SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

Technical Support Document

2005 Amendments
to the 2003 PM10 Plan

May 2005
# Table of Contents

Introduction .................................................................................................................................................. 1

Section 1: Successful Past.......................................................................................................................... 2

California Health and Safety Code and District Fees .............................................................................. 2

Section 40600-40608 .................................................................................................................................. 2

Section 40600-40608 .................................................................................................................................. 2

District Governing Board Resolutions for DMV Fees ............................................................................. 16

April 16, 1992, $4 Fee .......................................................................................................................... 16

October 16, 2003, $1 Fee ...................................................................................................................... 19

December 16, 2004, $2 Fee .................................................................................................................. 22

District staff Board Reports Demonstrating Incentive Program Use ..................................................... 25

December 16, 2004, $2 Fee for Motor Vehicle Emission Reduction Projects ........................................ 25

March 17, 2005, REMOVE II Program .................................................................................................. 28

Attachment to Board Report for REMOVE II: Staff Report .................................................................. 33

Agreement for State Funded Projects in the San Joaquin Valley ................................................................ 49

Emission Reductions Achieved by District Incentive Programs ............................................................. 73

NOx and PM Reductions ...................................................................................................................... 73

Emissions Reductions from District Incentives ..................................................................................... 80

Section II: Program Implementation ......................................................................................................... 82

EPA, Incentives, and SIPs ..................................................................................................................... 82

Sample Contract for Incentive Program Funding .................................................................................. 83

Sample Emission Reduction Calculations ............................................................................................ 91

Program Tracking and Accountability ................................................................................................. 106

Flowchart: A sample of the District’s processing and tracking procedure ........................................... 106

Inventories of District Activities for Incentive Programs ..................................................................... 107

Data Collection and Management ...................................................................................................... 121

District Report of Carl Moyer Program for ARB .................................................................................. 122

Section III: Future Projects .................................................................................................................... 125

Section IV: PM10 Plan Measures ............................................................................................................ 126

Control Measure Changes .................................................................................................................... 126

Schedule Changes ............................................................................................................................... 126

Changes in Emission Reductions ......................................................................................................... 128

Revised 5% per year Emissions Reductions Demonstration .................................................................. 130

Emissions Reductions .......................................................................................................................... 132
Introduction

This document provides the technical support for the use of emissions reductions from incentive funding in the San Joaquin Valley Unified Air Pollution Control District’s (District) 2005 Amendments to the 2003 PM10 Plan. The District’s incentive programs have proven to be successful in achieving reductions. As funding continues to be secured, the District’s incentive program administration will continually evidence the granting of monies and the achievement of reductions.

Section I, Successful Past, documents the accomplishment of District incentive programs to date and presents the foundation of present and previous incentive funding use. Relevant California Health and Safety Code allowing for DMV fee collection, District Governing Board Resolutions acting on those DMV fee regulations, related staff reports, and an agreement for State funded projects in the San Joaquin Valley provide the groundwork for the collection of monies for incentive programs. Emissions reductions achieved by District incentive programs also appear in this section to show how successful these programs have been in achieving emissions reductions to date.

Section II, Program Implementation, shows how District programs are executed. This section provides samples of the contracts, emissions reductions calculations, and program tracking tools to show how the District administers its programs. The District report of the Carl Moyer Program for the ARB is an example of District accountability to the State for managing incentive programs.

Section III, Future Programs, shows that although grant programs have already achieved significant emissions reductions, there is still more that can be accomplished with incentive funding in the San Joaquin Valley Air Basin. Analysis shows that more emissions reductions from these programs are possible well into the future.

Section IV, PM10 Plan Measures, shows how incentive programs fit into the overall emissions reductions for the 2005 Amendments to the 2003 PM10 Plan. Due to technical issues brought up during the rulemaking process, changes in State requirements with SB 700 and SB 706, issues arising in pursuing previously unregulated areas, and a shifting of District staff resources, the control measure schedule changed from what was originally planned in the 2003 PM10 Plan. This section summarizes the schedule changes and the shifts in emissions reductions while verifying that the 5% per year emissions reductions required by the Federal Clean Air Act are still met.
Section 1: Successful Past

This section provides the framework for the use of incentives with relevant portions for the California Health and Safety Code and District Governing Board items, including adopted resolutions and District staff Board Reports. This section also documents the success of past incentive programs with the fees that have been used for incentive programs and the emissions reductions that have been achieved with those monies.

California Health and Safety Code and District Fees

Section 40600-40608
Added by SB 709, Florez, 09/22/03, California Health and Safety Code Section 40600-40608 directs the District to impose an additional fee of one dollar upon certain registered motor vehicles within the District.

CALIFORNIA CODES
HEALTH AND SAFETY CODE
SECTION 40600-40608

40600. (a) The San Joaquin Valley Unified Air Pollution Control District formed by the Counties of Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare pursuant to Chapter 3 (commencing with Section 40150) of Part 3 of Division 26 of the Health and Safety Code, and consisting of the Counties of Fresno, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare, and that portion of the County of Kern that is within the San Joaquin Valley Air Basin, is a single integrated agency with all staff under one centralized management structure that is able to implement programs on a basinwide basis, and has all of the following:

(1) An individual air pollution control officer who is responsible for the issuance of all permits by the unified district.
(2) A single budget for the unified district with resources allocated based on the program needs of the San Joaquin Valley Air Basin.
(3) A uniform fee structure.
(4) Three hearing boards established pursuant to Section 40800 of the Health and Safety Code. One hearing board shall serve the northern region, one shall serve the central region, and one shall serve the southern region, as defined by the unified district board. Identical policies governing the operation of each hearing board shall be established by the unified district board and shall be binding upon each hearing board.
(5) A citizen’s advisory committee.

(b) Rules and regulations adopted by the San Joaquin Valley Unified Air Pollution Control District are binding on all counties within the unified district. The unified district shall enforce all permits issued by the unified district and all permits issued by the individual county districts prior to formation of the unified district. The unified district shall review, revise, adopt, and implement any air pollution control plans required within the San Joaquin Valley Air Basin by state and federal law.
(c) Notwithstanding any other provision of law, the San Joaquin Valley Unified Air Pollution Control District shall be governed by a district board composed of 11 voting members, appointed as follows:

(1) Eight members, one of whom shall be appointed by each of the Counties of Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare. The board of supervisors of each of those counties shall, by majority vote, appoint one of its members to serve as a member of the district governing board.

