

**Placer County Air Pollution Control District's Policies and
Procedures for the Administration of the Carl Moyer
Memorial Air Quality Standards Attainment Program**



Table of Contents

I.	Background	3
II.	Program Timeline	3
III.	ARB Moyer Award Process	4
IV.	Match Funding.....	5
V.	Administration and Outreach Funds	6
VI.	Project Solicitation.....	6
VII.	Records used for determining historical usage for mobile projects	7
VIII.	Project Life and Usage Determinations	8
IX.	Process of Solicitation, Project Evaluation, and Approval	8
X.	Commitment of Funds to Projects	12
XI.	Contract Development.....	13
XII.	Payment of Projects (Expenditure).....	14
XIII.	Project Inspections	14
XIV.	Dealership Requirements.....	19
XV.	Dismantler and Salvage Yard Requirements	19
XVI.	Incentive Project Audits	22
XVII.	Program Participant Project Nonperformance	23
XVIII.	Reporting.....	23
XIX.	Administrative Practices and Procedures	25
XX.	District Project and Moyer Program Files	25
XXI.	Coordination with ARB	27
XXII.	ARB Oversight.....	27
XXIII.	APCO Approval	29
XXIV.	Community Air Protection Incentives Program Addendum.....	30

I. **Background**

The Carl Moyer Program (Moyer) was established in 1998, as a grant program to fund the incremental cost of cleaner-than-required heavy-duty engines. Originally targeted to reducing oxides of nitrogen (NOx) emissions, the program now includes reduction of particulate matter (PM) emissions and reduction of reactive organic gases (ROG). Legislative modifications enacted in 2004 expanded the program to include projects that reduce emissions from agricultural sources, light-duty vehicles, and on-road fleet modernizations eligible for Moyer funding. These legislative modifications also created a new incentive program aimed at previously unregulated agricultural sources, the Agricultural Assistance Program. Legislation was passed in 2013 to extend the Moyer until 2024.

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

Moyer Guidelines require that each participating air district establish Policies and Procedures for administration of the Moyer Program. This document contains the Policies and Procedures intended to provide an explanation of the Placer County Air Pollution Control Districts (District) policies with regard to local implementation of the Moyer program. It also contains procedures for the District's day-to-day operation of the program in order to meet the requirements of the HSC, Moyer Guidelines, ARB Technical Advisories, and District Policies and Procedures. The District Policies and Procedures do not replace the Moyer Guidelines, but are intended to provide direction and procedures for the District's implementation of the Moyer program. The appendices to these Policies and Procedures include samples of pertinent documents and forms as referenced in this document. District staff should reference the Moyer Guidelines for detailed descriptions of ARB's Moyer procedures and requirements.

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

II. **Program Timeline**

ARB has established a consistent timeline for each year's funding and reporting cycle.

This timeline allows for award, obligation and expenditure of State funds to meet State fiscal requirements. State fiscal policy allows up to two (2) years for districts to execute contracts and encumber funds and an additional two (2) years for districts to fully liquidate those funds.

The timeline for each year of funds is as follows:

By end of January: ARB solicits applications from the air districts

By end of March: Air districts apply to ARB for funds

By end of April: ARB notifies districts of final awards

By end of May: Air districts return signed grant agreements

August 29: Districts' yearly report due to ARB

June 30 of following year: 50% of project funds under executed contract

June 30 of second year: 100% of projects under executed contract and 50% of project funds liquidated

June 30 of third year: 75% of funds liquidated

June 30 of fourth year: 100% of grant funds liquidated

The District implementation timeline to meet the ARB's required deadlines for applying for local funding, and obligation and expenditure of those funds is discussed in Section III. below.

III. ARB Moyer Award Process

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

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

The Board of Directors adopts a resolution which completes the application process. District staff responsible for implementing Moyer include: the APCO, program administrator, administrative staff, and supporting air quality specialists. When used in this document, technical staff includes the program administrator and air quality specialists involved in implementing the Moyer Program. Administrative staff includes the ASO and other staff such as Account Clerk Journey and Clerk of the Board.

ARB determines the final awards for each district. These awards are incorporated into a Grant Award and Authorization form, which specifies the amount of the award for projects and outreach funding. Two (2) original copies are sent to the District. The APCO or his/her designee signs both copies; one is retained in District files and the other is returned to ARB. May 31 of each year is the deadline to accept an annual grant award.

As required in the grant award, the District must meet all application stipulations in order to accept an award.

To support timely emission reductions and track progress toward statutory fund liquidation requirements, the District and ARB will work together to meet recommended progress milestones as follows. After execution of a grant agreement with ARB for Moyer Program funds, the District will make every effort to have 50 percent of the project funds awarded under executed contract by June 30 of the next calendar year, and 100 percent of the project funds under executed contract by June 30 of the second calendar year after the agreement. The District will also make every effort to have 50 percent of project funds liquidated within two years, and 75 percent of project funds liquidated within three years. Similar progress milestones apply to any match funds associated with granted project funds. ARB will not request a return of any funds under contract.

Following execution of the Grant Award and Authorization, the District's ASO or APCO shall submit a Grant Disbursement Request form to ARB to obtain funding. The District may request an initial disbursement of up to 10% of its allocation or \$200,000, whichever is greater, and all of the administrative funds. Grant awards and disbursements are described in the 2017 Moyer Guidelines, Program Administration Chapter 3, Sections C, D, and E. The District has the option to request additional project funds to be included in the initial disbursement if they can meet and demonstrate all the criteria in (B) of Section E. Any Moyer funds provided by the State of California that are deposited in to interest bearing accounts must be reported to ARB. The interest income must be used to fund projects that meet the current Moyer Guidelines, or to fund administration up to the portion provided for in Health and Safety Code section 44299.1(c-d) or be returned to ARB. The District tracks and reports earned interest using the Fiscal Year Method, and the interest is reported to ARB in Yearly Reports using the format provided by ARB.

The District's program administrator uses ARB's Clean Air Reporting Log (CARL) program for tracking fiscal and administrative activities of Moyer grant projects. Moyer funds are deposited in interest bearing accounts. Moyer contracts are scanned and maintained by administrative staff.

IV. Match Funding

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

Following ARB's solicitation for funding, the District conducts a financial review and determines the amount of match funding that will be budgeted for each amount of Moyer Year funds received. At a minimum, the amount of match funding will be 15% of the amount of awarded Moyer funds. The District may also account for up to 15% of its match funds with in-kind contributions. Administrative staff track match funds separately, and will keep such records in fiscal files for not less than five years after funds are liquidated. The District Moyer staff will track projects that use match funding via CARL, ARB's online database program.

