1. Agenda Board Meeting 12-12-2019
   Documents:
   
   PLACER APCD BOARD AGENDA 12-12-19.PDF

2. Board Packet 12/12/19
   Documents:
   
   12-12-19 PLACER APCD BOARD PACKET E-COPY.PDF
Call to Order

Flag Salute

Roll Call / Determination of a Quorum

Clerk’s Statement of Meeting Procedures
Any person who wishes to address the Board regarding any item not on the agenda, but within the jurisdiction of this Board, may do so during the public comment period. However, the Board is not permitted to take action or engage in discussion on topics which are not on the agenda. All items on the agenda will be open for public comments before final action is taken. The Board requests public commenters state your name and association for the record before you speak. There is a 5 minute time limit per speaker, and a 15 minute total comment period per agenda item. The Chair has the discretion to limit the total discussion time on any item.

Approval of Minutes:  August 8, 2019 Regular Meeting

Public Comment

Consent:  Items 1 and 2

These items are expected to be routine and non-controversial. The Board will act upon these items at one time without discussion. Any Board member, Staff member, or interested citizen may request that an item be removed from the consent calendar for discussion.

1. Designation of Members of the Mountain Counties Basinwide Air Pollution Control Council and the Sacramento Valley Basinwide Air Pollution Control Council for 2020. Designation of Jim Holmes and Trinity Burruss as primary and alternate members, respectively, of the Mountain Valley BCC; and designation of Jeff Duncan and Scott Alvord as primary and alternate members, respectively, of the Sacramento Valley BCC. If any of the jurisdictions appoint new District Board members in 2020, the representative from that County, City or Town, will assume the associated roll on the BCC’s.

2. Approval of Negative Declaration for the Control Techniques Guidelines for the Oil and Natural Gas Industry Source Category. Adopt Resolution #19-19, thereby approving a Negative Declaration for the Control Technique Guideline for the Oil and Natural Gas Industry source category; and approving submittal of the Negative Declaration as a revision to the State Implementation Plan.
Action: Items 3 - 6


4. **Authorization to Accept Funds under the FY 18-19 FARMER Grant Agreement to Develop a FARMER Reporting Tool; and to Accept FY 19-20 FARMER Funding.**

   Adopt Resolution #19-21, thereby: 1) authorizing the District to accept additional funds under the FY 18-19 Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program grant agreement with California Air Resources Board (CARB) for development of the FARMER Program Reporting Tool; and 2) authorizing the Air Pollution Control Officer to negotiate, sign, and amend as needed, agreements and contracts related to development of a FARMER Reporting Tool; and

   Adopt Resolution #19-22, thereby 1) authorizing the District to accept Shared Allocation Pool funds and execute the CARB grant agreement for administration of the FY 19-20 FARMER Program, including potential funding for ongoing development and maintenance of the FARMER Reporting Tool; and 2) authorizing the Air Pollution Control Officer to negotiate, sign, and amend as needed, agreements and contracts related to administration and implementation of the FY 19-20 FARMER Program.

5. **Redirection of California Air Resources Board Wood Smoke Reduction Program Funds to El Dorado County Air Quality Management District.** Adopt Resolution #19-23, thereby 1) authorizing the District to continue to participate in CARB’s Statewide Wood Smoke Reduction Program; 2) authorizing the redirection of Placer County’s portion of funds to the El Dorado County Air Quality Management District to implement the Program in Placer and El Dorado Counties on the District’s behalf; and 3) authorizing the Air Pollution Control Officer (APCO) to negotiate, sign, and amend as needed, any agreements and contracts related to implementation of the Program for Placer County residents.

6. **Authorization to Redirect CAP Incentive Funds to Cost Share Replacement of a Capitol Corridor Passenger Locomotive with the Bay Area Air Quality Management District.** Adopt Resolution #19-24, thereby 1) authorizing the District to enter into a Memorandum of Agreement (MOA) with the Bay Area Air Quality Management District (BAAQMD) to cost share the replacement of a Capitol Corridor passenger locomotive owned by the California Department of Transportation and Operated by Amtrak; 2) authorizing the District to redirect $182,857.14 in Community Air Protection Protection incentive funds to BAAQMD; and 3) authorizing the Air Pollution Control Officer to negotiate, sign, and amend the MOA as needed.
Air Pollution Control Officer Report

A. General APCO Updates
B. Incentive Grants Program Update
C. FY 17-18 and FY 18-19 Audit – Auditor Letters to the Board provided
D. Fiscal update – Financial report provided at meeting

Meeting Adjournment

Next regularly scheduled Board Meeting: February 13, 2020, at 2:30 PM
Call to Order

Flag Salute

Roll Call / Determination of a Quorum

Clerk’s Statement of Meeting Procedures
Any person who wishes to address the Board regarding any item not on the agenda, but within the jurisdiction of this Board, may do so during the public comment period. However, the Board is not permitted to take action or engage in discussion on topics which are not on the agenda. All items on the agenda will be open for public comments before final action is taken. The Board requests public commenters state your name and association for the record before you speak. There is a 5 minute time limit per speaker, and a 15 minute total comment period per agenda item. The Chair has the discretion to limit the total discussion time on any item.

Approval of Minutes:  August 8, 2019 Regular Meeting

Public Comment

Consent: Items 1 and 2

These items are expected to be routine and non-controversial. The Board will act upon these items at one time without discussion. Any Board member, Staff member, or interested citizen may request that an item be removed from the consent calendar for discussion.

1. Designation of Members of the Mountain Counties Basinwide Air Pollution Control Council and the Sacramento Valley Basinwide Air Pollution Control Council for 2020. Designation of Jim Holmes and Trinity Burruss as primary and alternate members, respectively, of the Mountain Valley BCC; and designation of Jeff Duncan and Scott Alvord as primary and alternate members, respectively, of the Sacramento Valley BCC. If any of the jurisdictions appoint new District Board members in 2020, the representative from that County, City or Town, will assume the associated roll on the BCC’s.

2. Approval of Negative Declaration for the Control Techniques Guidelines for the Oil and Natural Gas Industry Source Category. Adopt Resolution #19-19, thereby approving a Negative Declaration for the Control Technique Guideline for the Oil and Natural Gas Industry source category; and approving submittal of the Negative Declaration as a revision to the State Implementation Plan.

4. **Authorization to Accept Funds under the FY 18-19 FARMER Grant Agreement to Develop a FARMER Reporting Tool; and to Accept FY 19-20 FARMER Funding.**

   Adopt Resolution #19-21, thereby: 1) authorizing the District to accept additional funds under the FY 18-19 Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program grant agreement with California Air Resources Board (CARB) for development of the FARMER Program Reporting Tool; and 2) authorizing the Air Pollution Control Officer to negotiate, sign, and amend as needed, agreements and contracts related to development of a FARMER Reporting Tool; and

   Adopt Resolution #19-22, thereby 1) authorizing the District to accept Shared Allocation Pool funds and execute the CARB grant agreement for administration of the FY 19-20 FARMER Program, including potential funding for ongoing development and maintenance of the FARMER Reporting Tool; and 2) authorizing the Air Pollution Control Officer to negotiate, sign, and amend as needed, agreements and contracts related to administration and implementation of the FY 19-20 FARMER Program.

5. **Redirection of California Air Resources Board Wood Smoke Reduction Program Funds to El Dorado County Air Quality Management District.** Adopt Resolution #19-23, thereby 1) authorizing the District to continue to participate in CARB’s Statewide Wood Smoke Reduction Program; 2) authorizing the redirection of Placer County’s portion of funds to the El Dorado County Air Quality Management District to implement the Program in Placer and El Dorado Counties on the District’s behalf; and 3) authorizing the Air Pollution Control Officer (APCO) to negotiate, sign, and amend as needed, any agreements and contracts related to implementation of the Program for Placer County residents.

6. **Authorization to Redirect CAP Incentive Funds to Cost Share Replacement of a Capitol Corridor Passenger Locomotive with the Bay Area Air Quality Management District.**

   Adopt Resolution #19-24, thereby 1) authorizing the District to enter into a Memorandum of Agreement (MOA) with the Bay Area Air Quality Management District (BAAQMD) to cost share the replacement of a Capitol Corridor passenger locomotive owned by the California Department of Transportation and Operated by Amtrak; 2) authorizing the District to redirect $182,857.14 in Community Air Protection Protection incentive funds to BAAQMD; and 3) authorizing the Air Pollution Control Officer to negotiate, sign, and amend the MOA as needed.
Air Pollution Control Officer Report

A. General APCO Updates
B. Incentive Grants Program Update
C. FY 17-18 and FY 18-19 Audit – Auditor Letters to the Board provided
D. Fiscal update – Financial report provided at meeting

Meeting Adjournment

Next regularly scheduled Board Meeting: February 13, 2020, at 2:30 PM

Placer County Air Pollution Control District is committed to ensuring that persons with disabilities are provided the resources to participate fully in its public meetings. If you require disability-related modifications or accommodations, please contact the Clerk of the Board. All requests must be in writing and must be received by the Clerk five business days prior to the scheduled meeting for which you are requesting accommodation. Requests received after such time will be accommodated only if time permits.

Materials related to this meeting which are provided to Board members are available for public inspection at the meeting and during business hours at the Air Pollution Control District office at 110 Maple Street, Auburn, CA 95603. District Office Telephone: (530) 745-2330
The Board of Directors of the Placer County Air Pollution Control District met for a regular meeting at 2:30 PM, Thursday, August 8, 2019, at the Placer County Board of Supervisors’ Chambers, 175 Fulweiler Avenue, Auburn, California.

The meeting was called to order by Chairperson, Daniel Berlant. Roll call was taken by the Clerk of the Board, with the following members in attendance: Cindy Gustafson, Jeff Duncan, Scott Alvord, Daniel Berlant, Greg Janda, Robert Weygandt, Alyssa Silhi, and Jim Holmes. A quorum was established.

Representing the District were: Erik White, Air Pollution Control Officer; Adam Baughman, Deputy Air Pollution Control Officer; A.J. Nunez, Senior Administrative Services Officer; Emmanuel Orozco, Air Quality Control Engineer; Russell Moore, I.T. Technician; and Shannon Harroun, Clerk of the Board.

Flag Salute: Led by Chair Berlant

Clerk’s Statement of Meeting Procedures

Approval of Minutes: June 13, 2019 Regular Meeting
Motion: Silhi/Alvord
Action: Approved 6/13/19 Minutes / Unanimous Vote 8:0
Ayes: Gustafson/Duncan/Alvord/Berlant/Janda/Weygandt/Silhi/Holmes

Public Comment: Michael Garabedian requested information from District staff regarding District activities related to Roseville Railyard. Chair Berlant responded that District staff will contact him at a later time to discuss the topic.

Introduction of New Deputy Air Pollution Control Officer -- Adam Baughman

Consent: Item 1

1. Community Based Supplemental Environmental Project Funds. Authorized the Air Pollution Control Officer (APCO) to 1) accept and utilize $108,317 for the Community Based Supplemental Environmental Project (CBSEP) Program; and 2) negotiate, sign, and amend as needed, grant agreements and contracts related to the CBSEP Program.
Motion: Holmes/Gustafson
Action: Approved Consent Item 1 / Unanimous Vote 8:0
Ayes: Gustafson/Duncan/Alvord/Berlant/Janda/Weygandt/Silhi/Holmes

Public Hearing / Action: Item 2


Chair Berlant opened the public hearing for the FY 19-20 Proposed Final Budget. No public comments were received.
Ms. A.J. Nunez presented the FY 19-20 Proposed Final Budget in accordance with Health and Safety Code 40131(3)(A). She stated that the District continues to budget revenues conservatively and expenditures that are adequate to cover costs with a small amount for contingencies.

Ms. Nunez explained that the District budget is organized into five funds: the Operations Fund, DMV Fund, Mitigation Fund, Black Carbon Research Fund and Wildfire Mitigation Fund. The Settlement Fund and the Litigation Cost Recovery Fund that total about $1.7 million dollars are not shown in this budget, and can only be used at the discretion of the Board. The interest from these two funds is included in the District’s budget.

Ms. Nunez reported that the Proposed Final Budget for FY 19-20 is $9.1 million, consisting of FY 19-20 total projected revenue of $5.5 million, combined with the FY 18-19 fund carry-over of approximately $3.6 million. Ms. Nunez noted that there is a significant increase to the fund balance, and that the increase in the fund carry-over is in keeping with the District’s 5 year plan to have sufficient funds to cover increased costs related to CalPERS, staff and retirement costs, as well as general increases. Proposed expenditures total $7.2 million.

Ms. Nunez noted that since the County has not fully closed FY 18-19 in the WorkDay system, the fund carry-over balance will need adjustments, which the District will bring to the Board for approval at the October 11, 2019 meeting.

Ms. Nunez provided information on the grant funding for FY 19-20, which will provide $2.9 million in funding for eligible projects and provide the District with $337,000 in administrative funds.

Ms. Nunez stated that the District is required by the Health and Safety Code Section 40131 to hold a public hearing for the purpose of reviewing the budget and providing the public with the opportunity to comment on the proposed District budget, and that the District recommends the approval of Resolution #19-16, thereby adopting the District Final Budget for FY 19-20.

**Motion:** Weygandt/Silhi  
**Action:** Approved Item 2 / Unanimous Vote 8:0  
**Ayes:** Gustafson/Duncan/Alvord/Berlant/Janda/Weygandt/Silhi/Holmes

**Information: Item 3**

3. **Hearing Board Overview.** No action requested. *This was an information item to provide the District Board of Directors an overview of the District Hearing Board, and to introduce several of the Hearing Board members.*

Mr. Emmanuel Orozco presented an overview of the District Hearing Board’s responsibilities and introduced Hearing Board members in attendance. Mr. Orozco explained that generally, the Board, serves as the legislative function of the District; the APCO and District staff perform the executive function of the District; and the District’s Hearing Board performs the judicial function of the District. He described the most common petition that is heard by the District Hearing Board, a petition for a variance, which is usually filed by a public or private entity seeking temporary relief from the requirements of District rules. The District Hearing Board is also responsible for issuing
orders of abatement to non-complying sources of air pollution, which is the strongest administrative sanction available to the District and is used sparingly only after less onerous enforcement practices fail to correct an air pollution problem. The final matters which the Hearing Board may preside over are permit disputes. Any decision that is issued by the Hearing Board in a Variance, Abatement Order, or Permit Dispute must be made in writing and distributed to all parties, and there are allowances for review and reconsideration of the decision. Mr. Orozco emphasized that the District Hearing Board does not make rules, but rather is bound to apply the standards set forth in existing rules to the specific cases brought before them.

Mr. Orozco provided a list of the District’s current Hearing Board members, which include Mr. Donald Gronstal, Chairman, a “Public at Large” member; Ms. Diane Przepiorski, a “Public at Large” member; Mr. Gary Hall, our engineering representative member; Mr. D. Steven Parks, our law profession representative; and Dr. Gabriele Windgasse, a Public at Large” member. Three District Hearing Board members were present and introduced themselves to the Board: Mr. Don Gronstal, Ms. Diane Przepiorski, and Mr. Gary Hall.

Director Alvord asked about the variance appeal process, and Mr. Orozco explained the process, which does not include any action by the District’s Board of Directors.

**Action: Items 4-7**

4. **Public Agency Retirement Services Trust Fund.** Adopted Resolution #19-17 to 1) authorize the District to participate in Public Agency Post-Employment Benefits Trust administered by Public Agency Retirement Services (PARS); 2) appoint the APCO as the District’s Plan Administrator for the Trust; and 3) authorize the APCO to execute a service agreement to establish an Internal Revenue Code (IRC) Section 115 Irrevocable Trust to Pre-fund pension obligations and implement the program.

**Motion:** Holmes/Duncan

**Action:** Approved Item 4 / Unanimous Vote 8:0

**Ayes:** Gustafson/Duncan/Alvord/Berlant/Janda/Weygandt/Silhi/Holmes

Mr. Ryan Nicasio, Vice President, Consulting, at Public Agency Retirement Services, presented an overview of PARS services and the proposed IRC Section 115 trust. Mr. Nicasio indicated the parties involved in setting up a trust, including U.S. Bank as the Trustee, High Mark Capital Management as the Investment Manager, and PARS, as the Trust Administrator and consultant. He explained that a Section 115 Trust can be used by local governments to fund essential and governmental functions, such as retiree healthcare and pension, that any income derived from a Section 115 trust is tax exempt, and that they are designed to prefund retirement plan obligations. Once contributions are placed into the trust, trust assets can only be used for retirement plan purposes. Mr. Nicasio highlighted benefits of using a Section 115 trust, investment approaches, past return percentages based on strategy, and associated program fees.

Director Alvord asked the amount that will be put into the trust. Mr. Erik White responded that staff will evaluate the District’s budget position at year end close, assess the carry-over funds, and make an initial contribution recommendation to the Board at the October 11, 2019 Board meeting. Mr. White suggests that the District then look forward and lay out a 3-5 year investment plan that will be folded into the District’s annual budget, to ensure minimum annual contributions. If there is excess revenue, the contribution amount could be increased at the Board’s discretion. Director Alvord asked
who would choose the District’s risk tolerance in the trust. Ms. Nunez responded that Erik White, as Plan Administrator, would identify the risk tolerance level, which will likely be at a moderate level, in the 5-9% return range. She also noted that these funds will also directly lower the District’s pension liability amount on its balance sheet, since they can only be used for pension purposes. Director Alvord asked if the District would be able to withdraw from the trust if needed. Ms. Nunez answered that the allowable withdrawal is up to double the charges for the specific year. Mr. White noted that since the District already has rainy day funds set aside, it is not expected that the District would have to withdraw from the trust.

5. Inter-District Transfers of Emission Reduction Credits Policy. Approved the Inter-District Transfers of Emission Reduction Credits Policy, thereby authorizing District staff to use the criteria set forth in the policy when establishing conditions of approval for requests for inter-district transfers of Emission Reduction Credits (ERCs), and when approving and evaluating applications for ERCs retained through such transfers.

   Motion: Alvord/Janda
   Action: Approved Item 5 / Unanimous Vote 8:0
   Ayes: Gustafson/Duncan/Alvord/Berlant/Janda/Weygandt/Silhi/Holmes

Mr. Emmanuel Orozco provided an overview of what Emission Reduction Credits (ERCs) are and how they are used. ERCs are created through the permanent, quantifiable, and real reduction of air pollutants. They most frequently originate from the shutdown of permitted facilities and from the reduction of emissions through control systems that reduce pollutants beyond what is required by federal, state, and local regulations. The credits are issued via an ERC Certificate which is a document, issued by the overseeing air district, certifying title to a defined quantity and type of ERCs. The creation and transfers of ERCs are logged by the District via an ERC bank. ERCs are a marketable commodity where the price is determined by the buyers and sellers of the credits.

Mr. Orozco described the District’s proposed Inter-District Transfers of Emission Reduction Credits policy which provides recommended criteria for the approval of transfers where ERCs are leaving the Placer County bank. The proposed policy provides guidance for inter-district transfers, as well as an application and prioritization mechanism for making retained ERCs available to eligible Placer County businesses. Additionally, the policy establishes eligibility requirements, a notification and application process, and an applicant ranking system for businesses looking to purchase the ERCs which have been retained as part of a conditionally approved inter-district transfer.

6. Electric Vehicle Dealer Incentive Program. Adopted Resolution #19-18, thereby
1) authorizing the District to join an in-progress electric vehicle (EV) dealership incentive program in the Sacramento area administered by Plug In America in an amount up to $114,000; and 2) authorizing the Air Pollution Control Officer to negotiate, sign, and amend, as needed, associated agreements and contracts.

