service class (i.e., GVWR of 29,701 lbs. or greater). Also, an MHD engine may be installed in an HHD vehicle, but only if the GVWR is within 10 percent of the engine’s intended service class (i.e., GVWR of 36,300 lbs. or less).

(C) Mileage: A used HHD replacement vehicle must have less than 500,000 miles, a used MHD replacement vehicle must have less than 250,000 miles, and a used LHD replacement vehicle must have less than 150,000 miles with odometer verification to occur at the post-inspection.
(D) **All-Electric Range:** Electric vehicles and hybrid vehicles (new or converted) must demonstrate an all-electric range of at least 35 miles. Those with fast charge capability must demonstrate an all-electric range of at least 20 miles. If a vehicle is not certified to meet this range, it may only be approved for funding following ARB evaluation of demonstration test data verifying that minimum all-electric range requirements are met. If demonstration data has already been submitted to another CARB funding program and approved, demonstration requirements may be waived.

(E) **Horsepower:** The replacement engine horsepower must be no more than 25 percent greater than the existing engine horsepower. In limited situations, such as the non-availability of the original horsepower range for the specific application, the District may approve a greater than 25 percent increase in horsepower.

(F) **Weight Class:** The replacement vehicle must be in the same weight class as the existing vehicle (either LHD, MHD, or HHD). An MHD vehicle can replace an HHD vehicle if they both have the same axle configuration (e.g. an existing HHD vehicle with two axles can be replaced with an MHD vehicle with two axles) but the funding amount must be at the MHD funding level.

(G) **Body and Axle Configuration:** The replacement vehicle must have the same axle and body configuration as the old vehicle. The District may allow slight changes based on the latest technology. Changes must be requested and approved prior to the purchase of the replacement vehicle.

(H) **Title:** The replacement vehicle must have a clean title prior to purchase. The replacement vehicle must not have a salvage title and must not have been in an accident, repaired, and became available for resale.

(I) **California Registration:** The replacement vehicle must be registered in California or in the California IRP.

(J) The participant must maintain insurance coverage for the replaced/repowered/converted vehicle as required by law for the duration of the project life. The participant is encouraged to have replacement value insurance coverage to ensure complete repair or replacement in the event of major damage to the vehicle. If the vehicle is not repaired and replaced during the project life, the applicant must return prorated funds. See Section C.6.(I)(3).

(K) **Warranty requirements:** The following warranty requirements apply:

1. Except for school buses, hybrids, and zero-emission vehicles, all participants must purchase a minimum of a one-year or 100,000 mile major component engine warranty for the replacement new or used vehicle or repowered engine. The warranty must cover parts and labor. If the purchase of a new or used replacement vehicle already includes a minimum one year or 100,000 mile warranty as specified above, a separate supplemental warranty is not required. However, it is recommended that the highest grade warranty be purchased in order to avoid expensive repairs in the future.
(2) Electric vehicles, hybrid vehicles, and conversion systems must have a minimum warranty period of 3 years or 50,000 miles. The warranty must cover the engine (if applicable) or motor, drivetrain, battery or energy storage, and parts and labor (including any part on the converted vehicle or engine that is damaged by the hybrid conversion system).

(3) For school buses, the vendor warranty must provide protection for a minimum of 60 months or 75,000 miles, whichever comes first, and provide full warranty coverage of, at a minimum, zero-emission or all-electric motor, drivetrain, batteries/energy storage system(s), parts and labor. Warranties must be fully transferrable to subsequent school bus purchasers for the full warranty coverage period. Warranties must cover the following for the full warranty period (unless otherwise denoted):

a. Extended Motor, Drivetrain (including Battery), and Zero-Emission Components: Provide warranty coverage against defects in material and workmanship for the motor, transmission, rear axle, and electric or zero-emission system components including the battery. Gaskets and seals are not required to be included under the warranty coverage.

b. Frame Rails, Cross Members, and Cab: For new school buses, coverage extends to structural cracks in the frame caused by defects in material workmanship and against corrosion perforation of the cab. For school bus conversions, the all-electric school bus vendor is only responsible for damage or corrosion tied to, or resulting from, their workmanship on, or handling of, these parts.

c. Battery Degradation Warranty: Provide warranty coverage against battery degradation below 80 percent of capacity.

(4) No Moyer Program funds will be issued for maintenance or repairs related to the operation of the vehicle. The participant takes sole responsibility for ensuring that the vehicle is in operational condition throughout the agreement period.

(L) Engine and Emission Control Modifications: Emission controls on the replacement vehicle engine cannot be modified except as permitted by law. Unauthorized modification to engine performance including, but not limited to, changes in horsepower, emission characteristics, engine emission components (not including repairs with like-original equipment manufacturers replacement parts), and modifications to the engine’s emission control function or the electronic monitoring unit are not allowed.

(M) Service: At least one California service provider approved by the manufacturer must be available to repair and service the engine/vehicle.

6. Associated Infrastructure Requirements (for Zero-Emission Replacement Projects)

(A) Battery Charging Station: Chargers must be a level 2 and higher. Equipment and parts must be new. Remanufactured or refurbished equipment and parts are not eligible.
Functionality: If equipment is not functional, the grantee has 15 business days to report the problem to the air district and begin working with the air district promptly to ensure infrastructure equipment is operational. If during the project life the fuel/energy meter fails for any reason, the fuel/energy meter must be repaired or replaced as soon as possible and is considered a maintenance expense, therefore not an eligible cost.

Warranty: Battery charging stations and equipment must have at least a one year warranty. Alternative fuel infrastructure must have the minimum of a three year warranty.

D. District Administrative Requirements

The District staff will implement the CMP On-Road Heavy Duty Vehicle Program using the following administrative procedures:

(A) The District’s Request for Proposals (RFP) will solicit applications for on-road projects along with the other CMP 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. On-road project applications will compete for funding with all CMP project applications.

(B) The District staff will work with equipment Dealerships and/or applicants to complete the standard “On-Road Heavy-Duty Vehicle Application” (available at http://bcaqmd.org/incentives-grants-rebates/carl-moyer-program/), 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 ARB’s Clean Air Reporting Log (CARL) database.

(C) The District staff will evaluate each proposal to verify the eligibility and cost-effectiveness in accordance with CMP Guidelines. As part of the evaluation, staff will conduct a pre-inspection of the existing equipment. The pre-inspection will included the following:

a. Right Side -hood down.
b. Front -hood down.
c. Left Side -hood down.
d. Rear
e. VIN Tag -inside vehicle or on frame rail.
f. Engine serial number and engine information, if available (make, model year, engine family) either tag or stamp on block.
g. License plate.
h. Left and right side of engine.

(D) After the District receives an application for any on-road project but before contract execution, District staff will submit information regarding the project to ARB to check for outstanding violations, previous project funding, and compliance with
applicable regulations. All compliance check documentation must be kept in the project file.

(E) A Grant Contract will be executed for each on-road equipment replacement project that competes successfully in the RFP process and is approved by the District Air Pollution Control Officer. A sample Grant Contract with a section specifically for On-Road projects is included in the District’s Policy and Procedures Manual.

(F) Upon delivery of the new equipment to the Dealership, the District staff will conduct a post-inspection. The Pre/Post-Inspection Form will be used. The Dealership shall not deliver the new equipment to the Program Participant until the post-inspection is complete or receives approval from the District. Photographs of the replacement engine or vehicle must include the following views:

- At least one side of the vehicle.
- VIN Tag - inside vehicle or on frame rail.
- Engine serial number and engine information – tag (or primary motive power components).
- License plate.
- Odometer reading.
- Left and right side of engine.
- Modifications (if any).

(G) After the District staff approves the post-inspection of the new equipment the Dealership may deliver the new equipment to the Program Participant. The existing vehicle must be delivered to a qualified dismantler within thirty (30) days after Program Participant receives the new vehicle. The Dismantler must certify that the vehicle will be destroyed within sixty (60) days of receipt.

(H) Payment will be processed once the District confirms the following:

- Approved destruction of existing equipment
- Approved pre-inspection
- Approved post-inspection
- Approved invoice / proof of sale
- Financing terms (if applicable)
- Confirmed submittal of W-9
- District listed at additional insured
- Copy of Title of existing vehicle, signed and dated
- Replacement vehicle registration
- Replacement vehicle warranty information

All payments will be issued to the Program Participant. Two-party checks may be issued to both the Program Participant and Dealership if requested by the parties.

Associated infrastructure projects may be considered for final payment once the necessary infrastructure has been installed and connected to the electricity grid and
has been demonstrated to the air district that it is fully operational during a post-inspection.

(I) Monitoring and enforcement of Grant Contracts is covered in Section XII of the District’s Policies and Procedures Manual.

E. *Additional On-Road Heavy-Duty Vehicle Program Documents*

1. CMP On-Road Heavy-Duty Vehicle Application
2. CMP On-Road Heavy-Duty Vehicle Dealership Agreement
3. CMP On-Road Heavy-Duty Vehicle Dismantler Agreement
4. CMP On-Road Heavy-Duty Vehicle Project Checklist and Guide
Instructions

Please print clearly or type all information on the application (pages 3-9) and submit to:

**Butte County Air Quality Management District**

629 Entler Avenue, Suite 15
Chico, CA  95928

Or fax to (530) 332-9417

Fill out one (1) application for each engine or piece of equipment. The 2017 Carl Moyer Program (CMP) Guidelines are available on the District’s website at [www.bcaqmd.org](http://www.bcaqmd.org) or at California Air Resources Board (ARB)’s website at [http://www.arb.ca.gov/msprog/moyer/guidelines/current.htm](http://www.arb.ca.gov/msprog/moyer/guidelines/current.htm). Please note that additional information may be requested from the applicant in order to process this application.

**General Eligibility Criteria**

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

- Emission reductions obtained through CMP 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 established by the District and calculated in accordance with the cost-effectiveness methodology in the 2017 CMP Guidelines. All State funds (except tax credits, tax deductions, public rebates, or public loans) plus any other funds under a district’s budget authority or fiduciary control contributed toward a project must be included in the cost-effectiveness calculation.
- No emission reductions generated by the CMP 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 CMP shall be used for credit under any federal or State emission averaging banking and trading program.
- Funded projects must have at least 51% of their total activity for the project life in California. The existing vehicle must be based in Butte County.
- Emission reduction technologies must be certified/verified by ARB and must comply with durability and warranty requirements. For the purposes of the CMP, a technology granted conditional certification/verification by ARB is considered certified/verified.

**On-Road Heavy-Duty Vehicle Eligibility Criteria**

- Existing vehicles must have an engine of Model Year 2010 or older.
- Existing vehicles must meet the criteria for either a Light Heavy-Duty, Medium Heavy-Duty, or Heavy Heavy-Duty vehicle as defined in the 2017 CMP Guidelines.
- The owner must be currently registered in California for the past twenty-four (24) months, and in compliance with federal, State, and local regulations. Use the table below to determine if the existing engine is eligible for funding.
- The existing vehicle must be in operational condition.

For fleets subject to the On-Road Truck and Bus Regulation, applicants must submit Truck Regulations Upload and Compliance Reporting System (TRUCRS) Identification Number (ID), Engine Identification Number (EIN), and results of the fleet calculator. See 2017 CMP Guidelines Chapter 4.
Maximum grant amounts may be very limited for On-Road vehicles nearing their state compliance deadline. ARB has a maximum grant calculator at [https://ww2.arb.ca.gov/our-work/programs/carl-moyer-program/on-road-grant-calculator](https://ww2.arb.ca.gov/our-work/programs/carl-moyer-program/on-road-grant-calculator). Regulations that may apply to on-road projects include:

<table>
<thead>
<tr>
<th>Equipment Type</th>
<th>Subject to ARB Fleet Rule?</th>
<th>CMP Funding Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transit fleet vehicles</td>
<td>Fleet Rule for Transit Agencies$^4$</td>
<td>Transit vehicles that have achieved compliance with all applicable regulatory requirements are eligible for surplus emission reduction funding.</td>
</tr>
<tr>
<td>Solid waste collection excluding transfer trucks</td>
<td>Solid Waste Collection Vehicle Regulation$^4$</td>
<td>SWCV fleets that have achieved compliance with the final SWCV Regulation (CCR, title 13, sections 2020-2021.2) deadline are eligible for funding.</td>
</tr>
<tr>
<td>Municipal vehicles, Utility vehicles</td>
<td>Fleet Rule for Public Agencies and Utilities$^4$</td>
<td>Limited opportunities.$^4$</td>
</tr>
<tr>
<td>Most other On-Road Heavy-Duty vehicles</td>
<td>Statewide Truck &amp; Bus Regulation$^4$</td>
<td>Limited opportunities.$^4$</td>
</tr>
</tbody>
</table>

- Fleet Rule for Transit Agencies: [http://www.arb.ca.gov/msprog/bus/bus.htm](http://www.arb.ca.gov/msprog/bus/bus.htm)
- Solid Waste Collection Vehicle Regulation: [http://www.arb.ca.gov/msprog/SWCV/SWCV.htm](http://www.arb.ca.gov/msprog/SWCV/SWCV.htm)
- Fleet Rule for Public Agencies and Utilities: [http://www.arb.ca.gov/msprog/publicfleets/publicfleets.htm](http://www.arb.ca.gov/msprog/publicfleets/publicfleets.htm)
- Statewide Truck & Bus Regulation: [http://www.arb.ca.gov/msprog/onrdiesel/onrdiesel.htm](http://www.arb.ca.gov/msprog/onrdiesel/onrdiesel.htm)

The District has a list of Participating Dealerships at [https://bcaqmd.org/incentives-grants-rebates/carl-moyer-program/participating-dealerships/](https://bcaqmd.org/incentives-grants-rebates/carl-moyer-program/participating-dealerships/).

### Summary of On-Road Heavy-Duty Fleet Modernization Funding Opportunities

1. Limited opportunities means a fleet’s compliance status with the ARB regulation must be determined. Contact District CMP staff or consult fleet rule CMP Implementation Charts at [http://www.arb.ca.gov/msprog/moyer/guidelines/supplemental-docs.htm](http://www.arb.ca.gov/msprog/moyer/guidelines/supplemental-docs.htm) in addition to these guidelines.
3. Solid Waste Collection Vehicle Regulation: [http://www.arb.ca.gov/msprog/SWCV/SWCV.htm](http://www.arb.ca.gov/msprog/SWCV/SWCV.htm)
5. Statewide Truck & Bus Regulation: [http://www.arb.ca.gov/msprog/onrdiesel/onrdiesel.htm](http://www.arb.ca.gov/msprog/onrdiesel/onrdiesel.htm)

### Additional School Bus Eligibility Criteria
- The existing school bus must have:
  a. an engine Model Year of 1977 through 2006 with an “Extension of Deadline for Unavailability of Verified Diesel Emission Control Strategy,” or;
  b. an engine Model Year of 1977 through 2006 with an existing Verified Diesel Emission Control Strategy (VDECS) retrofit.
- The existing school bus must have a California Highway Patrol (CHP) safety certification that has not lapsed.

### Additional Criteria for Associated Infrastructure Supporting Zero-Emission Vehicle Replacement Projects
- The applicant must be able to obtain all required land use permits from agencies needed to install and operate the new infrastructure. The project must comply with all applicable federal, State, local laws and requirements including environmental laws, and State building, environmental and fire codes.
- Applicants must demonstrate that they own the land on which the project will be located.
- Work must be performed by a licensed contractor.
- Equipment and parts must be new. Remanufactured or refurbished equipment and parts are not...
eligible.

- Chargers must be level 2 or higher.
- New electric charging equipment must have at least a one year warranty. New alternative fueling equipment must have at lease a three year warranty.
- Applicants must be able to provide documentation that power or fuel is being provided to the site (e.g. application, payment to the local utility company for power installation, or contract).

Additional criteria may be found in the 2017 CMP Guidelines, Chapter 4: On-Road Heavy Duty Vehicles and Chapter 10: Infrastructure.
This application is to be used for incentive funds for on-road engine replacements projects. Additional information may be requested during the review process if needed. The applicant acknowledges that award of cash incentive is conditional upon approval by the District and must meet the minimum eligibility criteria.

**REQUIRED ATTACHMENTS TO APPLICATION**

Check each applicable box below to indicate inclusion.

- [ ] Completed application
- [ ] 24 months of complete historical usage
- [ ] Ownership and registration records *(past 24 months)*
- [ ] Itemized quote for new vehicle with warranty information
- [ ] Executive order for new engine
- [ ] Fleet compliance certificate and fleet summary from TRUCRS
- [ ] Proof of workers compensation insurance OR:
  - [ ] Proof of general liability insurance
- [ ] IRS Form W-9 (for the entity that will sign the grant contract and receive funds, if awarded)
- [ ] Other _____________________________________________________________________

**Applicant (Organization/Company/Individual Name):** ________________________________

______________________________________________________________________________

**Business Type:** __________________________________________________________________________

**Mailing Address/Street:** __________________________________________________________

**City/State/Zip Code:** _____________________________________________________________

**Contact Name:** _________________________________________________________________

**Phone:** ____________________________ **Fax:** ____________________________

**E-Mail:** ________________________________________________________________________

**Person with contract signing authority (if different than above):** ___________________
Funding Disclosure

Have any engines or vehicles listed in this application applied for or have been awarded Carl Moyer Program funding, or any other incentive funding?

☐ Yes
☐ No

If “Yes,” complete the following for each engine or vehicle:

Agency applied to: _________________________________________________________________

Date and number of Agency Solicitation: _______________________________________________

Funding Amount Requested or Awarded: _______________________________________________

Equipment Identification: ____________________________________________________________

Old Engine Serial Number: ___________________________________________________________

Status of Funding: _________________________________________________________________

Please list any other financial incentive, including tax credits or deductions, grants, or other public financial assistance for the vehicle/engine:

________________________________________________________________________________________

PISP Certification

☐ Initial: __________ I have read and understand that I am responsible for meeting the requirements of the Periodic Smoke Inspection Program (PSIP). I am either currently in compliance with PSIP requirements or I have paid all penalties for non-compliance and continue to meet requirements since payment.

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: ________________
Disclosure Statement

As an applicant/participant of the Carl Moyer Program, I declare that __________________________________

1. Is in compliance with, and
2. Will remain in compliance with, and
3. Does not have any outstanding/unresolved/unpaid Notices of Noncompliance (NON) 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
Portable Diesel Airborne Toxic Control Measure
Public Agency and Utility Rule
Sleeper Berth Truck Idling Regulation
Solid Waste Collection Vehicle Regulation
Stationary Engine Airborne Toxic Control Measures
Statewide Truck and Bus Regulation
Transit Fleet Rule

By signing below and submitting this application, I understand and acknowledge grant requirements and I hereby certify under penalty of perjury that the information in the application and attachments is accurate and true.