V. Administration and Outreach Funds

ARB sets aside up to 12.5% of the total Moyer annual funding for local air district administration and outreach to implement the local program. These funds are distributed to each district based on the annual allocation of project funds that a district receives and may be requested in whole or in part with the initial disbursement. Administrative funds may be used for direct costs associated with the tasks outlined in the Program Administration section of the Moyer Guidelines, and must be documented by District staff. The District will receive one check for both program administration and project funds, but must account for the expenditure of administration and project funds separately. The District's administrative staff documents these expenditures and keeps these files for a minimum of five years after the grant liquidation period or the last recorded grant transaction, whichever is later.

Following confirmation of Moyer award, the District program administrator solicits a Request for Proposals (RFP). Outreach activities include maintaining a list of interested parties which includes previous applicants, online advertising, web site announcement, mailers, and direct contact by District staff when appropriate. Application forms are available on the District website, District office, or by request via email or U.S. Mail. Costs and expenditures and staff time associated with the implementation of the Moyer Program will be tracked with payroll codes and invoices/billing. A file for the Moyer Program will be maintained for each program year and include documentation of project solicitation, outreach activities, and all associated expenses.

VI. Project Solicitation

Moyer allows districts discretion on how projects are solicited. The District's Moyer Program is implemented through a Request for Proposal, or solicitation process and projects are funded based on meeting the cost-effectiveness requirements (or funding caps as allowed by the guidelines) until funds are exhausted. Outreach and solicitation efforts will be directed by the program administrator.

Districts are not required to fund all eligible categories and may target specific categories. However, the following categories will be eligible under the District's Moyer Program.

1. On-Road Heavy-Duty Vehicles
2. Off-Road Equipment
3. Locomotives
4. Marine Vessels
5. Alternative Fuels Infrastructure and Agricultural Pump Electrification

Funding for project categories 1, 2, and 5 above will be available through open solicitations as advertised by the District however the APCO may consider reserving, setting aside, or make available funds for a locomotive project or marine vessel project should one present itself. It is unlikely the District will receive a marine vessel project application due to the limited open waters with commercial operations occurring on them and with a single rail yard and limited Moyer Program funds, the opportunity to fund a locomotive project will be limited.

The Board of Directors must approve the Moyer Program structure and funding, and any

delegation of authority to the APCO via formal resolution. The Board of Directors authorizes the APCO to accept funding and to approve projects as long as they meet Moyer eligibility requirements and cost effectiveness (when applicable) as stated in the Moyer Guidelines. The Board of Directors authorizes the APCO to execute agreements and make modifications to the Moyer applications and agreements for the purpose of maintaining consistency with the State program.

All applications must include a disclosure statement identifying whether the applicant has applied to other entities for funding and identification of the potential funding source(s). In addition, the applicant must certify that no other funding has been received for the project and complete the regulatory compliance statement.

The District has a commitment to outreach to all sectors and small businesses to the best of its ability. This may be accomplished through public workshops and meetings, one-on-one meetings, publications of funding availability, District mailing lists, and through the District website. The District maintains documentation of all outreach efforts. This documentation is kept in the general Moyer files, so that it is available for reporting and for any potential Incentives Program Review.

VII. Records Used for determining Historical Usage for Mobile Projects

Historical usage data must be submitted for at least twenty-four (24) consecutive months.

- A. For on-road vehicle projects, program participants are required to submit conclusive documentation (logbooks, maintenance records, tax records, etc.) of annual miles traveled in California, and Certify that at least 75 percent of total usage has been in Placer County (and 95% in the State of California). For school bus projects, CHP 292 forms may be used to document historical vehicle usage. In some instances where projects do not meet the 75% total historical usage in Placer County, the APCO shall have the discretion of allowing a project to be considered for funding and will provide direction on what level of usage shall be used in order to evaluate the project for emission reductions.
- B. For off-road equipment, program participants must provide documentation that demonstrates that the equipment was in operation for the previous two years and that the equipment operated in California for at least 95% of the time and 75% of the time in Placer County. In some instances where projects do not meet the 75% total historical usage in Placer County, the APCO shall have the discretion of allowing a project to be considered for funding and shall also provide direction on what level of usage to be used in order to evaluate the project for emission reductions. Acceptable documents include:
 - a. Revenue and hour usage records that identify operational, standby, and down hours for the equipment
 - b. Employee timesheets linked to specific equipment use
 - c. Preventative maintenance records tied to specific hours of equipment use
 - d. Repair work orders specific to the equipment

Other documentation, other than what is listed above and as approved by the District and ARB may be used.

VIII. Project Life and Usage Determinations

When evaluating a project for emission reductions the project life will be determined based on the requirements outlined in the Moyer Guidelines. However, the District may choose to be more restrictive than the Guidelines and select a shorter project life, when evaluating a project for funding. Below is a list of items of why a project life may be shortened:

- A. Oversubscribed program funds may reduce the amount of funding awarded to a project and be less than the maximum funding amount as outlined in the Moyer Guidelines. In this case, the project life may be shortened to reflect the lesser amount, pending that the funding cap and cost effectiveness requirements are still met.
- B. Shortening the project life does not impact a project's ability to be awarded a grant.
- C. If a project's tentative award amount still meets the cost-effective requirement with a shorter project life then it may be shortened.
- D. Long project lives (over five years) pose a higher level of speculation and risk due to unforeseen conditions not yet realized which may impact a projects future performance as well as require greater amounts of administrative oversight. In order to reduce inherent risk from projects with long project lives, a project life may be shortened.

Traditionally, when evaluating a project for emission reductions and cost effectiveness, usage for mobile equipment is determined based on past annual usage. This baseline usage is then used as a standard within the grant agreement during the project life. The District, however, may choose to reduce the annual usage requirement (less the demonstrated baseline usage), if the project still meets the cost-effective limit. This may be done to alleviate or mitigate the risk of nonperformance during the operational period of the grant agreement due to events such as economic recessions, pandemics, drought, or other unforeseen events which can impact operations. For example, a school buses' baseline operation is 15,000 miles per year and the cost effectiveness is \$100,000/ton reduced emissions. With the risk of school bus activity being shut down in future years, that is outside of the control of the school district, then District staff may choose to evaluate the school bus at 12,000 miles per year. The cost effectiveness of the project at the reduced mileage is \$150,000/ton reduced emissions which still meets the cost-effective-limit established by the Moyer Guidelines for school bus projects. If a project is evaluated at a reduce usage amount, then a note will be made in the comments section of CARL as to the reason why.

