

NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT

Headquarters

200 Litton Drive, Ste. 320

Grass Valley, CA 95945

(530) 274-9360/ FAX: (530) 274-7546

Gretchen G. Bennett, APCO

Northern Field Office

257 E. Sierra Street, Suite E

Portola, CA 96122

(530)832-0102 FAX:(530) 832-0101

NORTHERN SIERRA

AIR QUALITY MANAGEMENT DISTRICT

BOARD OF DIRECTORS

REGULAR BOARD MEETING

MONDAY

January 22, 2018

1:00 p.m.

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
BOARD OF DIRECTORS REGULAR MEETING**

January 22, 2018

1:00 p.m.

**This meeting will be held by videoconference/teleconference at the
following locations:**

(Site A) VIDEOCONFERENCE/TELEPHONE CONFERENCE

Northern Sierra Air Quality Management District (Headquarters)

200 Litton Drive, Conference Room 316

Grass Valley, California

(Site B) VIDEOCONFERENCE/TELEPHONE CONFERENCE

Northern Sierra Air Quality Management District (Northern Office)

257 E. Sierra Street, Unit E

Portola, California

(Site C) TELEPHONE CONFERENCE

10879A Donner Pass Road, CONFERENCE ROOM

Truckee, California

All items on the agenda may be acted upon by the Board of Directors. No action will be taken nor discussion held at the meeting on business not appearing on the posted agenda.

I. Standing Orders:

Call to Order.

Roll call and determination of quorum.

II. Public Comment: For items **NOT** appearing on the agenda and within the jurisdiction of the Board. The public may comment on Agenda items as they are discussed.

III. Administrative Report

A. Election of Chair and Vice-Chair for 2018

B. Calendar for 2018

C. Approval of regular meeting minutes – October 23, 2017

D. Approval of Subvention Request to CARB for FY 17/18

E. Authorization for Signing Nevada County Auditor Controller's Warrant
Request Signatures for 2018

F. Proposed Adoption of Revisions to Carl Moyer Guidelines

IV. Director's Report

A. Status on Portola PM2.5 Nonattainment Area

B. The State of California Department of Justice Office of the Attorney General and the Fair Political Practices Commission Ethics Training

- C. Conflict of Interest Forms (FPPC) DUE MARCH 15th
- D. EPA Approval of Enforceable Commitments for Portola PM2.5 SIP
- E. Federal 8-Hour Ozone Standard Update: Western Nevada County

V. **Concerns of Board** - The Board may at this time bring up matters it wishes to discuss at the next Board Meeting, as long as no discussions are conducted and no actions are taken, in compliance with the Brown Act.

VI. **Schedule next Meeting** – February 26, 2018 – Videoconference/Telephone

VII. **Adjournment**

PERSONS DESIRING TO ADDRESS THE BOARD

Meetings of the Board of Directors shall be conducted by the Chairperson in a manner consistent with the policies of the District. The latest edition of Robert's Rules of Order, Revised shall also be used as a general guideline for meeting protocol. District policies shall prevail whenever they are in conflict with Robert's Rules of Order, Revised.

All Board meetings shall commence at the time stated on the agenda and shall be guided by same.

PUBLIC COMMENT:

Provisions for permitting any individual or group to address the Board concerning any item on the agenda of a special meeting, or to address the Board at a regular meeting on any subject that lies within the jurisdiction of the Board of Directors, shall be as follows:

Three (3) minutes may be allotted to each speaker and a maximum of fifteen (15) minutes to each subject matter;

No boisterous conduct shall be permitted at any Board meeting. Persistence in boisterous conduct shall be grounds for summary termination, by the Chairperson, of that person's privilege of address.

No oral presentation shall include charges or complaints against any District employee, regardless of whether or not the employee is identified in the presentation by name or by another reference which tends to identify. All charges or complaints against employees shall be submitted to the Board of Directors under provisions contained in District Policy 1030.

Willful disruption of any of the meetings of the Board of Directors shall not be permitted. If the Chairperson finds that there is in fact willful disruption of any meeting of the Board, he/she may order the room cleared and subsequently conduct the Board's business without the audience present. In such an event, only matters appearing on the agenda may be considered in such a session.

After clearing the room, the Chairperson may permit those persons who, in his/her opinion, were not responsible for the willful disruption to re-enter the meeting room.

Duly accredited representatives of the news media, whom the Chairperson finds not to have participated in the disruption, shall be admitted to the remainder of the meeting.

Members of the public are given the opportunity to address the Board of Directors directly at each teleconference location.

POSTING AGENDA:

This agenda was posted at least 72 hours prior to the regular meeting at the following locations: Eric Rood Government Center in Nevada City, The Plumas County Courthouse in Quincy, the Litton Building in Grass Valley, the Plumas County Board of Supervisors Chambers in Quincy, Sierra County Courthouse Square in Downieville. **The agenda and board packet are available on-line prior to the Board Meeting at www.myairdistrict.com**

To: Northern Sierra Air Quality Management District Board of Directors

From: Gretchen Bennitt, Air Pollution Control Officer

Date: January 22, 2018

Agenda Item: III.A

Agenda Description: Election of Chair and Vice-Chair for 2018

Issues: In accordance with District Policy # 4040, the Board Chair and Vice Chair rotate from county to county on an annual basis. The Board Chair and Vice Chair are from the same county. It is Plumas County's turn.

Requested Action:

Nominate and Elect the Chair and Vice Chair

ROLL CALL VOTE REQUESTED

Attachments:

none

To: Northern Sierra Air Quality Management District Board of Directors

From: Gretchen Bennett, Air Pollution Control Officer

Date: January 22, 2018

Agenda Item: III.B

Agenda Description: Proposed Calendar for 2018

Issues: The schedule for 2018 is being presented for review, discussion and adoption. The Board meeting in July will be cancelled unless a need arises.

Requested Action:

1. Discuss and approve the calendar

ROLL CALL VOTE REQUESTED

Attachments:

1. Board Meeting Schedule for 2018

DISTRICT HEADQUARTERS

200 Litton Drive, Suite 320
 Grass Valley, CA 95945
 (530) 274-9360 / FAX: (530) 274-7546
 email: office@myairdistrict.com or www.myairdistrict.com

NORTHERN FIELD OFFICE

257 E. Sierra, Unit E
 Mailing Address: P.O. Box 2227
 Portola, CA 96122
 (530) 832-0102 / FAX: (530) 832-0101
 email: julie@myairdistrict.com or www.myairdistrict.com

AIR QUALITY BOARD OF DIRECTORS
MEETING SCHEDULE FOR 2018

The Northern Sierra Air Quality Management District Board of Directors meetings are scheduled on the fourth Monday of every month at 1:00 P.M. on the date and places listed below:

<u>DATE</u>	<u>LOCATION</u>
January 22	Video/Tele Conference – Grass Valley and Portola
February 26	Video/Tele Conference – Grass Valley and Portola
March 26	Video/Tele Conference – Grass Valley and Portola
April 23	Video/Tele Conference – Grass Valley and Portola
*May 21	Video/Tele Conference – Grass Valley and Portola
June 25	NON-Video Conference – Portola
**July 23	Video/Tele Conference – Grass Valley and Portola
August 27	Video/Tele Conference – Grass Valley and Portola
September 24	Video/Tele Conference – Nevada City and Portola
October 22	Video/Tele Conference – Grass Valley and Portola
November 26	Video/Tele Conference – Grass Valley and Portola
***December 24	Video/Tele Conference – Grass Valley and Portola

** The May 21 meeting is the third Monday in May due to May 28 Holiday.

** The July 23, 2018 meeting will be cancelled unless an urgent need arises.

***The December 24, 2018 meeting will be cancelled due to the Holiday.

VIDEO CONFERENCE LOCATIONS

Grass Valley: Northern Sierra Air Quality Management District Headquarters, Room 316, 200 Litton Drive, Grass Valley, CA 95955

Portola: Northern Sierra Air Quality Management District Northern Field Office, 257 E. Sierra, Unit E, Portola, CA 96122

Nevada City: Nevada County Madelyn Helling Library, 980 Helling Way, Nevada City, CA 95959

NON-VIDEO CONFERENCE LOCATION

Portola: Northern Sierra Air Quality Management District Northern Field Office, 257 E. Sierra, Unit E, Portola, CA 96122

To: Northern Sierra Air Quality Management District Board of Directors

From: Gretchen Bennitt, Air Pollution Control Officer

Date: January 22, 2018

Agenda Item: III.C

Agenda Description: Approval of regular meeting minutes – October 23, 2017

Issues:

The Minutes are attached for Board review/comment/approval.

Requested Action:

1. Approval of Regular meeting minutes from October 23, 2017

ROLL CALL VOTE REQUESTED

Attachments:

1. Draft meeting minutes from October 23, 2017



DISTRICT HEADQUARTERS
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(530) 274-9360 / FAX: (530) 274-7546
email: office@myairdistrict.com or www.myairdistrict.com

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email: Julie@myairdistrict.com or www.myairdistrict.com

MINUTES

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
BOARD OF DIRECTORS REGULAR MEETING**

October 23, 2017

1:00 p.m.

This meeting was held by in person/teleconference at the following locations:

(Site A) VIDEOCONFERENCE/TELEPHONE CONFERENCE

Northern Sierra Air Quality Management District (Headquarters)

200 Litton Drive, Conference Room 316

Grass Valley, California

AND

(Site B) VIDEOCONFERENCE/TELEPHONE CONFERENCE

Northern Sierra Air Quality Management District (Northern Office)

257 E. Sierra Street, Unit E

Portola, California

AND

(Site C) TELEPHONE CONFERENCE

10879A DONNER PASS ROAD, CONFERENCE ROOM

TRUCKEE, CALIFORNIA

Members Present:

**Supervisor Thrall
Supervisor Huebner
Supervisor Scofield
Supervisor Anderson
Supervisor Roen
Supervisor Sanchez**

Members Absent:

None

I. Standing Orders:

Call to Order. Roll Call and Determination of Quorum.

Chair Roen called the meeting to order at 1:00 P.M. A quorum was confirmed. Julie Ruiz, Air Pollution Control Specialist II, Gretchen Bennitt, APCO were also in attendance.

II. Public Comment: For Items NOT Appearing on the Agenda and Within the Jurisdiction of the Board. The Public May Comment on Agenda Items As They Are Discussed. Both Teleconference Sites are Allowed an Opportunity for Public Comment.

Chair Roen called for public comment at all sites. There was no public comment at any sites.

III. Consent Calendar

- A. Approval of regular meeting minutes – September 25, 2017** Supervisor Scofield made a motion to approve the Regular Meeting Minutes – September 25, 2017. Supervisor Huebner seconded the motion. The motion was unanimously approved upon a roll call vote.

IV. Administration

A. Authorize Chair and Executive Director to sign Carl Moyer Agreement between the Northern Sierra Air Quality Management District and Einen Grandi

Supervisor Huebner made a motion to authorize the Chair to sign the agreement between the Northern Sierra Air Quality Management District and Einen Grandi. Supervisor Sanchez seconded the motion. The motion was unanimously approved upon a roll call vote.

B. Authorize Chair and Executive Director to sign Carl Moyer Agreement between the Northern Sierra Air Quality Management District and Roberti Ranch, Inc.

Supervisor Huebner made a motion to authorize the Chair to sign the agreement between the Northern Sierra Air Quality Management District and Roberti Ranchi. Supervisor Sanchez seconded the motion. The motion was unanimously approved upon a roll call vote.

C. Authorize Chair and Executive Director to sign Carl Moyer Agreement between the Northern Sierra Air Quality Management District and Tahoe-Truckee Unified School District

Supervisor Anderson made a motion to authorize the Chair to sign the agreement between the Northern Sierra Air Quality Management District and Tahoe-Truckee School District. Supervisor Scofield seconded the motion. The motion was unanimously approved upon a roll call vote.

V. Director's Report

A. Status on Portola PM2.5 Nonattainment Area

Ms. Ruiz updated the Board on the number of woodstoves changed out in Portola. She also updated the Board on the voluntary woodstove program implementation.

B. Report on Air Quality for 2017 Ozone Season

Ms. Bennitt updated the Board on the ozone values for the 2017 season, as well as a summary of the last 10 ozone seasons in western Nevada County.

C. Federal 8-Hour Ozone Standard Update: Western Nevada County

Ms. Bennitt updated the Board on the requirements for the federal ozone nonattainment area of western Nevada County.

- VI. Concerns of Board - The Board may at this time bring up matters it wishes to discuss at the next Board Meeting, as long as no discussions are conducted and no actions are taken, in compliance with the Brown Act.**

Chair Roen called for any concerns of the Board at all sites. There were none.

- VII. Schedule next Meeting – November 27, 2017 via video and/or teleconference**

- VIII. Adjournment.**

The meeting was adjourned at 2:05 p.m.

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To: Northern Sierra Air Quality Management District Board of Directors

From: Gretchen Bennitt, Air Pollution Control Officer

Date: January 22, 2018

Agenda Item: III.D

Agenda Description: Approval of Subvention Request to CARB for FY 17/18

Issues: The District has applied for a total amount of \$103,200 Basic Subvention and \$37,343 Supplemental Subvention.

Requested Action:

1. Approve the FY 2017-2018 Subvention Request

ROLL CALL VOTE REQUESTED

Attachments:

1. Fiscal Year 2017-2018 Application for Subvention Funds

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200 Litton Drive, Ste. 320
Grass Valley, CA 95945
(530) 274-9360, FAX: (530) 274-7546

November 28, 2017

California Air Resources Board
P.O. Box 1436
Sacramento, CA 95812-1436
Attention: Research and Process Control Unit

Re: FY 2017-2018 Application for Subvention

To Whom it May Concern,

Enclosed please find the District's application for the FY 2017-2018 subvention funds and supplemental funds. Also, the District has included the Year End Financial Report for FY 2016-2017. The District has included its Final Adopted Budget for FY 2017-2018.

Please feel free to call me at (530) 274-9360 X 102 if you have any questions or comments.

Sincerely,



Gretchen Bennett,
Air Pollution Control Officer

Enclosures:
FY 2017-2018 Subvention Application
FY 2017-2018 Supplemental Application
FY 2016-2017 Year End Financial Report
FY 2017-2018 Capital and Operating Budget

Air Resources Board

Form

Subvention Program

SP-1

2017/2018 Subvention Application

APPLICANT DISTRICT:

District Name: Sierra Air Quality Management
 Street Address: 200 Litton Drive, Suite 320
 City: Grass Valley
 Contact Person: Gretchen Bennitt

Zip: 95945
 Phone: 530 274 9360

Type of Subvention: Coordinated Special
 Rural Non-Rural

Expenditures

1	Salaries and Benefits	\$569,179.00
2	Operating Expenses	\$1,045,098.00
3	Fixed Assets	\$50,430.00
4	Total Expenditures (Total of Lines 1 thru 3)	\$1,664,707.00

Revenue (Local Matching Funds)

5	County Contributions	\$60,335.00
6	Fees	\$671,100.00
7	Fines	\$12,500.00
8	Interest Earned	\$5,000.00
9	Other (Non-Grants): (Specify) -	\$469,500.00
10	Total Local Matching Funds (Total of lines 5 thru 9)	\$1,218,435.00

State Subvention Funds

11	State Subvention Funds (Refer to Subvention Funds Worksheet Form SP-2)	\$103,200.00
12	State Supplemental Funds (Refer to Supplemental Funds Request form SP-3)	\$37,343.00
13	Total State Subvention Funds (Total of lines 11 thru 12)	\$140,543.00

Local Non-Matching Funds

14	ARB Contracts	\$0.00
15	Federal Grants/Contract	\$83,430.00
16	Other: (Specify) <u>carl moyer, perp, cm interest</u>	\$222,299.00
17	Total Local Non-Matching Funds (add lines 14 thru 16)	\$305,729.00
18	Total Subvention Program Revenue (Total of Lines 10 & 13)	\$1,358,978.00

FEE SYSTEM CERTIFICATION: The district has a fee system in place as required by Health and Safety Code Section 39802

Yes No

I certify under penalty of perjury that to the best of my knowledge and belief, data in this application are true and correct. The document has been duly approved and authorized by the governing board of the applicant and the applicant will maintain a program in compliance with Title 17, Subchapter 3, Sections 90050 to 90500 of the California Code of Regulations.

I hereby certify under penalty of perjury that the receipt of these funds shall not result in the reduction of fees paid by permittees to the district and understand that any unspent or unencumbered state subvention funds must be returned to the Air Resources Board upon request pursuant to California Cod of Regulations §903060(d) and shall revert to the State General Fund.

DISTRICT AUTHORIZATION

Print (Name) Gretchen Bennitt
 Signature: *Gretchen Bennitt*
 Title: Executive Director
 Date: 11-29-17

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**Air Resources Board
Subvention Program**

Form
SP-2

2017-2018 Subvention Funds Worksheet

APPLICANT DISTRICT:

District Name: rn Sierra Air Quality Management
Street Address: 200 Litton Drive, Suite 320
City: Grass Valley Zip: 95945
Contact Person: Gretchen Bennitt Phone: 530 274 9360

COORDINATED BASE SUBVENTION

Non-Rural

It is estimated that the per capita rate will be **\$0.23** if the appropriate match (one to one) is provided

Rural

It is estimated that the per-capita rate will be **\$0.23** but not less than \$34,400 if the appropriate match (one to one) is provided and a fee system is in place.

A. Coordinated Base Subvention:

(Enter) District Population - 121,186.00 X 0.23 \$27,872.78

OR

B. Enter - \$34,400 (rural districts), if amount greater than A. 34,400 X 3 = 103,200

C. Enter the greater amount (Between A & B) \$103,200.00

3. SUPPLEMENTAL SUBVENTION

Supplemental subvention funds will be limited in total by the amount requested by the district on the Supplemental Funds Request form. Therefore, please be sure the Supplemental Funds Form SP-3 is a complete listing of any projects or purchases requiring funding.

DISTRICT AUTHORIZATION

Print (Name) Gretchen Bennitt
Signature: *Gretchen Bennitt*
Title: Executive Director
Date: 11-22-17

Air Resources Board

Subvention Program

2017 / 2018 Supplemental Funds Request

Form

SP-3

APPLICANT DISTRICT:

District Name: rn Sierra Air Quality Management

Street Address: 200 Litton Drive, Suite 320

City: Grass Valley

Contact Person: Gretchen Bennitt

Zip: 95945

Phone: 530 274 9360

Proposed use of Supplemental Funds for Subvention Year: 2017/2018

Item / Activity	Time Frame for Purchasing or Completing Activity	Amount
Program Planning:	Throughout FY 2017-2018	\$37,343.00
1. CEQA for 3 counties		
2. Federal Nonattainment Plans for		
2 federal nonattainment areas		
3. California Clean Air Act Req.		
4. response to complaints		
5. smoke management		
6. public education		
Total Supplemental Funds Requested		\$37,343.00

I certify under penalty of perjury that to the best of my knowledge and belief, data in this application are true and correct.

District Authorization



Gretchen Bennitt, Executive Director

11-28-17

Signature

Type Title and Name

Date

2017 / 2018 Subvention Program: Year-End Financial Report

APPLICANT DISTRICT: rn Sierra Air Quality Management
Street Address: 200 Litton Drive, Suite 320
City: Grass Valley **Zip:** 95945
Contact Person: Gretchen Bennitt **Phone:** 530 274 9360

REPORT OF ACTUAL EXPENDITURES & REVENUE FOR SUBVENTION YEAR 2016-2017

Actual Expenditures		
1	Salaries and Benefits	\$568,151.00
2	Operating Expenses	\$958,209.00
3	Fixed Assets	\$53,846.00
4	Total Expenditures (Lines 1 thru 3)	\$1,580,206.00
Actual Revenue		
Local Matching Funds		
5	County Contributions	\$58,565.00
Fees		
a	Operating Permits	\$23,715.00
b	Variance / Hearing Board	\$0.00
c	Engineering (Permits A to C)	\$39,463.00
d	Motor Vehicle Registration Surcharge	\$559,051.00
e	Toxic Hot Spots	\$0.00
f	Source Test	\$1,836.00
g	Vapor Recovery	\$20,023.00
h	Clear Air Act	\$0.00
i	Asbestos	\$0.00
j	Clean Fuels	\$0.00
k	Ag Burning	\$22,377.00
l	Trip Reduction	\$0.00
m	Others Fee (Please enter info on form 4a)	\$58,909.00
n	Carryover Fees from Prior Fiscal Years	\$0.00
6	Total Fees	\$725,374.00
7	Fines	\$5,200.00
8	Interest Earned	\$6,391.00
9	Other (Non-Grants): (Describe)	\$6,054.00
10	Total Local matching Funds (add lines 5,6,7,8 & 9)	\$801,584.00
Total Subvention revenue received from ARB		
11	State Subvention Fund Coordinated Base and Special Subvention Award (Refer to Award Letter)	\$137,600.00
12	State Subvention Fund Supplemental Award (Refer to Award Letter)	\$3,431.00
13	Total State Subvention Funds (add lines 11 thru 12)	\$141,031.00
Local Non-Matching Funds		
14	ARB Contracts	\$0.00
15	Carl Moyer Program	\$940.47
16	Perp Inspections	\$17,760.00
17	Federal Grants / Contract	\$59,000.00
18	Other (FEDERAL) (Specify) TAKE OUT????	\$49,796.75
19	Total Local Non-Matching Funds (lines 14 thru 18)	\$127,497.22
20	Total Subvention Program Revenue (lines 10 and 13)	\$942,615.00
21	Total Unspent or Unencumbered State Subvention Funds**	\$0.00

**Any unspent or unencumbered State Subvention Funds must be returned to the Air Resources Board pursuant to California Code of Regulations §90360(d) and will be reverted to the State General Fund.

Air Resources Board
Subvention Program
2017 / 2018 Year-End Financial Report

Form
SP-4a

APPLICANT DISTRICT: Northern Sierra Air Quality Management District
Street Address: 200 Litton Drive, Suite 320
City: Grass Valley **Zip:** 95945
Contact Person: Gretchen Bennitt **Phone:** 530 274 9360

Line M - Other Fees		
Number	Please specify	Amount
1	stove inspections	\$ 1,508.00
2	fire dept response	\$ -
3	Carl Moyer admin fee	\$ -
4	AB923 Admin fee	\$ 2,767.00
5	EPA Target Grant Admin Fee	\$ 54,634.00
6		
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21		
22		
23		
24		
25		
Total		\$ 58,909.00

DISTRICT AUTHORIZATION

Print (Name) Gretchen Bennitt
Signature: *Gretchen Bennitt*
Title: Executive Director
Date: 11-29-17

Air Resources Board


Form

2017 / 2018 Subvention Program: Year-End Financial Report

SP-5

I certify under penalty of perjury that the foregoing is true and correct. I hereby certify I under penalty of perjury that the receipt of these funds did not result in the reduction of fees paid by permittees to the district and funds were spent in compliance with the provisions of Title 17, Subchapter 3, Sections 90050 through 90500 of the California Code of Regulations. I hereby certify that the applicable evaluation criteria established in the Air Resources Board's "Evaluation Criteria for Air Pollution Control Districts Participating in the Subvention Program," adopted on April 23, 1981, and amended May 27, 1983 were accomplished.

District Authorization


Signature

Gretchen Bennitt, Executive Director
Typed Name, Title

11-29-17
Date

DISTRICT HEADQUARTERS
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email: fuller@nysaidistrict.com

**FISCAL YEAR 2017/2018
CAPITAL BUDGET
Final**

June 26, 2017

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EXECUTIVE SUMMARY

The District's Capital Budget is comprised of two major components - 1) the Restricted Grants Budget and the 2) Operating Budget. Each budget has two separate fund accounts to facilitate the tracking of funds in both budgets and to allow the public better comprehension of the District's overall capital budget. A line-item spreadsheet of both the Restricted and Operating Budgets follows.

RESTRICTED GRANTS BUDGET

The Restricted Grants Budget is solely for pass-through grants from the State of California or the Federal Government (U.S. Environmental Protection Agency) to reduce air pollution emissions in areas where public health is most impacted. The District will be administering this budget through a variety of grant programs, incentives, rebates and public education in cooperation with other local agencies and businesses. For a detailed breakdown of all line items for the Restricted Grant Budget, please refer to the restricted budget spreadsheet.

AB2766 Grant Programs

The District administers the State's AB2766 DMV surcharge grant money to worthwhile projects throughout all three counties of the District. This funding comes from a DMV surcharge fee for each registered vehicle in each county. Nevada and Plumas County charge a fee of \$4/vehicle. Sierra County charges a fee of \$2/vehicle.

Project proponents go through a sometimes competitive process to request full or partial sponsorship for projects which reduce vehicle emissions. \$225,895 of AB2766 funding is slated for approval to be used during Fiscal Year 2017/2018 for projects throughout all three counties. Final grant approvals will be made in September or October 2017. After the Board allocates funds for individual AB projects, any funds which are not allocated to a project go into each county's AB 2766 total allocation account as carryover. These amounts will be added back in to each county's AB allocation in time for the following year's Board approval of projects.

In addition to the FY 2017/2018 AB projects, there is \$309,999 expected to be expended for various encumbered projects. These funds are earmarked in the Restricted Grants Fund Balance.

There was \$5,499 remaining in account # 588-200-39 (Portola Woodstove Mitigation). The Board allocated this fund to a woodstove changeout program in the Portola area. In 2016, the Board allocated 33,211 of AB2766 funds to Account # 580-200-93 (Portola PM Mitigation). This budget reflects a transfer of the remaining \$5,499 from Account # 588-200-39 (Portola Woodstove Mitigation) to Account # 580-200-93 to be utilized in a

woodstove changeout program in the Portola area.

AB923 DMV Surcharge Fees and Programs

AB923 is only implemented in Plumas County. This funding comes from a DMV surcharge fee of \$2 per each vehicle registered in the county. The District receives 6.25% as an administrative fee. This year, the District expects to receive approximately \$50,000, \$3,125 is utilized for administrative funding. This funding is to be utilized for replacing old diesel school buses per the state's Lower Emission School Bus program or for reducing heavy duty diesel emissions, similar to the Carl Moyer program. Recently the state has approved that this funding can also be utilized for infrastructure for alternatively fueled, low emission school busses. The current fund balance of AB923 funding is \$121,705, providing a total of \$165,580 available for expenditure during FY 2017/2018.

Carl Moyer Heavy Duty Diesel Emission Reduction Program

The District administers the State's Carl Moyer Heavy Duty Diesel Program throughout all three counties in the District. This program is intended to provide incentives to owners of heavy duty diesel engines to retrofit these engines to lower emitting models. This is easily one of the most cost-effective and pollution reducing programs that the State sponsors and the District administers.

For fiscal year 2017/2018, the District expects to receive revenue of Carl Moyer funding of \$200,000. The District receives 12.5% administrative fee, leaving \$175,000 for the grant program and \$25,000 administrative fee which is revenue for the internal operating budget. The current fund balance amount of Carl Moyer funding is \$4,853, providing a total of \$179,584 available for expenditure during FY 2017/2018.

EPA's Targeted Air Shed Grant

The Air District was approved for a \$2.48 million grant from the U.S. Environmental Protection Agency (U.S. EPA) to reduce air pollution from residential woodstoves. The grant is part of the U.S. EPA's 2015 Targeted Air Shed Grant Program intended to improve air quality in areas of the U.S. with the highest levels of pollution.

In January 2015, the U.S. EPA designated the City of Portola and surrounding parts of Plumas County as a federal nonattainment area for the annual PM2.5 health-based standard. PM2.5 is the fine particle pollution found in smoke. Studies indicate that the main source of smoke in Portola is from residential woodstoves and fireplaces.

U.S. EPA grant funds are administered by the Air District and the California Air Resources Board for a five-year voluntary residential wood stove replacement program to encourage owners to replace older wood stoves with cleaner burning devices and

significantly improve air quality and public health in the Portola area.

This will be a five year program (2016-2021) based upon a strict reimbursement basis. Estimates were based upon how much would be spent and reimbursed for each of the five years. The amount of \$1,992,000 for woodstove replacements in the nonattainment area is not to be exceeded over five years. The district estimates that approximately \$398,400 per year will be expended to replace stoves in the nonattainment area. Additionally, the District has been awarded up to \$259,136 for administrative use over the five year period. The District estimates approximately \$59,500 per year will be reimbursed for administrative uses annually.

H&S Woodstove Mitigation Fund

EPA had a settlement with H&S which required H&S to pay a local air district \$400,000 to be used for a woodstove changeout program in a federal nonattainment area. EPA referred H&S to Northern Sierra Air District. An agreement was approved and ratified by the Air District Board during a March 2016 Board meeting. The District had a one-time revenue of \$360,000 deposited into the District's restricted account. Additionally, the District received a one-time revenue of \$40,000 to be deposited into the District's operating budget during FY 2015/2016. Although the district received the funds during FY 15/16, the expenditure of the \$360,000 of funds will occur during FY 15/16, FY 16/17 and FY 17/18.

TIMBER (Truck Improvement Modernization Emission Reduction Program)

The Carl Moyer Truck Improvement/Modernization Benefitting Emission Reductions (TIMBER) Program provides a streamlined approach for replacing older, high-polluting heavy-duty log trucks earlier than required. Although the District has participated in this program during the years of 2013 – 2016, the District will not be participating in FY 2017-2018. There is approximately \$24,531 remaining in the TIMBER restricted fund to be administered. Once that is administered, the TIMBER program will cease.

NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT

**Final Restricted Budget:
FY 2017 - 2018**

Restricted Budget, Fund Balance Accounts			FY	FY
Account #	Description		2016-2017	2017-2018
101-200-02	Encumbered AB 2766 Funds		214,112	109,999
104-200-01	Planned Expenditures, AB2766 Total Allocation, Nevada Co.		195,932	181,705
104-200-03	Planned Expenditures, AB 2766 Total Allocation, Plumas Co.		15,378	36,337
104-200-04	Planned Expenditures, AB 2766 Total Allocation, Sierra Co.		5,670	5,853
104-200-06	Planned Expenditures, Carl Moyer		75,281	4,584
104-200-10	Planned Expenditures, TIMBER		19,989	24,531
104-200-11	Planned Expenditures, AB923		69,087	121,705
104-200-12	Portola Woodstove Changeout Fund		5,500	0
Restricted Budget, Fund Balance Accounts Total:			\$657,471	\$686,714

Restricted Budget, Revenue					
Account #	Description	FY 2016-2017		FY 2017-2018	
		Grant Funds	Restricted Funds	Grant Funds	Restricted Funds
420-200-01	Govt. Funding, AB 2766 DMV Fees (60% for District Admin)	520,000	208,000	520,000	208,000
420-200-05	Govt Funding, AB923 (6.25% for district admin)	50,000	46,875	50,000	46,875
420-200-18	Govt. Funding, Carl Moyer HD Diesel (12.5% for district admin)	200,000	175,000	200,000	175,000
420-200-91	Govt. Funding, EPA Target Grant for Portola	398,400	398,400	398,400	398,400
421-200-50	Other Income, Interest, Restricted Carl Moyer	0	4,299	0	4,299
Restricted Budget, Revenue Total:		\$1,168,400	\$832,574	\$1,168,400	\$832,574

Restricted Budget, Expenditures				
Account #	Description		FY	FY
			2016-2017	2017-2018
580-200-65	NSAQMD (2015-01, 7,000)		2,993	\$ 470
580-200-52	Nevada County Library, (AB2016-02, \$20,600)			\$ 20,600
580-200-54	Hansen Bros. Enterprises (AB2016-03, \$35,700)			\$ 35,700
580-200-55	Tahoe-Truckee Unified School District (AB2016-04, \$38,844)			\$ 38,844
580-200-51	Superior Court of California (AB2016-05, \$40,000)			\$ 40,000
580-200-63	Town of Truckee (AB2016-06, \$60,787)			\$ 60,787
580-200-76	Incorporated Senior Citizens of Sierra County (2016-01, \$5,670)			\$ 5,670
580-200-10	NevCo Library, Chicago Park Kiosk (AB2014-09, \$33,455)		21,207	\$ 21,207
580-200-69	NevCo CDA & IGS (AB2015-02, 45,000)		45,000	\$ 2,250
580-200-67	Nevada County Public Works (AB2015-04, 30,000)		30,000	\$ 30,000
580-200-07	Nevada County Library (AB2015-05, 25,000)		25,000	\$ 25,000
580-200-71	Nevada County Library (Ab2015-06, 15,500)		15,500	\$ 1,566
580-200-93	Portola PM Mitigation(AB2015-08, 33,211 plus 5499 transferred from 588-200-39		30,192	\$ 27,723
580-200-66	Incorporated Senior Citizens of Sierra County (AB-2015-07,\$5,240)		5,240	\$ 182
580-200-73	Portola MOU (AB-2016-08)		35,378	\$ 29,034
580-200-000	Planned Expenditure of all counties		201,602	225,895
580-200-32	Carl Moyer		250,281	179,584
580-200-30	TIMBER		9,989	24,531
580-200-56	AB 923		115,962	168,580
580-200-91	EPA Target Grant for Portola		398,400	398,400
588-200-39	Portola Woodstove Mitigation \$5,499 transferred to account 580-200-93)		5,500	0
Restricted Budget, Expenditures Total:			\$1,202,244	\$1,336,023

Notes:

1 Carl Moyer interest must be retained within the Restricted Fund and credited to the same account. A other interest can be transferred to the Operating budget per the resolution that established Restricted Fund #6771. Interest shall be apportioned based on the average monthly ratio between the Carl Moyer fund balance and the total restricted fund balance for the period of the fiscal year in which the interest was earned.

Restricted Budget FY 17-18

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OPERATING BUDGET

The second major portion of the District's overall capital budget is the internal Operating Budget which is outlined in detail in the Operating Budget spreadsheet.

