

***NORTHERN SIERRA***  
***AIR QUALITY MANAGEMENT DISTRICT***  
***BOARD OF DIRECTORS***  
***REGULAR BOARD MEETING***  
***MONDAY***  
***April 22, 2019***  
***1:00 p.m.***



NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT

BOARD OF DIRECTORS REGULAR MEETING

April 22, 2019

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

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. **Consent Calendar** These Items Are Expected to Be Routine and Noncontroversial. They Will Be Acted on By the Board at One Time Without Discussion. Any Board Member, Staff Member, or Interested Party May Request That an Item Be Removed From the Consent Calendar for Discussion.

A. Approval of regular meeting minutes – March 28, 2019 - *Page 5*

IV. **Administrative Report**

A. Approval of Northern Sierra Air Quality Management District's AB 2766 DMV-*Page 10* Surcharge Fund Program RFP for 2019-2020 Grant Cycle

B. Ratify Contract #CMP 2019-01 Between Northern Sierra Air Quality Management -*Page 84* District and Goicoechea Sierra Valley Ranch

C. Approve Agreement between the District and CARB and Resolution # 2019-04 -*Page 103* for authorizing the acceptance of funds for the District's Smoke Management Program.

D. Quarterly Financial Report for period ending March 31, 2019 - *Page 105*

E. Recommendation to hire two new Air Pollution Specialists *Page 112*

**V. Director's Report**

- A. Status on Portola PM2.5 Nonattainment Area - *Page 119*
- B. Green Waste - *Page 120*
- C. Forest Health Issues - *Page 123*

**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.

**VII. Schedule next Meeting** – May 20, 2019 – Videoconference/Telephone

**VIII. 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](http://www.myairdistrict.com)**

**To:** Northern Sierra Air Quality Management District Board of Directors  
**From:** Gretchen Bennitt, Air Pollution Control Officer  
**Date:** April 22, 2019

**Agenda Item: III.A**

**Agenda Description:** Approval of regular meeting minutes – March 25, 2019

**Requested Action:** The minutes are attached for Board comment/approval

**ROLL CALL VOTE REQUESTED**

**Attachments:**

1. March 25, 2019 minutes

DISTRICT HEADQUARTERS  
200 Litton Drive, Suite 320  
Mailing Address:  
Grass Valley, CA 95945  
(530) 274-9360 / FAX: (530) 274-7546  
email: [office@myairdistrict.com](mailto:office@myairdistrict.com) or [www.myairdistrict.com](http://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](mailto:Julie@myairdistrict.com) or [www.myairdistrict.com](http://www.myairdistrict.com)

**MINUTES**

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

**March 25, 2019**

**1:00 p.m.**

**(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**

**Members Present:**

**Supervisor Scofield, Chair  
Supervisor Hoek (Alternate)  
Supervisor Adams (Alternate)  
Supervisor Huebner  
Supervisor Sanchez  
Supervisor Thrall**

**Members Absent:**

**Supervisor Roen  
Supervisor Anderson**

**I. Standing Orders:**

**Call to Order. Roll Call and Determination of Quorum.**

Chair Scofield called the meeting to order at 1:01 P.M. A quorum was confirmed. Gretchen Bennett, APCO; Julie Ruiz, APCSI, Dawn Lunsford, Accounting Clerk/Administrative Assistant 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 Scofield called for public comment. There was no public present at either site.

**III. Consent Calendar** These Items Are Expected to Be Routine and Noncontroversial. They Will Be Acted on By the Board at One Time Without Discussion. Any Board Member, Staff Member, or Interested Party May Request That an Item Be Removed From the Consent Calendar for Discussion.

**A. Approval of regular meeting minutes – January 28, 2019**

There was a motion by Supervisor Huebner to approve the consent calendar. Supervisor Sanchez seconded the motion. The motion was approved by Supervisors Scofield, Thrall, Sanchez and Huebner. Supervisors Hoek and Adams abstained. The motion was approved with a roll call vote.

**IV. Administrative Report**

**A. Financial Audit Ending June 30, 2018**

Clay Singleton reported the audit to the Board and answered questions. There was a motion by Supervisor Adams to approve the Financial Audit ending June 30, 2018. Supervisor Huebner seconded it. The motion was approved unanimously with a roll call vote.

**B. FARMER Resolution and Contract**

Supervisor Adams made a motion to authorize the director to enter into an agreement with Placer Air District and to approve resolution #2019-02. Supervisor Huebner seconded the motion. The motion was unanimously approved with a roll call vote.

**C. Voluntary NOx Reduction Measure**

Supervisor Adams made a motion to authorize the director to sign the MOA and to send the disbursement request. Supervisor Sanchez seconded the motion. The motion was approved with a roll call vote.

**D. County Contribution**

Ms. Bennitt discussed the three options available for the Board. She noted that last year the Board kept the contribution the same. Supervisor Hoek made a motion to approve Method A – an increase in county contribution. The Contributions would increase as follows for each county: Nevada County increased from \$48,838.90 to \$50,728.97. Sierra County increased from \$1,602.18 to \$1,664.19. Plumas County increased from \$9,893.48 to \$10,276.36. Supervisor Thrall seconded the motion. The motion was approved with a roll call vote.

**E. Financial Auditor Engagement Letter**

Ms. Bennitt recommended to the Board to authorize her to sign the engagement letter from Singleton/Auman which would engage their services as the District's financial auditor for the next three years. Supervisor Sanchez made a motion to authorize the Director to sign the engagement letter for three years of auditing. Supervisor Hoek seconded the motion. The motion was approved with a roll call vote.

**F. Agreement with CARB for AB 617 Grant for \$22,659**

Ms. Bennitt discussed that although CARB has agreed that the District can use this grant to provide alternatives to the burning of green waste, the CARB recently has drafted onerous requirements to any district using these funds. Ms. Bennitt recommended applying for the funds, but until CARB releases the final requirements for the use of the money, the District should hold off on spending the funds. The Board discussed that Ms. Bennitt should apply for the funds, and



come back to the Board with a final project for Board approval before spending the funds. Supervisor Huebner made a motion to authorize the Executive Director to sign the agreement with CARB, but to come back to the Board with a final project before spending the funds. Supervisor Hoek seconded the motion. The motion was approved with a roll call vote.

**G. Consideration of Appointment of Jennifer McQuarrie to the Variance Hearing Board**

Supervisor Thrall made a motion to approve the appointment of Jennifer McQuarrie to the Air District Variance Hearing Board. Supervisor Huebner seconded the motion. The motion was approved with a roll call vote

**IV. Director's Report**

**A. Sierra Institute's Biomass Boiler for the Plumas County Annex**

Ms. Bennitt discussed that the District received smoke complaints and has been working with the agency that is running the boiler.

**B. Status on Portola PM2.5 Nonattainment Area**

Ms. Bennitt and Ms. Ruiz discussed that the City of Portola is considering adopting an ordinance that would prohibit open burning within the city limits. Ms. Bennitt stated that this ordinance, if adopted, would partially fulfill a commitment the Board agreed to in the Portola Nonattainment State Implementation Plan (SIP). Ms. Bennitt went on to discuss that the commitment in the SIP was that the Board would consider a prohibition on open burning throughout the entire nonattainment area from November 15 – March 15. Ms. Bennitt asked for direction from the Board whether she should pursue an open burning regulation for the rest of the nonattainment area at the county level or as a Board-approved District rule. The Board directed Ms. Bennitt to approach the County Board of Supervisors and report back to the Air District Board.

Ms. Ruiz handed out materials on the School Flag Program and answered questions from the Board about the program. Ms. Ruiz also handed out flyers for the Air District's Woodstove Changeout Program, scheduled for Saturday, April 6. The Board told Ms. Ruiz that they appreciated all of her work on this program.

**C. California Air Resources Board's 15-Day Draft changes to the Criteria and Toxics Reporting Regulation**

Ms. Bennitt discussed that she was opposed to the CARB's changes. She presented a letter that Sam Longmire had drafted in opposition to the changes. She also presented a flyer that she had distributed to the Air District's permitted sources – over 300. The Board agreed with her comments and commended staff efforts.

**D. Forest Health Issues**

Ms. Bennitt discussed how SB1260 and 901 would greatly increase prescribed burning across the state. The Air Districts were awarded \$2,000,000 in anticipation of the increased workload. Ms. Bennitt reported that she had been working with CAPCOA (California Air Pollution Control Officers Association) to develop a program to utilize and distribute those funds.

**E. FARMER Agricultural Survey**

Ms. Bennitt informed the Board of the FARMER agricultural survey.

**V. Concerns of the Board**

There were no concerns of the Board.

**VI. Schedule next Meeting – Next meeting was scheduled for April 22, 2019.**

**VIII. Adjournment**

The meeting was adjourned at 2:25 P.M.

**To:** Northern Sierra Air Quality Management District Board of Directors  
**From:** Gretchen Bennett, Air Pollution Control Officer  
**Date:** April 22, 2019

**Agenda Item: IV.A**

**Agenda Description:** Approval of Northern Sierra Air Quality Management District's AB 2766 DMV Surcharge Fund Program RFP for 2019-2020 Grant Cycle

**Issues:**

Please review the attached Request For Proposal. There were no major modifications from last year's proposal.

**Requested Action:**

Approve the Northern Sierra's AB 2766 DMV Surcharge Fund Program Request for Proposal for 2019-2020 Grant Cycle with adopted funding option

**ROLL CALL VOTE REQUESTED**

**Attachments:**

1. Northern Sierra's AB 2766 DMV Surcharge Fund Program Request for Proposal for 2019-2020 Grant Cycle.



## AB 2766 DMV Surcharge Fund

### Program

### Request

### for

### Proposal

## Grant Year 2020

Board Approval: April 22, 2019

**REQUEST FOR PROPOSAL  
TABLE OF CONTENTS**

<u>SUBJECT</u>	<u>PAGE</u>
SECTION I INTRODUCTION	1
SECTION II SCHEDULE	2
SECTION III BACKGROUND	3
SECTION IV ELIGIBLE PROJECTS	4
SECTION V FORMAT OF PROPOSALS	6
SECTION VI CONTENTS OF PROPOSALS	7
SECTION VII SUBMISSION OF PROPOSALS	10
SECTION VIII CONTRACT PREPARATION AND PROJECT TERM	12
SECTION IX REPORTING AND AUDIT PROCEDURES	13
SECTION X PROPOSAL EVALUATION	14
SECTION XI EMISSIONS CALCULATIONS AND COST-EFFECTIVENESS	15

**ATTACHMENTS**

- 1 Exhibit Summary Sheet
- 2 Request For Proposal Contents Checklist
- 3 Sample Contract
- 4 Project Guidance
- 5 Evaluation Criteria, Ranking and Sunsetting
- 6 Administrative Costs
- 7 Definitions/Acronyms

# NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT

## AB 2766 DMV SURCHARGE FUND PROJECTS AND PROGRAMS

### Grant Year 2020 Request For Proposal

#### SECTION I. INTRODUCTION

The Northern Sierra Air Quality Management District (District) requests proposals for AB 2766 DMV Surcharge Fund projects and programs for the following purpose according to the terms and conditions herein.

**PURPOSE:** To assist in attaining the requirements of the California Clean Air Act. The District solicits proposals for projects and programs that will: 1) reduce air pollution emissions from motor vehicles; 2) implement the mobile transportation demand management measures. Entities with proposals that are selected for either full or partial funding must enter into explicit contracts with the District setting forth performance criteria to ensure compliance with statute and audit requirements. Public and private entities are eligible to apply either solely or in combination for this funding. However, proposals from private entities will be examined to ensure they result in public as opposed to solely private benefit.

**NOTE:** CREDITS FOR EMISSION REDUCTIONS FROM A PROJECT OR PROGRAM FUNDED BY MOTOR VEHICLE EMISSION REDUCTIONS PROJECTS FUNDS ARE NOT TRANSFERABLE AND MAY NOT BE USED AS EMISSION OFFSETS. THEY WILL BE USED TO MEET THE EMISSION REDUCTIONS NEEDED TO MAINTAIN COMPLIANCE WITH THE CALIFORNIA CLEAN AIR ACT, AND ARE THEREFORE THE PROPERTY OF THE DISTRICT.

**NOTE:** This request for proposal (RFP) is subject to modification. Any significant modifications will be sent to the recipients of this RFP who are on the District's mailing list for motor vehicle emission reductions projects.

**NOTE:** Applicants are responsible for knowing all information contained in this RFP and must adhere to all requirements. Failure to adhere to all requirements may be cause for termination of the contract with the District.

**FOR FURTHER INFORMATION:** Questions, comments, or requests for further information regarding this RFP may be obtained by contacting Joe Fish, located at the Grass Valley Office, email: [joe@myairdistrict.com](mailto:joe@myairdistrict.com), phone: (530) 274-9360, ext 103.

**SECTION II. SCHEDULE**

<u>DATE</u>	<u>EVENT</u>
April 22, 2019	Board approval of RFP
April 23, 2019	Distribution of 2-page screening proposal solicitation
June 3, 2019	2-Page screening proposals due 4:00 P.M. (postmarks <u>NOT</u> accepted). Email submissions preferred.
July 8, 2019	Detailed Request For Proposal (RFP) sent to top contenders
September 4, 2019	Proposal submission deadline - 4:00 P.M. (postmarks <u>NOT</u> accepted). Email submissions preferred.
September 05, 2019 – September 13, 2019	District reviews proposals
September 23, 2019	Committee/District staff recommendations to Board. Governing board approves, rejects, or directs staff on the recommendations
October 28, 2019	If no meeting occurs in September, then committee/District staff recommendations to Board. Governing board approves, rejects, or directs staff on the recommendations
December 13, 2019	All contracts signed by the Executive Director, Chair and participants
January 1, 2020	Commencement of Funding

14



### SECTION III. BACKGROUND

Assembly Bill 2766 (Sher) authorized air pollution control districts and air quality management districts to impose a \$2 to \$4 motor vehicle registration fee to provide funds for air districts to meet new responsibilities mandated under the California Clean Air Act. The District set the fee at \$4 per registered motor vehicle for Nevada County and Plumas County. Sierra County remains at \$2 per registered vehicle.

The California Health and Safety Code states that the fees shall be used to reduce air pollution from motor vehicles and for related planning, monitoring, enforcement and technical studies necessary to implement the California Clean Air Act. The California Air Resources Board has expanded on this with guidance titled *Proposed Criteria and Guidelines For Use of Motor Vehicle Registration Fees*.

The District's Governing Board will determine from year to year what amount of motor vehicle registration fees are to be budgeted to fulfill the District's requirements for implementing the California Clean Air Act. On April 22, 2019, the District's Board of Directors made a tentative budget allocation of \$220,275 for external projects. This amount was then allocated per county based upon the 2018 Census data and unspent funds from previous years as follows: **\$179,137 for Nevada County, \$5,721 for Sierra County and \$70,683 for Plumas County**. The amount available for projects may change if the revenues change or plans change. In addition, since these funds are also used to fund internal programs referred to in the paragraphs above, plans for internal activities may influence the funds available for external projects.

Eligible projects and programs are described in Section IV in more detail. The District and its committees will rank proposed projects and programs based on evaluation criteria (see Section X and Attachment 5) approved by the board and make recommendations to the District's Governing Board. *The District will be sensitive to an equitable distribution of the funds within the District*, as long as projects from a given area score well against the evaluation criteria.

The District's Governing Board may approve proposals, reject proposals, or refer proposals back to the District and its committees for reconsideration or refinement to improve various aspects of the proposal. The District may request minor changes in a project proposal or in rare cases, may request major changes instead of simply rejecting the project. The proposer is expected to comply with the District's requests to modify proposals to be compatible with the District's program needs, however, the proposer has the option to withdraw a refer-back proposal if the District's requested changes are not compatible with the proposer's needs. Once a proposal (or a modified proposal) is submitted, it shall be considered firm.

## SECTION IV. ELIGIBLE PROJECTS

The District will be seeking to reduce the nonattainment air pollutants associated with motor vehicles (e.g. ozone precursors and vehicle-related particulates). Projects eligible for AB 2766 DMV Surcharge funding must meet one of two goals in order to be considered by the District. Those goals include (1) reducing air pollution emissions from motor vehicles, reductions in vehicle miles traveled, and/or reductions in vehicle trips; (2) implementing transportation control measures (TCMs) and transportation demand management (TDM) measures.

Applicants are instructed to determine which of the two categories described below (Quantifiable or Reduced Emission Vehicles) their proposal falls under. Applicants are to select one of the two categories, for each submitted proposal, on Attachment 2, Request For Proposal Contents Checklist. The District reserves the right to reclassify the category of a proposal. Additionally, if the applicant does not choose a category, the District will select a category for the proposal.

The proposal will be evaluated in one of two (2) categories as follows:

### 1) QUANTIFIABLE

Such projects are known to have measurable results and demonstrate the most significant emission reduction benefits. Emissions benefits should be calculated using a calculation methodology acceptable to the District. Documentation of the assumptions and inputs used in calculations must be included in the proposal.

### 2) REDUCED EMISSION VEHICLES

These are projects that use Reduced Emission Vehicle technology to demonstrate significant emission reduction benefits. An example of a project may include vehicle conversions to zero emissions vehicles (ZEV) or purchase of a new ZEV. Another option is purchasing a vehicle manufactured using alternate technologies producing fewer emissions than its comparable counterpart. For example, purchasing a bus that is powered by compressed natural gas (CNG) or liquid petroleum gas (LPG, propane) instead of purchasing a diesel powered bus or even a diesel hybrid.

**NOTE:** CNG and LPG conversion kits must be ARB-certified to be eligible for funding. Bi-fueled vehicle conversion proposals must agree to enhanced recordkeeping to monitor both CNG and LPG fuel use and conventional fuel use to facilitate emissions reduction calculations.

**NOTE:** All projects must have cost-effectiveness less than \$100.00/lb to be considered for funding.

**The following projects are not eligible for AB 2766 DMV Surcharge funding:**

1. Projects required as mitigation by an environmental document under CEQA or NEPA are not eligible.
2. Projects and programs with fund requests to reimburse administrative costs with AB 2766 Funds (refer to Attachment 6).
3. Any project that falls under any Air District or the California Air Resources Board regulation (funding will not be used for rule compliance).

NOTE: Some proposals may need to be reduced in scope and/or funding level. Therefore, proposals should be presented in segments, if possible, so that portions of a proposal may be easily approved for funding. The District reserves the right to recommend for approval to the District's Governing Board only a portion of the proposer's scope of work and funding request. In this case, the proposer may be requested to submit a revised work statement, schedule of deliverables, and cost breakdown. For this reason, it is strongly recommended that proposals be structured with alternate funding levels in proposals, if feasible.

NOTE: Any application submitted that contains more than one project type must be submitted as **separate proposals**. Submitting combined proposals may result in rejection of the entire proposal. However, in some cases, the District may return the proposal and request separate proposals. Typical project types that should be separated follow: Alternative fuel vehicles, alternative fuel infrastructure, electric vehicles, electric charging infrastructure, marketing of transit services, new transit services, fare subsidies/incentives, new shuttle services, telecommunications, vanpools, rideshare matching services and bikeways. In the case of voluntary employer trip reduction programs, project components may include rideshare matching, vanpools, guaranteed ride home, etc., however, special structuring is necessary to separately evaluate trips and VMT reduced, and emissions reduced for each component. The cost-effectiveness is then determined as the quotient of the AB 2766 funding and the combined emissions reductions for each component.

## **SECTION V.      FORMAT OF PROPOSALS**

Applicants have two choices for proposal formats: email or paper submission. Proposals submitted via email should be in a common readable format (pdf, doc, xls, or txt ) and no longer than 10 pages.

**Proposals submitted on paper shall adhere to the following requirements:**

- All proposals must follow the format outlined below and all requested information must be supplied:
- Proposals must be submitted on white paper; stapled (not bound).
- No plastic covers on proposals.
- No covers of any kind; the Exhibit Summary Sheet will be the cover.
- Proposals may be no longer than ten (10), double sided, 8-1/2" x 11" sheets of paper in addition to the Cover Letter, Request for Proposal Contents Checklist, and Exhibit Summary Form.
- All proposals must be clearly printed or typed.
- Technical appendices of no more than ten (10), 8-1/2" x 11" sheets of paper, including information on proposer's past projects and experience, may be attached.
- No videos will be accepted with proposals.

**FAILURE TO ADHERE TO THE AFOREMENTIONED SPECIFICATIONS MAY BE CAUSE FOR REJECTION OF PROPOSAL.**

## SECTION VI. CONTENTS OF PROPOSALS

All proposals must be submitted with the following sections, in the order listed below, and must provide the information specified below:

- A. Exhibit Summary Sheet - Provide basic information indicated, including a brief project overview in the space provided. The "Exhibit Summary Sheet" form is included in this RFP as Attachment 1.
- B. Request For Proposal Contents Checklist - Use the summary checklist sheet to ensure that all of the appropriate contents of the proposal have been included (see Request For Proposal Contents Checklist form, Attachment 2).
- C. Authorization Letter/Resolution - A letter or resolution authorizing the applicant to submit a proposal must be included with the proposal. The letter must include the proposing entity's name, address, telephone number and contact person, and must be signed by the person or persons authorized to represent the proposing entity. For proposals from more than one entity, letter(s) must be signed by an authorized representative from each entity. Please indicate which entity will be the project manager of the project.
- D. Project Description - Identify specific objectives of the proposal and describe the scope of work of the proposed project. The applicant should refer to the appropriate section of the California Air Resources Board's *Methods to Find the Cost-Effectiveness of Funding Air Quality Projects -- 2005 Edition* (this is a hardcopy version of the "Automated" methods) for assistance on successful project design. The Handbook can be obtained from the District's web page (<http://www.myairdistrict.com>). Select "Grants and Incentives", and then select "AB2766 DMV Funds."
- E. Project Organization/Background - Provide a very brief description (one page or less; no resumes) of your organization. Please indicate if your agency has successfully completed a similar project. If subcontractors are to be used in the project, please identify and state their qualifications, or if subcontractors have not been identified, state the specific qualifications that must be met. Describe the technical capabilities available to the proposer for preparing estimates of emissions reductions for both the proposal and reporting. Describe the accounting capabilities available to the proposer for tracking costs by project task and tracking which funding source pays for each expenditure.
- F. Emission Benefits/Cost Effectiveness - This important section shall clearly state the estimated total lifetime emission reductions of NOx, ROG, and PM10, if emissions reductions are quantifiable. When emissions reductions are quantifiable, state the vehicle miles traveled (VMT) reductions, vehicle trip reductions, or persons served. The calculations and assumptions necessary to derive and support these estimates must be clearly and concisely included in the technical appendix and will be verified by District staff. Please refer to Section XI of this RFP for more detailed information on this important section of your proposal.

