PLACER COUNTY AIR POLLUTION CONTROL DISTRICT'S

2013 Clean Air Grants

A Program Funded by the PCAPCD

Program Information and General Guidelines

Staff Contact and Program Manager:

Heather Kuklo
(530) 745-2339
mailto:hkuklo@placer.ca.gov

Important Dates:

Deadline for submittal of 2013 Clean Air Grant (CAG) applications:

February 28, 2013, **5:00 p.m.**
(Postmarks and facsimiles will not be accepted)

Important Dates and Deadlines:

Dates & Deadlines:	Action:
January 1, 2013	Submittal of applications begin and are available by hard copy or on our website located at www.placer.ca.gov/apcd
February 28, 2013 at 5:00 p.m.	Deadline for all application submissions. Postmarks and applications submitted via a facsimile will not be accepted.
April 11, 2013 @ 2:30 pm	Recommended CAG projects go before the PCAPCD Board of Directors for approval.
Week of April 22, 2013	District staff begin to mail Award Letters and Contracts to successful applicants.
May 20, 2013	Deadline for submittal of signed contracts to the District.
July 1, 2013	Executed contracts become effective

Quick Tips:

- Applicants must submit an application and all associated information specified in the Application Checklist for each project. Time is of the essence during the application review period, a failure to submit all required information may lead to project disqualification.
- You can download this document and Clean Air Grant applications from the District web site at www.placer.ca.gov/apcd. Look for "CLEAN AIR GRANTS 2013" and click on the link or you can request a hardcopy from the District.
- Submit one original and three additional copies of each project application. Applications must be three holed punched on left side. Please no staples or binders.
- Do your research and be prepared. If you are requesting funding for an equipment or vehicle purchase, know what it is you want to purchase and what it is going to cost prior to submitting your application. Submit with your application copies of quotes, ARB executive orders which identify the emission standard of the engine or which verify a retrofit for a particular engine, or other pertinent information.
- On and off-road regulations adopted by the ARB may affect eligibility for grant funding. Prior to submitting an application to upgrade a vehicle or piece of equipment, know how ARB regulations affect your fleet. The links below will guide you to current ARB regulatory information:
  - ✓ ARB Diesel Activities page: *http://www.arb.ca.gov/diesel/mobile.htm*
  - ✓ ARB Truck Stop: http://www.arb.ca.gov/msprog/truckstop/truckstop.htm
  - ✓ ARB regulatory fact sheets: *http://www.arb.ca.gov/html/fslist.htm#diesel*
  - ✓ ARB hotline (great for getting answers to your questions): 1-866-6DIESEL

FUNDING PROCESS FOR DISBURSEMENT OF DISTRICT CLEAN AIR GRANTS TO IMPLEMENT THE CALIFORNIA CLEAN AIR ACT

The Placer County Air Pollution Control District (herein referred to as the PCAPCD or "the District") has established the Clean Air Grant Program. This program makes funds available to public or private agencies, groups or individuals for projects that aid in the implementation of the District's 1991 Air Quality Attainment Plan. The primary objectives for the use of these funds are:

1. To fund projects that cost-effectively achieve nitrogen oxide (NOx) and diesel particulate matter (DPM) emission reductions from on and off road motor vehicles, area wide and stationary sources that are not required to reduce their emissions, pursuant to the California Clean Air Act of 1988, and the District's 1991 Air Quality Attainment Plan.

2. To assist the six county Sacramento Federal Ozone Non-attainment Area in attaining health based ambient air quality standards.

3. To assist the Sacramento Federal Ozone Non-attainment Area in meeting transportation conformity determinations required by the Clean Air Act.

WHAT TYPE OF FUNDING IS AVAILABLE?

The District has two sources of funding available for the District's Clean Air Grant Fund. These are the DMV Surcharge Fund and the Air Quality Offsite Mitigation Fund.

