



YOLO-SOLANO
AIR QUALITY MANAGEMENT DISTRICT

Carl Moyer Memorial Air Quality Standards Attainment Program
Policies and Procedures Manual

Approved January 12, 2022

I. Background

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

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

The Carl Moyer Program Guidelines require that each participating district establish Policies and Procedures to administer the Carl Moyer Program. This document contains Policies and Procedures intended to explain district policies regarding local implementation of the Carl Moyer Program. It also contains procedures for the Yolo-Solano Air Quality Management District (District) day-to-day operation of the Carl Moyer Program to meet the requirements of the Health and Safety Code, Carl Moyer Program Guidelines, CARB Technical Advisories, and District policies and procedures. The District's policies and procedures do not replace the Carl Moyer Program Guidelines but are intended to provide direction and procedures for the District's implementation of the Carl Moyer Program. The appendices to these policies and procedures include samples of pertinent documents, forms, and specific District policies as referenced in this document. District staff should reference the Carl Moyer Program Guidelines for detailed descriptions of CARB's Carl Moyer Program procedures and requirements.

This policy and procedure manual is in no way intended to conflict with state law - in the event of such a conflict state law should be followed in all cases.

II. Program Timeline

CARB has established a consistent timeline for each year's funding and reporting cycle. This timeline allows for the award, obligation, and expenditure of state funds to meet state fiscal requirements. State fiscal policy allows two (2) years for districts to execute contracts and encumber funds and an additional two (2) years for districts to fully liquidate those funds.

The timeline for a typical year of funds is as follows:

By End of January: CARB sends application packets to air districts.

By End of March: Air districts apply to CARB for funds.

By End of April: CARB notifies districts of final awards.

By End of May: Air districts return signed grant agreements.

By End of August: Districts' yearly report due to CARB.

June 30 of Following Year: Target date for contracts to be executed.

June 30 of Second Year: Deadline for districts to receive fund disbursements; target date for funds to be expended.

June 30 of Fourth Year: Deadline for districts to liquidate funds.

III. ARB Carl Moyer Program Award Process

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

CARB solicits district applications for the local programs by sending solicitation packets to the Air Pollution Control Officer (APCO) at each district in November. The application packet must be completed and submitted by the posted deadline, which is 60 days from the date of the solicitation. The application packet must include the completed application with an original signature, documentation for the match commitment, Board resolution, an implementation plan for obligating the grant award, and documentation of obligation and expenditure of previous grant awards. Detailed requirements for each item are included in the Carl Moyer Program Guidelines, in the Program Administration section 3.

The designated District Moyer staff shall prepare the package to apply to CARB for Carl Moyer Program funding. The designated District Moyer staff shall prepare the resolution and associated memorandums for governing board approval for participation in the Carl Moyer Program each year.

The APCO shall approve the application before submission to CARB. District staff responsible for implementing Moyer include: the APCO, Deputy Air Pollution Control Officer (DAPCO), Administrative Services Manager (ASM), Administrative Analyst (Program Administrator), technical staff, such as Air Quality Technicians, and administrative staff, such as Administrative Assistants and the Public Outreach Coordinator.

CARB determines the final awards for each district. These awards are incorporated into a Grant Award and Authorization form, which specifies the amount of the award for projects, and outreach funding. Two (2) original copies are sent to the district. The APCO will sign both copies and return to CARB. CARB will sign both copies and mail one (1) to the District to keep on file. The end of May of each year is the deadline to accept a grant award. As required in the grant award, the districts must meet all application stipulations to accept an award. From June 30, following the full execution of the agreement, the districts have 12 months to obligate funds, 24 months to expend the grant award, and 4 years to liquidate funds. Any funds not liquidated within four (4) years must be returned to CARB (Health and Safety Code sections 44287(k) and 44299.2(c)). The District designated Moyer staff should coordinate with the District administrative staff to prepare a letter to explain the remaining unexpended funds and request a check from the District in the amount of the remaining funds; and remit this check to CARB.

To support timely emission reductions and track progress toward statutory fund liquidation requirements, the District and CARB will work together to meet recommended progress milestones as follows. After execution of a grant agreement with CARB for Moyer Program funds, the District will make every effort

to have 50 percent of the project funds awarded under executed contract by June 30 of the next calendar year, and 100 percent of the project funds under executed contract by June 30 of the second calendar year after the agreement. The District will also make every effort to have 50 percent of project funds liquidated within two (2) years and seventy-five (75) percent of project funds liquidated within three (3) years. Similar progress milestones apply to any match funds associated with granted project funds. CARB will not request a return of any funds under contract.

After the execution of the Grant Award and Authorization, the District must submit a Grant Disbursement Request to CARB to obtain funding. The District may request an initial disbursement of up to 10% of its allocation or \$200,000, whichever is greater, and all the administrative funds. Grant awards and disbursements are described in the 2017 Carl Moyer Program Guidelines, Program Administration Chapter 3, Sections C, D, and E. The District has the option to request additional project funds to be included in the initial disbursement if it can meet and demonstrate all the criteria in the 2017 Carl Moyer Program Guidelines Program Administration Chapter 3, section E (2). Any Carl Moyer Program funds provided by the State of California that are deposited in an interest-bearing accounts must be reported to CARB. The interest income must be used to fund projects that meet the current 2017 Carl Moyer Program Guidelines or returned to CARB. Interest shall be reported to CARB in Yearly Reports using the format provided by CARB.

