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I. BACKGROUND, FUNDING ALLOCATION & PROJECT SOLICITATION

The Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program) is a partnership between the California Air Resources Board (ARB) and local air districts to provide grants for some or all of the incremental purchase cost for retrofitting, repowering, or replacing older high-polluting engines with newer and cleaner ones. Grant funds encourage owners to reduce air pollution emissions prior to regulatory requirements. The Carl Moyer Program (CMP) aims to reduce air pollution, specifically the ozone precursor pollutants: nitrogen oxides (NOx), particulate matter (PM) emissions, and reactive organic gases (ROG).

The California Air Resources Board oversees the overall administration and guidance of the Carl Moyer Program through allocation of program implementation funds, guideline development and revisions, project type and criteria, and the determination of methodologies for project effectiveness evaluation. In addition, ARB staff issues technical advisory mail-outs to provide clarification and updates on specific areas, and regulation changes. The CMP Guidelines (Guidelines) form the basis for selecting, funding, and monitoring specific clean air projects in local districts. They also spell out basic requirements for eligibility criteria, cost-effectiveness criteria, reporting practices, and administrative procedures for projects in different source categories. The Guidelines require each participating district to establish policies and procedures for administration of the CMP. This document contains the North Coast Unified Air Quality Management District (NCUAQMD) implementation of the CMP Policies and Procedures. It is intended to explain our local district policies and procedure.

The North Coast Unified Air Quality Management District has been participating in the Carl Moyer Program since its establishment in 1998. The NCUAQMD (District) is comprised of three (3) counties: Humboldt, Del Norte and Trinity. As of 2014, all three counties are classified by the State of California as meeting the health protective standard for NOx emissions. The continued reduction of NOx and PM10 emissions from heavy-duty internal combustion emissions plays an important role in the NCUAQMD’s attainment status. The District continues to achieve and maintain compliance with health protective standards of federal and state ambient air quality standards by actively encouraging owners of older diesel engines to employ the various types of advanced technology available today through the Carl Moyer Program. Participation in this incentive program is entirely voluntary, both for local Air Quality Districts and for engine operators.

The NCUAQMD is providing incentives for diesel internal combustion engines where:

- The purchase of new original equipment manufacturer (OEM) low-emission or zero emission models that have substantially lower emissions than otherwise required.
- The replacement of older engines with new engines with substantially lower emissions.
• The retrofitting of existing engines (incorporation of a technology or process which results in lower emissions from an existing engine).

Each fiscal year, the Governing Board of the NCUAQMD adopts a resolution authorizing the District to participate in the Carl Moyer Program. Annual funding amounts will vary depending upon the minimum disbursement amount and the availability of NCUAQMD matching funds. The District also considers participation in the California Air Pollution Control Officers Association sponsored Carl Moyer Rural Assistance Program.

The District Controller and Moyer Grant Program Staff track administrative expenditures in accordance with general accounting practice and the most recent version of the Carl Moyer Program Guidelines. In accordance with California Health & Safety Code sections 44287(k) and 44299.2(c), the District must return all funds not expended within twenty-four (24) months of the date of allocation of the funds. In the unlikely event that funds will not be utilized within twenty (20) months of receipt, the District will notify the California Air Pollution Control Officers Association of potential availability of funds.

Following execution of the Grant Award and Authorization, the District must submit a Grant Disbursement Request to ARB to obtain funding. The District may request up to ten percent (10%) of its allocation or $200,000 whichever is greater as its initial disbursement in addition to all of the administrative funds. Prior to receiving the initial disbursement, the District must submit documentation of the execution of contracts and expenditure of prior years’ Carl Moyer Program funding and any matching funding. Any Carl Moyer Program funds deposited in interest bearing accounts must be reported to ARB. The interest income must be used in a manner consistent with the current Carl Moyer Program Guidelines. Financial records are retained by the District Controller for a period of ten (10) years after contract expiration.

The NCUAQMD maintains an active program for the solicitation of grant proposals from the public. In order to reach all sectors of the community, the NCUAQMD utilizes its website, Facebook, newspapers of daily circulation in all three counties, public service announcements, and notices at Governing Board meetings. The NCUAQMD also maintains an emailing list of interested parties who receive a copy of the annual program announcement.

II. ELIGIBLE PARTICIPANTS AND ENGINE CRITERIA

Any individual, company or public agency may apply to receive an incentive under this program. For public agencies, a resolution from the agency’s governing board must accompany the application.

The determination of eligibility and the extent of individual incentives are determined by the current version of ARB approved Carl Moyer Program Guidelines, and by the Guidelines, Policies and Procedures of the NCUAQMD. The Guidelines are available at: http://www.arb.ca.gov/msprog/moyer/guidelines/current.htm. Further information, including project application forms, may be obtained by contacting the District’s Carl
Moyer Grant Program Staff at the NCUAQMD Office at (707) 443-3093, or from the NCUAQMD’s website, http://www.ncuaqmd.org. Specific types of projects eligible for funding include:

A. **On-Road Heavy Duty Vehicles (HDV)** - On-road vehicles encompass a large variety of vehicles such as buses, solid waste collection vehicles, street sweepers and delivery trucks. Medium duty (14,001 < 33,000 lbs) and heavy duty (33,001 or more lbs) vehicles are eligible. There are three (3) main types of HDV projects: purchase of new vehicle, repower, and retrofit. Each is discussed below. [Note: District reserves the right to specify were project funds shall be allocated, based on current District priorities.]

- **New vehicle purchase** –
  - **Voucher Incentive Program (VIP)** – Vehicle fleets of consisting of ten (10) or fewer vehicles. Owners of a 2006 or older vehicle who surrender the vehicle will receive up to $45,000 toward the purchase of a new or used equivalent replacement unit equipped with a model year 2007 or newer engine. Funding amounts are based on the On-Road VIP Funding Matrix for Truck Replacements, and are subject to change on a calendar year basis. To be eligible, the replacement vehicle must have an engine certified to the 1.2 g/bhp-hr of NOx or better standard. (see Appendix K)
  - **Truck Improvement/Modernization Benefitting Emission Reductions (TIMBER) Program** – Funding is limited to 2002 or older logging trucks, and which must be registered for the Truck and Bus Regulation Log Truck Phase-In option. Owners may receive funding for up to ten (10) logging trucks per year. Logging trucks that are surrendered may receive up to $60,000 toward the purchase of a new equivalent replacement unit equipped with a model year 2010 or newer engine (0.50 g/bhp-hr NOx and 0.01 g/bhp-hr PM or cleaner). Funding amounts are based on the TIMBER Funding Table. (see Appendix N)

- **Repower** – Replacement of existing engine with new cleaner engine. Only ARB certified engine meeting emissions levels of 0.50 g/bhp-hr NOx and 0.01 g/bhp-hr PM or lower are eligible. Due to technological constraints, ARB staff has determined that funding opportunities will be limited.

- **Retrofit** – Installation of a verified diesel emission control system on an existing engine ARB has approved formal verification procedures for several retrofit kits and diesel emission control strategies. Retrofits that reduce NOx emissions must achieve reductions of at least fifteen percent (15%) over baseline engine emissions. PM control projects must use the highest ARB verified device (Level 3 – eighty-five percent (85%)).

B. **Compression Ignition (CI) Off-Road Equipment** – Off-Road CI engines are used in a wide array of applications including agricultural tractors, backhoes, excavators,
trenchers, and motor graders. Off-road projects fall into four categories: purchase of new equipment, purchase of replacement equipment, repower with an emission certified engine, and retrofit with a verified emission control strategy.

- **New Purchase** – Requires case-by-case approval by ARB.

- **Replacement Equipment Purchase** –
  
  - **New or Used Replacement Equipment** – Purchase of new or used equipment with an engine certified to the current emission standard or Tier to replace existing equipment that is to be scrapped. (see Appendix L)
  
  - **Off-Road Voucher Incentive Program (ORVIP)** – Purchase of new equipment to replace the existing equipment that is to be scrapped. The new equipment must have an engine that meets the current California emission standards (Tier) or the current United States Environmental Protection Agency (U.S. EPA) emission standards (Tier) if it is a federally preempted engine. Existing equipment must meet the minimum annual usage (hour) requirement for funding. Funding amounts are determined using Off-Road VIP Funding Matrixes. (see Appendix M)

- **Repower** – Replacement of the existing engine with an emission certified engine instead of rebuilding the existing engine to its original specifications. Engines must be certified to the current applicable emission standard. If repowering with an engine meeting the current applicable standard is technically infeasible, unsafe, or not available when the District commits to the proposed project, the replacement engine must meet the most practicable previously applicable emission standard. All repower projects must install a retrofit device if one is available, unless a waiver is available from the District. Repower projects are not disqualified from participation in the program if retrofit devices are not available, feasible, or if the cost of the available retrofit device places the project over the cost-effectiveness limit.

- **Retrofit** – the installation of a verified diesel emission control system on an existing engine. Projects that control NOx must be verified to do so by at least fifteen percent (15%). Projects that control PM must use the highest level technically feasible for the equipment being retrofitted. ARB considers the highest verified device PM reductions, Level 3 - eighty-five percent (85%). Cost of retrofit, filters, and maintenance is eligible for funding. Will be considered for funding on a case by case basis.

C. **Marine Vessels** – In the NCUAQMD, commercial fishing vessels qualify for incentive funding through repower or retrofits. Limited funding opportunities for Harbor Craft (Refer to CMP Guidelines and Commercial Harbor Craft Regulation).

- **Repower** – the replacement of an older engine with a newer cleaner engine. All
harbor craft replacement engines must be certified to meet U.S. EPA Tier 2 or cleaner marine emission standards. All replacement engines must provide at least a fifteen percent (15%) NOx reduction over the baseline engine. Engine remanufacture kits are eligible if they are certified to meet International Maritime Organization Tier 2 or cleaner emission standards.

- **Retrofit** – the modification of engine hardware or the exhaust system including selective catalytic reduction, diesel oxidation catalysts, or diesel particulate filters. *Because of the lack of systems verified for marine applications, they will only be considered for funding on a case by case basis.*

### III. APPLICATION PROCESS

Each year in late spring - early summer, the NCUAQMD announces the availability of Carl Moyer Program Grant funding opportunities and identifies a deadline by which all project applicants desiring consideration must submit applications. The financial incentives are available to any owner of diesel engine powered vehicles based and operated primarily within the District. The procedures for application submittal and processing are outlined below.

1. The NCUAQMD accepts funding applications in the late spring early summer months, typically in June. Application forms are available at the District Office, on the Internet at the [www.ncuaqmd.org](http://www.ncuaqmd.org) or by contacting the Carl Moyer Grant Program Staff at (707) 443-3093.

2. Each applicant must submit complete application to the NCUAQMD and meet the general program criteria as applicable. Completed applications may be submitted by mail or hand delivery. **FAXES WILL NOT BE ACCEPTED.**

3. Applicants must certify that they are authorized to apply for Moyer Program funding, and to authorize any required project match, when submitting the application for funding. Applications from public agencies must include a resolution from the agency’s governing board.

4. In accordance with *California H&SC 44288(a)*, within five working days of submission, applicants will be notified in writing if their application is incomplete. Notification will be either in the form of a letter or email, and may be followed-up with a phone call. Incomplete applications will be returned to the applicant with a description of areas in which the application is inadequate. In house tracking of projects is done using Excel worksheets. Any application that is not returned to the NCUAQMD with the requested information within fourteen (14) calendar days from the date of processing is rendered null and void, and resubmission is required for further consideration.

5. The NCUAQMD participates in ARB’s project-tracking system, an electronic database Carl Moyer Program Clean Air Reporting Log (CARL) system to record the name and address of the project owner, the category of project and the type
of baseline engine. An application is assigned a unique alpha-numeric identifier. If a project is selected for funding, a second unique alpha-numeric identifier is assigned replacing the application number. The project number consists of two components, the Carl Moyer funding year followed by the number indicating the order in which the project was ranked. The project number or tag is permanent following the project through till completion.

Application forms must be mailed or delivered to:

North Coast Unified AQMD  
Attn: Carl Moyer Program  
2300 Myrtle Avenue  
Eureka, CA 95501

IV. PROJECT SELECTION

All projects must meet the minimum requirements stated in the latest Carl Moyer Program Guidelines and ARB Technical Advisories. All completed applications received during the initial thirty (30) day application period are entered into the CARL Database and are then ranked according to District protocol. This methodology was selected due to the high demand for funding and allows the NCUAQMD to select the most cost effective projects through the use of a competitive rating and ranking process. See the Appendix for a sample evaluation. Projects are ranked as follows:

A. Cost effectiveness – (maximum 65 points)

Cost of project divided by the weighted tons of pollutants reduced. The projects with the lower cost per ton of pollutant are given preference according to the following table.

<table>
<thead>
<tr>
<th>Cost-Effectiveness Range ($per weighted ton)</th>
<th>Points Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than $16,000</td>
<td>0 points</td>
</tr>
<tr>
<td>$13,250 – $16,000</td>
<td>10 points</td>
</tr>
<tr>
<td>$10,601-$13,249</td>
<td>21 points</td>
</tr>
<tr>
<td>$7,951 - $10,600</td>
<td>32 points</td>
</tr>
<tr>
<td>$5,301 - $7,950</td>
<td>43 points</td>
</tr>
<tr>
<td>$2,651 - $5,300</td>
<td>54 points</td>
</tr>
<tr>
<td>Less than $2,650</td>
<td>65 points</td>
</tr>
</tbody>
</table>
B. Location – (maximum 15 points, except for Marine Vessels)
Projects which occur in or near populated areas are given preference according to the following table. Marine vessels are awarded 10 points.

<table>
<thead>
<tr>
<th>Project Location</th>
<th>Points Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within Eureka city limits</td>
<td>15 points</td>
</tr>
<tr>
<td>Within 10 air miles of the Trinity Co. Courthouse in Weaverville</td>
<td>15 points</td>
</tr>
<tr>
<td>Within Arcata city limits</td>
<td>15 points</td>
</tr>
<tr>
<td>Within Crescent City limits</td>
<td>15 points</td>
</tr>
<tr>
<td>Unincorporated Area with greater than 10 persons per square mile</td>
<td>10 points</td>
</tr>
<tr>
<td>Unincorporated Area with less than 10 persons per square mile</td>
<td>5 points</td>
</tr>
</tbody>
</table>

C. Small Business Projects – (maximum 10 points)
Projects which are proposed by small businesses which are defined as commercial operations with less than 10 employees or an annual gross income less than 2 million dollars.

D. Final Determination – After review of Staff recommendations, the APCO shall make the final determination which projects will receive Carl Moyer funding. Applicants are promptly notified via letter that is then followed-up with a phone conversation to confirm receipt of the letter and to schedule a pre-inspection.

V. PROJECT CONTRACTUAL REQUIREMENTS & PROCESS

The determination of eligibility and the extent of individual incentives are determined by the current version of ARB approved Carl Moyer Program Guidelines, and by the Guidelines, Policies and Procedures of the NCUAQMD. The Guidelines are available at: http://www.arb.ca.gov/msprog/moyer/guidelines/current.htm. A typical project’s “life” can be divided into two phases: equipment purchase & installation, and equipment operation & maintenance. During the purchase & installation phase, contractual agreements are signed, engines ordered and installed, inspections are performed, invoices submitted, and payments remitted to the applicant. During the operation & maintenance phase, the applicant operates the engine for the number of years specified in the contract, inspections are performed, and annual reports submitted to the NCUAQMD.

A. Equipment Purchase & Installation
1. Completed applications fulfilling the criteria will typically be approved within sixty (60) working days of receipt, subject to available funding, program, and cost-effectiveness criteria. Upon approval of the application pre-inspection of the engine will be conducted to verify information submitted in the project application, to verify baseline engine integrity.
2. The NCUAQMD will prepare a contract for signature by the applicant and the NCUAQMD. Contracts shall only encompass a single project (e.g. engine and retrofit device). If multiple equipment units are to be repaired, replaced, or retrofitted each shall have a separate contract (e.g. when multiple heavy duty vehicles are to be retrofitted, each vehicle shall have its own contract).

The contract process may take several days to complete. Contracts must be signed by both parties before any equipment may be ordered. Failure to comply with this requirement will result in disqualification of the application for funding. If the NCUAQMD and the applicant are unable to agree on project terms within sixty (60) days after beginning the agreement negotiation phase, the NCUAQMD Air Pollution Control Officer may elect to render the application null and void.