   Motion: Gustafson/Alvord
   Action: Approved Consent Item 1 / Unanimous Vote 8:0
   Ayes: Gustafson/Duncan/Alvord/Berlant/Janda/Weygandt/Silhi/Holmes

Mr. Erik White presented the Plug-In-America electric vehicle (EV) purchase incentive program, as well as the proposed plan for the District’s involvement. Beginning in 2018, Plug In America partnered with Sacramento Municipal Utility District (SMUD) to help incentivize the purchase of EV’s within the Sacramento Region, including Placer County, through their PlugStar program. The
PlugStar program provides car shoppers with a platform where they can be connected with trained dealers and support services to meet the needs of EV car buyers. For every EV sold, a $300 incentive goes to the dealership ($200 to the salesperson and $100 to the dealership). In 2018, 258 dealer incentives were issued regionally. Of those, 72 were from purchases by Placer County residents.

Mr. White explained that the District is proposing to potentially partner with Roseville Electric and Pioneer Energy to maintain the current program for Placer County residents. Pioneer Energy and Roseville Electric are also exploring potential options to participate. If Pioneer Energy is not able to participate, then the PCAPCD will enter directly into an agreement with Plug In America and provide program oversight. As a key funding partner, if Roseville Electric does not receive approval to participate, then the District proposes not to participate. The total request of District funds is an amount up to $114,000, which will cover the cost to implement the program for up to two years.

Mr. White stated that funding for the program would come from existing Air Quality Mitigation Funds, to help incentivize and promote zero emission technologies, as well as contribute to GHG and criteria pollutant emission reductions, in accordance with the Board approved Land Use Air Quality Mitigation Funds Policy.

7. Contract Amendment, Compensation and Benefit – Director of Air Pollution Control.
   Approved a contract amendment regarding compensation of the Director of the Air Pollution Control District (APCO), in accordance with terms recommended in associated Board memo.
   Motion: Holmes/Janda
   Action: Approved Item 7 / Unanimous Vote 8:0
   Ayes: Gustafson/Duncan/Alvord/Berlant/Janda/Weygandt/Silhi/Holmes

Mr. Erik White requested the Board consider approval of a contract amendment regarding compensation of the Director of Air Pollution Control District (APCO); to approve changes to the contract, based on the ad-hoc APCO Contract Review committee’s salary survey; the District Board’s June 13, 2019 APCO performance evaluation; and the APCO’s accomplishments since 2015. Mr. White documented that the proposed salary adjustment will better reflect similar salaries for comparable positions in other air districts.

Air Pollution Control Officer Report

A. APCO general updates
   No general updates.

B. Incentive program status update
   Mr. White provided an update on the District’s incentive programs. The District received 24 project applications in response to this year’s Moyer project solicitations, and 16 projects have been tentatively approved. A community workshop was held to seek input on potential projects under the Moyer Community Air Protection incentive funds program. The District is currently finalizing contracts for the last year’s Moyer project solicitations. Mr. White noted that we have total incentive project funding of $2.4 million dollars for this fiscal year, and all available funds available for this year’s program will be fully allocated.

C. Fiscal update
   No fiscal update provided since District is awaiting the County’s closure of FY 18-19.
Meeting Adjournment at 4:24 p.m.

Minutes prepared by:  
Shannon Harroun, Clerk of the Board

Minutes approved by Board of Directors:

Attest: ____________________________________________  __________________________
   Clerk of the Board                               Date
Agenda Date: December 12, 2019
Prepared By: Shannon Harroun, Clerk of the Board
Topic: Designation of Members of the Mountain Counties Basinwide Air Pollution Control Council and the Sacramento Valley Basinwide Air Pollution Control Council for 2020

Action Requested: For the 2020 calendar year, designate Placer County Air Pollution Control District Board (District Board) members to the Basinwide Air Pollution Control Councils as follows:

1. Mountain Counties Basinwide Air Pollution Control Council (Mountain Counties BCC):
   Primary Member: Jim Holmes (or the District Board’s District 3 Supervisor representative)
   Alternate Member: Trinity Burruss (or the District Board’s City of Colfax representative)

2. Sacramento Valley Basinwide Air Pollution Control Council (Sacramento Valley BCC):
   Primary Member: Jeff Duncan (or the District Board’s Town of Loomis representative)
   Alternate Member: Scott Alvord (or the District Board’s City of Roseville representative)

Background: The Placer County Air Pollution Control District includes portions of three different air basins: The Sacramento Valley Air Basin, which stretches across the Sacramento Valley from a portion of Solano County in the south to Shasta County in the north; The Mountain Counties Air Basin, which is largely comprised of Sierra-Nevada foothills and mountains; and Lake Tahoe Air Basin, which is the California portion of Lake Tahoe, shared between Placer County APCD and El Dorado County Air Quality Management District. Because the Tahoe Air Basin includes a portion of the State of Nevada and only the two California air districts, there is not a “Basinwide Air Pollution Control Council” for that air basin.

The Mountain Counties BCC and the Sacramento Valley BCC are comprised of elected officials representing their respective air districts in the basin. The Air Pollution Control Officers and staff of the air districts also serve these councils in an advisory capacity on a Technical Advisory Committee (TAC). The purpose of the councils is to foster cooperation among the air districts that share an air basin. The Mountain Counties BCC’s activities are primarily focused on forest management and prescribed burning issues, and increasingly on air quality attainment plan development and other cooperative efforts. The Sacramento Valley BCC’s activities are primarily focused on the rice straw burning smoke management program, Northern Sacramento Valley air quality attainment plans, and other cooperative efforts.

Discussion: Pursuant to California Health and Safety Code Section 40900, the Mountain Counties BCC and the Sacramento Valley BCC require that each of its districts’ Board of Directors designate one of its elected members to serve as an active member of their BCC. An alternate member may also be designated. Each active member, or in their absence, the alternate member, has one vote on the BCC.

Recommendation: Based on communications with District Board members, the District recommends designation of Jim Holmes and Trinity Burruss as primary and alternate members, respectively, of the Mountain Valley BCC; and designation of Jeff Duncan and Scott Alvord as primary and alternate members, respectively, of the Sacramento Valley BCC. If any of the jurisdictions appoint new District Board members in 2020, the representative from that County, City or Town, will assume the associated roll on the BCC’s.
Agenda Date: December 12, 2019

Prepared By: Bruce Springsteen, Manager of Compliance and Enforcement Section

Topic: Approval of Negative Declaration for the Control Techniques Guidelines for the Oil and Natural Gas Industry Source Category

Action Requested: Adopt Resolution #19-19 (Attachment #1), thereby approving a Negative Declaration for the Control Technique Guideline (CTG) for the Oil and Natural Gas Industry source category; and approving submittal of the Negative Declaration as a revision to the State Implementation Plan.

Discussion: Portions of Placer County have been designated as non-attainment for the 2008 and 2015 national eight-hour ozone ambient air quality standard, as well as non-attainment for the California ozone standard. As such, the Placer County Air Pollution Control District (District) is required by the United States Environmental Protection Agency (U.S. EPA) to periodically demonstrate that the District’s State Implementation Plan (SIP) rules fulfill Reasonably Available Control Technology (RACT) requirements for volatile organic compounds and nitrogen oxides, under Sections 182(b)(2) and 182(f) of the federal Clean Air Act Amendments of 1990. RACT requires that District rules cover both: (1) source categories for which the U.S. EPA has developed CTG documents and for which there are affected sources that operate in the District’s jurisdiction and meet the CTG emission thresholds, and (2) major sources of VOC or NOx in the District.

On October 27, 2016, (81 FR 74798), U.S. EPA released a CTG for the Oil and Natural Gas Industry (EPA-453/B-16-001). The District has reviewed its permit files and emission inventory and has determined that there are no stationary sources or emitting facilities in the ozone nonattainment area under the District’s jurisdiction, and the District does not anticipate these sources in the future, that fall under the CTG for the Oil and Natural Gas Industry source category. Thus, the District is proposing a Negative Declaration that there are no such sources in the District’s ozone nonattainment area subject to the CTG for the Oil and Natural Gas Industry, and that the requirement to adopt a rule for those sources is not applicable.

Public notification for the proposed Board action of a Negative Declaration was prepared and released in a local newspaper of general circulation on September 8, 2019 and supporting documents have been made available on the District website. No public hearing request and comment were received from the public. Pursuant to the procedure of 40 CFR 51.102(a) and (d), a public hearing is not required for the proposed negative declaration.

Fiscal Impact: This Negative Declaration has no fiscal impact on the District.

Recommendation: Staff recommends adoption of Resolution #19-19 approving the Negative Declaration, which declares that there are no sources in District’s ozone nonattainment area subject to the CTG for the Oil and Natural Gas Industry.

Attachment #1: Resolution #19-19
ATTACHMENT #1

SUBJECT:

Resolution #19-19
Before the Placer County
Air Pollution Control District Board of Directors

In the Matter Of: Negative Declaration that there are no sources in the ozone nonattainment area under the jurisdiction of the District that fall under the Control Techniques Guidelines for the Oil and Natural Gas Industry source category; and the submittal of the Negative Declaration as a requested revision to the State Implementation Plan

The following Resolution was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on December 12, 2019, by the following vote:

Ayes: Alvord _____ Berlant _____ Burruss _____ Duncan_____ Holmes _____
Janda_____ Silhi_____ Uhler_____ Weygandt _____
Alternates: ___________________ _____ ________________ __________

Noes: Alvord _____ Berlant _____ Burruss _____ Duncan_____ Holmes _____
Janda_____ Silhi_____ Uhler_____ Weygandt _____
Alternates: ___________________ _____ ________________ __________

Abstain: Alvord _____ Berlant _____ Burruss _____ Duncan_____ Holmes _____
Janda_____ Silhi_____ Uhler_____ Weygandt _____
Alternates: ___________________ _____ ________________ __________

Signed and approved by me after its passage:

____________________________________ Chairperson

____________________________________ Attest: Clerk of said Board

WHEREAS, Section 40001 of the Health and Safety Code of the State of California authorizes the Placer County Air Pollution Control District (District), to adopt and enforce Rules and Regulations to achieve and maintain ambient air quality standards within the District; and
WHEREAS, Section 40702 of the Health and Safety Code of the State of California requires a district to adopt rules and regulations and do such acts as may be necessary or proper to execute the powers and duties granted; and

WHEREAS, portions of the Placer County have been designated as non-attainment areas by the United States Environmental Protection Agency (U.S. EPA) for the 2008 and 2015 federal 8-hour ozone standard pursuant to the Federal Clean Air Act Amendments of 1990 (CAAA); and

WHEREAS, the CAAA requires for non-attainment areas the implementation of volatile organic compounds (VOC) and nitrogen oxides (NOx) Reasonably Available Control Technology (RACT) rules covering: (1) all source categories covered by the Control Techniques Guidelines (CTG) document, for which there are affected sources operating in the jurisdiction of the District, and (2) major sources of VOCs and NOx; and

WHEREAS, the CTG document for the Oil and Natural Gas Industry source category was published by the U.S. EPA on October 27, 2016 (EPA-453/B-16-001); and

WHEREAS, the District Board of Directors (District Board) has determined that there are no stationary sources or emitting facilities in the ozone nonattainment area under the jurisdiction of the District, and does not anticipate these sources in the future, that meet the CTG RACT Guidance emissions thresholds, in the Oil and Natural Gas Industry source category; and

WHEREAS, the District Board has determined that the adoption of a “Negative Declaration” for the above CTG for the Oil and Natural Gas Industry source category is necessary to comply with requirements of California Health and Safety Code Sections 40001 and 40910, and with Title 1, Part D, Subpart 2, Section 182(b)(2), of the 1990 Federal Clean Air Act Amendments (CAAA) for the submittal of RACT rules; and

WHEREAS, the “Negative Declaration” finding is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Title 14, California Administrative Code, Section 15308, as an action by a regulatory agency for the protection of the environment; and

WHEREAS, the public was provided with the opportunity to request a public hearing and no request was made, and the notice was properly made pursuant to the procedures of 40 CFR 51.102(a) and (d); therefore a public hearing is not required; and

WHEREAS, the District Board has received and duly considered all evidence that concerns the proposed adoption of the Resolution, and the District Board has duly considered such evidence.

NOW THEREFORE BE IT RESOLVED, that the District Board approves and adopts this “Negative Declaration” certifying that in the District there are either no sources or no sources that exceed CTG RACT guidance emission thresholds for the Oil and Natural Gas Industry source category (EPA-453/B-16-001) in the ozone nonattainment area under the jurisdiction of the District, and therefore the “Negative Declaration” is made that the requirements of Section 182(b)(2) of the CAAA are not presently applicable to the District for CTG for the Oil and Natural Gas Industry for the 2008 and 2015 8-hour ozone standards; and
BE IT FURTHER RESOLVED, that the Air Pollution Control Officer is hereby authorized and directed to submit this “Negative Declaration” as a requested revision to the State Implementation Plan, in the form required by the California Air Resources Board and the United States Environmental Protection Agency, on behalf of the District; and

BE IT FURTHER RESOLVED, that each part of this “Negative Declaration” is deemed severable, and in the event that any part of this “Negative Declaration” is held to be invalid, the remainder of this “Negative Declaration” continues in full force and effect.
Agenda Date: December 12, 2019

Prepared By: A.J. Nunez, Sr. Administrative Services Officer


Action Requested: Adopt Resolution #19-20 (Attachment #1), thereby approving Budget Revision #20-01, for approval of fund balance and technical budget revisions for FY 19-20 and authorization of a contribution of Five-Hundred Thousand Dollars ($500,000) with Public Agency Retirement System (PARS) Post-Employment Benefits Trust for future payments of the District’s net pension liability.

Background: On August 8, 2019 your Board approved the District FY 19-20 Budget and adopted Resolution #19-17 authorizing the District to participate in Public Agency Post-Employment Benefits Trust administered by Public Agency Retirement Services (PARS).

Your Board appointed the Air Pollution Control Officer (APCO) as the District’s Plan Administrator for the PARS Trust; and authorized the APCO to execute a service agreement to establish an Internal Revenue Code (IRC) Section 115 Irrevocable Trust to pre-fund pension obligations and implement the program. The District’s net pension liability of $4,043,784 was reported on the audited financial statements as of June 30, 2017. Pre-funding will provide the District with an alternative to sending funds to CalPERS, thus allowing local control over assets, portfolio management by a registered investment advisor, and flexibility to make future excess transfers to CalPERS at the District’s discretion or when required by the County. District Staff recommend a contribution of $500,000 to the PARS trust account for FY 19-20. The District recommends a funding policy that would maintain fifteen percent operations fund balance and make appropriate contributions over and above that threshold into the trust until a trust fund balance of fifty percent of the total pension liability is achieved. The amount of funds committed to the PARS trust will pre-fund future pension contributions and act as a direct offset to the District’s net pension liability.

In addition, this Budget Revision aligns the final actual total fund carry over from FY 18-19 of $3,836,942 and includes a number of technical changes to align the District budget’s spend codes with recent changes in the County’s Workday accounting system, as shown in Resolution #19-20 Exhibit A, FY 2019-20 Budget Summary Comparison Chart. The changes include moving funding from Extra Help to Salaries and Benefits, moving funding from Monitoring to Monitoring Equipment Purchase, as well as an increase to the mitigation fund for additional monies received for the Community Based Supplemental Environmental Projects (CBSEP) program.

Fiscal Impact: The District revenue budget will be increased by One-Hundred Forty-Nine Thousand Two-Hundred Ninety-Nine Dollars ($149,299), which includes an increase to fund balance for FY 18-19 ($137,375) and an increase to Mitigation for additional CBSEP funds ($11,924). The
District’s Expense Budget will be increased by $511,924 for the PARS contribution ($500,000) and an increase to IQ Air for the CBSEP program ($11,924).

**Recommendation:** Staff recommends adoption of Resolution #19-20 (Attachment #1), thereby approving Budget Revision #20-01, for approval of fund balance and technical budget revisions for FY 19-20 and authorization of a contribution of Five-Hundred Thousand Dollars ($500,000) with Public Agency Retirement System Post-Employment Benefits Trust for future payments of the Districts net pension liability.

**Attachment:** #1: Resolution #19-20 and Resolution Exhibit A, FY 2019-20 Budget Summary Comparison
ATTACHMENT #1

SUBJECT:

Resolution #19-20 and
Resolution Exhibit A, FY 2019-20 Budget Summary Comparison
Before the Placer County Air Pollution Control District Board of Directors

In the Matter Of: Approval of Budget Revision #20-01, Approving Fund Balance and Technical Budget Revisions for FY 19-20 and Authorization to Fund Public Agency Retirement System, Post-Employment Benefits Trust

The following RESOLUTION was duly passed by the Placer County Air Pollution Control District Board of Directors (District Board) at a regular meeting held on December 12, 2019, by the following vote:

Ayes: Alvord_____ Berlant_____ Burruss_____ Duncan_____ Holmes_____ Janda_____ Silhi_____ Uhler_____ Weygandt_____
Alternates: ___________________ ___________ ___________ ___________
Noes: Alvord_____ Berlant_____ Burruss_____ Duncan_____ Holmes_____ Janda_____ Silhi_____ Uhler_____ Weygandt_____
Alternates: ___________________ ___________ ___________ ___________
Abstain: Alvord_____ Berlant_____ Burruss_____ Duncan_____ Holmes_____ Janda_____ Silhi_____ Uhler_____ Weygandt_____
Alternates: ___________________ ___________ ___________ ___________

Signed and approved by me after its passage:

__________________________________ Chairperson

__________________________________ Attest: Clerk of said Board

WHEREAS, on August 8, 2019, the District Board approved the FY 19-20 Budget and adopted Resolution #19-17 authorizing the District to participate in Public Agency Post-Employment Benefits Trust administered by Public Agency Retirement Services (PARS); and
WHEREAS, the District Board appointed the Air Pollution Control Officer (APCO) as the District’s Plan Administrator for the PARS Trust; and authorized the APCO to execute a service agreement to establish an Internal Revenue Code (IRC) Section 115 Irrevocable Trust to pre-fund pension obligations and implement the program; and

WHEREAS, the amount of funds committed to the PARS trust will pre-fund future pension contributions and act as a direct offset to the District’s net pension liability; and

WHEREAS, District Staff recommend a funding policy that would maintain fifteen percent operations fund balance and make contributions over and above that threshold into the trust until a trust fund balance of fifty percent of the total pension liability is achieved; and

WHEREAS, the District FY 19-20 Budget requires a Budget Revision to provide the actual total fund carry over from FY 18-19; adjust revenue for Community Based Supplemental Environmental Projects (CBSEP) program funds; adjust expenses to reflect the PARS contribution and CBSEP expense for IQ Air; and make technical revisions to Workday accounting system spend codes.