IX. Process of Solicitation, Project Evaluation, and Approval

Review for Completeness: In accordance with HSC Section 44288(a), the District must review all applications for completeness upon receipt and notify applicants in writing within thirty (30) working days of receipt if the application is not complete. Requirements for submitting a complete application are outlined in the application themselves. If the application is incomplete, then an email will be sent to the applicant requesting the information needed. A copy of the email will be retained with the application. Additionally, the record of each project's rating and ranking as applicable, receipt date, and other project selection criteria must be maintained with the project file.

Credibility: The District is responsible for determining that project applications are credible, made in good faith, and in compliance with the Moyer Program and its objectives. The District has the discretion to not approve a project or to place additional restrictions on an awarded project, if the District feels that it is warranted.

Subsequent Application and Double Counting: Moyer participants that received funding and are still under contract may not apply for funding for the same project from the Moyer Program, from the Proposition 1B Goods Movement Emission Reduction Program, or any other program.

Emission reductions from previously funded projects will not be included as emissions benefits of any subsequent project for the Moyer program or the Proposition 1B Goods Movement Emission Reduction Program, or any other program.

Eligibility: The District must also ensure that the emission reductions provided by selected projects are eligible and surplus to adopted regulations and other legal requirements. This will include checking to ensure that a project will meet the minimum requirements in the appropriate Moyer Program source category chapter, including:

1. Documentation of historical vehicle, equipment, or engine usage;
2. Documentation of project costs;
3. Engine or retrofit device Executive Orders, if applicable;
4. Proof of a vehicle compliance check as needed for on-road projects;
5. Other documentation identified in the Moyer Guidelines' source category chapter.

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

The District Project Selection Process is described Below:

1. Based on the direction of the APCO, project solicitation timeframes are determined, and start and end dates are identified for accepting applications. Such information will be provided on the District's Moyer webpage and advertised where applicable.
2. For each project category that is open during a solicitation timeframe:
 - a. The APCO will apportion a set amount of grant funds towards each of the eligible project categories listed in the RFP, as a funding goal.
 - i. Within the portion of funds reserved for the on and off-road heavy-duty project category the District shall reserve ten percent of the funds for small on-road fleet owners (fleet sizes 10 and less). This is to ensure priority funding for smaller fleets, as directed by the Moyer Guidelines. This special reserve will end with the close of the first solicitation period of each year of Moyer funds. If no such projects qualify for the ten percent or if there is a remaining balance, then any remaining funds will become available for other projects, at the discretion of the APCO.
 - ii. For alternative fuel infrastructure projects (excluding ag. pump infrastructure), projects are subject to an additional Board approved competitive bid process and will be reviewed and ranked by the Infrastructure Project Ranking Form (IPRF). Only the most competitive projects shall be considered for funding.

- b. Each application received is date-stamped.
 - c. Technical staff creates a digital and/or hardcopy project file for each project application received which will keep a copy of the application and related documents, forms, essential communications, and evaluations. A Moyer Year binder will be kept which includes all applications received while projects are being evaluated for funding. For those projects which are awarded for funding, the original application and all associated records will be transferred to the project folder for the minimum term of records retention. Unfunded original project applications will remain in the binder for the minimum term of two years.
 - d. Applications are reviewed for completeness and eligibility by technical staff.
 - e. Technical staffs enter project information into the CARL database and evaluate for cost effectiveness.
3. Within 30 days of the close of a project solicitation period, projects will be evaluated and prioritized for funding based on the allocated funds apportioned to each project category.
- a. Projects will be reviewed for funding based on the cost effectiveness limits, max funding caps, and the overall goals of the Moyer Program. Infrastructure projects will be ranked according to the IPRF form, when applicable. The goal of allocating program funds is to fund as many good and cost-effective projects as possible, at an appropriate level, with the available funding. If more projects are received than can be funded, then applicants who submitted more than one project may only receive funding for one of their projects or grant amounts may be reduced to accommodate budgetary limits. This will be determined on a case by case basis and as directed by the APCO. Other criteria that will be considered when reviewing a project is the likelihood of project success. If based off of past experiences of working with the applicant, they have demonstrated an inability to successfully implement past grant related projects, or if there are known concerns about the reliability of future project operations, then staff will take this into consideration when evaluating and recommending projects for funding. Previous applicants/participants which have failed to meet program requirements or who do not meet the District's standards of performance may lose their eligibility to participate in future program solicitations.
4. Within 60 days of the close of a project solicitation period, technical staff presents a list of eligible applications for approval to the APCO; the APCO approves selected projects for funding.
- a. If there are any remaining funds, after the initial project solicitation period, then the APCO has the discretion to make grant funds available to waitlisted projects, future projects received on a first come first serve basis, to conduct another open solicitation, to hold remaining funds until a future date, or any combination thereof.
 - i. District staff will keep an accurate status update on the District's Moyer webpage whether a specific project application category is open, closed, or available to waitlist.
 - ii. Should there be no remaining funds after the initial solicitation, the APCO has the discretion to allow project applications to still be received and reviewed,

according to the same process and processing time as discussed above, with the intent of placing projects on a waitlist until funds become available. Technical staff shall add selected projects to the waitlist.

- iii. Any project that is waitlisted will remain eligible for funding for up to six months, unless the APCO chooses to remove it. After that time, the applicant must request, via email that they wish their project to remain eligible for an additional six months. A project can only be waitlisted for up to twelve months. After that time, the applicant must reapply if they wish to seek grant funding.
5. Technical staff allocates funds to projects after a tentative award commitment by the APCO.
6. Once the APCO has made the determinations for project funding, technical staff will contact all applicants by U.S. Mail or email with the results and determination of their project, including tentative award amounts within 14 days. For any projects received on a first come first serve basis, applicants will be contacted within 45 days of application receipt.
7. Technical staff contact selected applicants by telephone/email to schedule a pre-inspection of the existing project.
8. Technical staffs perform a pre-inspection. All pre-inspection documents and photos will be kept in the project file (digital copies of photos will be kept in the digital project file folder).
9. Program administrator drafts the contracts for awarded projects which is then submitted to administrative staff in order to review, approve, and finalize for party signatures.
10. Once notified by technical staff, administrative staff creates a project file folder for approved projects. Hard copy project files will be the primary method for maintaining records and documentation associated with an awarded project. These project file folders will contain at a minimum, a copy of the executed contract, inspection reports, key documents and records, correspondence, invoices, payment records, and original application and analysis. Digital project files shall also be kept and compliment the hard copy project folders for each awarded project. Digital project folders include items such as reports, inspections, photographs, and key documents which will be a supplement to the hard copy project file.
11. Finalized contracts are forwarded by administrative staff via U.S. Mail or email for applicant signature. The program participant has thirty (30) calendar days to review, sign, and return an original copy for APCO signature. Allowances to the 30 day requirement can be made in some cases for program participants who require Board approval prior signing the contract or if some other conflict occurs which does not allow the program participant to sign and return the contract within 30 days.
12. When the program participant returns the signed contract, the APCO reviews and signs the contract. Administrative staff mail or emails the fully executed contract to the program participant and encumbers the funds.
13. Technical staff designates the project as obligated in CARL.

