

Northern Sierra Air Quality
Management District
Carl Moyer Program Policies and
Procedures Manual
2025 Update

Adopted October 27th, 2025

Table of Contents

- I. Background.....4
- II. Purpose.....4
- III. Moyer Program Implementation.....5
- IV. Air District Roles and Responsibilities.....5
- V. CARB Moyer Program Grant Solicitation and Award Process6
 - A. Air District Application Procedures7
 - B. Final Grant Award Agreement Procedure7
 - C. Air District Grant Award Disbursement Request Process7
 - D. Match Funding7
- VI. Air District Program Fiscal and Administration Fund Tracking7
 - A. Calculation and Use of Interest Revenue.....8
 - B. Calculating and Recording Direct and Indirect costs.....8
- VII. Record Retention and Management.....8
 - A. Record Retention.....8
 - B. Management - Recordkeeping System(s).....9
 - 1. Fiscal Files9
 - 2. Unfunded Project Applications.....9
 - 3. Project Files9
- VIII. Solicitation, Outreach and Project Categories.....9
 - A. Solicitation.....9
 - B. Outreach.....10
 - C. Project Source Categories Identification10
- IX. Procedures for Project Application Review and Selection.....10
 - A. Application Tracking10
 - B. Application Review Process10
 - C. Documentation.....11
 - D. Air District Project/Application Selection Criteria11
 - E. Notification Process.....12
- X. Contract Requirements.....13
 - A. Detailed Contract Elements14
 - 1. Notices and Signatures.....14
 - 2. Funding Sources.....14
 - 3. Contract Term14

4.	Project Specifications	14
5.	Maintenance	15
6.	Payment.....	15
7.	Reporting.....	15
8.	On-Site Inspections, Audits and Records	15
9.	Repercussions for Nonperformance	16
B.	Contract Amendments and Project Memos	16
XI.	Invoicing and Payment.....	16
XII.	Project Inspections	17
A.	Types of Inspection	17
B.	Inspection Documentation.....	17
C.	Verification of Destruction.....	18
XIII.	Grantee Annual Reporting and Project Auditing.....	18
A.	Grantee Annual Reporting	18
B.	Auditing Projects	19
C.	Unsatisfactory Annual Report.....	19
XIV.	Project Compliance.....	19
XV.	Administrative Funding Use.....	19
XVI.	Additional Air District Policy and Procedures	20
	Lawn and Garden Program	20
	CAP Incentives Program	26
XVII.	List of Appendices.....	39
	Appendix 1. Carl Moyer Application	40
	Appendix 2. Sample Contract.....	48

I. Background

Since its inception in 1998, the California Air Resources Board’s (CARB) Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program or Moyer Program) (<https://ww2.arb.ca.gov/our-work/programs/carl-moyer-memorial-air-quality-standards-attainment-program>) has cost-effectively reduced smog-forming and toxic emissions by removing older, high-polluting engines that would have otherwise operated for years to come. becoming a model for similar initiatives at various governmental levels.

Authorized by the Health and Safety Code (Health & Saf. Code) § 44275 - 44299.2, the Carl Moyer Program operates statewide with implementation by California’s 35 local air districts. Local oversight ensures that project emission reductions are surplus, enforceable, measurable, and permanent, and in alignment with the State Implementation Plan (SIP). The Moyer Program has successfully funded a wide breadth of project types including, but not limited to, off-road equipment, on-road light-duty and heavy-duty vehicles, marine vessels, infrastructure, and locomotive projects. Projects funded through the Moyer Program reduce criteria pollutant emissions, including oxides of nitrogen (NOx) and reactive organic gases (ROG) that contribute to ozone formation, as well as toxic particulate matter (PM). Programs like this are essential for meeting federal air quality standards and achieving reductions in air pollution, particularly in underserved communities, by providing support to low-income individuals, small businesses, and sources not governed by local or state regulations.

II. Purpose

The purpose of the Northern Sierra Air Quality Management District (air district) Policy and Procedures (P&P) Manual is to offer staff guidance on implementing the Moyer Program. The air district’s P&P do not replace the Moyer Program Guidelines (<https://ww2.arb.ca.gov/guidelines-carl-moyer>), rather they are intended to provide direction and procedures for the district’s implementation of the Carl Moyer Program. This ensures there is consistent and fair day-to-day operation and decision-making in project selection, management, and tracking in order to meet the requirements of the Health and Safety Code, Moyer Program Guidelines, and CARB technical advisories. These P&Ps may change based on local needs, updates to the Health and Safety Code, the CARB’s program guidelines, or technical advisories and clarifications issued by CARB. Air district staff should reference the Moyer Program Guidelines for detailed descriptions of CARB’s Moyer Program procedures and requirements.

Each air district should review their P&Ps at minimum annually and update them in the interim when changes in policy or procedure occur. The air district P&P manual will be made available upon request to CARB staff or a member of the public. Table 1. below provides a brief history of the air district’s P&Ps version changes.

Table 1. Air District P&P Version History

Date	Notes/Changes
January 2006	2005 Guidelines
October 2008	2008 Guidelines
August 2015	2011 Guidelines
February 2021	2017 Guidelines
May 2022	2021 Guidelines
June 2024	2022 Guidelines
February 2025	2022 Guidelines: Amended to add Appendix F
September 2025	2024 Guidelines

III. Moyer Program Implementation

The Moyer Program is a partnership between CARB and local administering air district(s). CARB provides overall guidance and oversight for the program, with the funding and the implementation of the projects conducted at the local air district level. The Moyer Program Guidelines and technical advisories serve as the minimum requirements that an air district must use to structure its local implementation of a Moyer Program. Air districts may elect to set local standards that are more stringent than those developed by CARB but in no case shall the district policies and procedures be less stringent than those established by CARB. Air districts may fund only those projects that meet the Moyer Program guidelines and eligibility criteria, or those projects approved on a case-by-case basis by CARB staff.

IV. Air District Roles and Responsibilities

Air district staff work directly and closely with their Moyer Program staff liaison to coordinate efforts to efficiently and properly administer the Moyer Program.

Roles and general responsibilities for day-to-day operations of the air district's Moyer Program are listed in the table below:

Position	Role	Responsibilities
Air Pollution Control Officer	Executive Officer	Executes grant agreements. Approves disbursement of funds, yearly report, etc. Obtains governing board approval.
Chief Financial Officer/Administrative Staff	Funding	Manages grant fund accounts and drafts reimbursement checks.

Grant Manager/Air Pollution Control Specialist	Coordinator/Inspector	Contact for all stakeholders (e.g. applicants, grantees, dealers, etc.), Directly communicates with CARB Moyer Program liaison. Reviews applications: determine project eligibility performs incentive and cost-effectiveness calculations; performs outreach; drafts contracts; enters project information into the CARB's Clean Air Reporting Log (CARL); Drafts yearly report. Performs project inspections and audits.
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V. CARB Moyer Program Grant Solicitation and Award Process

Each year, CARB sends out a grant award solicitation packet to all of the 35 air districts, which includes application form and tentative awards for each air district. Tentative awards are determined in accordance with the formula identified in Health & Saf. Code § 44299.2. The formula provides a minimum allocation of \$200,000 to participating districts. 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 Moyer Program.

Air district are asked to complete and submit the included application form by the deadline stated in the solicitation packet. The approximate timeframe for when the grant award solicitation packet is sent to the air districts and subsequent program deadlines are outlined in Moyer Guidelines (2024 Moyer Guidelines, Chapter 3, Section I.C).

Final awards are determined by CARB following receipt of all air district applications. Once the final awards are determined, grant agreements are issued to the participating air districts, specifying the amount of the award including the administrative funding allocation, the required amount of match funds (if applicable), any Special Terms and Conditions, and General Terms and Conditions (GTC) for the grant. Air districts must submit their signed grant agreement by the deadline stated in the accompanying cover letter. Grant agreements are fully executed, and funds are encumbered when signed by both the air district and CARB.

The air district may request an initial distribution of up to 10% of the air district's final allocation or \$200,000, whichever is greater, plus the awarded administrative funds. This air district may request additional disbursements if meeting criteria in the Moyer Guidelines (2024 Moyer Guidelines, Chapter 3, Section I.F). Following receipt of final grant agreement the air district may request fund disbursement.

Additionally, to request fund disbursement the air district must certify that they are in good standing (i.e. Yearly Report submitted, P&P up to date) and have submitted the board resolution or minute order giving them permission to accept funding from CARB. The air district may use a blanket board resolution or minute order accepting funds for multiple specified years and allowing participation in the Moyer Program fundings (State Reserve, Rural Assistance, and Regular Moyer).

A. Air District Application Procedures

Air district procedures for applying to Moyer Program funding are as follows: The APCO will work with the Grants Manager to review and submit all CARB required documentation for funding application and at the discretion of the APCO and according to all current CARB timelines.

B. Final Grant Award Agreement Procedure

After final grant award agreement is received by the air district: The APCO and Grants Manager will review and file the final grant award electronically in compliance with current District procedures and at the discretion of the APCO and according to all current CARB timelines.

C. Air District Grant Award Disbursement Request Process

Air district procedures for requesting Moyer Program funding are as follows: The APCO and Grants Manager will request the final grant award disbursement according to current District procedures and at the discretion of the APCO and according to all current CARB timelines.

D. Match Funding

Unless the match funds requirement is waived by CARB, districts are required to provide \$1 in match funding for every \$2 of state funding awarded by CARB.

Districts receiving the minimum allocation are not required to participate in Match Funding.

Following ARB's solicitation for funding, The APCO will conduct a financial review and determines if match funding is available or not. If the APCO determines match funding is not available, the APCO shall elect to waive the match funding. If the APCO determines that match funding is available, this matter will be brought to the Board for determination. If match funding is available and utilized, it will be tracked separately using a database and spreadsheets. Match funding will be located in a separate account.

VI. Air District Program Fiscal and Administration Fund Tracking

The Northern Sierra AQMD fiscal staff and grant manager maintains the air district's general ledger that tracks revenues, expenditures, and interest earned on its Moyer Program's administration funds and project funds. The air district at minimum follows generally accepted accounting practices (GAAP) and accounting practices

described in Moyer Program Guidelines (2024 Moyer Guidelines, Chapter 3, Sections I.L and I.M).