The applicant should also refer to the appropriate section of the California Air Resources Board's (ARB) *Methods to Find the Cost-Effectiveness of Funding Air Quality Projects -- 2005 Edition* (this is a hardcopy version of the "Automated" methods) for assistance on successful project design, necessary data inputs, emission factors, and formulas used to determine cost-effectiveness. The Handbook can be obtained from the District's web page (<http://www.myairstdistrict.com>). Select "Grants and Incentives", and then select "AB2766 DMV Funds."

The District will be looking for the maximum benefit per AB 2766 dollar spent and per total project dollar spent. Therefore, the proposal must provide the cost-effectiveness based on AB 2766 funding and the cost-effectiveness based on total project dollar spent. NOTE: More points are allocated for cost-effectiveness than any other evaluation criteria.

- G. Work Statement - Describe separately each phase of the work to be performed. Break the work down into logical tasks, list tasks within each phase of work and describe as necessary. Such a breakdown will vary somewhat for each project or program, but normally there are between 2 and 12 tasks. State the sequence of work activities, including a starting date no sooner than January 1 of the grant year and a completion date within one year of said January 1. Include all relevant information regarding: a) the technology involved in the project; and b) the parties involved in the project.

**All project recipients must provide some type of public acknowledgment that their project was funded by the District utilizing DMV Surcharge Funds.** How this is done will vary by project (e.g. logo/placard on equipment, include acknowledgment in pamphlets, etc.), but must be addressed in this section of the proposal.

- H. Funding Request/Breakdown of Cost - A table is recommended for this purpose listing costs by task (and sub-tasks) in rows and funding sources in columns. Identify all sources of funds, including the AB 2766 DMV Surcharge funds, other direct funding sources and in-kind (non-dollar) contributions. Clearly state the amount of AB 2766 funds requested from the District for each task. Clearly state the amount of matching funds (co-funding) available from each co-funding source for each task and whether funds are monetary or in-kind (non-cash) contributions. Clearly state the total costs for each task and the total project costs. District staff will review all matching funds for availability and will verify eligibility. If identified matching funds are found to no longer be available, it may be grounds for eliminating the project.

This breakdown of costs must include a category for all administrative costs. The District will not reimburse for any administrative costs due to State-mandated limits (ref. California Health and Safety Code, Section 44233). Administrative costs must be funded by other funding sources or paid by the proposer with an "in-kind" contribution. The California Air Resources Board's definition of administrative costs is included in Attachment 6. NOTE: If a person whose job title is considered administrative by your agency is completing project management tasks, this is acceptable as long as you label the work "project management" and the billing rate you use is not "burdened" with administrative costs, as defined by ARB.

Separate from the above table, provide an itemized list of equipment to be purchased and the proportion of the cost of each piece of equipment to be funded by AB 2766 DMV Surcharge funds. The program will fund only that portion of the equipment's cost that is related to the provision of motor vehicle emissions reductions or technical studies, planning or monitoring related to the implementation of the California Clean Air Act. Co-funding must be used to fund any non-qualifying benefit.

Separate from the above table, provide an estimate of the operating costs to be funded by AB 2766 funds. The program will fund only that portion of the operating costs that is related to the provision of motor vehicle emissions reductions or technical studies, planning or monitoring related to the implementation of the California Clean Air Act. Co-funding must be used to fund any non-qualifying benefit.

It is recommended that proposals include alternate funding levels in case the District cannot fully fund your proposal.

Describe what procedures will be used to track/monitor costs against those approved in the project.

If AB 2766 funding has been provided to the proposer for the past 2 years for the same project or program being proposed for the upcoming grant year, then provide a discussion and analysis showing when this activity can become self-funding so that AB 2766 funding "sunsets". Refer to the Evaluation Criteria, Ranking and Sunsetting section in Attachment 5 for more information/discussion on the District's fund sunsetting strategy.

**NOTE: Reimbursements will not be made prior to contract execution.**

- I. Schedule of Deliverables/Monitoring Program - Provide a list of all work products or deliverable items and their anticipated dates of delivery. The schedule should not extend past more than one year after the date of contract execution. Show the task sequence in chart-form using a time-line for each task.

Describe how the project objectives will be measured and reported, being consistent, as applicable, with the requirements described in Section IX. A monitoring program is required for all projects to assure the necessary data are collected to quantify reductions of vehicle trips and vehicle miles traveled. ARB's *Methods to Find the Cost-Effectiveness of Funding Air Quality Projects -- 2005 Edition* should be used as a resource to identify the data that must be collected for an acceptable monitoring program. There are alternative ways to measure effectiveness, such as number of people reached, number of responses where asked for, and increased participation in a promoted event or service.

**NOTE:** The District will not provide copies of previous proposals to applicants. Applicants will have to contact the previous proposal author for copies.

## SECTION VII. SUBMISSION OF PROPOSALS

All proposals must be submitted according to specifications set forth in the RFP. Failure to adhere to these specifications may be cause for rejection of proposal.

THE APPLICANT SHALL SUBMIT ONE **ORIGINAL** (AS DESCRIBED ON REQUEST FOR PROPOSAL CONTENTS CHECKLIST, ATTACHMENT 2) OF THE PROPOSAL IN A SEALED ENVELOPE PLAINLY MARKED IN THE UPPER LEFT-HAND CORNER WITH THE NAME AND ADDRESS OF THE PROPOSER AND THE WORDS "AB 2766 DMV SURCHARGE PROGRAM."

**DUE DATE: ALL PROPOSALS ARE DUE NO LATER THAN 4:00 P.M., SEPTEMBER 4, 2019 (POSTMARKS NOT ACCEPTED) AND SHOULD BE DELIVERED TO:**

Northern Sierra Air Quality Management District, District Headquarters  
ATTENTION: Joe Fish  
Mailing Address: 200 Litton Drive, Suite 320, Grass Valley, CA 95945  
Shipping Address: 200 Litton Drive, Suite 320, Grass Valley, CA 95945

**PROPOSALS WILL NOT BE ACCEPTED AT ANY OTHER LOCATIONS. LATE PROPOSALS WILL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES.**

Grounds for Rejection - A proposal will be rejected if:

- a) It is received at any time after the exact date and time set for receipt of proposals.
- b) Any of the contents described on the Request For Proposal Contents Checklist (Attachment 2) are not provided in the application.
- c) The proposal does not meet the criteria described in the RFP.
- d) The District determines that the project is ineligible (See Section IV).

Disposition of Proposals - The District reserves the right to reject any or all proposals. All proposals become the property of the District. Proposals are valid only during the current funding cycle that the proposals are submitted.

Modification or Withdrawal - Once submitted, proposals may not be altered. Additional information may not be accepted after the proposal is submitted. All proposals shall constitute firm offers. The District may contact the applicant for more information or clarification on a proposal. The applicant may be asked by the District to submit additional written information or clarification on a proposal. Applicants are not to initiate contact with the District during the project evaluation phase about proposed projects. Lobbying for a proposed project is expressly forbidden. The Board may approve a project on the proviso that the proposal is modified in specific ways. The District may require a proposal to be modified prior to being included as an attachment to a contract agreement to help clarify the project commitments.



## SECTION VIII. CONTRACT PREPARATION AND PROJECT TERM

Those projects that are chosen for funding will be required to complete a contract with the District as a condition of receiving funds. A draft copy of a contract is enclosed in this RFP as Attachment 3. Contract preparation will begin soon after approval of projects by the District Governing Board. Contracts will be executed by the Air Pollution Control Officer after the Governing Board approves projects. This will occur in September or October. All projects should be scheduled to begin no sooner than January 1<sup>st</sup> of the grant year. Projects must be completed within one year from the execution of the contract with the District. Multiple-year or phased projects can only be guaranteed funding for one year, but may apply each year for additional funding. Prior to receiving any funds, the District will provide the project participant with **ONE** final **COPY** of the signed contract. Refer to Attachment 4 (*Project Guidance*) for written instructions on how to request funds. Prior to receiving any funds, the project participant must provide the District with the following documents:

- i) *Verification of appropriate signing authority.* The signing authority must be the person authorized in the contract as the person who can act on all fiscal matters on behalf of the funded agency. This may be accomplished by resolution, or the like.
- ii) *Verification of all insurance requirements identified in the contract.* If self-insured, a letter from a risk manager or the like will be acceptable.
- iii) *Verification that any and all matching funds identified in the proposal are still available.* The signing authority must provide formal documentation of the available matching funds.

The contract will require the applicant to perform adequate record keeping to allow the District to take credit for the emission reductions. **All emissions reductions achieved through this program are the property of the District.** It will also include requirements for monitoring and reporting by the proposer. The District may conduct a fiscal audit of the project participants' records to ensure appropriate expenditure of the AB 2766 DMV Surcharge funds. An in-house audit may be conducted on selected projects.

Proprietary Rights - Applicants wishing to propose the use of proprietary data developed solely at their own expense should clearly identify such data and the restrictions on its use in their proposals (see Attachment 3 - Standard Agreement).

## SECTION IX. REPORTING AND AUDIT PROCEDURES

Contract monitoring will be performed by the District on a regular basis. All projects will be reimbursed on a quarterly or monthly basis, only for work completed. A Monthly/Quarterly Financial Report is required to be submitted by the applicant (see Attachment 4 - Project Guidance) with each request for reimbursement, which must include a brief progress report. A mid-way *Monitoring Report* is also due by July 31 of the grant year describing what work has been successfully completed on schedule, percentage completion for each task, what work is behind schedule and why, what will be done to get back on schedule (if needed), and whether challenges are anticipated in completing the scheduled work by December 31 of the grant year. This is the project participants' opportunity to accent successes and forewarn about anticipated problems. In addition, a *Final Report* is required detailing what was actually accomplished and providing a final cost breakdown. The final report will also include emission reductions achieved, based on actual monitoring data, if applicable, and shall include all information necessary to judge the success of the project in meeting its goals. This analysis shall include a comparison of the proposed benefits to the actual benefits. More detailed information on the reporting requirements is included in the *Project Guidance* (Attachment 4).

The District, may at any time during regular business hours, and as often as the District may deem necessary, examine all records and data with respect to the matters contained in the contractual agreement. The applicant will be required to permit the District access to such records and data to ensure the applicant's compliance with the terms of said agreement (see Attachment 3).

Any entity that receives monies from the AB 2766 DMV Surcharge funds may be subject to an audit of each project funded. The audit will be conducted by an independent auditor selected by the District. Upon the completion of an audit, the District will make the audit available to the public, and the proposer upon request. The District will review the audit to determine if the monies were used per the contractual agreement for the reduction of air pollution from motor vehicles.

If the District determines that the monies were expended in a manner contrary to law or not in accordance with contract provisions, the District will notify the contractor of the determination, and within forty-five days, the District's Governing Board will hold a public hearing at which the contractor may present information related to the expenditure of monies. After the hearing, if the District determines that the contractor has expended the monies in a manner that is contrary to law or not in accordance with contract provisions; the District shall withhold monies from the contractor in an amount equal to the amount that was inappropriately expended. In addition to all other available remedies, the District may, at its discretion, also seek re-payment of funds misappropriated, spent for non-eligible activities, or otherwise inappropriately expended.

## SECTION X. PROPOSAL EVALUATION

Proposals will be evaluated and points awarded based upon the criteria outlined in the District's Evaluation Criteria, Ranking and Sunsetting section (see Attachment 5). The maximum possible score is 100 points. The maximum score for each category was approved by the Board of Directors and is based on the priorities of the Board. Cost-effectiveness is the category that receives the most points. Projects with the highest total scores will be funded first.

**Note:** Points may be deducted for applicants whose previous project performance is not consistent with the commitments made in their previous funding proposal(s). This may include, but is not limited to: failure to execute a contract, numerous contract extensions, or poor goal achievement (e.g. over-promising in proposals and under-delivering during the implementation).

**Note:** Projects that have received funding for **three years or more** fall under the **sunsetting** category and are eligible for remaining funds after non-sunsetting projects have been approved. This allows start-up projects to compete, based other relevant criteria (e.g. cost-effectiveness), against marginal, ongoing projects that request funding for operating expenses (see attachment 5-9 for more information on sunsetting).

Allocated funds are earmarked for each county. Funds are portioned out to each county according to the most up to date census data. This attempts to assure a measure of fairness. However, exact parceling of funding in this manner is not intended. There may be circumstances where the amounts will vary from the optimum, and times when it is desirable to provide more funding in an area due to need (e.g. high pollution areas).

District staff will evaluate all projects. Projects will be ranked and presented to the District's Board of Directors for approval. The District's Board of Directors may form, at their discretion, an ad hoc project evaluation committee for each County to review proposals for that County. At the completion of the evaluation process, each committee recommends proposals and the amount of funding for each proposal to the District's Governing Board for approval at a regular meeting.

The evaluation criteria are included in Attachment 5 (near end) to provide the proposer additional insights on how their proposal that will be evaluated.

**NOTE: ALL DISTRICT BOARD MEETINGS ARE OPEN TO THE GENERAL PUBLIC. OPPORTUNITIES FOR PUBLIC COMMENTS ARE ENTERTAINED AT THE END OF EACH MEETING. IT IS REQUESTED THAT NO UNSOLICITED COMMENTS BE MADE BY THE GENERAL PUBLIC DURING ANY PORTION OF THE MEETING, EXCEPT DURING THE PUBLIC COMMENT PERIOD. ALL MEETINGS OF THE DISTRICT ARE SUBJECT TO THE RALPH M. BROWN ACT.**

**NOTE: THE DISTRICT STRONGLY RECOMMENDS THAT ALL APPLICANTS ATTEND THE DISTRICT GOVERNING BOARD MEETING WHEN PROJECTS ARE APPROVED OR DENIED FOR FUNDING.**

**NOTE: AFTER THE APPLICATION DUE DATE, APPLICANTS ARE NOT ALLOWED TO INITIATE DISCUSSIONS REGARDING THEIR PROJECTS WITH DISTRICT STAFF. LOBBYING FOR A PROPOSAL IS EXPRESSLY FORBIDDEN. HOWEVER, THE DISTRICT MAY INITIATE DISCUSSIONS WITH APPLICANTS TO GATHER INFORMATION OR CLARIFICATION ON PROPOSALS DURING THE EVALUATION PERIOD.**

## SECTION XI. EMISSIONS CALCULATIONS AND COST-EFFECTIVENESS

For most project types, it is possible to estimate emissions reductions, however, certain assumptions are necessary in many cases.

The California Air Resources Board (ARB) has developed standardized methods for calculating emissions reductions for typical projects encountered around the state. Innovative projects may require innovative development of methodologies to calculate emissions reductions and cost-effectiveness. ARB adds new methodologies as they are developed and approved by a committee of reviewers. **Please note: Use the 2018 Emission Factors instead of the outdated emission factors included within the Method for Finding Cost Effectiveness guide:**  
<http://myairdistrict.com/wp-content/uploads/2018/09/Emission-Factor-Tables-March-2018.pdf>

In cases where there is an existing methodology, appropriate for a proposed project, the applicant is responsible for providing the emissions calculations. Please run the software and submit a copy of the report with the proposal as a technical appendix. The District will assist the applicant in completing these calculations, if requested. The applicant must justify the use of the inputs and assumptions in the proposal's technical appendix. District staff will review the emissions calculations and assumptions provided by the applicant for accuracy.

For innovative projects that have not been attempted before, the District will need to work with the applicant to develop an acceptable methodology. In such cases, a rough estimation may be all that is required for the proposal. However, the method may be refined by the District as a greater understanding of the project emerges and the new information becomes available. This refined methodology would then be used in the final report.

ARB's methodologies often calculate cost-effectiveness based on total project costs. ARB recommends rejection of proposals that exceed \$10 per pound. The District does not agree that this approach is appropriate, especially in rural areas. The District's position is that cost-effectiveness should be based on the motor vehicle emissions reductions and the AB 2766 funding used to achieve those emissions reductions. Also, cost-effectiveness based on overall project cost may be helpful in comparing other similar projects that have been attempted, but should not be the singular cause to reject a project. Projects will not necessarily be rejected if they exceed the ARB threshold of \$10 per pound. However, the District's goal is not to fund projects that greatly exceed ARB's recommended cost-effectiveness recommendation.

26

ATTACHMENT 1

**EXHIBIT SUMMARY SHEET**

## EXHIBIT SUMMARY SHEET

Proposing Entity (include other participating entities):

Contact Person:

Address:

Phone #:

FAX #:

EMAIL:

Total Project Budget:	AB 2766 Funds	Co-Funding	Total Project Costs
Capital Costs	\$ _____	\$ _____	\$ _____
Operating Costs	\$ _____	\$ _____	\$ _____
<b>TOTAL</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>

Type of Project: (check one)

- Quantifiable Project
- Reduced Emission Vehicles Project

Implementation Area for Project: Check if District-wide

Describe the Implementation Area for the Project (e.g. city, county, region):

**Estimated Emission Reductions:**

- A. Emission Reductions (lbs/yr)
- Reactive Organic Gases \_\_\_\_\_ Nitrogen Oxides \_\_\_\_\_ PM<sub>10</sub> \_\_\_\_\_
- B. Vehicle Miles Traveled (VMT) Reduced \_\_\_\_\_
- Single Occupancy Vehicle Trips Reduced \_\_\_\_\_
- C. Number of people reached per day through public education \_\_\_\_\_

Cost-effectiveness: \$ \_\_\_\_\_ per pound (AB 2766 Funds Only)

Brief Project Description:

28

ATTACHMENT 2

**REQUEST FOR PROPOSAL  
CONTENTS CHECKLIST**

# REQUEST FOR PROPOSAL CONTENTS CHECKLIST

Applicant: \_\_\_\_\_

Please complete and attach this checklist with your application.

- Exhibit Summary Sheet - page \_\_\_\_\_
- Request for Proposal Contents Checklist - page \_\_\_\_\_
- Authorization Letter/Resolution - page \_\_\_\_\_
- Project Description - page \_\_\_\_\_
- Project Organization/Background - page \_\_\_\_\_
- Emissions Benefits/Cost-Effectiveness - page \_\_\_\_\_
- Work Statement - page \_\_\_\_\_
- Funding Request/Breakdown of Cost - page \_\_\_\_\_
- Schedule of Deliverables/Monitoring - page \_\_\_\_\_
- All Pages Numbered
- Proposal, One Original
- (CHECK ONE ONLY)  
Quantifiable Project
- OR -
- Reduced Emission Vehicles Project



ATTACHMENT 3

**SAMPLE CONTRACT**

AGREEMENT

This Agreement is made and entered into this 1<sup>st</sup> day of January 2020, by and between the Northern Sierra Air Quality Management District, a unified air pollution control district formed pursuant to California Health and Safety Code section 40150, et seq. (the "DISTRICT"), and the XYZ Company (the CONTRACTOR").

RECITALS:

WHEREAS, the California Clean Air Act requires local air pollution control districts to reduce emissions from motor vehicles; and

WHEREAS, AB 2766, codified in California Health and Safety Code section 44223, authorizes districts to impose a fee of up to four dollars upon certain registered motor vehicles within the district, and the Governing Board of the DISTRICT has imposed said fee (\$4 per vehicle in Nevada and Plumas Counties and \$2 per vehicle in Sierra County); and

WHEREAS, said legislation requires the DISTRICT to use said funds for activities to reduce air pollution from motor vehicles and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of the California Clean Air Act of 1988; and

WHEREAS, DISTRICT staff reviews proposals for eligible projects for the purpose of making funding recommendations to the Governing Board of the DISTRICT; and

WHEREAS, on September 23, 2019, after holding a public meeting and considering the recommendations of DISTRICT staff, the DISTRICT Board of Directors approved funding for this project; and

WHEREAS, CONTRACTOR has proposed a project that meets the eligibility criteria for funding approved by the DISTRICT, which is consistent with the goals of Health and Safety Code section 44220 through 44247; and

WHEREAS, CONTRACTOR represents that it will submit a request for proposals to select a subcontractor to perform the activities set forth herein.

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

**1. PROJECT**

CONTRACTOR shall secure a subcontractor to perform all work necessary to complete the (PROJECT NAME). "Project" incorporated herein as Exhibit A.

CONTRACTOR agrees to select a subcontractor to furnish all labor, materials, equipment, licenses, permits, fees, and other incidentals necessary to perform and complete, in a professional manner, the services described herein. CONTRACTOR represents that the selected subcontractor will have the expertise necessary to adequately perform the project specified in said 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. Exhibit A to this Agreement; and
3. The "AB 2766 DMV Surcharge Fund Program RFP" prepared by the DISTRICT and dated April ??, 2019; and
4. The "AB 2766 DMV Surcharge Fund Program Project Guidance.

## 2. PERIOD OF PERFORMANCE/TIMETABLE

CONTRACTOR shall commence performance of work and produce all work product in accordance with the work schedule and deadlines for performance identified in Exhibit A, which is attached hereto and incorporated herein, unless this Agreement is terminated sooner as provided for elsewhere in this Agreement. In addition, the CONTRACTOR shall make arrangements with the DISTRICT to receive Project Guidance training from the DISTRICT for any CONTRACTOR's Program Manager assigned to the project during the term of the Agreement.

The CONTRACTOR shall submit regular progress reports, at intervals set forth in the Project Guidance or as otherwise requested by the DISTRICT, detailing the work performed during the current reporting period; work planned for the next reporting period; problems identified, solved, and the percentage of each task completed. CONTRACTOR

shall provide DISTRICT with a comprehensive final written report prior to final reimbursement payment. Said final report shall be complete and shall document the work performed under this Agreement, the emissions reduction achieved (if applicable), as calculated using the methodologies and format required by the DISTRICT, and shall report all co-funding and in-kind contributions actually received.

### 3. COMPENSATION

In no event shall the total obligation of the DISTRICT under this Agreement exceed \$0,000 for Exhibit A compensation shall be for work completed in accordance with this agreement, starting January 1, 2020, and continuing through the term of this agreement, ending December 31, 2020.