NOW THEREFORE BE IT RESOLVED, that the District Board hereby authorizes a contribution of $500,000 to the PARS trust account for FY 19-20; and

BE IT FURTHER RESOLVED, that the District Board hereby approves Budget Revision #20-01, authorizing an increase in the FY 18-19 fund balance carryover ($137,375), an increase to Mitigation revenue for additional CBSEP funds ($11,924), increases to the expense budget for the PARS contribution ($500,000) and for IQ Air for the CBSEP program ($11,924), and to make technical changes to align the District budget’s spend codes with recent changes in the County’s Workday accounting system, in accordance with Resolution Exhibit A, FY 2019-20 Budget Summary Comparison Chart.
# Resolution #19-20

## Exhibit A

### PLACER COUNTY AIR POLLUTION CONTROL DISTRICT

**FY 2019-20 BUDGET SUMMARY COMPARISON**

<table>
<thead>
<tr>
<th>REVENUE:</th>
<th>APPROVED CONSOLIDATED BUDGET FY 2019-20</th>
<th>REVISED CONSOLIDATED BUDGET FY 2019-20</th>
<th>Difference</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permit Fees</td>
<td>961,243</td>
<td>961,243</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fines/Settlement Funds</td>
<td>30,000</td>
<td>30,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>50,000</td>
<td>50,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Subvention</td>
<td>109,000</td>
<td>109,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statewide PERP</td>
<td>45,390</td>
<td>45,390</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Vehicle Surcharge Fee (AB2766 &amp; AB923)</td>
<td>2,145,000</td>
<td>2,145,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Government Assistance</td>
<td>78,169</td>
<td>78,169</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Burn / Land / Other</td>
<td>23,171</td>
<td>23,171</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mitigation Fees</td>
<td>-</td>
<td>-</td>
<td>11,924.00</td>
<td>CBSEP Mitigation</td>
</tr>
<tr>
<td>Per Capita Assessment</td>
<td>198,345</td>
<td>198,345</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,000</td>
<td>1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Income/Depreciation</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>District Facility Rental Income</td>
<td>35,890</td>
<td>35,890</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Generated</td>
<td>1,818,268</td>
<td>1,818,268</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue:</strong></td>
<td>5,495,497</td>
<td>6,607,421</td>
<td>1,111,924.00</td>
<td>Actual Carry Over</td>
</tr>
<tr>
<td><strong>TOTAL FUND CARRY-OVER PREVIOUS FY</strong></td>
<td>3,698,867</td>
<td>3,836,943.00</td>
<td>137,375.00</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL FUNDS AVAILABLE</strong></td>
<td>9,195,064</td>
<td>9,344,363.00</td>
<td>149,299.00</td>
<td></td>
</tr>
</tbody>
</table>

### EXPENSE:

<table>
<thead>
<tr>
<th>EXPENSE:</th>
<th>APPROVED</th>
<th>REVISED</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary &amp; Benefits</td>
<td>2,939,684</td>
<td>3,439,684.00</td>
<td>500,000.00</td>
</tr>
<tr>
<td>Supplies &amp; Services</td>
<td>789,414</td>
<td>789,414.00</td>
<td></td>
</tr>
<tr>
<td>Clean Air Grants and Woodstove Incentive and TAP</td>
<td>2,911,066</td>
<td>2,932,990.00</td>
<td>11,924.00</td>
</tr>
<tr>
<td>Building Purchase Payback</td>
<td>150,000</td>
<td>150,000</td>
<td></td>
</tr>
<tr>
<td>Contingency Reserve</td>
<td>500,000</td>
<td>500,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expense:</strong></td>
<td>7,290,164</td>
<td>7,802,088.00</td>
<td>(511,924.00)</td>
</tr>
<tr>
<td>Ending Fund Balance:</td>
<td>1,904,900</td>
<td>1,542,275.00</td>
<td>362,625.00</td>
</tr>
<tr>
<td><strong>TOTAL FUND BALANCE</strong></td>
<td>1,904,900</td>
<td>1,542,275.00</td>
<td>362,625.00</td>
</tr>
<tr>
<td>Encumbered Funds (Funds already committed) Prior FY's</td>
<td>1,646,986</td>
<td>1,546,686.00</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL FUND BALANCE</strong></td>
<td>3,571,968</td>
<td>3,208,961.00</td>
<td>362,625.00</td>
</tr>
</tbody>
</table>

## EXPENSE:

<table>
<thead>
<tr>
<th>Spend Code</th>
<th>APPROVED</th>
<th>REVISED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extra Help</td>
<td>5C1030</td>
<td>40,000.00</td>
</tr>
<tr>
<td>Salaries</td>
<td>5C1010</td>
<td>1,630,724.00</td>
</tr>
<tr>
<td>PARS Contribution</td>
<td>5C1620</td>
<td>500,000.00</td>
</tr>
<tr>
<td>Equipment Air Monitoring</td>
<td>5C2720</td>
<td>40,000.00</td>
</tr>
<tr>
<td>Air Monitoring Equipment (Capital Asset)</td>
<td>5C5270</td>
<td>-</td>
</tr>
<tr>
<td>Mitigation Funded Grants</td>
<td>5C2577</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,710,724.00</td>
<td>2,222,648.00</td>
</tr>
<tr>
<td><strong>Difference</strong></td>
<td>511,924.00</td>
<td></td>
</tr>
</tbody>
</table>


Agenda Date: December 12, 2019

Prepared By: Adam Baughman, Deputy Air Pollution Control Officer

Topic: Authorization to Accept Funds under the FY 18-19 FARMER Grant Agreement with the California Air Resources Board to Develop a FARMER Reporting Tool; and to Accept FY 19-20 FARMER Funding

Action Requested:

1. Adopt Resolution #19-21 (Attachment #1) thereby:
   i. Authorizing the District to accept additional funds under the FY 18-19 (Year 2) Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program grant agreement with California Air Resources Board (CARB) for development of the FARMER Program Reporting Tool; and
   ii. Authorizing the Air Pollution Control Officer to negotiate, sign, and amend as needed, agreements and contracts related to development of a FARMER Reporting Tool.

2. Adopt Resolution #19-22 (Attachment #2) thereby:
   i. Authorizing the District to accept Shared Allocation Pool funds and execute the CARB grant agreement for administration of the FY 19-20 FARMER Program (Year 3), including potential funding for ongoing development and maintenance of the FARMER Reporting Tool; and
   ii. Authorizing the Air Pollution Control Officer to negotiate, sign, and amend as needed, agreements and contracts related to administration and implementation of the FY 19-20 FARMER Program.

Background: In September 2017, the state legislature appropriated $135 million to CARB to reduce emissions from the agricultural sector. This funding is intended to support the replacement of agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations. CARB staff worked with local air districts and stakeholders to develop the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program Guidelines, which set the minimum requirements for the program and ensure that the projects funded will provide the intended emission reductions. The administration of the FARMER Program is handled through the local air districts, and local air districts select which projects are funded. The legislature appropriated $132 million in 2018 and $65 million in 2019 for FARMER projects statewide.

Most of the FARMER funding goes directly to the 17 air districts with the greatest population of agricultural equipment, especially those located in the San Joaquin and Sacramento Valleys. CARB recognized all air districts were intended to benefit from the funding and set aside $5.5 million in the first year for the remaining 18 air districts not receiving direct funding, including Placer County, known as the Shared Allocation Pool (SAP).
In May 2018, CARB asked the District to administer the SAP as it would be too difficult administratively to enter into direct grant agreements for a limited number of projects with multiple local air districts. Your Board approved this request to administer the first round in August 2018. Likewise, your Board authorized the District to administer the second year (FY 18-19) in April 2019. The District now requests Board approval to administer the third year (FY 19-20) of FARMER funding.

Additionally, CARB is requesting the District develop a FARMER Reporting Tool using cloud-based software for SAP districts, and eventually all districts, to report projects electronically to CARB. CARB’s existing multi-tabbed spreadsheet reporting tool has become cumbersome and difficult to reconcile amongst the many participating districts. CARB agrees to provide up to $500,000 for development of this tool. After preliminary research into possible software platforms, the District intends to use grants management software from Salesforce, a pre-authorized government vendor which has successfully implemented software for other state incentive programs, such as the Clean Vehicle Rebate Program (CVRP) and the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Program (HVIP).

**Discussion:** For the FY 17-18 FARMER Program, there were two rounds of funding. In the first round, 28 projects were awarded to 13 air districts, with funds totaling $2.7 million. One project was funded in Placer County, for $147,825 (a project award of $135,000 and $12,825 designated as implementation funds). El Dorado County Air Quality Management District (EDCAQMD) implemented the Placer County project on behalf of the District, including but not limited to any necessary paperwork, equipment inspections, and reporting requirements as required by CARB. District staff only provided basic assistance for the program as their role as SAP Administrator requires. In the second round, there were 33 projects in 12 air districts, with total funding of $2 million.

As SAP Administrator, District staff work directly with the SAP districts to solicit projects, review project eligibility, recommend projects for funding, transfer funding to participating air districts for awarded projects, and coordinate required reporting associated with the FARMER Program. Since the District will assume full administrative duties for the SAP for FY 18-19 and FY 19-20 funds, the District will not allocate FARMER funding for Placer County projects. This is to avoid any conflict of interest concerns of being the sole administrator of SAP funding. District staff believes there is ample opportunity for any potential Placer County agricultural projects to be funded through the District’s Carl Moyer Program. As a result, there will be no loss in emissions reductions or funding opportunities for Placer County farmers or fleets.

**Reporting Tool:** If approved by your Board, the FARMER contract to administer the second year of funds (FY 18-19) would include additional funding for development of a FARMER Reporting Tool. The District intends to revise its existing contract with Clark Moots for technical support. Staff will negotiate a contract with Salesforce and an appropriate third party implementer to provide the software and develop the needed reporting tool. The District has solicited and will continue to solicit input from the other air districts via the California Air Pollution Control Officers Association (CAPCOA). CARB requests a draft version of the proposed reporting tool be ready within six months, which is well within the estimated implementation schedule of the vendors. The Reporting Tool would initially be rolled out to the SAP districts. Once all the bugs are worked out and CARB approves, the tool would be
expanded to all California air districts for reporting their FARMER expenditures to CARB. There may be additional funding provided by CARB to the District for Reporting Tool development and/or maintenance in future FARMER program agreements.

**Fiscal Impact:** The FARMER Program FY 19-20 SAP funds include sufficient administrative funding. The District receives 3% of the total funding ($79,557.90) to cover expenses and expected staff work. These administrative funds will be included in the District’s FY 19-20 Budget via a budget revision. The District does not expect any fiscal impact associated with the development of the FARMER Reporting Tool. Sufficient administrative funding would be provided by CARB. Due diligence work by staff to date has been funded through existing FARMER administrative funds.

**Recommendation:** Staff recommends your Board authorize the District to 1) approve the addition of funding to the FY 18-19 FARMER agreement for development of a FARMER Reporting Tool; and 2) accept the FY 19-20 FARMER SAP funds to continue to administer the program on behalf of the SAP districts, and to fund the ongoing development and maintenance of the FARMER Reporting Tool.

**Attachments:**

- #1: Resolution #19-21, Authorization to accept additional funds under the FY 18-19 FARMER agreement to develop a FARMER Reporting Tool
- #2: Resolution #19-22, Authorization of FY 19-20 FARMER Program and ongoing development and maintenance of the FARMER Reporting Tool
- #3: Draft FY 18-19 FARMER Agreement
- #4: FY 19-20 FARMER Program Solicitation
ATTACHMENT # 1

SUBJECT:

Resolution #19-21
Authorization to accept additional funds under the FY 18-19 FARMER agreement to develop a FARMER Reporting Tool
Before the Placer County
Air Pollution Control District Board of Directors

In the Matter Of: Authorization to Accept Additional Funds under the FY 18-19 FARMER Grant Agreement with the California Air Resources Board to Develop a FARMER Reporting Tool

The following RESOLUTION was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on December 12, 2019, by the following vote:

Ayes: Alvord _____ Berlant _____ Burruss _____ Duncan_____ Holmes _____
Janda _____ Silhi _____ Uhler _____ Weygandt _____
Alternates: __________________  ___  __________________  ___

Noes: Alvord _____ Berlant _____ Burruss _____ Duncan_____ Holmes _____
Janda _____ Silhi _____ Uhler _____ Weygandt _____
Alternates: __________________  ___  __________________  ___

Abstain: Alvord _____ Berlant _____ Burruss _____ Duncan_____ Holmes _____
Janda _____ Silhi _____ Uhler _____ Weygandt _____
Alternates: __________________  ___  __________________  ___

Signed and approved by me after its passage:

__________________________________  Chairperson

__________________________________  Attest: Clerk of said Board

WHEREAS, in 2018, the California legislature appropriated $132 million in FY 18-19 funds to the California Air Resources Board (CARB) to reduce emissions from the agricultural sector, to support the replacement of agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations; and
WHEREAS, CARB developed the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program to meet the Legislature’s objectives and help meet the State’s criteria, toxic and greenhouse gas emission reduction goals; and

WHEREAS, on April 11, 2019, the Placer County Air Pollution Control District Board of Directors (District Board) approved an Agreement with CARB for the District to administer the second year (FY 18-19) of FARMER Shared Allocation Pool (SAP) program funding for the 18 California SAP air districts which did not receive FARMER Program funding directly from CARB, after successfully administering the first round of funding; and

WHEREAS, current air district reporting of FARMER funding expenditures to CARB using spreadsheets has been cumbersome, difficult to quality control, and is in need of a more efficient method; and

WHEREAS, CARB approached the District to develop and implement a FARMER Reporting Tool, with a budget of up to $500,000, to streamline and more efficiently account for FARMER expenditures in the SAP program; and

WHEREAS, the District intends to use grants management software from Salesforce, a pre-authorized government vendor, which has successfully implemented software for other state incentive programs.

NOW, THEREFORE, BE IT RESOLVED, that the District Board hereby authorizes the District to accept funds under the FY 18-19 FARMER Program grant agreement with California Air Resources Board for development of the FARMER Program Reporting Tool; and

BE IT FURTHER RESOLVED, that the District Board hereby authorizes the Air Pollution Control Officer to negotiate, sign, and amend as needed, agreements and contracts related to development of a FARMER Reporting Tool.
ATTACHMENT # 2

SUBJECT:

Resolution #19-22
Authorization of FY 19-20 FARMER Program and ongoing development and maintenance of the FARMER Reporting Tool
Before the Placer County Air Pollution Control District Board of Directors

**In the Matter Of:** Authorization to Accept and Implement Fiscal Year (FY) 19-20 Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Funds for the Shared Allocation Pool

The following **RESOLUTION** was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on **December 12, 2019**, by the following vote:

**Ayes:**
- Alvord
- Berlant
- Burruss
- Duncan
- Holmes
- Janda
- Silhi
- Uhler
- Weygandt

**Alternates:**
- __________________

**Noes:**
- Alvord
- Berlant
- Burruss
- Duncan
- Holmes
- Janda
- Silhi
- Uhler
- Weygandt

**Alternates:**
- __________________

**Abstain:**
- Alvord
- Berlant
- Burruss
- Duncan
- Holmes
- Janda
- Silhi
- Uhler
- Weygandt

**Alternates:**
- __________________

Signed and approved by me after its passage:

__________________________________ Chairperson

__________________________________ Attest: Clerk of said Board

**WHEREAS,** in 2019, the California legislature appropriated $65 million in FY 19-20 funds to the California Air Resources Board (CARB) to reduce emissions from the agricultural sector, to support the replacement of agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations; and
WHEREAS, CARB developed the FARMER Program to meet the Legislature’s objectives and help meet the State’s criteria, toxic and greenhouse gas emission reduction goals; and

WHEREAS, the Placer County Air Pollution Control District (District), after successfully administering the FARMER Shared Allocation Pool (SAP) funds set aside by CARB to go to the 18 California air districts which did not receive FARMER Program funding directly from CARB, and seeing the obvious demand for FARMER funds within the SAP, has been requested to continue administering the program for the FY 19-20 SAP funds; and

WHEREAS, the District will work directly with the SAP districts to solicit projects, review project eligibility, recommend projects for funding, transfer funding to participating air districts for awarded projects, and coordinate required reporting associated with the FARMER Program; and

WHEREAS, the District will forego any project recommendations from Placer County for the FY 19-20 FARMER Program, as there will be ample opportunity for any potential Placer County agricultural projects to be funded through other District incentive programs, and

WHEREAS, there may be additional funding provided by CARB to the District for FARMER Reporting Tool development and/or maintenance in future FARMER program agreements.

NOW, THEREFORE, BE IT RESOLVED, that the Placer County Air Pollution Control District Board of Directors (District Board) hereby authorizes the District to accept Shared Allocation Pool funds and execute the CARB grant agreement for administration of the FY 19-20 FARMER Program, including potential funding for ongoing development and maintenance of the FARMER Reporting Tool; and

BE IT FURTHER RESOLVED, that the District Board does hereby authorizes the Air Pollution Control Officer to negotiate, sign, and amend as needed, agreements and contracts related to administration and implementation of the FY 19-20 FARMER Program.
ATTACHMENT # 3

SUBJECT:

Draft FY 18-19 FARMER Agreement
EXHIBIT A

GRANT PROVISIONS

I. The parties agree to comply with the requirements and conditions contained herein, as well as all commitments identified in the current Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program Guidelines (Guidelines), any future approved Guidelines, and current and future Program Advisories and Mail-outs, including all provisions, roles, and responsibilities identified.

II. Grant Summary and Amendments (if Applicable)

Program Name: FARMER Program

Total Funding: $5,881,440.00

California Tire Recycling Management Fund Amount: $5,881,440.00

III. Grant Parties and Contact Information

A. This grant is from the California Air Resources Board (hereinafter referred to as CARB or the Board) to the Placer County Air Pollution Control District (hereinafter referred to as Grantee).

B. The CARB Project Liaison is Evan Powers. Correspondence regarding this project shall be directed to:

   Evan Powers
   California Air Resources Board
   Mobile Source Control Division
   1001 I Street
   Sacramento, California 95814
   Phone: (916) 323-8967
   Email: evan.powers@arb.ca.gov

---

1 Senate Bill (SB) 856 (Committee on Budget and Fiscal Review, Chapter 30, Statutes of 2018)
C. The Grantee Liaison is Adam Baughman. Correspondence regarding this project shall be directed to:

Adam Baughman  
Placer County Air Pollution Control District  
110 Maple Street  
Auburn, California 95603  
(530) 745-2322  
abaughman@placer.ca.gov

IV. Time Period

A. Performance of work or other expenses billable to CARB under this grant may commence after full execution of this grant by both parties. Performance on this grant ends once the Grantee has submitted the final report or if the grant is terminated, whichever is earlier.

B. The FY 2018-19 FARMER Program funds specified in this grant agreement must be disbursed by CARB no later than May 30, 2022 and funds must be liquidated by the Grantee no later than June 30, 2022. Final disbursement requests must be received by CARB no later than March 30, 2022 to ensure adequate time for processing prior to the end of the fiscal year.

C. Funds not liquidated by June 30, 2022 must be returned by August 15, 2022. Expenditure of project funds granted may not be reduced due to any loss incurred in an insured bank or investment account.

D. CARB Executive Officer retains the authority to reduce the dollar amount of this grant as stipulated in Section VI.H, Procedure for Interdistrict Redirection of Grant Funds, or reduce the dollar amount of future grants, if the Grantee is unable to adhere to the schedule in Section V.B.6.a, Project Schedule.

E. CARB Executive Officer retains the authority to terminate this grant for non-performance. In the event of such termination or reduction of the grant amount, Section VII, Termination and Suspension of Payments, of these provisions shall apply.

V. Duties and Requirements

This section defines the respective duties and requirements of CARB and the Grantee in implementing the FARMER Program.
A. California Air Resources Board

CARB is responsible for the following:

1. Updating and maintaining the FARMER Program Guidelines, as needed.

2. Participating in regular meetings with the Grantee to discuss project refinements and guide project implementation.

3. Reviewing project elements provided by the Grantee, such as the semi-annual and annual reports.

4. Review and approve Grant Disbursement Request Forms and distribute project implementation funds to the Grantee that will later be distributed to participating Districts pursuant to Project Implementation described below.

5. Providing project oversight and accountability

6. CARB shall work with the Grantee and/or subcontractor to assist in the development of the grant management system described in Section V.B.2.f and will provide appropriate access to CARB applications, systems, source code, documentation and related information as needed to complete the grant management system.

B. The Grantee

The Grantee is responsible for implementation of the FARMER Program as described in the Board-approved FARMER and Carl Moyer Program Guidelines, any future approved FARMER and Carl Moyer Program Guidelines, and current and future Program Advisories and Mail-outs. The purpose of the FARMER Program is to reduce criteria pollutants, toxic air contaminants, and greenhouse gas emissions from the agricultural sector by providing incentives to fund vehicle and equipment projects that are used in agricultural operations.

The Grantee is designated as the administrator of the Shared Allocation Pool. The Shared Allocation Pool is specifically designated for the 18 air districts with less than one percent of the statewide emissions from agricultural equipment to ensure farmers in those districts have the opportunity to have access to FARMER funding and streamline the implementation of the FARMER Program.