Authorized Signature: ___________________________________________________________ Date: ________________

Authorized Representative’s Name (Print): ______________________________________________________

Authorized Representative’s Title: _____________________________________________________________

Legal Owner’s Name: _______________________________________________________________________

Company Name:  __________________________________________________________________________

Mailing Address:  __________________________________________________________________________

City/State/Zip:  ____________________________________________________________________________

Physical Address of Equipment (if different than mailing address):  ___________________________________

Phone:  ______________________________________ E-Mail: ______________________________________

Fact sheets and additional information on the Regulations are available at http://www.arb.ca.gov/diesel/mobile.htm or by calling ARB’s diesel hotline at 866-6DIESEL (866-634-3735). To obtain these documents in an alternative format or languages, please call (866) 634-3735.
A. Project Information

1. Number of applications being submitted: ________________________________

2. Project Name: _________________________________________________________

3. Project Life: □ Maximum (see notes below)
   □ Other: ________________________________

4. Funding Requested: □ Maximum (see notes on page 7)
   □ Other: ________________________________

5. Percentage of Operation in California: _________________________________

6. Counties in which the equipment operates: ________________________________

7. Percentage of operation in each of above counties: ________________________

8. Project Type (select all that apply):
   □ Replacement of a school bus
   □ Replacement of a fire apparatus
   □ Replacement of an existing on road heavy-duty vehicle
   □ Associated infrastructure to support zero-emission replacement vehicle

9. Method of equipment purchase (please note, the grant is designed as a reimbursement):
   □ Purchase in full
   □ Use of short-term financing (PO account, Net 30 terms, etc.)
   □ Use of long-term financing (the grant amount must immediately go towards principal).
     *Lease agreements are not allowed. Draft financing terms required before contract execution.*

Notes:

The maximum project life for on-road projects is as follows:
- On-Road Heavy-Duty Vehicle Replacement Projects – seven (7) years
- School Bus Replacement Projects – ten (10) years
- Fire Apparatus Replacement Project – fourteen (14) years
- All Other Projects – three (3) years
Maximum amount of funding:

On-road agricultural trucks funded through the FARMER Program: **65% of new equipment cost.**

On-road projects funded through the Community Air Protection (CAP) program: See CAP Guidelines

All other On-Road vehicles:

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Heavy Heavy-Duty (HHD) GVWR &gt; 33,000lbs</th>
<th>Medium Heavy-Duty (MHD) GVWR 19,501-33,000lbs</th>
<th>Light Heavy-Duty (LHD) GVWR 14,001-19,500lbs</th>
</tr>
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<tbody>
<tr>
<td>0.20 g/bhp-hr Replacement</td>
<td>$60,000</td>
<td>$40,000</td>
<td>$30,000</td>
</tr>
<tr>
<td>0.10 g/bhp-hr Replacement</td>
<td>$70,000</td>
<td>$50,000</td>
<td>$40,000</td>
</tr>
<tr>
<td>0.05 g/bhp-hr Replacement</td>
<td>$80,000</td>
<td>$60,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>0.02 g/bhp-hr Replacement</td>
<td>$100,000</td>
<td>$80,000</td>
<td>$70,000</td>
</tr>
<tr>
<td>Zero Emission Replacement</td>
<td>$100,000</td>
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<td>$80,000</td>
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<tr>
<td>School Bus</td>
<td>$100,000</td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Zero-Emission School Bus</td>
<td>$100,000</td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Fire Apparatus Replacement</td>
<td>$100,000</td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Associated EV Infrastructure</td>
<td>Public School Buses: 100% - All Other Projects: 50%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Grams per brake horsepower-hour (g/bhphr)

**PLEASE PRINT OR TYPE ALL INFORMATION**

**B. Information About Existing Vehicle**

1. Vehicle Type/Function: ______________________________________________________
4. Vehicle Serial Number: _____________________ 5. Model Year: ____________________
6. Number of Heavy Duty Trucks in Fleet: ______________ 7. TRUCRS ID: _______________
8. Gross Vehicle Weight Rating (GVWR): ______________________________________
9. Estimated Miles Travelled (Miles/Year): ______________________________________
10. Vehicle Location: ___________________________________________________________
11. Is the existing vehicle controlled with a Level 3 retrofit (DPF)?  □Yes □No

**C. Information About Existing Engine**

1. Engine Manufacturer: ______________________ 2. Engine Model: ______________________
3. Engine Serial #: ________________________ 4. Engine Model Year: ___________________
5. Manufacturer’s Maximum Rated Brake Horsepower Engine Horsepower Rating:
   ______________________________________
6. Fuel Type: ________________________________________________________________
7. U. S. Environmental Protection Agency (EPA) or ARB Standardized Engine Family Name: ________________________________

D. Information About New Vehicle

1. Projected Date of Purchase & Delivery of New Vehicle: ________________________________
2. New Vehicle Make: ______________________________________________________________
3. New Vehicle Model/Model Year: __________________________________________________
4. New Vehicle Serial Number (if available): _________________________________________
5. New Vehicle Gross Vehicle Weight Rating (GVWR): _________________________________
6. New Engine Family: ______________________________________________________________
7. New Engine Make/Model: _________________________________________________________
10. New Engine Serial Number (if available): _________________________________________

E. Information about Associated Infrastructure (if applicable – for zero-emission projects)

1. Location of Installation: ___________________________________________________________
2. Name of Manufacturer: _________________________________________________________
3. Will the new infrastructure be accessible to the public? □Yes □No
4. Number of Charging Stations: ________________ 5. Number of Ports: ________________
4. Amperage / Voltage: ____________________________________________________________
5. Recharge Rate: ___________________________________________________________________
1.0 Recitals

1.1 The entire District is classified as a State and federal ozone nonattainment area due to the level of ozone in the ambient air exceeding the State and federal health-based standards.

1.2 Ozone is formed by the interaction of Nitrogen Oxides (NOx) and other precursor pollutants in the atmosphere. The majority of NOx in the District is generated from vehicles, including on-road heavy-duty vehicles. In order to bring the District into attainment with the State and federal standards, we must reduce the levels of NOx emitted by on-road heavy-duty vehicles.

1.3 The California Air Resources Board (CARB) has developed several programs to help the District achieve the State and federal ozone standards. One of these programs is the Carl Moyer Program (CMP). This Agreement is one step in implementing this Program.

1.4 The objective of the CMP is to accelerate the retirement or retrofitting of existing high-polluting on-road heavy-duty vehicles through financial incentives that will encourage low emission technology.

1.5 Under the CMP, the District will provide financial incentives to eligible on-road heavy-duty vehicle owners that agree to destroy and replace their existing vehicle or retrofit their existing vehicle prior to State regulation deadlines.

1.6 To ensure that actual reductions result from the CMP, it is essential:
   a. That the existing vehicle is inspected to verify that it qualifies for the CMP,
   b. That the existing vehicle is destroyed properly to permanently eliminate its potential for emissions in replacement projects,
   c. That replacement engines or installed retrofit devices must be certified or verified by CARB and must comply with durability and warranty requirements, and
   d. That on-road heavy-duty projects undergo a compliance check through CARB.

1.7 The Dealership is in the business of selling new or used on-road heavy-duty vehicles.

1.8 The Dealership has reviewed and is familiar with the District’s On-Road Heavy-Duty Vehicle Program.

1.9 The Dealership understands that the purpose of the CMP, and this Agreement, is to help the
1.10 The Dealership wishes to enter into this Agreement so that it will be eligible to market its equipment and services to Program Participants.

1.11 The District has not reviewed the Dealership's operations, or reached any conclusion on the quality of the Dealership's operation. The District is permitting the Dealership to enter into this Agreement solely because the Dealership has represented to the District that it is aware of the CMP goals, and agrees to abide by the CMP requirements.

2.0 Conditions

The parties agree to the following conditions:

2.1 Definitions: As used in this Agreement, the following terms have the following meanings:

a. “Program Participant” means the individual or business entity that is replacing or retrofitting their existing on-road heavy-duty vehicle.

b. “Existing (Old) Vehicle” means the on-road heavy-duty vehicle that the Program Participant surrenders for destruction or retrofits.

c. “Replacement Vehicle” means the new on-road heavy-duty vehicle purchased by the Program Participant.

2.2 Payment: The Dealership will not be paid or otherwise reimbursed directly by the District. Rather, the benefit received by the Dealership under this Agreement is the opportunity to participate in the CMP, which carries the corresponding opportunity to profit through the sale of equipment to be purchased by Program Participants. The issuance of two-party checks made payable to both the Dealership and the Program Participant is authorized if both parties agree to such payments.

2.3 Dealership Qualifications: The Dealership warrants that it meets the following minimum qualifications for participation in the CMP, and will continue to meet these qualifications throughout its participation in the CMP. The Dealership may petition the District to waive or modify any of these minimum qualifications:

a. The Owner has had a valid California business license for a minimum of the last two (2) years.

b. The Dealership has had a valid California Department of Motor Vehicles (DMV) Dealership license for a minimum of the last two (2) years.

c. A minimum of one (1) employee has been trained by the District regarding the CMP.
2.4 **Dealership Requirements:** The Dealership agrees to meet the following requirements so that the Program Participant is eligible for payment of incentive funds: Unless otherwise indicated, the Dealership must meet each requirement before the District will be obligated to release the incentive funds to the Program Participant. The Dealership agrees to do the following:

**a.** The Dealership shall be able to provide basic information to applicants about the Carl Moyer program and inform applicants of their responsibilities as outlined in the District and CARB guidelines. The District will provide training to Dealership staff. Provide basic information to applicants about the On-Road Heavy-Duty Vehicle. The District will provide training to Dealership staff.

**b.** An applicant may not order or make a down payment on a new engine, piece of equipment, or vehicle prior to contract execution or approval by the District. Dealers ordering engines, equipment, or vehicles prior to District approval of grant applications assume all financial risk. A program participant may not receive engines, equipment, or vehicles, nor may work begin on a repower or retrofit project, until the project contract is fully executed.

**b.** Inform applicants of rights and responsibilities as outlined in the District and CARB guidelines.

**cb.** Assist applicants with completing the program application, where applicable. Help the applicants correctly complete the application. It is important to make sure that all information is filled out correctly and that the applicant understands the CMP and the meaning of the Carl Moyer Grant Contract. Convey to the applicants that the CMP is a reimbursement program (reimbursed after payment in full has been made) and that all financing must be authorized by the District before the contract is signed and that no leasing is allowed. Information necessary for preliminary evaluation of the project includes, but is not limited to, the following:

**c.1** Description and specifications of the existing vehicle including engine year, make and model, Gross Vehicle Weight Rating (GVWR), Vehicle Identification Number (VIN), Truck Regulations Upload and Compliance Reporting System (TRUCRS) Identification Number (ID) and fleet summary, and credible records of the previous two (2) years of ownership, operation and amount of usage in California.

**c.2** Description and specifications of the proposed replacement vehicle including engine year, model, GVWR, CARB Engine Family Number and Executive Order number, price quote, warranty information, and financing information if financed.

**c.3** Documentation of replacement vehicle warranty.

**d.** The Program Participant will schedule a time and place for the District to pre-inspect and to verify the identity, operation, and condition of the existing vehicle. The Dealership may attend the pre-inspection; however, it is not mandatory.
e. If the Program Participant wishes to finance any portion of the equipment cost, draft financing terms must be submitted to the District prior to Contract execution.

f. After the Carl Moyer Grant Contract is executed, the Dealership may order the replacement vehicle and have it delivered to the Dealership.

g. Before delivering the replacement vehicle to the Program Participant, the Dealership will schedule a time and place for the District to inspect and verify the identity, operation, and condition of the replacement equipment, or retrofit, if installed. The Dealership may not deliver the replacement vehicle to the Program Participant until the District inspects the replacement vehicle or authorizes delivery.

h. The Dealership shall submit copies of itemized invoices, warranty information, and financing information prior to the District issuing payment for the grant.

i. The Dealership will use only Original Equipment Manufacturer (OEM) certified parts for any repairs to any engine or equipment covered under the District Program.

j. The Program Participant or Dealership shall deliver the existing vehicle to a qualified Dismantler within sixty (60) calendar days of the Program Participant receiving the new replacement vehicle. The program participant or dealer must immediately notify the air district of the location and date of delivery of the existing engine/vehicle to the dismantler. The participating dismantler may also pick up the existing engine/vehicle.

k. Use of Engine or Vehicle Pending Destruction: The Program Participant or Dealer may not use or permit the use of the existing engine or vehicle except use necessary to move it for destruction or storage.

2.5 Cancellation: The District may cancel this Agreement if the Dealership fails to comply with its requirements. Any Dealership whose Agreement was cancelled and is re-submitting a new signed Agreement must include with the submittal a written description of the actions that will be taken to eliminate the cause of the cancellation of the previous Agreement.

2.6 Amendments: No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by all parties.

2.7 Term: This Agreement shall begin upon execution by both parties and terminate on June 30, 2024.

2.8 This Agreement consists of:
- This Agreement
- Exhibit A, District On-Road Heavy-Duty Vehicle Program
- Exhibit B, On-Road Heavy-Duty Vehicle Application
- Exhibit C, On-Road Heavy-Duty Vehicle Checklist and Guide
2.9 Correspondence between the District and the Dealership should be addressed to the following:

To District: Carl Moyer Program Representative
Butte County AQMD
629 Entler Avenue, Suite 15
Chico, CA 95928
Phone: (530) 332-9400
Fax: (530) 332-9400
Email: air@bcaqmd.org

To Dealership: Contact Name: _____________________________
Business Name: ____________________________
Business Address: ___________________________
City, State, Zip: _____________________________
Phone: ____________________________
Fax: ____________________________
Email: ____________________________

The address and/or contacts may be changed by written notice to the other party. Such written notice may be given by mail, email, or fax.

2.10 The undersigned representative of the Dealership affirmatively states that he or she has legal authority to bind the Dealership to the terms of this Agreement.

Approved by the Dealership:

________________________________________
(Print Name)

Title: ____________________________

________________________________________
(Signature)

Date: ____________________________

Approved by the Butte County Air Quality Management District

Reviewed by:

________________________________________
Aleah Ing, Administrative Services Officer

Approved by:
Date:

Stephen Ertle, Air Pollution Control Officer

Approved by the Butte County Air Quality Management District:

______________________________________________________ Date: ________________________

Stephen Ertle, Air Pollution Control Officer

Approved as to legal form:

______________________________________________________ Date: ________________________

______________________________________________ District Legal Counsel

May 27, 2021

BCAQMD Governing Board Meeting
Carl Moyer On-Road Heavy-Duty Vehicle Program
Agreement between Dismantler and Butte County AQMD

This agreement (Agreement) is between the Butte County Air Quality Management District (District) and _________________________________ (Dismantler).

1.0 Recitals

1.1 The entire District is classified as a State ozone nonattainment area as well as a federal ozone nonattainment area due to the level of ozone in the ambient air exceeding the State and federal health-based standards.

1.2 Ozone is formed by the interaction of Nitrogen Oxides (NOx) and other precursor pollutants in the atmosphere. The majority of NOx in the District is generated from vehicles, including on-road heavy-duty vehicles. In order to bring the District into attainment with the State and federal standards, we must reduce the levels of NOx emitted by on-road heavy-duty vehicles.

1.3 The California Air Resources Board (CARB) has developed several programs to help the District achieve the State and federal ozone standards. One of these programs is the Carl Moyer Program (CMP). This Agreement is one step in implementing this Program.

1.4 The objective of the CMP is to accelerate the retirement or retrofitting of existing high-polluting on-road heavy-duty vehicles through financial incentives that will encourage low emission technology.

1.5 Under the CMP, the District will provide financial incentives to eligible on-road heavy-duty vehicle owners that agree to destroy and replace their existing vehicle or retrofit their existing vehicle prior to State regulation deadlines.

1.6 To ensure that actual reductions result from the CMP, it is essential:

   a. That the existing vehicle is inspected to verify that it qualifies for the CMP,

   b. That the existing vehicle is destroyed properly to permanently eliminate its potential for emissions in replacement projects,

   c. That replacement engines or installed retrofit devices must be certified or verified by CARB and must comply with durability and warranty requirements, and

   d. That on-road heavy-duty projects undergo a compliance check through CARB.

1.7 The Dismantler is in the business of dismantling used on-road heavy-duty vehicles.

1.8 The Dismantler has reviewed and is familiar with the District’s On-Road Heavy-Duty Vehicle Program.
1.9 The Dismantler understands that the purpose of the CMP, and this Agreement, is to help the District achieve clean air standards as required by State and federal law.

1.10 The Dismantler wishes to enter into this Agreement so that it will be eligible to receive existing vehicles participating in the CMP.

1.11 The District has not reviewed the Dismantler’s operations, or reached any conclusion on the quality of the Dismantler’s operation. The District is permitting the Dismantler to enter into this Agreement solely because the Dismantler has represented to the District that it is aware of the CMP goals and agrees to abide by the CMP requirements.

2.0 Conditions

The parties agree to the following conditions:

2.1 Definitions: As used in this Agreement, the following terms have the following meanings:

a. “Program Participant” means the individual or business entity that is surrendering its on-road heavy-duty vehicle and receiving funds to aid in the purchase of a new on-road heavy-duty vehicle.

b. “Existing (Old) Vehicle” means the on-road heavy-duty vehicle that the Program Participant surrenders for destruction.

c. “Replacement Vehicle” means the new on-road heavy-duty vehicle purchased by the Program Participant.

2.2 Payment: The Dismantler will not be paid or otherwise reimbursed directly by the District or CARB. Rather, the benefit received by the Dismantler under this Agreement is the opportunity to participate in the CMP, which includes the corresponding opportunity to profit through the receipt – for cash or free – of materials that the Dismantler will dismantle with the intent to make a profit. Funding is not available from the District through this Agreement for any Dismantler or material costs, including hazardous waste abatement fees, labor costs, fines, permits, or other charges resulting from destruction or disposal.