DMV Surcharge Fund: On September 30, 1990, Governor Pete Wilson signed into law Assembly Bill (AB) 2766 (Sher). This bill provides authority to the PCAPCD to impose a $4.00 surcharge fee on vehicles registered within its jurisdiction. The surcharge revenues are to be used solely to reduce air pollution from on-road motor vehicles and for related planning, monitoring, enforcement and technical studies necessary for the implementation of the California Clean Air Act of 1988. In addition, AB 923 (Firebaugh) was signed by the Governor on September 23, 2004 to authorize the PCAPCD increasing the current DMV Surcharge fee of $4 to $6. This $2 increase is budgeted into the District's Clean Air Grant Fund.

Air Quality Offsite Mitigation Fund: The District receives funding from developers within Placer County through the District's Offsite Mitigation Program. Developers of land use projects that cannot mitigate their air quality impacts on-site can participate in the District's Offsite Air Quality Mitigation Program to offset the air quality impacts resulting from their project. The District uses these funds to provide incentives to entities to reduce air pollutant emissions from sources that are not required by law to reduce their emissions. Incentive funds generated from mitigation are broken up into Eastside and Westside funding categories. Mitigation funds generated in the Tahoe area (Eastside) for example cannot be applied to projects in Roseville (Westside) and vice versa.

WHAT ARE ELIGIBLE TYPES OF PROJECTS?

It is the District Board's intent to fund primarily those projects that reduce surplus nitrogen oxide (NOx), diesel particulate matter (DPM), and reactive organic gas (ROG's) emissions within the cost effectiveness guidelines provided by the California Air Resources Board. Typical projects include the upgrading of heavy duty diesel motor vehicles and equipment, the marketing of public alternative transit programs, and the repowering of eligible commercial harbor craft. In addition to reducing NOx, DPM, and ROG's, projects that significantly reduce green house gases (GHG's) may receive additional bonus points in the evaluation process. Additional requirements for project eligibility are outlined below.

2013 CLEAN AIR GRANT PROJECT CATEGORIES:

I. Heavy Duty On (>8,500 pounds) and Off Road (> 50 hp) Mobile Vehicles/Equipment (funding may be limited due to State regulations)
   - Fleet modernization
   - Repowers
   - Retrofits
   - Equipment subject to the Portable Equipment Registration Program (PERP) are not eligible for funding.

II. Alternative Fuels Infrastructure
   - The installation of an alternative fuel fueling station, such as a hydrogen fueling station or the purchase of an alternative fuel falls under this category.
   - Ethanol fuel, non-regulated/certified biodiesel, and residential alternative fueling kits/projects are not eligible for funding.

III. New or Expanding Alternative Transit Service Program
   - This category applies to alternative transportation projects that support and encourage alternative modes of transportation, projects that establish new or

existing programs, and to the maintenance, administration, and project costs that are needed to run such programs.

- Eligible applicants for this category are agencies that are a public or governmental organization designed to manage such programs. Businesses contracted with or who have a formal agreement with an above referenced agency in order to help implement a transit service program may also apply for funding under this category.

IV. Public Education/Information

- Public education and marketing projects related to air quality topics and issues.
- Project scope of works must focus primarily on sources, topics, and issues which address criteria air pollutants (ROG, NOX, and PM). Programs and curriculum that focus solely on GHG's, climate change, or other subjects are not eligible for funding.
- Eligible agencies that may submit an application in this category are public, governmental, and nonprofit organizations that are designed and qualified to implement public education and outreach programs relating to air quality topics.

V. Ag Pump Engines

- Diesel to electric agriculture pump engine upgrades

VI. Other Emission Reducing/Energy Conserving Projects

- This program category encourages applications that do not fit in the above emission reduction categories. Innovative concepts, including energy conservation projects and the use of renewable resources should apply under this category. The PCAPCD will accept and evaluate applications under this category on a case by case basis. Competitive projects will:
  - ✓ focus on reducing criteria pollutant emissions (NOx, ROG, and PM)
  - ✓ be innovative,
  - ✓ cost effective,
  - ✓ quantifiable,
  - ✓ achievable,
  - ✓ and defensible.

