

Northern Sierra Air Quality Management District

Carl Moyer Program Policies and Procedures Manual

2026 Update

Adopted: July 27, 2026

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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
July 2026	Updates to CAP/CHIRP/Lawn and Garden

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.

California Air Resources Board's (CARB) 2022 Climate Heat Impact Response Program (CHIRP) incentives may be used to fund any project eligible under either the Carl Moyer Program or the Community Air Protection (CAP) incentives program (See Section IVI CAP Incentives). This includes the full range of source categories and project types in both sets of program guidelines. In addition, CARB will consider alternative project proposals submitted by districts that fall outside of the Carl Moyer Program or CAP eligibility, provided they align with CHIRP objectives. For program administration, CHIRP incentives follow the administrative requirements outlined in Chapter 3 of the CARB Carl Moyer Program Guidelines, where applicable.

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.

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 filled 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. Agricultural off-road replacement will follow the most current FARMER Guidelines.

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

Replacement costs are taken from the itemized estimate included with the application.

Off Road rebuild costs are based on a percentage of the total project costs.

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

Agricultural off-road replacement will follow the most current FARMER Guidelines

- a) Tier 1, 2, 3, Interim Tier 4 and Tier 4 final repower - 85%
- b) Mobile or portable combustion equipment replacement- new off-road replacement vehicles are eligible for a maximum of 80% of the eligible replacement costs.
- c) Zero-Emission equipment replacements are eligible for a maximum of 85% of the eligible replacement costs.
- d) Zero-Emission infrastructure are eligible for a maximum of 85% of the eligible replacement costs.

- e) Lawn and Garden Equipment replacement will follow the most current CARB Carl Moyer Guidelines.

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 waiver
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.
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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. Lawn and Garden Program and CAP Incentives Program

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.

The Lawn and Garden Equipment (L&GE) Program is 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 and CARB Technical Advisories.

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 or contracts 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 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 and/or is recognized as a "business" per County policies in the County of residence within the District.

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.

Purchases of batteries and/or charging cables without equipment is not eligible for funding.

Destruction of the existing combustion equipment is required. If surrendering the existing combustion equipment to the Participating Merchant for destruction, or a recognized salvage or recycler company 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 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.

Public Agencies or Individual applicants 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.

Vouchers, Contracts and Funding Amounts

The L&GE Program will provide vouchers and/or contracts to eligible applicants towards the purchase of eligible equipment from 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 or contracts in accordance with current limits outlined in Chapter 9 Lawn and Garden Equipment Replacement of the most current Carl Moyer Program Guidelines.

Public Agencies or Applicants 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. 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. Applicants will complete Application Forms or enter into a Board approved contract and submit along with any supporting materials required to the District.
2. Applications received by the District will be date verified. 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.
3. Funding will be issued in the order the applications were originally received, with an expiration date of four (4) weeks from issuance.
4. Public Agency and Applicant contracts will include dated deadlines.
5. 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.

6. Applicants will deliver their existing equipment to a Participating Merchant or to a District pre-approved scrap or salvage yard to be scrapped. Equipment must be verified as operational by the participating merchant or District staff. If equipment is deemed inoperable, the facility or District staff will reject it. Participating Merchant or Applicant will ensure and verify equipment is destroyed within 60 days of delivery.
7. Applicant using a participating local scrap and recycling facilities will coordinate with the District prior to voucher or contract issuance and additional conditions may be required by the District.
8. Participating Merchants or Applicants 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 or contract, Final Invoice, Voucher Tracking Form, and Equipment Destruction Form.
9. 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.

Contracts with Applicants

District may elect to work directly with Applicants that conduct commercial-scale

landscaping activities on their properties. At a minimum, the following requirements must be met:

1. The Applicant must be located in Sierra, Plumas, or Nevada County and be conducting commercial-scale landscaping activities on their properties.
2. The Applicant 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 Applicant 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 Applicant must agree that if it fails to show they are implementing the Program consistent with the Program requirements, the Applicant 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 Applicant 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 Applicants must agree to become a vendor with Nevada County and to submit all appropriate paperwork to seek reimbursement and participate in the program.

Salvage, Disposal or Recycling Facility Agreements

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

1. Applicant or facility must provide a 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. Applicant or facility must 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 conditions.