Operating Revenue

Overall, Revenues exceed Expenditures by \$89,271. There is an increase of \$14,826 of predicted revenue from last year's budget. The most significant increase in predicted revenue is likely from the increase in EPA monitoring funding (+ 28,900). A few revenues show a minor increase from the previous year; \$5,000 increase of prescribed burning permit fees, \$1,700 increase in county contribution.

AB 2766 revenue is 37% of total operating revenue. This revenue is used internally for activities that are related to clean air planning and technical studies necessary to implement the California Clean Air Act, and these technical activities should be funded by AB 2766 funds proportionate to the relative contribution of mobile source emissions.

General Administration, the Smoke Management Program, the Planning Program, and the Air Monitoring Program don't have adequate fees to cover costs, and so are supported with State Subvention, county contributions, and miscellaneous revenue line items.

Operating Expenditures

There is an estimated increase of total expenditures from the previous fiscal year of \$34,921. The increase is primarily due to an increase of \$39,171 in the Salaries and Benefits object level. Broken down, the increases in predicted expenditure come from an approved 2% COLA (increase of \$7,604), and an expected increase of \$17,500 to pay for the services of a part-time accounting professional. The District has added a new account # 520-100-03 (IT) which is predicted to expend \$10,000. The District increased its public education amount from \$2,000 to \$5,000. Last, the District plans to spend \$21,430 more on monitoring equipment, primarily web cameras.

Fund Balance

The District has committed to adding \$50,000 annually to the District's Other Post-Employment Benefits (OPEB) account. This account will increase by \$50,000 annually as required by GASB45. The District provides certain postretirement healthcare benefits, as established by Board Policy, to eligible employees through a single-employer plan governed by the Public Employees' Medical & Hospital Care Act (PEMHCA) and administered by the District. Employees who retire from the District shall be eligible to be enrolled in a PERS-provided health insurance plan. If the retiree

is enrolled in a PERS-provided health insurance plan, the District shall pay 100% of the first \$9,600 of the retiree's annual premium. Employees hired after July 1, 2014 shall still be eligible to be enrolled in a PERS-provided health insurance plan upon retirement, but the District shall pay 0% of the retiree's annual premium, upon retirement.

GASB 45 determines the annual OPEB financial obligations based upon the current number of eligible employees and retirees. The net OPEB obligation at the end of the year 2016 was determined to be \$368,540. The District's financial auditor recommended and the Board of Directors agreed that the District expend at least \$50,000/annually and add it to the Fund Balance specific to account until the obligation is fulfilled. The District plans to expend another \$50,000 during FY17/18, bringing the total OPEB amount to \$150,000. This expense of \$50,000 will be repeated annually until the District's annually determined OPEB obligation is met.

The District has two separate accounts to express health insurance expenditures. Account # 510-100-13 is for retired employees, and Account # 510-100-06 is for current employees. However, two employees have elected not to utilize the PERS-provided health benefits plan. According to District Policy, in recognition of the subsequent cost savings to the District, the District will pay the employees 40% of the premium costs saved by the District, or \$3,840, whichever is less. Since there are two employees electing not to utilize the PERS provided plan, this total amount is \$7,680. This \$7,680 expenditure is not included in the Health Insurance expenditure, instead it is included in Account # 501-100-00 Permanent Salaries.

1. Equipment Replacements

\$3,000 will be expended to purchase office equipment such as two new computers. The District keeps a list of equipment and their respective depreciation rates.

2. Air Monitoring Program

The Air District receives \$59,500 from the Environmental Protection Agency for the continued operation of the District's Federal Reference Method (FRM) Network for particulate matter. The District will also continue to pay rent for its monitoring laboratory and purchase miscellaneous equipment to continue to run its existing air quality monitoring network. The District has \$28,430 from the EPA to spend on web cameras and monitoring upgrades at all the air monitoring sites.

3. Public Education

The District will utilize \$5,000 to fund its public education program for FY 2017-2018. This includes purchasing ads for emission reductions, incentive and grant programs.

Summary

Expected operating revenue exceeds expected operating expenditures by \$89,271. This includes the \$50,000 annual expenditure to the OPEB fund balance account. The funds received in previous years are encumbered in the District's fund balance accounts, and will be utilized to demonstrate a balanced budget in the final summary, if needed. Although the preliminary budget demonstrates an overall increase to the District's Fund Balance by revenues exceeding operating expenditures by \$89,271, this is crucial to the continuance of the Air District's services. The Air District has experienced a steady decline in its fund balance in previous years to the point where it was almost imperative to employ drastic reductions in expenditures. This predicted increase in the fund balance will assist the District to continue its services in case of any unexpected decreases in revenue in the future.

NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT

Final Operating Budget: FY 2017 - 2018

Resource Report		
	3/31/2017	\$ 632,792
Difference between Cash Available and Fund Balance Accounts Total:		\$ (208)

Fund Balance Accounts		<i>(Used to track earmarked or encumbered funds)</i>	
Account #	Description	FY 2016-2017	FY 2017-2018
301-100-01	General Fund, Undesignated	0	
301-100-03	Other Post-Employment Benefits	100,000	150,000
302-100-01	Equipment Replacements / Depreciation	102,000	102,000
303-100-00	Leave Liability	56,000	52,000
304-100-02	Air Monitoring Program	80,000	60,000
304-100-03	Public Education Program <i>(See Act # 540 100-05)</i>	5,000	5,000
305-100-01	Contingency, Leasehold Improvements	75,000	59,000
305-100-02	Contingency, Emergency Funds	118,000	118,000
305-100-03	Contingency, Litigation	80,000	87,000
Fund Balance Accounts Total:		\$ 616,000	\$ 633,000

Revenue			
Account #	Description	FY 2016-2017	FY 2017-2018
401-100-02	Fees, Permit to Operate	34,000	34,000
401-100-04	Fees, Vapor Recovery	19,000	19,000
401-100-05	Fees, Variance Application	500	500
401-100-06	Fees, Source Test	2,000	2,000
401-100-07	Fees, Prescribed Burning	13,000	18,000
401-100-10	Fees, Title V, Fed Op Permit	65,000	65,000
401-100-13	Fees, Fire Dept Response	1,500	1,500
401-100-08	Fees, Woodstove Inspections Quincy	1,500	1,500
405-100-01	Penalties, Permitted Source	35,000	10,000
405-100-02	Penalties, Open Burning	2,500	2,500
420-100-01	Gov't Funding, State Subvention	137,600	137,600
420-100-02	Gov't Funding, Subvention Supplemental	3,500	3,500
420-100-03	Gov't Funding, County Contrib	58,565	60,335
420-100-07	Gov't Funding, PERP Pass-Thru	20,000	18,000
420-100-04	Gov't Funding, EPA <i>(PM2.5)</i>	52,000	59,500
420-100-06	Gov't Funding, EPA Special 103 grant	7,000	28,430
420-100-88	Gov't Funding, AB 923, Admin Fee	2,500	3,125
420-100-99	Govt. Funding, AB 2766 DMV Fees	320,000	320,000
420-100-11	Govt. Funding, EPA Target, Admin Fee	51,000	55,000
420-100-05	Carl Moyer, Admin Fee	25,000	25,000
421-100-16	Other Income, Sale of Asset	-	-
421-100-17	Other Income, Rules, Copies, Subscr.	100	100
421-100-18	Miscellaneous refunds, miscellaneous	-	-
421-100-21	PERS Employee Paid Contribution	1,500	1,500
421-100-50	Other Income, Interest	3,500	5,000
Revenue Total:		\$ 856,265	\$ 871,090

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NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT

Final Operating Budget: FY 2017 - 2018

Expenditures		Salaries and Benefits (Object Level)	
Account #	Description	FY 2016-2017	FY 2017-2018
501-100-00	Permanent Salaries	380,194	387,798
502-100-00	Overtime	1,000	1,000
504-100-01	Part-Time Employees	7,500	25,000
510-100-02	Medicare	5,500	5,500
510-100-11	Ca State Unemployment	2,000	2,000
510-100-04	Workers' Comp Insurance	6,000	6,000
510-100-05	PERS Retirement	61,342	57,319
510-100-12	PERS Unfunded Accrued Liability	48,202	51,812
510-100-10	PERS Employee Paid Contribution	(3,300)	(3,300)
510-100-08	PERS Health Employee Portion	(10,000)	(8,000)
510-100-13	PERS Health Insurance, Retired Employees	21,000	28,800
510-100-06	PERS Health Insurance	39,000	36,000
510-100-07	Dental/Vision Care	6,250	6,250
Salaries and Benefits Total:		\$ 564,688	\$ 596,179

Expenditures		Services and Supplies (Object Level)	
Account #	Description	FY 2016-2017	FY 2017-2018
520-100-01	Communications	18,000	15,000
520-100-03	IT	na	10,000
521-100-01	Maintenance: Office Equipment	500	500
521-100-02	Maintenance: Vehicles	3,000	3,000
522-100-01	Rent, Structures	32,040	32,040
522-100-02	Utilities, District Offices	3,500	3,500
523-100-01	Office Supplies	5,000	6,000
523-100-02	References, Subscriptions	450	450
523-100-03	Postage, Shipping	1,200	1,200
524-100-00	Memberships	3,000	3,000
525-100-01	Prof Services: Legal	6,000	6,000
525-100-03	Prof Services: Bookkeeping (ADP, internal audit)	18,000	18,000
525-100-04	Prof. Services: County Auditor/GASB 45/GASB 68	4,000	4,000
525-100-05	Prof Services: Board	6,000	5,000
528-100-00	Liability Insurance	8,000	8,000
529-100-00	Legal Notices, Public	500	500
535-100-01	Training, Tuition	1,500	1,500
535-100-02	Travel	3,000	3,000
535-100-03	Gasoline	5,000	5,000
555-100-97	Miscellaneous	-	1,000
535-100-04	Private car mileage	500	500
Services and Supplies Total:		\$ 118,190	\$ 127,190

Expenditures		Pass-thru Funds / Internal Programs / Contributions to Other Agencies (Object Level)	
Account #	Description	FY 2016-2017	FY 2017-2018
540-100-02	Alternate Commute Program	750	750
540-100-05	Public Education Program	(see Act# 104-100-11)	5,000
545-100-01	ARB: AB 2588 Fees	770	770
545-100-06	Fire Dept Response Reimbursement	(see Act# 401-100-11)	1,500
Contribution to Other Agencies / Internal Grants Total:		\$ 5,020	\$ 8,020

Final Operating Budget for FY 17-18

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NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT

Final Operating Budget: FY 2017 - 2018

Expenditures		Fixed Asset Purchases (Object Level)	
		FY	FY
Account #	Description	2016-2017	2017-2018
560-100-01	Office Equipm (2 computers @\$1,000)	6,000	6,000
520-100-04	PM Monitoring Expenses, including rent and utilities, see acct # 420-100-04	15,000	15,000
560-100-05	EPA Special 103 Grant website upgrade, video cam, BAM tape, conference	7,000	28,430
560-100-04	Vehicle	30,000	0
560-100-02	Field Equipment (fixed assets - over \$1,000)	1,000	1,000
		Fixed Asset Purchases Total: \$	\$
		59,000	50,430

Budget Summary		Available Funding & Expenditures	
		FY	FY
		2016-2017	2017-2018
Available Funding			
Fund Balance Total (encumbered & earmarked reserves)		616,000	633,000
Petty Cash		75	75
Revenue Total		856,285	871,090
		Available Funding Total: \$	\$
		1,472,340	1,504,165
Expenditures			
Salaries & Benefits Object Level		564,688	596,179
Services & Supplies Object Level		118,190	127,190
Contributions to Other Agencies Object Level		5,020	8,020
Fixed Asset Purchases Object Level		59,000	50,430
		Expenditures Total: \$	\$
		746,898	781,819
Fund Balance Accounts for Operating Expenses:			
304-100-03	Public Education Program	2,000	5,000
		Fund Balance Accounts for Operating Expenses Total: \$	\$
		2,000	5,000
		(Revenue - Expenditures) + Fund Balance Accounts for Operating Expenses + Petty Cash = \$	\$
		3,193	94,346
<i>(A negative number here is a revenue shortfall, a positive number means revenues exceed expenditures)</i>			

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NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
Final Operating Budget
FY16/17 - Qtr 4, 6/30/17

Resource Report	
Operating (6774) End Balance, Qtr 4	574,226
Operating (Payroll) End Balance, Qtr 4	84,772
Operating (Gov Pay) End Balance, Qtr 4	20,014
All Operating Accounts Total	679,012

Revenue			
Account #	Description	Budgeted FY 16/17	Actual to Date
401-100-02	Fees, Permit to Oper	34,000	23,715
401-100-04	Fees, Vapor Recovery	19,000	20,023
401-100-05	Fees, Variance Application	500	-
401-100-06	Fees, Source Test	2,000	1,836
401-100-07	Fees, Prescribed Burning	13,000	22,377
401-100-08	Fees, Woodstove Inspections	1,500	1,508
401-100-10	Fees, Title V	65,000	39,463
401-100-13	Fees, Fire Dept Response	1,500	-
405-100-01	Penalties, Permitted Source	35,000	5,000
405-100-02	Penalties, Open Burning	2,500	200
420-100-01	Gov't Funding, State Subvention	137,600	137,600
420-100-02	Gov't Funding, Subvention Supplemental	3,500	3,431
420-100-03	Gov't Funding, County Contrib	58,565	58,565
420-100-04	Gov't Funding, EPA PM2.5	52,000	52,000
420-100-06	Gov Funding EPA Special 103 Grant	7,000	7,000
420-100-07	Gov't Funding, PERP Pass thru	20,000	17,780
420-100-88	Gov't Funding, AB 923 Operating	2,500	2,767
420-100-99	Govt. Funding, AB 2786 DMV Fees	320,000	329,630
420-100-05	Carl Moyer, Admin Fee	25,000	-
420-100-09	TIMBER, Admin Fee	-	-
421-100-11	EPA Target	51,000	54,634
420-100-12	H&S Mitigation Admin Fee	-	-
421-100-16	Other Income, Sale of Asset	-	3,000
421-100-17	Other Income, Rules, Copies, Subscr.	100	-
421-100-18	Other Income, Refunds	-	1,470
421-100-21	PERS Employee Paid Contribution	1,500	1,584
421-100-50	Other Income, Interest	1,500	6,391
421-100-51	Other Income, Interest, Restricted	2,000	-
Revenue Total:		\$ 856,265	789,953

Expenditures		Salaries and Benefits (Object Level)	
Account #	Description	Budgeted FY 16/17	Actual to Date
501-100-00	Permanent Salaries	380,194	369,800
502-100-00	Overtime	1,000	-
504-100-01	Part-Time Office Temp	7,500	12,426
510-100-02	Medicare/FICA	5,500	5,198
510-100-03	EDD Unemp/Training Tax (510-100-11 CA State Unemployment)	2,000	575
510-100-04	Workers' Comp Insurance	6,000	7,176
510-100-05	PERS Retirement	61,342	62,083
510-100-12	PERS Unfunded Accrued Liability	48,202	53,774
510-100-10	PERS Employee Paid Contribution	(3,300)	(2,885)
510-100-08	PERS Health Employee Portion	(10,000)	(11,287)
510-100-06	PERS Health Insurance Active Employees	39,000	41,983
510-100-13	PERS Health Insurance Retired Employees	21,000	23,673
510-100-07	Dental/Vision Care	6,250	5,634
Salaries and Benefits Total:		\$ 584,688	568,151

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NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
Final Operating Budget
FY16/17 - Qtr 4, 6/30/17

Expenditures		Services and Supplies (Object Level)	
Account #	Description	Budgeted FY 16/17	Actual to Date
520 100 01	Communications	18,000	16,394
521 100 03	Maintenance Office Equipment	500	-
521 100 02	Maintenance Vehicles	3,000	2,275
522 100 01	Rent, Structures	32,040	30,270
522 100 02	Utilities District Offices	3,500	3,583
523 100 01	Office Supplies	5,000	8,844
523 100 02	Information Subscription	1,500	1,000
523 100 03	Postage, Shipping	1,200	923
524 100 00	Memberships	3,000	4,908
525 100 01	Prof Services: Legal	6,000	3,481
525 100 03	Prof Services: Bookkeeping (ADP, internal audit)	18,000	16,933
525 100 04	Prof Services: County Auditor/GASB 45/GASB 68	4,000	2,108
525 100 05	Prof Services: Board	5,000	6,899
528 100 00	Liability Insurance	8,000	18,373
529 100 00	Legal Notices, Public	500	879
535 100 01	Training, Tuition	1,500	1,065
535 100-02	Travel	3,000	4,457
535 100-03	Gasoline	5,000	3,353
535 100-04	Private car mileage	500	514
555-100-97	Misc, Refunds	-	(2)
Services and Supplies Total:		\$ 118,190	120,645

Expenditures		Pass-thru Funds / Internal Programs / Contributions to Other Agencies (Object Level)	
Account #	Description	Budgeted FY 16/17	Actual to Date
540-100-02	Alternate Commute Program	750	14
540-100 05	Public Education Program	2,000	-
545-100-01	ARB/ AB 2588 Fees	770	140
545-100-06	Fire Dept Response reimbursement	1,500	-
Contribution to Other Agencies / Internal Grants Total:		\$ 5,020	154

Expenditures		Fixed Asset Purchases (Object Level)	
Account #	Description	Budgeted FY 16/17	Actual to Date
560-100-01	Office Equipment (2 computers @\$3,000)	6,000	339
520-100-04	PM Monitoring Expenses, including rent and utilities, see acct# 420-100-04	15,000	11,288
560-100-05	EPA Special 103 Grant - website upgrade, video cam, BAM tape, conference	7,000	9,756
560-100-04	Vehicle	30,000	32,466
560-100-02	Field Equipment (fixed assets - over \$1,000)	1,000	-
Fixed Asset Purchases Total:		\$ 59,000	53,846

Budget Summary		Revenue & Expenditures	
		Budgeted FY 16/17	Actual to Date
Revenue			
Revenue Total:		\$ 856,265	789,953
Expenditures			
Salaries and Benefits (Object Level)		564,688	568,151
Services and Supplies (Object Level)		118,190	120,645
Pass-thru Funds / Internal Programs / Contributions to Other Agencies (Object Level)		5,020	154
Fixed Asset Purchases (Object Level)		59,000	53,846
Expenditure Total:		\$ 746,898	742,796

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Northern Sierra AQMD Restricted Fund Report

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\$\$ Already Disbursed by Grantee				\$\$ Already Disbursed by Fund Source					
Participant's Name and Agreement Number	Amount Disbursed	Date of Disbursement	Account	AB 2766	Carl Meyer	WCD	AB 923	TRMRR	H&S Mitigation
Quincy Hot Spot	\$ 3,500.00	Jul 07, 2016	2016-002	\$ 2,600.00					\$ 900.00
Wolf Creek Woodstoves	\$ 3,500.00	Jul 08, 2016	2016-020	\$ 2,600.00					\$ 900.00
Wolf Creek Woodstoves	\$ 3,885.30	July 18, 2016	2016-001	\$ 2,985.30					\$ 900.00
Wolf Creek Woodstoves	\$ 3,494.08	July 18, 2016	2016-023	\$ 2,594.08					\$ 900.00
Wolf Creek Woodstoves	\$ 3,891.41	July 18, 2016	2016-029	\$ 2,991.41					\$ 900.00
Quincy Hot Spot	\$ 3,465.94	August 1, 2016	2016-040	\$ 2,565.94					\$ 900.00
Wolf Creek Woodstoves	\$ 3,484.21	August 8, 2016	2016-025	\$ 2,584.21					\$ 900.00
Wolf Creek Woodstoves	\$ 3,488.07	August 8, 2016	2016-045	\$ 2,588.07					\$ 900.00
Wolf Creek Woodstoves	\$ 3,499.30	August 8, 2016	2016-028	\$ 2,599.30					\$ 900.00
Wolf Creek Woodstoves	\$ 3,480.04	August 10, 2016	2016-018	\$ 2,580.04					\$ 900.00
Wolf Creek Woodstoves	\$ 3,500.00	August 10, 2016	2016-026	\$ 2,600.00					\$ 900.00
Wolf Creek Woodstoves	\$ 1,500.00	August 10, 2016	2016-044	\$ 600.00					\$ 900.00
Wolf Creek Woodstoves	\$ 3,488.19	August 10, 2016	2016-047	\$ 2,588.19					\$ 900.00
Wolf Creek Woodstoves	\$ 3,437.44	August 18, 2016	2016-046	\$ 2,537.44					\$ 900.00
Wolf Creek Woodstoves	\$ 3,513.60	August 25, 2016	2016-016	\$ 2,613.60					\$ 900.00
Wolf Creek Woodstoves	\$ 3,496.76	August 25, 2016	2016-032	\$ 2,596.76					\$ 900.00
Wolf Creek Woodstoves	\$ 1,500.00	August 25, 2016	2016-038	\$ 600.00					\$ 900.00
Quincy Hot Spot	\$ 3,266.05	August 25, 2016	2016-062	\$ 2,366.05					\$ 900.00
Wolf Creek Woodstoves	\$ 1,500.00	August 25, 2016	2016-064	\$ 600.00					\$ 900.00
Wolf Creek Woodstoves	\$ 3,497.68	August 25, 2016	2016-074	\$ 2,597.68					\$ 900.00
Wolf Creek Woodstoves	\$ 1,500.00	August 31, 2016	2016-008	\$ 600.00					\$ 900.00
Quincy Hot Spot	\$ 3,499.84	September 1, 2016	2016-041	\$ 2,599.84					\$ 900.00
Quincy Hot Spot	\$ 3,500.00	September 1, 2016	2016-051	\$ 2,600.00					\$ 900.00
Wolf Creek Woodstoves	\$ 3,478.83	September 1, 2016	2016-061	\$ 2,578.83					\$ 900.00
Wolf Creek Woodstoves	\$ 3,498.42	September 1, 2016	2016-071	\$ 2,598.42					\$ 900.00
Quincy Hot Spot	\$ 1,500.00	September 8, 2016	2016-007	\$ 600.00					\$ 900.00
Quincy Hot Spot	\$ 3,012.65	September 9, 2016	2016-017	\$ 2,112.65					\$ 900.00
Quincy Hot Spot	\$ 3,275.84	September 12, 2016	2016-033	\$ 2,375.84					\$ 900.00
Wolf Creek Woodstoves	\$ 3,499.72	September 12, 2016	2016-049	\$ 2,599.72					\$ 900.00

Northern Sierra AQMD Restricted Fund Report

Participant's Name and Agreement Number	Amount Disbursed	Date of Disbursement	Account	\$ \$ Already Disbursed by Fund Source					
				AB3766	Carl Meyer	WCO	AB 923	TIMBER	HAS Mitigation
Wolf Creek Woodstoves	\$ 3,373.12	September 12, 2016	2016-099	\$ 2,473.12					\$ 900.00
Wolf Creek Woodstoves	\$ 3,500.00	September 12, 2016	2016-067	\$ 2,600.00					\$ 900.00
Wolf Creek Woodstoves	\$ 1,900.00	September 12, 2016	2016-079	\$ 600.00					\$ 900.00
Wolf Creek Woodstoves	\$ 3,451.45	September 14, 2016	2016-096	\$ 2,551.45					\$ 900.00
Quincy Hat Spot	\$ 3,500.00	September 19, 2016	2016-003	\$ 2,600.00					\$ 900.00
Quincy Hat Spot	\$ 3,840.41	September 19, 2016	2016-039	\$ 2,940.41					\$ 900.00
Wolf Creek Woodstoves	\$ 3,159.71	September 19, 2016	2016-076	\$ 2,259.71					\$ 900.00
Wolf Creek Woodstoves	\$ 1,500.00	September 21, 2016	2016-025	\$ 600.00					\$ 900.00
Quincy Hat Spot	\$ 3,501.29	September 21, 2016	2016-072	\$ 2,601.29					\$ 900.00
Wolf Creek Woodstoves	\$ 3,467.88	September 21, 2016	2016-084	\$ 2,567.88					\$ 900.00
Wolf Creek Woodstoves	\$ 3,491.00	September 26, 2016	2016-082	\$ 2,591.00					\$ 900.00
Quincy Hat Spot	\$ 3,000.00	October 3, 2016	2016-053	\$ 2,100.00					\$ 900.00
Wolf Creek Woodstoves	\$ 1,500.00	October 3, 2016	2016-065	\$ 600.00					\$ 900.00
Quincy Hat Spot	\$ 3,334.20	October 3, 2016	2016-069	\$ 2,434.20					\$ 900.00
Wolf Creek Woodstoves	\$ 3,500.00	October 6, 2016	2016-072	\$ 2,600.00					\$ 900.00
Quincy Hat Spot	\$ 196.00	October 6, 2016	2016-032	\$ 196.00					\$ 900.00
Wolf Creek Woodstoves	\$ 3,500.00	October 6, 2016	2016-095	\$ 2,600.00					\$ 900.00
Wolf Creek Woodstoves	\$ 3,509.32	October 6, 2016	2016-102	\$ 2,609.32					\$ 900.00
Wolf Creek Woodstoves	\$ 4,500.00	October 27, 2016	2016-031	\$ 3,600.00					\$ 900.00
Quincy Hat Spot	\$ 3,499.38	October 27, 2016	2016-065	\$ 2,599.38					\$ 900.00
Quincy Hat Spot	\$ 3,500.00	October 27, 2016	2016-089	\$ 2,600.00					\$ 900.00
Wolf Creek Woodstoves	\$ 3,468.03	October 27, 2016	2016-101	\$ 2,568.03					\$ 900.00
Wolf Creek Woodstoves	\$ 2,795.21	October 28, 2016	2016-030	\$ 1,895.21					\$ 900.00
Quincy Hat Spot	\$ 1,500.00	October 28, 2016	2016-037	\$ 600.00					\$ 900.00
Wolf Creek Woodstoves	\$ 3,498.98	October 28, 2016	2016-043	\$ 2,598.98					\$ 900.00
Wolf Creek Woodstoves	\$ 3,471.32	October 28, 2016	2016-064	\$ 2,571.32					\$ 900.00
Wolf Creek Woodstoves	\$ 3,500.00	October 28, 2016	2016-078	\$ 2,600.00					\$ 900.00
Wolf Creek Woodstoves	\$ 3,839.20	October 28, 2016	2016-091	\$ 2,939.20					\$ 900.00
Wolf Creek Woodstoves	\$ 3,499.76	October 28, 2016	2016-103	\$ 2,599.76					\$ 900.00
Wolf Creek Woodstoves	\$ 3,938.49	November 7, 2016	2016-068	\$ 3,038.49					\$ 900.00
Quincy Hat Spot	\$ 3,495.37	November 7, 2016	2016-085	\$ 2,595.37					\$ 900.00
Wolf Creek Woodstoves	\$ 3,678.37	November 7, 2016	2016-096	\$ 2,778.37					\$ 900.00
Wolf Creek Woodstoves	\$ 3,474.18	November 7, 2016	2016-106	\$ 2,574.18					\$ 900.00

Northern Sierra AQMD Restricted Fund Report

\$\$ Already Disbursed by Grantee

\$\$ Already Disbursed by Fund Source

Participant's Name and Agreement Number	Amount Disbursed	Date of Disbursement	Account	AB 2766	Carl Meyer	WCD	AB 923	TRADER	HAS Mitigation
Wolf Creek Woodstoves	\$ 1,500.00	November 23, 2016	2016-075	\$ 600.00					\$ 900.00
Wolf Creek Woodstoves	\$ 3,493.78	November 23, 2016	2016-087	\$ 2,593.78					\$ 900.00
Wolf Creek Woodstoves	\$ 3,500.00	November 23, 2016	2016-090	\$ 2,600.00					\$ 900.00
Wolf Creek Woodstoves	\$ 4,458.00	November 23, 2016	2016-094	\$ 3,558.00					\$ 900.00
Quincy Hot Spot	\$ 1,500.00	November 23, 2016	2016-111	\$ 600.00					\$ 900.00
Wolf Creek Woodstoves	\$ 1,500.00	November 23, 2016	2016-118	\$ 600.00					\$ 900.00
Wolf Creek Woodstoves	\$ 3,498.03	November 23, 2016	2016-121	\$ 2,598.03					\$ 900.00
Wolf Creek Woodstoves	\$ 3,500.00	December 1, 2016	2016-113	\$ 2,600.00					\$ 900.00
Wolf Creek Woodstoves	\$ 3,498.03	December 1, 2016	2016-115	\$ 2,598.03					\$ 900.00
Wolf Creek Woodstoves	\$ 3,428.99	December 1, 2016	2016-122	\$ 2,528.99					\$ 900.00
Wolf Creek Woodstoves	\$ 2,811.43	December 5, 2016	2016-075	\$ 2,811.43					\$ 900.00
Quincy Hot Spot	\$ 3,000.00	December 5, 2016	2016-092	\$ 2,100.00					\$ 900.00
Wolf Creek Woodstoves	\$ 3,000.00	December 5, 2016	2016-100	\$ 2,100.00					\$ 900.00
Wolf Creek Woodstoves	\$ 3,500.00	December 5, 2016	2016-112	\$ 2,600.00					\$ 900.00
Wolf Creek Woodstoves	\$ 3,750.83	December 19, 2016	2016-093	\$ 2,850.83					\$ 900.00
Quincy Hot Spot	\$ 3,500.00	December 19, 2016	2016-132	\$ 2,600.00					\$ 900.00
Wolf Creek Woodstoves	\$ 3,004.43	December 19, 2016	2016-134	\$ 2,104.43					\$ 900.00
Quincy Hot Spot	\$ 3,500.00	December 22, 2016	2016-048	\$ 2,600.00					\$ 900.00
Quincy Hot Spot	\$ 3,405.35	December 27, 2016	2016-109	\$ 2,505.35					\$ 900.00
Wolf Creek Woodstoves	\$ 3,500.00	December 29, 2016	2016-065	\$ 2,600.00					\$ 900.00
Wolf Creek Woodstoves	\$ 3,499.75	December 29, 2016	2016-136	\$ 2,599.75					\$ 900.00
Wolf Creek Woodstoves	\$ 1,500.00	January 5, 2017	2016-105	\$ 600.00					\$ 900.00
Wolf Creek Woodstoves	\$ 3,500.00	January 5, 2017	2016-128	\$ 2,600.00					\$ 900.00
Wolf Creek Woodstoves	\$ 3,499.19	January 5, 2017	2016-137	\$ 2,599.19					\$ 900.00
Wolf Creek Woodstoves	\$ 3,498.03	January 6, 2017	2016-120	\$ 2,598.03					\$ 900.00
Wolf Creek Woodstoves	\$ 3,000.00	January 6, 2017	2016-124	\$ 2,100.00					\$ 900.00
Quincy Hot Spot	\$ 3,366.15	February 16, 2017	2016-098	\$ 2,466.15					\$ 900.00
Quincy Hot Spot	\$ 3,500.00	February 16, 2017	2016-070	\$ 2,600.00					\$ 900.00
Quincy Hot Spot	\$ 1,500.00	February 21, 2017	2016-123	\$ 600.00					\$ 900.00
Quincy Hot Spot	\$ 2,743.22	February 23, 2017	2016-125	\$ 1,843.22					\$ 900.00
Quincy Hot Spot	\$ 3,174.42	March 30, 2017	2016-107	\$ 2,274.42					\$ 900.00
Quincy Hot Spot	\$ 1,500.00	April 5, 2017	2016-149	\$ 600.00					\$ 900.00

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Northern Sierra AQMD Restricted Fund Report

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Participant's Name and Agreement Number	Amount Disbursed	Date of Disbursement	Account	\$ \$ Already Disbursed by Fund Source					
				AB3766	Carl Meyer	WCO	AB 923	TIMBER	H&S Mitigation
Quincy Hat Spot	\$ 3,500.00	April 5, 2017	2016-139	\$ 2,600.00					\$ 900.00
Wolf Creek Woodstoves	\$ 3,496.34	April 5, 2017	2017-003	\$ 2,596.34					\$ 900.00
Wolf Creek Woodstoves	\$ 3,500.00	April 5, 2017	2016-130	\$ 2,600.00					\$ 900.00
Quincy Hat Spot	\$ 4,500.00	April 7, 2017	2016-117	\$ 3,600.00					\$ 900.00
Quincy Hat Spot	\$ 4,500.00	April 21, 2017	2016-141	\$ 3,600.00					\$ 900.00
Quincy Hat Spot	\$ 4,508.18	April 21, 2017	2016-057	\$ 3,608.18					\$ 900.00
Quincy Hat Spot	\$ 1,500.00	April 21, 2017	2016-026	\$ 600.00					\$ 900.00
Quincy Hat Spot	\$ 1,500.00	April 21, 2017	2016-138	\$ 600.00					\$ 900.00
Quincy Hat Spot	\$ 3,185.70	April 21, 2017	2016-147	\$ 2,285.70					\$ 900.00
Quincy Hat Spot	\$ 3,432.51	April 21, 2017	2016-145	\$ 2,532.51					\$ 900.00
Quincy Hat Spot	\$ 3,601.91	April 21, 2017	2016-083	\$ 2,701.91					\$ 900.00
Quincy Hat Spot	\$ 4,011.99	April 21, 2017	2017-159	\$ 3,111.99					\$ 900.00
Wolf Creek Woodstoves	\$ 1,500.00	May 19, 2017	2016-148	\$ 600.00					\$ 900.00
Wolf Creek Woodstoves	\$ 1,500.00	June 2, 2017	2017-165	\$ 600.00					\$ 900.00
Wolf Creek Woodstoves	\$ 1,500.00	June 2, 2017	2017-157	\$ 600.00					\$ 900.00
Quincy Hat Spot	\$ 4,337.82	June 2, 2017	2016-088	\$ 3,437.82					\$ 900.00
Quincy Hat Spot	\$ 3,499.32	June 2, 2017	2016-099	\$ 2,599.32					\$ 900.00
Quincy Hat Spot	\$ 4,400.00	June 2, 2017	2017-160	\$ 3,500.00					\$ 900.00
Wolf Creek Woodstoves	\$ 3,500.00	June 7, 2017	2017-168	\$ 2,600.00					\$ 900.00
Quincy Hat Spot	\$ 1,500.00	June 14, 2017	2016-104	\$ 600.00					\$ 900.00
Quincy Hat Spot	\$ 2,695.83	June 14, 2017	2016-126	\$ 1,795.83					\$ 900.00
Wolf Creek Woodstoves	\$ 4,400.00	June 14, 2017	2016-052	\$ 3,500.00					\$ 900.00
Wolf Creek Woodstoves	\$ 3,504.34	June 21, 2017	2017-155	\$ 2,604.34					\$ 900.00
Wolf Creek Woodstoves	\$ 3,495.99	June 21, 2017	2017-164	\$ 2,595.99					\$ 900.00
Wolf Creek Woodstoves	\$ 3,577.04	June 26, 2017	2017-172	\$ 2,677.04					\$ 900.00