WHO CAN APPLY?

Public or private agencies, groups, or individuals can apply for funding from the District Clean Air Grant Program, however not all types of agencies are eligible to apply for funding within some of the specified grant categories. Under the heading of "2013 Clean Air Grant Project Categories" previously discussed, it specifies (if any) what agencies are eligible to apply for funding within each category. Each CAG application packet also identifies which agencies are eligible to apply as well, when necessary.

HOW MUCH FUNDING IS AVAILABLE?

The District estimates that approximately $950,000 will be available for distribution through the 2013 District Clean Air Grant program**.** All project applications will be evaluated on a competitive basis for the total amount of funds available. Remember that funds are impacted and not all qualifying and competitive projects will be funded.

WHERE DO I GET MORE INFORMATION?

Online information can be found by going to www.placer.ca.gov/apcd.

Questions about the District's application procedures for Clean Air Grant funds should be directed to:

Heather Kuklo (530) 745-2339 or E-mail: hkuklo@placer.ca.gov

GENERAL PROGRAM CRITERIA AND GUIDELINES

The following restrictions/requirements apply to grant projects:

The purchase is NOT required by any local, state, and/or federal rule or regulation, including, but not limited to, EPACT requirements, existing regulations, memoranda of agreement/understanding, or other legally binding document either now or within the next three years.

Low-emission technologies participating in this program CANNOT be used in any average, banking, and trading program.

Portable equipment subject to the ARB's Portable Equipment Registration Program and ATCM are not eligible for grant funding.

Light duty on-road vehicles (< 8500 pounds GVW) are not eligible for repowers, retrofits, or upgrades.

Gasoline engine to diesel engine replacements are not eligible to participate in this incentive program.

Projects designed to solely address GHG emission reductions, climate change, or other environmental and scientific based programs which do not address criteria pollutant emissions are not eligible for funding.

Some CAG categories allow only specific agencies to apply, such as public, governmental, or nonprofit agencies. These conditions are outlined in each project application form and are discussed under the "2013 Clean Air Grant Project Categories" previously discussed in this document.

CAG program funding is designed to address criteria pollutant emission reductions. Fundamental business expenses, such as employee benefits, the cost of office computers and equipment, business cards, office rental spaces, office supplies and so on do not meet funding source requirements are are not eligible for grant funding.

Any equipment or vehicle which will be under an emission compliance deadline or regulation within the next three years will not be eligible for funding (unless specified differently within the CAG application category).

Participant waives, for all time, its right to claim emission reduction credits which may accrue at anytime as a result of the use of the low-emission technology which is funded under this program, and agrees not to apply to the PCAPCD or any other Air Quality Management District or Air Pollution Control District for any such credits based on reductions generated within Placer County.

Participant agrees to provide the PCAPCD with all information regarding the application for and/or receipt of cost-share for any project involved in an application for PCAPCD incentive funds in a timely manner.

Participants may apply to other Air Quality Management Districts or Air Pollution Control Districts for incentive co-funding. However, the applicant must disclose such information and in light of such information the PCAPCD will adjust the eligible incentive amount toward the project by the amount received from other agencies

Funded engines/vehicles/equipment must remain in service for the project life, which is outlined in the CAG contract.

Emission reducing technologies must comply with California durability and warranty requirements.

For a repower or retrofit project, the installation must be completed in a manner such that it does not void the warranty provided by the manufacturer and any remaining warranty provided by the equipment/vehicle manufacturer.

Older equipment, vehicles, and engines that receive grant funds to be replaced shall be rendered permanently inoperable prior to grant fund reimbursement.

Equipment/vehicles which are submitted for a grant must have operated for a minimum of two years within the applicant's fleet prior to submitting an application.