2.3 Dismantler Requirements: The Dismantler must comply with the following requirements in accordance with the CMP Guidelines, current and future CMP advisories and mail-outs, and supplemental documents related to the CMP, and submit certification to the District verifying that the requirements have been met. The Dismantler agrees to meet the following requirements so that the Program Participant is eligible for payment of incentive funds: Within sixty (60) calendar days of receiving a vehicle under this Agreement, the Dismantler will:

   a. Within sixty (60) calendar days of receiving a vehicle under this Agreement, the Dismantler will Destroy the vehicle and render it physically useless,
completely severing the frame rails between the front and rear axles so that the frame is no longer capable of being used in a vehicle, and destroying and rendering useless the engine including putting a minimum of a 3-inch diameter irregular hole in the engine block with a cut that connects to the oil pan flange.

b. Notify the District when the vehicle (chassis and engine) has been properly destroyed and schedule a destruction inspection with the District; and

c. The Dismantler must provide verification that the vehicle is registered with the California Department of Motor Vehicles (DMV) as non-repairable. Verification of filing the form with DMV (REG 488C Application for Salvage Certificate or Non-Repairable Vehicle Certificate, or REG 42 Notice of Acquisition/Report of Vehicle To Be Dismantled) must be provided to the District at the dismantle inspection. Within ninety (90) calendar days of the dismantle inspection date, the Dismantler must also provide verification to the District from DMV that the replaced vehicle has been registered with DMV as non-repairable (non-revivable) with a transaction code L10 (Junk Non-Revivable) or C26 (Junk Non-Revivable Original); and

d. The Dismantler will not use or permit the use of the engine or vehicle except as necessary to move it for destruction or storage.

e. Air District staff or the dismantler must take photographs of the destroyed engine and severed frame rails. Dismantler photographs of the destroyed engine block and severed frame rails must be provided to the air district within ten (10) business days of dismantling the vehicle. The following picture views must be taken:

   a. Front, right, and left side of vehicle with hood down including license plate if available (vehicle scrap).
   b. VIN tag (vehicle scrap).
   c. Engine serial number either stamped on the block or on the tag (engine or vehicle scrap).
   d. Left and right side of destroyed engine block either in-frame or out of frame (engine or vehicle scrap).
   e. Hole in engine block (engine or vehicle scrap).
   f. Completely severed frame rails (vehicle scrap).
   g. Odometer Reading (vehicle scrap).

2.4 Dismantler Qualifications: The Dismantler warrants that it meets the following minimum qualifications for participation in the CMP, and will continue to meet these qualifications throughout its participation in the CMP. The Dismantler must provide written proof that it
meets the following qualifications within forty-eight (48) hours if requested by District staff.

a. The Dismantler must have a current, valid Dismantler’s license issued by the DMV.

b. The Dismantler must have a current, valid California Environmental Protection Agency Hazardous Material Generator and Storage Permit.

c. The Dismantler must be in compliance with all local, State, and federal regulations, permits and requirements.

d. The Dismantler must have a minimum of one (1) active employee who received training by the District on the requirements of the CMP. If a Dismantler has more than one location, then the Dismantler must have at least one (1) active employee trained by the District at each location that will be accepting vehicles.

e. The Dismantler must have a valid business license and have been a Dismantler in California for a minimum of the last two (2) years.

2.5 Cancellation: The District may cancel this Agreement if the Dismantler fails to comply with its requirements. Any Dismantler whose Agreement was cancelled and is re-submitting a new signed Agreement must include with the submittal a written description of the actions that will be taken to eliminate the cause of the cancellation of the previous Agreement.

2.6 Amendments: No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by all parties.

2.7 Term: This Agreement shall begin upon execution by both parties and terminate on June 30, 2024.

2.8 This Agreement consists of:

- This Agreement
- Exhibit A, District On-Road Heavy-Duty Vehicle Program
- Exhibit B, On-Road Heavy-Duty Vehicle Application
- Exhibit C, On-Road Heavy-Duty Vehicle Checklist and Guide

2.9 Correspondence between the District and the Dismantler should be addressed to the following:

To District: Carl Moyer Program Representative Butte County AQMD 629 Entler Avenue, Suite 15 Chico, CA 95928 Phone: (530) 332-9400 Fax: (530) 332-9417 Email: air@bcaqmd.org

To Dismantler: Contact Name: _____________________________ Business: _____________________________ Business Address: _____________________________ City, State, Zip: _____________________________ Phone: _____________________________ Fax: _____________________________ Email: _____________________________
The address and/or contacts may be changed by written notice to the other party. Such written notice may be given by mail, email, or fax.

2.10 The undersigned representative of the Dismantler affirmatively states that he or she has legal authority to bind the Dismantler to the terms of this Agreement.

Approved by the Dismantler:

_________________________________________ Title: ____________________________
(Print Name)

_________________________________________ Date: ____________________________
(Signature)

Approved by the Butte County Air Quality Management District

Reviewed by:

_________________________________________ Date: ____________________________
Aleah Ing, Administrative Services Officer

Approved by:

_________________________________________ Date: ____________________________
Stephen Ertle, Air Pollution Control Officer

Approved by the Butte County Air Quality Management District:

_________________________________________ Date: ____________________________
W. James Wagoner, Air Pollution Control Officer
Approved as to legal form:

__________________________________________ Date: ______________________

District Legal Counsel
**Type of Inspection:**

<table>
<thead>
<tr>
<th>Existing Equipment:</th>
<th>Pre-Inspection</th>
<th>Pre-Dismantle (On Road)</th>
<th>Dismantle/Scrap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Replacement Equipment:</td>
<td>Post-Inspection</td>
<td>Audit Inspection</td>
<td></td>
</tr>
<tr>
<td>Program:</td>
<td>Carl Moyer</td>
<td>RAP</td>
<td>State Reserve</td>
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**Inspection Information**

<table>
<thead>
<tr>
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<th>Contract #:</th>
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<tbody>
<tr>
<td>Inspection Contact:</td>
<td>Phone #:</td>
</tr>
<tr>
<td>Inspection Location:</td>
<td></td>
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<tr>
<td>Inspection Date:</td>
<td>Inspection By:</td>
</tr>
</tbody>
</table>

**Existing (old) Equipment Information**

<table>
<thead>
<tr>
<th>Vehicle / Equipment Information:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make:</td>
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<tr>
<td>Serial Number/VIN:</td>
</tr>
<tr>
<td>Fleet ID:</td>
</tr>
<tr>
<td>□ Yes</td>
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</tbody>
</table>

**Engine Information:**

| Make: | Model: | Year: | Engine Horsepower: |
| Serial Number: | | | |
| Engine operational?: | Fuel used?: | Engine Family Number: |
| □ Yes | □ No | □ Diesel | □ Other: |

**Replacement (new) Equipment Information**

<table>
<thead>
<tr>
<th>Vehicle / Equipment Information:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make:</td>
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<tr>
<td>Serial Number/VIN:</td>
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<tr>
<td>Fleet ID:</td>
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<tr>
<td>□ Yes</td>
</tr>
</tbody>
</table>

**Engine Information:**

| Make: | Model: | Year: | Engine Horsepower: |
| Serial Number: | | | |
| Engine operational?: | Fuel used?: | Engine Family Number: |
| □ Yes | □ No | □ Diesel | □ Other: |
**Required Photographs**
- Digital photos should be clear images with a minimum of 640x480 capture resolution.

(check the boxes/circles of pictures taken)

<table>
<thead>
<tr>
<th>Pre-inspection of existing equipment</th>
<th>Post inspection of replacement equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>❑ Equipment from left side</td>
<td>❑ Equipment from left side</td>
</tr>
<tr>
<td>❑ Equipment from right side</td>
<td>❑ Equipment from right side</td>
</tr>
<tr>
<td>❑ Equipment from front</td>
<td>❑ Equipment from front</td>
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<tr>
<td>❑ Equipment from back</td>
<td>❑ Equipment from back</td>
</tr>
<tr>
<td>❑ Equipment serial number (VIN)</td>
<td>❑ Equipment serial number (VIN)</td>
</tr>
<tr>
<td>❑ Odometer</td>
<td>❑ Odometer</td>
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<tr>
<td>❑ License Plate</td>
<td>❑ License Plate</td>
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<tr>
<td>❑ Engine from drivers side</td>
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<tr>
<td>❑ Engine tag (if available)*</td>
<td>❑ Engine tag</td>
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<tr>
<td>○ Engine make</td>
<td>○ Engine make</td>
</tr>
<tr>
<td>○ Engine model</td>
<td>○ Engine model</td>
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<tr>
<td>○ Engine serial number</td>
<td>○ Engine serial number</td>
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<tr>
<td>○ Engine family number</td>
<td>○ Engine family number</td>
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<table>
<thead>
<tr>
<th>Pre-Dismantling inspection of existing equipment</th>
<th>Dismantling inspection of existing equipment</th>
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</thead>
<tbody>
<tr>
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<tr>
<td>❑ Equipment from right side</td>
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<td>❑ Equipment from front</td>
<td>❑ Equipment from front</td>
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<td>❑ Equipment from back</td>
<td>❑ Equipment from back</td>
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<tr>
<td>❑ Equipment serial number (VIN)</td>
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<td>❑ Engine from drivers side</td>
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<tr>
<td>❑ Engine tag (if available)*</td>
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<tr>
<td>○ Engine model</td>
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<td>○ Engine serial number</td>
</tr>
<tr>
<td>○ Engine family number</td>
<td>○ Engine family number</td>
</tr>
<tr>
<td>❑ Cut in frame rails / structural body</td>
<td>❑ Cut in frame rails / structural body</td>
</tr>
<tr>
<td>❑ Hole in engine block (at least 3 inches wide including oil pan flange)</td>
<td>❑ Hole in engine block (at least 3 inches wide including oil pan flange)</td>
</tr>
</tbody>
</table>

*If engine tag is missing, a picture of the engine serial number or Air District ID stamped on the engine block must be submitted.
<table>
<thead>
<tr>
<th>Date:</th>
<th>Name:</th>
<th>Location:</th>
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<tbody>
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</table>

**Vehicle/Equipment Information:**

**Inspector: JM**

Photo 1 of PICTURE

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<table>
<thead>
<tr>
<th>Date:</th>
<th>Name:</th>
<th>Location:</th>
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</thead>
<tbody>
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</table>

**Vehicle/Equipment Information:**

**Inspector: JM**

Photo 2 of PICTURE

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**PICTURE**
1.0 Recitals

1.1 The District is in nonattainment of the State air quality standards for ozone and particulate matter (PM) and is impacted by the effects of toxic air contaminants, including diesel particulate matter and other pollutants from mobile sources.

1.2 On November 17, 2005, the District Governing Board approved Resolution No. A 2005-49 authorizing the District’s participation in the California Air Resources Board’s (ARB) Carl Moyer Program which is a Heavy-Duty Low-Emission Vehicle Incentive Program (Program), which is hereby incorporated by reference and made part of this Contract.

1.3 On November 17, 2005, the District Governing Board approved Resolution No. B 2005-50 authorizing the Air Pollution Control Officer (APCO) to execute contracts and agreements and make minor modifications to the Program for the purpose of maintaining consistency with the State Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program).

1.4 On September 23, 2004, Governor Schwarzenegger signed Assembly Bills 923, 1394, and 2128 which made major changes to the Carl Moyer Program and projects funded using Department of Motor Vehicles (DMV) Surcharges, expanding the Program to include light-duty vehicles, fleet modernization, and agricultural assistance projects.

1.5 To implement mobile source emission reduction projects, the Program provides incentives to fleet operators and individuals for the purchase, repower and/or retrofit of low-emission on-road motor vehicles, off-road mobile equipment, and agricultural water pumps.

1.6 The Program Participant wishes to participate in the Program by purchasing and operating the equipment described in this Contract and represents that the purchase is not required by any local, State, and/or federal rule, regulation, memorandum, or other legally binding agreement, with the exception of certain agricultural projects described in California Health and Safety Code (HSC) §41081(d)(2)(ii)

1.7 The Program Participant has read and agreed to all requirements of the Program application and guidelines which are hereby incorporated into this Contract.

1.8 This Contract is a voluntary act intended to accelerate the introduction of low-emission vehicle and engine technology designed to reduce emissions of nitrogen oxides (NOx), PM, reactive organic gases, toxic air contaminants, and oxides of carbon within Butte County, as required by this grant.

1.9 This Contract was approved for use by the Governing Board of the Butte County Air Quality Management District on November 17, 2005 by Resolution No. A 2005-49 and most recently amended on March 22, 2018 by Resolution 2018-03 and on June 28, 2018 by Resolution 2018-13, April 22, 2021 by

May 21, 2021

Form 555, as amended 5/13-21  CMP Grant Contract Sample Apndx B  BCAQMD Governing Board Meeting
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2.0 Terms and Conditions

2.1 Definitions

2.1.1 “Applicable Emission Standards” are defined as the emission standards for NOx, PM, hydrocarbons, and carbon monoxide established by ARB or the United States Environmental Protection Agency (EPA) for a Model Year vehicle or engine.

2.1.2 “Agricultural Water Pump” is defined as a stationary or portable device designed to move water used for agricultural purposes.

2.1.3 “Certified” is defined as a motor vehicle or engine that is certified by ARB or EPA to an emission standard or standards.

2.1.4 “Commitment of Funds” are funds considered committed to a project when a specific Carl Moyer Program project eligible for those funds has been approved by the District Governing Board or by the APCO or other delegated authority.

2.1.5 “Expend” is the payment of Carl Moyer Program funds on a project invoice for an eligible Carl Moyer Program project for the purposes of meeting the requirements of HSC §44287(k).

2.1.6 “Experimental Permit” is defined as an Executive Order issued by ARB for the experimental use of a non-certified or non-verified engine, fuel, or engine retrofit in California.

2.1.7 “Fully Executed Contract” is a legally binding Carl Moyer Program Contract signed by the APCO or other designated representative and the project vehicle, engine, or equipment owner or their legal representative.

2.1.8 “Liquidate Funds” are funds for which the District has paid a Program Participant for a valid and eligible project invoice. A Contract is considered liquidated only when a check or checks for the full Contract amount (or all invoices associated with the project) have been fully paid.

2.1.9 “Motor Vehicle” is defined as a self-propelled device by which any person or property may be propelled, moved, or drawn upon a highway, excepting a device moved exclusively by human power or used exclusively upon stationary rails or tracks.

2.1.10 “Off-Road Equipment” is defined as a self-propelled or portable device not intended for operation on a highway and is powered by an engine certified to off-road or non-road emission standards.

2.1.11 “Replacement” is defined as the transaction in which an older on-road motor vehicle or piece of off-road mobile equipment is destroyed and replaced with a similar motor vehicle or piece of equipment certified to a lower emission standard.

2.1.12 “Repower” is defined as the process in which an old engine is replaced with a new engine.

2.1.13 “Retrofit” is defined as the installation of a device designed to reduce emissions from an engine.

2.1.14 “Tier 4” is defined as the emission certification of an off-road compression ignition engine to the Tier 4 Final emission standards as described in §2423(b)(1) of the California Code of Regulations.

2.1.15 “Verified” is defined as a device, fuel, or system that is verified by ARB or EPA to reduce emissions from a mobile source by a verified amount.
2.2 Program Participant Obligations – the Program Participant will:

2.2.1 Purchase and operate the equipment described in Exhibit A by June 30, 20xx. The Program Participant may submit a written request to extend this Section if the project cannot be successfully completed due to circumstances beyond the Program Participant’s reasonable control.

2.2.2 Ensure that a functioning hour meter or odometer as applicable is installed on the equipment described in Exhibit A for the life of the project.

2.2.3 Operate the equipment described in Exhibit A in Butte County during the term of this Contract in accordance with the requirements in Exhibit B. In addition to meeting the operating requirements established in Exhibit B, 51% of the vehicle’s total operation must occur within California. Agricultural water pumps are required to operate 100% within Butte County.

2.2.4 Maintain the minimum level of required insurance described in Exhibit C during the term of this Contract, and ensure that the District is named as an additional insured and loss payee under the policy.

2.2.5 Comply with applicable Airborne Toxic Control Measures and District Rules as determined by the APCO.

2.3 Payment

2.3.1 The District will remit to the Program Participant up to $____________ towards the cost of the vehicle, equipment and/or engine identified in Exhibit A within sixty (60) days of receipt of an itemized invoice. The maximum Contract amount shall not exceed the maximum funding level corresponding to the program cost-effectiveness limit, nor may the maximum Contract amount exceed the project incremental cost. The maximum Contract amount must also comply with any funding caps and other criteria for the specific project category as identified in the current Carl Moyer Program Guidelines, the District’s Policies and Procedures, and __________ (example: FARMER Program Guidelines).

2.3.2 If any portion of the equipment purchase requires financing, the Program Participant shall provide the financing terms to the District for review and approval before signing this agreement. No rented or lease type financing is permissible, only conventional financing will be allowed. 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. It is recognized by the District and the Grantee that the District will place a lien on the equipment as outlined in section 2.6.5.

The Program Participant has indicated that they will purchase the equipment described in Exhibit A in the following manner:

- [ ] Purchase in full with no financing
- [ ] Use of short-term financing (PO account, net 30 terms, etc.)
- [ ] Use of long-term financing (beyond 30 days)

If the Participant is using commercial or other loans to purchase the equipment, the Participant authorizes the financing entity to release any and all financial information to BCAQMD regarding the Participant’s payment status at any time during the term of this Agreement. Furthermore, the Participant agrees to hold the releasing parties immune from liability for the release of the information to the BCAQMD.

2.3.3 Any payments made under this Contract are subject to the provisions and limitations of the HSC. The District shall have no liability for payment of any compensation and expenses that are found to be in contravention of the HSC or any other local, State, or federal law. The Program Participant shall reimburse the District for any payments that are later found to be in contravention
of the HSC or any other local, State, or federal law.

2.3.4 No payments shall be issued under this Contract prior to final inspection of the project by District personnel.

2.3.5 Payment of compensation shall be issued by the District to the Program Participant within sixty (60) days after receipt by the District of a statement of charges and completion of final inspection. Such statement shall be checked and approved by a person or persons designated by the District.

2.3.6 Payments made under this Contract are subject to taxation and an IRS Form 1099 will be issued to the Program Participant. Funds may be withheld by the District as required by law for payment of tax liabilities and/or other court-ordered payments.

2.3.7 The District shall pay the lower of the Contract amount in Section 2.3.1 or the maximum funding amount as determined by cost effectiveness limits and the District’s Policies and Procedures.

2.4 General Program Requirements

2.4.1 The Program Participant warrants that the vehicle, equipment and/or engine covered under this Contract meets all the eligibility requirements described in the Carl Moyer Program application, Carl Moyer Program Guidelines, and __________. The Program Participant further agrees to operate the vehicle, equipment and/or engine in a manner that is consistent with the eligibility requirements in the guidelines and the goals and objectives of the Program.

2.4.2 An applicant must disclose the value of any public incentive or grant received or applied for that directly reduces the project cost for the equipment listed in Exhibit A of this contract except for tax credits and tax deductions. Such incentive funds may include but are not limited to other Carl Moyer Program funds and local, State and Federal funds. If the District discovers that the Program Participant has applied for or received undisclosed public incentive funds, the District may terminate this Contract and require that any funds paid under this Contract be returned to the District. An 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 as required by this Contract may be disqualified from funding for that project from all sources within the control of an air district or ARB. The District or ARB may also seek civil penalties for such non-disclosure.

