

# LASSEN COUNTY AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD

## GOVERNING BOARD

Kevin Stafford, *Chairman*  
Chris Gallagher, *Vice Chairman*  
Tom Hammond  
Jeff Hemphill  
Quincy McCourt  
Brian Moore

## Staff

Erik Edholm  
*Air Pollution Control Officer*  
Angelina Chamblee  
*Administrative Staff Assistant*

# LASSEN COUNTY AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD MEETING

City Council Chambers  
66 N. Lassen Street, Susanville, CA 96130

**Agenda**  
**Tuesday, October 13, 2020**

**1:00 p.m.**

## **ADDRESSING THE BOARD**

- \* Any person desiring to address the Board shall first secure permission of the presiding officer.
  - \* Matters under the jurisdiction of the Board, and not on the Agenda, may be addressed by the Public at the time provided in the Agenda under Public Comment.
  - \* The Board of Directors will not take action on any subject that is not on the Agenda.
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### **A. CALL TO ORDER**

### **B. ROLL CALL OF BOARD OF DIRECTORS**

### **C. AGENDA APPROVAL**

### **D. APPROVAL OF MINUTES FOR THE MEETINGS OF: JUNE 19, 2020**

### **E. BOARD MEMBER ISSUES/REPORTS**

### **F. CORRESPONDENCE**

### **G. PUBLIC COMMENT**

(Any person may address the Board at this time to comment on any subject not on the agenda. However, the Board may not take action other than to direct staff to agendize the matter at a future meeting).

### **H. MATTERS FOR BOARD CONSIDERATION**

- PG. 5    **1. Subject**                      Report on District Activities  
          **Recommendation:**      Information only/Receive Report
- PG. 7    **2. Subject:**                      District Financial Report  
          **Recommendation:**      Information only/Receive Report

- PG. 9    **3. Subject:** Carl Moyer Agricultural Equipment Replacement Program – Corder Farms  
          **Recommendation:** Approve Resolution 20-01 authorizing the APCO to execute grant agreement 18-22-CMP-01 in the amount of \$35,000.00 with Corder Farms
- PG. 29   **4. Subject:** Carl Moyer Agricultural Equipment Replacement Program – Henry Crane  
          **Recommendation:** Approve Resolution 20-02 authorizing the APCO to execute grant agreement 18-22-CMP-02 in the amount of \$35,000.00 with Henry Crane
- PG. 47   **5. Subject:** Carl Moyer Agricultural Equipment Replacement Program – John Barnum  
          **Recommendation:** Approve Resolution 20-03 authorizing the APCO to execute grant agreement 18-22-CMP-03 in the amount of \$35,000.00 with John Barnum
- PG. 65   **6. Subject:** Carl Moyer Agricultural Equipment Replacement Program – John Cooper  
          **Recommendation:** Approve Resolution 20-04 authorizing the APCO to execute grant agreement 18-22-CMP-04 in the amount of \$35,000.00 with John Cooper
- PG. 83   **7. Subject:** Carl Moyer Agricultural Equipment Replacement Program – Duane Crum  
          **Recommendation:** Approve Resolution 20-05 authorizing the APCO to execute grant agreement 18-22-CMP-05 in the amount of \$35,000.00 with Duane Crum
- PG. 101   **8. Subject:** Carl Moyer Agricultural Equipment Replacement Program – Schroeder, Inc  
          **Recommendation:** Approve Resolution 20-06 authorizing the APCO to execute grant agreement 18-22-CMP-06 in the amount of \$22,081.91 with Schroeder, Inc
- PG. 119   **9. Subject:** AB 617 Community Air Protection Incentives Grant Agreement  
          **Recommendation:** Approve Resolution 20-07 approving the District’s participation in the FY 2019-20 Community Air Protection Program.
- PG. 135   **10. Subject:** Wood Stove Replacement Program Cycle 4  
          **Recommendation:** Approve Resolution 20-08 allocating the funding for Cycle 4 of the Wood Stove Replacement Program.
- PG. 137   **11. Subject:** FARMER Program – Year 3  
          **Recommendation:** Approve Resolution 20-09 accepting Program Funds and amending the District budget.

## **I.      ADJOURN**

NEXT SCHEDULED GOVERNING BOARD MEETING DECEMBER 8, 2020.

**UNAPPROVED MINUTES  
LASSEN COUNTY AIR POLLUTION CONTROL DISTRICT  
GOVERNING BOARD  
6-9-2020**

The Board convened in regular session at 3:00 P.M. in Jensen Hall at the Lassen County Fairgrounds, located at Fairgrounds Rd., Susanville, CA, with; Chairman Stafford, Vice Chairman Gallagher, Directors Jeff Hemphill, Brian Moore, Quincy McCourt present. Also present were: Erik Edholm, Air Pollution Control Officer (APCO) and Angelina Chamblee, Administrative Staff Assistant. Director Tom Hammond absent.

**C. AGENDA APPROVAL**

Motion by Director Hemphill, second by Director Gallagher, to approve the June 9, 2020 agenda. Motion carried. Director Tom Hammond absent.

**D. APPROVAL OF MINUTES:**

Motion for approval of the minutes for the meeting of May 12, 2020 by Director Hemphill, second by Vice Chairman Gallagher. Motion carried. Director Hammond absent.

**E. BOARD ISSUES / REPORTS:**

Vice Chairman Gallagher asked if Mr. Edholm was going to follow through with issuing each board member of the Spalding Community Services District (SCSD) a Notice of Violation (with fees attached). Mr. Edholm state he spoke with District Counsel who advised the District to issue SCSD a notice of violation, and not the individual board members. Because the SCSD board members took action under their roles as board members, the District can't take action against the individual board members. Mr. Edholm informed the board the District will issue a Notice of Violation to the SCSD.

**F. CORRESPONDENCE:**

NO CORRESPONDENCE

**G. PUBLIC COMMENT:**

NO COMMENTS

**H. MATTERS FOR BOARD CONSIDERATION:**

**1. Report on District Activities**

Carl Moyer / Farmer Related Activities:

Mr. Edholm advised the Board LCAPCD awarded a Carl Moyer project last month. The pre-inspection has been done and we are waiting for them to cut up the existing tractor so that payment can be issued.

Farmer is on year 3 application period expiring on July 1, 2020 with 10 or 11 applicants now. Farmer 2 had two tractors, four ATV/UTV's and one truck inspection and all inspections have been done with the exception of one tractor. UTV's are 60 days out once they order them.

Wood Stove Replacement Program Cycle II:

Mr. Edholm explained all the vouchers have been issued and we are waiting on three projects at this point. Cycle III for this program has been defunded due to budget cuts and will not be available any longer. LCAPCD had their own program a few years ago, he will look at the reserves and see if there is funding for it.

Residential Green Waste Disposal Program Development:

There was a green waste pickup over the weekend in Clear Creek. One in Lake Forest and one in Westwood for the next two weekends. Clear Creek had six 30-yard bins. The total for all clean ups will be around \$10,000.

Board Meeting Time Change:

Mr. Edholm addressed the suggestion by the Board of changing the board meeting times to 1:00 pm on Tuesdays. HUSA has their board meetings at the same time so it is possible the venue may need to change or the day of the week LCAPCD board meetings are on. He will look into changing the meetings to the county board room.

**2. May 2020 Financial Report:**

Mr. Edholm presented the Financial reporting from April 2020 through May 2020. He explained the reports detail the revenue and expenditures of the District. He also described the type of revenue sources the District receives and outlined expenditures the District incurs monthly. The net ending balance in May 2020 is \$328,440.43.

**3. Budget Review:**

Mr. Edholm presented the proposed budget for FY 2020-2021 to the board. Vice Chairman Gallagher recommended LCAPCD to get an air pollution monitor and a Delta Calc. Mr. Edholm will get quotes.

Motion to approve Resolution 19-16 adopting the Fiscal Year 2020-2021 budget by Vice Chairman Gallagher, second by Director McCourt. Director Hammond absent.

**L. ADJOURN 3:54 P.M.**

Motion by Chairman Stafford, second by Director Hemphill, to adjourn the June 9, 2020 Lassen County Air Pollution Control District Governing Board Meeting. Motion carried. Director Hammond absent.

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Erik Edholm  
*Air Pollution Control Officer*  
Angelina Chamblee  
*Administrative Staff Assistant*

Meeting of October 13, 2020

To: Governing Board

From: Erik Edholm, APCO

Subject: Report on District Activities

The District has been involved in the following since the last meeting:

- Carl Moyer/FARMER Related Activities
  - o Respond to various questions
  - o Review existing agreements
  - o Carl Moyer project selection
  - o Tractor, ATV, and truck inspections
- Woodsmoke Reduction Program Cycle II
  - o 37 Vouchers issued
  - o 6 Standard Vouchers (\$1500)
  - o 31 Enhanced Vouchers (\$3000)
  - o 34 Projects completed
- Residential Green Waste Disposal Program
- Wildfire Smoke Monitoring
- Renew Existing Permits
- Permit Modifications

Some of these items will likely become the subject of future agenda items for Board discussion.

Staff can answer questions about any of these items as necessary.

Respectfully Submitted,

Erik Edholm  
Air Pollution Control Officer



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*Administrative Staff Assistant*

Meeting of October 13, 2020

To: Governing Board

Subject: June 2020 Financial Report

Opening Balance:	\$ 404,080.63
CCI Woodsmoke Program	\$ 11,830.64
Carl Moyer Program Balance	\$ 63,809.56
<b>Net Beginning Balance:</b>	<b>\$ 328,440.43</b>
<u>Revenue:</u>	
Permits	\$ 12,688.93
DMV Fee Revenue	\$ 12,685.82
Property Tax	\$ 733.25
AB 197 Admin	\$ 8,583.00
Carl Moyer	\$ 200,000.00
CCI Woodsmoke Reduction Program	\$ 1,425.00
Interest (Fair Market Value Adjustment)	\$ 5,896.08
<b>Total Revenue</b>	<b>\$ 242,012.08</b>
<u>Expenditures:</u>	
Contract Services – City of Susanville	
Salaries and Benefits	\$ 14,124.00
Services and Supplies	\$ 968.00
Carl Moyer Grant	\$ 0.00
Farmer Grants	\$ 0.00
CCI Grant (3 grants)	\$ 4,500.00
<b>Total Expenditures</b>	<b>\$ 19,592.00</b>
 Ending Balance	 <b>\$ 626,500.71</b>
 Carl Moyer Program Balance	 \$ 241,021.57
CCI Woodsmoke Program	\$ 7,675.72
<b>Net Ending Balance:</b>	<b>\$ 376,378.42</b>

# LASSEN COUNTY AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD

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Erik Edholm  
*Air Pollution Control Officer*  
Angelina Chamblee  
*Administrative Staff Assistant*

Meeting of October 13, 2020

To: Governing Board

Subject: July 2020 Financial Report

Opening Balance:	\$ 626,500.71
CCI Woodsmoke Program	\$ 7,675.72
Carl Moyer Program Balance	\$ 241,021.57
<b>Net Beginning Balance:</b>	<b>\$ 376,378.42</b>
<u>Revenue:</u>	
Permits	\$ 686.66
DMV Fee Revenue	\$ 0.00
Property Tax	\$ 0.00
AB 197 Admin	\$ 0.00
Carl Moyer	\$ 0.00
CCI Woodsmoke Reduction Program	\$ 0.00
Interest (Fair Market Value Adjustment)	\$ (1,727.78)
<b>Total Revenue</b>	<b>\$ (1,041.12)</b>
<u>Expenditures:</u>	
Contract Services – City of Susanville	
Salaries and Benefits	\$ 17,574.00
Services and Supplies	\$ 968.00
Carl Moyer Grant	\$ 0.00
Farmer Grants	\$ 0.00
Air Pollution Grant	\$ 135,000.00
<b>Total Expenditures</b>	<b>\$ 153,542.00</b>
 Ending Balance	 <b>\$ 470,492.59</b>
 Carl Moyer Program Balance	 \$ 240,175.58
CCI Woodsmoke Program	\$ 7,602.73
<b>Net Ending Balance:</b>	<b>\$ 222,714.28</b>



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## **Staff**

Erik Edholm  
*Air Pollution Control Officer*  
Angelina Chamblee  
*Administrative Staff Assistant*

Meeting of October 13, 2020

To: Governing Board

Subject: August 2020 Financial Report

Opening Balance:	\$ 470,492.59
CCI Woodsmoke Program	\$ 7,602.73
Carl Moyer Program Balance	\$ 240,175.58
<b>Net Beginning Balance:</b>	<b>\$ 222,714.28</b>
<b><u>Revenue:</u></b>	
Permits	\$ 4,668.77
DMV Fee Revenue	\$ 7,726.18
Property Tax	\$ 0.00
Farmers Program	\$ 339,713.64
AB 617	\$ 29,752.00
CCI Woodsmoke Reduction Program	\$ 0.00
Interest (Fair Market Value Adjustment)	\$ 0.00
<b>Total Revenue</b>	<b>\$ 381,860.59</b>
<b><u>Expenditures:</u></b>	
Contract Services – City of Susanville	
Salaries and Benefits	\$ 17,574.00
Services and Supplies	\$ 968.00
Carl Moyer Grant	\$ 0.00
Farmer Grants	\$ 0.00
Air Pollution Grant (5 grants)	\$ 121,979.81
<b>Total Expenditures</b>	<b>\$ 140,521.81</b>
 Ending Balance	 <b>\$ 711,831.37</b>
 Carl Moyer Program Balance	 \$ 240,175.58
CCI Woodsmoke Program	\$ 7,602.73
<b>Net Ending Balance:</b>	<b>\$ 464,053.06</b>



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*Administrative Staff Assistant*

Meeting of October 13, 2020

To: Governing Board

From: Erik Edholm, APCO

Subject: Carl Moyer Grant Award, Corder Farms

Attached is a proposed Carl Moyer Grant for execution under 22<sup>nd</sup> Cycle grant, of which the District currently has \$233,514.34 of Cycle 22 funds available for award. The proposed grant is to Corder Farms for a tractor replacement project that will replace a 1975 International Harvester 1566 with a 2015 John Deere 6120R, for a total grant amount of \$35,000.

### **Recommendation:**

Approve Resolution 20-01 authorizing the APCO to execute grant agreement 18-22-CMP-01 in the amount of \$35,000 to Corder Farms.

Respectfully Submitted,

Erik Edholm  
Air Pollution Control Officer



**RESOLUTION NO. 20-01**

**A RESOLUTION BY THE BOARD OF DIRECTORS FOR THE LASSEN COUNTY AIR  
POLLUTION CONTROL DISTRICT APPROVING CARL MOYER GRANT AGREEMENT  
18-22-CMP-01 WITH CORDER FARMS.**

WHEREAS, California Health and Safety Code sections 44275-44299.2 authorize the California Air Resources Board (ARB) to allocate Carl Moyer Program (CMP) funds to local air quality districts to provide financial incentives to both the public and private sectors to implement eligible projects to reduce emissions from on-road, marine, locomotive, agricultural, and off-road engines;

WHEREAS, Lassen County Air Pollution Control District (LCAPCD) has successfully implemented Carl Moyer Program projects in past years to reduce emissions and improve air quality in Northeast Plateau and seeks to continue to reduce emissions from diesel engines through clean air projects;

WHEREAS, the Governing Board approved on March 10, 2020 Resolution 19-09 Accepting Carl Moyer Program Funds from the California Air Resources Board;

WHEREAS, Resolution 19-09 authorized the Air Pollution Control Officer to execute on behalf of the District grant agreements with ARB, and all other necessary documents to implement and carry out the purposes of Resolution 19-09, each year until 2021;

NOW, THEREFORE, BE IT RESOLVED that the Governing Board hereby approves the Air Pollution Control Officer to execute Carl Moyer Grant Agreement 18-22-CMP-01 with Corder Farms;

The foregoing resolution was approved and adopted by the following vote of the Board on October 13, 2020.

AYES:

NOES:

ABSTAIN:

ABSENT:

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Kevin Stafford, Chairman  
Lassen County Air Pollution Control District

ATTEST:

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Erik Edholm  
Air Pollution Control Officer

**LASSEN COUNTY AIR POLLUTION CONTROL DISTRICT  
CARL MOYER HEAVY-DUTY LOW EMISSION INCENTIVE PROGRAM AGREEMENT**

This Agreement (Agreement) is between the Lassen County Air Pollution Control District (District), a public agency of the State of California, and **Corder Farms** (Participant).

**1.0 Recitals**

- 1.1 The District is in nonattainment of the state air quality standards for particulate matter and is impacted by the effects of toxic air contaminants, including diesel particulate matter and other pollutants from mobile sources.
- 1.2 On December 11, 2007, the District Governing Board approved Resolution No. 18-07-CMP-10, authorizing the District's participation in the CARB Carl Moyer Program which is a Heavy-Duty Low Emission Vehicle Incentive Program (Program), which is hereby incorporated by reference and made part of this agreement.
- 1.3 On September 23, 2004, Governor Schwarzenegger signed Assembly Bills 923, 1394, and 2128 which made major changes to the Carl Moyer Program and projects funded using Department of Motor Vehicles Surcharges, expanding the Program to include light-duty vehicles, Fleet Modernization, and agricultural assistance projects.
- 1.4 To implement mobile source emission reduction projects, the Program provides incentives to fleet operators and individuals for the purchase, repower and/or retrofit of low-emission on-road motor vehicles, off-road mobile equipment, and agricultural water pumps.
- 1.5 The Participant wishes to participate in the Program by purchasing and operating the equipment described in this Agreement and represents that the purchase is not required by any local, state, and/or federal rule, regulation, memorandum, or other legally binding agreement, with the exception of certain agricultural projects described in Health and Safety Code sections 41081(d)(2)(ii), 41802 and 44275.
- 1.6 The Participant has read and agreed to all requirements of the Program application and guidelines which are hereby incorporated into this Agreement.
- 1.7 This Agreement is a voluntary act intended to accelerate the introduction of low-emission vehicle and engine technology designed to reduce emissions of oxides of nitrogen, particulate matter, reactive organic gases, toxic air contaminants, and oxides of carbon within Lassen County.
- 1.8 This Agreement was approved for use by the District's Board of Directors on December 14, 2010.
- 1.9 On October 13, 2020, The District Governing Board authorized making this contract with Participant.

## Terms and Conditions

### 2.1 Definitions

2.1.1 “Applicable emission standards” are defined as the emission standards for oxides of nitrogen (NO<sub>x</sub>), particulate matter (PM), hydrocarbons, and carbon monoxide established by the California Air Resources Board (CARB) or the United States Environmental Protection Agency (USEPA) for a model year vehicle or engine. For “phase-in” or “interim” engines the following standards apply:

Engine Model Year	Power Rating	NO <sub>x</sub> Standard	PM Standard
2007-2009 On-Road	All On-Road Heavy-Duty Diesel Engines	1.2 g/bhp-hr	0.01 g/bhp-hr
2012-2013 Off-Road	56 – 129 kW (75 – 174 HP)	2.2 g/kW-hr (1.6 g/bhp-hr)	0.02 g/kW-hr (0.01 g/bhp-hr)
2011-2013 Off-Road	130 – 560 kW (175 – 749 HP)	2.2 g/kW-hr (1.6 g/bhp-hr)	0.02 g/kW-hr (0.01 g/bhp-hr)

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

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

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

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

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

2.1.7 “Off-road equipment” is defined as a self-propelled device not intended for operation on a highway and is powered by an engine certified to off-road or nonroad emission standards.

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

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

2.1.10 "Tier 3" is defined as the emission certification of an off-road compression ignition engine to the Tier 3 emission standards as described in §2423(b)(1) of the California Code of Regulations.

2.1.11 "Verified" is defined as a device, fuel, or system that is verified by CARB or the USEPA to reduce emissions from a mobile source by a verified amount.

## 2.2 Participant Obligations – the Participant will:

2.2.1 ☒ Participant agrees that the original engine(s) to be replaced by this program is the same as the engine(s) stated in Participant's application and restated in Exhibit A. Said engine(s) will be destroyed immediately or otherwise rendered unusable immediately after new engine installation. Participant agrees that the District may directly observe the Participant's destruction of the engine and/or be provided proof of destruction or nonuseability within 30 days of new engine installation. Engine destruction may include but is not limited to: salvage receipt (with serial number), placing a hole (at least five inches in diameter) in the engine block (with accompanying photos with serial numbers visible in said photos), welding the cylinder(s) to prevent any re-use, or any other means acceptable to the District.

☐ N/A - Retrofit

2.2.2 Purchase, invoice the District, and operate the equipment described in Exhibit A by **April 30<sup>th</sup>, 2021**. Participant may submit a written request to extend this Section if the project cannot be successfully completed due to circumstances beyond the Participant's reasonable control.

2.2.3 Ensure that a functioning hour meter is installed on the equipment described in Exhibit A for the life of the project.

2.2.4 Operate the equipment described in Exhibit A in Lassen County during the term of this agreement in accordance with the requirements in Exhibit B. In addition to meeting the operating requirements established in Exhibit B, 75% of the vehicles total operation must occur within California. Agricultural water pumps are required to operate 100% within Lassen County.

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

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

## 2.3 Payment

2.3.1 The District will reimburse the Participant up to **\$35,000.00** towards the cost of the vehicle(s) or equipment identified in Exhibit A within 60 days of receipt of an itemized invoice.



- 2.3.2 Any payments made under this Agreement are subject to the provisions and limitations of Health and Safety Code. The District shall have no liability for payment of any compensation and expenses that are found to be in contravention of the Health and Safety Code or any other local, state, or federal law. The Participant shall reimburse the District for any payments that are later found to be in contravention of the Health and Safety Code or any other local, state, or federal law.
- 2.3.3 No payments shall be issued under this Agreement prior to final inspection of the project by District personnel.
- 2.3.4 Payment of compensation shall be made by the District to Contractor within sixty (60) days after receipt by District of statement of charges and completion of final inspection. Such statement shall be checked and approved by a person or persons designated by the District.
- 2.3.5 Payments made under this Agreement are subject to taxation and an IRS Form 1099 will be issued to the Participant. Funds may be withheld by the District as required by law for payment of tax liabilities and/or other court-ordered payments.

## 2.4 General Program Requirements

- 2.4.1 The Participant warrants that the vehicle(s)/engine(s) covered under this Agreement meets all the eligibility requirements described in the Program application and guidelines. The Participant further agrees to operate the vehicle(s)/engine(s) in a manner that is consistent with the eligibility requirements in the guidelines and the goals and objectives of the Program.
- 2.4.2 The Participant cannot apply for or receive additional incentive funds, including but not limited to the state Carl Moyer Program inter-district fund or any other air district fund, including those funds used as matching funds, for any equipment listed in Exhibit A of this Agreement. This requirement may be waived by District staff on an individual basis. If the District discovers that the Participant has applied for or received funds from these sources, the District will terminate this Agreement and require that any funds paid under this Agreement be returned to the District.
- 2.4.3 The Participant agrees to operate the equipment described in Exhibit A within the manufacturer's specifications including all maintenance and fueling requirements. An operational odometer, hour meter, or other District-approved usage measuring device must be installed on all projects and maintained for continuous operation. Under no circumstances may the Participant make any modifications to or tamper with the vehicle, equipment, engine, emission control system(s), or any recording devices on the vehicle or equipment prohibited under CARB and USEPA regulations. The Participant also agrees to operate the vehicle, engine, and/or equipment in compliance with all local, state, and federal rules, laws, and regulations.

2.4.4 Participant shall cooperate with the District and CARB in implementation, monitoring, enforcement, and other efforts to assure the emission benefits from the project are real, quantifiable, surplus, and enforceable.

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

2.5.1 The low-emission engine or engine retrofit must be either:

- (i) CARB Certified; or
- (ii) CARB Verified; or
- (iii) Under an experimental permit issued by CARB; or
- (iv) In cases where federal law preempts state requirements, approved for use by the USEPA

Engines certified to a level that is less stringent than the standard applicable to the replaced engine for any pollutant are ineligible for funding under this agreement.

2.5.2 Any engine retrofit funded under this Agreement must reduce either oxides of nitrogen or particulate matter emissions by a minimum of 25% for either pollutant.

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

- (i) Destroy the replaced or repowered engine in a manner acceptable to the District. If the engine is destroyed, the Participant must permit the District to inspect the destroyed engine; or
- (ii) Implement a District approved destruction alternative. The District may approve a destruction alternative only if special circumstances justifying the use of an alternative exist, and there is no detrimental impact to air quality.

2.6 New Low-Emission Vehicle Purchase – This Agreement is ☐ or is not ☒ subject to the following requirements:

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

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

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

2.6.4 The Participant must submit copies of invoices from service providers that confirm:

- (i) Installation of digital odometer/hour meter; and
- (ii) Vehicle finance documents

Each invoice must include vehicle identification number, engine serial number, odometer reading, and date service was provided.