(2) Three city members appointed by the cities within the territory of the unified district. There shall not be more than one city member selected from one county. One city member shall be selected from the northern region, one from the central region, and one from the southern region of the district. Of the three city members, one shall be from a city having a population of less than 20,000, one shall be from a city having a population of not less than 20,000 and not more than 50,000, and one shall be from a city having a population of more than 50,000.

40601. The district board may adopt rules and regulations by the earliest feasible date that do all of the following:

(a) Require the use of best available control technology for new and modified sources, and the use of best available retrofit control technology for existing sources.

(b) Promote the use of cleaner burning alternative fuels.

(c) Encourage and facilitate ridesharing for commuter trips into, out of, and within the district.

(d) Require all businesses described below within the district that employ at least 100 people to establish a rideshare program:

(1) That are located within an incorporated city with a population of at least 10,000, as determined by the Demographic Research Unit of the Department of Finance.

(2) That are located within an incorporated city with a population of less than 10,000, as determined by the Demographic Research Unit of the Department of Finance, or that are located within the unincorporated area of a county, of which more than 50 percent of their employees work at least 2,040 hours per year.

40602. (a) The district shall expand the office of small business, established by the district, to include agriculture assistance, in order to provide administrative and technical services and information to small businesses, farmers, and the public.

(b) The office shall do all of the following:

(1) Facilitate and encourage compliance with district rules and regulations by small businesses and farmers.

(2) Assist small businesses and farmers in applying for permits and variances, and facilitate the participation of small businesses and farmers in the development of rules and regulations and in other proceedings of the district.

(3) Provide information on the public health, environmental, and economic effects of district rules and regulations on small businesses and farmers in the district.
(4) Make available to small businesses and farmers information regarding alternative processes, cleaner fuels and solvents, and low-cost financing for air pollution control equipment.

40603. (a) The district shall establish expedited permit review and project assistance mechanisms for facilities or projects that are directly related to research and development, demonstration, or commercialization of electric and other clean fuel vehicle technologies.

(b) The mechanisms shall include all of the following:

(1) The issuance of consolidated permits, for both construction and operation, in order to expedite the permitting process.

(2) The review and processing of permits on a facility or project basis rather than on an equipment basis, to ensure a single point of contact for the applicant and to allow entire projects to be reviewed and evaluated on a single, consolidated schedule.

(3) The establishment of a "fast track" permitting procedure to approve permits in an average of 30 days from receipt of all information requested by the district, except for any of the following facilities:

(A) Facilities that may emit significant amounts of toxic air contaminants.

(B) Facilities that require public notice.

(C) Facilities that require additional review to meet the requirements of the federal Clean Air Act (42 U.S.C. Sec. 7401 et seq.) or the California Clean Air Act of 1988 (Chapter 1568 of the Statutes of 1988).

(4) The development and implementation of postconstruction enforcement procedures to ensure that new and modified sources are constructed according to permit requirements.

(5) The establishment of a liaison program to assist facilities participating in research and development, demonstration, or commercialization of electric and other clean fuel vehicle technologies with preparing permit applications, complying with other district administrative procedures, and identifying and applying for state, federal, district, or other available funds set aside for electric and other clean fuel vehicle related projects.

(c) For purposes of this chapter, "clean fuels" are fuels designated by the state board for use in zero emission or partial zero emission vehicles and include, but are not limited to, electricity, hydrogen, liquefied petroleum gas, methanol, and natural gas.

40604. (a) The district board shall adopt, by regulation, a schedule of fees to be assessed on area-wide or indirect sources of emissions that are regulated, but for which permits are not issued, by the district to recover the costs of district programs related to these sources.

(b) That fee schedule shall be designed to yield a sum not exceeding the estimated cost of the administration of this chapter and mitigation of emissions, and for the filing of applications for variances or to revoke or modify variances. All applicants shall pay the
fees required by the schedule, including, notwithstanding Section 6103 of the Government Code, an applicant that is a publicly owned utility.

40605. (a) The district board shall adopt a surcharge on the registration fees applicable to all motor vehicles registered in those counties within the district, as specified in Section 9250.16 of the Vehicle Code.
(b) Fees generated by the surcharge imposed pursuant to Section 9250.16 of the Vehicle Code shall only be used to reduce emissions from vehicular sources, including, but not limited to, the following activities:
(1) The establishment of a clean fuels program.
(2) The adoption and implementation of motor vehicle use reduction measures.
(c) No more than 2 percent of the funds collected pursuant to the surcharge shall be used by the district for administrative expenses.
(d) The district board shall adopt accounting procedures to ensure that revenues from motor vehicle registration fees are not commingled with other program revenues.

40606. The district board has the authority to monitor emissions from all stationary agricultural pumps in the district, including, but not limited to, those designated by the federal Environmental Protection Agency as "nonroad" engines that are subject to the requirements of Title II of the federal Clean Air Act (42 U.S.C. Sec. 7521 et seq.).

40608. (a) The district may develop and adopt by regulation, not later than January 1, 2008, a program to offset or mitigate the increased emissions of air contaminants resulting from the operation of the F-35 Joint Strike Fighter program within the district. If the district implements a program under this subdivision, the district shall provide grants to projects that the district determines will provide measurable reductions in emissions of air contaminants in the district, and may include projects that reduce emissions from stationary or mobile sources within the district. Any emission reductions achieved pursuant to this program shall be surplus, quantifiable, permanent, and enforceable and shall not otherwise be required by law or regulation.
(b) For purposes of this section:
(1) "Joint Strike Fighter Impact Zone" means Kings County.
(2) "Base fiscal year" means the 2003-04 fiscal year.
(3) "State tax revenues" includes revenues derived from the imposition of taxes under the Sales and Use Tax Law (Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code), the Personal Income Tax Law (Part 10 (commencing with Section 17001) of Division 2 of the Revenue and Taxation Code), and the Corporation Tax Law (Part 11 (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code).
(c) (1) The California Research Bureau, in consultation with the State Board of Equalization and the Franchise Tax Board, shall, no later than December 31, 2004,
calculate the state tax revenues derived from, or attributable to, the Joint Strike Fighter Impact Zone during the base fiscal year.