3. Contracts will, at minimum, contain the following provisions:

   a. Applicant agreement that any emission reductions associated with this program will be claimed and then retired by the NCUAQMD in the interest of air quality improvement. Purchaser waives, for all time, the right to claim emission reduction credits which may accrue at any time as a result of this program, and agrees not to apply to the NCUAQMD or any other agency for such credits.

   b. Insurance coverage shall be maintained for the full contract term and the applicant shall provide evidence of coverage prior to contract signature. Unless waived by the APCO. The cost of replacement / damage coverage on the vessel can be as high as $30,000 per year thereby lessening the impact of the award.

   c. District will conduct periodic inspections. The ARB retains authority to audit, inspect, and initiate legal action as necessary.

   d. Maintenance of the engine/retrofit device(s) according to the manufacturer’s specifications for the term of the contract.

   e. Repercussions for Nonperformance and violations of Carl Moyer regulations include pro-rated repayment based on remaining time in contract term, fines, or other remedies available under the law.

   f. CARB, as a third party beneficiary, reserves the right to enforce the terms of the contract at any time during it’s term to ensure emission reductions are obtained.

   g. Identification of reporting requirements and their frequency (insurance certificate & hours of operation submitted annually). Record Retention for at least two (2) years past contract expiration, and at least three (3) years after payment, whichever is greater.
h. Establishment of a minimum number of miles traveled, or minimum number of hours operated; in addition to a requirement for 100% operation in California.

4. The applicant will have sixty (60) calendar days from execution of the contract (its signature by both parties) to place a purchase order for the equipment (e.g. lower emission engine).

5. The applicant and/or dealership will provide notification to the NCUAQMD once either the replacement engine and/or equipment with its lower emissions has been delivered, or work to replace or retrofit an existing engine has been completed, and the goods and services paid for by the applicant. The NCUAQMD will then perform a post project inspection; Seventy-two (72) hour advance notice is required. The NCUAQMD will determine if the agreement requirements have been met and will provide a written determination to the Contractor within thirty (30) days. Once the agreement has been satisfied, the District will transmit the incentive amount to the applicant within 30 calendar days of receipt of the Notice of Project Completion (see VII General Program Administration).

6. During the post-project inspection, the NCUAQMD will verify the reduced engine installation, that the goods and services were actually paid for by the applicant, and that the baseline engine was destroyed or “scrapped”. Verification of scrappage will be confirmed by photographing the device. During the post-project inspection, the inspector will verify the baseline engine is scrapped in accordance with current Carl Moyer Program Guidelines.

B. Equipment Operation & Maintenance

1. The NCUAQMD shall conduct random onsite inspection of the replacement engine and/or equipment to verify its integrity and shall make reasonable efforts to verify that operation of the device is occurring according to conditions of the contract.

2. Annual reports will be required for the entire length of the contract term. The reports shall include such information as vehicle miles traveled, fuel consumed, and details regarding maintenance. Reports shall be postmarked no later than January 31st.

3. If the applicant fails to fulfill obligations of the contract, the District will seek either full or a pro-rated portion of the funds in accordance with CARB Best Management Practices.

C. Contract Modifications

To apply for a Moyer grant, the applicant must provide detailed information on the baseline engine and equipment as well as the proposed replacement engine and installation costs. Projects are then selected for funding based upon their projected...
cost effectiveness which is evaluated on a dollar per ton of pollutant reduced basis. VIP and TIMBER projects are the exception as they are awarded on a first come first served basis. To ensure the District receives the full amount of contracted pollution reductions, the contract specifically identifies the equipment to replaced, the replacement device, and a commitment to a minimum activity component typically measured in hours operated per year and hours operated over the contract term. Like any construction project, Moyer projects are subject to delays, cost overages, equipment substitutions, etc. In such an event, the contract will require modification pursuant to this section. A reduction in cost effectiveness shall mean “an increase in the cost of the pollutant reduction” (e.g. going from $1,000 per ton to $2,000 per ton of pollutant reduced).

1. In the event that an equipment substitution, cost increase or other instance requiring an amendment of a contract term occurs, if the requested amendment results in a 10% or greater reduction in the project’s cost effectiveness, the modification shall not be made.

2. In the event a requested amendment results in a 10% or less reduction in the project’s cost effectiveness AND the proposed cost effectiveness will not affect the project’s ranking in the applicant pool, the contract may be modified to accommodate the requested change. Staff shall draft a memo for the file documenting the basis for the change and include an updated project ranking list.

3. In the event that the requested amendment affects the project’s ranking in the applicant pool, the contract will not be modified.

VI. INCENTIVE LEVELS

Since funds are limited, the NCUAQMD is interested in obtaining the largest possible air quality improvement benefit from the program, while minimizing overhead costs. All qualifying proposals will be considered for funding, subject to program guidelines and cost-effectiveness criteria as follows:

1. The CARL database will be utilized for cost-effectiveness calculations.

2. The incentive amount will be determined on a per project basis not to exceed the percentages established in the most recent version of the CMP Guidelines. The total incentive provided by the NCUAQMD will not exceed the weighted NOx, ROG, and combustion PM10 dollars per tons of emissions reduced cost-effectiveness cap established by the most current version of the Carl Moyer Program Guidelines. Applications or incentives that exceed this cost-effectiveness value may be submitted for evaluation. However, applicants will not receive incentives in excess of the current cost effectiveness cap. The applicant may use other funds to cover the remainder of the cost differential.
3. Where the APCO deems necessary, grant awards may be adjusted to amounts lesser than the incremental cost of the project. In a given year, the District may designate a cost effectiveness cap which is less than the CARB approved maximum cost effectiveness limit.

VII. GENERAL PROGRAM ADMINISTRATION

A. Program Timelines
ARB has established a consistent timeline for each year’s funding and reporting cycle. This timeline allows for award, commitment and expenditure of state funds to meet state fiscal requirements. State fiscal policy requires one year for ARB to encumber funds and two years for the local district to liquidate those funds.

The timeline for each year of funds is as follows:

- **Mid-September**: ARB sends application packet to air districts [*Health and Safety Code section 44299.2(a)*].
- **Mid-November**: Air districts apply to ARB for funds.
- **Early January**: ARB notifies districts of final awards.
- **January – June**: Air districts receive grant awards
- **April 30**: Deadline for districts to accept or decline funds.
- **June 30 of the following year**: Target date for contracts to be executed. Funds from the previous year must be committed by this date, i.e., funding accepted by the district in April 2006 must be expended by June 30, 2007. Districts’ annual report to ARB.
- **June 30 of second year**: Funds must be expended. Funds received two years prior to this June 30th date must be expended. The report includes projects invoiced and paid for, and funds expended. For example, the final report for funds accepted by the district in April 2006 is due June 30, 2008 and those funds must be expended. Districts’ final report to ARB.

The NCUAQMD implementation timeline to meet the ARB’s required deadlines for applying for local funding, and commitment and expenditure of those funds is determined annually by the Air Pollution Control Officer. A memo outlining the proposed calendar is forwarded to ARB along with the Program Year grant request forms.

B. Commitment of Funds to Projects
After the application has been deemed complete, the NCUAQMD shall perform a project review in order to determine funding eligibility. Such a review shall include but
not be limited to: preparation of emission estimates and cost effectiveness calculations, verification of equipment certification, assessment of project sing District scoring methodology, and assignment of ranking number. Once final selection of projects to receive awards has been completed and approved by district management, commitment of funds can take place. The applicant shall receive correspondence extending an offer of award for a specified amount form the District to which the applicant may respond either verbally or in writing. Upon acceptance, the project shall be so designated in the CARL database. After project selection above is completed, contracts are fully executed by the applicant and APCO, on behalf of the NCUAQMD. The district is required to commit state funds one year from June 30th of the year the district receives its initial Grant Award and Authorization Form.

C. Expenditure of Funds

NCUAQMD Moyer staff conducts necessary post-inspection as described in Section D below. Along with the “Notice of Completion of Equipment Purchase & Installation”, the applicant submits an original or certified copy of the original invoice requesting payment. After review of the Notice, review of the post project inspection report, and review of the each invoices submitted, the program manager’s recommendation for payment is forwarded to APCO for final approval. Fiscal staff then issues a draft on the designated checking account. The draft is authorized by the APCO or a Division Manager.

**CARL Database**

Carl Moyer Program Staff use the Carl Moyer Program Clean Air Reporting Log (CARL) database to track and report expenditure of funds on projects. Each database entry specifies the funding source (e.g. DMV, Carl Moyer, Rural Moyer).

**Administrative Costs**

Fiscal Staff tracks all administrative costs associated with the implementation of the CMP, from the following sources: employee timesheets, vehicle mileage logs, purchase orders, indirect costs, travel costs, and per diem rates. District travel costs and per diem rates are specified in the District Personnel Manual. Indirect costs will be calculated on a percentage of hours spent by staff on the grant program per 75 hour pay period over the fiscal year, in a given expense category. Expense categories include, but are not limited to: fees for legal notices, legal counsel, office supplies, accounting, computer maintenance, communications (telephone and internet), vehicle expenses, liability insurance, building maintenance, equipment maintenance, janitorial expenses, and utilities.

**Earned Interest**

All CMP funds are segregated from other District monies and are held on deposit in interest bearing accounts. The calculation of interest is based on the average daily balance of the account. Earned interest is immediately made available for expenditure on approved projects.
Residual Funds
The District attempts to expend all of a given program year's funding within the fiscal year it is received. Residual funds, including any unexpended earned interest, are made available the following fiscal year. See the Appendix for a sample of the spreadsheet used to track funding.

D. Project Audits
The NCUAQMD audits at least five percent (5%) or thirty (30) active projects (whichever is less) of projects. In addition, NCUAQMD audits include all of the projects whose owners fail to report annually. NCUAQMD Moyer staff completes the audit.

At a minimum, the audits shall include verification that the engines paid for are still operational in the same equipment and meet the mileage, fuel usage, or hours of operation indicated on the executed contract. As required by the Guidelines, the NCUAQMD completes the audits by checking the serial number of the engine; witnessing the engine operate; and checking the odometer, hour meter/usage device, fuel receipts, or electronic monitoring unit (EMU).

If any audited project is more than thirty percent (30%) below or above an annual average of the level of use outlined in the executed contract, the NCUAQMD will take appropriate action to ensure the emissions benefits are realized and captured during the term of the contract. In addition, the NCUAQMD will audit all of the other engines owned by the same participant and included in the same Carl Moyer Program funded project. NCUAQMD may extend the contract in order to receive the calculated emission reduction benefit.

E. Reporting
All project awardees are required via contract term to produce an annual report for the project. Requirements and format of these reports is included in the boilerplate contract language. The annual report is generated from the District’s CMP database and a copy is found in the Appendix. Project awardees are required to submit annual reports to the NCUAQMD by January 31st of each year until termination of the contract. Project awardees shall retain all records and data for activities performed under this Agreement for at least two (2) years after the expiration of the contract term, and for at least three (3) years after final payment under this Agreement or until all state and federal audits are completed for the fiscal year, whichever is later.

The NCUAQMD is required to report to ARB on the status of each year of Carl Moyer Program funding two times. NCUAQMD Moyer staff works with ARB Moyer liaison to complete and submit these reports.

Annual Report
The annual report is due to ARB by or before August 31st of the year following ARB funding allocation. This public report includes a narrative on Carl Moyer Program implementation and an updated database. Required information includes:
• Total applications received;
• Efforts to meet environmental justice mandates, if required;
• Efforts to outreach to potential zero-emission and small business projects;
• Monitoring and auditing efforts and results;
• Enforcement actions and recaptured funds, if any;
• Outstanding features and accomplishments;
• Challenges in implementation.

NCUAQMD Moyer staff report this information based on annual review of the program. Updated project information includes:
• Carl Moyer Program projects, including those funded by state funds and local match funds.
• Interest accrued on state funds, and projects funded by the interest.
• Results of environmental justice efforts, if required.
• Results of outreach efforts to zero-emission and small business projects.

The update will ensure that the data in the database is current and accurate. Whenever a contract between the NCUAQMD and a project proponent is amended to change engine information, deliverables, timeline, etc., the database must be updated and ARB must be informed. The update held at the NCUAQMD shall include:
• Modifications to Carl Moyer Program projects, including both state funds, interest accrued on state funds, and local matching funds.
• Modifications to AB 923-funded projects ($2 motor vehicle fee increase) not meeting Carl Moyer Program requirements.
• Any significant deviations relative to the original project shall be provided as an update. The status of emissions reductions by projects in the implementation phase is assumed to be as originally submitted, unless updated by the NCUAQMD.
• Copies of executed contracts, that commit Carl Moyer Program and local match funds to projects, which were not previously submitted.
• Copies of invoices that document the amount of Carl Moyer Program funds and local match funds expended for each project.

If a satisfactory annual report was previously submitted, all funds have been expended and the database updated, a combined annual report and final report brief narrative may satisfy the requirement for the final report (with ARB approval).

**Project File Set-Up and Maintenance**

The NCUAQMD maintains documentation of solicitation and project selection by fiscal year, as well as program, project and fiscal files. Program files contain at a minimum the following: ARB grant award and authorization, copy of NCUAQMD approved application, contract and forms, Requests for Proposals (RFP) solicitation, outreach and project selection information. Project files at a minimum
contain the following: application and estimated project cost, cost effectiveness spreadsheet, original contract, pre/post inspection forms and photographs, original or certified copy of invoice, and annual reports. Carl Moyer Program contracts are digitized and are maintained permanently. Program files (which include financial information) are kept for the life of the contract plus seven (7) years, in both hard copy and digital form. Financial files are in the process of being digitized and are kept seven (7) years. Applications which are not selected for funding are retained for two (2) years.

VIII. COORDINATION WITH ARB

ARB has assigned a staff liaison for each district. The current (June 2014) liaison assigned to NCUAQMD is:

Jennifer Kozumplik, Air Resources Board
Air Pollution Specialist
Air Resources Board
Mobile Source Control Division
916.445.3516
jkozumpl@arb.ca.gov

A complete list of the Carl Moyer Program ARB District Liaisons and Incentive Program Contacts (e.g. TIMBER, Off-Road VIP, etc.) may be downloaded from the Carl Moyer Program Clean Air Reporting Log (CARL) database server (http://www.arb.ca.gov/app/cmp/index.php).

NCUAQMD’s Grant Program staff who regularly interface with ARB Carl Moyer Program staff will document any correspondence with regarding ARB interpretations, clarification, guidance or possible deviations from the Carl Moyer Program Guidelines. All documentation shall be kept in the Carl Moyer Program project files.

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

IX. ARB OVERSIGHT

As part of their oversight responsibilities, ARB staff performs audits of NCUAQMD’s implementation of the Carl Moyer Program. Audit of a NCUAQMD’s program may involve other state agencies, such as the Department of Finance and State Bureau of Audits. Audits may be fiscal, programmatic, or both. NCUAQMD staff responsible for implementing the Carl Moyer Program include: the Air Pollution Control Officer, a Division Manager, an Air Pollution Specialist, and the Controller.
The Executive Office of the NCUAQMD hereby approves the District’s *Carl Moyer Memorial Incentive Grant Program – Guidelines, Policies & Procedures* manual for the administration of the NCUAQMD’s Carl Moyer Memorial Air Quality Standards Attainment Program.

\[signature\]

Date: \[1/22/2016\]

Brian Wilson, APCO
INCENTIVE GRANT FUNDING OPPORTUNITY
NCUAQMD 13’ - 14’ CARL MOYER PROGRAM

The California Air Resources Board has determined that pollution created by diesel powered engines represents a significant health risk. Additional regulations will be implemented over the next several years which are designed to reduce or eliminate this risk. Owners of medium and heavy duty equipment including agricultural tractors, trucks, loaders, dozers, cranes, and marine vessels will be required to purchase new vehicles or make substantial modifications to existing equipment. The Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program) is a grant program that funds the replacement of older gross polluting engines and machinery with new cleaner-than-required engines and equipment. The North Coast Unified Air Quality Management District (NCUAQMD) has allocated $500,000 for the 2013-2014 cycle to fund replacement projects for equipment in the following categories:

**On-Road** – Medium & Heavy Duty Trucks
- *Voucher Incentive Program* (VIP) - Replacement of 2002 or older units with new or used models that are 2007 or newer
- Retrofit – ARB-verified retrofits for Heavy Duty Trucks

**Off-Road** – Cranes, Dozers, Earth Movers, Agricultural Tractors etc.
- Off-Road Equipment Replacement Program – Replacement of equipment powered by uncontrolled engines with new units
- Repower – Installation of new engines

**Marine** – Engine Repower of Commercial Fishing Vessels

The District will accept hand delivered or postmarked applications beginning June 1st 2013 through June 30th 2013. **NO FAXES** will be accepted. Applications and additional information is available on the District website at [www.ncuaqmd.org](http://www.ncuaqmd.org) or by contacting District staff at (707) 443-3093.
Appendix B: Sample Application Form – Marine Vessel

CARL MOYER AIR STANDARDS ATTAINMENT PROGRAM
MARINE VESSEL PROJECT
APPLICATION

Please print clearly or type all information on this application and on all Attachments. (See Application Checklist on pg 3) Fill out one application for each engine or piece of equipment. All information necessary for completing this application is available in 2011 Carl Moyer Program Guidelines. This document can be viewed at: http://www.arb.ca.gov/msprog/moyer/moyer.htm.

Please note that additional information may be requested from the applicant in order to process this application.

Purpose
This application is for incentive funds to offset the incremental cost of repowering (engine replacement), or retrofitting marine vessel engines. All projects must achieve emission reductions beyond all regulatory requirements, and meets the minimum Carl Moyer Program eligibility criteria described in the 2011 Carl Moyer Program.