2.6.5 The Participant agrees to the following motor vehicle title requirements:

- (i) The Participant will provide a copy of the replacement vehicle's title to the District, demonstrating that the District is named as a lien holder for the vehicle.
- (ii) The Participant must be the legal owner of the replacement vehicle through the length of this Agreement.
- (iii) If the replacement vehicle is financed, the Participant will list both the District and the Finance Company as lien holders for the vehicle.
- (iv) If the replacement vehicle is financed, and the loan is repaid before the termination of this Agreement, the Participant must ensure that the District remains a lien holder on the replacement vehicle through the end date listed in Section 2.9.1.
- (v) If the replacement vehicle is repossessed by the finance company, the Participant must reimburse the District in accordance with the termination formula in Section 2.7.
- (vi) Any changes to the replacement vehicle's title must be approved in writing by the District.

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

$$A = I * [(O * L) - C] / (O * L)$$

A = Amount Owed to the District

I = Total Incentive Award

O = Annual Operational Requirement (miles, hours or gallons)

L = Length of the Agreement in Years

C = Actual Operation (miles, hours, or gallons)

The APCO may, at his or her sole discretion, relieve this obligation to return the funds after considering the circumstances leading to the failure to fulfill the minimum performance requirements. Additionally, the APCO may, at his or her sole discretion, require full reimbursement of all funds paid to the Participant as outlined in Section 2.9.10.

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

## 2.9 General Requirements

2.9.1 This Agreement shall begin upon execution by all parties and terminate on **April 1<sup>st</sup>, 2024**. No work may begin on this project until this Agreement is executed by all parties. For this Agreement, the timeframe indicated by the execution of this Agreement and the afore-mentioned termination date shall serve as the contract term including both the project completion and project implementation/life periods.

2.9.2 Except as specified in Section 2.9.2(ii), the receipt of funds and performance under this Agreement prohibits application for any form of emission reduction credit for the life of the contract term outlined in Section 2.9.1.

- (i) This prohibition includes, but is not limited to all attainment, nonattainment, criteria and noncriteria pollutants, Application for Emission Reduction Credits (ERC), Mobile Emission Reduction Credits (MERC) and/or Certificates of Advanced Placement (CAP). This prohibition extends to credits from all Air Quality Management or Air Pollution Control Districts.
- (ii) For projects involving the replacement of a stationary diesel agricultural water pump with an electric water pump in conjunction with the Pacific Gas & Electric Company's (PG&E) PUC-approved discounted AG-ICE electric rate program, PG&E may retain all of the carbon dioxide credits and a portion of the remaining emission credits for reductions generated through this Agreement. The portion of the remaining emission credits retained by PG&E will be the difference in emissions between a Tier 3 diesel engine and the emissions associated with generating electricity for the electric pump.

2.9.3 The District, CARB, or their designee may conduct an audit of the Participant's operations to verify that the Participant is complying with the Agreement terms.

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

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

- 2.9.4 The Participant shall defend, indemnify, and hold harmless District, CARB, its officers, agents, employees and volunteers from any and all losses, costs, damages, fines or expenses (including attorney fees, court costs and expert fees) or liability of any kind or character to any person or property arising from, or alleged to arise from, any breach of the responsibilities required of the Participant by this Agreement or which are related in any way to the vehicle(s)/equipment, including any and all liability for general, special, consequential, or other damages resulting from the use of the vehicle(s)/equipment by the Participant, for which financial assistance or other incentives are received from the District by the Participant.
- 2.9.5 Participant shall complete and return all requested information and surveys sent from the District, yearly, on **January 1<sup>st</sup>** of each year, for at least **Three years** from the commencement of operation. Noncompliance with the reporting requirements shall require on-site monitoring or inspection by the District. The Participant shall keep the following records from the beginning of operation of the equipment described in Exhibit A through the end of the term described in Section 2.9.1 and for three years following the end date listed in Section 2.9.1. It is the responsibility of the Participant to maintain records adequate to document the subsequent information. The District may request these records at any time during the term of this Agreement, including:

For On-Road Projects	For Off-Road Projects
1. Copies of all driver log book entries for the preceding year	1. Hours operated
2. Miles traveled	2. Fuel consumed
3. Fuel consumed	3. Fuel cost
4. Fuel cost	4. Engine downtime
5. Vehicle downtime	5. Type and cost of maintenance performed
6. Type and cost of maintenance performed	

- 2.9.6 The Participant shall maintain in force at all times during the term of this Agreement and any extensions or modifications thereto, insurance in accordance with Exhibit C. In the event the Participant does not have the required certificate of insurance, or if the required insurance lapses, this Agreement shall be terminated immediately.
- 2.9.7 No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by both parties.
- 2.9.8 The Participant shall observe and comply with all applicable federal, state and District statutes, ordinances, regulations, rules, directives, and laws. This Agreement shall be deemed to be executed within the State of California and construed in accordance with and governed by the laws of the State of

California. If a provision of this Agreement violates any applicable law or regulation, that provision will be stricken from the Agreement, and all other provisions will remain in full force. Any action or proceeding arising out of this Agreement shall be filed in a state court or federal court located in Lassen County, California.

- 2.9.9 No performance rendered or payment due under this Agreement may be delegated or assigned without the written consent of all the parties hereto. If the Participant assigns any of its rights or obligations under this contract, all of the terms and conditions of this contract shall apply to the Participant's assignee.
- 2.9.10 The Participant will submit written documentation of performance towards the requirements outlined in Exhibit B to the District by December 31 of each year until termination of this Agreement. The District may request additional performance documentation at its discretion.
- 2.9.11 This agreement may be terminated by the District upon 30-day notice if the Participant fails to meet any of the obligations established in this Agreement or outlined in the Carl Moyer Program guidelines or the Health and Safety Code. If the Agreement is terminated, the Participant will refund the entire incentive paid by the District. The APCO may, at his or her discretion, waive the refund or allow the Participant an opportunity to cure its failure to meet the Agreement obligations. Additionally, the District and/or CARB may seek all available remedies for breaches of any Agreement provisions, Carl Moyer Program requirements, or Health and Safety Code.
- 2.9.12 The Participant may not sell or encumber the equipment described in Exhibit A without the written consent of the District.
- 2.9.13 The District has made no representations or guarantees to the Participant regarding the quality, condition, or proposed use of the low emission vehicle and engine technology funded under this Agreement or the effects of such technology on the normal operations of the Participant.
- 2.9.14 If either of the events listed in this paragraph occur, the Participant must notify the District within 30 days of the date Participant knows, or should have known, that the event has occurred or is likely to occur:
  - (i) The Participant suffers a catastrophic loss; or
  - (ii) The Participant files for bankruptcy; or
  - (iii) Any other event has occurred or is likely to occur that could impair the Participant's ability to perform the conditions of this Agreement.
- 2.9.15 This Agreement will bind the successors of the District and Participant in the same manner as if they were expressly named.

2.9.16 Correspondence between the District and Participant should be addressed to the following:

To District	To Participant
Lassen County APCD 720 South Street Susanville, CA 96130 Phone: (530) 257-1041 Fax: (530) 257-1057	Travis Corder 540-255 Little Valley Rd McArthur, CA 96056 Phone: (530) 521-2200

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

2.9.17 This Agreement consists of the following:

- (i) Participant Agreement
- (ii) Exhibit A – Vehicle and Engine Information Page
- (iii) Exhibit B – Performance Requirements
- (iv) Exhibit C – Insurance Requirements

**DISCLOSURE AGREEMENT:** The undersigned representative of Participant affirmatively states that neither they nor any other representative of Participant will submit another application or sign another contract for the same engine(s), equipment, and/or vehicle(s) detailed in Exhibit A with any other source of funds, including but not limited to other air districts or multidistrict funding under the Carl Moyer Program.

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

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

**Approved by Participant**

\_\_\_\_\_ **Date:** \_\_\_\_\_

**Approved by the Lassen County Air Pollution Control District**

\_\_\_\_\_ **Date:** \_\_\_\_\_  
Erik Edholm  
Air Pollution Control Officer

**Approved to as form:**

\_\_\_\_\_ **Date:** \_\_\_\_\_  
Greg Einhorn  
District Counsel



## EXHIBIT A

### Vehicle / Equipment Information Form

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

Farming

**Equipment:**

Agricultural Tractor

**Project Type:**

Replacement

#### Counties Vehicle Currently Operates

Lassen County	Modoc County, Shasta County
Main Location of Operation (include cross streets)	

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

	Within the Lassen County Area	Outside of Lassen County Area	Total Operation
Hours	100%	0%	777 Hours

#### Existing Vehicle Information

Make: International Harvester	Model: 1566	Model Year: 1975	GVWR:
Vehicle Identification Number: 2650125U008199	Fleet Identification Number:	License Plate:	Odometer:

#### Existing Engine Information

Make: International Harvester	Model: 7.1L	Model Yr: 1975	Serial Number: N/A	HP: 161	Hour Meter: N/A
Fuel Type: Diesel					

#### New or Replacement Vehicle Information

Make: John Deere	Model: 6120 R	Model Year: 2015	GVWR:
Vehicle Identification Number:	Fleet Identification Number:	License Plate:	Odometer:

#### New Engine or Retrofit System Information

Make: John Deere	Model: 4.5 L Powertech	Model Yr: 2015	Serial Number: CD4045U08225	HP: 120	NOx Cert:
Fuel Type: Diesel					

## EXHIBIT B – PERFORMANCE REQUIREMENTS

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

Vehicle and Engine Year Make & Model*	Vehicle and Engine Serial Numbers*	Minimum Usage (hours)	Anticipated Annual NOx Reduction (tons)	Payback Requirement per Hour	Maximum Incentive Amount
2015 John Deere 6120R Tractor		2,331	1.359	\$15.02	\$35,000.00
<b>Total</b>					

\* The District will fill in information upon verification of project completion.

## EXHIBIT C – INSURANCE REQUIREMENTS

### INSURANCE

Contractor agrees to maintain any and all insurance required for the term of this contract. Limits of liability and coverage details are pursuant to the District's insurance requirements specification. The following insurance coverage is required:

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

CONTRACTOR shall furnish the DISTRICT with certificate(s) of insurance or self-insurance and/or original endorsement(s) and/or insurance binder(s) affecting coverage required below. The certificates, endorsements, and/or binders for each insurance policy are to be signed by a person authorized by the insurer to effect coverage on its behalf. The certificates, endorsements, and/or binders are to be received and approved by the DISTRICT before work commences. The DISTRICT reserves the right to require complete, certified copies of all required insurance policies, at any time. If CONTRACTOR provides self-insurance, it shall, on intervals specified by the APCO, provide financial statements sufficiently detailed so as to allow the APCO to assess CONTRACTOR'S capability of providing such self-insurance. The APCO may reject self-insurance coverage where he finds that sufficient coverage will not be afforded to the DISTRICT.

During the term of the Agreement, CONTRACTOR shall, at its sole expense, obtain and maintain in full force and affect the type and limits of liability requirements as follows:

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

"Claims made" policies are unacceptable.

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

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

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

- B. **Public Entities/Self-Insured Status:** CONTRACTOR shall maintain status as a legally self-insured public entity for general liability and shall maintain a self-insured retention of three

hundred thousand dollars (\$300,000) per occurrence.

- C. **Professional Liability Insurance** (when the contract involves professional services such as engineering, architectural, legal, accounting, instructing, and consulting, professional liability insurance is required. If not contracting for professional services, delete this paragraph.) Professional liability insurance covering professional services shall be provided in an amount of at least \$1,000,000 per occurrence or \$1,000,000 on a claims made basis. However, if coverage is written on a claims made basis, the policy shall be endorsed to provide at least a two-year extended reporting provision.

- II. **Workers Compensation and Employers Liability:** CONTRACTOR shall carry full Worker's Compensation insurance coverage for all persons directly employed or volunteers, in carrying out the work under this contract, in accordance with the "Worker's Compensation and Insurance Act", Division IV of the Labor Code of the State of California and any acts amendatory thereof. Employer's Liability statutory limits will apply. If CONTRACTOR has no employees, no Worker's Compensation coverage is required. If CONTRACTOR hires subcontractors to perform under this agreement, the CONTRACTOR shall assure that the subcontractor carries workers compensation insurance for all of its employees, who are required to be covered by applicable law.

- III. **Notice of Cancellation.** Each insurance policy shall be endorsed, and evidence of such endorsement shall be provided to the DISTRICT, that coverage not be suspended, voided, canceled, reduced in coverage or in limits, or material change in coverage, except after thirty (30) days prior written notice has been given to the DISTRICT. Ten-(10) days prior written notice of cancellation for non-payment of CONTRACTOR's insurance premium is permissible.

- IV. **Additional Insured:** It is mandatory that all of the above insurance policies (except workers compensation) shall include the DISTRICT as additional insured. The DISTRICT, its officials, trustees, agents, employees, and volunteers are to be covered as additional insured as respects liability arising out of activities performed by or on behalf of the CONTRACTOR.

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

- A. **Excess/Umbrella:** An excess policy or an umbrella policy (following form) may be utilized to meet the above-required limits of liability.
- B. **Supplementary Payments:** The above-stated limits of liability coverage for Commercial/Comprehensive General Liability, and Business Automobile Liability assumes that the standard "supplementary payments" clause will pay in addition to the applicable limits of liability and that these supplementary payments are not included as part of the insurance limits of liability. If any of the policies indicate that defense costs are included in the general aggregate limit, then the general aggregate limits must be a multiple of the per occurrence limits.
- C. **Contractors' Insurance as Primary:** The CONTRACTOR's insurance coverage shall be primary insurance. Any insurance or self-insurance maintained by the DISTRICT, its officials, trustees, agents, employees or volunteers shall be excess to the CONTRACTOR's insurance and shall not contribute with it.
- D. **Acceptability of Insurers:** Insurance is to be placed with admitted State of California insurers which have an A.M. Best's rating of no less than A: VII, or be an equivalent program of self-insurance.
- E. **District Risk Manager Exceptions:** Any exceptions to the above insurance requirements are subject to the concurrence of the DISTRICT'S Risk Manager.

**LASSEN COUNTY AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD****GOVERNING BOARD**

Kevin Stafford, *Chairman*  
Chris Gallagher, *Vice Chairman*  
Tom Hammond  
Jeff Hemphill  
Quincy McCourt  
Brian Moore

**Staff**

Erik Edholm  
*Air Pollution Control Officer*  
Angelina Chamblee  
*Administrative Staff Assistant*

Meeting of October 13, 2020

To: Governing Board

From: Erik Edholm, APCO

Subject: Carl Moyer Grant Award, Henry Crane

Attached is a proposed Carl Moyer Grant for execution under 22<sup>nd</sup> Cycle grant, of which the District currently has \$233,514.34 of Cycle 22 funds available for award. The proposed grant is to Henry Crane for a tractor replacement project that will replace a 1988 John Deere 4650 with a 2020 John Deere 6120E, for a total grant amount of \$35,000.

**Recommendation:**

Approve Resolution 20-02 authorizing the APCO to execute grant agreement 18-22-CMP-02 in the amount of \$35,000 to Henry Crane.

Respectfully Submitted,

Erik Edholm  
Air Pollution Control Officer



**RESOLUTION NO. 20-02**

**A RESOLUTION BY THE BOARD OF DIRECTORS FOR THE LASSEN COUNTY AIR  
POLLUTION CONTROL DISTRICT APPROVING CARL MOYER GRANT AGREEMENT  
18-22-CMP-02 WITH HENRY CRANE.**

WHEREAS, California Health and Safety Code sections 44275-44299.2 authorize the California Air Resources Board (ARB) to allocate Carl Moyer Program (CMP) funds to local air quality districts to provide financial incentives to both the public and private sectors to implement eligible projects to reduce emissions from on-road, marine, locomotive, agricultural, and off-road engines;

WHEREAS, Lassen County Air Pollution Control District (LCAPCD) has successfully implemented Carl Moyer Program projects in past years to reduce emissions and improve air quality in Northeast Plateau and seeks to continue to reduce emissions from diesel engines through clean air projects;

WHEREAS, the Governing Board approved on March 10, 2020 Resolution 19-09 Accepting Carl Moyer Program Funds from the California Air Resources Board;

WHEREAS, Resolution 19-09 authorized the Air Pollution Control Officer to execute on behalf of the District grant agreements with ARB, and all other necessary documents to implement and carry out the purposes of Resolution 19-09, each year until 2021;

NOW, THEREFORE, BE IT RESOLVED that the Governing Board hereby approves the Air Pollution Control Officer to execute Carl Moyer Grant Agreement 18-22-CMP-02 with Henry Crane;

The foregoing resolution was approved and adopted by the following vote of the Board on October 13, 2020.

AYES:

NOES:

ABSTAIN:

ABSENT:

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Kevin Stafford, Chairman  
Lassen County Air Pollution Control District

ATTEST:

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Erik Edholm  
Air Pollution Control Officer

**LASSEN COUNTY AIR POLLUTION CONTROL DISTRICT  
CARL MOYER HEAVY-DUTY LOW EMISSION INCENTIVE PROGRAM AGREEMENT**

This Agreement (Agreement) is between the Lassen County Air Pollution Control District (District), a public agency of the State of California, and **Henry Crane** (Participant).

**1.0 Recitals**

- 1.1 The District is in nonattainment of the state air quality standards for particulate matter and is impacted by the effects of toxic air contaminants, including diesel particulate matter and other pollutants from mobile sources.
- 1.2 On December 11, 2007, the District Governing Board approved Resolution No. 18-07-CMP-10, authorizing the District's participation in the CARB Carl Moyer Program which is a Heavy-Duty Low Emission Vehicle Incentive Program (Program), which is hereby incorporated by reference and made part of this agreement.
- 1.3 On September 23, 2004, Governor Schwarzenegger signed Assembly Bills 923, 1394, and 2128 which made major changes to the Carl Moyer Program and projects funded using Department of Motor Vehicles Surcharges, expanding the Program to include light-duty vehicles, Fleet Modernization, and agricultural assistance projects.
- 1.4 To implement mobile source emission reduction projects, the Program provides incentives to fleet operators and individuals for the purchase, repower and/or retrofit of low-emission on-road motor vehicles, off-road mobile equipment, and agricultural water pumps.
- 1.5 The Participant wishes to participate in the Program by purchasing and operating the equipment described in this Agreement and represents that the purchase is not required by any local, state, and/or federal rule, regulation, memorandum, or other legally binding agreement, with the exception of certain agricultural projects described in Health and Safety Code sections 41081(d)(2)(ii), 41802 and 44275.
- 1.6 The Participant has read and agreed to all requirements of the Program application and guidelines which are hereby incorporated into this Agreement.
- 1.7 This Agreement is a voluntary act intended to accelerate the introduction of low-emission vehicle and engine technology designed to reduce emissions of oxides of nitrogen, particulate matter, reactive organic gases, toxic air contaminants, and oxides of carbon within Lassen County.
- 1.8 This Agreement was approved for use by the District's Board of Directors on December 14, 2010.
- 1.9 On October 13, 2020, The District Governing Board authorized making this contract with Participant.



## Terms and Conditions

### 2.1 Definitions

2.1.1 “Applicable emission standards” are defined as the emission standards for oxides of nitrogen (NO<sub>x</sub>), particulate matter (PM), hydrocarbons, and carbon monoxide established by the California Air Resources Board (CARB) or the United States Environmental Protection Agency (USEPA) for a model year vehicle or engine. For “phase-in” or “interim” engines the following standards apply:

Engine Model Year	Power Rating	NO <sub>x</sub> Standard	PM Standard
2007-2009 On-Road	All On-Road Heavy-Duty Diesel Engines	1.2 g/bhp-hr	0.01 g/bhp-hr
2012-2013 Off-Road	56 – 129 kW (75 – 174 HP)	2.2 g/kW-hr (1.6 g/bhp-hr)	0.02 g/kW-hr (0.01 g/bhp-hr)
2011-2013 Off-Road	130 – 560 kW (175 – 749 HP)	2.2 g/kW-hr (1.6 g/bhp-hr)	0.02 g/kW-hr (0.01 g/bhp-hr)

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

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

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

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

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

2.1.7 “Off-road equipment” is defined as a self-propelled device not intended for operation on a highway and is powered by an engine certified to off-road or nonroad emission standards.

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

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

2.1.10 "Tier 3" is defined as the emission certification of an off-road compression ignition engine to the Tier 3 emission standards as described in §2423(b)(1) of the California Code of Regulations.

2.1.11 "Verified" is defined as a device, fuel, or system that is verified by CARB or the USEPA to reduce emissions from a mobile source by a verified amount.

## 2.2 Participant Obligations – the Participant will:

2.2.1 ☒ Participant agrees that the original engine(s) to be replaced by this program is the same as the engine(s) stated in Participant's application and restated in Exhibit A. Said engine(s) will be destroyed immediately or otherwise rendered unusable immediately after new engine installation. Participant agrees that the District may directly observe the Participant's destruction of the engine and/or be provided proof of destruction or nonuseability within 30 days of new engine installation. Engine destruction may include but is not limited to: salvage receipt (with serial number), placing a hole (at least five inches in diameter) in the engine block (with accompanying photos with serial numbers visible in said photos), welding the cylinder(s) to prevent any re-use, or any other means acceptable to the District.

☐ N/A - Retrofit

2.2.2 Purchase, invoice the District, and operate the equipment described in Exhibit A by **April 30<sup>th</sup>, 2021**. Participant may submit a written request to extend this Section if the project cannot be successfully completed due to circumstances beyond the Participant's reasonable control.

2.2.3 Ensure that a functioning hour meter is installed on the equipment described in Exhibit A for the life of the project.

2.2.4 Operate the equipment described in Exhibit A in Lassen County during the term of this agreement in accordance with the requirements in Exhibit B. In addition to meeting the operating requirements established in Exhibit B, 75% of the vehicles total operation must occur within California. Agricultural water pumps are required to operate 100% within Lassen County.

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

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

## 2.3 Payment

2.3.1 The District will reimburse the Participant up to **\$35,000.00** towards the cost of the vehicle(s) or equipment identified in Exhibit A within 60 days of receipt of an itemized invoice.

- 2.3.2 Any payments made under this Agreement are subject to the provisions and limitations of Health and Safety Code. The District shall have no liability for payment of any compensation and expenses that are found to be in contravention of the Health and Safety Code or any other local, state, or federal law. The Participant shall reimburse the District for any payments that are later found to be in contravention of the Health and Safety Code or any other local, state, or federal law.
- 2.3.3 No payments shall be issued under this Agreement prior to final inspection of the project by District personnel.
- 2.3.4 Payment of compensation shall be made by the District to Contractor within sixty (60) days after receipt by District of statement of charges and completion of final inspection. Such statement shall be checked and approved by a person or persons designated by the District.
- 2.3.5 Payments made under this Agreement are subject to taxation and an IRS Form 1099 will be issued to the Participant. Funds may be withheld by the District as required by law for payment of tax liabilities and/or other court-ordered payments.

## 2.4 General Program Requirements

- 2.4.1 The Participant warrants that the vehicle(s)/engine(s) covered under this Agreement meets all the eligibility requirements described in the Program application and guidelines. The Participant further agrees to operate the vehicle(s)/engine(s) in a manner that is consistent with the eligibility requirements in the guidelines and the goals and objectives of the Program.
- 2.4.2 The Participant cannot apply for or receive additional incentive funds, including but not limited to the state Carl Moyer Program inter-district fund or any other air district fund, including those funds used as matching funds, for any equipment listed in Exhibit A of this Agreement. This requirement may be waived by District staff on an individual basis. If the District discovers that the Participant has applied for or received funds from these sources, the District will terminate this Agreement and require that any funds paid under this Agreement be returned to the District.
- 2.4.3 The Participant agrees to operate the equipment described in Exhibit A within the manufacturer's specifications including all maintenance and fueling requirements. An operational odometer, hour meter, or other District-approved usage measuring device must be installed on all projects and maintained for continuous operation. Under no circumstances may the Participant make any modifications to or tamper with the vehicle, equipment, engine, emission control system(s), or any recording devices on the vehicle or equipment prohibited under CARB and USEPA regulations. The Participant also agrees to operate the vehicle, engine, and/or equipment in compliance with all local, state, and federal rules, laws, and regulations.

2.4.4 Participant shall cooperate with the District and CARB in implementation, monitoring, enforcement, and other efforts to assure the emission benefits from the project are real, quantifiable, surplus, and enforceable.

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

2.5.1 The low-emission engine or engine retrofit must be either:

- (i) CARB Certified; or
- (ii) CARB Verified; or
- (iii) Under an experimental permit issued by CARB; or
- (iv) In cases where federal law preempts state requirements, approved for use by the USEPA

Engines certified to a level that is less stringent than the standard applicable to the replaced engine for any pollutant are ineligible for funding under this agreement.

2.5.2 Any engine retrofit funded under this Agreement must reduce either oxides of nitrogen or particulate matter emissions by a minimum of 25% for either pollutant.

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

- (i) Destroy the replaced or repowered engine in a manner acceptable to the District. If the engine is destroyed, the Participant must permit the District to inspect the destroyed engine; or
- (ii) Implement a District approved destruction alternative. The District may approve a destruction alternative only if special circumstances justifying the use of an alternative exist, and there is no detrimental impact to air quality.