Equipment/vehicles which are submitted for a grant must not be in violation of State, Federal, or local regulations.

For off-road equipment projects: Off-road equipment and their associated fleets must be registered in the Diesel Off-road On-line Reporting System (DOORS) if they are subject to the regulation for In-Use Off-Road Diesel Vehicles prior to submitting an application.

The CAG program is an incentive based program, designed to reduce emissions not otherwise required by law to be reduced. This program was not originally designed to

help meet compliance with State regulations, although this has become a benefit of the program. Compliance with regulations is required prior to submitting an application.

General criteria by which qualifying projects will be evaluated and chosen are described below (additional criteria specific to each category will be identified in the application categories themselves):

District staff anticipates that available funding will not be sufficient to fund all applications received. Only projects that fit into the grant application categories previously discussed in this document and that meet all of the eligibility requirements will be considered for funding. Each application should identify sufficient resources to accomplish the project. Incomplete applications, applications that are speculative in nature and/or contingent upon the availability of unknown resources will not be considered for funding.

The PCAPCD requires that participants furnish certificates of insurance coverage. Self-insurance can satisfy this requirement upon approval by the APCO or designee.

Applications received for motor vehicles/equipment funding will be primarily evaluated on the usage (e.g. miles, hours, fuel consumption) occurring in Placer County. Actual engine usage must be at least that of the usage in the application; otherwise, reimbursement to the PCAPCD may be required on a pro-rated basis if the project does not fulfill the scope of the application and/or contract. The Air Pollution Control Officer may relieve the applicant of reimbursement depending on the circumstances. This requirement shall be for the term of the Incentive Agreement, which may be up to five years.

Since funding comes from sources within Placer County, all mobile projects must operate at least 75% of the time within Placer County. This does not mean that vehicles or equipment must be stored within Placer County, just operate. Only activity performed/operated within Placer County will be taken into consideration when evaluating a projects competitiveness and cost effectivity.

Competitive projects primarily evaluated on emission reductions shall meet a cost effectiveness of $16,000 to $20,000 per ton of reduced NOx, ROG, and PM emissions. Due to the competitive nature of this program or due to additional restrictions outlined for certain grant funds, this level of cost effectivity may need to be reduced even more.

Dual fuel engines must operate the number of hours applied “low-emission mode” or on the low-emission fuel, whichever is applicable in the opinion of the PCAPCD.

Engine hour meters may be required in some applications. Please check with the PCAPCD regarding this requirement for your application.

Projects will be judged primarily on their estimated cost effectiveness of NOx and PM emissions reductions and the timeliness of achieving the emission reductions. The District will fund only projects that have a high likelihood of achieving the stated objectives and results.

Any equipment or hardware which has been purchased, financed, or under contractual agreement prior to an executed CAG contract cannot be considered for funding as this program is designed to be incentive based. No purchases/agreements related to a grant project shall be conducted prior to the execution of a CAG contract.

Projects that will reduce vehicle miles traveled (VMT) will be primarily assessed on the reduction of VMT. Automobile VMT can be reduced by projects that eliminate trips (e.g., home-based telecommuting) or by projects that cause or promote shifts in modes of travel (e.g., mode shift from automobile to transit, bicycle, or pedestrian modes).

Funding sources require that a project focus on reducing or promoting the reduction of criteria pollutants, however projects which also significantly reduce GHG's may receive additional points in the project evaluation process. A project will not be eligible for funding solely based on GHG emission reductions.

Matching Funds (a.k.a. co-funding):

Matching funds are any additional funds, regardless of source, which together with Clean Air Grant Funds are sufficient to accomplish the project.

The District may allow the recipient up to one-year to obtain all necessary funds to complete the project. The recipient must notify the District in writing that it has obtained the necessary funding commitment from all funding sources prior to the District's release of Clean Air Grant funds to the recipient. Matching funds are advantageous and are often required for projects in order to qualify for funding.