A. Calculation and Use of Interest Revenue

The air district's Moyer Program funds are held in an interest-bearing account, and interest earned by these funds are reported annually to CARB. The air district maintains accounting records in QuickBooks and Microsoft Excel and tracks earned interest accrued and expended. Interest calculations for all fiscal programs are performed by the current fiscal officer and/or accounting personnel based on average daily balance or other reasonable and demonstrable method, and prepares interest reports on a quarterly basis. The air district uses the interest earned funds on eligible projects that meet the current Moyer Program Guidelines in accordance with the timelines in the Guidelines (2024 Guidelines, Chapter 3, Section I.Q.1). The air district may choose to allocate a portion of the earned interest earned for program administration (2024 Moyer Guidelines, Chapter 3, Section I.M.4).

B. Calculating and Recording Direct and Indirect costs

The air district's grant tracks the administrative costs, both direct and indirect, reports them to CARB as required by current guidelines and are defined as follows:

1. Direct costs are related to direct project labor and expenses associated with project implementation, detailed in Chapter 3, Section I.L of the 2024 Moyer Guidelines.
2. Indirect costs of program implementation include outreach costs (Health & Saf. Code § 44290) and costs not directly or solely tied to a Moyer project, detailed further in Chapter 3, Section I.L of the 2024 Moyer Guidelines.

VII. Record Retention and Management

Norther Sierra AQMD will make program administrative and project records, along with fiscal records available for review during CARB or other State agency monitoring visits, reviews and audits.

A. Record Retention

1. Fiscal Records

Program administrative and fiscal files are kept for at least five years after the funding liquidation deadline for that funding cycle has expired or the last recorded grant transaction for the funding cycle, whichever is later (2024 Moyer Guidelines, Chapter 3, Sections I.L.2 and I.M.8)

2. Applications

Applications for unfunded projects must be kept a minimum of two years following the solicitation period, or two years from receipt if

there is not a specified solicitation period (2024 Moyer Guidelines, Chapter 3, Section I.V.8).

3. Project Files

Project files are kept for at least three years after the expiration of the grant agreement or as required by the Moyer Guidelines, whichever is later (2024 Moyer Guidelines, Chapter 3, Section I.V.8).

B. Management - Recordkeeping System(s)

1. Fiscal Files

The Air district fiscal officer and administrative staff maintain all fiscal transaction records for the Moyer Program. Files shall be maintained for the life of the project plus seven (7) years.

2. Unfunded Project Applications

All unfunded project applications are filed electronically according to the most current District electronic filing method.

3. Project Files

All project files are filed electronically according to the most current District electronic filing method and a hard copy file is created and stored by the Grants Manager. Project files are set up and maintained by the air district's designated Grant Manager. Each project file contains the application, project cost effectiveness and selection information, contract, inspection reports, photos, invoices, payment information, and annual monitoring reports. Digital photographs documenting project inspections are stored electronically according to available technology. Files shall be maintained for the life of the project plus seven (7) years.

4. Grantee/Project Tracking

In addition to electronic storage and hardcopy folders for program and project files, the District uses a tracking database and complimentary excel spreadsheets to track grantee information, funding, and equipment information for each project.

VIII. Solicitation, Outreach and Project Categories

A. Solicitation

The Air District maintains a wait list for pending projects and operates on a first come first serve basis for project awards. When a potential applicant moves to the top of the list, the District designated Grant Manager shall work with the applicant to determine project applicability and the potential funding allowance. Once the potential applicant decides to move forward with potential funding, the applicant shall begin the application process and current program application timelines shall apply. If at any time the potential applicant does not meet District

program timelines, as established at the time of application, the application shall be terminated.

B. Outreach

The air district may budget funding from the Moyer program administrative allocation for air district outreach efforts.

The following section describes the air district's dedication to outreach efforts and the methods used by the air district to engage with local residents, disadvantaged and low-income communities, and small businesses:

1. Air district staff conduct outreach through public workshops and meetings, individual consultations, advertisements in newspapers and trade journals, direct mailings from the air district, the air district website, social media, and online ads.
2. The air district will keep records of its outreach activities for each Moyer Program funding cycle in the program folder corresponding to that cycle.

C. Project Source Categories Identification

Each Moyer Program funding cycle, the air district selects project categories to focus on the air district's local needs and future state regulations that could impact funding. The air district provides funding opportunities for the following project source categories/types:

1. Off-road equipment
2. Off-road Agricultural equipment
3. Lawn and garden zero emission equipment
4. EV Infrastructure

IX. Procedures for Project Application Review and Selection

All projects' applications must meet the minimum eligibility requirements as stated in the Moyer Program Guidelines and technical advisories, including meeting the emission reduction and cost-effectiveness requirements of the Moyer Program as applicable.

A. Application Tracking

The air districts uses the CARL database and the District Microsoft Access database to track submitted applications (2024 Moyer Guidelines, Chapter 3, Section V.4).

B. Application Review Process

All applications are reviewed by air district staff for completeness upon receipt and applicants are notified within 30 working days of receipt if the application is not complete (Health & Saf. Code § 44288(a)). The air district

makes every effort to clearly state to the applicant what is required to make the application complete. Applicants are notified telephonically and in writing by electronic correspondence of any deficiencies.

The application and all correspondence with the applicant are kept in the applicant's project file.

C. Documentation

To ensure that potential selected projects are eligible and provide surplus emission reductions, applicants are required to submit documentation showing the project meets minimum requirements of the source category (2024 Moyer Guidelines, Chapter 3, Section V.3):

1. Documentation of historical vehicle, equipment, or engine usage. Types of acceptable historical usage documentation include mileage logs, maintenance records, depreciation records and photographs.
2. Documentation of project costs;
3. Engine or retrofit device Executive Orders, if applicable.
4. Other documentation identified in the source category of the 2024 Moyer Guidelines.

D. Air District Project/Application Selection Criteria

Only public or private agency fleets that permanently reside within Nevada, Sierra, or Plumas Counties qualify for funding.

This is a first come-first serve program.

Applications are reviewed for completeness.

If more than one application is received by the District at the same time, prioritization of qualifying grants occurs via most cost effective.

1. Cost - Effectiveness

The air district uses the project's cost-effectiveness and award amount may be determined by air district staff entering all pertinent application information including air district funding restrictions into CARB's CARL database.

Project information is entered into CARL database and evaluation of cost effectiveness is determined.

If at any time it is determined that the project will not be funded with Moyer funds, air district staff shall remove the project from the CARL database.

2. Communities Prioritization - Environmental Justice

The air district prioritizes funding for projects that reduce air pollution in communities with the highest exposure. CalEnviroScreen indicates that the air district does contain designated “Disadvantaged Communities,” and it does identify “Low-Income Communities.”

Districts with a population greater than one million must provide specific Moyer Program funding that targets environmental justice (EJ) communities (Health & Saf. Code § 43023.5)). The air district has a population of less than one million and whenever feasible prioritizes expending funds on environmental justice projects but is not required to meet this requirement.

3. Small Business Projects

According to the Small Business Administration (SBA), a small business includes industry size, average number of employees within the last twelve months, organized for profit, identify annual number of receipts over time, has a physical location and operates within the United States. Independently owned and operated and is not dominant in its field on a national basis.

Any individual chapter within the 2024 Moyer Guidelines, that provides a small business definition regarding its respective source category supersedes this definition (2024 Moyer Guidelines, Chapter 3, Section III).

4. Zero Emission Technology and Vehicle Projects

The air district prioritizes zero emission projects over combustion projects whenever feasible and follows the minimum project eligibility criteria outline in 2024 Moyer Guidelines and other supporting documentation (e.g. 2024 FARMER Guidelines).

5. Infrastructure Projects

The air district follows the minimum project eligibility criteria outline in Chapter 10, Sections I, C, F, and G of the 2024 Moyer Guidelines when selecting infrastructure projects.

E. Notification Process

When a grant application has been deemed complete, meeting source category eligibility, and selected for an award air district staff will write an award letter to the applicant offering them the calculated award and the applicant shall be notified telephonically and in writing electronically. Following notification air district staff will follow-up with a phone call schedule a pre-inspection.

Applicants that were not selected for a grant award will also be notified via electronical correspondence and telephonically.

X. Contract Requirements

The Air District will execute a contract with each grantee receiving Moyer Program, stating the grantee and the Air District as parties to the contract, with the exception of on-road and off-road voucher incentive programs. All Moyer Program project contracts will include the elements described in 2024 Moyer Guidelines, Chapter 3, Section I.X.

Project contracts will contain the following provisions:

- party names and date
- contract term, including project completion and projection implementation/life
- payment provisions, including maximum contract amount, the requirement for itemized invoices
- funding disclosure and noncompliance terms
- CMP compliance requirements
- requirement for maintenance of engine/vehicle
- project specifications and performance expectations
- repercussions for nonperformance
- on-site inspection requirements and dates
- records retention requirements
- reporting and auditing requirements
- insurance requirements
- signature blocks for both parties

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

An applicant is not guaranteed funding until a contract is executed. The air district will provide written authorization that proceeding in any work, such as receiving engines, equipment, or vehicles, or beginning work on a repower or retrofit project, prior to contract execution is at his or her own fiscal risk. (2024 Moyer Guidelines, Chapter 3, Section I.BB.4). Exceptions may be made for infrastructure projects. For infrastructure projects, an applicant may order or make down payments on infrastructure equipment prior to contract execution, with the air district's written

approval. The applicant must be provided with written notification from the air district that funding is not guaranteed for any work performed until the contract is executed.

A. Detailed Contract Elements

All air district grantee contracts will include the following elements summarized below. (Note: A detailed description can be found in the 2024 Moyer Guidelines, Chapter 3, Section I.X):

1. Notices and Signatures

The air district will include in contracts the contact information for both parties, and how notices will be sent and received in a reasonable timeframe to move the project forward. The contract will also include a section for signatures and dates of signature or contract execution.

2. Funding Sources

Grantee certify, disclose, and notify the air district of any additional sources of funding received for the total cost of the project, including co-funding sources and sources after contract execution. The contract will include terms that prohibit the grantee from receiving grants and other funds that exceed the total project cost.

3. Contract Term

The contract will specify the time terms for project completion and project implementation and will contain project completion timeframe and project implementation timeframe.