2.6 New Low-Emission Vehicle Purchase – This Agreement is ☐ or is not ☒ subject to the following requirements:

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

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

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

2.6.4 The Participant must submit copies of invoices from service providers that confirm:

- (i) Installation of digital odometer/hour meter; and
- (ii) Vehicle finance documents

Each invoice must include vehicle identification number, engine serial number, odometer reading, and date service was provided.

2.6.5 The Participant agrees to the following motor vehicle title requirements:

- (i) The Participant will provide a copy of the replacement vehicle's title to the District, demonstrating that the District is named as a lien holder for the vehicle.
- (ii) The Participant must be the legal owner of the replacement vehicle through the length of this Agreement.
- (iii) If the replacement vehicle is financed, the Participant will list both the District and the Finance Company as lien holders for the vehicle.
- (iv) If the replacement vehicle is financed, and the loan is repaid before the termination of this Agreement, the Participant must ensure that the District remains a lien holder on the replacement vehicle through the end date listed in Section 2.9.1.
- (v) If the replacement vehicle is repossessed by the finance company, the Participant must reimburse the District in accordance with the termination formula in Section 2.7.
- (vi) Any changes to the replacement vehicle's title must be approved in writing by the District.

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

$$A = I * [ (O * L) - C ] / (O * L)$$

A = Amount Owed to the District

I = Total Incentive Award

O = Annual Operational Requirement (miles, hours or gallons)

L = Length of the Agreement in Years

C = Actual Operation (miles, hours, or gallons)

The APCO may, at his or her sole discretion, relieve this obligation to return the funds after considering the circumstances leading to the failure to fulfill the minimum performance requirements. Additionally, the APCO may, at his or her sole discretion, require full reimbursement of all funds paid to the Participant as outlined in Section 2.9.10.

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

## 2.9 General Requirements

2.9.1 This Agreement shall begin upon execution by all parties and terminate on **April 1<sup>st</sup>, 2024**. No work may begin on this project until this Agreement is executed by all parties. For this Agreement, the timeframe indicated by the execution of this Agreement and the afore-mentioned termination date shall serve as the contract term including both the project completion and project implementation/life periods.

2.9.2 Except as specified in Section 2.9.2(ii), the receipt of funds and performance under this Agreement prohibits application for any form of emission reduction credit for the life of the contract term outlined in Section 2.9.1.

- (i) This prohibition includes, but is not limited to all attainment, nonattainment, criteria and noncriteria pollutants, Application for Emission Reduction Credits (ERC), Mobile Emission Reduction Credits (MERC) and/or Certificates of Advanced Placement (CAP). This prohibition extends to credits from all Air Quality Management or Air Pollution Control Districts.
- (ii) For projects involving the replacement of a stationary diesel agricultural water pump with an electric water pump in conjunction with the Pacific Gas & Electric Company's (PG&E) PUC-approved discounted AG-ICE electric rate program, PG&E may retain all of the carbon dioxide credits and a portion of the remaining emission credits for reductions generated through this Agreement. The portion of the remaining emission credits retained by PG&E will be the difference in emissions between a Tier 3 diesel engine and the emissions associated with generating electricity for the electric pump.

2.9.3 The District, CARB, or their designee may conduct an audit of the Participant's operations to verify that the Participant is complying with the Agreement terms.

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

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

- 2.9.4 The Participant shall defend, indemnify, and hold harmless District, CARB, its officers, agents, employees and volunteers from any and all losses, costs, damages, fines or expenses (including attorney fees, court costs and expert fees) or liability of any kind or character to any person or property arising from, or alleged to arise from, any breach of the responsibilities required of the Participant by this Agreement or which are related in any way to the vehicle(s)/equipment, including any and all liability for general, special, consequential, or other damages resulting from the use of the vehicle(s)/equipment by the Participant, for which financial assistance or other incentives are received from the District by the Participant.
- 2.9.5 Participant shall complete and return all requested information and surveys sent from the District, yearly, on **January 1<sup>st</sup>** of each year, for at least **Three years** from the commencement of operation. Noncompliance with the reporting requirements shall require on-site monitoring or inspection by the District. The Participant shall keep the following records from the beginning of operation of the equipment described in Exhibit A through the end of the term described in Section 2.9.1 and for three years following the end date listed in Section 2.9.1. It is the responsibility of the Participant to maintain records adequate to document the subsequent information. The District may request these records at any time during the term of this Agreement, including:

For On-Road Projects	For Off-Road Projects
1. Copies of all driver log book entries for the preceding year	1. Hours operated
2. Miles traveled	2. Fuel consumed
3. Fuel consumed	3. Fuel cost
4. Fuel cost	4. Engine downtime
5. Vehicle downtime	5. Type and cost of maintenance performed
6. Type and cost of maintenance performed	

- 2.9.6 The Participant shall maintain in force at all times during the term of this Agreement and any extensions or modifications thereto, insurance in accordance with Exhibit C. In the event the Participant does not have the required certificate of insurance, or if the required insurance lapses, this Agreement shall be terminated immediately.
- 2.9.7 No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by both parties.
- 2.9.8 The Participant shall observe and comply with all applicable federal, state and District statutes, ordinances, regulations, rules, directives, and laws. This Agreement shall be deemed to be executed within the State of California and construed in accordance with and governed by the laws of the State of

California. If a provision of this Agreement violates any applicable law or regulation, that provision will be stricken from the Agreement, and all other provisions will remain in full force. Any action or proceeding arising out of this Agreement shall be filed in a state court or federal court located in Lassen County, California.

- 2.9.9 No performance rendered or payment due under this Agreement may be delegated or assigned without the written consent of all the parties hereto. If the Participant assigns any of its rights or obligations under this contract, all of the terms and conditions of this contract shall apply to the Participant's assignee.
- 2.9.10 The Participant will submit written documentation of performance towards the requirements outlined in Exhibit B to the District by December 31 of each year until termination of this Agreement. The District may request additional performance documentation at its discretion.
- 2.9.11 This agreement may be terminated by the District upon 30-day notice if the Participant fails to meet any of the obligations established in this Agreement or outlined in the Carl Moyer Program guidelines or the Health and Safety Code. If the Agreement is terminated, the Participant will refund the entire incentive paid by the District. The APCO may, at his or her discretion, waive the refund or allow the Participant an opportunity to cure its failure to meet the Agreement obligations. Additionally, the District and/or CARB may seek all available remedies for breaches of any Agreement provisions, Carl Moyer Program requirements, or Health and Safety Code.
- 2.9.12 The Participant may not sell or encumber the equipment described in Exhibit A without the written consent of the District.
- 2.9.13 The District has made no representations or guarantees to the Participant regarding the quality, condition, or proposed use of the low emission vehicle and engine technology funded under this Agreement or the effects of such technology on the normal operations of the Participant.
- 2.9.14 If either of the events listed in this paragraph occur, the Participant must notify the District within 30 days of the date Participant knows, or should have known, that the event has occurred or is likely to occur:
- (i) The Participant suffers a catastrophic loss; or
  - (ii) The Participant files for bankruptcy; or
  - (iii) Any other event has occurred or is likely to occur that could impair the Participant's ability to perform the conditions of this Agreement.
- 2.9.15 This Agreement will bind the successors of the District and Participant in the same manner as if they were expressly named.



2.9.16 Correspondence between the District and Participant should be addressed to the following:

To District	To Participant
Lassen County APCD 720 South Street Susanville, CA 96130 Phone: (530) 257-1041 Fax: (530) 257-1057	Henry Crane 540-090 Little Valley Rd McArthur, CA 96056 Phone: (530) 949-0643

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

2.9.17 This Agreement consists of the following:

- (i) Participant Agreement
- (ii) Exhibit A – Vehicle and Engine Information Page
- (iii) Exhibit B – Performance Requirements
- (iv) Exhibit C – Insurance Requirements

**DISCLOSURE AGREEMENT:** The undersigned representative of Participant affirmatively states that neither they nor any other representative of Participant will submit another application or sign another contract for the same engine(s), equipment, and/or vehicle(s) detailed in Exhibit A with any other source of funds, including but not limited to other air districts or multidistrict funding under the Carl Moyer Program.

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

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

**Approved by Participant**

\_\_\_\_\_ **Date:** \_\_\_\_\_

**Approved by the Lassen County Air Pollution Control District**

\_\_\_\_\_ **Date:** \_\_\_\_\_  
Erik Edholm  
Air Pollution Control Officer

**Approved to as form:**

\_\_\_\_\_ **Date:** \_\_\_\_\_  
Greg Einhorn  
District Counsel

## EXHIBIT A

### Vehicle / Equipment Information Form

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

Farming

**Equipment:**

Agricultural Tractor

**Project Type:**

Replacement

#### Counties Vehicle Currently Operates

Lassen County	Modoc County, Shasta County
Main Location of Operation (include cross streets)	

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

	Within the Lassen County Area	Outside of Lassen County Area	Total Operation
Hours	100%	0%	827 Hours

#### Existing Vehicle Information

Make: John Deere	Model: 4650	Model Year: 1988	GVWR:
Vehicle Identification Number: RW4650P015670	Fleet Identification Number:	License Plate:	Odometer:

#### Existing Engine Information

Make: John Deere	Model: 7.6L	Model Yr: 1975	Serial Number: N/A	HP: 198	Hour Meter: N/A
Fuel Type: Diesel					

#### New or Replacement Vehicle Information

Make: John Deere	Model: 6120 E	Model Year: 2020	GVWR:
Vehicle Identification Number:	Fleet Identification Number:	License Plate:	Odometer:

#### New Engine or Retrofit System Information

Make: John Deere	Model: 4.5 L Powertech	Model Yr: 2020	Serial Number:	HP: 120	NOx Cert:
Fuel Type: Diesel					

## EXHIBIT B – PERFORMANCE REQUIREMENTS

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

Vehicle and Engine Year Make & Model*	Vehicle and Engine Serial Numbers*	Minimum Usage (hours)	Anticipated Annual NOx Reduction (tons)	Payback Requirement per Hour	Maximum Incentive Amount
2020 John Deere 6120 E Tractor		2,481	1.213	\$14.11	\$35,000.00
<b>Total</b>					

\* The District will fill in information upon verification of project completion.

## EXHIBIT C – INSURANCE REQUIREMENTS

### INSURANCE

Contractor agrees to maintain any and all insurance required for the term of this contract. Limits of liability and coverage details are pursuant to the District's insurance requirements specification. The following insurance coverage is required:

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

CONTRACTOR shall furnish the DISTRICT with certificate(s) of insurance or self-insurance and/or original endorsement(s) and/or insurance binder(s) affecting coverage required below. The certificates, endorsements, and/or binders for each insurance policy are to be signed by a person authorized by the insurer to effect coverage on its behalf. The certificates, endorsements, and/or binders are to be received and approved by the DISTRICT before work commences. The DISTRICT reserves the right to require complete, certified copies of all required insurance policies, at any time. If CONTRACTOR provides self-insurance, it shall, on intervals specified by the APCO, provide financial statements sufficiently detailed so as to allow the APCO to assess CONTRACTOR'S capability of providing such self-insurance. The APCO may reject self-insurance coverage where he finds that sufficient coverage will not be afforded to the DISTRICT.

During the term of the Agreement, CONTRACTOR shall, at its sole expense, obtain and maintain in full force and affect the type and limits of liability requirements as follows:

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

"Claims made" policies are unacceptable.

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

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

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

- B. **Public Entities/Self-Insured Status:** CONTRACTOR shall maintain status as a legally self-insured public entity for general liability and shall maintain a self-insured retention of three

hundred thousand dollars (\$300,000) per occurrence.

- C. **Professional Liability Insurance** (when the contract involves professional services such as engineering, architectural, legal, accounting, instructing, and consulting, professional liability insurance is required. If not contracting for professional services, delete this paragraph.) Professional liability insurance covering professional services shall be provided in an amount of at least \$1,000,000 per occurrence or \$1,000,000 on a claims made basis. However, if coverage is written on a claims made basis, the policy shall be endorsed to provide at least a two-year extended reporting provision.

- II. **Workers Compensation and Employers Liability:** CONTRACTOR shall carry full Worker's Compensation insurance coverage for all persons directly employed or volunteers, in carrying out the work under this contract, in accordance with the "Worker's Compensation and Insurance Act", Division IV of the Labor Code of the State of California and any acts amendatory thereof. Employer's Liability statutory limits will apply. If CONTRACTOR has no employees, no Worker's Compensation coverage is required. If CONTRACTOR hires subcontractors to perform under this agreement, the CONTRACTOR shall assure that the subcontractor carries workers compensation insurance for all of its employees, who are required to be covered by applicable law.
- III. **Notice of Cancellation.** Each insurance policy shall be endorsed, and evidence of such endorsement shall be provided to the DISTRICT, that coverage not be suspended, voided, canceled, reduced in coverage or in limits, or material change in coverage, except after thirty (30) days prior written notice has been given to the DISTRICT. Ten-(10) days prior written notice of cancellation for non-payment of CONTRACTOR's insurance premium is permissible.
- IV. **Additional Insured:** It is mandatory that all of the above insurance policies (except workers compensation) shall include the DISTRICT as additional insured. The DISTRICT, its officials, trustees, agents, employees, and volunteers are to be covered as additional insured as respects liability arising out of activities performed by or on behalf of the CONTRACTOR.
- V. In addition, it is understood and agreed that the following be made a part of this Agreement.
- A. **Excess/Umbrella:** An excess policy or an umbrella policy (following form) may be utilized to meet the above-required limits of liability.
- B. **Supplementary Payments:** The above-stated limits of liability coverage for Commercial/Comprehensive General Liability, and Business Automobile Liability assumes that the standard "supplementary payments" clause will pay in addition to the applicable limits of liability and that these supplementary payments are not included as part of the insurance limits of liability. If any of the policies indicate that defense costs are included in the general aggregate limit, then the general aggregate limits must be a multiple of the per occurrence limits.
- C. **Contractors' Insurance as Primary:** The CONTRACTOR's insurance coverage shall be primary insurance. Any insurance or self-insurance maintained by the DISTRICT, its officials, trustees, agents, employees or volunteers shall be excess to the CONTRACTOR's insurance and shall not contribute with it.
- D. **Acceptability of Insurers:** Insurance is to be placed with admitted State of California insurers which have an A.M. Best's rating of no less than A: VII, or be an equivalent program of self-insurance.
- E. **District Risk Manager Exceptions:** Any exceptions to the above insurance requirements are subject to the concurrence of the DISTRICT'S Risk Manager.

**LASSEN COUNTY AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD**

**GOVERNING BOARD**

Kevin Stafford, *Chairman*  
Chris Gallagher, *Vice Chairman*  
Tom Hammond  
Jeff Hemphill  
Quincy McCourt  
Brian Moore

**Staff**

Erik Edholm  
*Air Pollution Control Officer*  
Angelina Chamblee  
*Administrative Staff Assistant*

Meeting of October 13, 2020

To: Governing Board

From: Erik Edholm, APCO

Subject: Carl Moyer Grant Award, John Barnum

Attached is a proposed Carl Moyer Grant for execution under 22<sup>nd</sup> Cycle grant, of which the District currently has \$233,514.34 of Cycle 22 funds available for award. The proposed grant is to John Barnum for a tractor replacement project that will replace a 1994 John Deere 6400 with a 2015 John Deere 6120 R, for a total grant amount of \$35,000.

**Recommendation:**

Approve Resolution 20-03 authorizing the APCO to execute grant agreement 18-22-CMP-03 in the amount of \$35,000 to John Barnum.

Respectfully Submitted,

Erik Edholm  
Air Pollution Control Officer





**RESOLUTION NO. 20-03**

**A RESOLUTION BY THE BOARD OF DIRECTORS FOR THE LASSEN COUNTY AIR  
POLLUTION CONTROL DISTRICT APPROVING CARL MOYER GRANT AGREEMENT  
18-22-CMP-03 WITH JONN BARNUM.**

WHEREAS, California Health and Safety Code sections 44275-44299.2 authorize the California Air Resources Board (ARB) to allocate Carl Moyer Program (CMP) funds to local air quality districts to provide financial incentives to both the public and private sectors to implement eligible projects to reduce emissions from on-road, marine, locomotive, agricultural, and off-road engines;

WHEREAS, Lassen County Air Pollution Control District (LCAPCD) has successfully implemented Carl Moyer Program projects in past years to reduce emissions and improve air quality in Northeast Plateau and seeks to continue to reduce emissions from diesel engines through clean air projects;

WHEREAS, the Governing Board approved on March 10, 2020 Resolution 19-09 Accepting Carl Moyer Program Funds from the California Air Resources Board;

WHEREAS, Resolution 19-09 authorized the Air Pollution Control Officer to execute on behalf of the District grant agreements with ARB, and all other necessary documents to implement and carry out the purposes of Resolution 19-09, each year until 2021;

NOW, THEREFORE, BE IT RESOLVED that the Governing Board hereby approves the Air Pollution Control Officer to execute Carl Moyer Grant Agreement 18-22-CMP-03 with John Barnum;

The foregoing resolution was approved and adopted by the following vote of the Board on October 13, 2020.

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Kevin Stafford, Chairman  
Lassen County Air Pollution Control District

ATTEST:

---

Erik Edholm  
Air Pollution Control Officer

**LASSEN COUNTY AIR POLLUTION CONTROL DISTRICT  
CARL MOYER HEAVY-DUTY LOW EMISSION INCENTIVE PROGRAM AGREEMENT**

This Agreement (Agreement) is between the Lassen County Air Pollution Control District (District), a public agency of the State of California, and **John Barnum** (Participant).

**1.0 Recitals**

- 1.1 The District is in nonattainment of the state air quality standards for particulate matter and is impacted by the effects of toxic air contaminants, including diesel particulate matter and other pollutants from mobile sources.
- 1.2 On December 11, 2007, the District Governing Board approved Resolution No. 18-07-CMP-10, authorizing the District's participation in the CARB Carl Moyer Program which is a Heavy-Duty Low Emission Vehicle Incentive Program (Program), which is hereby incorporated by reference and made part of this agreement.
- 1.3 On September 23, 2004, Governor Schwarzenegger signed Assembly Bills 923, 1394, and 2128 which made major changes to the Carl Moyer Program and projects funded using Department of Motor Vehicles Surcharges, expanding the Program to include light-duty vehicles, Fleet Modernization, and agricultural assistance projects.
- 1.4 To implement mobile source emission reduction projects, the Program provides incentives to fleet operators and individuals for the purchase, repower and/or retrofit of low-emission on-road motor vehicles, off-road mobile equipment, and agricultural water pumps.
- 1.5 The Participant wishes to participate in the Program by purchasing and operating the equipment described in this Agreement and represents that the purchase is not required by any local, state, and/or federal rule, regulation, memorandum, or other legally binding agreement, with the exception of certain agricultural projects described in Health and Safety Code sections 41081(d)(2)(ii), 41802 and 44275.
- 1.6 The Participant has read and agreed to all requirements of the Program application and guidelines which are hereby incorporated into this Agreement.
- 1.7 This Agreement is a voluntary act intended to accelerate the introduction of low-emission vehicle and engine technology designed to reduce emissions of oxides of nitrogen, particulate matter, reactive organic gases, toxic air contaminants, and oxides of carbon within Lassen County.
- 1.8 This Agreement was approved for use by the District's Board of Directors on December 14, 2010.
- 1.9 On October 13, 2020, The District Governing Board authorized making this contract with Participant.

## Terms and Conditions

### 2.1 Definitions

2.1.1 “Applicable emission standards” are defined as the emission standards for oxides of nitrogen (NO<sub>x</sub>), particulate matter (PM), hydrocarbons, and carbon monoxide established by the California Air Resources Board (CARB) or the United States Environmental Protection Agency (USEPA) for a model year vehicle or engine. For “phase-in” or “interim” engines the following standards apply:

Engine Model Year	Power Rating	NO <sub>x</sub> Standard	PM Standard
2007-2009 On-Road	All On-Road Heavy-Duty Diesel Engines	1.2 g/bhp-hr	0.01 g/bhp-hr
2012-2013 Off-Road	56 – 129 kW (75 – 174 HP)	2.2 g/kW-hr (1.6 g/bhp-hr)	0.02 g/kW-hr (0.01 g/bhp-hr)
2011-2013 Off-Road	130 – 560 kW (175 – 749 HP)	2.2 g/kW-hr (1.6 g/bhp-hr)	0.02 g/kW-hr (0.01 g/bhp-hr)

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

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

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

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

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

2.1.7 “Off-road equipment” is defined as a self-propelled device not intended for operation on a highway and is powered by an engine certified to off-road or nonroad emission standards.

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

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

2.1.10 "Tier 3" is defined as the emission certification of an off-road compression ignition engine to the Tier 3 emission standards as described in §2423(b)(1) of the California Code of Regulations.

2.1.11 "Verified" is defined as a device, fuel, or system that is verified by CARB or the USEPA to reduce emissions from a mobile source by a verified amount.

## 2.2 Participant Obligations – the Participant will:

2.2.1 ☒ Participant agrees that the original engine(s) to be replaced by this program is the same as the engine(s) stated in Participant's application and restated in Exhibit A. Said engine(s) will be destroyed immediately or otherwise rendered unusable immediately after new engine installation. Participant agrees that the District may directly observe the Participant's destruction of the engine and/or be provided proof of destruction or nonuseability within 30 days of new engine installation. Engine destruction may include but is not limited to: salvage receipt (with serial number), placing a hole (at least five inches in diameter) in the engine block (with accompanying photos with serial numbers visible in said photos), welding the cylinder(s) to prevent any re-use, or any other means acceptable to the District.

☐ N/A - Retrofit

2.2.2 Purchase, invoice the District, and operate the equipment described in Exhibit A by **April 30<sup>th</sup>, 2021**. Participant may submit a written request to extend this Section if the project cannot be successfully completed due to circumstances beyond the Participant's reasonable control.

2.2.3 Ensure that a functioning hour meter is installed on the equipment described in Exhibit A for the life of the project.

2.2.4 Operate the equipment described in Exhibit A in Lassen County during the term of this agreement in accordance with the requirements in Exhibit B. In addition to meeting the operating requirements established in Exhibit B, 75% of the vehicles total operation must occur within California. Agricultural water pumps are required to operate 100% within Lassen County.

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

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

## 2.3 Payment

2.3.1 The District will reimburse the Participant up to **\$35,000.00** towards the cost of the vehicle(s) or equipment identified in Exhibit A within 60 days of receipt of an itemized invoice.

- 2.3.2 Any payments made under this Agreement are subject to the provisions and limitations of Health and Safety Code. The District shall have no liability for payment of any compensation and expenses that are found to be in contravention of the Health and Safety Code or any other local, state, or federal law. The Participant shall reimburse the District for any payments that are later found to be in contravention of the Health and Safety Code or any other local, state, or federal law.
- 2.3.3 No payments shall be issued under this Agreement prior to final inspection of the project by District personnel.
- 2.3.4 Payment of compensation shall be made by the District to Contractor within sixty (60) days after receipt by District of statement of charges and completion of final inspection. Such statement shall be checked and approved by a person or persons designated by the District.
- 2.3.5 Payments made under this Agreement are subject to taxation and an IRS Form 1099 will be issued to the Participant. Funds may be withheld by the District as required by law for payment of tax liabilities and/or other court-ordered payments.

## 2.4 General Program Requirements

- 2.4.1 The Participant warrants that the vehicle(s)/engine(s) covered under this Agreement meets all the eligibility requirements described in the Program application and guidelines. The Participant further agrees to operate the vehicle(s)/engine(s) in a manner that is consistent with the eligibility requirements in the guidelines and the goals and objectives of the Program.
- 2.4.2 The Participant cannot apply for or receive additional incentive funds, including but not limited to the state Carl Moyer Program inter-district fund or any other air district fund, including those funds used as matching funds, for any equipment listed in Exhibit A of this Agreement. This requirement may be waived by District staff on an individual basis. If the District discovers that the Participant has applied for or received funds from these sources, the District will terminate this Agreement and require that any funds paid under this Agreement be returned to the District.
- 2.4.3 The Participant agrees to operate the equipment described in Exhibit A within the manufacturer's specifications including all maintenance and fueling requirements. An operational odometer, hour meter, or other District-approved usage measuring device must be installed on all projects and maintained for continuous operation. Under no circumstances may the Participant make any modifications to or tamper with the vehicle, equipment, engine, emission control system(s), or any recording devices on the vehicle or equipment prohibited under CARB and USEPA regulations. The Participant also agrees to operate the vehicle, engine, and/or equipment in compliance with all local, state, and federal rules, laws, and regulations.

2.4.4 Participant shall cooperate with the District and CARB in implementation, monitoring, enforcement, and other efforts to assure the emission benefits from the project are real, quantifiable, surplus, and enforceable.

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

2.5.1 The low-emission engine or engine retrofit must be either:

- (i) CARB Certified; or
- (ii) CARB Verified; or
- (iii) Under an experimental permit issued by CARB; or
- (iv) In cases where federal law preempts state requirements, approved for use by the USEPA

Engines certified to a level that is less stringent than the standard applicable to the replaced engine for any pollutant are ineligible for funding under this agreement.

2.5.2 Any engine retrofit funded under this Agreement must reduce either oxides of nitrogen or particulate matter emissions by a minimum of 25% for either pollutant.