Due to the competitive nature of this program and limited funds, it will be advantageous for an applicant to have already secured matching funds prior to the submittal of an application. Additional points in the preliminary review process may be given to a project which includes, at a minimum 20%, matching funds.

Regional Benefit

Placer County Air Pollution Control District has jurisdiction over all of Placer County. Projects that expand or otherwise enhance programs in the adjacent air quality management districts are encouraged. Joint projects are also encouraged.

Cost Effectivity and Emission Reductions

Projects that reduce criteria pollutant emissions (such as mobile vehicles and equipment) shall be evaluated on a cost effective basis. Cost effectivity is based on a formula that determines a ratio of public grant funds per ton of combined NOx, ROG, and PM emission reductions. The ARB has established a cost effectivity of $16,400 or less per ton of reduced emissions.

COMPLIANCE WITH STATE REGULATIONS IS REQUIRED

There are several State regulations in effect which affect mobile on and off-road

equipment. The eligibility of vehicle and equipment projects may be affected due to up and coming compliance schedules within the next five years. In order to be eligible for funding, applicants must be compliant with all State regulations affecting their fleet and will be required by the PCAPCD to demonstrate so. A failure to demonstrate compliance with State regulations (when applicable) will automatically disqualify a submitted application. Directions for this will be outlined in the application requirements or by direction from District Staff. State regulations that are currently in effect include:

- State-Wide Truck and Bus Regulation
- In-Use Public and Utility Fleet Diesel Regulation
- In-Use Solid Waste Collection Vehicle Regulation
- In-Use Off-Road Diesel Vehicle Regulation
- Transportation Refrigeration Unit ATCM
- Commercial Harbor Craft Regulation
- Heavy Duty (Tractor-Trailer) Greenhouse Gas Regulation

For information on the above regulations go to http://www.arb.ca.gov/diesel/mobile.htm.

For information on the requirements and timeline for reporting your heavy duty on-road fleet go to: http://www.arb.ca.gov/msprog/onrdiesel/reportinginfo.htm

Mobile off-road equipment subject to regulation are required to be reported to the ARB through the DOORS program (Diesel Off-road On-line Reporting System). This requirement began in 2009. To access DOORS, go to:
https://secure.arb.ca.gov/ssldoors/doors_reporting/doors_login.html

Not all vehicles and equipment are currently subject to regulation or are subject to the schedules listed below. If this is so, for a particular vehicle or equipment, then it will not be impacted by such restrictions during the review process.

ARB COMPLIANCE SCHEDULES FOR ON AND OFF-ROAD EQUIPMENT

State-wide Truck and Bus Regulation

For vehicles that are subject to the State-wide truck and Bus Regulation, compliance deadlines are outlined in the tables below (as identified in the regulation posted on October 28, 2011 on the ARB website as submitted to the OAL). The tables below are informational items only and are not meant to replace or be used in lieu of the regulation itself to determine fleet compliance or project eligibility.

On-road projects must have a minimum three year project life prior to the compliance deadline outlined in the regulation for a fleet (or vehicle) in order to be eligible for funding. A project life is defined by the number of eligible years a vehicle will continue to operate prior to a compliance deadline. The level of operation the vehicle operates in this time will be used to determine the cost effectivity of the project. Contracts awarded in the 2013 CAG program will have an effective date of July 1, 2013. Under the contract the grantee

is allowed a one year period to implement their project, therefore any vehicle with a compliance deadline prior to January 1, 2018, will most likely not be eligible grant funding. A vehicle upgrade option that could be considered in this scenario is if an applicant wishes to upgrade a vehicle above and beyond what the compliance deadline requires. In this case, the net emissions above what is required by law will be used to evaluate the project for cost effectivity.