The District designated Moyer staff should process the grant disbursement request according to CARB's timeframe. The District administrative staff should track the funds and record earned interest. The District's program administrator uses CARB's Clean Air Reporting Log (CARL) program to track the fiscal and administrative activities of Moyer grant projects. Moyer funds are deposited in interest bearing accounts. Moyer contracts are scanned and maintained by administrative staff.

IV. Match Funding

Districts participating in the Carl Moyer Program who request more than the minimum allocation of \$200,000 are required to provide 15% in match funding for state Carl Moyer Program funding awarded by CARB. If necessary, the District Moyer staff should propose to allocate AB 923 funds, AB 2766, or off-site mitigation funds for Moyer matching funds. The District may also account for up to 15% of its match funds with in-kind contributions. Administrative staff track match funds separately and will keep such records in fiscal files for not less than five years after funds are liquidated. The District Moyer staff will track projects that use match funding via CARL, CARB's online database program.

V. Administration and Outreach Funds

CARB sets aside up to 12.5 percent of the total Carl Moyer Program annual funding for District administration and outreach to implement the Program. Administrative funds may be used for direct costs associated with the tasks outlined in the Program Administration section of the 2017 Carl Moyer Program Guidelines and must be documented by district staff. The District administrative staff will document these expenditures and keep these files for at least five (5) years after the funds are received from the CARB. These expenditures are tracked using District staff timesheets, copies of invoices for Program outreach/mailings and documentation for direct expenses such as postage. Currently, the District does not document indirect costs such as office space or telephone services in Administration Funds, the Board adopted hourly rate is billed to the Carl Moyer Program.

VI. Project Solicitation

The Carl Moyer Program allows districts discretion in how projects are solicited. The District's Moyer Program is implemented through a request for proposals (RFP) process. One application will be accepted per person or operation per year. If the applications share a common owner, contact person, mailing or physical address, insurance policy, or any other document that has been deemed by the District to show common ownership, they will be considered under the same ownership or operation. Projects are funded based on meeting the cost-effectiveness requirements (or funding caps as allowed by the guidelines) until funds are exhausted. Outreach and solicitation efforts will be directed by the Program Administrator.

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

1. On-Road Medium and Heavy-Duty Vehicles
2. Off-Road Equipment
3. Infrastructure

The District may also fund school bus projects using Carl Moyer Program funding or other funding using the 2017 Carl Moyer Program Guidelines. The District may require school bus dealerships to sign an MOU and they must meet the minimum requirements in the 2017 Guidelines.

Funding for the above project categories will be available through open solicitations as advertised by the District; however, the APCO may consider reserving or setting aside funds for Locomotive or Marine Vessel projects should one present itself.

The Board of Directors must approve the Moyer Program structure and funding, and any delegation of authority to the APCO via formal resolution. The Board of Directors authorizes the APCO to accept funding and approve projects if they meet Moyer eligibility requirements and cost-effectiveness (when applicable) as stated in the 2017 Carl Moyer Program Guidelines. The Board of Directors authorizes the APCO to execute agreements and make modifications to the Moyer applications and agreements for the purpose of maintaining consistency with the State program.

All applications must include a disclosure statement, identifying if the applicant has applied to other entities for funding and identifying the potential funding source(s). In addition, the applicant must complete the regulatory compliance statement. Sample application forms are included in Appendix A, B, and C.

The District has a commitment to outreach to all sectors and small businesses. This is accomplished through public workshops and meetings, one-on-one meetings, newspaper publication of funding availability, District mailing lists, and through the District website. The District maintains documentation of outreach efforts. This documentation is kept in the central Carl Moyer Program files maintained by the District Moyer staff, so that it is available for reporting and for any potential audit.

VII. Process of Solicitation, Project Evaluation and Approval

In accordance with Health & Safety Code section 44288(a), the district must review all applications for completeness upon receipt and notify the applicants in writing within 30 days of application receipt if the application is not complete. Requirements for submitting a complete application are outlined within the

application themselves. If the application is incomplete, an email will be sent to the applicant requesting the information needed. The applicant may submit additional material to complete an application before the end date of the RFP. A copy of the email will be retained with the application. The record of each project's rating and ranking as applicable, receipt date, and other project selection criteria will be maintained with the project file.

Applications are also reviewed for credibility and eligibility. Applications must be made in good faith and in compliance with the Moyer Program and its objectives. The District has the discretion to not approve a project or place additional restrictions on an awarded project, if the District feels it is warranted. Moyer participants that received funding and are still under contract may not apply for funding for the same project from the Moyer Program, or any other program. Emission reductions from previously funded projects will not be included as emission benefits of any subsequent project for the Moyer program or any other program. Further, District staff must ensure that emission reductions provided by selected projects are eligible and surplus to adopted regulations and other legal requirements. This review will include checking to ensure that a project will meet the minimum requirements in the appropriate Moyer Program source category chapter, including documentation of historical vehicle, equipment or engine use, project costs, proof of compliance check and other identified documentation.