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

- (i) Destroy the replaced or repowered engine in a manner acceptable to the District. If the engine is destroyed, the Participant must permit the District to inspect the destroyed engine; or
- (ii) Implement a District approved destruction alternative. The District may approve a destruction alternative only if special circumstances justifying the use of an alternative exist, and there is no detrimental impact to air quality.

2.6 New Low-Emission Vehicle Purchase – This Agreement is ☐ or is not ☒ subject to the following requirements:

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

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

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

2.6.4 The Participant must submit copies of invoices from service providers that confirm:

- (i) Installation of digital odometer/hour meter; and
- (ii) Vehicle finance documents

Each invoice must include vehicle identification number, engine serial number, odometer reading, and date service was provided.

2.6.5 The Participant agrees to the following motor vehicle title requirements:

- (i) The Participant will provide a copy of the replacement vehicle's title to the District, demonstrating that the District is named as a lien holder for the vehicle.
- (ii) The Participant must be the legal owner of the replacement vehicle through the length of this Agreement.
- (iii) If the replacement vehicle is financed, the Participant will list both the District and the Finance Company as lien holders for the vehicle.
- (iv) If the replacement vehicle is financed, and the loan is repaid before the termination of this Agreement, the Participant must ensure that the District remains a lien holder on the replacement vehicle through the end date listed in Section 2.9.1.
- (v) If the replacement vehicle is repossessed by the finance company, the Participant must reimburse the District in accordance with the termination formula in Section 2.7.
- (vi) Any changes to the replacement vehicle's title must be approved in writing by the District.

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

$$A = I * [(O * L) - C] / (O * L)$$

A = Amount Owed to the District

I = Total Incentive Award

O = Annual Operational Requirement (miles, hours or gallons)

L = Length of the Agreement in Years

C = Actual Operation (miles, hours, or gallons)

The APCO may, at his or her sole discretion, relieve this obligation to return the funds after considering the circumstances leading to the failure to fulfill the minimum performance requirements. Additionally, the APCO may, at his or her sole discretion, require full reimbursement of all funds paid to the Participant as outlined in Section 2.9.10.

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

## 2.9 General Requirements

2.9.1 This Agreement shall begin upon execution by all parties and terminate on **April 1<sup>st</sup>, 2024**. No work may begin on this project until this Agreement is executed by all parties. For this Agreement, the timeframe indicated by the execution of this Agreement and the afore-mentioned termination date shall serve as the contract term including both the project completion and project implementation/life periods.

2.9.2 Except as specified in Section 2.9.2(ii), the receipt of funds and performance under this Agreement prohibits application for any form of emission reduction credit for the life of the contract term outlined in Section 2.9.1.

- (i) This prohibition includes, but is not limited to all attainment, nonattainment, criteria and noncriteria pollutants, Application for Emission Reduction Credits (ERC), Mobile Emission Reduction Credits (MERC) and/or Certificates of Advanced Placement (CAP). This prohibition extends to credits from all Air Quality Management or Air Pollution Control Districts.
- (ii) For projects involving the replacement of a stationary diesel agricultural water pump with an electric water pump in conjunction with the Pacific Gas & Electric Company's (PG&E) PUC-approved discounted AG-ICE electric rate program, PG&E may retain all of the carbon dioxide credits and a portion of the remaining emission credits for reductions generated through this Agreement. The portion of the remaining emission credits retained by PG&E will be the difference in emissions between a Tier 3 diesel engine and the emissions associated with generating electricity for the electric pump.

2.9.3 The District, CARB, or their designee may conduct an audit of the Participant's operations to verify that the Participant is complying with the Agreement terms.

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



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

- 2.9.4 The Participant shall defend, indemnify, and hold harmless District, CARB, its officers, agents, employees and volunteers from any and all losses, costs, damages, fines or expenses (including attorney fees, court costs and expert fees) or liability of any kind or character to any person or property arising from, or alleged to arise from, any breach of the responsibilities required of the Participant by this Agreement or which are related in any way to the vehicle(s)/equipment, including any and all liability for general, special, consequential, or other damages resulting from the use of the vehicle(s)/equipment by the Participant, for which financial assistance or other incentives are received from the District by the Participant.
- 2.9.5 Participant shall complete and return all requested information and surveys sent from the District, yearly, on **January 1<sup>st</sup>** of each year, for at least **Three years** from the commencement of operation. Noncompliance with the reporting requirements shall require on-site monitoring or inspection by the District. The Participant shall keep the following records from the beginning of operation of the equipment described in Exhibit A through the end of the term described in Section 2.9.1 and for three years following the end date listed in Section 2.9.1. It is the responsibility of the Participant to maintain records adequate to document the subsequent information. The District may request these records at any time during the term of this Agreement, including:

For On-Road Projects	For Off-Road Projects
1. Copies of all driver log book entries for the preceding year	1. Hours operated
2. Miles traveled	2. Fuel consumed
3. Fuel consumed	3. Fuel cost
4. Fuel cost	4. Engine downtime
5. Vehicle downtime	5. Type and cost of maintenance performed
6. Type and cost of maintenance performed	

- 2.9.6 The Participant shall maintain in force at all times during the term of this Agreement and any extensions or modifications thereto, insurance in accordance with Exhibit C. In the event the Participant does not have the required certificate of insurance, or if the required insurance lapses, this Agreement shall be terminated immediately.
- 2.9.7 No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by both parties.
- 2.9.8 The Participant shall observe and comply with all applicable federal, state and District statutes, ordinances, regulations, rules, directives, and laws. This Agreement shall be deemed to be executed within the State of California and construed in accordance with and governed by the laws of the State of

California. If a provision of this Agreement violates any applicable law or regulation, that provision will be stricken from the Agreement, and all other provisions will remain in full force. Any action or proceeding arising out of this Agreement shall be filed in a state court or federal court located in Lassen County, California.

- 2.9.9 No performance rendered or payment due under this Agreement may be delegated or assigned without the written consent of all the parties hereto. If the Participant assigns any of its rights or obligations under this contract, all of the terms and conditions of this contract shall apply to the Participant's assignee.
- 2.9.10 The Participant will submit written documentation of performance towards the requirements outlined in Exhibit B to the District by December 31 of each year until termination of this Agreement. The District may request additional performance documentation at its discretion.
- 2.9.11 This agreement may be terminated by the District upon 30-day notice if the Participant fails to meet any of the obligations established in this Agreement or outlined in the Carl Moyer Program guidelines or the Health and Safety Code. If the Agreement is terminated, the Participant will refund the entire incentive paid by the District. The APCO may, at his or her discretion, waive the refund or allow the Participant an opportunity to cure its failure to meet the Agreement obligations. Additionally, the District and/or CARB may seek all available remedies for breaches of any Agreement provisions, Carl Moyer Program requirements, or Health and Safety Code.
- 2.9.12 The Participant may not sell or encumber the equipment described in Exhibit A without the written consent of the District.
- 2.9.13 The District has made no representations or guarantees to the Participant regarding the quality, condition, or proposed use of the low emission vehicle and engine technology funded under this Agreement or the effects of such technology on the normal operations of the Participant.
- 2.9.14 If either of the events listed in this paragraph occur, the Participant must notify the District within 30 days of the date Participant knows, or should have known, that the event has occurred or is likely to occur:
  - (i) The Participant suffers a catastrophic loss; or
  - (ii) The Participant files for bankruptcy; or
  - (iii) Any other event has occurred or is likely to occur that could impair the Participant's ability to perform the conditions of this Agreement.
- 2.9.15 This Agreement will bind the successors of the District and Participant in the same manner as if they were expressly named.

2.9.16 Correspondence between the District and Participant should be addressed to the following:

To District	To Participant
Lassen County APCD 720 South Street Susanville, CA 96130 Phone: (530) 257-1041 Fax: (530) 257-1057	John Barnum 443-605 Hackstaff Rd Doyle, CA 96109 Phone: (530) 260-0096

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

2.9.17 This Agreement consists of the following:

- (i) Participant Agreement
- (ii) Exhibit A – Vehicle and Engine Information Page
- (iii) Exhibit B – Performance Requirements
- (iv) Exhibit C – Insurance Requirements

**DISCLOSURE AGREEMENT:** The undersigned representative of Participant affirmatively states that neither they nor any other representative of Participant will submit another application or sign another contract for the same engine(s), equipment, and/or vehicle(s) detailed in Exhibit A with any other source of funds, including but not limited to other air districts or multidistrict funding under the Carl Moyer Program.

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

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

**Approved by Participant**

\_\_\_\_\_ **Date:** \_\_\_\_\_

**Approved by the Lassen County Air Pollution Control District**

\_\_\_\_\_ **Date:** \_\_\_\_\_  
Erik Edholm  
Air Pollution Control Officer

**Approved to as form:**

\_\_\_\_\_ **Date:** \_\_\_\_\_  
Greg Einhorn  
District Counsel

## EXHIBIT A

### Vehicle / Equipment Information Form

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

Farming

**Equipment:**

Agricultural Tractor

**Project Type:**

Replacement

#### Counties Vehicle Currently Operates

Lassen County	Modoc County, Shasta County
Main Location of Operation (include cross streets)	

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

	Within the Lassen County Area	Outside of Lassen County Area	Total Operation
Hours	100%	0%	1200 Hours

#### Existing Vehicle Information

Make: John Deere	Model: 6400	Model Year: 1994	GVWR:
Vehicle Identification Number: L06400V134067	Fleet Identification Number:	License Plate:	Odometer:

#### Existing Engine Information

Make: John Deere	Model: 4.5L	Model Yr: 1994	Serial Number: N/A	HP: 100	Hour Meter: N/A
Fuel Type: Diesel					

#### New or Replacement Vehicle Information

Make: John Deere	Model: 6120 R	Model Year: 2015	GVWR:
Vehicle Identification Number:	Fleet Identification Number:	License Plate:	Odometer:

#### New Engine or Retrofit System Information

Make: John Deere	Model: 4.5 L Powertech	Model Yr: 2020	Serial Number: CD4045N008271	HP: 120	NOx Cert:
Fuel Type: Diesel					

## EXHIBIT B – PERFORMANCE REQUIREMENTS

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

Vehicle and Engine Year Make & Model*	Vehicle and Engine Serial Numbers*	Minimum Usage (hours)	Anticipated Annual NOx Reduction (tons)	Payback Requirement per Hour	Maximum Incentive Amount
2015 John Deere 6120 R Tractor		3,600	.962	\$9.72	\$35,000.00
<b>Total</b>					

\* The District will fill in information upon verification of project completion.

## EXHIBIT C – INSURANCE REQUIREMENTS

### INSURANCE

Contractor agrees to maintain any and all insurance required for the term of this contract. Limits of liability and coverage details are pursuant to the District's insurance requirements specification. The following insurance coverage is required:

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

CONTRACTOR shall furnish the DISTRICT with certificate(s) of insurance or self-insurance and/or original endorsement(s) and/or insurance binder(s) affecting coverage required below. The certificates, endorsements, and/or binders for each insurance policy are to be signed by a person authorized by the insurer to effect coverage on its behalf. The certificates, endorsements, and/or binders are to be received and approved by the DISTRICT before work commences. The DISTRICT reserves the right to require complete, certified copies of all required insurance policies, at any time. If CONTRACTOR provides self-insurance, it shall, on intervals specified by the APCO, provide financial statements sufficiently detailed so as to allow the APCO to assess CONTRACTOR'S capability of providing such self-insurance. The APCO may reject self-insurance coverage where he finds that sufficient coverage will not be afforded to the DISTRICT.

During the term of the Agreement, CONTRACTOR shall, at its sole expense, obtain and maintain in full force and affect the type and limits of liability requirements as follows:

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

"Claims made" policies are unacceptable.

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

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

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

- B. **Public Entities/Self-Insured Status:** CONTRACTOR shall maintain status as a legally self-insured public entity for general liability and shall maintain a self-insured retention of three

hundred thousand dollars (\$300,000) per occurrence.

- C. **Professional Liability Insurance** (when the contract involves professional services such as engineering, architectural, legal, accounting, instructing, and consulting, professional liability insurance is required. If not contracting for professional services, delete this paragraph.) Professional liability insurance covering professional services shall be provided in an amount of at least \$1,000,000 per occurrence or \$1,000,000 on a claims made basis. However, if coverage is written on a claims made basis, the policy shall be endorsed to provide at least a two-year extended reporting provision.

- II. **Workers Compensation and Employers Liability:** CONTRACTOR shall carry full Worker's Compensation insurance coverage for all persons directly employed or volunteers, in carrying out the work under this contract, in accordance with the "Worker's Compensation and Insurance Act", Division IV of the Labor Code of the State of California and any acts amendatory thereof. Employer's Liability statutory limits will apply. If CONTRACTOR has no employees, no Worker's Compensation coverage is required. If CONTRACTOR hires subcontractors to perform under this agreement, the CONTRACTOR shall assure that the subcontractor carries workers compensation insurance for all of its employees, who are required to be covered by applicable law.

- III. **Notice of Cancellation.** Each insurance policy shall be endorsed, and evidence of such endorsement shall be provided to the DISTRICT, that coverage not be suspended, voided, canceled, reduced in coverage or in limits, or material change in coverage, except after thirty (30) days prior written notice has been given to the DISTRICT. Ten-(10) days prior written notice of cancellation for non-payment of CONTRACTOR's insurance premium is permissible.

- IV. **Additional Insured:** It is mandatory that all of the above insurance policies (except workers compensation) shall include the DISTRICT as additional insured. The DISTRICT, its officials, trustees, agents, employees, and volunteers are to be covered as additional insured as respects liability arising out of activities performed by or on behalf of the CONTRACTOR.

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

- A. **Excess/Umbrella:** An excess policy or an umbrella policy (following form) may be utilized to meet the above-required limits of liability.
- B. **Supplementary Payments:** The above-stated limits of liability coverage for Commercial/Comprehensive General Liability, and Business Automobile Liability assumes that the standard "supplementary payments" clause will pay in addition to the applicable limits of liability and that these supplementary payments are not included as part of the insurance limits of liability. If any of the policies indicate that defense costs are included in the general aggregate limit, then the general aggregate limits must be a multiple of the per occurrence limits.
- C. **Contractors' Insurance as Primary:** The CONTRACTOR's insurance coverage shall be primary insurance. Any insurance or self-insurance maintained by the DISTRICT, its officials, trustees, agents, employees or volunteers shall be excess to the CONTRACTOR's insurance and shall not contribute with it.
- D. **Acceptability of Insurers:** Insurance is to be placed with admitted State of California insurers which have an A.M. Best's rating of no less than A: VII, or be an equivalent program of self-insurance.
- E. **District Risk Manager Exceptions:** Any exceptions to the above insurance requirements are subject to the concurrence of the DISTRICT'S Risk Manager.



**LASSEN COUNTY AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD**

**GOVERNING BOARD**

Kevin Stafford, *Chairman*  
Chris Gallagher, *Vice Chairman*  
Tom Hammond  
Jeff Hemphill  
Quincy McCourt  
Brian Moore

**Staff**

Erik Edholm  
*Air Pollution Control Officer*  
Angelina Chamblee  
*Administrative Staff Assistant*

Meeting of October 13, 2020

To: Governing Board

From: Erik Edholm, APCO

Subject: Carl Moyer Grant Award, John Cooper

Attached is a proposed Carl Moyer Grant for execution under 22<sup>nd</sup> Cycle grant, of which the District currently has \$233,514.34 of Cycle 22 funds available for award. The proposed grant is to John Cooper for a tractor replacement project that will replace a 1998 John Deere 2955 with a 2020 John Deere 5055 E, for a total grant amount of \$35,000.

**Recommendation:**

Approve Resolution 20-04 authorizing the APCO to execute grant agreement 18-22-CMP-04 in the amount of \$35,000 to John Cooper.

Respectfully Submitted,

Erik Edholm  
Air Pollution Control Officer



**RESOLUTION NO. 20-04**

**A RESOLUTION BY THE BOARD OF DIRECTORS FOR THE LASSEN COUNTY AIR  
POLLUTION CONTROL DISTRICT APPROVING CARL MOYER GRANT AGREEMENT  
18-22-CMP-04 WITH JONN COOPER.**

WHEREAS, California Health and Safety Code sections 44275-44299.2 authorize the California Air Resources Board (ARB) to allocate Carl Moyer Program (CMP) funds to local air quality districts to provide financial incentives to both the public and private sectors to implement eligible projects to reduce emissions from on-road, marine, locomotive, agricultural, and off-road engines;

WHEREAS, Lassen County Air Pollution Control District (LCAPCD) has successfully implemented Carl Moyer Program projects in past years to reduce emissions and improve air quality in Northeast Plateau and seeks to continue to reduce emissions from diesel engines through clean air projects;

WHEREAS, the Governing Board approved on March 10, 2020 Resolution 19-09 Accepting Carl Moyer Program Funds from the California Air Resources Board;

WHEREAS, Resolution 19-09 authorized the Air Pollution Control Officer to execute on behalf of the District grant agreements with ARB, and all other necessary documents to implement and carry out the purposes of Resolution 19-09, each year until 2021;

NOW, THEREFORE, BE IT RESOLVED that the Governing Board hereby approves the Air Pollution Control Officer to execute Carl Moyer Grant Agreement 18-22-CMP-04 with John Cooper;

The foregoing resolution was approved and adopted by the following vote of the Board on October 13, 2020.

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Kevin Stafford, Chairman  
Lassen County Air Pollution Control District

ATTEST:

---

Erik Edholm  
Air Pollution Control Officer

**LASSEN COUNTY AIR POLLUTION CONTROL DISTRICT  
CARL MOYER HEAVY-DUTY LOW EMISSION INCENTIVE PROGRAM AGREEMENT**

This Agreement (Agreement) is between the Lassen County Air Pollution Control District (District), a public agency of the State of California, and **John Cooper** (Participant).

**1.0 Recitals**

- 1.1 The District is in nonattainment of the state air quality standards for particulate matter and is impacted by the effects of toxic air contaminants, including diesel particulate matter and other pollutants from mobile sources.
- 1.2 On December 11, 2007, the District Governing Board approved Resolution No. 18-07-CMP-10, authorizing the District's participation in the CARB Carl Moyer Program which is a Heavy-Duty Low Emission Vehicle Incentive Program (Program), which is hereby incorporated by reference and made part of this agreement.
- 1.3 On September 23, 2004, Governor Schwarzenegger signed Assembly Bills 923, 1394, and 2128 which made major changes to the Carl Moyer Program and projects funded using Department of Motor Vehicles Surcharges, expanding the Program to include light-duty vehicles, Fleet Modernization, and agricultural assistance projects.
- 1.4 To implement mobile source emission reduction projects, the Program provides incentives to fleet operators and individuals for the purchase, repower and/or retrofit of low-emission on-road motor vehicles, off-road mobile equipment, and agricultural water pumps.
- 1.5 The Participant wishes to participate in the Program by purchasing and operating the equipment described in this Agreement and represents that the purchase is not required by any local, state, and/or federal rule, regulation, memorandum, or other legally binding agreement, with the exception of certain agricultural projects described in Health and Safety Code sections 41081(d)(2)(ii), 41802 and 44275.
- 1.6 The Participant has read and agreed to all requirements of the Program application and guidelines which are hereby incorporated into this Agreement.
- 1.7 This Agreement is a voluntary act intended to accelerate the introduction of low-emission vehicle and engine technology designed to reduce emissions of oxides of nitrogen, particulate matter, reactive organic gases, toxic air contaminants, and oxides of carbon within Lassen County.
- 1.8 This Agreement was approved for use by the District's Board of Directors on December 14, 2010.
- 1.9 On October 13, 2020, The District Governing Board authorized making this contract with Participant.

## Terms and Conditions

### 2.1 Definitions

- 2.1.1 “Applicable emission standards” are defined as the emission standards for oxides of nitrogen (NO<sub>x</sub>), particulate matter (PM), hydrocarbons, and carbon monoxide established by the California Air Resources Board (CARB) or the United States Environmental Protection Agency (USEPA) for a model year vehicle or engine. For “phase-in” or “interim” engines the following standards apply:

Engine Model Year	Power Rating	NO <sub>x</sub> Standard	PM Standard
2007-2009 On-Road	All On-Road Heavy-Duty Diesel Engines	1.2 g/bhp-hr	0.01 g/bhp-hr
2012-2013 Off-Road	56 – 129 kW (75 – 174 HP)	2.2 g/kW-hr (1.6 g/bhp-hr)	0.02 g/kW-hr (0.01 g/bhp-hr)
2011-2013 Off-Road	130 – 560 kW (175 – 749 HP)	2.2 g/kW-hr (1.6 g/bhp-hr)	0.02 g/kW-hr (0.01 g/bhp-hr)

- 2.1.2 “Agricultural water pump” is defined as a stationary or portable device designed to move water used for agricultural purposes.
- 2.1.3 “Certified” is defined as a motor vehicle or engine that is certified by CARB or the USEPA to an emission standard or standards.
- 2.1.4 “Experimental Permit” is defined as an Executive Order issued by CARB for the experimental use of a non-certified or non-verified engine, fuel, or engine retrofit in California.
- 2.1.5 “Fleet Modernization” is defined as the transaction in which an older on-road motor vehicle or piece of off-road mobile equipment is destroyed and replaced with a similar motor vehicle or piece of equipment certified to a lower emission standard.
- 2.1.6 “Motor vehicle” is defined as a self-propelled device by which any person or property may be propelled, moved, or drawn upon a highway, excepting a device moved exclusively by human power or used exclusively upon stationary rails or tracks.
- 2.1.7 “Off-road equipment” is defined as a self-propelled device not intended for operation on a highway and is powered by an engine certified to off-road or nonroad emission standards.
- 2.1.8 “Repower” is defined as the process in which an old engine is replaced with a new engine.
- 2.1.9 “Retrofit” is defined as the installation of a device designed to reduce emissions from an engine.

2.1.10 "Tier 3" is defined as the emission certification of an off-road compression ignition engine to the Tier 3 emission standards as described in §2423(b)(1) of the California Code of Regulations.

2.1.11 "Verified" is defined as a device, fuel, or system that is verified by CARB or the USEPA to reduce emissions from a mobile source by a verified amount.

## 2.2 Participant Obligations – the Participant will:

2.2.1 ☒ Participant agrees that the original engine(s) to be replaced by this program is the same as the engine(s) stated in Participant's application and restated in Exhibit A. Said engine(s) will be destroyed immediately or otherwise rendered unusable immediately after new engine installation. Participant agrees that the District may directly observe the Participant's destruction of the engine and/or be provided proof of destruction or nonuseability within 30 days of new engine installation. Engine destruction may include but is not limited to: salvage receipt (with serial number), placing a hole (at least five inches in diameter) in the engine block (with accompanying photos with serial numbers visible in said photos), welding the cylinder(s) to prevent any re-use, or any other means acceptable to the District.

☐ N/A - Retrofit

2.2.2 Purchase, invoice the District, and operate the equipment described in Exhibit A by **April 30<sup>th</sup>, 2021**. Participant may submit a written request to extend this Section if the project cannot be successfully completed due to circumstances beyond the Participant's reasonable control.

2.2.3 Ensure that a functioning hour meter is installed on the equipment described in Exhibit A for the life of the project.

2.2.4 Operate the equipment described in Exhibit A in Lassen County during the term of this agreement in accordance with the requirements in Exhibit B. In addition to meeting the operating requirements established in Exhibit B, 75% of the vehicles total operation must occur within California. Agricultural water pumps are required to operate 100% within Lassen County.

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

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

## 2.3 Payment

2.3.1 The District will reimburse the Participant up to **\$35,000.00** towards the cost of the vehicle(s) or equipment identified in Exhibit A within 60 days of receipt of an itemized invoice.

- 2.3.2 Any payments made under this Agreement are subject to the provisions and limitations of Health and Safety Code. The District shall have no liability for payment of any compensation and expenses that are found to be in contravention of the Health and Safety Code or any other local, state, or federal law. The Participant shall reimburse the District for any payments that are later found to be in contravention of the Health and Safety Code or any other local, state, or federal law.
- 2.3.3 No payments shall be issued under this Agreement prior to final inspection of the project by District personnel.
- 2.3.4 Payment of compensation shall be made by the District to Contractor within sixty (60) days after receipt by District of statement of charges and completion of final inspection. Such statement shall be checked and approved by a person or persons designated by the District.
- 2.3.5 Payments made under this Agreement are subject to taxation and an IRS Form 1099 will be issued to the Participant. Funds may be withheld by the District as required by law for payment of tax liabilities and/or other court-ordered payments.