2.4.3 The Program Participant agrees to operate the vehicle, equipment and/or engine described in Exhibit A within the manufacturers’ specifications including all maintenance and fueling requirements. An operational odometer, hour meter, or other District-approved usage measuring device must be installed on all projects and maintained for continuous operation. Under no circumstances may the Program Participant make any modifications to or tamper with the vehicle, equipment and/or engine emission control system(s), or any recording devices on the vehicle, equipment and/or engine prohibited under ARB and EPA regulations. The Program Participant also agrees to operate the vehicle, equipment and/or engine in compliance with all local, State, and federal rules, laws, and regulations. Repower projects must be completed in a manner such that it does not void the engine warranty provided by the manufacturer and any remaining warranty provided by the vehicle, equipment and/or engine manufacturer.

2.4.4 The Program Participant certifies that their fleet, vehicle, equipment and/or engine is in compliance with all applicable federal, State, and local air quality rules and regulations at time of execution. The Program Participant agrees to maintain compliance with all applicable rules and regulations for full Contract term as specific in Section 2.9.1.

2.5 Engine Repower and Retrofit Requirements – This Contract is ☑ or is not ☐ subject to the following requirements:

2.5.1 Emission reduction technologies must be certified/verified by ARB and must comply with durability and warranty requirements. Engines certified to a level that is less stringent than the standard applicable to the replaced engine for any pollutant are ineligible for funding under this Contract.

2.5.2 Retrofit projects that reduce NOx emissions must be verified by ARB to a NOx reduction level of
at least 15% from the baseline engine to claim NOx reductions from the project.

2.5.3 Retrofit projects that control PM must use the highest level technology feasible available for the equipment being retrofitted. ARB considers the retrofit device that achieves the highest level of PM reductions (level 3 – 85%) and the highest level of NOx reductions to be the highest level retrofit.

2.5.4 If the Program Participant is replacing or repowering an engine, the Program Participant must either:

(i) Destroy the replaced or repowered engine in a manner acceptable to the District. If the engine is destroyed, the Program Participant must permit the District to inspect the destroyed engine; or

(ii) Implement a District-approved destruction alternative. The District may approve a destruction alternative only if special circumstances justifying the use of an alternative, and there is no detrimental impact to air quality.

2.6 New Low-Emission Equipment Purchase – This Contract is □ or is not ☒ subject to the following requirements:

2.6.1 New low-emission equipment must be certified by ARB to a NOx emission level below the applicable standard for that motor vehicle or piece of off-road mobile equipment. Low-emission vehicle or engine technology under an experimental permit from ARB are also eligible for funding under the Program.

2.6.2 The low-emission vehicle or engine technology funded under Section 2.6.1 must achieve at least a 30% reduction in NOx emissions as compared to the applicable baseline emission standards for the specific Model Year and power rating.

2.6.3 The low-emission vehicle or engine technology funded under Section 2.6.1 must not be certified to PM, hydrocarbons, and/or carbon monoxide levels above the applicable baseline emission standards for the specific Model Year and power rating.

2.6.4 The District must confirm through inspection or documentation any items identified in the current Carl Moyer Program Guidelines and the District’s Policies and Procedures Manual. These items include, but are not limited to:

(i) Installation of a digital odometer/hour meter on replacement equipment;

(ii) Equipment finance, warranty, and purchase documents for replacement equipment;

(iii) Destruction of existing engine and equipment in a manner acceptable to the District; and

(iv) Title and registration records for on-road vehicle projects.

2.6.5 The Program Participant agrees to the following motor vehicle title and or lien requirements:

(i) If the vehicle type is issued a title by the Department of Motor Vehicles (DMV), the Program Participant will provide a copy of the replacement vehicle’s title to the District. If the vehicle is not financed, the District shall be named as a lien holder for the vehicle. If the vehicle type is not issued a title by the DMV, a Uniform Commercial Code (UCC) filing will be required.

(ii) The Program Participant must be the legal owner of the replacement vehicle through the length of this Contract.

(iii) If the replacement vehicle is financed, and the loan is repaid before the termination of this Contract, the Program Participant must add the District as lien holder and ensure that the District remains a lien holder on the replacement vehicle through the
(iv) If the replacement vehicle is repossessed by the finance company, the Program Participant must reimburse the District in accordance with the termination formula in Section 2.7.

(v) Any changes to the replacement vehicle’s title must be approved in writing by the District.

2.7 Upon termination of this Contract, if the vehicle/engine fails to fulfill the minimum required operation, the Program Participant shall return to the District an amount based on the difference between the required operation amount and the actual amount operated according to the following formula:

\[
A = I \times \left[ (O \times L) - C \right] / (O \times L)
\]

Where:
- \(A\) = Amount Owed to the District
- \(I\) = Total Incentive Award
- \(O\) = Annual Operational Requirement (miles, hours or gallons)
- \(L\) = Length of the Contract in Years
- \(C\) = Actual Operation (miles, hours, or gallons)

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 Program Participant as outlined in Section 2.9.11. Additionally, the APCO may grant a waiver to the Program Participant for a defined time period if the Program Participant demonstrates to the APCO’s satisfaction that the equipment was significantly underutilized due to unforeseen conditions beyond the Program Participant’s control. Waivers must be granted in accordance with Section BB(4)(D) of the 2017 Carl Moyer Guidelines.

2.8 The parties acknowledge that this Contract will be funded by incentive fund revenues being transferred to the District; however, the District may terminate this Contract if it does not receive all or a portion of the revenues, or funds are not specifically appropriated for this Contract in the District’s final budget prior to the expiration of the Contract and any Contract extensions. If the District terminates this Contract under this paragraph, it will serve notice of the action on the Program Participant within ten (10) working days.

2.9 General Requirements

2.9.1 This Contract shall begin upon execution by all parties and terminate on June 30, 20xx. No work including any related purchases may begin on this project until this Contract is executed by all parties. For this Contract, the timeframe indicated by the execution of this Contract and the aforementioned termination date shall serve as the Contract term including both the project completion and project implementation/life periods. Under no circumstance may the liquidation date be extended beyond four (4) years from the original date of Contract execution.

During this time period, the Program Participant is required to operate the program funded vehicle, equipment and/or engine according to the terms of this Contract. By executing this Contract, the Program Participant agrees to operate the vehicle, equipment and/or engine according to the terms of this Contract and to cooperate with the District and ARB in implementation, monitoring, enforcement, or other efforts to assure the emission’s benefits are real, quantifiable, surplus, and enforceable.

2.9.2 Except as specified in Section 2.9.2(ii), the receipt of funds and performance under this Contract prohibits application for any form of Emission Reduction Credit (ERC) for the life of the Contract term outlined in Section 2.9.1.

(i) This prohibition includes, but is not limited to all attainment, nonattainment, criteria and non-criteria pollutants, Application for ERCs, Mobile Emission Reduction Credits (MERC) and/or Certificates of Advanced Placement (CAP). This prohibition extends to credits from all Air Quality Management or Air Pollution Control Districts.

(ii) For projects involving the replacement of a stationary diesel agricultural water pump with an electric water pump in conjunction with the Pacific Gas & Electric Company’s (PG&E)
Public Utilities Commission (PUC)-approved discounted Agricultural Ignition Compression Engine (AG-ICE) electric rate program, PG&E may retain all of the carbon dioxide credits and a portion of the remaining emission credits for reductions generated through this Contract. The portion of the remaining emission credits retained by PG&E will be the difference in emissions between a Tier 3 diesel engine and the emissions associated with generating electricity for the electric pump.

2.9.3 The District, ARB, or their designee may conduct an audit of the Program Participant’s operations to verify that the Program Participant is complying with the Contract terms.

(i) As a condition of accepting funds, the Program Participant agrees to designate ARB as a third-party beneficiary with full auditing, inspection, and enforcement rights throughout the entire term of the Contract.

(ii) Any audits will be conducted at a reasonable time and with reasonable notice to the Program Participant. The Program Participant agrees to provide the District and ARB with on-site access to the vehicle(s)/equipment described in Exhibit A.

2.9.4 The Program Participant shall defend, indemnify, and hold harmless the District, ARB, its officers, agents, employees and volunteers from any and all losses, costs, damages, fines or expenses (including attorney fees, court costs and expert fees) or liability of any kind or character to any person or property arising from, or alleged to arise from, any breach of the responsibilities required of the Program Participant by this Contract or which are related in any way to the vehicle, equipment and/or engine, including any and all liability for general, special, consequential, or other damages resulting from the use of the vehicle, equipment and/or engine by the Program Participant, for which financial assistance or other incentives are received from the District by the Program Participant.

2.9.5 This Section 2.9.5 shall survive the termination of this Contract for three (3) years following the end date listed in Section 2.9.1. The Program Participant shall keep the following records from the beginning of operation of the equipment described in Exhibit A through the end of the term described in Section 2.9.1 and for three (3) years following the end date listed in Section 2.9.1. It is the responsibility of the Program Participant to maintain records adequate to document the subsequent information. The District may request these records at any time during the term of this Contract, including:

<table>
<thead>
<tr>
<th>For On-Road Projects</th>
<th>For Off-Road Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Copies of all driver log book entries for the preceding year</td>
<td>1. Hours operated or fuel consumed</td>
</tr>
<tr>
<td>2. Miles traveled</td>
<td>2. Fuel cost (if reported fuel consumed)</td>
</tr>
<tr>
<td>3. Fuel consumed</td>
<td>3. Engine downtime</td>
</tr>
<tr>
<td>4. Fuel cost</td>
<td>4. Type and cost of maintenance performed</td>
</tr>
<tr>
<td>5. Vehicle downtime</td>
<td></td>
</tr>
<tr>
<td>6. Type and cost of maintenance performed</td>
<td></td>
</tr>
</tbody>
</table>

2.9.6 The Program Participant shall maintain in force at all times during the term of this Contract and any extensions or modifications thereto, insurance in accordance with Exhibit C. In the event the Program Participant does not have the required certificate of insurance, or if the required insurance lapses, this Contract shall be terminated immediately.

2.9.7 No alteration or variation of the terms of this Contract shall be valid unless made in writing and signed by both parties.

2.9.8 The Program Participant shall observe and comply with all applicable federal, State and District statutes, ordinances, regulations, rules, directives, and laws. Projects funded by the Carl Moyer Program must be included when defining the size of the fleet for determining regulatory compliance. Throughout the Contract term as specified in Section 2.9.1, projects must not be used to generate credits or compliance extensions, and must be excluded when determining regulatory compliance. This Contract shall be deemed to be executed within the State of
California and construed in accordance with and governed by the laws of the State of California. If a provision of this Contract violates any applicable law or regulation, that provision will be stricken from the Contract, and all other provisions will remain in full force. Any action or proceeding arising out of this Contract shall be filed in a State court or federal court located in Butte County, California. 2.9.9 No performance rendered or payment due under this Contract may be delegated or assigned without the written consent of all the parties hereto. If the Program Participant assigns any of its rights or obligations under this Contract, all of the terms and conditions of this Contract shall apply to the Program Participant's assignee.

2.9.10 The Program Participant will submit written documentation of performance towards the requirements outlined in Exhibit B to the District by March 31 of each year until termination of this Contract. Noncompliance with the reporting requirements shall require on-site monitoring or inspection by District staff. The District may request additional performance documentation at its discretion.

2.9.11 This Contract may be terminated by the District upon 30-day notice if the Program Participant fails to meet any of the obligations established in this Contract or outlined in the Carl Moyer Program guidelines or the HSC. If the Contract is terminated, the Program Participant will refund the entire incentive paid by the District. The APCO may, at his or her discretion, waive the refund or allow the Program Participant an opportunity to cure its failure to meet the Contract obligations. Additionally, the District and/or ARB may seek all available remedies for breaches of any Contract provisions, Carl Moyer Program requirements, or HSC.

2.9.12 The Program Participant may not sell or encumber the equipment described in Exhibit A without the written consent of the District.

2.9.13 The District has made no representations or guarantees to the Program Participant regarding the quality, condition, or proposed use of the low-emission vehicle and engine technology funded under this Contract or the effects of such technology on the normal operations of the Program Participant.

2.9.14 If any of the events listed in this paragraph occur, the Program Participant must notify the District within thirty (30) days of the date the Program Participant knows, or should have known, that the event has occurred or is likely to occur:

(i) The Program Participant suffers a catastrophic loss; or

(ii) The Program Participant files for bankruptcy; or

(iii) Any other event has occurred or is likely to occur that could impair the Program Participant's ability to perform the conditions of this Contract.

2.9.15 This Contract will bind the successors of the District and Program Participant in the same manner as if they were expressly named.

2.9.16 During the performance of this Contract, the Program Participant shall not unlawfully discriminate against, harass, or allow harassment against any employee or applicant for employment because of sex, race, religious creed, color, national origin, ancestry, physical disability (including HIV and AIDS), mental disability, sexual orientation, medical condition, marital status, age (over 40) or allow denial of family-care leave, medical-care leave, or pregnancy-disability leave. The Program Participant shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment. The Program Participant and its contractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, title 2, section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a-f), set forth in Chapter 5 of Division 4 of title 2 of the California Code of Regulations, are incorporated into this Contract by reference and made a part hereof as if set forth in full. The Program Participant shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
2.9.17 Correspondence between the District and Program Participant should be addressed to the following:

<table>
<thead>
<tr>
<th>To District</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carl Moyer Staff, Butte County AQMD</td>
<td>Name:</td>
</tr>
<tr>
<td>629 Entler Avenue, Suite 15</td>
<td>Address:</td>
</tr>
<tr>
<td>Chico, CA  95928</td>
<td>City, State, Zip:</td>
</tr>
<tr>
<td>Phone: (530) 332-9400</td>
<td>Phone:</td>
</tr>
<tr>
<td>FAX: (530) 332-9417</td>
<td>FAX:</td>
</tr>
<tr>
<td>Email: <a href="mailto:air@bcaqmd.org">air@bcaqmd.org</a></td>
<td>Email:</td>
</tr>
</tbody>
</table>

The address and/or contacts may be changed only by written notice to the other party. Such written notice may be given by mail or personal service.

2.9.18 This Contract consists of the following:

(i) Program Participant Contract
(ii) Exhibit A – Vehicle/Equipment Information Form
(iii) Exhibit B – Performance Requirements
(iv) Exhibit C – Insurance Requirements
DISCLOSURE STATEMENT: The undersigned representative of the Program Participant affirmatively states that neither they nor any other representative of the Program Participant will submit another application or sign another Contract for the same vehicle, equipment, and/or engine detailed in Exhibit A with any other source of funds, including but not limited to other air districts or multidistrict funding under the Carl Moyer Program.

Any Program Participant or Program Participant’s designee who is found to have submitted multiple applications or signed multiple Contracts for the same vehicle, equipment, and/or engine shall, at a minimum, be disqualified from funding for that vehicle, equipment and/or engine from all sources, may be required to reimburse the public agencies for any monies received, and may also be banned from submitting future applications to any and all Carl Moyer Program solicitations. In addition, as a violation of law, including but not limited to the HSC and Business and Professions Code, ARB and the districts may levy fines and/or seek criminal charges.

The undersigned representative of the Program Participant has read and agrees to comply with all terms and conditions in this Contract and also affirmatively states that he or she has legal authority to bind the Program Participant to the terms and conditions of this Contract.

Approved by the Program Participant

Program Participant (Print Name)  

Title:  

Date:  

Program Participant (Signature)  

Approved by the Butte County Air Quality Management District

Approved to as form:Reviewed by:

Date:  

Robyn SousaAleah Ing  
Disbursement Authority

Approved by:

Date:  

W. James WagonerStephen Ertle  
Air Pollution Control Officer
### EXHIBIT A

**Vehicle/Equipment Information Form**

**Vocation(s)** *(Please list all vehicle/equipment uses):*

**Equipment:**

**Project Type:**

### Counties Vehicle Currently Operates

<table>
<thead>
<tr>
<th>Butte County:</th>
<th>xx%</th>
<th>Other:</th>
</tr>
</thead>
</table>

Main Location of Operation *(include cross streets)*

### Annual Vehicle/Equipment Usage Information *(be able to prove mileage/hours)*

<table>
<thead>
<tr>
<th>Miles/Hours</th>
<th>Within the Butte County Area</th>
<th>Outside of Butte County Area</th>
<th>Total Operation</th>
</tr>
</thead>
</table>

### Existing Vehicle Information

<table>
<thead>
<tr>
<th>Make:</th>
<th>Model:</th>
<th>Model Year:</th>
<th>GVWR:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Vehicle Identification Number:</th>
<th>Fleet Identification Number:</th>
<th>License Plate:</th>
<th>Odometer:</th>
</tr>
</thead>
</table>

### Existing Engine Information

<table>
<thead>
<tr>
<th>Make:</th>
<th>Model:</th>
<th>Model Year:</th>
<th>Serial Number:</th>
<th>HP:</th>
<th>Hour Meter:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Fuel Type:</th>
</tr>
</thead>
</table>

### New or Replacement Vehicle Information

<table>
<thead>
<tr>
<th>Make:</th>
<th>Model:</th>
<th>Model Year:</th>
<th>GVWR:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Vehicle Identification Number:</th>
<th>Fleet Identification Number:</th>
<th>License Plate:</th>
<th>Odometer:</th>
</tr>
</thead>
</table>

### New Engine or Retrofit System Information

<table>
<thead>
<tr>
<th>Make:</th>
<th>Model:</th>
<th>Model Year:</th>
<th>Serial Number:</th>
<th>HP:</th>
<th>NOx Cert:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Fuel Type:</th>
<th>TBD</th>
<th>NOx Cert:</th>
</tr>
</thead>
</table>

| __ g/bhp-hr | |
|-------------|---|---|

May 27, 2021

BCAQMD Governing Board Meeting
EXHIBIT B – PERFORMANCE REQUIREMENTS

The below listed vehicle(s)/engine(s) must meet the minimum performance requirements shown to avoid reimbursement according to Section 2.7 of this Agreement

<table>
<thead>
<tr>
<th>Vehicle and Engine Year Make &amp; Model*</th>
<th>Vehicle and Engine Serial Numbers*</th>
<th>Minimum Usage (hours or miles)</th>
<th>Anticipated Annual NOx Reduction (tons)</th>
<th>Payback Requirement per Hour/Mile</th>
<th>Maximum Incentive Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>TBD</td>
<td></td>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* The District will fill in information upon verification of project completion.
EXHIBIT C – INSURANCE REQUIREMENTS

INSURANCE
The PROGRAM PARTICIPANT agrees to maintain any and all insurance required for the term of this Contract. Limits of liability and coverage details are pursuant to the DISTRICT’s insurance requirements specification. The following insurance coverage is required:

☑ COMMERCIAL/GENERAL LIABILITY
☐ BUSINESS AUTOMOTIVE LIABILITY
☐ PUBLIC ENTITIES/SELF-INSURED STATUS
☐ PROFESSIONAL LIABILITY INSURANCE
☑ WORKERS COMPENSATION and EMPLOYERS LIABILITY

Before commencement of work, the PROGRAM PARTICIPANT shall furnish the DISTRICT with certificate(s) of insurance or self-insurance and original endorsement(s) and insurance binder(s) affecting coverage required below. The certificates, endorsements, and binders for each insurance policy are to be signed by a person authorized by the insurer to affect coverage on its behalf. The certificates, endorsements, and/or binders are to be received and approved by the DISTRICT before work commences. The DISTRICT reserves the right to require complete, certified copies of all required insurance policies, at any time.