Northern Sierra AQMD Restricted Fund Report

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Participant's Name and Agreement Number	\$ \$ Already Disbursed by Grantee				\$ \$ Already Disbursed by Fund Source				
	Amount Disbursed	Date of Disbursement	Account	AB 2766	Carl Meyer	WCD	AB 923	TRIMBER	HAS Mitigation
Portola PM Nonattainment Mitigation Fund (AB 2105-08, \$33,211)	\$ 76.50	July 07, 2016	580-200-93	\$ 76.50					
Portola PM Nonattainment Mitigation Fund (AB 2105-08, \$33,211)	\$ 51.47	July 14, 2016	580-200-93	\$ 51.47					
Portola PM Nonattainment Mitigation Fund (AB 2105-08, \$33,211)	\$ 8.16	July 14, 2016	580-200-93	\$ 8.16					
Portola PM Nonattainment Mitigation Fund (AB 2105-08, \$33,211)	\$ 1,736.00	July 25, 2016	580-200-66	\$ 1,736.00					
Inc Senior Citizens of Sierra County (AB 2015-07, \$5,240)	\$ 55,000.00	July 26, 2016	580-200-98					\$ 55,000.00	
Mile Wood (TRIMBER 201602, \$55,000)	\$ 359.00	August 1, 2016	580-200-65	\$ 359.00					
NSAQMD Video Conferencing (AB 2015-01, \$7,000)	\$ 76.50	August 1, 2016	580-200-93	\$ 76.50					
Portola PM Nonattainment Mitigation Fund (AB 2105-08, \$33,211)	\$ 37.73	August 8, 2016	580-200-93	\$ 37.73					
Portola PM Nonattainment Mitigation Fund (AB 2105-08, \$33,211)	\$ 728.00	August 10, 2016	580-200-65	\$ 728.00					
NSAQMD Video Conferencing (AB 2015-01, \$7,000)	\$ 62,045.30	September 12, 2016	580-200-42		\$ 62,045.30				
Don Wallace / Wallace Ranches (CNI 2016-07, \$62,045.30)	\$ 2,672.45	September 19, 2016	580-200-73	\$ 2,672.45					
Portola MOU (AB 2016-08, \$33,378)	\$ 45,300.00	September 21, 2016	2016-06		\$ 45,300.00				
Dave Roberti / Roberti Ranch, Inc (CM 2016-06, \$45,300)	\$ 1,500.00	October 13, 2016	580-200-66	\$ 1,500.00					\$ 40,000.00
Inc Senior Citizens of Sierra County (AB 2015-07, \$5,240)	\$ 40,000.00	October 28, 2016	580-200-97		\$ 140,000.00				
Daniel Craven (TRIMBER 201601, \$40,000)	\$ 140,000.00	November 7, 2016	580-200-75						
John Stoverfeld / Stoverfeld Logging (CM 2016-05, \$140,000)	\$ 6.95	November 17, 2016	580-200-93	\$ 6.95					
Portola PM Nonattainment Mitigation Fund (AB 2105-08, \$33,211)	\$ 74.66	December 27, 2016	580-200-93	\$ 74.66					
Portola PM Nonattainment Mitigation Fund (AB 2105-08, \$33,211)	\$ 45.48	January 20, 2017	580-200-93	\$ 45.48					
Portola PM Nonattainment Mitigation Fund (AB 2105-08, \$33,211)	\$ 718.00	February 16, 2017	580-200-65	\$ 718.00					
NSAQMD Video Conferencing (AB 2015-01, \$7,000)	\$ 30.50	March 2, 2017	580-200-93	\$ 30.50					
Portola PM Nonattainment Mitigation Fund (AB 2105-08, \$33,211)	\$ 300.00	March 9, 2017	580-200-93	\$ 300.00					
Portola PM Nonattainment Mitigation Fund (AB 2105-08, \$33,211)	\$ 38.06	March 9, 2017	580-200-93	\$ 38.06					
Portola PM Nonattainment Mitigation Fund (AB 2105-08, \$33,211)	\$ 38.15	March 27, 2017	580-200-93	\$ 38.15					
Portola PM Nonattainment Mitigation Fund (AB 2105-08, \$33,211)	\$ 3,670.74	March 27, 2017	580-200-73	\$ 3,670.74					
Portola MOU (AB 2016-08, \$33,378)	\$ 127.16	April 7, 2017	580-200-93	\$ 127.16					
Portola PM Nonattainment Mitigation Fund (AB 2015-08, \$33,211)	\$ 28,500.00	April 7, 2017	580-200-67	\$ 28,500.00					
Nevada County Public Works (AB 2015-04, \$30,000)	\$ 182.00	April 21, 2017	580-200-66	\$ 182.00					
Inc Senior Citizens of Sierra County (AB 2015-07, \$5,240)	\$ 38,844.00	April 21, 2017	580-200-55	\$ 38,844.00					
Tubbs Truckee Unified School District (AB 2016-04, \$38,844)	\$ 490.79	May 5, 2017	580-200-93	\$ 490.79					
Portola PM Nonattainment Mitigation Fund (AB 2015-08, \$33,211)	\$ 1,490.00	May 5, 2017	580-200-76	\$ 1,490.00					
Inc Senior Citizens of Sierra County (AB 2016-01, \$5,670)	\$ 359.00	May 5, 2017	580-200-65	\$ 359.00					
NSAQMD Video Conferencing (AB 2015-01, \$7,000)									

DISBURSEMENT OF RESTRICTED FUNDS, FY 16-17

External Grants, FY 16-17, Fund Numbers, June, FY 16-17

Northern Sierra AQMD Restricted Fund Report

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Participant's Name and Agreement Number	Amount Disbursed	Date of Disbursement	Account	\$ Already Disbursed by Fund Source						
				AB2766	Carl Meyer	W/OO	AB 923	TRABER	BA5 Mitigation	
NSAQMD Video Conferencing (AB 2015-01, 57,000)	\$ 223.00	May 9, 2017	580-200-65	\$ 223.00						
Tahoe Truckee Unified School District (AB 2016-04, 338,844)	\$ 38,844.00	May 24, 2017	580-200-55	\$ 38,844.00						
Perotch PA1 Nonattainment Mitigation Fund (AB 2015-08, 533,211)	\$ 100.00	June 2, 2017	580-200-93	\$ 100.00						
Perotch PA1 Nonattainment Mitigation Fund (AB 2015-08, 533,211)	\$ 100.00	June 14, 2017	580-200-93	\$ 100.00						
Perotch PA1 Nonattainment Mitigation Fund (AB 2015-08, 533,211)	\$ 195.15	June 14, 2017	580-200-93	\$ 195.15						
<i>Total Amount Disbursed for woodstoves from AB 2766 fund:</i>				\$ 268,142.34						
<i>Total Amount Disbursed for Grants from AB 2766 fund:</i>				\$ 121,623.45						
<i>Total amount that has already been disbursed:</i>				\$ 837,411.09	\$ 389,765.79	\$ 247,345.30	\$ -	\$ -	\$ 95,000.00	\$ 105,300.00

Northern Sierra AQMD Restricted Fund Report

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Participant's Name and Agreement Number	Encumbered \$	Not Yet Disbursed by Grantee	Remaining Disbursement	Approved Expiration Date	Account	Encumbered \$	Not Yet Disbursed by Fund Source
NevCo Library System, Chicago Park Kiosk (A/B 2014-09, \$33,455)	\$	21,207.00	\$	December 31: 2016	580-200-10	AB2766	21,207.00
NSA AQMD Video Conferencing (A/B 2015-01, \$7,000)	\$	(111.58)	\$	n/a	580-200-66		470.42
NSA AQMD Video Conferencing (A/B 2015-01, \$7,000)	\$	2,250.00	\$	December 31: 2016	580-200-69		2,250.00
NevCo CDA & IGS (A/B 2015-02, \$45,000)	\$	1,500.00	\$	December 31: 2016	580-200-67		1,500.00
Nevada County Public Works (A/B 2015-04, \$30,000)	\$	25,000.00	\$	December 31: 2016	580-200-70		25,000.00
Nevada County Library (A/B 2015-05, \$25,000)	\$	11,566.40	\$	December 31: 2016	580-200-71		11,566.40
Nevada County Library (A/B 2015-06, \$15,500)	\$	20,600.00	\$	December 31: 2017	580-200-52		20,600.00
Nevada County Library (A/B 2016-02, \$20,600)	\$	35,700.00	\$	December 31: 2017	580-200-54		35,700.00
Hansen Bros. Enterprises (A/B 2016-03, \$35,700)	\$	40,000.00	\$	December 31: 2017	580-200-51		40,000.00
Superior Court of California (A/B 2016-05, \$40,000)	\$	60,787.00	\$	December 31: 2017	580-200-63		60,787.00
Town of Truckee (A/B 2016-06, \$60,787)	\$	4,188.00	\$	December 31: 2017	580-200-76		4,188.00
Lee Senior Citizens of Sierra County (A/B 2016-01, \$5,670)	\$	21,211.73	\$	December 31: 2016	580-200-93		21,211.73
Portland PNI Nonattainment Mitigation Fund (A/B 2105-08, \$33,211)	\$	29,034.81	\$	December 31: 2017	580-200-73		29,034.81
Portland MIOU (A/B 2016-08, \$35,378)	\$	5,470.33	\$	n/a	588-200-72		5,470.33
City of Portland Woodson e Champoos Program	\$	245,212.78	\$	n/a	581-200-01		245,212.78
H & S Mitigation Fund	\$	573,608.47	\$				273,507.36
<i>Total amount that is encumbered but not yet disbursed:</i>						\$	573,608.47

Revenue to date Received during FY 16-17 for each fund:	AB2766	Carl Meyer	WCO	AB 923	TDMBER	HAS Mitigation
Revenue to date Received during FY 16-17 for each fund:	\$ 409,609.55	\$ 940.47	\$ 56.23	\$ 49,796.75	\$ 4,207.18	\$ 3,113.00
"Remaining Balance" aka Unencumbered Revenue to date during FY 16-17 for each fund:	\$ 229,421	\$ 4,598.65	\$ -	\$ 134,107.55	\$ 24,592.87	\$ -
EPA Target Grant Revenue (to be transferred into Nevada County AB2766):	\$ 95,498.93					

To: Northern Sierra Air Quality Management District Board of Directors
From: Gretchen Bennitt, Air Pollution Control Officer
Date: January 22, 2018

Agenda Item: III.E

Agenda Description: Authorization for Signing Nevada County Auditor Controller's Warrant Request Signatures for 2018

Issues: Annual approval of the warrant request signature form is required by the Nevada County Auditor-Controller's office no later than January 31, 2018 to ensure continual processing of payment requests.

The District is requesting that the Board authorize the Chair and APCO to sign the warrant request signature form and submit it to the office prior to January 31, 2018.

Requested Action:

1. Authorize Chair and APCO to sign Authorized Signature Form for Warrant Requests for 2018 and submit to Nevada County Auditor/Controller's office prior to the January 31 deadline.

ROLL CALL VOTE REQUESTED

Attachments:

1. Authorized Signature Form for Warrant Requests for 2018

NEVADA COUNTY AUDITOR CONTROLLER'S OFFICE

Please provide the Nevada County Auditor-Controller's office with the following information:

District/Commission: Northern Sierra Air Quality Management
 Location: 200 Litton Drive, Suite 320
 Mailing Address: Grass Valley, CA 95945
 Telephone #: 530 274-9360
 Main Email Address: office@myairdistrict.com

District Board/Commission Members

NAME & TITLE	ADDRESS	PHONE NUMBER & EMAIL ADDRESS
Plumas County Supervisor Sherrie Thrall	P.O. Box 368 Chester, CA 96020	530 258-3656 sherrie.thrall@gmail.com
Plumas County Supervisor Michael Sanchez	P.O.Box 1332 Portola Ca 96122	530 283-6170 o4sqonavy@yahoo.com
Nevada County Supervisor Ed Scofield	950 Maidu Ave Nevada City, CA 95959	530 265-1480 ed.scofield@co.nevada.ca.us
Nevada County Supervisor Richard Anderson	10879-A Donner Pass Road Truckee, CA 96161	530 582-7826 richard.anderson@co.nevada.ca.us
Sierra County Supervisor Peter Huebner	P.O. Box 349 Sierra City, CA 96125	530 862-1004 peter4actions@gmail.com
Sierra County Supervisor Paul Roen	101 Main Street Sierraville, CA 96126	209 479-2770 sproen@aol.com

Signatures of persons authorized to request payments.

NAME & TITLE	ADDRESS	PHONE NUMBER & EMAIL ADDRESS
Gretchen Bennett, Executive Director	200 Litton Drive, Suite 320 Grass Valley, CA 95945	530 274-9360 X 102 gretchen@myairdistrict.com
Signature		
Joe Fish, Deputy Exec. Director	200 Litton Drive, Suite 320 Grass Valley, CA 95945	530 274-9360 X 103 joe@myairdistrict.com
Signature		
Ed Scofield, Board Member	950 Maidu Ave Nevada City, CA 95959	530 265-1480 ed.scofield@co.nevada.ca.us
Signature		
Signature		

The above information is correct and has been approved by the District Board/Commission meeting on

 Date Chairman Date

- A minimum of two authorized signatures are required on all payment requests.***
- At least one signatures shall be a Board/Commission Member***
- The District Board must approve all claims for payment prior to submittal.***
- Additional documentation as may be required by law or restrictions placed by this office***

When changes occur within your District/Commission, please submit an updated form. The above authorization automatically expires on **January 31**, of each year and must be replaced by a new authorization before January 31, to ensure continual processing of payment requests.

To: Northern Sierra Air Quality Management District Board of Directors
From: Gretchen Bennett, Air Pollution Control Officer
Date: January 22, 2018

Agenda Item: III.G

Agenda Description: Proposed Adoption of Revisions to Carl Moyer Guidelines

Issues: Currently, the District receives up to \$175,000 per year to allocate on Carl Moyer Heavy Duty Diesel projects. The funding schedule currently in place funds each project up to 80% of the project cost on a first-come, first-serve basis. In many cases, this allows only one or two projects per year. In a June 2017 Board meeting, the Board expressed a desire to determine a new procedure which would allow more projects to be funded.

During the August 2017 Air District Board meeting, staff presented options to the Board and the Board gave the following direction to staff:

1. Only 1 project should be allowed per applicant/per year.
2. No applicant shall be funded in consecutive Carl Moyer grant cycle years.
3. The amount per project should be below 80% per project.
4. Develop a guideline which will maximize the emission reductions and maximize the number of projects.

The first two items were voted on by Board members and they were unanimously passed.

District staff (Joe Fish) has modified the Guidelines and has presented this today for the Board discussion and approval. All of the modifications are on page 2 of the guidelines and presented in double-underlined format.

District staff (Joe Fish) has notified all past applicants of these proposed changes and has informed them that they can attend this Board meeting to make comments or pass comments along to District staff.

Requested Action:

1. Discuss modifications, allow public input and approve proposed modification of "Policies and Procedures for Administration of the Carl Moyer Memorial Air Quality Standards Attainment Program - Year 20 (Carl Moyer Program).

ROLL CALL VOTE REQUESTED

Attachments:

1. Policies and Procedures for Administration of the Carl Moyer Memorial Air Quality Standards Attainment Program - Year 20 (Carl Moyer Program)

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Northern Sierra Air Quality Management District

Policies and Procedures for Administration Of the Carl Moyer Memorial Air Quality Standards Attainment Program - Year 20 (Carl Moyer Program)

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I. Background

The Carl Moyer Program (CMP) was established in 1998, as a grant program to fund the incremental cost of cleaner-than-required heavy-duty engines. Originally targeted to reducing oxides of nitrogen (NOx) emissions, the program now includes reduction of particulate matter (PM) emissions and reduction of reactive organic gases (ROG). Legislative modifications enacted in 2004 expanded the program to include projects that reduce emissions from agricultural sources, light-duty vehicles, and on-road fleet modernization eligible for CMP funding.

The CMP is implemented as a partnership between the California Air Resources Board (ARB) and local air districts (districts). ARB provides overall administration and guidance for the program, with funding and implementation of projects conducted by the districts. The approved latest CMP Guidelines, published by ARB and released in 2017 provide the minimum requirements under which the Carl Moyer Program is administered by ARB and the districts. The CMP Guidelines are based on requirements specified in the state Health and Safety Code, Chapter 9. The Guidelines are updated, when necessary, to reflect significant additions or changes to the program. In addition, ARB staff issues Technical Advisories to provide further clarification on specific areas, and to reflect changes in regulations.

The CMP Guidelines require that each participating district establish Policies and Procedures for administration of the CMP. This document contains Policies and Procedures intended to provide an explanation of district policies with regard to local implementation of the CMP. It also contains procedures for the Northern Sierra Air Quality Management District (NSAQMD) day-to-day operation of the Program in order to meet the requirements of the Health and Safety Code, CMP Guidelines, ARB Technical Advisories, and District policies and procedures. These Policies and Procedures are for the CMP 2017 Guidelines which the NSAQMD will use once the District receives Carl Moyer Year (CMY) 20 funding. The District policies and procedures do not replace the CMP, but are intended to provide direction and procedures for the District's implementation of the CMP. The appendix to these policies and procedures includes samples of pertinent documents, forms, and specific District policies as referenced in this document. District staff should reference the CMP Guidelines for detailed descriptions of ARB's CMP procedures and requirements.

II. Program Timeline

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

The timeline for each year of funds is as follows;

Mid-September: ARB solicits applications from the districts based on allocations cited in Health and Safety Code Section 44299.2(a).

Mid-November: ARB receives applications from the districts.

Early January: ARB notifies districts of final awards.

April 30: Deadline for districts to accept or decline funds.

August 31 of the following year: Districts' annual report to ARB. Funds from the previous year must be committed by this date, i.e., funding accepted by the district in April must be committed by June 30 of the following year.

August 31 of second year: Districts' final report to ARB. Funds received two years prior to this June 30 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 2015 is due June 30, 2017 and those funds must be expended by that date.

The NSAQMD implementation timeline to meet the ARB's required deadlines for applying for local funding, and obligation and expenditure of those funds is as follows:

Year 20 Timeline

- NSAQMD Board Approval of Year 20 application in March of 2018
- Public Outreach – continuous since NSAQMD participation in the CMP. Program continues as First Come - First Serve. Applicants shall be processed on a first come first served basis including those applicants on the District's waiting list of interested applicants. If an applicant chooses not to apply for grant money when they become eligible in the list order, their name shall be removed from the list and the next applicant will be notified of an opportunity to apply for grant money. An applicant removed from the list may re-apply for a position on the list, but it will be at the end of the list as it existed at the time of their application to the list.
- No applicant shall be funded in consecutive Carl Moyer grant cycle years.
- Only one project shall be funded per applicant per grant cycle year.
- Projects shall be funded at a maximum amount of 50% of the total project cost or less depending on the remaining Carl Moyer fund balance and grant funding shall never exceed the funding amount as specified by the CARL cost effectiveness calculation.
- Only public agency or private sector fleets that permanently reside within Nevada, Sierra, or Plumas Counties qualify for funding
- Review applications for completeness and provide written and verbal notification of incomplete applications within 5 days of receipt
- Conduct cost effectiveness calculations via CARL as applications come in
- If more than one application is received by the District at the same time, prioritization of qualifying grants occurs via most cost effective
- Applications approved once all information is evaluated and received
- Conduct pre-inspection of approved applicant's engine(s)
- Issue contract
- Projects shall be completed within 90 days after contract is executed unless unforeseen complications occur and the District approves.
- Applicants contact District for inspection of new project, and verify destruction of old engine
- Post inspection then occurs
- Funding released to participant once the District is invoiced by the participant

III. ARB Carl Moyer Program Award Process

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

The ARB solicits district applications for the local programs by sending solicitation packets to the Air Pollution Control Officer (APCO) at each district in mid-September. The application packet must be completed and submitted by the posted deadline, which is 60 days from the date of the solicitation. The application packet must include the completed application with original signature, documentation for the match commitment, Board resolution, an implementation plan for obligating the grant award, and documentation of obligation and expenditure of previous grant awards. Detailed requirements for each of these items are included in the CMP Guidelines, in the Program Administration section. The designated NSAQMD program manager prepares the application to the ARB for CMP funding. The APCO shall approve the application before submission to ARB. The NSAQMD Board adopts a resolution which completes the application process. District staff responsible for implementing the CMP include: the APCO (Gretchen Bennitt); program manager (Joe Fish); and fiscal staff (Joe Fish- Deputy APCO and current Business Manager/Clerk of the Board).

ARB determines the final awards for each district. These awards are incorporated into a Grant Award and Authorization form, which specifies the amount of the award for projects, and outreach funding. Two original copies are sent to the district. The APCO or his/her designee signs both copies; one is retained in district files and the other is returned to ARB. April 30 of each year is the deadline for acceptance of a grant award. As required in the grant award, the district meets all application stipulations in order to accept an award. From June 30 following the full execution of the agreement, the district has 12 months to commit funds and 48 months to liquidate grant funds. Any funds not expended within 48 months must be returned to ARB (Health and Safety Code Sections 44287(k) and 44299.2(c)).

If funds are not expended in the current year they are carried over to the following year. If funds are not expended within four years they will be returned to ARB. The Governing Board must approve the return of any unexpended CMP funds to ARB. To date, NSAQMD has expended all CMP funds within the four-year requirement.

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 10% of its allocation or \$200,000, whichever is greater, including all of the administrative funds. NSAQMD may also request an initial disbursement for up to an amount for which funds have been committed to specific, eligible projects. Prior to receiving the initial disbursement, the district must submit documentation of the obligation and expenditure of previous years' CMP funding and match funding. Grant awards and disbursements are further described in the CMP Guidelines, Program Administration section. Any CMP funds provided by the State of California that are deposited in interest bearing accounts must be reported to ARB. The interest income must be used to fund projects that meet the current CMP Guidelines. The NSAQMD tracks and reports earned interest using the Fiscal Year Method.

The NSAQMD program manager uses an Access Database and Excel Spreadsheet which tracks fiscal and some administrative activities of CMP grants beginning with Program FY 1998-1999 to present. The Deputy APCO also tracks fiscal and administrative activities. All CMP funds are deposited in an interest bearing account. Program files (which include financial information) are kept for the life of the contract plus seven years. Financial files are kept seven years.

IV. Match Funding

Unless the match funds requirement is waived by ARB, districts participating in the CMP are required to provide \$1 in match funding for every \$2 of state CMP funding awarded by ARB, with a cap on statewide match funds at a total of \$12 million.

Following ARB's solicitation for funding, NSAQMD conducts a financial review and determines if match funding is available or uses the waiver request option. NSAQMD requests Governing Board authorization to participate in current year funding cycle with or without match funding option. If match funding is available it will be tracked separately using the NSAQMD AB2766 database and spreadsheets. Match funding is located in a separate account.

V. Outreach Funds

NSAQMD may use up to twelve and a half (12.5%) percent of the total CMP annual funds for program administration and outreach. These funds are distributed to each district based on the annual allocation of project funds that a district receives. Administrative funds may be used for direct costs associated with the tasks outlined in the Program Administration section of the CMP Guidelines, and must be documented by district staff.

Outreach funds are used toward NSAQMD staff compensation and public outreach related to the Carl Moyer Program. A pay code tracks staff time used for Carl Moyer Program implementation. Allowable travel costs will be reimbursed by the reimbursement method. Allowable costs, reimbursement requirements and travel requests are outlined in the NSAQMD Policies and Procedures, #2165.

If funding remains, it is used for public outreach pertaining to the Carl Moyer Program. Outreach activities include maintaining a list of interested parties which includes previous applicants, some advertising in local newspapers, web site announcement, direct contact by District staff and small business organizations. Application forms are available on the District website, District office, or by request.

VI. Project Solicitation

The CMP allows district discretion in how projects are solicited. The NSAQMD CMP is implemented through a first come-first serve process. If more than one project is received at the same time, the most cost-effective project receives first priority. Projects are funded until funds are exhausted. The NSAQMD has funded the following categories during the past 10 years of participation:

- On-road and Off-road heavy-duty vehicle repowers and/or retrofits, off-road vehicle replacements and beginning with year 10/11 funds Fleet Modernization with Sacramento Metro AQMD.
- New CNG transit bus purchase
The NSAQMD Governing Board authorizes the APCO to execute agreements and make minor modifications to the CMP applications and agreement for the purpose of maintaining consistency with the state Program.

All applications must include a disclosure statement, identifying whether the applicant has applied to other entities for funding and identification of the potential funding source(s). In addition, the applicant must certify that no other funding has been received for the project. Sample application forms, including funding certification, for off-road and on-road heavy-duty vehicle repowers or retrofits and replacements, are included in the appendix to this manual. All other funding category applications are available upon request.

The NSAQMD has a commitment to outreach to all sectors and small businesses. This is accomplished through public meetings, one-on-one meetings, some newspaper publication of funding availability if warranted, NSAQMD mailing lists, and through the NSAQMD website. The District keeps documentation of all outreach efforts. This documentation is kept in the general CMP files, so that it is available for reporting and for any potential audit.

VII. Project Selection

In accordance with Health & Safety Code Section 44288(a), the District must review all applications for completeness upon receipt and notifies the applicants in writing within five working days of application receipt if the application is not complete. Applications determined to be incomplete will be issued a letter of incompleteness within 5 days by U.S. mail, facsimile or email. The letter will specify deficiency and means of correction. A copy of the letter will be retained in application file.

NSAQMD Project Selection Procedure is described below for Year 19:

1. **Only public or private agency fleets that permanently reside within Nevada, Sierra, or Plumas Counties qualify for funding.**
2. This is a first come-first serve program.
3. Applications are reviewed for completeness.
4. If more than one application is received by the District at the same time, prioritization of qualifying grants occurs via most cost effective.
5. Complete applications are reviewed for eligibility using State CMP Guidelines.
6. Project information is entered into CARL database and evaluation of cost effectiveness is determined.
7. The program manager (Joe Fish) determines annually if and how much match funding will be allocated from DMV funds towards on/off road projects.
8. The maximum percent of repower cost eligible for Carl Moyer Program funding are:
 - a. Tier 1 Repower – 75%
 - b. Tier 2 Repower – 80%
 - c. Tier 3, Interim Tier 4, and Tier 4 Repower – 85%
9. On/Off Road rebuild costs are based on a percentage of the total project costs.
10. Retrofits are eligible for up to \$10,000 for on-road; retrofits other than on-road are eligible for up to 100% of the total retrofit costs. (See Table 4-2 in CM 2011 Guidelines, rev 12/15)
11. Replacement costs are taken from the itemized estimate included with the application.
12. Fleet Modernization - new off-road replacement vehicles are eligible for a maximum of 80% of the invoiced price.
13. Projects are ranked by cost effectiveness up to the CMP Guidelines allowed cost effectiveness maximum.
14. Applicants are contacted by telephone with the results of cost effectiveness evaluation and amount of tentative grant award.
15. Applicants are contacted by telephone and a pre-inspection of current engine/motor is scheduled.
16. If pre-inspection determine engine/motor qualifies the applicant is scheduled for an office appointment to execute the contract.

VIII. Obligation of Funds to Projects

Once final selection of projects to receive awards has been completed and approved by district management, obligation of funds can take place. After project selection above is completed, contracts are executed by the APCO and the applicant. Project information is entered into the District and CARL databases and monitored. The District is required to commit state funds one year from June 30 of the year the district receives its initial Grant Award and Authorization Form.

IX. Contract Development

ARB requires that all CMP project contracts contain the following provisions: party names and date; contract term, including project completion and projection implementation/life; payment provisions, including maximum contract amount, the requirement for itemized invoices, funding

disclosure and noncompliance terms; CMP compliance requirements; requirement for maintenance of engine/vehicle; project specifications and performance expectations, repercussions for nonperformance, on-site inspections; records retention, reporting and auditing; insurance requirements; notices; and signature blocks for both parties.

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

X. Payment of Projects (Expenditure)

Once the project contract is executed, applicant submits an original or copy of the original invoice requesting payment. The NSAQMD will review each vendor invoice for eligible expenses and only approve payment for eligible expenses. NSAQMD CMP staff conducts necessary post-inspection as described Section XI below. After successful inspection, the program manager approves each invoice for payment and it is forwarded to fiscal staff for payment and to the Deputy APCO for final approval.

XI. Project Monitoring

Pre- and post-inspections must be completed for all funded projects.

The District has entered into a Memorandum of Understanding with the Sacramento Metropolitan Air Quality Management District for assistance with the implementation of Fleet Modernization projects. A copy of the MOU is in the appendix.

A. Pre-Inspection

The pre-inspection process includes, at a minimum, collecting the serial number of the baseline engine and verifying the information in the application about the baseline engine (make, model, model year, horsepower). The pre-inspection shall also verify the engine is operational (with a start up) and that the engine is working as described in the application (document function and use). "Operational" means that the engine must start and be able to perform its intended purpose. Photos shall be taken for the file. The file containing the photos is located in the applicant's folder on the program manager's computer under the Carl Moyer folder and labeled "pre-inspection photos". The photo file containing the applicant's equipment photos is labeled with the applicant's name, and the photos must be date stamped with the date the photos were taken. The photos must show the engine in the vehicle/vessel/equipment and show a close up of the engine plate. A pre-monitoring inspection report shall be used to document the pre-inspection. The inspection report will be kept in the project file. Pre-inspections will be performed by NSAQMD CMP staff prior to contract execution. A copy of the pre-inspection report form can be found in the Appendices.

B. Post-Inspection

Post-inspection occurs after receipt of an invoice from the engine owner, but prior to district final reimbursement for the engine. The post-inspection verifies that the engine listed in the contract was installed. Information to be recorded includes serial number, make, model, model year, and horsepower. The engine must be operational in the equipment or vehicle as stated in the contract. "Operational" means that the engine must start and be able to perform its intended purpose. Inspecting district staff shall visually witness all engines start-up and mobile projects

operating as intended. Vehicle/engine information shall be documented with photos. If applicable, the post-inspection shall verify that the baseline engine or vehicle is destroyed or otherwise rendered nonoperational. Depending on the method of destruction, district staff must see the destroyed engine, may witness the engine destruction, and take photos of the destroyed engine. The file containing the photos shall be located in the applicant's folder and labeled "post-inspection photos". The photo file containing the applicant's equipment photos must be labeled with the applicant's name, and the photos must be date stamped with the date the photos were taken. District staff must see the destroyed engine or the receipt from the qualified vehicle salvage yard. An inspection report shall be used to document the pre-post inspections. All pre- and post-inspection reports will be maintained in the project file. All photos will be maintained in the project file located on the program manager's computer. A copy of the post-inspection report form can be found in the Appendices.

XII. Project Audits

The district audits at least five percent (or a statistically significant number) of the projects that are within two years of contract expiration. In addition, district audits include all of the projects whose owners fail to report annually. The audit is completed by NSAQMD CMP staff.

The audit includes 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. This is completed by checking the serial number of the engine; witnessing the engine operate; and checking the odometer, hour meter/usage device, fuel receipts, or electronic monitoring unit (EMU).

The district also randomly audits at least five percent (or a statistically significant number) of the projects at the end of the contract term. NSAQMD also audits all projects whose owners failed to report annually and those projects that were found to be below the level of use during the audit two years prior to the end of the contract. The audit is completed by NSAQMD CMP staff.

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 district 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 EMU.

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

XIII. 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 CMP database and a copy is found in the appendix. Applicants are required to submit annual reports to the District until termination of the contract.

The District is required to report to ARB on the status of each year of CMP funding using the Yearly Report process utilizing the CARL database.

A. Annual Report

The Status Report is submitted to ARB in mid-November. The report uses the ARB-prescribed format to discuss progress in meeting projected milestones from the current year's CMP funds. "Current year" is the year in which the funds were awarded to the district by ARB. This public report provides information on the District's progress in meeting its projected milestones from the current year's CMP. Committed funds are documented by updating the database. NSAQMD Moyer staff updates the ARB database annually. If all funds have been committed and the database updated, this status report may satisfy the requirement for the annual report (due August 31 of the next calendar year) if ARB so approves.

B. Annual Report

The annual report is due to ARB by or before June 30 of the year following ARB funding allocation. This public report includes a narrative on CMP 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; and challenges in implementation. NSAQMD CMP staff report this information based on annual review of the program.