(2) The California Research Bureau, in consultation with the State Board of Equalization and the Franchise Tax Board, shall, no later than December 31, 2007, and no later than December 31 of each following year, calculate the state tax revenues derived from, or attributable to, the Joint Strike Fighter Impact Zone during the preceding fiscal year.

Section 40600-40608
Added by AB 923, Firebaugh and Pavely, 09/23/04, California Health and Safety Code Section 44220-44246 authorizes the District to impose an additional fee of two dollars upon certain registered motor vehicles within the District. The 1990 Statutes of Health and Safety Code Section 44223 had been previously used for the District’s original $4 fee.

CALIFORNIA CODES
HEALTH AND SAFETY CODE
SECTION 44220-44246

44220. The Legislature hereby finds and declares as follows:
(a) This chapter is intended to ensure that any county air pollution control district, or unified or regional air pollution control district, may, upon adoption of a resolution by the district governing board, exercise fee authority similar to that provided the south coast district pursuant to Section 9250.11 of the Vehicle Code and the Sacramento district pursuant to Section 41081, in order to ensure that districts, and, in the south coast district, other implementing agencies, have the necessary funds to carry out their responsibilities for implementing the California Clean Air Act of 1988 (Chapter 1568 of the Statutes of 1988).
(b) The revenues from the fees collected pursuant to this chapter shall be used solely to reduce air pollution from motor vehicles and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of the California Clean Air Act of 1988.

44223. (a) In addition to any other fees specified in this code, the Vehicle Code, and the Revenue and Taxation Code, a district, except the Sacramento district, which has been designated by the state board as a state nonattainment area for any pollutant emitted by motor vehicles may levy a fee of up to two dollars ($2) on motor vehicles registered within the district. A district may impose the fee only if the district board adopts a resolution providing for both the fee and a corresponding program for the reduction of air pollution from motor vehicles pursuant to, and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of, the California Clean Air Act of 1988 (Chapter 1568 of the Statutes of 1988).
(b) In districts with nonelected officials on their boards, a resolution adopted pursuant to subdivision (a) shall be approved by both a majority of the board and a majority of the board members who are elected officials.
(c) A fee imposed pursuant to this section shall become effective on either April 1 or October 1, as provided in the resolution adopted by the board pursuant to subdivision (a).

44225. A district may increase the fee established under Section 44223 to up to six dollars ($6). A district may increase the fee only if the following conditions are met:

(a) A resolution providing for both the fee increase and a corresponding program for expenditure of the increased fees for the reduction of air pollution from motor vehicles pursuant to, and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of, the California Clean Air Act of 1988 is adopted and approved by the governing board of the district.

(b) In districts with nonelected officials on their governing boards, the resolution shall be adopted and approved by both a majority of the governing board and a majority of the board members who are elected officials.

(c) An increase in fees established pursuant to this section shall become effective on either April 1 or October 1, as provided in the resolution adopted by the board pursuant to subdivision (a).

(d) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

44225. On and after April 1, 1992, a district may increase the fee established under Section 44223 to up to four dollars ($4). A district may increase the fee only if the following conditions are met:

(a) A resolution providing for both the fee increase and a corresponding program for expenditure of the increased fees for the reduction of air pollution from motor vehicles pursuant to, and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of, the California Clean Air Act of 1988 is adopted and approved by the governing board of the district.

(b) In districts with nonelected officials on their governing boards, the resolution shall be adopted and approved by both a majority of the governing board and a majority of the board members who are elected officials.

(c) An increase in fees established pursuant to this section shall become effective on either April 1 or October 1, as provided in the resolution adopted by the board pursuant to subdivision (a).

(d) This section shall become operative on January 1, 2015.

44227. Upon request of a district, the Department of Motor Vehicles shall collect the fees established pursuant to Sections 44223 and 44225 upon renewal of the registration of any motor vehicle subject to this part and registered in the district, except those
vehicles which are expressly exempted under the Vehicle Code from the payment of registration fees.

44229. (a) After deducting all administrative costs it incurs through collection of fees pursuant to Section 44227, the Department of Motor Vehicles shall distribute the revenues to districts, which shall use the revenues resulting from the first four dollars ($4) of each fee imposed to reduce air pollution from motor vehicles and to carry out related planning, monitoring, enforcement, and technical studies necessary for implementation of the California Clean Air Act of 1988. Fees collected by the Department of Motor Vehicles pursuant to this chapter shall be distributed to districts based upon the amount of fees collected from motor vehicles registered within each district.

(b) Notwithstanding the provisions of Section 44241 and Section 44243, a district shall use the revenues resulting from the next two dollars ($2) of each fee imposed pursuant to Section 44227 to implement the following programs that the district determines remediate air pollution harms created by motor vehicles on which the surcharge is imposed:

1. Projects eligible for grants under the Carl Moyer Memorial Air Quality Standards Attainment Program (Chapter 9 (commencing with Section 44275) of Part 5).
2. The new purchase, retrofit, repower, or add-on equipment for previously unregulated agricultural sources of air pollution, as defined in Section 39011.5, for a minimum of three years from the date of adoption of an applicable rule or standard, or until the compliance date of that rule or standard, whichever is later, if the state board has determined that the rule or standard complies with Sections 40913, 40914, and 41503.1, after which period of time, a new purchase, retrofit, repower, or add-on of equipment shall not be funded pursuant to this chapter. The districts shall follow any guidelines developed under subdivision (a) of Section 44287 for awarding grants under this program.
3. The new purchase of schoolbuses pursuant to the Lower-Emission School Bus Program adopted by the state board.
4. An accelerated vehicle retirement or repair program that is adopted by the state board pursuant to authority granted hereafter by the Legislature by statute.