All projects must meet the minimum requirements as stated in the 2017 Carl Moyer Program Guidelines and CARB Technical Advisories. All complete projects shall be entered into the online Clean Air Reporting Log (CARL) maintained by CARB.

The District Project Selection Process is:

1. Based on the direction of the APCO, the project solicitation timeframes will be determined, and start and end dates identified for accepting applications. Information will be provided on the District's Moyer webpage and advertised where applicable. The Moyer staff will conduct outreach and workshops to solicit applications.
2. For each eligible project category during a solicitation timeframe, the APCO will apportion grant funds towards each of the eligible project categories listed in the solicitation, as a funding goal.
3. The District will receive project applications until the specified end date. Each application will receive a date stamp and project number.
4. Moyer staff will create a digital and/or hardcopy project file for each project application received, which will keep a copy of the application and related documents, forms, essential communications, and evaluations. A Moyer Year file will be kept, which will include all applications received while projects are being evaluated for funding. For those projects selected for funding, the original application and all associated records will be transferred to the project folder for the minimum term of records retention. Unfunded original project applications will remain in the binder for a minimum term of two (2) years.
5. Only one application will be accepted per person or operation. If two applications share the same owner, responsible party, contact information, ownership documentation, or any other documentation deemed by the District to show common ownership, they will be assumed to be affiliated. The operation will be given the opportunity to withdraw applications from consideration if they are deemed to be held in common ownership.
6. The Moyer staff reviews the project applications for:
 - a. Completeness and eligibility. If the application is incomplete, the District Moyer staff sends a notice of such to the applicant within 30 days. The applicant may submit additional material to complete an application prior to the end date of the RFP.

- b. Another criteria that will be considered when reviewing a project is the likelihood of project success. If based on past experiences of working with the applicant, they have demonstrated an inability to successfully implement past grant-related projects, or if there are known concerns about the reliability of future project operations, then staff will take this into consideration when evaluating and recommending projects for funding. Previous applicants/participants who have failed to meet program requirements or who do not meet the District's standards of performance may lose their eligibility to participate in future program solicitation.
7. For On-Road and Off-Road categories, the eligible applications will be entered into a random number generator and projects selected for funding until the funding goals for that category are met.
8. Infrastructure projects will be reviewed as discussed in 6 above, and a list of eligible projects will be presented to the APCO. The APCO will approve applications for funding based on priorities set out in program solicitation.
9. The selected projects will be reviewed and entered into CARL to determine cost-effectiveness and funding eligibility by Moyer staff. Ineligible projects will not be funded.
10. Within 60 days of the close of the project solicitation period, the Moyer staff present a list of selected and eligible applications for approval to the APCO; the APCO approves the selected projects for funding.
 - a. If there are any remaining funds, after the initial project solicitation period, then the APCO has the discretion to make grant funds available to waitlisted projects through a random draw of project numbers, future projects received on a first come, first serve basis, to conduct another open solicitation, to hold remaining funds until a future date, or any combination thereof.
 - b. District staff will keep an accurate status update on the District's Moyer webpage whether a specific project application category is open, closed, or available to waitlist.
 - c. Should there be no remaining funds after the initial solicitation, the APCO has the discretion to allow project applications to still be received and reviewed, according to the same process and processing time as discussed above, with the intent of placing projects on a waitlist until funds become available. Moyer staff shall add selected projects to the waitlist.
 - d. Any project that is waitlisted will remain eligible for funding for up to six (6) months, unless the APCO chooses to remove it. After that time, the applicant must request via email that they wish their project to remain eligible for an additional six (6) months. A project can only be waitlisted for up to twelve (12) months. After that time, the applicant must reapply if they wish to seek grant funding.
11. Moyer staff will allocate funds to projects after a tentative award commitment by the APCO.
12. Once the APCO has made the determinations for project funding, Moyer staff will contact all applicants by U.S. Mail or email with the results and determination of their project, including tentative award amounts, within fourteen (14) days. For any projects received on a first come, first serve basis, applicants will be contacted within 45 days of application receipt.
13. Applicants must acknowledge and accept the grant award within thirty (30) days from the date of notification.
14. Moyer staff will contact selected applicants by telephone/email to schedule a pre-inspection of the existing project.
15. Moyer staff will perform a pre-inspection. All pre-inspection documents and photos will be kept in the project file (digital copies of photos will be kept in the digital project file folder).
16. Contracts for awarded projects will be drafted and submitted to the administrative staff for review, approval, and finalization for signatures.
17. Project file folders will be created for approved projects. These project file folders will contain at minimum a copy of the executed contract, inspection reports, key documents and records, correspondence, invoices, payment records, and original application and analysis. Digital project files

shall also be kept and compliment the hard copy project folders for each awarded project. Digital project folders will include reports, inspections, photographs, and key documents, which will be supplemental to the hard copy project file.

18. Finalized contracts are forwarded by administrative staff via U.S. Mail or email for applicant signature. The program participant has thirty (30) days to review, sign and return an original copy for APCO signature. Allowances to the 30-day requirement can be made in some cases for program participants if some other conflict occurs which does not allow the program participant to sign and return the contract within 30 days. It is the program participants' responsibility to notify District staff in writing of any potential conflict to determine if an allowance will be made.
19. When the program participant returns the signed contract, the APCO will review and sign the contract. District staff will mail or email the fully executed contract to the program participant and encumber the funds. At this time, Moyer staff will designate the project as obligated in CARL.