4. Project Specifications

All contracts must include detailed information on the baseline and new vehicles, equipment, and/or engines that were used in the project cost-effectiveness calculation. This requirement may be met by including the project application as an attachment to the contract if the application is accurate and complete.

- a. The program may approve substitution of an eligible replacement vehicle, equipment and/or engine that is verified or certified to achieve equivalent or greater reductions than the original project replacement vehicle, equipment and/or engine may be substituted with prior approval of the air district.
- b. The air district will include in the contract an estimation of usage for the old equipment, in cases where 24 months of documented, verified historic usage is not available. The air district may estimate the usage of the old engine, and the estimated usage must be included in the contract.

Additional forms of estimation or documentation to verify historical annual usage will be subject to CARB's approval on a case-by-case basis.

- c. Contracts must also contain a statement of Compliance and/or Certification that the project complies with the Moyer Program Guidelines and that the grantee's fleet, engine(s), or equipment/vehicle is in compliance with all applicable federal, State, and local air quality rules and in effect at the time of contract execution, and that grantee will maintain compliance for the full contract term. For repower projects, a statement that installation of the engine will be completed in a manner that does not void the engine manufacturer warranty and any remaining warranty provided by the equipment manufacturer.
- d. Projects funded by the Moyer Program must be included when defining the size of the fleet for determining regulatory requirements.
- e. Throughout the contract term, projects funded by the Moyer Program must not be used to generate credits or compliance extensions and must be excluded when determining regulatory compliance.

5. Maintenance

All contracts must require the grantee to maintain the vehicle, equipment, engine, and/or funded infrastructure according to the manufacturer's specifications for the life of the project, including prohibition on engine tampering and maintaining a working hour meter (required for projects that have hours of operation usage requirement).

6. Payment

All contracts must include the following payment terms maximum contract amount and itemized invoices.

7. Reporting

All contracts must include a provision detailing annual reports submittal process including annual due date.

8. On-Site Inspections, Audits and Records

All contracts will include language that allows the air district, CARB, or their designee to conduct an inspection or audit of the project, including the engine, vehicle or equipment and associated records, during the contract term. Additionally, it will detail requirements for

grantee to maintain and retain usage documentation for at least three years following end of contract.

9. Repercussions for Nonperformance

The District will implement CARB adopted repercussions for non-compliance with the obligations of the contract, including but not limited to cancelling of contract, recapturing of project funds, etc.

B. Contract Amendments and Project Memos

Contract amendments shall be allowed without District Board approval for procedural amendments that do not change contract award fiscal amounts and are deemed procedural in nature by the APCO and as outlined below:

- 1. Contract Amendment:** After a contract is fully executed, there may be a change in the scope or parameters of the project. A contract amendment may be executed if the technical terms of a project are modified, such as the type or model of an engine, or if project parameters are modified which affect the funding amount and/or emission reductions, or for instances where the milestone due dates require revisions
- 2. Project Memos:** Project file memos provide a means to explain discrepancies, clarify missing information, changes in policy, reasons for actions taken, report on challenges (e.g., obtaining late annual reports) add explanations to existing records, contributing to a complete history and documentation trail that can be referenced later by staff.

XI. Invoicing and Payment

The air district will make payment for a project or equipment within 30 days of project completion, the air district's post-inspection, and receiving the grantees invoice package the grant manager will approve each invoice for payment and prepare a payment request package for review by the District fiscal staff and Air Pollution Control Officer. Payments will be made directly to the grantee unless otherwise specified in air district's contract with the grantee.

The grantees invoice package documents all equipment purchased with grant funds and associated eligible project costs that have been expended in compliance with the project description and schedule, and other sources and amounts of funding for the project are reviewed to ensure the sum of all project funds does not exceed the total project cost. Additionally the invoice package will include:

1. Project equipment serial numbers
2. Eligible costs directly related to the project
3. An itemization of payments to, and copies of invoices from, vendors, consultants, and contractors, and

4. Documentation of hours incurred to complete the project and the hourly rates for any labor charges (if applicable).
5. Schedule and milestones of progress or partial payments (if applicable)
6. Final lease agreement for ZE technology projects (if applicable)
7. Completed 1099 Form
8. Nevada County Vendor Application form

Payment Limits

The maximum percent of off-road eligible re-power or replacement projects for Carl Moyer Program funding are:

- a. Tier 1 Repower - 85%
- b. Tier 2 Repower - 85%
- c. Tier 3, Interim Tier 4, and Tier 4 Repower - 85%
- d. Off Road rebuild costs are based on a percentage of the total project costs.
- e. Replacement costs are taken from the itemized estimate included with the application.
- f. Fleet Modernization - new off-road replacement vehicles are eligible for a maximum of 85% of the invoiced price.

XII. Project Inspections

Project inspections may be conducted in-person, by Air District staff.

A. Types of Inspection

- 1. Pre-inspection:** Prior to contract execution, a pre-inspection of the baseline engine, equipment, or vehicle must be completed to confirm project eligibility. All projects must be pre-inspected by air district staff prior to executing a contract to verify equipment information in the grant application (2024 Guidelines, Chapter 3, Section I.Z.1).
- 2. Post-inspection:** Air District staff will conduct a post-inspection after completion of the project, to verify that the equipment identified for funding in the contract agreement has been purchased and installed and is operating properly, that replaced equipment is no longer operable, and that the completed project is consistent with the project scope in the contract and the invoice submitted by the grantee (2024 Guidelines, Chapter 3, Section I.AA).

B. Inspection Documentation

Inspection form documentation includes at a minimum all information described in 2024 Guidelines, Chapter 3, Section I.Z.2 and AA.1:

1. Name of inspector;
2. Date of inspection;
3. Name and contact information about engine or equipment owner;
4. Location of the engine or equipment;
5. Engine, vehicle, or equipment information;
6. Usage;
7. Operation verification; and
8. Photos and videos (for remote inspections)

Photo documentation of the engine, vehicle, or equipment information should be legible and clearly labeled to what was photographed. The photos must include the legible serial number of the engine (if available) and/or any other identifying markings. Copies of all photos and videos are saved electronically in corresponding project file(s).

C. Verification of Destruction

Air district staff verify that the baseline (old) engine and associated vehicle or equipment are destroyed and rendered permanently inoperable, irreparable and permanently removed from service during post-inspection. Proof of destruction is provided through photographic or video evidence that the destroyed engine serial number or uniquely identifiable marking matches that of the pre-inspected baseline (old) engine and associated vehicle or equipment (2024 Guidelines, Chapter 3, Section I. AA.4).

XIII. Grantee Annual Reporting and Project Auditing

A. Grantee Annual Reporting

Air district staff will send reminder notifications to grantees during the month before annual reports are due. Grantees are required to submit annual reports to the air district within 18 months of post-inspection and annually thereafter for the term of the contract (2024 Guidelines, Chapter 3, Section I.CC.1). The air district will review the annual report for completeness, accuracy, and reported usage, and will maintain in the project file a copy of the report that is initialed and dated by the reviewing air district staff.

Annual reports will include the following information (2024 Guidelines, Chapter 3, Section I.CC. 2):

1. Grantee name, address, email address and telephone number;
2. Information needed to uniquely identify the project's equipment, such as make, model, horsepower, and serial number;
3. Readings of the usage device (e.g., hour meter, odometer, or electronic monitoring unit);

4. Description of reason(s) for not meeting usage requirements. The air district grantee must describe any conditions (e.g. weather, permits, or major maintenance) that are to affect affected project usage.

B. Auditing Projects

The air district conducts project audits of five percent of active projects or 20 active projects (whichever is less) on an annual basis the air district audits. Any projects determined to have unsatisfactory annual reporting will be consciously included projects to be audited. Air district audits include an inspection performed by staff verifying that the project (e.g. engines, equipment, and emission control devices) paid for are still owned by grantee named in the contract, is still operational, and meets the contracted requirements (e.g. mileage requirement, fuel usage, or hours of operation) in the executed contract or referenced in the application (for projects without usage in contract) (2024 Guidelines, Chapter 3, Section I. DD).

C. Unsatisfactory Annual Report

If an annual report is incomplete, inaccurate or not received from the air district grantee on schedule, the air district will make a reasonable attempt to obtain a complete and accurate report from the air district grantee. If the air district is unable to obtain the report, the air district will identify the project for audit, and the grantee will not be granted funds for new Moyer Program projects until all reports are satisfactorily submitted (2024 Guidelines, Chapter 3, Section I.CC.3 through 5).

XIV. Project Compliance

If the grantee is not able to meet the program requirements (e.g., annual reporting, emission benefits, etc.) or terms specified in a contract, the air district may consider the following options to remedy the violation before seeking enforcement action (2024 Guidelines, Chapter 3, Section I.EE.2):

1. Extend contract
2. Transfer ownership
3. Recalculate cost-effectiveness
4. Provide wavier
5. Recapture (return) funds

XV. Administrative Funding Use

NSAQMD may use administrative funds and the allowable portion of the interest earned for administrative funding. Administrative funds may be used for direct costs associated with the tasks, and shall be documented by district staff.

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

Outreach and administration funds are used toward NSAQMD staff compensation and public outreach related to the Carl Moyer Program. Allowable travel costs will be reimbursed by the reimbursement method. Allowable costs, reimbursement requirements and travel requests are outlined in the NSAQMD Policies and Procedures.

XVI. Additional Air District Policy and Procedures

Lawn and Garden Program

Introduction

The Carl Moyer Memorial Air Quality Standards Attainment Program (Moyer Program) provides monetary grants for the incremental cost of cleaner than required technology. The 2017 Moyer Program Guidelines provide minimum requirements for projects including eligible project source categories supported by the program. Lawn and Garden Equipment Replacement projects are addressed in Chapter 9 of the Moyer Program Guidelines. In 2023, CARB updated Chapter 9 to

ensure a streamlined approach to reducing emissions from small off-road engines (SORE) by funding the replacement of zero-emission equipment. These updates support the goal to transition California to 100 percent zero-emission off-road vehicles and equipment by 2035 where feasible according to the Governor's Executive Order N-79-20.

This document is an addendum to the Northern Sierra Air Quality Management District's (District) Carl Moyer Program Policies and Procedures Manual describing the implementation of the District's Lawn and Garden Equipment (L&GE) Program consistent with Chapter 9 of the Moyer Program Guidelines. All projects and applicants must meet the minimum requirements stated in the 2017 Moyer Program Guidelines, CARB Technical Advisories, and District Carl Moyer Policies and Procedures to which this addendum is made.