(c) The Department of Motor Vehicles may annually expend not more than the following percentages of the fees collected pursuant to Section 44227 on administrative costs:

1. During the first year after the operative date of this chapter, not more than 5 percent of the fees collected may be used for administrative costs.
2. During the second year after the operative date of this chapter, not more than 3 percent of the fees collected may be used for administrative costs.
3. During any year subsequent to the second year after the operative date of this chapter, not more than 1 percent of the fees collected may be used for administrative costs.

(d) No project funded by the program shall be used for credit under any state or federal emissions averaging, banking, or trading program. No emission reduction generated by the program shall be used as marketable emission reduction credits or to
offset any emission reduction obligation of any person or entity. Projects involving new engines that would otherwise generate marketable credits under state or federal averaging, banking, and trading programs shall include transfer of credits to the engine end user and retirement of those credits toward reducing air emissions in order to quality for funding under the program. A purchase of a low-emission vehicle or of equipment pursuant to a corporate or a controlling board's policy, but not otherwise required by law, shall generate surplus emissions reductions and may be funded by the program.

(e) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

44229. (a) After deducting all administrative costs it incurs through collection of fees pursuant to Section 44227, the Department of Motor Vehicles shall distribute the revenues to districts which shall use the fees to reduce air pollution from motor vehicles and to carry out related planning, monitoring, enforcement, and technical studies necessary for implementation of the California Clean Air Act of 1988. Fees collected by the Department of Motor Vehicles pursuant to this chapter shall be distributed to districts based upon the amount of fees collected from motor vehicles registered within each district.

(b) The Department of Motor Vehicles may annually expend not more than the following percentages of the fees collected pursuant to Section 44227 on administrative costs:

(1) During the first year after the operative date of this chapter, not more than 5 percent of the fees collected may be used for administrative costs.

(2) During the second year after the operative date of this chapter, not more than 3 percent of the fees collected may be used for administrative costs.

(3) During any year subsequent to the second year after the operative date of this chapter, not more than 1 percent of the fees collected may be used for administrative costs.

(c) This section shall become operative on January 1, 2015.

44231. After consulting with the Department of Motor Vehicles on the feasibility thereof, a district board may exempt from all or part of the fee any category of low-emission motor vehicle.

44233. Not more than 5 percent of the fees distributed to any district pursuant to Section 44229, or distributed by a district to any other public agency pursuant to this chapter, shall be used by the district or other public agency for administrative costs.
44235. A district shall not use fees established under Sections 44223 and 44225 for the purpose of establishing or maintaining the district as a direct provider of carpool, vanpool, or other ridesharing or transit services. However, a district may use these funds to enter into, and implement, agreements with agencies which directly provide carpool, vanpool, or other ridesharing or transit services to provide these services.

44236. A district may allocate funds raised by fees established under Sections 44223 and 44225 to meet the requirements of Section 65089 of the Government Code, if those requirements are in compliance with, and necessary for the implementation of, the California Clean Air Act of 1988.

44237. A district may use fees established under Sections 44223 and 44225 to enter into an agreement with a council of governments, regional agency, or local agency to carry out Section 40717.

44241. (a) Fee revenues generated under this chapter in the bay district shall be subvened to the bay district by the Department of Motor Vehicles after deducting its administrative costs pursuant to Section 44229.
   (b) Fee revenues generated under this chapter shall be allocated by the bay district to implement the following mobile source and transportation control projects and programs that are included in the plan adopted pursuant to Sections 40233, 40717, and 40919:
      (1) The implementation of ridesharing programs.
      (2) The purchase or lease of clean fuel buses for school districts and transit operators.
      (3) The provision of local feeder bus or shuttle service to rail and ferry stations and to airports.
      (4) Implementation and maintenance of local arterial traffic management, including, but not limited to, signal timing, transit signal preemption, bus stop relocation and "smart streets."
      (5) Implementation of rail-bus integration and regional transit information systems.
      (6) Implementation of low-emission and zero-emission vehicle programs and demonstration projects in telecommuting and in congestion pricing of highways, bridges, and public transit. No funds expended pursuant to this paragraph for telecommuting projects shall be used for the purchase of personal computing equipment for an individual's home use.
      (7) Implementation of a smoking vehicles program.
      (8) Implementation of an automobile buy-back scrappage program operated by a governmental agency.
      (9) Implementation of bicycle facility improvement projects that are included in an adopted countywide bicycle plan or congestion management program.
      (10) The design and construction by local public agencies of physical improvements that support development projects that achieve motor vehicle emission reductions. The
projects and the physical improvements shall be identified in an approved area-specific plan, redevelopment plan, general plan, or other similar plan.

(c) Fee revenue generated under this chapter shall be allocated by the bay district for projects and programs specified in subdivision

(b) to cities, counties, the Metropolitan Transportation Commission, transit districts, or any other public agency responsible for implementing one or more of the specified projects or programs. Fee revenues shall not be used for any planning activities that are not directly related to the implementation of a specific project or program.

(d) Not less than 40 percent of fee revenues shall be allocated to the entity or entities designated pursuant to subdivision (e) for projects and programs in each county within the bay district based upon the county’s proportionate share of fee-paid vehicle registration.

(e) In each county, one or more entities may be designated as the overall program manager for the county by resolutions adopted by the county board of supervisors and the city councils of a majority of the cities representing a majority of the population in the incorporated area of the county. The resolution shall specify the terms and conditions for the expenditure of funds. The entities so designated shall be allocated the funds pursuant to subdivision (d) in accordance with the terms and conditions of the resolution.

(f) Any county, or entity designated pursuant to subdivision (e), that receives funds pursuant to this section, at least once a year, shall hold one or more public meetings for the purpose of adopting criteria for expenditure of the funds and to review the expenditure of revenues received pursuant to this section by any designated entity.

44241.5. The bay district board shall hold an annual public hearing to review the expenditure of revenues received by the bay district pursuant to Section 44241 to determine their effectiveness in improving air quality.

44242. (a) Any agency which receives funds pursuant to Section 44241 shall, at least once every two years, undertake an audit of each program or project funded. The audit shall be conducted by an independent auditor selected by the bay district in accordance with Division 2 (commencing with Section 1100) of the Public Contract Code. The district shall deduct any audit costs which will be incurred pursuant to this section prior to distributing fee revenues to cities, counties, or other agencies pursuant to Section 44241.