X. Key Activities for Project Reimbursement

Once a project is under contract, program participants typically have up to one year to complete the project. Once a contracted project is complete and is ready for reimbursement, the following process will apply. Details about the requirements for inspections will be discussed in greater detail later in this document.

1. Upon notification by the awardee that the project is complete, technical staff schedule and perform the post-inspection and direct the awardee to submit all required forms and documents are required by the contract.
2. Program participant submits request for reimbursement, based on the terms of the contract.
3. When applicable, technical staffs perform the salvage/dismantle inspection or coordinates with the salvage/dismantler yard to submit photos of equipment/vehicle destruction and verifies that the terms of the contract are met.
4. Technical and administrative staff reviews the request for reimbursement, the paid itemized invoices, financing information (if applicable), verifies that an IRS Form W-9 and insurance requirements are on file. A checklist, which outlines the required actions and paperwork required to be completed at different stages of project completion (after the contract is executed) can be used to assist District staff in ensuring program and funding requirements are met.
5. When approved by technical and administrative staff, and the APCO, reimbursements are issued for payment by administrative staff. In most cases, a ten percent hold back of grant funds will be held until the first year monitoring report.
6. If appropriate to the project type, the District may file a lien statement with the Uniform Commercial Code (UCC) or DMV.
7. Technical staff designates the project as expended in the CARL database.

X. Commitment of Funds to Projects

Once final selection of project awards has been completed and approved by District management, commitment of funds can take place. Funds are committed when the APCO approves a project and the grantee is notified of the award.

If, in between the time the District commits funds to a project and contract execution, something unforeseen occurs as to make the project ineligible for funding (such as a vehicle or equipment breakdown or failure) and if the participant has another vehicle or equipment that could be considered for funding, then the program participant may request to replace their previously submitted application with a revised application. The revised project application will be reviewed by technical staff in order to determine eligibility and funding amount and will submit the project to the APCO for review and approval. The APCO has full discretion on whether to approve the revised project application or not. If the APCO does not approve the revised project, or if there are remaining funds available due to a reduction in project costs, then the APCO will direct how the remaining funds shall be used. Documentation of such changes to a project will be kept in the project file.

Should, through the solicitation and outreach of the District's Moyer Program, the District receive projects beyond what the Moyer program can fund or if a project is received that may be more aligned with the goals of another funding source, then the APCO may choose to withdraw the project from the Moyer Program and re-allocate it to another

program or funding source. This effort will help to streamline and harmonize the District's administrative efforts for the many grant funds it manages. If this occurs, then the project would be required to meet the requirements of the funding source(s) outlined in the relevant program guidelines. If a project that is received through the Moyer Program is assigned to another funding source, then this notation will be made both in the project's hard file as well as the master spreadsheet which tracks all projects funded and not funded. Other non-Moyer grant funds that the District may have available include non-match AB923 funds, Community Air Protection Program (CAP) Funds, Nitrogen Oxide Remediation Measure (NRM) funds, local land use mitigation funds, or other one-time funds.

XI. Contract Development

ARB requires that all Moyer project contracts contain the following provisions:

1. Party names and date;
2. Contact information for correspondence;
3. A disclosure of funds from other sources;
4. Contract term, including project completion and projection implementation/life;
5. Project specifications, including data used to calculate the emission reductions;
6. Maintenance;
7. Payment provisions, including maximum contract amount, the requirement for itemized invoices, funding disclosure and noncompliance terms, where program participants certify that they have disclosed all other public funds they may have applied for or received for a project and prohibits program participants from applying for or receiving other public funds for the same project;
8. Reporting;
9. On-site inspections, audits, and records;
10. Project specifications and performance expectations, repercussions for nonperformance;
11. Moyer compliance requirements;
12. Records retention, reporting and Incentives Program Review;
13. Insurance requirements; notices; and
14. Signature blocks for both parties.

The contract also contains a statement that the program participant will certify compliance with all applicable federal, State, and local regulations and will maintain compliance for the full contract term. The contract for repower projects contains a statement that the installation of the engine must be completed in a way as to not void the engine warranty. The contracts specify that projects funded by Moyer must be included when defining fleet size and must not be used to generate credits or compliance extensions and regulatory compliance determinations. For on-road vehicle projects, the contract may include language that the District will file a UCC / DMV lien to protect the District's interest in replacement vehicles for the term of the contract. The District shall be listed as a co-lien holder.

Program participants have thirty (30) calendar days after receiving the contract to review, sign, and return the contract, unless there is a justified reason that the program participant cannot return the contract within 30 days. If a contract is not returned within thirty (30) calendar days, funds may be allocated to another project.

Written requests for a contract extension may be approved on a case by case basis by the APCO.

XII. Payment of Projects (Expenditure)

After contract execution and once conditions for funding are met, the program participant submits an original invoice requesting payment, including copies of all associated invoices related to project expenditures. Program participantsProgram participant shall provide a copy of the itemized invoice related to their project in order to demonstrate that the grant funding does not exceed the eligible project costs as outlined in the Moyer Guidelines.

If any portion of the project requires financing, the program participant (or their dealer) shall provide proof and terms of financing to the District before the District issues payment. District Moyer staff also conduct necessary post-inspections as described Section XIII. below. After a successful post inspection and after all of the conditions for payment are met, the program administrator approves each program participant invoice for reimbursement. Invoices and requests for payment are then forwarded to administrative staff for review, approval, and processing and then to the APCO for final approval. For multi-stage projects, partial payments may be approved on a case-by-case basis and is described in the program participant's contract. The District will maintain a clear record of progress payment in the project file and in CARL.

For projects which have operational performance requirements, ten percent (10%) of the awarded grant amount will be held back until the first year performance monitoring report is submitted and approved by the District. If the program participant is able to demonstrate that the annual operating requirements are being met, then the 10% holdback will be released and issued to the Participant in the form of payment. If the Participant is unable to demonstrate compliance with contractual requirements, then the District will retain the holdback until the program participantprogram participant can demonstrate compliance.

XIII. Project Inspections

Pre-, post-, road worthiness, and salvage/dismantle inspections must be completed prior to funding a project, when applicable. An Inspection Report shall be used to document such inspections. All inspection reports and photos will be maintained in the project file both digitally and in hard copy. Digital photos will be kept in the .jpeg file format and hard copy photos will be in color and be no less than a quarter sheet of paper in size. Photos should be clear and legible to the best extent possible.