Program Goals and Objectives

The L&GE Program offers incentives, when funding is available, toward the replacement of existing combustion lawn and garden equipment with cordless, zero-emission lawn and garden equipment. The emission reductions are surplus because zero-emission lawn and garden equipment is not currently required by end users. This program will include outreach and educational components to inform applicants about available technology and capabilities and the benefits of switching to zero-emission equipment.

The L&GE Program will provide vouchers to qualifying commercial and /or residential applicants for the purchase of cordless, zero-emission lawn and garden equipment from Participating Merchants as outlined in the most current District application process. The L&GE Program will provide reimbursement for qualifying purchase to Public Agencies as outlined in the most current District application process. Funding sources and allocations as approved by the District Governing Board will govern if vouchers will be issued to Commercial entities, Residential individuals, or both.

Project Eligibility

Commercial Applicants

The following entities are eligible to apply for the Commercial component of the L&GE Program:

- a. California businesses and Small Business owners that provide landscape maintenance services for residential, commercial, institutional, or public properties;
- b. Public agencies, businesses, or non-profit entities that conduct commercial-scale landscaping activities on their properties;
- c. Public agencies, businesses, or non-profit entities conducting forest management, land management, and fire hazard reduction activities.

- d. Residential applicants residing full time in Plumas, Sierra and Nevada County dependent upon District funding source.

For purposes of this Program, a “California business” means the individual and/or business applicant resides in California. A business resides in California if its principal place of business is physically located in California and it has held a California and/or Plumas, Nevada or Sierra County business license for at least two (2) years.

For purposes of this Program, a “small business” means an independently owned and operated business that is not dominant in its field of operation, the principal office of which is located in California, the officers of which are domiciled in California, and which, together with affiliates, has 100 or fewer employees, and average annual gross receipts of ten million dollars (\$10,000,000) or less over the previous three years, or is a manufacturer, as defined in subdivision (c), with 100 or fewer employees. Commencing January 1, 2019, the average annual gross receipts threshold shall be fifteen million dollars (\$15,000,000). (Gov. Code § 14837(d)(1)(A)) (Participate (Landscape) - Clean Off-Road Equipment Voucher Incentive Project (californiacore.org))

Residential Applicants

To be eligible for the District L&GE Program an individual must reside in Plumas, Nevada, or Sierra County. Residential status will be verified during the application practice. Residential applications will be accepted dependent on funding source used by the District.

Additional Applicant Requirements

Applicants must have owned and operated the existing combustion lawn and garden equipment for a minimum of two (2) years and intend to operate the replacement equipment within California for a minimum of 36 months from the date of purchase. The majority of use (greater than 75%) is intended to be in Plumas, Sierra or Nevada County. Additional eligibility requirements may be incorporated based on the source of funding (such as with Community Air Protection Incentives). Applicant will certify this information on the application form.

Equipment

The Program supports the replacements of the following types of lawn and garden equipment:

- Chainsaws/Trimmers/Edgers/Brushcutters
- Leaf blowers/Vacuums
- Walk Behind Lawn Mowers
- Riding Lawn Mowers

Existing combustion lawn and garden equipment must be in operational condition at the time of application submission. This means the equipment must be able to start, move and has all operational parts intact. Applicant will certify this information on the application form and operational condition will be certified by Participating Merchants prior to destruction and recycling.

Destruction of the existing combustion equipment is required. If surrendering the existing combustion equipment to the Participating Merchant for destruction, surrender must be within 30 days of purchase of the replacement lawn and garden equipment. The equipment must be in operational condition when delivered, and destroyed by the Participating Merchant or Public Agency within 60 days of receipt. If existing combustion equipment is taken to a scrap / recycling facility, a receipt or verification of destruction must be provided to the District within 60 days of purchase of the new equipment.

Replacement Equipment must serve the same function and perform the same work as the existing equipment. New, cordless zero-emission electric equipment must be purchased from a Participating Merchant only. District will maintain a list of participating merchants.

Equipment Merchants interested in participating in this program must agree to the terms and conditions of this program by signing an agreement with the District. Only Merchants who have signed an agreement with the District will be eligible to participate in the commercial and residential application program.

Public Agencies interested in participating in this program must agree to the terms and conditions of this program by entering into a contract with the District upon an approved application. Only Public Agencies who have signed a contract with the District will be eligible to participate in the program.

Vouchers and Funding Amounts

The L&GE Program will provide vouchers and funding to eligible applicants towards the purchase of eligible equipment from participating merchants for commercial and residential applicants. Eligible purchases include cordless, zero-emission electric lawn and garden equipment, batteries and/or charging cables to support the selected equipment. Purchases of batteries and/or charging cables without equipment is not eligible for funding. The District will fund vouchers in accordance with current limits outlined in Chapter 9 Lawn and Garden Equipment Replacement of the most current Carl Moyer Program Guidelines.

The L&GE Program may also provide reimbursement to eligible Public Agencies towards the purchase of eligible equipment. Public Agencies seeking to enter into a contract for direct reimbursement for eligible purchases of cordless, zero-emission electric lawn and garden equipment, batteries and/or charging cables to support the selected equipment must follow all program guidelines and enter into a contract with the District. Purchases of batteries and/or charging cables without

equipment is not eligible for funding. The District will fund funding in accordance with current limits outlined in Chapter 9 Lawn and Garden Equipment Replacement of the most current Carl Moyer Program Guidelines.

Program Workflow

1. Prior to implementation, District will train Participating Public Agencies and/or Merchants and execute a Board approved Public Agencies and/or Merchant Agreement/Contract. The District will also coordinate with local scrap and recycling facilities to prepare a list of District authorized locations to perform the destruction required by this program. The District will conduct outreach to the public to announce the program opening and application solicitation.
2. Applicants will complete Application Forms or enter into a Board approved contract and submit along with any supporting materials required to the District.
3. Applications received by the District will be date stamped. District staff will review each application for completeness. If the application is not deemed complete, District Staff will contact the applicant within 30 days, identifying the information or documentation still needed to finalize the review of their application. District staff will document this notification in the application packet or file. Any application not completed after 30 days of District Staff's notification will be deemed incomplete and removed from the pending application list.
4. Funding will be issued in the order the applications were originally received, with an expiration date of four (4) weeks from issuance.
5. Public Agency contracts will include dated deadlines.
6. Vouchers will be accepted by Participating Merchants at the time of sale and applied as a discount. Participating Merchants will notify the District of the sale once the customer has completed the purchase and received their new equipment.
7. Applicants will deliver their existing equipment to a Participating Merchant to be scrapped. Equipment must be verified as operational. If equipment is deemed inoperable, the facility will reject it. Participating Merchant will ensure and verify equipment is destroyed within 60 days of delivery. This does not apply to Public Agency contracts. Public Agencies will be required to ensure and verify equipment scrapping at their expense and per program guidelines.
8. Applicant using a participating local scrap and recycling facilities will coordinate with the District prior to voucher issuance and additional conditions may be required by the District.
9. Participating Merchants will be reimbursed within 30 days by the District once the purchase is completed, new equipment is received by applicant, existing equipment is scrapped, and all required documentation is received. Required documents include a completed Voucher, Final Invoice, Voucher Tracking Form, and Equipment Destruction Form.
10. Participating Public Agencies will be reimbursed per contract conditions by the District once the purchase is completed, new equipment is received by

applicant, existing equipment is scrapped, and all required documentation is received. Required documents include a completed Application, Contract, Final Invoice, and Equipment Destruction Form.

11. The District will maintain records and report to CARB as required by the Moyer Program Guidelines.

Agreements

Merchant Agreements

For equipment dealerships or retailers to participate in the Program, they must qualify, be trained on and agree to follow the Program policies and guidelines. At a minimum, the following requirements must be met:

1. Merchant must have had a valid business license issued in California for a minimum of the last two years.
2. Merchant must agree to allow the air district or CARB to inspect cordless, zero-emission electric L&GE or audit program records covered under this Agreement during normal business hours.
3. Merchant must agree to show the voucher amount on the final invoice or purchase receipt. The voucher amount will not lower the base price of the replacement equipment, nor will it reduce the tax basis of the equipment.
4. Merchant must agree that if it fails to show they are implementing the Program consistent with the Program requirements, the merchant shall return to the air district funds in proportion to any loss of emission reductions compared with the projected reductions of the agreement.
5. Merchant must agree to become a vendor with the District and to submit all appropriate paperwork in order to seek reimbursement and participate in the program.

Municipality Agreements

District may elect to work directly with public agencies that conduct commercial-scale landscaping activities on their properties. At a minimum, the following requirements must be met:

1. The Public Agency must be located in Sierra, Plumas, or Nevada County and be conducting commercial-scale landscaping activities on their properties.
2. The Public Agency must agree to allow the air district or CARB to inspect cordless, zero-emission electric L&GE or audit program records covered under this Agreement during normal business hours.
3. The Public Agency must work with the District to enter into an approved contract for the reimbursement of purchase of cordless, zero-emission electric L&GE according to program allowable type and amounts
4. The Public Agency must agree that if it fails to show they are implementing the Program consistent with the Program requirements, the merchant shall return to

the air district funds in proportion to any loss of emission reductions compared with the projected reductions of the agreement.

5. The Public Agency is responsible for meeting the requirements set forth in the program for the destruction of old gas powered L&GE equipment at the expense of the Public Agency.
6. The Public Agency must agree to become a vendor with Nevada County and to submit all appropriate paperwork in order to seek reimbursement and participate in the program.

Salvage, Disposal or Recycling Facility Agreements

The District may enter into agreements with salvage, disposal and/or recycling facilities to participate in the L&GE Program. Any agreement must comply with Moyer Program requirements for salvage and recycling facilities in addition to the following:

1. Statement agreeing to destroy the L&GE and engine within 60 days of receipt in a way that ensures the L&GE engine is no longer operable or repairable.
2. Agreement to notify the District that the combustion L&GE is destroyed by sending documentation indicating the number of L&GE destroyed.

Refer to the most recent Carl Moyer Program Guidelines and Chapter 9 for a complete list of requirements and terms for the above contracts.