(b) Upon completion of an audit conducted pursuant to subdivision (a), the bay district shall do both of the following:

(1) Make the audit available to the public and to the affected agency upon request.

(2) Review the audit to determine if the fee revenues received by the agency were spent for the reduction of air pollution from motor vehicles pursuant to the plan prepared pursuant to Sections 40233 and 40717.

(c) If, after reviewing the audit, the bay district determines that the revenues from the fees may have been expended in a manner which is contrary to this chapter or which
will not result in the reduction of air pollution from motor vehicles pursuant to that plan, the district shall do all of the following:

(1) Notify the agency of its determination.

(2) Within 45 days of the notification pursuant to paragraph (1), hold a public hearing at which the agency may present information relating to expenditure of the revenues from the fees.

(3) After the public hearing, if the district determines that the agency has expended the revenues from the fees in a manner which is contrary to this chapter or which will not result in the reduction of air pollution from motor vehicles pursuant to the plan prepared pursuant to Sections 40233 and 40717, the district shall withhold these revenues from the agency in an amount equal to the amount which was inappropriately expended. Any revenues withheld pursuant to this paragraph shall be redistributed to the other cities within the county, or to the county, to the extent the district determines that they have complied with the requirements of this chapter.

(d) Any agency which receives funds pursuant to Section 44241 shall encumber and expend the funds within two years of receiving the funds, unless an application for funds pursuant to this chapter states that the project will take a longer period of time to implement and is approved by the district or the agency designated pursuant to subdivision (e) of Section 44241. In any other case, the district or agency may extend the time beyond two years, if the recipient of the funds applies for that extension and the district or agency, as the case may be, finds that significant progress has been made on the project for which the funds were granted.

44243. Fee revenues generated under this chapter in the south coast district shall be subvened to the south coast district by the Department of Motor Vehicles, after deducting its administrative costs pursuant to Section 44229, for expenditure in the following manner:

(a) (1) Thirty cents ($0.30) of every dollar subvened shall be used by the south coast district for programs to reduce air pollution from motor vehicles and to carry out related planning, monitoring, enforcement, and technical studies which are authorized by, or necessary to implement, the Clean Air Act Amendments of 1990 (P.L. 101-549), the California Clean Air Act of 1988, or the plan prepared pursuant to Article 5 (commencing with Section 40460) of Chapter 5.5 of Part 3.

(2) Funds allocated pursuant to paragraph (1) shall also be used to provide technical assistance to cities receiving funds pursuant to subdivision (b). That technical assistance shall include, but not be limited to, workshops and direct assistance to individual cities on how to develop and implement programs to reduce air pollution from motor vehicles.

(b) (1) Forty cents ($0.40) of every dollar subvened shall be distributed by the district to cities and counties located in the south coast district, based upon their prorated share of population, to be used to implement programs to reduce air pollution from motor vehicles which are authorized by, or necessary to implement, the Clean Air Act Amendments of 1990, the California Clean Air Act of 1988, or the plan prepared pursuant to Article 5 (commencing with Section 40460) of Chapter 5.5 of Part 3. No city or county may receive funds pursuant to this subdivision unless, on or before April 1,
1992, or, for a newly incorporated city, within 90 days of the date of incorporation, the city or county has adopted and transmitted to the south coast district an ordinance which does all of the following:

(A) Expresses support for the adoption of motor vehicle registration fees to be used to reduce air pollution from motor vehicles pursuant to the Clean Air Act Amendments of 1990, the California Clean Air Act of 1988, or the plan prepared pursuant to Article 5 (commencing with Section 40460) of Chapter 5.5 of Part 3.

(B) Expressly requires all fee revenues distributed to the city or county pursuant to this subdivision or subdivision (c) to be spent to reduce air pollution from motor vehicles pursuant to the Clean Air Act Amendments of 1990, the California Clean Air Act of 1988, or the plan prepared pursuant to Article 5 (commencing with Section 40460) of Chapter 5.5 of Part 3.

(C) Establishes an air quality improvement trust fund into which all fee revenues distributed to the city or county shall be deposited, and out of which expenditures shall be made to reduce air pollution from motor vehicles pursuant to the Clean Air Act Amendments of 1990, the California Clean Air Act of 1988, or the plan prepared pursuant to Article 5 (commencing with Section 40460) of Chapter 5.5 of Part 3.

(2) If a city or county fails to adopt an ordinance pursuant to this subdivision, the fee revenues which would be distributed to that city or county shall instead be distributed to the other cities and counties within the south coast district which have adopted an ordinance pursuant to this subdivision, based upon their prorated share of registered motor vehicles.

(c) Thirty cents ($0.30) of every dollar subvened shall be deposited by the district in an account to be used, pursuant to Section 44244, to provide grants to fund projects for the exclusive purpose of reducing air pollution from motor vehicles that are authorized by, or necessary to implement, the Clean Air Act Amendments of 1990, the California Clean Air Act of 1988, or the plan prepared pursuant to Article 5 (commencing with Section 40460) of Chapter 5.5 of Part 3.

44244. (a) There is hereby created a regional Mobile Source Air Pollution Reduction Review Committee. The committee shall be comprised of one representative from each of the following agencies:

(1) The south coast district.
(2) The Southern California Association of Governments.
(3) The San Bernardino Associated Governments.
(4) The Los Angeles County Transportation Commission.
(5) The Orange County Transportation Commission.
(6) The Riverside County Transportation Commission.
(7) The state board.
(8) A regional ridesharing agency selected by the other members of the committee.

(b) Fees allocated pursuant to subdivision (c) of Section 44243 shall be used to provide grants for projects to be funded pursuant to a work program developed and
adopted by the committee and approved by the south coast district board in the following manner:

(1) The work program shall be adopted by an affirmative vote of a majority of the committee members.

(2) Upon adoption of the work program, the work program shall be submitted to the south coast district board which, within 60 days, may approve the work program by majority vote of the full south coast district board. If the south coast district board fails to approve the work program within 60 days of receiving it, the work program shall be deemed disapproved. If the south coast district board disapproves the work program, it shall be returned to the committee which shall amend, readopt, and resubmit the work program to the south coast district board for approval or disapproval.