The Grantee may delegate responsibilities and must document this delegation in

---

2 The air districts eligible for FARMER Program funding in the Shared Allocation Pool are: Amador APCD, Antelope Valley AQMD, Calavaras County APCD, El Dorado AQMD, Great Basin Unified APCD, Lake County AQMD, Lassen County APCD, Mariposa County APCD, Mendocino County AQMD, Modoc County APCD, Mojave Desert AQMD, North Coast Unified AQMD, Northern Sierra AQMD, Northern Sonoma County APCD, Placer County APCD, Shasta County AQMD, Siskiyou County AQMD, and Tuolumne County APCD.
their FARMER Program Policies and Procedures Manual as specified in Section V.B.1.d, and through any associated binding agreements (e.g. grants or subcontracts). At minimum, the Grantee’s duties and requirements include: program development (e.g., developing application materials and conducting outreach); implementation of eligible projects (e.g., review project applications; select eligible projects; and distribute payments to program participants); program oversight; establishing and maintaining project records; reporting to CARB; ensuring projects are adequately monitored; meeting with CARB, as needed; and other duties, as required.

The Grantee is responsible for ensuring the on-the-ground project implementation and distributing payments for eligible project transactions, including, but not limited to, the following tasks:

1. Program Development

   a. Develop and use language-specific materials, which may be reviewed by CARB. Language-specific materials may include, but are not limited to, the following:
      i. Project application;
      ii. Outreach and education materials;
      iii. Website;
      iv. Eligibility requirements;
      v. Terms and conditions;
      vi. Frequently asked questions; and
      vii. Contact information.

   b. Conduct public outreach, in consultation with CARB, the California Air Pollution Control Officers Association, and individual Districts, to vehicle dealers, fleets, and agricultural end users necessary for the project to be successful, including robust outreach in disadvantaged communities. Outreach could include the development and distribution of outreach materials, hosting public workshops or meetings, and targeted outreach and assistance for small growers.

   c. Advertise program availability, application materials, and pertinent deadlines (e.g. application deadlines, timeline for project evaluation, liquidation deadlines, and others) on the Grantee’s or their Subcontractor’s website.

   d. Develop a FARMER Program Policies and Procedures Manual that describes the administration of the Shared Allocation Pool of the FARMER Program, including roles and responsibilities of the Grantee, any subcontractors, participating air districts, and project participants and local

---

3 [http://www.calepa.ca.gov/EnvJustice/GHGInvest/](http://www.calepa.ca.gov/EnvJustice/GHGInvest/)
application of FARMER Program policies. This document must also provide a detailed description of the process by which the Shared Allocation Pool will be administered.

The Grantee must submit the FARMER Program Policies and Procedures Manual to CARB for review and it must be approved by CARB prior to funding any awarded grant projects. The Grantee will review the manual at least once a year and make it available when requested by CARB staff or a member of the public. At a minimum, the FARMER Program Policies and Procedures Manual will include the following elements:

i. Roles and responsibilities of the Grantee, any subcontractors, and participating air districts involved in the Shared Allocation Pool for program implementation, including staff or positions responsible for: responding to CARB funding solicitations; evaluation, selection, and inspection of projects; and obtaining governing board approval for program participation and projects to be funded;

ii. Identification of the project categories supported by the Shared Allocation Pool, and the schedule for solicitation and review of applications to be submitted under these project categories;

iii. Procedures for project selection, including cost-effectiveness or other criteria applied to rank projects, or whether projects are selected in order of application receipt (first-come, first-served); and any procedures that vary by project category;

iv. Procedures for notifying successful applicants of their grant awards, and for notifying applicants who have not been awarded grants;

v. Where applicable, project selection procedures that ensure priority for funding projects that are within and benefitting disadvantaged communities and low-income households or communities, consistent with AB 1550 (Gomez, Chapter 369, Statutes of 2016);

vi. The method for calculating interest earned on FARMER Program funds held by the Grantee, subcontractors, and participating air districts;

vii. Procedures for the Grantee to submit program invoices and receive payment, including itemization required to limit reimbursement to eligible costs, conditions for progress or partial payment, and practices for withheld payments pending participant reporting;

viii. Methods the Grantee will use to verify the destruction of engines and equipment when required, consistent with FARMER Program
Guidelines and current Carl Moyer Program Guidelines by source category;

ix. Methods participating air districts will use to store and retrieve digital photographs documenting project inspections along with associated project-specific information;

x. Procedures, schedules, and required content for participant reports;

xi. The types of acceptable documentation for establishing historical annual usage and procedures for considering and granting usage waiver requests, including supporting information to be provided by the participant;

xii. Procedures for working with nonperforming participants to gain full compliance with contracts and program requirements;

xiii. Any Grantee or air district program requirements that are more stringent than those specified in FARMER Program Guidelines and Mail-Outs;

xiv. Any CARB approvals of Grantee and participating air district program elements that vary from those required by FARMER Program Guidelines and Mail-Outs, e.g., methods of ensuring engine or equipment destruction that vary from those specified in the Guidelines.

2. Project Implementation

a. Ensure participating vehicle and equipment dealers, purchasers, and lessees meet all applicable FARMER Program requirements. Vehicles and equipment funded by the FARMER Program must meet all minimum eligibility requirements applicable to the project category, as described in the FARMER Program Guidelines. The Grantee must ensure all parties involved in a FARMER transaction are compliant with applicable criteria and procedures in current FARMER Guidelines, any future approved FARMER Guidelines, which include applicable Carl Moyer Program Guidelines, current and future Program Advisories and Mail-outs that could be updated from time to time, and this grant agreement.

b. Use the criteria in the FARMER and Carl Moyer Program Guidelines to review and approve or disapprove project requests and document this process in each project file.

c. Properly notify applicants of selection results as specified in the FARMER and Carl Moyer Program Guidelines.
d. Provide incentive amounts consistent with the FARMER Guidelines.

e. Ensure that projects subject to destruction or “scrap” requirements, vehicle and/or engine destruction and verification and any revenues generated from the destruction are conducted using the appropriate procedures identified in the Carl Moyer Program Guidelines.4

f. Develop and maintain a website and grant management system that may be hosted by CARB, the Grantee, or a CARB approved third party. The grant management system will be comprised of two functions. The functions in order of priority from most-to-least critical are: (1) enable the Grantee to collect project data and report the data to CARB, as specified in Section V.B.5., through a web-based interface, and (2) feature a public website that includes FARMER program information such as, but not limited to, funded projects by air district. Although it is fully intended that the Grant Management System and its corresponding functional components will be made available to any air district interested in using it, the Grant Management System will undergo a pilot period, for testing purposes in which the program will be rolled out to the air districts in the Share Allocation Pool which the Grantee oversees. This strategy enables CARB and the Grantee to perform quality assurance/quality control and to make refined adjustments to the Grant Management System prior to rolling it out to districts outside of the Shared Allocation Pool. The website, and all content posted thereto must be ADA compliant in accordance to the Web Content Accessibility Guidelines 2.0, or a subsequent version, published by the Web Accessibility Initiative of the World Wide Web Consortium at a minimum Level AA success criteria. -Webpages and the Grant Management System must meet the following minimum requirements:

i. Must include a main project-specific homepage with background information, links to CARB’s FARMER Program website and other CARB-approved sites;

ii. Shall collect application data by using a standardized schema that adheres to the FARMER Guidelines, the Carl Moyer Program Guidelines, and current and future Program Advisories and Mailouts, as needed and determined by CARB and the Grantee;

iii. Incorporates basic data validation features and functionality to reduce invalid/incorrect user inputs;

iv. Include capability for air districts and other designated users to enter in funding applicant parameters (e.g., equipment/vehicle

4 https://www.arb.ca.gov/msprog/moyer/guidelines/current.htm
cost, equipment/vehicle technical specifications, funding amounts);

v. Include capability to calculate and return outputs relevant to program implementation (e.g., incentive amounts, cost-effectiveness based on applicant parameter inputs, emissions reductions);

vi. Includes applicable documents and forms related to the project;

vii. Adheres to all confidentiality and data security provisions listed in Section V.B.7, Grant Management System: Confidentiality and Data Security, and the intellectual property and transition provisions listed in Section V.B.8, Grant Management System: Intellectual Property and Transition;

viii. Include a systematic process and schedule to regularly back-up website and grant management system without impacting users;

ix. Develop and enforce security measures to safeguard website and grant management system;

x. Website and grant management system shall be updated regularly and as needed per changes to applicable program guidelines (e.g., FARMER, Carl Moyer), software security updates and changes, errors and bugs found during testing and during regular use; and

xi. Must go live after review and approval from CARB.

3. Program Oversight

a. Track projects for vehicles and equipment in and benefitting AB 1550 populations in a manner directed by CARB.

b. Develop and maintain accounting procedures to track reservation and expenditures by grant award, fiscal year, project, and funding source (i.e., the California Tire Recycling Management Fund).

c. Ensure compliance with applicable requirements of:

   i. Current FARMER Program Guidelines and any future approved Guidelines, and current and future Program Advisories and Mail-Outs;
ii. Current Carl Moyer Program Guidelines and any future approved
   Carl Moyer Program Guidelines, and current and future Program
   Advisories and Mail-Outs as described above 2(a); and

iii. Current GGRF Funding Guidelines and any future approved
    GGRF Funding Guidelines.

4. Establish and Maintain Project Records

As further described below, project records include, but are not limited to,
Grantee and financial records. All project records must be retained until
1 year after completion of the final project contract or December 31, 2030,
whichever comes later. The Grantee must store all records in a safe and
secure storage facility that maintains confidentiality (see Section IX, General
Provisions, for more information). All project records are subject to audit
pursuant to Section IX, General Provisions, of this grant agreement.

a. Grantee Record: The Grantee must retain a file for the FARMER Program
   containing:

   i. Original executed copy of the grant agreement and grant
      agreement amendments (if applicable);

   ii. Copies of Grant Disbursement Request Forms;

   iii. Documentation of earned interest generation and expenditure;

   iv. All semi-annual reports;

   v. All project applications received, including approved applications
      and applications for projects that did not receive funding;

   vi. Invoices from project participants for reimbursable items;

   vii. Annual project reports from funding recipients that includes, but is
        not limited to, annual usage data, when applicable; and

   viii. All other information that documents all aspects of the project.

b. Financial Record: Without limitation of the requirement to maintain project
   accounts in accordance with generally accepted accounting principles, the
   Grantee must:

   i. Establish an official file for the FARMER Program, which shall
      adequately document all significant actions relative to the project;
ii. Establish separate accounts, which will adequately and accurately depict all amounts received and expended on FARMER projects;

iii. Establish separate accounts, which will adequately and accurately depict all income received which is attributable to the FARMER Program, including interest accrued on funds held by the Grantee, subcontractors, and participating air districts; and

iv. Establish an accounting system, which will adequately depict final total costs of the FARMER Program, including both direct and indirect costs.

5. Reporting

a. Reporting Schedule

The Grantee must submit reports to CARB in accordance with the following schedule. With the exception of Report 1, Reports 2 through 5 shall be submitted semi-annually.

i. Report 1: Covers grant execution through March 31, 2020 with the report due May 15, 2020;

ii. Report 2: Covers April 1, 2020 through September 30, 2020 with the report due November 15, 2020;

iii. Report 3: Covers October 1, 2020 through March 31, 2021 with the report due May 15, 2021;

iv. Report 4: Covers April 1, 2021 through September 30, 2021 with the report due November 15, 2021; and


Semi-annual reports must be submitted through April 30, 2022, or until all funding has been liquidated, whichever comes first. These reports may also be used to accompany grant disbursement requests.

b. Reporting Requirements

Reports must be submitted electronically, using the template provided by CARB, and at a minimum, must contain the following information:

i. Report number, title of program, district name, date of submission, and project grant number;
ii. Summary of projects under contract since the last progress report;

iii. Statement of work expected to be completed by the next progress report;

iv. Notification of any problems encountered and an assessment of their effects on the project’s outcome;

v. Project data necessary to calculate emission reduction benefits, track projects that are within and benefitting AB 1550 populations, and satisfy the requirements of the FARMER Program. Project data must be submitted using the reporting template provided by CARB;

vi. Documentation of any project implementation funds expended during the reporting period, as detailed in Section VI.G, Documentation of Project Implementation Funds; and

vii. If the project is behind the schedule shown in Section V.B.6.a, Project Schedule, an explanation of the reasons and a detailed explanation of how the Grantee plans to resume the schedule.

c. Close-Out Reporting

Once all funding has been liquidated, the Grantee must notify CARB when submitting their final semi-annual report. Upon CARB’s approval of the Grantee’s semi-annual report showing that all funding has been liquidated, the Grantee must provide the following:

i. An original, signed certification from the Air Pollution Control Officer (APCO) or its designee stating that the project and fiscal information contained within the close-out report is, to the best of their knowledge, accurate and complete. The APCO must also certify that the district will continue to monitor any contracted projects through the completion of their contracted project life.

ii. A summary of additional funds available to the FARMER Program. The summary must include, but is not limited to, the following sources:

1) Funds recaptured from liquidated projects, including funds provided back to the air district following CARB enforcement actions, identified by project name and funding year.
2) Non-grant revenue earned for the FARMER Program by the air district, such as from the sale of scrapped engines or equipment.

iii. A list of any projects identified as non-performing and a brief narrative of any related enforcement actions.

6. Project Monitoring

a. Project Schedule

To support timely emission reductions and track progress toward statutory fund expenditure requirements, the Grantee and CARB will work together to meet recommended progress milestones as shown below. Upon grant execution, the Grantee must make every effort to meet the schedule shown below.

If the Grantee falls behind and is unable to resume the schedule, CARB reserves the right to reduce the dollar amount of future FARMER Program allocations and/or redirect funds to other districts with demand as described in Section VI.H, Procedure for Interdistrict Redirection of Grant Funds.

<table>
<thead>
<tr>
<th>Date</th>
<th>Milestone</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2020</td>
<td>50 percent of project funds under executed contracts⁵</td>
</tr>
<tr>
<td>December 31, 2020</td>
<td>75 percent of project funds under executed contracts</td>
</tr>
<tr>
<td></td>
<td>25 percent of project funds liquidated⁶</td>
</tr>
<tr>
<td>June 30, 2021</td>
<td>100 percent of project funds under executed contracts</td>
</tr>
<tr>
<td></td>
<td>50 percent of project funds liquidated</td>
</tr>
<tr>
<td>March 30, 2022</td>
<td>100 percent of project funds liquidated</td>
</tr>
</tbody>
</table>

Any funds not liquidated by June 30, 2022 must be returned to CARB by August 15, 2022, as described in Section IV, Time Period.

---

⁵ An “executed contract” is a legally binding contract signed by the local air district, Air Pollution Control Officer, or other air district designated representative, and the funding recipient to fund an eligible engine, equipment, or vehicle project that will reduce emissions.

⁶ Liquidate means to spend all moneys for a specified fiscal year to reimburse funding recipients for valid and eligible project invoices and air district project implementation costs. For a specific project, liquidation refers to all funded equipment as paid in full and operational.
b. Ongoing Coordination and Review Meetings

Ongoing Grantee coordination and review meetings with the CARB Project Liaison to discuss project status may be held as often as needed. Additional meetings may be scheduled at the discretion of the CARB Project Liaison. These meetings may be conducted by phone if deemed appropriate by the CARB Project Liaison. Project coordination and review meetings are the responsibility of the Grantee and should contain:

i. Agenda for the meeting that includes the conference call information and issues to be discussed during the project update meeting;

ii. Project status update;

iii. Discussion of any difficulties encountered since the last project update meeting;

iv. Cover the project timeline and steps needed to maintain the project timeline;

v. Discussion of project milestones and upcoming deliverables;

vi. Notification of any pending disbursement requests; and

vii. Scheduling the next project update meeting.

c. Site Visits

Site visits may be conducted by the CARB Project Liaison during the term of the grant. Site visits may include reviewing ledgers and project files and conducting a program review.

d. Technical Monitoring

i. Any changes in the scope or schedule for the project requires the prior written approval of the CARB Project Liaison and may require an amendment to the grant agreement.

ii. The Grantee must notify the CARB Project Liaison in writing immediately, if any circumstances arise (technical, economic, or otherwise), which might jeopardize the expenditure of the funds.

iii. In addition to semi-annual reports (discussed in Section V.B.5., Reporting), the Grantee must provide information requested by
the Project Liaison that is needed to assess progress during the grant agreement timeline.

7. Grant Management System: Confidentiality and Data Security

The provisions specified in this section apply to the development and implementation of the grant management system specified in Section V.B.2.f. It is expressly understood and agreed that information the Grantee collects on behalf of the State or from a third party in performing its obligations under this grant agreement may be deemed confidential by the State. Therefore, the Grantee must:

a. Treat all information or data gathered pursuant to this grant as confidential and released only to CARB or other entities as upon approval or request by CARB in writing.

b. Certify that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this grant agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

c. Treat information or data, including but not limited to all application records and supporting documentation that personally identifies or describes an individual or individuals is confidential in accordance with California Civil Code sections 1798, et seq. and other relevant State or Federal statutes and regulations. The Grantee shall safeguard all such information or data which comes into their possession under this agreement in perpetuity, and shall not release or publish any such information, data, or application records.

d. Observe complete confidentiality with respect to such information or data collected pursuant to this grant, including without limitation, agreeing not to disclose or otherwise permit access to such information by any person or entity in any manner whatsoever unless such disclosure is required by law or legal process.

e. Acknowledge the confidential nature of such information and ensure by agreement or otherwise that they are prohibited from copying or revealing, for any purpose whatsoever, the contents of such information or any part thereof, or from taking any action otherwise prohibited under this section.

f. Ensure that the Grantee’s employees are informed of the confidential nature of such information and ensure by agreement or otherwise that they are prohibited from copying, revealing, or utilizing for any purpose in fulfillment of this grant, the contents of such information or any part thereof, or from taking any action otherwise prohibited under this section.
g. Limit access to information and data gathered pursuant to this grant only to necessary employees to perform their job duties.

h. Not use such information or any part thereof in the performance of services to others or for the benefit of others in any form whatsoever whether gratuitously or for valuable consideration.

i. Notify State promptly and in writing of the circumstances surrounding any possession, use or knowledge of such information or any part thereof, by any person other than those authorized by this document.

j. Adhere to all CARB confidentiality, disclosure, and privacy policies.

k. Treat all information, deliverables, and work products developed or collected pursuant to this grant as confidential. Information, deliverables, and work products cannot be disclosed in any form to any third party without CARB’s written consent except when required by law or legal process.

l. Not use, without CARB written approval, any CARB materials for any purpose other than performing the agreed upon services.

m. Report any lost or stolen information, data, or equipment developed or collected pursuant to this grant to CARB immediately.

n. Provide CARB all pass phrases/passwords used for private keys to encrypt data used, produced or acquired in the course of performing duties under this grant agreement.

o. Notify CARB immediately of any security incident involving the information system, servers, data, or any other information developed or collected pursuant to this grant. The Grantee agrees that the CARB has the right to participate in the investigation of a security incident involving its data or conduct its own independent investigation, and that the Grantee shall cooperate fully in such investigations.

p. Be responsible for all costs incurred by CARB due to security incident(s) resulting from the grantee’s failure to perform or negligent acts of its personnel, and resulting in an unauthorized disclosure, release, access, review, or destruction; or loss, theft or misuse of information or data developed or gathered pursuant to this grant. If the Grantee experiences a loss or breach of data, the Grantee shall immediately report the loss or breach to CARB. If CARB determines that notice to the individuals whose data has been lost or breached is appropriate, the Grantee will bear any and all costs associated with the notice or any mitigation selected by
CARB. These costs include, but are not limited to, staff time, material costs, postage, media announcements, credit monitoring for impacted individuals, and other identifiable costs associated with the breach or loss of data.

q. Agree that it shall immediately notify and work cooperatively with CARB to respond timely and correctly to Public Records Act requests.

r. Support CARB’s enforcement efforts, including the recapturing of funds, by providing CARB with any FARMER Program participant information, Shared Allocation Pool district information, documents, data, or other material needed to investigate or carry out such efforts.

s. Support CARB in efforts to track key information about the distribution of State funds to support the implementation of the FARMER Program under this grant agreement.