## 2.4 General Program Requirements

- 2.4.1 The Participant warrants that the vehicle(s)/engine(s) covered under this Agreement meets all the eligibility requirements described in the Program application and guidelines. The Participant further agrees to operate the vehicle(s)/engine(s) in a manner that is consistent with the eligibility requirements in the guidelines and the goals and objectives of the Program.
- 2.4.2 The Participant cannot apply for or receive additional incentive funds, including but not limited to the state Carl Moyer Program inter-district fund or any other air district fund, including those funds used as matching funds, for any equipment listed in Exhibit A of this Agreement. This requirement may be waived by District staff on an individual basis. If the District discovers that the Participant has applied for or received funds from these sources, the District will terminate this Agreement and require that any funds paid under this Agreement be returned to the District.
- 2.4.3 The Participant agrees to operate the equipment described in Exhibit A within the manufacturer's specifications including all maintenance and fueling requirements. An operational odometer, hour meter, or other District-approved usage measuring device must be installed on all projects and maintained for continuous operation. Under no circumstances may the Participant make any modifications to or tamper with the vehicle, equipment, engine, emission control system(s), or any recording devices on the vehicle or equipment prohibited under CARB and USEPA regulations. The Participant also agrees to operate the vehicle, engine, and/or equipment in compliance with all local, state, and federal rules, laws, and regulations.

2.4.4 Participant shall cooperate with the District and CARB in implementation, monitoring, enforcement, and other efforts to assure the emission benefits from the project are real, quantifiable, surplus, and enforceable.

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

2.5.1 The low-emission engine or engine retrofit must be either:

- (i) CARB Certified; or
- (ii) CARB Verified; or
- (iii) Under an experimental permit issued by CARB; or
- (iv) In cases where federal law preempts state requirements, approved for use by the USEPA

Engines certified to a level that is less stringent than the standard applicable to the replaced engine for any pollutant are ineligible for funding under this agreement.

2.5.2 Any engine retrofit funded under this Agreement must reduce either oxides of nitrogen or particulate matter emissions by a minimum of 25% for either pollutant.

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

- (i) Destroy the replaced or repowered engine in a manner acceptable to the District. If the engine is destroyed, the Participant must permit the District to inspect the destroyed engine; or
- (ii) Implement a District approved destruction alternative. The District may approve a destruction alternative only if special circumstances justifying the use of an alternative exist, and there is no detrimental impact to air quality.

2.6 New Low-Emission Vehicle Purchase – This Agreement is ☐ or is not ☒ subject to the following requirements:

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

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



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

2.6.4 The Participant must submit copies of invoices from service providers that confirm:

- (i) Installation of digital odometer/hour meter; and
- (ii) Vehicle finance documents

Each invoice must include vehicle identification number, engine serial number, odometer reading, and date service was provided.

2.6.5 The Participant agrees to the following motor vehicle title requirements:

- (i) The Participant will provide a copy of the replacement vehicle's title to the District, demonstrating that the District is named as a lien holder for the vehicle.
- (ii) The Participant must be the legal owner of the replacement vehicle through the length of this Agreement.
- (iii) If the replacement vehicle is financed, the Participant will list both the District and the Finance Company as lien holders for the vehicle.
- (iv) If the replacement vehicle is financed, and the loan is repaid before the termination of this Agreement, the Participant must ensure that the District remains a lien holder on the replacement vehicle through the end date listed in Section 2.9.1.
- (v) If the replacement vehicle is repossessed by the finance company, the Participant must reimburse the District in accordance with the termination formula in Section 2.7.
- (vi) Any changes to the replacement vehicle's title must be approved in writing by the District.

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

$$A = I * [(O * L) - C] / (O * L)$$

A = Amount Owed to the District

I = Total Incentive Award

O = Annual Operational Requirement (miles, hours or gallons)

L = Length of the Agreement in Years

C = Actual Operation (miles, hours, or gallons)

The APCO may, at his or her sole discretion, relieve this obligation to return the funds after considering the circumstances leading to the failure to fulfill the minimum performance requirements. Additionally, the APCO may, at his or her sole discretion, require full reimbursement of all funds paid to the Participant as outlined in Section 2.9.10.

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

## 2.9 General Requirements

2.9.1 This Agreement shall begin upon execution by all parties and terminate on **April 1<sup>st</sup>, 2024**. No work may begin on this project until this Agreement is executed by all parties. For this Agreement, the timeframe indicated by the execution of this Agreement and the afore-mentioned termination date shall serve as the contract term including both the project completion and project implementation/life periods.

2.9.2 Except as specified in Section 2.9.2(ii), the receipt of funds and performance under this Agreement prohibits application for any form of emission reduction credit for the life of the contract term outlined in Section 2.9.1.

- (i) This prohibition includes, but is not limited to all attainment, nonattainment, criteria and noncriteria pollutants, Application for Emission Reduction Credits (ERC), Mobile Emission Reduction Credits (MERC) and/or Certificates of Advanced Placement (CAP). This prohibition extends to credits from all Air Quality Management or Air Pollution Control Districts.
- (ii) For projects involving the replacement of a stationary diesel agricultural water pump with an electric water pump in conjunction with the Pacific Gas & Electric Company's (PG&E) PUC-approved discounted AG-ICE electric rate program, PG&E may retain all of the carbon dioxide credits and a portion of the remaining emission credits for reductions generated through this Agreement. The portion of the remaining emission credits retained by PG&E will be the difference in emissions between a Tier 3 diesel engine and the emissions associated with generating electricity for the electric pump.

2.9.3 The District, CARB, or their designee may conduct an audit of the Participant's operations to verify that the Participant is complying with the Agreement terms.

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

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

- 2.9.4 The Participant shall defend, indemnify, and hold harmless District, CARB, its officers, agents, employees and volunteers from any and all losses, costs, damages, fines or expenses (including attorney fees, court costs and expert fees) or liability of any kind or character to any person or property arising from, or alleged to arise from, any breach of the responsibilities required of the Participant by this Agreement or which are related in any way to the vehicle(s)/equipment, including any and all liability for general, special, consequential, or other damages resulting from the use of the vehicle(s)/equipment by the Participant, for which financial assistance or other incentives are received from the District by the Participant.
- 2.9.5 Participant shall complete and return all requested information and surveys sent from the District, yearly, on **January 1<sup>st</sup>** of each year, for at least **Three years** from the commencement of operation. Noncompliance with the reporting requirements shall require on-site monitoring or inspection by the District. The Participant shall keep the following records from the beginning of operation of the equipment described in Exhibit A through the end of the term described in Section 2.9.1 and for three years following the end date listed in Section 2.9.1. It is the responsibility of the Participant to maintain records adequate to document the subsequent information. The District may request these records at any time during the term of this Agreement, including:

For On-Road Projects	For Off-Road Projects
1. Copies of all driver log book entries for the preceding year	1. Hours operated
2. Miles traveled	2. Fuel consumed
3. Fuel consumed	3. Fuel cost
4. Fuel cost	4. Engine downtime
5. Vehicle downtime	5. Type and cost of maintenance performed
6. Type and cost of maintenance performed	

- 2.9.6 The Participant shall maintain in force at all times during the term of this Agreement and any extensions or modifications thereto, insurance in accordance with Exhibit C. In the event the Participant does not have the required certificate of insurance, or if the required insurance lapses, this Agreement shall be terminated immediately.
- 2.9.7 No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by both parties.
- 2.9.8 The Participant shall observe and comply with all applicable federal, state and District statutes, ordinances, regulations, rules, directives, and laws. This Agreement shall be deemed to be executed within the State of California and construed in accordance with and governed by the laws of the State of

California. If a provision of this Agreement violates any applicable law or regulation, that provision will be stricken from the Agreement, and all other provisions will remain in full force. Any action or proceeding arising out of this Agreement shall be filed in a state court or federal court located in Lassen County, California.

- 2.9.9 No performance rendered or payment due under this Agreement may be delegated or assigned without the written consent of all the parties hereto. If the Participant assigns any of its rights or obligations under this contract, all of the terms and conditions of this contract shall apply to the Participant's assignee.
- 2.9.10 The Participant will submit written documentation of performance towards the requirements outlined in Exhibit B to the District by December 31 of each year until termination of this Agreement. The District may request additional performance documentation at its discretion.
- 2.9.11 This agreement may be terminated by the District upon 30-day notice if the Participant fails to meet any of the obligations established in this Agreement or outlined in the Carl Moyer Program guidelines or the Health and Safety Code. If the Agreement is terminated, the Participant will refund the entire incentive paid by the District. The APCO may, at his or her discretion, waive the refund or allow the Participant an opportunity to cure its failure to meet the Agreement obligations. Additionally, the District and/or CARB may seek all available remedies for breaches of any Agreement provisions, Carl Moyer Program requirements, or Health and Safety Code.
- 2.9.12 The Participant may not sell or encumber the equipment described in Exhibit A without the written consent of the District.
- 2.9.13 The District has made no representations or guarantees to the Participant regarding the quality, condition, or proposed use of the low emission vehicle and engine technology funded under this Agreement or the effects of such technology on the normal operations of the Participant.
- 2.9.14 If either of the events listed in this paragraph occur, the Participant must notify the District within 30 days of the date Participant knows, or should have known, that the event has occurred or is likely to occur:
  - (i) The Participant suffers a catastrophic loss; or
  - (ii) The Participant files for bankruptcy; or
  - (iii) Any other event has occurred or is likely to occur that could impair the Participant's ability to perform the conditions of this Agreement.
- 2.9.15 This Agreement will bind the successors of the District and Participant in the same manner as if they were expressly named.

2.9.16 Correspondence between the District and Participant should be addressed to the following:

To District	To Participant
Lassen County APCD 720 South Street Susanville, CA 96130 Phone: (530) 257-1041 Fax: (530) 257-1057	John Cooper PO Box 23 Ravendale, CA 96123 Phone: (530) 640-3571

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

2.9.17 This Agreement consists of the following:

- (i) Participant Agreement
- (ii) Exhibit A – Vehicle and Engine Information Page
- (iii) Exhibit B – Performance Requirements
- (iv) Exhibit C – Insurance Requirements

**DISCLOSURE AGREEMENT:** The undersigned representative of Participant affirmatively states that neither they nor any other representative of Participant will submit another application or sign another contract for the same engine(s), equipment, and/or vehicle(s) detailed in Exhibit A with any other source of funds, including but not limited to other air districts or multidistrict funding under the Carl Moyer Program.

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

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

**Approved by Participant**

\_\_\_\_\_ **Date:** \_\_\_\_\_

**Approved by the Lassen County Air Pollution Control District**

\_\_\_\_\_ **Date:** \_\_\_\_\_  
Erik Edholm  
Air Pollution Control Officer

**Approved to as form:**

\_\_\_\_\_ **Date:** \_\_\_\_\_  
Greg Einhorn  
District Counsel

## EXHIBIT A

### Vehicle / Equipment Information Form

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

Farming

**Equipment:**

Agricultural Tractor

**Project Type:**

Replacement

#### Counties Vehicle Currently Operates

Lassen County	Modoc County, Shasta County
Main Location of Operation (include cross streets)	

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

	Within the Lassen County Area	Outside of Lassen County Area	Total Operation
Hours	100%	0%	810 Hours

#### Existing Vehicle Information

Make: John Deere	Model: 2955	Model Year: 1988	GVWR:
Vehicle Identification Number: L06400V134067	Fleet Identification Number:	License Plate:	Odometer:

#### Existing Engine Information

Make: John Deere	Model: 5.9L	Model Yr: 1988	Serial Number: N/A	HP: 97	Hour Meter: N/A
Fuel Type: Diesel					

#### New or Replacement Vehicle Information

Make: John Deere	Model: 5055 E	Model Year: 2020	GVWR:
Vehicle Identification Number:	Fleet Identification Number:	License Plate:	Odometer:

#### New Engine or Retrofit System Information

Make: John Deere	Model: Powertech 3029	Model Yr: 2020	Serial Number:	HP: 55	NOx Cert:
Fuel Type: Diesel					

## EXHIBIT B – PERFORMANCE REQUIREMENTS

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

Vehicle and Engine Year Make & Model*	Vehicle and Engine Serial Numbers*	Minimum Usage (hours)	Anticipated Annual NOx Reduction (tons)	Payback Requirement per Hour	Maximum Incentive Amount
2020 John Deere 5055 E Tractor		2,430	.536	\$14.40	\$35,000.00
<b>Total</b>					

\* The District will fill in information upon verification of project completion.



## EXHIBIT C – INSURANCE REQUIREMENTS

### INSURANCE

Contractor agrees to maintain any and all insurance required for the term of this contract. Limits of liability and coverage details are pursuant to the District's insurance requirements specification. The following insurance coverage is required:

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

CONTRACTOR shall furnish the DISTRICT with certificate(s) of insurance or self-insurance and/or original endorsement(s) and/or insurance binder(s) affecting coverage required below. The certificates, endorsements, and/or binders for each insurance policy are to be signed by a person authorized by the insurer to effect coverage on its behalf. The certificates, endorsements, and/or binders are to be received and approved by the DISTRICT before work commences. The DISTRICT reserves the right to require complete, certified copies of all required insurance policies, at any time. If CONTRACTOR provides self-insurance, it shall, on intervals specified by the APCO, provide financial statements sufficiently detailed so as to allow the APCO to assess CONTRACTOR'S capability of providing such self-insurance. The APCO may reject self-insurance coverage where he finds that sufficient coverage will not be afforded to the DISTRICT.

During the term of the Agreement, CONTRACTOR shall, at its sole expense, obtain and maintain in full force and affect the type and limits of liability requirements as follows:

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

"Claims made" policies are unacceptable.

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

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

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

- B. **Public Entities/Self-Insured Status:** CONTRACTOR shall maintain status as a legally self-insured public entity for general liability and shall maintain a self-insured retention of three

hundred thousand dollars (\$300,000) per occurrence.

- C. **Professional Liability Insurance** (when the contract involves professional services such as engineering, architectural, legal, accounting, instructing, and consulting, professional liability insurance is required. If not contracting for professional services, delete this paragraph.) Professional liability insurance covering professional services shall be provided in an amount of at least \$1,000,000 per occurrence or \$1,000,000 on a claims made basis. However, if coverage is written on a claims made basis, the policy shall be endorsed to provide at least a two-year extended reporting provision.

- II. **Workers Compensation and Employers Liability:** CONTRACTOR shall carry full Worker's Compensation insurance coverage for all persons directly employed or volunteers, in carrying out the work under this contract, in accordance with the "Worker's Compensation and Insurance Act", Division IV of the Labor Code of the State of California and any acts amendatory thereof. Employer's Liability statutory limits will apply. If CONTRACTOR has no employees, no Worker's Compensation coverage is required. If CONTRACTOR hires subcontractors to perform under this agreement, the CONTRACTOR shall assure that the subcontractor carries workers compensation insurance for all of its employees, who are required to be covered by applicable law.
- III. **Notice of Cancellation.** Each insurance policy shall be endorsed, and evidence of such endorsement shall be provided to the DISTRICT, that coverage not be suspended, voided, canceled, reduced in coverage or in limits, or material change in coverage, except after thirty (30) days prior written notice has been given to the DISTRICT. Ten-(10) days prior written notice of cancellation for non-payment of CONTRACTOR's insurance premium is permissible.
- IV. **Additional Insured:** It is mandatory that all of the above insurance policies (except workers compensation) shall include the DISTRICT as additional insured. The DISTRICT, its officials, trustees, agents, employees, and volunteers are to be covered as additional insured as respects liability arising out of activities performed by or on behalf of the CONTRACTOR.
- V. In addition, it is understood and agreed that the following be made a part of this Agreement.
- A. **Excess/Umbrella:** An excess policy or an umbrella policy (following form) may be utilized to meet the above-required limits of liability.
- B. **Supplementary Payments:** The above-stated limits of liability coverage for Commercial/Comprehensive General Liability, and Business Automobile Liability assumes that the standard "supplementary payments" clause will pay in addition to the applicable limits of liability and that these supplementary payments are not included as part of the insurance limits of liability. If any of the policies indicate that defense costs are included in the general aggregate limit, then the general aggregate limits must be a multiple of the per occurrence limits.
- C. **Contractors' Insurance as Primary:** The CONTRACTOR's insurance coverage shall be primary insurance. Any insurance or self-insurance maintained by the DISTRICT, its officials, trustees, agents, employees or volunteers shall be excess to the CONTRACTOR's insurance and shall not contribute with it.
- D. **Acceptability of Insurers:** Insurance is to be placed with admitted State of California insurers which have an A.M. Best's rating of no less than A: VII, or be an equivalent program of self-insurance.
- E. **District Risk Manager Exceptions:** Any exceptions to the above insurance requirements are subject to the concurrence of the DISTRICT'S Risk Manager.

## LASSEN COUNTY AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD

### GOVERNING BOARD

Kevin Stafford, *Chairman*  
 Chris Gallagher, *Vice Chairman*  
 Tom Hammond  
 Jeff Hemphill  
 Quincy McCourt  
 Brian Moore

### Staff

Erik Edholm  
*Air Pollution Control Officer*  
 Angelina Chamblee  
*Administrative Staff Assistant*

Meeting of October 13, 2020

To: Governing Board

From: Erik Edholm, APCO

Subject: Carl Moyer Grant Award, Duane Crum

Attached is a proposed Carl Moyer Grant for execution under 22<sup>nd</sup> Cycle grant, of which the District currently has \$233,514.34 of Cycle 22 funds available for award. The proposed grant is to Duane Crum for a tractor replacement project that will replace a 1974 International Harvester 574 with a 2020 John Deere 5075 E, for a total grant amount of \$35,000.

### **Recommendation:**

Approve Resolution 20-05 authorizing the APCO to execute grant agreement 18-22-CMP-05 in the amount of \$35,000 to Duane Crum.

Respectfully Submitted,

Erik Edholm  
 Air Pollution Control Officer



**RESOLUTION NO. 20-05**

**A RESOLUTION BY THE BOARD OF DIRECTORS FOR THE LASSEN COUNTY AIR  
POLLUTION CONTROL DISTRICT APPROVING CARL MOYER GRANT AGREEMENT  
18-22-CMP-05 WITH DUANE CRUM.**

WHEREAS, California Health and Safety Code sections 44275-44299.2 authorize the California Air Resources Board (ARB) to allocate Carl Moyer Program (CMP) funds to local air quality districts to provide financial incentives to both the public and private sectors to implement eligible projects to reduce emissions from on-road, marine, locomotive, agricultural, and off-road engines;

WHEREAS, Lassen County Air Pollution Control District (LCAPCD) has successfully implemented Carl Moyer Program projects in past years to reduce emissions and improve air quality in Northeast Plateau and seeks to continue to reduce emissions from diesel engines through clean air projects;

WHEREAS, the Governing Board approved on March 10, 2020 Resolution 19-09 Accepting Carl Moyer Program Funds from the California Air Resources Board;

WHEREAS, Resolution 19-09 authorized the Air Pollution Control Officer to execute on behalf of the District grant agreements with ARB, and all other necessary documents to implement and carry out the purposes of Resolution 19-09, each year until 2021;

NOW, THEREFORE, BE IT RESOLVED that the Governing Board hereby approves the Air Pollution Control Officer to execute Carl Moyer Grant Agreement 18-22-CMP-05 with Duane Crum;

The foregoing resolution was approved and adopted by the following vote of the Board on October 13, 2020.

AYES:

NOES:

ABSTAIN:

ABSENT:

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Kevin Stafford, Chairman  
Lassen County Air Pollution Control District

ATTEST:

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Erik Edholm  
Air Pollution Control Officer

**LASSEN COUNTY AIR POLLUTION CONTROL DISTRICT  
CARL MOYER HEAVY-DUTY LOW EMISSION INCENTIVE PROGRAM AGREEMENT**

This Agreement (Agreement) is between the Lassen County Air Pollution Control District (District), a public agency of the State of California, and **Duane Crum** (Participant).

**1.0 Recitals**

- 1.1 The District is in nonattainment of the state air quality standards for particulate matter and is impacted by the effects of toxic air contaminants, including diesel particulate matter and other pollutants from mobile sources.
- 1.2 On December 11, 2007, the District Governing Board approved Resolution No. 18-07-CMP-10, authorizing the District's participation in the CARB Carl Moyer Program which is a Heavy-Duty Low Emission Vehicle Incentive Program (Program), which is hereby incorporated by reference and made part of this agreement.
- 1.3 On September 23, 2004, Governor Schwarzenegger signed Assembly Bills 923, 1394, and 2128 which made major changes to the Carl Moyer Program and projects funded using Department of Motor Vehicles Surcharges, expanding the Program to include light-duty vehicles, Fleet Modernization, and agricultural assistance projects.
- 1.4 To implement mobile source emission reduction projects, the Program provides incentives to fleet operators and individuals for the purchase, repower and/or retrofit of low-emission on-road motor vehicles, off-road mobile equipment, and agricultural water pumps.
- 1.5 The Participant wishes to participate in the Program by purchasing and operating the equipment described in this Agreement and represents that the purchase is not required by any local, state, and/or federal rule, regulation, memorandum, or other legally binding agreement, with the exception of certain agricultural projects described in Health and Safety Code sections 41081(d)(2)(ii), 41802 and 44275.
- 1.6 The Participant has read and agreed to all requirements of the Program application and guidelines which are hereby incorporated into this Agreement.
- 1.7 This Agreement is a voluntary act intended to accelerate the introduction of low-emission vehicle and engine technology designed to reduce emissions of oxides of nitrogen, particulate matter, reactive organic gases, toxic air contaminants, and oxides of carbon within Lassen County.
- 1.8 This Agreement was approved for use by the District's Board of Directors on December 14, 2010.
- 1.9 On October 13, 2020, The District Governing Board authorized making this contract with Participant.

## Terms and Conditions

### 2.1 Definitions

2.1.1 “Applicable emission standards” are defined as the emission standards for oxides of nitrogen (NO<sub>x</sub>), particulate matter (PM), hydrocarbons, and carbon monoxide established by the California Air Resources Board (CARB) or the United States Environmental Protection Agency (USEPA) for a model year vehicle or engine. For “phase-in” or “interim” engines the following standards apply:

Engine Model Year	Power Rating	NO <sub>x</sub> Standard	PM Standard
2007-2009 On-Road	All On-Road Heavy-Duty Diesel Engines	1.2 g/bhp-hr	0.01 g/bhp-hr
2012-2013 Off-Road	56 – 129 kW (75 – 174 HP)	2.2 g/kW-hr (1.6 g/bhp-hr)	0.02 g/kW-hr (0.01 g/bhp-hr)
2011-2013 Off-Road	130 – 560 kW (175 – 749 HP)	2.2 g/kW-hr (1.6 g/bhp-hr)	0.02 g/kW-hr (0.01 g/bhp-hr)

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

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

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

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

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

2.1.7 “Off-road equipment” is defined as a self-propelled device not intended for operation on a highway and is powered by an engine certified to off-road or nonroad emission standards.

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

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

2.1.10 “Tier 3” is defined as the emission certification of an off-road compression ignition engine to the Tier 3 emission standards as described in §2423(b)(1) of the California Code of Regulations.

2.1.11 “Verified” is defined as a device, fuel, or system that is verified by CARB or the USEPA to reduce emissions from a mobile source by a verified amount.

## 2.2 Participant Obligations – the Participant will:

2.2.1 ☒ Participant agrees that the original engine(s) to be replaced by this program is the same as the engine(s) stated in Participant’s application and restated in Exhibit A. Said engine(s) will be destroyed immediately or otherwise rendered unusable immediately after new engine installation. Participant agrees that the District may directly observe the Participant’s destruction of the engine and/or be provided proof of destruction or nonuseability within 30 days of new engine installation. Engine destruction may include but is not limited to: salvage receipt (with serial number), placing a hole (at least five inches in diameter) in the engine block (with accompanying photos with serial numbers visible in said photos), welding the cylinder(s) to prevent any re-use, or any other means acceptable to the District.

☐ N/A - Retrofit

2.2.2 Purchase, invoice the District, and operate the equipment described in Exhibit A by **April 30<sup>th</sup>, 2021**. Participant may submit a written request to extend this Section if the project cannot be successfully completed due to circumstances beyond the Participant's reasonable control.

2.2.3 Ensure that a functioning hour meter is installed on the equipment described in Exhibit A for the life of the project.

2.2.4 Operate the equipment described in Exhibit A in Lassen County during the term of this agreement in accordance with the requirements in Exhibit B. In addition to meeting the operating requirements established in Exhibit B, 75% of the vehicles total operation must occur within California. Agricultural water pumps are required to operate 100% within Lassen County.

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

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

## 2.3 Payment

2.3.1 The District will reimburse the Participant up to **\$35,000.00** towards the cost of the vehicle(s) or equipment identified in Exhibit A within 60 days of receipt of an itemized invoice.



- 2.3.2 Any payments made under this Agreement are subject to the provisions and limitations of Health and Safety Code. The District shall have no liability for payment of any compensation and expenses that are found to be in contravention of the Health and Safety Code or any other local, state, or federal law. The Participant shall reimburse the District for any payments that are later found to be in contravention of the Health and Safety Code or any other local, state, or federal law.
- 2.3.3 No payments shall be issued under this Agreement prior to final inspection of the project by District personnel.
- 2.3.4 Payment of compensation shall be made by the District to Contractor within sixty (60) days after receipt by District of statement of charges and completion of final inspection. Such statement shall be checked and approved by a person or persons designated by the District.
- 2.3.5 Payments made under this Agreement are subject to taxation and an IRS Form 1099 will be issued to the Participant. Funds may be withheld by the District as required by law for payment of tax liabilities and/or other court-ordered payments.