VIII. Obligation of Funds to Projects

Once the final selection of applications to receive awards has been completed and approved by the APCO, obligation of funds can take place. Funds will not be obligated by the District until funds are received from CARB. Funds are obligated when there is a fully executed Grant Agreement. The District shall make every effort to obligate state funds one year from June 30 of the year the district receives its initial Grant Award and Authorization Form.

IX. Commitment of Funds to Projects

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

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

Should, through the solicitation and outreach of the District's Moyer Program, the District receive projects beyond what the Moyer program can fund or if a project is received that may be more aligned with the goals of another funding source, then the APCO may choose to withdraw the project from the Moyer Program and re-allocate it to another program or funding source. This effort will help to streamline and harmonize the District's administrative efforts for the many grant funds it manages. If this occurs, then the project would be required to meet the requirements of the funding source(s) outlined in the relevant program guidelines. If a project that is received through the Moyer Program is assigned to another funding source, then this notation will be made both in the project's hard file as well as the master spreadsheet, which tracks all projects funded and not funded. Other non-Moyer grant funds that the District may have

available include non-match AB923 funds, Community Air Protection Program (CAP) Funds, local land-use mitigation funds, or other one-time funds.

X. Contract Development

CARB requires that all Carl Moyer Program project contracts contain the following provisions:

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

The contract, or Grant Agreement, also contains a statement that the grantee will certify compliance with all applicable federal, state, and local regulations and will maintain compliance for the full contract term. The contract for repower projects contains a statement that the installation of the engine must be completed in a way as to not void the engine warranty. The contracts specify that projects funded by the Program must be included when defining fleet size and must not be used to generate credits or compliance extensions and regulatory compliance determinations. A sample of the District's contract is included as Appendix D.

After acceptance of award and successful completion of the pre-inspection, the District shall mail two (2) copies of the contract to the applicant with the following attachments:

- a. Description of the step-by-step process of the Program
- b. Salvage certification form
- c. List of participating dismantlers
- d. Supplemental funding disclosure (if applicable)

Applicant shall return signed contracts to District within 30 days. Contracts will then be forwarded to APCO for signature. One fully executed contract will be mailed to the applicant and the other shall be retained by District.

If a contract is not returned within thirty (30) calendar days, funds may be allocated to another project.

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

XI. Documentation and Determining Historical Usage and Project Life

For projects which submit hour meter readings as outlined in the 2017 Carl Moyer Program Guidelines, minimum annual usage may not be specified in the contract. Historical usage data must be submitted for at least twenty-four (24) consecutive months to determine cost-effectiveness and may include the following:

1. Hour meter reading log collected at a minimum of once per year from an installed and fully functioning hour meter; or
2. One item from the following list:
 - a. Revenue and usage records that identify operational, standby, and down hours for the equipment.
 - b. Employee timesheets linked to specific equipment use.
 - c. Preventative maintenance records tied to specific hours of equipment use.
 - d. Repair work orders specific to the equipment.
 - e. Other documentation as approved by the district and CARB.

When evaluating a project for emission reductions, the project life will be determined based on the requirements outlined in the 2017 Carl Moyer Program Guidelines. However, the District may choose to be more restrictive than the 2017 Carl Moyer Program Guidelines and select a shorter project life, when evaluating a project for funding. Below is a list of items of why a project life may be shortened:

1. Oversubscribed program funds may reduce the amount of funding awarded to a project and be less than the maximum funding amount as outlined in the 2017 Carl Moyer Program Guidelines. In this case, the project life may be shortened to reflect the lesser amount, pending that the funding cap and cost effectiveness requirements are still met.
2. Shortening the project life does not impact a project's ability to be awarded a grant.
3. If a project's tentative award amount still meets the cost-effective requirement with a shorter project life, then it may be shortened.
4. Long project lives (over five years) pose a higher level of speculation and risk due to unforeseen conditions not yet realized, which may impact a project's future performance as well as require greater amounts of administrative oversight. To reduce the inherent risk from projects with long project lives, a project life may be shortened.

When evaluating a project for emission reductions and cost-effectiveness, usage for mobile equipment is usually determined based on past annual usage. This baseline usage is then used as a standard within the grant agreement during the project life. The District, however, may choose to reduce the annual usage requirement (less the demonstrated baseline usage), if the project still meets the cost-effective limit. This may be done to alleviate or mitigate the risk of nonperformance during the operational period of the grant agreement due to events such as economic recessions, pandemics, drought, or other unforeseen events which can impact operations. If a project is evaluated at a reduced usage amount, then a note will be made in the comments section of CARL as to the reason.

XII. Project Inspections

When applicable, pre-, post-, and salvage/dismantle inspections must be completed before funding a project. An Inspection Report shall be used to document such inspections. Sample inspection forms are included in Appendix E. All inspection reports and photos will be maintained in the project file both

digitally and in hard copy. Digital photos will be kept in the .jpeg file format, and hard copy photos will be in color and be no less than a quarter sheet of paper in size. Photos should be clear and legible to the best extent possible.