8. Grant Management System: Intellectual Property and Transition

The provisions specified in this section apply to the development and implementation of the grant management system specified in Section V.B.2.f.

a. Any webpage(s), software, databases, project data, or other intellectual property developed or purchased by the Grantee for the purposes of administering or implementing FARMER shall be transferred to a new grantee, should a different grantee be selected to manage FARMER in subsequent funding years. It will be the Grantee’s responsibility to turn over this property and information to CARB and the new grantee and provide all reasonable and necessary assistance needed to ensure a smooth transition.

b. Provide CARB with all webpage(s), databases, software or other intellectual property developed or purchased by the Grantee for the purposes of administering or implementing the FARMER Program, if requested.

c. In the event that any webpage(s), software, databases, project data, or other intellectual property developed or purchased by the Grantee is transferred to CARB and/or a different grantee, the Grantee will develop and execute a project transfer plan to ensure a complete and timely transfer of data and website to the next administrator on a timely basis. The project transfer plan must be approved by CARB.

9. Other Duties

a. Monitor projects, as required in Carl Moyer Program Guidelines, for the life
of the project.

b. Provide data updates or project records to CARB upon request.

c. Respond promptly to legislative requests.

d. Closely communicate with CARB to ensure that the most current project and equipment eligibility list is being used.

e. Respond to public inquiries regarding FARMER, including providing data summaries to the public in response to data requests.

VI. Fiscal Administration

A. Budget

1. The maximum amount of this grant is $5,881,440 with $4,654,946 for project funding and up to $726,494 for project implementation costs, of which up to $53,814 can be used for Placer County fiscal administration. Up to $500,000 is to be used for the development and maintenance of a website and grant management system as specified in Section V.B.2.f. Under no circumstance will CARB reimburse or otherwise distribute funds to the Grantee more than this amount. A written grant agreement amendment is required whenever there is a change to the amount of this grant.

2. Project implementation funding may be reallocated to project funding in the event that the Grantee requests less funding for project implementation than the amount stated in the budget.

3. CARB reserves the right to redirect funds from the Grantee and reallocate to other districts with demand, pursuant to the schedule in Section V.B.6.a, Project Schedule, following the process outlined in Section VI.H, Procedure for Interdistrict Redirection of Grant Funds, or in the event that the Grantee informs CARB in a written letter that it will not be able to meet expenditure deadlines.

4. In the event of non-performance or termination, CARB shall require full recovery of the funds that have not been liquidated by transfer upon the Grantee’s accounts. The Grantee must provide fund transfer information within 45 days upon receipt of notice.

B. Program Funding

Project funds must be used for new, eligible vehicle, equipment, engine, or retrofit purchases; scrap costs for the equipment being replaced; supporting
infrastructure; and any other equipment-related expenses necessary to implement FARMER Program-eligible projects.

Project implementation funds may be used for work completed in the following categories:

1. Labor expenses (including total staff time and labor costs);
2. External subcontractor(s) fees for completed work, if applicable;
3. Printing, mailing, traveling, and other outreach expenses; and
4. Other indirect costs.

C. Disbursement Schedule

FARMER Program funding may be disbursed as follows, if the requirements listed in Section VI.E, Advance Payment, are satisfied:

1. Up to 50 percent for the initial disbursement with proper documentation; and

2. Once 50 percent of the previous disbursement of project funds is obligated, the Grantee may request up to 50 percent or the remaining balance of program funds, whichever is less, with proper documentation.

With each disbursement request, the Grantee must provide documentation as required in Section VI.D., Grant Disbursements. Requests for project funds not yet under executed contracts with participants require a completed Air District Advance Payment Request Form and a list of projects that the Grantee intends to fund with the disbursement. CARB will disburse project funds for the amount documented in the project list and a proportional amount of project implementation funds, up to the maximum amount specified in the above disbursement schedule.

In no event shall the Grantee receive reimbursement for costs that exceed the maximum project implementation funding amount. Any project implementation funds not needed for project implementation may be transferred to project funds upon CARB’s written approval. Any program funds not fully expended by the end of the grant term must be returned to CARB within 45 days of the end of the grant term.

The Grantee must demonstrate the advance has been expended appropriately per the Program Guidelines by supplying documents required in Section VI.D., Grant Disbursements. No further advance shall be disbursed until the Grantee has fully complied with all terms of the Grant. Failure to comply shall require the Grantee to return all amounts of unapproved expenditure to CARB within 60 days of written notification.
D. Grant Disbursements

The Grantee must mail original copies of Grant Disbursement Request Forms with “wet” signatures in blue ink to the CARB Project Liaison. Requests for payment must be made with the Grant Disbursement Request Form and contain all documentation required with the form. After the initial grant disbursement request, the Grantee must include an attachment that documents ongoing expenditures of previously disbursed project and project implementation funds with each subsequent grant disbursement request.

Grant payments are subject to CARB’s approval of the completed Grant Disbursement Request Form and all other required documentation. A payment will not be made if the CARB Project Liaison deems that the required documentation is incomplete or insufficient, claimed expenses are not documented, or the Grantee has not met other terms of the grant agreement.

The Chief of the Mobile Source Control Division or designee of CARB may review the Project Liaison’s approval or disapproval of a Grant Disbursement Request. No payment will be made for expenses that, in the judgment of the Chief of the Mobile Source Control Division, are not reasonable or do not comply with the grant agreement.

CARB shall disburse funds in accordance with the California Prompt Payment Act, Government Code, Section 927, et seq.

E. Advance Payment

Consistent with the Legislature’s direction to expeditiously disburse grants, CARB in its sole discretion may provide advance payments of grant awards in a timely manner to support program initiation and implementation with a focus on mitigating the constraints of modest reserves and potential cash flow problems.

Grantee acknowledges that CARB is in the process of promulgating additional Advance Payment regulations. Grantee agrees that this Agreement may be reopened and modified to comply with those regulations once finalized, as appropriate.

Recognizing that appropriate safeguards are needed to ensure grant monies are used responsibly, CARB has developed the grant conditions described below to establish control procedures for advance payments. CARB may provide advance payments to grantees of a grant program or project if CARB determines all of the following:

1. The advance payments are necessary to meet the purposes of the grant project.
2. The use of the advance funds is adequately regulated by grant or budgetary controls.

3. The request for application or the request for proposals contains the terms and conditions under which an advance payment may be received consistent with this section.

4. The Grantee is either a small air district or the Grantee meets all of the following criteria:
   
a. Has no outstanding financial audit findings related to any of the moneys eligible for advance payment and is in good standing with the Franchise Tax Board and Internal Revenue Service.

b. Agrees to revert all unused moneys to CARB if they are not liquidated within the timeline specified in the grant agreement.

c. Submits a spending plan to CARB for review prior to receiving the advance payment.

d. The spending plan shall include project schedules, timelines, milestones, and the Grantee’s fund balance for all state grant programs.

e. CARB shall consider the available fund balance when determining the amount of the advance payment.

f. Reports to CARB any material changes to the spending plan within 30 days.

g. Agrees to not provide advance payment to any other entity.

5. In the event of the nonperformance of the Grantee, CARB shall require the full recovery of the unspent moneys. A Grantee shall provide a money transfer confirmation within 45 days upon the receipt of a notice from CARB.

6. The Grantee must complete and submit to CARB for review and approval, an Advance Payment Request Form, along with each grant disbursement that is requesting advance payment. The Advance Payment Request Form shall be provided by CARB to the Grantee after the grant execution.

7. CARB may provide an advance of the direct project costs of the grant, if the program has moderate reserves and potential cash flow issues. Advance payments will not exceed the Grantee’s interim cash needs.

8. The Grantee assumes legal and financial risk of the advance payment.
9. Grantee shall place funds advanced under this section in an interest-bearing account. Grantee shall track interest accrued on the advance payment. Interest earned on the advance payment shall only be used for eligible grant-related expenses as outlined in the Grant Provisions, Exhibit A or will be returned to CARB.

10. Grantee shall report to CARB the value of any unused balance of the advance payment and interest earned and submit semi-annual fiscal accounting reports consistent with Section V.B.5, Reporting, of this grant agreement (also see Section VI.F, Earned Interest, of this grant agreement).

11. Grantee shall remit to CARB any unused portion of the advance payment and interest earned within 45 days following the end date of this Grant Agreement term on June 30, 2022.

F. Earned Interest

1. The Grantee must track interest accrued on any funds received. Interest earned on disbursements shall only be used for eligible grant-related expenses or returned to CARB.

2. “Earned interest” means any interest earnings generated from grant funds held by the Grantee in interest-bearing accounts.

   a. Funds are required to be held in an interest bearing account and when interest is earned by the Grantee on the project, the earnings must be reported to CARB. All interest income on FARMER Program funds must be reinvested in and used by FARMER projects or returned to CARB. Interest earned that is reinvested in projects is not included as part of the total grant amount from CARB. The Grantee is responsible for reporting to CARB all project expenditures funded with interest earned on the project funds.

   b. The Grantee must maintain accounting records (e.g., general ledger) that tracks interest earned, expended, or returned on the project funds, as follows:

      i. The calculation of interest must be based on an average daily balance or some other reasonable and demonstrable method.

      ii. Interest earned must ensure that it is separately identifiable from interest earned on non-project funds.

      iii. The methodology for calculating earned interest must be consistent with how it is calculated for the Grantee’s other fiscal programs.
iv. Documentation of interest earned and expenditures made on those funds or returned to CARB must be:

1) Retained for a minimum of three years after it is generated.

2) Provided to CARB in semi-annual reports.

G. Documentation of Project Implementation Funds

1. Project implementation costs are defined in the FARMER Program Guidelines.

2. The Grantee must ensure that documentation of all project implementation funds is maintained, including the following:

   a. Staff time in actual hours or percent of hours devoted to project implementation, as well as staff wage, which shall be described in an official document of the District, such as a duty statement, a warrant, an invoice, or timesheet;

   b. Implementation funds for subcontractor(s) and participating air districts must be documented. This could be reflected within documents such as a contract, invoices, or other documentation as agreed upon by the Grantee and CARB;

   c. Printing, mailing, records retention, and travel expenses must be documented. The Grantee and the participating districts must provide copies of relevant District policies, and records that illustrate expenditure for the Program;

   d. Any reimbursement for necessary travel and per diem must be at rates not to exceed those amounts paid to the State’s represented employees. No travel outside the State of California will be reimbursed unless prior written authorization is obtained from CARB. CalHR’s travel and per diem reimbursement amounts may be found online at [http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx](http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx). Reimbursement must be at the State travel and per diem amounts that are current as of the date costs are incurred by the Grantee; and

   e. If project implementation funds are used for indirect costs, the Grantee must document and describe how these costs are determined.

3. The above documentation, records, and referenced materials must be made available for review during monitoring visits and audits by CARB, or its designee. These records must be retained for the life of the projects funded under this grant by the Grantee.
H. Procedure for Interdistrict Redirection of Grant Funds

In the event that the Grantee falls behind schedule and is unable to resume the schedule shown in Section V.B.6.a, Project Schedule, CARB reserves the right to redirect funds to other districts with demand and/or impact future allocations. To facilitate district-to-district redirection of FARMER Program funds and ensure an appropriate audit trail when grant funds are redirected to another air district, the following conditions apply:

1. Resolutions or minute orders from both districts that show Board approvals of the redirection must be provided to CARB.

2. A Memorandum of Understanding (MOU) between the two districts addressing the items listed below must be provided to CARB. This can take the form of a letter signed by both district APCOs that:
   a. Spells out the details and conditions of the redirection of funds.
   b. Confirms that the transferring district remains formally liable to CARB for the transferred funds. However, the receiving district must indemnify and hold harmless both the transferring district and CARB.
   c. Identifies the funding year and the associated expenditure deadline of the redirected funds.
   d. Specifies how and when the payment will be made from the Grantee district to the Sub-Grantee district that is receiving funds; CARB will only disburse to the Grantee district.

VII. Termination and Suspension of Payments

A. CARB reserves the right to terminate this grant upon thirty days’ written notice to the Grantee. In case of early termination, the Grantee will submit a Grant Disbursement Request Form and a semi-annual report covering activities up to, and including, the termination date, and following the requirements specified herein and in Section IX, General Provisions, of these provisions and immediately return remaining funds, including any earned interest.

B. CARB reserves the right to issue a grant suspension order in the event that a dispute should arise. The grant suspension order will be in effect until the dispute has been resolved or the grant has been terminated. If the Grantee chooses to continue work on the project after receiving a grant suspension order, the Grantee will not be reimbursed for any expenditure incurred during the suspension in the event CARB terminates the grant. If CARB rescinds the suspension order and does not terminate the grant, CARB at its sole discretion
will reimburse the Grantee for any expenses incurred during the suspension that CARB deems reimbursable in accordance with the terms of the grant.

VIII. Oversight and Accountability

A. The Grantee will comply with all oversight responsibilities identified in the Farmer Program Guidelines, any current and future Program Advisories and Mail-Outs, and this grant agreement.

B. CARB or its designee reserves the right to audit at any time during the duration of this grant the Grantee’s costs of performing the grant and to refuse payment of any reimbursable costs or expenses that in the opinion of CARB or its designee are unsubstantiated or unverified. The Grantee shall cooperate with CARB or its designee including, but not limited to, promptly providing all information and documents requested, such as all financial records, documents, and other information pertaining to reimbursable costs, and any matching costs and expenses.

C. CARB or its designee may recoup funds which were received based upon misinformation or fraud, or for which a Grantee, manufacturer or project participant is in significant or continual non-compliance with the terms of this grant or State law. CARB also reserves the right to prohibit any entity from participating in the FARMER Program, due to non-compliance with project requirements.

IX. General Provisions

A. Amendment: No amendment or variation of the terms of this grant agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the grant agreement is binding on any of the parties.

B. Assignment: This grant is not assignable by the Grantee, either in whole or in part, without the consent of CARB in the form of a formal written amendment.

C. Availability of funds: CARB’s obligations under this grant agreement are contingent upon the availability of funds. In the event funds are not available, the State shall have no liability to pay any funds whatsoever to the Grantee or to furnish any other considerations under this grant agreement.

D. Audit: The Grantee agrees that CARB, the Department of General Services, Department of Finance, State Controller’s Office, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this grant and all State funds received. The Grantee agrees to maintain such records for possible audit for the life of the projects funded under this grant, unless a longer period of records retention is stipulated. The Grantee agrees to
allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Grantee agrees to include similar right of the State to audit records and interview staff in any subgrant or subcontract related to performance of this agreement.

E. **Compliance with law, regulations, etc.**: The Grantee agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and State laws, rules, guidelines, regulations, and requirements.

F. **Computer software**: The Grantee certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this grant agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.

G. **Confidentiality**: No record which has been designated as confidential by CARB shall be disclosed by the Grantee. If CARB opts to maintain the confidentiality of a document, and the entity requesting the records seeks a judicial ruling challenging that determination, CARB will defend the action at its own expense, including any requirement to pay attorney fees and court costs.

H. **Conflict of interest**: The Grantee certifies that it is in compliance with applicable State and/or federal conflict of interest laws.

The Grantee may have no interest, and must not acquire any interest, direct or indirect, which will conflict with its ability to impartially complete the tasks described herein. The Grantee must disclose any direct or indirect financial interest or situation which may pose an actual, apparent, or potential conflict of interest with its duties throughout the grant term. CARB may consider the nature and extent of any actual, apparent, or potential conflict of interest in the Grantee’s ability to perform the grant.

The Grantee must immediately advise CARB in writing for any potential new conflicts of interest throughout the grant term.

I. **Disputes**: The Grantee shall continue with the responsibilities under this grant agreement during any dispute. Grantee staff or management may work in good faith with CARB staff or management to resolve any disagreements or conflicts arising from implementation of this grant agreement. However, any disagreements that cannot be resolved at the management level within 30 days of when the issue is first raised with CARB staff shall be subject to resolution by the CARB Executive Officer, or his designated representative. Nothing contained in this paragraph is intended to limit any rights or remedies that the parties may have under law.
J. **Environmental justice:** In the performance of this grant agreement, the Grantee shall conduct its programs, policies, and activities that substantially affect human health or the environment in a manner that ensures the fair treatment of people of all races, cultures, and income levels, including minority populations and low-income populations of the State.

K. **Fiscal management systems and accounting standards:** The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of State law or this grant agreement. Unless otherwise prohibited by State or local law, the Grantee further agrees that it will maintain separate Project accounts in accordance with generally accepted accounting principles.

L. **Force majeure:** Neither CARB nor the Grantee shall be liable for or deemed to be in default for any delay or failure in performance under this grant agreement or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, etc.

M. **Governing law and venue:** This grant is governed by and shall be interpreted in accordance with the laws of the State of California. CARB and the Grantee hereby agree that any action arising out of this grant agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this grant agreement.

N. **Grantee’s responsibility for work:** The Grantee shall be responsible for work and for persons or entities engaged in work, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its contract for work on the Project, including but not limited to payment disputes with contractors, subcontractors, and providers of services. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.

O. **Incorporated Documents:** The Grantee is authorized to administer a local program according to the requirements described in the following documents, which are incorporated as part of this grant agreement:

1. FARMER Program Guidelines and any future approved Guidelines, current Program Advisories and Mail-outs, and future Program Advisories and Mail-outs issued during the grant performance period; and
2. Carl Moyer Program 2017 Guidelines and any future approved Carl Moyer Program Guidelines, current Program Advisories and Mail-outs, and future
Program Advisories and Mail-outs issued during the grant performance period.

**P. Indemnification:** The Grantee agrees to indemnify, defend and hold harmless the State and the Board and its officers, employees, agents, representatives, and successors-in-interest against any and all liability, loss, and expense, including reasonable attorneys’ fees, from any and all claims for injury or damages arising out of the performance by the Grantee, and out of the operation of equipment that is purchased with funds from this grant award.

**Q. Independent Contractor:** The Grantee, and its agents and employees, if any, in their performance of this grant agreement, shall act in an independent capacity and not as officers, employees or agents of CARB.

**R. Nondiscrimination:** During the performance of this grant agreement, the Grantee and its third party entities shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), sexual orientation, marital status, or allow denial of family care leave, medical-care leave, or pregnancy-disability leave. The Grantee and its third party entities shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. The Grantee and its third party entities shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. The Grantee and its third party entities shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

The Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this grant agreement.

**S. No third party rights:** The parties to this grant agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this grant agreement, or of any duty, covenant, obligation or undertaking established herein.

**T. Personally Identifiable Information:** Information or data, including, but not limited to, records that personally identify an individual or individuals are confidential in accordance with California Civil Code sections 1798, et seq. and
other relevant State or Federal statutes and regulations. The Grantee must
safeguard all such information or data which comes into their possession under
this agreement in perpetuity, and must not release or publish any such
information, data, or financing assistance records.

U. **Prevailing wages and labor compliance**: If applicable, the Grantee agrees to
be bound by all the provisions of State Labor Code Section 1771 regarding
prevailing wages. If applicable, the Grantee shall monitor all agreements
subject to reimbursement from this grant agreement to ensure that the
prevailing wage provisions of State Labor Code Section 1771 are being met.

V. **Professionals**: For projects involving installation or construction services, the
Grantee agrees that only licensed professionals will be used to perform
services under this grant agreement where such services are called for and
licensed professionals are required for those services under State law.

W. **Severability**: If a court of competent jurisdiction holds any provision of this
grant agreement to be illegal, unenforceable or invalid in whole or in part for
any reason, the validity and enforceability of the remaining provisions, or
portions of those provisions, will not be affected.

X. **Termination**: CARB may terminate this grant agreement by written notice at
any time prior to completion of projects funded by this grant agreement, upon
violation by the Grantee of any material provision after such violation has been
called to the attention of the Grantee and after failure of the Grantee to bring
itself into compliance with the provisions of this grant agreement.

Y. **Timeliness**: Time is of the essence in this grant agreement. The Grantee
shall proceed with and complete the project in an expeditious manner.