CONTRACTOR shall obtain through other sources sufficient additional monies (co-funding) to fund the total cost of the project as outlined in Exhibit A. Satisfactory written evidence of such funding commitments shall be provided to DISTRICT prior to the release by DISTRICT of any funds under this Agreement, with the exception of user fee revenue. In the event funding from other sources for the balance of the cost of the project, as outlined in Exhibit A, is not received by CONTRACTOR, DISTRICT reserves the right to terminate or renegotiate this Agreement. In that event, if requested by the DISTRICT, CONTRACTOR shall return any DISTRICT funds advanced. All co-funding and in-kind contributions must be documented as they are received, in accordance with generally

accepted accounting principles. The value assigned to in-kind contributions must be consistent with the market value of the goods or service being donated. Co-funding in the form of fee revenue must be documented as it is received (e.g. receipts log for cash), in accordance with generally accepted accounting principles. Fee revenue should normally be used to offset operating expenses or otherwise accrued per the proposal.

A. PAYMENTS: Advance payments shall not be permitted. The DISTRICT shall reimburse CONTRACTOR monthly (or quarterly), in arrears, after receipt of a reimbursement request that includes all documentation necessary to verify expenses were incurred, in compliance with the requirements listed in the *Project Guidance*, and the DISTRICT has approved payment. Reimbursement requests shall be mailed to Northern Sierra Air Quality Management District, Grass Valley Office, Attention: Joe Fish.

Payment shall be made to CONTRACTOR by the DISTRICT upon submission and evaluation of the CONTRACTOR'S invoice, documentation, and period report. Said invoice shall set forth the work completed pursuant to this Agreement, broken down by work tasks, in compliance with the *Project Guidance*. Allowable expenditures under this Agreement are specifically established and included in Exhibit A attached hereto and incorporated herein.

Upon receipt of proper documentation, and verification that CONTRACTOR has satisfactorily completed the work agreed to and for which compensation is sought, DISTRICT will issue payment to CONTRACTOR within thirty (30) calendar days.

The amount to be paid to CONTRACTOR under this Agreement includes all sales and use taxes incurred pursuant to this Agreement, if any. The CONTRACTOR shall not receive additional compensation for reimbursement of such taxes and shall not decrease work to compensate therefore.

Concurrently with the submission of any invoice for payment, CONTRACTOR shall certify (by providing copies of invoices issued, checks, receipts, or other documentation) that complete payment has been made to any and all subcontractors conducting any portion of the work of this contract.

No administrative costs are to be reimbursed for the work performed. Administrative costs must be borne by outside source funding or provided as "in-kind" contributions. Administrative costs, as used herein, are defined as overhead costs (e.g. salaries and benefits, and services and supplies of the administrative officer(s), legal personnel, maintenance and finance departments; of the governing body; and some secretarial support) that are NOT chargeable directly to a specific project or program or operating function, but are charged proportionately to the department or functions that do directly charge to a project or program. Indirect costs include administrative costs. Thus, direct costs for labor charged to a project must not include a portion that is administrative as defined above.

It is understood that all expenses incidental to CONTRACTOR'S performance of services under this Agreement shall be borne exclusively by CONTRACTOR.

B. Surplus Funds: Any compensation which is not expended by CONTRACTOR pursuant to the terms and conditions of this Agreement by the project completion date shall automatically revert to the DISTRICT. Only expenditures incurred by the CONTRACTOR in the direct performance of this Agreement will be reimbursed by the DISTRICT. Allowable expenditures under this Agreement are specifically established and included in Exhibit A, attached hereto and incorporated herein.

#### 4. NON-ALLOCATION OF FUNDS

The terms of this Agreement and the services to be provided thereunder are contingent on the approval of funds by the appropriating government agency. Should sufficient funds not be allocated, the services provided may be modified or this Agreement terminated at any time by giving the CONTRACTOR thirty (30) days' prior written notice.

#### 5. 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 the



DISTRICT. Furthermore, DISTRICT shall have no right to control or supervise or direct the manner or method by which CONTRACTOR shall perform its work and function.

However, DISTRICT 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.

Because of its status as an independent contractor, CONTRACTOR shall have absolutely no right to employment rights and benefits available to DISTRICT employees. CONTRACTOR shall be solely liable and responsible for providing to, or on behalf of, itself and save DISTRICT harmless from all matters relative 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 the DISTRICT or to this Agreement.

6. COMPLIANCE WITH ALL LAWS CONTRACTOR and DISTRICT shall comply with all applicable provisions of law and the rules and regulations, if any, of governmental authorities having jurisdiction over the matters which are the subject of this agreement, and contractors shall maintain all necessary permits or licenses for the duration of this agreement.

7. TERMINATION

A. Breach of Agreement: The DISTRICT may immediately suspend or terminate this Agreement, in whole or in part, where in the determination of the DISTRICT there is:

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 the DISTRICT; or
4. Improperly performed services.

In no event shall any payment by the DISTRICT constitute a waiver by the DISTRICT of any breach of this Agreement or any default which may then exist on the part of the CONTRACTOR. Nor shall such payment impair or prejudice any remedy available to the DISTRICT with respect to the breach or default. The DISTRICT shall have the right to demand of the CONTRACTOR the repayment to the DISTRICT of any funds disbursed to the CONTRACTOR under this Agreement which in the judgment of the DISTRICT were not expended in accordance with the terms of this Agreement. The CONTRACTOR shall promptly refund any such funds upon demand.

In addition to immediate suspension or termination, DISTRICT may impose any other remedies available at law, in equity, or otherwise specified in this Agreement.

B. Without Cause: Either party may terminate this Agreement at any time upon giving the other party at least thirty (30) days' advance, written notice of intention to

terminate. In such case, the CONTRACTOR shall, subject to paragraph 3, be paid the reasonable value of all services satisfactorily rendered and actual, reasonable costs incurred up to the time of the termination. Upon such termination, all the work product produced by CONTRACTOR shall be promptly delivered to the DISTRICT.

#### 8. MODIFICATION

Any matters of this Agreement may be modified from time to time by the written consent of all the parties.

#### 9. NON-ASSIGNMENT

Except as otherwise provided in this agreement, 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. CONTRACTOR shall provide a written request to the DISTRICT for consent on any such changes described above. Contractor shall provide to the DISTRICT as much advance notice on developments related to such changes described above as is reasonably possible.

#### 10. INDEMNIFICATION

CONTRACTOR agrees to indemnify, save, hold harmless, and at DISTRICT'S request, defend the DISTRICT, its boards, committees, representatives, officers, agents, and employees from and against any and all 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 DISTRICT which arise from any negligent or wrongful acts or omissions of CONTRACTOR, its officers, agents, subcontractors, or employees in their performance of this Agreement, and from any and all 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 any person, firm, corporation, or entity who may be injured or damaged when such injury or damage arises from any negligent or wrongful acts, or omissions of CONTRACTOR, its officers, agents, subcontractors, or employees in their performance of this Agreement.

## 11. INSURANCE

A. Without limiting the DISTRICT'S right to 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:

1. Commercial general liability insurance with minimum limits of coverage in the amount of One Million Dollars (\$1,000,000) per occurrence;
2. 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;

3. Workers compensation insurance in accordance with California law.

B. Such insurance policies shall name the DISTRICT, its officers, agents, and employees, individually and collectively, as additional insured (except worker's compensation insurance). Such coverage for additional insured shall apply as primary insurance, and any other insurance maintained by the DISTRICT, its officers, agents, and employees, shall be excess only and not contributing with insurance provided under the CONTRACTOR'S policies herein. This insurance shall not be canceled or changed without a minimum of thirty (30) days' advance, written notice given to the DISTRICT.

C. Prior to the commencement of performing its obligations under this Agreement, CONTRACTOR shall provide certificates of insurance on the foregoing policies, as required herein, to the DISTRICT, showing that the coverage meets all of the requirements described above.

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

E. If the CONTRACTOR is a government entity, then it may self-insure such of those risks identified above under the same terms and conditions set forth above.

12. AUDITS AND INSPECTIONS

CONTRACTOR shall keep full books and records relating to work required by this contract. CONTRACTOR shall at any time during regular business hours, and as often as DISTRICT may deem necessary, make available to DISTRICT for examination all of its records and data with respect to the matters covered by this Agreement. CONTRACTOR shall, and upon request by DISTRICT, permit DISTRICT to audit and inspect all of such records and data necessary to ensure CONTRACTOR'S compliance with the terms of this Agreement.

CONTRACTOR shall be subject to an audit by DISTRICT or its authorized representative to determine if the revenues received by CONTRACTOR were spent for the reduction of air pollution as provided in AB 2766 and to determine whether said funds were utilized as provided by law and this Agreement. If, after audit, DISTRICT makes a determination that funds provided CONTRACTOR pursuant to this Agreement were not spent in conformance with this Agreement, or AB 2766 or any other applicable provisions of law, CONTRACTOR agrees to immediately reimburse to DISTRICT all funds determined to have been expended not in conformance with said provisions.

Contractor shall be subject to the examination and audit of the Auditor General for a period of three (3) years after final payment under contract (Government Code §10532).

44

**13. NOTICES**

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

**CONTRACTOR**  
XYZ Company  
Attn: John Doe  
555 5<sup>th</sup> Street  
City, CA 55555

**DISTRICT**  
Northern Sierra AQMD  
Attn: Gretchen Bennett, Executive Director  
200 Litton Dr., Suite 320  
Grass Valley, CA 95945

Any and all notices between the DISTRICT and the 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 services, when deposited in the United States mail, postage prepaid, addressed to such party.

**14. POLITICAL ACTIVITY PROHIBITED**

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

**15. 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 or any local agency.

16. CONFLICT OF INTEREST

No officer, employee, or agent of the DISTRICT 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 the DISTRICT.

17. 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.

18. 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.



19. 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 the DISTRICT, complete all activities provided herein within the time schedule outlined in the attachments to this Agreement, provided that CONTRACTOR is not caused unreasonable delay in such performance.

20. DATA OWNERSHIP

Upon termination or expiration of this Agreement, all data which is received, collected, produced, or developed by CONTRACTOR shall be delivered to the DISTRICT. 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 the DISTRICT'S exclusive ownership rights stated herein. Accordingly, CONTRACTOR shall, if requested, surrender to DISTRICT all such data which is in its possession (including its subcontractors, or agents), without any reservation of right of title, not otherwise enumerated herein.

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

## 21. 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 DISTRICT, and no other person, firm, corporation, or entity shall be deemed an intended third-party beneficiary of this Agreement. All third party involvement shall relate to a bona fide air quality benefit, otherwise, the third party must be a co-funder, contributing at least a proportionate value for the benefit they are receiving.

## 22. OWNERSHIP OF EMISSIONS REDUCTIONS

All emissions reductions achieved by the project are the property of the DISTRICT. The CONTRACTOR has no legal rights to any emissions reductions credits that may be generated as a result of the project. Emissions reductions from funded projects are not transferable and may not be used as emissions offsets.

23. CONTRACTOR'S REPRESENTATION

CONTRACTOR shall present proof of license to do business in the state of California or provide other certification proving the contractor is a legal business entity. Proof shall also be provided showing that the person signing the agreement on behalf of the CONTRACTOR is duly authorized to enter into a binding legal 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. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the CONTRACTOR and DISTRICT 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 herein above written.

**CONTRACTOR:**  
XYZ Company

**DISTRICT:**  
Northern Sierra AQMD

By: \_\_\_\_\_  
Signing Authority

By: \_\_\_\_\_  
Chair of the Board

\_\_\_\_\_  
Print Name and Title (Signing Authority)

By: \_\_\_\_\_  
Gretchen Bennitt, Executive Director

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

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

Tax I.D. No. \_\_\_\_\_

ATTACHMENT 4

**PROJECT GUIDANCE**

# Northern Sierra Air Quality Management District

**AB 2766**

**DMV SURCHARGE FUND PROGRAM**

## **PROJECT GUIDANCE**

**Grant Year 2020 Project Cycle**

**NORTHERN SIERRA  
AIR QUALITY MANAGEMENT DISTRICT**

**DISTRICT HEADQUARTERS:  
200 LITTON DRIVE, SUITE 320**

**GRASS VALLEY, CA 95945  
(530) 274-9360  
FAX:(530) 274-7546**

**NORTHERN FIELD OFFICE:  
257 E. SIERRA STREET, SUITE E  
P.O. Box 2227  
PORTOLA, CA 96122  
(530) 832-0102  
FAX: (530) 832-0101**

**April 22, 2019**

52

DMV SURCHARGE PROGRAM  
PROJECT GUIDANCE

TABLE OF CONTENTS

**OVERVIEW**..... 4-1

**SECTION 1**..... 4-2

    Letter of Confirmation of Funding..... 4-2

    Contract Preparation..... 4-2

    Matching Funds..... 4-2

    Signing Authority..... 4-2

    Insurance..... 4-2

    Revisions..... 4-2

**SECTION 2**..... 4-3

    Claim for Payment..... 4-3

    Invoices and Receipts..... 4-3

    Monthly/Quarterly Financial Report..... 4-3

    Closeout Period..... 4-3

**SECTION 3**..... 4-3

    Monitoring..... 4-3

    Site Visit..... 4-4

**SECTION 4**..... 4-4

    Final Report..... 4-4

    Request for Information..... 4-5

**ATTACHMENTS**

    Claim for Payment Form

    Monthly/Quarterly Financial Report Forms

    Monitoring Report Form

    Final Report Form

53

# DMV SURCHARGE FUND PROGRAM PROJECT GUIDANCE

## PROJECT OVERVIEW

**PURPOSE:** This guidance document explains the required content for the successful completion of an AB 2766 DMV Surcharge Fund Program with the Northern Sierra Air Quality Management District (NSAQMD).

**WHO:** This guidance is directed toward all AB 2766 DMV Surcharge Fund Program project participants.

**WHAT:** The AB 2766 DMV Surcharge Fund Program is an innovative program that allocates fees collected from motor vehicle registrations for local projects that reduce emissions from mobile sources, such as automobiles, trucks, and buses. The NSAQMD Governing Board makes a final funding decision based on the Air Pollution Control Officer's (APCO) recommendation, which in turn makes funds available to project participants.

**WHEN:** Within 120 days after the NSAQMD Governing Board makes a final decision, all prospective project participants must enter into a formal contract with the NSAQMD. The effective starting date of most contracts is January 1<sup>st</sup>.

**CORRESPONDENCES:** All correspondences, including all reporting and claim for payments shall be sent to the District Headquarters unless other arrangements have been made between the participant and the District.

**Northern Sierra Air Quality Management District, District Headquarters**

**ATTENTION: Joe Fish**

**Mailing Address: 200 Litton Drive, Suite 320, Grass Valley, CA 95945**

**Shipping Address: 200 Litton Drive, Suite 320, Grass Valley, CA 95945**

**HELP:** NSAQMD staff is available to answer questions and to provide assistance to project participants regarding these procedures. You should read the entire document in order to fully understand the requirements, and all questions should be directed to Joe Fish, located at the Grass Valley Office, email: [joe@myairdistrict.com](mailto:joe@myairdistrict.com), phone: (530) 274-9360, ext 103.

54



## **SECTION 1**

### **A. Letter of Confirmation of Funding**

Within thirty (30) days of NSAQMD Governing Board approval, all prospective project participants will receive a *Letter of Confirmation* and will be expected to reply indicating their desire to proceed with their project.

### **B. Contract Preparation**

Upon receiving a reply from the applicant on their intent to proceed with the project, the NSAQMD will send a contract to the project applicant for their review and signature. All contracts must be reviewed in full, all changes made, and signed by both parties by December 31. All unsigned contracts will be terminated after the specified time period.

### **C. Matching Funds**

All project participants must provide sufficient evidence of matching funds prior to receiving any reimbursement from the NSAQMD. This can be supplied in the form of a bank statement, an approved budget, board resolution, or letter of available funds. All co-funding and in-kind contributions must be documented as they are received, in accordance with generally accepted accounting principles. The value assigned to in-kind contributions must be consistent with the market value of the goods or service being donated. Co-funding in the form of fee revenue must be documented as it is received (e.g. receipts log for cash), in accordance with generally accepted accounting principles.

### **D. Signing Authority**

All project participants must provide appropriate documents, such as a resolution or letter establishing who is authorized to sign on behalf of the project participant. The authorized designee will be responsible for signing the contract and claims for payment.

### **E. Insurance**

The contract will specify the levels and amounts of insurance the NSAQMD will require. All insurance requirements must be met before any reimbursements will be made by the NSAQMD. Promptly sending an insurance certificate that meets the requirements set forth in the contract agreement to the NSAQMD will help avoid delays in reimbursing funds.

### **F. Revisions (e.g. Changes to Work Plan, Breakdown of Cost, Co-funding)**

Any revisions to the project work plan, budgeted breakdown of costs by task, or co-funding arrangements must be submitted in writing and approved by the NSAQMD prior to initiating changes. If changes are not authorized by the NSAQMD, the applicant may be ineligible for reimbursements.

55

## SECTION 2

### A. Claim for Payment

Project participants will be reimbursed for all project costs on a monthly basis, quarterly if requested. The NSAQMD will not provide advances to project participants. Project participants must submit request for payment on the NSAQMD *Claim for Payment* form only. When an agency has been awarded multiple project/program projects, a claim for payment must be submitted for each project, separately. All claims must be typed, signed and dated by the appropriate signing authority or they will be returned to the applicant. All claims for payments must adhere to the work plan and specified line item budgets as identified in your contract (e.g. list expenses by task). Any changes will be considered as work plan revisions (see Section 1). No administrative costs shall be included in claims for payment. Included in this guidance document is a sample *Claim for Payment* showing how to complete the form, a blank *Claim for Payment* form to be duplicated and used by the project participants.

Up to 95% of the contract amount may be claimed before the completion and submittal of the final report. Once the District receives and approves the final report, the remaining 5% may be claimed. The claim for payment of the final 5% may be included with the final report (See Section 4, A. for final report requirements).

### B. Invoices and Receipts

All requests for reimbursement must be accompanied by appropriate invoices and receipts showing the actual expenses incurred and proving payments were made (copies of checks are acceptable receipts). If not, all claims will be returned and no reimbursement will be made until the appropriate documentation is submitted.

### C. Monthly/Quarterly Financial Report

The *Monthly/Quarterly Financial Report* must accompany all requests for reimbursement for the payment requests. The *Monthly/Quarterly Financial Report* is used to verify that applicants are tracking funds used and funds remaining and that projects are on a timely schedule. The report can also be used by the applicant to identify any potential problems or delays. Included in this guidance document is a *Monthly/Quarterly Financial Report* form to be duplicated and used by the project participants.

## SECTION 3

### A. Monitoring

All projects will begin on January 1<sup>st</sup> (beginning of project cycle) with a mid-way *Monitoring Report* due by July 31<sup>st</sup>. The *Monitoring Report*, a form is attached to this guidance, will be prepared by the project participant and sent to the NSAQMD by the above indicated date. The *Monitoring Report* shall include a more detailed status of the project or program than the monthly/quarterly project status provided with the financial report: describe what work has been successfully completed on schedule, percentage completion for each task, what work is behind schedule and why, what will be done to get back on schedule (if needed), and whether challenges are anticipated in completing the scheduled work by December 31<sup>st</sup> (end of project

56

cycle). This is the project participants' opportunity to accent successes and forewarn about anticipated problems. The District should be notified as soon as the project participant discovers a serious problem that jeopardizes the successful completion of a project or program and should not wait until a report due date.

The *Monitoring Report* shall also include a description of the data being gathered to calculate vehicle emissions reductions, trip reductions, and/or vehicle miles traveled reductions. Submit a detailed description of the monitoring systems you have designed and implemented to gather data to calculate motor vehicle emissions reductions, vehicle miles traveled (VMT) reductions and trip reductions. Please provide samples of your data gathering forms or surveys. It is recommended that you use the ARB's computer program *METHODS TO FIND COST-EFFECTIVENESS OF AIR QUALITY PROJECTS* to assure you are collecting complete information necessary for accurate calculations and analysis. This program can be obtained from the District's web page (<http://www.myairdistrict.com>). Select "Grants and Incentives", and then select "AB2766 DMV Funds."

The State, at many levels (e.g. legislature, Cal-EPA, CARB), industrial groups, and watch-dog groups have been questioning the effectiveness of this program. The California Air Pollution Control Officers Association has lobbied hard to maintain local control over these funds, but we will lose them if we cannot show these public funds are being used responsibly, cost effectively, and with accountability. The reality is, there are many other groups looking for reasons to take this funding source away from local agencies and use it at the state level.

Project participants that do not adequately monitor the motor vehicle emissions reductions, vehicle miles traveled reductions and trip reductions may not be considered for future funding.

## **B. Site Visit**

Depending on the type of project and the necessity, some project participants will be scheduled for a site visit by NSAQMD Staff. The purpose of the visit is to ensure that projects are underway and on schedule. The ultimate goal is to share project successes with other agencies throughout the NSAQMD and the State. NSAQMD staff may request taking photographs and videotapes of projects.

## **SECTION 4**

### **A. Final Report**

Within sixty (60) days of the completion date of the contract, project participants are required to provide the NSAQMD with a final report. Included in this guidance document is a *Final Report* form. It is expected that additional sheets will be attached to substantiate the results compiled on this form.

The report shall include a list of completed activities and a breakdown of final, total costs that includes costs paid by all sources of funding, including "in-kind" contributions. Project costs shall also be broken down into capital costs and operating costs. A description of the capital and operational costs must be included. All of the input data required to run ARB's computer program *Methods To Find Cost-Effectiveness Of Air Quality Projects* must be provided in the final report. This information will be used by the District to determine the project's cost-effectiveness. Project participants are encouraged to run this program. The program can be

obtained from the District's web page (<http://www.myairdistrict.com>). Select "Grants and Incentives", and then select "AB2766 DMV Funds."

The report shall also include emission reductions achieved, based on actual monitoring data, if applicable, and shall include all information necessary to judge the success of the project in meeting its goals. This analysis shall include a comparison of the proposed benefits to the actual benefits.

The final report shall include the monitoring data used to calculate vehicle emission reductions (e.g. trips reduced, vehicle miles traveled reduced, and other data inputs) and shall clearly list assumptions used. The emissions reductions shall be totaled for each pollutant and entered on the *Final Report* form in tons per year and pounds per year.

Final payment will not be made until the final report is submitted and approved by the NSAQMD.

#### **B. Request for Information**

Periodically, the NSAQMD may send project participants a *Request for Information* letter or memo when the NSAQMD needs some information that may be required for its reporting to the California Air Resources Board. Project participants are expected to cooperate since such work is necessary to assure continued funding. The state legislature will take steps to eliminate this funding source if emission reductions are not shown to be cost-effective.