Eligibility Criteria
To be eligible for funding, projects must meet the criteria described in the 2011 Carl Moyer Program Guidelines and all current Carl Moyer Program Advisories. These criteria include but are not limited to the following:

• Emission reductions obtained through Carl Moyer Program projects must not be required by any federal, state or local regulation, memorandum of agreement/understanding, settlement agreement, mitigation requirement, or other legal mandate.

• Projects must have a minimum cost-effectiveness of $17,720 per weighed ton of NOx, ROG, and PM10 reduced calculated in accordance with the cost effectiveness methodology in Appendix C of the 2011 Guidelines. The Project selection process is competitive with the most cost effective projects to be given preference.

• The newer engine’s emissions must be surplus to the currently required United States Environmental Protection Agency (U.S. EPA) marine engine emission standard (i.e., Tier 2 or cleaner).
  o The new engine must be replacing an existing diesel engine and
  o Have a horsepower (hp) equal to or greater than 25 hp.

• Maximum Project Life:
  o The maximum project life for a marine vessel repower project is 16 years. A longer project may receive case-by-case approval if applicants provide justifying documentation. The maximum project life does not consider regulatory requirements and may be shorter.

• No emission reductions generated by the Carl Moyer Program shall be used as marketable emission reduction credits, or to offset any emission reduction obligation of any person or entity.

• No project funded by the Carl Moyer Program shall be used for credit under any federal or state emission averaging banking and trading program.
• Emission reduction technologies must be certified/verified by the ARB for sale in California and must comply with durability and warranty requirements. For the purposes of the Carl Moyer Program, a technology granted a conditional certification/verification by ARB is considered certified/verified.

### Summary of Funding Opportunities

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Subject to ARB Rule</th>
<th>Moyer Funding Opportunities¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barge, crew &amp; supply, dredge, excursion, ferry, towboat, tugboat, engine repower, remanufacture, retrofit or new purchase</td>
<td>Commercial Harbor Craft Regulation²</td>
<td>Limited opportunity</td>
</tr>
<tr>
<td>Fishing vessel or pilot/work boat engine repower, remanufacture, retrofit or new purchase</td>
<td>No</td>
<td>Not limited by regulation</td>
</tr>
<tr>
<td>Shore power - shore-side</td>
<td>Shore Power Regulation³</td>
<td>Very limited opportunity</td>
</tr>
<tr>
<td>Shore power - vessel retrofit</td>
<td>Shore Power Regulation³</td>
<td>Limited opportunity</td>
</tr>
</tbody>
</table>

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

²Harbor Craft Regulation: [http://www.arb.ca.gov/ports/marinevess/harborcraft.htm](http://www.arb.ca.gov/ports/marinevess/harborcraft.htm)

³Shore Power Regulation: [http://www.arb.ca.gov/ports/shorepower/shorepower.htm](http://www.arb.ca.gov/ports/shorepower/shorepower.htm)

Additional criteria may be found in the 2011 Carl Moyer Program Guidelines: Chapter 2, Chapter 3, and Chapter 12.
Appendix B: Sample Application Form – Marine Vessel

**Application Checklist**

*Please print clearly or type all information on this application and on all attachments.*

### Applicant Information
- **Company:**
- **Owner:**
- **Phone:**
- **Cell:**
- **Fax:**
- **Email:**
  - Option: attach business card

### Dealer Information
- **Dealership:**
- **Salesperson:**
- **Phone:**
- **Cell:**
- **Fax:**
- **Email:**
  - Option: attach business card

### Installer Information
- **Installer:**
- **Salesperson:**
- **Phone:**
- **Cell:**
- **Fax:**
- **Email:**
  - Option: attach business card

- Submit all supporting documentation listed under **Phase 1: Application Documents.**
- Complete one application for each engine repower.
- If the submitted application is incomplete, the application will be rejected.

### Phase 1: Application Requirements

- [ ] Completed application (signed & dated in ink)
- [ ] Quote and specification sheet (s) for the replacement engine/equipment signed and dated by the Dealership.
  - [ ] Owner is listed as buyer
- [ ] Quote and specification sheet (s) for the installation of the engine/equipment signed and dated by the Installer.
  - [ ] Owner is listed as buyer
- [ ] EPA Certificate of Conformity and/or ARB Executive Order for replacement engine (preferred), which demonstrates the engine meeting current model year California emission standards.

### Transmission Replacement
- Case by Case determination is required if transmission components are to be replaced. If transmission replacement required, include the following:
- [ ] Documentation from engine dealer/installer justifying the necessity of a new transmission
- [ ] Quote and specification sheet (s) for the replacement and installation of the transmission signed and dated by the Dealer/Installer.
  - [ ] Owner is listed as buyer

- [ ] Proof of vessel registration using one of following forms of documentation (copy or photograph):
  - [ ] United States Coast Guard Documentation Number and/or
  - [ ] California vessel registration (CF) number and a copy of the California Department of Fish and Game license and/or
  - [ ] Lloyd’s/International Maritime Organization (IMO) number
Appendix B: Sample Application Form – Marine Vessel

### A. APPLICANT INFORMATION

1. Company name/ Organization name/ Individual name:

2. Business type:

3. Contact name and title:

4. Person with contract signing authority (if different from above):

5a. Business mailing address and contact information:

   Street:

   5b. City:  
   5c. State:  
   5d. Zip code:

5e. Phone:  

   ( )

5f. Fax:  

   ( )

5g. E-mail:

6. How many engines are being applied for?

7. Total funding amount requested in this application:

### B. PROJECT DESCRIPTION

1. Vessel name:

2a. Vessel berth location address (if different than business address):

   Street:

   2b. City:  
   2c. State:  
   2d. Zip code:

3. Description of work performed by vessel:

   - [ ] commercial fishing
   - [ ] charter fishing
   - [ ] crew and supply
   - [ ] ferry excursion
   - [ ] pilot
   - [ ] tow
   - [ ] tug
   - [ ] work
   - [ ] other: ______________________

4. Does this vessel remain in port?
   - [ ] Yes
   - [ ] No

5. Annual Hours of Operation:

6. Percent Operation in California Waters:

7. Percent Operation in District Waters:

8. Project Life:
   - [ ] Maximum
   - [ ] Other: ____________ years
C. MARINE VESSEL AND EXISTING (OLD) ENGINE INFORMATION

<table>
<thead>
<tr>
<th>VESSEL INFORMATION:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Vessel Type/Function:</td>
<td></td>
</tr>
<tr>
<td>2. Vessel Make:</td>
<td>3. Vessel Model:</td>
</tr>
<tr>
<td>5. U.S. Coast Guard Documentation Number:</td>
<td>6. Lloyd's Register / IMO Ship ID Number:</td>
</tr>
</tbody>
</table>

7. Does this vessel have a wet exhaust system?
   - Yes
   - No

**PROPELLING ENGINE (BASELINE) INFORMATION:**

|1. Engine Make:| 2. Engine Model:| 3. Engine Model Year:|
   - Uncontrolled
   - Tier 1
   - Tier 2

10. Certificate Number (if applicable):

11. Propulsion Engine Operational?
   - Yes
   - No

12. Fuel Type:
   - Diesel

**AUXILIARY ENGINE (BASELINE) INFORMATION:**

|1. Engine Make:| 2. Engine Model:| 3. Engine Model Year:|
   - Uncontrolled
   - Tier 1
   - Tier 2

10. Certificate Number (if applicable):

11. Propulsion Engine Operational?
   - Yes
   - No

12. Fuel Type:
   - Diesel
### D. MARINE VESSEL ENGINE REPOWER INFORMATION

**Propulsion Engine (Reduced Emission) Information:**

1. Engine Make:
2. Engine Model:
3. Engine Model Year:
4. Engine Horsepower:
5. Engine Serial Number:
6. Engine Displacement (Ltr/cyl):
7. Engine Tier:
   - Tier 2 (check with District)
   - Tier 3
   - Other: ______________________
8. Engine Family:
9. Certificate Number:
10. Fuel Type:
    - Diesel
    - Other: ______________________

**Auxiliary Engine (Reduced Emission) Information:**

1. Engine Make:
2. Engine Model:
3. Engine Model Year:
4. Engine Horsepower:
5. Engine Serial Number:
6. Engine Displacement (Ltr/cyl):
7. Engine Tier:
   - Tier 2 (check with District)
   - Tier 3
   - Other: ______________________
8. Engine Family:
9. Certificate Number:
10. Fuel Type:
    - Diesel
    - Other: ______________________

**Replacement Equipment Quoted Cost:**

1a. Propulsion Engine Cost (Engine block & components only):
1b. Installation Cost (labor, keel cooler, wiring exhaust, etc.):
2a. Auxiliary Engine Cost (Engine block & components only):
2b. Installation Cost (labor, keel cooler, wiring exhaust, etc.):
Appendix B: Sample Application Form – Marine Vessel

### E. TRANSMISSION INFORMATION (if applicable)

**EXISTING TRANSMISSION INFORMATION:**

<table>
<thead>
<tr>
<th>1. Transmission Make:</th>
<th>2. Transmission Model:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Transmission Model Year:</th>
<th>5. Transmission Serial Number:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**REPLACEMENT TRANSMISSION INFORMATION:**

<table>
<thead>
<tr>
<th>1. Transmission Make:</th>
<th>2. Transmission Model:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Transmission Model Year:</th>
<th>5. Transmission Serial Number:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**REPLACEMENT TRANSMISSION QUOTED COST:**

<table>
<thead>
<tr>
<th>7. Transmission Cost:</th>
<th>8. Installation Cost (labor, parts):</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### F. RETROFIT INFORMATION (optional)

1. ARB-verified Retrofit Device Manufacturer:

2. Retrofit Device Make:  
3. Retrofit Device Model:

4. Retrofit Device Serial Number:  
5. Retrofit Device Executive Order Number:

6. ARB – Verified Retrofit:
   - [ ] Level 3

7. Cost of Retrofit:  
8. Installation Cost:

9. Cost of Maintenance for Life of Project (optional):

### G. FUNDING AMOUNT REQUESTED

1. Total Amount Requested for this Project:
   - [ ] Maximum Amount Allowable
   - [ ] Other: $__________________

---

Carl Moyer – Guidelines, Policies & Procedures  
Revised January 2016
### H. FUNDING DISCLOSURE

1. Have any engines or vehicles listed in this application applied for or have been awarded Carl Moyer Program funding or other grants?
   - [ ] Yes
   - [ ] No

2. If “yes,” please fill in the boxes below:
   - **Agency applied to:**
   - **Date/Number of Agency Solicitation:**
   - **Funding Amount Requested:**
   - **Equipment Identification:**
   - **Old Engine Serial Number:**
   - **Status of Project:**

---

I hereby certify that all information provided in this application and any attachments are true and correct.

<table>
<thead>
<tr>
<th>Printed Name of Responsible Party:</th>
<th>Title:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature of Responsible Party:</td>
<td>Date:</td>
</tr>
</tbody>
</table>

---

### I. THIRD PARTY CERTIFICATION

*I have completed the application, in whole or in part, on behalf of the applicant.*

<table>
<thead>
<tr>
<th>Printed Name of Third Party:</th>
<th>Title:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature of Third Party:</td>
<td>Date:</td>
</tr>
</tbody>
</table>
CARL MOYER AIR STANDARDS ATTAINMENT PROGRAM
MARINE VESSEL PROJECT
AIR DISTRICT REVIEW CHECKLIST

### Applicant Information

<table>
<thead>
<tr>
<th>Company:</th>
<th>Owner:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Project ID #:</td>
</tr>
<tr>
<td>Phone:</td>
<td>Grant Amount: $</td>
</tr>
<tr>
<td>Cell:</td>
<td>Cost Effectiveness: $</td>
</tr>
<tr>
<td>Fax:</td>
<td>Email:</td>
</tr>
</tbody>
</table>

### Dealer Information

<table>
<thead>
<tr>
<th>Dealership:</th>
<th>Installer:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salesperson:</td>
<td>Salesperson:</td>
</tr>
<tr>
<td>Phone:</td>
<td>Phone:</td>
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<tr>
<td>Cell:</td>
<td>Cell:</td>
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<td>Fax:</td>
<td>Fax:</td>
</tr>
<tr>
<td>Email:</td>
<td>Email:</td>
</tr>
</tbody>
</table>

### Installer Information

|          | |
|----------||

- Verify that the following information/documents are included in the application.

- **Application Requirements**
  - Completed application (signed & dated in ink)
  - Quote and specification sheet(s) for the replacement engine/equipment signed and dated by the Dealership.
    - Owner is listed as buyer
  - Quote and specification sheet(s) for the installation of the engine/equipment signed and dated by the Installer.
    - Owner is listed as buyer
  - EPA Certificate of Conformity and/or ARB Executive Order for replacement engine *(preferred)*, which demonstrates the engine meeting current model year California emission standards.
  - Proof of vessel registration using one of following forms of documentation *(copy or photograph)*:
    - United States Coast Guard Documentation Number and/or
    - California vessel registration (CF) number and a copy of the California Department of Fish and Game license and/or
    - Lloyd’s/International Maritime Organization (IMO) number
  - **Transmission Replacement**: Case by Case determination is required if transmission components are to be replaced. If transmission replacement required, include the following:
    - Documentation from engine dealer/installer justifying the necessity of a new transmission
    - Quote and specification sheet(s) for the replacement and installation of the transmission signed and dated by the Dealer/Installer.
Appendix C: Sample Application Completeness Check Sheet – Marine

The marine vessel operates in California coastal waters.
☐ Existing engine(s) is equal to or below Tier 2 emission standards. (At least a 15 percent NOx reduction relative to the baseline engine.)
☐ Existing engine is diesel.
☐ Existing engine has an horsepower (hp) equal to or greater than 25 hp.

The replacement engine(s) horsepower is no more than a 40 percent increase of the existing equipment engine.
☐ The replacement engine(s) is certified to meet U.S. EPA Tier 2 marine emission standards or cleaner.

Project cost effectiveness does not exceed current limit: $17,720 per weighted ton of NOx + ROG + combustion PM10.

Work performed by Vessel:
☐ commercial fishing
☐ charter fishing
☐ crew and supply
☐ ferry excursion
☐ pilot
☐ tow
☐ tug
☐ work
☐ other: __________

Phase 2: Grant Requirements (After applicant has received an Award Letter)

Inspection Requirements
☐ Pre-Inspection
  ☐ Date Conducted: __________

☐ Replacement Equipment Post Inspection
  ☐ Date Conducted: __________

☐ Dismantle Inspection
  ☐ Date Conducted: __________

Contract
☐ Project Evaluation

Case by Case Request (if applicable, may be required for transmission replacement)
  ☐ Date CARB Approved: __________ CARB#: __________

☐ Contract
  ☐ Reviewed by: __________ Date: __________
  ☐ Signed by: __________ Date: __________
Phase 3: Project Completion

Payment Reimbursement

- Memo/ Letter from applicant requesting reimbursement.
- Final invoices for eligible costs, eligible costs include:
  1. The capital cost of the new engine.
  2. Purchase of or modifications to the cooling system; fuel and exhaust system; wiring, panel, and harness system; power take-offs, propulsion control system; gauges and alarms; and radiator and ventilation, if attached to or integral to the functioning of funded engine.
  3. Costs related to the purchase and/or installation of a new transmission.
  4. Frames needed to be extended or other parts needed to be cut or modified in order to accommodate the new engine, as well as paint or coating needed to protect those specific areas that were cut or modified.
  5. Tax and transport for eligible parts or costs.
  6. Labor for installation of or modification to parts eligible for funding.

- Memo Verifying Project Completion
  - Reviewed by: __________________________ Date: ______________
  - Signed by: ____________________________ Date: ______________

- Funds Disbursement – put copy of check for project file
  - Date: __________ Check #: __________

Record Keeping

- Enter into CARL
- Initial: __________________________ Date: ______________
- PDF completed project file
  - Initial: __________________________ Date: ______________
### Appendix D: Sample Project Fund Tracking

**Mayer Funds Disbursement Worksheet**

**Program Year 15 (Fiscal Year 2013/2014)**

<table>
<thead>
<tr>
<th>Project Code</th>
<th>Date</th>
<th>Project Fund</th>
<th>Reimbursable Funding</th>
<th>Remaining Funding</th>
<th>Remaining Funding (Other Sources)</th>
<th>Total Invoiced Amount</th>
<th>Total Funding Requested</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

**Balance Disbursed:** $105,793.92

---

**Ratios:**

- **Invoiced Funding (Other Sources):**
  - **Remaining Funding (Other Sources):**

**Notes:*

- **Funding Source:**
  - **Remaining Funding:**

---

**Month:**

- **Funding:**
  - **Remaining Funding:**

---

**Funding Requested:**

- **Remaining Funding:**

---

**Year 14 Mayer Funds Disbursement:**

- **Remaining Funding:**

---

**Year 14 Mayer Funds Disbursement - Corrected Page 1**
July 17, 2012

Rory Smith
1850 Trillum Place
McKinleyville, CA 95519

Re: Application for Carl Moyer Year 14 Funds – Award Letter

Dear Rory Smith:

Congratulations! The North Coast Unified Air Quality Management District (NCUAQMD) has pre-selected the project proposed in your application for funding in the amount of $80,000.00.