Z. **Waiver of Rights**: Any waiver of rights with respect to a default or other matter
arising under the grant agreement at any time by either party shall not be
considered a waiver of rights with respect to any other default or matter. Any
rights and remedies of the State provided for in this grant agreement are in
addition to any other rights and remedies provided by law.
ATTACHMENT # 4

SUBJECT:

FY 19-20 FARMER Program Solicitation
TO: Air Pollution Control Officers
FROM: Michelle Buffington
Manager
Mobile Source Control Division
DATE: October 21, 2019
SUBJECT: SOLICITATION FOR APPLICATIONS TO RECEIVE FUNDING FROM THE
FUNDING AGRICULTURAL REPLACEMENT MEASURES FOR EMISSION
REDUCTIONS (FARMER) PROGRAM: FISCAL YEAR (FY) 2019-20 FUNDS

This memo solicits applications for FY 2019-20 grants from the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program. California air pollution control and air quality management districts with at least one percent of the statewide emissions from agricultural equipment may apply for FARMER Program grants funded by the Greenhouse Gas Reduction Fund (GGRF).

For FY 2019-20, the State Legislature allocated $65 million to the California Air Resources Board (CARB) to fund grants to districts under the FARMER Program. After withholding $750,000 for CARB program administration, $64.25 million is available to districts. The tentative allocation of FARMER Program funding is based on publicly available emissions data for agricultural equipment in the California Emissions Projection Analysis Model (CEPAM) and each district’s air quality and attainment status. The share of district funds available for FARMER project implementation costs (6.25 or 12.5 percent) will be consistent with the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program). However, a district may request a lower portion for project implementation costs and retain the difference in project funds.

District responses to this solicitation package must be received by November 15, 2019. This package includes an attachment of the application form. Districts must complete and return this form to receive or designate funds. CARB will assume a district has declined FY 2019-20 FARMER Program funds if an application is not submitted to CARB by November 15, 2019.

Tentative and Final Grant Amounts
Table 1, below, provides the tentative grant amounts available by district. Note that these are tentative allocations based on preliminary estimates and should not be used in board resolutions. Final allocations will be calculated by applying the formula described in the FARMER Program Guidelines with consideration of the number of districts that apply and their funding requests. The final allocations may be more or less than the tentative allocations.
### Table 1: Tentative District Funding Allocations for FY 2018-19

<table>
<thead>
<tr>
<th>Air District</th>
<th>Percent Project Implementation Costs</th>
<th>Total Tentative Allocation</th>
<th>Maximum Project Implementation Costs</th>
<th>Project Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bay Area</td>
<td>6.25%</td>
<td>$947,480</td>
<td>$59,218.00</td>
<td>$888,262.00</td>
</tr>
<tr>
<td>Butte</td>
<td>12.5%</td>
<td>$806,960</td>
<td>$100,870.00</td>
<td>$706,090.00</td>
</tr>
<tr>
<td>Colusa</td>
<td>12.5%</td>
<td>$657,060</td>
<td>$82,133.00</td>
<td>$574,927.00</td>
</tr>
<tr>
<td>Eastern Kern</td>
<td>12.5%</td>
<td>$350,760</td>
<td>$43,845.00</td>
<td>$306,915.00</td>
</tr>
<tr>
<td>Feather River</td>
<td>12.5%</td>
<td>$1,074,560</td>
<td>$134,320.00</td>
<td>$940,240.00</td>
</tr>
<tr>
<td>Glenn</td>
<td>12.5%</td>
<td>$691,610</td>
<td>$86,451.00</td>
<td>$605,159.00</td>
</tr>
<tr>
<td>Imperial</td>
<td>12.5%</td>
<td>$564,520</td>
<td>$70,565.00</td>
<td>$493,955.00</td>
</tr>
<tr>
<td>Monterey Bay</td>
<td>12.5%</td>
<td>$617,830</td>
<td>$77,229.00</td>
<td>$540,601.00</td>
</tr>
<tr>
<td>Sacramento Metro</td>
<td>6.25%</td>
<td>$470,810</td>
<td>$29,426.00</td>
<td>$441,384.00</td>
</tr>
<tr>
<td>San Diego</td>
<td>6.25%</td>
<td>$604,290</td>
<td>$37,768.00</td>
<td>$566,522.00</td>
</tr>
<tr>
<td>San Joaquin Valley</td>
<td>6.25%</td>
<td>$51,400,000</td>
<td>$3,212,500.00</td>
<td>$48,187,500.00</td>
</tr>
<tr>
<td>San Luis Obispo</td>
<td>12.5%</td>
<td>$431,580</td>
<td>$53,948.00</td>
<td>$377,632.00</td>
</tr>
<tr>
<td>Santa Barbara</td>
<td>12.5%</td>
<td>$317,390</td>
<td>$39,674.00</td>
<td>$277,716.00</td>
</tr>
<tr>
<td>South Coast</td>
<td>6.25%</td>
<td>$894,170</td>
<td>$55,886.00</td>
<td>$838,284.00</td>
</tr>
<tr>
<td>Tehama</td>
<td>12.5%</td>
<td>$310,350</td>
<td>$38,794.00</td>
<td>$271,556.00</td>
</tr>
<tr>
<td>Ventura</td>
<td>12.5%</td>
<td>$587,340</td>
<td>$73,418.00</td>
<td>$513,922.00</td>
</tr>
<tr>
<td>Yolo Solano</td>
<td>12.5%</td>
<td>$871,360</td>
<td>$108,920.00</td>
<td>$762,440.00</td>
</tr>
<tr>
<td>Shared Allocation Pool</td>
<td>12.5%</td>
<td>$2,651,930</td>
<td>$358,011.00</td>
<td>$2,293,919.00</td>
</tr>
</tbody>
</table>

### Designations

Districts that choose to designate their tentative allocation to the Shared Allocation Pool or to a lead district (i.e., a district selected to administer the FARMER Program on another district's behalf) may make this designation in the attached application.
In responding to this solicitation, districts may take one of the following actions:

1. **Accept the Full Tentative Allocation.**
   Districts that accept the full tentative allocation may choose to designate all or a portion of the allocation to the Shared Allocation Pool or a lead air district. To accept the full tentative allocation, districts must address the following:

   - **Application** – A completed application form signed and dated by the district’s Air Pollution Control Officer or authorized designee. Please complete all applicable sections of the application.

   - **District Board Resolution**
     If the district retains all or a portion of FARMER Program funds to administer, the district board resolution must commit to participate in the FARMER Program, accept FARMER Program funds, and follow the requirements of the FARMER Program. Because allocations in Table 1 are tentative and final allocations will differ, the resolution should not specify an exact grant amount unless district board policy requires it, in which case a not-to-exceed figure should be used. Because a district’s board agenda may not immediately accommodate this item, resolutions will be accepted until December 31, 2019. Applications without a resolution must list the date that the board is scheduled to hear the item.

     For funds designated to the Shared Allocation Pool or to a lead air district, the district board resolution must authorize FARMER Program funds to be designated to the Shared Allocation Pool for districts with less than one percent or a lead district. Because a district’s board agenda may not immediately accommodate this item, resolutions will be accepted until December 31, 2019. Applications without a resolution must list the date that the board is scheduled to hear the item.

   - **Policies and Procedures Manual** – If the district retains all or a portion of FARMER Program funds to administer, in signing the application, the district Air Pollution Control Officer or designee confirms that the district will maintain an up-to-date FARMER Program Policies and Procedures Manual at the district’s office.

2. **Accept Less than the Tentative Allocation.**
   Districts may opt to accept less than the tentative allocation and the remaining portion will be redistributed through the distribution formula. To do this, districts must address the following:

   - **Application** – A completed application form signed and dated by the district’s Air Pollution Control Officer or authorized designee. Please complete all applicable sections of the application.
District Board Resolution – The district board resolution must commit to participate in the FARMER Program, accept FARMER Program funds, and follow the requirements of the FARMER Program. Because allocations in Table 1 are tentative and final allocations will differ, the resolution should not specify an exact grant amount unless district board policy requires it, in which case a not-to-exceed figure should be used. Because a district’s board agenda may not immediately accommodate this item, resolutions will be accepted until December 2, 2019. Applications without a resolution must list the date that the board is scheduled to hear the item.

Policies and Procedures Manual – In signing the application, the district Air Pollution Control Officer or designee confirms that the district will maintain an up-to-date FARMER Program Policies and Procedures Manual at the district’s office.

3. Decline the Funds.

Application – Districts that choose not to participate in the FARMER Program for FY 2019-20 are asked to complete all applicable sections of the application form, including a signature by the district’s Air Pollution Control Officer or authorized designee.

Please send your completed application by email to farmer@arb.ca.gov.

The FARMER Program Guidelines are available on CARB’s website at www.arb.ca.gov/farmer.

For questions about the application process, please contact Erin Uchida, Staff Air Pollution Specialist, at (916) 323-0002 or by email at Erin.Uchida@arb.ca.gov, or Evan Powers, Air Pollution Specialist at (916) 323-8967 or by email at Evan.Powers@arb.ca.gov.

Sincerely,

Michelle Buffington, Manager
Off-Road Agricultural Strategies and Incentives Section
Innovative Strategies Branch
Mobile Source Control Division

Enclosures (1)
Air Pollution Control Officers
October 21, 2019
Page 5

cc:  Tung Le
     Executive Director
     California Air Pollution Control Officers Association
     1107 Ninth Street, Suite 1005
     Sacramento, California 95814

Erin Uchida
Air Resources Engineer
Mobile Source Control Division

Evan Powers
Air Pollution Specialist
Mobile Source Control Division
Agenda Date: December 12, 2019

Prepared By: Heather Kuklo, Grant Program Coordinator

Topic: California Air Resources Board Wood Smoke Reduction Program Redistribution of Funds to El Dorado County Air Quality Management District

Action Requested: Adopt Resolution #19-23 (Attachment #1), thereby 1) authorizing the District to continue to participate in the California Air Resources Board’s (CARB) Statewide Wood Smoke Reduction Program (Program); 2) authorizing the redirection of Placer County’s portion of funds to the El Dorado County Air Quality Management District (EDCAQMD) to implement the Program in Placer and El Dorado Counties on the District’s behalf; and 3) authorizing the Air Pollution Control Officer (APCO) to negotiate, sign, and amend as needed, any agreements and contracts related to implementation of the Program for Placer County residents.

Background: Senate Bill 1613 appropriated $5 million to CARB in Fiscal Year (FY) 2016-17 for the implementation of a Statewide Wood Smoke Reduction Program (Program) designed to provide incentives for the replacement of older wood stoves with cleaner, certified wood stoves, in order to reduce greenhouse gas emissions and fine particulate emissions. In receiving this funding, CARB worked with the California Air Pollution Control Officers Association (CAPCOA) on a cooperative agreement and implementation guidelines that allowed the funding to be distributed through local air districts. The advantage of programming this funding through local air districts is that many, including Placer County, have successfully implemented prior local woodstove change-out programs.

On February 8, 2018 your Board approved Resolution #18-03 thereby authorizing the District to participate in the Program and to allow the EDCAQMD to implement the Program on the District’s behalf for Placer County residents. The amount of FY 2016-17 State funds allocated to the District was $125,000. The agreement between the District and EDCAQMD allowed a portion of the $125,000 to be available to El Dorado residents in order to offset the additional administrative costs that EDCAQMD would accrue. Since then, the EDCAQMD has approved 27 Placer County residents for vouchers, with 16 being approved for low income residents.

Discussion: The State legislature committed $3 million in fiscal year 2018-2019 to CARB to continue implementing this Program. It is anticipated that the amount of funds allocated to Placer County will be $125,210.08. Because of the successful arrangement between the two air districts, District staff are recommending that the next round of funding again be directed to EDCAQMD for implementation. District staff believe that a continuation of the partnership with EDCAQMD will be the most effective approach to ensuring successful implementation of the wood stove change-out program within Placer County.

The current agreement with EDCAQMD is effective through January 31, 2020 (refer to Attachment #2 for a copy of the executed agreement). For EDCAQMD to continue receiving
additional funds to implement the Program for Placer County, District staff is proposing to authorize the APCO to negotiate, sign, and amend as needed, any agreements and contracts with EDCAQMD to implement the Program, and to direct Placer’s portion of funds to EDCAQMD directly. When the final distribution amount is determined, the agreement between the District and EDCAQMD will be finalized.

**Fiscal Impact:** There will be no fiscal impact to the District’s existing budget, since the Program funds, estimated to be $125,210.08, will be issued to EDCAQMD directly. District staff may be requested to provide assistance to the public, which may be reimbursed by EDCAQMD on a case by case basis.

**Recommendation:**
Staff recommends adoption of Resolution #19-23, thereby authorizing the District to continue to participate in the CARB’s Statewide Wood Smoke Reduction Program; authorizing the redirection of Placer County’s portion of CARB’s FY 2018-2019 Wood Smoke Reduction Program funds to EDCAQMD to implement the Program in Placer and El Dorado Counties on the District’s behalf; and authorizing the Air Pollution Control Officer to negotiate, sign, and amend as needed, any agreements and contracts related to implementation of the Wood Smoke Reduction Program for Placer County residents.

**Attachments:**
- #1: Resolution #19-23, CARB Wood Smoke Reduction Program Authorization
- #2: Executed Agreement between the District and EDCAQMD for the Implementation of the Wood Smoke Reduction Program
ATTACHMENT # 1

SUBJECT:

Resolution #19-23
CARB Wood Smoke Reduction Program Authorization
Resolution # 19-23

Before the Placer County
Air Pollution Control District Board of Directors

In the Matter Of: California Air Resources Board (CARB) Wood Smoke Reduction Program
Redirection of Funds to El Dorado County Air Quality Management District
(EDCAQMD)

The following RESOLUTION was duly passed by the Placer County Air Pollution Control
District Board of Directors at a regular meeting held on December 12, 2019 by the following vote:

Ayes: Alvord_____  Berlant_____  Burruss_____  Duncan_____  Holmes_____  Janda_____  Silhi_____  Uhler_____  Weygandt_____  Alternates: __________________  _____  __________________  _____

Noes: Alvord_____  Berlant_____  Burruss_____  Duncan_____  Holmes_____  Janda_____  Silhi_____  Uhler_____  Weygandt_____  Alternates: __________________  _____  __________________  _____

Abstain: Alvord_____  Berlant_____  Burruss_____  Duncan_____  Holmes_____  Janda_____  Silhi_____  Uhler_____  Weygandt_____  Alternates: __________________  _____  __________________  _____

Signed and approved by me after its passage:

__________________________________  Chairperson

__________________________________  Attest: Clerk of said Board

WHEREAS, the State of California legislature committed $3 million in fiscal year 2018-2019 to
CARB to continue implementing a Statewide Wood Smoke Reduction Program (Program)
designed to provide incentives for the replacement of older wood stoves with cleaner, certified
wood stoves to reduce greenhouse gas emissions and fine particulate emissions; and
WHEREAS, The Placer County Air Pollution Control District (District) is proposed to receive $125,210.08 for wood stove change outs in the District under the Program; and

WHEREAS, On February 8, 2018 your Board approved Resolution #18-03 thereby authorizing the District to participate in the Program and to allow the EDCAQMD to implement the Program on the District’s behalf for Placer County residents; and

WHEREAS, The District believes that continuing the cooperative partnership with EDCAQMD is the most effective approach to ensuring successful implementation of a wood stove change-out program within Placer County.

NOW THEREFORE BE IT RESOLVED, that the Placer County Air Pollution Control District Board of Directors (District Board) hereby authorizes the District to continue to participate in CARB’s Statewide Wood Smoke Reduction Program: and

BE IT FURTHER RESOLVED, that the District Board hereby authorizes the District to direct Placer County’s portion of CARB’s FY 2018-2019 Wood Smoke Reduction Program funds to EDCAQMD to implement the Program in Placer and El Dorado Counties on the District’s behalf; and

BE IT FURTHER RESOLVED, that the District Board hereby authorizes the Air Pollution Control Officer to negotiate, sign, and amend as needed, any agreements and contracts related to implementation of the Wood Smoke Reduction Program for Placer County residents.
ATTACHMENT # 2

SUBJECT:

Executed Agreement between the District and EDCAQMD for the Implementation of the Wood Smoke Reduction Program
EL DORADO COUNTY AIR QUALITY MANAGEMENT DISTRICT
PLACER COUNTY AIR POLLUTION CONTROL DISTRICT
MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) is made between the El Dorado County Air Quality Management District (EDCAQMD), and the Placer County Air Pollution Control District (PCAPCD).

1.0 Recitals

1.1 The State Woodstove Reduction Incentive Program ("RIP") is part of a statewide program that puts cap-and-trade dollars to work strengthening rural area economies, improving public health and the environment, and reducing fire risk;

1.2 The California Air Resources Board ("CARB") developed Program Guidelines for the implementation of the Woodsmoke Reduction Program ("Program");

1.3 In accordance with the MOU between the California Air Pollution Control Officers Association ("CAPCOA") and EDCAQMD, EDCAQMD will receive the funding allocated to PCAPCD to assist PCAPCD with replacement projects in Placer County and to fund projects in El Dorado County;

1.4 Incentive funding is available on a first-come, first served basis, and the Program will continue until the allocated funds are depleted;

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

2.0 Terms and Conditions

2.1 Purpose of MOU
The purpose of this MOU is for EDCAQMD to accept funds on behalf of the PCAPCD in support of the State Woodstove Reduction Incentive Program.

2.2 Term of Contract
The term of this MOU will commence upon execution by all parties and terminate on January 31, 2020, or earlier upon mutual agreement between EDCAQMD and PCAPCD.

2.3 Scope of Work
EDCAQMD will administer the State Woodstove Reduction Incentive Program for PCAPCD as detailed in Exhibit A, including, but not limited to the following:
- Enter into agreements with appropriately licensed installers in Placer County.
- Advertise the program in newspapers, direct mailers, etc. to residents in areas of Placer County determined to be in areas of greatest need.
• Process all paperwork required by CARB for the Program,
• Process claims for payment to applicants with the El Dorado Auditor/Controller.
• Account for costs incurred and EDCAQMD staff time spent performing work under this MOU and reimburse itself from the funds covered by this MOU.

PCAPCD will assist with program administration as detailed in Exhibit A, including, but not limited to the following:

• Perform pre-inspections at residences in Placer County.
• Perform targeted outreach.

2.4 Funding
Funding is provided by Senate Bill 1613 from CARB through CAPCOA, and has been allocated to PCAPCD. PCAPCD and EDCAQMD agree to allow EDCAQMD to receive the funding allocated to PCAPCD in performance of this MOU. The initial allocation to PCAPCD is estimated to be $125,000, which will be expended as detailed in Exhibit B. Additional future allocation to PCAPCD will be expended in the same method as represented in Exhibit B, should PCAPCD and EDCAQMD agree to continue the performance of this MOU with any future allocations.

2.5 Final Report
EDCAQMD will provide PCAPCD with electronic copies of the quarterly and closeout reports submitted to CAPCOA.

2.6 Indemnification
a. El Dorado AQMD will indemnify and defend PCAPCD, its officers, agents and employees from and against all claims, demands, losses, damages, liability, costs, and expenses of whatever nature including court costs and Counsel fees, accruing or resulting to any person, firm, or corporation who may be injured by the intentional acts or negligence of El Dorado AQMD in the performance of its obligations under this MOU.

b. PCAPCD will indemnify and defend El Dorado AQMD, its officers, agents and employees from and against all claims, demands, losses, damages, liability, costs, and expenses of whatever nature including court costs and Counsel fees, accruing or resulting to any person, firm, or corporation who may be injured by the intentional acts or negligence of PCAPCD in the performance of its obligations under this MOU.

2.7 Alteration
No alteration or variation of the terms of this MOU will be valid unless made in writing and signed by both parties.