If the PROGRAM PARTICIPANT provides self-insurance, it shall, on intervals specified by the APCO, provide financial statements sufficiently detailed so as to allow the APCO to assess the PROGRAM PARTICIPANT’s capability of providing such self-insurance. The APCO may reject self-insurance coverage where he/she finds that sufficient coverage will not be afforded to the DISTRICT. Any deductibles or self-insured retention must be declared on certificates of insurance and approved by the DISTRICT. At the option of the DISTRICT, either the insurer shall reduce or eliminate such deductibles or self-insured retention or procure a bond guaranteeing payment of losses related investigations, claims administration and defense expenses.

During the term of the Contract, the PROGRAM PARTICIPANT shall, at its sole expense, obtain primary insurance and maintain in full force and affect the type and limits of liability requirements as follows:

I. A. COMMERCIAL/GENERAL LIABILITY:
   Bodily Injury and Property Damage for premises and operations; Personal Injury and Advertising for premises and operations; Independent Participants (if any basis); Incidental Contracts; Contractual Liability; and Products and Completed Operations.

   "Claims made" policies are unacceptable.

   Minimum Limits: $1,000,000 combined single limit, on an occurrence policy form.

   BUSINESS AUTOMOTIVE COVERAGE:
   Protection against loss of a result of liability to others caused by a accident and resulting in bodily injury and/or property damage, arising out of the ownership or use of any automobile. If the PROGRAM PARTICIPANT has no owned automobiles, then only hired and non-owned automobile coverage are required.

   Liability Minimum Limits: $1,000,000 per occurrence for bodily injury or property damage combined single limit.

   Comprehensive, Uninsured Motorist and Collision coverage for the replacement value of the vehicle which received grant funding.

   ☑ ProPublic Entities/Self-Insured Status:
   The PROGRAM PARTICIPANT shall maintain status as a legally self-insured public entity for general liability and shall maintain a self-insured retention of $300,000 per occurrence.
II. **Workers' Compensation and Employers' Liability:** The PROGRAM PARTICIPANT shall carry full Workers' Compensation insurance coverage for all persons directly employed or volunteers, in carrying out the work under this Contract, in accordance with the "Workers’ Compensation and Insurance Act", Division IV of the Labor Code of the State of California and any acts amendatory thereof. Employers' Liability statutory limits will apply. If the PROGRAM PARTICIPANT has no employees, no Workers’ Compensation coverage is required. If the PROGRAM PARTICIPANT hires subcontractors to perform under this Contract, the PROGRAM PARTICIPANT shall assure that the subcontractor carries Workers’ Compensation insurance for all of its employees, who are required to be covered by applicable law.

III. **Notice of Cancellation:** Although it is the ultimate responsibility of the PROGRAM PARTICIPANT to notify the DISTRICT of insurance policy cancellation or change, each insurance policy shall be endorsed, and evidence of such endorsement shall be provided to the DISTRICT, that coverage not be suspended, voided, canceled, reduced in coverage or in limits, or material change in coverage, except after the insurance agency endeavors to mail a 30-day prior written notice to the DISTRICT.

IV. **Additional Insured and Loss Payee:** It is mandatory that all the above insurance policies (except Workers’ Compensation) include the DISTRICT as additional insured with endorsement and loss payee. The DISTRICT, its officials, trustees, agents, employees, and volunteers are to be covered as additional insured as respects liability arising out of activities performed by or on behalf of the PROGRAM PARTICIPANT.

V. In addition, it is understood and agreed that the following be made a part of this Contract.

A. **Excess/Umbrella:** An excess policy or an umbrella policy (following form) may be utilized to meet the above-required limits of liability.

B. **Supplementary Payments:** The above-stated limits of liability coverage for Commercial/Comprehensive General Liability, and Business Automobile Liability assumes that the standard "supplementary payments" clause will pay in addition to the applicable limits of liability and that these supplementary payments are not included as part of the insurance limits of liability. If any of the policies indicate that defense costs are included in the general aggregate limit, then the general aggregate limits must be a multiple of the per occurrence limits.

C. **Program Participant’s Insurance is Primary:** The PROGRAM PARTICIPANT’s insurance coverage shall be primary insurance. Any insurance or self-insurance maintained by the DISTRICT, its officials, trustees, agents, employees or volunteers shall be excess to the PROGRAM PARTICIPANT’s insurance and shall not contribute with it.

D. **Acceptability of Insurers:** Insurance is to be placed with admitted State of California insurers which have an A.M. Best's rating of no less than A: VII, or be an equivalent program of self-insurance.

E. **District Risk Manager Exceptions:** Any exceptions to the above insurance requirements are subject to the concurrence of the DISTRICT’s Risk Manager.
<table>
<thead>
<tr>
<th>Item</th>
<th>Initial</th>
<th>By</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Application package received with W-9 and Proof of Insurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Complete/Incomplete letter within five (5) thirty (30) working days of application received date – AQP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Calculate Cost Effectiveness (CE) - input into CARL/FARMER, put copy of output in file – AQP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Rank application based on CE – AQP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 6</td>
<td>Prepare memo listing grant recipients, amounts, funding year for APCO approval – AQP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Mail applicant notification of ranking – AQP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Receive copy of approved memo with W-9s, provide contract number, create files – ACT/AA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Prepare pre-inspection &amp; confirm W-9 – if changes occur, update CARL/FARMER, and/or request APCO approval with memo or Contract Change Information Form – AQP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Update CARL/FARMER with contract number, pre-inspection date, etc. – AQP</td>
<td></td>
<td></td>
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<tr>
<td>11</td>
<td>Confirm financing information (if applicable), Prepare contract – AQP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Submit contract to ACT for review and processing – AQP</td>
<td></td>
<td></td>
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<tr>
<td>13</td>
<td>Prepare contract signature flow – AA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Mail Program Participant two (2) original contracts with cover letter – AA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Original contract returned, confirm contract flow, route for signatures and log contract flow – AA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Confirm status of required documentation (Additional Insured, Financing), route for signatures - AQP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Mail Program Participant one (1) completed contract, Scan file to LF – AA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Journal to relieve funds, Bill Customer, confirm W-9 info, Update monthly spreadsheet. ACT/ASO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Complete post-inspections (New Equip &amp; Destroyed Old Equip) – AQP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Provide AERP Inspector a copy of post-inspection if Ag pump repower – AQP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Program Participant submits final paperwork for payment (final invoice, final financing terms, additional insured and loss payee endorsement, payment request) – routed to AQP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Upon review of post-inspection/invoice determine if Amendment or Contract Change Form is required – AQP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>Receive Amendment or Contract Change Form for processing, keep with Payment Request – ACT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>Receive file to update CARL/FARMER – AQP</td>
<td></td>
<td></td>
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<tr>
<td>25</td>
<td>Scan file to update CARL/FARMER – AQP</td>
<td></td>
<td></td>
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<tr>
<td>26</td>
<td>Fiscal tracking with CARL/FARMER &amp; Payment Request – ACT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>Payment sent to Program Participant – ACT</td>
<td></td>
<td></td>
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<tr>
<td>28</td>
<td>Update CARL/FARMER with payment information – ASO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>UCC Lien on New Equipment – ASO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>Confirm payment of grant amount to financing (if applicable – within 45 days of payment)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>Scan file in LF &amp; file up front - AA</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ACT–Accounting Tech    AQP–Air Quality Planner    ASO–Admin Services Officer    APCO–Air Pollution Control Officer    AA–Admin Assistant
<table>
<thead>
<tr>
<th>Item</th>
<th>Initial - By</th>
<th>Date</th>
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</tr>
<tr>
<td>4. Rank application based on CE – AQP</td>
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<td>5. Prepare memo listing grant recipients, amounts, funding year for APCO approval – AQP</td>
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<td></td>
</tr>
<tr>
<td>9. Update CARL/FARMER with contract number, pre-inspection date, etc. – AQP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Confirm draft financing information (if applicable) and compliance check w/CARB (N/A for zero-emission school buses), Prepare contract – AQP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Submit contract to ACT for review and processing – AQP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Prepare contract signature flow – AA</td>
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<td>16. Mail Program Participant one (1) completed contract, Scan to LF – AA</td>
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<td>17. Journal to relieve funds, Bill Customer, confirm W-9 info, Update monthly spreadsheet. - ACT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18. Complete post-inspection of new vehicle upon notification from Dealership– AQP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19. Complete post-inspection of existing vehicle pre-dismantling. - AQP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20. Confirm Certification showing that vehicle will be sent to qualified dismantler (if applicable) - AQP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21. Program Participant submits final paperwork for payment (final invoice, financing terms (if applicable), additional insured and loss payee endorsement, titles for new and existing vehicles, registration, payment request – routed to ACT</td>
<td></td>
<td></td>
</tr>
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</tr>
<tr>
<td>29. Update CARL/FARMER with payment information – ASO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30. Confirm destruction and post-inspection of old vehicle within 60 days of receipt by dismantler, DMV Forms - AQP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>31. Confirm payment of grant amount to financing (if applicable – within 45 days of payment) - AQP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>32. Scan file to LF &amp; file up front - AA</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ACT–Accounting Tech  AQP–Air Quality Planner  ASO–Admin Services Officer  APCO–Air Pollution Control Officer  AA-Admin Assistant
Dear Carl Moyer / FARMER Program Grant Recipient:

In accordance with your District Contract, the new grant funded equipment requires annual reports for the duration of the contract life. The District is requesting the following information be returned (by mail or by email to jmandly@bcaqmd.org) to the District by: March 1, 2021

Carl Moyer Annual Reporting for Calendar Year 2020

<table>
<thead>
<tr>
<th>«Grantee»</th>
<th>Contract Number: «Contract_Number»</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year of Reporting:</td>
<td></td>
</tr>
<tr>
<td>Address: «Mailing_Address» «CityStZip»</td>
<td></td>
</tr>
<tr>
<td>Equipment Information: «Year» «Make» «Model» #«Serial»</td>
<td></td>
</tr>
<tr>
<td>Location of Engine:</td>
<td></td>
</tr>
<tr>
<td>Percent (%) of time operated in California:</td>
<td></td>
</tr>
<tr>
<td>Current Hour Meter / Odometer reading:</td>
<td></td>
</tr>
<tr>
<td>Downtime:</td>
<td></td>
</tr>
<tr>
<td>Type Cost of Any Maintenance Performed:</td>
<td></td>
</tr>
</tbody>
</table>

Print Name: ________________________________

Signature: ________________________________ Date: ______________________

Thank you for your cooperation. If you have any questions, please contact Jason Mandly at 530-332-9400 ext. 108
Butte County Air Quality Management District  
Carl Moyer Program Policies and Procedures  
**INFRASTRUCTURE PROGRAM**

This chapter provides project criteria for selecting and funding infrastructure projects that enable emission reductions in meeting State and local air quality goals. All infrastructure projects must be used to fuel or power a covered source as defined by Health and Safety Code section 44275(a)(7). These covered sources include but are not limited to on-road, off-road, and agricultural sources. Statute does not require infrastructure projects to meet a cost-effectiveness threshold. This document expands upon the minimum requirements of Chapter 10 (Infrastructure) of the state CMP Guidelines and the District’s CMP Policies and Procedures Manual.

**A. Project Eligible for Funding**

The following infrastructure projects may be eligible for funding.

1. **Battery Charging Station.** New, conversion of existing, and expansion to existing non-residential battery charging stations. (e.g. workplace charging, direct current fast chargers along freeway roadway corridors, long-term charging at destination areas such as airports and shopping centers, and charging at distribution centers and warehouses). For battery charging stations for electric school buses, please see the District’s On-Road Equipment Replacement Program.

2. **Alternative Fueling Station.** New, conversion of existing, and expansion to existing hydrogen and natural gas fueling stations.

3. **Stationary Agricultural Pump.** Pump electrification. This project category is part of the District’s Off-Road Equipment Replacement Program.

**B. Maximum Eligible Funding Amounts**

1. Table 1 summarizes the maximum eligible funding for each project type as a percentage. The maximum grant amount per project is $100,000 unless a higher grant amount is approved by the Governing Board.

<table>
<thead>
<tr>
<th>Infrastructure Project</th>
<th>Maximum Percentage Eligible (not to exceed $100,000 per project)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Eligible Projects</td>
<td>50%</td>
</tr>
<tr>
<td>Publicly Accessible Projects</td>
<td>60%</td>
</tr>
<tr>
<td>Projects with Solar/Wind Power Systems (&gt;50% powered)</td>
<td>65%</td>
</tr>
<tr>
<td>Publicly Accessible Projects with Solar/Wind Power Systems (&gt;50% powered)</td>
<td>75%</td>
</tr>
</tbody>
</table>
Public School Buses - Battery Charging and Alternative Fueling

<table>
<thead>
<tr>
<th>Type</th>
<th>Project Life</th>
</tr>
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<tbody>
<tr>
<td>Stationary Agricultural Pump Electrification Projects</td>
<td>10 years</td>
</tr>
<tr>
<td>All Other Infrastructure Projects</td>
<td>15 years</td>
</tr>
</tbody>
</table>

C. Project Life

(A) Table 2 summarizes the maximum project life.

Table 2

<table>
<thead>
<tr>
<th>Maximum Project Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
</tr>
<tr>
<td>Stationary Agricultural Pump Electrification Projects</td>
</tr>
<tr>
<td>All Other Infrastructure Projects</td>
</tr>
</tbody>
</table>

(B) The maximum project life does not consider regulatory requirements that may shorten the eligible project life. Regulatory requirements may reduce actual project lives below these maximum values.

(C) The minimum project life allowed is three years.

D. Project Criteria

The qualifications for infrastructure projects are listed below. All projects must also conform to the District’s Policies and Procedures Manual and the state CMP Guidelines.

1. General Criteria:

(A) The project must be installed and located in California.

(B) The project must comply with all applicable federal, State, local laws and requirements including environmental laws, and State building, environmental and fire codes. For instance, air districts may need to perform CEQA review and obtain approval prior to funding a project.

(C) A publicly accessible infrastructure project must be solicited and selected through a competitive bidding process that has been approved by the air district board.

(D) Work must be performed by a licensed contractor.

(E) Publicly accessible station must at a minimum be accessible to the public daily during regular business hours.

(F) Equipment and parts must be new. Remanufactured or refurbished equipment and parts are not eligible.

(G) Except for stationary agricultural pump projects, a completed Uniform Commercial Code-1 Financing Statement Form must be submitted by the air district to the California
Secretary of State for infrastructure projects with a grant funding amount of $50K or
greater. The financing statement must list the air district as the secured party.

(H) The applicant must be able to demonstrate to the air district that the applicant can obtain
all required land use permits from agencies needed to install and operate the station.

(I) For a publicly accessible station, the applicant must provide a description of the
geographic location, including an aerial map (i.e. satellite view from an internet based
map or city/county map) and specific street address of the proposed station.

(J) Applicants must demonstrate that they either own the land on which the project will be
located, or control it through a long-term lease, easement or other legal arrangement, for
the duration of the project life. For a proposed project where the land is not owned by
the applicant, an executed lease agreement or letters of commitment lasting for the
duration of the project life must be signed by property owners/authorized
representatives and must be submitted with the application.

(K) Applicants must be able to provide documentation that power or fuel is being provided
to the site (e.g. application, payment to the local utility company for power installation,
or contract).

2. Eligible Costs:

(A) Cost of design and engineering, (i.e., labor, site preparation, Americans with Disabilities
Act accessibility, signage).

(B) Cost of equipment (e.g., charging/fueling units, electrical parts, energy storage
equipment, materials).

(C) Cost of installation directly related to the construction of the station.

(D) Meter/data loggers.

(E) On-site power generation system that fuels or powers covered sources (i.e., solar and
wind power generation equipment).

(F) Federal, sales, and other taxes.

(G) Shipping and delivery costs.

2. Battery Charging Stations:

(A) Chargers must be a level 2 and higher to support non-residential stations.

(B) Publicly accessible light-duty charging stations must use a valid and universally accepted
charge connector protocol (e.g. Society of Automotive Engineers (SAE), CHAdeMO).

(C) Charger must be certified by a Nationally Recognized Testing Laboratory (e.g.,
Underwriter’s Laboratories, Intertek) located at

(D) Equipment must have at least a one year warranty.
Grantee must report all battery charging station installations to the Department of Energy Alternative Fuel Data Center located at [http://www.afdc.energy.gov/locator/stations/](http://www.afdc.energy.gov/locator/stations/).

Assembly Bill 841 (Ting, 2020) added Public Utilities Code (PUC) section 740.20, which requires Electric Vehicle Infrastructure Training Program (EVITP) certification to install electric vehicle charging infrastructure and equipment for work performed on or after January 1, 2022, subject to certain exceptions. Therefore, all electric vehicle charging infrastructure and equipment funded by this grant located on the customer side of the electrical meter shall be installed by a contractor with the appropriate license classification, as determined by the Contractors’ State License Board, and at least one electrician on each crew, at any given time, who holds an EVITP certification. Projects that include installation of a charging port supplying 25 kilowatts or more to a vehicle must have at least 25 percent of the total electricians working on the crew for the project, at any given time, who hold EVITP certification. One member of each crew may be both the contractor and an EVITP certified electrician.

3. Alternative Fueling Stations:

   (A) For hydrogen fueling stations, grantee must register and report to the Station Online Status System (SOSS) maintained by the California Fuel Cell Partnership (www.cafcp.org). In addition, grantee must abide by the requirements of the reporting system.