1. Pre-Inspections

For on-road vehicle, off-road equipment, and engine-related projects, pre-inspections must be conducted prior to contract execution. The pre-inspection process includes taking photos of the vehicle/equipment, verifying operation as described, and ensuring that the information submitted in the program participant's application is correct. At a minimum, the following photos shall be taken:

- a. Right Side - hood down.

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

Information gathered on the inspection shall be entered in to an inspection report. The report shall include but not be limited to the following information:

- a. Vehicle/equipment make and model
- b. Vehicle/equipment model year
- c. VIN/EIN
- d. DOORS number (when applicable)
- e. Odometer/hour meter reading
- f. Engine make and model
- g. Engine serial number
- h. Engine model year
- i. Family number
- j. Engine horsepower
- k. Name of inspector
- l. Date of inspection
- m. Program participant contact info and location of vehicle/equipment

If the serial number of the engine is not present or accessible, or if there is a missing engine data plate, then District staff will assign a serial number to the engine and by attaching a permanently affixed metal tag for future tracking.

The pre-inspection report and photographs will be kept in the project digital and hard copy folder. Pre-inspections will be performed by District Moyer staff prior to contract execution.

In some instances, there will be completely missing (or unreadable) data plates or missing engine and equipment information due to the age of a vehicle or equipment and wear on engine and body parts. In this instance, the inspector shall complete a Due Diligence Report in order to verify the missing information. The Due Diligence Report shall include the program participant's name, baseline vehicle/equipment, report date, inspector name, pre-inspection date, and a brief summary of findings, including referenced information used to determine missing information (such as horsepower, engine model year, engine model, and etc...). Sources, preferably a

combination thereof, that can be used to reasonably determine missing information include but are not limited to:

- a. Technical specifications provided by the manufacturer (or dealer) for the vehicle/equipment in question which can provide information such as horsepower, engine model, model year, and etc....
- b. Online advertisements of similar vehicles or equipment which consistently demonstrate the same specifications. For example, if according to the application a 1975 machine has a 100 hp engine, and according to online advertisements of the same machine and model year, the equipment is advertised with the same horsepower engine, then it may help to confirm that the correct horsepower has been used in the application.
- c. Determining the model year of a piece of equipment based on the machines serial number, when possible.
- d. Other records that may be kept by the owner, which provide the information needed.
- e. The equipment purchase date, as provided on the purchase receipt can demonstrate a minimum age of the equipment.
- f. Any other records or indirect means which can reasonably demonstrate the vehicle/equipment specifications used for evaluating a project's emission reductions.
- g. ARB may be consulted to confirm that the due diligence undertaken is considered reasonable in establishing missing criteria.

The Due Diligence Report shall be kept in the project file and may be kept digitally and in hard copy.

For infrastructure projects, there are no pre-inspection requirements.

2. Post-Inspections

Post- and road worthiness inspections for on-road vehicles, off-road equipment, engine-related projects, and alternative fueling projects must occur prior to District final reimbursement for the project. For vehicle/equipment post-inspections, District Moyer technical staff is to verify that the replacement vehicle, equipment, and engine listed in the contract was purchased. For vehicle and equipment replacement projects, inspections will occur at the dealership or at some other District designated location (when inspections at the dealership are not logistically) feasible. District Moyer technical staff shall take photos of the replacement vehicle/equipment/engine including:

- a. At least one side of the vehicle/equipment
- b. Equipment serial number or VIN Tag - inside vehicle or on frame rail
- c. Engine serial number and engine information – tag (or primary motive power components)
- d. License plate (on-road)
- e. Odometer/hour meter reading

- f. Left and right side of engine (on-road)
- g. Modifications (if any)

Information gathered on the inspection shall be entered in an inspection report. The report shall include but not be limited to the following information:

- a. Vehicle/equipment make and model
- b. Model year
- c. VIN/Equipment serial number
- d. DOORS number (when applicable)
- e. Odometer/hour meter reading
- f. Engine make and model
- g. Engine serial number
- h. Engine model year
- i. Family number
- j. Engine horsepower
- k. Name of inspector
- l. Date of inspection
- m. Program participant contact info and location of vehicle/equipment

District staff shall visually witness all engine start-ups and mobile projects operating as intended.

For vehicle replacement projects, road worthiness inspections shall be conducted of the baseline vehicle once it has been delivered to the dealership. A road worthiness inspection is completed in order to verify the operable condition of the baseline vehicle once it is delivered to the dealership. The inspection shall follow the protocol for conducting a pre-inspection and collect the same level of information. Copies of records to be collected at the time of the post-inspection, or at least prior to the delivery of the vehicle/equipment to the program participant, shall include the following:

- a. Vehicle/equipment/engine warranty
- b. Proof of project financing (when applicable)
- c. Proof of sale
- d. Disclosure of all funds received
- e. Program participant/Dealer salvage certification form
- f. Copy of vehicle registration
- g. Copy of dealer itemized invoice
- h. Program participant invoice
- i. Executive order of new engine
- j. Signed vehicle title of the old bus to be destroyed

k. Proof of vehicle insurance

For infrastructure projects, District staff will verify and document that each infrastructure project is in operation per the terms and conditions of the contract as well as take photographs of the equipment for the project file.

3. Salvage/Dismantle Inspection

In addition to completing a post-inspection on all replacement mobile projects, District Moyer staff shall also conduct salvage/dismantle inspections in order to ensure that the old vehicle/equipment and engines are permanently destroyed. When approved by the District, an approved dismantler/salvage yard may conduct the inspection on behalf of the District and provide the required documentation within ten days of destruction.

Vehicle dealers/installers are required to deliver the old vehicle to a qualified dismantler within 60 days of receipt of the old vehicle and equipment dealers or program participants are required to deliver the old equipment to a salvage yard within 30 days of receipt of the old equipment. Dealers/installers and program participants are also required to submit certification to the District which certifies that the vehicle/equipment was delivered to the dismantler. The certification shall include the make, model, year, VIN/EIN, engine make, engine serial number, and the date the engine, vehicle, or equipment is expected to be delivered to the dismantler. The location of the dismantler yard where the vehicle/equipment and engine will be destroyed must also be provided.

Dismantlers who participate in the Moyer Program must enter into a contract with the District prior to the destruction of any vehicles/equipment or engines. Dismantler requirements are outlined in Section XV. below.