58



# NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT

## MONTHLY / QUARTERLY FINANCIAL REPORT

Please provide the following information:

AGENCY: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY/STATE/ZIP: \_\_\_\_\_

PHONE NUMBER/EMAIL: \_\_\_\_\_ / \_\_\_\_\_

REIMBURSEMENT MONTH/QUARTER: \_\_\_\_\_

PROJECT DESCRIPTION: \_\_\_\_\_

AB2766 Grant Contract #: \_\_\_\_\_

### FISCAL INFORMATION

- 1 Total project amount (AB2766 Funds Only): \$ \_\_\_\_\_
2. Amount of funds requested this report, if any: \$ \_\_\_\_\_
3. Amount of funds expended to date: \$ \_\_\_\_\_
4. Amount of funds anticipated next 90 days: \$ \_\_\_\_\_
5. Total amount of funds expended: \$ \_\_\_\_\_
6. Remaining balance:  
(Subtract line 5 from line 1) \$ \_\_\_\_\_

PROJECT STATUS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

# Northern Sierra Air Quality Management District

## MONITORING REPORT (Due July 31st)

Please provide the following information on mid-project performance:

AGENCY: \_\_\_\_\_

PREPARER: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY/STATE/ZIP: \_\_\_\_\_

PHONE NUMBER/EMAIL: \_\_\_\_\_ / \_\_\_\_\_

DATE REPORT PREPARED: \_\_\_\_\_ Contract #: \_\_\_\_\_

PROJECT DESCRIPTION: \_\_\_\_\_

This report should include information to all of the questions listed below. Use additional sheets and include attachments as necessary.

1. Is the project on schedule and are all of the goals being achieved?
2. Provide the percentage completion of each task listed in the proposal and any pertinent information on the status of the project.
3. Are there any difficulties or challenges occurring that may cause the schedule to slip?
4. On a separate sheet of paper, provide a detailed description of the monitoring systems you have designed and implemented to gather data to calculate motor vehicle emissions reductions, vehicle miles traveled (VMT) and trip reductions. Please provide samples of your data gathering forms or surveys.





5. Description of Capital Costs (Equipment, infrastructure, etc.)
  
6. Description of Operating Costs (fuel, labor, etc.)
  
7. Please list data sources, assumptions, and methodologies used to determine costs
  
8. Total Vehicle Miles Traveled Reductions \_\_\_\_\_ VMT
9. Total Trip Reductions \_\_\_\_\_ Trips
10. Emissions reductions in tons per year for NO<sub>x</sub>, ROG and PM<sub>10</sub>:
 

NO <sub>x</sub> : _____ Tons/Year;	_____ Lbs/Year	
ROG: _____ Tons/Year;	_____ Lbs/Year	
PM <sub>10</sub> : _____ Tons/Year;	_____ Lbs/Year	
11. Cost-effectiveness: \$ \_\_\_\_\_ per pound (AB 2766 Funds Only)
12. Please list data sources, assumptions, and methodologies used to determine travel/trip and emission reductions (attach additional sheets if necessary, i.e.: ARB Methodology Reports).

ATTACHMENT 5

**EVALUATION CRITERIA, RANKING AND  
SUNSETTING**

## **EVALUATION CRITERIA AND RANKING FACTORS**

Proposals will be evaluated in one of two (2) project categories as follows:

1. **QUANTIFIABLE PROJECTS:** These are projects with currently acceptable emissions calculation methodologies. Such projects are known to have measurable results and demonstrate the most significant emission reduction benefits. Emissions benefits should be calculated using the accepted calculation methodology. Documentation must be included in the proposal.
2. **REDUCED EMISSION VEHICLE PROJECTS:** These are projects that use reduced emission vehicle technology. Examples of projects may include original equipment manufacturer (OEM) vehicle purchases or vehicle conversion projects and could involve super ultra low emission vehicles (SULEV), partial zero emission vehicles (PZEV), advanced technology partial zero emission vehicles (AT-PZEV) and zero emissions vehicles (ZEV);

**1. QUANTIFIABLE PROJECTS**

**Maximum Total Points: 100**

**EMISSION REDUCTIONS**

**Points: 25 maximum**

Points will be awarded based on cost effectiveness and quantifiable emission reductions.

**A. First-Year (Short Term) Emission Reduction Benefits**

<u>Points</u>	<u>Criteria</u>
10	Significant emission reductions after the first year.
5	Moderate emission reductions after the first year.
0	No emission reductions after the first year.
<hr/>	
10	Total Possible Sub-Category Points

**B. Long-Term Emission Reductions Benefits**

<u>Points</u>	<u>Criteria</u>
15	Significant emission reductions after the first year and continuing.
5	Moderate emission reductions after the first year and continuing.
0	No emission reductions after the first year.
<hr/>	
15	Total Possible Sub-Category Points

**EXPERIENCE OF APPLICANT**

**Points: 10 maximum**

Points will be awarded based on the applicant's experience, level of expertise, and feasibility of the proposal.

<u>Points</u>	<u>Criteria</u>
10	Applicant has a significant level of experience and expertise, and the project appears to be feasible, assuring a high degree of success.
7	Applicant has limited, but direct experience, a moderate level of expertise applicable to the proposal, assuring an adequate degree of success.
4	Applicant has limited, indirect experience, an acceptable level of expertise applicable to the proposal, assuring a passable degree of success.
0	Applicant has no prior experience applicable to the proposal and success may be questionable.
<hr/>	
10	Total Possible Category Points

64

**PROJECT COST EFFECTIVENESS COMPARISON**

**Points: 30 maximum**

Project costs will be evaluated against comparable efforts.

<u>Points</u>	<u>Criteria</u>
30	More cost effective than comparable projects.
15	Cost effectiveness similar to comparable projects.
0	Significantly less cost effective than comparable projects.
<hr/>	
30	Total Possible Category Points

**BROAD BASED APPLICATION**

**Points: 10 maximum**

**A. Regional Emission Reductions Benefits**

<u>Points</u>	<u>Criteria</u>
5	Emission reductions throughout the District.
3	Emission reductions in the project vicinity.
0	Insignificant or no emission reductions.
<hr/>	
5	Total Possible Sub-Category Points

**B. Project contributes to the availability and widespread use of new or existing technology**

<u>Points</u>	<u>Criteria</u>
5	Project utilizes new technology and has direct immediate applications in current research efforts and can be easily replicated in the District.
3	Project utilizes current technology and has limited applications.
0	One time demonstration of application. No need to, or cannot be easily replicated, or applied to any future project.
<hr/>	
5	Total Possible Sub-Category Points

61

**DEDICATED CO-FUNDING**

**Points: 15 maximum**

Co-funding includes in-kind contributions, equipment, labor or direct funding but does not include past work or research performed on behalf of the proposed project.

<u>Points</u>	<u>Criteria</u>
15	75% or more of total project cost from other funds.
10	51-74% of total project cost from other funds.
5	25-50% of total project cost from other funds.
0	Less than 25% of total project cost from other funds.
15	Total Possible Category Points

**NOTE: If there are third party benefits that are not paid for with co-funding, then the project might score negative points in this category or simply be eliminated from consideration.**

**OTHER DESIRABLE FACTORS**

**Points: 10 maximum**

**A. Innovative Projects**

Proposals that result in the development of new technologies or innovative uses of existing technologies.

<u>Points</u>	<u>Criteria</u>
5	Results in the development of new technologies or innovative uses of existing technologies.
0	Applies existing technology.
5	Total Possible Sub-Category Points

**B. Quality of Proposal**

The quality of the proposals be evaluated against comparable efforts

<u>Points</u>	<u>Criteria</u>
5	Proposal is in proper format and is clear and concise.
0	Proposal has been poorly formatted.
5	Total Possible Sub-Category Points

68

**LOCAL BUSINESS/NONPROFIT OR LOCAL GOVERNMENT ENTITY**

**Points: 0 or -5 maximum**

Points   Criteria

0      Proposing entity is a local business/nonprofit or local government.

-5      Proposing entity is NOT a local business/nonprofit or local government.

---

0 or -5   Total Possible Category Points

69

### 3. REDUCED EMISSION VEHICLE PROJECTS

Maximum Points: 100

#### EMISSION REDUCTIONS

Points: 25 maximum

Points will be awarded based on quantifiable emission reductions.

#### A. Vehicle Size

<u>Points</u>	<u>Criteria</u>
10	Heavy-Duty Vehicle.
7	Medium-Duty Vehicle.
5	Light-Duty Vehicle.
3	Other (e.g. cycles).
<hr/>	
10	Total Possible Sub-Category Points

#### B. Vehicle Type

<u>Points</u>	<u>Criteria</u>
5	OEM (Original Equipment Manufacturer).
3	Dedicated (Single, Alternative Fuel Use Only).
2	Bi-Fuel (Uses More Than One Fuel).
<hr/>	
5	Total Possible Sub-Category Points

#### C. Fleet Type

<u>Points</u>	<u>Criteria</u>
5	Public Transit Vehicles.
4	All Other Transit Vehicles.
3	Public and Private Agency Vehicles.
2	Single Demonstration Vehicles.
1	Individual Use Vehicles.
<hr/>	
5	Total Possible Sub-Category Points

70



**D. Fueling Access**

<u>Points</u>	<u>Criteria</u>
5	Existing Fueling Infrastructure Available To Applicant.
1	Proposed Infrastructure Available To Applicant.
0	No Fueling Infrastructure Available To Applicant.
<hr/>	
5	Total Possible Sub-Category Points

**EXPERIENCE OF APPLICANT**

**Points: 10 maximum**

Points will be awarded based on the applicant's experience, level of expertise, and feasibility of the proposal.

<u>Points</u>	<u>Criteria</u>
10	Applicant has a significant level of experience and expertise, and the project appears to be feasible, assuring a high degree of success.
7	Applicant has limited, but direct experience, a moderate level of expertise applicable to the proposal, assuring an adequate degree of success.
4	Applicant has limited, indirect experience, an acceptable level of expertise applicable to the proposal, assuring a passable degree of success.
0	Applicant has no prior experience applicable to the proposal and success may be questionable.
<hr/>	
10	Total Possible Category Points

**PROJECT COST EFFECTIVENESS**

**Points: 30 maximum**

Total project costs will be evaluated against comparable efforts.

<u>Points</u>	<u>Criteria</u>
30	More cost effective than comparable projects.
15	Cost effectiveness similar to comparable projects.
0	Significantly less cost effective than comparable projects.
<hr/>	
30	Total Possible Category Points

71

**BROAD BASED APPLICATION**

**Points: 10 maximum**

Points will be awarded for projects that contribute to the availability and widespread use of new or existing technology.

<u>Points</u>	<u>Criteria</u>
10	Project utilizes new technology and has direct immediate applications in current research efforts and can be easily replicated in the District.
5	Project utilizes current technology and has limited applications.
0	One time demonstration of application. No need to, or cannot be easily replicated, or applied to any future project.
10	Total Possible Category Points

**DEDICATED CO-FUNDING**

**Points: 15 maximum**

Co-funding includes in-kind contributions, equipment, labor or direct funding but does not include past work or research performed on behalf of the proposed project.

<u>Points</u>	<u>Criteria</u>
15	75% or more of total project cost from other funds.
10	51-74% of total project cost from other funds.
5	25-50% of total project cost from other funds.
0	Less than 25% of total project cost from other funds.
15	Total Possible Category Points

**NOTE:** If there are third party benefits that are not paid for with co-funding, then the project might score negative points in this category or simply be eliminated from consideration.

**OTHER DESIRABLE FACTORS**

**Points: 10 maximum**

**A. Innovative Projects Based On Emissions Certification**

Proposals that result in the development of new technologies or innovative uses of existing technologies.

<u>Points</u>	<u>Criteria</u>
5	Meets ZEV (zero emission vehicle) standards.
3	Meets PZEV (partial zero emission vehicle) standards.

72

0 All other standards standards.

---

5 Total Possible Category Points

### B. Quality of Proposal

The quality of the proposals is evaluated against comparable efforts.

Points Criteria

5 Proposal is in proper format and is clear and concise.

0 Proposal has been poorly formatted.

---

5 Total Possible Category Points

### LOCAL BUSINESS/NONPROFIT OR LOCAL GOVERNMENT ENTITY

Points: 0 or -5 maximum

Points Criteria

1 Proposing entity is a local business/nonprofit or local government.

-5 Proposing entity is NOT a local business/nonprofit or local government.

---

0 or -5 Total Possible Category Points

13

## SUNSETTING

The sunsetting criteria is designed to generate new, innovative proposals and discourage participant from considering AB2766 funds as a perpetual funding source for operating expenses. Projects that have received funding for **three years or more** fall under the sunsetting category. These projects are only eligible for funds that remain after the District Governing Board approves non-sunsetting projects. Projects that were subjected to the sunsetting requirements the previous funding year may participant the following year as a regular project and will be evaluated as if it were a new project. Basically, the clock is reset and these projects have another three years before falling under the sunsetting category.

74

ATTACHMENT 6

**ADMINISTRATIVE  
COSTS**

ARB'S CURRENT DEFINITION OF

ADMINISTRATIVE COSTS

Administrative costs are overhead costs (e.g. salaries and benefits, and services and supplies of the administrative officer(s), legal personnel, maintenance and finance departments; of the governing body; and some secretarial support) that are **NOT** chargeable directly to a specific project or program or operating function, but are charged proportionately to the department or functions that do directly charge to a project or program. Indirect costs include administrative costs.

Thus, direct costs for labor charged to a project must not include a "burden" portion that is administrative as defined above.

The law limits total administrative costs for the entire program to 5% of the vehicle registration fees distributed to the districts. Due to the many administrative requirements imposed on the districts by the ARB to run the program, the full 5% is reserved for District use. Therefore, administrative costs incurred by the grantee must be covered by other co-funding sources or provided by "in-kind" contributions from the grantee. Such arrangements with co-funders are left to the grantee.

7/6

ATTACHMENT 7

**DEFINITIONS/ACRONYMS**

## DEFINITIONS/ACRONYMS

AB 2766	Assembly Bill authorizing a motor vehicle registration surcharge to be used for air quality related transportation projects.
Advanced Technology Partial Zero Emission Vehicle	(AT PZEV) - Any vehicle certified to meet ARB advanced technology partial zero emission vehicle emission standards for that weight class of vehicle as defined in Title 13 of the California Code of Regulations.
Air Basin	An area of the state designated by the ARB pursuant to Subdivision (a) of Section 39606 of the California Health and Safety Code.
Air Pollutants	Substances which are foreign to the atmosphere or are present in the natural atmosphere to the extent that they may result in adverse effects on humans, animals, vegetation, and/or materials.
Air Pollution Control District	(APCD) - A county agency with authority to regulate stationary sources of air pollution (such as refineries, manufacturing facilities, and power plants) within a given county, and governed by a District Air Pollution Control Board composed of the elected county supervisors. (compare AQMD and Unified District)
Air Pollution Control Officer	(APCO) - The Air Pollution Control Officer of the Northern Sierra Air Quality Management District (District) or his designee.
Air Quality Attainment Plan	(AQAP) - A plan prepared by an APCD/AQMD designated as a nonattainment area, for incorporation into the State Implementation Plan for purpose of meeting the requirements of the National and/or California Ambient Air Quality Standards.
Air Quality Management District	(AQMD) - A group of counties or portions of counties with authority to regulate stationary sources of air pollution within the region and governed by a regional air pollution control board comprised mostly of elected officials from within the region. An AQMD is established by state legislation. (compare APCD)
Alternative Fuels	Fuels such as electricity, methanol, ethanol, natural gas, and liquid petroleum gas that are cleaner burning and contribute to the attainment of ARB's emission standards.
Alternative Modes	Transportation modes other than one person in a motorized private vehicle, such as transit, walking, bicycling or car-pooling.
	(AVR) - AVR is determined by the number of employees



**Average Vehicle**

who arrive at a worksite divided by the number of vehicles those employees use to arrive at the worksite.

**Best Available Control Technology**

**(BACT)** - The most stringent emission limit or control technique that has been achieved in practice (anywhere in the world). BACT is a requirement of NSR (New Source Review).

**Best Available Retrofit Control Technology**

**(BARCT)** - An emission limitation that is based on the maximum degree of reduction achievable, taking into account environmental, energy, and economic impacts by each class or category of source.

**California Air Resources Board**

**(CARB or ARB)** - The state's lead air quality agency consisting of a nine-member Governor appointed board fully responsible for motor vehicle pollution control, and having oversight authority over California's air pollution management program.

**California Ambient Air Quality Standards**

**(CAAQS)** - Specified concentrations and durations of air pollutants recommended by the California Department of Health Services and adopted into regulation by the ARB, which relate the intensity and composition of air pollution to undesirable effects. CAAQS are the standards which must be met per the requirements of the California Clean Air Act.

**California Clean Air Act**

**(CCAA)** - A California law passed in 1988 which provides the basis for air quality planning and regulation independent of Federal regulations, and which established new authority for attaining and maintaining California's air quality standards by the earliest practicable date.

**California Environmental Quality Act**

**(CEQA)** - A state law intended to protect the environment of California.

**Carbon Dioxide**

**(CO<sub>2</sub>)** - A colorless odorless gas that occurs naturally in the earth's atmosphere. Significant quantities are also emitted into the air by fossil fuel combustion. Emissions of CO<sub>2</sub> have been implicated with increasing the greenhouse effect.

**Carbon Monoxide**

**(CO)** - A colorless, odorless gas resulting from the incomplete combustion of fossil fuels. Over 80% of the CO emitted in urban areas is contributed to motor vehicles. CO interferes with the blood's ability to carry oxygen to the body's tissues and results in numerous adverse health effects. CO is a criteria air pollutant.

**Carpool**

Two or more people traveling in a private vehicle.

<b>Criteria Air Pollutant</b>	An air pollutant for which acceptable levels of exposure can be determined and for which a Federal or State Ambient Air Quality Standard has been set. Examples include: Ozone, Carbon Monoxide, Nitrogen Dioxide, Sulfur Dioxide, and PM <sub>10</sub> (see individual pollutant definitions).
<b>Emission Category</b>	The category of base or reduced emission vehicle as certified by the ARB.
<b>Federal Clean Air Act</b>	A federal law passed in 1970 and amended in 1977 and 1990 which forms the basis for the national air pollution control effort.
<b>Heavy Duty Vehicle</b>	Any vehicle with a gross vehicle weight of 14,000 pounds or more.
<b>Hydrocarbon</b>	<b>(HC)</b> - Any of a large number of compounds containing various combinations of hydrogen and carbon atoms. They may be emitted into the air as a result of fossil fuel combustion and fuel volatilization, and are a major contributor to smog.
<b>Light Duty Vehicle</b>	Any passenger car or light truck with a gross vehicle weight of 3,500 pounds or less as defined in Title 13 of the California Code of Regulations.
<b>Low Emission Vehicle</b>	<b>(LEV)</b> - Any vehicle certified to meet ARB low emission vehicle emission standards for that weight class of vehicle as defined in Title 13 of the California Code of Regulations.
<b>Medium Duty Vehicle</b>	Any pre-1995 model year heavy duty vehicle having a manufacturer's gross vehicle weight rating of 8,500 pounds or less or any subsequent model year heavy duty vehicle having a manufacturer's gross vehicle weight rating of 14,000 pounds or less as defined in Title 13 of the California Code of Regulations.
<b>Mobile Sources</b>	Sources of air pollution such as automobiles, motorcycles, trucks, off-road vehicles, boats, and airplanes.
<b>National Ambient Air Quality Standards</b>	<b>(NAAQS)</b> Standards set by the U.S. EPA for the maximum levels of air pollutants which can exist in the outdoor air without unacceptable effects on human health or the public welfare.
<b>Nitrogen Oxides</b>	<b>(Oxides of Nitrogen, NOX)</b> - A general term pertaining to compounds of nitric oxide (NO), nitrogen dioxide (NO <sub>2</sub> ), and other oxides of nitrogen. Nitrogen oxides are typically created during combustion processes, and are major contributors to smog formation.

80

<b>Nonattainment Area</b>	An area identified by the EPA and/or ARB as not meeting either NAAQS or CAAQS standards for a given pollutant.
<b>Ozone</b>	<b>(O3)</b> - A pungent, pale blue, reactive toxic chemical gas consisting of three oxygen atoms. It is a product of the photochemical process involving the sun's energy. Ozone exists in the ozone layer as well as at the earth's surface. Ozone at the earth's surface causes numerous adverse health effects and is a criteria air pollutant. It is a major component of smog.
<b>Ozone Precursors</b>	Chemicals such as hydrocarbons and oxides of nitrogen, occurring either naturally or as a result of human activities, which contribute to the formation of ozone, a major component of smog.
<b>Partial Zero Emission Vehicle</b>	<b>(PZEV)</b> - Any vehicle certified to meet ARB partial zero emission vehicle emissions standards for that weight class of vehicle as defined in Title 13 of the California Code of Regulations.
<b>Particulate Matter</b>	<b>(PM10)</b> - A major air pollutant consisting of solid or liquid matter such as soot, dust, aerosols, fumes and mists less than 10 microns in size (one micron = 1/1,000,000 meter = 0.00003937 inch). PM <sub>10</sub> causes visibility reduction and adverse health effects, and is a criteria air pollutant.
<b>Passenger Car</b>	Any vehicle designed primarily for transportation of persons and having a design capacity of 12 persons or less as defined in Title 13 of the California Code of Regulations.
<b>Photochemical Reaction</b>	A term referring to chemical reactions brought about by the light energy of the sun. The reaction of nitrogen oxides with oxygen in the presence of sunlight to form ozone is an example of a photochemical reaction.
<b>Reactive Organic Gas</b>	<b>(ROG)</b> - hydrocarbon compounds which are reactive and may contribute to the formation of smog. Also sometimes referred to as Non-Methane Organic Compounds (NMOCs).
<b>Reasonably Available Control Technology</b>	<b>(RACT)</b> - The most effective emission limits in existing regulation that are currently in effect in any nonattainment district.
<b>Reduced Emission Vehicle</b>	ARB certified vehicles which meet Transitional Low Emission Vehicle (TLEV), Low Emission Vehicle (LEV), Ultra Low Emission Vehicle (ULEV), or Zero Emission Vehicle (ZEV) emission standards.
<b>Single Occupant Vehicle</b>	<b>(SOV)</b> - A vehicle occupied by one person.