E. District Administrative Requirements

The District staff will implement the Infrastructure Program using the following administrative procedures:

1. The District releases Request for Proposals (RFPs) for the Carl Moyer Program annually per the District’s Policies and Procedures Manual, however projects are generally ranked based on cost-effectiveness which precludes infrastructure projects. The District may release an infrastructure-specific RFP depending on available funding sources or direction from the District’s Governing Board. Infrastructure projects are also eligible to apply during the RFP period for Community Air Protection (CAP) Incentives.

2. The District staff will work with applicants to complete the infrastructure application (under development) – will be available at [http://bcaqmd.org/incentives-grants-rebates/carl-moyer-program/](http://bcaqmd.org/incentives-grants-rebates/carl-moyer-program/), 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 CARB’s Clean Air Reporting Log (CARL) database.

3. The District staff will evaluate each proposal to verify the eligibility in accordance with the CMP Guidelines. As part of the evaluation, staff will conduct a pre-inspection of the proposed location.

4. A Grant Contract will be executed for each infrastructure project that is approved by the District Air Pollution Control Officer. A sample Grant Contract is included in the District’s Policy and Procedures Manual. An infrastructure-specific Grant Contract is under development and will include the contract requirements found in Chapter 10, Section I of the State Guidelines. Financing terms (if applicable) must be approved prior to the contract being signed.
5. The District will verify and document that each infrastructure project is operational. Inspections will include verification of operation by connecting a vehicle or equipment to the charging or fueling station, or in the case of an agricultural pump or shore power project, by connecting to the electrical grid. For projects that incorporate solar or wind power, the inspection will verify that infrastructure has been installed and connected to the power generation equipment (i.e. solar panels or wind turbines). The District will take photos of the equipment and keep photos in the project file. At the minimum, the photos must include equipment manufacturers, model number, and serial number. For Battery Charging Stations – the District will document the name of manufacturer, serial number and date of manufacture, amperage/voltage, and equipment recharge rate.

6. Payment will be processed once the District confirms the following:
   a. Approved pre-inspection
   b. Approved post-inspection – equipment installed and operational
   c. Approved invoices with warranty information
   f. Confirmed submittal of a W-9
   g. District listed as additional insured

   All payments will be issued to the Program Participant. Two-party checks may be issued to both the Program Participant and Dealership if requested by the parties.

7. The District will require annual reporting from the Program Participant through the contract life.

8. Specific information about the District’s administrative process can be found in the District’s Policies and Procedures Manual.

J. Additional Infrastructure Program Documents
   1. Infrastructure Application (under development)
   2. Infrastructure Sample Contract (under development)
To:       Butte County Air Quality Management District Board of Directors  

From:    Stephen Ertle, Air Pollution Control Officer  

Staff Contact: Jason Mandly, Senior Air Quality Planner  

Re:  Approve Fiscal Year 2020-2021 AB 617 Implementation Grant.  

ISSUE:  The District was awarded $47,726.00 in Fiscal Year 2020-2021 funds by the California Air Resources Board (CARB) to implement the goals of AB 617.

ACTION REQUESTED:  
Approve Resolution 2021-18 allowing Air Pollution Control Officer to sign grant agreement with CARB and accept funds.

DISCUSSION:  
The District has been approved for a grant under the Community Air Protection (CAP) Program for Fiscal Year 2020-2021 from funding provided by SB 74 (Chapter 6, Budget Act of 2020). This grant award is for related expenses necessary to implement AB 617 (C. Garcia, Chapter 136, Statutes of 2017).

This funding allocation is the 4th year of funding under this program. AB 617 Implementation funding has been used to evaluate the applicability of statewide AB 617 stationary source control measures, emission inventory activities, wildfire recovery efforts, staff training, air monitoring support, public outreach, and for the funding of local CAP Support Grants.

Your Board is requested to approve Resolution 2021-18 to receive additional funding and approve the amended grant agreement with CARB.

Attachments:
Resolution 2021-18  
Grant Award Cover Letter  
Grant Agreement G20-CAPP-04
Resolution 2021-18

WHEREAS, in 2017 the California Legislature passed, and the Governor signed Assembly Bill (AB) 617 titled the “Community Air Protection Program”;

AND WHEREAS, AB 617 requires the California Air Resources Board (CARB) to improve air pollution data collection and reporting, requires expedited pollution control retrofits at large stationary sources, increases penalties for air pollution violations, requires enhanced air pollution monitoring in certain communities, requires CARB to adopt a statewide emissions reduction strategy focusing on pollution-burdened communities, and requires CARB and local air districts to implement community emissions reduction programs;

AND WHEREAS, funding was provided for related expenses necessary to implement AB 617 in the state FY 2020-2021 budget;

AND WHEREAS, the Butte County Air Quality Management District (District) has been approved by CARB for a grant of $47,726 to assist the District in the implementation of District responsibilities during the implementation of AB 617;

THEREFORE, BE IT RESOLVED, that the Butte County Air Quality Management District Board, hereby accepts the grant funds and authorizes the Air Pollution Control Officer to execute the grant agreement with CARB as attached to the Board Report of May 27, 2021, and take related actions subject to District legal counsel review;

BE IT FURTHER RESOLVED, that the Butte County Air Quality Management District Board hereby authorizes the Air Pollution Control Officer to accept additional AB 617 Implementation funds that may become available from CARB, CAPCOA, or other Air Districts, and amend the budget accordingly.

BE IT FURTHER RESOLVED, the District FY 2021-2022 budget is amended to reflect the acceptance of the grant revenue.

On Motion of _______________, Seconded by _______________, the foregoing resolution is hereby PASSED AND ADOPTED by the Butte County Air Quality Management District Board of Directors on this 27th day of May 2021 by the following:

AYES:
NOES:
ABSTAIN:
ABSENT:
Stephen Ertle, Air Pollution Control Officer
Butte County Air Quality Management District

I hereby attest that this is a true and correct copy of the action taken by the Butte County Air Quality Management District Board of Directors on May 27, 2021.

ATTEST: __________________________
Cora Collins, Clerk of the Governing Board
May 11, 2021

Mr. Steve Ertle
Air Pollution Control Officer
Butte County Air Quality Management District
629 Entler Avenue, Suite 15
Chico, California 95928
sertle@bcaqmd.org

Dear Mr. Ertle:

I am pleased to inform you that Butte County Air Quality Management District has been approved for a grant under the Community Air Protection Program for Fiscal Year 2020-2021 from funding provided by Senate Bill 74 (Chapter 6, Budget Act of 2020). This grant award is for related expenses necessary to implement Assembly Bill 617 (C. Garcia, Chapter 136, Statutes of 2017). The grant award amount is consistent with the allocation approved by the California Air Pollution Control Officers Association (CAPCOA), as provided to California Air Resources Board (CARB) by Tung Le, Executive Director, CAPCOA. Enclosed for your consideration is the Grant Agreement, including:

- One copy of the Grant Agreement cover sheet, which indicates your grant amount and any applicable Special Terms and Conditions;
- One copy of Exhibit A, Grant Provisions for Fiscal Year 2020-2021 Community Air Protection Program grants; and
- One copy of Exhibit B, General Terms and Conditions for Fiscal Year 2020-2021 Community Air Protection Program grants.

To accept your grant award, please:

- Add authorized signature (electronic signature is acceptable) and date to the copy of the cover sheet.
- Return an electronic copy of the cover sheet, along with a Board Resolution or minute order accepting the funds, if available, as soon as possible but no later than May 28, 2021, to:
  
  Ms. Andrea Juarez at andrea.juarez@arb.ca.gov

- Retain the Grant Provisions (Exhibit A) and General Terms and Conditions (Exhibit B) for District’s reference.

These funds are available for liquidation until June 30, 2023.

Please note that the Federal Employer Identification Number (FEIN) has been included in the cover sheet based on information in our records. Please confirm if it is correct, and notify Ms. Andrea Juarez if a change is needed.
If you would like to receive advance payment of the funds, please provide a Board Resolution or minute order accepting the funds and also complete, sign and return both the Grant Disbursement Request Form and the Advance Payment Request Form (provided by CARB to the grantee after the grant execution) to Ms. Andrea Juarez. You can also choose to request disbursement after the work is completed and can submit the Grant Disbursement Request Form at that time.

Thank you for participating in the Community Air Protection Program and for your commitment to clean air. After final signature by CARB, one copy of the cover sheet will be returned to you. If you have any questions, or need additional copies of the forms, please contact Ms. Andrea Juarez via email at andrea.juarez@arb.ca.gov.

Sincerely,

Deldi Reyes, Director, Office of Community Air Protection

Enclosures
cc: Tung Le, Executive Director, California Air Pollution Control Officers Association
tung@capcoa.org
Andrea Juarez, Air Pollution Specialist, Office of Community Air Protection
bcc:  Deldi Reyes, Director, Office of Community Air Protection
      David Salardino, Air Resources Supervisor, Office of Community Air Protection
      Karen Buckley, Branch Chief, Office of Community Air Protection
      Craig Segall, Assistant Chief Counsel, Legal Office
      Deborah Kerns, Attorney III, Legal Office
      Brandy Hunt, Branch Chief, Administrative Services Division
      Marcela Hartsfield, Associate Governmental Program Analyst, Administrative Services Division
This legally binding Grant Agreement, including this cover sheet and Exhibits attached hereto and incorporated by reference herein, is made and executed between the State of California, California Air Resources Board (CARB) and Butte County Air Quality Management District (the “Grantee”).

Exhibit A – Grant Provisions
Exhibit B – General Terms and Conditions

This Agreement is of no force or effect until signed by both parties. Grantee shall not commence performance until it receives written approval from CARB.

The undersigned certify under penalty of perjury that they are duly authorized to bind the parties to this Grant Agreement.

STATE AGENCY NAME
California Air Resources Board

GRANTEE NAME
Butte County Air Quality Management District

SIGNATURE OF ARB’S AUTHORIZED SIGNATORY: Branch Chief

SIGNATURE OF GRANTEE (AS AUTHORIZED IN RESOLUTION, LETTER OF COMMITMENT, OR LETTER OF DESIGNATION)

ADDRESS
1001 I Street, Sacramento, CA 95814

629 Entler Avenue, Suite 15, Chico, CA 95928

CERTIFICATION OF FUNDING

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<tr>
<th>AMOUNT ENCUMBERED BY THIS AGREEMENT</th>
<th>PROGRAM</th>
<th>PROJECT</th>
<th>ACTIVITY</th>
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<tr>
<td>$47,726.00</td>
<td>3530000L39</td>
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<th>PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT</th>
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<th>STATUTE</th>
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<th>(OPTIONAL USE)</th>
<th>FISCAL YEAR (ENY)</th>
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<tr>
<td>$47,726.00</td>
<td>5432000</td>
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</table>

I hereby certify that the California Air Resources Board Legal Office has reviewed this Grant Agreement.

/s/ Craig Segall

DATE 5/10/21
Exhibit A

Grant Provisions:

1. **Community Air Protection Program:** This Grant Award provides funding to implement the Community Air Protection Program consistent with the goals of Assembly Bill 617 (Chapter 136, Statutes of 2017). Funds for implementation pursuant to Assembly Bill 617 may support selecting locations and deploying community air monitoring systems, deploying fence-line monitoring, developing an expedited schedule for requiring best available retrofit control technology, and developing Community Emissions Reduction Programs which includes efforts to improve community capacity to participate in the process, such as the provision of stipends, determining the proportional contribution of sources to air pollution exposure, developing rules, staff support, collecting data and reporting and other related tasks. For those air districts with communities selected by the CARB Board pursuant to Assembly Bill 617, these funds must be prioritized to support the required development and implementation of their Community Emissions Reduction Program(s) and/or Community Monitoring Plan(s).

2. **District Governing Board Approval**

Prior to the execution of this Grant Agreement, the Grantee is required to submit to CARB a resolution, minute order, or other approval of its governing board that authorizes the Grantee to enter into this Grant Agreement and that commits the Grantee to comply with the requirements of this Grant Agreement. Alternatively, the Grantee and CARB may execute this Grant Agreement before a Grantee has submitted this governing board resolution, minute order, or other approval to CARB, however, the Grantee may not perform work under this Grant Agreement until the Grantee has submitted this governing board resolution, minute order, or other approval to CARB. CARB will terminate this Grant Agreement if the Grantee has not submitted this governing board resolution, minute order, or other approval to the CARB Community Air Protection Project Liaison on or before September 1, 2021.

3. **Reporting:**

   A. **Biannual Reports:** Grantee must submit biannual reports to CARB beginning six months after full grant execution and continue biannually through the end of the grant term, or until all funds have been liquidated. Biannual reporting covers work completed June 1 through November 30 with submittals due to CARB by December 31st and December 1 through May 31 with submittals due to CARB by June 30th. The first report can include expenditures made prior to June 1, 2021, as applicable.

   B. Reports, at a minimum, must include:

   i. Report number, title, name of Grantee, date of submission, and grant number;

   ii. Report costs associated with specific tasks (for example: identifying location for monitoring, deploying community air monitoring systems, fence-line monitoring, reporting emissions, developing a community
emissions reduction program, establishing best available retrofit control technology requirements, adopting an expedited schedule for the implementation of best available retrofit control technology, community meetings or other Community Air Protection implementation efforts and outreach). Information for outreach events must include the date, location, topics, and number of attendees, for each event.

iii. Report how grant is being utilized to meet the goals of Assembly Bill 617. If applicable, include emission reductions being achieved.

iv. Summary of work completed and in progress since the last progress report;

v. Grant funds remaining and expended; and

vi. Expenditure summary showing all Community Air Protection Program Implementation Funds for which reimbursement is being requested.

C. **Final Report:** Grantee must submit a Final Report to CARB by June 30, 2023. If the last annual report submittal covers expenditures for the full grant amount, that report will be accepted as the Final Report. At a minimum, the Final Report must include all required information contained in the annual report, as well as an accounting summary of funds expended and a summary of how the goals of the program have been achieved.

Reports may be submitted electronically to CARB Community Air Protection Project Liaison, Ms. Andrea Juarez, at andrea.juarez@arb.ca.gov or Program designee.

4. **Program Funding:**

A. **Advance Payment:**
Consistent with the Legislature’s direction to expeditiously disburse grants, CARB in its sole discretion may provide advance payments of grant awards in a timely manner to support program initiation and implementation with a focus on mitigating the constraints of modest reserves and potential cash flow problems.

Grantee acknowledges that CARB has finalized Advance Payment regulations which become effective on January 1, 2021. Grantee agrees that this Agreement and all advance payment requests will comply with these regulations, which can be found at: 17 California Code of Regulations (C.C.R.) Sections 91040-91044.

Recognizing that appropriate safeguards are needed to ensure grant monies are used responsibly, CARB has developed the grant conditions described below to establish control procedures for advance payments. CARB may provide advance payments to grantees of a grant program or project if CARB determines all of the following:

a. The advance payments are necessary to meet the purposes of the grant project.

b. The use of the advance funds is adequately regulated by grant or budgetary controls.

c. The request for application or the request for proposals contains the terms and conditions under which an advance payment may be received consistent with this section.
d. The Grantee is either a small air district or the Grantee meets all of the following criteria:

   i. Has no outstanding financial audit findings related to any of the moneys eligible for advance payment and is in good standing with the Franchise Tax Board and Internal Revenue Service.
   
   ii. Agrees to revert all unused moneys to CARB if they are not liquidated within the timeline specified in the grant agreement.
   
   iii. Submits a spending plan to CARB for review prior to receiving the advance payment.
   
   iv. The spending plan shall include project schedules, timelines, milestones, and the Grantee’s fund balance for all state grant programs.
   
   v. CARB shall consider the available fund balance when determining the amount of the advance payment.
   
   vi. Reports to CARB any material changes to the spending plan within 30 days.
   
   vii. Agrees to not provide advance payment to any other entity.

   e. In the event of the nonperformance of the Grantee, CARB shall require the full recovery of the unspent moneys. A Grantee shall provide a money transfer confirmation within 45 days upon the receipt of a notice from CARB.

   f. The Grantee must complete and submit to CARB for review and approval, an Advance Payment Request Form, along with each grant disbursement that is requesting advance payment. The Advance Payment Request Form shall be provided by CARB to the Grantee after the grant execution.

   g. CARB may provide an advance of the direct project costs of the grant, if the program has moderate reserves and potential cash flow issues. Advance payments will not exceed the Grantee’s interim cash needs.

   h. The grantee assumes legal and financial risk of the advance payment.

   i. Grantee shall place funds advanced under this section in an interest-bearing account. Grantee shall track interest accrued on the advance payment. Interest earned on the advance payment shall only be used for eligible grant-related expenses as outlined in the Grant Provisions, Exhibit A or will be returned to CARB.

   j. Grantee shall report to CARB the value of any unused balance of the advance payment and interest earned and submit quarterly fiscal accounting reports consistent with Section 2 Reporting of this grant agreement.

   k. Grantee shall remit to CARB any unused portion of the advance payment and interest earned within 90 days following the end date of this Grant Agreement term on June 30, 2023 or the reversion date of the appropriation.

   B. Grant Disbursements:

   i. CARB will release any disbursements from the total Grant award after the Grantee submits the following to CARB:

      1. A fully executed Grant Agreement Cover Sheet; and

      2. Grant Disbursement Request Form, provided by CARB to the
Grantee after the grant execution. The Grantee must include an attachment to this form that documents expenditures for the implementation of the Community Air Protection Program. At a minimum, the attachment must provide information on expenditures, such costs include, selecting locations and deploying community air monitoring systems, deploying fence-line monitoring, developing an expedited schedule for best available control technology and best available retrofit control technology considering the highest priority locations, and developing Community Emissions Reduction Programs which includes but is not limited to developing rules, hiring staff, collecting data, convening community steering committees, community outreach, and reporting.

3. The Grantee shall submit the Grant Disbursement Requests to CARB Accounting Section at accountspayable@arb.ca.gov with a CC to the CARB project liaison. The Grantee must submit this electronically, based on CARB’s current electronic submission guidance at the time of request. For questions regarding the current guidance, contact your Project Liaison. Requests for payment must be made with the Grant Disbursement Request Form and contain all documentation required with the form.

CARB Community Air Protection Project Liaison:

Ms. Andrea Juarez
California Air Resources Board
Office of Community Air Protection
andrea.juarez@arb.ca.gov

Grant payments are subject to CARB’s approval of Annual Reports.

ii. No reimbursement will be made for expenses that, in the judgment of the Director of the Office of Community Air Protection or designee, are not reasonable or do not comply with the Grant Agreement.

iii. No reimbursement will be made for expenses towards the administration of programs which already receive state funds for administration. Please refer any questions to CARB Community Air Protection Project Liaison, Ms. Andrea Juarez, at andrea.juarez@arb.ca.gov or Program designee.

iv. Any disbursement will take into consideration whether an advance payment had been received.