Recordkeeping and Reporting

The District is responsible for maintaining project records and reporting to CARB on the status of the Carl Moyer Program annually. All Program materials will be maintained in accordance with the most recent Carl Moyer Program Guidelines and will utilize the CARL online database as required to provide information to CARB on the implementation of the L&GE Program.

CAP Incentives Program

Introduction

Assembly Bill (AB) 617 (Chapter 136, Statutes of 2017) directed the California Air Resources Board (CARB), in conjunction with local air districts to establish the Community Air Protection (CAP) Program. AB 617 provides a community focused action framework to improve air quality and reduce exposure to criteria air pollutants and toxic air contaminants in the communities most impacted by air pollution. AB 617 calls for CARB and the air districts to actively engage with members of heavily impacted communities, follow their guidance, and address local sources of concern. AB 617 includes a variety of strategies to address air quality issues in impacted communities, including community-level monitoring, uniform emission reporting across the State, stronger regulation of pollution sources, and incentives for both mobile and stationary

sources. To support the AB 617 effort, the California Legislature has appropriated incentive funding to support early actions to address localized air pollution in the most impacted communities.

CARB developed the CAP Incentives 2019 Guidelines which contain guiding principles, program administration requirements, and eligibility criteria for new incentives to address the new project categories identified in SB 856. The CAP Incentives Guidelines were updated in 2024 to include additional project categories. The NSAQMD Air Quality Management District (District) will use this guiding document, as well as CARB's Carl Moyer Program Guidelines, and the District's Carl Moyer Program Policies and Procedures Manual, to guide the District's policies and procedures for CAP Incentives projects.

Eligible Project Categories

Carl Moyer Program Eligible Projects

Appendix A of the State CAP Incentives 2024 Guidelines provides the requirements and funding levels for funding Carl Moyer Program eligible projects using CAP Incentives. If selected, these projects will be administered using the District's Carl Moyer Program Policies and Procedures Manual.

The following engine replacement projects are eligible for CAP Incentives administered by the District provided that state and local requirements are met:

- Diesel or spark ignited heavy-duty (>25 horsepower) off-road equipment replacement.
- Zero Emission Infrastructure

The following infrastructure projects are eligible for CAP Incentives administered by the District:

- Battery charging infrastructure associated with an equipment replacement project;
- New battery charging station.
- Lawn and Garden Equipment

When CAP Incentives Funds are allocated towards Lawn and Garden Equipment replacement projects, the District will implement the local Lawn and Garden Equipment Program per the District's Carl Moyer Program Policies and Procedures Manual and Chapter 9 of the State Carl Moyer Program Guidelines.

Reducing Air Pollution Exposure for Sensitive Populations

This project category is designed to decrease exposure and address a range of outdoor and indoor air emissions sources that may potentially affect the health of individuals extra sensitive to air pollutants. These subcategories will be administered by this Policies and Procedures Manual with guidance from Chapter 5 of the Community Air Protection Incentives 2024 Guidelines.

1. Air Filtrations Systems

Adopted: August 25, 2025

Page **27** of

Air filtration reduces the concentration of particulate contaminants from indoor air and is an important component of a building’s Heating Ventilation and Air Conditioning (HVAC) system. Reducing airborne particles (such as PM2.5) is important because particulate matter negatively impacts human health, especially for sensitive populations such as children, the elderly, and individuals with respiratory conditions. Older HVAC systems and basic air filtration used in some buildings only remove a small fraction of particles in the air that are smaller than 0.3 microns (µm). More efficient HVAC air filters and standalone air cleaners are important for creating healthier air indoors.

Public schools, daycare centers, preschools, community centers, libraries, senior living facilities, nursing homes, and other facilities that serve the elderly and immunocompromised are eligible to apply for this category during open solicitation periods. With direction and approval from the District’s Governing Board, the District may also reserve funds to develop a sub-program to serve private residents and multi-unit dwellings. Table 2 shows the maximum funding amounts for this project type.

Table 2: Funding Amounts for Air Filtration Systems

Type of Equipment	Funding Amount
Air Filters (MERV 14+ or the best available applicable filter as determined by a current HVAC assessment.)	Up to 100%
Standalone & Portable Systems (MERV 14+)	Up to 100%

2. Composite Wood Products at Public Schools

This project type pays a portion of the cost to replace damaged or aging school furniture with new furniture that contains composite wood made with no-added formaldehyde (NAF) glue or ultra-low emitting formaldehyde (ULEF) glue, thus decreasing the potential for formaldehyde emissions in classrooms. Table 3 shows the maximum funding levels for this project type.

Table 3: Funding Levels for Ultra-Low/ No-Added Formaldehyde Composite Wood Products Used in Schools

Type of Equipment Funded	NAF Funding Percentage	ULEF Funding Percentage
Tables/Desks/Countertops	Up to 100 %	Up to 90 %
Chairs	Up to 100 %	Up to 90 %
Cabinets	Up to 100 %	Up to 90 %

Woodsmoke Reduction Program Projects

Projects eligible under the most recently approved State Woodsmoke Reduction Program Guidelines are eligible for CAP Incentive funding based on approval of the

District’s Woodsmoke Reduction Program Project Plan by CARB. Deviations from the most recently approved State Woodsmoke Reduction Program Guidelines will require resubmission of a project plan to CARB for approval.

CAP Incentives funding for woodsmoke reduction projects will be allocated with District Governing Board approval. Projects will be implemented using the established Woodsmoke Reduction Program workplan.

Emergency Stationary Diesel Generator Replacement Projects

This project category funds the replacement of uncontrolled, Tier 1, and Tier 2 diesel-fueled emergency generators with cleaner technology beyond what is currently required. Replacement generators can be Final Tier 4 or cleaner, or zero-emission. If the existing generator is replaced with a cleaner internal combustion engine, an Authority to Construct Permit shall be applied for and issued before work can begin. This project category will be implemented according to Chapter 11 in the State CAP Incentives 2024 Guidelines.

Table 4: Funding Levels for Emergency Stationary Diesel Generator Replacement Projects

Type of Equipment Funded	Funding Percentage
New internal combustion emergency generator (Final Tier 4 or cleaner)	Up to 85 %
New zero emission emergency generator	Up to 95 %

Paving, Sidewalk, and Bike Path Projects

This project category aims to reduce dust from paved and unpaved roads in the community through road paving improvements, as well as to reduce motor vehicle emissions by improving walkability and bicycle infrastructure for the community through sidewalk and bicycle infrastructure improvement and construction. Paving of unpaved roads reduces PM emissions from fugitive windblown and activity-related dust in the region. Increasing the utilization of active transportation as opposed to driving an automobile also provides potential emissions benefits.

Eligible projects include providing road paving, sidewalk improvements and/or bicycle infrastructure to well-traveled unpaved roads, parking lots, and other unpaved areas located near sensitive receptors including, but not limited to, homes, schools, and senior centers. This project category will be implemented according to Chapter 12 in the State CAP Incentives 2024 Guidelines.

Table 5: Funding Levels for Paving, Sidewalk, and Bike Path Projects

Type of Equipment Funded	Funding Percentage
Eligible costs towards paving, sidewalk improvement, and bike infrastructure activities near sensitive receptors.	Up to 100 %

Other Stationary Source and Community-Identified Projects

Chapter 7 of the CAP Incentives 2024 Guidelines gives Air Districts the flexibility to fund stationary projects that address air pollution after documenting community support for specific projects and submitting project plans to CARB for approval. Air Districts can also adapt existing approved project plans for use within their communities. A list of approved project plans is located at <https://ww2.arb.ca.gov/our-work/programs/community-air-protection-incentives/stationary-source-and-community-identified>.

Project Selection

The District will use the Guiding Principles included in the CAP Incentives 2024 Guidelines to help select projects that meet the goals of the Community Air Protection Program and AB 617.

These Guiding Principles include:

- Reducing emissions in disadvantaged and low-income communities, with a goal of 70% of funds benefitting disadvantaged communities and 80% of funds benefitting low-income communities. Different funding goals may be included in each grant agreement with CARB.
- Considering toxic air contaminant, criteria air pollutant, and greenhouse gas reduction benefits;
- Engaging communities and providing support;
- Providing emission reductions in excess of laws or regulations;
- Prioritizing zero-emission technology and infrastructure;
- Considering special projects that protect sensitive receptors;
- Ensuring transparency in project selection and reporting;
- Considering both cost-effectiveness and relative exposure reduction in funding decisions.

Community Engagement

The District will provide direct outreach to groups of potential applicants in disadvantaged and low-income communities to increase awareness of funding opportunities. The District may also conduct outreach in or near disadvantaged communities to seek input on important community needs from local residents and community-based organizations. Community outreach information will be documented for inclusion in disbursement requests and semi-annual reports. Priorities identified by community members and organizations will be documented and provided to the District’s Governing Board. A community priority with the highest level of support will be considered a primary community need for the purposes project

ranking. All other community priorities will be considered secondary community needs for the purposes of project ranking.

A map of Disadvantaged Communities (SB 535 (De León, Chapter 830, Statutes of 2012)) and Low income Communities (AB 1550 (Gomez, Chapter 369, Statutes of 2016)) is available at <https://webmaps.arb.ca.gov/PriorityPopulations/>

Outreach for project solicitation will include press releases to local media and outreach to the potential applicants and community groups involved in the community engagement process.

Project Ranking

The District will prioritize eligible projects based on the following criteria (from highest priority to lowest priority):

1. Projects in disadvantaged communities addressing a primary community need as determined based on community engagement.
2. Projects in disadvantaged communities addressing a secondary community need as determined based on community engagement.
3. Projects in low income communities addressing a primary community need as determined based on community engagement.
4. Projects in low income communities addressing a secondary community need as determined based on community engagement.
5. Other eligible projects in disadvantaged communities progressing zero-emission technologies and benefitting sensitive receptors.
6. Other eligible projects in disadvantaged communities progressing zero-emission technology.
7. Other eligible projects in disadvantaged communities benefitting sensitive receptors.
8. Other eligible projects in disadvantaged communities.
9. Other eligible projects in low income communities progressing zero-emission technologies and benefitting sensitive receptors.
10. Other eligible projects in low income communities progressing zero-emission technology.
11. Other eligible projects in low income communities benefitting sensitive receptors.
12. Other eligible projects in low income communities.
13. Projects located outside of disadvantaged communities and low income communities that may benefit these communities.
14. Eligible projects located outside of disadvantaged communities and low income communities.