Updated project information includes:

- CMP projects, including those funded by state funds and local match funds
- Interest accrued on state funds, and projects funded by the interest
- 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 District.
- Copies of executed contracts for all CMP projects. One complete copy of the standard contract format and the pertinent pages (initial page, signature page and page describing the project, i.e., work statement) of each agreement are to be included in the report.

C. Final Report

The final report is due no later than June 30 of the second year following award. This is the deadline for expending all CMP funds and local match commitments. In addition to an updated database, the report shall include a narrative, including information on:

- Results of environmental justice efforts, if required
- Monitoring and auditing efforts and results
- Enforcement actions and recaptured funds, if any
- Outstanding features and accomplishments
- Challenges in implementation

The update will ensure that the data in the database is current and accurate. Whenever a contract between the District 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 shall include:

- Modifications to CMP projects, including both state funds, interest accrued on state funds, and local matching funds

- 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 District
- Copies of executed contracts (as described above under “Contract Development”), that commit CMP and local match funds to projects, which were not previously submitted
- Copies of invoices that document the amount of CMP 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).

XIV. Project File Set-Up and Maintenance

The NSAQMD maintains documentation of project selection by fiscal year, as well as program project and fiscal files. Project files at a minimum contain the following: application and estimated project cost, original contract, pre/post inspection forms and photographs (located on program manager’s computer), original or copy of invoice, and annual reports. Program files contain at a minimum the following: ARB grant award and authorization, copy of NSAQMD approved application, contract and forms, outreach and project selection information, cost effectiveness spreadsheet, and correspondence from contractors, NSAQMD staff, and ARB related to this project. Program files (which include financial information) are kept for the life of the contract plus seven years.

XV. Coordination with ARB

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

Hurshbir Shahi
 (916) 323-9687
 hshahi@arb.ca.gov

District staff currently responsible for implementing the CMP include: the APCO; Program Manager; and fiscal staff. District staff shall document any correspondence with ARB staff regarding ARB interpretations, clarification, guidance or possible deviations from the CMP Guidelines. All documentation shall be kept in the CMP project files.

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

ARB has developed a centralized database for all CMP projects. All districts are required to use this database as part of the streamlined Yearly Report process. ARB has provided training to district staff in the use of the database.

XVI. ARB Oversight

As part of their oversight responsibilities, ARB staff performs desk reviews of district CMP, on-site monitoring and audits. Audit of a district'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. District staff responsible for implementing the CMP include: APCO; program manager; and fiscal staff.

Appendix A: Application Year 20

Northern Sierra Air Quality Management District Off and On-Road Heavy-Duty Equipment Application

Please fill out one application for each engine or piece of equipment. All information necessary for completing this application is available in the 2017 Carl Moyer Program Guidelines. This document can be viewed at the District website www.myairdistrict.com click on "Grants and Incentives". Please print clearly or type all information on this application.

Eligibility Criteria

To be eligible for funding, projects must meet the criteria described in the 2017 Carl Moyer Program Guidelines and the 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 with a regulatory agency, settlement agreement, mitigation requirement, or other legal mandate.
- Projects must meet a cost-effectiveness of \$30,000 per weighed ton of NOx + ROG + twenty times combustion PM10 reduced, calculated in accordance with the cost-effectiveness methodology discussed in the Guidelines.
- 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.
- Funded projects must have at least 75 percent of their operation take place in California and be a public or private agency fleets that permanently reside within Nevada, Sierra, or Plumas Counties.
- All engines in new vehicle purchases and repower projects must be certified by the ARB for sale in California and must comply with durability and warranty requirements.
- All aftermarket emission controls (retrofits) must be verified by ARB.

Funding Disclosure

Has the engine or vehicle in this application been awarded funding from another public agency or are any being considered for funding?

___ Yes

___ No

If "yes", complete the following for each engine or vehicle: Agency applied to

_____ Date of application submittal

_____ Funding amount requested

_____ Baseline engine serial number

_____ Status of application

_____ State the value of any current financial incentive that directly reduces the project cost, including tax credits or deductions, grants, or other public financial assistance for the same engine or vehicle:

Please Note: The incremental cost of the project shall be reduced by the amount of the financial incentive or assistance listed above.

Please initial each applicable section:

The vehicle(s)/equipment/engine(s) will be used in the State California at a minimum of 75% of the time (with the emission reduction system operating, if applicable) for at least the projected usage shown in this application. Applicant's business and fleet must permanently reside within the NSAQMD.

I have not and will not apply for additional grant funds from any other entities or programs for this project.

The purchase of this low-emission technology is **NOT** required by any local, state, and/or federal rule or regulation.

I understand that an IRS Form 1099 will be issued to me for incentive funds received under the Northern Sierra Air Quality Management District (NSAQMD) Vehicle/Equipment/Engine Incentive Program(s). I understand that it is my responsibility to determine the tax liability associated with participating in the NSAQMD Vehicle/Equipment/Engine Incentive Program(s).

I understand that a NSAQMD approved digital hour meter/odometer/GPS unit may be required on NSAQMD specified project types and that the digital hour meter/odometer will record the hours/miles accumulated within and outside the State of California.

I understand that the NSAQMD and/or the California Air Resources Board (CARB) staff will evaluate this application and determine if it meets the eligibility requirements and criteria of any incentive program. The NSAQMD /CARB will at its sole discretion determine which program funds, if any, will be used for this application.

I understand that I must be in compliance and remain in compliance with all applicable federal, state, and local air quality rules and regulations.

Application Statement – Please Read

All information provided in this application will be used by the Northern Sierra Air Quality Management District (NSAQMD) and/or the California Air Resources Board (CARB) to evaluate the eligibility of this application to receive incentive funds. NSAQMD /CARB staff reserves the right to request additional information of the applicant and can deny the application if such requested information is not provided. Incomplete and illegible applications will be returned to the applicant or vendor. An incomplete application is an application that is missing information critical to the evaluation of the project. If the applicant does not respond within 30 days, the application will be automatically terminated and the application process will have to be re-initiated in order for the project to be considered.

- ◆ I certify to the best of my knowledge that the information contained in this application is true and accurate.
- ◆ I certify that all the existing vehicles/equipment/engines referred to in this application are operational.
- ◆ I agree to accept the evaluation performed on my application by the NSAQMD /CARB staff and that I can request that NSAQMD /CARB staff review that evaluation upon a reasonable request.
- ◆ I understand that all technologies must either be verified or certified by CARB to reduce Oxides of Nitrogen (NOx) and/or other criteria pollutants.
- ◆ I understand that there may be conditions placed upon receiving an incentive and agree to refund the incentive if it is found that at any time I do not meet those conditions and if directed by the NSAQMD /CARB.
- ◆ I understand as a participant that programs have limited funds and shall terminate upon depletion of program funding. The NSAQMD /CARB shall be under no obligation to honor requests received following depletion of program funding. I acknowledge that in accepting any incentive funding, I will

be prohibited from applying for any other form of emission reduction credits, including: Emission Reduction Credit (ERC); Mobile Emission Reduction Credit (MERC) and/or Certificate of Advanced Placement (CAP), for all time, from the NSAQMD /CARB or any other Air Quality Management or Air Pollution Control District.

- ◆ In the event that the vehicle(s)/equipment/engine(s) do not complete the minimum term of any agreement eventually reached from this application I agree to return to the NSAQMD /CARB a pro-rated portion of incentive received based on usage up to and including the full amount of the original incentive provided as directed by the NSAQMD /CARB. I understand that the Air Pollution Control Officer for the NSAQMD may relieve this obligation to return the funds depending on the circumstances.
- ◆ I have the legal authority to apply for incentive funding for the entity described in this application.
- ◆ I agree to the above statements by signing below.

Authorized Signature

Date

Authorized Representative's Name (please print)

Title

NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
Heavy-Duty Low-Emission Vehicle/Equipment/Engine Incentive Programs

On-Road Application Form

Instructions: ➤ Fill in all applicable sections with ink. Please print legibly. ➤ Return application to: NSAQMD 200 Litton Drive, Suite 320 Grass Valley, CA 95945	<i>(For office use only)</i> Date Received: Project Life:
--	---

Date of application submittal _____

Funding amount requested _____

Baseline engine serial number _____

Status of application _____

A. APPLICANT INFORMATION (required)

1. Company or organization name:		
2. Business type:		
3. Contact name and title:		
4. Person with contract signing authority (if different from above):		
5. Contact mailing address and information:		
Street:		
City:	State:	Zip code:
Phone: ()	Fax: ()	
E-mail:		
6. Project location address (if different from above):		
7. How many engines are being applied for?		
8. Total funding amount requested for this engine/equipment:		

Third Party Certification - I have completed the application, in whole or in part, on behalf of the applicant.

Print name of third party:	Title:
Signature of third party:	Date:
Amount paid to third party:	Source of funding to third party:

For each engine or vehicle, please complete sections B and C and D, E, or F (as appropriate).

B. BASELINE VEHICLE INFORMATION (required)

1. Vehicle type:		
2a. Vehicle Identification Number (VIN):		
b. Vehicle make:	c. Model:	d. Year:
e. Vehicle GVWR:	f. Vehicle license plate number:	
3. Registered owner:		
4a. Department of transportation number (if interstate):		
b. California Highway Patrol number (if applicable):		
5a. Fuel type main engine:	b. Fuel type auxiliary engine:	
6. New vehicle/equipment vendor:		

C. ACTIVITY INFORMATION (required)

1. Total annual miles traveled or annual gallons of fuel used (specify):
2. Percent operation in California:
3. List counties in California in which the vehicle operates and percent of operation in each:
4. Project Life:

D. NEW VEHICLE PURCHASE PROJECTS (if applicable)

1 a. Engine make:	b. Engine model:	c. Engine year:
d. Engine serial number (if available):		
2. ARB certification executive order (if engine is certified to alternative Nox standard):		
3. Fuel type of new engine:		
4. New vehicle cost:		
5. Baseline cost:		
If the new vehicle has an auxiliary engine, complete the following.		
<u>Auxiliary Engine</u>		
6a. Make:	b. Model:	
c. Year:	d. Serial number:	
e. Horsepower:	f. Tier:	
g. Fuel:	h. Engine family (if applicable):	

E. REPOWER PROJECTS (if applicable)

1. <u>Baseline Main Engine</u>	b. Engine make:	c. Engine model:
a. Engine family:		
d. Engine year:	e. Engine serial number:	
f. Fuel type:		
2. Baseline main engine rebuild cost:		
3. <u>Reduced Emission Main Engine</u>		
a. Engine family:	b. Engine make:	
c. Engine model:	d. Engine year:	
e. Engine serial number (if available):	f. Fuel type:	
4. ARB executive order number (if engine certified to alternative NOx standard):		
5a. Reduced emission main engine cost:	b. Main engine cost with installation:	

E. REPOWER PROJECTS *continued*

6. <u>Baseline Auxiliary Engine</u>		b. Engine make:	c. Engine model:
a. Engine family:			
c. Engine model:		d. Engine year:	
e. Horsepower:		f. Engine serial number (if available):	
g. Tier:		h. Fuel type	
7. Baseline auxiliary engine rebuild cost:			
8. <u>Reduced Emission Auxiliary Engine</u>			
a. Engine family:		b. Engine make:	
c. Engine model:		d. Engine year:	
e. Horsepower:		f. Engine serial number (if available):	
g. Tier:		Fuel type	
Reduced emission engine cost:		Auxiliary engine cost with installation:	

F. RETROFIT PROJECTS

1 a. Engine family:	b. Engine make:	c. Engine model:
d. Engine year:		e. Tier (if auxiliary engine):
f. Engine serial number:		
2. ARB-verified retrofit device name:		
3. Retrofit device make:		
4. Retrofit device ARB executive order:		
5. Retrofit device serial number (if available):		
6. Verification level: <input type="checkbox"/> LEVEL 1 <input type="checkbox"/> LEVEL 2 <input type="checkbox"/> LEVEL 3		
7a. ARB-verified NOx reduction (%):	b. PM reduction (%)	c. ROG reduction (%)
8. Retrofit device cost:	9. Cost of retrofit device with installation:	
10. Total cost of retrofit maintenance over project life (optional):		

NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT
Heavy-Duty Low-Emission Vehicle/Equipment/Engine Incentive Programs

Off-Road Application Form

<p>Instructions:</p> <ul style="list-style-type: none"> ➤ Fill in all applicable sections with ink. Please print legibly. ➤ Return application to: NSAQMD 200 Litton Drive, Suite 320 Grass Valley, CA 95945 	<p align="center"><i>(For office use only)</i></p> <p>Date Received: _____</p>
--	--

Date of application submittal _____

Funding amount requested _____

Baseline engine serial number _____

Status of application _____

A. APPLICANT INFORMATION (required)

1. Company or organization name:		
2. Business type:		
3. Contact name and title:		
4. Person with contract signing authority (if different from above):		
5. Contact mailing address and information:		
Street:		
City:	State:	Zip code:
Phone: ()	Fax: ()	
E-mail:		
6. Project location address (if different from above):		
7. How many engines are being applied for?		
8. Total funding amount requested for this engine/equipment:		

Third Party Certification

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

Print name of third party:	Title:
Signature of third party:	Date:
Amount paid to third party:	Source of funding to third party:

B. PROJECT DESCRIPTION (required)

1. Project name:
2. Total annual hours of operation and/or annual gallons of fuel consumed (specify which):
3. Percent operation in California:
4. Counties in which the equipment operates <u>and</u> percent of total operation in each county:
5. Project life

C. EQUIPMENT INFORMATION (required)

1. Equipment type and function:
2. Equipment make:
3. Equipment model:
4. Equipment model year:
5. Equipment serial number:
6. Number of main engines on this equipment:
7. Number of auxiliary engines on this equipment:

D. REPOWER PROJECTS

1. Number of main engines to be repowered:	
<u>Baseline Engine:</u>	<u>Reduced Emission:</u>
2a. Baseline engine make:	3a. Reduced emission engine make:
b. Baseline engine model:	b. Reduced emission engine model:
c. Baseline engine year:	c. Reduced emission engine year:
d. Baseline engine horsepower:	d. Reduced emission engine horsepower:
e. Baseline engine tier:	e. Reduced emission engine tier:

f. Baseline engine serial number:	f. Reduced emission engine serial number (if available):
g. Baseline fuel type:	g. Reduced emission engine fuel type:
4. Baseline annual gallons of fuel consumed or annual hours of operation:	h. Reduced emission engine family:
5. Baseline engine rebuild cost:	6. Reduced emission engine cost:
	7. Reduced emission engine cost with installation (optional):

E. RETROFIT PROJECTS (if applicable)

1a. Engine make:	b. Engine model:	c. Engine year:
d. Engine horsepower:	e. Engine serial number:	f. Engine tier:
2. ARB – Verified retrofit device name:		
3. Retrofit device ARB executive order number:		
4. Retrofit device verification level: <input type="checkbox"/> LEVEL 1 <input type="checkbox"/> LEVEL 2 <input type="checkbox"/> LEVEL 3		
5. Retrofit device serial number (if available):		
6a. ARB – Verified NOx reduction (%):		
b. ARB – Verified PM reduction (%):		
c. ARB – Verified ROG reduction (%):		
7a. Cost of retrofit device:	b. Cost of retrofit device with installation (optional):	
c. Total cost of retrofit device maintenance over life of project (optional):		

APPENDIX A-1

OFF-ROAD EQUIPMENT REPLACEMENT
WORK PLAN

I. PURPOSE

This Work Plan sets forth the structure for the Northern Sierra Air Quality Management District (NSAQMD) Off-Road Equipment Replacement Program. The Off-Road Equipment Replacement Program will provide grants to projects which reduce emissions from off-road mobile sources for which the California Air Resources Board (CARB) establishes Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program) Guidelines. Funding for the program will include such portion of NSAQMD's Carl Moyer Program funds as well as NSAQMD's motor vehicle registration surcharge (AB 2766) funds as may be used to satisfy the District's matching funds requirement, and as such will be included in the cost-effectiveness calculations.

The Work Plan covers all major policy aspects of the program. This includes: the program term, the kinds of projects eligible for funding, the proposal submission process, the proposal evaluation process, evaluation criteria, funds distribution, and audits. The Work Plan is general in nature, in that it does not set forth all of the specific procedures which will need to be developed in order to implement the Off-Road Equipment Replacement Program.

II. ENVIRONMENTAL JUSTICE

The District acknowledges that some portions of the NSAQMD population are more impacted by exposure to air pollutants from off-road equipment than others. The population within the NSAQMD is less than one million and therefore NSAQMD is not required to incorporate an environmental justice component into their Moyer Program. The District will structure the Off-Road Equipment Replacement Program so that all businesses within its jurisdiction have a fair and equal opportunity to participate in this voluntary program. Outreach efforts will be focused on a District-wide scale.

III. EMISSION REDUCTIONS & COST EFFECTIVENESS

The District will be utilizing the calculation methodology as described in the current Carl Moyer Guidelines.

IV. PROGRAM TERM

As long as the Carl Moyer Program provides funding, the Program will operate on a one-year funding cycle. Unlike AB 2766 funds, Carl Moyer funds are subject to strict time frames for expenditure. It is only feasible to meet these time frames with an annual term.

V. ELIGIBLE PROJECTS

Equipment Replacement projects must meet the following general eligibility requirements:

- A. Eligible projects are those in which new equipment having the most recent Model Year California emission standard engine, 25 horsepower or larger, replaces an uncontrolled, Tier 1 or Tier 2 fully functional piece of self propelled off-road equipment that is to be scrapped.
- B. The emission reductions from the project must not be required by any local, state, and/or federal rule, regulation, or other legally binding requirement.
- C. Equipment purchased before a Grant Agreement for the project is fully executed is not eligible for funding.
- D. Applicants that do not provide credible records to document the previous two year's amount of historical operations with 75% in California and 50% in the District are not eligible for funding.

E. All projects must achieve a cost-effectiveness as described in the District's Policy and Procedures Manual. Pollutants included in the cost-effectiveness calculation are NO_x (oxides of nitrogen), ROG (reactive organic gases) and diesel PM (particulate matter). PM is weighted by a factor of 20; (NO_x + ROG + 20*PM). The District staff will calculate cost effectiveness using the average of two recent years of documented equipment usage.

VI. MAXIMUM ELIGIBLE FUNDING AMOUNTS

A. New or used equipment purchased is eligible for up to 80 percent of total equipment purchase costs.

B. Engine Retrofits are eligible for up to 100 percent of the total costs, including all filters and maintenance of the filters needed during the project life.

VII. EQUIPMENT REQUIREMENTS

A. Existing (Old) Equipment Requirements

(1) The old equipment engine must be an uncontrolled, Tier 1 or Tier 2 engine. (For LSI, this equates to a model year 2009 or earlier engine.)

(2) The old equipment must be registered in the Diesel Off-road On-line Reporting System (DOORS) if it is subject to the Regulation for In-Use Off-Road Diesel Vehicles (Off-Road Regulation).

(3) The applicant must have owned and operated the old equipment in California for the previous two years. The applicant must provide the following documentation:

1. Bill of sale for the old equipment and

2. 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:

- a. Tax depreciation logs
- b. Property tax records
- c. Equipment insurance records
- d. Bank appraisals for equipment
- e. Maintenance/service records
- f. General ledgers
- g. Fuel records specific to the old equipment (To be used as evidence of CA residency the fuel records must also identify the equipment owner)
- h. Other documentation approved by ARB

(4) Applicants must submit documentation of annual usage and operational status 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:

1. 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, and
2. At least one items from the following list:
 - a. Revenue and usage records that identify operational, standby, and down hours for the equipment
 - b. Employee timesheets linked to specific equipment use
 - c. Preventative maintenance records tied to specific hours of equipment use
 - d. Repair work orders specific to the equipment
 - e. Six months of tracking normal equipment usage with a functional, tamper proof hour meter with prior district approval
 - f. Other documentation approved by ARB
3. If hour meter reading or historical fuel usage is not available provide two items from the list in #2 above.

(5) 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.

IX. REPLACEMENT EQUIPMENT REQUIREMENTS

A. The replacement equipment must have an engine meeting the most recent Model Year CA emission standard. 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 documentation of how the price was depreciated to account for the used condition and the number of operation hours accumulated since new.

- (1) Engines participating in the averaging, banking, and trading program that are certified to family emission limits higher than the applicable emission standards are ineligible to participate in the Carl Moyer Program.
- (2) Engines that are participating in the “Tier 4 Early Introduction Incentive for Engine Manufacturers” program, as detailed in Title 13, CCR, section 2423(b)(6), are eligible for Carl Moyer Program funding provided that they are certified to the final Tier 4 emission standards.
- (3) 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.

- (1) 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.
- (2) 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 lowest horsepower of the old equipment engine unless a higher horsepower rating is approved on a case by case basis by ARB. For old equipment in which the actual engine horsepower cannot be determined, horsepower can be calculated by multiplying the power take off by 120%.
- (3) Purchases of new CI equipment must purchase a minimum of a one-year or 1600 hours power and drive train warranty must be purchased for the replacement equipment. The warranty must cover parts and labor. Warranty documentation must be provided to the District. Warranty costs are not eligible for funding. The district may waive this requirement if they have provided ARB a satisfactory plan to ensure that funded equipment will be maintained and operated as if under warranty.
- (4) 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.
- (5) 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.
- (6) Future annual hours of equipment operation must be based only on readings from an installed and fully operational 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
- (7) An ARB Verified Diesel Emission Control System (VDECS) is required on all replacement equipment if available.
 1. If the additional cost of the VDECS causes the cost-effectiveness to be above the cost effectiveness cap, then the VDECS is not required.
 2. If documentation is provided to the District or ARB that a VEDCS is not technically feasible, available, or safe, then the retrofit is not required.
 3. VDECS that control PM must use the highest level ARB-verified technology available at obligation of funds for the equipment being retrofitted.
 4. The VDECS 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 VDECS supplier and the Grantee is authorized if both parties agree to such payment.
 5. If the applicant signs the VDECS waiver acknowledging that due to current or future regulations they may be required to install a retrofit on the funded equipment at their own cost, then the retrofit is not required.
- (8) The cost of the VDECS, filters, and maintenance of the VDECS needed during the project life is eligible for incentive funding, provided its inclusion in the project cost still meets the weighted cost-effectiveness limit.
- (9) 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 VDECS.

X. EXISTING EQUIPMENT DESTRUCTION REQUIREMENTS

The equipment replacement program requires the existing equipment to be destroyed. The chassis and engine must be destroyed to permanently remove old equipment from service. The participant 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 participant shall make each destroyed component

available for District inspection in order for the District to certify such work has been properly done within 60 days of receiving new equipment.

The participant may select to surrender the old equipment to an authorized Salvage Yard. The participant must submit the Salvage Certification Form to the District within 30 days of receiving new equipment. The Salvage Yard must destroy the engine and chassis as described above, and submit documentation to the District within 60 days of the participant receiving new equipment, as described in the Salvage Yard Agreement.

XI. 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 call-for-projects (CFPs) 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 Manual. Off road equipment replacement project applications will compete for funding with all Carl Moyer project applications.
- B. The District staff will work with equipment dealers and/or applicants to complete the standard "Off-Road Equipment Replacement Project Application" and may develop additional forms if necessary to collect all information, records, and price quotes necessary to evaluate the proposal and to populate the data fields in the ARB's CARL database.
- C. 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 Off-Road Equipment Replacement Program (ORERP) pre-inspection form will be used.
- D. A Grant Agreement will be executed for each off-road equipment replacement project that competes successfully in the CFP process and is approved by the District's Executive Officer. A sample Grant Agreement with a section specifically for this Off-Road Equipment Replacement Program is included as Appendix D in the District's Policy and Procedures Manual.
- E. Upon delivery of the new equipment to the dealer, the District staff will conduct a post-inspection. The ORERP post-inspection form will be used. The dealer shall not deliver the new equipment to the applicant until the post inspection is complete.
- F. After the District staff approves the post-inspection of the new equipment the dealer may deliver the new equipment to the participant. The old equipment must be destroyed and the destruction verified within 60 days after Participant receipt of new equipment.
- G. Payment will be processed once the District confirms the following: approved destruction of old equipment, approved pre-inspection, approved post-inspection, approved invoice, and confirmed submittal of W-9. All payments will be issued to the applicant. Two party checks may be issued to both the applicant and dealer if requested by the parties.
- H. Monitoring and enforcement of Grant Agreements is covered in Appendix A of the District's Policies and Procedures Manual.

XII. DEALER REQUIREMENTS

Unless otherwise indicated, 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. Inform participants of rights and responsibilities as outlined in the air district and ARB guidelines.
- C. 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:
 - (1) 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, and credible records of the previous two years of ownership, operation and amount of usage in Yuba and Sutter Counties.
 - (2) Description and specifications of the proposed new equipment including year, model, power rating, ARB engine Family Number and Executive Order number, a list of included attachments and accessories, price quote, warrantee information, and financing information-if financed.
 - (3) If a verified diesel emission control system (VDECS) is feasible, specifications of the VDECS to be installed on the equipment including: make, model, a price quote that will be valid at the time the VDECS is installed, warrantee information, and identification of the installer. If a VDECS is not available, verifiable information from the retrofit manufacturer, retrofit distributor, and/or dealer regarding the unavailability of verified retrofits must be submitted with the application, unless the applicant signs the retrofit waiver.
 - (4) Applicant should complete the Salvage Certification Form to indicate old equipment will be delivered to qualified salvage yard. If not using salvage yard, method and description of destruction should be indicated.
 - (5) Documentation of replacement equipment warranty.
 - (6) Proof of replacement equipment financing.
 - (7) The District will provide all necessary forms.
- D. The Participant will schedule a time and place for the District to pre-inspect and to verify the identity, operation, and condition the old equipment. The Dealer will be invited to attend the pre-inspection, however it is not mandatory.
- E. After the Grant Agreement is executed, the Dealer will order the replacement equipment, have it delivered to the dealership and, if feasible, arrange for installation of the VDECS.
- F. Before delivering the replacement equipment to the Grantee, the Dealer will schedule a time and place for the District to inspect and verify the identity, operation, and condition the replacement equipment and VDECS, if installed. The Dealer may not deliver the replacement equipment to the participant until the District inspects the replacement equipment and verifies that it is eligible for funding.
- G. The Dealer shall submit copies of itemized invoices, warranty information, and financing information, prior to the District issuing payment for the grant.
- H. The Dealer will use only OEM certified parts for any repairs to any engine or equipment covered under the District Program.

DISTRICT HEADQUARTERS
200 Litton Drive, Suite 320

Grass Valley, CA 95945
(530) 274-9360 / FAX: (530) 274-7546
email: office@myairdistrict.com or www.myairdistrict.com

NORTHERN FIELD OFFICE
257 E. Sierra, Unit E
Mailing Address: P.O. Box 2227
Portola, CA 96122
(530) 832-0102 / FAX: (530) 832-0101
email: jutle@myairdistrict.com or www.myairdistrict.com

CARL MOYER PROGRAM OFF-ROAD EQUIPMENT REPLACEMENT PROGRAM ELIGIBILITY

1. Funding Opportunity Limitations:

- Grant-funded equipment replacement projects must be completed 3 years in advance of emission-reduction requirements of the ARB Off-Road Regulation (2 years for small fleets).
- Exempt Agricultural Equipment as defined in the ARB Off-Road Regulation currently has no time limitation on funding eligibility.

2. Maximum Eligible Funding Amounts:

- New or used equipment purchased is eligible for up to 80 percent of total equipment purchase costs.
- VDECS (Retrofits) are eligible for up to 100 percent of the total costs, including all filters and maintenance of the filters needed during the project life.
- Eligible costs are defined as the purchase price of the new equipment, the purchase price and installation cost of the VDECS, taxes, and reasonable delivery charges. Grant funding shall only be used to pay for items essential to the operation of the equipment.

3. Existing Equipment Requirements:

- Must be self-motive heavy-duty off-road equipment (e.g. agricultural tractor or construction equipment) with an uncontrolled (Tier 0), Tier 1 or Tier 2 engine of at least 25 hp.
- Old equipment must be in operational condition and in regular use with 75% in California and 50% in the District.
- If old equipment is subject to registration by an ARB regulation, it must be registered in the reporting system specified by the regulation (e.g. Diesel Off-road On-line Reporting System).
- Old equipment and engine shall be destroyed and sold to an approved salvage yard.
- The replacement of two (or more) pieces of old, like equipment with one piece of equipment may be eligible for funding.

4. Replacement Equipment Requirements:

- Replacement equipment must be purchased through an NSAQMD approved dealer.
- Replacement equipment must have an engine meeting the current California emission standard. If such engines are not available, contact the NSAQMD for alternative considerations.
- Replacement equipment must serve the same function and perform equivalent work as the old equipment (i.e. like for like functionality).
- Horsepower of new engine in replacement equipment may not be greater than 125% of the original manufacturer rated hp for the old engine.
- Replacement equipment must have a one year or 1600 hour engine and drive train warranty covering parts and labor.
- Replacement equipment must be equipped with a fully operational, non-resettable hour meter.
- Verified Diesel Emission Control Systems (VDECS) (other than factory-installed OEM systems) are optional. The applicant acknowledges that they may be required to install such a device in the future at their own expense.

For more information regarding Off-Road Equipment Replacement grants contact Joe Fish: 530-274-9360, ext 103 or joe@myairdistrict.com

This information is a summary. The full program requirements are available from the California Air Resources Board (ARB) at www.arb.ca.gov/msprog/moyer/guidelines/current.htm.

DISTRICT HEADQUARTERS
200 Litton Drive, Suite 320

Grass Valley, CA 95945
(530) 274-9360 / FAX: (530) 274-7546
email: office@mvaairdistrict.com or www.mvaairdistrict.com

NORTHERN FIELD OFFICE

257 E. Sierra, Unit E
Mailing Address: P.O. Box 2227
Portola, CA 96122
(530) 832-0102 / FAX: (530) 832-0101
email: julie@mvaairdistrict.com or www.mvaairdistrict.com

CARL MOYER PROGRAM OFF-ROAD EQUIPMENT REPLACEMENT PROGRAM APPLICATION

All applicants must complete this form.
Please print or type all information on this and any attached applications.

APPLICANT INFORMATION									
Company Name					Mailing Address				
Type of Business									
Contact Person					City				
Title					State	ZIP			
Phone Number					Fill in physical address below if different from mailing address				
Fax Number					Physical Address				
E-mail Address					City				
Name and title of person who will sign Agreement	<i>Name</i>				State		ZIP		
	<i>Title</i>								
Tax ID (Check one)	<input type="checkbox"/> Federal Employers ID #				--				
	<input type="checkbox"/> Individual/Sole Proprietor				--		--		

Vehicle / Equipment / Engine Vendor Information					
Contact				Address	
Company				City	
Phone				State	ZIP
Fax				E-mail	

APPLICATION STATEMENT

- I understand that in order to receive incentive funds, I must enter into a Grant Agreement (contract) with the Northern Sierra Air Quality Management District (NSAQMD) and that there will be conditions placed upon receiving the grant award. I agree to refund the grant award, or a portion thereof as specified in the Grant Agreement, if it is found that at any time I do not meet those conditions and if directed to do so by the NSAQMD or the California Air Resources Board (ARB).
- I shall not place orders, make purchases or begin any work associated with this project until notified by the NSAQMD that all parties have signed the project's Grant Agreement and it is effective.
- I understand that the replacement equipment and any certified emission system must operate in a manner consistent with historic usage of the old equipment, with at least 75% of operation in California and 25% in the District, for the life of the Grant Agreement.
- I certify that the new or replacement equipment will be of the same type and be used for essentially the same work as the old equipment specified in this application.
- I certify that the proposed project has not been funded and is not being considered for funding by any air district, the ARB, or any other public agency. Any applicant who is found to have applied for or received incentive funds from another entity or program for the same project without disclosing that information shall at a minimum be disqualified from all funding sources within the control of any air district or the ARB, and may be banned by the ARB from submitting any future applications to any State Grant Program solicitations. NSAQMD and the ARB may also seek civil penalties or criminal sanctions for such non-disclosure. I understand that if I want to apply for alternative funding for this project, I must first withdraw my NSAQMD application. A project may be funded cooperatively by multiple air districts if the project parameters are coordinated amongst the participating districts and the project meets all applicable grant program criteria.
- I certify that the applicant entity is in compliance and will remain in compliance with all applicable federal, state, and local laws, air quality rules and regulations, and that the applicant entity does not have any outstanding/unresolved/unpaid Notices of Violation (NOV) or citations for violations of any federal, state or local air quality regulation.
- I understand that all information provided with this application will be used by the NSAQMD and/or ARB to evaluate the eligibility of this application to receive incentive funds. NSAQMD/ARB will at its sole discretion determine which program funds, if any, will be used for this project. I understand that NSAQMD/ARB staff reserves the right to request additional information of the applicant and can deny the application if such requested information is not provided. NSAQMD will contact applicants who submit incomplete or illegible applications and work with them to complete the application. If the applicant does not respond within 30 days, the application shall be suspended; in such cases, that applicant can petition the NSAQMD to re-initiate the application if they supply the previously identified missing information. The NSAQMD may require the applicant to provide updated information.
- I understand that grant programs have limited funds and shall terminate upon depletion of program funding. The NSAQMD shall honor projects that have been contracted, but are under no obligation to honor applications prior to contracting.
- I understand that the NSAQMD will issue IRS form 1099 to grant recipients as required by law. It is the grant recipient's responsibility to determine their tax liability associated with their participation in the grant program.

- I certify that I have the legal authority to apply for incentive funding for the entity described in this application.
- I have reviewed the information contained in this application and all attachments and I certify under penalty of perjury that it is complete, accurate and correct.
- I agree to the above statements by signing below.