Table 1
Compliance Schedule by Engine Model Year for Vehicles with a GVWR 26,000 lbs or less

Compliance Date as of January 1	Existing Engine Model Year	Requirements
2015	1995 & older	2010 model year emission equivalent
2016	1996	
2017	1997	
2018	1998	
2019	1999	
2020	2003 & older	
2021	2004-2006	
2022	N/A	
2023	All engines	

Table 2a
Compliance Schedule by Engine Model Year for Vehicles with GVWR greater than 26,000 lbs

Engine Model Year	Compliance Date Install PM Filter by	Compliance Date 2010 Engine by
1993 & older	N/A	January 1, 2015
1994-1995	N/A	January 1, 2016
1996 – 1999	January 1, 2012	January 1, 2020
2000 -2004	January 1, 2013	January 1, 2021
2005-2006	January 1, 2014	January 1, 2022
2007 or newer	January 1, 2014 if not OEM equipped	January 1, 2023

OR

Table 2b
Phase-in Compliance Schedule for Vehicles with GVWR greater than 26,000 lbs

Compliance Date as of January 1	Percent of Fleet Complying with PM BACT
2012	30%
2013	60%
2014	90%

2015	90%
2016	100%
2020	All vehicles must comply with section 2025(g)

Table 3
Compliance Schedule for Fleets with Low-Mileage Construction Trucks

Compliance Deadline, as of January 1	Percent of Fleet Complying with PM BACT
2014	33%
2015	66%
2016	100%

Table 4
Compliance Schedule for School Buses

Compliance Deadline, as of January 1	Percent of Fleet Complying with PM BACT
2012	33%
2013	66%
2014	100%

Table 5
Compliance Schedule for the Log Truck Phase-in Option

Compliance Deadline as of January 1	Percent of Total Fleet with 2010 Model Year Emissions Equivalent Engines
2012	0%
2013	0%
2014	10%
2015	20%
2016	30%
2017	40%
2018	50%
2019	60%
2020	70%
2021	80%
2022	90%
2023	100%

Public Agency and Utility Fleets

Fleets that have achieved all applicable final compliance requirements may be eligible for funding based on NOx and ROG emission reductions.

Solid Waste Collection Vehicles (SWCV)

SWCV fleets that have achieved compliance with the final regulatory deadline may be eligible for funding based on NOx and ROG emission reductions.

Transit Vehicles (Urban Buses and Transit Fleet Vehicles)

Transit fleet vehicles and urban buses that have achieved compliance with the final regulatory deadline may be eligible for funding.

In-Use Off-Road Diesel Vehicle Regulation

For equipment that is subject to the Off-Road Diesel Vehicle Regulation, compliance deadlines are outlined in the tables below (as provided in the 2010 regulatory amendments). The tables below are informational items only and are not meant to replace or be used in lieu of the regulation itself in order to determine fleet compliance and program eligibility.

Off-road projects must have a minimum three year project life prior to the compliance deadline outlined in the regulation for a fleet (or piece of equipment) in order to be eligible for funding. A project life is defined by the number of eligible years a piece of equipment will continue to operate prior to a compliance deadline. The level of operation the equipment operates in this time will be used to determine the cost effectivity of the project. Contracts awarded in the 2013 CAG program will have an effective date of July 1, 2013. Under the contract the grantee is allowed a one year period to implement their project, therefore any vehicle with a compliance deadline prior to January 1, 2018, will most likely not be eligible grant funding. An equipment upgrade option that could be considered in this scenario is if an applicant wishes to upgrade a piece of equipment above and beyond what the compliance deadline requires. In this case, the net emissions above what is required by law will be used to evaluate the project for cost effectivity.