CMP eligible projects within each priority level will be ranked based on cost-effectiveness. School composite wood, air filtration, and paving projects will be ranked based on the size of the sensitive population to benefit from the project. Within each

priority level, diesel to zero-emission equipment replacement projects will be prioritized over diesel to diesel or alternative fuel replacement projects.

Governing Board Approval of Projects

The District's Governing Board will conduct public outreach for potential projects and shall determine what type of projects shall be funded. Projects shall be awarded on a first come first serve basis. Project contracts shall be approved by the District's Governing Board

Award Notification

The District will email and communicate telephonically with awarded applicants.

Project Management

Pre-Inspections

After selecting a potential project, the District will complete a pre-inspection prior to contract execution. Pre-inspections for CMP eligible projects and emergency diesel generators will follow the District's CMP Policies and Procedures Manual.

The pre-inspection for school air filtration projects will include photos of the current in-use air filtration system, in-use filters, and the space to benefit from the project. The pre-inspection for composite wood product projects will include photos of existing furniture/furnishing to be replaced with manufacturer information, if on equipment. The pre-inspection for paving, sidewalk, and bike infrastructure projects will include photos of the unpaved area to be improved.

All pre-inspections will include other relevant information including, but not limited to, name of inspector, date of inspection, name of equipment owner, and location and area of operation of the equipment.

Contract Development

Once pre-inspections are completed and the equipment is verified as being eligible for funding (if needed, through a compliance check with CARB), the District will develop a grant contract. Grant contracts for CMP eligible projects will be developed in accordance with the District's CMP Policies and Procedures Manual.

Contracts for projects reducing exposure to air pollutants for sensitive populations will include the general requirements included in Chapter 5 of the CAP Incentives 2024 Guidelines, party names and dates, contact information for both parties, requirements regarding co-funding, contract term, project completion date, funding amount, project specifications including information on existing and new equipment, compliance statements, maintenance requirements, reporting requirements, recordkeeping requirements, provisions to allow audits and inspections, and repercussions for nonperformance.

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.

An applicant may not order or make a down payment on a new engine, piece of equipment, or vehicle prior to contract execution. Dealers ordering engines, equipment, or vehicles prior to air district approval of grant application awards assume all financial risk and are in no way ensured program funds.

Woodsmoke Reduction Program projects will use a voucher system per the District's Woodsmoke Reduction Program Plan. Lawn and garden equipment replacement projects will be ran per the District's Lawn and Garden Program Policies and Procedures.

Post Inspections

The District will gather and document post-inspection information on all projects funded with CAP incentives prior to payment to the grantee. Post-inspections for CMP eligible projects and emergency backup generators will follow the District's CMP Policies and Procedures Manual.

The post-inspection for air filtration projects will verify the following information, as applicable: Air filter and/or system manufacturer, model, MERV rating, pollutant removal efficiency (percentage), usage life, size, and filter materials. The post-inspection for composite wood product projects will include photos of new furniture/furnishing and the NAF/ULEF labels. The post-inspection for paving, sidewalk, and bicycle infrastructure projects will include photos of the completed work. All post-inspections will verify that new equipment is consistent with the grant contract.

Project Completion

The District will make payment for a project or equipment only after the post-inspection finds the project or equipment in place and operational, and the air district receives an invoice itemized in sufficient detail to ensure that only completed and eligible project costs are reimbursed, and other sources and amounts of funding for the project are reviewed to ensure the sum of all project funds does not exceed the total project cost. 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.

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.

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. Furthermore, this provision is adjusted for projects funded with CAP Incentives where the Maximum Percentage of Eligible Cost exceeds 85 percent. For example, a project with a Maximum Percentage of Eligible Cost of 90 percent would have a 10 percent Applicant Cost Share requirement.

Completed Woodsmoke Reduction Program and Lawn and Garden projects will result in payment to Participating Agencies, Applicants and/or Retailers / Merchants.

Air District Audit of Projects

The District will conduct audits of projects funded with CAP incentives. On an annual basis these audits will include five percent of active projects or 20 active projects (whichever is less). These conducted audits are to include any projects with unsatisfactory annual reporting.

Nonperforming Projects

The District will work with nonperforming project grantees to ensure CAP Incentives project requirements are met and emissions reductions are achieved. Air districts may consider unforeseen circumstances beyond the grantee's control in determining repercussions for nonperformance.

If the District is not successful in gaining grantee compliance with the usage and program requirements specified in a contract, the District will make all reasonable efforts to recapture CAP incentives from the grantee, in consultation with CARB. Recaptured funds will be reassigned to projects that achieve the shortfall in emissions reductions or usage. The District's efforts to recapture funds may be guided by circumstances such as suspected or actual fraud or misuse of funds, the amount of CAP incentives involved, or the ability of the grantee to repay the funds.

Project Records

The following items will be maintained in the project file(s) until three years after the contract term:

15. Applications and/or project proposals including receipt date;
16. Project ranking and selection criteria as applicable;
17. Correspondence;
18. Pre & post inspection forms;
19. Project invoices;
20. Annual reports;
21. Any usage waivers.

Administrative records, including project implementation costs, invoices, contracts, and personnel and payroll records will be retained for a minimum of five (5) years following the funds liquidation deadline for the grant.

Applications for unfunded projects must generally be kept a minimum of two (2) years following the solicitation period, or two years from receipt if there is not a specified solicitation period.

Reporting

Annual Grantee Reporting

The District will request annual reports commencing no later than 18 months after project post-inspection and continuing annually thereafter throughout the project implementation phase of the contract. The District will include the dates the grantee annual report is due. CMP eligible projects will use existing reporting templates included in the CMP Policies and Procedures Manual.

School air filtration projects will report the estimated hours of use and average number of people in the room during use. Reporting will also include a statement of any performance and maintenance issues. School composite wood product projects will report the approximate average class size as well as the number of hours the room is in use.

The District will review the annual report for completeness, accuracy, and reported usage, and will maintain in the project file a copy of the report that is initialed and dated by the reviewing staff. If an annual report is incomplete, inaccurate or not received from the grantee on schedule, the air district will make a reasonable attempt to obtain a complete and accurate report from the grantee. If the air district is unable to obtain the report, the air district will identify the project for audit. Grantees that have not submitted complete required reports will not be granted funds for new CAP incentives projects until all reports are satisfactorily submitted.

Woodsmoke Reduction Program projects will not be subject to annual reporting unless required by the State Woodsmoke Reduction Program Guidelines. Lawn and Garden projects will not be subject to annual reporting unless required by the State CMP Guidelines.

District Reporting

When required the District will report to CARB. The District will submit required Yearly and Mid-Cycle Reports. CARB will provide instructions for both reports.

The District will also report project information in the CARL database, either via CARL forms or batch import, sufficient to populate the required data fields and to calculate covered emissions reductions and cost effectiveness for source categories where required. The District will ensure that information in CARL is complete, correct, and supported by documentation.

Reporting for CAP incentives projects may be updated to reflect program changes and California Climate Investments reporting requirements. In the event of a conflict, the California Climate Investments reporting requirements will take precedence. No later than six months after the District fiscal year end, the air district will append to its Yearly

Report financial statements displaying revenues and expenditures related to projects funded by CAP incentives.

Fiscal Administration

CAP incentives must be accounted for as separate funds or have separate project IDs within the air district's general ledger following Generally Accepted Accounting Principles (GAAP). An air district receiving a total allocation of one percent or more of all fiscal year CAP incentives must use a Special Revenue Fund for CAP incentives accounting. Other air districts may use a Trust Fund. CAP Incentives grants are voluntary non-exchange transactions to the air district. As such the District should recognize revenues in the fiscal period when all eligibility requirements have been met and the resources are available. For reference see Governmental Accounting Standards Board (GASB) Statements 33 and 34.

Advanced Payment

The District will place advance payment funds in an interest-bearing account and track interest accrued on the advance payment. Interest earned on the advance payment will only be used for eligible grant-related expenses or will be returned to CARB.

The District will report to CARB the value of any unused balance of the advance payment and interest earned. The District will remit to CARB any unused portion of the advance payment and interest earned within 90 days following the end date of the grant.

The District will complete and submit to CARB for review and approval, an Air District Advance Payment Request Form, along with each grant disbursement that is requesting advance payment.

Project Implementation Costs

Allowable expenditures for administrative and implementation costs associated with the grant are divided into direct project costs and indirect project costs. Air districts must keep records of project implementation costs that include all necessary staff and tasks to implement the project. If appropriate, this includes activities such as outreach and education, research, data management, and reporting.

Direct project costs are the direct project labor and expenses associated with the project, and include, but are not limited to, the following: Personnel costs and fringe benefits, travel expenses, external consultant and third-party contract fees for direct support, Printing, records retention, and mailing associated with staff working on the project.

Indirect project costs are administrative costs not tied directly or solely to the project such as distributed administration and general administrative services; non-project related contracts or subscriptions; rent and office space, phones and telephone services, printing, or mailing services not associated with staff working on the project;

or any other costs that are not directly and fully incurred to support the grant. Indirect project costs may not exceed 4 percent of the total grant amount.

Financial Statements

Financial statements containing, at a minimum, the following account balances and transaction classes, as applicable, will be prepared at least annually:

1. Cash and Cash Equivalents (cash, investment pools, petty cash);
2. CAP Incentives Revenue Receivable (grant funding from CARB);
3. Recapture Revenue Receivable (recapture funds receivable from grant participants for unmet contractual obligations);
4. Accounts Payable (vendor invoices pending for CAP incentives projects);
5. Fund Balance (restricted for Projects and Administrative costs);
6. Revenue Subsidiary Ledgers;
7. CAP Incentives Project Revenue;
8. Administration and Operating Revenue;
9. Recapture Revenue;
10. Interest Revenue;
11. Project Expenditures (from CAP incentives grants, recapture, salvage, interest);
12. Administration and Operating Expenditures including indirect costs;
13. CAP incentives air district money returned to CARB for reallocation;
14. Transfers In/Out.