Printed Name of Responsible Party:	Title:
Signature of Responsible Party:	Date:

Third Party application preparation:

List any preparation fee and source of funding:	
Printed Name of Responsible Party:	Title:
Company:	
Signature of Responsible Party:	Date:

DELIVERABLES

All applicants must provide the information specified on this form.

Provide the information detailed below. Attach additional pages if necessary.

A program schedule, with project milestones and dates clearly identified;

Record-keeping for the life of the funded project: Please list steps taken to ensure information is available to provide at a minimum the following reports:

1. *Quarterly status reports* until the equipment purchase has been accomplished. These reports shall include a discussion of any problems encountered and how they were resolved, any changes in the schedule, and recommendations for completion of the project. These progress reports are required before payment will be made.

2. An *annual report*, for the duration of the project life used to determine cost-effectiveness, which provides the annual hours of operation, amount and type of fuel used, and operational and maintenance issues encountered and how they were resolved. All equipment will be required to have a non-re-settable hour meter or odometer installed. NSAQMD reserves the right to verify the information provided.

◆ Refueling (alternative fuels only: Describe how and where equipment will be refueled (on-site, existing facility, mobile equipment, etc.):

DISTRICT HEADQUARTERS
200 Lilton Drive, Suite 320

Grass Valley, CA 95945
(530) 274-9360 / FAX: (530) 274-7546
email: office@myairdistrict.com or www.myairdistrict.com

NORTHERN FIELD OFFICE

257 E. Sierra, Unit E
Mailing Address: P.O. Box 2227
Portola, CA 96122
(530) 832-0102 / FAX: (530) 832-0101
email: julle@myairdistrict.com or www.myairdistrict.com

VEHICLE / EQUIPMENT INFORMATION FORM

Primary Function of Vehicle:

--

Equipment Type (check one):

<input type="checkbox"/> Off Road NEW	<input type="checkbox"/> Off Road REPOWER	<input type="checkbox"/> Off Road RETROFIT	<input type="checkbox"/> On Road NEW	<input type="checkbox"/> On Road REPOWER	<input type="checkbox"/> On-Road RETROFIT	<input type="checkbox"/> Agricultural	<input type="checkbox"/> Forklift	<input type="checkbox"/> Auxiliary Power Unit	<input type="checkbox"/> GSE	<input type="checkbox"/> Other	<input type="checkbox"/> On
---------------------------------------	---	--	--------------------------------------	--	---	---------------------------------------	-----------------------------------	---	------------------------------	--------------------------------	-----------------------------

Annual Vehicle Usage:

Operation within California (%):	Operation within NSAQMD Boundaries (%):
Annual Hours Spent within NSAQMD Boundaries:	
Estimated Annual Fuel Consumption:	

Existing Vehicle Information:

Make:	Model:	Model Year:	GVWR:
Vehicle Identification Number:	Fleet ID Number:	License Plate:	Odometer Reading: Vehicle Type:

Existing Engine Information:

Make:	Model:	Model Year:	Serial Number:	HP:	Hour Meter:
Fuel Type: <input type="checkbox"/> CNG <input type="checkbox"/> LNG <input type="checkbox"/> LPG <input type="checkbox"/> Diesel <input type="checkbox"/> Gasoline <input type="checkbox"/> Other:					
Engine Tier:	Engine Family #:	Total Replacement Cost:			

⊕ All estimates must be accompanied by proper documentation.

New or Replacement Vehicle Information:

Make:	Model:	Model Year:	GVWR:
Vehicle Identification Number:	Fleet ID Number:	License Plate:	Odometer Reading: Vehicle Type:

New Engine or Retrofit System Information:

Make:	Model:	Model Year:	Serial Number:	HP:	Hour Meter:
Fuel Type: <input type="checkbox"/> CNG <input type="checkbox"/> LNG <input type="checkbox"/> LPG <input type="checkbox"/> Diesel <input type="checkbox"/> Gasoline <input type="checkbox"/> Other:					
Engine Repower Parts Cost:		Engine Repower Labor Cost:		Total Repower Cost:	
Description of retrofit technology (REQUIRED IF CARB VERIFIED):				Retrofit Cost:	
EMU required: Installed cost + data summarization fees:					
Certified NO _x Emission Level:		List any other financial incentives/programs (tax credits, deductions, grants, or other public assistance) applied to project:			
EPA Engine Family: REQUIRED					

⊕ All estimates must be accompanied by proper documentation.

Remember: You must submit a completed W-9 FORM to be eligible for reimbursement of the Grant Award.

APPLICATION REQUIREMENTS CHECKLIST

	<p>Completed Application: If the owner, partner or corporate officer will not be signing the Grant Agreement, please provide a letter naming and authorizing another individual to sign the grant agreement and other documents on behalf of the business.</p>
	<p>W-9 Form: Complete and submit IRS form W-9, available from the IRS web site: www.irs.gov/pub/irs-pdf/fw9.pdf. NSAQMD will issue form 1099 as required by law.</p>
	<p>Participating Dealer Quote & Supporting Documents for New Equipment: New equipment must be purchased from a District approved dealer. (Equipment and parts are eligible for funding only if they are required to ensure the effective installation and functionality of the equipment/engine.)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Quote for the new equipment, itemizing all standard equipment and options, including tax and delivery. <input type="checkbox"/> Evidence of warranty with minimum parts and labor coverage on engine and drive train for 1 year, 1600 hours. Warranty costs are not eligible for grant funding. <input type="checkbox"/> Optional: An itemized quote of the parts and labor necessary to install the highest level ARB verified retrofit device available on the new engine. <input type="checkbox"/> Copy of ARB Emissions Executive Order for new engine and/or retrofit device. <input type="checkbox"/> Manufacturer's specification sheet for the new equipment, engine, and/or retrofit device.
	<p>Annual Usage: Include documentation of the equipment usage for at least the twenty-four (24) month period immediately prior to the application date. More than 24 months' usage can be considered if the average over that period is more indicative of future usage. Engine hour documentation is preferred. Please provide at least one of the following types of usage documentation:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Hour meter reading log collected at minimum of once per year from an installed and fully functioning hour meter, or; <input type="checkbox"/> Historical fuel usage documentation specific to the old equipment. Documentation must include fuel logs, purchase receipts, or ledger entries, or; <input type="checkbox"/> At least two items from the following list: <ul style="list-style-type: none"> ◆ Revenue and usage records that identify operational, standby, and down hours for the equipment; ◆ Employee timesheets linked to specific equipment use; ◆ Preventative maintenance records tied to specific hours of equipment use; ◆ Repair work orders specific to the equipment; ◆ Six months of tracking normal equipment usage with a functional, tamper proof hour meter with prior District approval <p>Limited usage documentation or other circumstances will be considered on a case-by-case basis. Prior to contracting, the District will conduct a pre-inspection of the old equipment to verify its operational status.</p> <p>NSAQMD Inspection of Existing Equipment: Arrange with the District an on-site inspection of the existing equipment.</p>
	<p>Proof of Existing Equipment Ownership and Residency in CA (2 years):</p> <ul style="list-style-type: none"> <input type="checkbox"/> Bill of sale for existing equipment; and

	<p>One of the following:</p> <ul style="list-style-type: none"> ◆ Tax depreciation logs ◆ Property tax records ◆ Equipment insurance records ◆ Bank appraisal for equipment ◆ Maintenance/service records ◆ General ledgers ◆ Fuel records specific to existing equipment ◆ Other: <p>If no bill of sale, must provide 2 items from list above</p>
	<p>DOORS Report: Attach report from ARB Diesel Off-road, On-line Reporting system, if required.</p>
	<p>Certificates of Insurance: Provide current certificates of insurance with your application as evidence of coverage for General Liability and Worker's Compensation*. <small>* If the Applicant is exempt from the requirement of maintaining workers compensation insurance, provide evidence of such exemption.</small></p>
	<p>Certificates of Insurance: Funded projects will be required to provide certificates of insurance endorsing the District as additionally insured for this project for General Liability and Property Insurance that covers the replacement cost of the new equipment. When these policies, as well as your Worker's Compensation policy are renewed or changed, updated certificates must be submitted to the APCD until the Grant Agreement expires.</p>
	<p>Financing Documentation: If the Grantee obtains financing to assist in the purchase of replacement equipment, full documentation of financing must be provided to the APCD. No more than the Grantee's share of the cost of the equipment may be financed.</p>

Loan Assistance: Loan assistance may be available for equipment replacement through the California Capital Access Program (CalCAP). Contact your lender for eligibility requirements and to see if they participate in CalCAP. Additional information on CalCAP loans is available from the ARB at: www.arb.ca.gov/ba/loan/off-road/off-road.htm or at 866-6-DIESEL, and from the California Pollution Control Financing Authority at: www.treasurer.ca.gov/cpcf/calcap.asp For a list of participating lenders, see: www.treasurer.ca.gov/cpcf/calcap/institutions.pdf

After Replacement Equipment is Delivered

	<p>NSAQMD Inspection of New Equipment: Arrange with the District an on-site inspection of the New equipment.</p>
	<p>Salvage Certification Form: Salvage yard must be a District approved salvage yard. Submit this form to the District within 30 days of receiving new equipment.</p>
	<p>Final Invoice from Dealership: The applicant cannot finance more than their portion of the cost of the new equipment</p>

Northern Sierra Air Quality Management District
Carl Moyer Program - Application Statement

Please initial each item to signify that you understand and agree with each statement. If you have questions on any of the statements, please call or email Joe Fish at (530) 274-9360, ext 103 or joe@myairdistrict.com.

Initials

- I have legal authority to apply for grant funding for the entity described in this application.
- The proposed project is not required to be implemented by any local, state, and/or federal rule, regulation, or other legally binding requirement.
- No replacement engine/equipment/vehicles have been purchased and no work on this project has begun or will begin until the Grant Agreement is approved by the Board and signed by the Executive Director.
- I understand that I must complete the purchase, repower, or retrofit work specified in the application no later than 18 months after approval of the Grant Agreement and will be required to submit a progress reporting form each calendar quarter until that work is complete. This deadline may be earlier than 18 months after approval of the Grant Agreement in cases where a regulatory deadline is approaching. This deadline may be extended in some circumstances if requested by the applicant and approved in writing by the NSAQMD.
- I understand that it is my responsibility to ensure that all technologies are either verified or certified by the California Air Resources Board (CARB) to reduce NO_x and/or PM pollutants.
- I understand that any engine which has been replaced using Carl Moyer Program funds must be permanently destroyed and rendered useless. Cooling or lubricant passages, and critical mating surfaces in the cylinder block must be breached by burning, cutting, or impact. This work will be documented by NSAQMD inspection.
- I understand that the engine may not be removed from the vehicle/equipment until the manufacturer's permanently marked serial number is made clearly legible and inspected by NSAQMD personnel. If no serial number is legible, I will make certain that an NSAQMD representative has documented a unique indelible mark on the engine prior to removal that ensures the engine's identity can be verified after removal. Alternatively an NSAQMD representative may witness that the engine has been permanently destroyed and rendered useless before it is removed from the vehicle, equipment, or boat.
- I understand that there will be conditions placed upon receiving a grant and agree to refund the grant (or a pro-rated portion) if it is found that at any time I do not meet those conditions. One such condition is that the amount of future annual operation must be at least 70 percent of the historical level of operation claimed in the grant application. Another condition is that at least 75 percent of the equipment's operation must be in California for the entire term of the Grant Agreement. I understand that I must document compliance with these conditions and submit reports annually.
- I certify that the proposed project has not been funded and is not being considered for Carl Moyer Program funds by another air district or any other public agency.
- I understand that I will be prohibited from applying for any form of emission reduction credits for Moyer-funded vehicles/engines, including: Emission Reduction Credit (ERC); Mobile Source Emission Reduction Credit (MSERC) and/or Certificate of Advanced Placement (CAP), for all time, from the NSAQMD, CARB or any other Air Quality Management or Air Pollution Control District.
- I understand that disclosure is required of the value of any current financial incentive that directly reduces the project price, including tax credits or deductions, grants, or other public financial assistance. The incremental cost of the project will be reduced by the amount of the current financial incentive, except for federal funding or funding provided by the Alternative and Renewable Fuel and Vehicle Technology Program to reduce greenhouse gas emissions (GHG).
- I certify that the requested funding does not include administrative costs. Administrative costs are defined as costs related to project submittal preparation, project administration, monitoring, oversight, data gathering,

and report preparation. I will include funds necessary to cover administrative costs and any required matching funds in my budget for the duration of the project.

Initials

___ I have reviewed the sample grant agreement and it is acceptable, without revisions

___ **I have attached records, fuel receipts or logs or operating hour documentation that can be used to validate the amount of historical operation within NSAQMD boundaries. I understand that if the amount of future annual operation is less than 70 percent of this historical level of operation, I hereby agree to abide by actions taken by the District to ensure emission benefits are realized and captured including refunding the grant, or a pro-rated portion of the grant.**

___ I understand that for engine replacement projects, the new engine must be certified to the highest Tier NOx and diesel particulate emission standards that can be installed in the equipment. If an engine with a certification lower than the highest Tier is proposed to be installed, I have attached a letter from the equipment manufacturer or vendor specifying the reason(s) a highest Tier engine cannot be used. All engines must meet the emission standards as described in the current CMP Guidelines.

___ I understand that all engine replacement and retrofit projects must be certified and/or verified to the current applicable emission standards. If applicable, a VDECS lower than highest level available is to be installed, a letter from the engine manufacturer is attached specifying the highest level of VDECS that can be installed on the engine and will perform in the specific engine application. The costs of this device and associated installation are eligible for funding and may be included in the project grant request. Failure to install an available VDECS will trigger the refund provisions of the Grant Agreement

___ I understand that an IRS Form 1099 will be issued to me for incentive funds received under the Carl Moyer Program. I understand that it is my responsibility to determine the tax liability associated with participating in the Moyer Program.

___ I understand that a Global Positioning System (GPS) unit may be required to be installed vehicles/equipment. I will submit data as requested and otherwise cooperate with all data reporting requirements.

___ I understand that the NSAQMD has the right to conduct unannounced inspections to ensure the project equipment is fully operational and at the activity level committed to in the grant agreement.

___ I understand that a tamper proof, non-resettable digital hour meter/odometer must be installed and maintained in operating condition on all vehicles/equipment.

___ I understand that all projects must achieve a cost-effectiveness of \$17,460 per weighted ton of air pollutants reduced. 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; (NOx + ROG + 20*PM). AQMD staff will calculate cost effectiveness.

___ I understand that for ranking purposes, only emission reductions occurring in the Antelope Valley AQMD will be used to calculate cost-effectiveness.

___ I understand that information regarding fleet size and compliance status must be submitted at time of application submittal. Fleet size must include Moyer project and compliance must be maintained throughout the contract term. This must include the Diesel Off-Road On-line Reporting System (DOORS) ID of the fleet and the DOORS Equipment Identification Number (EIN) of the funded equipment. All documentation submitted must be signed and dated by the applicant and include language certifying that the fleet list provided is accurate and complete.

___ I understand that Moyer projects are not to be used for compliance extension or credit.

___ I certify to the best of my knowledge that the information contained in this application is true and accurate.

___ I understand that third party contracts are not permitted. A third party may, however complete an application on an owner's behalf. Third parties are required to list how much compensation, if any, they are receiving to prepare the application, and to certify that no Carl Moyer Program funds are being used for this compensation. (see below)

Applicant's Signature

Date

Applicant's Name (please print)

Title

If an entity other than the applicant assisted in the preparation of the application, please provide the information requested below.

Application Preparer's Name and Contact Information (please print)

Compensation received for application preparation: \$ _____

I certify that no Carl Moyer Program funds are the source for this compensation:

Application Preparer's Signature

Date

**NSAQMD
CARL MOYER PROGRAM
FUNDING DISCLOSURE STATEMENT**

Have you applied for or been awarded other grants for any engines listed in this application? <input type="checkbox"/> Yes, complete section below <input type="checkbox"/> No, skip the remaining items in this table and sign below	
Agency Applied to:	
Date of Application:	
Funding Amount:	
Engines Included In This Request (list engine serial numbers):	
Status of Application: <input type="checkbox"/> Cancelled <input type="checkbox"/> Pending <input type="checkbox"/> Funded <input type="checkbox"/> Other, explain:	

(photocopy this page when blank to complete for engines included in separate funding/grant requests)

By signing below, the Applicant hereby certifies the following:

- (1) Applicant has disclosed to the Grantor/District any and all other grant or funding applications it has directly or indirectly submitted to any other air pollution control districts or air quality management districts for the same specific engine(s).
- (2) Applicant agrees not to submit other Carl Moyer Grant applications or sign other contracts or Grant Agreements for the same specific engine(s) with any other source of funds, including but not limited to, other state or local air pollution control district or the California Air Resources Board for a multi-district solicitation. Applicant further agrees and understands that this Grant Agreement shall, at a minimum, be immediately terminated and may result in the Applicant being banned from submitting future applications to any and all Carl Moyer Program administering air pollution control district or air quality management district if it is discovered that the Applicant has submitted multiple applications or signed multiple contracts or grant agreements, not previously disclosed, for the same engine(s) as set forth in this Grant Agreement.
- (3) Applicant has disclosed the value of any current financial incentive that directly reduces the project price, including tax credits or deductions, grants, or other public financial assistance, for the same engine(s). The incremental cost of the project will be reduced by the amount of the current financial incentive, except for projects, beginning July 1, 2011, in which the following funding sources are used to reduce greenhouse gas emissions: a. Federal funding to reduce greenhouse gas emissions. b. Alternative and Renewable Fuel and Vehicle Technology Program.
- (4) Applicant understands that if it is found to be in violation of the terms and conditions of this Grant Agreement and/or this Disclosure Statement, the California Air Resources Board may levee fines and/or seek criminal charges to the fullest extent allowed by law against the Applicant, including but not limited to the Business and Professional Code and California Health and Safety Code Section 43016.

Printed Name of Responsible Party:	Title:
Signature of Responsible Party:	Date:

**NSAQMD
CARL MOYER PROGRAM
REGULATORY COMPLIANCE STATEMENT**

Legal Owner Name:
Company Name:
Mailing Address:
Physical Address (if different than mailing address):
Phone:
E-mail:

As an applicant/participant of the Carl Moyer Program, I declare that [COMPANY NAME]

1. Is in compliance with, and
2. Will remain in compliance with, and
3. Does not have any outstanding/unresolved/unpaid Notices of Violations (NOV) or citations for violations of any federal, state, and local air quality regulations including, but not limited to, the following:

- Cargo Handling Equipment Regulation
- Commercial Harbor Craft Regulation
- Drayage Truck Regulation (including dray-off trucks)
- In-Use Off-Road Diesel Vehicle Regulation
- Marine Shore Power Regulation
- Off-Road Large Spark Ignition Fleet Regulation
- Portable Diesel Airborne Toxic Control Measure
- Public Agency and Utility Rule
- Sleeper Berth Truck Idling Regulation
- Solid Waste Collection Vehicle Regulation
- Statewide Truck and Bus Regulation
- Stationary Engine Airborne Toxic Control Measure
- Transit Fleet Rule

I certify under penalty of perjury that the information provided is accurate.

Authorized Signature:	Date:
Authorized Representative's Printed Name:	Authorized Representative's Title:

Appendix B: Year 20 Sample Contract

GRANT AGREEMENT

between

The Northern Sierra Air Quality Management District

and

Participant

This Agreement is made and entered into this _____ day of _____, 2018, by and between the NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT (NSAQMD), an air pollution control district formed pursuant to the laws of the State of California and Participant (Contractor).

WITNESSETH

This Agreement (“Agreement”) between the Northern Sierra Air Quality Management District, a public agency of the State of California, hereinafter referred to as “District” and “Participant”, a California Corporation, hereinafter referred to as “Participant”:

WHEREAS, pursuant to Health and Safety Code §41082, the District may undertake programs that include financial assistance or other incentives to fleet operators for the purchase, conversion or operation of low-emission motor vehicles; and

WHEREAS, only public or private agency fleets that permanently reside within Nevada, Sierra, or Plumas Counties qualify for funding; and

WHEREAS, under Resolution No. 2008-08 on November 24, 2008, NSAQMD’s Board of Directors authorized the NSAQMD to participate in the eleventh year of the “Carl Moyer Memorial Air Quality Standards Attainment Program (Heavy-Duty Low-Emission Vehicle Incentive Program)”; and

WHEREAS, pursuant to Northern Sierra Air Quality Management District Board Resolution No. 2004-03, the Air Pollution Control Officer is authorized to execute incentive agreements for the “Carl Moyer Memorial Air Quality Standards Attainment Program (Heavy-Duty Low-Emission Vehicle Incentive Program)”; and

WHEREAS, “Participant” represents that the purchase is NOT required by any local, state, and/or federal rule or regulation. For public agencies, controlling board policy does NOT require the purchase.

Participant Initial

APCO Initial

NOW, THEREFORE, based on their mutual promises, covenants, and conditions, the parties hereby agree as follows:

1. PROJECT

Contractor shall perform all activities and work necessary to implement and complete the project set forth in the proposal which is incorporated herein as Exhibit A. Contractor agrees to furnish all labor, materials, equipment, licenses, permits, fees, and other incidentals necessary to perform and complete, per schedule, in a professional manner, the services described herein. Contractor represents that Contractor has the expertise necessary to adequately perform the project specified in Exhibit A.

In the event of any conflict between or among the terms and conditions of this Agreement, the exhibits incorporated herein, and the documents referred to and incorporated herein, such conflict shall be resolved by giving precedence in the following order of priority:

1. The text of this Agreement;
2. Exhibits A, B, Exhibit B-1a to this Agreement;
3. The NSAQMD Year 20 Carl Moyer Incentive Program Policy and Procedures prepared by the NSAQMD; and,
4. The Carl Moyer Program Guidelines (April 21, 2017) and applicable Carl Moyer Program Advisories.

In addition, unless stricter compliance requirements are defined by Items 1 to 3 in the list above, then the project shall comply with the requirements established in Item 4.

2. PERIOD OF PERFORMANCE/TIMETABLE

Contractor shall commence performance of work and produce all work products in accordance with the work schedule and deadlines for performance identified in Exhibit A (Statement of Grant Obligations) unless this Agreement is terminated sooner as provided for elsewhere in this Agreement.

3. ENGINE(S)/EQUIPMENT REQUIREMENTS

A. Installation: The Contractor shall provide the NSAQMD with written authorization from the manufacturer for that agent to perform the installation. Use of an unauthorized agent for the engine(s)/equipment installation shall constitute a breach of this Agreement.

C. Maintenance: The Contractor shall maintain the new grant-funded engine(s)/equipment pursuant to the manufacturer's written specifications. Prior to operating the engine(s)/equipment; the Contractor will provide the NSAQMD with a copy of the manufacturer's written maintenance specifications. The Contractor will keep a maintenance log containing records of all maintenance performed on the engine(s)/equipment.

Participant Initial

APCO Initial

The Contractor shall make these maintenance logs available for NSAQMD review upon request by the NSAQMD. To ensure accurate engine(s)/equipment reporting, Contractor is required to maintain equipment (hour meters, odometers) necessary to determine usage. The Contractor must document usage during a failure of such equipment and provide the NSAQMD with that documentation with the Annual Usage Report. Failure to comply with these conditions will constitute a breach of this Agreement. Failure to maintain the engine(s)/equipment to the manufacturer's specifications will constitute a breach of this Agreement.

C. Operation: The Contractor shall operate the new grant-funded engine(s)/equipment pursuant to the manufacturer's written specifications. Prior to operating the engine(s)/equipment, the Contractor will provide the NSAQMD with a copy of the manufacturer's written operating specifications. Failure to operate the engine(s)/equipment within the manufacturer's specifications will constitute a breach of this Agreement.

D. Modification: The Contractor is prohibited from modifying the engine(s)/equipment configuration. This includes but is not limited to modifications to the engine(s)/equipment, electronic control unit, cooling, exhaust, crank-case ventilation and lubrication systems, power take-offs, and the transmission/gear reduction as applicable. The Contractor is required to conduct routine maintenance and repair as needed. All components replaced as part of routine maintenance and/or repair must comply with the original installed engine(s)/equipment configuration and manufacturer's specification. Any modifications to the engine(s)/equipment configuration without written consent from an agent authorized by the manufacturer and the NSAQMD will constitute a breach of this Agreement.

4. PERFORMANCE

This project will result in emission reductions because the replacement engine(s)/equipment has (have) lower emissions than the original engine(s)/equipment. The required emission reductions over the Agreement term are specified in Exhibit A. The performance measure to ensure that the required emission reductions are achieved for this project shall be derived from the total engine operation since it (they) was (were) installed, based on either fuel usage or engine(s)/equipment hours as Specified in Exhibit A. As required by the Carl Moyer Program Guidelines (April 21, 2017), a minimum of 75 percent of the project's operation must be within California.

Annually, through the term of this Agreement or any amendments to it, and starting one year from the day of the NSAQMD post-inspection, Contractor shall provide the NSAQMD with Annual Engine/Equipment Usage Reports as outlined in Exhibit B using the report form in (Exhibit B-1a). Prior to this Agreement being deemed complete, the NSAQMD shall assess whether the engine(s)/equipment was (were) sufficiently operated to achieve the required emission reductions. Engine(s)/equipment operation over the Agreement term, must result in the contracted usage as stated in Exhibit A being achieved. In the case where the actual usage is between plus or minus 30% of the contracted usage, then the NSAQMD shall declare the Agreement complete. In the case where the actual usage is 30% above the contracted usage, the Contractor will provide the NSAQMD with the reason for the extra usage and if the NSAQMD, the ARB or their designee(s) deem the reasoning acceptable, the NSAQMD shall declare the Agreement complete. In the case where the actual usage is 30% below the contracted usage or excessive usage is not acceptable to the NSAQMD, the ARB or their designee(s), then one of the following performance compliance options for the project shall be selected by the NSAQMD:

Participant Initial

APCO Initial

1. The Contractor shall repay a portion of the grant amount to the NSAQMD where the repayment portion is determined using the following formula:

$$R = G \times \left(1 - \frac{O_{act}}{O_{con}} \right)$$

Where:

R is the repayment amount;

G is the total grant amount as stated in Paragraph 6;

O_{act} is the total actual engine(s) operation amount since the repower was completed;

O_{con} is the total required engine(s) operation amount over the term of this Agreement defined in Exhibit A; or,

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

5. RECORD KEEPING AND REPORTING

A. Records: Contractor shall keep, and provide to NSAQMD or its agents, upon request, accurate financial records (including invoices and published price lists on which Agreement was based) necessary to enable NSAQMD to review Contractor's performance of this Agreement. These records shall demonstrate the grant funding has been used for the purchase of engine(s)/equipment and/or provision of services as described in Exhibit A to this Grant Agreement, Statement of Grant Obligations. Contractor shall maintain all such records for at least five years after the date on which the engine(s)/ equipment and or/services was (were) purchased.

B. Reports: The Contractor shall submit report(s) to the NSAQMD in accordance with the schedule and format specified in Exhibit B (Annual Grant Status Report Format) and Exhibit B-1a (Annual Engine Usage Report). Failure to comply with reporting requirements will trigger District Auditing as specified in the Carl Moyer Program Guidelines.

6. COMPENSATION

The total obligation of NSAQMD under this Agreement shall not exceed **fifty eight thousand, nine hundred and ninety five dollars (\$58,995)**.

A. Payments: Only expenditures incurred by Contractor in the direct performance of this Agreement can be reimbursed by NSAQMD. Contractor shall invoice the NSAQMD in accordance with the schedule specified in Exhibit A. Payments by NSAQMD to Contractor for any services detailed in Exhibit A shall be permitted only after said services have been satisfactorily rendered, and after a written request and claim from Contractor for such payment has been received by NSAQMD. Said written request shall set forth the work completed in the claim period and shall include copies of any and all invoices or financial records needed to verify that stated costs have been incurred by Contractor.

Participant Initial

APCO Initial

Invoices and supporting records shall be submitted to NSAQMD no more often than once every five months, unless prior approval for a greater frequency has been given by NSAQMD. Claims and all supporting documentation shall be submitted to the Northern Sierra Air Quality Management District (NSAQMD), 200 Litton Dr., Suite 320, Grass Valley, California 95945, Attention: Joe Fish.

NSAQMD shall pay Contractor within thirty (30) calendar days after receiving a request for payment and verifying that services have been satisfactorily completed as cited in the invoice.

The amount to be paid to Contractor under this Agreement shall include all sales and use taxes incurred pursuant to this Agreement, if any, including any such taxes due on equipment purchased by Contractor.

B. Surplus Funds: Any part or all of a payment by NSAQMD to Contractor, which is not utilized for any reason by Contractor to pay costs pursuant to the terms and conditions of this Agreement or as detailed in a claim by Contractor, shall be refunded to NSAQMD within 30 days after the end of the project term defined in Paragraph 2 above.

C. Close-out Period: All final claims for repayment shall be submitted by Contractor to NSAQMD within sixty (60) days following the final month of activities for which payment is claimed. No action will be taken by NSAQMD on claims submitted beyond the 60-day close-out period.

7. NON-ALLOCATION OF FUNDS

The terms of this Agreement and the services to be provided thereunder are contingent on the approval and appropriation of funds by the Air Pollution Control Officer. Should sufficient funds not be allocated, the services provided may be modified or this Agreement may be terminated at any time by NSAQMD after giving Contractor thirty (30) days notice in writing.

8. INDEPENDENT CONTRACTOR

In performance of the work, duties, and obligations assumed by Contractor under this Agreement, it is mutually understood and agreed that Contractor, including any and all of Contractor's officers, agents, and employees, will at all times be acting and performing as an independent contractor and shall act in an independent capacity and not as an officer, agent, servant, employee, joint venturer, partner, or associate of NSAQMD. Furthermore, except for requirements specifically stated in this Agreement, NSAQMD shall have no right to control, supervise or direct the manner or method by which Contractor shall perform its work and function. However, NSAQMD shall retain the right to administer this Agreement so as to verify that Contractor is performing its obligations in accordance with the terms and conditions thereof. Contractor and NSAQMD shall comply with all applicable provisions of law and the rules and regulations, if any, of governmental authorities having jurisdiction over matters the subject thereof.

Because of its status as an independent contractor, Contractor shall have absolutely no right to employment rights and benefits available to NSAQMD employees. Contractor shall be solely liable and responsible for providing to, or on behalf of, itself all legally required employee benefits.

Participant Initial

APCO Initial

In addition, Contractor shall be solely responsible and hold NSAQMD harmless from all matters relating to payment of Contractor's employees, including compliance with social security, withholding, and all other regulations governing such matters. It is acknowledged that during the term of this Agreement, Contractor may be providing services to others unrelated to NSAQMD or to this Agreement.

9. TERMINATION

A. Breach of Agreement: NSAQMD may immediately suspend or terminate this Agreement, in whole or in part, for any of the following reasons:

1. An illegal or improper use of funds;
 2. A failure to comply with any term of this Agreement;
 3. A substantially incorrect or incomplete report submitted to NSAQMD;
 4. Improperly performed services; or
5. Contractor breaches any requirements of the Carl Moyer Program Guidelines (April 21, 2008) and applicable Carl Moyer Program Advisories.

In no event shall any payment by NSAQMD constitute a waiver by NSAQMD, the ARB or their designee(s) of any breach of this Agreement or any default which may then exist on the part of Contractor, nor shall such payment impair or prejudice any remedy available to NSAQMD, the ARB or their designee(s) with respect to the breach or default. NSAQMD, the ARB or their designee(s) shall have the right to demand of Contractor the repayment to NSAQMD of any funds disbursed to Contractor under this Agreement which in the judgment of NSAQMD, the ARB or their designee(s) 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, NSAQMD, the ARB or their designee(s) may impose any other remedies available at law, in equity, or otherwise specified in this Agreement.

B. Without Cause: Either party may terminate this Agreement at any time after giving the other party at least thirty (30) days advance written notice of intention to terminate. In such case, Contractor shall be paid the reasonable value of all services, if any, satisfactorily rendered and actual, reasonable costs incurred up to the time of the termination. Upon such termination, all the work, if any, produced by Contractor shall be promptly delivered to NSAQMD. Additional terms and conditions may apply in the event of termination by the Contractor, as identified in Paragraph 27.C of this Agreement.

10. MODIFICATION

Any matters of this Agreement may be modified from time to time by the written consent of all the parties without in any way affecting the remainder.

11. NON-ASSIGNMENT

Neither party shall assign, transfer, or subcontract this Agreement, nor their rights or duties under this Agreement, without the prior express, written consent of the other party.

Participant Initial

APCO Initial

12. INDEMNIFICATION

Contractor agrees to indemnify, save, hold harmless, and at NSAQMD's request, defend NSAQMD, its boards, committees, representatives, officers, agents, and employees from and against any and all costs and expenses (including reasonable attorneys' fees and litigation costs), damages, liabilities, claims, and losses (whether in contract, tort, or strict liability, including, but not limited to, personal injury, death, and property damage) occurring or resulting to NSAQMD which arises from any negligent or wrongful acts or omissions of Contractor, its officers, agents, subcontractors, or employees in their performance of this Agreement.

In addition, by signing this agreement, Contractor affirms that the project proposed in

Exhibit A to this Grant Agreement has not been funded and is not being considered for funding by another air district, ARB, or any other public agency. Any applicant who is found to have submitted multiple applications for the same project may be banned by the ARB from submitting future applications to Carl Moyer Program solicitations and may be subject to criminal sanctions. A project funded cooperatively by multiple air districts is eligible for funding if the project parameters are coordinated amongst the participating districts and the project meets all applicable Carl Moyer Program criteria. Applicants are allowed to re-apply for project funding if a previous application has been rejected and is no longer being considered for funding or if the applicant withdraws the previous application from the other funding source.