1. Pre-Inspection

For on-road vehicle, off-road equipment, and engine-related projects, pre-inspections must be conducted before contract execution. The pre-inspection process includes taking photos of the vehicle/equipment, verifying operation as described (with a start-up), and ensuring that the information submitted in the program participant's application is correct. "Operational" means that the engine must start, and the equipment is able to perform its intended purpose. The pre-inspection shall also record the project usage (hours or miles).

A form shall be used to document the pre-inspection. Information gathered on the inspection shall include but not be limited to the following:

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

At a minimum, the following photos shall be taken:

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

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

used to determine missing information (such as horsepower, engine model year, engine model, etc.). Sources, preferably a combination thereof that can be used to reasonably determine missing information include but are not limited to:

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

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

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

2. Post-Inspection

Post- and roadworthiness inspections for on-road vehicles, off-road equipment, engine-related projects, and alternative fueling projects must occur prior to District final reimbursement for the project. For vehicle/equipment post-inspections, District Moyer technical staff is to verify that the replacement vehicle, equipment, and engine listed in the contract was purchased. For vehicle and equipment replacement projects, inspections will occur at the dealership or at some other District designated location (when inspections at the dealership are not logistically) feasible. The District or a certified and trained dealer conducts a post-inspection for each project. "Operational" means that the engine must start and be able to perform its intended purpose. Inspecting district staff shall visually witness all engines start-up and mobile projects operating as intended. For submersible stationary agricultural electric motors, the applicant may take a photograph of the new motor plate prior to installing and the District will conduct the post-inspection when the motor is installed and operational. A District-trained salesperson at a dealership may conduct the post-inspection if, after notifying the District that the equipment is ready for inspection, the District provides approval for the salesperson to conduct the post-inspection.

A form shall be used to document the post-inspection. Information gathered on the inspection shall include but not be limited to the following:

- a. Vehicle/equipment make and model
- b. Model year
- c. VIN/Equipment serial number
- d. DOORS number (when applicable)

- e. Odometer/hour meter reading
- f. Engine make and model
- g. Engine serial number
- h. Engine model year
- i. Family number
- j. Engine horsepower
- k. Name of inspector
- l. Date of inspection
- m. Program participant contact info and location of vehicle/equipment District staff shall visually witness all engine start-ups and mobile projects operating as intended.

At a minimum, the follow photos shall be taken:

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

For vehicle replacement projects, road worthiness inspections shall be conducted of the baseline vehicle once it has been delivered to the dealership. A road worthiness inspection is completed to verify the operable condition of the baseline vehicle once it is delivered to the dealership. The inspection shall follow the protocol for conducting a pre-inspection and collect the same level of information.

Copies of records to be collected at the time of the post-inspection, or at least prior to the delivery of the vehicle/equipment to the program participant, shall include the following:

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

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

3. Salvage Inspection

The salvage inspection shall verify that the baseline engine/equipment is destroyed or otherwise rendered inoperable. Participants of repower projects are to destroy the engine themselves. Off-road Equipment Replacement and School Bus Replacement Projects must be delivered to an approved dismantler unless given a case-by-case approval from the District. If the participant destroys the engine, the District staff must inspect the destroyed engine and take photographs to document the destruction. If an approved dismantler is used, the dismantler will take photographs of the destruction and complete the Salvage Certification Form (Appendix K) and submit both to the District within fourteen (14) days of destruction. Vehicle dealers or installers are required to deliver the old vehicle to a qualified dismantler within 60 days of receipt of the old vehicle. Equipment dealers or program participants are required to deliver the old equipment to a salvage yard within 30 days of receipt of the old equipment. Dealers or installers and program participants must also submit a certification to the District, certifying that the vehicle/equipment was delivered to the dismantler. The certification shall include the make, model, year, VIN/EIN, engine make, engine serial number, and the date the engine, vehicle, or equipment is expected to be delivered to the dismantler. The location of the dismantler yard where the vehicle/equipment and engine will be destroyed must also be provided.

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

Within fourteen (14) days of the vehicle/equipment/engine being destroyed, District or dismantler/salvage yard staff must take photographs of the destroyed engine and severed frame rails. Dismantler photographs of the destroyed engine block and severed frame rails must be provided to the air district within 14 days. The following picture views must be taken and provided to the District in digital file format:

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

Photos of the destroyed vehicle/equipment/engine and an inspection report (which documents that it is the old vehicle/equipment/engine under District contract) shall be kept in the project file both digitally and in hardcopy.

An inspection form shall be used to document the salvage inspection when performed by the District staff. Salvage inspection forms, Salvage Certification Forms, and photographs of the destroyed equipment/engines shall be stored in the project file.

XIII. Dealership Requirements

For vehicle and equipment dealerships to participate in the Moyer Program, they must follow the Guidelines of the Program. At a minimum, the following requirements for dealerships must be met.