Interest Revenue

The District will maintain accounting records that tracks the grant's interest earned on CAP incentives separately from other incentive fund programs. The calculation of interest earned will be based on a daily balance or some reasonable and demonstrable method of allocating the proceeds from the interest-generating account back into the program; and will be consistent with how it is calculated for the District's other fiscal programs. Interest earned will only be used for eligible grant-related expenses as specified in applicable guidelines, including administration up to the portion provided for in the grant agreement, or be remitted to CARB.

Earned interest must be fully expended or returned to CARB if it is not used by the end of the grant performance period. The District will report in the Yearly Report interest earned on all CAP incentives during the previous fiscal year. Documentation of the interest earned must be retained for a minimum of three years following its generation and liquidation.

Coordination with CARB

CARB has assigned a staff liaison for each district.

District staff currently responsible for implementing the CAP Incentives program include: the APCO, the Accounting Technician and or staff or consulting firm and the

District grants manager. District staff will document any correspondence with CARB staff regarding CARB interpretations, clarification, guidance or possible deviations from the CAP Incentives 2024 Guidelines. All documentation will be kept in the CAP Incentives 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.

CARB Oversight

The District will comply with all oversight responsibilities identified in the CAP Incentives 2024 Guidelines, any future Program Advisories and Mail-Outs, and Grant Agreements.

CARB or its designee reserves the right to audit at any time during the duration of this grant the District's costs of performing the grant and to refuse payment of any reimbursable costs or expenses that in the opinion of CARB or its designee are unsubstantiated or unverified. The District will cooperate with CARB or its designee including, but not limited to, promptly providing all information and documents requested, such as all financial records, documents, and other information pertaining to reimbursable costs, and any matching costs and expenses.

CARB or its designee may recoup funds which were received based upon misinformation or fraud, or for which a District, manufacturer or project participant is in significant or continual non-compliance with the terms of this grant or State law.

XVII. List of Appendices

- Appendix 1. Carl Moyer Application**
- Appendix 2. Sample Contract**
- Appendix 3. Off-Road Repower Pre-Inspection Form**
- Appendix 4. Off-Road Repower Post-Inspection Form**
- Appendix 5. Off-Road Repower Salvage Inspection Form**

Appendix 1. Carl Moyer Application

Off-Road Equipment Replacement Application

Carl Moyer Memorial Air Standards Attainment Program
OFF-ROAD EQUIPMENT REPLACEMENT APPLICATION
Northern Sierra Air Quality Management District
INSTRUCTIONS AND PROGRAM CRITERIA

Instructions

Please print clearly or type all information on the application (pages 3-7) and submit to:

***Northern Sierra AQMD, Atten: Melissa
PO Box 2227
Portola, CA 96122***

Or email to melissak@myairdistrict.com

Fill out one (1) application for each engine or piece of equipment. Please note that additional information may be requested from the applicant in order to process this application.

What's the Process?

1. Applicant and District staff will review eligibility potential equipment for funding and applicant will notify District staff if they wish to proceed with the application process.
2. Applicant reviews eligibility criteria and submits this application (with supporting documents).
3. Awarded applicant will be notified and the District will conduct a pre-inspection of the existing equipment.
4. A grant contract will be developed including the terms and conditions of the grant, the maximum grant amount, the grant contract term, and other important information. The applicant will also provide draft financing information (if applicable) and evidence that the District is added as Additional Insured on applicant's General Liability Policy.
5. Once the grant contract is executed, the applicant can order replacement equipment. Once the new equipment is delivered and operational, the older equipment is to be scrapped or destroyed within 30 days (60 days if new equipment is zero-emission). Applicant must coordinate with District staff prior to destruction for a post inspection by District staff.
6. Once inspections of the new equipment and destroyed replaced equipment are completed, and all paid final invoices and documents are approved and provided to the District, the District will issue the grant payment to the grantee within 30 business days.
7. The awarded applicant will use and maintain ownership of the new equipment for the grant contract term and complete annual reporting sent by the District.

Carl Moyer Memorial Air Standards Attainment Program
OFF-ROAD EQUIPMENT REPLACEMENT APPLICATION
NSAQMD

INSTRUCTIONS AND PROGRAM CRITERIA

Program Criteria

To be eligible for funding, projects must meet the criteria described in the 2024 CMP Guidelines and current District Policies and Procedures. These criteria include, but are not limited to, the following:

- Eligible projects include the replacement of mobile, portable, and stationary combustion equipment used in off-road applications, such as construction and agricultural equipment. Combustion to zero-emission Utility Terrain Vehicle (UTV) replacement projects may also be eligible for businesses, public agencies, and non-profit organizations (Check with District staff for current program eligibility).
- The replacement equipment must serve the same work function as the baseline equipment. Grant funding can only replace equipment in a like-for-like manner. Additional equipment & parts not necessary for the operation of the new equipment and surplus to the functionality of the replaced equipment are not eligible costs and are the responsibility of the applicant to fund.
- New engines must meet the Tier 4 Final or cleaner emission standard.
- As of 2024, there is no minimum horsepower for the existing engine.
- The horsepower rating of the replacement engine must not be greater than a 35% increase of the original manufacturer rated horsepower of the existing equipment, with the following exceptions:
 - Specialty equipment is not available within the allowable horsepower range;
 - The higher horsepower equipment will result in equal or lower annual emissions;
 - The replacement equipment is zero-emission;
 - The applicant provides a second quote for equipment within the 35% increase and the grant amount is based on the quote with the lower horsepower.
- 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. There must be one full calendar year between any compliance deadlines and the receipt of new grant-funded equipment.
- Projects must meet a cost-effectiveness established by the District and calculated in accordance with the cost-effectiveness methodology in the 2024 CMP Guidelines.
- 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.
- Funded projects must have at least 75% of their total activity for the project life in California.
- All new or used replacement combustion equipment must have a minimum one-year or 1,600 hour powertrain warranty. New alternative fuel or zero-emission equipment must have a minimum three-year or 5,000 hour warranty.
- 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.
- For fleets subject to the In-Use 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 2024 CMP Guidelines Chapter 5(F).

Detailed criteria can be found in the [2024 CMP Guidelines](#), Chapter 5: Off-Road Equipment.

Adopted: August 25, 2025

Page 41 of

Carl Moyer Memorial Air Standards Attainment Program
OFF-ROAD EQUIPMENT REPLACEMENT APPLICATION
NSAQMD

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 grant award 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 replacement equipment ownership (Bill of sale, tax records, equipment insurance records, etc.) showing ownership for at least four (4) years.
- Equipment usage records for past 24 months (hour meter readings, employee logs, fuel logs)
- Itemized quote for new equipment with warranty information
- Executive order (emissions) for old and new engine
- Proof of general liability insurance
- Proof of workers compensation insurance OR:
- DOORS Fleet Compliance Certificate (if subject to In-Use Off-Road Regulation – Ag is exempt)

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

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): _____

Carl Moyer Memorial Air Standards Attainment Program
OFF-ROAD EQUIPMENT REPLACEMENT APPLICATION
NSAQMD

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 (see District policy on financing for more information):
 Purchase in full
 Use of short-term financing (PO account, Net 30 terms, etc.)

Lease agreements are not allowed. Draft financing terms required before contract execution.

Notes:

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

- Excavators, skid steer loaders, and rough terrain forklifts – three (3) years.
- All off-road non-farm spark-ignited equipment replacement projects – three (3) years.
- Replacement with zero-emission equipment – ten (10) years.
- Off-road farm equipment – ten (10) years.

Maximum percentage of funding (up to \$13,500 for UTV projects and 85% for all other projects):

Project Type	Maximum
New or Used Equipment Purchase	85%

Carl Moyer Memorial Air Standards Attainment Program
OFF-ROAD EQUIPMENT REPLACEMENT APPLICATION
NSAQMD

PLEASE PRINT OR TYPE ALL INFORMATION

B. Information About Existing Equipment (Items 2 – 6 not needed for Repowers)

1. Equipment Type/Function:

2. Equipment Make: _____ 3. Equipment Model: _____

4. Equipment Serial #: _____ 5. Model Year: _____

6. Number of Engines on Equipment (for CI engines only): _____

7. Equipment Location(s) of use:

8. EPA Engine Family # (for controlled engines):

9. Engine Make: _____ 10. Engine Model: _____

11. Engine Serial #: _____ 12. Engine Model Year: _____

13. Engine Horsepower (Hp): _____

14. Fuel Type: _____ 15. Est. Hours of Operation per year*: _____

16. Agricultural? Yes No

17. DOORS Fleet ID (non-ag equipment): _____

17. DOORS EIN (non-ag equipment): _____

17. DOORS Off-Road Fleet Size (non-ag equipment): _____

*Equipment Usage: If the applicant can provide at least 24 recent months of equipment usage documentation clearly showing the hours of equipment use, the grant contract will waive new equipment usage requirements. If the applicant is estimating hours of usage based on good engineering judgement or secondary documentation (such as fuel logs, maintenance records, etc.), the grant contract will include usage requirements for the replacement equipment to ensure the project is cost-effective.

PLEASE PRINT OR TYPE ALL INFORMATION

C. New Equipment Information (Items 2 – 5 not needed for Repowers)

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. EPA Engine Family #:

7. New Engine Make/Model:

8. New Engine Model Year: _____

9. New Engine Max Rated Hp: _____

10. New Engine Tier: _____

Carl Moyer Memorial Air Standards Attainment Program
OFF-ROAD EQUIPMENT REPLACEMENT APPLICATION
NSAQMD

Funding Disclosure

Have any engines or vehicles listed in this application applied for or have been awarded any incentive funding from local, state, or federal programs?

- Yes
- No

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

Agency applied to:

Funding Amount Requested or Awarded:

Status of Funding:

Third Party Certification (if application is filled out by a third party)

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:

Carl Moyer Memorial Air Standards Attainment Program
OFF-ROAD EQUIPMENT REPLACEMENT APPLICATION
NSAQMD

By signing below and submitting this application, I understand and acknowledge grant requirements, I certify that the applicant is currently in compliance with all federal, State, and local air quality rules and regulations at this time of submittal, 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:

Appendix 2. Sample Contract

Contract Number (CM Calendar Year)-xx (Contract number)

NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT CARL MOYER AIR QUALITY STANDARDS ATTAINMENT PROGRAM CONTRACT

This Grant Contract (Contract) is between the Northern Sierra Air Quality Management District (District), a public agency of the State of California, and _____ (Program Participant).