<b>Smog</b>	A combination of smoke, ozone, hydrocarbons, nitrogen oxides, and other chemically reactive compounds, which, under various conditions of weather and sunlight, may result in a murky brown haze that causes adverse health effects. A primary source of smog is automobiles.
<b>Stationary Sources</b>	Non-mobile sources such as refineries, power plants, and manufacturing facilities which emit air pollutants.
<b>Sulfur Dioxide</b>	<b>(SO2)</b> - A strong smelling, colorless gas that is formed by the combustion of fossil fuels.
<b>Super Ultra Low emission Vehicle</b>	<b>(SULEV)</b> - Any vehicle certified to meet ARB super ultra low emission vehicle emissions standards for that weight class of vehicle as defined in Title 13 of the California Code of Regulations.
<b>Transitional Low Emission Vehicle</b>	<b>(TLEV)</b> - Any vehicle certified to meet ARB transitional low emission vehicle emissions standards for that weight class of vehicle as defined in Title 13 of the California Code of Regulations.
<b>Transportation Control Measures</b>	<b>(TCM)</b> - TCMs are measures designed to decrease pollution from mobile sources by reducing the number of vehicle trips, vehicle miles traveled, idling, and traffic congestion.
<b>Ultra Low Emission Vehicle</b>	<b>(ULEV)</b> - Any vehicle certified to meet ARB ultra low emission vehicle emissions standards for that weight class of vehicle as defined in Title 13 of the California Code of Regulations.
<b>Unified District</b>	Two or more contiguous counties may merge their county districts into one unified district. A unified district is formed by action of the member counties. The Northern Sierra Air Quality Management District is a Unified District.
<b>U.S. Environmental Protection Agency</b>	<b>(US EPA)</b> - The Federal agency charged with setting policy and guidelines, and carrying out legal mandates for the protection of national interests in environmental resources.
<b>Vehicle Miles Traveled</b>	<b>(VMT)</b> - A measure of both the volume and extent of motor vehicle operation; the total number of vehicle miles traveled within a specified geographical area over a given period of time.
<b>Volatile Organic Compounds</b>	<b>(VOCs)</b> - Hydrocarbon compounds which exist in the ambient air. VOCs contribute to the formation of smog and/or may themselves be toxic. VOCs often have an odor, and some examples include gasoline, alcohol, and the solvent used in paints.
<b>Zero Emission Vehicle</b>	

87

**(ZEV)** - Any vehicle certified to meet ARB zero emission vehicle emissions standards for that weight class of vehicle as defined in Title 13 of the California Code of Regulations.

83



**To:** Northern Sierra Air Quality Management District Board of Directors

**From:** Gretchen Bennitt, Air Pollution Control Officer

**Date:** April 22, 2019

**Agenda Item: IV.B**

**Agenda Description:** Ratify Contract #CMP 2019-01 Between Northern Sierra Air Quality Management District and Goicoechea Sierra Valley Ranch

**Issues:** Ms. Bennitt contacted Chair Scofield to sign CMP 2019-01. Chair Scofield signed the contract and authorized the Air Pollution Control Office to sign it as well. The Contract is presented to the Board for final authorization today by action of ratifying.

**Requested Action:**

1. Ratify Contract #CMP 2019-01

**ROLL CALL VOTE REQUESTED**

**Attachments:**

1. Contract # CMP 2019-01

84

**GRANT AGREEMENT**

**between**

**The Northern Sierra Air Quality Management District**

**and**

**David Goicoechea of Goicoechea Sierra Valley Ranch**

This Agreement is made and entered into this 10 day of April 2019  
day month year  
by and between the NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT  
(NSAQMD), an air quality management district formed pursuant to the laws of the State  
of California, and Participant.

**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 **David Goicoechea of Goicoechea Sierra Valley Ranch**, 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, replacement or operation of low-emission motor vehicles; and

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

WHEREAS, under Resolution No. **2018-02** on **March 26, 2018**, NSAQMD's Board of Directors authorized the NSAQMD to participate in Year **20** 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.

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



## 1. PROJECT

Participant 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. Participant 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. Participant represents that the Participant 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 27, 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

Participant 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. EQUIPMENT REPLACEMENT REQUIREMENTS

**A. Replacement:** The Participant shall provide the NSAQMD with a copy of the final invoice from the dealer from whom the replacement equipment will be purchased. Purchase of any equipment/engine other than the one specified on the submitted final invoice shall constitute a breach of this Agreement.

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

The Participant shall make these maintenance logs available for NSAQMD review upon request by the NSAQMD. To ensure accurate engine(s)/equipment reporting, Participant is required to maintain equipment (hour meters, odometers) necessary to determine usage. The Participant 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 Participant shall operate the new grant-funded engine(s)/equipment pursuant to the manufacturer's written specifications. Prior to operating the engine(s)/equipment, the Participant 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 Participant 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 Participant 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) purchased, based on either fuel usage or engine(s)/equipment hours as Specified in Exhibit A. As required by the Carl Moyer Program Guidelines (April 28, 2011), 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, Participant 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 Participant 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:

87

1. The Participant 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<sub>act</sub>* is the total actual engine(s) operation amount since the equipment purchase;

*O<sub>con</sub>* 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:** Participant 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 Participant'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. Participant 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 Participant 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

NSAQMD may reimburse Participant for up to **Eighty Seven Thousand Five Hundred Twenty dollars and 0 cents (\$87,520.00)** ("Total Grant Award") if and when such funds become available to NSAQMD and are budgeted for this purpose by NSAQMD.

**A. Payments:** Only expenditures incurred by Participant in the direct performance of this Agreement can be reimbursed by NSAQMD. Participant shall invoice the NSAQMD in accordance with the schedule specified in Exhibit A. Payments by NSAQMD to Participant 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 Participant 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 Participant. 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), PO Box 2509, Grass Valley, California 95945, Attention: Joe Fish.

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

NSAQMD shall review and pay Participant additional sums toward the Total Grant Award if and when (a) NSAQMD receives additional Carl Moyer grant funds for the next funding cycle, and (b) NSAQMD budgets and allocates such funds for the purpose of funding this Agreement.

Participant expressly understands, acknowledges and agrees that NSAQMD will use reasonable efforts to budget and allocate funds to support this Agreement, however NSAQMD cannot make any guarantees as to the availability or amount of any future reimbursement pursuant to this Agreement except for the Total Grant Award expressly set forth above. Any and all future decisions to budget for or expend monies to support this reimbursement agreement are subject to the sole discretion of the NSAQMD Board and, therefore, this Agreement creates no right or entitlement to any future reimbursement whatsoever. NSAQMD shall have no obligation whatsoever to budget or expend monies for the purpose of fully funding this reimbursement agreement nor to use any funds other than Carl Moyer grant funds for the purpose of funding this Agreement.

Any and all obligations or commitments to reimburse Participant under this Agreement shall expire as of the earlier of (a) **July 1, 2019** or (b) termination of the Agreement pursuant to Paragraph 9, below; and that this Agreement may be terminated whether or not Participant has received its full reimbursement for the Total Grant Award. Therefore, Participant further understands, acknowledges, and agrees that this Agreement may terminate before full reimbursement for the Total Grant Award may be made.

The amount to be paid to Participant 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 Participant.

**B. Surplus Funds:** Any part or all of a payment by NSAQMD to Participant, which is not utilized for any reason by Participant to pay costs pursuant to the terms and conditions of this Agreement or as detailed in a claim by Participant, 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 Participant 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.

**D. Repossession:** If for any reason the lien holder of the new equipment is required to repossess said equipment, the Participant shall be liable for the repayment of the Total Grant Award to the NSAQMD and agrees to reimburse the NSAQMD the full amount of the Total Grant Award as specified herein within 30 days of such repossession of said equipment.

## **7. NON-ALLOCATION OF FUNDS**

The terms of this Agreement and the services to be provided there under are contingent on the approval and appropriation of funds by the NSAQMD, the State of California and the federal government. NSAQMD upon giving **seven (7) calendar days written notice** to Participant, shall have the right to terminate its obligations under this Agreement if the NSAQMD, the Federal Government or the State of California, as the case may be, does not appropriate funds sufficient to discharge NSAQMD's obligations coming due under this Agreement.

## **8. INDEPENDENT PARTICIPANT**

In performance of the work, duties, and obligations assumed by Participant under this Agreement, it is mutually understood and agreed that Participant, including any and all of Participant's officers, agents, and employees, will at all times be acting and performing as an independent Participant 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 Participant shall perform its work and function. However, NSAQMD shall retain the right to administer this Agreement so as to verify that Participant is performing its obligations in accordance with the terms and conditions thereof. Participant 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 Participant, Participant shall have absolutely no right to employment rights and benefits available to NSAQMD employees. Participant shall be solely liable and responsible for providing to, or on behalf of, itself all legally required employee benefits. In addition, Participant shall be solely responsible and hold NSAQMD harmless from all matters relating to payment of Participant'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 Participant 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. Participant breaches any requirements of the Carl Moyer Program Guidelines (April 28, 2011) 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 Participant, 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 Participant the repayment to NSAQMD of any funds disbursed to Participant 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. Participant 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. Upon such termination, all the work, if any, produced by Participant shall be promptly delivered to NSAQMD. Additional terms and conditions may apply in the event of termination by the Participant, 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.

12. **INDEMNIFICATION**

Participant 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 Participant, its officers, agents, subcontractors, or employees in their performance of this Agreement.

In addition, by signing this agreement, Participant 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 Participant or any third parties, Participant, 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 Participant is exempt from the requirement of maintaining workers compensation insurance, Participant shall provide to the District satisfactory evidence of such exemption.

**B.** Prior to finalizing this Agreement, Participant 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 Participant'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 Participant's policies herein. This insurance shall not be canceled or changed without a minimum of thirty (30) days advance, written notice given to NSAQMD.

C. In the event Participant 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

Participant 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 Participant's engine(s)/equipment and/or records necessary to determine Participant's compliance with the terms of this Agreement.

Participant shall be subject to an audit by NSAQMD, the ARB or their designee(s) to determine if the revenues received by Participant 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 Participant pursuant to this Agreement were not spent in conformance with this Agreement or any other applicable provisions of law, Participant agrees to immediately reimburse NSAQMD all funds determined to have been expended not in conformance with this Agreement.

Participant 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 Participant 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:

**PARTICIPANT**

David Goicoechea  
Goicoechea Sierra Valley Ranch  
P.O. Box 883  
Loyalton, CA 96118-

**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 Participant 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

**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. Participant 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 Participant's performance under this Agreement, time is of the essence. The parties reasonably anticipate that Participant 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 Participant 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 Participant under this Agreement shall become the exclusive property of NSAQMD, provided, however, Participant shall be allowed to retain a copy of any non-confidential data received, collected, produced, or developed by Participant

94

under this Agreement, subject to NSAQMD's exclusive ownership rights stated herein. Accordingly, Participant 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 Participant under this Agreement. No reports, professional papers, information, inventions, improvements, discoveries, or data obtained, prepared, assembled, or developed by Participant, 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 Participant'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 Participant. Participant 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 Participant. 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 Participant 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, Participant transfers and conveys to NSAQMD all rights and claim to ownership of the emission reductions achieved through the project funded by this Agreement. Participant shall not use or attempt to use the emission reductions achieved by the project as emission reduction credits. Participant 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.

**B. Disposal of Replaced Equipment:** Participant will be removing from service the existing engine(s)/equipment as outlined in Exhibit A.

**C. Termination:** Participant may terminate its obligation to operate the low emissions equipment funded under this Agreement for good cause provided that Participant 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 Participant'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 Participant 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) Participant 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 Participant 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 Participant 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 Participant 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 Participant during the life of this Agreement, the Participant 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) Participant 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)/equipment 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 Participant elects to sell 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 Participant shall repay the NSAQMD based on the repayment equation specified in Paragraph 4 ("Performance") of this Agreement.

**3. Relocation:** If for any reason during the life of this Agreement the Participant wants to relocate outside of Nevada, Sierra or Plumas counties and continue to use the new engine(s)/equipment inside California, Participant 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, Participant 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 Participant 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) Participant 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 Participant 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 Participant elects not to have the damaged engine(s)/equipment repaired, then the Participant shall repay the NSAQMD based on the repayment equation specified in Paragraph 4 ("Performance") of this Agreement.

28. ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement between Participant 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. Electronic signatures are acceptable. Contract will be finalized upon receipt of wet signature of Participant in District office.

Approved: David Goicoechea Date: April 1, 2019  
David Goicoechea  
Grantee

Approved: Ed Scofield Date: April 10, 2019  
Northern Sierra Air Quality Management District  
Ed Scofield, Chair

Approved: Gretchen Bennitt Date: April 10, 2019  
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 this off-road piece of equipment in the Participant's fleet by replacing the existing equipment with newer equipment. The equipment is based in Sierra County. This project's cost effectiveness is less than the Carl Moyer Program cost effectiveness limit as defined in the most current version of the Carl Moyer Guidelines (Moyer Guidelines).

**Project Description**

	Existing Equipment	New or Replacement Equipment
Type	Tractor	Tractor
Make / Model	Zetor / 7745	Kubota / M6-141DTC-F
VIN / Year	/ 1992	11656 / 2018
	Existing Engine	New or Replacement Engine
Make / Model	Zetor, 7745	Kubota, V6108
Serial # / Year	/ 1992	3JN0038 / 2018
Fuel / HP	Diesel / 81 hp	Diesel / 141 hp
Hours of Op.	1000 hrs/yr	1000 hrs/yr (+/- 30%)
Family		KKBXL06.1AMD
Eng. Cert.	Uncontrolled	Tier 4 Final

**Final Disposition of Existing Equipment**

The State of California intends that the existing engine(s)/equipment shall be permanently prevented from polluting the air in any location in any manner. Therefore, the engine(s)/equipment shall be rendered permanently inoperable before the Total Grant Award is disbursed by the Air District. The Air District shall do a Final Post Inspection on the existing equipment to ensure that it has been properly rendered permanently inoperable. Typically, that would entail, at a minimum, a hole punched in the engine block and a section of the equipment frame (or some other equivalent structure) permanently removed from the existing equipment.

**Total Grant Award**

The Total Grant Award for this project shall not exceed \$87,520.00.

**Matching Funds**

Costs incurred in excess of the Total Grant Award for the project will be the responsibility of the Participant and shall constitute their matching and/or in-kind contribution for the project.

**Term of Agreement**

1. For the purposes of this Agreement, the term of the Grant Agreement life is defined herein to be **Ten (10)** years from the date of the final post inspection (To be filled in once final post inspection occurs. **Date:** ).
2. **Installation Deadline:** Project shall be completed as soon as possible but must be completed before **July 1, 2019**.
3. No work may begin until contract is fully executed.

100

**EXHIBIT B  
ANNUAL GRANT STATUS REPORT FORMAT**

Participant 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 the life of the Grant Agreement. The purpose of this report form is to provide the NSAQMD with feedback as to Participant's experience with the new low emissions equipment and to provide a record of the actual usage versus the usage identified in the Participant's grant application. The report shall include the following items:

1. Name and address of Participant;
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#: RAP FARM 2019-01)**

**INSTRUCTIONS:** Complete this Annual Engine Usage Report every year on the anniversary date of the project's post inspection for the life of the Grant Agreement. The report shall be sent to the NSAQMD within 2 weeks of the post inspection anniversary date.

**SECTION 1: GRANTEE INFORMATION**

Company/Grantee Name: Goicoechea Sierra Valley Ranch David Goicoechea  
Company/Grantee Address: Goicoechea Sierra Valley Ranch / P.O. Box 883, Loyalton, CA 96118-  
Company/Grantee Phone Number: (775) 800-3610  
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 Equipment /Engine Identified Below: \_\_\_\_\_  
New Equipment: Kubota M6-14 (DTC-F); VIN: \_\_\_\_\_
2. Model Year, Make, Model and Family Number of new equipment engine:  
New Engine: 2018 Kubota V6108 Family: KKBXL06.1AMD  
Grant Agreement Usage: 1000 hours/yr (+/- 30%)
3. Engine Serial #: \_\_\_\_\_
4. Power Rating: : 141 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):  
\_\_\_\_\_ hours  
\_\_\_\_\_ gallons  
\_\_\_\_\_ N/A 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, PO Box 2509, Grass Valley, CA 95945 Fax to: 530-274-7546 Questions: 530-274-9360



**From:** Gretchen Bennett, Air Pollution Control Officer

**Date:** April 22, 2019

**Agenda Item: IV.C**

**Agenda Description:** Approve Agreement between the District and CARB and Resolution # 2019-04 for authorizing the acceptance of funds for the District's Smoke Management Program.

**Issues:**

SB 856 appropriated \$2 million dollars to CARB for local air districts to support the implementation of SB 901 and SB 1260 by implementing their smoke management programs, including training, travel, deployment of air monitors, and public outreach.

Because there have been delays associated with CARB developing appropriate grant agreements with local air districts, the District is not yet in a position to bring a proposed grant agreement to the Board of Directors.

The funding must statutorily be encumbered by local air districts this fiscal year, so staff is requesting that the Board approve Resolution 2019-04, which authorizes the Air Pollution Control Officer to sign the agreement once it is delivered and reviewed by the Air District. Further, Resolution 2019-04 authorizes the District to accept funding from this source.

**Requested Action:**

1. Approve Resolution #2019-04
2. Authorize the APCO to sign a grant agreement with CARB to accept funds for the running the District's Smoke Management Program.

**ROLL CALL VOTE REQUESTED**

**Attachments:**

1. Resolution # 2019-04
2. Agreement between the District and CARB (if available at time of Board meeting).

103

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT  
RESOLUTION #2019-04**

**In the Matter of Authorization to Accept Funds for Implementation of the District's Smoke Management Program and Activities Related to Prescribed Burning**

**Whereas**, Local air districts operate smoke management program which are intended to manage emissions from the use of fire, which includes the use of fire for residential burning, agricultural burning, and prescribed fire on the landscape; and

**Whereas**, In 2018, the Legislature passed, and the Governor signed, several bills to improve forest resiliency and to reduce the risk of wildfires in California; and

**Whereas**, Senate Bill (SB) 901 addresses numerous issues concerning wildfire prevention, response and recovery; and provides authorization of \$200 million in funder per year for fiver to CAL FIRE for healthy forests and fire prevention; and

**Whereas**, SB 1260 requires the California Department of Forestry and Fire Protection (CAL FIRE) and the California Air Resources Board (CARB), in coordination with local air districts, to develop and fund a program, upon appropriation by the Legislature, to enhance air quality and smoke monitoring, and to provide a public awareness campaign regarding prescribed burns. The program shall include adequate funding, upon appropriation by the Legislature, for local air district participation and implementation costs; and

**Whereas**, SB 856 appropriates \$2 million to CARB for local air districts to support the implementation of SB901 and SB1260 related to air monitoring of prescribed fires and public outreach;

**Whereas**, CARB is proposing that approximately \$1 million of these funds be made available through direct grants to local air districts to implement their smoke management programs, to enhance air quality and smoke monitoring, and to provide public awareness regarding prescribed burns; and that a portion of the remaining approximately \$1 million be made available to local districts, on a reimbursement basis, through a contract with the California Air Pollution Control Officers Association (CAPCOA), for costs associated with training, travel, and deployment of air monitors in support of the use of prescribed fire by land managers; and

**NOW, THEREFORE, BE IT RESOLVED**, by the Northern Sierra Air Quality Management District Board hereby authorizes the acceptance of funds from CARB and/or CAPCOA for implementation of the air district's Smoke Management Program, as well as for support of air District activities associated with prescribed burning and smoke management; and

**BE IT FURTHER RESOLVED**, that the Northern Sierra Air District Board of Directors hereby authorize the Air Pollution Control Officer to negotiate, sign and amend, as needed future agreements and contracts related to these activities, and to accept funds and to implement associated projects.