(c) The committee shall establish a technical advisory committee to assist in the development of the work program. The technical advisory committee shall include, but not be limited to, representatives of agencies which make up the committee, a representative of the cities from each county within the south coast district, and a representative of the boards of supervisors of each county within the south coast district. The technical advisory committee shall also include one or more persons who have academic training and professional expertise in air pollution control, and one person who is a mechanical engineer specializing in vehicle engines.

The technical advisory committee may also include representatives of other public agencies and other interested parties that the committee may determine to be appropriate.

(d) On or before July 1, 1993, the committee shall prepare, adopt, and make available to the public clear and concise written guidelines and procedures under which projects proposed for funding under the work program will be reviewed and recommended for funding. The guidelines shall specify that only those projects that include, but are not limited to, the adoption and implementation of transportation control measures, transportation demand management programs, clean fuel and clean vehicle programs, and research and monitoring programs, in compliance with the Clean Air Act Amendments of 1990 (P.L. 101-549), the California Clean Air Act of 1988, or the plan prepared pursuant to Article 5 (commencing with Section 40460) of Chapter 5.5 of Part 3, and that result in direct and tangible reductions in vehicular air pollution, shall be funded pursuant to the work program.

(e) The south coast district shall not be eligible for funds allocated pursuant to this section.

44244.1. (a) Any agency which receives fee revenues pursuant to Section 44243 or 44244 shall, at least once every two years, be subject to an audit of each program or project funded. The audit shall be conducted by an independent auditor selected by the south coast district in accordance with Division 2 (commencing with Section 1100) of the Public Contract Code. The district shall deduct any audit costs which will be incurred pursuant to this section prior to distributing fee revenues to cities, counties, or other agencies pursuant to Sections 44243 and 44244.
(b) Upon completion of an audit conducted pursuant to subdivision (a), the south coast district shall do both of the following:

(1) Make the audit available to the public and to the affected agency upon request.

(2) Review the audit to determine if the revenues from the fees received by the agency were spent for the reduction of air pollution from motor vehicles pursuant to the California Clean Air Act of 1988 (Chapter 1568 of the Statutes of 1988) or the plan prepared pursuant to Article 5 (commencing with Section 40460) of Chapter 5.5 of Part 3.

(c) If, after reviewing the audit, the south coast district determines that the revenues from the fees may have been expended in a manner which is contrary to this chapter or which will not result in the reduction of air pollution from motor vehicles pursuant to the California Clean Air Act of 1988 or the plan prepared pursuant to Article 5 (commencing with Section 40460) of Chapter 5.5 of Part 3, the district shall do all of the following:

(1) Notify the agency of its determination.

(2) Within 45 days of the notification pursuant to paragraph (1), hold a public hearing at which the agency may present information related to expenditure of the revenues from the fees.

(3) After the public hearing, if the district determines that the agency has expended the revenues from the fees in a manner which is contrary to this chapter or which will not result in the reduction of air pollution from motor vehicles pursuant to the California Clean Air Act of 1988 or the plan prepared pursuant to Article 5 (commencing with Section 40460) of Chapter 5.5 of Part 3, the district shall withhold these revenues from the agency in an amount equal to the amount which was inappropriately expended. Any revenues withheld pursuant to this paragraph shall be redistributed to the other agencies or, upon approval of the district board, to entities specified in the work programs developed by the mobile source advisory committee, to the extent the district determines that they have complied with this chapter.

(d) Any agency which receives fee revenues pursuant to Section 44243 or 44244 shall expend the funds within one year of the program or project completion date.

44246. (a) For each school district that is required to submit a trip reduction plan to the south coast district, the south coast district shall waive any fee that would otherwise be imposed for the submission or review of a trip reduction plan or for the submission or review of any alternative compliance plan, and shall instead recover that amount from the funds collected by the south coast district pursuant to Section 44243.

(b) The south coast district shall annually calculate the amount necessary to recover the costs of school district plan reviews, and the Mobile Source Air Pollution Reduction Review Committee shall allocate that amount to the south coast district from the funds collected pursuant to subdivision (c) of Section 44243.

(c) This section shall remain in effect until January 1, 2010, or until south coast district Rule 2202 is repealed in its entirety, whichever first occurs, unless a later enacted statute that is enacted before that date and before south coast district Rule 2202 is repealed, deletes or extends that date.
District Governing Board Resolutions for DMV Fees

April 16, 1992, $4 Fee

BEFORE THE GOVERNING BOARD
OF THE
SAN JOAQUIN VALLEY UNIFIED
AIR POLLUTION CONTROL DISTRICT
STATE OF CALIFORNIA

In the matter of
APPROVING MOTOR VEHICLE FEE
PURSUANT TO SECTION 44223 OF
THE CALIFORNIA HEALTH AND
SAFETY CODE (AB 2766 SHER)

WHEREAS, The California Clean Air Act of 1988
requires local air pollution control districts to
reduce emissions from motor vehicles; and

WHEREAS, section 44223, added to the Health and
Safety Code by action of the California Legislature on
September 30, 1990, (Statutes of 1990, Chapter 1705)
authorizes the San Joaquin Valley Air Pollution Control
District to impose a fee of up to Four Dollars ($4.00)
upon certain registered motor vehicles within the
District; and

WHEREAS, section 9250.17, added to the California
Motor Vehicle Code by action of the California
Legislature on September 30, 1990, (Statutes of 1990,
Chapter 2705) authorizes the Department of Motor
Vehicles to collect fees requested by the District
Board;

NOW, THEREFORE BE IT RESOLVED that the Governing
Board of the San Joaquin Valley Unified Air Pollution
Control District hereby requests a fee of Four Dollars
be levied on all fee paying registered motor vehicles in the counties of Fresno, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare and the San Joaquin Valley portion of Kern County, commencing on October 1, 1992, and requests the California Department of Motor Vehicles collect and distribute said fees pursuant to section 9250.17 of the California Vehicle Code.