1. On-road dealership/Installer must have had a valid business license issued in California for a minimum of the last two years.
2. On-Road dealerships must have a valid vehicle dealership license with the California Department of Motor Vehicles (DMV) for a minimum of the last two years.
3. On and off-road dealership/Installers must agree to allow the YSAQMD or CARB to inspect vehicles and equipment or audit program records covered under the 2017 Carl Moyer Program Guidelines during normal business hours.
4. Provide basic information to vehicle and equipment owners about the Moyer Program.
5. Help participants complete the application, if necessary. It is important to make sure that all information is filled out correctly and that the participant understands the meaning of the program and the contract.
6. For on-road replacements, the dealership must ensure the existing vehicle is in similar condition as found in the pre-inspection. The dealer should reject the condition of the existing vehicle if it is deemed unroadworthy or if parts were stripped from the existing vehicle (except for parts essential to the vocation that will be installed on the replacement vehicle). Reimbursement to the program participant will be withheld until the dealer (or District) approves of the condition of the existing vehicle, and it is delivered to the dealership.

Refer to the 2017 Carl Moyer Program Guidelines for a complete list of requirements.

XIV. Dismantler and Salvage Yard Requirements

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

1. To participate in the Moyer Program, dismantlers and salvage yards must:
 - a. Enter into an agreement with the District. Blank agreement forms will be available for download on the District's website and outline the requirements for dismantlers and salvage yards.
 - b. Have at least one active employee who received training by the District on the requirements of the Moyer Program. If a dismantler/salvage yard has more than one location, then the dismantler/salvage yard must have at least one active employee trained by the air district at each location that will be accepting engines/vehicles for the Moyer Program.
 - c. Must destroy the vehicle/equipment within 60 days of its receipt.
 - d. Dismantlers must:
 - i. Be licensed by DMV as a dismantler for at least the previous two years.
 - ii. Have had a valid business license issued in California for a minimum of the last two years.
 - iii. Possess a current, valid California Environmental Protection Agency Hazardous Materials Generators Permit.
 - iv. Comply with all local, state, and federal laws and regulations.

2. The requirements for dismantling a vehicle by a dismantler include the following requirements:
 - a. Destroy and render useless the existing vehicle and engine. At a minimum, the destruction must include the following:
 - i. Both frame rails must be completely severed between the front and rear axles.
 - ii. A hole must be put in the engine block with a diameter of at least three inches at the narrowest point. The hole must be irregularly shaped (i.e., no symmetrical squares or circles). A section of the oil pan flange must be removed as part of the hole or have a line cut through it that connects to the hole.
 - b. District staff or the dismantler must take photographs of the destroyed engine and severed frame rails. Dismantler photographs of the destroyed engine block and severed frame rails must be provided to the District within fourteen (14) days of dismantling the vehicle. The following picture views must be taken:
 - i. Front, right, and left side of the vehicle with the hood down, including license plate if available (vehicle scrap).
 - ii. VIN tag (vehicle scrap).
 - iii. Engine serial number either stamped on the block or on the tag (engine or vehicle scrap).
 - iv. Left and right side of destroyed engine block either in-frame or out of frame (engine or vehicle scrap).
 - v. Hole in engine block (engine or vehicle scrap).
 - vi. Completely severed frame rails (vehicle scrap).
 - vii. Odometer/hour meter reading (vehicle scrap).
 - c. Prepare and submit to DMV either a "Non-Repairable Vehicle Certificate" using an "Application for Salvage Certificate or Non-Repairable Vehicle Certificate" (REG 488C), or a Notice of Acquisition/Report of Vehicle To Be Dismantled (REG 42), ensuring the VIN can never be registered again in California. Within ninety (90) calendar days of the dismantle inspection date, the dismantler must provide verification to the air district that the existing vehicle has been registered with DMV as nonrevivable with a type transaction code (TTC) L10 or C26 on the DMV Reconciliation transaction receipt or other DMV documentation that satisfies this requirement.
 - d. Upon request of the air district, CARB may approve an alternative disposition for the old engine/vehicle.
 - e. As specified in California Code of Regulations, title 13, section 2706(i)(3)(G), no party shall advertise, sell, lease, or offer for sale or lease a used verified diesel emission control strategy.
 - f. Dismantler Inspection: Once the air district is notified, an inspection will be scheduled, and photos documenting the destruction of the engine and vehicle/equipment will be taken in accordance with the Guidelines. The salvage yard/dismantler shall not move the vehicle/equipment off their property or part out a vehicle or piece of equipment until an inspection has been performed and approved by the District.
 - g. Use of Engine and Vehicle Pending Destruction: The dismantler may not use or permit the use of the engines or vehicles, except the use necessary to move it for destruction or storage.
3. The requirements for destroying a piece of equipment by a salvage yard include the following requirements:
 - a. Destruction of the equipment may occur either at a District approved salvage yard or another facility in conjunction with a District salvage inspection. The program participant may choose to destroy the old piece of equipment; however, they will be obligated to destroy the machine per the 2017 Carl Moyer Program Guidelines within 30 days of receiving the replacement equipment. The destruction of the equipment must be in conjunction with a District salvage inspection.