Within ten days of the vehicle/equipment/engine being destroyed, District or dismantler/salvage yard staff must take photographs of the destroyed engine and severed frame rails. Dismantler photographs of the destroyed engine block and severed frame rails must be provided to the air district within 10 days. The following picture views must be taken and provided to the District in digital file format:

- a. Front, right, and left side of vehicle/equipment with hood down including license plate if available (vehicle scrap)
- b. VIN tag (vehicle scrap)
- c. Engine serial number either stamped on the block or on the tag (engine or vehicle scrap)
- d. Left and right side of destroyed engine block either in-frame or out of frame (engine or vehicle scrap). If the engine cannot be viewed from both sides, due to obstruction, then only one side of the engine shall be photographed.
- e. Hole in engine block (engine or vehicle scrap)
- f. Completely severed frame rails (vehicle scrap)
- g. Odometer/hour meter reading (vehicle scrap)

Photos of the destroyed vehicle/equipment/engine and an inspection report (which documents that it is the old vehicle/equipment/engine under District contract) shall be

kept in the project file both digitally and in hardcopy.

XIV. **Dealership Requirements**

In order for vehicle and equipment dealerships to participate in the Moyer Program, they must follow the Guidelines of the Program. At a minimum, the following requirements for dealerships must be met. On and off-road dealers are also encouraged to enter into agreements with the PCAPCD, in order to promote an efficient and streamlined process, but are not required to. Agreements for dealers can be found on the PCAPCD's website.

- A. On-road dealership/Installer must have had a valid business license issued in California for a minimum of the last two years.
- B. On-Road dealerships must have a valid vehicle dealership license with the DMV for a minimum of the last two years. The installer is authorized by the manufacturer.
- C. For on and off-road dealers that enter into an agreement with the PCAPCD, they must maintain a minimum of one employee that has successfully completed the training by the air district regarding terms, conditions and requirements of the Program. If a participating dealership maintains more than one location for truck sales, then each location must have at least one employee trained. If a dealership/installer has received training from another air district, participating in the Moyer Program, then the District may consider this condition has been met, pending verification of such training.
- D. On and off-road dealership/Installers must agree to allow the PCAPCD or ARB to inspect vehicles and equipment or audit program records covered under the Moyer Program Guidelines during normal business hours.
- E. Provide basic information to vehicle and equipment owners about the Moyer Program.
- F. Help participants complete the application, if necessary. It is important to make sure that all information is filled out correctly and that the participant understands the meaning of the program and the contract.
- G. For on-road replacements, the dealership must ensure the existing vehicle is in similar condition as found in the pre-inspection. The dealer should reject the condition of the existing vehicle if it is deemed unroadworthy or if parts were stripped from the existing vehicle (except for parts essential to vocation that will be installed on the replacement vehicle). Reimbursement to the to the program participant will be withheld until the dealer (or District) approves of the condition of the existing vehicle and it is delivered to the dealership.

For a complete list of requirements, refer to the Moyer Guidelines.

XV. **Dismantler and Salvage Yard Requirements**

If an existing engine, vehicle, or piece of equipment is replaced or removed, then it must be destroyed. This requirement has been established to ensure that emission reductions are real, preventing the engine from continuing to emit high levels of pollutants. Destruction of the existing vehicle/equipment and engine permanently removes the old, high emitting vehicle from service. The existing vehicle/equipment and engine specified in the application (or engine only for repower and conversion projects) must be destroyed, and may not be substituted.

1. To participate in the Moyer Program, dismantlers and salvage yards must:

- a. Enter into an agreement with the District. Blank agreement forms will be available for download on the District's website and outlines the requirements for dismantlers and salvage yards.
 - b. Have at least one active employee who received training by the District on the requirements of the Moyer Program. If a dismantler/salvage yard has more than one location, then the dismantler/salvage yard must have at least one active employee trained by the air district at each location that will be accepting engines/vehicles for the Moyer Program.
 - c. Must destroy the vehicle/equipment within 60 days of its receipt.
 - d. Dismantlers must:
 - i. Be licensed by DMV as a dismantler for at least the previous two years.
 - ii. Have had a valid business license issued in California for a minimum of the last two years.
 - iii. Possess a current, valid California Environmental Protection Agency Hazardous Materials Generators Permit.
 - iv. Be in compliance with all local, State, and federal laws and regulations.
2. The requirements for dismantling a vehicle by a dismantler include the following requirements:
- a. Destroy and render useless the existing vehicle and engine. At a minimum, the destruction must include the following:
 - i. Both frame rails must be completely severed between the front and rear axles.
 - ii. A hole must be put in the engine block with a diameter of at least three inches at the narrowest point. The hole must be irregularly shaped (i.e. no symmetrical squares or circles). A section of the oil pan flange must be removed as part of the hole or have a line cut through it that connects to the hole.
 - b. Air district staff or the dismantler must take photographs of the destroyed engine and severed frame rails. Dismantler photographs of the destroyed engine block and severed frame rails must be provided to the air district within ten (10) business days of dismantling the vehicle. The following picture views must be taken:
 - i. Front, right, and left side of vehicle with hood down including license plate if available (vehicle scrap).
 - ii. VIN tag (vehicle scrap).
 - iii. Engine serial number either stamped on the block or on the tag (engine or vehicle scrap).
 - iv. Left and right side of destroyed engine block either in-frame or out of frame (engine or vehicle scrap).
 - v. Hole in engine block (engine or vehicle scrap).
 - vi. Completely severed frame rails (vehicle scrap).
 - vii. Odometer/hour meter reading (vehicle scrap).

- c. Prepare and submit to DMV either a “Non-Repairable Vehicle Certificate” using an “Application for Salvage Certificate or Non-Repairable Vehicle Certificate” (REG 488C), or a Notice of Acquisition/Report of Vehicle To Be Dismantled (REG 42) ensuring the VIN can never be registered again in California. Within 90 calendar days of the dismantle inspection date, the dismantler must provide verification to the air district that the existing vehicle has been registered with DMV as non-revivable with a type transaction code (TTC) L10 or C26 on the DMV Reconciliation transaction receipt or other DMV documentation that satisfies this requirement.
 - d. Upon request of the air district, ARB may approve an alternative disposition for the old engine/vehicle.
 - e. As specified in California Code of Regulations, title 13, section 2706(i)(3)(G), no party shall advertise, sell, lease, or offer for sale or lease, a used verified diesel emission control strategy.
 - f. Dismantler Inspection: Once the air district is notified, an inspection will be scheduled and photos documenting the destruction of the engine and vehicle/equipment will be taken in accordance with the Guidelines. The salvage yard/dismantler shall not move the vehicle/equipment off of their property or part out a vehicle or piece of equipment until an inspection by the air district or a designated contractor has been performed and given approval by the air district.
 - g. Use of Engine and Vehicle Pending Destruction: The dismantler may not use or permit the use of, the engines or vehicles, except use necessary to move it for destruction or storage.
3. The requirements for destroying a piece of equipment by a salvage yard include the following requirements:
- a. Destruction of the equipment may occur either at a District approved salvage yard or another facility in conjunction with a District salvage inspection. The program participant may choose to destroy the old piece of equipment however they will be obligated to destroy the machine per the Moyer Program requirements, within 30 days of receiving the replacement equipment, and the destruction of the equipment must be in conjunction with a District salvage inspection.
 - b. Both the existing engine and equipment must be destroyed. At a minimum a hole in the engine block with a diameter of at least three inches at the narrowest point. The hole must be irregularly shaped (i.e. no symmetrical squares or circles) and a section of the oil pan flange must be removed as part of the hole or have a line cut through it that connects the hole.
 - c. The destruction method of the equipment will vary depending on the structure of the equipment:
 - i. Equipment with permanent frame rails running the length of the equipment: complete cuts of both frame rails between the front and rear axles.
 - ii. Equipment with removable/bolt-on frame rails: structural damage, with cuts or otherwise, that renders the main body of the equipment inoperable and unrepairable.