2.8 Termination
Either party may terminate this MOU without cause upon thirty (30) days written notice served upon the other party. Any unspent funds will be returned to PCAPCD less El Dorado AQMD’s share of costs incurred as of the date of the notice.
2.9 **Notices**
Any notice, demand, request, consent, or approval that either party hereto may be or is required to give the other, must be in writing, and be either personally delivered or sent by prepaid, certified first class mail, return receipt requested, addressed as follows:

<table>
<thead>
<tr>
<th>To EL DORADO AQMD</th>
<th>To PCAPCD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dave Johnston, Air Pollution Control Officer</td>
<td>Erik White, Air Pollution Control Officer</td>
</tr>
<tr>
<td>El Dorado County AQMD</td>
<td>PCAPCD</td>
</tr>
<tr>
<td>345 Fair Lane, Building T1</td>
<td>110 Maple Street</td>
</tr>
<tr>
<td>Placerville, CA 95667</td>
<td>Auburn, CA 95603</td>
</tr>
<tr>
<td>Phone (530) 621-7501</td>
<td>Phone (530) 745-2330</td>
</tr>
<tr>
<td>Fax (530) 295-2774</td>
<td>Fax (530) 745-2373</td>
</tr>
</tbody>
</table>

A. **Change of Address:** Either party may change the address for service by giving 30 days advance written notice to the other party.

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

2.10 **Audit of El Dorado AQMD Records**
With regard to this MOU, EDCAQMD will maintain appropriate financial records relating to this MOU, and PCAPCD may demand access to these financial records to perform an audit of any work performed under this MOU. EDCAQMD must make these records available to PCAPCD thirty (30) days after receiving a written request for the records from PCAPCD, and EDCAQMD will retain the records until December 31, 2022.

2.11 **Timely Performance**
The parties agree to work together in good faith to timely carry out their obligations under this MOU.

2.12 **Successors and Waivers**
This MOU binds the successors of EDCAQMD and PCAPCD in the same manner as if they were expressly named. Waiver by either party of any default, breach or condition precedent will not be construed as waiver of any other default, breach or condition precedent or any other right hereunder.

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

2.14 **Statutory Limitations**
This MOU and any payments for compensation and expenses are subject to the provisions and limitations imposed by federal and State law. PCAPCD has no liability for payment of any compensation and expenses that are found to be in contravention of federal or State law provided that the payment was not made because of PAPCD’s intentional acts or negligence. EDCAQMD will reimburse PCAPCD for any funds paid by it under this MOU that are later determined to be in contravention of any federal and State law provided that the payment was not made because of PAPCD’s intentional acts or negligence.

2.15 **Contract Administrator:** Dave Johnston is the named Contract Administrator for this MOU. It is the responsibility of the Contract Administrator to: 1) verify compliance with the terms and conditions of the MOU, 2) determine that the work has been completed, 3) ensure that funding is available to pay approved invoices, and 4) approve all invoices under the MOU.

2.16 **Authority to Bind:** The persons signing on behalf of the parties to this MOU warrant that they have the legal authority to execute this MOU.

Executed by:

El Dorado County Air Quality Management District

Placer County Air Pollution Control District

By: [Signature] 5/18/18

Dave Johnston
Air Pollution Control Officer
El Dorado County AQMD

By: [Signature] 5/18/18

Erik White
Air Pollution Control Officer
PCAPCD

Approved as to form

By: [Signature]

Breann Mobius
County Counsel
El Dorado County
EXHIBIT A

El Dorado AQMD shall:

- Develop and enter into agreements with woodstove installers licensed to perform work in Placer County to ensure old woodstoves are rendered inoperable and instruct residents on proper operation of new woodstove.
- Perform outreach for the Program, utilizing newspapers, direct mailers, door hangers, social media, etc. in Placer County.
- Process all paperwork for the Program, including applications, payment claims, and any tracking documents required by the Program.
- Submit payment claims to the El Dorado County Auditor/Controller, approving grant reimbursements to the recipients of grant funding through the Program.
- Expend approximately 50% of the total amount of project funding allocated to PCAPCD on incentives and project costs (as defined by CARB) directly related to Placer County residents participating in the Program.
- Provide PCAPCD with electronic copies of the quarterly and closeout reports submitted to CAPCOA.
- Reimburse PCAPCD for accrued project costs and staff time directly associated with Placer County projects from PCAPCD’s portion of program funds within 90 days of receipt of completed claim and backup materials necessary to document reimbursement eligibility.
- Account for costs incurred and EDCAQMD staff time spent performing work under this MOU and reimburse itself from the funds covered by this MOU.

PCAPCD shall:

- Perform pre-inspections for grantees of the Program residing in Placer County, travelling to the grantees’ residences to verify the non-EPA certified status of the existing woodstove as required by the Program. Upon verification of non-EPA certified status of the existing woodstove, PCAPCD staff shall:
  o Sign the application as being approved for the Program, and have the grantee sign the application.
  o Photograph the stove as currently installed on the hearth, the inside of the stove, the back of the stove, as well as photograph the signed application form.
  o Leave the signed application form with the grantee in order to submit it with the required documents upon completion of installation of the new device.
  o Email the photos to Adam Baughman at EDC AQMD upon returning to the office.
- Perform targeted outreach to community groups in disadvantaged communities and other identified communities.
- Invoice EDCAQMD on a quarterly basis for expenses and staff time classified as direct project costs, providing backup materials necessary to document reimbursement eligibility.
### EXHIBIT B
### BUDGET

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Placer County Allocated Funds</th>
<th>Total by Category</th>
<th>Percentage by Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woodstove Incentives for Placer Residents</td>
<td>$ 54,250</td>
<td>$ 56,250</td>
<td>45%</td>
</tr>
<tr>
<td>Placer APCD staff inspection costs (40hr @ $550/hr)*</td>
<td>$ 2,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Woodstove Incentives for EDC Residents</td>
<td>$ 56,250</td>
<td>$ 56,250</td>
<td>45%</td>
</tr>
<tr>
<td>Administrative Costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EDC AQMD Reporting staff costs</td>
<td>$ 2,000</td>
<td>$ 12,500</td>
<td>10%</td>
</tr>
<tr>
<td>EDC AQMD Contracting staff costs</td>
<td>$ 3,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EDC County Counsel / Risk Mgmt costs</td>
<td>$ 1,375</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising Costs - Placer County Publications</td>
<td>$ 5,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative Costs - CAPCOA</td>
<td>$ 625</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 125,000</strong></td>
<td><strong>$ 125,000</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

The distribution of expenses between staff and tasks are estimates only. This spreadsheet represents the composition of the MOU. In the performance of the scope of services to be provided in accordance with this budget, either party to the MOU may request to reallocate the expenses listed herein among personnel and among the various tasks identified herein, subject to mutual written agreement between the parties to the MOU. If additional funding is allocated to the Placer County APCD in the future, and both parties to the MOU agree to continue the performance of the services defined in the MOU, the additional funding will be distributed in the same method as represented in this budget.

*staff costs to be billed quarterly by Placer APCD to El Dorado County AQMD.*
Agenda Date: December 12, 2019

Prepared By: Molly Johnson, Community Air Protection (CAP) Incentive Program Administrator

Topic: Authorization to Redirect CAP Incentive Funds to Cost Share Replacement of a Capitol Corridor Passenger Locomotive with the Bay Area Air Quality Management District

Action Requested: Adopt Resolution #19-24 (Attachment #1), thereby 1) authorizing the Placer County Air Pollution Control District (District) to enter into a Memorandum of Agreement (MOA) (Attachment #2) with the Bay Area Air Quality Management District (BAAQMD) to cost share the replacement of a Capitol Corridor passenger locomotive owned by the California Department of Transportation and Operated by Amtrak; 2) authorizing the District to redirect $182,857.14 in CAP incentive funds to BAAQMD; and 3) authorizing the Air Pollution Control Officer to negotiate, sign, and amend the MOA as needed.

Background: Started in 1991, the Capitol Corridor is a 170-mile passenger train system that provides a convenient alternative to traveling along the congested I-80, I-680 and I-880 freeways between San Jose and Auburn, California. Trains operate between San Jose and Auburn, with 18 stations in eight counties, including Placer, Sacramento, Yolo, Solano, Contra Costa, Alameda, San Francisco and Santa Clara. Most trains operate between San Jose and Sacramento, with one round trip per day that runs from Oakland through the eastern Sacramento suburbs to Auburn, while a single weekend round trip runs from San Jose to Auburn.

Like all regional trains in California, the Capitol Corridor is operated by a joint powers authority. The Capitol Corridor Joint Powers Authority (CCJPA) is a partnership among the six local transit agencies, including the Placer County Transportation Planning Agency, in the eight-county service area, which shares the administration and management of the Capitol Corridor. The CCJPA contracts with the San Francisco Bay Area Rapid Transit District (BART) to provide day-to-day management, and with Amtrak to operate and maintain the rolling stock (locomotives and passenger cars). The California Department of Transportation (Caltrans) provides the funding and owns the rolling stock. Capitol Corridor services are developed with input from riders, private and public sector stakeholders, along with the partners who help deliver the Capitol Corridor service, including Amtrak, the Union Pacific Railroad (UPRR), Caltrans and the various agencies and communities that make up the Capitol Corridor.

In July of 2017, the California Assembly and Senate passed AB 617 directing the California Air Resources Board (CARB) to develop the Community Air Protection Program (CAPP). The Program’s focus is to reduce exposure in communities most impacted by air pollution, and it uses a variety of strategies, including community-level monitoring, uniform emission
reporting across the State, stronger regulation of pollution sources, and incentives for both mobile and stationary sources. To support AB 617 requirements, the Legislature adopted AB 134 to appropriate Community Air Protection (CAP) Incentive funds to CARB for distribution to local air districts, to reduce air pollution from mobile sources, including locomotives, consistent with CAPP.

Discussion: In an effort to find financial support across the region for the replacement of an older passenger locomotive which operates throughout the Bay Area and Sacramento regions, BAAQMD has requested that the District redirect a portion of their CAP Incentive funds to them. The amount of funds requested will help to cost share the replacement of an old, high-polluting 1994 passenger locomotive with a new Tier 4 locomotive, for the Capitol Corridor rail line that runs from the Bay Area to destinations in Placer County, including Roseville, Rocklin and Auburn.

Funding this project will allow the District an opportunity to partner with its neighboring air districts and will help to greatly benefit air quality in the Bay Area and Sacramento air basins, including Placer County. The replacement of an older locomotive with a new locomotive will result in an estimated 18 tons of NOx, 0.65 tons of ROG, and 0.28 tons of PM emission reductions on annual basis throughout the two regions.

In implementing the CAP program, the District held an evening community meeting in Roseville on June 27, 2019. At that meeting, staff discussed a number of potential projects to reduce emissions in Roseville, with a particular emphasis on emissions in and around the Union Pacific J.R. Davis Rail Yard. Community members that participated in that meeting expressed strong support for projects that would directly reduce locomotive emissions.

Fiscal Impact: The District was awarded $1,120,159 in Fiscal Year 2018-19 CAP funds. Out of this amount, staff are recommending that $182,857.14 of these funds be redirected to the BAAQMD to cost share a regional locomotive replacement project which is consistent with the requirements of the Carl Moyer Guidelines and the CAP Incentives 2019 Guidelines released on April 19, 2019.

Recommendation: Staff recommends that the Board adopt Resolution #19-24, thereby 1) authorizing the District to enter into a MOA with BAAQMD; 2) authorizing the District to redirect District CAP incentive funds to BAAQMD; and 3) authorizing the Air Pollution Control Officer to negotiate, sign, and amend the MOA as needed.

Attachments: #1: Resolution #19-24
#2: Draft Memorandum of Agreement between the District and BAAQMD
ATTACHMENT # 1

SUBJECT:

Resolution #19-24
Authorization to Redirect CAP Incentive Funds to Cost Share Replacement of a Capitol Corridor Passenger Locomotive with BAAQMD
Before the Placer County
Air Pollution Control District Board of Directors

In the Matter Of:  Authorization to Redirect Community Air Protection (CAP) Incentive Funds to Cost Share Replacement of a Capitol Corridor Passenger Locomotive with the Bay Area Air Quality Management District

The following RESOLUTION was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on December 12, 2019, by the following vote:

Ayes:  Alvord_____ Berlant_____ Burruss_____ Duncan______ Holmes______

Janda______ Silhi______ Uhler______ Weygandt_______

Alternates: __________________ _______ __________________ _______

Noes:  Alvord_____ Berlant_____ Burruss_____ Duncan______ Holmes______

Janda______ Silhi______ Uhler______ Weygandt_______

Alternates: __________________ _______ __________________ _______

Abstain: Alvord_____ Berlant_____ Burruss_____ Duncan______ Holmes______

Janda______ Silhi______ Uhler______ Weygandt_______

Alternates: __________________ _______ __________________ _______

Signed and approved by me after its passage:

__________________________________ Chairperson

__________________________________ Attest: Clerk of said Board

WHEREAS, The Placer County Air Pollution Control District (District) and the Bay Area Air Quality Management District (BAAQMD) have an interest in reducing emissions from locomotives operating in the Bay Area and Sacramento air basins, including Placer County; and
WHEREAS, the District and BAAQMD have a strong interest in ensuring the success of the locomotive replacement project that will benefit air quality in Placer County and the Bay Area; and

WHEREAS, Assembly Bill (AB) 617 created the statewide Community Air Protection Program (CAPP), which among other things, is intended to reduce the emission impacts in communities most affected by air pollution; and

WHEREAS, AB 134 appropriated Community Air Protection (CAP) incentive funds to CARB for distribution to local air districts to reduce air pollution from mobile sources consistent with the CAPP; and

WHEREAS, a key opportunity to reduce these impacts is through the investment in cleaner engines and technologies; and

WHEREAS, the District has received Fiscal Year 2018-19 Community Air Protection incentive funds to reduce ROG, NOx, and PM pollutant emissions in communities most affected by air pollution; and

WHEREAS, at a community meeting held by the PCAPCD on June 27, 2019, community members indicated support for projects that would directly reduce emissions from locomotives operating in Roseville and at the J.R. Davis Railyard; and

WHEREAS, BAAQMD has requested that the District provide a portion of their Community Air Protection incentive funds to co-sponsor the replacement of one old, high-polluting passenger locomotive with one new Tier 4 locomotive for the Capitol Corridor Express, linking destinations in Placer County and the Bay Area.

NOW THEREFORE BE IT RESOLVED, that the Placer County Air Pollution Control District Board of Directors (District Board) hereby authorizes the District to enter into a Memorandum of Agreement (MOA) with BAAQMD to cost share the replacement of a Capitol Corridor passenger locomotive owned by the California Department of Transportation and operated by Amtrak; and

BE IT FURTHER RESOLVED, that the District Board hereby authorizes the District to redirect $182,857.14 in CAP incentive funds to BAAQMD; and

BE IT FURTHER RESOLVED, that the District Board hereby authorizes the Air Pollution Control Officer to negotiate, sign, and amend the MOA as needed.
ATTACHMENT # 2

SUBJECT:

Draft MOA between the District and BAAQMD
MEMORANDUM OF AGREEMENT

TO COST SHARE THE REPLACEMENT OF ONE CAPITOL CORRIDOR PASSENGER LOCOMOTIVE OWNED BY THE CALIFORNIA DEPARTMENT OF TRANSPORTATION AND OPERATED BY AMTRAK

This AGREEMENT is between the Placer County Air Pollution Control District (hereinafter “PCAPCD”) and the Bay Area Air Quality Management District, (hereinafter “BAAQMD”).

RECITALS

WHEREAS, The PCAPCD and the BAAQMD have an interest in reducing emissions from locomotives operating in the Bay Area and Sacramento Air Basins, including Placer County; and

WHEREAS, The PCAPCD and BAAQMD have a strong interest in ensuring the success of the locomotive replacement project that will benefit air quality in Placer County and the Bay Area; and

WHEREAS, Assembly Bill (AB) 617 created the statewide Community Air Protection Program (CAPP), which among other things, is intended to reduce the emission impacts in communities most affected by air pollution; and

WHEREAS, AB 134 appropriated Community Air Protection (CAP) Incentive Funds to CARB to distribute to local air districts to reduce air pollution from mobile sources consistent with the CAPP; and

WHEREAS, a key opportunity to reduce these impacts is through the investment in cleaner engines and technologies; and

WHEREAS, PCAPCD has received Fiscal Year 2018-19 Community Air Protection Incentive Funds in order to reduce ROG, NOx, and PM pollutant emissions in communities most affected by air pollution; and

WHEREAS, at a community meeting held by the PCAPCD on June 27, 2019, community members indicated support for projects that would directly reduce emissions from locomotives operating in Roseville and at the J.R. Davis Railyard; and

WHEREAS, BAAQMD has requested that PCAPCD provide a portion of their Community Air Protection Incentive funds to co-sponsor the replacement of one old, high-polluting passenger locomotive with one new Tier 4 locomotive for the Capitol Corridor Express, linking destinations in Placer County and the Bay Area.
NOW, THEREFORE, in consideration of the mutual interests and benefits to the regional air quality, the PCAPCD and BAAQMD agree as follows:

1. **Purpose of MOA**

   The purpose of this MOA is to redirect a portion of PCAPCD’s Fiscal Year 2018-19 CAP funds to the BAAQMD. A single payment in the amount of $182,857.14 will be made to the BAAQMD to help cost share a grant awarded to the California Department of Transportation (Caltrans) for the replacement of an older passenger locomotive operated by Amtrak within the Bay Area and Sacramento Region, including Placer County.

2. **Term of the MOA**

   a) The term of this contract shall begin on the last date signed by the parties below and conclude on or before June 30, 2022 unless terminated or amended.

   b) This contract may be canceled by either party upon serving thirty (30) days’ notice in writing to the other party.

3. **Payment**

   Upon execution of this MOU by both parties, BAAQMD shall submit one invoice in the amount of $182,857.14, as outlined in Exhibit A.

4. **Notices**

   a) Any notice or demand desired or required to be given hereunder shall be in writing and deemed given when personally delivered, sent via email with confirmed receipt, or deposited in the mail, postage prepaid, sent certified or registered and addressed to the parties as follows:

<table>
<thead>
<tr>
<th>To PCAPCD</th>
<th>To BAAQMD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Erik White</td>
<td>Jack P. Broadbent</td>
</tr>
<tr>
<td>Air Pollution Control Officer</td>
<td>Air Pollution Control Officer</td>
</tr>
<tr>
<td>PCAPCD</td>
<td>BAAQMD</td>
</tr>
<tr>
<td>110 Maple Street</td>
<td>375 Beal Street, Suite 600</td>
</tr>
<tr>
<td>Auburn, CA  95603</td>
<td>San Francisco, CA 94105</td>
</tr>
<tr>
<td><a href="mailto:ecwhite@placer.ca.gov">ecwhite@placer.ca.gov</a></td>
<td><a href="mailto:jack@baaqmd.gov">jack@baaqmd.gov</a></td>
</tr>
</tbody>
</table>

4. **Hold Harmless/Indemnity**

   BAAQMD hereby agrees to protect, defend, indemnify, and hold PCAPCD free and harmless from any and all losses, claims, liens, demands, and causes of action of every kind and character including, but not limited to, the amounts of judgments, penalties, interest, court costs, legal fees, and all other expenses incurred by PCAPCD arising in favor of any party, including claims, liens,
debts, personal injuries, death, or damages to property (including employees or property of PCAPCD) and without limitation by enumeration, all other claims or demands of every character occurring or in any way incident to, in connection with or arising directly or indirectly out of, the contract or agreement. BAAQMD agrees to investigate, handle, respond to, provide defense for, and defend any such claims, demand, or suit at the sole expense of the BAAQMD. BAAQMD also agrees to bear all other costs and expenses related thereto, even if the claim or claims alleged are groundless, false, or fraudulent. This provision is not intended to create any cause of action in favor of any third party against BAAQMD or PCAPCD or to enlarge in any way the BAAQMD’S liability but is intended solely to provide for indemnification of PCAPCD from liability for damages or injuries to third persons or property arising from BAAQMD’S performance pursuant to this contract or agreement.

5. **Warranties**

BAAQMD warrants that its services are performed, with the usual thoroughness and competence; in accordance with the standard for professional services at the time those services are rendered.