13. INSURANCE

A. Without limiting NSAQMD's right to obtain indemnification from Contractor or any third parties, Contractor, at its sole expense, shall maintain in full force and effect the following insurance policies throughout the term of this Agreement:

Commercial general liability insurance with minimum limits of coverage in the amount of one million dollars (\$1,000,000) per occurrence;

Commercial automobile liability insurance which covers bodily injury and property damage with a combined single limit with minimum limits of coverage in the amount of one million dollars (\$1,000,000) per occurrence; and,

Workers' compensation insurance in accordance with California law.

In the event Contractor is exempt from the requirement of maintaining workers compensation insurance, Contractor shall provide to the District satisfactory evidence of such exemption.

B. Prior to finalizing this Agreement, Contractor shall provide certifications of insurance on the foregoing policies, as required herein, to NSAQMD, stating that such insurance coverages have been obtained and are in full force. The Contractor's general commercial liability insurance policy, worker's compensation policy, and automotive general liability shall endorse/name the NSAQMD, its officers, agents, employees, individually and collectively, as additional insured, but only insofar as the engine(s)/equipment provided under this Agreement. Such coverage for additional insured shall apply as primary insurance, and any other insurance maintained by NSAQMD, its officers, agents, and employees, shall be excess only and not contributing with insurance provided under Contractor's policies herein. This insurance shall not be canceled or changed without a minimum of thirty (30) days advance, written notice given to NSAQMD.

Participant Initial

APCO Initial

C. In the event Contractor fails to keep in effect at all times insurance coverage as herein provided, NSAQMD may, in addition to other remedies it may have, suspend or terminate this Agreement upon the occurrence of such event.

14. AUDITS AND INSPECTIONS

Contractor shall at any time during regular business hours, and as often as NSAQMD, the ARB or their designee(s) may deem necessary, make available to and permit NSAQMD, the ARB or their designee(s) to inspect and audit all of the Contractor's engine(s)/equipment and/or records necessary to determine Contractor's compliance with the terms of this Agreement.

Contractor shall be subject to an audit by NSAQMD, the ARB or their designee(s) to determine if the revenues received by Contractor were spent for the reduction of pollution as provided in this Agreement and to determine whether said funds were utilized as provided by law and this Agreement. If, after audit, NSAQMD, the ARB or their designee(s) makes a determination that funds provided to the Contractor pursuant to this Agreement were not spent in conformance with this Agreement or any other applicable provisions of law, Contractor agrees to immediately reimburse NSAQMD all funds determined to have been expended not in conformance with this Agreement.

Contractor shall retain all records and data for activities performed under this Agreement for at least five (5) years from the date of final payment under this Agreement or until all state and federal audits are completed for that fiscal year, whichever is later.

The Contractor understands and agrees that the ARB has the authority and reserves the right to monitor and enforce the terms of the contract at any time during the project life to ensure emission reductions are obtained for a minimum of 75 percent operation within California. The NSAQMD, the ARB or their designee(s) may seek whatever legal, equitable and other remedies are available under State law for the owner's failure to comply with the Carl Moyer Program requirements and failure to fully perform under the grant agreement.

15. NOTICES

The persons and their addresses having authority to give and receive notices under this Agreement are as follows:

CONTRACTOR

John XYZ
President
XYZ Company
5356 Donner Pass Road
Truckee, CA 96161

NSAQMD

Gretchen Bennitt
Air Pollution Control Officer
Northern Sierra Air Quality Management District
200 Litton Drive, Suite 320
Grass Valley, CA 95945

Any and all notices between NSAQMD and Contractor provided for or permitted under this Agreement or by law shall be in writing and shall be deemed duly served when personally delivered to one of the parties, or in lieu of such personal service, when deposited in the United States mail, postage prepared, addressed to such party.

Participant Initial

APCO Initial

16. 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.

17. LOBBYING PROHIBITED

None of the funds provided under this Agreement shall be used for publicity, lobbying, or propaganda purposes designed to support or defeat legislation before the Congress of the United States of America or the Legislature of the State of California.

18. CONFLICT OF INTEREST

No officer, employee, or agent of NSAQMD who exercises any function or responsibility for planning and 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 NSAQMD.

19. 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 Nevada County, California.

20. BINDING ON SUCCESSORS

This Agreement, including all covenants and conditions contained herein, shall be binding upon and inure to the benefit of the parties, including their respective successors-in-interest, assigns, and legal representatives.

21. 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 NSAQMD, 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.

22. DATA OWNERSHIP

Upon termination or expiration of this Agreement, all data which is received, collected, produced, or developed by Contractor under this Agreement shall become the exclusive property of NSAQMD, provided, however, Contractor shall be allowed to retain a copy of any non-confidential data received, collected, produced, or developed by Contractor under this Agreement, subject to NSAQMD's exclusive ownership rights stated herein. Accordingly, Contractor shall, if requested, surrender to NSAQMD all such data which is in its possession (including its subcontractors or agents), without any reservation of right or title, not otherwise enumerated herein. NSAQMD shall have the right at reasonable times during the term of this Agreement to inspect and reproduce any data received, collected, produced, or developed by Contractor under this Agreement.

Participant Initial

APCO Initial

No reports, professional papers, information, inventions, improvements, discoveries, or data obtained, prepared, assembled, or developed by Contractor, pursuant to this Agreement, shall be released or made available (except to NSAQMD) without prior, express written approval of NSAQMD while this Agreement is in force.

23. NO THIRD-PARTY BENEFICIARIES

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 NSAQMD, and no other person, firm, corporation, or entity shall be deemed an intended third-party beneficiary of this Agreement.

24. SEVERABILITY

In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be unenforceable in any respect by a court of competent jurisdiction, such holding shall not affect any other provisions of this Agreement, and the Agreement shall then be construed as if such unenforceable provisions are not a part hereof.

25. TITLE TO EQUIPMENT

Title to and risk of loss of equipment purchased with funds received through this Agreement shall, at all times, vest in and with Contractor. Contractor acknowledges that NSAQMD did not supply, design or manufacture the equipment or any of its components. This equipment is commercially manufactured and sold by a manufacturer to be determined by Contractor. NSAQMD specifically disclaims all warranties, express and implied, including the implied warranties of merchantability and fitness for the intended purpose, as to the purchased equipment, any test equipment or field tests. In no event shall NSAQMD be liable to Contractor or any third party for any direct, indirect, consequential, special, incidental, or punitive damages for the design, manufacture, operation, maintenance, performance, or demonstration of the purchased equipment under any theory, including but not limited to, tort, contract, breach of warranty, or strict liability.

26. RIGHTS TO EMISSION REDUCTIONS

With the exception of early compliance credits authorized by State statute or regulations

written by the California Air Resources Board, Contractor transfers and conveys to NSAQMD all rights and claim to ownership of the emission reductions achieved through the project funded by this Agreement. Contractor shall not use or attempt to use the emission reductions achieved by the project as emission reduction credits. Contractor hereby fully and completely relinquishes such rights for the useful life of the project as specified in Exhibit A.

27. SPECIAL CONDITIONS

A. Agreement Completion: The entire proposed project must be completed according to the schedule presented in Exhibit A, Statement of Grant Obligations. The NSAQMD, at its discretion, may instead elect to modify the said schedule unless such an extension is not possible as a result of regulatory requirements.

Participant Initial

APCO Initial

B. Disposal of Replaced Equipment: Contractor will be removing from service the existing equipment as outlined in Exhibit A.

C. Termination: Contractor may terminate its obligation to operate the low emissions equipment funded under this Agreement for good cause provided that Contractor shall reimburse the NSAQMD based on the repayment equation specified in Paragraph 4 ("Performance") of this Agreement. Notice of termination shall be provided in writing and shall be effective upon completion of the terms of this Paragraph. Such notice shall terminate Contractor's obligation under Paragraphs 1 (Project) and 2 (Period of Performance / Timetable) of this Agreement.

D. Replacement, Sale, Relocation or Damage to Engine(s)/Equipment:

1. Replacement: If for any reason, the new engine(s)/equipment is (are) rendered inoperable during the life of this Agreement, the Contractor shall notify the NSAQMD of this fact in writing within 15 days and begin working with the NSAQMD to promptly complete one of the two options listed below:

- (a) Contractor shall replace the engine(s)/equipment with an engine(s)/equipment that has (have) equal or lesser air emissions, as determined by the NSAQMD. Once the replacement engine(s)/equipment is (are) determined, the NSAQMD will amend the Agreement to specify the replacement engine(s)/equipment. The amendment will also extend the life of the Agreement to account for the time that the engine(s)/equipment was (were) out of service and unable to meet the original Agreement performance obligations. In the event that such an amendment is not possible as a result of regulatory requirements, this Agreement's performance requirements shall be addressed by the Contractor repaying the NSAQMD a portion of the grant amount based on the repayment equation specified in Paragraph 4 ("Performance") of this Agreement.
- (b) If the Contractor elects not to replace the inoperable engine(s)/equipment with an engine(s)/equipment that has (have) greater air emissions, as determined by the NSAQMD, then the Contractor shall repay the NSAQMD based on the repayment equation specified in Paragraph 4 ("Performance") of this Agreement.

2. Sale: If for any reason, the new engine(s)/equipment is (are) to be sold by the Contractor during the life of this Agreement, the Contractor shall notify the NSAQMD of this fact in writing 15 days prior to listing or otherwise preparing for the sale of the engine(s)/equipment and begin working with the NSAQMD to promptly complete one of the following two available options:

- (a) Contractor shall make compliance with this Agreement a written condition of the sale and a new Agreement between the NSAQMD and the new owner must be finalized as part of the final sale. Sale of the engine(s)/equipment can only occur within Nevada, Sierra or Plumas counties. Copies of all forms pertaining to the sale of the engine(s) shall be provided to the NSAQMD within 30 days of the sale and the forms shall refer to the existence of this Agreement and the new Agreement in the space provided for Warranties / Appurtenances / Limitations / Exceptions.
- (b) If the Contractor elects to sale the engine(s)/equipment without the completion of the grant Agreement obligations or the engine(s)/equipment is sold outside of Nevada, Sierra or Plumas counties, the Contractor shall repay the NSAQMD based on the repayment equation specified in Paragraph 4 ("Performance") of this Agreement.

Participant Initial

APCO Initial

3. Relocation: If for any reason during the life of this Agreement the Contractor wants to relocate outside of Nevada, Sierra or Plumas counties and continue to use the new engine(s)/equipment inside California, Contractor shall notify the NSAQMD of the specifics of the relocation in writing 15 days prior to the relocation and begin working with the NSAQMD to determine the possibility of modifying the Grant Agreement. If relocation occurs outside of California, Contractor shall repay the NSAQMD based on the repayment equation specified in Paragraph 4 ("Performance") of this Agreement.

4. Damage: If for any reason, the new engine(s)/equipment is (are) damaged but repairable during the life of this Agreement, the Contractor shall notify the NSAQMD of this fact in writing within 15 days and begin working with the NSAQMD to promptly complete one of the two options listed below:

(a) Contractor shall have the damaged engine(s)/equipment repaired by an agent that is authorized by the manufacturer to complete the repairs. Use of an unauthorized agent for the engine(s)/equipment repair shall constitute a breach of this Agreement. Depending on the needed repair time, the NSAQMD will determine if an amendment to the Agreement is needed to extend the life of the Agreement to account for the time that the engine(s)/equipment will be out of service and unable to meet the original Agreement performance obligations. In the event that such an amendment is not possible as a result of regulatory requirements, this Agreement's performance requirements shall be addressed by the Contractor repaying the NSAQMD a portion of the grant amount based on the repayment equation specified in Paragraph 4 ("Performance") of this Agreement.

(b) If the Contractor elects not to have the damaged engine(s)/equipment repaired, then the Contractor shall repay the NSAQMD based on the repayment equation specified in Paragraph 4 ("Performance") of this Agreement.

E. New Truck Title Requirements: Contractor agrees to the following motor vehicle title requirements for the new truck:

1. Contractor shall provide a copy of the replacement vehicle's title to the NSAQMD, demonstrating that the Northern Sierra Air Quality Management District is named as a lien holder for the vehicle.

2. Contractor must be the legal owner of the replacement vehicle throughout the term of this Agreement.

3. If the replacement vehicle is financed, the Contractor will list both the NSAQMD and the finance company as lien holders for the vehicle.

4. If the replacement vehicle is financed, and the loan is repaid before the termination of this Agreement, Contractor must ensure that the NSAQMD remains a lien holder on the replacement vehicle for the term of this Agreement.

Participant Initial

APCO Initial

5. If the replacement vehicle is repossessed by the finance company, Contractor must reimburse the NSAQMD in accordance with the formula in Section 4.

6. Any changes to the replacement vehicle's title must be pre-approved in writing by the NSAQMD.

28. ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement between Contractor and NSAQMD with respect to the subject matter hereof and supersedes all previous negotiations, proposals, commitments, writings, advertisements, publications, and understandings of any nature whatsoever unless expressly included in this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first hereinabove written.

_____ Date: _____
"CONTRACTOR"

_____ Date: _____
Chair, Board of Directors
Northern Sierra Air Quality Management District

_____ Date: _____
Northern Sierra Air Quality Management District
Gretchen Bennitt
Air Pollution Control Officer

EXHIBIT A

STATEMENT OF GRANT OBLIGATIONS

General

The NSAQMD promotes voluntary diesel engine emission reduction programs under cooperative agreements with eligible applicants to reduce public exposure to ozone precursors and toxic diesel particulate matter. The objective of this Grant Agreement is to reduce these air pollution emissions from one heavy-duty truck in the Contractor's fleet by replacing that truck with a new truck and scrapping the old truck including the engine. The truck is based in Nevada County at 55555 Donner Pass Road within the Town of Truckee, CA. This project's cost effectiveness is less than the Carl Moyer Program cost effectiveness limit of \$16,000 per weighted ton of pollutants as defined in the April 21, 2008 Carl Moyer Guidelines (Moyer Guidelines) with the Grant Agreement life being 5 years.

Project Description

This project involves the replacement of an existing 1973 Peterbilt vehicle with a 1987 Cummins engine with a comparable 2008 Peterbilt truck with a 2008 Cummins engine. The following **baseline (old)** truck and engine will be permanently removed from service as a result of this project:

1. TRUCK: 1973- Peterbilt, model 259; Contractor's Equipment ID MC73; Vehicle Identification Number: 55555P; GVWR: 80,000; License Plate Number: XXXXXXXX; 3 axel transfer dump style truck.
2. ENGINE: 1987- 424hp Cummins, model NTC recon diesel engine; Contractor's Equipment ID MC73; Serial Number 555555; Usage 17, 985 miles/yr; NOx Emission Factor 21.11g/mi; ROG Emission Factor 0.81g/mi; PM Emission Factor 1.354g/mi

The funding award for this project will not exceed \$58,995. This project will be funded from the NSAQMD's 11th Year Moyer funding.

The following **new** truck and engine will be placed into service as a result of this project. The performance requirements, emission certifications and usage over the life of this Agreement for the new replacement engine/equipment technology shall be as follows:

1. TRUCK: 2008- Peterbilt, model 15x; Contractor's Equipment ID MC73; Vehicle Identification Number: TBD; 3 axel transfer dump style truck.
2. ENGINE: 2008- 485hp Cummins, model ISX 485 diesel engine; Contractor's Equipment ID to be defined; Serial Number to be defined; Usage 17,985miles/yr; NOx Emission Factor 6.36g/mi; ROG Emission Factor 0.23g/mi; PM Emission Factor 0.28g/mi; Engine Family Number 8CEXH0912XAL.

Matching Funds

Costs incurred in excess of \$58,995 will be the responsibility of the Contractor and shall constitute their matching and/or in-kind contribution for the project.

STATEMENT OF WORK AND PROJECT TIMELINE

Installation Deadline: Tasks 1 to 6 below need to be completed as rapidly as possible but must be completed before _____ 2019. These project tasks are consistent with those identified in the Memorandum of Understanding between the two partnering air districts for the NSAQMD's fleet modernization program, NSAQMD and Sacramento Metropolitan Air Quality Management District (SMAQMD). Should these tasks not be completed by this date, the Agreement shall be deemed terminated, Contractor shall forfeit the funding award and the NSAQMD shall apply the funds to another project.

Task 1: Agreement and Insurance Documentation: Contractor shall submit insurance documents (Paragraph 13) and signed Agreement to the NSAQMD. The Contractor shall not commence the project until they have received their copy of the finalized Agreement from the NSAQMD.

Task 2: Project Purchase Order: Upon receiving a copy of the executed Agreement, the Contractor is required to:

- a. Place an order for new replacement truck meeting contract specifications from the Sacramento Fleet Modernization dealer that provided the project quote;
- b. Make any required payment to Dealer for costs not reimbursed by grant.
- c. Mail NSAQMD a copy of the purchase order.

Task 3: Invoice Preparation:

- a. Truck dealer will invoice Contractor for all costs and ensure delivery of old truck to scrap yard;
- b. Upon receipt of dealer invoice, Contractor will invoice NSAQMD, using the NSAQMD provided form, for Grant Award amount, attaching a copy of the dealer invoice.

Task 4: Invoice Approval and Check for Grant Award: NSAQMD will review and approve dealer invoice and provide a 2-party check payable to dealer and Contractor. NSAQMD shall mail the check to SMAQMD.

Task 5: Post-Inspection, Truck Exchange, and Grant Payment:

- a. Upon receipt of NSAQMD check, SMAQMD will notify dealer, who will schedule a mutually acceptable place, date and time to meet with Contractor and SMAQMD staff to complete the exchange the old truck for the new truck;
- b. At that meeting, SMAQMD will conduct a Moyer pre-salvage inspection of the old truck and a post inspection of the new truck, including:
 1. Verifying the old truck is the same as pre-inspected truck (pre-salvage inspection);
 2. Verifying the new truck meets the contract specifications (post inspection).
 3. Confirming with dealer which SMAQMD approved salvage yard will scrap the old truck.
- c. Upon completion of Task 5b, SMAQMD will provide the NSAQMD 2-party check to dealer and ensure that both the dealer and the Contractor sign SMAQMD's check delivery form and that the Contractor endorses the check that is retained by the dealer.
- d. SMAQMD will prepare and transmit a Moyer post-inspection report, take pictures, and review the delivery form to the NSAQMD.

Task 6: Old Truck Salvage Inspection: SMAQMD staff will inspect the destroyed truck at the SMAQMD approved salvage yard. SMAQMD staff will prepare and send a Moyer salvage inspection report and pictures to NSAQMD. SMAQMD staff will ensure that the salvage yard files the vehicle title as non-repairable with the California DMV and sends this verification to the NSAQMD.

Task 7: Usage and Maintenance Logs: A usage and maintenance log for the new truck shall be maintained by Contractor and made available to NSAQMD staff upon request.

Task 8: Annual Usage Reports: Annually, through the term of this Agreement or any amendments to it, and starting one year from the day of the SMAQMD post-inspection, Contractor shall provide the NSAQMD with Annual Usage Reports as outlined in Exhibit B using the report form in Exhibit B-1 a. To ensure accurate engine(s)/equipment reporting, Contractor is required to maintain equipment (hour meters, odometers) necessary to determine usage. The Contractor must document usage during a failure of such equipment and provide the NSAQMD with that documentation with the Annual Usage Report.

Task 9: Annual Insurance Requirements: Annually through the term of this Agreement or it's amendments, after the engine(s)/equipment is (are) installed, Contractor shall send the NSAQMD updated insurance certificates that list the NSAQMD as additionally insured with respect to the policies listed in Paragraph 13 of this Agreement. **XYZ Company** leases the trucks from Contractor (**ABC Leasing, Inc.**) and is solely responsible for all insurance requirements for this truck and is responsible for also listing **ABC Leasing, Inc.** as additionally insured with respect to the policies listed in Paragraph 13 of this Agreement.

Term of Agreement

1. For the purposes of this Agreement, the term of the Agreement is defined herein to be five (5) years from the date of the final post inspection.
2. No work may begin until contract is fully executed.

**EXHIBIT B
ANNUAL GRANT STATUS REPORT FORMAT**

Contractor shall submit the “Annual Engine/Equipment Usage Report” form below to the NSAQMD for each new low emission engine/equipment funded under this Agreement. The first report is due one year from the day of the NSAQMD post-inspection. The report form will be provided to the NSAQMD annually for five (5) years. The purpose of this report form is to provide the NSAQMD with feedback as to Contractor’s experience with the new low emissions equipment and to provide a record of the actual usage versus the usage identified in the Contractor’s grant application. The report shall include the following items:

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

**Northern Sierra Air Quality Management District
Exhibit B-1a: Annual Engine Usage Report
(Agreement#: CMP 2018-00)**

INSTRUCTIONS: Complete this Annual Engine Usage Report every year for 5 year(s) after the NSAQMD completes this project's post inspection. The report shall be sent to the NSAQMD within 2 weeks post inspection anniversary date.

SECTION 1: GRANTEE INFORMATION

Company/Grantee Name: John XYZ

Company/Grantee Address: XYZ Company/ PO Box 5555, Truckee, CA 96162

Company/Grantee Phone Number: _____

Date: _____

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

1. Location of Truck/Engine Identified Below: _____

2008 Peterbilt 388 On-Road 3 axel Transfer Truck, GVWR: 80,000; VIN# _____

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

2008 Cummins - ISX 485

3. Engine Serial #: _____

4. Power Rating: :485 HP

5. Fuel Type: Diesel

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

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

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

3. Percent of Time Operated in California: _____

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

_____ gallons

_____ hours

_____ miles

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

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

Signature _____

Date _____

Mail to: NSAQMD, 200 Litton Dr., Suite 320, Grass Valley, CA 95945 **Fax to:** 530-274-7546 **Questions:** 530- 274-9360

Appendix C: Carl Moyer Pre/Post Inspection Form

**Northern Sierra Air Quality Management District
Carl Moyer Grant Program Equipment Inspection Form**

Pre-Inspection

Post-Inspection

Date/Time: _____

Location: _____

Owner/Company Name: _____

Owner/Company Address: _____

Owner/Company Phone Number: _____

Owner/Company Contract Number: _____

License Plate: _____
(for on-road equipment)

Vehicle Gross Weight Range: _____
(for on-road equipment)

California Highway Patrol Number: _____
(for on-road equipment)

Department of Transportation Number: _____
(for on-road equipment)

Condition of Engine: Does it Run (circle)? Yes No

VIN #: _____

Base Line Engine Info: (Obtained from the engine block)

New Engine Info: (Obtained from the engine block)

Manufacturer: _____

Manufacturer: _____

Model: _____

Model: _____

Horsepower: _____

Horsepower: _____

Serial Number: _____

Serial Number: _____

Mfr Year: _____

Mfr Year: _____

Old Equipment Undergo a Retrofit (circle)? Yes No Not Applicable

Retrofit Manufacturer: _____

Engine Hours: _____
(for off-road equipment)

Retrofit Model Number: _____

Odometer: _____
(for on-road equipment)

Retrofit Serial Number: _____

Method and Confirmation of Old Engine Destroyed
(i.e.: Photos, Scrap Receipt)

Fuel Type: _____
(diesel, gasoline, CNG, propane)

Location of Photos:
(i.e.: Computer file and location, printed photos in file)

Inspected By: _____
Air District Staff Person

Notes: _____

rev 5/22/03

Appendix D: Fleet Modernization MOU

**SACRAMENTO METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT
MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding (MOU) is entered into between the Sacramento Metropolitan Air Quality Management District, a California local public agency (SMAQMD) and Northern Sierra Air Quality Management District (NSAQMD).

1.0 Recitals

- 1.1 Under Health and Safety Code Section 40961, SMAQMD is the local agency within the boundaries of the Sacramento district with the primary responsibility for the development, implementation, monitoring, and enforcement of air pollution control strategies, clean fuel programs, and motor vehicle use reduction measures.
- 1.2 Under Health and Safety Code Sections 41062(a) and 41082 SMAQMD is authorized to implement programs to reduce transportation emissions, including programs to encourage the use of alternative fuels and low-emission vehicles.
- 1.3 Resolution No. 98-0007, dated February 5, 1998, authorized the creation of the Heavy-Duty Low Emission Vehicle Incentive Program for the purpose of reducing emissions from heavy-duty mobile sources operating within the Sacramento Federal Nonattainment Area.
- 1.4 The California Air Resources Board (ARB) Carl Moyer Program Guidelines as revised in 2008, authorize air districts to create and implement a regional fleet modernization program.
- 1.5 The Carl Moyer Program (CMP) Guidelines allow air districts with approved fleet modernization programs the ability to offer assistance to smaller districts to implement the fleet modernization program.
- 1.6 On January 6, 2006, ARB approved SMAQMD's fleet modernization implementation plan authorizing SMAQMD the ability to fund projects using Carl Moyer Program funds.
- 1.7 On November 24, 2008, the NSAQMD Board authorized NSAQMD to enter into an MOU with SMAQMD authorizing SMAQMD to administer the NSAQMD Carl Moyer Fleet On-road Heavy Duty Vehicle Fleet Modernization Program under SMAQMD's ARB approved program.

SMAQMD MOU No. E2008030

1.8 Resolution No. 2008-029, dated May 22, 2008, authorized the Air Pollution Control Officer (APCO) to execute MOU's with other smaller air districts agreeing to assist them with the implementation of their Fleet Modernization Programs, so long as the districts reimburse SMAQMD for the reasonable costs incurred by SMAQMD.

NOW, THEREFORE, in consideration of the mutual promises hereafter set forth, the SMAQMD and NSAQMD agree as follows:

2.0 Terms and Conditions

2.1 **Purpose of MOU**
The purpose of this MOU is to set forth the expectation of the NSAQMD and SMAQMD regarding SMAQMD's assistance with the implementation of a Fleet Modernization Program and review of individual modernization projects in accordance with Exhibit A, Scope of Services.

2.2 **Term of MOU**
The term of this MOU will commence upon execution by all parties and terminate December 31, 2010.

2.3 **Payment**
Upon completion of each modernization project, SMAQMD will invoice NSAQMD in the amount of \$400 per project in accordance with Exhibit B, Funding Source Requirements.

2.4 **Indemnification**

A. SMAQMD will indemnify and defend NSAQMD its officers, agents and employees from and against all claims, demands, losses, damages, liability, costs, and expenses of whatever nature including court costs and attorney fees, whether for damages or loss of property, injury to or death of person, or economic or consequential loss arising from or related to or claimed or alleged to have arisen from or been related to the negligence of SMAQMD in the performance of its obligations under this MOU.

B. NSAQMD will indemnify and defend SMAQMD, its officers, agents and employees from and against all claims, demands, losses, damages, liability, costs, and expenses of whatever nature including court costs and attorney fees, whether for damages or loss of property, injury to or death of person, or economic or consequential loss arising from or related to or claimed or alleged

to have arisen from or been related to the negligence of NSAQMD in the performance of its obligations under this MOU.

2.5

Communication

All written communications regarding this MOU must be either personally delivered or sent by prepaid, certified first class mail, return receipt requested, addressed as follows:

To NSAQMD	To SMAQMD
Ryan Murano Air Pollution Control Specialist Northern Sierra Air Quality Management District P.O. Box 9766 Truckee, CA 96162 Phone (530) 550-7872 Fax (530) 587-2623	Larry Greene, APCCO SMAQMD 777 12 th Street, Suite 300 Sacramento, CA 95814 Phone (916) 874-4800 Fax (916) 874-4805

A. **Change of Address:** Either party may change the address for service by giving 15 days advance written notice to the other party.

B. **Effective Date:** All notices will be effective upon receipt and will be deemed received (i) upon delivery if personally delivered, (ii) on the 5th day following deposit in the mail, if sent by certified mail, or (iii) upon the date stated in the facsimile delivery confirmation, if sent by facsimile.

2.6

Audit of Records

With regard to this MOU, NSAQMD will maintain appropriate financial records and SMAQMD may demand access to these financial records to perform an audit. NSAQMD must ensure that SMAQMD staff have access, at all reasonable times, to the documents kept by NSAQMD in connection with all funds expended under this MOU. NSAQMD must maintain records for 5 years after the termination of the MOU.

2.7

Severability

If any provision of this MOU is held invalid or unenforceable, its invalidity or unenforceability will not affect any other provisions of this MOU, and this MOU will be construed and enforced as if the invalid or unenforceable provision had not been included.

2.8

Statutory Limitations

This MOU and any payments for compensation and expenses are subject to the provisions and limitations imposed by federal and state law. NSAQMD has no liability for payment of any compensation and expenses that are found to be in contravention of federal or state law. SMAQMD will

reimburse NSAQMD for any funds paid by it under this MOU that are later determined to be in contravention of any federal and state law.

2.9

MOU Manager

Mark Loutzenhiser is SMAQMD's named Contract Manager for this MOU. Gail Williams is NSAQMD's Contract Manager for this MOU. It is the responsibility of the Contract Manager to: 1) verify compliance with the terms and conditions of the MOU, 2) determine that the work has been completed, and 3) submit an invoice to NSAQMD.

2.10

Authority to Bind

The persons signing on behalf of the parties to this MOU warrant that they have the legal authority to execute this MOU.

Executed by:

Sacramento Metropolitan Air Quality Management District

Northern Sierra Air Quality Management District

Larry Greene
Air Pollution Control Officer

Gretchen Bennitt
Gretchen Bennitt
Air Pollution Control Officer

Date:

Date: *Feb 26, 2009*

Reviewed by:

Reviewed by:

Kathrine Pittard
District Counsel

Michael Jamison
Michael Jamison
Deputy County Counsel

Exhibit A
Scope of Services

SMAQMD will perform the services identified in Items 7 and 8 for NSAQMD, provided sufficient SMAQMD staff are available to perform the work. If sufficient staff are not available, SMAQMD will inform NSAQMD. The services are provided for the sole purpose of implementing On-Road Fleet Modernization projects for NSAQMD applicants under either the 2005 or 2008 Guidelines of the Carl Moyer Program:

**Item #1: Solicit grant applications for review, completion and pre-inspection
Responsibility: NSAQMD**

- a. Solicit grant applications from local on-road heavy duty fleets.
- b. Review applications for completion to ensure they meet the CMP Guidelines.
- c. Contact the applicant to set up a pre-inspection to verify pre-1991 model year heavy duty diesel vehicle meets the CMP Guidelines.
- d. Create pre-inspection report and catalog required photos of vehicle.

**Item #2: Qualification for Contract
Responsibility: NSAQMD**

NSAQMD will qualify applicants for funding as follows:

- a. Review data as needed, with applicant or dealer, by phone and/or email.
- b. Obtain additional documentation required to complete application, if needed.
- c. Calculate emission reductions, cost-effectiveness and eligible grant amounts.

**Item #3: Contract
Responsibility: NSAQMD**

- a. NSAQMD will prepare and transmit draft contract to applicants using either a standard SMAQMD contract or a standard NSAQMD contract. After execution of the contract by all necessary parties, NSAQMD will mail

SMAQMD MOU No. E2008030

a copy of the executed contract to SMAQMD staff and the grantee, and will electronically mail to SMAQMD a copy of the pre-inspection form and of the pictures taken.

b. Contracts will include:

1. The eligible replacement truck make, model, model year, engine make, engine model, engine family number, engine model year, and horsepower.
 2. The eligible old truck make, model, model year, engine make, engine model, engine model year, and horsepower.
 3. Dealer selected by grantee.
 4. Grant award amount to be paid with two-party check for NSAQMD's portion of costs.
 5. Cost of the EMU, EMU contract, and installation costs.
 6. Amount grantee must pay dealer for costs not reimbursed by grant.
 7. Provision for delivery of old truck to SMAQMD approved truck dealer.
 8. Provision that SMAQMD will verify scrapage of old truck.
 9. Performance requirements.
- c. NSAQMD will send invoice form to grantee.

**Item #4: Purchase Order
Responsibility: Grantee, under contract with NSAQMD**

Upon receiving a copy of the executed contract, the grantee is required by contract to:

- a. Place an order for new replacement truck meeting contract specifications from a listed dealer.
- b. Make any required payment to Dealer for costs not reimbursed by grant.
- c. Mail the NSAQMD a copy of the purchase order.

Item #5: Invoice Preparation
Responsibility: Grantee will submit invoice to NSAQMD

- a. Truck dealer will invoice Grantee for all costs, including installed EMU, and ensure delivery to scrap yard.
- b. Upon receipt of dealer invoice, grantee will invoice NSAQMD, using the form provided, for Grant Award amount, attaching a copy of the dealer invoice.

Item #6: Invoice Approval
Responsibility: NSAQMD

NSAQMD will review and approve dealer invoice and provide a 2-party check payable to dealer and Grantee. Check must be mailed to SMAQMD.

Item #7: Post-Inspection
Responsibility: SMAQMD

- a. Upon receipt of NSAQMD check, SMAQMD will notify dealer, who will schedule a place, date and time to meet with Grantee at which Grantee will exchange trucks.
- b. At that meeting, SMAQMD will conduct a Moyer pre-salvage inspection of the old truck and a post inspection of the new truck:
 1. Verify the old truck is the same as pre-inspected truck (pre-salvage inspection).
 2. Verify the new truck meets the contract specifications (post inspection).
 3. Verify the new truck EMU has been installed and is operational (part of post inspection).
 4. Confirm with dealer which SMAQMD approved salvage yard will scrap old truck.
- c. Upon completion of #7b, SMAQMD will provide NSAQMD's 2-party check to dealer and ensure that both the dealer and the grantee sign SMAQMD's check delivery form and that the grantee endorses the check that is retained by the dealer.

- d. SMAQMD will prepare and transmit a Moyer post-inspection report, take pictures, and review the delivery form to the NSAQMD.