To be eligible for funding the following must be completed:

1. Pre-Inspection conducted by District staff.
2. Submission of supporting documents, which are listed on page 3 of your application packet, Application Checklist.

Qualified applicants will be notified via phone once the pre-inspection has been completed, and supporting documents have been received. A draft contract will arrive via post shortly after notification, approximately 5 to 10 business days.

Please note, that new equipment, parts, and services cannot be ordered or purchased before the contracts are executed (signed by both parties).

If you wish to participate in the program, please contact Deborah Paselk at the District office by calling (707) 443-3093 x128 prior to close of business on August 2, 2012 to schedule a “Pre-Inspection” of the equipment.

Sincerely,

Jason L. Davis
Division Manager
(707) 443-3093 x114
jdavis@ncuaqmd.org
## Appendix F: Sample All-In-One Inspection Form – Marine Vessel

### North Coast Unified Air Quality Management District
2300 Myrtle Avenue, Eureka, CA 95501
Telephone (707) 443-3093  FAX (707) 443-3099
http://www.ncuaqmd.org

### PROJECT INFORMATION

<table>
<thead>
<tr>
<th>PROJECT ID#</th>
<th>DATE/TIME</th>
</tr>
</thead>
<tbody>
<tr>
<td>VESSEL NAME:</td>
<td></td>
</tr>
<tr>
<td>VESSEL TYPE/FUNCTION:</td>
<td>commercial fishing</td>
</tr>
<tr>
<td></td>
<td>ferry</td>
</tr>
<tr>
<td>PROJECT TYPE:</td>
<td>Repower – Main engine w/o Transmission</td>
</tr>
<tr>
<td></td>
<td>Repower – Main engine w/ Transmission</td>
</tr>
<tr>
<td>COMPANY INFORMATION:</td>
<td></td>
</tr>
<tr>
<td>Company Name:</td>
<td></td>
</tr>
<tr>
<td>Owner/Contact Name:</td>
<td></td>
</tr>
<tr>
<td>Address:</td>
<td></td>
</tr>
<tr>
<td>City, State, Zip:</td>
<td></td>
</tr>
<tr>
<td>Phone No.:</td>
<td>Cell No:</td>
</tr>
<tr>
<td>INSPECTION LOCATION:</td>
<td></td>
</tr>
<tr>
<td>Address:</td>
<td></td>
</tr>
<tr>
<td>City, State, Zip:</td>
<td></td>
</tr>
<tr>
<td>TYPE OF INSPECTION:</td>
<td>Pre-inspection</td>
</tr>
<tr>
<td>ATTACHED PICTURES ARE LEGIBLE:</td>
<td>Yes</td>
</tr>
</tbody>
</table>

### VESSEL AND ENGINE INFORMATION:

<table>
<thead>
<tr>
<th>Vessel Make:</th>
<th>Vessel Model:</th>
<th>Vessel Model Year:</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Coast Guard Documentation Number:</td>
<td>Lloyds Register / IMO Ship ID Number:</td>
<td></td>
</tr>
<tr>
<td>Does this vessel have a wet exhaust system?</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

#### MAIN ENGINE INFORMATION:  
- **Existing Engine**  
- **Replacement Engine**

<table>
<thead>
<tr>
<th>Engine Make:</th>
<th>Engine Model:</th>
<th>Engine Model Year:</th>
<th>Date of Manufacture:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engine Serial Number or Air District ID Number:</td>
<td>Engine Horsepower:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engine operational?</td>
<td>Fuel used?</td>
<td>Engine Family Number:</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>No</td>
<td>Diesel</td>
<td>Other</td>
</tr>
<tr>
<td>For Dismantle Inspection ONLY:</td>
<td>Engine Destroyed?</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

#### AUXILIARY ENGINE INFORMATION:  
- **Existing Engine**  
- **Replacement Engine**

<table>
<thead>
<tr>
<th>Engine Make:</th>
<th>Engine Model:</th>
<th>Engine Model Year:</th>
<th>Date of Manufacture:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engine Serial Number or Air District ID Number:</td>
<td>Engine Horsepower:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engine operational?</td>
<td>Fuel used?</td>
<td>Engine Family Number:</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>No</td>
<td>Diesel</td>
<td>Other</td>
</tr>
<tr>
<td>For Dismantle Inspection ONLY:</td>
<td>Engine Destroyed?</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>
### North Coast Unified Air Quality Management District

2300 Myrtle Avenue, Eureka, CA 95501
Telephone (707) 443-3093 FAX (707) 443-3099
[http://www.ncuaqmd.org](http://www.ncuaqmd.org)

#### Transmission Information

<table>
<thead>
<tr>
<th>Transmission Make:</th>
<th>Transmission Model:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Transmission Model Year:</th>
<th>Transmission Serial Number:</th>
</tr>
</thead>
</table>

#### Required Photographs
- Digital photos should be clear images with a minimum of 640x480 capture resolution.

<table>
<thead>
<tr>
<th>Pre-inspection of existing engine</th>
<th>Post inspection of replacement engine</th>
</tr>
</thead>
<tbody>
<tr>
<td>Right side of vessel</td>
<td>Right side of vessel</td>
</tr>
<tr>
<td>Left side of vessel</td>
<td>Left side of vessel</td>
</tr>
<tr>
<td>USCG or IMO/Lloyd’s number</td>
<td>USCG or IMO/Lloyd’s number</td>
</tr>
<tr>
<td>Overall engine compartment and overall view of engine</td>
<td>Overall engine compartment and overall view of engine</td>
</tr>
<tr>
<td>Engine serial number — etch tag or stamp on block</td>
<td>Engine Information — etch tag or stamp on block</td>
</tr>
<tr>
<td>Transmission — top view (if applicable)</td>
<td>Engine Information — top view (if applicable)</td>
</tr>
<tr>
<td>Transmission serial number (if applicable)</td>
<td>Engine Information — serial number (if applicable)</td>
</tr>
<tr>
<td>Engine start-up — stack/exhaust</td>
<td>Engine start-up — stack/exhaust</td>
</tr>
<tr>
<td>Engine engaged — water at rear of vessel</td>
<td>Engine engaged — water at rear of vessel</td>
</tr>
</tbody>
</table>

#### Dismantle inspection of existing engine
- Overall view of engine
- Engine serial number — etch tag or stamp on block
- Holes in engine block (at least 3 inches wide)
- Other views dependent on the method of equipment destruction

#### Comments:

---

I certify under penalty of perjury that: (1) the information provided above is accurate, (2) the pictures are of the inspected equipment (3) the pictures clearly depict the inspected equipment, and (4) that I understand that this inspection form is incorporated in the agreement with the North Coast Unified Air Quality Management District.

<table>
<thead>
<tr>
<th>Signature:</th>
<th>Date:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Authorized Name:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Air District / Dealership:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Address:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>City, State, Zip:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Phone No:</th>
</tr>
</thead>
</table>
MEMORANDUM

TO: Richard Martin, APCO
FROM: Deborah Paselk, Air Pollution Specialist
SUBJECT: Carl Moyer Program Grant Application for Year 14 Funding; Rory Smith F/V “High Seas” Grant CMP#14-22
DATE: January 23, 2013

The AQMD received a CMP application from Rory Smith, for an main engine repower and transmission replacement for the marine vessel “High Seas.” The application for Carl Moyer Year 14 Funds was reviewed in accordance with the 2011 Carl Moyer Program Guidelines Chapter 12 – Marine Vessels, current as of April 28, 2011. For evaluation purposes, the “Pacific Pride” was considered as a commercial fishing craft.

A review of equipment was performed and emission calculations were prepared. The project partially funded at $80,000.00 (62% of $129,248.00) would have a cost effectiveness of $2,609.41 per ton of pollutants emitted when operated in the District 80% of the time.

**General Program Vessel Requirements**

<table>
<thead>
<tr>
<th>Requirement</th>
<th>How Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete application submitted within deadline AQMD</td>
<td>A complete signed application was received June 17, 2012.</td>
</tr>
<tr>
<td>Emission reductions obtained through project must not be required by regulatory action</td>
<td>Staff review of regulations – There are currently no federal, state, or local regulations requiring commercial fishing vessels to comply with new emissions standards. EPA harbor craft emission requirements pertain to new engines manufactured after 2004.</td>
</tr>
<tr>
<td>No emission reductions shall be used as marketable credits</td>
<td>Contract with so specify. AQMD will not award credits</td>
</tr>
<tr>
<td>Projects funded after January 1st 2007 shall use ARB low-sulfur diesel fuel</td>
<td>Contract will require Contractor to fuel vessel with only low sulfur diesel and maintain records for inspection purposes.</td>
</tr>
<tr>
<td>Coast Guard or IMO/Lloyd’s number must be</td>
<td>55A555</td>
</tr>
</tbody>
</table>
Appendix G: Sample Project Evaluation– Marine Vessel

<table>
<thead>
<tr>
<th>Requirement</th>
<th>How Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project cost effectiveness must not exceed $17,080.00 per weighted ton of NOx + ROG + PM10.</td>
<td>Cost effectiveness calculated at $2,609.41 see attached emission calculations.</td>
</tr>
<tr>
<td>Project must have a minimum life of three years and must be for the entire term of the number of year used to determine cost effectiveness. Because the engine displacement is less than 5.0 liters per cylinder, the maximum project life is 16 years.</td>
<td>For purposes of cost effectiveness calculation, the project life was 11 years. The contract shall be of identical length.</td>
</tr>
<tr>
<td>Marine vessel activity considered for emission calculation shall only occur within California Coastal Waters.</td>
<td>The applicant has stated that his fishing activity occurs within the zone identified on Figure 12-1 California Coastal Water Boundaries Chapter 12 of the Guidelines.</td>
</tr>
<tr>
<td>Project vessels must be equipped with an EMU to track activity and location for the project life. Unit cost, installation, and data summarization may be included in the grant amount.</td>
<td>This requirement was made optional by ARB for Year 14 projects. The District chose not to require.</td>
</tr>
</tbody>
</table>

Re-power & Scrap Requirements

<table>
<thead>
<tr>
<th>Requirement</th>
<th>How Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Replacement engine must be certified to at least US EPA Tier 2 marine engine standards. If less than 100 hp, must be Tier 3 after 1/1/2009.</td>
<td>The engine is greater than 100 hp and is certified to Tier 2 marine standards. Main - EPA Certificate CEX-MCI-12-06.</td>
</tr>
<tr>
<td>Replacement engine must provide a minimum of a15% NOx reduction over the baseline engine.</td>
<td>Default Emission Factors utilized by CARL for uncontrolled and Tier 2 engines which estimates greater than a 66% reduction. Engine Family: DCEXN011.AAB.</td>
</tr>
<tr>
<td>The existing (old) engine must be destroyed and rendered useless. The destruction of the engine must be documented by the AQMD seeing the destroyed engine or the receipt from the qualified vehicle salvage yard [2008 Guidelines Part III, Section 31]</td>
<td>Contract shall require applicant to destroy engine(s) in compliance with this section.</td>
</tr>
</tbody>
</table>

Eligible Equipment & Funding Levels

<table>
<thead>
<tr>
<th>Requirement</th>
<th>How Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible Engine Components [Chapter 12, Section C.2. (D)]</td>
<td>Main Engine: Included items: front engine mounts, keel cooling, crankcase breather, air cleaner, etc. Sea trial was excluded. Cost estimated at $54,028.00.</td>
</tr>
<tr>
<td></td>
<td>Transmission: Twin disc transmission housing, flexible coupling, mounting brackets, etc. As per CARB case by case Ref #2013-1 this</td>
</tr>
</tbody>
</table>

Marine vessel activity considered for emission calculation shall only occur within California Coastal Waters.
Appendix G: Sample Project Evaluation– Marine Vessel  

<table>
<thead>
<tr>
<th>Project was approved. Cost estimated at $33,220.00.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Misc Parts &amp; Labor:</strong> Removal and installation of main engine, removal and installation of transmission, etc. Cost $42,000.00</td>
</tr>
<tr>
<td><strong>Ineligible Expenses:</strong> Sea trial charges ($1,000.00) are not eligible.</td>
</tr>
<tr>
<td>***Tax not assessed on commercial fishing vessels.</td>
</tr>
</tbody>
</table>

**Capital Cost of new engine cannot exceed 80% for a EPA Compliant marine Tier 2 emission level. May not exceed 85% for EPA Compliant marine Tier 3 emission level. [Chapter 12 Section B & C.2.]. Note: By 2016 to be EPA Compliant marine engines must be Tier 3 emission level.**  

<table>
<thead>
<tr>
<th>Eligible expenses: Engine is Tier 2 and so is eligible for 80%. $129,248.00 @ 80% = $106,398.40</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommended award $80,000.00</td>
</tr>
</tbody>
</table>
AGREEMENT BETWEEN
THE NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT AND
RORY SMITH OWNER OF THE COMMERCIAL FISHING VESSEL HIGH SEAS,
(COAST GUARD NUMBER 55A555)
FOR CARL MOYER GRANT FUNDS

This Agreement is entered into by and between the North Coast Unified Air Quality Management District, a unified air quality management district formed pursuant to California Health and Safety Code 40150, et seq. (“District”) and Rory Smith, the Owner of the High Seas; and is effective as of the date of the last party signing below (“Effective Date”).

RECITALS
WHEREAS, at its June 2013 Board Meeting, the Governing Board of the District (“Governing Board”) approved District participation in the Carl Moyer Memorial Air Quality Standards Attainment Program (“Moyer Program”) within its jurisdiction of Del Norte, Humboldt, and Trinity counties, California; and
WHEREAS, the Moyer Program provides incentives to fleet operators and individuals for the purchase and/or retrofit of heavy-duty vehicles operated at low-emission levels; and
WHEREAS, the District Governing Board has authorized funding up to $500,000 in qualified CAPCOA Carl Moyer Year 14 Program proposals within the District; and
WHEREAS, the District has distributed a public Request for Proposals for Moyer Program funding; and
WHEREAS, Contractor has submitted a Moyer Program proposal (“Contractor’s Project” or “Project”) more fully described in Exhibit “A,” attached hereto; and
WHEREAS, District has evaluated Contractor's Project and approved the Project for funding; and
WHEREAS, Contractor represents that the Project is NOT required by any local, state, and/or federal rule or regulation; and
WHEREAS, Contractor has certified that it has not received and has not applied for other Carl Moyer funding for this Project from either the California Air Resources Board or another Air District.

NOW, THEREFORE, based on the representations made in Contractor’s Project proposal, which are incorporated herein and made a material part hereof, the parties agree as follows:

1. GRANT AWARD

1.1. Services. Contractor is hereby awarded Carl Moyer Program funds for the purchase, installation, and maintenance of the equipment listed in Tables 1 and 2, in an amount not to exceed $80,000.00 (“Grant Award”). For purposes of contract administration, the project shall be divided into two phases: 1) Equipment Purchase & Installation and 2) Equipment Operation & Maintenance.
Appendix H: Sample Project Contract (Agreement) – Marine Vessel

Table 1. Equipment Purchase & Installation - Project Phase I

<table>
<thead>
<tr>
<th>Device</th>
<th>Year/Make/Model</th>
<th>Serial Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vessel</td>
<td>1974 Commercial Fishing Vessel</td>
<td>55A555</td>
</tr>
<tr>
<td>Main Engine</td>
<td>1974 8V71 Detroit Diesel</td>
<td>7082-7000</td>
</tr>
</tbody>
</table>

**Replacement Equipment**

<table>
<thead>
<tr>
<th>Item</th>
<th>Year/Make/Model</th>
<th>Engine Family</th>
<th>Maximum Funds Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Engine</td>
<td>2013 Cummins QSM11 455&amp; Twin Disc Transmission</td>
<td>DCEXN011.AAB</td>
<td>$56,000</td>
</tr>
<tr>
<td>Installation</td>
<td>Engine supports, Parts &amp; Installation</td>
<td>N/A</td>
<td>$24,000</td>
</tr>
</tbody>
</table>

Table 2. Equipment Operation & Maintenance – Project Phase II

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Year / Make / Model</th>
<th>Serial Number</th>
<th>Maximum Funds Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicle</td>
<td>1967 Commercial Fishing Vessel</td>
<td>55A555</td>
<td>$0.00</td>
</tr>
<tr>
<td>Engine</td>
<td>2013 Cummins QSM11 455&amp; Twin Disc Transmission</td>
<td>TBD</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

1.2 **Additional Funding.** Contractor shall be responsible for any additional financing required to fund the total cost of the Project in excess of the Grant Award, and shall provide satisfactory written evidence of such funding commitments to the District before placing purchase orders for the equipment and services as required in Section 3. In the event Contractor does not obtain funding for the total cost of the Project(s), the District reserves the right to terminate or renegotiate this Agreement.