Table 6
Optional Compliance Schedule for Fleets with 500 HP or Less

Compliance Date: January 1 of Year	Percent of Fleet (by hp) Which Must Have a Tier 2 or Higher Engine
2019	25
2022	50
2026	75
2029	100

Table 7
Large and Medium Fleet Targets for Each Max Hp Group
For Use in Calculating Fleet Average Target Rates [g/bhp-hr]

Compliance Date: January 1 of Year	25-49 hp	50-74 hp	75-99 hp	100-174 hp	175-299 hp	300-599 hp	600-750 hp	>750 hp
2014 (Large Fleets Only)	5.8	6.5	7.1	6.4	6.2	5.9	6.1	7.2
2015 (Large Fleets Only)	5.6	6.2	6.7	6	5.8	5.5	5.6	6.8
2016 (Large Fleets Only)	5.3	5.8	6.2	5.5	5.3	5.1	5.2	6.5
2017	5.0	5.4	5.5	4.9	4.7	4.5	4.6	6.0
2018	4.7	5.0	4.8	4.3	4.1	4.0	4.0	5.5
2019	4.4	4.6	4.1	3.7	3.5	3.4	3.4	5.0
2020	4.1	4.2	3.4	3.1	2.9	2.8	2.9	4.5
2021	3.8	3.8	2.7	2.5	2.3	2.2	2.3	4.0
2022	3.5	3.4	2.0	1.9	1.7	1.7	1.7	3.5
2023	3.3	3.0	1.4	1.3	1.5	1.5	1.5	3.4

Table 8
Small Fleet Targets for Each Max Hp Group
For Use in Calculating Fleet Average Target Rates [g/bhp-hr]

Compliance Date: January 1 of Year	25-49 hp	50-74 hp	75-99 hp	100-174 hp	175-299 hp	300-599 hp	600-750 hp	>750 hp
2019	5.8	6.5	7.1	6.4	6.2	5.9	6.1	7.2
2020	5.6	6.2	6.7	6.0	5.8	5.5	5.6	6.8
2021	5.3	5.8	6.2	5.5	5.3	5.1	5.2	6.5
2022	5.0	5.4	5.5	4.9	4.7	4.5	4.6	6.0
2023	4.7	5.0	4.8	4.3	4.1	4.0	4.0	5.5
2024	4.4	4.6	4.1	3.7	3.5	3.4	3.4	5.0
2025	4.1	4.2	3.4	3.1	2.9	2.8	2.9	4.5
2026	3.8	3.8	2.7	2.5	2.3	2.2	2.3	4.0
2027	3.5	3.4	2.0	1.9	1.7	1.7	1.7	3.5
2028	3.3	3.0	1.4	1.3	1.5	1.5	1.5	3.5

Commercial Harbor Craft

For vessels that are subject to the Commercial Harbor Craft Regulation, compliance deadlines are outlined in the tables below. The tables below are informational items only and are not meant to replace or be used in lieu of the regulation itself in order to determine fleet compliance and program eligibility.

Harbor craft projects must have a minimum three year project life prior to the compliance deadline outlined in the regulation for a fleet (or vehicle) in order to be eligible for funding. A project life is defined by the number of eligible years a vessel will continue to operate prior to a compliance deadline. The level of operation the vessel operates in this time will be used to determine the cost effectivity of the project. Contracts awarded in the 2013 CAG program will have an effective date of July 1, 2013. Under the contract the grantee is allowed a one year period to implement their project, therefore any vehicle with a compliance deadline prior to January 1, 2018, will most likely not be eligible grant funding. A vessel upgrade option that could be considered in this scenario is if an applicant wishes to upgrade a vessel above and beyond what the compliance deadline requires. In this case, the net emissions above what is required by law will be used to evaluate the project for cost effectivity.

Table 9
Compliance Dates for Engines on Ferries, Excursion Vessels, Tugboats, Towboats, and Push Boats Vessels