On a motion by Supervisor \_\_\_\_\_, and seconded by Supervisor \_\_\_\_\_, the foregoing resolution was approved and adopted by the Board of Directors of the Northern Sierra Air Quality Management District at a regular meeting held on April 22, 2019, by the following roll call vote:

Ayes:  
Noes:  
Absent:  
Abstaining:

Approve: \_\_\_\_\_  
Chair of Board

Attest: \_\_\_\_\_  
Clerk of the Board/APCO

104

**To:** Northern Sierra Air Quality Management District Board of Directors

**From:** Gretchen Bennitt, Air Pollution Control Officer

**Date:** April 22, 2019

**Agenda Item:** IV.D

**Agenda Description:** Quarterly Financial Report for period ending March 31, 2019

**Issues:** The Third Quarter FY 2018-2019 budget report is available for review and discussion.

**Requested Action:** Approve the Third Quarter FY 2018-2019 Budget Report

***ROLL CALL VOTE REQUESTED***

**Attachments:**

1. FY 2018-2019 Budget Report for period ending March 31, 2019

105

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT**  
**Operating Budget vs Actuals**  
**Period Ending March 31, 2019**

Resource Report	
Operating (Fund 6774) End Balance Qtr 3	\$ 920,230
Operating (Payroll) End Balance Qtr 3	\$ 127,340
Operating (GovPay) End Balance Qtr 3	\$ 6,372
<b>All Operating Accounts Cash Total</b>	<b>\$ 1,053,942</b>

Revenue		Budget 2018-2019	Actual to 3/31/2019
10-4002	Fees, Permit to Operate	30,000	7,893
10-4004	Fees, Vapor Recovery	20,000	9,520
10-4005	Fees, Variance Application	500	1,483
10-4006	Fees, Source Test	2,000	1,932
10-4007	Fees, Prescribed Burning	25,000	20,772
10-4008	Fees, Woodstove Inspections	2,000	646
10-4010	Fees, Title V, Fed Op Permit	65,000	41,829
10-4013	Fees, Fire Dept Response	1,500	
10-4100	Penalties, Permitted Source	10,000	
10-4101	Penalties, Open Burning	2,500	200
10-4201	Gov't Funding, State Subvention	137,600	137,600
10-4202	Gov't Funding, Subvention Supplemental	3,500	2,705
10-4203	Gov't Funding, County Contribution	58,565	50,441
10-4204	Gov't Funding, EPA Monitoring	59,500	59,500
10-4205	Gov't Funding, EPA Monitoring Supplemental	-	9,500
10-4206	Gov't Funding, AB 2766 DMV Fees	360,000	194,287
10-4207	Gov't Funding, PERP Pass thru	18,000	22,213
10-4208	Gov't Funding, AB 923 Operating	3,125	1,551
10-4209	Gov't Funding, EPA Target, Admin Fee	55,000	
10-4210	Gov't Funding, AB 617	-	
10-4211	Gov't Funding, AB 197	18,267	
10-4215	Carl Moyer, Admin Fee	25,000	31,668
10-4220	Woodsmoke Reduction Program, Admin Fee	29,250	
10-4303	Other Income, Rules, Copies, Subscr.	100	15
10-4304	Miscellaneous Income (RSD Subsidy)		1,004
10-4310	Other Income, Interest Earned	5,000	12,744
<b>Revenue Total:</b>		<b>\$ 931,407</b>	<b>\$ 607,503</b>

Expenditures		Salaries and Benefits (Object Level)	
Account #	Description	Budget 2018-2019	Actuals to 3/31/2019
10-5002	Permanent Salaries	391,347	284,601
10-5003	Overtime	1,000	177
10-5011	Medicare/FICA	5,000	4,105
10-5013	CA State Unemployment	550	588
10-5015	Workers' Comp Insurance	7,100	
10-5018	PERS Health Insurance Active Employees	28,800	15,200
10-5017	PERS Health Insurance Retired Employees	28,800	14,064
10-5019	Dental/Vision Care	6,250	4,331
10-5020/5023	PERS Retirement (ER & EE Paid)	62,000	40,313
10-5022/5024	PERS Unfunded Accrued Liability	53,000	57,026
<b>Salaries and Benefits Total:</b>		<b>\$ 583,847</b>	<b>\$ 420,405</b>

106

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT**  
**Operating Budget vs Actuals**  
**Period Ending March 31, 2019**

<b>Expenditures</b>		<b>Services and Supplies (Object Level)</b>	
<b>Account #</b>	<b>Description</b>	<b>Budget 2018-2019</b>	<b>Actuals to 3/31/2019</b>
10-5201	PM Monitoring Expenses (Supplies and Lab Rent)	15,000	10,192
10-5202	Office Supplies	4,000	5,338
10-5203	References, Subscriptions	450	121
10-5204	Postage, Shipping	1,000	1,115
10-5205	Maintenance	3,000	2,791
10-5206	Ozone Monitoring		19
10-5251	Communications	15,000	13,882
10-5253	Rent, Structures - Grass Valley (including PM2.5)	32,040	28,260
10-5254	Rent, Structures - Portola	6,000	5,057
10-5255	Utilities, Grass Valley	3,000	1,782
10-5256	Utilities, Portola	1,000	997
10-5258	Liability Insurance	8,000	9,256
10-5259	Legal Notices, Public	500	179
10-5301	Information Technology	5,000	3,385
10-5303	Maintenance: Office Equipment	500	21
10-5305	Maintenance: Vehicles	3,000	2,714
10-5311	Profession Services: Legal	6,000	1,312
10-5312	Profession Services: Office Assistance	6,000	7,226
10-5313	Profession Services: Accounting (Nevada County, Accountant, and ADP)	6,000	21,975
10-5314	Profession Services: Financial Auditor	12,000	14,125
10-5315	Profession Services: Board	5,000	3,000
10-5316	Profession Services: Hearings		50
10-5351	Training, Tuition	1,500	925
10-5352	Travel	3,000	3,238
10-5353	Gasoline	5,000	2,516
10-5354	Private Car Mileage	500	1,694
10-5390	Miscellaneous	1,000	1,000
<b>Services and Supplies Total:</b>		<b>\$ 143,490</b>	<b>\$ 142,171</b>

<b>Expenditures</b>		<b>Pass-thru Funds / Internal Programs / Contributions to Other Agencies (Object Level)</b>	
<b>Account #</b>	<b>Description</b>	<b>Budget 2018-2019</b>	<b>Actuals to 3/31/2019</b>
10-5401	Air Monitoring Program		
10-5402	Alternate Commute Program	750	
10-5404	ARB: AB 2588 Fees	1,400	
10-5405	Public Education Program	5,000	3,135
10-5406	Fire Dept Response Reimbursement	1,500	
<b>Contribution to Other Agencies / Internal Grants Total:</b>		<b>\$ 8,650</b>	<b>\$ 3,135</b>

<b>Expenditures</b>		<b>Fixed Asset Purchases (Object Level)</b>	
<b>Account #</b>	<b>Description</b>	<b>Budget 2018-2019</b>	<b>Actuals to 3/31/2019</b>
10-5601	Office Equipment (2 computers @\$2,000 each)	4,000	
10-5602	Field Equipment (fixed assets - over \$1,000)	1,000	
10-5605	EPA Supplemental Monitoring	18,053	14,585
<b>Fixed Asset Purchases Total:</b>		<b>\$ 23,053</b>	<b>14,585</b>

<b>Total Expenditures</b>		
Salaries and Benefits (Object Level)	583,847	420,405
Services and Supplies (Object Level)	143,490	142,171
Pass-thru Funds / Internal Programs / Contributions to Other Agencies (Object Level)	8,650	3,135
Fixed Asset Purchases (Object Level)	23,053	14,585
<b>Expenditure Total:</b>		<b>\$ 759,040 \$ 580,296</b>

107



**Northern Sierra Air Quality Management District**  
**Profit & Loss OPERATING Budget vs. Actual**  
July 2018 through March 2019

Ordinary Income/Expense	<u>Budget</u>	<u>Jul '18 - Mar 19</u>	<u>% of Budget</u>
<b>Income</b>			
<b>10-4000 · Permits &amp; Fees</b>			
10-4002 · Fees, Permit to Operate	30,000.00	7,892.62	26.31%
10-4004 · Fees, Vapor Recovery	20,000.00	9,519.51	47.6%
10-4005 · Fees, Variance Application	500.00	1,483.24	296.65%
10-4006 · Fees, Source Test	2,000.00	1,832.48	96.62%
10-4007 · Fees, Prescribed Burning	25,000.00	20,772.48	83.09%
10-4008 · Fees, Woodstove Inspections	2,000.00	646.20	32.31%
10-4010 · Fees, Title V	65,000.00	41,829.32	64.35%
10-4011 · Fees, AB2588, District Portion	0.00	0.00	0.0%
10-4012 · Fees, AB2588, ARB Portion	0.00	0.00	0.0%
10-4013 · Fire Dept Response Fee	1,500.00	0.00	0.0%
10-4014 · Admin Fees fr Interest Rest.	0.00	0.00	0.0%
10-4100 · Penalties, Permitted Source	10,000.00	0.00	0.0%
10-4101 · Penalties, Open Burning	2,500.00	200.00	8.0%
<b>Total 10-4000 · Permits &amp; Fees</b>	<u>158,500.00</u>	<u>84,275.85</u>	<u>53.17%</u>
<b>10-4200 · Intergovernmental Revenue Total</b>			
10-4201 · Gov Fund, State Subvention	137,600.00	137,600.00	100.0%
10-4202 · Gov Fund, Subvention Supplement	3,500.00	2,705.00	77.29%
10-4203 · Gov Fund, County Contributions	58,565.00	50,441.08	86.13%
10-4204 · Gov Fund EPA Monitoring	59,500.00	59,500.00	100.0%
10-4205 · Gov Funding EPA Monitoring Supp	0.00	9,500.00	100.0%
10-4206 · Gov Funding AB2766 Operating	360,000.00	194,287.30	53.97%
10-4207 · Gov Funding PERP Pass-Thru	18,000.00	22,212.54	123.4%
10-4208 · Gov Funding AB923 Operating	3,125.00	1,551.31	49.64%
10-4209 · Gov EPA Target 2015 , Admin Fee	55,000.00	0.00	0.0%
10-4211 · Gov, AB 197	18,267.00	0.00	0.0%
10-4215 · Carl Moyer Admin Fee	25,000.00	31,666.67	126.67%
10-4219 · Gov Fund CAPCOA 103 Monitor Gra	0.00	0.00	0.0%
10-4220 · Woodsmoke Reduction Prog-Admin	29,250.00	0.00	0.0%
<b>Total 10-4200 · Intergovernmental Revenue Total</b>	<u>767,807.00</u>	<u>509,463.90</u>	<u>66.35%</u>
<b>10-4300 · Other Income</b>			
10-4303 · Other Income, Copies	100.00	15.00	15.0%
10-4304 · Other Income, Miscellaneous	0.00	1,004.06	100.0%
<b>Total 10-4300 · Other Income</b>	<u>100.00</u>	<u>1,019.06</u>	<u>1,019.06%</u>
<b>10-4310 · Interest Earned - Operating</b>			
10-4311 · Interest Earned from Restricted	0.00	0.00	0.0%
10-4310 · Interest Earned - Operating - Other	5,000.00	12,743.71	254.87%
<b>Total 10-4310 · Interest Earned - Operating</b>	<u>5,000.00</u>	<u>12,743.71</u>	<u>254.87%</u>
<b>Total Income</b>	<u>931,407.00</u>	<u>607,502.52</u>	<u>65.22%</u>
<b>Gross Profit</b>	<u>931,407.00</u>	<u>607,502.52</u>	<u>65.22%</u>
<b>Expense</b>			
<b>10-5990 · Total Salary and Benefits</b>			

108

**Northern Sierra Air Quality Management District**  
**Profit & Loss OPERATING Budget vs. Actual**  
July 2018 through March 2019

	<u>Budget</u>	<u>Jul '18 - Mar 19</u>	<u>% of Budget</u>
<b>10-5001 · Salaries</b>			
10-5002 · Permanent Salaries- Grass Valle	391,347.00	237,614.65	60.72%
10-5003 · Permanent Salaries- Portola		46,986.24	
10-5006 · Overtime Pay	<u>1,000.00</u>	<u>176.64</u>	<u>17.66%</u>
<b>Total 10-5001 · Salaries</b>	<u>392,347.00</u>	<u>284,777.53</u>	<u>72.58%</u>
<b>10-5010 · Employee Benefits</b>			
10-5011 · Medicare/FICA	5,000.00	4,104.63	82.09%
10-5013 · EDD Training Tax	0.00	0.00	0.0%
10-5014 · CA State Unemployem	550.00	588.12	106.93%
10-5015 · Workers' Comp Insurance	7,100.00	0.00	0.0%
10-5017 · PERS Retirees Health Plan	28,800.00	14,063.96	48.83%
10-5018 · PERS Health Active Employee	28,800.00	15,200.00	52.78%
10-5019 · Dental/Vision Care	6,250.00	4,331.30	69.3%
10-5020 · PERS Classic Retirement-ER share	44,000.00	21,880.00	49.73%
10-5021 · PERS ER- Paid Member Contributi	9,600.00	13,715.82	142.87%
10-5022 · PERS Classic UAL	50,000.00	56,610.86	113.22%
10-5023 · PERS PEPRA -ER Contribution	8,400.00	4,717.59	56.16%
10-5024 · PERS PEPRA UAL	<u>3,000.00</u>	<u>414.99</u>	<u>13.83%</u>
<b>Total 10-5010 · Employee Benefits</b>	<u>191,500.00</u>	<u>135,627.27</u>	<u>70.82%</u>
<b>Total 10-5990 · Total Salary and Benefits</b>	<u>583,847.00</u>	<u>420,404.80</u>	<u>72.01%</u>
<b>10-5991 · Operating Expense</b>			
<b>10-5200 · Supplies</b>			
10-5202 · Office Supplies	4,000.00	5,338.14	133.45%
10-5203 · References, Subscrip	450.00	121.36	26.97%
10-5204 · Postage/Shipping	1,000.00	1,115.27	111.53%
10-5206 · Ozone Monitoring		<u>18.97</u>	
<b>Total 10-5200 · Supplies</b>	<u>5,450.00</u>	<u>6,593.74</u>	<u>120.99%</u>
10-5201 · PM2.5 Expenditure	15,000.00	10,192.13	67.95%
10-5205 · Memberships	3,000.00	2,791.00	93.03%
<b>10-5250 · Operations &amp; Housekeeping Expen</b>			
10-5253 · Rent, Grass Valley	24,768.00	22,200.00	89.63%
10-5254 · Rent, Portola	6,000.00	5,057.00	84.28%
10-5255 · Utilities, Grass Valley	3,000.00	1,781.76	59.39%
10-5256 · Utilities, Portola	1,000.00	997.32	99.73%
10-5257 · Rent Utilities PM2.5	<u>7,272.00</u>	<u>6,060.00</u>	<u>83.33%</u>
<b>Total 10-5250 · Operations &amp; Housekeeping Expen</b>	<u>42,040.00</u>	<u>36,096.08</u>	<u>85.86%</u>
10-5251 · Communications	15,000.00	13,881.96	92.55%
10-5258 · Liability Insurance	8,000.00	9,256.23	115.7%
10-5259 · Legal Notices, Publi	500.00	179.43	35.89%
<b>10-5300 · Services</b>			
10-5301 · Information Technology	5,000.00	3,385.06	67.7%
10-5303 · Maintenance Office	500.00	21.07	4.21%

109



**Northern Sierra Air Quality Management District  
Profit & Loss OPERATING Budget vs. Actual  
July 2018 through March 2019**

	<u>Budget</u>	<u>Jul '18 - Mar 19</u>	<u>% of Budget</u>
10-5311 · Professional Serv - Legal	6,000.00	1,312.13	21.87%
10-5312 · Prof Serv - GV Office Assistanc	5,400.00	6,220.39	115.19%
10-5313 · Prof Services Accounting	6,000.00	21,975.15	366.25%
10-5314 · Profes Serv - Financial Auditor	12,000.00	14,125.00	117.71%
10-5315 · Profes Services Board	5,000.00	3,000.00	60.0%
10-5316 · Profession Serv Hearing	0.00	50.00	100.0%
10-5317 · Prof Serv - Portola Office Assi	<u>600.00</u>	<u>1,005.24</u>	<u>167.54%</u>
<b>Total 10-5300 · Services</b>	<b>40,500.00</b>	<b>51,094.04</b>	<b>126.16%</b>
10-5305 · Maintenance Vehicles	3,000.00	2,713.64	90.46%
10-5350 · Travel & Conference			
10-5351 · Training/Tuition	1,500.00	625.00	41.67%
10-5352 · Travel	3,000.00	3,238.19	107.94%
10-5353 · Gasoline	5,000.00	2,515.79	50.32%
10-5354 · Private Car Mileage	500.00	1,693.98	338.8%
10-5355 · Conferences		300.00	
10-5350 · Travel & Conference - Other	<u>0.00</u>	<u>0.00</u>	<u>0.0%</u>
<b>Total 10-5350 · Travel &amp; Conference</b>	<b>10,000.00</b>	<b>8,372.96</b>	<b>83.73%</b>
10-5390 · Miscellaneous Exp	1,000.00	1,000.00	100.0%
<b>Total 10-5991 · Operating Expense</b>	<b>143,490.00</b>	<b>142,171.21</b>	<b>99.08%</b>
10-5992 · Pass-thru Funds			
10-5401 · Air Monitoring Program	0.00	0.00	0.0%
10-5402 · Alternate Commute Program	750.00	0.00	0.0%
10-5403 · Nonattainment Area M	0.00	0.00	0.0%
10-5404 · ABR AB2588	1,400.00	0.00	0.0%
10-5405 · Public Education Program	5,000.00	3,135.04	62.7%
10-5406 · Fire Dept Res Reimbu	1,500.00	0.00	0.0%
<b>Total 10-5992 · Pass-thru Funds</b>	<b>8,650.00</b>	<b>3,135.04</b>	<b>36.24%</b>
10-5993 · Fixed Asset Purchases Summary			
10-5601 · Fixed Assets Office	4,000.00	0.00	0.0%
10-5602 · Fixed Assets Field	1,000.00	0.00	0.0%
10-5605 · EPA Monitoring Supplement Grant	18,053.00	14,584.76	80.79%
<b>Total 10-5993 · Fixed Asset Purchases Summary</b>	<b>23,053.00</b>	<b>14,584.76</b>	<b>63.27%</b>
<b>Total Expense</b>	<b>759,040.00</b>	<b>580,295.81</b>	<b>76.45%</b>
<b>Net Ordinary Income</b>	<b>172,367.00</b>	<b>27,206.71</b>	<b>15.78%</b>
<b>Net Income</b>	<b>172,367.00</b>	<b>27,206.71</b>	<b>15.78%</b>

110

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT**  
**Operating Budget vs Actuals**  
**Period Ending March 31, 2019**

<b>Restricted Budget, Revenue</b>			
Account #	Description	Budget 2018-2019	Actuals to 3/31/2019
20-4500	Govt. Funding, AB 2766 DMV Fees (60% for District Admin)	240,000	129,525
20-4505	Govt. Funding, AB923 (6.25% for district admin)	50,000	28,123
20-4518	Govt. Funding, Carl Moyer HD Diesel (12.5% for district admin)	175,000	230,089
20-4535	Govt. Funding, Woodsmoke Reduction Program (~10% for district admin)	292,500	157,500
20-4536	Woodsmoke Reduction Program, Interest	1,000	-
20-4541	Nox Reduction Measure (NRM)	70,212	
20-4538	AB 617	20,183	20,183
20-4539	AB 617 Interest	100	-
20-4529	Govt. Funding, EPA Target Grant for Portola	398,400	
20-4600	Other Income, Interest, Restricted	1,000	15,336
<b>Restricted Budget, Revenue Total:</b>		<b>\$1,248,395</b>	<b>580,756</b>

<b>Restricted Budget, Expenditures</b>			
Account #	Description	Budget 2018-2019	Actuals to 3/31/2019
20-5420	Nevada County Library, (AB2016-02, \$20,600)	20,600	8,103
20-5431	Nevada County CDA		2,250
20-5404	Incorporated Senior Citizens of Sierra County (AB2017-01)	5,853	2,927
20-5427	NevCo Library, Chicago Park Kiosk (AB2014-09, \$33,455)	21,207	
20-5402	Nevada County Superior Court (AB2017-05)	47,835	23,453
20-5402	Town of Truckee (AB 2017-06)	40,000	40,000
20-5425	Nevada County Library (AB2015-05, 25,000)	25,000	
20-5426	Nevada County Library (AB2015-06, 15,500)	11,566	600
20-5403	Plumas County Public Works (AB2017-02)	36,338	3,099
20-5440	Portola PM Mitigation(AB2015-08, 33,211 plus 5499 transferred from 588-200-39)	28,054	
20-5442	Portola MOU (AB2016-08)	26,932	
20-5401	AB2766 Planned Expenditure of all counties (FY 18/19)	219,134	
20-5406	Carl Moyer	176,223	164,136
20-5409	AB 923	220,800	
20-5410	EPA Target Grant for Portola	398,400	137,877
20-5414	Woodsmoke Reduction Program (WRP)	292,500	350,289
20-5417	Non reduction Measure (NRM)	70,212	
20-5415	AB 617	20,183	
20-5413	H&S Mitigation Fund	180,000	53,100
<b>Restricted Budget, Expenditures Totals:</b>		<b>1,840,837</b>	<b>785,833</b>

111

**From:** Gretchen Bennett, Air Pollution Control Officer

**Date:** April 22, 2019

**Agenda Item: IV.E**

**Agenda Description:** Recommendation to hire two new Air Pollution Specialists

**Issues:**

The Executive Director is recommending to hire two new Air Pollution Specialists. With 5 current employees over the age of 50, it is important to hire new entry-level specialists and train them the complex requirements of the District as a matter of succession planning. It is imperative that the District begin the process of training new hires to take over the program as soon as possible.

**Fiscal Analysis:**

The District has included a spreadsheet that demonstrates an increase in expenditures of ~ **\$125,000 for FY 19-20**. The District has also included a Draft FY 19-20 budget spreadsheet which demonstrates an increase of revenue **\$182,000 in FY 19-20** and reserves of **\$1,053,942**.

The most notable increases in revenue are from sources that will continue for at least the next three years (EPA Target 2015 - **\$75,000/year**) and RX Fire Funding - **\$75,000/year**). Additionally, the EPA has recommended **\$50,000** for the next five years for funding a position in Portola.

Additionally, the District receives approximately **\$90,000** in administrative fees for new project grants from the state; Carl Moyer, FARMER, NRM, RAP, RX Fire grant monitoring.

Attached is spreadsheet showing the increased cost for FY 19-20 associated with the hiring of two new specialists. Also attached is the District's Preliminary DRAFT FY 19-20 operating budget to demonstrate the budgeted revenue stream and expenditures.

**Requested Action:**

The Executive Director recommends that the Board approve the hiring of two new entry-level positions (Air Pollution Control Specialist I). One position to be placed in the Grass Valley office and another position to be placed in the Portola office.