1.3 **Reduced Grant Award.** In the event the actual cost of Equipment replacement/retrofit and maintenance is less than the amount estimated in Tables 1 and 2, the District will reduce the funds paid to Contractor by an amount equal to the cost savings.

2. **CONTRACTOR REPRESENTATIONS**

2.1 **Emission Reduction Credits.** Contractor understands and acknowledges that receipt of the Grant Award prohibits Contractor from applying for any form of emission reduction credits for the Project including but not limited to: Emission Reduction Credit (ERC), and Mobile Emission Reduction Credit (MERC) for all time from the District or any other Air Quality Management or Air Pollution Control District.

2.2 **Voluntary Act.** Contractor hereby asserts and agrees that the purchase of the Equipment listed in Tables 1 & 2 is a voluntary act; and that District has made no representations or guarantees to the Contractor regarding the quality, condition or proposed use of the replacement Equipment purchased by the Contractor.
2.3 **No Additional Funds.** Contractor shall not apply for nor accept additional funds for Contractor’s Project or the equipment funded by this Agreement. Prohibited funding sources shall include but not be limited to: tax credits, deductions, other Carl Moyer Program funding, and AB118 funding.

3. **PHASE 1 - EQUIPMENT PURCHASE & INSTALLATION, PERFORMANCE TIMETABLE**

3.1 **Placement of Purchase Order.** Contractor shall place purchase orders for the Equipment listed in Tables 1 & 2 within sixty (60) calendar days from the Effective Date of this Agreement.

(1) Contractor shall submit a copy of the purchase order(s) to the District no later than sixty (60) days from the Effective Date of this Agreement.

(2) Failure to place a purchase order within sixty (60) days of the Effective Date will result in the automatic forfeiture of the Grant Award and termination of the Agreement. No extensions to the sixty (60) day period will be granted. However, if the Grant Award is forfeited, the applicant may reapply for grant funds during the next opportunity notice period, if any.

3.2 **Completion of Equipment Installation.** Contractor shall complete the installation of the equipment listed in Table 1 no later than June 28, 2013.

(1) Upon removal of the existing (old) engine, the Contractor shall destroy it by rendering it unfit for further use (scrap) in accordance with current Carl Moyer Program Guidelines and District policy.

(2) Contractor shall contact the District to schedule a “post–project” inspection after the Equipment listed in Tables 1 & 2 has been installed and is in good working order. A minimum of 72 hours advance notice is required to schedule post-project inspection appointments.

(3) After completion of the post-project inspection by the District, the Contractor shall submit to the District a “Notice of Completion of Equipment Purchase and Installation.” Said Notice must be submitted no later than fifteen (15) days after installation is completed.

3.3 **Request for Payment.** After submitting the Notice of Completion of Equipment Purchase and Installation, and no later than July 15, 2013 Contractor shall submit to the District a “Request For Final Payment” together with supporting documentation which shall include an itemized statement of work completed and proof of Contractor's liability insurance as described in Section 6. **NO EXTENSIONS WILL BE GRANTED.**

3.4 **Payment of Funds.** The District will process Contractor’s Request For Final Payment within 5 days of receipt to verify its contents. The District will transmit the Grant Award to the Contractor within thirty (30) calendar days of verification.

4. **PHASE 2 - EQUIPMENT OPERATION & MAINTENANCE, PERFORMANCE CRITERIA**

4.1 **CARB Certified Low Sulfur Diesel.** Contractor shall only fire the engine with California Air Resources Board (CARB) certified low sulfur diesel.

4.2 **Manufacturer’s Specifications.** Contractor shall operate and maintain the vehicle and engine according to manufacturer’s specifications for optimum performance. Contractor shall not tamper with the engine nor with any of the engine components.

4.3 **Operation Within District Boundaries.** For purposes of satisfying hour usage requirements of this section, only hours of operation which occur in California Waters as defined in the most recent version of the Carl Moyer Program Guidelines, and further limited to the zone from Cape Mendocino to the California Oregon Border shall accrue towards satisfaction of the usage requirements.
Appendix H: Sample Project Contract (Agreement) – Marine Vessel

4.4 **Recording Hours of Operation.** Contractor shall operate the vessel and engine only when the engine operating hours are recorded by a properly functioning hour meter. The non-resettable hour meter shall have a minimum display capability of 9,999 hours.

4.5 **Annual Hours of Operation Required.** Contractor shall make reasonable efforts to utilize the vehicle and engine. Should the engine hours of operation fall below 2,500 hours in any given reporting period (calendar year), Contractor shall identify the cause, reason, or explanation in writing and forward to the District as part of the Annual Report. In the event that reasonable efforts are not made, District reserves the right to demand the return of a prorated portion of the funds provided to Contractor.

4.6 **Total Minimum Hours of Operation Required.** During the Term, Contractor shall operate the vessel and engine in combination for a minimum of 27,500 hours. Only the hours that the equipment is operated within the District boundaries shall accrue towards the minimum required amount. In the event the equipment is operated less than 27,500 hours, the District reserves the right to demand the return of a prorated portion of the funds provided to Contractor. The proration shall be based upon actual hours operated in accordance with this Agreement.

4.7 **Annual Reporting.** Contractor shall submit annual written reports to the District by January 30th of each year of the Agreement, in a form substantially similar to the sample report attached hereto as Exhibit B (“Annual Report”). The Annual Report shall identify the Carl Moyer Project number, the equipment utilized, the number of vehicle hours operated, the location of the hours operated (% in California and District), the quantity of fuel consumed, any down time and cause, and any details regarding maintenance.

4.8 **Completion of Equipment Operation and Maintenance Phase.** No sooner than eleven (11) years after the date of Contractor’s Notice of Completion of Equipment Installation, and no later than 30 days after full satisfaction of the requirements of the Equipment Operation and Maintenance Phase of this Agreement, Contractor shall submit written a Notice of Completion of the Equipment Operation and Maintenance Phase to the District. The District will review and provide a written determination to the Contractor within 30 days after receipt of said Notice as to whether Contractor has satisfied all operation and maintenance requirements of this Agreement; and, in such event, Contractor shall be released from further obligation under this Agreement.

5. **CONDITIONS OF GRANT FUND DISBURSEMENT**

5.1 **Payment in Arrears Only.** The District will reimburse Contractor in arrears after receipt and verification of Contractor’s Request for Final Payment.

5.2 **Sales and Use Taxes.** The amount to be paid to Contractor under this Agreement shall not be applied to any sales or use taxes incurred pursuant to this Agreement, if any, including any such taxes due on equipment purchased by Contractor. District shall bear no financial obligation for and Contractor shall not receive additional grant funding for reimbursement of such taxes and shall not decrease work to compensate thereof.

5.3 **Contractor’s Responsibility for Expenses.** It is understood that all expenses incidental to Contractor’s performance of services under this Agreement shall be borne exclusively by Contractor, including all Contractor’s administrative costs.

5.4 **Allowable Expenditures.** Only expenditures incurred by Contractor in the direct performance of this Agreement will be reimbursed by District. Allowable expenditures under this Agreement are identified in Section 1 of this Agreement.

5.5 **Final Claims.** All final claims for reimbursement shall be submitted by Contractor concurrently with the Notice of Completion of Equipment Purchase & Installation. No action will be taken by District on claims submitted fifteen (15) days beyond the Notice of Completion of Equipment Purchase & Installation date.
6. INSURANCE
6.1 Without limiting District’s right to obtain indemnification from Contractor or any third parties, Contractor, at its sole expense, shall maintain in full force and effect insurance throughout the term of this Agreement for the following:

   (1) General liability – as specifically required by the District.
   (2) Workers compensation insurance in accordance with California Law.

6.2 Contractor shall provide District with a summary of its insurance coverage and amounts along with its Request for Final Payment. In the event Contractor fails to keep in effect at all times insurance coverage as herein provided, District may, in addition to other remedies it may have, suspend or terminate this Agreement upon the occurrence of such event.

7. RECORDS, AUDITS, INSPECTIONS
7.1 Records Available for Inspection. Contractor shall at any time during regular business hours and as often as District may deem necessary, make available to District and the California Air Resources Board (“ARB”) for examination and inspection the equipment purchased in whole or in part with Grant Award funds, and its records and data with respect to the matters covered by this Agreement. Contractor shall, upon request by District or ARB, permit District or ARB to audit and inspect all of such equipment, records and data necessary to ensure Contractor’s compliance with the terms of this Agreement.

7.2 Records Retention. Contractor shall retain all records and data for activities performed under this Agreement for at least two (2) years after the expiration of the contract term, and for at least three (3) years after final payment under this Agreement or until all state and federal audits are completed for the fiscal year, whichever is later. If this agreement exceeds Ten Thousand Dollars ($10,000), Contractor shall be subject to the examination and audit of the Auditor General for a period of three (3) years after final payment under contract (Government Code Section 10532).

8. TERM AND TERMINATION OF AGREEMENT
8.1 Term. This Agreement shall begin upon the date of the last party signing below and, unless cancelled or amended according to the provisions contained within the Agreement, shall terminate no sooner than eleven (11) years after the date of Contractor’s Notice of Completion of Equipment Purchase & Installation, upon Contractor’s completion of the performance criteria in Section 3, Equipment Operation and Maintenance, Performance Criteria, as verified by the District (“Term”).

8.2 Extension. Should the Contractor fail to achieve the performance criteria listed in Section 4, Equipment Operation and Maintenance, Performance Criteria, Contractor may apply for an extension of the Term not to exceed 365 days, which may be granted by the APCO, in its discretion, for good cause.

8.3 Termination Prior to Disbursement of Funds. Either party may terminate this Agreement at any time prior to transfer of grant funds by giving written notice of termination to the other party, which shall specify the effective date thereof. Notice of termination under this paragraph shall be given at least thirty (30) days before the effective date of such termination. Notwithstanding the above, failure to execute this Agreement in a timely manner may result in cancellation of the grant award without notice.

8.4 Contractor Default. The APCO may immediately suspend or terminate this Agreement, in whole or in part, and cancel or withhold payment of any grant fund where the APCO determines that any one of the following has occurred:

1. There has been an illegal or improper use of funds;
2. Contractor has intentionally misrepresented material facts to the District in its application for funding, in its use of funds and/or in its use of equipment funded by the Agreement;
3. Contractor has failed to comply with any term of this Agreement;
4. Contractor has submitted substantially incorrect or incomplete reports; or improperly performed services.

In the event of a Contractor Default, the APCO may demand full repayment of any finds already paid, or prorate the required repayment, in accordance with the District’s Carl Moyer Guidelines, Policies and Procedures, and with the California Air Resources Board Carl Moyer Guidelines.

8.5 **No Waiver of Breach.** In no event shall any payment by District constitute a waiver by District of any breach of this Agreement or any default which may then exist on the part of Contractor. Neither shall such payment impair or prejudice any remedy available to District with respect to the breach or default. District shall have the right to demand of Contractor the repayment to District of any funds disbursed to Contractor under this Agreement which in the judgment of District were not expended in accordance with the terms of this Agreement. Contractor shall promptly refund any such funds upon demand. In addition to immediate suspension or termination, District may impose any other remedies available at law, in equity, or otherwise specified in this Agreement.

9. **MISCELLANEOUS**

9.1 **Indemnification.** Contractor shall indemnify, defend and hold harmless the District, its officers, employees, agents, and successors-in-interest against any and all claims, suits or actions (including attorney fees, court costs and expert fees) resulting from any breach of the responsibilities required on Contractor by this Agreement or which are related in any way to the vehicle(s) for which financial assistance or other incentives are received from the District by Contractor.

9.2 **Notices and Contact.** All notices required by this Agreement shall be given in writing and will be effective when served by personal delivery, upon confirmation of receipt by the recipient when sent by e-mail or facsimile transmission, or four (4) calendar days after being deposited, postage prepaid, registered or certified, in the United States mail, to the relevant address(es) or facsimile number as set forth below. Either party may change Notice and Contact information at any time by written notice. All communication to the Air District shall reference the Project Number.

<table>
<thead>
<tr>
<th>CONTRACTOR</th>
<th>DISTRICT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rory Smith, Owner</td>
<td>Richard L. Martin, Jr., APCO</td>
</tr>
<tr>
<td>F/V High Seas</td>
<td>North Coast Unified Air Quality Management District</td>
</tr>
<tr>
<td>1850 Trillium Place</td>
<td>2300 Myrtle Avenue</td>
</tr>
<tr>
<td>Mckinleyville, CA 95519</td>
<td>Eureka, CA 95501</td>
</tr>
</tbody>
</table>

9.3 **Entire Agreement.** This Agreement represents the entire Agreement of the parties with respect to the subject matter described in this Agreement, and no representation, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in other contemporaneous written agreements.

9.4 **Amendment:** This Agreement may not be changed or modified except in writing and signed by the parties hereto.

9.5 **Independent Contractor.** None of the Grantee's agents, subcontractors or employees shall be construed as agents or employees of the Air District.
Appendix H: Sample Project Contract (Agreement) – Marine Vessel

9.6 **Assignment.** This Agreement may not be assigned, transferred, hypothecated, subcontracted or pledged by Grantee without the express prior written consent of the Air District. Assignment of this Agreement must be a condition of transfer of the vehicles retrofitted with the retrofit device identified in Attachment A to any successor organization to the Grantee.

9.7 **Severability.** Should any part of this Agreement be declared unconstitutional, invalid, or beyond the authority of either party to enter into or carry out, such decision shall not affect the validity of the remainder of this Agreement which shall continue in full force and effect; provided that, the remainder of this Agreement can, absent the invalid portion(s), reasonably be interpreted to give effect to the intentions of the parties.

9.8 **Political Activity Prohibited.** None of the funds, materials, property, or services provided under this Agreement shall be used for any political activity, or to further the election or defeat of any candidate for public office contrary to federal or state laws, statutes, regulations, rules, or guidelines.

9.9 **Conflicts.** Any conflict between the terms and conditions of this Agreement and the Exhibits incorporated herein shall be resolved by giving precedence first to the text of this Agreement, and second to Exhibit A to this Agreement.

9.10 **Right to Claim Emission Reductions.** The Air District retains the exclusive right to claim any emission reduction credits under state or federal law that might result from emissions reduced by the Project implemented pursuant to this Agreement. The emissions reduced by the Project may not be used by the Grantee to comply with any local, state, or federal air pollution regulation or law, or used to fulfill the Grantee’s obligations pursuant to a legal settlement.

9.11 **Conflict of Interest.** No officer, employee, or agent of District who exercises any function of responsibility for planning or carrying out the services provided under this Agreement shall have any direct or indirect personal financial interest in this Agreement. Contractor shall comply with all federal and state conflict of interest laws, statutes, and regulations, which shall be applicable to all parties and beneficiaries under this Agreement and any officer, agent, or employee of District.

9.12 **Grant Publicity.** Contractor shall acknowledge the District as a funding source for the Project in any press release, promotion, outreach, or other publicity related to the equipment covered by this Agreement.

9.13 **Governing Law.** This Agreement shall be governed in all respects by the laws of the State of California. Venue for any action arising out of this Agreement shall only be in Humboldt County, California.

9.14 **Transfer of Equipment.** Contractor shall notify the District in writing within 15 days of any transfer, sale, gift or other conveyance of ownership of the Equipment listed in Tables 1 and 2. Said notice shall identify the equipment transferred, and the name and physical address of the person(s) assuming ownership. This Agreement, including all covenants and conditions contained herein, shall be binding upon and inure to the benefits of the parties, including their respective successors-in-interest, assigns, and legal representatives.

9.15 **Attorneys Fees.** In the event the District is required to enforce any terms or conditions of this Agreement by court action, it shall be entitled to an award of attorney’s fees and costs.

9.16 **Time is of the Essence.** It is understood that for Contractor’s performance under this Agreement, time is of the essence. The parties reasonably anticipate that Contractor will, to the reasonable satisfaction of District, complete all activities provided herein within the time schedule outlined in the attachments to this Agreement, provided that Contractor is not caused unreasonable delay in such performance.

9.17 **Third Party Beneficiary Rights.** Notwithstanding anything else stated to the contrary herein, it is understood that Contractor’s services and activities under this Agreement are being rendered only for the benefit of the District and no other person, firm, corporation, or entity shall be deemed an intended third-party beneficiary of this Agreement. Contractor acknowledges that it has been made aware of the California Air Resources Board’s regulations.
Board enforcement authority over the Carl Moyer Program and the cited California Health and Safety Code section.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date of the last party signing below.

NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT

_________________________________  Date: ______________________
Richard L. Martin, Jr. APCO

CONTRACTORS

_________________________________  Date: ______________________
Rory Smith, Owner
Appendix I: Sample Reimbursement Invoice

CARL MOYER AIR STANDARDS ATTAINMENT PROGRAM
DEALERSHIP/CONTRACTOR
NOTICE OF COMPLETION & REIMBURSEMENT INVOICE

Project Information

- Project Type: [ ] Off-Road Equipment  [ ] Marine Vessel
- Project ID #:  [ ] Grant Amount:

Dealer / Contractor Information

- Company Name:
- Owner/ Contact Name:
- Address:
- City, State, Zip:
- Phone No.:  [ ] Cell No.:
- Federal Tax ID Number (Dealerships only):

Please reimburse the project listed above for the grants funds awarded to the project. Equipment has been purchased/installed, and a post inspection has been conducted by the District. Thank you.