## 2.4 General Program Requirements

- 2.4.1 The Participant warrants that the vehicle(s)/engine(s) covered under this Agreement meets all the eligibility requirements described in the Program application and guidelines. The Participant further agrees to operate the vehicle(s)/engine(s) in a manner that is consistent with the eligibility requirements in the guidelines and the goals and objectives of the Program.
- 2.4.2 The Participant cannot apply for or receive additional incentive funds, including but not limited to the state Carl Moyer Program inter-district fund or any other air district fund, including those funds used as matching funds, for any equipment listed in Exhibit A of this Agreement. This requirement may be waived by District staff on an individual basis. If the District discovers that the Participant has applied for or received funds from these sources, the District will terminate this Agreement and require that any funds paid under this Agreement be returned to the District.
- 2.4.3 The Participant agrees to operate the equipment described in Exhibit A within the manufacturer's specifications including all maintenance and fueling requirements. An operational odometer, hour meter, or other District-approved usage measuring device must be installed on all projects and maintained for continuous operation. Under no circumstances may the Participant make any modifications to or tamper with the vehicle, equipment, engine, emission control system(s), or any recording devices on the vehicle or equipment prohibited under CARB and USEPA regulations. The Participant also agrees to operate the vehicle, engine, and/or equipment in compliance with all local, state, and federal rules, laws, and regulations.

2.4.4 Participant shall cooperate with the District and CARB in implementation, monitoring, enforcement, and other efforts to assure the emission benefits from the project are real, quantifiable, surplus, and enforceable.

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

2.5.1 The low-emission engine or engine retrofit must be either:

- (i) CARB Certified; or
- (ii) CARB Verified; or
- (iii) Under an experimental permit issued by CARB; or
- (iv) In cases where federal law preempts state requirements, approved for use by the USEPA

Engines certified to a level that is less stringent than the standard applicable to the replaced engine for any pollutant are ineligible for funding under this agreement.

2.5.2 Any engine retrofit funded under this Agreement must reduce either oxides of nitrogen or particulate matter emissions by a minimum of 25% for either pollutant.

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

- (i) Destroy the replaced or repowered engine in a manner acceptable to the District. If the engine is destroyed, the Participant must permit the District to inspect the destroyed engine; or
- (ii) Implement a District approved destruction alternative. The District may approve a destruction alternative only if special circumstances justifying the use of an alternative exist, and there is no detrimental impact to air quality.

2.6 New Low-Emission Vehicle Purchase – This Agreement is ☐ or is not ☒ subject to the following requirements:

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

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

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

2.6.4 The Participant must submit copies of invoices from service providers that confirm:

- (i) Installation of digital odometer/hour meter; and
- (ii) Vehicle finance documents

Each invoice must include vehicle identification number, engine serial number, odometer reading, and date service was provided.

2.6.5 The Participant agrees to the following motor vehicle title requirements:

- (i) The Participant will provide a copy of the replacement vehicle's title to the District, demonstrating that the District is named as a lien holder for the vehicle.
- (ii) The Participant must be the legal owner of the replacement vehicle through the length of this Agreement.
- (iii) If the replacement vehicle is financed, the Participant will list both the District and the Finance Company as lien holders for the vehicle.
- (iv) If the replacement vehicle is financed, and the loan is repaid before the termination of this Agreement, the Participant must ensure that the District remains a lien holder on the replacement vehicle through the end date listed in Section 2.9.1.
- (v) If the replacement vehicle is repossessed by the finance company, the Participant must reimburse the District in accordance with the termination formula in Section 2.7.
- (vi) Any changes to the replacement vehicle's title must be approved in writing by the District.

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

$$A = I * [(O * L) - C] / (O * L)$$

A = Amount Owed to the District

I = Total Incentive Award

O = Annual Operational Requirement (miles, hours or gallons)

L = Length of the Agreement in Years

C = Actual Operation (miles, hours, or gallons)

The APCO may, at his or her sole discretion, relieve this obligation to return the funds after considering the circumstances leading to the failure to fulfill the minimum performance requirements. Additionally, the APCO may, at his or her sole discretion, require full reimbursement of all funds paid to the Participant as outlined in Section 2.9.10.

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

## 2.9 General Requirements

2.9.1 This Agreement shall begin upon execution by all parties and terminate on **April 1<sup>st</sup>, 2024**. No work may begin on this project until this Agreement is executed by all parties. For this Agreement, the timeframe indicated by the execution of this Agreement and the afore-mentioned termination date shall serve as the contract term including both the project completion and project implementation/life periods.

2.9.2 Except as specified in Section 2.9.2(ii), the receipt of funds and performance under this Agreement prohibits application for any form of emission reduction credit for the life of the contract term outlined in Section 2.9.1.

- (i) This prohibition includes, but is not limited to all attainment, nonattainment, criteria and noncriteria pollutants, Application for Emission Reduction Credits (ERC), Mobile Emission Reduction Credits (MERC) and/or Certificates of Advanced Placement (CAP). This prohibition extends to credits from all Air Quality Management or Air Pollution Control Districts.
- (ii) For projects involving the replacement of a stationary diesel agricultural water pump with an electric water pump in conjunction with the Pacific Gas & Electric Company's (PG&E) PUC-approved discounted AG-ICE electric rate program, PG&E may retain all of the carbon dioxide credits and a portion of the remaining emission credits for reductions generated through this Agreement. The portion of the remaining emission credits retained by PG&E will be the difference in emissions between a Tier 3 diesel engine and the emissions associated with generating electricity for the electric pump.

2.9.3 The District, CARB, or their designee may conduct an audit of the Participant's operations to verify that the Participant is complying with the Agreement terms.

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

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

- 2.9.4 The Participant shall defend, indemnify, and hold harmless District, CARB, its officers, agents, employees and volunteers from any and all losses, costs, damages, fines or expenses (including attorney fees, court costs and expert fees) or liability of any kind or character to any person or property arising from, or alleged to arise from, any breach of the responsibilities required of the Participant by this Agreement or which are related in any way to the vehicle(s)/equipment, including any and all liability for general, special, consequential, or other damages resulting from the use of the vehicle(s)/equipment by the Participant, for which financial assistance or other incentives are received from the District by the Participant.
- 2.9.5 Participant shall complete and return all requested information and surveys sent from the District, yearly, on **January 1<sup>st</sup>** of each year, for at least **Three years** from the commencement of operation. Noncompliance with the reporting requirements shall require on-site monitoring or inspection by the District. The Participant shall keep the following records from the beginning of operation of the equipment described in Exhibit A through the end of the term described in Section 2.9.1 and for three years following the end date listed in Section 2.9.1. It is the responsibility of the Participant to maintain records adequate to document the subsequent information. The District may request these records at any time during the term of this Agreement, including:

For On-Road Projects	For Off-Road Projects
1. Copies of all driver log book entries for the preceding year	1. Hours operated
2. Miles traveled	2. Fuel consumed
3. Fuel consumed	3. Fuel cost
4. Fuel cost	4. Engine downtime
5. Vehicle downtime	5. Type and cost of maintenance performed
6. Type and cost of maintenance performed	

- 2.9.6 The Participant shall maintain in force at all times during the term of this Agreement and any extensions or modifications thereto, insurance in accordance with Exhibit C. In the event the Participant does not have the required certificate of insurance, or if the required insurance lapses, this Agreement shall be terminated immediately.
- 2.9.7 No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by both parties.
- 2.9.8 The Participant shall observe and comply with all applicable federal, state and District statutes, ordinances, regulations, rules, directives, and laws. This Agreement shall be deemed to be executed within the State of California and construed in accordance with and governed by the laws of the State of

California. If a provision of this Agreement violates any applicable law or regulation, that provision will be stricken from the Agreement, and all other provisions will remain in full force. Any action or proceeding arising out of this Agreement shall be filed in a state court or federal court located in Lassen County, California.

- 2.9.9 No performance rendered or payment due under this Agreement may be delegated or assigned without the written consent of all the parties hereto. If the Participant assigns any of its rights or obligations under this contract, all of the terms and conditions of this contract shall apply to the Participant's assignee.
- 2.9.10 The Participant will submit written documentation of performance towards the requirements outlined in Exhibit B to the District by December 31 of each year until termination of this Agreement. The District may request additional performance documentation at its discretion.
- 2.9.11 This agreement may be terminated by the District upon 30-day notice if the Participant fails to meet any of the obligations established in this Agreement or outlined in the Carl Moyer Program guidelines or the Health and Safety Code. If the Agreement is terminated, the Participant will refund the entire incentive paid by the District. The APCO may, at his or her discretion, waive the refund or allow the Participant an opportunity to cure its failure to meet the Agreement obligations. Additionally, the District and/or CARB may seek all available remedies for breaches of any Agreement provisions, Carl Moyer Program requirements, or Health and Safety Code.
- 2.9.12 The Participant may not sell or encumber the equipment described in Exhibit A without the written consent of the District.
- 2.9.13 The District has made no representations or guarantees to the Participant regarding the quality, condition, or proposed use of the low emission vehicle and engine technology funded under this Agreement or the effects of such technology on the normal operations of the Participant.
- 2.9.14 If either of the events listed in this paragraph occur, the Participant must notify the District within 30 days of the date Participant knows, or should have known, that the event has occurred or is likely to occur:
  - (i) The Participant suffers a catastrophic loss; or
  - (ii) The Participant files for bankruptcy; or
  - (iii) Any other event has occurred or is likely to occur that could impair the Participant's ability to perform the conditions of this Agreement.
- 2.9.15 This Agreement will bind the successors of the District and Participant in the same manner as if they were expressly named.

2.9.16 Correspondence between the District and Participant should be addressed to the following:

To District	To Participant
Lassen County APCD 720 South Street Susanville, CA 96130 Phone: (530) 257-1041 Fax: (530) 257-1057	Duane Crum 528-100 Dixie Valley Rd Little Valley, CA 96056 Phone: (530) 336-6687

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

2.9.17 This Agreement consists of the following:

- (i) Participant Agreement
- (ii) Exhibit A – Vehicle and Engine Information Page
- (iii) Exhibit B – Performance Requirements
- (iv) Exhibit C – Insurance Requirements

**DISCLOSURE AGREEMENT:** The undersigned representative of Participant affirmatively states that neither they nor any other representative of Participant will submit another application or sign another contract for the same engine(s), equipment, and/or vehicle(s) detailed in Exhibit A with any other source of funds, including but not limited to other air districts or multidistrict funding under the Carl Moyer Program.

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

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

**Approved by Participant**

\_\_\_\_\_ **Date:** \_\_\_\_\_

**Approved by the Lassen County Air Pollution Control District**

\_\_\_\_\_ **Date:** \_\_\_\_\_  
Erik Edholm  
Air Pollution Control Officer

**Approved to as form:**

\_\_\_\_\_ **Date:** \_\_\_\_\_  
Greg Einhorn  
District Counsel



## EXHIBIT A

### Vehicle / Equipment Information Form

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

Farming

**Equipment:**

Agricultural Tractor

**Project Type:**

Replacement

#### Counties Vehicle Currently Operates

Lassen County	Modoc County, Shasta County
Main Location of Operation (include cross streets)	

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

	Within the Lassen County Area	Outside of Lassen County Area	Total Operation
Hours	100%	0%	604 Hours

#### Existing Vehicle Information

Make: International Harvester	Model: 2955	Model Year: 1974	GVWR:
Vehicle Identification Number: 2310012B103664	Fleet Identification Number:	License Plate:	Odometer:

#### Existing Engine Information

Make: International Harvester	Model: 3.9L	Model Yr: 1974	Serial Number: N/A	HP: 67	Hour Meter: N/A
Fuel Type: Diesel					

#### New or Replacement Vehicle Information

Make: John Deere	Model: 5075 E	Model Year: 2020	GVWR:
Vehicle Identification Number:	Fleet Identification Number:	License Plate:	Odometer:

#### New Engine or Retrofit System Information

Make: John Deere	Model: Powertech 4.5L	Model Yr: 2020	Serial Number:	HP: 75	NOx Cert:
Fuel Type: Diesel					

## EXHIBIT B – PERFORMANCE REQUIREMENTS

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

Vehicle and Engine Year Make & Model*	Vehicle and Engine Serial Numbers*	Minimum Usage (hours)	Anticipated Annual NOx Reduction (tons)	Payback Requirement per Hour	Maximum Incentive Amount
2020 John Deere 5075 E Tractor		1,812	.473	\$19.32	\$35,000.00
<b>Total</b>					

\* The District will fill in information upon verification of project completion.

## EXHIBIT C – INSURANCE REQUIREMENTS

### INSURANCE

Contractor agrees to maintain any and all insurance required for the term of this contract. Limits of liability and coverage details are pursuant to the District's insurance requirements specification. The following insurance coverage is required:

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

CONTRACTOR shall furnish the DISTRICT with certificate(s) of insurance or self-insurance and/or original endorsement(s) and/or insurance binder(s) affecting coverage required below. The certificates, endorsements, and/or binders for each insurance policy are to be signed by a person authorized by the insurer to effect coverage on its behalf. The certificates, endorsements, and/or binders are to be received and approved by the DISTRICT before work commences. The DISTRICT reserves the right to require complete, certified copies of all required insurance policies, at any time. If CONTRACTOR provides self-insurance, it shall, on intervals specified by the APCO, provide financial statements sufficiently detailed so as to allow the APCO to assess CONTRACTOR'S capability of providing such self-insurance. The APCO may reject self-insurance coverage where he finds that sufficient coverage will not be afforded to the DISTRICT.

During the term of the Agreement, CONTRACTOR shall, at its sole expense, obtain and maintain in full force and affect the type and limits of liability requirements as follows:

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

"Claims made" policies are unacceptable.

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

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

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

- B. **Public Entities/Self-Insured Status:** CONTRACTOR shall maintain status as a legally self-insured public entity for general liability and shall maintain a self-insured retention of three

hundred thousand dollars (\$300,000) per occurrence.

- C. **Professional Liability Insurance** (when the contract involves professional services such as engineering, architectural, legal, accounting, instructing, and consulting, professional liability insurance is required. If not contracting for professional services, delete this paragraph.) Professional liability insurance covering professional services shall be provided in an amount of at least \$1,000,000 per occurrence or \$1,000,000 on a claims made basis. However, if coverage is written on a claims made basis, the policy shall be endorsed to provide at least a two-year extended reporting provision.

- II. **Workers Compensation and Employers Liability:** CONTRACTOR shall carry full Worker's Compensation insurance coverage for all persons directly employed or volunteers, in carrying out the work under this contract, in accordance with the "Worker's Compensation and Insurance Act", Division IV of the Labor Code of the State of California and any acts amendatory thereof. Employer's Liability statutory limits will apply. If CONTRACTOR has no employees, no Worker's Compensation coverage is required. If CONTRACTOR hires subcontractors to perform under this agreement, the CONTRACTOR shall assure that the subcontractor carries workers compensation insurance for all of its employees, who are required to be covered by applicable law.
- III. **Notice of Cancellation.** Each insurance policy shall be endorsed, and evidence of such endorsement shall be provided to the DISTRICT, that coverage not be suspended, voided, canceled, reduced in coverage or in limits, or material change in coverage, except after thirty (30) days prior written notice has been given to the DISTRICT. Ten-(10) days prior written notice of cancellation for non-payment of CONTRACTOR's insurance premium is permissible.
- IV. **Additional Insured:** It is mandatory that all of the above insurance policies (except workers compensation) shall include the DISTRICT as additional insured. The DISTRICT, its officials, trustees, agents, employees, and volunteers are to be covered as additional insured as respects liability arising out of activities performed by or on behalf of the CONTRACTOR.
- V. In addition, it is understood and agreed that the following be made a part of this Agreement.
- A. **Excess/Umbrella:** An excess policy or an umbrella policy (following form) may be utilized to meet the above-required limits of liability.
- B. **Supplementary Payments:** The above-stated limits of liability coverage for Commercial/Comprehensive General Liability, and Business Automobile Liability assumes that the standard "supplementary payments" clause will pay in addition to the applicable limits of liability and that these supplementary payments are not included as part of the insurance limits of liability. If any of the policies indicate that defense costs are included in the general aggregate limit, then the general aggregate limits must be a multiple of the per occurrence limits.
- C. **Contractors' Insurance as Primary:** The CONTRACTOR's insurance coverage shall be primary insurance. Any insurance or self-insurance maintained by the DISTRICT, its officials, trustees, agents, employees or volunteers shall be excess to the CONTRACTOR's insurance and shall not contribute with it.
- D. **Acceptability of Insurers:** Insurance is to be placed with admitted State of California insurers which have an A.M. Best's rating of no less than A: VII, or be an equivalent program of self-insurance.
- E. **District Risk Manager Exceptions:** Any exceptions to the above insurance requirements are subject to the concurrence of the DISTRICT'S Risk Manager.

**LASSEN COUNTY AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD****GOVERNING BOARD**

Kevin Stafford, *Chairman*  
 Chris Gallagher, *Vice Chairman*  
 Tom Hammond  
 Jeff Hemphill  
 Quincy McCourt  
 Brian Moore

**Staff**

Erik Edholm  
*Air Pollution Control Officer*  
 Angelina Chamblee  
*Administrative Staff Assistant*

Meeting of October 13, 2020

To: Governing Board

From: Erik Edholm, APCO

Subject: Carl Moyer Grant Award, Schroeder, Inc.

Attached is a proposed Carl Moyer Grant for execution under 22<sup>nd</sup> Cycle grant, of which the District currently has \$233,514.34 of Cycle 22 funds available for award. The proposed grant is to Schroeder, Inc. for a tractor replacement project that will replace a 1972 John Deere 1020 with a 2020 John Deere 3038E for a total grant amount of \$22,081.00.

**Recommendation:**

Approve Resolution 20-06 authorizing the APCO to execute grant agreement 18-22-CMP-06 in the amount of \$22,081.00 to Schroeder, Inc.

Respectfully Submitted,

Erik Edholm  
 Air Pollution Control Officer



**RESOLUTION NO. 20-06**

**A RESOLUTION BY THE BOARD OF DIRECTORS FOR THE LASSEN COUNTY AIR  
POLLUTION CONTROL DISTRICT APPROVING CARL MOYER GRANT AGREEMENT  
18-22-CMP-06 WITH SCHROEDER, INC.**

WHEREAS, California Health and Safety Code sections 44275-44299.2 authorize the California Air Resources Board (ARB) to allocate Carl Moyer Program (CMP) funds to local air quality districts to provide financial incentives to both the public and private sectors to implement eligible projects to reduce emissions from on-road, marine, locomotive, agricultural, and off-road engines;

WHEREAS, Lassen County Air Pollution Control District (LCAPCD) has successfully implemented Carl Moyer Program projects in past years to reduce emissions and improve air quality in Northeast Plateau and seeks to continue to reduce emissions from diesel engines through clean air projects;

WHEREAS, the Governing Board approved on March 10, 2020 Resolution 19-09 Accepting Carl Moyer Program Funds from the California Air Resources Board;

WHEREAS, Resolution 19-09 authorized the Air Pollution Control Officer to execute on behalf of the District grant agreements with ARB, and all other necessary documents to implement and carry out the purposes of Resolution 19-09, each year until 2021;

NOW, THEREFORE, BE IT RESOLVED that the Governing Board hereby approves the Air Pollution Control Officer to execute Carl Moyer Grant Agreement 18-22-CMP-06 with Schroeder, Inc.;

The foregoing resolution was approved and adopted by the following vote of the Board on October 13, 2020.

AYES:

NOES:

ABSTAIN:

ABSENT:

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Kevin Stafford, Chairman  
Lassen County Air Pollution Control District

ATTEST:

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Erik Edholm  
Air Pollution Control Officer

**LASSEN COUNTY AIR POLLUTION CONTROL DISTRICT  
CARL MOYER HEAVY-DUTY LOW EMISSION INCENTIVE PROGRAM AGREEMENT**

This Agreement (Agreement) is between the Lassen County Air Pollution Control District (District), a public agency of the State of California, and **Schroeder, Inc** (Participant).

**1.0 Recitals**

- 1.1 The District is in nonattainment of the state air quality standards for particulate matter and is impacted by the effects of toxic air contaminants, including diesel particulate matter and other pollutants from mobile sources.
- 1.2 On December 11, 2007, the District Governing Board approved Resolution No. 18-07-CMP-10, authorizing the District's participation in the CARB Carl Moyer Program which is a Heavy-Duty Low Emission Vehicle Incentive Program (Program), which is hereby incorporated by reference and made part of this agreement.
- 1.3 On September 23, 2004, Governor Schwarzenegger signed Assembly Bills 923, 1394, and 2128 which made major changes to the Carl Moyer Program and projects funded using Department of Motor Vehicles Surcharges, expanding the Program to include light-duty vehicles, Fleet Modernization, and agricultural assistance projects.
- 1.4 To implement mobile source emission reduction projects, the Program provides incentives to fleet operators and individuals for the purchase, repower and/or retrofit of low-emission on-road motor vehicles, off-road mobile equipment, and agricultural water pumps.
- 1.5 The Participant wishes to participate in the Program by purchasing and operating the equipment described in this Agreement and represents that the purchase is not required by any local, state, and/or federal rule, regulation, memorandum, or other legally binding agreement, with the exception of certain agricultural projects described in Health and Safety Code sections 41081(d)(2)(ii), 41802 and 44275.
- 1.6 The Participant has read and agreed to all requirements of the Program application and guidelines which are hereby incorporated into this Agreement.
- 1.7 This Agreement is a voluntary act intended to accelerate the introduction of low-emission vehicle and engine technology designed to reduce emissions of oxides of nitrogen, particulate matter, reactive organic gases, toxic air contaminants, and oxides of carbon within Lassen County.
- 1.8 This Agreement was approved for use by the District's Board of Directors on December 14, 2010.
- 1.9 On October 13, 2020, The District Governing Board authorized making this contract with Participant.



## Terms and Conditions

### 2.1 Definitions

- 2.1.1 “Applicable emission standards” are defined as the emission standards for oxides of nitrogen (NO<sub>x</sub>), particulate matter (PM), hydrocarbons, and carbon monoxide established by the California Air Resources Board (CARB) or the United States Environmental Protection Agency (USEPA) for a model year vehicle or engine. For “phase-in” or “interim” engines the following standards apply:

Engine Model Year	Power Rating	NO <sub>x</sub> Standard	PM Standard
2007-2009 On-Road	All On-Road Heavy-Duty Diesel Engines	1.2 g/bhp-hr	0.01 g/bhp-hr
2012-2013 Off-Road	56 – 129 kW (75 – 174 HP)	2.2 g/kW-hr (1.6 g/bhp-hr)	0.02 g/kW-hr (0.01 g/bhp-hr)
2011-2013 Off-Road	130 – 560 kW (175 – 749 HP)	2.2 g/kW-hr (1.6 g/bhp-hr)	0.02 g/kW-hr (0.01 g/bhp-hr)

- 2.1.2 “Agricultural water pump” is defined as a stationary or portable device designed to move water used for agricultural purposes.
- 2.1.3 “Certified” is defined as a motor vehicle or engine that is certified by CARB or the USEPA to an emission standard or standards.
- 2.1.4 “Experimental Permit” is defined as an Executive Order issued by CARB for the experimental use of a non-certified or non-verified engine, fuel, or engine retrofit in California.
- 2.1.5 “Fleet Modernization” is defined as the transaction in which an older on-road motor vehicle or piece of off-road mobile equipment is destroyed and replaced with a similar motor vehicle or piece of equipment certified to a lower emission standard.
- 2.1.6 “Motor vehicle” is defined as a self-propelled device by which any person or property may be propelled, moved, or drawn upon a highway, excepting a device moved exclusively by human power or used exclusively upon stationary rails or tracks.
- 2.1.7 “Off-road equipment” is defined as a self-propelled device not intended for operation on a highway and is powered by an engine certified to off-road or nonroad emission standards.
- 2.1.8 “Repower” is defined as the process in which an old engine is replaced with a new engine.
- 2.1.9 “Retrofit” is defined as the installation of a device designed to reduce emissions from an engine.

2.1.10 "Tier 3" is defined as the emission certification of an off-road compression ignition engine to the Tier 3 emission standards as described in §2423(b)(1) of the California Code of Regulations.

2.1.11 "Verified" is defined as a device, fuel, or system that is verified by CARB or the USEPA to reduce emissions from a mobile source by a verified amount.

## 2.2 Participant Obligations – the Participant will:

2.2.1 ☒ Participant agrees that the original engine(s) to be replaced by this program is the same as the engine(s) stated in Participant's application and restated in Exhibit A. Said engine(s) will be destroyed immediately or otherwise rendered unusable immediately after new engine installation. Participant agrees that the District may directly observe the Participant's destruction of the engine and/or be provided proof of destruction or nonuseability within 30 days of new engine installation. Engine destruction may include but is not limited to: salvage receipt (with serial number), placing a hole (at least five inches in diameter) in the engine block (with accompanying photos with serial numbers visible in said photos), welding the cylinder(s) to prevent any re-use, or any other means acceptable to the District.