BE IT FURTHER RESOLVED that the San Joaquin Valley Unified Air Pollution Control District intends to use the above fees to reduce air pollution from motor vehicles pursuant to the California Clean Air Act of 1988 (Chapter 2568) including carrying out related planning, monitoring, enforcement, and other technical activities.

ON A MOTION BY Boardmember Yagi

and seconded by Boardmember Bogna

the foregoing resolution was adopted by the San Joaquin Valley Unified Air Pollution Control District Board this 16th day of April, 1992, to be effective October 1, 1992, by the following votes:

-2-
AYES: Vagim, Bogna, Hammond, Bohigian, Sousa and Jensen.

NOES: McLaughlin, Gould, Bradley, Starn and Larwood.

ABSENT: None

RICK JENSEN, CHAIR
SAN JOAQUIN VALLEY UNIFIED
AIR POLLUTION CONTROL DISTRICT

ATTEST:
Clerk
By: [Signature]

COUNTY OF FRESNO
FRESNO, CALIFORNIA
CO-16 4/9/21
BEFORE THE GOVERNING BOARD OF THE
SAN JOAQUIN VALLEY UNIFIED
AIR POLLUTION CONTROL DISTRICT

IN THE MATTER OF:
APPROVING MOTOR VEHICLE
REGISTRATION SURCHARGE FEE
PURSUANT TO SECTION 40605 OF
THE CALIFORNIA HEALTH AND
SAFETY CODE (SB 709 FLOREZ)

RESOLUTION

WHEREAS, The California Clean Air Act of 1988 requires local air pollution
control districts to reduce emissions from motor vehicles; and

WHEREAS, section 44223, added to the Health and Safety Code by action of
the California Legislature on September 30, 1990, (Statutes of 1990, Chapter 1705)
authorizes the San Joaquin Valley Air Pollution Control District to impose a fee of up
to Four dollars ($4.00) upon certain registered motor vehicles within the District; and

WHEREAS, section 9250.17, added to the California Motor Vehicle Code by
Action of the California Legislature on September 30, 1990, (Statutes of 1990, Chapter
2705) authorizes the Department of Motor Vehicles to collect fees requested by the
District Board; and

WHEREAS, section 40605, added to the Health and Safety Code by action of
the California Legislature on September 22, 2003, (Statutes of 2003, Chapter 483)
directs the San Joaquin Valley Air Pollution Control District to impose an additional
fee of One Dollar ($1.00) upon certain registered motor vehicles within the District; and

WHEREAS, section 9250.16, added to the California Motor Vehicle Code by
Action of the California Legislature on September 22, 2003, (Statutes of 2003, Chapter
483) authorizes the Department of Motor Vehicles to collect fees requested by the
District Board:
NOW, THEREFORE, BE IT RESOLVED that the Governing Board of the San Joaquin Valley Unified Air Pollution Control District hereby requests an additional fee of One Dollar ($1.00) be levied on all fee paying registered motor vehicles in the counties of Fresno, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare and the San Joaquin Valley portion of Kern, commencing on January 1, 2004, and requests the California Department of Motor Vehicles collect and distribute said fees pursuant to section 9250.16 of the California Motor Vehicle Code.

BE IT FURTHER RESOLVED that the San Joaquin Valley Unified Air Pollution Control District intends to use the above fees to reduce air pollution from motor vehicles pursuant to section 40605 of the Health and Safety Code and that the aforementioned fees are not backfilling State obligations to assist this region with air quality.

ON MOTION BY Boardmember Armentrout and seconded by Boardmember Patrick, the foregoing resolution was adopted by the San Joaquin Valley Unified Air Pollution Control District Board this 16th day of October, 2003, to be effective January 1, 2004, by the following votes:

AYES: Case, Barba, Prince, Nelson, Armentrout, Patrick and Dominici.

NOES: Sieglock and Worthley.

ABSENT: Mayfield and Maggard.

SAN JOAQUIN VALLEY UNIFIED
AIR POLLUTION CONTROL DISTRICT

By
Ronn Dominici, Chair
Governing Board
ATTEST:
Clerk to the Governing Board
By Sissy Smith
BEFORE THE GOVERNING BOARD OF THE
SAN JOAQUIN VALLEY UNIFIED
AIR POLLUTION CONTROL DISTRICT

IN THE MATTER OF:
APPROVING MOTOR VEHICLE
REGISTRATION SURCHARGE FEE
PURSUANT TO SECTION 44225 OF
THE CALIFORNIA HEALTH AND
SAFETY CODE (AB 923 FIREBAUGH)

RESOLUTION

WHEREAS, The California Clean Air Act of 1968 requires local air pollution control districts to reduce emissions from motor vehicles; and

WHEREAS, section 44223, added to the Health and Safety Code by action of the California Legislature on September 30, 1990, (Statutes of 1990, Chapter 1705) authorizes the San Joaquin Valley Air Pollution Control District to impose a fee of up to Four dollars ($4.00) upon certain registered motor vehicles within the District; and

WHEREAS, section 9250.17, added to the California Motor Vehicle Code by Action of the California Legislature on September 30, 1990, (Statutes of 1990, Chapter 2705) authorizes the Department of Motor Vehicles to collect fees requested by the District Board; and

WHEREAS, section 40605, added to the Health and Safety Code by action of the California Legislature on September 22, 2003, (Statutes of 2003, Chapter 483) directs the San Joaquin Valley Air Pollution Control District to impose an additional fee of One Dollar ($1.00) upon certain registered motor vehicles within the District; and

WHEREAS, section 9250.16, added to the California Motor Vehicle Code by Action of the California Legislature on September 22, 2003, (Statutes of 2003, Chapter 483) authorizes the Department of Motor Vehicles to collect fees requested by the District Board; and
WHEREAS, section 44225, added to the Health and Safety Code by action of the California Legislature on September 23, 2004, (Statutes of 2004, Chapter 707) authorizes the San Joaquin Valley Air Pollution Control District to impose an additional fee of Two Dollars ($2.00) upon certain registered motor vehicles within the District only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends the date; and

WHEREAS, section 9250.2, added to the California Motor Vehicle Code by Action of the California Legislature on September 23, 2004, (Statutes of 2004, Chapter 707) authorizes the Department of Motor Vehicles to collect fees requested by the District Board:

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of the San Joaquin Valley Unified Air Pollution Control District hereby requests an additional fee of Two Dollars ($2.00) be levied on all fee paying registered motor vehicles in the counties of Fresno, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare and the San Joaquin Valley portion of Kern, commencing on April 1, 2005, and requests the California Department of Motor Vehicles collect and distribute said fees pursuant to section 9250.2 of the California Motor Vehicle Code.