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 The Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program or Program) was created in 1998 in honor of the late Dr. Carl Moyer (1937 – 1997), whose extraordinary dedication, hard work, vision and leadership made this program possible. He created and masterminded this program, in an effort to unite business and government in the name of public interest to improve California’s air quality.
- 1.3 In 1999, Assembly Bill 1571 formally established the statutory framework for the Program (H&SC Section 44275 et seq.). Legislation enacted in 2022 (Assembly Bill 2836) extended authorization of the Program out to January 1, 2034.
- 1.4 The District Governing Board first approved District participation in the Program in 2000 through Resolution 00-08 and considers approval to participate annually as funding allows.
- 1.5 The California Air Resources Board (CARB) maintains Program Guidelines which were most recently updated in 2024. The District maintains a Policies and Procedures Manual which outlines local implementation of the Program. Both documents help ensure that emission reductions achieved through the Program are surplus, enforceable, quantifiable, and permanent.
- 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.
- 1.7 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.

2.0 Terms and Conditions

2.1 Program Participant Obligations – the Program Participant will:

- 2.1.1 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.
- 2.1.2 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.
- 2.1.3 Destroy the baseline equipment described in Exhibit A in a manner acceptable to the District or deliver the baseline equipment to a District-approved scrap facility within 30 days of receiving the replacement equipment (60 days if the replacement equipment is zero-emission).
- 2.1.4 Operate the equipment described in Exhibit A in Plumas/Sierra/Nevada 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.
- 2.1.5 Report equipment usage, equipment location, and unexpected downtime to the District annually for the duration of the Contract life. The District will provide a form annually.

2.2 Payment

- 2.2.1 The District will remit to the Program Participant up to \$ _____ towards the cost of the equipment identified in Exhibit A. 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 and the District's Policies and Procedures.
- 2.2.2 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 UCC lien on the equipment as outlined in Section 2.4.5.

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.)

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 the District 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 District.

- 2.2.3 Any payments made under this Contract are subject to the provisions and limitations of the Health and Safety Code (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.

- 2.2.4 No payments shall be issued under this Contract prior to final inspection of the project by District personnel.
- 2.2.5 Payment of the grant amount shall be issued by the District to the Program Participant within sixty (60) days after receipt by the District of all required documents and completion of inspections of the replacement equipment and destroyed baseline equipment. Required documents include:
- (i) Final itemized invoice from equipment dealer or vendor showing eligible costs;
 - (ii) Proof of payment to equipment dealer or vendor, or final financing documentation (if applicable);
 - (iii) Equipment warranty;
 - (iii) Invoice to the District requesting payment; and
 - (iv) Proof of insurance consistent with the requirements of Exhibit C of this Contract.
- 2.2.6 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.
- 2.2.7 The District shall pay the lower of the Contract amount in Section 2.2.1 or the maximum funding amount as determined by cost effectiveness limits and the District's Policies and Procedures.
- 2.2.8 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.

2.3 **Contract Term & Performance**

This Contract shall begin upon execution by all parties and terminate on **CONTRACT TERM Date (generally 5 year from post inspection)**. 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 afore-mentioned 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 CARB in implementation, monitoring, enforcement, or other efforts to assure the emission's benefits are real, quantifiable, surplus, and enforceable.

Upon termination of this Contract, if the vehicle/engine/equipment fails to fulfill the ownership and usage requirements of this grant Contract, 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 = $I * [(O * L) - C] / (O * L)$
- 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 their sole discretion, require full reimbursement of all funds paid to the Program Participant as outlined in Section 2.4.14. 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 EE(2)(D) of the 2024 Carl Moyer Guidelines.

2.4 Program Requirements

- 2.4.1 The Program Participant warrants that the equipment covered under this Contract meets all the eligibility requirements described in the Carl Moyer Program application and Carl Moyer Program Guidelines. The Program Participant further agrees to operate the vehicle, equipment and/or engine in a manner that is consistent with 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 CARB. The District or CARB 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 CARB 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 must be the legal owner of the replacement equipment through the length of this Contract. If the replacement equipment is repossessed by a financing company, the Program Participant must reimburse the District in accordance with the termination formula in Section 2.3.
- 2.4.5 The District will submit a Uniform Commercial Code (UCC) lien filing to the State of California on off-road equipment receiving over \$10,000.00 in grant funding for the duration of the Contract term.

- 2.4.6 The District, CARB, 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 CARB 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 CARB with on-site access to the vehicle(s)/equipment described in Exhibit A.
- 2.4.7 The Program Participant shall defend, indemnify, and hold harmless the District, CARB, 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.
- 2.4.8 **This Section 2.4.8 shall survive the termination of this Contract for three (3) years following the end date listed in Section 2.3.** 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 2.3 and for three (3) years following the end date listed in Section 2.3. 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:
- (i) Hours operated or fuel consumed;
 - (ii) Engine downtime;
 - (ii) Type and cost of maintenance performed.
- 2.4.9 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, the District shall be notified immediately.
- 2.4.10 No alteration or variation of the terms of this Contract shall be valid unless made in writing and signed by both parties.
- 2.4.11 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 2.3, 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.
- 2.4.12 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.

- 2.4.13 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.
- 2.4.14 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 CARB may seek all available remedies for breaches of any Contract provisions, Carl Moyer Program requirements, or HSC.
- 2.4.15 The Program Participant may not sell or encumber the equipment described in Exhibit A without the written consent of the District.
- 2.4.16 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.
- 2.4.17 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.
- 2.4.18 This Contract will bind the successors of the District and Program Participant in the same manner as if they were expressly named.
- 2.4.19 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.
- 2.4.20 Correspondence between the District and Program Participant should be addressed to the following:

To District	To
NSAQMD	Name:
PO Box 2227	Address:
Portola, CA 96122	City, State, Zip:

Phone: (530) 832-0102	Phone:
Ext. 4	FAX:
Email: office@myairdistrict.com	Email:

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.

- 2.4.21 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, CARB 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

_____ Title: _____
Program Participant (Print Name)

_____ Date: _____
Program Participant (Signature)

Approved by the Northern Sierra Air Quality Management District

Reviewed by:

_____ Date: _____
NAME
Grant Coordinator

Approved by:

_____ Date: _____
NAME
Air Pollution Control Officer

_____ Date: _____
NAME
District Board Chair

EXHIBIT A
STATEMENT OF GRANT OBLIGATIONS

General

The NSAQMD promotes voluntary diesel engine emission reduction programs under cooperative agreements with eligible applicants to reduce public exposure to ozone precursors and toxic diesel particulate matter. The objective of this Grant Agreement is to reduce these air pollution emissions from this off-road piece of equipment in the Participant's fleet by replacing the existing equipment with newer equipment. The equipment is based in Plumas County. This project's cost effectiveness is less than the Carl Moyer Program cost effectiveness limit as defined in the most current version of the Carl Moyer Guidelines (Moyer Guidelines).

Project Description

	Existing Equipment	New or Replacement Equipment
Type		
Make / Model		
VIN / Year		
	Existing Engine	New or Replacement Engine
Make / Model		
Serial # / Year		
Fuel / HP		
Hours of Operation.(+ or - 30% allowable)		
Family		
Eng. Cert.		

Final Disposition of Existing Equipment

The State of California intends that the existing engine(s)/equipment shall be permanently prevented from polluting the air in any location in any manner. Therefore, the engine(s)/equipment shall be rendered permanently inoperable before the Total Grant Award is disbursed by the Air District. The Air District shall do a Final Post Inspection on the existing equipment to ensure that it has been properly rendered permanently inoperable. Typically, that would entail, at a minimum, a hole punched in the engine block and a section of the equipment frame (or some other equivalent structure) permanently removed from the existing equipment.

Total Grant Award

The Total Grant Award for this project shall not exceed \$ _____ and/or 85% of total applicable project costs.

Matching Funds

Costs incurred in excess of the Total Grant Award for the project will be the responsibility of the Participant and shall constitute their matching and/or in-kind contribution for the project.

Term of Agreement

1. For the purposes of this Agreement, the term of the Grant Agreement life is defined herein to be _____ (#) years from the date of the final post inspection (To be filled in once final post inspection occurs. **Date:**_____).
2. Installation Deadline: Project shall be completed as soon as possible but must be completed before .
3. No work may begin until contract is fully executed.

EXHIBIT B
ANNUAL GRANT STATUS REPORT FORMAT

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

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

Northern Sierra Air Quality Management District
Exhibit B-1a: Annual Engine Usage Report
(CARL MOYER CONTRACT #)

INSTRUCTIONS: Complete this Annual Engine Usage Report every year on the anniversary date of the project's post inspection for the life of the Grant Agreement. The report shall be sent to the NSAQMD within 2 weeks of the post inspection anniversary date.

SECTION 1: GRANTEE INFORMATION

Company/Grantee Name: _____

Company/Grantee Address: _____

Company/Grantee Phone Number: _____

Date: _____

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

1. Location of Equipment /Engine Identified Below: _____

New Equipment: _____; VIN: _____

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

New Engine: _____ Family: _____

Grant Agreement Usage: _____ hours/yr (+/- 30%)

3. Engine Serial #: _____.

4. Power Rating: : _____ HP

5. Fuel Type: _____

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

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

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

3. Percent of Time Operated in California: _____

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

_____ hours **(this number is required)**

_____ gallons *(this can be an estimate and is not required)*

_____ N/A _____ miles

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

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

Signature _____

Date _____

Mail to: NSAQMD, PO Box 2227 Portola CA 96122 **Email to:** office@myairdistrict.com

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 for projects with grant funding over \$10,000.00:

- COMMERCIAL/GENERAL LIABILITY
- BUSINESS AUTOMOTIVE LIABILITY
- PUBLIC ENTITIES/SELF-INSURED STATUS
- PROFESSIONAL LIABILITY INSURANCE
- WORKERS COMPENSATION and EMPLOYERS LIABILITY (if applicable)

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 AUTOMOBILE COVERAGE: Protection against loss of a result of liability to others caused by an 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.

- B. **Public 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 insuring agency endeavors to mail a 30-day prior written notice to the DISTRICT.
- IV. **Additional Insured:** It is mandatory that all the above insurance policies (except Workers' Compensation) include the DISTRICT as additional insured with endorsement. 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.