☐ N/A - Retrofit

2.2.2 Purchase, invoice the District, and operate the equipment described in Exhibit A by **April 30<sup>th</sup>, 2021**. Participant may submit a written request to extend this Section if the project cannot be successfully completed due to circumstances beyond the Participant's reasonable control.

2.2.3 Ensure that a functioning hour meter is installed on the equipment described in Exhibit A for the life of the project.

2.2.4 Operate the equipment described in Exhibit A in Lassen County during the term of this agreement in accordance with the requirements in Exhibit B. In addition to meeting the operating requirements established in Exhibit B, 75% of the vehicles total operation must occur within California. Agricultural water pumps are required to operate 100% within Lassen County.

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

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

## 2.3 Payment

2.3.1 The District will reimburse the Participant up to **\$35,000.00** towards the cost of the vehicle(s) or equipment identified in Exhibit A within 60 days of receipt of an itemized invoice.

- 2.3.2 Any payments made under this Agreement are subject to the provisions and limitations of Health and Safety Code. The District shall have no liability for payment of any compensation and expenses that are found to be in contravention of the Health and Safety Code or any other local, state, or federal law. The Participant shall reimburse the District for any payments that are later found to be in contravention of the Health and Safety Code or any other local, state, or federal law.
- 2.3.3 No payments shall be issued under this Agreement prior to final inspection of the project by District personnel.
- 2.3.4 Payment of compensation shall be made by the District to Contractor within sixty (60) days after receipt by District of statement of charges and completion of final inspection. Such statement shall be checked and approved by a person or persons designated by the District.
- 2.3.5 Payments made under this Agreement are subject to taxation and an IRS Form 1099 will be issued to the Participant. Funds may be withheld by the District as required by law for payment of tax liabilities and/or other court-ordered payments.

## 2.4 General Program Requirements

- 2.4.1 The Participant warrants that the vehicle(s)/engine(s) covered under this Agreement meets all the eligibility requirements described in the Program application and guidelines. The Participant further agrees to operate the vehicle(s)/engine(s) in a manner that is consistent with the eligibility requirements in the guidelines and the goals and objectives of the Program.
- 2.4.2 The Participant cannot apply for or receive additional incentive funds, including but not limited to the state Carl Moyer Program inter-district fund or any other air district fund, including those funds used as matching funds, for any equipment listed in Exhibit A of this Agreement. This requirement may be waived by District staff on an individual basis. If the District discovers that the Participant has applied for or received funds from these sources, the District will terminate this Agreement and require that any funds paid under this Agreement be returned to the District.
- 2.4.3 The Participant agrees to operate the equipment described in Exhibit A within the manufacturer's specifications including all maintenance and fueling requirements. An operational odometer, hour meter, or other District-approved usage measuring device must be installed on all projects and maintained for continuous operation. Under no circumstances may the Participant make any modifications to or tamper with the vehicle, equipment, engine, emission control system(s), or any recording devices on the vehicle or equipment prohibited under CARB and USEPA regulations. The Participant also agrees to operate the vehicle, engine, and/or equipment in compliance with all local, state, and federal rules, laws, and regulations.

2.4.4 Participant shall cooperate with the District and CARB in implementation, monitoring, enforcement, and other efforts to assure the emission benefits from the project are real, quantifiable, surplus, and enforceable.

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

2.5.1 The low-emission engine or engine retrofit must be either:

- (i) CARB Certified; or
- (ii) CARB Verified; or
- (iii) Under an experimental permit issued by CARB; or
- (iv) In cases where federal law preempts state requirements, approved for use by the USEPA

Engines certified to a level that is less stringent than the standard applicable to the replaced engine for any pollutant are ineligible for funding under this agreement.

2.5.2 Any engine retrofit funded under this Agreement must reduce either oxides of nitrogen or particulate matter emissions by a minimum of 25% for either pollutant.

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

- (i) Destroy the replaced or repowered engine in a manner acceptable to the District. If the engine is destroyed, the Participant must permit the District to inspect the destroyed engine; or
- (ii) Implement a District approved destruction alternative. The District may approve a destruction alternative only if special circumstances justifying the use of an alternative exist, and there is no detrimental impact to air quality.

2.6 New Low-Emission Vehicle Purchase – This Agreement is ☐ or is not ☒ subject to the following requirements:

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

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

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

2.6.4 The Participant must submit copies of invoices from service providers that confirm:

- (i) Installation of digital odometer/hour meter; and
- (ii) Vehicle finance documents

Each invoice must include vehicle identification number, engine serial number, odometer reading, and date service was provided.

2.6.5 The Participant agrees to the following motor vehicle title requirements:

- (i) The Participant will provide a copy of the replacement vehicle's title to the District, demonstrating that the District is named as a lien holder for the vehicle.
- (ii) The Participant must be the legal owner of the replacement vehicle through the length of this Agreement.
- (iii) If the replacement vehicle is financed, the Participant will list both the District and the Finance Company as lien holders for the vehicle.
- (iv) If the replacement vehicle is financed, and the loan is repaid before the termination of this Agreement, the Participant must ensure that the District remains a lien holder on the replacement vehicle through the end date listed in Section 2.9.1.
- (v) If the replacement vehicle is repossessed by the finance company, the Participant must reimburse the District in accordance with the termination formula in Section 2.7.
- (vi) Any changes to the replacement vehicle's title must be approved in writing by the District.

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

$$A = I * [(O * L) - C] / (O * L)$$

A = Amount Owed to the District

I = Total Incentive Award

O = Annual Operational Requirement (miles, hours or gallons)

L = Length of the Agreement in Years

C = Actual Operation (miles, hours, or gallons)

The APCO may, at his or her sole discretion, relieve this obligation to return the funds after considering the circumstances leading to the failure to fulfill the minimum performance requirements. Additionally, the APCO may, at his or her sole discretion, require full reimbursement of all funds paid to the Participant as outlined in Section 2.9.10.

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

## 2.9 General Requirements

2.9.1 This Agreement shall begin upon execution by all parties and terminate on **April 1<sup>st</sup>, 2024**. No work may begin on this project until this Agreement is executed by all parties. For this Agreement, the timeframe indicated by the execution of this Agreement and the afore-mentioned termination date shall serve as the contract term including both the project completion and project implementation/life periods.

2.9.2 Except as specified in Section 2.9.2(ii), the receipt of funds and performance under this Agreement prohibits application for any form of emission reduction credit for the life of the contract term outlined in Section 2.9.1.

- (i) This prohibition includes, but is not limited to all attainment, nonattainment, criteria and noncriteria pollutants, Application for Emission Reduction Credits (ERC), Mobile Emission Reduction Credits (MERC) and/or Certificates of Advanced Placement (CAP). This prohibition extends to credits from all Air Quality Management or Air Pollution Control Districts.
- (ii) For projects involving the replacement of a stationary diesel agricultural water pump with an electric water pump in conjunction with the Pacific Gas & Electric Company's (PG&E) PUC-approved discounted AG-ICE electric rate program, PG&E may retain all of the carbon dioxide credits and a portion of the remaining emission credits for reductions generated through this Agreement. The portion of the remaining emission credits retained by PG&E will be the difference in emissions between a Tier 3 diesel engine and the emissions associated with generating electricity for the electric pump.

2.9.3 The District, CARB, or their designee may conduct an audit of the Participant's operations to verify that the Participant is complying with the Agreement terms.

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

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

- 2.9.4 The Participant shall defend, indemnify, and hold harmless District, CARB, its officers, agents, employees and volunteers from any and all losses, costs, damages, fines or expenses (including attorney fees, court costs and expert fees) or liability of any kind or character to any person or property arising from, or alleged to arise from, any breach of the responsibilities required of the Participant by this Agreement or which are related in any way to the vehicle(s)/equipment, including any and all liability for general, special, consequential, or other damages resulting from the use of the vehicle(s)/equipment by the Participant, for which financial assistance or other incentives are received from the District by the Participant.
- 2.9.5 Participant shall complete and return all requested information and surveys sent from the District, yearly, on **January 1<sup>st</sup>** of each year, for at least **Three years** from the commencement of operation. Noncompliance with the reporting requirements shall require on-site monitoring or inspection by the District. The Participant shall keep the following records from the beginning of operation of the equipment described in Exhibit A through the end of the term described in Section 2.9.1 and for three years following the end date listed in Section 2.9.1. It is the responsibility of the Participant to maintain records adequate to document the subsequent information. The District may request these records at any time during the term of this Agreement, including:

For On-Road Projects	For Off-Road Projects
1. Copies of all driver log book entries for the preceding year	1. Hours operated
2. Miles traveled	2. Fuel consumed
3. Fuel consumed	3. Fuel cost
4. Fuel cost	4. Engine downtime
5. Vehicle downtime	5. Type and cost of maintenance performed
6. Type and cost of maintenance performed	

- 2.9.6 The Participant shall maintain in force at all times during the term of this Agreement and any extensions or modifications thereto, insurance in accordance with Exhibit C. In the event the Participant does not have the required certificate of insurance, or if the required insurance lapses, this Agreement shall be terminated immediately.
- 2.9.7 No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by both parties.
- 2.9.8 The Participant shall observe and comply with all applicable federal, state and District statutes, ordinances, regulations, rules, directives, and laws. This Agreement shall be deemed to be executed within the State of California and construed in accordance with and governed by the laws of the State of

California. If a provision of this Agreement violates any applicable law or regulation, that provision will be stricken from the Agreement, and all other provisions will remain in full force. Any action or proceeding arising out of this Agreement shall be filed in a state court or federal court located in Lassen County, California.

- 2.9.9 No performance rendered or payment due under this Agreement may be delegated or assigned without the written consent of all the parties hereto. If the Participant assigns any of its rights or obligations under this contract, all of the terms and conditions of this contract shall apply to the Participant's assignee.
- 2.9.10 The Participant will submit written documentation of performance towards the requirements outlined in Exhibit B to the District by December 31 of each year until termination of this Agreement. The District may request additional performance documentation at its discretion.
- 2.9.11 This agreement may be terminated by the District upon 30-day notice if the Participant fails to meet any of the obligations established in this Agreement or outlined in the Carl Moyer Program guidelines or the Health and Safety Code. If the Agreement is terminated, the Participant will refund the entire incentive paid by the District. The APCO may, at his or her discretion, waive the refund or allow the Participant an opportunity to cure its failure to meet the Agreement obligations. Additionally, the District and/or CARB may seek all available remedies for breaches of any Agreement provisions, Carl Moyer Program requirements, or Health and Safety Code.
- 2.9.12 The Participant may not sell or encumber the equipment described in Exhibit A without the written consent of the District.
- 2.9.13 The District has made no representations or guarantees to the Participant regarding the quality, condition, or proposed use of the low emission vehicle and engine technology funded under this Agreement or the effects of such technology on the normal operations of the Participant.
- 2.9.14 If either of the events listed in this paragraph occur, the Participant must notify the District within 30 days of the date Participant knows, or should have known, that the event has occurred or is likely to occur:
  - (i) The Participant suffers a catastrophic loss; or
  - (ii) The Participant files for bankruptcy; or
  - (iii) Any other event has occurred or is likely to occur that could impair the Participant's ability to perform the conditions of this Agreement.
- 2.9.15 This Agreement will bind the successors of the District and Participant in the same manner as if they were expressly named.



2.9.16 Correspondence between the District and Participant should be addressed to the following:

To District	To Participant
Lassen County APCD 720 South Street Susanville, CA 96130 Phone: (530) 257-1041 Fax: (530) 257-1057	David Schroeder 709-650 Saddleback Lane Janesville, CA 96114 Phone: (530) 251-6438

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

2.9.17 This Agreement consists of the following:

- (i) Participant Agreement
- (ii) Exhibit A – Vehicle and Engine Information Page
- (iii) Exhibit B – Performance Requirements
- (iv) Exhibit C – Insurance Requirements

**DISCLOSURE AGREEMENT:** The undersigned representative of Participant affirmatively states that neither they nor any other representative of Participant will submit another application or sign another contract for the same engine(s), equipment, and/or vehicle(s) detailed in Exhibit A with any other source of funds, including but not limited to other air districts or multidistrict funding under the Carl Moyer Program.

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

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

**Approved by Participant**

\_\_\_\_\_ **Date:** \_\_\_\_\_

**Approved by the Lassen County Air Pollution Control District**

\_\_\_\_\_ **Date:** \_\_\_\_\_  
Erik Edholm  
Air Pollution Control Officer

**Approved to as form:**

\_\_\_\_\_ **Date:** \_\_\_\_\_  
Greg Einhorn  
District Counsel

## EXHIBIT A

### Vehicle / Equipment Information Form

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

Farming

**Equipment:**

Agricultural Tractor

**Project Type:**

Replacement

#### Counties Vehicle Currently Operates

Lassen County	Modoc County, Shasta County
Main Location of Operation (include cross streets)	

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

	Within the Lassen County Area	Outside of Lassen County Area	Total Operation
Hours	100%	0%	800 Hours

#### Existing Vehicle Information

Make: John Deere	Model: 1020	Model Year: 1972	GVWR:
Vehicle Identification Number: 105813T	Fleet Identification Number:	License Plate:	Odometer:

#### Existing Engine Information

Make: John Deere	Model: 2.5L	Model Yr: 1972	Serial Number: N/A	HP: 39	Hour Meter: N/A
Fuel Type: Diesel					

#### New or Replacement Vehicle Information

Make: John Deere	Model: 3038 E	Model Year: 2020	GVWR:
Vehicle Identification Number:	Fleet Identification Number:	License Plate:	Odometer:

#### New Engine or Retrofit System Information

Make: Yanmar	Model: 3TNV86CT	Model Yr: 2020	Serial Number:	HP: 37	NOx Cert:
Fuel Type: Diesel					

## EXHIBIT B – PERFORMANCE REQUIREMENTS

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

Vehicle and Engine Year Make & Model*	Vehicle and Engine Serial Numbers*	Minimum Usage (hours)	Anticipated Annual NOx Reduction (tons)	Payback Requirement per Hour	Maximum Incentive Amount
2020 John Deere 3038 E Tractor		2,400	.12	\$14.58	\$35,000.00
<b>Total</b>					

\* The District will fill in information upon verification of project completion.

## EXHIBIT C – INSURANCE REQUIREMENTS

### INSURANCE

Contractor agrees to maintain any and all insurance required for the term of this contract. Limits of liability and coverage details are pursuant to the District's insurance requirements specification. The following insurance coverage is required:

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

CONTRACTOR shall furnish the DISTRICT with certificate(s) of insurance or self-insurance and/or original endorsement(s) and/or insurance binder(s) affecting coverage required below. The certificates, endorsements, and/or binders for each insurance policy are to be signed by a person authorized by the insurer to effect coverage on its behalf. The certificates, endorsements, and/or binders are to be received and approved by the DISTRICT before work commences. The DISTRICT reserves the right to require complete, certified copies of all required insurance policies, at any time. If CONTRACTOR provides self-insurance, it shall, on intervals specified by the APCO, provide financial statements sufficiently detailed so as to allow the APCO to assess CONTRACTOR'S capability of providing such self-insurance. The APCO may reject self-insurance coverage where he finds that sufficient coverage will not be afforded to the DISTRICT.

During the term of the Agreement, CONTRACTOR shall, at its sole expense, obtain and maintain in full force and affect the type and limits of liability requirements as follows:

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

"Claims made" policies are unacceptable.

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

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

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

- B. **Public Entities/Self-Insured Status:** CONTRACTOR shall maintain status as a legally self-insured public entity for general liability and shall maintain a self-insured retention of three

hundred thousand dollars (\$300,000) per occurrence.

- C. **Professional Liability Insurance** (when the contract involves professional services such as engineering, architectural, legal, accounting, instructing, and consulting, professional liability insurance is required. If not contracting for professional services, delete this paragraph.) Professional liability insurance covering professional services shall be provided in an amount of at least \$1,000,000 per occurrence or \$1,000,000 on a claims made basis. However, if coverage is written on a claims made basis, the policy shall be endorsed to provide at least a two-year extended reporting provision.

- II. **Workers Compensation and Employers Liability:** CONTRACTOR shall carry full Worker's Compensation insurance coverage for all persons directly employed or volunteers, in carrying out the work under this contract, in accordance with the "Worker's Compensation and Insurance Act", Division IV of the Labor Code of the State of California and any acts amendatory thereof. Employer's Liability statutory limits will apply. If CONTRACTOR has no employees, no Worker's Compensation coverage is required. If CONTRACTOR hires subcontractors to perform under this agreement, the CONTRACTOR shall assure that the subcontractor carries workers compensation insurance for all of its employees, who are required to be covered by applicable law.

- III. **Notice of Cancellation.** Each insurance policy shall be endorsed, and evidence of such endorsement shall be provided to the DISTRICT, that coverage not be suspended, voided, canceled, reduced in coverage or in limits, or material change in coverage, except after thirty (30) days prior written notice has been given to the DISTRICT. Ten-(10) days prior written notice of cancellation for non-payment of CONTRACTOR's insurance premium is permissible.

- IV. **Additional Insured:** It is mandatory that all of the above insurance policies (except workers compensation) shall include the DISTRICT as additional insured. The DISTRICT, its officials, trustees, agents, employees, and volunteers are to be covered as additional insured as respects liability arising out of activities performed by or on behalf of the CONTRACTOR.

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

- A. **Excess/Umbrella:** An excess policy or an umbrella policy (following form) may be utilized to meet the above-required limits of liability.
- B. **Supplementary Payments:** The above-stated limits of liability coverage for Commercial/Comprehensive General Liability, and Business Automobile Liability assumes that the standard "supplementary payments" clause will pay in addition to the applicable limits of liability and that these supplementary payments are not included as part of the insurance limits of liability. If any of the policies indicate that defense costs are included in the general aggregate limit, then the general aggregate limits must be a multiple of the per occurrence limits.
- C. **Contractors' Insurance as Primary:** The CONTRACTOR's insurance coverage shall be primary insurance. Any insurance or self-insurance maintained by the DISTRICT, its officials, trustees, agents, employees or volunteers shall be excess to the CONTRACTOR's insurance and shall not contribute with it.
- D. **Acceptability of Insurers:** Insurance is to be placed with admitted State of California insurers which have an A.M. Best's rating of no less than A: VII, or be an equivalent program of self-insurance.
- E. **District Risk Manager Exceptions:** Any exceptions to the above insurance requirements are subject to the concurrence of the DISTRICT'S Risk Manager.

## LASSEN COUNTY AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD

### GOVERNING BOARD

Kevin Stafford, *Chairman*  
 Chris Gallagher, *Vice Chairman*  
 Tom Hammond  
 Jeff Hemphill  
 Quincy McCourt  
 Brian Moore

### Staff

Erik Edholm  
*Air Pollution Control Officer*  
 Angelina Chamblee  
*Administrative Staff Assistant*

Meeting of October 13, 2020

To: Governing Board

From: Erik Edholm, APCO

Subject: AB 617 Community Air Protection Incentives Grant Agreement

The State of California signed Assembly Bill (AB) 617 into law in July 2017 directing the California Air Resources Board (CARB) to develop the Community Air Protection Program. CARB is allocating funds from the Greenhouse Gas Reduction Fund (GGRF) to support incentive projects that reduce emissions and improve public health in communities with high burdens of cumulative pollutant exposure, consistent with the goals of AB 617.

The District was initially allocated \$66,1261.11 (\$57,860.35 in project funds and \$8,265.76 in implementation funds) for the FY 2019-2020 program. CARB may amend the District's grant agreement to include additional funds pending future GGRF auctions. The District will use a application process to select projects eligible under the State CAP Incentives 2019 Guidelines and the District's CAP Incentives Policies and Procedures Manual. Per the grant agreement \$52,074.32 of FY 2019-2020 project funds will support projects in AB 1550 Low Income Communities.

CARB required signed grant agreements by June 19, 2020. Attached is the agreement cover page signed by the APCO.

### **Recommendation:**

Motion to approve Resolution 20-07 approving the District's participation in the FY 2019-20 Community Air Protection Program and to amend 2020/21 budget.

Respectfully Submitted,

Erik Edholm  
 Air Pollution Control Officer

**RESOLUTION NO. 20-07**

**A RESOLUTION BY THE BOARD OF DIRECTORS FOR THE LASSEN COUNTY AIR  
POLLUTION CONTROL DISTRICT APPROVING PARTICIPATION IN FY 2019-2020  
COMMUNITY AIR PROTECTION INCENTIVE PROGRAM**

WHEREAS, in 2017 the California Legislature passed and the Governor signed Assembly Bill (AB) 617 titled the “Community Air Protection Program”;

WHEREAS, AB 617 requires the California Air Resources Board (CARB) to improve air pollution data collection and reporting, requires expedited pollution control retrofits at large stationary sources, increases penalties for air pollution violations, requires enhanced air pollution monitoring in certain communities, requires CARB to adopt a statewide emissions reduction strategy focusing on pollution-burdened communities, and requires CARB and local air districts to implement community emissions reduction programs;

WHEREAS, CARB is allocating \$66,1261.11 in FY 2019-2020 Greenhouse Gas Reduction Funds to support incentive projects in Lassen County that reduce emissions and improve public health in communities with high burdens of cumulative pollutant exposure, consistent with the goals of AB 617;

WHEREAS, CAP Incentives will be administered by the District with direction from the State CAP Incentives 2019 Guidelines, the CAP Funds Supplement to the 2017 Carl Moyer Program, and grant agreements;

NOW, THEREFORE, BE IT RESOLVED, that the Lassen County Air Pollution Control District Board, hereby accepts the grant funds and authorizes the Air Pollution Control Officer to execute on behalf of the District grant agreements with CARB, and all other necessary documents to implement and carry out the purposes of this resolution.

BE IT FURTHER RESOLVED that the Lassen County Air Pollution Control Board approves a budget amendment increasing expenditures and revenue as follows:

- 1) Increase AB 617 Admin Revenue Line Item by \$8,265.76 to a total of \$38,0117.76.00 for fiscal year 2020-21.
- 2) Increase AB 617 Incentive Revenue Line Item by \$57,860.76 to a total of \$57,860.76 for fiscal year 2020-21.
- 3) Increase AB 617 Incentive Expenditure Line Item by \$57,860.76 to a total of \$57,860.76 for fiscal year 2020-21.

The foregoing resolution was approved and adopted by the following vote of the Board on October 13, 2020.

AYES:

NOES:



ABSTAIN:

ABSENT:

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Kevin Stafford, Chairman  
Lassen County Air Pollution Control District

ATTEST:

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Erik Edholm  
Air Pollution Control Officer

# GRANT AGREEMENT COVER SHEET

GRANT NUMBER  
G19-MCAP-22

NAME OF GRANT PROGRAM <b>AB 617 Community Air Protection Incentives - CAP Year 3 (Fiscal Year 19/20)</b>	
GRANTEE NAME <b>Lassen County Air Pollution Control District</b>	
TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER <b>94-6000439</b>	TOTAL GRANT AMOUNT NOT TO EXCEED <b>\$66,126.11</b>
FISCAL GRANT TERM <b>FROM: 6/15/2020</b>	<b>TO: 6/30/2021</b>
PROJECT PERFORMANCE PERIOD OF GRANT AGREEMENT <b>FROM: 6/15/2020</b>	<b>TO: 6/30/2025</b>

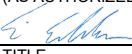


This legally binding Grant Agreement, including this cover sheet and Exhibits, attached hereto and incorporated by reference herein, is made and executed between the State of California, Air Resources Board (CARB) and Lassen County Air Pollution Control District (the "Grantee").

**PROJECT FUNDS – \$57,860.35**  
**IMPLEMENTATION FUNDS – \$8,265.76**  
**TOTAL GRANT AWARD – \$66,126.11**  
**SB 535 FUNDING TARGET – \$0**  
**AB 1550 FUNDING TARGET – \$52,074.32**

Exhibit A - General Terms and Conditions

Assembly Bill 74 (Ting, Chapter 23, Statue of 2019) Sec. 15.14, requires CARB to not encumber or allocate more than 75 percent of any appropriation prior to the fourth auction of the GGRF funds in the 2019-20 Fiscal Year. This Grant Agreement will be amended with additional funding depending on the result of the GGRF auction. Note: a change in the total grant amount will require an equivalent change in the SB 535 and AB 1550 targets for the Grantee. Grant is contingent on CARB receipt of a Board Resolution or Minute Order to accept these funds and administer them consistent with Guidelines and the General Terms and Conditions.

This Agreement is of no force or effect until signed by both parties. Grantee shall not commence performance until it receives written approval from CARB. The undersigned certify under penalty of perjury that they are duly authorized to bind the parties to this Grant Agreement.