Signature  
Date

Print Name  
Date

The following documents have been attached:

- Completed final invoice(s)
  - Replacement equipment
  - Labor for Installation, not including dry dock and/or sea trial costs (Marine Vessel only)
- Financing information (if applicable)
- Warranty information (Off-Road only)
Appendix J: Sample Annual Report

CARL MOYER AIR STANDARDS ATTAINMENT PROGRAM
ANNUAL USAGE REPORT
FOR CALENDAR YEAR

Contractor Information
- Update Contractor Information (Strikeout incorrect information)
- Company/Owner:
- Project ID #:
- Address:
- Project Title:
- Phone:
- Annual Required Hours:
- Email Address:

Section A: Engine Hours
A. Engine Hour Meter Reading (Start):
B. Engine Hour Meter Reading (End):

Total Engine Hours (Calendar Year):
- If below Annual Required, SEE SECTION D

Section B: Proof of Insurance (Off-Road Projects only, refer to Section 6 of Contract)
1. Do you have Liability Insurance?
   - Yes □  No □, SEE SECTION D
2. Do you have Worker’s Comp Insurance?
   - Yes □  No □, SEE SECTION D

Section C: Additional Requirements
- Marine Vessel Repower Projects
  1. Engine was operated in California Coastal Waters for (SEE pg 2 for map)...
  2. The Engine was only fueled with CARB Certified Low Sulfur Diesel

- Off-Road Projects
  1. Vehicle was operated in California for
  2. Vehicle was operated in District for
  3. Operated and maintained in accordance with manufacturer’s specifications?

Section D: Please, explain why you were unable to fulfill the contract requirements. ATTACH ADDITIONAL PAGES IF NECESSARY.

Signature  Date
Print Name  Date
California Coastal Water Boundaries

(California coastal waters is defined as that area between the California Coastline and a line starting at the California-Oregon border at the Pacific Ocean, thence to 42.0°N 125.5°W, thence to 41.0°N 125.5°W, thence to 40.0°N 125.5°W, thence to 39.0°N 125.0°W, thence to 38.0°N 124.5°W, thence to 37.0°N 123.5°W, thence to 36.0°N 122.5°W, thence to 35.0°N 121.5°W, thence to 34.0°N 120.5°W, thence to 33.0°N 119.5°W, thence to 32.5°N 118.5°W, and ending at the California-Mexico border at the Pacific Ocean.)
February 19, 2014

Rory Smith
1850 Trillum Place
McKinleyville, CA 95519

Re: Performance Milestones and Required Notice

Dear Rory Smith:

Thank you for your participation in the Carl Moyer Grant Program. According to District records, one of the performance milestones in your Moyer contract will be reached this year (see table below). The terms of your contract require that you provide information within 30 days after your “target date”. For your convenience, you may use the attached form Notice of Completion of the Equipment Operation and Maintenance to satisfy this requirement. The District will respond within 30 days of the mailing date.

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Performance Milestones</th>
<th>Target Date</th>
<th>Required Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMP 14-22</td>
<td></td>
<td>August 15, 2014</td>
<td>2,500</td>
</tr>
</tbody>
</table>

In the event that you did not meet the minimum hours of use requirement prior to the target date, please complete section B on the enclosed form and provide a written explanation.

If you have any questions, please contact me at the District office by calling (707) 443-3093 x128.

Sincerely,

Deborah Paselk
Air Pollution Specialist
(707) 443-3093 x128
dpaselk@ncuaqmd.org

Encl: Notice of Completion of the Equipment Operation and Maintenance
Appendix K: Notice of Completion

CARL MOYER AIR STANDARDS ATTAINMENT PROGRAM
NOTICE OF COMPLETION
OF EQUIPMENT OPERATION AND MAINTENANCE

Contractor Information

<table>
<thead>
<tr>
<th>Company/Owner:</th>
<th>Project ID #:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address:</td>
<td>Target Date:</td>
</tr>
<tr>
<td>Phone:</td>
<td>Required Hours:</td>
</tr>
</tbody>
</table>

Section A: Final Engine Hours

1. Final Hours?

2. Did you satisfy Agreement terms?
   - [ ] Yes, See Section C
   - [ ] No, See Section B

Section B: Applying for Extension

3. Would you like to apply for an extension?
   - [ ] Yes, See # 4
   - [ ] No, I would like to be invoiced for prorated repayment amount.

4. An extension of 365 days may be granted for good cause. In writing, tell the District why your contract should be extend, include why you were unable to fulfill the Agreement requirements. (Attach additional documents, if needed)

Section C: Agreement Terms Satisfied

- A District employee will be contacting you to schedule a Final Inspection.
- As per your Agreement with the District, you are required to retain all records and data for activities performed for at least two (2) years after the expiration of the contract term.

Signature

Date

Print Name

Date

1 | Page

NOTICE OF COMPLETION
Appendix L: Audit Inspection Form

North Coast Unified Air Quality Management District
2300 Myrtle Avenue, Eureka, CA 95501
Telephone (707) 443-3093 FAX (707) 443-3099
http://www.ncuaqmd.org

**PROJECT INFORMATION**

<table>
<thead>
<tr>
<th>Project ID#:</th>
<th>Date/Time:</th>
</tr>
</thead>
</table>

**PROJECT NAME/VESSEL NAME:**

**PROJECT TYPE:**

- [ ] Replacement – New
- [ ] Replacement – Used
- [ ] Retrofit
- [ ] Other

**MARINE VESSEL**

- [ ] Repower – Main engine w/o Transmission
- [ ] Repower – Auxiliary engine
- [ ] Repower – Main engine w/ Transmission
- [ ] Other

**EQUIPMENT TYPE:**

- [ ] Tractor
- [ ] Forklift
- [ ] Skid steer
- [ ] Excavator
- [ ] Commercial fishing
- [ ] Charter fishing
- [ ] Tug
- [ ] Crew and supply
- [ ] Ferry excursion
- [ ] Pilot
- [ ] Other

**COMPANY INFORMATION:**

- Company Name:
- Owner/Contact Name:
- Address:
- City, State, Zip:
- Phone No.:
- Cell No.:

**INSPECTION LOCATION:**

- Address:
- City, State, Zip:
- Reason for Audit:
  - [ ] Random/Annual
  - [ ] Nonperforming project
  - [ ] Other
- Attached Pictures are Legible:
  - [ ] Yes
  - [ ] No

**EQUIPMENT AND ENGINE INFORMATION:**

- U.S. Coast Guard Documentation Number:
- Lloyd's Register/IMO Ship ID Number:

**DOORS EIN (if applicable):**

- Serial Number:
- Fleet ID:

**Make:**

- Model:

**Model Year:**

- Date of Manufacture:
- Equipment operational?
  - [ ] Yes
  - [ ] No

**MAIN ENGINE INFORMATION:**

- Engine Make:
- Engine Model:
- Engine Model Year:
- Date of Manufacture:

**Engine Serial Number or Air District ID Number:**

- Engine Horsepower:

**Engine Family Number:**

- Engine operational?
  - [ ] Yes
  - [ ] No
- Fuel used?
  - [ ] Diesel
  - [ ] Other

**Hour Meter (Usage Survey date:):**

- Hour Meter (At time of inspection):
## Auxiliary Engine Information

<table>
<thead>
<tr>
<th>Engine Make</th>
<th>Engine Model</th>
<th>Engine Model Year</th>
<th>Date of Manufacture</th>
<th>Engine Horsepower</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Engine Serial Number or Air District ID Number:</th>
<th>Engine Horsepower:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engine Family Number:</td>
<td>Engine operational?</td>
</tr>
<tr>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hour Meter (Usage Survey date:</th>
<th>Hour Meter (At time of inspection):</th>
</tr>
</thead>
</table>

## Retrofit Device (Diesel Emission Control Device) Information

<table>
<thead>
<tr>
<th>Retrofit Device Make</th>
<th>Retrofit Device Model</th>
<th>Retrofit Device Model Year</th>
<th>Date of Manufacture:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Retrofit Device Serial Number:</th>
<th>Retrofit Device Executive Order Number:</th>
</tr>
</thead>
</table>

## Transmission Information

<table>
<thead>
<tr>
<th>Transmission Make:</th>
<th>Transmission Model:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Transmission Model Year:</th>
<th>Transmission Serial Number:</th>
</tr>
</thead>
</table>

## Operational Condition & Record Retention

### Off-Road Equipment

- Equipment able to start up
- Equipment capable of moving forward/backwards
- Tires: In usable condition
- Steering wheel operational
- Auxiliary equipment operational
- Undercarriage structurally sound
- Fuel tank: Usable condition
- All equipment present
- Hour meter reading(s) taken and compared to Usage Survey (annual rpt)
- Logbooks, Usage Survey(s), Insurance does, and other project records reviewed.

### Marine Vessel Replacement Engine

- Engine(s) able to start up
- Engine(s) engaged
- Overall engine(s) intact – no missing parts
- Overall transmission intact – no missing parts
- Logbooks, Usage Survey(s), Insurance does, and other project records reviewed.

## Comments:

- [ ]
- [ ]
- [ ]

---

**Audit Inspection Form**

2 | Page
### Appendix L: Audit Inspection Form

**North Coast Unified Air Quality**  
**Management District**  
2300 Myrtle Avenue, Eureka, CA 95501  
Telephone (707) 443-3093  
FAX (707) 443-3099  
[http://www.ncuagmd.org](http://www.ncuagmd.org)

#### Required Photographs
- Digital photos should be clear images with a minimum of 640x480 capture resolution.

<table>
<thead>
<tr>
<th>Off-Road Equipment</th>
<th>Marine Vessel Replacement Engine</th>
</tr>
</thead>
<tbody>
<tr>
<td>Right side – hood down</td>
<td>Right side of vessel</td>
</tr>
<tr>
<td>Front – hood down</td>
<td>Left side of vessel</td>
</tr>
<tr>
<td>Left side – hood down</td>
<td>USCG or IMO/Lloyd’s number</td>
</tr>
<tr>
<td>Equipment serial number</td>
<td>Overall engine compartment and overall view of engine</td>
</tr>
<tr>
<td>Engine – left side</td>
<td>Engine Information – tag(s)</td>
</tr>
<tr>
<td>Engine – right side</td>
<td>- Engine make</td>
</tr>
<tr>
<td>Engine Information – tag(s)</td>
<td>- Engine model</td>
</tr>
<tr>
<td>- Engine make</td>
<td>- Engine serial number</td>
</tr>
<tr>
<td>- Engine model</td>
<td>- Engine family number</td>
</tr>
<tr>
<td>DOORS EIN (if applicable)</td>
<td>Transmission – top view (if applicable)</td>
</tr>
<tr>
<td>Rear</td>
<td>Transmission serial number (if applicable)</td>
</tr>
<tr>
<td>Diesel emission control device (if available)</td>
<td>Engine start-up – stack w/exhaust</td>
</tr>
<tr>
<td>Hour meter reading</td>
<td>Engine engaged – water at rear of vessel</td>
</tr>
</tbody>
</table>

#### Comments:

---

I certify under penalty of perjury that: (1) the information provided above is accurate, (2) the pictures are of the inspected equipment and (3) the pictures clearly depict the inspected equipment.

**Signature:**

**Date:**

**Print Name:**

**Title:**

---

3 | Page
Appendix M: On-Road Voucher Incentive Program (VIP) Administration Plan

# ON-ROAD VOUCHER INCENTIVE PROGRAM (VIP) ADMINISTRATIVE PLAN

1. Program Approval
The Governing Board, via resolution, has authorized the APCO to administer the program as necessary. Acceptance and expenditure of VIP funds is authorized annually by the Governing Board through the budget adoption process.

2. Dealer Selection
The NCUAQMD maintains an active outreach program for the solicitation of eligible Dealers within the tri-county air basin. In order to reach all potential dealers within the counties of Humboldt, Del Norte and Trinity, the NCUAQMD utilizes its website as one of the mediums of communication. Upon acceptance of the VIP award, the District published notification/solicitation in each of the local newspapers of daily circulation in all three counties. Direct contact is made by conducting a search of local phone directories, attendance at industry events, announcements were made at District Governing Board meetings. The NCUAQMD also contacted neighboring Air Districts whom provided contact information for prospective dealers.

3. Dismantler Selection
The NCUAQMD maintains an active outreach program for the solicitation of eligible Dismantlers within the tri-county air basin. In order to reach all potential dealers within the counties of Humboldt, Del Norte and Trinity, the NCUAQMD utilizes its website as one of the mediums of communication. Upon acceptance of the VIP award, the District published notification/solicitation in each of the local newspapers of daily circulation in all three counties. Direct contact was made by conducting a search in the local phone books, at industry events, along with public service announcements were made at District Governing Board meetings. The NCUAQMD also contacted neighboring Air Districts whom provided contact information for prospective dismantlers.

4. Payment Process
Upon receipt of a complete Dealer Reimbursement Package, the NCUAQMD will start the disbursement process and issue a check within ten (10) business days.

5. Documentation
The NCUAQMD will document the activities and progress of the Voucher Incentive Program by using the CARB approved forms.

6. Audits
The District has chosen to allow properly trained and qualified dealership personnel to perform the pre-inspection, post-inspection, and pre-dismantle inspections of equipment. **ALL** dismantle
Appendix M: On-Road Voucher Incentive Program (VIP) Administration Plan

inspections and one additional inspection required (pre-inspection, post-inspection and/or pre-dismantle) shall be performed by the District. The dismantle inspection and/or the one additional inspection may be conducted by an outside District if it outside the NCUAQMD boundaries. Inspections will be conducted in accordance with the On-Road VIP Guidelines.

7. Dealer Training
The District is in regular contact with Carl Moyer Liaison (See Section VIII. Coordination with ARB). When developing the District training program, the District determined the curriculum based upon abbreviated Dealer responsibilities. Training will be conducted prior to signing the necessary Dealer agreement and will include:
- A PowerPoint Presentation followed by an open-book quiz, which covers:
  - Required Forms,
  - Vehicle Delivery, and
  - Procedure for Reimbursement

8. Dismantler Training
The District is in regular contact with Carl Moyer Liaison (See Section VIII. Coordination with ARB). When developing the District training program, the District determined the curriculum based upon abbreviated Dismantler responsibilities. Training will be conducted prior to signing the necessary (Dealer/Dismantler) agreement and will include:
- A PowerPoint Presentation followed by an open-book quiz, which covers:
  - Required Forms,
  - Vehicle Delivery, and
  - Acceptable Methods of Destruction.

9. Outreach
The NCUAQMD actively solicits participants through our outreach program which consist of:
- NCUAQMD website
- NCUAQMD Facebook page
- Notification and solicitation in each of the local newspapers
- Public service announcements at Governing Board meetings
- Direct contact with dealers in area
- Contact with other air districts
OFF-ROAD EQUIPMENT REPLACEMENT PROGRAM

The off-road equipment replacement program reduces emissions by replacing old, high polluting equipment with newer, cleaner equipment earlier than would have been expected through normal attrition. Carl Moyer Program funds may be used to offset part of the cost of the replacement vehicle and the entire cost of verified diesel emission control system (VDECS) diesel retrofits. The ARB established this program in 2008 because for some equipment, replacing the engine only, (i.e., repowering) is not possible and for other, the diminished value of the old equipment may not justify investing significant funds for engine replacement.

1. Projects Eligible for Funding

   A. Equipment Replacement projects must meet the following general eligibility requirements:

   B. Equipment
      a. Type – Mobile, self-propelled, off-road construction or farm equipment.
      b. Engine – Compression Ignition (CI) or Large Spark Ignition (LSI)
         i. Size – 25 horsepower or greater
         ii. Emission Standards – Old engine must be “uncontrolled” (pre-1990), Tier 1, or Tier 2 engine; new engine must be latest model year and meet California emission standards.

   C. The emission reductions from the project must not be required by any local, state, and/or federal rule, regulation, or other legally binding requirement. The following equipment replacement projects meet this requirement and may compete for funding:
      a. Farm tractor replacement projects.

   D. Equipment purchased before a Grant Agreement for the project is fully executed is not eligible for funding.

   E. Applicants that do not provide credible records to document the previous two year’s amount of historical operation in the District are not eligible for funding.

   F. All projects must achieve a current cost-effectiveness per weighted ton of air pollutants reduced limit (ie. $17,720 for the 2014/2015 fiscal year). Pollutants included in the cost-effectiveness calculation are NOx (oxides of nitrogen), ROG (reactive organic gases) and diesel PM (particulate matter). PM is weighted by a factor of 20; \((\text{NOx} + \text{ROG} + 20\times\text{PM})\). The District staff will calculate cost effectiveness using the average of two recent years of documented equipment usage.