**ROLL CALL VOTE REQUESTED**

**Attachments:**

- 1. Comparison of costs for FY 19-20 for five existing employees and 2 additional employees.**
- 2. Preliminary Draft Operating Budget for FY 19-20**
- 3. Detailed Information**

112

**EMPLOYEES BUDGET**

7/1/19-6/30/20

	Total Cost of 5 Employees	Total Cost of 7 Employees
Permanent Salaries	\$392,412.80	\$486,054.40
TaxMed (elect not to utilize the District-provided health insurance program)	\$7,679.88	\$7,679.88
Overtime	\$1,000.00	\$1,000.00
Medicare/FICA is 1.45%	\$5,801.34	\$7,159.15
CA State Unemployment is 1.6% up to the first \$7,000	\$560.00	\$784.00
Workers' Comp Insurance	\$5,321.23	\$6,566.67
PERS Health Insurance Active Employees	\$28,800.00	\$48,000.00
PERS Health Insurance Retired Employees	\$18,951.84	\$18,951.84
Dental/Vision Care	\$6,250.00	\$8,750.00
PERS Retirement (ER & EE Paid)	\$56,492.62	\$63,296.62
PERS Unfunded Accrued Liability	\$73,545.00	\$73,545.00
Totals	<u>\$596,814.72</u>	<u>\$721,787.56</u>
<b>Cost for Hiring Two APCS I Positions</b>	<b>\$124,972.84</b>	

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT**  
**Preliminary Operating Budget**  
**Fiscal Year 2019 - 2020**

Resource Report	
03/31/19	\$ 1,053,942
	3,942

Fund Balance Accounts		<i>(Used to track earmarked or encumbered funds)</i>	
Account #	Description	FY 2018-2019	FY 2019-2020
10-3901	General Fund, Undesignated	-	
10-3903	Other Post-Employment Benefits	200,000	250,000
10-3904	Equipment Replacements / Depreciation	154,000	150,000
10-3905	Leave Liability	55,000	55,000
10-3906	Air Monitoring Program	100,000	100,000
10-3907	Public Education Program	5,000	5,000
10-3908	Contingency, Leashold Improvements	75,000	150,000
10-3909	Contingency, Emergency Funds	113,000	200,000
10-3910	Contingency, Litigation	100,000	140,000
<b>Fund Balance Accounts Totals</b>		<b>802,000</b>	<b>1,050,000</b>

Revenue		FY 2018-2019	FY 2019-2020
Account #	Description		
10-4002	Fees, Permit to Operate	30,000	30,000
10-4004	Fees, Vapor Recovery	20,000	20,000
10-4005	Fees, Variance Application	500	500
10-4006	Fees, Source Test	2,000	2,000
10-4007	Fees, Prescribed Burning	25,000	25,000
10-4008	Fees, Woodstove Inspections	2,000	2,000
10-4010	Fees, Title V, Fed Op Permit	65,000	65,000
10-4013	Fees, Fire Dept Response	1,500	1,500
10-4100	Penalties, Permitted Source	10,000	10,000
10-4101	Penalties, Open Burning	2,500	2,500
10-4201	Gov't Funding, State Subvention	137,600	137,600
10-4202	Gov't Funding, Subvention Supplemental	3,500	3,500
10-4203	Gov't Funding, County Contribution	58,565	62,669
10-4204	Gov't Funding, EPA Monitoring	59,500	59,500
10-4205	Gov't Funding, EPA Monitoring Supplemental	-	-
10-4206	Gov't Funding, AB 2766 DMV Fees	360,000	360,000
10-4207	Gov't Funding, PERP Pass thru	18,000	18,000
10-4208	Gov't Funding, AB 923 Operating	3,125	3,125
10-4209	Gov't Funding, EPA Target 2015	55,000	75,000
10-4214	Gov't Funding, EPA Target 2015 Burnwise Coordinator		49,698
10-4221	Gov't Funding, Nox Remediation Measure, Admin Fee		4,242
10-4211	Gov't Funding, AB 197	18,267	18,267
10-4213	Rx Fire Funding, Staff		75,000
10-4212	Rx Fire Funding, Monitoring		20,000
10-4215	Carl Moyer, Admin Fee	25,000	25,000
10-4222	Farmer Pooled Share		15,000
10-4223	RAP, Carl Moyer Rural Assistance admin		7,000
10-4220	WRP, Admin Fee	29,250	-
10-4303	Other Income, Rules, Copies, Subscr.	100	100
10-4310	Other Income, Interest Earned	5,000	20,000
<b>Revenue Total: \$</b>		<b>931,407</b>	<b>1,112,201</b>

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT**  
**Preliminary Operating Budget**  
**Fiscal Year 2019 - 2020**

Expenditures		Salaries and Benefits (Object Level)	
Account #	Description	FY 2018-2019	FY 2019-2020
10-5002	Permanent Salaries	387,798	392,412
10-5003	Overtime	1,000	1,000
10-5011	Medicare/FICA	5,500	5,801
10-5013	State Unemployment	2,000	560
10-5015	Workers' Comp Insurance	6,000	5,321
10-5016	PERS Health Insurance Active Employees	28,000	28,800
10-5017	PERS Health Insurance Retired Employees	28,800	18,951
10-5019	Dental/Vision Care	6,250	6,250
10-5020/5023	PERS Retirement (ER & EE Paid)	57,319	56,492
10-5022/5024	PERS Unfunded Accrued Liability	51,812	73,545
<b>Salaries and Benefits Total:</b>		<b>\$ 574,479</b>	<b>589,132</b>

Expenditures		Services and Supplies (Object Level)	
Account #	Description	FY 2018-2019	FY 2019-2020
10-5201	PM Monitoring Expenses	15,000	15,000
10-5202	Office Supplies	6,000	4,000
10-5203	References, Subscriptions	450	1,500
10-5204	Postage, Shipping	1,200	1,000
10-5205	Memberships	3,000	3,000
10-5206	Ozone Monitoring Expenses		5,000
10-5251	Communications	15,000	15,000
10-5253	Rent, Structures - Grass Valley	32,040	26,640
10-5254	Rent, Structures - Portola		6,228
10-5255	Utilities, Grass Valley	3,500	2,700
10-5256	Utilities, Portola		1,200
10-5257	Rent, PM2.5		9,500
10-5258	Liability Insurance	8,000	8,000
10-5259	Legal Notices, Public	500	500
10-5301	Information Technology	10,000	7,000
10-5303	Maintenance: Office Equipment	500	500
10-5305	Maintenance: Vehicles	3,000	3,000
10-5311	Profession Services: Legal	6,000	6,000
10-5312	Profession Services: Office Assistance	-	1,200
10-5313	Profession Services: Accounting (Nevada County, Accountant, and ADP)	18,000	25,000
10-5314	Profession Services: Financial Auditor		12,500
10-5315	Profession Services: Board	5,000	5,000
10-5351	Training, Tuition	1,500	1,500
10-5352	Travel	3,000	3,000
10-5353	Gasoline	5,000	5,000
10-5354	Private Car Mileage	500	500
10-5390	Miscellaneous	1,000	1,000
<b>Services and Supplies Total:</b>		<b>\$ 112,540</b>	<b>\$ 170,468.00</b>

115

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT**  
**Preliminary Operating Budget**  
**Fiscal Year 2019 - 2020**

<b>Expenditures - Pass-thru Funds / Internal Programs / Contributions to Other Agencies (Object Level)</b>			
Account #	Description	FY 2018-2019	FY 2019-2020
10-5402	Alternate Commute Program	750	750
10-5404	ARB: AB 2588 Fees	770	1,400
10-5405	Public Education Program	5,000	5,000
10-5406	Fire Dept Response Reimbursement	1,500	1,500
<b>Contribution to Other Agencies / Internal Grants Total:</b>		<b>\$ 8,020</b>	<b>\$ 8,650.00</b>

<b>Expenditures - Fixed Asset Purchases (Object Level)</b>			
Account #	Description	FY 2018-2019	FY 2019-2020
10-5601	Office Equipment (2 computers @\$2,000 each)	6,000	4,000
10-5602	Field Equipment (fixed assets - over \$1,000)	1,000	1,000
10-5605	EPA Supplemental Monitoring	28,430	-
<b>Fixed Asset Purchases Total:</b>		<b>\$ 35,430</b>	<b>5,000</b>

<b>Budget Summary</b>		<b>Available Funding &amp; Expenditures</b>	
		FY 2018-2019	FY 2019-2020
<b>Available Funding</b>			
Fund Balance Total ( <i>encumbered &amp; earmarked reserves</i> )		802,000	1,050,000
Petty Cash		75	75
Revenue		931,407	1,112,201
<b>Available Funding Total:</b>		<b>1,733,482</b>	<b>2,162,276</b>
Salaries and Benefits (Object Level)		574,479	589,132
Services and Supplies (Object Level)		112,540	170,468
Pass-thru Funds / Internal Programs / Contributions to Other Agencies (Object Level)		8,020	8,650
Fixed Asset Purchases (Object Level)		35,430	5,000
<b>Expenditure Total:</b>		<b>\$ 730,469</b>	<b>773,250</b>

116

### **Detailed Information**

The District currently has five full time positions which are currently filled. District staff have worked hard to fulfill the District's annual goals and objectives and requirements from the federal (EPA) and state government agencies (CARB). This has increasingly become a strain on all district resources to fulfill the increasing requirements with its existing staff. Some of the requirements are;

- Fulfilling requirements for 2 federal nonattainment areas (the District receives NO funding from the federal government to fulfill these requirements)
- Reporting emissions from permitted sources to CARB and federal databases
- Review and comments on land use documents for the three counties and cities
- Implementing the State's Air Toxics Program
- Air Quality Monitoring
- Attending Mountain Counties Air Basin Control Council
- Permitting major and minor stationary sources
- Vapor recovery permits and inspections.

Additionally, the state and federal governments have awarded the District project funds for various projects which the District residents and businesses greatly appreciate. Many of these project funds are accompanied with a small administrative fee. While the project funds are worth the effort, tracking these various small, but necessary administrative fees has been a challenge to the District's already strained resources.

**In the past fiscal year**, the District has accepted administrative funding through the signing of agreements with CARB for the following grants:

Carl Moyer (\$25,000 admin + \$175,000 for carl moyer projects)  
 RAP (6,666 admin + \$55,088 carl moyer project)  
 NRM (\$4,242 admin + \$70,706 carl moyer project)  
 FARMER (\$8,324 admin + \$87,520 for ag tractor replacement)  
 AB 197 (\$18,267 admin)  
 AB 617 (0 admin + \$42,000 for green waste project)  
 Woodsmoke Reduction Program (\$29,250 admin + \$337,500 projects)

Although the District has been appreciative of the extra funds that go to wood stove changeouts, tractor replacements and Carl Moyer Heavy Duty Diesel projects, the implementation of these projects has placed an additional strain on a resource-strapped office.

The EPA has provided a total of \$356,607 of administrative funds to the District over a span of five years, which is approximately \$71,321 per year.

**In the next fiscal year**, the District has budgeted similar admin amounts for grants that will continue (with the exception of the wood smoke reduction program and AB 197).



Additionally, the State of California has awarded up to **\$75,000** through AB 856 to the Air District for implementing the District's smoke management program. This funding is expected to continue for the **next 3 years**.

The District expects that the administrative funding of **\$75,000** for the EPA Target grant will continue for at least the **next three years**. Additionally, EPA has strongly recommended that the District submit a request to hire an additional staff person, primarily for education and outreach in Portola. EPA has recommended **\$55,000** annually for the **next five years** for a new position in Portola (this has not been officially approved by EPA).

The last point the District would like to make is that as of March 31, 2019, the cash available (reserves) in the District has reached \$1,053,942.

With the increasing responsibilities of administering necessary grants throughout the District and the receipt of the corresponding administrative fees, the District is recommending to hire two new Air Pollution Specialists (a position already approved by the Board) to primarily be funded by the EPA target grant (\$126,321 for the next two years and \$55,000 for the next five years) and the Smoke Management Grant (\$77,000 for the next three years). One position will be located in Portola and the other position will be located in Grass Valley.

118

**To:** Northern Sierra Air Quality Management District Board of Directors  
**From:** Gretchen Bennitt, Air Pollution Control Officer  
**Date:** April 22, 2019

**Agenda Item:** V.A

**Agenda Description:** Status on Portola PM2.5 Nonattainment Area

**Issues:** Staff will update the Board on the status.

**Requested Action:** None, informational only

119

**To:** Northern Sierra Air Quality Management District Board of Directors

**From:** Gretchen Bennett, Air Pollution Control Officer

**Date:** April 22, 2019

**Agenda Item: V.B**

**Agenda Description: Green Waste**

**Issues:** The open burning of green waste in residential properties can cause significant emissions of smoke when not burned properly. Over many years, the Air District has worked cooperatively with homeowner groups, private and public land owners, waste management businesses, biomass facilities and local public agencies to provide lower emission alternatives to the open burning of green waste in individual residential burn piles.

The attached memo discussing green waste disposal in Plumas and Sierra counties as of April 2019. Staff will discuss some of the major modifications currently in the works.

**Requested Action:** Provide Direction to Staff as Needed

**Attachments:**

1. Green Waste Disposal in Plumas and Sierra Counties – April 2019

120

DATE: April 2019  
RE: Green Waste Disposal in Plumas and Sierra Counties

Green waste is accepted as Municipal Solid Waste (MSW) at all transfer stations but it is not diverted as a recyclable or reusable commodity and therefore remains in the waste stream. Payment is required for the disposal of green waste or any other MSW at a transfer station. No tree stumps may be unloaded at transfer stations; only landfills. Options for green waste disposal are as follows:

### PLUMAS COUNTY

#### Quincy:

##### **Quincy Solid Waste Transfer Station (39 Abernathy Lane)**

Summer Hours (April-November): Friday through Tuesday 9-5:00

Winter Hours (December-March): Friday through Monday 9-4:00

**ONLY Woody** (tree limbs and branches) green waste accepted at a reduced fee of \$5 per cubic yard. Woody green waste must be cut into lengths of 2 feet or less. No stumps or treated wood will be accepted. All **non-woody** (pine needles/cones, grass clippings, leaves and weeds) are treated as MSW and will be charged a rate of \$17.44 per cubic yard. Call Feather River Disposal at 283-2004 with questions.

#### Portola:

##### **Intermountain Disposal Transfer Station**

**73980 Industrial Way, Delleker (for more info call 530-832-4879).**

Open Saturday through Tuesday 9-4:00 (closed for lunch 12-12:30). Fees collected.

**Green waste (natural vegetation)** may be taken to Delleker Transfer Station\*:  
Open April - October; Saturdays only 10-2:30 (closed for lunch 12-12:30).  
\$2.57 per cubic yard (< 5 cubic yds); \$3.56 per cubic yard (> 5 cubic yds).  
(Contaminated loads will be charged the MSW fee of \$21.16 per cubic yd)  
**THE MONTH OF MAY IS FREE for Portola Residents** (yard waste only)! Proof of residency is required.

\*Green waste is no longer being accepted at the ERC (old Portola landfill).

**Curbside green waste pickup is available April-Oct. for \$8.43 per month (IMD)!!**

#### Graeagle:

##### **Graeagle Land & Water (community burn pile)**

Open 9-4:00 M-F (closed in the Winter)

\$10 per pickup load; \$20 if loaded up to the top of the cab with sides.

Key must be picked up at the Graeagle Land & Water office on Hwy 89.

##### **Graeagle Transfer Station (Intermountain Disposal)**

Open Sat/Sun 9-4:00 (closed for lunch 12-12:30). Fees collected.

**La Porte Transfer Station:** Fees collected.

**Greenville Transfer Station:** Fees collected. Recycling Center accepts newspaper, cardboard, plastics, mixed paper and tin/aluminum.

**Chester:**

**Chester Landfill (Hwy 36 and A13)... past the transfer station.**

Closed in Winter (last day is Oct. 20, 2018). **Woody** (tree limbs and branches) **and non-woody** (pine needles/cones, grass clippings, leaves and weeds) green waste accepted at a reduced fee of \$5 per cubic yard on Fridays, Saturdays (9-5:00) and Tuesdays (8-12:00) during the summer. **No stumps.** Note that contaminated loads (loads including anything other than green waste) will be refused. Green waste can be left at the transfer station during the winter and will be charged the regular MSW of \$17.44 per cubic yard (Winter hours begin Dec. 1, 2018: Friday-Monday 9-12:00; 12:30-4:00).

**PLUMAS COUNTY FIRE SAFE COUNCIL COMMUNITY CHIPPING PROGRAM:**  
<http://www.plumasfiresafe.org/community-chipping-program.html> or 530-283-0829

For supplying or requesting chips, consider <https://getchipdrop.com/>

For more information on Plumas County transfer stations (including open hours), go to:

<http://www.countyofplumas.com/index.aspx?NID=182>

### **SIERRA COUNTY**

**No charge for green waste at the landfill or any transfer stations. Must be a resident of Sierra County (show proof of residency when loads are checked).**

For more details: <http://www.sierracounty.ca.gov/index.aspx?nid=293>

**Transfer Stations at the following locations:**

Alleghany, Ramshorn (Downieville-Goodyears Bar area), Sierra City, and Sattley-Calpine.

Hours of Operation: Saturday/Sunday 10-4:00; Wednesday 10-2:00

**Loyalton Biomass Plant** (American Renewable Power). Accepts woody debris less than 3" in diameter, free of dirt and rocks (no hay or loads of primarily pine needles). May accept clean stumps (no dirt or rocks). Not limited to Sierra County residents. Check in at front office 8-5:00 Monday-Friday. Call 530-993-4867 for further info.

### **OUT OF AREA**

**Greenleaf Power Plant at Honey Lake:**

May purchase clean chipped green waste (rates and ability to accept fluctuate).

Please submit any changes to [julie@myairdistrict.com](mailto:julie@myairdistrict.com). Thank you!

122

**To:** Northern Sierra Air Quality Management District Board of Directors  
**From:** Gretchen Bennett, Air Pollution Control Officer  
**Date:** April 22, 2019

**Agenda Item: V.C**

**Agenda Description: Forest Health Issues**

**Issues:**

Last year SB1260/901 made changes in law to help increase prescribed burning across the state, provided funding for some programs and tried to remove barriers to increase prescribed burning.

District staff have been keeping apprised of the Governor-appointed Forest Management Task Force meetings.

**Various legislation was released in late February:**

AB144 (Aguiar-Curry D) Public Resource Management: Organic waste  
Requires the Forest Management Task Force to develop recommendations for the siting of additional wood product manufacturing facilities.

AB 661 (McCarty D) Wildfire Smoke Air Pollution Emergency Plan  
Requires air districts to prepare a wildfire smoke air pollution emergency plan as an informational source for local agencies and public during a wildfire smoke emergency.

AB 836 (Wicks D) Bay Area Clean Air Incentive Program  
Provides funding through a grant program to retrofit ventilation systems to create a network of clean air centers to mitigate the adverse public health impacts due to wildfires.

**Requested Action:**

None, informational only

**Attachments:**

Summaries of bills attached.

123





**Forest Management Task Force**

Monday, April 8, 2019

1:00 - 3:30 PM

Coastal Room, CalEPA

1001 I St, Sacramento, CA 95812

Webinar option: <https://attendee.gotowebinar.com/register/8523140755732613891>

*Jennifer  
Montgomery  
- Sec. -  
appointed*

- I. Opening Comments – Governor’s Office, Resources Agency, CalEPA, CAL FIRE
- II. State of Emergency on Wildfires - Secretary Crowfoot, CNRA & Thom Porter, CAL FIRE
- III. Civic Spark, Kif Scheuer, Local Government Commission
- IV. Fuel Reduction Projects Update CAL FIRE and U.S. Forest Service
- V. Working Group Updates
  - i. Forest Management & Restoration – Stewart McMorrow, CAL FIRE & Isabel Baer, CDFW
  - ii. Regulations – Eric Huff, CAL FIRE & Loretta Moreno, CNRA
  - iii. Prescribed Fire – Jamie Sammit, CAL FIRE & Dar Mims, CARB
  - iv. Landowner Education & Outreach – Susie Kocher, UCCE & Martin Twer, Watershed Center
  - v. Wood Utilization – Matt Hengan, Gov OPS & Debbie Franco, OPR
  - vi. Tree Mortality – Brittany Dyer, American Forests & Peter Crase, Cal OES
  - vii. Science Advisory – John Battles, UCB & Steve Ostojia, CA Climate Hub
- VI. Regional Prioritization Group Updates
- VII. Partner Agency Updates
- VIII. Closing comments and next steps

124

Date of Hearing: April 8, 2019

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Laura Friedman, Chair

AB 144 (Aguiar-Curry) – As Amended April 1, 2019

**SUBJECT:** Public resources management: organic waste

**SUMMARY:** Requires, on or before December 31, 2020, the Strategic Growth Council (SGC) to create a scoping plan for the state to meet its organic waste management mandates, goals, and targets. Makes unrelated cleanup changes to the Forestry Management Task Force.

**EXISTING LAW:**

- 1) Pursuant to the Integrated Waste Management Act:
  - a) Establishes a state recycling goal of 75% of solid waste generated be diverted from landfill disposal by 2020 through source reduction, recycling, and composting.
  - b) Requires generators of specified amounts of organic waste (i.e., food waste and yard waste) to arrange for recycling services for that material.
  - c) Establishes methane emission reduction goals that include targets to reduce the landfill disposal of organic waste 50% by 2020 and 75% by 2025 from the 2014 level. Requires the Department of Resources Recycling and Recovery (CalRecycle), in consultation with the Air Resources Board (ARB), to adopt regulations to achieve the organics reduction targets, which go into effect in 2022.
- 2) Requires ARB to approve and implement the comprehensive short-lived climate pollutant (SLCP) strategy to achieve, from 2013 levels, a 40% reduction in methane, a 40% reduction in hydrofluorocarbon gases (HFCs), and a 50% reduction in anthropogenic black carbon, by 2030.
- 3) Establishes SGC, consisting of the Director of the State Office of Planning and Research, the Secretary of the Resources Agency, the Secretary for Environmental Protection, the Secretary of Business, Transportation, and Housing, the Secretary of California Health and Human Services, and one member of the public to be appointed by the Governor.
- 4) Directs SGC to:
  - a) Identify and review activities and funding programs of member state agencies that may be coordinated to improve air and water quality, improve natural resource protection, increase the availability of affordable housing, improve transportation, meet the state's GHG emissions reduction goals, encourage sustainable land use planning, and revitalize urban and community centers in a sustainable manner;
  - b) Recommend policies and investment strategies to the Governor, Legislature, and appropriate state agencies to encourage the development of sustainable communities;

125



- c) Provide, fund, and distribute data and information to local governments and regional agencies that will assist in developing and planning sustainable communities; and,
  - d) Manage and award grants and loans to support the planning and development of sustainable communities.
- 5) Requires, on or before July 1, 2020, the Forest Health Task Force pursuant to Executive Order B-52-18 or its successor entity, in consultation with the Governor's Office of Business Development, the Joint Institute for Wood Products Innovation in the Board of Forestry and Fire Protection, private industry, investors, and other stakeholders it deems appropriate, to develop recommendations for siting of additional wood product manufacturing facilities in the state.

**THIS BILL:**

- 1) Defines the "Forest Management Task Force" as the task force established by the Governor pursuant to Executive Order No. B-52-18 (EO) to oversee the implementation of the EO.
- 2) Makes technical and clarifying changes relating to the Forest Management Task Force.
- 3) On or before December 31, 2020, requires SGC, in consultation with stakeholders and relevant permitting agencies, to prepare and submit a report to the Legislature that provides a scoping plan for the state to meet its organic waste management mandates, goals, and targets.
- 4) Requires the scoping plan to include, but not be limited to, the following:
  - a) Recommendations on policy and funding support for closing the loop on carbon-neutral or carbon-negative organic waste management practices;
  - b) Identify obstacles to closing the loop on carbon-neutral or carbon-negative organic waste management practices;
  - c) Activities to be undertaken by the private and public sectors to address the obstacles identified.
- 5) Sunsets the provision that requires the scoping plan on December 1, 2024.

**FISCAL EFFECT:** Unknown**COMMENTS:****1) Author's statement:**

AB 144 requires the Strategic Growth Council to recommend a coordinated strategy for reducing emissions associated with organic waste across sectors. This "scoping plan" will be data-informed and require interagency input. The end result should reduce conflict among state policies intended to reduce net air and climate pollution while balancing the immediate needs of local communities disproportionately exposed to environmental health hazards, including wildfire smoke.

126

- 2) **Strategic Growth Council.** SGC was established in 2008 to coordinate state agency activities in supporting the planning and development of sustainable communities. The SGC also administers a suite of grant programs funded through the California Climate Investments - a statewide initiative that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions while providing a variety of other impactful benefits - particularly in disadvantaged communities. To date, the SGC has invested over \$775 million in projects that strengthen the economy, ensure social equity, and enhance environmental stewardship across the state.