- iii. Equipment without frame rails: structural damage, with cuts or otherwise, that renders the main body of the equipment inoperable and unrepairable.
 - iv. Articulated equipment: damage, cuts or otherwise, to the articulation joints of front and rear halves of the equipment so that neither half can be joined.
 - v. Other equivalent methods of destruction are acceptable if approved by the District.
 - d. Provide the District with the following photographs within ten business days of salvaging the existing equipment:
 - i. DOORS EIN (if applicable)
 - ii. Equipment serial number
 - iii. Engine serial number either stamped on the block or on the tag
 - iv. Destroyed engine block
 - v. Cut structural components as described in Section
 - vi. Other views dependent on the method of equipment destruction
 - e. For each piece of equipment that is destroyed, provide the following information:
 - i. Make, model, and model year
 - ii. Equipment serial number
 - iii. Engine make and serial number
 - iv. Delivery date of the existing equipment
 - v. Submit a completed certificate of equipment destruction or other similarly approved documentation to the air district =

XVI. Incentive Project Audits

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

The audits will include verification that the vehicle/equipment or infrastructure paid for are still operational and that they meet the mileage, fuel usage, or hours of operation indicated in the executed contract. This is completed by checking the serial number of the engine; witnessing the engine operate; and checking the odometer, hour meter/usage device, fuel receipts, or Electronic Monitoring Unit (EMU).

If any incentives program review of a project reveals more than 20% above or below an annual average of the level of use identified in the executed contract, the program participant shall describe any conditions that significantly impacted project usage. In instances where annual usage is significantly lower than the contracted level due to unforeseen circumstances beyond the control of the program participant, the participant may request a waiver from the District per Section BB.4(E) of the Moyer Guidelines Program Administration Chapter 3. To be considered for a waiver, the program participant

must submit a written request and acceptable documentation. The APCO has the discretion to consider circumstances leading to the failure to fulfill the minimum performance requirements.

XVII. **Program Participant Project Nonperformance**

The District must take appropriate action to ensure emission reductions are realized for engines, equipment, vehicles, as well as usage for infrastructure projects. Except for projects in which usage is not required to be specified in the contract, when average usage over a three year period for a contracted engine, equipment, or vehicle is less than 70 percent of the activity required in the contract, the District may choose, but is not limited to, the options below to address the underutilization. (In cases of projects which may have a contracted project life of less than three years, the same activity threshold of less than 70 percent applies, averaged over the project life.)

1. Extend the project contract for additional years, precluding overlap with an applicable rule implementation requirement.
2. Return funds in proportion to the loss in emission reductions.
3. Transfer ownership of the engine, vehicle, or equipment to another entity committed to complying with the contract terms.
4. Recalculate a project's cost-effectiveness based on the reported decrease in usage. If the District chooses to amend a contract in order to reduce the term the amended project must be cost-effective during the reduced contract term, based on the cost-effectiveness values and limit that applied when the original contract was executed.
5. Grant a usage waiver, without penalty, to the program participant for a defined time period. The program participant must demonstrate to the District's satisfaction that the engine, vehicle, or equipment is not being underutilized in favor of operating other, higher-polluting equipment, and that the underutilization was due to unforeseen conditions beyond the grantee's control. Such waivers shall be at the discretion of the APCO.
 - a. The conditions under which a waiver may be issued include, but are not limited to, the following:
 - i. A decrease in usage due to economic recession;
 - ii. Unforeseen fluctuations in water allocations or pumping needs for agricultural irrigation pump engines; or
 - iii. Significant land fallowing for off-road agricultural equipment and agricultural irrigation pump engines.

XVIII. **Reporting**

1. Program participant yearly monitoring report to the district:

All program participants are required via contract term to complete an annual monitoring report for the project. The required information to be included in the report is outlined in the contract language. Program participants are required to submit annual reports within 13 months of the project post inspection date and annually thereafter until termination of the contract. At a minimum, for mobile projects, monitoring reports shall include:

- a. Program participant name, address, telephone and contract number
- b. Annual vehicle miles or annual equipment hours
- c. Any problems encountered over the previous year's operation
- d. Description of vehicle/equipment performance
- e. Copy of current vehicle insurance and registration (when applicable)

Once the annual monitoring report has been reviewed and approved for completeness, accuracy, and usage by Moyer staff, the report will be signed off by the Moyer administrator and placed into the project digital and hard copy file. If usage is more than 20% below that identified in the project application, the program participant shall describe any conditions that significantly impacted project usage. In instances where annual usage is significantly lower than the contracted level due to unforeseen circumstances beyond control of the engine owner, the owner may request a waiver from the District per section BB.4(D) and E of the Moyer Guidelines Program Administration Chapter 3. The District's findings will be documented in writing, signed by the APCO, be included in the project file, and mentioned in the "comments" field in the CARL database.

For mobile projects, ten percent of the awarded grant amount is held back by the District until review and approval of the first-year monitoring report. Upon approval of the report District administrative staff will process payment to the program participant within 30 business days. If the program participant failed to meet the annual operating requirement (within 80%), or if the participant failed to meet any other contractual conditions, then the ten percent holdback will be retained until the issue is corrected. If retention of the funds is warranted, then District Moyer staff will contact the program participant by email and tell them that the ten percent holdback will not be released, including a reason for the holdback as well as potential recommendations or options that the program participant may consider for rectifying the situation. Email correspondence will be kept in the project file.