2. Maximum Eligible Funding Amounts

   A. Grants are awarded to the most cost-effective projects. Projects reducing the most emissions for the least amount of requested funding have the best chance of approval.
B. Up to 80% of the cost of the new or used equipment may be requested. The replacement equipment must have an engine meeting the most recent California emission standard (e.g., the current Tier). If a specific piece of equipment cannot be purchased and delivered with an engine meeting the most recent emission standard or Tier within six months from the time the air district commits to the proposed project, then equipment with an engine meeting the previous emission standard or Tier may be purchased.

C. ARB-verified retrofit, previously referred to as an ARB Verified Diesel Emission Control System (VDECS), are eligible for up to 100 percent of the total costs, including all filters and maintenance of the filters required during the project life. Funding amount cannot exceed the weighted cost effective limits established in the most recent version of the Carl Moyer Program Guidelines.

3. Equipment Requirements

A. Existing (Old) Equipment Requirements

a. The old equipment must have an uncontrolled engine. Equipment powered by Tier 1 or Tier 2 engines is not eligible for replacement.

b. The applicant must have owned and operated the old equipment in California for the previous two years. The applicant must provide the following documentation:
   
   i. Bill of sale for the old equipment and

   ii. Two years of documentation for at least one item in the following list. If a bill of sale can not be provided, two items from the following list may be submitted in substitution:
      1. Tax depreciation logs
      2. Property tax records
      3. Equipment insurance records
      4. Bank appraisals for equipment
      5. Maintenance/service records
      6. General ledgers
      7. Fuel records specific to the old equipment (To be used as evidence of CA residency the fuel records must also identify the equipment owner)
      8. Other documentation approved by ARB

   c. The old equipment must be in operational condition. The applicant must provide documentation for the previous year for at least one of the following:
      1. Maintenance/service records
      2. Revenue and usage records that identify operational, standby, and down hours for the equipment
Appendix N: Off-Road Equipment Replacement Program

iii. Routine inspections which document the operating condition of the old equipment (OSHA or workplace required)
iv. Other documentation approved by ARB. In addition, the district will conduct a pre-inspection of the old equipment prior to funding to verify the operational status of the equipment.

d. Applicants must submit documentation of annual usage of the old equipment for the previous two years. Usage from this documentation will be used to calculate the cost-effectiveness of the project. The applicant must provide at least one of the following types of documentation:

i. Hour meter reading log collected at minimum of once per year from an installed and fully functioning hour meter or historical fuel usage documentation specific for the old equipment. Documentation must include fuel logs, purchase receipts, or ledger entries. Or

ii. At least two items from the following list:

1. Revenue and usage records that identify operational, standby, and down hours for the equipment
2. Employee timesheets linked to specific equipment use
3. Preventative maintenance records tied to specific hours of equipment use
4. Repair work orders specific to the equipment
5. Six months of tracking normal equipment usage with a functional, tamper proof hour meter with prior district approval
6. Other documentation approved by ARB

e. The replacement of two (or more) pieces of old, like equipment with one piece of replacement equipment is eligible for funding. Each piece of old and replacement equipment must comply with all of the appropriate criteria. The replacement equipment must execute the same job as the old pieces of equipment. For baseline cost-effectiveness calculation, the annual emissions of the two pieces of old equipment are summed. For the replacement equipment cost-effectiveness calculation, the usage of the two pieces of old equipment is summed for the replacement equipment usage.

B. Replacement Equipment Requirements

a. The new or used replacement equipment must have an engine meeting the most recent Model Year California emission standard (ie. the current Tier). If a specific piece of equipment cannot be purchased with an engine meeting the most recent Model Year emission standard at the time the District obligates funds, then equipment with an engine meeting the previous Model Year emission standard may be purchased. Documentation from the equipment manufacturer that equipment with an engine meeting the current Model Year emission standard is unavailable must be provided to the District. Used equipment meeting the most recent Model Year CA emission standard qualifies as new equipment if sold by a dealer with the required warranties and
Appendix N: Off-Road Equipment Replacement Program

documentation of how the price was depreciated to account for the used condition and the number of operation hours accumulated since new.

i. Equipment manufactured under the “Flexibility Provisions for Equipment Manufacturers,” with an engine whose reference engine family meets a standard, Tier or FEL less stringent than Tier 3 standard (or Tier 2 standard for engines less than 50 horsepower or greater than 750 horsepower), are ineligible to participate in the Carl Moyer Program.

ii. The certification emission standard and/or Tier designation for the engine must be determined from the ARB Executive Order issued for that engine which may be found at: http://www.arb.ca.gov/msprog/offroad/cert/cert.php.

b. The replacement equipment must serve the same function and perform the same work equivalent as the old equipment (i.e. replacement of an agricultural tractor with another agricultural tractor). This requirement may be waived by District with approval from ARB for instances where general purpose farming equipment changes commodities.

c. Only the minimum attachments normally sold with the original equipment, as determined by the District, are eligible for funding on the replacement equipment. Incentive funding can only be used to pay for items essential to the operation of the equipment.

d. The horsepower rating for the replacement equipment engine must not be greater than 125 percent of the original manufacturer rated horsepower (baseline horsepower) for the old equipment engine unless a higher horsepower rating is approved on a case by case basis by ARB.

e. Purchasers of new or used equipment must purchase a minimum of a one (1) year or 1600 hours power and drive train warranty must be purchased for the new or used replacement equipment. The warranty must cover parts and labor. Warranty documentation must be provided to the District. Warranty costs are not eligible for funding.

f. No funds will be issued for maintenance or repairs related to the operation of the equipment. The participant takes sole responsibility for ensuring that the equipment is in operational condition throughout the agreement period.

g. If the applicant obtains financing to assist in the purchase of replacement equipment, full documentation of financing must be provided to the District. No more than the applicant’s share of the cost of the equipment may be financed. The equipment shall not be used as collateral for the loan.

h. Annually, the grantee will submit a report indicating the number of hours the equipment was operated the prior calendar year. Annual operating hours will be used to determine emission reductions achieved by project. The grantee will monitor hours of operation by utilizing a properly installed and maintained hour meter. If during the project life the hour
meter fails for any reason, the hour meter must be repaired or replaced as soon as possible at the owner’s expense.

i. An ARB-verified retrofit, previously referred to as an ARB Verified Diesel Emission Control System (VDECS), is required on all replacement equipment, if available, unless it can be demonstrated that installation impairs safe operation of the equipment. Grantees may petition, and the District may approve, an exemption from the installation requirement as outlined in the Off-Road Equipment Regulation [Section 2449(e)(8)].

   i. If the additional cost of the ARB-verified retrofit causes the cost-effectiveness to be above the current cost-effectiveness limit, then the VDECS is not required.

   ii. If documentation is provided to the District or ARB that the ARB-verified retrofit is not technically feasible, available, or safe, then the retrofit is not required.

   iii. ARB-verified retrofit that control PM must use the highest level ARB-verified technology available at obligation of funds for the equipment being retrofitted.

   iv. The ARB-verified retrofit must be installed prior to delivery of the replacement equipment to the Grantee and must stay in operation on the replacement equipment for the project life. The issuance of a two-party check made payable to both the ARB-verified retrofit supplier and the Grantee is authorized if both parties agree to such payment.

   v. Upon request of the Grantee, the District may grant a waiver of the ARB-verified retrofit installation requirement in accordance with Carl Moyer Program Guidelines. Each Grantee that chooses to install a ARB-verified retrofit must sign a waiver acknowledging that existing or future regulations may require them to install a VDECS on the funded equipment at their own cost. The District will advise the Grantee of such existing or future regulations upon signing the waiver.

   j. The cost of the ARB-verified retrofit, filters, and maintenance of the ARB-verified retrofit needed during the project life is eligible for incentive funding, provided its inclusion in the project cost still meets the weighted cost-effectiveness limit.

   k. For the purpose of project selection based on cost-effectiveness, the District shall use a cost-effectiveness value that is calculated by excluding cost of the ARB-verified retrofit.

   l. Project life shall not exceed the maximum length listed for replacement projects in the most recent version of the Carl Moyer Guidelines.

C. Existing Equipment Destruction Requirements

a. The equipment replacement program requires the existing equipment to be scrapped. The chassis and engine must be destroyed to permanently remove old equipment from
Appendix N: Off-Road Equipment Replacement Program

service. The dealer shall permanently destroy and render useless or cause to be destroyed permanently or rendered useless each engine and equipment chassis. Critical mating surfaces in the engine cylinder block and cooling or lubricant passages shall be breached, by burning, cutting, or breaking. The chassis shall be cut in such a manner as to make it permanently unusable and not repairable. The dealer shall make each destroyed component available for District inspection in order for the District to certify such work has been properly done.

4. District Administrative Requirements

The District staff will implement the Carl Moyer Off Road Equipment Replacement Program using the following administrative procedures:

A. The District’s request for proposals (RFP) will solicit applications for off road equipment replacement projects along with the other Moyer Program categories listed in the District’s policies and procedures manual. Each application will be evaluated and ranked in accordance with the District’s policies and procedures. Off road equipment replacement project applications will compete for funding with all applications received before the RFP’s application submittal deadline.

B. The District staff will evaluate each proposal to verify the eligibility and cost-effectiveness in accordance with the CMP Guidelines. As part of the evaluation, staff will conduct a pre-inspection on the old equipment. The attached pre-inspection form will be used.

C. A Grant Agreement will be executed for each off-road equipment replacement project that competes successfully in the RFP process and is approved by the District Air Pollution Control Officer. A sample Grant Agreement with a section specifically for this Off-Road Equipment Replacement Program is attached.

D. Upon delivery of the new equipment to the dealer, the District staff will conduct a post-inspection. The dealer shall not deliver the new equipment to the applicant until the post inspection is complete.

E. Each dealer participating in the Off-Road Equipment Replacement Program must agree, in writing, to take custody of the old equipment within thirty (30) days of delivery of the new equipment to the applicant. The agreement with the dealer will also state that the dealer will cause the old equipment to be destroyed in conformance with the CMP Guidelines within thirty (30) days of taking custody. A Dealer/NCUAQMD Agreement is attached.

F. After the District staff confirms that the dealer has custody of the old equipment, pre-inspection of the old equipment and post-inspection of the new equipment have been completed, and upon receipt of an invoice for the new equipment, payment will be approved for 50% of the grant. Payment will be approved for the remainder of the grant after District staff confirms, by inspection, that the old equipment is destroyed. Unless the District staff conducts the dismantle inspection within ten (10) working days, if that occurs a check will be issued in the full amount.
G. Monitoring and enforcement of Grant Agreements is covered in Section VII D of the District’s Policies and Procedures manual as follows. For purposes of compliance with this section, references to “engine” shall mean both the “engine and equipment”:

5. Dealer Requirements

Unless otherwise indicted, the Dealer must meet each requirement before the District will be obligated to release the incentive funds to the Program Participant. The Dealer agrees to do the following:

A. Provide basic information to participants about the equipment replacement program. The District will provide training to dealership staff.

B. Help the participants correctly complete the application. It is important to make sure that all information is filled out correctly and that the participant understands the program and the meaning of the Grant Agreement. Information necessary for preliminary evaluation of the project includes, but is not limited to the following:

   a. Description and specifications of the old equipment including year, model, power rating, a list of included attachments and accessories, serial numbers of the equipment and engine, operating condition, and credible records of the previous two years of ownership and amount of usage in the District.

   b. Description and specifications of the proposed new equipment including year, model, power rating, CARB engine Family Number and Executive Order Number, a list of included attachments and accessories, price quote, warrantee information, and financing information – If financed.

   c. If the ARB-verified retrofit is feasible, specifications of the ARB-verified retrofit is to be installed on the equipment including: make, model, a price quote that will be valid at the time the ARB-verified retrofit is installed, warrantee information, and identification of the installer. If a ARB-verified retrofit is not feasible, letter(s) from each ARB-verified retrofit manufacturer stating that their ARB-verified retrofit device is not feasible for the particular equipment.

C. The Dealer will schedule a time and place for the District to pre-inspect and to verify the identity, operation, and condition of the old equipment.

D. After the Grant Agreement is executed, the Dealer will order the new equipment, have it delivered to the dealership and, if feasible, arrange for installation of the ARB-verified retrofit.

E. The Dealer shall prepare an invoice for the new equipment which lists the purchase price and application of all applicable taxes and fees before an incentive grant funds are applied. The invoice shall list the full value incentive grant as applying to the purchase price.

F. Before delivering the new equipment to the Grantee, the Dealer will schedule a time and place for the District to inspect and verify the identity, operation, and condition of the new equipment and ARB-verified retrofit, if installed. The Dealer may not deliver the equipment to the
Appendix N: Off-Road Equipment Replacement Program

participant until the District inspects the new equipment and verifies that it is eligible for funding.

G. No more than thirty (30) days after delivering the equipment to the Grantee, the Dealer will take custody of the old equipment and make it available for inspection by the District. Upon receipt of itemized invoices from the Dealer, a completed pre-inspection of old equipment and post-inspection of new equipment, and after confirming that the Dealer has custody of the old equipment, the District will pay 50% of the grant funding to the Grantee. Unless the District staff conducts the dismantle inspection within ten (10) working days, if that occurs a check will be issued in the full amount.

H. No more than thirty (30) days after taking custody of the old equipment, the Dealer will permanently destroy and render useless or cause to be destroyed permanently or rendered useless the engine and equipment chassis. Critical mating surfaces in the engine cylinder block and cooling or lubricant passages shall be breached, by burning, cutting or breaking. The chassis shall be cut in such a manner as to make it permanently unusable and not repairable. The dealer shall make the destroyed equipment available for District inspection. The District inspector shall perform the salvage inspections. Upon receipt of itemized invoices from the Dealer, after completed pre-inspection of old equipment and post-inspection of new equipment and after confirming that the destruction has been done properly, the District will pay the remaining 50% of the grant funding. Unless the District staff conducts the dismantle inspection within ten (10) working days, if that occurs a check will be issued in the full amount.

I. The Dealer will use only OEM certified parts for any repairs to any engines or equipment covered under the District Program.
OFF-ROAD VOUCHER INCENTIVE PROGRAM (ORVIP) ADMINISTRATIVE PLAN

1. Program Approval
The Governing Board, via resolution, has authorized the APCO to administer the program as necessary. Acceptance and expenditure of VIP funds is authorized annually by the Governing Board through the budget adoption process.

2. Dealer Selection
The NCUAQMD maintains an active outreach program for the solicitation of eligible Dealers within the tri-county air basin. In order to reach all potential dealers within the counties of Humboldt, Del Norte and Trinity, the NCUAQMD utilizes its website as one of the mediums of communication. Annually, upon acceptance of the VIP award, the District published notification/solicitation in each of the local newspapers of daily circulation in all three counties. Direct contact is made by conducting a search of local phone directories, attendance at industry events, announcements were made at District Governing Board meetings. The NCUAQMD also contacted neighboring Air Districts whom provided contact information for prospective dealers.

3. Dismantler Selection
The NCUAQMD maintains an active outreach program for the solicitation of eligible Dismantlers within the tri-county air basin. In order to reach all potential dealers within the counties of Humboldt, Del Norte and Trinity, the NCUAQMD utilizes its website as one of the mediums of communication. Annually, upon acceptance of the VIP award, the District published notification/solicitation in each of the local newspapers of daily circulation in all three counties. Direct contact was made by conducting a search in the local phone books, at industry events, along with public service announcements were made at District Governing Board meetings. The NCUAQMD also contacted neighboring Air Districts whom provided contact information for prospective dismantlers.

4. Payment Process
Upon receipt of a complete Dealer Reimbursement Package, the NCUAQMD will start the disbursement process and issue a check within ten (10) business days.

5. Documentation
The NCUAQMD will document the activities and progress of the Off-Road Voucher Incentive Program (ORVIP) by using approved forms.

6. Audits
The District has chosen to allow properly trained and qualified dealership personnel to perform the pre-inspection, post-inspection, and pre-dismantle inspections of equipment. ALL dismantle inspections will be performed by the District, and may do an additional inspection (pre-inspection,
Appendix O: Off-Road Voucher Incentive Program Administrative Plan

post-inspection and/or pre-dismantle), if required. If the dismantler is located in outside of the District’s boundaries the inspections may be conducted by outside District personnel (eq. Northern Sonoma, Siskiyou County, Lake County).

The District will audit a minimum of five percent (5%) of all inspection performed at random intervals throughout the implementation timeline. The audit will consist of field visits, record verification, and office conferences if necessary. The District will prepare a report of findings for each audit conducted; a copy of the report will be forwarded to the dealer and a copy will be maintained on file at the District.

1. Dealer Training
The District is in regular contact with Carl Moyer Liaison (See Section VIII. Coordination with ARB). When developing the District training program, the District determined the curriculum based upon abbreviated Dealer responsibilities. Training will be conducted prior to signing the necessary Dealer agreement and will include:
   - A PowerPoint Presentation followed by an open-book quiz, which covers:
     - Required Forms,
     - Inspections,
     - Procedure for Reimbursement, and
     - Additional Resources.