Programs within the SGC include the Affordable Housing and Sustainable Communities Program, which is intended to build healthier communities and protect the environment by increasing the supply of affordable places to live near jobs, stores, transit, and other daily needs. The Transformative Climate Communities Program assists communities most impacted by pollution to choose their own goals, strategies and projects to reduce GHG emissions and local air pollution. The Sustainable Agricultural Lands Conservation Program protects agricultural lands on the outskirts of cities and near residential neighborhoods from development. SGC's Climate Change Research Program invests in research to build community resilience, integrate land use and development considerations, and "facilitate the transformation of California communities." SCG also provides technical assistance through the California Climate Investments Technical Assistance Program. Finally, the Health in All Policies Program works with more than 20 state agencies and departments to "create healthy places to live, work, learn, and play."

- 3) **Organic recycling goals.** CalRecycle is tasked with diverting at least 75% of solid waste statewide by 2020. Organic materials make up over half of the waste stream (54.8%); food continues to be the greatest single item disposed, comprising approximately 18% of materials landfilled. Leaves, grass, prunings, and trimmings represent just under 7% of the total waste stream.

Local governments are required to submit Source Reduction and Recycling Elements and comprehensive annual reports to CalRecycle to identify the programs and plans to ensure they meet the state's 50% diversion requirement for local jurisdictions and to assist CalRecycle in meeting the state's 75% diversion goal. Pursuant to AB 341 (Chesbro), Chapter 476, Statutes of 2011, generators are required to arrange for recycling services and requires local governments to implement commercial solid waste recycling programs designed to divert solid waste from businesses. AB 1826 (Chesbro), Chapter 727, Statutes of 2014, requires generators of specified amounts of organic waste (i.e., food waste and yard waste) to arrange for recycling services for that material.

Organic waste is primarily recycled using anaerobic digestion or composting. Anaerobic digestion is the controlled breakdown of organic matter without air, used to manage waste and/or to release energy. It is a biological process that produces an energy-rich biogas, which is used as a fuel. This technology has been used in the United States for decades in wastewater treatment facilities and dairy manure digesters. It is increasingly being used to manage the state's organic waste stream, including food waste, to generate clean energy. Digestate, the material left over at the end of the process, is similar to compost and can be composted with other material or used alone as a soil amendment. Composting is the aerobic controlled decomposition

127

of organic material, such as leaves, twigs, grass clippings, and food scraps to produce compost, which can be used as a soil amendment and for slope stabilization.

Woody waste, such as the material removed in forest thinning projects, can be processed into mulch, which is used to control weeds or erosion, retain moisture in soil, and insulate soil from cold weather. Other materials commonly used for mulch include wood chips, ground up landscape trimmings, shredded bark, coarse compost material, straw, and shredded paper.

Compost and similar soil amendments have been shown to provide numerous benefits, including preserving topsoil and preventing erosion, increasing the water retention capacity of soil, reducing and improving the water quality of stormwater runoff, increasing the number of beneficial microorganisms, providing stable, slow-release nutrients, and enhancing soil carbon sequestration. Compost used in natural environments should meet the United States Environmental Protection Agency's requirements of a "process to further reduce pathogens." This process requires that the compost meet specific time and temperature requirements to destroy pathogens that may be present in the organic material prior to composting.

- 3) **Biomass utilization.** The use of targeted mechanical vegetation management, prescribed fire, and managed wildfire reduces the accumulated high fuel loads, promoting healthier, more resilient forests, reducing the risk of high-severity wildfires. When conducting mechanical vegetation management, the material removed from the forest is usually small diameter material, including surface fuels and ladder fuels, as well as dead trees. This material often does not have much value or uses and has negative air quality impacts when pile burned in the forest. There have been various efforts to develop markets for biomass removed for fuel reduction purposes. SB 859 (Committee on Budget and Fiscal Review), Chapter 368, Statutes of 2016, directed the NRA to, "...establish a working group on expanding wood product markets that can utilize woody biomass, especially biomass that is removed from high hazard zones. The report's findings are focused on strategies to accomplish three main goals: 1) utilizing material removed from high hazard zones; 2) promoting forest health and carbon sequestration; and 3) promoting rural economic development. To promote these goals, the report suggests a number of approaches including increasing wood product demand and promoting localized manufacturing of mass timber and other innovative forest products. To aid in the development of the capacity to handle these products, the group recommends three core strategies: 1) remove barriers to market and create pathways for success; 2) promote innovation; and 3) invest in human capital. AB 2518 (Aguiar-Curry), Chapter 637, Statutes of 2018, directed CAL FIRE to identify barriers to in-state production of mass timber and other innovative forest products. These innovative wood products and mass timber can offer new ways to use material that currently is either pile burned, shredded and left on the forest floor or sent to a landfill or to a biomass energy facility.

Research has shown that biomass facilities with emissions control technology have much lower criteria pollutant air emissions than pile burning and somewhat lower GHG emissions. There are also laws that support biomass energy facilities taking fuel reduction material. SB 901 (Dodd), Chapter 626, Statutes of 2018, directed utilities to extend contracts by five years for biomass facilities that accept at least 80% of the feedstock of an eligible facility, on an annual basis, that is a byproduct of sustainable forestry management and at least 60% of this feedstock shall be from CAL FIRE's Tree Mortality Tier 1 and Tier 2 high hazard zones.

128

There is also Bioenergy Feed-in Tariff Program or the Bioenergy Market Adjusting Tariff (BioMAT) a feed-in tariff program for small bioenergy renewable generators less than 5 MW in size and includes bioenergy using byproducts of sustainable forest management. As additional acres are treated in California there will be more material that will be available for utilization.

- 4) **This bill.** California has adopted some of the most progressive climate change, air quality, water quality, and waste reduction policies in the nation. However, with regard to the management of organic materials, California's agencies have not worked together effectively. For example, the requirements associated with siting and operating compost facilities do not take into consideration the significant air and GHG emissions benefits of these facilities over other management options and add significant costs that stifle their development. This bill directs SCG to develop a plan with all of the relevant state entities to achieve the state's organic management goals. This bill also provides clean-up for some of the provisions of AB 2518.

#### REGISTERED SUPPORT / OPPOSITION:

##### Support

Agricultural Council of California  
 Bioenergy Association of California  
 California Biomass Energy Alliance  
 California Compost Coalition  
 California Low Carbon Fuel and Energy Coalition  
 Californians Against Waste  
 Coalition for Renewable Natural Gas  
 Greenleaf Power  
 Sierra Business Council  
 TSS Consultants

##### Opposition

None on file

**Analysis Prepared by:** Elizabeth MacMillan / NAT. RES. /

129

AMENDED IN ASSEMBLY APRIL 10, 2019  
AMENDED IN ASSEMBLY MARCH 19, 2019  
CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

**ASSEMBLY BILL**

**No. 661**

---

---

**Introduced by Assembly Member McCarty**

February 15, 2019

---

---

An act to add ~~Chapter 6.5 (commencing with Section 42730) to Part 4 Article 8 (commencing with Section 41090) to Chapter 11 of Part 3~~ of Division 26 of the Health and Safety Code, relating to nonvehicular air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 661, as amended, McCarty. Wildfire Smoke Air Pollution Emergency—~~Plan~~. *Plan: Sacramento Metropolitan Air Quality Management District.*

Existing law generally designates air pollution control and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources.

This bill would require ~~air districts~~ *the Sacramento Metropolitan Air Quality Management District* to prepare a wildfire smoke air pollution emergency plan as an informational source for local agencies and the public during a wildfire smoke air pollution emergency, as specified. The bill would authorize air districts to conduct public education, marketing, demonstration, monitoring, research, and evaluation programs or projects with respect to wildfire smoke impact control measures. By requiring ~~air districts~~ *the Sacramento Metropolitan Air Quality Management District* to develop a wildfire smoke air pollution emergency plan, the bill would impose a state-mandated local program.

*This bill would make legislative findings and declarations as to the necessity of a special statute for the Sacramento Metropolitan Air Quality Management District.*

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1     ~~SECTION 1. Chapter 6.5 (commencing with Section 42730)~~  
2 ~~is added to Part 4 of Division 26 of the Health and Safety Code,~~  
3 ~~to read:~~

4  
5     ~~CHAPTER 6.5. WILDFIRE SMOKE AIR POLLUTION EMERGENCY~~  
6                                     ~~PLAN~~

7  
8     ~~42730.~~  
9     SECTION 1. Article 8 (commencing with Section 41090) is  
10 added to Chapter 11 of Part 3 of Division 26 of the Health and  
11 Safety Code, to read:

12  
13         Article 8. Wildfire Smoke Air Pollution Emergency Plan

14  
15     41090. (a) (1) ~~Every~~The district shall prepare a wildfire  
16 smoke air pollution emergency plan as an informational source  
17 for local agencies and the public during a wildfire smoke air  
18 pollution emergency.

19     (2) A district shall develop the wildfire smoke air pollution  
20 emergency plan in coordination with its county health officer and  
21 in consultation with all of the following:

- 22     (A) Local offices of emergency management or emergency  
23 services.
- 24     (B) School districts.
- 25     (C) Regional planning agencies.

131

1 (b) The plan prepared pursuant to this section shall include, but  
2 need not be limited to, all of the following:

3 (1) Recommendations and guidelines that will be health  
4 protective during wildfire smoke air pollution emergencies that  
5 include all of the following:

6 ~~(A) Air quality thresholds for action on indoor and outdoor air  
7 quality.~~

8 *(A) Specific recommendations based on different tiers of air  
9 quality during a wildfire smoke event.*

10 (B) Strategies, protocols, and guidelines for the monitoring at  
11 schools of air quality using low-cost sensors and other air quality  
12 monitoring information.

13 (C) A short-term air quality metric that is advisory and provides  
14 details of the health effects of the wildfire smoke that occur on a  
15 time scale of less than ~~24 hours.~~ *hours, subject to the approval of*  
16 *the state board.*

17 ~~(D) Tiered recommendations based on the intensity of the  
18 wildfire smoke air pollution emergency using different thresholds.~~

19 (2) An identification of the local agency statutorily responsible  
20 to take action at different thresholds.

21 (3) Recommendations and best practices for private businesses  
22 and public agencies to reduce or modify certain activities that  
23 contribute to the worsening of air pollution during a wildfire smoke  
24 air pollution emergency.

25 (4) Specific strategies to address vulnerable populations,  
26 including, but not limited to, all of the following:

27 (A) School-age children.

28 (B) The elderly.

29 (C) People experiencing homelessness.

30 (D) People who work outdoors.

31 (E) People with health issues that are exacerbated by a wildfire  
32 smoke air pollution emergency.

33 ~~42732.~~

34 ~~41092.~~ (a) ~~The~~ district board shall adopt the plan prepared  
35 pursuant to Section ~~42730~~ *41090* to be eligible for any available  
36 funding to implement the plan.

37 (b) ~~The~~ district may work with local agencies to implement  
38 recommendations in the plan prepared pursuant to Section ~~42730.~~  
39 *41090.*

40 ~~42734. A~~

132

1     41093. The district may conduct public education, marketing,  
2 demonstration, monitoring, research, and evaluation programs or  
3 projects with respect to wildfire smoke impact control measures.

4     SEC. 2. The Legislature finds and declares that a special statute  
5 is necessary and that a general statute cannot be made applicable  
6 within the meaning of Section 16 of Article IV of the California  
7 Constitution because of the unique circumstances faced by the  
8 Sacramento Metropolitan Air Quality Management District.

9     ~~SEC. 2.~~

10    SEC. 3. If the Commission on State Mandates determines that  
11 this act contains costs mandated by the state, reimbursement to  
12 local agencies and school districts for those costs shall be made  
13 pursuant to Part 7 (commencing with Section 17500) of Division  
14 4 of Title 2 of the Government Code.

O



Date of Hearing: April 8, 2019

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Laura Friedman, Chair

AB 836 (Buffy Wicks) – As Introduced February 20, 2019

**SUBJECT:** Bay Area Clean Air Incentive Program

**SUMMARY:** Establishes an incentive program to be administered by the Bay Area Air Quality Management District (BAAQMD) that will provide funds to retrofit ventilation systems to create a network of clean air centers within the boundaries of BAAQMD in order to mitigate adverse health impacts due to wildfires and other smoke events.

**EXISTING LAW:**

- 1) Establishes the Air Resources Board (ARB) as the air pollution control agency in California and requires the ARB, among other things, to control emissions from a wide array of mobile sources and coordinate with local air districts to control emissions from stationary sources in order to implement the federal Clean Air Act.
- 2) Provides for regular and consolidated reporting of emissions from major stationary sources by requiring ARB to establish a uniform statewide system of annual reporting of criteria pollutants and toxic air contaminants, including reporting by sources of facility-level emissions data and third-party verification.
- 3) Requires, subject to the powers and duties of the ARB, the local air districts to adopt and enforce rules and regulations to achieve and maintain the state and federal ambient air quality standards in all areas affected by emission sources under their jurisdiction, and to enforce all applicable provisions of state and federal law.
- 4) Requires air districts to develop plans, as specified, and submit those plans to ARB detailing how they will achieve state air quality standards.
- 5) Requires the ARB to develop a statewide strategy to reduce emissions of toxic air contaminants and criteria air pollutants in communities affected by a high cumulative exposure burden.
- 6) Requires the strategy described above to include criteria for the development of community emissions reductions programs (CERPs), and requires the criteria to include, but not be limited to:
  - a) An assessment and identification of communities with high cumulative exposure burdens for toxic air contaminants and criteria air pollutants.
  - b) A methodology for assessing and identifying the contributing sources, including, but not limited to, stationary and mobile sources.
  - c) An assessment of whether an air district should update and implement the risk reduction audit and emissions reduction plan for any facility to achieve emissions reductions commensurate with its relative contribution, if the facility's emissions either cause or

significantly contribute to a material impact on a sensitive receptor location or disadvantaged community.

- d) An assessment of the existing and available measures for reducing emissions from contributing sources.
- 7) Requires, by July 1, 2019, an air district to deploy community air monitoring systems in communities identified by the process described above that have high exposure burdens for toxic air contaminants and criteria air pollutants.
- 8) Defines disadvantaged communities, for investment opportunities related to Greenhouse Gas Reduction Fund investments, based on geographic socioeconomic, public health, and environmental hazard criteria.
- 9) Defines sensitive receptors as schools, daycare centers, hospitals, and other locations an air district or ARB may determine.
- 10) Establishes school modernization appointment funds, which may be used for improvements to extend the useful life of, or to enhance the physical environment of, the school.

**THIS BILL:**

- 1) Establishes the Bay Area Clean Air Incentive Program, to be administered by the BAAQMD, which will provide funding through a grant program to retrofit ventilation systems and create a network of clean air centers within the boundaries of the BAAQMD, in order to mitigate the adverse public health impacts due to wildfires and other smoke events.
- 2) Specifies that money for the incentive program will be available upon appropriation by the Legislature.
- 3) Establishes that qualified applicants for the incentive programs shall include, but need not be limited to schools, community centers, senior centers, sports centers, and libraries.
- 4) Directs BAAQMD to develop guidelines for the incentive program in consultation with the cities, counties, public health agencies, school districts, and other stakeholders to address all of the following:
  - a) Location of the applicant;
  - b) Size of the applicant's facility; and
  - c) Facility ventilation characteristics that could provide healthier indoor air quality in the event of a localized smoke impact.

**FISCAL EFFECT:** Unknown

135

**COMMENTS:****1) Author's statement.**

In the past few years, wildfires in California have burned over 1.5 million acres of public and private forest land and destroyed over 24,000 homes.

The 2017 and 2018 wildfires demonstrated how catastrophic wildfire events impact the quality of air for residents, even those who live hundreds of miles away from the burned area. This toxic air, which often contains elevated levels of wood smoke and contaminants from burned structures, vehicles, and consumer products, can travel the length of the state, causing negative health impacts to children, elderly, and individuals with existing respiratory problems.

The health impact of such wildfire smoke can be devastating. According to the Centers for Disease Control and Prevention (CDC), people who have heart or lung diseases, chest pain, or asthma are at higher risk from wildfire smoke. The CDC also notes that older adults are more likely to be affected by smoke due to their increased risk of heart and lung diseases. Moreover, children are more likely to be affected by smoke because their airways are still developing and they breathe more air per pound of body weight than adults.

In addition, Bay Area residents are especially vulnerable to wildfire smoke and contaminated air because of the high prevalence of asthma in the region. As data from the California Department of Health show, six of the Bay Area's nine counties have a higher prevalence of asthma than the state average.

AB 836 will create a pilot program in the Bay Area that provides designated ventilated spaces to the public during emergency air quality events.

- 2) Bay area wildfires pollution impacts.** Many of the wildfires over the last two years have severely impacted the air quality in the nine counties that define the Bay Area. Sixteen of the 20 worst air quality days ever recorded in the Bay Area since 1999 have been due to wildfires, due to elevated levels of wood smoke, and toxic air contaminants from burned structures, vehicles, and consumer products.
- 3) Health impacts of air pollution.** Air pollution, particularly ozone and particulate pollution, poses significant risks to human health, including premature death, reproductive harm, asthma, lung cancer, cardiovascular disease, and more.

Air pollution can have particularly significant impacts on children's health. Eighty percent of a child's alveoli, where the transfer of oxygen to blood occurs, develop after birth, and lungs and alveoli aren't fully developed until adulthood. Children are also generally more active than adults and are outside for more hours per day on average, increasing their exposure to air pollution. The Southern California Children's Health study tracked 1,759 children between the ages of 10 and 18 from 1993 to 2001 and found that the decrease in lung function associated with growing up in polluted areas was similar to that of children raised in households with parents who smoked. A follow-up study of 863 children in the same area between the years of 2007 and 2011, when air quality had significantly improved compared to the period from 1993 to 2001, found that the population studied had significantly greater lung function than the first study cohort, demonstrating the impact that air quality improvements can have on human health.

Pollution exposure also increases the probability that children will develop other respiratory symptoms or suffer from impaired development of their nervous, endocrine, and immune systems. These health risks are often disproportionately concentrated in low-income areas and communities of color. A 2015 study on school campuses in the Sacramento region found that increased student exposure to emissions from road traffic was positively correlated with the percentage of the student population that was non-white or low income.

- 4) **Public health impacts of wildfire smoke exposure.** Wildfires expose populations to a number of environmental hazards, e.g., fire, smoke, and the byproducts of combustion of wood, as well as plastics and other chemicals that can be released from burning structures and furnishings. Particulate matter (PM) exposure is the principal public health threat from short-term exposures to wildfire smoke. The effects of smoke range from eye and respiratory tract irritation to more serious disorders, including reduced lung function, bronchitis, exacerbation of asthma and heart failure, and premature death. Studies have found that short-term exposures (i.e., days to weeks) to fine particles, a major component of smoke, are linked with increased premature mortality and aggravation of preexisting respiratory and cardiovascular disease. Children, pregnant women, and elderly are also especially vulnerable to smoke exposure. In addition, fine particles are respiratory irritants. Exposures to fine particles can also affect healthy people, causing respiratory symptoms, transient reductions in lung function, and pulmonary inflammation.
- 5) **Road proximity and air pollution exposure.** Proximity to freeways and busy roads increases exposure to hazardous particulate air pollution, subsequently increasing health risks. SB 352 (Escutia), Chapter 668, Statutes of 2003, prohibited the construction of new schools within 500 feet of freeways or other major roadways, but did not outline plans to address schools located in this area prior to 2003. Further, recent research shows that air pollution can still be present at hazardous levels far outside the 500 foot buffer, and that pollution levels also depend on air circulation patterns, geography, time of day and other factors. To mitigate the risks of air pollution, Los Angeles and San Francisco require high-efficiency air filters to be installed on new homes built near freeways, and the California Energy Commission is considering regulations to require air filtration systems in the construction of all new homes starting in 2020.

In its current form, the bill does not consider the benefits that retrofit ventilation systems can provide to schools and other community centers located in areas of high cumulative exposure burden. By prioritizing applicants located in communities with high cumulative air pollution burdens, the retrofit ventilation systems could provide immediate air pollution reductions, in addition to future wildfire smoke impact mitigation.

- 6) **Community air filtration systems.** Air districts, including the BAAQMD, have occasionally received funding through enforcement actions that have been used to upgrade ventilation systems of schools near freeways to reduce particulate exposure. The BAAQMD has also begun initial work with cities and counties to define and identify regions that would be best served through the proposed incentive program.

In 2008, the South Coast Air Quality Management District partnered with the University of California, Riverside's Center for Environmental Research and Technology on a pilot project to research the efficacy of 15 different air filtration technologies. The study findings identified technologies capable of removing over 90% of ultrafine particulate matter, and the best performing units have subsequently been installed in 72 schools and related facilities across the district since 2008. In schools without modern mechanical central air systems, stand-alone filters

that re-circulate air in classrooms can be an effective means of improving air quality if windows and doors are closed. This work has been funded on a project-by-project basis using fees assessed for pollution violations in the district, and there is a persistent and ongoing need to update facilities to mitigate pollution exposure.

This bill would allow BAAQMD through the incentive program to work with public health departments, cities, counties, school districts, and other nongovernmental stakeholders to create a network of facilities eligible for a "clean air center" designation and enable eligible facilities (e.g. schools, libraries, community and senior centers, and other publicly accessible spaces) to build, retrofit, or maintain ventilation systems. However, by limiting the bill exclusively to the Bay Area district boundary, this bill will not address other communities in the state that have also been burdened by both wildfire smoke and on-going exposure to other sources of air pollution.

- 7) **Community emissions reduction programs.** By October 1, 2018, ARB was required to develop a strategy for the development of CERPs, including identification of communities with high cumulative exposure burdens to toxic air contaminants and criteria air pollutants, a methodology for assessing and identifying responsible stationary and mobile sources, and assessments of the options available to air districts to reduce pollution. By July 1, 2019, air districts are required to deploy air monitoring systems in communities identified by the process. The first year of CERP implementation included 10 communities across the state. Pursuant to AB 2453 (E. Garcia), Chapter 714, Statutes of 2018, communities with a high cumulative exposure burden were given the ability to apply for grants through the CERP to mitigate air pollution in schools.
- 8) **Suggested amendments.** *The committee may wish to amend the bill as follows:*
- a) Expand the Clean Air Incentive Program to be statewide rather than Bay Area focused. The impacts of air pollution from smoke have affected many communities in California outside the Bay Area. By allowing applicants from across the state, the incentive funds can be used to support projects in the areas of highest need.
  - b) Add language to prioritize those applicants that have faced high cumulative exposure burdens.

#### **REGISTERED SUPPORT / OPPOSITION:**

##### **Support**

Bay Area Air Quality Management District (sponsor)  
American Lung Association in California

##### **Opposition**

None on file

**Analysis Prepared by:** Achintya Madduri / NAT. RES. /

138