- b. Both the existing engine and equipment must be destroyed at a minimum with a hole in the engine block with a diameter of at least three inches at the narrowest point. The hole must be irregularly shaped (i.e., no symmetrical squares or circles), and a section of the oil pan flange must be removed as part of the hole or have a line cut through it that connects the hole.
- c. The destruction method of the equipment will vary depending on the structure of the equipment:
 - i. Equipment with permanent frame rails running the length of the equipment: complete cuts of both frame rails between the front and rear axles.
 - ii. Equipment with removable/bolt-on frame rails: structural damage, with cuts or otherwise, that renders the main body of the equipment inoperable and unreparable.
 - iii. Equipment without frame rails: structural damage, with cuts or otherwise, that renders the main body of the equipment inoperable and unreparable.
 - iv. Articulated equipment: damage, cuts or otherwise, to the articulation joints of front and rear halves of the equipment so that neither half can be joined.
 - v. Other equivalent methods of destruction are acceptable if approved by the District.
- d. Provide the District with the following photographs within fourteen (14) days of salvaging the existing equipment:
 - i. DOORS EIN (if applicable)
 - ii. Equipment serial number
 - iii. Engine serial number either stamped on the block or on the tag
 - iv. Destroyed engine block
 - v. Cut structural components
 - vi. Other views dependent on the method of equipment destruction
- e. For each piece of equipment that is destroyed, provide the following information:
 - i. Make, model, and model year
 - ii. Equipment serial number
 - iii. Engine make and serial number
 - iv. Delivery date of the existing equipment
 - v. Submit a completed certificate of equipment destruction or other similarly approved documentation to the air district.

XIV. Payment of Projects (Expenditure)

Once the following have been completed, the Moyer staff shall submit the YSAQMD Claim Form along with the W-9 to the administrative staff:

1. Project Grant Agreement is fully executed; and
2. The District staff conducts necessary inspections (as described in Section XII) and is satisfied with the inspection results; and
3. The Moyer staff receives an itemized invoice; and
4. The Moyer staff receives compliance certification (if applicable); and
5. The Moyer staff receives a Vendor Registration Form; and
6. The Moyer staff receives a W-9 from the applicant.

The Moyer staff shall evaluate each itemized invoice before requesting a check to evaluate for eligible expenses. Administrative staff shall attach a copy of the W-9 to the claim form. The Moyer staff should copy the check request and retain it in the project file. The District shall mail the check.

XV. Project Audits

The District audits at least five (5) percent of projects or thirty (30) active projects (whichever is less). An active project is in the project implementation period as defined in the agreement or has had the project implementation period end since the previous reporting cycle. The District may include in this total the reviews of the projects whose owners fail to submit their most recently required project annual monitoring report. The program review is completed by District Moyer staff or other staff assigned by the APCO.

The Moyer staff should contact the grantees via certified mail for notification of audit. The selected grantee shall contact the District Moyer staff within 15 days of notification to schedule an audit. The audits will include verifying that the vehicle/equipment or infrastructure paid for are still operational and meet the mileage, fuel usage, or hours of operation indicated in the executed contract. This is completed by checking the engine's serial number, witnessing the engine operate, and checking the odometer, hour meter/usage device, fuel receipts, or Electronic Monitoring Unit (EMU).

If any incentives program review of a project reveals more than 30% above or below an annual average of the level of use identified in the executed contract, the program participant shall describe any conditions that significantly impacted project usage. In instances where annual usage is significantly lower than the contracted level due to unforeseen circumstances beyond the control of the program participant, the participant may request a waiver from the District per Section BB(4)(E) of the 2017 Carl Moyer Program Guidelines Program Administration Chapter 3. To be considered for a waiver, the program participant must submit a written request and acceptable documentation. The APCO has the discretion to consider circumstances leading to the failure to fulfill the minimum performance requirements.

XVI. Project Nonperformance

The District must take appropriate action to ensure emission reductions are realized for engines, equipment, vehicles, and usage for infrastructure projects. Except for projects in which usage is not required to be specified in the contract when average usage over a three (3) year period for a contracted engine, equipment, or vehicle is less than 70 percent of the activity required in the contract, the District may choose, but is not limited to, the options below to address the underutilization. (In cases of projects which may have a contracted project life of fewer than three years, the same activity threshold of less than 70 percent applies, averaged over the project life.)

1. Extend the project contract for additional years, precluding overlap with an applicable rule implementation requirement.
2. Return funds in proportion to the loss in emission reductions.
3. Transfer ownership of the engine, vehicle, or equipment to another entity committed to complying with the contract terms.
4. Recalculate a project's cost-effectiveness based on the reported decrease in usage. If the District chooses to amend a contract to reduce the term, the amended project must be cost-effective during the reduced contract term, based on the cost-effectiveness values and limit applied when the original contract was executed.
5. Grant a usage waiver, without penalty, to the program participant for a defined period. The program participant must demonstrate to the District's satisfaction that the engine, vehicle, or equipment is not being underutilized in favor of operating other, higher-polluting equipment and that the

underutilization was due to unforeseen conditions beyond the grantee's control. Such waivers shall be at the discretion of the APCO.

- a. The conditions under which a waiver may be issued include, but are not limited to, the following:
 - i. A decrease in usage due to economic recession;
 - ii. Unforeseen fluctuations in water allocations or pumping needs for agricultural irrigation pump engines; or
 - iii. Significant land fallowing for off-road agricultural equipment and agricultural irrigation pump engines.