STATE AGENCY NAME <b>California Air Resources Board</b>		Lassen County Air Pollution Control District			
SIGNATURE OF ARB'S AUTHORIZED SIGNATORY:		SIGNATURE OF GRANTEE (AS AUTHORIZED IN RESOLUTION, LETTER OF COMMITMENT, OR LETTER OF DESIGNATION) 			
TITLE <b>Contracts, Procurement, and Grants Branch Chief, ASD</b>	DATE	TITLE <b>Air Pollution Control Officer</b>	DATE <b>6/15/2020</b>		
STATE AGENCY ADDRESS <b>1001 I Street, Sacramento, CA 95814</b>		GRANTEE'S ADDRESS (INCLUDE STREET, CITY, STATE AND ZIP CODE) <b>720 South Street, Susanville, California 96130</b>			
<b>CERTIFICATION OF FUNDING</b>					
AMOUNT ENCUMBERED BY THIS AGREEMENT <b>\$66,126.11</b>	PROGRAM <b>3530000L39</b>	PROJECT <b>3900-CAP</b>	ACTIVITY <b>3228CAP19</b>		
PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT	FUND TITLE <b>Greenhouse Gas Reduction Fund</b>				FUND NO. <b>3228</b>
TOTAL AMOUNT ENCUMBERED TO DATE <b>\$66,126.11</b>	(OPTIONAL USE)		FISCAL SUPPLIER ID	CHAPTER <b>23</b>	STATUTE <b>2019</b>
APPR REF <b>101</b>	ACCOUNT/ALT ACCOUNT <b>5432000</b>	REPORTING STRUCTURE <b>39006100</b>	SERVICE LOCATION <b>88501</b>	FISCAL YEAR (ENY) <b>2019</b>	
I hereby certify that the California Air Resources Board Budget Office acknowledges that budgeted funds are available for the period and purpose of the expenditure stated above.					
SIGNATURE OF CALIFORNIA AIR RESOURCES BOARD BUDGET OFFICE: 				DATE <b>6/9/20</b>	
I hereby certify that the California Air Resources Board Legal Office has reviewed this Grant Agreement.					
SIGNATURE OF CALIFORNIA AIR RESOURCES BOARD LEGAL OFFICE: 				DATE <b>6/11/20</b>	
				122	

**California Air Resources Board**  
**Fiscal Year 2019-20 – AB 617 Community Air Protection (CAP) Incentives**  
**GRANT AGREEMENT**

**General Terms and Conditions:**

1. **Grant Objectives:** The California Air Resources Board (CARB) is providing money from the Greenhouse Gas Reduction Fund to support incentive projects that reduce emissions and improve public health in communities with high burdens of cumulative pollutant exposure, consistent with the goals of Assembly Bill (AB) 617 (Chapter 254, Statutes of 2017).
  - a. The air district (GRANTEE) will select projects eligible under the *Carl Moyer Program 2017 Guidelines* and *Community Air Protection Funds Guidelines Supplement* (including truck projects under the *Proposition 1B 2015 Guidelines* relative to funding amounts and truck evaluations), or projects eligible under the *Community Air Protection Incentives 2019 Guidelines* approved by CARB, or other incentive projects and programs included in an approved Community Emissions Reduction Program (H&SC § 44391.2) for funding under this grant agreement. The GRANTEE will allocate funds to projects that will provide emissions reductions in excess of those otherwise required by law or regulation, and will prioritize zero-emission projects whenever feasible, including charging/fueling infrastructure (e.g., EVSE) for medium-and heavy-duty vehicles.
  - b. The GRANTEE will target funds to prioritize emissions reductions in communities most impacted by cumulative pollution burden, focusing in particular on vehicles, equipment and infrastructure that operate in any AB 617 communities selected by CARB or under consideration for future selection. The statewide targets for benefits to priority populations are: no less than 80 percent of funds will go to projects that are located in and

provide direct, meaningful, and assured benefits to residents of AB 1550 communities (Chapter 369, Statutes of 2016); however, the GRANTEE will meet its own individual target for AB 1550 communities as listed in the Grant Coversheet.

- c. The GRANTEE will allocate funds to projects that are consistent with priorities identified by affected communities through a transparent, meaningful public process. The GRANTEE will provide public access to information, including project selection criteria and web posting of project funding proposals and a summary of final selected projects consistent with Section IV of the CARB Funding Guidelines for Agencies that Administer California Climate Investments (CCI) Funding Guidelines (<https://ww2.arb.ca.gov/resources/documents/ccl-funding-guidelines-administering-agencies>). For each project selected the GRANTEE will post at a minimum the following items: name of applicant, brief description of the proposed project, including location (e.g. zip code), amount of funding requested and whether the project is expected to provide direct, meaningful, and assured benefits to residents of AB 1550 communities.
- d. Where applicable, the GRANTEE agrees to acknowledge the CCI program and CARB as a funding source, and adhere to the CCI Funding Guidelines as outlined in the California Climate Investments Messaging and Communications Guide (<http://www.caclimateinvestments.ca.gov/logo-graphics-request/>). Below are specific requirements for acknowledgement.
- e. The GRANTEE agrees to include the CCI funding boilerplate and logo (see Figure 1) on all outreach and public facing materials whenever projects funded, in whole or in part by this Agreement, are publicized in any news media, websites, brochures, publications, audiovisuals, or other types of promotional material. The acknowledgement must read as follows: '[PROGRAM/PROJECT NAME] is part of California Climate Investments, a statewide initiative that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment

— particularly in disadvantaged communities.’ And whenever applicable, the Spanish translation acknowledgement: ‘[NOMBRE DEL PROGRAMA/PROYECTO] forma parte de las Inversiones del Clima de California, un iniciativa estatal que destina miles de millones de dólares de Cap-and-Trade para la reducción de gases de efecto invernadero, fortalecimiento de la economía y mejoramiento de la salud pública y el medio ambiente – especialmente en comunidades en desventaja.’

The CCI logo and name serves to bring under a single brand the many investments whose funding comes from the Greenhouse Gas Reduction Fund (GGRF). The logo represents a consolidated and coordinated initiative by the State to address climate change by reducing greenhouse gases, while also investing in disadvantaged communities and achieving many other co-benefits.

Figure 1: CCI logo



- f. The GRANTEE will allocate funds to projects that are consistent with priorities identified by affected communities through a transparent, meaningful public process. The GRANTEE will provide public access to information, including project selection criteria and web posting of project funding proposals and a summary of final selected projects consistent with Section IV of the CARB Funding Guidelines for Agencies that Administer California Climate Investments (CCI Funding Guidelines) (<https://ww2.arb.ca.gov/resources/documents/cci-funding-guidelines-administering-agencies>). For each project selected the GRANTEE will post at a minimum the following items: name of applicant, brief

description of the proposed project, including location (e.g. zip code), amount of funding requested and whether the project is expected to provide direct, meaningful, and assured benefits to residents of AB 1550 communities.

- g. When submitting project lists with disbursement requests, the GRANTEE will indicate how each project satisfies evaluation criteria for benefits to priority populations, using the *CCI Funding Guidelines Criteria for Clean Transportation and Equipment* except where otherwise directed by CARB ([www.arb.ca.gov/cci-resources](http://www.arb.ca.gov/cci-resources)).
  - h. With CARB's assistance and direction, the GRANTEE will implement reporting procedures for funded projects as specified in the *CCI Funding Guidelines* and the *Community Air Protection Incentives 2019 Guidelines* approved by CARB, including project location information to document benefits to priority populations, vehicle and equipment data to support the calculation of reductions in criteria and toxic pollutants and greenhouse gases, and additional information related to jobs, public outreach and earned interest.
  - i. The GRANTEE will continue to monitor the ongoing implementation of the requirements of AB 617, and will work with CARB to address any new priorities, as they are developed to support the community air quality protection goals of AB 617.
  - j. The GRANTEE and CARB will work together to determine the feasibility of addressing any new community priorities.
2. **Implementation Funding:** In accordance with Section E of Chapter 3: Program Administration, of the Community Air Protection Incentives 2019 Guidelines, the GRANTEE may use up to 12.5 percent of their CAP Incentives for program administration and implementation activities as required by the Grant Agreement. Implementation funding (12.5 percent of the total CAP Incentive grant funds) can be a combination of the direct and indirect project costs; however, the total indirect project costs cannot exceed 4 percent of the total CAP Incentives.
3. **Amendment:** No amendment or variation of the terms of this Grant Agreement

shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Grant Agreement is binding on any of the parties.

4. **Assignment:** This Grant Agreement is not assignable by the GRANTEE, either in whole or in part, without the consent of CARB.
5. **Availability of Funds:** CARB's obligations under this Grant Agreement are contingent upon the availability of funds. In the event funds are not available, the State shall have no liability to pay any funds whatsoever to the GRANTEE or to furnish any other considerations under this Grant Agreement. Additional grant funds may be added through amendment to this agreement if a portion has been withheld pending the fourth cap and trade auction in the 2018–19 fiscal year.
6. **Compliance with Law, Regulations, etc.:** The GRANTEE agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and State laws, rules, guidelines, regulations, and requirements.
7. **Computer Software:** The GRANTEE certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Grant Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
8. **Conflict of Interest:** The GRANTEE certifies that it is in compliance with applicable State and/or federal conflict of interest laws.
9. **Disputes:** The GRANTEE shall continue with the responsibilities under this Grant Agreement during any dispute. GRANTEE staff or management may work in good faith with CARB staff or management to resolve any disagreements or conflicts arising from implementation of this Grant Agreement. However, any disagreements that cannot be resolved at the management level within 30 days of when the issue is first raised with CARB staff shall be subject to resolution by the CARB Executive Officer, or his

designated representative. Nothing contained in this paragraph is intended to limit any of the rights or remedies that the parties may have under law.

10. **Environmental Justice:** In the performance of this Grant Agreement, the GRANTEE shall conduct its programs, policies, and activities that substantially affect human health or the environment in a manner that ensures the fair treatment of people of all races, cultures, and income levels, including minority and low-income populations of the State.
11. **Fiscal Management Systems and Accounting Standards:** The GRANTEE agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of State law or this Grant Agreement.
12. **Force Majeure:** Neither CARB nor the GRANTEE shall be liable for or deemed to be in default for any delay or failure in performance under this Grant Agreement or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, etc.
13. **Governing Law and Venue:** This grant is governed by and shall be interpreted in accordance with the laws of the State of California. CARB and the GRANTEE hereby agree that any action arising out of this Grant Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The GRANTEE hereby waives any existing sovereign immunity for the purposes of this Grant Agreement.
14. **GRANTEE's Responsibility for Work:** The GRANTEE shall be responsible for work and for persons or entities engaged in work, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The GRANTEE shall be responsible for any and all disputes arising out of its contracts for work funded by this Grant Agreement, including but not limited to payment disputes with contractors, subcontractors, and providers of services. The State will not



mediate disputes between the GRANTEE and any other entity concerning responsibility for performance of work.

15. **Indemnification:** The GRANTEE agrees to indemnify, defend and hold harmless the State and the Board and its officers, employees, agents, representatives, and successors-in-interest against any and all liability, loss, and expense, including reasonable attorneys' fees, from any and all claims for injury or damages arising out of the performance by the GRANTEE, and out of the operation of equipment that is purchased with funds from this Grant Award.
16. **Independent Contractor:** The GRANTEE, and its agents and employees, if any, in the performance of this Grant Agreement, shall act in an independent capacity and not as officers, employees or agents of CARB.
17. **Interest:** The GRANTEE shall maintain accounting records of interest earned on funds from the CAP Incentives separate from other incentive funds. The calculation of interest earned must 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 must be consistent with how it is calculated for the GRANTEE's other fiscal programs. Interest earned shall only be used for eligible grant-related expenses as outlined in the guidelines specified in this agreement. Earned interest must be fully expended or returned to CARB if it is not used by the end of the grant performance period. The GRANTEE 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. Interest earned by the GRANTEE during each previous fiscal year shall be reported to CARB annually.
18. **Nondiscrimination:** During the performance of this Grant Agreement, the GRANTEE and its contractors shall not unlawfully discriminate against, harass, or allow harassment against any employee or applicant for employment because of sex, race, religious creed, color, national origin, ancestry, physical disability

(including HIV and AIDS), mental disability, sexual orientation, medical condition, marital status, age (over 40) or allow denial of family-care leave, medical-care leave, or pregnancy-disability leave. The GRANTEE and its contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment. The GRANTEE and its contractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code section 12990 (a)-(f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, title 2, section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a)-(f), set forth in Chapter 5 of Division 4 of title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. The GRANTEE and its contractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

19. **No Third Party Rights:** The parties to this Grant Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Grant Agreement, or of any duty, covenant, obligation or undertaking established herein.
20. **Prevailing Wages and Labor Compliance:** If applicable, the grantee agrees to comply with all of the applicable provisions of the California Labor Code pertaining to Public Works projects (Labor Code Sections 1720-1861) including those provisions requiring the payment of not less than the specified prevailing rate of wages as determined by the Director of the Department of Industrial Relations to workers employed in the performance of this grant. If applicable, the GRANTEE shall monitor all agreements subject to reimbursement from this Grant Agreement to ensure that the provisions of Labor Code Sections 1720-1861 are being met.
21. **Professionals:** For projects involving installation or construction services, the GRANTEE agrees that only licensed professionals will be used to perform services

under this Grant Agreement where such services are called for and licensed professionals are required for those services under State law.

22. **Severability**: If a court of competent jurisdiction holds any provision of this Grant Agreement to be illegal, unenforceable or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of those provisions, will not be affected.
23. **Term**: This Grant Award shall be effective upon full execution of this Grant Agreement and shall continue in full force and effect until all conditions of the Grant Agreement have been met. This award is conditional based on CARB receipt and approval of a fully executed Grant Agreement accepting these CAP Incentives by June 19, 2020.
24. **Termination**: CARB may terminate this Grant Agreement by written notice at any time prior to completion of projects funded by this Grant Award, upon violation by the GRANTEE of any material provision after such violation has been called to the attention of the GRANTEE and after failure of the GRANTEE to bring itself into compliance with the provisions of this Grant Agreement.
25. **Timeliness**: Time is of the essence in this Grant Agreement. The GRANTEE shall proceed with and complete projects funded by this Grant Award in accordance with the need to quickly reduce emissions in disadvantaged and low-income communities, with full consideration of the guidelines and liquidation deadlines specified in this agreement.
26. **Waiver of Rights**: Any waiver of rights with respect to a default or other matter arising under the Grant Agreement at any time by either party shall not be considered a waiver of rights with respect to any other default or matter. Any rights and remedies of the State provided for in this Grant Agreement are in addition to any other rights and remedies provided by law.

**27. Incorporated Documents:** The GRANTEE is authorized to administer a local program according to the requirements described in the following documents, which are incorporated as part of this Grant Agreement:

- a. District's Policies and Procedures Manual (Refer to requirements in *Carl Moyer Program 2017 Guidelines* and for the *Community Air Protection Incentives 2019 Guidelines* approved by CARB).
- b. As applicable, *Carl Moyer Program 2017 Guidelines*, the *Community Air Protection Funds Supplement to the Carl Moyer Program Guidelines*, the *Community Air Protection Incentives 2019 Guidelines*, *Proposition 1B Goods Movement Emission Reduction Program 2015 Guidelines*, and related Program Advisories, Mail-outs, and Executive Orders currently issued or updated during the grant performance period.
- c. *Funding Guidelines for Agencies that Administer California Climate Investments* (August 2018 and succeeding revisions).
- d. Community Air Protection Incentives Grant Disbursement Request Form.

**28. Disbursement Deadline:** The Fiscal Year 2019-20 CAP Incentives specified in this Grant Agreement must be disbursed by June 30, 2021. Grant disbursement requests can be submitted by the GRANTEE to CARB any time after the Grant Agreement is fully executed. The Grantee must submit a completed Community Air Protection Incentives Grant Disbursement Request Form no later than May 1, 2021 to ensure adequate time for processing prior to the end of the fiscal year.

**29. Liquidation and Return of Funds:** CAP Incentives not liquidated by June 30, 2025 must be returned to CARB by September 28, 2025. Expenditure of project funds granted may not be reduced due to any loss incurred in an uninsured bank or investment account.

**30. Program Audit:** The GRANTEE agrees that CARB, the Department of General Services, Department of Finance, State Controller's Office, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance

of this Grant and all State funds received. The GRANTEE agrees to maintain such records for possible audit for a minimum of three (3) years after the term of this Grant is completed, unless a longer period of records retention is stipulated. The GRANTEE agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the GRANTEE agrees to include similar right of the State to audit records and interview staff in any grant related to performance of this agreement.



**LASSEN COUNTY AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD****GOVERNING BOARD**

Kevin Stafford, *Chairman*  
Chris Gallagher, *Vice Chairman*  
Tom Hammond  
Jeff Hemphill  
Quincy McCourt  
Brian Moore

**Staff**

Erik Edholm  
*Air Pollution Control Officer*  
Angelina Chamblee  
*Administrative Staff Assistant*

Meeting of October 13, 2020

To: Governing Board

From: Erik Edholm, APCO

Subject: Wood Stove Replacement Program E{erg"6

During the colder months of the year, wood smoke is one of the main sources of air pollution in Lassen County. The District developed the Wood Stove Replacement Program in August of 2015 to reduce air contaminants associated with uncertified, inefficient wood burning devices in Lassen County. The program provides residents of Lassen County with rebates up to \$1500 to assist in the replacement of uncertified, inefficient wood burning devices with cleaner-burning and more efficient devices. Through the first three cycles of the program, the District has awarded \$255,000 to 170 Woodstove Replacement Program grant recipients.

In April of 2018, the District was awarded grant funds by the California Air Resources Board (CARB) through funds appropriated from Greenhouse Gas Reduction Funds for a pilot state-wide program replacing uncertified, inefficient wood burning devices with cleaner-burning and more efficient devices. The Woodsmoke Reduction Program had a goal of expending 75% of program funds in low income homes and communities. The District received over \$262,000 in project funds and implementation funds. The District has expended over \$194,000 of project funds replacing uncertified and inefficient wood burning devices in low income homes and communities. As of this date, the program has replaced 87 wood burning devices.

The State funded Woodsmoke Reduction Program has been defunded. There is still a lot of interest in replacing uncertified, inefficient wood burning devices with cleaner-burning and more efficient devices. The District currently has over 10 applicants on a waitlist. District staff is proposing to allocate \$90,000 of District funds for Cycle 4 of the District's Wood Stove Replacement Program.

**Recommendation:**

Motion to approve Resolution 20-08 allocating the funding for Cycle 4 of the Wood Stove Replacement Program.

Respectfully Submitted,

Erik Edholm  
Air Pollution Control Officer

**RESOLUTION NO. 20-08**

A RESOLUTION BY THE BOARD OF DIRECTORS FOR THE LASSEN COUNTY AIR POLLUTION  
CONTROL DISTRICT APPROVING CYCLE 4 WOOD STOVE REPLACEMENT PROGRAM

WHEREAS, the Lassen County Air Pollution Control District (LCAPCD) is desirous of sponsoring programs that lead to the reduction of air contaminants within the Lassen County region; and

WHEREAS, the LCAPCD is designated as non-attainment for the State of California PM10 standard; and

WHEREAS, wood burning stoves contribute to PM10 emissions; and

WHEREAS, the LCAPCD has identified funding that has accumulated through annual budget savings over the past several years; and

WHEREAS, in August 2015 the LCAPCD allocated \$150,000 (Cycle 1) to be used to replace old non-EPA compliant woodstoves with new EPA compliant devices; and

WHEREAS, in October 2016 the LCAPCD allocated \$45,000 (Cycle 2) to be used to replace old non-EPA compliant woodstoves with new EPA compliant devices; and

WHEREAS, in June 2017 the LCAPCD allocated \$60,000 (Cycle 3) to be used to replace old non-EPA compliant woodstoves with new EPA compliant devices; and

WHEREAS, All Cycle 3 funds have been obligated to projects but there is still significant interest in the community to replace wood stoves; and

NOW, THEREFORE, BE IT RESOLVED that the Lassen County Air Pollution Control Board accepts the program guidelines amendments and approves a budget amendment increasing expenditures as follows:

- 1) Increase Wood Stove Replacement Program expenditure line item by \$90,000 to a total of \$90,000 for fiscal year 20-21

The foregoing resolution was approved and adopted by the following vote of the Board on October 13, 2020.

AYES:

NOES:

ABSTAIN:

ABSENT:

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Kevin Stafford, Chairman  
Lassen County Air Pollution Control District

ATTEST:

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Erik Edholm  
Air Pollution Control Officer



## LASSEN COUNTY AIR POLLUTION CONTROL DISTRICT GOVERNING BOARD

### GOVERNING BOARD

Kevin Stafford, *Chairman*  
 Chris Gallagher, *Vice Chairman*  
 Tom Hammond  
 Jeff Hemphill  
 Quincy McCourt  
 Brian Moore

### Staff

Erik Edholm  
*Air Pollution Control Officer*  
 Angelina Chamblee  
*Administrative Staff Assistant*

Meeting of October 13, 2020

To: Governing Board

From: Erik Edholm, APCO

Subject: Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program - Year 3

The “Funding Agricultural Replacement Measures for Emission Reductions” (FARMER) Program provides \$135 million for farmers to acquire cleaner heavy-duty trucks, harvesting equipment, tractors, zero emission UTV’s and other equipment used in agricultural operations.

The California Air Resources Board (CARB) has created a Shared Allocation Pool of funding that is specifically designated for the 18 Air Quality Management and Air Pollution Control Districts. Lassen County APCD has been designated as one of the 18 districts in the shared allocation pool.

The Shared Allocation Pool is managed by the Placer County APCD. The Lassen County APCD Board approved Resolution No. 19-01 on August 13, 2019. Resolution No. 19-01 authorized the District to enter into a MOU with Placer County APCD, accept Program Funds, authorized APCO to execute all program documents and agreements.

The District receives applications for FARMER projects and forwards the completed applications to Placer County APCD for approval. For FARMER Years 1 and 2, the District has received \$622,159.15 in project funding with an additional \$63,643.49 for implementation expenses.

For FARMER Year 3, the District has been awarded \$437,260.00 in project funding with an additional \$41,539.70 for implementation funding.

Recommendation:

Approve Resolution 20-09 accepting Program Funds and amending the District budget.

Respectfully Submitted,

Erik Edholm  
 Air Pollution Control Officer

**RESOLUTION NO. 20-09**

**A RESOLUTION OF THE AIR POLLUTION CONTROL BOARD OF THE LASSEN COUNTY AIR POLLUTION CONTROL DISTRICT AUTHORIZING DISTRICT TO CONTINUE PARTICIPATION IN THE CALIFORNIA AIR RESOURCES BOARD (CARB) FUNDING AGRICULTURAL REPLACEMENT MEASURES FOR EMISSION REDUCTIONS (FARMER) PROGRAM**

WHEREAS, the California Legislature in 2017, allocated funds for an incentive program to reduce emissions from heavy-duty diesel engines associated with agricultural production; and

WHEREAS, the FARMER Program (the “Program”) was established to reduce emissions by providing grants to local air districts for the incremental cost of cleaner heavy-duty vehicles and equipment; and

WHEREAS, the CARB has been delegated the responsibility for the administration of the Program within the state, setting up necessary procedures governing application by air pollution control and air quality management districts; and

WHEREAS, the CARB has created a Shared Allocation Pool (Pool) of funding that is specifically designated for the 18 Air Quality Management and Air Pollution Control Districts with less than one percent of the statewide agricultural equipment emissions inventory, to ensure farmers in those districts have the opportunity to access FARMER funding and to streamline the implementation of the FARMER Program; and

WHEREAS, the Pool is be managed by the Placer County Air Pollution Control District (Placer County APCD) in accordance with the grant provisions outlined in the agreement between the CARB and Placer County APCD, and provisions outlined in the FARMER Policy and Procedures Manual;

WHEREAS, the Lassen County Air Pollution Control Board approved Resolution No 19-01 on August 13, 2019;

WHEREAS, Resolution No. 19-01 authorized the Lassen County Air Pollution Control District (the “District”) to enter into a MOU with Placer County APCD, accept Program Funds, authorized APCO to execute all program documents and agreements, and to amend the District budget;

WHEREAS, the District entered into a Memorandum of Understanding (MOU) with the Placer County APCD on 9/10/2019 to participate with the FARMER program;

WHEREAS, the District has previously been awarded and has accepted FARMER Year 1 and Year 2 project and implementation funding;

WHEREAS, the District submitted FARMER project applications to Placer County APCD for selection and approval of FARMER Year 3 Funding;

WHEREAS, the District has been awarded \$437,260.00 in project funding with an additional \$33,617.49 for implementation funding from FARMER Year 3 funding;

NOW, THEREFORE, BE IT RESOLVED that the Lassen County Air Pollution Control Board accepts the additional program funding and approves a budget amendment increasing expenditures and revenue as follows:

- 1) Increase FARMER Revenue Line Item by \$437,260.00 to a total of \$743,356.00 for fiscal year 2021-21.
- 2) Increase FARMER Administrative Revenue Line Item by \$41,539.70 to a total of \$75,156.70 for fiscal year 2020-21.
- 3) Increase FARMER Expenditure Line Item by \$437,260.00 to a total of \$844,232.00 for fiscal year 2020-21.

The foregoing resolution was approved and adopted by the following vote of the Board on October 13, 2020.

AYES:

NOES:

ABSTAIN:

ABSENT:

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Kevin Stafford, Chairman  
Lassen County Air Pollution Control District

ATTEST:

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Erik Edholm  
Air Pollution Control Officer