2. District Yearly Report to ARB

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

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

- a. Granted Moyer Program funds;
- b. Match and other non-Moyer funds;
- c. Interest and other non-grant revenues earned
- d. Multi-district and State Reserve funds (if any)
- e. Rural Assistance Program funds (if any)
- f. AB 923 \$2 DMV funds used as match
- g. Other funds that ARB oversees relative to the Moyer Program (if any)

A certification document, signed by the District APCO, Administrative Services Officer, and Moyer Program administrator accompanies the Yearly Report that indicates the project and financial data submitted are complete, accurate, and that there are no known instances of fraud.

XIX. Administrative Practices and Procedures

1. District Moyer staff shall hold meetings periodically to coordinate activities, provide updates, and to reconcile any outstanding matters. These meetings are to be held as staff deems necessary, as well as prior to submittal of Annual Reports to ensure accurate reporting to ARB.

For off-road equipment replacement projects, the District is required to develop an off-road equipment replacement plan. It is designed to establish criteria for soliciting, evaluating, and reviewing off-road equipment replacement projects as well as establishes requirements for program participants, dealers, and salvage yards. This plan shall be made available on the District's website and will be amended as necessary in order to ensure an effective off-road equipment replacement program process.

2. Earned Interest

The District deposits Moyer funds into a restricted account that accrues interest. The interest is tracked using the Fiscal Year method and shall be tracked by ASO. At a minimum, the interest is received on the account quarterly. Interest earned on Moyer project funds is spent on Moyer projects according to the current Moyer Guidelines. Interest earned on previous year Moyer funds is carried into the following year project funding total.

Interest earned on Moyer administrative funds is used for the administration of the Moyer Program.

3. Records Retention

Grant receipts and expenditure documents including invoices, contracts, vouchers, personnel and payroll records shall be retained for at least five years after the grant liquidation period or the last recorded grant transaction, whichever is later.

The District shall maintain a file folder for each project selected for funding in electronic and hard copy format for a minimum of three years following the end of the contract term. Unfunded projects shall be kept for a minimum of two years following the solicitation period or two years from receipt, and can be retained ,by year, in a binder for unfunded projects.

XX. District Project and Moyer Program Files

The District maintains documentation of solicitation and project selection by fiscal year, as well as program project and fiscal files. These files will be kept and maintained either digitally or in hardcopy or a combination thereof.

1. Project files shall contain at a minimum:
 - a. Application and estimated project cost
 - b. Analysis of emission reductions (when applicable)

- c. Copy of the contract
 - d. Inspection forms and photographs
 - e. Copy of dealer/seller's invoice,
 - f. Original invoice(s) from the participant invoicing the District for the awarded grant amount
 - g. Annual monitoring reports
 - h. Key communications with the participant
 - i. Insurance records
 - j. Case by Case determinations
 - k. Due Diligence Reports
 - l. Record of progress payments
2. Fiscal year Moyer Program files shall contain, at a minimum, the following:
- a. ARB grant award and authorization
 - b. Copy of District approved application
 - c. Contract and related forms
 - d. RFP solicitation, outreach and project selection information
 - e. Key correspondence between the District and ARB
3. Required Financial Statements. Financial statements containing at minimum the following account balances and transaction classes, as applicable, will be prepared at least annually.
- a. Balance Sheet:
 - i. Cash and Cash Equivalents (cash, investment pools, petty cash)
 - ii. Moyer Program Fund Revenue Receivable (grant funding from ARB)
 - iii. Recapture Revenue Receivable (recapture funds receivable from grant participants for unmet contractual obligations)
 - iv. Salvage Revenue Receivable (revenue receivable from retired equipment sold or auctioned for scrap metal)
 - v. Accounts Payable (vendor invoices pending for Moyer projects)
 - vi. Fund Balance
 - a) Restricted for Air District Projects
 - b) Restricted for State Reserve, Multi-District, RAP Projects
 - c) Restricted for Administration and Operating Costs
 - b. Statement of Revenues, Expenditures, and Changes in Fund Balance:
 - i. Revenue Subsidiary Ledgers
 - a) Regular Moyer Funds Project Revenue

- b) State Reserve and Multi-District Project Revenue
- c) Administration and Operating Revenue
- d) Recapture Revenue
- e) Salvage Revenue
- f) Interest Revenue
- ii. Expenditure Subsidiary Ledgers:
 - a) Project Expenditures (from regular Moyer grant, recapture, salvage, interest)
 - b) State Reserve and Multi-District Project Expenditures
 - c) Administration and Operating Expenditures including indirect costs
- iii. Awards Returned: Moyer Program air district money returned to ARB for reallocation
- iv. Transfers In/Out

XXI. Coordination with ARB

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

Hurshbir Shahi, Air Resources Board
 1001 "I" St., Sacramento, CA 95814
hurshbir.shahi@arb.ca.gov
 (916) 323-9687

District staff currently responsible for implementing the Moyer Program include: the APCO, Administrative Services Officer and associate administrative staff, Program administrator and associated air quality specialist. District staff shall document any correspondence with ARB staff regarding ARB interpretations, clarification, guidance or possible deviations from the Moyer Guidelines.

The ARB holds Moyer Incentive Program Implementation (IPI) team meetings once a quarter, or as needed. These meetings give the District the opportunity to be involved in the formation of Technical Advisories and guideline modifications, to keep informed about other local district Moyer activities, and to be informed on related ARB activities. All districts are required to attend at least two (2) IPI meetings per year. The District program administrator participates in the IPI meetings. District administrative staff participates as necessary.

ARB has developed a centralized database for all Moyer projects called the Clean Air Report Log (CARL). All districts are required to use this database. ARB has provided training to District staff in the use of the database.

XXII. ARB Oversight

As part of their oversight responsibilities, ARB will staff perform desk reviews of the District's Moyer Program, on-site monitoring, and Incentives Program Reviews. Review of the District's program may involve other State agencies, such as the Department of Finance and State Bureau of Audits. Incentives Program Review may be fiscal,

programmatic, or both. District staff responsible for implementing the Moyer include: APCO, ASO, program administrator, supporting air quality specialists and administrative staff.

XXIII. **APCO Approval**

As authorized by the District's BOARD OF DIRECTORS, this version of the Placer County Air Pollution Control District's Policies and Procedures Manual for the Carl Moyer Memorial Air Quality Standards Attainment Program is approved by:



Erik C. White,
Air Pollution Control Officer

7/1/2020

Date

XXIV. **Community Air Protection Incentives Program Addendum**

This section is under public review and will therefore be treated as a separate document until finalized. For a copy of the this section, go to the District's webiste at www.placerair.org or contact Molly Johnson at mjohnso@placer.ca.gov .