**Item #8: Salvage Inspection
Responsibility: SMAQMD**

SMAQMD staff will inspect the destroyed truck at the SMAQMD approved salvage yard. SMAQMD staff will prepare and send a Moyer salvage inspection report and pictures to the NSAQMD. SMAQMD staff will ensure that the salvage yard files the vehicle title as non-repairable with the DMV and sends this verification to the NSAQMD.

**Item #9: Usage Reports & Audits
Responsibility: NSAQMD**

- a. NSAQMD will perform contract oversight and monitoring after the completion of a post-inspection through the term of the contract.
- b. SMAQMD responsibility ends upon receipt of a post-inspection and salvage inspection reports by NSAQMD.

**Item #10: ARB Auditing Requirements
Responsibility: ARB**

- a. Regarding auditable documentation for the projects accomplished under this MOU, NSAQMD will retain all of the original documentation for each project and SMAQMD will retain copies of the work that they performed for each project.
- b. Should the ARB audit a project accomplished under this MOU, then NSAQMD and SMAQMD will be audited for their district defined responsibilities under this MOU.
- c. The NSAQMD will be responsible for anything that is not specifically stated in this MOU that is required under the CMP Guidelines or the ARB-approved Sacramento Carl Moyer Fleet Modernization Option Guidelines and Policies Manual.

SMAQMD MOU No. E2008030

**Exhibit B
Funding Source Requirements
(Administrative Fees Only)**

1. SMAQMD will invoice NSAQMD after the completion of each project (or after the completion of numerous projects if this is more feasible).
2. NSAQMD will reimburse SMAQMD **\$400** per project for all work completed. The total amount of projects SMAQMD will assist with is 100 through 12/31/2010. **\$40,000** is the maximum amount SMAQMD will be reimbursed.
3. NSAQMD will use either CMP administrative fees, AB 923 administrative fees, or other available funds to cover these administrative costs.
4. A review of the staff time shall be allowed and the MOU will be renegotiated if necessary to ensure that the SMAQMD is recouping its costs for the work performed.
5. NSAQMD will administer all project funds for this MOU. SMAQMD will not be disbursing any project funds.

To: Northern Sierra Air Quality Management District Board of Directors

From: Gretchen Bennitt, Air Pollution Control Officer

Date: January 22, 2018

Agenda Item: IV.A

Agenda Description: Status on Portola PM2.5 Nonattainment Area

Issues: The District will provide an update to the Board

Requested Action: None requested

Attachments: none

To: Northern Sierra Air Quality Management District Board of Directors
From: Gretchen Bennett, Air Pollution Control Officer
Date: January 22, 2018

Agenda Item: IV.B

Agenda Description: The State of California Department of Justice Office of the Attorney General and the Fair Political Practices Commission Ethics Training

Issues:

The State of California Department of Justice Office of the Attorney General and the Fair Political Practices Commission ethics training courses are available on-line at www.localethics.fppc.ca.gov/ab1234/. State Law requires certain local officials to receive two hours specified ethics training every two years. After completion of this ethics training course you will be able to print out a certificate of completion which a copy will need to be forwarded to the District per District Policy #1020.6.

Requested Action:

If warranted, please complete the required training and submit a certificate of completion to the Air District.

Attachments:

1. none

To: Northern Sierra Air Quality Management District Board of Directors

From: Gretchen Bennett, Air Pollution Control Officer

Date: January 22, 2018

Agenda Item: IV.C

Agenda Description: Conflict of Interest Forms for the Fair Political Practices Commission (FPPC) are DUE MARCH 15th

Issues:

The Political Reform Act, Government Code Section 81000, et.seq., requires state and local government agencies to adopt and promulgate conflict of interest codes. This is also required through District Policy #1020.

Requested Action:

1. Complete the required Conflict of Interest Forms online at <http://www.fppc.ca.gov/Form700.html>

Attachments:

1. None

To: Northern Sierra Air Quality Management District Board of Directors

From: Gretchen Bennitt, Air Pollution Control Officer

Date: January 22, 2018

Agenda Item: IV.D

Agenda Description: The Environmental Protection Agency's Approval of Enforceable Commitments for Portola PM2.5 State Implementation Plan

Issues:

The Environmental Protection Agency (EPA) published approval of the proposed local measure to reduce emissions from woodstoves in the Portola Nonattainment Area.

Requested Action:

None, informational only

Attachments:

1. Federal Register/Vol 82, No. 247/ Wednesday, December 27, 2017/Proposed Rules – Approval of California Air Plan Revisions, Northern Sierra Air Quality Management District.



- does not have federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999);
- is not an economically significant regulatory action based on health or safety risks subject to Executive Order 13045 (62 FR 19885, April 23, 1997);
- is not a significant regulatory action subject to Executive Order 13211 (66 FR 28355, May 22, 2001);
- is not subject to requirements of Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because application of those requirements would be inconsistent with the CAA; and
- does not provide EPA with the discretionary authority to address, as appropriate, disproportionate human health or environmental effects, using practicable and legally permissible methods, under Executive Order 12898 (59 FR 7629, February 16, 1994).

This action amending the definition of VOC in the Virginia SIP to conform with the regulatory definition of VOC in 40 CFR 51.100(s) is not approved to apply on any Indian reservation land as defined in 18 U.S.C. 1151 or in any other area where EPA or an Indian tribe has demonstrated that a tribe has jurisdiction. In those areas of Indian country, the rule does not have tribal implications and will not impose substantial direct costs on tribal governments or preempt tribal law as specified by Executive Order 13175 (65 FR 67249, November 9, 2000).

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Carbon monoxide, Incorporation by reference, Intergovernmental relations, Ozone, Reporting and recordkeeping requirements, Volatile organic compounds.

Authority: 42 U.S.C. 7401 *et seq.*

Dated: December 12, 2017.
Cosmo Servidio,
Regional Administrator, Region III.
 [FR Doc. 2017-27522 Filed 12-26-17; 8:45 am]
 BILLING CODE 6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA-R09-OAR-2017-0737; FRL-9972-57-Region 9]

Approval of California Air Plan Revisions, Northern Sierra Air Quality Management District

AGENCY: Environmental Protection Agency (EPA).
ACTION: Proposed rule.

SUMMARY: The Environmental Protection Agency (EPA) is proposing to approve a revision to the Northern Sierra Air Quality Management District (NSAQMD) portion of the California State Implementation Plan (SIP). This revision concerns emissions of particulate matter (PM) from wood burning devices. We are proposing to approve a local measure to reduce emissions from these emission sources under the Clean Air Act (CAA or the Act). We are taking comments on this proposal and plan to follow with a final action.

DATES: Any comments must arrive by January 26, 2018.

ADDRESSES: Submit your comments, identified by Docket ID No. EPA-R09-OAR-2017-0737 at <http://www.regulations.gov>, or via email to Doris Lo, at lo.doris@epa.gov. For comments submitted at [Regulations.gov](http://www.regulations.gov), follow the online instructions for submitting comments. Once submitted, comments cannot be removed or edited from [Regulations.gov](http://www.regulations.gov). For either manner of submission, the EPA may publish any comment received to its public docket. Do not submit electronically any

information you consider to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Multimedia submissions (audio, video, etc.) must be accompanied by a written comment. The written comment is considered the official comment and should include discussion of all points you wish to make. The EPA will generally not consider comments or comment contents located outside of the primary submission (*i.e.*, on the web, cloud, or other file sharing system). For additional submission methods, please contact the person identified in the FOR FURTHER INFORMATION CONTACT section. For the full EPA public comment policy, information about CBI or multimedia submissions, and general guidance on making effective comments, please visit <http://www2.epa.gov/dockets/commenting-epa-dockets>.

FOR FURTHER INFORMATION CONTACT: Rynda Kay, EPA Region IX, (415) 947-4118, kay.rynda@epa.gov.

SUPPLEMENTARY INFORMATION: Throughout this document, “we,” “us” and “our” refer to the EPA.

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 - A. How is the EPA evaluating the measure?
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 - C. Public Comment and Proposed Action
- III. Incorporation by Reference
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I. The State’s Submittal

A. What measure did the State submit?

Table 1 lists the measure addressed by this proposal with the dates that it was adopted by the local air agency and submitted by the California Air Resources Board (CARB).

TABLE 1—SUBMITTED MEASURE

Local agency	Resolution No.	Measure title	Adopted	Submitted
NSAQMD	2017-01	Northern Sierra Air Quality Management District Resolution #2017-01 ...	01/23/17	02/28/17

On August 28, 2017, the submittal for the NSAQMD measure was deemed by operation of law to meet the completeness criteria in 40 CFR part 51 Appendix V, which must be met before formal EPA review.

B. Are there other versions of this measure?

There are no previous versions of the NSAQMD measure in the SIP.

C. What is the purpose of the submitted measure?

Particulate matter, including PM with diameters that are generally 2.5 microns or smaller (PM_{2.5}) and PM with diameters that are generally 10 microns or smaller (PM₁₀), contributes to effects that are harmful to human health and

the environment, including premature mortality, aggravation of respiratory and cardiovascular disease, decreased lung function, visibility impairment, and damage to vegetation and ecosystems. Section 110(a) of the CAA requires states to submit regulations that control PM emissions.

On January 15, 2013, the EPA revised the National Ambient Air Quality Standards (NAAQS) for PM_{2.5} to provide increased protection of public health by lowering the level of the annual standards from 15 to 12 micrograms per cubic meter (µg/m³) (40 CFR 50.18). Effective April 15, 2015, the EPA designated and classified the Plumas County nonattainment area (NAA) as moderate nonattainment for the 2012 PM_{2.5} NAAQS (40 CFR 81.305; 80 FR 2206, 2218). CARB submitted the NSAQMD measure on February 28, 2017, as part of an attainment plan to address nonattainment area SIP requirements for the 2012 PM_{2.5} NAAQS in the Plumas County NAA.

The submitted measure is an enforceable commitment by the NSAQMD to implement a woodstove change-out incentive program during the 2016–2022 timeframe in accordance with specific program requirements that are designed to achieve quantifiable, surplus, enforceable, and permanent PM_{2.5} emission reductions in the Plumas County NAA. The program requirements ensure, among other things, that older, dirtier wood stoves currently in operation in the Plumas County NAA will be replaced with EPA-certified wood stoves or other less-polluting devices. The woodstove change-out program is funded by the EPA's 2015 Targeted Air Shed Grant Program, the NSAQMD, and other agencies and is the primary control strategy in California's attainment plan for the 2012 PM_{2.5} NAAQS in the Plumas County NAA.

The enforceable commitment obligates the NSAQMD to achieve specific amounts of PM_{2.5} emission reductions through implementation of the woodstove change-out program by specific years, to submit annual reports to the EPA detailing its implementation of the program and the projected emission reductions, and to adopt and submit substitute measures by specific dates if the EPA determines that the woodstove change-out program will not achieve the necessary emission reductions. The EPA's technical support document (TSD) has more information about this measure.

We intend to evaluate California's PM_{2.5} attainment plan for the Plumas County NAA as a whole through a

subsequent notice-and-comment rulemaking action.

II. The EPA's Evaluation and Proposed Action

A. How is the EPA evaluating the measure?

Generally, SIP control measures must be enforceable (see CAA section 110(a)(2)), must not interfere with applicable requirements concerning attainment and reasonable further progress or other CAA requirements (see CAA section 110(l)), and must not modify certain SIP control requirements in nonattainment areas without ensuring equivalent or greater emissions reductions (see CAA section 193).

The CAA explicitly provides for the use of economic incentive programs (EIPs) as one tool for states to use to achieve attainment of the NAAQS (see, e.g., CAA sections 110(a)(2)(A), 172(c)(6), and 183(e)(4)). EIPs use market-based strategies to encourage the reduction of emissions from stationary, area, and mobile sources in an efficient manner. EPA has promulgated regulations for statutory EIPs required under section 182(g) of the Act and has issued guidance for discretionary EIPs (see 59 FR 16690 (April 7, 1994), codified at 40 CFR part 51, subpart U and U.S. EPA, "Improving Air Quality with Economic Incentive Programs," January 2001 ("2001 EIP Guidance")).¹

EPA's guidance documents addressing EIPs and other nontraditional programs provide for some flexibility in meeting established SIP requirements for enforceability and quantification of emission reductions, provided the State takes clear responsibility for ensuring that the emission reductions necessary to meet applicable CAA requirements are achieved. Accordingly, EPA has consistently stated that nontraditional emission reduction measures submitted to satisfy SIP requirements under the Act must be accompanied by appropriate "enforceable commitments" from the State to monitor emission reductions achieved and to rectify shortfalls in a timely manner (see, e.g., U.S. EPA, "Incorporating Emerging and Voluntary Measures in a State Implementation Plan (SIP)," September 2004 ("2004 Emerging and Voluntary Measures Guidance") at pages 8–12 and U.S. EPA, "Guidance for Quantifying and Using Emission Reductions from

¹ A "discretionary economic incentive program" is "any EIP submitted to the EPA as an implementation plan revision for purposes other than to comply with the statutory requirements of sections 182(g)(3), 182(g)(5), 187(d)(3), or 187(g) of the Act." 40 CFR 51.491.

Voluntary Woodstove Changeout Programs in State Implementation Plans," January 2006 ("2006 Woodstove Guidance") at page 7). The EPA has also consistently stated that, where a State intends to rely on a nontraditional program to satisfy CAA requirements, the State must demonstrate that the program achieves emission reductions that are quantifiable, surplus, enforceable, and permanent (see, e.g., 2001 EIP Guidance at Section 4.1 and 2006 Woodstove Guidance at 3–4).

Guidance documents that we use to evaluate discretionary EIPs and other nontraditional emission reduction programs include the following:

- "Improving Air Quality with Economic Incentive Programs" January 2001 (EPA-452/R-01-001) ("2001 EIP Guidance").
- "Incorporating Emerging and Voluntary Measure in a State Implementation Plan (SIP)," Stephen D. Page, OAQPS, October 4, 2004 ("2004 Emerging and Voluntary Measures Guidance").
- "Guidance on Incorporating Bundled Measures in a State Implementation Plan," Stephen D. Page, OAQPS, and Margo Oge, OTAQ, August 16, 2005 ("2005 Bundled Measures Guidance").
- "Guidance for Quantifying and Using Emission Reductions from Voluntary Woodstove Changeout Programs in State Implementation Plans," January 2006 (EPA-456/B-06-001) ("2006 Woodstove Guidance").

B. Does the measure meet the evaluation criteria?

The submitted commitment contains clear, nondiscretionary and mandatory obligations that are enforceable against the NSAQMD and ensure that information about the emission reductions achieved through the woodstove change-out program will be readily available to the public through the NSAQMD's submission of annual reports to the EPA. Our approval of this commitment would make these obligations enforceable by the EPA and by citizens under the CAA. The commitment obligates the District to implement a new program that achieves quantifiable, surplus, permanent, and enforceable PM_{2.5} emission reductions and does not alter any existing SIP requirements. Our approval of the commitment into the SIP would strengthen the SIP and would not interfere with applicable requirements concerning attainment and reasonable further progress or other CAA requirements, consistent with the requirements of CAA section 110(l). Section 193 of the CAA does not apply

to this action because this measure does not modify any SIP control requirement that was in effect before November 15, 1990.

We are proposing to find that the submitted measure satisfies CAA requirements for enforceability, SIP revisions, and nontraditional emission reduction programs as interpreted in EPA guidance documents. The TSD contains more information on our evaluation of this measure.

C. Public Comment and Proposed Action

The EPA proposes to fully approve the submitted measure under CAA section 110(k)(3) based on a conclusion that the measure satisfies all applicable requirements. We will accept comments from the public on this proposal until January 26, 2018. If we take final action to approve the submitted measure, our final action will incorporate this measure into the federally enforceable SIP.

III. Incorporation by Reference

In this action, the EPA is proposing to include in a final EPA rule regulatory text that includes incorporation by reference. In accordance with requirements of 1 CFR 51.5, the EPA is proposing to incorporate by reference the NSAQMD measure described in Table 1 of this preamble. The EPA has made, and will continue to make, these materials available through www.regulations.gov and at the EPA Region IX Office (please contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section of this preamble for more information).

IV. Statutory and Executive Order Reviews

Under the Clean Air Act, the Administrator is required to approve a SIP submission that complies with the provisions of the Act and applicable federal regulations. 42 U.S.C. 7410(k); 40 CFR 52.02(a). Thus, in reviewing SIP submissions, the EPA's role is to approve state choices, provided that they meet the criteria of the Clean Air Act. Accordingly, this proposed action merely proposes to approve state law as meeting federal requirements and does not impose additional requirements beyond those imposed by state law. For that reason, this proposed action:

- Is not a "significant regulatory action" subject to review by the Office of Management and Budget under Executive Orders 12866 (58 FR 51735, October 4, 1993) and 13563 (76 FR 3821, January 21, 2011);
- Is not an Executive Order 13771 (82 FR 9339, February 2, 2017) regulatory

action because SIP approvals are exempted under Executive Order 12866;

- Does not impose an information collection burden under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*);
- Is certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*);
- Does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Pub. L. 104-4);
- Does not have Federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999);
- Is not an economically significant regulatory action based on health or safety risks subject to Executive Order 13045 (62 FR 19885, April 23, 1997);
- Is not a significant regulatory action subject to Executive Order 13211 (66 FR 28355, May 22, 2001);
- Is not subject to requirements of Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because application of those requirements would be inconsistent with the Clean Air Act; and
- Does not provide the EPA with the discretionary authority to address disproportionate human health or environmental effects with practical, appropriate, and legally permissible methods under Executive Order 12898 (59 FR 7629, February 16, 1994).

In addition, the SIP is not approved to apply on any Indian reservation land or in any other area where the EPA or an Indian tribe has demonstrated that a tribe has jurisdiction. In those areas of Indian country, the rule does not have tribal implications and will not impose substantial direct costs on tribal governments or preempt tribal law as specified by Executive Order 13175 (65 FR 67249, November 9, 2000).

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Incorporation by reference, Intergovernmental relations, Particulate matter, Reporting and recordkeeping requirements.

Authority: 42 U.S.C. 7401 *et seq.*

Dated: December 14, 2017.

Deborah Jordan,

Acting Regional Administrator, Region IX.

[FR Doc. 2017-27950 Filed 12-26-17; 8:45 am]

BILLING CODE 6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 80

[EPA-HQ-OAR-2017-0655; FRL-9972-59-OAR]

RIN 2060-AT82

Proposed Rule; Renewable Fuel Standard Program; Grain Sorghum Oil Pathway

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: In this proposed rule, the Environmental Protection Agency (EPA) is providing an opportunity to comment on an analysis of the lifecycle greenhouse gas (GHG) emissions associated with certain biofuels that are produced from grain sorghum oil extracted at dry mill ethanol plants at any point downstream from sorghum grinding, also known as distiller sorghum oil. EPA seeks comment on its proposed assessment that using distillers sorghum oil as feedstock results in no significant agricultural sector GHG emissions; and that biodiesel and heating oil produced from distillers sorghum oil via a transesterification process, and renewable diesel, jet fuel, heating oil, naphtha, and liquefied petroleum gas (LPG) produced from distillers sorghum oil via a hydrotreating process, would meet the lifecycle GHG emissions reduction threshold of 50 percent required for advanced biofuels, and biomass-based diesel under the Renewable Fuel Standard program. Based on these analyses, EPA is proposing to amend the RFS program regulations to define the term "distillers sorghum oil". We also propose to add to the regulations approved pathways from the production of biodiesel and heating oil from distillers sorghum oil via a transesterification process, and renewable diesel, jet fuel, heating oil, naphtha, and liquefied petroleum gas (LPG) produced from distillers sorghum oil via a hydrotreating process.

DATES: Comments must be received on or before January 26, 2018.

ADDRESSES: Submit your comments, identified by Docket ID No. EPA-HQ-OAR-2017-0655, at <http://www.regulations.gov>. Follow the online instructions for submitting comments. Once submitted, comments cannot be edited or withdrawn from [Regulations.gov](http://www.regulations.gov). The EPA may publish any comment received to its public docket. Do not submit electronically any information you consider to be

To: Northern Sierra Air Quality Management District Board of Directors

From: Gretchen Bennitt, Air Pollution Control Officer

Date: January 22, 2018

Agenda Item: IV.E

Agenda Description: Federal 8-Hour Ozone Standard Update: Western Nevada County

Issues:

The 8-hour ozone standard is met when the 3-year average of each year's 4th highest daily 8-hour average is below the level of the standard.

The Clean Air Act contains a number of requirements that nonattainment areas must fulfill. Most of those requirements are met through the preparation of a State Implementation Plan (called a SIP, an air quality plan or an attainment plan), which is a collection of specific actions, commitments and demonstrations that theoretically leads to attainment. However, since most of western Nevada County's ozone comes from the Sacramento and San Francisco Bay Area regions, there is little that can be done locally.

Western Nevada County was designated as nonattainment for exceeding the 1997 federal ozone standard of 80 ppb and the 2008 standard of 75 ppb, and has been recommended for a nonattainment designation for the more stringent 2015 standard of 70 ppb. In each of those instances, the Air District has worked with the California Air Resources Board (CARB) and the Environmental Protection Agency (EPA) to maintain the initial nonattainment boundaries of western Nevada County. A quick summary of the status of western Nevada County under each of the three ozone standards is as follows:

1997 Standard: 0.080 ppm

- Western Nevada County (WNC) has met all applicable requirements.

2008 Standard: 0.075 ppm

- WNC was originally classified as Marginal Nonattainment, and was bumped up to Moderate by operation of law in June, 2016 (air quality data did not meet the standard).
- Because of continued high ozone concentrations, WNC must now bump up to "Serious", the next highest classification. This will probably occur when the final 2008 ozone SIP is submitted to EPA in 2018.
- The Sacramento area, including most of Placer County, is already classified as "Severe Nonattainment".
- CARB is still working on required modeling for WNC to demonstrate eventual attainment, and expects to finish in February. WNC's modeled attainment year will likely be 2021, based on 2018-2020 data.
- The Major Source threshold for Serious areas is 50 tons/year of ozone precursors (50 tons of NO_x or VOCs), with an emissions offset ratio of 1.2:1.

- WNC has already adopted all required rules, including an NSR Rule and an Emissions Statement Rule.
- The NSAQMD is currently working with CARB and EPA to prepare a Reasonably Available Control Technology (RACT) SIP document, which is on track for presentation to the Board for adoption in either February or March, 2018.
- In response to lawsuits, EPA has issued Findings of Failure to Submit certain SIP elements for 77 nonattainment areas around the nation, including WNC (effective 1/10/18). A Failure to Submit starts an 18-month sanctions clock for major source offsets to increase to 2:1 and a 24-month clock for the withholding of certain non-safety highway project funds. WNC's outstanding elements listed in the Finding are a Reasonable Further Progress demonstration (which CARB recently completed); Major Source RACT (there are no major sources in WNC); Attainment Demonstration (CARB is still working on this); Contingency Measures (CARB is still working on this); and an Emissions Statement Rule (this was an error – EPA approved the Emissions Statement Rule 6/21/17).
- The NSAQMD and CARB have worked out a plan of action and a timetable to make sure all outstanding SIP requirements are submitted to EPA by approximately August, 2018, thereby stopping the sanctions clocks. The first level of sanctions would otherwise begin in July, 2019.

2015 Standard: 0.070 ppm

- On October 1, 2015, the EPA lowered the primary 8-hour ozone standard from 75 parts per billion (ppb) to 70 ppb. The State then submitted recommendations for federal nonattainment areas to the Environmental Protection Agency (EPA) for the 2015 National Ambient Air Quality Standards (NAAQS) for ozone throughout California.
- Western Nevada County was recommended for nonattainment of the lowered standard. Recently, the EPA accepted the State's recommended boundaries that the western portion of Nevada County be designated as nonattainment for the lowered standard due to exceedances of the new 2015 federal ozone standard, which will likely become effective in April, 2018.

Requested Action: None, informational only

Attachments:

1. December 20, 2017 letter from U.S. EPA to Governor Brown in which the EPA agrees with the State recommendation to designate western Nevada County as nonattainment for the 2015 Ozone Standard.
2. Federal Register/Vol. 82, No. 236/ Monday, December 11, 2017/ Rules and Regulations – Findings of Failure to Submit State Implementation Plan Submittals for the 2008 Ozone National Ambient Air Quality Standards (NAAQS).



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

**75 Hawthorne Street
San Francisco, CA 94105-3901**

DEC 20 2017

The Honorable Edmund G. Brown, Jr.
Governor of California
State Capitol Building, Suite 1173
Sacramento, CA 95814

Dear Governor Brown:

Thank you for your recommendation dated October 3, 2016, on air quality designations for the revised 2015 National Ambient Air Quality Standards (NAAQS) for ozone throughout California. I appreciate the information California shared with the U.S. Environmental Protection Agency (EPA) as we move forward to improve ozone air quality. This letter is to notify you of the EPA's preliminary response to California's recommendations and to inform you of our approach for completing designations for the revised ozone standards. After considering California's October 3, 2016 ozone designation recommendations, which were based on 2013-2015 air quality data, as well as other relevant technical information, the EPA intends to agree with the State's recommendation and designate the areas listed in Enclosure 1 as Nonattainment. The EPA also intends to designate all other areas in the State not previously designated in November 2017 as Attainment/Unclassifiable.

On October 1, 2015, the EPA lowered the primary 8-hour ozone standard from 0.075 parts per million (ppm) to 0.070 ppm to provide increased protection of public health. The EPA revised the secondary 8-hour ozone standard, making it identical to the primary standard, to protect against welfare effects, including impacts on sensitive vegetation and forested ecosystems. Working closely with the states and tribes, the EPA is implementing the standards using a common sense approach that improves air quality and minimizes the burden on state and local governments. As part of this routine process, the EPA is working with the states to identify areas in the country that meet the standards and those that need to take steps to reduce ozone pollution.

As a first step in implementing the 2015 ozone standards, the EPA asked states to submit in the fall of 2016 their designation recommendations, including appropriate area boundaries. A first round of designations was published on November 16, 2017. Consistent with states' recommendations, the EPA designated most of the country as Attainment/Unclassifiable, with limited areas designated as Unclassifiable. Further, consistent with EPA's "Policy for Establishing Separate Air Quality Designations for Areas of Indian Country" (December 20, 2011), the EPA designated two areas of Indian country as separate Attainment/Unclassifiable areas.

As required by the Clean Air Act, the EPA will designate an area as Nonattainment if there are certified, quality-assured air quality monitoring data showing a violation of the 2015 ozone standards or if the EPA makes a determination that the area is contributing to a violation of the standards in a nearby area.


Areas designated Attainment/Unclassifiable are not measuring or contributing to a violation of the standards.

A Technical Support Document, available on the EPA ozone designations website at www.epa.gov/ozone-designations/, provides a detailed analysis to support our preliminary decisions for the areas of the State not previously designated. In order for the EPA to consider more current (i.e., 2015-2017) air quality data in the final designation decisions for any area, California must submit certified, quality-assured 2015-2017 air quality monitoring data for the area to the EPA by February 28, 2018.

The EPA will continue to work with state officials regarding the appropriate boundaries for the Nonattainment areas in California. If California has additional information that you would like the EPA to consider, please submit it to us by February 28, 2018. Please submit additional information by sending it to the EPA's public docket for these designations, EPA-HQ-OAR-2017-0548, located at www.regulations.gov, and sending a copy to EPA Region 9. The EPA will also make its preliminary designation decisions and supporting documentation available to the general public for review and comment. We will be announcing a 30-day public comment period shortly in the *Federal Register*. After considering additional information we receive, the EPA plans to promulgate final ozone designations in the spring of 2018.

The EPA is committed to working with the states and tribes to reduce ozone air pollution. We look forward to a continued dialogue with you and your staff as we work together to implement the 2015 ozone standards. Should you have any questions regarding this matter, please do not hesitate to contact me at 415-947-8702 or have a member of your staff contact Meredith Kurpius at 415-947-4534.

Sincerely,


Alexis Strauss 20 December 2017
Acting Regional Administrator

Enclosure

cc (via e-mail): Matthew Rodriguez, Secretary, California Environmental Protection Agency
Mary Nichols, Chairman, California Air Resources Board (CARB)
Richard Corey, Executive Officer, CARB

Enclosure 1

California State and Tribal Recommended Nonattainment Areas and the EPA's Intended Designated Nonattainment Areas for the 2015 Ozone NAAQS.

Area	California's or Tribe's Recommended Nonattainment Counties [or Areas of Indian Country]	EPA's Intended Nonattainment Counties [or Areas of Indian Country]
Amador County, CA*	Amador County	Amador County
<ul style="list-style-type: none"> • Buena Vista Rancheria of Me-Wuk Indians of California 	<ul style="list-style-type: none"> • did not submit recommendation 	<ul style="list-style-type: none"> • Buena Vista Rancheria of Me-Wuk Indians of California
<ul style="list-style-type: none"> • Jackson Band of Miwuk Indians 	<ul style="list-style-type: none"> • did not submit recommendation 	<ul style="list-style-type: none"> • Jackson Band of Miwuk Indians
Butte County, CA*	Butte County	Butte County
<ul style="list-style-type: none"> • Berry Creek Rancheria of Maidu Indians of California 	<ul style="list-style-type: none"> • did not submit recommendation 	<ul style="list-style-type: none"> • Berry Creek Rancheria of Maidu Indians of California
<ul style="list-style-type: none"> • Enterprise Rancheria of Maidu Indians of California 	<ul style="list-style-type: none"> • did not submit recommendation 	<ul style="list-style-type: none"> • Enterprise Rancheria of Maidu Indians of California
<ul style="list-style-type: none"> • Mechoopda Indian Tribe of Chico Rancheria 	<ul style="list-style-type: none"> • did not submit recommendation 	<ul style="list-style-type: none"> • Mechoopda Indian Tribe of Chico Rancheria
<ul style="list-style-type: none"> • Mooretown Rancheria of Maidu Indians of California 	<ul style="list-style-type: none"> • did not submit recommendation 	<ul style="list-style-type: none"> • Mooretown Rancheria of Maidu Indians of California
Calaveras County, CA*	Calaveras County	Calaveras County
<ul style="list-style-type: none"> • California Valley Miwok Tribe 	<ul style="list-style-type: none"> • did not submit recommendation 	<ul style="list-style-type: none"> • California Valley Miwok Tribe
Imperial County, CA*	Imperial County	Imperial County
<ul style="list-style-type: none"> • Quechan Tribe of the Fort Yuma Indian Reservation 	<ul style="list-style-type: none"> • did not submit recommendation 	<ul style="list-style-type: none"> • Quechan Tribe of the Fort Yuma Indian Reservation
<ul style="list-style-type: none"> • Torres Martinez Desert Cahuilla Indians 	<ul style="list-style-type: none"> • did not submit recommendation 	<ul style="list-style-type: none"> • Torres Martinez Desert Cahuilla Indians (partial)
Kern County (Eastern Kern), CA	Kern County (partial)	Kern County (partial)



Area	California's or Tribe's Recommended Nonattainment Counties [or Areas of Indian Country]	EPA's Intended Nonattainment Counties [or Areas of Indian Country]
Los Angeles-San Bernardino Counties (West Mojave Desert), CA*	Los Angeles County (partial) San Bernardino County (partial)	Los Angeles County (partial) San Bernardino County (partial)
<ul style="list-style-type: none"> • Twenty-Nine Palms Band of Mission Indians of California 	<ul style="list-style-type: none"> • did not submit recommendation 	<ul style="list-style-type: none"> • Twenty-Nine Palms Band of Mission Indians of California (partial)
Los Angeles-South Coast Air Basin, CA*	Los Angeles County (partial) Orange County Riverside County (partial) San Bernardino County (partial)	Los Angeles County (partial) Orange County Riverside County (partial) San Bernardino County (partial)
<ul style="list-style-type: none"> • Cahuilla Band of Indians 	<ul style="list-style-type: none"> • did not submit recommendation 	<ul style="list-style-type: none"> • Cahuilla Band of Indians
<ul style="list-style-type: none"> • Pechanga Band of Luiseno Mission Indians 	Pechanga Band of Luiseno Mission Indians **	Pechanga Band of Luiseno Mission Indians (partial)
<ul style="list-style-type: none"> • Ramona Band of Cahuilla 	<ul style="list-style-type: none"> • did not submit recommendation 	<ul style="list-style-type: none"> • Ramona Band of Cahuilla
<ul style="list-style-type: none"> • San Manuel Band of Mission Indians 	<ul style="list-style-type: none"> • did not submit recommendation 	<ul style="list-style-type: none"> • San Manuel Band of Mission Indians
<ul style="list-style-type: none"> • Soboba Band of Luiseno Indians 	<ul style="list-style-type: none"> • did not submit recommendation 	<ul style="list-style-type: none"> • Soboba Band of Luiseno Indians
Mariposa County, CA	Mariposa County	Mariposa County
Morongo Band of Mission Indians	Morongo Band of Mission Indians	Morongo Band of Mission Indians
Nevada County (Western part), CA	Nevada County (partial)	Nevada County (partial)
Pechanga Band of Luiseno Mission Indians	Pechanga Band of Luiseno Mission Indians**	Pechanga Band of Luiseno Mission Indians (partial)
Riverside County (Coachella Valley), CA*	Riverside County (partial)	Riverside County (partial)
<ul style="list-style-type: none"> • Agua Caliente Band of Cahuilla Indians 	<ul style="list-style-type: none"> • did not submit recommendation 	<ul style="list-style-type: none"> • Agua Caliente Band of Cahuilla Indians
<ul style="list-style-type: none"> • Augustine Band of Cahuilla Indians 	<ul style="list-style-type: none"> • did not submit recommendation 	<ul style="list-style-type: none"> • Augustine Band of Cahuilla Indians
<ul style="list-style-type: none"> • Cabazon Band of Mission Indians 	<ul style="list-style-type: none"> • did not submit recommendation 	<ul style="list-style-type: none"> • Cabazon Band of Mission Indians
<ul style="list-style-type: none"> • Santa Rosa Band of Cahuilla Indians 	<ul style="list-style-type: none"> • did not submit recommendation 	<ul style="list-style-type: none"> • Santa Rosa Band of Cahuilla Indians
<ul style="list-style-type: none"> • Torres Martinez Desert Cahuilla Indians 	<ul style="list-style-type: none"> • did not submit recommendation 	<ul style="list-style-type: none"> • Torres Martinez Desert Cahuilla Indians (partial)