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
- Green waste disposal programs as allowed by CARB CAP Incentive Program Policies and Procedures (See below)
- Generator Replacement Projects consistent with CARB CAP Incentive Program Policies and Procedures
- Air Filtrations Systems (Outlined below)
- Composite Wood Products at Public Schools (Outlined below)
- Woodsmoke Reduction Programs (Outlined below)
- Emergency Stationary Diesel Generator Replacement Projects (Outlined below)
- Paving, Sidewalk, and Bike Path Projects (Outlined below)

When CAP Incentives Funds are allocated towards New battery charging station projects, the District will implement the local New Battery Charging Station Program per the District's Carl Moyer Program Manual and applicable CARB approved CAP Policies and Procedures.

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 Manual and Chapter 9 of the State Carl Moyer Program Guidelines.

When CAP Incentives Funds are allocated towards Green Waste Disposal projects, the District will implement the local Green Waste Disposal Program per the District's Carl Moyer Program Manual and applicable CARB approved CAP Policies and Procedures.

When CAP Incentives Funds are allocated towards Generator Replacement Projects, the District will implement the local Generator Replacement Program per the District's Carl Moyer Program Manual and applicable CARB approved CAP Policies and Procedures.

Greenwaste Disposal Projects

This project category will reduce PM, NO_x, and ROG emissions from agricultural and open burning by incentivizing chipping and soil reincorporation, land application, or other methods as alternatives. Projects must comply with all applicable federal, State, and local rules and regulations.

1. Eligible project types include orchard and vineyard removals, agricultural natural material and vegetation, and/or hazard reduction removal of brush and timber materials:
 - (A) Chipping of agricultural material with soil incorporation methods including but not limited to: discing/ripping/whole orchard recycling or other district approved method.
 - (B) Chipping of agricultural material without soil incorporation (land application of mulch or other on-site practices).
 - (C) Air Curtain Burning (only for diseased materials and material with embedded wire, such as cordon-pruned vineyards).
 - (D) Off-site beneficial re-use of agricultural material (mulching/composting/land application near roadways for dust suppression) or other district approved method.
2. The final disposition of agricultural material must be utilized for soil incorporation, on-site land application, off-site beneficial re-use, or air curtain burner.
3. Eligible crop types are defined as:
 - (A) Agricultural material includes, but is not limited to leaves, branches, trunks, roots, stumps, untreated sticks.
 - (B) Vineyard removal materials: agricultural waste generated by the removal of vineyards. This includes grape vines, grape canes, trunks, roots, untreated grape stakes, and wires, as well as similar materials from kiwi vineyards.
 - (C) Orchard removal material: agricultural waste generated by the removal of orchards. This includes leaves, branches, trunks, roots, stumps, and untreated branch support sticks.
4. Chipped or shredded agricultural material is not to be sold or used in any combustion processes such as biomass power generation, pyrolysis, or firewood.
5. Land conversions intended for nonagricultural purposes are not eligible for funding.
6. Eligible Participants include public and private commercial agricultural operations are eligible to apply.
7. Participant Requirements: Participation in the Program occurs in six phases: application, voucher or contract execution, district pre-inspection, project execution, district post inspection, and reimbursement.
 - (A). Participants must not make any non-refundable payments, begin chipping or begin removal of materials, or commence the usage of an air curtain burner on this project until a district voucher is issued or a District contract is executed.

(B) Certify the continued agricultural use of the acreage of the land, orchard or vineyard removal receiving grant funding.

8. A participant must submit:

(A) A completed application along with the Certifications Form signed by the applicant.

(B) A site map confirming the acreage to be removed (e.g., site map, google map, or assessor's map).

(C) A detailed and itemized quote from any service providers for the planned activities. The quote must provide an itemized breakdown, including specific information and associated costs with pruning/wire/support removal (vineyards), pushing/piling, chipping/shredding, spreading, soil incorporation (ripping/discing), hauling (beneficial re-use), move-in fees, and any additional costs.

(D) Documentation of estimated costs by participating grower if additional costs are beyond those on the quote(s) for contracted services.

9. If the voucher or contract is determined to be complete and eligible, a pre-inspection will be scheduled and conducted by the air district.

10. Upon completion of the pre-inspection, the air district will review the pre-monitoring inspection report, execute a contract or voucher if the application is deemed eligible.