XVII. Project Annual Reporting

All project awardees are required via contract term to submit an annual report for the project. A sample of the annual report is included as Appendix F. The Moyer staff keeps a record in the form of a spreadsheet stored on the database of all current Moyer projects used to generate the annual reports. The reports are reviewed for completeness, accuracy, and usage by Moyer staff upon receipt by the District. Once the annual report has been reviewed and approved, it is recorded in the spreadsheet. If an annual report is not complete and/or not approved, this is noted in the project file, and Moyer staff shall make reasonable efforts to obtain the necessary information. If usage is more than 30 percent below that identified in the project application, the grantee shall describe any conditions that significantly impacted project usage. In instances where annual usage is significantly lower than the contracted level due to unforeseen circumstances beyond the control of the engine owner, the owner may request a waiver from the district per Section BB(4)(E) of the 2017 Carl Moyer Program Guidelines Program Administration Chapter 3. The District's findings will be documented in writing, signed by the Air Pollution Control Officer, be included in the project file, and mentioned in the "comments" field in the CARL database.

XVIII. District Annual Reporting to CARB

The District is required to report to CARB on the status of the Carl Moyer Program annually. The report is due to the CARB around the end of August. The District reports its progress contracting and expending regular Carl Moyer Program funds, match funds, interest earned, and other information requested by CARB.

The Annual Report will utilize the information from the CARL online database, including project type, emission reductions: the number of projects funded, including match fund projects and projects funded with earned interest; the amount of interest accrued on State Moyer funds. A certification document signed by the District APCO, Administrative Services Officer, and Moyer staff accompanies the Yearly Report that indicates the project and financial data submitted is complete, accurate, and the district's responsibility, and that there are no known instances of fraud.

XIX. Fiscal Practices and Procedures

1. Coordination Between Fiscal and Program Staff

The District Moyer staff, and Fiscal staff shall hold meetings periodically to reconcile Moyer projects entered into the CARL online Database, Moyer staff records, and allocated funds in the auditor's monthly financials. These meetings are to be held as staff deems necessary, as well as before the submittal of Annual Reports to ensure accurate reporting to CARB. Each Year of Moyer funding is tracked separately, and each project is tracked for the amount of funding, date of obligation, amount of expenditure, and date of expenditure.

2. Earned Interest

The District deposits Moyer funds into a restricted account that accrues interest. The interest is tracked using the Fiscal Year Method. Interest is received on the account quarterly. According to the current guidelines, interest earned on Moyer project funds is spent on Moyer projects. Interest received on previous Year Moyer funds during a fiscal year is carried into the future Year project funding total directed by CARB on the Annual Report. Interest earned on Moyer admin funds is used for the administration of the Moyer Program as described in Section V. Administration & Outreach Funds.

XX. Project File Set-Up and Maintenance

The District maintains documentation of solicitation and project selection by fiscal year, as well as program project and fiscal files. All documents have hard copies kept in the main Moyer file by the Moyer staff. Documents should include but are not limited to copies of a public notice, workshop information, website information, etc.

XXI. Project completion

For Projects that have completed their obligations in the Program, the District may send a notice of such to the participant. The participant should maintain their records for an additional three (3) years.

XXII. Coordination with CARB

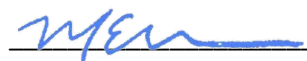
CARB has assigned a staff liaison for each district. The liaison assigned to this district is:

Abby Dela Cruz
Incentives Oversight Section
Incentives & Technology Advancement Branch
Mobile Source Control Division
California Air Resources Board
1001 "I" Street
P.O. Box 2815
Sacramento, CA 95812
Phone number: (279) 208-7117
E-mail address: abby.delacruz@arb.ca.gov

The District staff shall document any correspondence with CARB staff regarding CARB interpretations, clarification, guidance, or possible deviations from the Carl Moyer Program Guidelines. All documentation shall be kept in the Carl Moyer project file and should be retained for at least additional three (3) years after the last year of the District's participation in this program.

XXIII. APCO Approval

This version of the Yolo-Solano Air Quality Management District's Policy and Procedures Manual for the Carl Moyer Memorial Air Quality Standards Attainment Program is approved by:



Mat Ehrhardt, P.E.
Executive Director/Air Pollution Control Officer

01/12/2022
Date

References:

1. https://ww3.arb.ca.gov/msprog/cap/docs/proposed_2019_cap_guidelines.pdf
2. https://www.arb.ca.gov/msprog/cap/docs/cmp_final_cap_supplement.pdf

Appendices:

- A. Application On-Road Vehicle Replacement
- B. Application Off-Road Equipment Replacement
- C. Application Zero-Emission Infrastructure Projects
- D. Grant Agreement templates
 - D-1 Equipment Replacement Agreement
 - D-2 School Bus Agreement
 - D-3 Infrastructure Agreement
- E. Inspection Forms
 - E-1 Pre and Post Inspection Forms for Off-Road
 - E-2 Off-Road Salvage Inspection Form
 - E-3 Pre and Post Inspection Form for ORERP
 - E-4 School Bus Pre and Post Inspection Form
 - E-5 School Bus Salvage Form
 - E-6 Pre and Post Inspection Forms for Infrastructure
- F. Awardee Annual Reports
 - F-1 Annual Report – Engine
 - F-2 Annual Report – Equipment
- G. Moyer Check Request Form
- H. On-Road Equipment Replacement Program Dealer Agreement
- I. Off-Road Equipment Replacement Program Dealer Agreement
- J. Dismantler Agreement
- K. Salvage Certification Form