6. **Licenses, Permits, Etc**

BAAQMD represents and warrants to PCAPCD that it has or will obtain before initiation of the PROJECT, all licenses, permits, qualifications, and approvals of whatever nature, which are legally required for BAAQMD to practice its profession. BAAQMD represents and warrants to PCAPCD that BAAQMD shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this AGREEMENT, any licenses, permits, and approvals which are legally required for BAAQMD to practice its profession at the time the services are performed.

7. **Assignment or Transfer**

BAAQMD may assign any of its rights, burdens, duties, or obligations under this AGREEMENT only upon the prior written consent of PCAPCD. Approval will be at the sole discretion of PCAPCD.

8. **Modification of Agreement**

This AGREEMENT cannot be changed or supplemented orally and may be modified or superseded only by written instrument executed by all parties.

9. **Waiver**

One or more waivers by one party of any major or minor breach or default of any provision, term, condition, or covenant of this AGREEMENT shall not operate as a waiver of any subsequent breach or default.
10. **Entirety of AGREEMENT**

This AGREEMENT constitutes the entire AGREEMENT and understanding between the parties. There are no oral understandings, terms, or conditions, and no party has relied upon any representation, express or implied, not contained in this AGREEMENT. Any prior understandings, terms, or conditions are deemed merged into this AGREEMENT. This AGREEMENT is intended as the complete and exclusive statement of the parties’ Agreement pursuant to Code of Civil Procedure section 1856.

11. **Jurisdiction**

This AGREEMENT, and the right and obligations of the parties, shall be governed by and construed in accordance with the laws of the State of California. If any action is instituted to enforce or interpret this AGREEMENT, venue shall only be in the appropriate state or federal court having venue over matters arising in Placer County, California, provided that nothing in this AGREEMENT shall constitute a waiver of immunity to suit by PCAPCD.

12. **Exhibits**

All exhibits referred to herein and attached hereto are fully incorporated by this reference.

**The parties so agree.**

PCAPCD:

______________________________  ______________________
Erik C. White  
Air Pollution Control Officer  
  
BAAQMD:

______________________________  ______________________
Jack P. Broadbent  
Air Pollution Control Officer  
  
Approved as to legal form:

By: ___________________________  ______________________
Brian C. Bunger  
District Counsel  
Bay Area Air Quality Management District  
  

EXHIBIT A
SCOPE OF SERVICES

BAAQMD shall:

1. Act as the lead implementing agency and assume all responsibility of complying with all related funding guidelines and requirements, including but not limited to Fiscal Year 2018-19 CAP Incentive Funds and the 2017 Carl Moyer Program Guidelines. BAAQMD shall be responsible for conducting project evaluations, reporting, tracking interest earned on redirected funds, implementation and administration of incentive funds directed through this agreement and ensure all Program deadlines are met.

2. Enter into a separate contract with the California Department of Transportation (Caltrans). The contract with Caltrans shall be for the replacement of an older existing train with a new train, powered by a TIER IV engine, which shall operate along the Capitol Corridor, and include stop(s) within Placer County for the term as outlined in the contract between BAAQMD and Caltrans.

3. Upon execution of this Agreement and pursuant to approval from ARB, invoice the PCAPCD for an amount up to one hundred eighty-two thousand eight hundred fifty-seven dollars and fourteen cents ($182,857.14). One hundred seventy-one thousand four hundred twenty-eight dollars and fifty-seven cents ($171,428.57) of this amount will be for project funds and shall be directed towards the reimbursement costs of the train purchased by Caltrans. Up to Eleven thousand four hundred twenty-eight dollars and fifty-seven cents ($11,428.57) of the total amount directed to BAAQMD shall be used to cover implementation costs accrued by the BAAQMD, pursuant to CAP and Carl Moyer Guidelines.

4. The train replacement project administered by BAAQMD shall meet all relevant funding eligibility, program, and administrative requirements.

5. The funds redirected to BAAQMD under this MOA shall be liquidated pursuant to the CAP Incentives Guidelines, and no later than June 30, 2022.

6. Make available, upon request of the PCAPCD, copies of all project reports, records, inspections, invoices, financial records and all other related materials to the PCAPCD within 30 business days.

7. Shall not use the name or logo of the PCAPCD in any advertising our outreach without the prior written consent of PCAPCD.

8. Shall notify PCAPCD in writing if implementation of the Project will deviate from the scope of work as outlined in this agreement within 30 days of recognizing such deviation.
Meeting Date: December 12, 2019

Air Pollution Control Officer Report

A. General APCO Updates

B. Incentive program status update – Memo attached

C. FY 17-18 and FY 18-19 Audit – Auditor Letters to the Board attached

D. Fiscal update – financial report provided at meeting
Agenda Date: December 12, 2019
Prepared By: Erik White, Air Pollution Control Officer
Topic: Major Incentive Grants Program Update

Action Requested:
No action requested. This is an informational item to provide an update of the Placer County Air Pollution Control District’s (District) major incentive programs for 2019.

Discussion:
The available funding for the District’s incentive grant programs in 2019 was $2,676,272. This amount is nearly double the previous year’s available funds and allowed for the support of a near record number of grant projects. The increased amount of funds is primarily due to the District applying for and receiving awarded State funds, including Carl Moyer (Moyer), Voluntary NOx Remediation Measure (NRM) funds, and Community Air Protection Incentives (CAP). These State funds, awarded by the California Air Resources Board (CARB), have allowed the District to bolster its own local Assembly Bill (AB) 923 funds by approximately four times for Fiscal Year (FY) 2018-19. Out of the $2,676,272 available for grants, $2,388,359 was awarded to projects received through the District’s grant solicitation time frame, occurring from April through May of this year. The different funding sources will be discussed in further detail below.

The Carl Moyer Program is the District’s primary grant program and is implemented on an annual basis. The main purpose of the program is to reduce criteria pollutant emissions – reactive organic gases (ROG), oxides of nitrogen (NOx), and particulate matter (PM) – from heavy-duty diesel mobile sources, and to incentivize alternative fuel technologies and infrastructure. The District follows the State’s Moyer Program Guidelines which outlines how State and local funds can be spent. The budget for the District’s Moyer Program is derived from multiple sources; the primary and most consistent sources of funding are State Moyer Program funds and local AB 923 funds. In FY 2018-19, the District applied for and received $596,880 for project implementation from the State’s Year 21 Moyer funds allocation (Year 21 refers to the twenty-first year since the Moyer Program was initiated, in 1998). The amount of available AB 923 funds was $719,937 which provided a final Moyer and AB 923 funds balance of $1,316,817. Of that amount, $1,028,904 has been awarded.

In addition to the Moyer and AB 923 funds available for projects, there was a remaining balance of FY 2017-18 NRM funds in the amount of $362,440 which was rolled over to the current fiscal year and awarded for grant projects received through the 2019 Moyer Program solicitation. NRM funds are one-time only State awarded funds designed to reduce NOx emissions from mobile source projects and are implemented pursuant to the Moyer Guidelines.
The Community Air Protection (CAP) Incentive funds, designed to reduce criteria pollutant emissions in communities most heavily impacted by air pollution, and in support of AB 617 goals, were awarded to the District from CARB and are to be used for grant projects pursuant to the Carl Moyer Program Guidelines. For FY 2018-19, the District budgeted and awarded $997,015 in project eligible CAP funds.

As a result of the District’s successful implementation of its grant programs, 18 out of the 24 project applications received have been awarded a grant, for an amount totaling $2,388,359. The project types receiving grants range from diesel to diesel school bus replacements, agricultural diesel equipment replacements, and electric charging infrastructure, both for light duty passenger vehicles and for electric school buses. A full list of projects receiving grants, including the applicants, total project costs, and awarded grant amounts can be found in Attachment #1. All eligible and cost-effective projects were awarded grants. It is estimated that 38 tons of combined ROG, NOx, and PM shall be reduced over the project lives from the awarded projects. A remaining balance of $287,913 in AB 923 funds shall be rolled over into the District’s FY 2019-20 incentive programs.

The District has nearly completed the process of executing agreements with grant applicants which were awarded funding through the District’s incentive programs in 2019. Applicants under contract typically have one year to complete their projects and put them into operation. Therefore, by the end of 2020, the majority, if not all, of applicants’ projects will be in operation.

**Attachments:**

Attachment #1: List of Approved Grant Projects in 2019
# Attachment #1: List of Approved Grant Projects in 2019

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Project Title</th>
<th>Total Project Cost</th>
<th>Amount Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Community Air Protection Incentives Program Projects (CAP Funds)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Western Placer USD</td>
<td>Diesel School Bus Replacement</td>
<td>$167,999</td>
<td>$144,157</td>
</tr>
<tr>
<td>Western Placer USD</td>
<td>Diesel School Bus Replacement</td>
<td>$167,999</td>
<td>$144,157</td>
</tr>
<tr>
<td>Western Placer USD</td>
<td>Diesel School Bus Replacement</td>
<td>$167,999</td>
<td>$144,157</td>
</tr>
<tr>
<td>Western Placer USD</td>
<td>Diesel School Bus Replacement</td>
<td>$167,999</td>
<td>$144,157</td>
</tr>
<tr>
<td>Roseville City School Dist.</td>
<td>Diesel School Bus Replacement</td>
<td>$164,999</td>
<td>$97,943</td>
</tr>
<tr>
<td>Roseville City School Dist.</td>
<td>Diesel School Bus Replacement</td>
<td>$164,999</td>
<td>$162,444</td>
</tr>
<tr>
<td>BAAQMD: Joint Regional Capitol Corridor Train</td>
<td>Locomotive Replacement</td>
<td>$7,400,000</td>
<td>$160,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Subtotal:</strong></td>
<td><strong>$997,015</strong></td>
</tr>
<tr>
<td><strong>Carl Moyer Program Projects (Moyer, Moyer Reserve, and AB 923 Funds)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miller Honey Farms</td>
<td>Ag Equipment Replacement</td>
<td>$44,948</td>
<td>$22,456</td>
</tr>
<tr>
<td>Tahoe Truckee USD</td>
<td>Diesel School Bus Replacement</td>
<td>$181,856</td>
<td>$165,000</td>
</tr>
<tr>
<td>Eureka Union School District</td>
<td>E-Bus Charging Infrastructure</td>
<td>$127,617</td>
<td>$127,617</td>
</tr>
<tr>
<td>Eureka Union School District</td>
<td>Diesel School Bus Replacement</td>
<td>$167,999</td>
<td>$129,364</td>
</tr>
<tr>
<td>Sierra Pacific Industries</td>
<td>Ag Equipment Replacement</td>
<td>$777,899</td>
<td>$381,497</td>
</tr>
<tr>
<td>AKT Wheatland Ranch</td>
<td>Ag Equipment Replacement</td>
<td>$53,530</td>
<td>$30,496</td>
</tr>
<tr>
<td>City of Auburn</td>
<td>Electric Vehicle Charging Station</td>
<td>$98,398</td>
<td>$56,182</td>
</tr>
<tr>
<td>Ideal Walnut Ranch</td>
<td>Ag Equipment Replacement</td>
<td>$84,683</td>
<td>$44,240</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Subtotal:</strong></td>
<td><strong>$956,852</strong></td>
</tr>
<tr>
<td><strong>NOx Remediation Program Projects (NRM and AB 923 Funds)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sierra Pacific Industries</td>
<td>Ag Equipment Replacement</td>
<td>$198,074</td>
<td>$158,459</td>
</tr>
<tr>
<td>Sierra Pacific Industries</td>
<td>Ag Equipment Replacement</td>
<td>$198,074</td>
<td>$158,459</td>
</tr>
<tr>
<td>Auburn Ravine Ranch</td>
<td>Ag Equipment Replacement</td>
<td>$178,944</td>
<td>$117,574</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Subtotal:</strong></td>
<td><strong>$434,492</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total Amount of Funds:</strong></td>
<td><strong>$2,388,359</strong></td>
</tr>
</tbody>
</table>
November 12, 2019

To the Board of Directors
Placer County Air Pollution Control District
Auburn, California

This letter is provided in connection with our engagement to audit the financial statements of the Placer County Air Pollution Control District (District) as of and for the two-years ended June 30, 2019. Professional standards require that we communicate with you, certain items including our responsibilities with regard to the financial statement audit and the planned scope and timing of our audit.

Our Responsibilities

As stated in our engagement letter dated November 12, 2019, we are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards, and any state or regulatory audit requirements for the purpose of forming and expressing opinions about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit does not relieve you or management of your respective responsibilities.

Planned Scope of the Audit

Our audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Our audit is designed to provide reasonable, but not absolute, assurance about whether the financial statements, as a whole, are free of material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations. Because of this concept of reasonable assurance and because we will not examine all transactions, there is a risk that material misstatements may exist and not be detected by us.

Our audit will include obtaining an understanding of the entity and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements and as a basis for designing the nature, timing, and extent of further audit procedures. However, we will communicate to you at the conclusion of our audit, significant matters that are relevant to your responsibilities in overseeing the financial reporting process, including any material weaknesses, significant deficiencies, and violation of laws or regulations that come to our attention.
We expect to begin our audit in December 2019 and issue our report no later than February 29, 2020.

This information is intended solely for the information and use of Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

Sacramento, California
November 12, 2019

To the Board of Directors  
Placer County Air Pollution Control District  
Auburn, California

The following represents our understanding of the services we will provide to the Placer County Air Pollution Control District (District).

You have requested that we audit the governmental activities and the general fund of the District, as of June 30, 2019, and for the two-years then ended, and the related notes, which collectively comprise District’s basic financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on each opinion unit applicable to those basic financial statements.

Accounting principles generally accepted in the United States of America (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB) require that certain information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation and comparing the information for consistency with management’s responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- Management’s discussion and analysis;
- Budgetary comparison schedule;
- Pension related schedules; and
- Other postemployment benefits related schedules.

**Auditor Responsibilities**

We will conduct our audit in accordance with U.S. GAAS, *Government Auditing Standards*, and state or regulatory audit requirements. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.
An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the basic financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements (whether caused by errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS, Government Auditing Standards and state or regulatory audit requirements.

In making our risk assessments, we consider internal control relevant to the entity’s preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the basic financial statements that we have identified during the audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

**Compliance with Laws and Regulations**

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the District’s compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

**Management Responsibilities**

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

a. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;

b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
c. To provide us with:
   i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
   ii. Additional information that we may request from management for the purpose of the audit; and
   iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

d. For including the auditor’s report in any document containing basic financial statements that indicates that such basic financial statements have been audited by the entity’s auditor;

e. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;

f. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current period under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and

g. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets.

j. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials; and

k. For the accuracy and completeness of all information provided.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

**Reporting**

We will issue a written report upon completion of our audit of the District’s basic financial statements. Our report will be addressed to the governing body of the District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

**Other**

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the basic financial statements, and make reference to our firm, you agree to provide us with printers’ proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

**Provisions of Engagement Administration, Timing and Fees**

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

David Showalter is the engagement partner for the audit services specified in this letter. Responsibilities include supervising services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. We expect to begin our audit in December 2019.
Our fees are based on the amount of time required at various levels of responsibility. Invoices are payable upon presentation. We estimate that our fee for the audit will not exceed $8,487. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the District’s personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

In addition, we will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our Firm’s performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

Should our relationship terminate before our audit procedures are completed and a report issued, you will be billed for services to the date of termination. All bills are payable upon receipt. A service charge of 1% per month, which is an annual rate of 12%, will be added to all accounts unpaid 30 days after billing date. If collection action is necessary, expenses and reasonable attorney’s fees will be added to the amount due.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

We may use third party service providers and/or affiliated entities (including Eide Bailly Shared Services Private Limited) (collectively, “service providers”) in order to facilitate delivering our services to you. Our use of service providers may require access to client information by the service provider. We will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the confidentiality of client information accessed by such service provider and any work performed by such service provider.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor’s report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least eight years from the date of our report.

At the conclusion of our audit engagement, we will communicate to the Board of Directors the following significant findings from the audit:

- Our view about the qualitative aspects of the entity’s significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management’s consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.
The audit documentation for this engagement is the property of Eide Bailly LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to a regulator or oversight agency pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Eide Bailly LLP’s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the regulator or oversight agency. The regulator or oversight agency may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Government Auditing Standards require that we provide, upon request, a copy of our most recent external peer review report and any subsequent review reports to the party contracting for the audit. Accordingly, we will provide a copy of our most recent peer review report at your request.

Eide Bailly LLP is a member of HLB International, a worldwide organization of accounting firms and business advisors, ("HLB"). Each member firm of HLB, including Eide Bailly LLP is a separate and independent legal entity and is not owned or controlled by any other member of HLB. Each member firm of HLB is solely responsible for its own acts and omissions and no other member assumes any liability for such acts or omissions. Neither Eide Bailly LLP, nor any of its affiliates, are responsible or liable for any acts or omission of HLB or any other member firm of HLB and hereby specifically disclaim any and all responsibility, even if Eide Bailly LLP, or any of its affiliates are aware of such acts or omissions of another member of HLB.

Eide Bailly LLP formed The Eide Bailly Alliance Network, a network for small to mid-sized CPA firms across the nation. Each member firm of The Eide Bailly Alliance, including Eide Bailly LLP, is a separate and independent legal entity and is not owned or controlled by any other member of The Eide Bailly Alliance. Each member firm of The Eide Bailly Alliance is solely responsible for its own acts and omissions and no other member assumes any liability for such acts or omissions. Neither Eide Bailly LLP, nor any of its affiliates, are responsible or liable for any acts or omission of The Eide Bailly Alliance or any other member firm of The Eide Bailly Alliance and hereby specifically disclaim any and all responsibility, even if Eide Bailly LLP, or any of its affiliates are aware of such acts or omissions of another member of The Eide Bailly Alliance.

Eide Bailly, LLP has owners that are not licensed as certified public accountants as permitted under Section 5079 of the California Business Code. It is not anticipated that any of the non-licensee owners will be performing audit services for the District.

DISPUTE RESOLUTION

The following procedures shall be used to resolve any disagreement, controversy or claim that may arise out of any aspect of our services or relationship with you, including this engagement, for any reason (“Dispute”). Specifically, we agree to first mediate.

Mediation

All Disputes between us shall first be submitted to non-binding mediation by written notice (“Mediation Notice”) to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator. The mediator will be selected by mutual agreement, but if we cannot agree on a mediator, one shall be designated by the American Arbitration Association (“AAA”).

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute. Mediation will be conducted with the parties in person in the Sacramento office.
Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Either party may commence suit on a Dispute after the mediator declares an impasse.

**INDEMNITY**

You agree that none of Eide Bailly LLP, its partners, affiliates, officers or employees (collectively “Eide Bailly”) shall be responsible for or liable to you for any misstatements in your financial statements that we may fail to detect as a result of knowing representations made to us, or the concealment or intentional withholding of information from us, by any of your owners, directors, officers or employees, whether or not they acted in doing so in your interests or for your benefit, and to hold Eide Bailly harmless from any claims, losses, settlements, judgments, awards, damages and attorneys’ fees from any such misstatement, provided that the services performed hereunder were performed in accordance with professional standards, in all material respects.

If a claim is brought against you by a third-party that arises out of or is in any way related to the services provided under this engagement, you agree to indemnify Eide Bailly LLP, its partners, affiliates, officers and employees against any losses, including settlement payments, judgments, damage awards, punitive or exemplary damages, and the costs of litigation (including attorneys’ fees) associated with the services performed hereunder provided that the services were performed in accordance with professional standards, in all material respects.

**ASSIGNMENTS PROHIBITED**

You agree that you will not and may not assign, sell, barter or transfer any legal rights, causes of actions, claims or Disputes you may have against Eide Bailly LLP, its partners, affiliates, officers and employees to any other person or party, or to any trustee, receiver or other third party.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements including our respective responsibilities.

We appreciate the opportunity to be your certified public accountants and look forward to working with you and your staff.

Respectfully,

David Showalter
Partner
RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Placer County Air Pollution Control District by:

Name: ____________________________
   Erik White

Title: ____________________________
   Air Pollution Control Officer

Date: ____________________________
   12/3/2019