C. **Earned Interest, Returned and Recaptured funds:** “Earned interest” means any interest generated from Program funds provided to the Grantee and held in an interest-bearing account. The Grantee shall reinvest all earned interest on Community Air Protection Program Implementation Funds into the program. “Returned funds” or “Recaptured funds” are funds provided under this Grant Award that are expended by the Grantee but subsequently returned to the Grantee either voluntarily or through enforcement action. All such funds must be reinvested in the implementation of the Community Air Protection Program.
i. Such funds must be reported to CARB.

ii. The Grantee must maintain accounting records (e.g. general ledger) that tracks interest earned and expended on program, as follows:

1. The calculation of interest must be based on an average daily balance or some other reasonable and demonstrable method;

2. The methodology for tracking earned interest must ensure that it is separately identifiable from interest earned program funds;

3. The methodology for calculating earned interest must be consistent with how it is calculated for the Grantee’s other fiscal programs; and

iii. Such funds must be fully liquidated or returned to CARB by completion of the program or by June 30, 2023, whichever comes first. Grantee shall report all such funds to CARB annually until complete liquidation or return of funds or June 30, 2023, whichever comes first.

iv. Documentation of expenditure made on those funds or returned to CARB must be:

1. Retained for a minimum of three years after it is generated; and

2. Provided to CARB in Annual Reports and Final Report.

5. **Grant Amendment:** Grantee recognizes that CARB continues to implement AB 617, including through the implementation of the Community Air Protection Program Blueprint (Blueprint). Grantee agrees that grant funds may not be used for purposes or activities contrary to the Blueprint. Grantee agrees that this grant agreement may be amended, upon mutual agreement of the parties, to reflect any additional terms needed to ensure consistency with the Blueprint.
General Terms and Conditions:

1. **Amendment:** No amendment or variation of the terms of this Grant Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Grant Agreement is binding on any of the parties.

2. **Assignment:** This Grant Agreement is not assignable by the Grantee, either in whole or in part, without the consent of CARB.

3. **Audit:** Grantee agrees that CARB, the Department of General Services, Department of Finance, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Grant and all State funds received. Grantee agrees to maintain such records for possible audit for a minimum of three (3) years after the term of this Grant is completed, unless a longer period of records retention is stipulated. Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Grantee agrees to include similar right of the State to audit records and interview staff in any Grant related to performance of this Agreement.

4. **Availability of funds:** CARB’s obligations under this Grant Agreement are contingent upon the availability of funds. In the event funds are not available, the State shall have no liability to pay any funds whatsoever to the Grantee or to furnish any other considerations under this Grant Agreement.

5. **Compliance with law, regulations, etc.:** The Grantee agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and State laws, rules, guidelines, regulations, and requirements.

6. **Computer software:** The Grantee certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Grant Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

7. **Confidentiality:** No record which has been designated as confidential by CARB shall be disclosed by the Grantee. If CARB opts to maintain the confidentiality of a document, and the entity requesting the records seeks a judicial ruling challenging that determination, CARB will defend the action at its own expense, including any requirement to pay attorney fees and court costs.

8. **Conflict of interest:** The Grantee certifies that it is in compliance with applicable State and/or federal conflict of interest laws.

9. **Disputes:** The Grantee shall continue with the responsibilities under this Grant Agreement during any dispute. Grantee staff or management may work in good faith with CARB staff or management to resolve any disagreements or conflicts arising from implementation of this Grant Agreement. However, any disagreements that cannot be resolved at the management level within 30 days of when the issue is first raised with CARB staff shall be subject to resolution by the CARB Executive Officer, or his designated representative. Nothing contained in this paragraph is intended to limit any of the rights or remedies that the parties may have under law.

10. **Environmental justice:** In the performance of this Grant Agreement, the Grantee shall conduct its programs, policies, and activities that substantially affect human health or the environment in a manner that ensures the fair treatment of people of all races, cultures, and income levels, including minority populations and low-income populations of the
11. **Fiscal management systems and accounting standards**: The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of State law or this Grant Agreement.

12. **Force majeure**: Neither CARB nor the Grantee shall be liable for or deemed to be in default for any delay or failure in performance under this Grant Agreement or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, etc.

13. **Governing law and venue**: This grant is governed by and shall be interpreted in accordance with the laws of the State of California. CARB and the Grantee hereby agree that any action arising out of this Grant Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Grant Agreement.

14. **Grantee’s responsibility for work**: The Grantee shall be responsible for work and for persons or entities engaged in work, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its contracts for work funded by this Grant Agreement, including but not limited to payment disputes with contractors, subcontractors, and providers of services. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.

15. **Indemnification**: The Grantee agrees to indemnify, defend and hold harmless the State and the Board and its officers, employees, agents, representatives, and successors-in-interest against any and all liability, loss, and expense, including reasonable attorneys' fees, from any and all claims for injury or damages arising out of the performance by the Grantee, and out of the operation of equipment that is purchased with funds from this Grant Award.

16. **Independent contractor**: The Grantee, and its agents and employees, if any, in the performance of this Grant Agreement, shall act in an independent capacity and not as officers, employees or agents of CARB.

17. **Nondiscrimination**: During the performance of this Grant Agreement, the Grantee and its contractors shall not unlawfully discriminate against, harass, or allow harassment against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age (over 40), sexual orientation, or veteran or military status, or allow denial of family-care leave, medical-care leave, or pregnancy-disability leave. The Grantee and its contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment. The Grantee and its contractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code section 12900 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, title 2, section 11000 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a)-(f), set forth in Chapter 5 of Division 4.1 of title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. The Grantee and its contractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. The Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Grant Agreement.
18. **No third party rights:** The parties to this Grant Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Grant Agreement, or of any duty, covenant, obligation or undertaking established herein.

19. **Personally Identifiable Information:** Information or data, including, but not limited to, records that personally identify an individual or individuals are confidential in accordance with California Civil Code sections 1798, et seq, and other relevant State or Federal statutes and regulations. The Grantee must safeguard all such information or data which comes into their possession under this agreement in perpetuity, and must not release or publish any such information, data, or financing assistance records.

20. **Prevailing wages and labor compliance:** If applicable, the Grantee agrees to be bound by all the provisions of State Labor Code Section 1771 regarding prevailing wages. If applicable, the Grantee shall monitor all agreements subject to reimbursement from this Grant Agreement to ensure that the prevailing wage provisions of State Labor Code Section 1771 are being met.

21. **Professionals:** For programs involving installation or construction services, the Grantee agrees that only licensed professionals will be used to perform services under this Grant Agreement where such services are called for and licensed professionals are required for those services under State law.

22. **Severability:** If a court of competent jurisdiction holds any provision of this Grant Agreement to be illegal, unenforceable or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of those provisions, will not be affected.

23. **Term:** This Grant Award shall be effective upon full execution of this Grant Agreement and shall continue in full force and effect until all conditions of the Grant Agreement have been met. This award is conditional based on CARB receipt and approval of a fully executed Grant Agreement Cover Sheet accepting Community Air Protection Funds for Fiscal Year 2020-2021 by May 28, 2021.

24. **Termination:** CARB may terminate this Grant Agreement by written notice at any time prior to completion this Grant Award, upon violation by the Grantee of any material provision after such violation has been called to the attention of the Grantee and after failure of the Grantee to bring itself into compliance with the provisions of this Grant Agreement.

25. **Timeliness:** Time is of the essence in this Grant Agreement. The Grantee shall proceed with and complete expenditure of funds to implement the Community Air Protection Program in an expeditious manner.

26. **Waiver of Rights:** Any waiver of rights with respect to a default or other matter arising under the Grant Agreement at any time by either party shall not be considered a waiver of rights with respect to any other default or matter. Any rights and remedies of the State provided for in this Grant Agreement are in addition to any other rights and remedies provided by law.

27. **Disbursement Deadline:** The Fiscal Year 2020-2021 Community Air Protection Program Funds specified in this Grant Agreement must be encumbered or expended by June 30, 2021. Grant disbursement requests must be submitted by the Grantee to CARB no later than April 1, 2023 to ensure adequate time for processing prior to the end of the fiscal year. The Community Air Protection Program Fund Grant Disbursement Request Form and Advance Payment Request Form are incorporated as part of this grant agreement.
28. **Liquidation and Return of Funds**: Funds not liquidated by June 30, 2023 must be returned by September 28, 2023. Expenditure of project funds granted may not be reduced due to any loss incurred in an uninsured bank or investment account.
To: Butte County Air Quality Management District Board of Directors

From: Stephen Ertle, Air Pollution Control Officer

Staff Contact: Jason Mandly, Senior Air Quality Planner

Re: Approve Community Air Protection Support Grants.

Date of Release: May 20, 2021
Board Consideration: May 27, 2021

ISSUE:
The District solicited for projects to be funded with Community Air Protection (CAP) Support Grants.

ACTION REQUESTED:
Approve awards for CAP Support Grants.

DISCUSSION:
In March 2021 your Board approved the use of up to $75,000 in FY18-19 and FY19-20 AB 617 Implementation funds to be used towards CAP Support Grants. The District released a press release and application package on April 5, 2021 and accepted project proposals from the public through May 7, 2021. The application period also occurred during Air Quality Awareness Week where additional outreach occurred. The following project proposals were received.

Table 1: 2021 CAP Support Grant Proposed Projects Received

<table>
<thead>
<tr>
<th>Organization</th>
<th>Location</th>
<th>Proposed Project</th>
<th>Priority Population</th>
<th>Funds Requested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Magalia Park &amp; Community Center</td>
<td>Magalia Community Park</td>
<td>Fire Hazard Reduction &amp; Walking Path Repair</td>
<td>Low Income Community</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>B &amp; E Lundberg</td>
<td>Nelson-Shippey Road</td>
<td>Road Dust Suppression</td>
<td>Low Income Community</td>
<td>$3,290.00</td>
</tr>
<tr>
<td>Butte County Resource Conservation District</td>
<td>Various</td>
<td>Supplies / Training for Prescribed Burning</td>
<td>80% Low Income Community</td>
<td>$15,000.00</td>
</tr>
</tbody>
</table>
District staff verified with AB 617 Implementation project staff at CARB that all proposed projects above are eligible to be funded using AB 617 Implementation funds. After consideration of priority populations served, benefits to sensitive population and the project timeline, District staff recommend that the following projects be awarded with FY18-19 and FY19-20 AB 617 Implementation Funds:

### Table 2: Projects Recommended for Funding using FY18-19 & FY19-20 AB 617 Implementation Funds

<table>
<thead>
<tr>
<th>Organization</th>
<th>Location</th>
<th>Proposed Project</th>
<th>Priority Population</th>
<th>Funds Requested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Magalia Park &amp; Community Center</td>
<td>Magalia Community Park</td>
<td>Fire Hazard Reduction</td>
<td>Low Income Community</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>B &amp; E Lundberg</td>
<td>Nelson-Shippee Road</td>
<td>Road Dust Suppression</td>
<td>Low Income Community</td>
<td>$3,290.00</td>
</tr>
<tr>
<td>Butte County Resource Conservation District</td>
<td>Various</td>
<td>Supplies / Training for Prescribed Burning</td>
<td>80% Low Income Community</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>City of Chico</td>
<td>411 Main Street Chico, CA</td>
<td>Monitoring Station (Purple Air Particulate Sensor &amp; Weather Station)</td>
<td>Low Income Community</td>
<td>$1,700.00</td>
</tr>
<tr>
<td>Butte County Fire Safe Council</td>
<td>Various</td>
<td>Prescribed Fire Education &amp; Support</td>
<td>Mostly Low Income Community</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>Butte County Fire Safe Council</td>
<td>Various</td>
<td>Chipper Program</td>
<td>Mostly Low Income Community</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>Butte Environmental Council</td>
<td>Various</td>
<td>Education Program (Community Air Protection Education - CAPE)</td>
<td>80% Low Income Community &amp; Disadvantaged Communities</td>
<td>$15,000.00</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$74,990.00</strong></td>
</tr>
</tbody>
</table>

The District was awarded an additional $47,726.00 in FY20-21 AB 617 Implementation Funds which is being brought to your Board in May 2021 for approval. If approved, the District recommends funding the remaining eligible projects.
with FY19-20 and FY20-21 AB 617 Implementation funds if funding allows. The District has budgeted up to $50,000.00 towards CAP Support Grants in the District’s proposed FY21-22 Budget.

Table 3: Projects Recommended for Funding using FY19-20 & FY20-21 AB 617 Implementation Funds

<table>
<thead>
<tr>
<th>Organization</th>
<th>Location</th>
<th>Proposed Project</th>
<th>Priority Population</th>
<th>Funds Requested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Magalia Park &amp; Community Center</td>
<td>Magalia Community Park</td>
<td>Walking Path Repair</td>
<td>Low Income Community</td>
<td>$5,000</td>
</tr>
<tr>
<td>Butte County Fire Safe Council</td>
<td>Various</td>
<td>Biomass Planning &amp; Support</td>
<td>Mostly Low Income Community</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>Butte County Fire Safe Council</td>
<td>Various</td>
<td>Youth Healthy Air Outreach</td>
<td>Mostly Low Income Community</td>
<td>$15,000.00</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$35,000.00</strong></td>
</tr>
</tbody>
</table>

In summary, District staff are asking your Board to approve funding for all proposed projects with the projects in Table 3 to be considered pending available funds and approval of FY20-21 AB 617 Implementation Funds and the FY21-22 District Budget.
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ISSUE:
District staff to provide a review of reduced water allocations in 2021 and its potential impacts to air quality concerns as it relates to the fall rice harvest and burning of rice fields.

ACTION REQUESTED:
None. This item is provided for information and discussion.

DISCUSSION:
As of May 10, 2021, 41 counties in California are now under a drought state of emergency, representing 30 percent of the state’s population. Butte County, along with over 73% of the State, has been classified as in “Extreme Drought,” with water “inadequate for agriculture, wildlife, and urban needs; reservoirs are extremely low; hydropower is restricted”. Water contractors, who are dealing with reductions in water supplies, have reported that there will be very little, if any, water available for flooding rice fields after rice harvest for straw residue decomposition this fall.

The agricultural community was advised of the probability of water restrictions earlier this spring and some rice farmers, but not all, have the ability to be flexible; some have planted varieties of rice which are harvested earlier in the season and others may use diesel or electric-powered irrigation pumps to withdraw water from the groundwater aquifer to flood fields after harvest. However, many will be faced with managing their fields after harvest by “working” the fields multiple times (chopping, chiseling, and diskng the field) more than what would be required with a more traditional flooding method. The increased tractor use in the field will likely increase diesel and dust emissions.
The District is prepared for increased demand to burn rice field stubble. The Connelly-Areias-Chandler Rice Straw Burning Reduction Act, passed by California legislature in 1991, limits burning to no more than 25% of the planted rice acres in the Sacramento Valley Air Basin, which includes Butte County, with a maximum limit of 125,000 acres, whichever is less. In recent years, the number permits issued for burning of rice stubble has steadily fallen and the percentage of rice acres burned versus those planted have been below 10% since 2012. Only a handful of farms can burn their maximum allowable acreage due to more frequent meteorological conditions during the fall that make it difficult to burn and avoid smoke impacts to the public and increasing smoke impacts from wildfires. Wildfire smoke activity in recent years has led the public to be more concerned about smoke impacts from agricultural burning activities. Last year’s extended wildfire smoke impacts resulted in a period of no burn days that lasted from August 17 until October 20 (except for October 10 through 12), which significantly impacted the number of days prior to wetting rains that rice straw burning could be completed.

District staff have established an excellent working relationship with our local agricultural community and diligently search for opportunities to maximize the burning opportunities when the conditions favor superior smoke dispersion. As we approach the 2021 season ahead, Staff will continue to assist farmers in following methods that maximize the amount of burning that can be conducted without impacting the public while meeting National Ambient Air Quality Standards. In addition, the District works closely with other neighboring air districts to coordinate activities through the Sacramento Valley Smoke Management Program Plan (Plan). The Plan is reviewed by the Technical Advisory Committee (TAC) each year and over the past several months, a Subcommittee to the TAC has been working on updates to the Plan for 2022. One of the proposed updates include a review of the mathematical equation that has been historically used by the California Air Resources Board to better identify superior ventilation conditions to increase the allocated acreage allowed to be burned during those conditions.

Attachment:
Emergency Proclamation, April 21, 2021
EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

State of Emergency Proclamation

WHEREAS climate change is intensifying the impacts of droughts on our communities, environment and economy, and California must therefore improve drought resiliency and prepare to respond to more frequent, prolonged, and intense dry periods; and

WHEREAS much of the West is experiencing severe to exceptional drought and California is in a second consecutive year of dry conditions, resulting in drought or near-drought throughout many portions of the State; and

WHEREAS these drought conditions can result in degraded water quality, falling of productive farmland, setbacks to vulnerable and rural communities through job losses and longer-lasting recoveries, significant impacts to tribal, commercial, and recreational salmon fisheries, constraints on access to traditional lifeways, loss of aquatic and terrestrial biodiversity, and ecosystem impacts; and

WHEREAS drought conditions vary across the State and some watersheds, including the Russian River and Klamath Basin, are extremely dry and are facing substantial water supply and ecosystem challenges; and

WHEREAS it is necessary to expeditiously mitigate the effects of the drought conditions within the Russian River Watershed, located within Mendocino and Sonoma counties, to ensure the protection of health, safety, and the environment; and

WHEREAS experience in the last drought has demonstrated the value of preparing earlier for potential sustained dry conditions, the need to improve our monitoring and forecasting capabilities, and many other lessons that are captured in the Administration’s Report to the Legislature on the 2012-2016 Drought; and

WHEREAS the State and its many partners have strengthened drought resilience since the last drought including state investments in water management systems, implementation of the Sustainable Groundwater Management Act, establishment of the Safe and Affordable Fund for Equity and Resilience Program, development of the Administration’s Water Resilience Portfolio, and continued water conservation by Californians whose current statewide urban water use is 16% lower than at the beginning of the last drought; and

WHEREAS state agencies have been actively responding to current drought conditions and preparing for the possibility of a third dry year including through convenings of the interagency drought team, which was established at my direction, to organize, focus, and track changing conditions, coordinate state agency responses, and work closely with partners across the State; and

WHEREAS under the provisions of Government Code section 8558(b), I find that the conditions caused by the drought conditions, by reason of their magnitude, are or are likely to be beyond the control of the services, personnel, equipment, and facilities of any single local government and require the combined forces of a mutual aid region or regions to appropriately respond; and
WHEREAS under the provisions of Government Code section 8625(c), I find that local authority is inadequate to cope with the drought conditions; and

WHEREAS to protect public health and safety, it is critical the State take certain immediate actions without undue delay to prepare for and mitigate the effects of the drought conditions within the Russian River Watershed, and under the provisions of Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this Proclamation would prevent, hinder, or delay the mitigation of the effects of the drought conditions of the Russian River Watershed, located within Mendocino and Sonoma counties.