Engine Model Year	Total Annual Hours of Operation	Compliance Date
1975 and earlier	≥ 1500	12/31/2009
1975 and earlier	≥300 and < 1500	12/31/2010
1976 - 1985	≥1500	12/31/2011
1976 - 1985	≥ 300 and < 1500	12/31/2012
1986 - 1995	≥ 1500	12/31/2013
1986 - 1995	≥ 300 and < 1500	12/31/2014
Ferries Only 1996 - 1999	≥ 300	12/31/2014
Vessels Other Than Ferries 1996 - 1999	≥ 1500	12/31/2015
Vessels Other Than Ferries 1996 - 1999	≥ 300 and < 1500	12/31/2016
2000	≥ 1500	12/31/2015
2000	≥ 300 and < 1500	12/31/2016
2001 - 2002	≥ 300	12/31/2017
2003	≥ 300	12/31/2018
2004	≥ 300	12/31/2019
2005	≥ 300	12/31/2020
2006	≥ 300	12/31/2021
2007	≥ 300	12/31/2022

[Note: For example, if a 1982-model year diesel engine on a tugboat operating in Regulated California Waters is used for 750 hours in 2011, the owner or operator must bring the engine into compliance with the requirements of subsection (e)(6)(C) by December 31, 2012.].

Table 10
Compliance Dates for Engines on Crew and Supply Vessels

Engine Model Year	Total Annual Hours of Operation	Compliance Date
1985 and earlier	> 1500	12/31/2011
1985 and earlier	> 300 and < 1500	12/31/2012
1986 – 1995	> 1500	12/31/2013
1986 – 1995	> 300 and < 1500	12/31/2014
1996 – 2000	> 1500	12/31/2015
1996 – 2000	> 300 and < 1500	12/31/2016
2001 – 2002	> 300	12/31/2017
2003	> 300	12/31/2018
2004	> 300	12/31/2019
2005	> 300	12/31/2020
2006	> 300	12/31/2021
2007	> 300	12/31/2022

PROJECT INSPECTIONS

All projects will be subject to a pre- and post- inspection by District staff. After the submittal deadline for applications, District Staff may contact an applicant to schedule an onsite pre-inspection. A visual inspection of the equipment will be made and verification of information submitted within the application will be confirmed.

On-site post-inspections are performed on projects in order to confirm that the project was completed as outlined in the CAG contract and the original grant application. These inspections are performed after a project is completed and a request for payment has been submitted to the District.

HOW TO SUBMIT AN APPLICATION?

Submit one original plus three copies of each application to:

Clean Air Grant Program
Placer County Air Pollution Control District
110 Maple Street
Auburn, CA 95603

Applications can be mailed or hand delivered to the above address. Office hours are from 8:00 am until 5:00 pm.

No binders, staples, or report covers.

Postmarks and facsimiles will not be accepted.

WHEN ARE CAG CONTRACTS EFFECTIVE?

Applicants who are awarded a grant must sign a contract and enter into an agreement with the PCACD. Executed grant contracts for the 2013 CAG program will become effective on July 1, 2013. This means that applicants who have a CAG contract will be able to request reimbursement from the PCAPCD at the earliest on July 1, 2013.

HOW WILL RECIPIENTS RECEIVE THEIR FUNDS?

This program is designed to be a reimbursement based program. Funds will not be reimbursed to the applicant until after the project has been completed. Applicants can request reimbursement for funds in their entirety (less 10%) after projects are completed. In most cases, ten percent of the total grant funds awarded is held back for one year until a final report is submitted to the District. It is important to know that funds received for a grant project will be considered taxable income.

WILL RECIPIENTS BE MONITORED OR AUDITED?

Grant recipients must enter into explicit contracts with the District, setting forth performance criteria. District Staff may audit a project at any time and up to two years following the expiration of a contract.

A final report shall be submitted after the project has been fully implemented as designated by the grant contract.

The District may audit projects to comply with state regulations regarding the use of these funds. The California Health and Safety Code states:

> *"Local agencies imposing vehicle registration fees for air pollution programs.... shall report to the state board on their use of the fees and the results of the programs funded by the fees and shall cooperate with the state board in the preparation of its report." (California Health and Safety Code, Ch. 7, 44247)*

The District shall act as auditor of all programs and projects. Costs associated with the performance of audits will be recovered from the District's management fee for administering the overall program.