Area	California's or Tribe's Recommended Nonattainment Counties [or Areas of Indian Country]	EPA's Intended Nonattainment Counties [or Areas of Indian Country]
<ul style="list-style-type: none"> Twenty-Nine Palms Band of Mission Indians of California 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Twenty-Nine Palms Band of Mission Indians of California (partial)
Sacramento Metro, CA*	El Dorado County (partial) Placer County (partial) Sacramento County Solano County (partial) Sutter County (partial) Yolo County	El Dorado County (partial) Placer County (partial) Sacramento County Solano County (partial) Sutter County (partial) Yolo County
<ul style="list-style-type: none"> Shingle Springs Band of Miwok Indians, Shingle Springs Rancheria 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Shingle Springs Band of Miwok Indians, Shingle Springs Rancheria
<ul style="list-style-type: none"> United Auburn Indian Community of the Auburn Rancheria of California 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> United Auburn Indian Community of the Auburn Rancheria of California
<ul style="list-style-type: none"> Wilton Rancheria 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Wilton Rancheria
<ul style="list-style-type: none"> Yocha Dehe Wintun Nation 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Yocha Dehe Wintun Nation
San Diego County, CA*	San Diego County	San Diego County
<ul style="list-style-type: none"> Barona Group of Capitan Grande Band of Mission Indians 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Barona Group of Capitan Grande Band of Mission Indians
<ul style="list-style-type: none"> Campo Band of Diegueno Mission Indians 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Campo Band of Diegueno Mission Indians
<ul style="list-style-type: none"> Capitan Grande Band of Diegueno Mission Indians of California 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Capitan Grande Band of Diegueno Mission Indians of California
<ul style="list-style-type: none"> Ewiiapaayp Band of Kumeyaay Indians 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Ewiiapaayp Band of Kumeyaay Indians
<ul style="list-style-type: none"> Iipay Nation of Santa Ysabel 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Iipay Nation of Santa Ysabel
<ul style="list-style-type: none"> Inaja Band of Diegueno Mission Indians of the Inaja and Cosmit Reservation 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Inaja Band of Diegueno Mission Indians of the Inaja and Cosmit Reservation
<ul style="list-style-type: none"> Jamul Indian Village of California 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Jamul Indian Village of California

Area	California's or Tribe's Recommended Nonattainment Counties [or Areas of Indian Country]	EPA's Intended Nonattainment Counties [or Areas of Indian Country]
<ul style="list-style-type: none"> La Jolla Band of Luiseno Indians 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> La Jolla Band of Luiseno Indians
<ul style="list-style-type: none"> La Posta Band of Diegueno Mission Indians 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> La Posta Band of Diegueno Mission Indians
<ul style="list-style-type: none"> Los Coyotes Band of Cahuilla and Cupeno Indians 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Los Coyotes Band of Cahuilla and Cupeno Indians
<ul style="list-style-type: none"> Manzanita Band of Diegueno Mission Indians 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Manzanita Band of Diegueno Mission Indians
<ul style="list-style-type: none"> Mesa Grande Band of Diegueno Mission Indians 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Mesa Grande Band of Diegueno Mission Indians
<ul style="list-style-type: none"> Pala Band of Mission Indians 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Pala Band of Mission Indians
<ul style="list-style-type: none"> Pauma Band of Luiseno Mission Indians of the Pauma and Yuima Reservation 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Pauma Band of Luiseno Mission Indians of the Pauma and Yuima Reservation
<ul style="list-style-type: none"> Rincon Band of Luiseno Mission Indians 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Rincon Band of Luiseno Mission Indians
<ul style="list-style-type: none"> San Pasqual Band of Diegueno Mission Indians of California 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> San Pasqual Band of Diegueno Mission Indians of California
<ul style="list-style-type: none"> Sycuan Band of the Kumeyaay Nation 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Sycuan Band of the Kumeyaay Nation
<ul style="list-style-type: none"> Viejas (Baron Long) Group of Capitan Grande Band of Mission Indians 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Viejas (Baron Long) Group of Capitan Grande Band of Mission Indians
<p>San Francisco Bay Area, CA*</p>	<p>Alameda County Contra Costa County Marin County Napa County San Francisco County San Mateo County Santa Clara County Solano County (partial) Sonoma County (partial)</p>	<p>Alameda County Contra Costa County Marin County Napa County San Francisco County San Mateo County Santa Clara County Solano County (partial) Sonoma County (partial)</p>

Area	California's or Tribe's Recommended Nonattainment Counties [or Areas of Indian Country]	EPA's Intended Nonattainment Counties [or Areas of Indian Country]
<ul style="list-style-type: none"> Federated Indians of Graton Rancheria 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Federated Indians of Graton Rancheria
<ul style="list-style-type: none"> Lytton Rancheria of California 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Lytton Rancheria of California
San Joaquin Valley, CA*	Fresno County Kern County (partial) Kings County Madera County Merced County San Joaquin County Stanislaus County Tulare County	Fresno County Kern County (partial) Kings County Madera County Merced County San Joaquin County Stanislaus County Tulare County
<ul style="list-style-type: none"> Big Sandy Rancheria of Western Mono Indians of California 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Big Sandy Rancheria of Western Mono Indians of California
<ul style="list-style-type: none"> Cold Springs Rancheria of Mono Indians of California 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Cold Springs Rancheria of Mono Indians of California
<ul style="list-style-type: none"> Northfork Rancheria of Mono Indians of California 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Northfork Rancheria of Mono Indians of California
<ul style="list-style-type: none"> Picayune Rancheria of Chukchansi Indians of California 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Picayune Rancheria of Chukchansi Indians of California
<ul style="list-style-type: none"> Santa Rosa Indian Community of the Santa Rosa Rancheria 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Santa Rosa Indian Community of the Santa Rosa Rancheria
<ul style="list-style-type: none"> Table Mountain Rancheria of California 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Table Mountain Rancheria of California
<ul style="list-style-type: none"> Tule River Indian Tribe of the Tule River Reservation 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Tule River Indian Tribe of the Tule River Reservation
San Luis Obispo (Eastern part), CA	San Luis Obispo County (partial)	San Luis Obispo County (partial)
Sutter Buttes, CA	Sutter County (partial)	Sutter County (partial)
Tuolumne County, CA*	Tuolumne County	Tuolumne County
<ul style="list-style-type: none"> Chicken Ranch Rancheria of Me-Wuk Indians of California 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Chicken Ranch Rancheria of Me-Wuk Indians of California

Area	California's or Tribe's Recommended Nonattainment Counties [or Areas of Indian Country]	EPA's Intended Nonattainment Counties [or Areas of Indian Country]
<ul style="list-style-type: none"> Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria of California 	<ul style="list-style-type: none"> did not submit recommendation 	<ul style="list-style-type: none"> Tuolumne Band of Me-Wuk Indians of the Tuolumne Rancheria of California
Tuscan Buttes, CA	Tehama County (partial)	Tehama County (partial)
Ventura County, CA	Ventura County (partial)	Ventura County (partial)

EPA modifications to state or tribal recommendations are shown in **bold**.

*The areas noted are multi-jurisdictional nonattainment areas that include areas of Indian country of federally-recognized tribes. The areas of Indian country of each tribe that the EPA intends to designate as part of the nonattainment area are discussed in the Technical Support Document for California, which is available on the EPA ozone designations website at <https://www.epa.gov/ozone-designations/>.

**The Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation recommended that their lands be designated as two separate nonattainment areas. We are designating a portion of these lands as the Pechanga Band of Luiseno Mission Indians, CA nonattainment area, and a portion as part of the Los Angeles-South Coast Air Basin, CA nonattainment area. Additional discussion is found in the Technical Support Document for California.



EPA-APPROVED MINNESOTA NONREGULATORY PROVISIONS

Name of nonregulatory SIP provision	Applicable geographic or nonattainment area	State submittal date/ effective date	EPA approved date	Comments
Section 110(a)(2) Infrastructure Requirements for the 2008 ozone NAAQS.	Statewide	6/12/2014 and 5/26/2016.	12/11/2017, [Insert Federal Register citation].	These actions address the following CAA elements: 110(a)(2)(A), (B), (C), (D), (E), (F), (G), (H), (J), (K), (L), and (M). We have not taken action on the visibility portion of (D)(i)(II). We will address these requirements in a separate action. EPA has disapproved the elements related to the prevention of significant deterioration, specifically as they pertain to section 110(a)(2)(C), (D)(i)(II), (D)(ii), and (J); however, Minnesota continues to implement the Federally promulgated rules for this purpose.

[FR Doc. 2017-26539 Filed 12-8-17; 8:45 am] BILLING CODE 6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA-HQ-OAR-2017-0667; FRL-9971-66-OAR]

Findings of Failure To Submit State Implementation Plan Submittals for the 2008 Ozone National Ambient Air Quality Standards (NAAQS)

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: The U.S. Environmental Protection Agency (EPA) is taking final action to find that three states have failed to submit timely revisions to their state implementation plans (SIPs) as required to satisfy certain requirements under the Clean Air Act (CAA) for implementation of the 2008 ozone National Ambient Air Quality Standards (2008 ozone NAAQS). These findings of failure to submit apply to states with overdue SIP revisions (or attainment plans) for nonattainment areas reclassified from "Marginal" to "Moderate" in May 2016 because the areas failed to attain the 2008 ozone NAAQS by the Marginal area attainment date of July 20, 2015. The SIP revisions to address all applicable Moderate area attainment plan requirements for these areas were due on January 1, 2017. This action requires the affected states to timely submit a SIP revision consistent with the requirements of the CAA and the EPA regulations. If a state fails to make the required timely SIP submittal, or if a submitted SIP is incomplete, the

CAA requires the imposition of sanctions for the affected area(s). In addition, the EPA is obligated to promulgate a federal implementation plan (FIP) to address any outstanding SIP requirements if a state does not submit, and the EPA does not approve, a state's submittal within 24 months of the effective date of these findings.

DATES: The effective date of this action is January 10, 2018.

ADDRESSES: The EPA has established a docket for this action under Docket ID No. EPA-HQ-OAR-2017-0667. All documents in the docket are listed and publicly available at <http://www.regulations.gov>. Although listed in the index, some information is not publicly available, i.e., Confidential Business Information or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly available only in hard copy form. Publicly available docket materials are available either electronically at <http://www.regulations.gov> or in hard copy at the EPA Docket Center (EPA/DC), EPA WJC West Building, Room 3334, 1301 Constitution Avenue NW., Washington, DC. The Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Public Reading Room is (202) 566-1744, and the telephone number for the Office of Air and Radiation Docket and Information Center is (202) 566-1742.

FOR FURTHER INFORMATION CONTACT: Ms. Virginia Raps, Office of Air Quality Planning and Standards, Air Quality Policy Division, U.S. Environmental Protection Agency, Mail Code: C539-01, 109 T.W. Alexander Drive, Research Triangle Park, NC 27711; by telephone (919) 541-4383; or by email at raps.virginia@epa.gov.

SUPPLEMENTARY INFORMATION: I. General Information A. Notice and Comment Under the Administrative Procedure Act (APA) Section 553 of the APA¹ provides that, when an agency for good cause finds that notice and public procedures are impracticable, unnecessary or contrary to the public interest, the agency may issue a rule without providing notice and an opportunity for public comment. The EPA has determined that there is good cause for making this final agency action without prior proposal and opportunity for comment because no significant EPA judgment is involved in making findings of failure to submit SIPs, or elements of SIPs. Rather, the findings are required by the CAA where states have made no submissions to meet the SIP requirements, or where the EPA has separately determined that they made incomplete submissions. Thus, notice and public procedures are unnecessary. The EPA finds that this constitutes good cause under 5 U.S.C. 553(b)(3)(B).

B. How can I get copies of this document and other related information?

I. General Information

A. Notice and Comment Under the Administrative Procedure Act (APA)

Section 553 of the APA¹ provides that, when an agency for good cause finds that notice and public procedures are impracticable, unnecessary or contrary to the public interest, the agency may issue a rule without providing notice and an opportunity for public comment. The EPA has determined that there is good cause for making this final agency action without prior proposal and opportunity for comment because no significant EPA judgment is involved in making findings of failure to submit SIPs, or elements of SIPs. Rather, the findings are required by the CAA where states have made no submissions to meet the SIP requirements, or where the EPA has separately determined that they made incomplete submissions. Thus, notice and public procedures are unnecessary. The EPA finds that this constitutes good cause under 5 U.S.C. 553(b)(3)(B).

B. How can I get copies of this document and other related information?

In addition to being available in the docket, an electronic copy of this action will be posted at <https://www.epa.gov/ozone-pollution/2008-ozone-national-ambient-air-quality-standards-naaqs-nonattainment-actions>.

¹ See 5 U.S.C. 553(b)(3)(B).

C. Where do I go if I have a specific state question?

For questions related to specific states mentioned in this notice, please contact the appropriate EPA Regional office:

Regional offices	States
EPA Region 2: Rick Ruvo, Chief, Air Programs Branch, 290 Broadway, New York, NY 10007	New Jersey.
EPA Region 5: John Mooney, Chief, Air Programs Branch, 77 West Jackson Blvd, Chicago, IL 60604	Illinois.
EPA Region 9: Doris Lo, Chief, Rulemaking Office; Anita Lee, Acting Chief, Planning Office; or Gerardo Rios, Chief, Permits Office, 75 Hawthorne Street, San Francisco, CA 94105.	California.

D. How is the preamble organized?

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 - I. Executive Order 13211: Actions That Significantly Affect Energy Supply, Distribution or Use
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 - K. Executive Order 12898: Federal Actions To Address Environmental Justice in Minority Population and Low-Income Populations
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 - M. Judicial Review

II. Background

On March 27, 2008, the EPA issued its final rule to revise the ozone NAAQS establishing new 8-hour standards to provide the necessary protection of public health and welfare.² In that action, the EPA promulgated identical standards of 0.075 parts per million

² National Ambient Air Quality Standards for Ozone; final rule (73 FR 16436; March 27, 2008).

(ppm) for the primary and secondary standards.³ Those standards are met when the 3-year average of the annual fourth-highest daily maximum 8-hour average ozone concentration is less than or equal to 0.075 ppm.⁴

Promulgation of a revised NAAQS triggers a requirement for the EPA to designate areas of the country as nonattainment, attainment, or unclassifiable for the standards. For any revised ozone NAAQS, the EPA must classify each nonattainment area based on the severity of the ozone levels.⁵ The severity of ozone levels is determined based on an area's "design value," which is an indicator of the ozone levels in the area during the most recent 3 years.⁶ The possible classifications for ozone nonattainment areas are, in order from "lowest" to "highest" diversion from the standard, Marginal, Moderate, Serious, Severe and Extreme.⁷ Nonattainment areas with a "lower" classification have ozone levels that are closer to the standard than areas with a "higher" classification.

On May 21, 2012, and June 11, 2012, the EPA issued rules designating 46 areas throughout the country as nonattainment for the 2008 ozone NAAQS (both rules were effective July 20, 2012), and establishing classifications for the designated nonattainment areas.⁸ Thirty-six of these areas were classified as Marginal; the remaining 10 areas were classified

³ Since the 2008 primary and secondary NAAQS for ozone are identical, the EPA refers to both as the "2008 ozone NAAQS."

⁴ See 40 CFR 50.15. The 8-hour primary and secondary ozone standards are met at an ambient air quality monitoring site when the 3-year average of the annual fourth-highest daily maximum 8-hour average ozone concentration is less than or equal to 0.075 ppm.

⁵ See CAA section 107(d)(1) and CAA section 181(a)(1).

⁶ The 8-hour ozone design value occurs at the area's ambient air quality monitoring site having the highest fourth-highest 8-hour concentration of ozone during a 3-year period.

⁷ See CAA section 181(a)(1).

⁸ Air Quality Designations for the 2008 Ozone National Ambient Air Quality Standards; final rule (77 FR 30088; May 21, 2012 and 77 FR 34221; June 11, 2012).

as Moderate or higher. All 46 areas are subject to the general nonattainment area planning requirements of CAA section 172 and also to the ozone-specific planning requirements of CAA section 182.⁹

Ozone nonattainment areas of lower classifications have fewer and less stringent mandatory air quality planning and control requirements than those of higher classifications. For a Marginal area, a state is required to provide a baseline emissions inventory, adopt regulations to receive emissions statements from major stationary sources, and implement a nonattainment New Source Review (NSR) program for the relevant ozone standard.¹⁰ For a Moderate area, a state is required to comply with all the Marginal area requirements and, in addition, submit an analysis demonstrating how the area will attain the 2008 ozone NAAQS no more than 6 years from the effective date of initial designation to nonattainment. A state is also required to adopt and implement certain emissions controls, such as Reasonably Available Control Technology (RACT), for new or modified major stationary sources, apply greater emissions offsets than required for a Marginal area under the state's nonattainment NSR program, develop a basic vehicle inspection and maintenance program consistent with established population criteria, meet certain Rate of Progress or Reasonable Further Progress (RFP) requirements, and develop contingency measures for failure to meet RFP or timely attain the NAAQS.

On March 6, 2015, the EPA established a final implementation rule for the 2008 ozone NAAQS (2008 Ozone SIP Requirements Rule).¹¹ That action detailed the attainment planning and control requirements applicable to

⁹ States within the Ozone Transport Region are further subject to CAA section 184.

¹⁰ See CAA section 182(a).

¹¹ Implementation of the 2008 National Ambient Air Quality Standards for Ozone: State Implementation Plan Requirements; final rule (80 FR 12264; March 6, 2015).

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ozone nonattainment areas and also established timelines for SIP submittals and compliance dates for implementing RACT in areas classified Moderate and above.

The attainment date for the 36 nonattainment areas initially classified as Marginal for the 2008 ozone NAAQS was July 20, 2015. On May 4, 2016, the EPA determined that for 11 of these areas, states failed to attain the standard by the attainment date and did not qualify for a 1-year attainment date extension. By operation of law, such areas were reclassified to Moderate. In the same action, the EPA established January 1, 2017, as the deadline for states to submit Moderate area attainment plans for those reclassified areas and for implementing RACT.¹² The EPA reclassified two additional areas from Marginal to Moderate in December 2016, both of which were also subject to the January 1, 2017, SIP submission and RACT compliance due dates.^{13 14}

III. Consequences of Findings of Failure To Submit

For plan requirements under subpart D, title I of the CAA, such as those for

ozone nonattainment areas, if the EPA finds that a state has failed to make the required SIP submittal or that a submitted SIP is incomplete, then CAA section 179 establishes specific consequences, including the eventual imposition of mandatory sanctions for the affected area(s).¹⁵ Additionally, such a finding triggers an obligation under CAA section 110(c) for the EPA to promulgate a FIP no later than 2 years from the effective date of the finding, if the affected state has not submitted, and the EPA has not approved, the required SIP submittal.¹⁶

If the EPA has not affirmatively determined that a state has submitted a complete SIP addressing the deficiency that is the basis for these findings within 18 months of the effective date of this rulemaking, or the submittal has not become complete by operation of law 6 months after submittal, then pursuant to CAA section 179(a) and (b) and 40 CFR 52.31, the offset sanction identified in CAA section 179(b)(2) will apply in the affected nonattainment area. If the EPA has not affirmatively determined that the state has submitted a complete SIP addressing the

deficiencies that are the basis for these findings within 6 months after the offset sanction is imposed, or the submittal has not become complete by operation of law 6 months after submittal, then the highway funding sanction will apply in the affected nonattainment area, in accordance with CAA section 179(b)(1) and 40 CFR 52.31. The state must make the required SIP submittal and the EPA must take final action to approve the submittal within 2 years of the effective date of these findings; otherwise, the EPA is required to promulgate a FIP. This is required pursuant to CAA section 110(c), for the affected nonattainment area.

IV. Findings of Failure To Submit for States That Failed To Make a Moderate Nonattainment Area SIP Submittal

Based on a review of SIP submittals received as of the date of this final action, the EPA is finding that the states listed in Table 1 have failed to submit specific SIP elements for the 2008 ozone NAAQS required under subpart 2 of part D of title 1 of the CAA.

TABLE 1—FINDINGS OF FAILURE TO SUBMIT CERTAIN REQUIRED SIP ELEMENTS FOR 2008 OZONE NAAQS NONATTAINMENT AREAS

Region	State	Area name	Required SIP elements
2	NJ	New York-N. New Jersey-Long Island	<ul style="list-style-type: none"> Contingency measures for volatile organic compounds (VOC) and oxides of nitrogen (NO_x); Ozone attainment demonstration; RACT Non-Control Techniques Guidelines for major stationary sources of VOC; RACT for major stationary sources of NO_x; and RFP for VOC and NO_x for Moderate nonattainment area.
5	IL	Chicago-Naperville	<ul style="list-style-type: none"> Basic Vehicle Inspection and Maintenance (I/M) program; Contingency measures for VOC and NO_x; Nonattainment NSR program for Moderate nonattainment area; Ozone attainment demonstration; RACT Non-Control Techniques Guidelines for major stationary sources of VOC; RACT for major stationary sources of NO_x; and RFP for VOC and NO_x for Moderate nonattainment area.
9	CA	Kern County (Eastern Kern)	<ul style="list-style-type: none"> Nonattainment NSR program for Moderate nonattainment area; and RACT for major sources of NO_x.
9	CA	Mariposa County	<ul style="list-style-type: none"> Emissions Statement; and Nonattainment NSR for Moderate nonattainment area.
9	CA	Nevada County (Western part)	<ul style="list-style-type: none"> Contingency measures for VOC and NO_x; Emissions statement; Ozone attainment demonstration; RACT Non-Control Techniques Guidelines for major stationary sources of VOC; RACT for major stationary sources of NO_x; and RFP for VOC and NO_x for Moderate nonattainment area.

¹² See 80 FR 12264; March 6, 2015. Section III.D.1.b., What are the SIP requirements for the 2008 ozone NAAQS?

¹³ Determination of Nonattainment and Reclassification of the Houston-Galveston-Brazoria

2008 8-Hour Ozone Nonattainment Area; Texas; final rule (81 FR 90207; December 14, 2016).

¹⁴ Reclassification of the Sheboygan, Wisconsin Area to Moderate Nonattainment for the 2008

Ozone National Ambient Air Quality Standards; final rule (81 FR 91841; December 19, 2016).

¹⁵ See 42 U.S.C. 7509.

¹⁶ See 42 U.S.C. 7410(c).

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V. Environmental Justice Considerations

The EPA believes that the human health or environmental risks addressed by this action will not have disproportionately high or adverse human health or environmental effects on minority, low-income, or indigenous populations. This is because it does not directly affect the level of protection provided to human health or environment under the ozone NAAQS. The purpose of this rule is to make findings that three states have failed to provide the EPA with the identified SIP submissions, which are required by the CAA for purposes of implementing the 2008 ozone NAAQS. As such, this action does not directly affect the level of protection provided for human health or the environment. Moreover, it is intended that the actions and deadlines resulting from this notice will lead to greater protection for United States citizens, including minority, low-income, or indigenous populations by ensuring that states meet their statutory obligation to develop and submit SIPs to ensure that areas make progress toward attaining the 2008 ozone NAAQS.

VI. Statutory and Executive Order Reviews

A. Executive Order 12866: Regulatory Planning and Executive Order 13563: Improving Regulation and Regulatory Review

This action is not a significant regulatory action and was therefore not submitted to the Office of Management and Budget (OMB) for review.

B. Executive Order 13771: Reducing Regulations and Controlling Regulatory Costs

This action is not an Executive Order 13771 regulatory action because this action is not significant under Executive Order 12866.

C. Paperwork Reduction Act (PRA)

This action does not impose an information collection burden under the provisions of the PRA. This final rule does not establish any new information collection requirement apart from what is already required by law. This rule relates to the requirement in the CAA for states to submit SIPs under sections 172 and 182 which address the statutory requirements that apply to areas designated as Moderate nonattainment for the ozone NAAQS.

D. Regulatory Flexibility Act (RFA)

I certify that this rule will not have a significant economic impact on a substantial number of small entities

under the RFA. This action will not impose any requirements on small entities. The rule is a finding that the named states have not submitted the necessary SIP revisions.

E. Unfunded Mandates Reform Act of 1995 (UMRA)

This action does not contain any unfunded mandate as described in UMRA, 2 U.S.C. 1531–1538, and does not significantly or uniquely affect small governments. The action imposes no enforceable duty on any state, local or tribal governments or the private sector.

F. Executive Order 13132: Federalism

This action does not have federalism implications. It will not have substantial direct effects on the states, on the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government.

G. Executive Order 13175: Consultation and Coordination With Indian Tribal Governments

This action does not have tribal implications as specified in Executive Order 13175. This rule finds that several states have failed to submit SIP revisions that satisfy the nonattainment area planning requirements under sections 172 and 182 of the CAA for the 2008 ozone NAAQS. No tribe is subject to the requirement to submit an implementation plan under section 172, or under subpart 2 of part D of Title I of the CAA. Thus, Executive Order 13175 does not apply to this action.

H. Executive Order 13045: Protection of Children From Environmental Health and Safety Risks

The EPA interprets Executive Order 13045 as applying only to those regulatory actions that concern health or safety risks that the EPA has reason to believe may disproportionately affect children, per the definition of “covered regulatory action” in section 2–202 of the Executive Order. This action is not subject to Executive Order 13045 because it is a finding that several states have failed to submit SIP revisions that satisfy the Moderate nonattainment area planning requirements under sections 172 and 182 of the CAA for the 2008 ozone NAAQS and does not directly or disproportionately affect children.

I. Executive Order 13211: Actions That Significantly Affect Energy Supply, Distribution or Use

This action is not subject to Executive Order 13211, because it is not a

significant regulatory action under Executive Order 12866.

J. National Technology Transfer and Advancement Act (NTTAA)

This rulemaking does not involve technical standards.

K. Executive Order 12898: Federal Actions To Address Environmental Justice in Minority Populations and Low-Income Populations

The EPA believes the human health or environmental risk addressed by this action will not have potential disproportionately high and adverse human health or environmental effects on minority, low-income, or indigenous populations. In finding that several states have failed to submit SIP revisions that satisfy the Moderate nonattainment area planning requirements under sections 172 and 182 of the CAA for the 2008 ozone NAAQS, this action does not directly affect the level of protection provided to human health or the environment. The results of this evaluation are contained in Section V of this preamble titled “Environmental Justice Considerations.”

L. Congressional Review Act (CRA)

This action is subject to the CRA, and the EPA will submit a rule report to each House of the Congress and to the Comptroller General of the United States. This action is not a “major rule” as defined by 5 U.S.C. 804(2).

M. Judicial Review

Section 307(b)(1) of the CAA indicates which Federal Courts of Appeal have venue for petitions of review of final agency actions by the EPA under the CAA. This section provides, in part, that petitions for review must be filed in the United States Court of Appeals for the District of Columbia Circuit, (i) when the agency action consists of “nationally applicable regulations promulgated, or final actions taken, by the Administrator,” or (ii) when such action is locally or regionally applicable, if “such action is based on a determination of nationwide scope or effect and if in taking such action the Administrator finds and publishes that such action is based on such a determination.”

The EPA has determined that this final rule consisting of findings of failure to submit certain of the required SIP revisions is “nationally applicable” within the meaning of section 307(b)(1) of the CAA. This final agency action affects three states with Moderate nonattainment areas located in three of the ten EPA Regional offices, and in

three different U.S. Federal Circuit Courts (3rd Circuit for New Jersey; 7th Circuit for Illinois; and 9th Circuit for California).

In addition, the EPA has determined that this rule has nationwide scope or effect because it addresses a common core of knowledge and analysis involved in formulating the decision and a common interpretation of the requirements of 40 CFR 51 appendix V applied to determining the completeness of SIPs in states across the country. This determination is appropriate because, in the 1977 CAA Amendments that revised CAA section 307(b)(1), Congress noted that the Administrator's determination that an action is of "nationwide scope or effect" would be appropriate for any action that has "scope or effect beyond a single judicial circuit." H.R. Rep. No. 95-294 at 323-324, reprinted in 1977 U.S.C.C.A.N. 1402-03. Here, the scope and effect of this action extends to the three judicial circuits that include the states across the country affected by this action. In these circumstances, CAA section 307(b)(1) and its legislative history authorize the Administrator to find the rule to be of "nationwide scope or effect" and, thus, to indicate that venue for challenges lies in the District of Columbia Circuit. Accordingly, the EPA is determining that this rule is of nationwide scope or effect.

Under section 307(b)(1) of the CAA, petitions for judicial review of this action must be filed in the United States Court of Appeals for the District of Columbia Circuit within 60 days from the date this final action is published in the **Federal Register**. Filing a petition for review by the Administrator of this final action does not affect the finality of the action for the purposes of judicial review, nor does it extend the time within which a petition for judicial review must be filed, and shall not postpone the effectiveness of such rule or action.

List of Subjects in 40 CFR Part 52

Environmental protection, Approval and promulgation of implementation plans, Administrative practice and procedures, Incorporation by reference, Air pollution control, Intergovernmental relations, and Reporting and recordkeeping requirements.

Dated: November 29, 2017.

William L. Wehrum,

Assistant Administrator.

[FR Doc. 2017-26537 Filed 12-8-17; 8:45 am]

BILLING CODE 6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 82

[EPA-HQ-OAR-2017-0472; FRL-9968-24-OAR]

RIN 2060-AT53

Protection of Stratospheric Ozone: Revision to References for Refrigeration and Air Conditioning Sector To Incorporate Latest Edition of Certain Industry, Consensus-Based Standards

AGENCY: Environmental Protection Agency (EPA).

ACTION: Direct final rule.

SUMMARY: The U.S. Environmental Protection Agency (EPA) is taking direct final action to modify the use conditions required for use of three flammable refrigerants, isobutane (R-600a), propane (R-290), and R-441A, in new household refrigerators, freezers, and combination refrigerators and freezers under the Significant New Alternatives Policy (SNAP) program. The use conditions, which address safe use of flammable refrigerants, are being revised to reflect the incorporation by reference of an updated standard from Underwriters Laboratories.

DATES: This rule is effective on March 12, 2018 without further notice, unless EPA receives adverse comment by January 25, 2018. If EPA receives adverse comment, we will publish a timely withdrawal in the **Federal Register** informing the public that the rule will not take effect. Any party requesting a public hearing must notify the contact listed below under **FOR FURTHER INFORMATION CONTACT** by December 18, 2017. The incorporation by reference of certain publications listed in the rule is approved by the Director of the Federal Register as of March 12, 2018.

ADDRESSES: EPA has established a docket for this action under Docket ID No. EPA-HQ-OAR-2017-0472. All documents in the docket are listed on the <https://www.regulations.gov> Web site. Although listed in the index, some information is not publicly available, e.g., confidential business information (CBI) or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly available only in hard copy form. Publicly available docket materials are available electronically through <https://www.regulations.gov> or in hard copy at the Air and Radiation Docket, EPA/DC,

EPA West, Room 3334, 1301 Constitution Avenue NW., Washington, DC. The Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Public Reading Room is (202) 566-1744, and the telephone number for the Air and Radiation Docket is (202) 566-1742.

FOR FURTHER INFORMATION CONTACT: Chenise Farquharson, Stratospheric Protection Division, Office of Atmospheric Programs (Mail Code 6205T), Environmental Protection Agency, 1200 Pennsylvania Ave. NW., Washington, DC 20460; telephone number: 202-564-7768; email address: farquharson.chenise@epa.gov. Notices and rulemakings under EPA's Significant New Alternatives Policy program are available on EPA's Stratospheric Ozone Web site at <https://www.epa.gov/snap/snap-regulations>.

SUPPLEMENTARY INFORMATION: We are modifying the use conditions for three flammable hydrocarbon refrigerants, isobutane (R-600a), propane (R-290), and R-441A, used in new household refrigerators, freezers, and combination refrigerators and freezers (hereafter "household refrigerators and freezers") by replacing four of the five use conditions in our previous hydrocarbon refrigerants rules (76 FR 78832, December 20, 2011; 80 FR 19454, April 10, 2015) with the updated Underwriters Laboratories (UL) Standard 60335-2-24 (2nd edition, April 28, 2017), "Household and Similar Electrical Appliances—Safety—Part 2-24: Particular Requirements for Refrigerating Appliances, Ice-Cream Appliances and Ice-Makers." See EPA's two previous rules (76 FR 78832, December 20, 2011; 80 FR 19454, April 10, 2015) for information on the SNAP program and the use conditions for isobutane, propane, and R-441A. UL Standard 60335-2-24 supersedes the current edition of UL Standard 250 (10th edition, August 25, 2000), "Household Refrigerators and Freezers," which EPA previously incorporated by reference in the use conditions of the acceptability listings for these three refrigerants (76 FR 78832, December 20, 2011; 80 FR 19454, April 10, 2015). This action applies to new refrigerators, freezers, and combination refrigerator and freezers manufactured after the effective date of this regulation. This action does not place any significant burden on the regulated community and ensures consistency with standard industry practices.

EPA is publishing this rule without a prior proposed rule because we view this as a noncontroversial action and