2. Dismantler Training
The District is in regular contact with Carl Moyer Liaison (See Section VIII. Coordination with ARB). When developing the District training program, the District determined the curriculum based upon abbreviated Dismantler responsibilities. Training will be conducted prior to signing the necessary (Dealer/Dismantler) agreement and will include:
   - A PowerPoint Presentation followed by an open-book quiz, which covers:
     - Required Forms,
     - Vehicle Delivery, and
     - Acceptable Methods of Destruction.

7. Outreach
The NCUAQMD actively solicits participants through our outreach program which consist of:
   - NCUAQMD website.
   - NCUAQMD Facebook page.
   - Notification and solicitation in each of the local newspapers.
   - Public service announcements at Governing Board meetings.
   - Direct contact with dealers in area.
   - Contact with other air districts.
TRUCK IMPROVEMENT/MODERNIZATION BENEFITTING EMISSION REDUCTIONS (TIMBER) PROGRAM ADMINISTRATIVE PLAN

1. Program Approval
The Governing Board, via resolution, has authorized the APCO to administer the program as necessary. Acceptance and expenditure of Truck Improvement/Modernization Benefitting Emission Reductions (TIMBER) Program funds is authorized annually by the Governing Board through the budget adoption process.

2. Dealer Selection
The NCUAQMD maintains an active outreach program for the solicitation of eligible Dealers within the tri-county air basin. In order to reach all potential dealers within the counties of Humboldt, Del Norte and Trinity, the NCUAQMD utilizes its website as one of the mediums of communication. Upon acceptance of the TIMBER award, the District published notification/solicitation in each of the local newspapers of daily circulation in all three counties. Direct contact is made by conducting a search of local phone directories, attendance at industry events, announcements were made at District Governing Board meetings. The NCUAQMD also contacted neighboring Air Districts whom provided contact information for prospective dealers.

3. Dismantler Selection
The NCUAQMD maintains an active outreach program for the solicitation of eligible Dismantlers within the tri-county air basin. In order to reach all potential dealers within the counties of Humboldt, Del Norte and Trinity, the NCUAQMD utilizes its website as one of the mediums of communication. Upon acceptance of the TIMBER award, the District published notification/solicitation in each of the local newspapers of daily circulation in all three counties. Direct contact was made by conducting a search in the local phone books, at industry events, along with public service announcements were made at District Governing Board meetings. The NCUAQMD also contacted neighboring Air Districts whom provided contact information for prospective dismantlers.

4. Payment Process
Upon receipt of a complete Dealer Reimbursement Package, the NCUAQMD will start the disbursement process and issue a check within ten (10) business days.

5. Documentation
The NCUAQMD will document the activities and progress of the TIMBER Voucher Program by using the CARB approved forms, and by entering participant data into the CARL database. Exceptions:
   - Incomplete application package will be rejected, and dealerships will be notified via the post and email using the CARB approved form letter. Incomplete application package(s) that the dealer/applicant wishes to supplemental with missing data will be held on to by the District, unless other requests are made. The ten (10) day review period will start once the missing application package data is received by the District.

6. Audits
The District has chosen to perform ALL dismantle inspections and one additional inspection required (pre-inspection, post-inspection and/or pre-dismantle). The dismantle inspection and/or the one
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additional inspection may be conducted by outside District if it outside the NCUAQMD boundaries. Inspections will be conducted in accordance with the TIMBER Guidelines.

7. Dealer Training
The District is in regular contact with Carl Moyer Liaison (See Section VIII. Coordination with ARB). When developing the District training program, the District determined the curriculum based upon abbreviated Dealer responsibilities. Training will be conducted prior to signing the necessary Dealer agreement and will include:

- A PowerPoint Presentation followed by an open-book quiz, which covers:
  - Required Forms,
  - Inspections,
  - Procedure for Reimbursement, and
  - Additional Resources.

8. Dismantler Training
The District is in regular contact with Carl Moyer Liaison (See Section VIII. Coordination with ARB). When developing the District training program, the District determined the curriculum based upon abbreviated Dismantler responsibilities. Training will be conducted prior to signing the necessary (Dealer/Dismantler) agreement and will include:

- A PowerPoint Presentation followed by an open-book quiz, which covers:
  - Required Forms,
  - Vehicle Delivery, and
  - Acceptable Methods of Destruction.

9. Outreach
The NCUAQMD actively solicits participants through our outreach program which consist of:

- NCUAQMD website.
- NCUAQMD Facebook page.
- Notification and solicitation in each of the local newspapers.
- Public service announcements at Governing Board meetings.
- Direct contact with dealers in area.
- Contact with other air districts.
EMERGENCY VEHICLE REPLACEMENT OPTION

The emergency vehicle replacement option described herein focuses on fire apparatus including, but not limited to, pumpers, ladder trucks, and water tenders. Use of the terms “fire apparatus” and “fire trucks” are meant to be used interchangeably and to denote fire-related emergency vehicles collectively. Both Medium Heavy-Duty (MHD) and Heavy Heavy-Duty (HHD) diesel powered fire trucks are eligible for funding.

3. Projects Eligible for Funding
To be eligible for funding, a project must meet the criteria listed below.

G. Baseline Vehicle: The existing or baseline vehicle to be replaced must meet the definition of an “emergency vehicle” as defined by California Vehicle Code section 27156.2 and 165 including but not limited to pumpers, ladder trucks, and water tenders.

H. Replacement Vehicle Engine Certification: The replacement vehicle can be either new or used, and must have a 2007 model year engine or newer version which is certified to meet or exceed the following emission standards: PM 0.01 g/bhr-hr and NOx family emission limit (FEL) or NOx standard (STD) of 1.20 g / bhp-hr.

I. Function: The replacement vehicle must perform the same function as the baseline vehicle.

J. Weight Class: Vehicles with a gross vehicle weight rating (GVWR) greater than 14,000 pounds are eligible.

K. Service Engine: The main engine providing motive power to the fire apparatus is eligible for funding. Auxiliary engines are ineligible.

L. Engine Certification: Both MHD and HHD certified engines are eligible for funding. Emissions are calculated based upon engine class certification, and as such, an engine Executive Order (EO) must be provided for both the existing (old) engine and the replacement engine. If the baseline engine EO is not available, the District will seek case by case approval from ARB.

M. Intended Service Class Flexibility: Occasionally, vehicle manufacturers install engines into chassis with different service classifications (e.g. MHD engine paired with a HHD chassis). Only vehicles with matching engine and chassis combinations are eligible for funding (e.g. MHD engines paired with a MHD chassis GVWR between 14,000 and 33,000 pounds.

   a. Exceptions to the GVWR requirements are possible if the following conditions are satisfied.

      i. A MHD engine installed in a chassis with a GVWR between 33,001 and 33,600 pounds is eligible for funding if the engine and chassis
Appendix Q: Emergency Vehicle Replacement Option

manufacturer warranty the installation. A copy of the warranty must be submitted with the project application. The District will maintain a copy of the warranty on file throughout the life of the project.

ii. A HHD engine paired with a MHD chassis with a GVWR between 29,701 and 33,001 pounds is eligible for funding.

N. Project Life: Contract terms cannot exceed the average useful life of a vehicle. The average useful life of a vehicle in this category has been established by ARB as 14 years.

O. Two-for-One Replacement: The replacement of two like trucks with one replacement truck is eligible for funding under the following conditions:
   a. Both trucks must be the same type of fire apparatus;
   b. Usage of the two old trucks is summed to establish projected replacement truck usage;
   c. To determine cost-effectiveness, the annual emission of the two old trucks are determined using emission factors that correspond to the engine model year of each truck; and
   d. Replacement trucks are eligible for only one grant based on the combined usage – the amount of the grant award shall not be doubled.

P. Replacement Vehicle Ownership History: The replacement vehicle may be new or used. A used HHD replacement truck must have less than 500,000 miles; and a used MHD truck must have less than 250,000 miles. Odometer verification must occur at the time of the post inspection.

4. Eligible Project Costs, Funding Types, and Amounts

D. Grants are awarded to the most cost-effective projects. Projects reducing the most emissions for the least amount of requested funding have the best chance of approval.

E. Up to 80% of the cost of the new or used equipment may be requested. Project costs may include the cost of the cab and chassis including parts that are integrated in the vehicle that are bolted on and not easily removable such as the tank on a water tender. Eligible costs for the cab and chassis may include but are not limited to the following:
   a. The capital cost of the cab;
   b. The capital cost of the chassis: engine, transmission, suspension system, steering system, frame, electrical system, cooling system, fuel system, emission control system;
   c. Tax and transportation of the eligible parts; and
   d. Labor for installation of or modification of eligible parts.
Appendix Q: Emergency Vehicle Replacement Option

F. Municipal Lease: For municipal leases, the incremental lease costs (e.g. lease acquisition fee) are eligible. Documentation must be submitted as part of the application.

4. Participant & Vehicle Requirements

D. Own and Operate: The participant must own and operate the old vehicle up until the vehicle is surrendered to the dealership for destruction. Ownership shall be verified by submission of a copy of the vehicle title.

E. Registration: The old vehicle must have been registered in California for the previous twenty-four (24) months preceding the date of application. The old vehicle must have been based on California. The new vehicle must be registered and be based in California throughout the life of the project.

F. Usage: The participant must submit documentation of the annual gallons consumed or miles traveled for the previous twenty four (24) month period preceding the date of application. Examples of acceptable documentation include: fuel logs, fuel receipts, and maintenance records. Other methods may be considered on a case-by-case basis.

G. Warranty Requirements: All participants must purchase, at minimum, a one-year or 100,000 mile major component engine warranty for the replacement vehicle. The warranty must extend coverage for parts and labor.

H. Insurance: The participant must maintain replacement value insurance coverage for the entire duration of the project life.

I. Accident Report: If the replacement vehicle is involved in an accident, the participant must report the accident to the District within 14 days. The participant must provide a police report of the incident, a letter from the insurance company regarding the incident, and any additional information requested by the District. The participant must repair the vehicle to its operational state, if practical, and return it to active duty as soon as possible.

J. Engine and Emission Control Modifications: Emission controls on the replacement vehicle shall not be modified in any manner. In addition, any engine modifications which void the manufacturer’s warranty, or which change the performance specifications of the engine (horsepower, exhaust temperature, compression, fuel delivery system, computer software algorithm, etc.) shall not be allowed.

K. Vehicle Surrender & Condition: The participant must deliver the existing vehicle to the dealership in substantially the same condition as it was at the time the pre-inspection was conducted. The vehicle must be in “roadworthy” condition in accordance with DOT specifications and requirements when surrendered. Title of the vehicle will then be transferred to the dealership / salvage yard. The vehicle will then be destroyed and a REG 32 form or equivalent prepared and submitted to DMV in accordance with Section 6 of this document.
Appendix Q: Emergency Vehicle Replacement Option

5. **District Administrative Requirements**

The District staff will implement the emergency vehicle replacement option using the following administrative procedures:

H. The District’s request for proposals (RFP) will solicit applications for emergency vehicle replacement projects along with the other Moyer Program categories listed in the District’s policies and procedures manual. Each application will be evaluated and ranked in accordance with the District’s policies and procedures. Emergency vehicle replacement project applications will compete for funding with all applications received before the RFP’s application submittal deadline.

I. The District staff will evaluate each proposal to verify the eligibility and cost-effectiveness in accordance with the CMP Guidelines. As part of the evaluation, staff will conduct a pre-inspection of the old equipment. The attached pre-inspection form will be used, and at minimum, the photos depicting the following will be taken:
   a. Vehicle Identification Number (VIN) label
   b. Engine – left side
   c. Engine – right side
   d. Engine serial number
   e. License plate

J. **Emissions Evaluation**
   a. Engine Model Year: The engine model year shall be used to calculate emissions.
   b. Emission Factors: Cost-effectiveness calculations will use emission factors found in Appendix D, Tables D-9a and D-9b of the 2011 Carl Moyer Program Guidelines.
      i. Fuel-based and mileage based calculations must use the appropriate factors for the vehicle weight class listed in Appendix D.
      ii. Hour-based calculations must be approved by ARB via the case by case methodology.
   c. Emissions Averaging Period: Records of activity for the 24 months preceding the date of application are required. The data set is then divided into two consecutive twelve month periods. The activity for each period is then summed and divided by two to result in the annual average.

K. Compliance Check: After the District receives an application, the District will promptly submit the information listed below to ARB. ARB will then check for outstanding violations and previous project funding. For each vehicle in the fleet, the District shall email the ARB liaison:
   a. Registered owner’s name,
   b. Vehicle ID number,
   c. California Highway Patrol number, and
   d. Department of Transportation number or Interstate Commerce Commission number.

ARB has committed to supplying the District with results within 10 business days. If the compliance check indicates that the vehicle has already received funding, the application will be rejected. In the event that an outstanding violation is discovered, no funding shall be
Appendix Q: Emergency Vehicle Replacement Option

awarded until such time as the engine owner provides proof of correction including payment for all fines imposed. The District shall notify the applicant in writing of these requirements.

L. Case-by-Case: A project for which a case-by-case determination is requested must receive approval from ARB prior to contract execution. Case-by-Case determinations will follow the requirements described in Chapter 3, Program Administration, Section Y of the 2011 Carl Moyer Program Guidelines.

M. A Grant Agreement will be executed for each emergency vehicle replacement project that competes successfully in the RFP process and is approved by the District Air Pollution Control Officer. A sample Grant Agreement with a section specifically for this emergency vehicle replacement program is attached.

N. Upon delivery of the new equipment to the dealer, the District staff will conduct a post-inspection. The dealer shall not deliver the new equipment to the applicant until the post inspection is complete. The attached post-inspection form will be used, and at minimum, the photos depicting the following of the replacement vehicle will be taken:
   a. The same photos required for a pre-inspection
   b. diesel emission control device (if applicable),
   c. odometer, and
   d. any additional modifications (if applicable).

In addition, a photograph of the baseline vehicle’s odometer is required to be taken at the time the unit is surrendered to the dealership.

O. Upon receipt of a complete dealership reimbursement package, the District will start the disbursement process and will remit payment within ten (10) business days.

6. Dealer Requirements

Unless otherwise indicated, the Dealer must meet each requirement before the District will be obligated to release the incentive funds to the dealership on behalf of the Program Participant. The Dealer agrees to do the following:

J. Provide basic information to participants about the equipment replacement program. The District will provide training to dealership staff.

K. Help the participants correctly complete the application. It is important to make sure that all information is filled out correctly and that the participant understands the program and the meaning of the Grant Agreement. Information necessary for preliminary evaluation of the project includes, but is not limited to the following:

   a. Description and specifications of the old equipment including year, model, power rating, a list of included attachments and accessories, serial numbers of the equipment and engine, operating condition, and credible records of the previous two years of ownership and amount of usage in the District.
Appendix Q: Emergency Vehicle Replacement Option

b. Description and specifications of the proposed new equipment including year, model, power rating, CARB engine Family Number and Executive Order Number, a list of included attachments and accessories, price quote, warrantee information, and financing information – If financed.

L. The Dealer will schedule a time and place for the District to pre-inspect and to verify the identity, operation, and condition of the old equipment.

M. After the Grant Agreement is executed, the Dealer will order the new equipment and have it delivered to the dealership.

N. The Dealer shall prepare an invoice for the new equipment which lists the purchase price and application of all applicable taxes and fees before an incentive grant funds are applied. The invoice shall list the full value incentive grant as applying to the purchase price.

O. Before delivering the new equipment to the Grantee, the Dealer will schedule a time and place for the District to inspect and verify the identity, operation, and condition of the new equipment. The Dealer may not deliver the equipment to the participant until the District inspects the new equipment and verifies that it is eligible for funding.

P. No more than thirty (30) days after delivering the equipment to the Grantee, the Dealer will take custody of the old equipment and make it available for inspection by the District. Upon receipt of a complete dealership reimbursement package, the District will start the disbursement process and will remit payment within ten (10) business days.

Q. No more than thirty (30) days after taking custody of the old equipment, the Dealer will permanently destroy and render useless or cause to be destroyed permanently or rendered useless the engine and equipment chassis. Critical mating surfaces in the engine cylinder block and cooling or lubricant passages shall be breached, by burning, cutting or breaking.

7. Dismantler Requirements

Dismantlers must enter into an agreement with the District to only conduct work in accordance with this section and Chapter 6 of the Carl Moyer Program Guidelines.

A. Minimum Qualifications: A dismantler must be licensed by the DMV as an auto-dismantler, must have a current and valid Cal EPA hazardous materials generators permit, and must be in compliance with all local, state, and federal laws and regulations.

B. Vehicle Component Destruction: The vehicle chassis and engine must be destroyed to permanently remove the old equipment from service. To ensure destruction of the vehicle components, the chassis shall be cut in such a manner as to make it permanently unusable and not repairable. Critical mating surfaces in the engine cylinder block and cooling or lubricant passages shall be breached by burning, by cutting, or by breaking. The dismantler shall make each destroyed component available for District inspection in order for the District to verify such work has been properly done.