11. The applicant has one year from the voucher or contract execution date to complete the project.

12. Upon completion, participant will submit a claim for payment to begin the voucher or contract redemption process.

(A) complete Claim for Payment packet is required as part of the voucher redemption process and must include:

1. A completed and signed voucher if applicable.

2. A breakdown of services conducted, and copies of any invoices and proof of payment for the services performed.

13. After receiving a complete Claim for Payment packet, the air district will conduct the post-inspection site visit(s). The inspection will include the removal site and final disposition site if applicable.

14. Photographs will be taken during the site visit and a post-inspection report will be completed, indicating the final disposition of agricultural material.

15. The air district will review the post-monitoring report, and issue reimbursement to the participant for eligible costs, up to the approved voucher or contract amount.

16. Project Life Air districts must use a one-year project life. Applicant must certify the continued agricultural use of property from which the material is removed.

17. Maximum Eligible Funding Amounts: Project shall be funded at 85% of allowable costs, to include but not limited to labor and material:

(A) Eligible project costs for services provided may include the following, but are not limited to:

1. Equipment move-in fees.
2. Wire, stake, support removal.
3. Pushing/piling.
4. Chipping.
5. Spreading.
6. Soil incorporation ripping.
7. Soil incorporation discing.
8. Tree rope removal.
9. Fuel.

10. Equipment maintenance specific to equipment used on approved orchard/vineyard removal.

11. Labor.

12. Contracted Services.

13. Hauling fees for transport of chipped material to approved off-site location.

(B) Ineligible Costs Ineligible project costs include the following:

- Purchase, lease, or rental of land.
- Land preparation for next crop.
- Planning, permit, and design fees.
- Consultant fees.
- Administrative/staff time of public agency to participate.
- California Environmental Quality Act or environmental analysis cost.
- Haul away fees not related to transportation of chipped material to approved off-site location.

14. Removal site must be located 100% within California.

(A) There are no minimum match requirements for participation in the program; however, participants must pay for any costs that exceed the incentive amount.

(B) The final funding amount reimbursed may be less than the maximum incentive amount if the final invoice amount for the project is less than the maximum incentive amount or if the final project is different from the proposed project.

15. Projects funded will not be used as marketable emission reduction credits, to offset any emission reduction obligation, or for credit under any federal or State emission averaging, banking, and trading program.

16. Projects funded through this program may not be used to generate a compliance extension or extra credit for determining regulatory compliance. Final disposition of agricultural material must be used for soil incorporation, on-site land application, or off-site beneficial re-use, and cannot be used in any combustion processes such as biomass power generation, firewood, or pyrolysis.

17. No portion of the agricultural material can be burned or used in any of the aforementioned combustion processes, with the sole exception of air curtain burners for diseased materials or material with embedded wire such as cordon-printed vineyards.

18. Agricultural material includes, but is not limited to: leaves, branches, trunks, roots, stumps, untreated sticks, grape vines, grape canes, and untreated grape stakes.

19. Land conversions intended for non-agricultural purposes are not eligible for this Program.

20. Applicant must certify the continued agricultural use of property

21. Pruning projects are not eligible for funding.

22. Project Selection and Ranking Projects will be approved on a first come, first served basis determined by the submittal of a complete program application.

23. All projects must comply with the requirements described in Chapter 3 of the most current CARB CAP Incentive Guidelines.

24. If implemented in an AB 617 selected community as part of a CERP selected measure, setting funding limit and defining small agricultural operations require inclusion of community steering committees in the decision-making process.

25. Applicants are limited to a 100-acre annual maximum treatment area, per entity, per year.

26. In addition to supplying applicants with an application to fill out when applying for funding, applicants will also be supplied a set of terms and conditions in the form of a Certifications Form by which the applicant must, via signed certification, agree to abide.

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27. Applicants will also be provided with a Claim for Payment packet that participants may fill out after completing their project in order to redeem their voucher or contracted amount for reimbursed funds.

28. Project-related information must be complete, correct, supported by documentation, and supplied to the air district upon request for the preparation of reports. This documentation will also be made available to CARB staff upon request.

29. Emission Reductions and Quantification Methodology Emission reductions will be calculated using an approved CARB method or when applicable CARB's quantification methodologies and calculator tools and co-benefit assessment methodologies.

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

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

Adopted: July 27, 2026

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

Adopted: July 27, 2026

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

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- 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.

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;

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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.

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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.