NOW THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes, including the California Emergency Services Act, and in particular, section 8625, HEREBY PROCLAIM A STATE OF EMERGENCY to exist in Mendocino and Sonoma counties due to drought conditions in the Russian River Watershed.

IT IS HEREBY ORDERED THAT:

1. To further the success of California's water conservation efforts and increase our drought preparedness, state agencies shall partner with local water districts and utilities to make all Californians aware of drought, and encourage actions to reduce water usage by promoting the Department of Water Resources' Save Our Water campaign (https://saveourwater.com) and other water conservation programs.

2. To continue coordination with partners across the State for the potential of prolonged drought impacts, the Department of Water Resources, the State Water Resources Control Board (Water Board), the Department of Fish and Wildlife, and the Department of Food and Agriculture shall work with regional and local governments, including groundwater sustainability agencies, to identify watersheds, communities, public water systems, and ecosystems that may require coordinated state and local actions to address issues stemming from continued dry conditions, to ensure that we can respond to water shortages and protect people, natural resources and economic activity.

3. To continue partnership and coordination with Californian Native American tribes, state agencies shall engage in consultation, collaboration, and communication with California Native American tribes to assist them in necessary preparation and response to drought conditions on tribal lands and potential impacts to cultural and traditional resources within ancestral lands.

4. To prioritize drought response and preparedness resources, the Department of Water Resources, the Water Board, the Department of Fish and Wildlife and the Department of Food and Agriculture, in consultation with the Department of Finance, shall:
   a. Accelerate funding for water supply enhancement, water conservation, or species conservation projects.
   b. Identify unspent funds that can be repurposed to enable projects to address drought impacts to people, ecosystems, and economic activities.
   c. Recommend additional financial support for water resilience infrastructure projects and actions for potential inclusion in the upcoming May Revision.
5. To increase resilience of our water supplies during drought conditions, the Department of Water Resources shall:

   a. Work with counties to encourage reporting of household water shortages, such as dry residential wells, on the website the Department maintains for that purpose, to enable tracking of drought impacts.
   
   b. Work with counties, and groundwater sustainability agencies as appropriate, to help ensure that well drillers submit required groundwater well logs for newly constructed and deepened wells in a timely manner.
   
   c. Work with agricultural water suppliers and agricultural water users to provide technical assistance, including implementation of efficient water management practices and use of technology such as the California Irrigation Management Information System.
   
   d. Work with urban and agricultural water suppliers to encourage timely submittal by water districts and public posting of urban water management and water shortage contingency plans and agricultural water management and drought plans.
   
   e. Accelerate updating the land subsidence data it is providing to support implementation of the Sustainable Groundwater Management Act.

6. To increase resilience of our water systems during drought conditions, the Water Board shall:

   a. Use its authority, provide technical assistance, and where feasible provide financial assistance, to support regular reporting of drinking water supply well levels and reservoir water levels where the Water Board determines that there is risk of supply failure because of lowering groundwater levels or reservoir levels that may fall below public water system intakes.
   
   b. Prioritize the permitting of public water systems that anticipate the need to activate additional supply wells where water quality is a concern and treatment installation needs to proceed to relieve a system's potential supply concerns.
   
   c. Provide annual water demand data, information on water right priority, and other communications on water availability on its website.
   
   d. Identify watersheds where current diversion data is insufficient to evaluate supply impacts caused by dry conditions, and take actions to ensure prompt submittal of missing data in those watersheds.

7. To address the acutely dry conditions in the Russian River Watershed, the Water Board shall consider:

   a. Modifying requirements for reservoir releases or diversion limitations in that watershed to ensure adequate, minimal water supplies for critical purposes.
   
   b. Adopting emergency regulations to curtail water diversions when water is not available at water rights holders' priority of right or to protect releases of stored water.

For purposes of carrying out this directive, Public Resources Code, Division 13 (commencing with section 21000) and regulations adopted pursuant to that Division are suspended in the counties of Mendocino and Sonoma to the extent necessary to address the impacts of the drought in the Russian River Watershed. The Water Board shall identify the projects
eligible for the suspensions pursuant to this paragraph and maintain on its websites a list of the activities or approvals for which these provisions are suspended.

8. To ensure that equipment and services necessary for drought response in the Russian River Watershed can be procured quickly, the provisions of the Government Code and the Public Contract Code applicable to procurement, state contracts, and fleet assets, including, but not limited to, advertising and competitive bidding requirements, are hereby suspended to the extent necessary to address the effects of the drought in the Russian River Watershed, located within Mendocino and Sonoma counties. Approval of the Department of Finance is required prior to the execution of any contract entered into pursuant to this provision.

9. To increase the resilience of our natural habitats to protect vulnerable species during drought conditions, the Department of Fish and Wildlife shall:

   a. Evaluate and take actions to protect terrestrial and aquatic species and, wherever possible, work with water users and other parties on voluntary measures to protect species.
   b. Work to improve State hatcheries and increase water use efficiency on State wildlife areas and ecological reserves to maintain habitat for vulnerable species.
   c. Respond to human-wildlife interactions related to ongoing dry conditions and increase public messaging and awareness.
   d. Work with commercial and recreational salmon fishing and tribal representatives to anticipate and develop strategies to mitigate and respond to salmon fishery impacts, with particular emphasis on addressing impacts to salmon fisheries in the Klamath Basin.

10. To support our agricultural economy and food security during drought conditions, the Department of Food and Agriculture shall:

   a. Provide technical assistance to support conservation planning, on-farm water and energy conservation practices and technologies, including augmenting the State Water Efficiency and Enhancement Program.
   b. Conduct an economic analysis of drought impacts to agriculture, including land use, jobs, and rural food economies, expanding on existing research done in the last drought to include thorough regional analysis especially in the Central Valley, and in the implementation of the Sustainable Groundwater Management Act and alternative land uses for fallowed land.
   c. Maintain a web page with drought resources for farmers and ranchers, including the United States Department of Agriculture and other federal and state resources.
   d. Work with federal agencies to assist Klamath Basin farmers and ranchers contending with reduced water supplies.

11. To ensure the potential impacts of drought on communities are anticipated and proactively addressed, the Department of Water Resources, in coordination with the Water Board, shall develop groundwater management principles and strategies to monitor, analyze, and minimize impacts to drinking water wells.

12. To provide critical information on the different drought conditions across the State, the Department of Water Resources, in consultation with the Department of Fish and Wildlife, the Department of Food and Agriculture,
and the Water Board, shall develop a California Drought Monitor by December 31, 2021, as recommended in the Administration's Report to the Legislature on the 2012-2016 Drought.

13. To prepare for potential salinity issues in the Delta, the Department of Water Resources, in consultation with the Water Board, the Department of Fish and Wildlife, the Delta Stewardship Council, and the Central Valley Flood Protection Board, shall initiate actions necessary to prepare for and address potential Delta salinity issues during prolonged drought conditions.

14. To prepare for potential impacts of drought conditions on species, the Water Board and the Department of Fish and Wildlife shall work with federal agency partners to manage temperature conditions for the preservation of fish in the Sacramento River downstream of Shasta Dam while balancing water supply needs.

This Proclamation is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

I FURTHER DIRECT that as soon as hereafter possible, this Proclamation be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Proclamation.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 21st day of April 2021

GAVIN NEWSOM
Governor of California

ATTEST:

DR. SHIRLEY WEBER
Secretary of State
ISSUE:
Report from the Air Pollution Control Officer on current areas of potential interest to your Board, including air-quality related activities at the local, State, and federal scenes.

ACTION REQUESTED:
None. This item is provided for information and discussion.

DISCUSSION:
The Air Pollution Control Officer will provide a verbal report to the Board.
Summarized below are acronyms commonly used in Board folders and accompanying staff reports.

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>A/C</td>
<td>Authority to Construct Permit</td>
</tr>
<tr>
<td>AB</td>
<td>Assembly Bill</td>
</tr>
<tr>
<td>AMOS</td>
<td>Automatic Meteorological Observation Stations</td>
</tr>
<tr>
<td>AP-42</td>
<td>EPA technical reference specifying specific Air Pollutant Emission Factors</td>
</tr>
<tr>
<td>APCD</td>
<td>Air Pollution Control District</td>
</tr>
<tr>
<td>APCO</td>
<td>Air Pollution Control Officer</td>
</tr>
<tr>
<td>AQMD</td>
<td>Air Quality Management District</td>
</tr>
<tr>
<td>ATCM</td>
<td>Airborne Toxic Control Measure</td>
</tr>
<tr>
<td>AQI</td>
<td>Air Quality Index</td>
</tr>
<tr>
<td>BACT</td>
<td>Best Available Control Technology</td>
</tr>
<tr>
<td>BAM</td>
<td>Beta Attenuation Monitor (records hourly ambient particulate data)</td>
</tr>
<tr>
<td>BCAG</td>
<td>Butte County Association of Governments</td>
</tr>
<tr>
<td>BCAQMD</td>
<td>Butte County Air Quality Management District</td>
</tr>
<tr>
<td>BCC</td>
<td>Sacramento Valley Basinwide Air Pollution Control Council</td>
</tr>
<tr>
<td>BOS</td>
<td>Board of Supervisors</td>
</tr>
<tr>
<td>CAA</td>
<td>Clean Air Act</td>
</tr>
<tr>
<td>CAAQS</td>
<td>California Ambient Air Quality Standards</td>
</tr>
<tr>
<td>CAP</td>
<td>Climate Action Plan</td>
</tr>
<tr>
<td>Cal-EPA</td>
<td>California Environmental Protection Agency</td>
</tr>
<tr>
<td>CAPCOA</td>
<td>California Air Pollution Control Officers Association</td>
</tr>
<tr>
<td>CARB</td>
<td>California Air Resources Board</td>
</tr>
<tr>
<td>CARPA</td>
<td>California Air Response Planning Alliance</td>
</tr>
<tr>
<td>CBYL</td>
<td>Check Before You Light</td>
</tr>
<tr>
<td>Cd</td>
<td>Chemical symbol for cadmium</td>
</tr>
<tr>
<td>CEQA</td>
<td>California Environmental Quality Act</td>
</tr>
<tr>
<td>CI</td>
<td>Compression Ignition</td>
</tr>
<tr>
<td>CO</td>
<td>Chemical symbol for carbon monoxide</td>
</tr>
<tr>
<td>CO2</td>
<td>Chemical symbol for carbon dioxide</td>
</tr>
<tr>
<td>CPA</td>
<td>Certified Public Accountant</td>
</tr>
<tr>
<td>CPI</td>
<td>Consumer Price Index</td>
</tr>
<tr>
<td>CSAC</td>
<td>California State Association of Counties</td>
</tr>
<tr>
<td>CUA</td>
<td>Chico Urbanized Area</td>
</tr>
<tr>
<td>DMV</td>
<td>Department of Motor Vehicles</td>
</tr>
<tr>
<td>DTSC</td>
<td>California Department of Toxic Substance Control</td>
</tr>
<tr>
<td>EG</td>
<td>Emission Guidelines</td>
</tr>
<tr>
<td>EI</td>
<td>Emission Inventory</td>
</tr>
<tr>
<td>Emfac</td>
<td>Emission Factor Computer Model</td>
</tr>
<tr>
<td>EPA</td>
<td>Environmental Protection Agency (Federal)</td>
</tr>
<tr>
<td>ERC</td>
<td>Emission Reduction Credit</td>
</tr>
<tr>
<td>ESA</td>
<td>Endangered Species Act</td>
</tr>
<tr>
<td>EVR</td>
<td>Enhanced Vapor Recovery</td>
</tr>
<tr>
<td>FIP</td>
<td>Federal Implementation Plan</td>
</tr>
<tr>
<td>FRM</td>
<td>Federal Reference Method</td>
</tr>
<tr>
<td>FY</td>
<td>Fiscal Year (June 30-July 1, unless otherwise stated)</td>
</tr>
<tr>
<td>GASB</td>
<td>Governmental Accounting Standards Board</td>
</tr>
<tr>
<td>GDF</td>
<td>Gasoline Dispensing Facilities</td>
</tr>
<tr>
<td>GFOA</td>
<td>Governmental Finance Officers Association</td>
</tr>
<tr>
<td>GHG</td>
<td>Greenhouse Gases</td>
</tr>
<tr>
<td>GWP</td>
<td>Global Warming Potential</td>
</tr>
<tr>
<td>HAP</td>
<td>Hazardous Air Pollutants</td>
</tr>
<tr>
<td>HCl</td>
<td>Hydrochloric Acid</td>
</tr>
<tr>
<td>Hg</td>
<td>Chemical symbol for mercury</td>
</tr>
<tr>
<td>HRA</td>
<td>Health Risk Assessments</td>
</tr>
<tr>
<td>HSC</td>
<td>Health &amp; Safety Code</td>
</tr>
<tr>
<td>ICE</td>
<td>Internal Combustion Engine</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Definition</td>
</tr>
<tr>
<td>--------------</td>
<td>------------</td>
</tr>
<tr>
<td>ISD</td>
<td>In-Station Diagnostics</td>
</tr>
<tr>
<td>ISR</td>
<td>Indirect Source Review</td>
</tr>
<tr>
<td>LESB</td>
<td>Lower Emission School Bus program</td>
</tr>
<tr>
<td>Mb</td>
<td>Millibar</td>
</tr>
<tr>
<td>Mg/Yr</td>
<td>Milligrams per year</td>
</tr>
<tr>
<td>Micron</td>
<td>Abbreviation of Micrometer or 1,000,000th of a meter in size</td>
</tr>
<tr>
<td>MPO</td>
<td>Metropolitan Planning Organization</td>
</tr>
<tr>
<td>MsI</td>
<td>Mean sea level</td>
</tr>
<tr>
<td>MMT CO2</td>
<td>Million Metric Tons of Carbon Dioxide equivalent emissions</td>
</tr>
<tr>
<td>MSW</td>
<td>Municipal Solid Waste</td>
</tr>
<tr>
<td>NAAQS</td>
<td>National Ambient Air Quality Standard</td>
</tr>
<tr>
<td>NACAA</td>
<td>National Association of Clean Air Agencies</td>
</tr>
<tr>
<td>NESHAPS</td>
<td>National Emission Standards for Hazardous Air Pollutants</td>
</tr>
<tr>
<td>NMOC</td>
<td>Non-Methane Organic Compound</td>
</tr>
<tr>
<td>NON</td>
<td>Notice of Noncompliance</td>
</tr>
<tr>
<td>NOx</td>
<td>Oxides of Nitrogen</td>
</tr>
<tr>
<td>NSPS</td>
<td>New Source Performance Standards</td>
</tr>
<tr>
<td>NSR</td>
<td>New Source Review</td>
</tr>
<tr>
<td>NTA</td>
<td>Notice to Apply for a Permit</td>
</tr>
<tr>
<td>NTC</td>
<td>Notice to Comply</td>
</tr>
<tr>
<td>OEHHA</td>
<td>California Office of Environmental Health Hazard Assessment</td>
</tr>
<tr>
<td>OAL</td>
<td>Office of Administrative Law</td>
</tr>
<tr>
<td>ORVR</td>
<td>Onboard Refueling Vapor Recovery</td>
</tr>
<tr>
<td>Pb</td>
<td>Chemical symbol for lead</td>
</tr>
<tr>
<td>PERP</td>
<td>Portable Equipment Registration Program</td>
</tr>
<tr>
<td>PM</td>
<td>Particulate Matter</td>
</tr>
<tr>
<td>PM 10-2.5</td>
<td>Particulate Matter 10 Microns in Size and smaller, but greater than 2.5 Microns</td>
</tr>
<tr>
<td>PM10</td>
<td>Particulate Matter 10 Microns in Size and smaller</td>
</tr>
<tr>
<td>PM2.5</td>
<td>Particulate Matter 2.5 Microns in Size and smaller</td>
</tr>
<tr>
<td>PSD</td>
<td>Prevention of Significant Deterioration</td>
</tr>
<tr>
<td>RACT</td>
<td>Reasonably Available Control Technology</td>
</tr>
<tr>
<td>RICE</td>
<td>Reciprocating Internal Combustion Engine</td>
</tr>
<tr>
<td>RCRC</td>
<td>Regional Council of Rural Counties</td>
</tr>
<tr>
<td>RRF</td>
<td>Relative Reduction Factor</td>
</tr>
<tr>
<td>RSD</td>
<td>Remote Sensing Device</td>
</tr>
<tr>
<td>SB</td>
<td>Senate Bill</td>
</tr>
<tr>
<td>SDRMA</td>
<td>Special District Risk Management Authority</td>
</tr>
<tr>
<td>SF</td>
<td>Square Foot</td>
</tr>
<tr>
<td>SIC</td>
<td>Standardized Industrial Classification</td>
</tr>
<tr>
<td>SIP</td>
<td>State Implementation Plan</td>
</tr>
<tr>
<td>SLCP</td>
<td>Short-lived Climate Pollutant</td>
</tr>
<tr>
<td>SO2</td>
<td>Chemical symbol for sulfur dioxide</td>
</tr>
<tr>
<td>SSI</td>
<td>Size Selective Inlet (applies to particulate samplers)</td>
</tr>
<tr>
<td>TAC</td>
<td>Technical Advisory Committee of the BCC</td>
</tr>
<tr>
<td>TARMAC</td>
<td>CAPCOA Toxics and Risk Managers Committee</td>
</tr>
<tr>
<td>TEIP</td>
<td>Toxic Emission Inventory Plan</td>
</tr>
<tr>
<td>TEIR</td>
<td>Toxic Emission Inventory Report</td>
</tr>
<tr>
<td>Title 17</td>
<td>California Code of Regulations, Administrative Law adopted by the California Air Resources Board, and referencing in this Board folder the Agricultural burn guidelines</td>
</tr>
<tr>
<td>ug/m3</td>
<td>Micrograms per cubic meter</td>
</tr>
<tr>
<td>USDA</td>
<td>United States Department of Agriculture</td>
</tr>
<tr>
<td>USEPA</td>
<td>United States Environmental Protection Agency</td>
</tr>
<tr>
<td>VEE</td>
<td>Visible Emission Evaluation Certification</td>
</tr>
<tr>
<td>VOC</td>
<td>Volatile Organic Compound</td>
</tr>
<tr>
<td>WUI</td>
<td>Wildland Urban Interface</td>
</tr>
<tr>
<td>YTD</td>
<td>Year to Date</td>
</tr>
</tbody>
</table>