BE IT FURTHER RESOLVED that the San Joaquin Valley Unified Air Pollution Control District intends to use the above fees to reduce air pollution from motor vehicles pursuant to section 41081 of the Health and Safety Code.

ON MOTION BY Boardmember Dominici
and seconded by Boardmember Armentrout,
the foregoing resolution was adopted by the San Joaquin Valley Unified Air Pollution Control District Board this 16th day of December, 2004, to be effective April 1, 2005, by the following votes:


NOES: Maggard.
ABSENT: None.

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

By Barbara Patrick, Chair
Governing Board

ATTEST:
Clerk to the Governing Board

By Sissy Smith
District staff Board Reports Demonstrating Incentive Program Use

December 16, 2004, $2 Fee for Motor Vehicle Emission Reduction Projects

San Joaquin Valley
Air Pollution Control District

DATE: December 16, 2004

TO: SJVUAPCD Governing Board

FROM: David L. Crow, Executive Director/APCO
      Project Coordinator: Jeff Findley

RE: RECONSIDER AUTHORIZATION OF AN ADDITIONAL
    $2 DMV SURCHARGE FEE FOR MOTOR VEHICLE
    EMISSION REDUCTION PROJECTS

RECOMMENDATION:
Approve the attached resolution authorizing an additional two dollars ($2) surcharge on the registration fees applicable to all motor vehicles registered in the District, as authorized in AB 923 (Firebaugh, 2004), and request that DMV begin collecting the fee on April 1, 2005.

PRIOR ACTION:
Your Board heard this item at the November 4, 2004 Governing Board Meeting. The item failed to achieve the necessary majority vote with a split vote (5 Ayes, 5 Noes, 1 Absent). However, your Board voted unanimously to reconsider this item at the December Governing Board Meeting pending the presentation of additional information. Specifically, your Board requested clarification on the proposed uses of the additional two-dollar ($2) surcharge, including eligible project types and the District’s proposed strategy for utilizing the additional surcharge (please see attached presentation materials).

BACKGROUND:
State law provides air districts that are designated as state non-attainment for a pollutant emitted by motor vehicles to receive revenues from motor vehicle surcharge fees collected and disbursed by the State Department of Motor Vehicles (DMV). Legislation was originally enacted in 1990 to enable air districts to receive up to a $4 surcharge per vehicle on motor vehicle registration fees. These fees
provide air districts with funds to meet their responsibilities mandated under the California Clean Air Act (CCAA) without raising fees on stationary sources. The California Health and Safety Code states that these motor vehicle surcharge fees shall be used to support air district-operated planning, monitoring, enforcement, and technical studies necessary to implement the CCAA, including incentive programs that reduce motor vehicle emissions.

Your Board approved the collection of an additional $1 surcharge per motor vehicle on October 16, 2003, pursuant to AB 709 (Florez, 2003). Funds generated by that increase are anticipated to be approximately $2.4 million per year in the San Joaquin Valley. The funds generated by the SB 709 surcharge may only be used to reduce emissions from vehicular sources, including, but not limited to the establishment of a clean fuels program and the adoption and implementation of motor vehicle use reduction measures. The District may utilize up to two percent of the funds received for administrative expenses, which is estimated to total $48,000 per year. The DMV will begin collecting the additional $1 surcharge on January 1, 2005.

Assembly Bill 923 was signed by the Governor on September 23, 2004 and allows air districts to adopt an additional $2 motor vehicle surcharge fee. It is estimated that this increase would generate approximately $4.8 million per year in the San Joaquin Valley. The funds generated by this additional surcharge may only be used to reduce emissions from certain motor vehicle and agriculture sources, including Carl Moyer Program projects, and for the new purchase, retrofit, repower, or add-on equipment for previously unregulated agricultural sources, school buses, and an accelerated vehicle retirement or repair program. The District may utilize up to five percent of the funds received for incentive program administrative expenses, which is approximately $240,000 per year. The DMV will begin collecting the additional surcharge on April 1, 2005 provided your Board submits a resolution to DMV requesting the additional increase by January 1, 2005. This additional surcharge will remain in effect only until January 1, 2015.

**DISCUSSION:**

In 1992-1993 your Board began establishing incentive programs to encourage the voluntary reduction of emissions from motor vehicles. To date, the District has awarded over $42 million in incentives from motor vehicle surcharge fees to various city, county and private entities for motor vehicle emission reduction projects. These projects have resulted in the reduction of over 14 million pounds (7,140 tons) of emissions.

Due to Governor Schwarzenegger’s creation of a permanent state funding source for the Moyer Program, the additional $2 motor vehicle surcharge will help to ensure an ongoing resource for air district matching funds that are required for receiving Moyer Program funding. District staff anticipates that the District may receive approximately
RECONSIDER AUTHORIZATION OF AN ADDITIONAL $2 DMV SURCHARGE
FEE FOR MOTOR VEHICLE EMISSION REDUCTION PROJECTS

December 16, 2004

$7-10 million dollars per year in Moyer Program funding. The California Air Resources Board (ARB), in collaboration with the California Air Pollution Control Officers Association (CAPCOA), is currently finalizing the funding allocation formula.

The funding levels from the two sources significantly exceed the assumptions used when estimating the workload for District staff during the development of the 2004-05 District Budget. Sufficient additional staff will be required to ensure that funds are allocated to projects in a timely manner. Failure to expend the Moyer Program funds within specified time frames could result in the return of unused funds to the state for reallocation. The additional funding for the Heavy-Duty Engine Program will also require an increase in outreach to city and county agencies, fleets, and other heavy-duty operators. Recommendations regarding staffing issues will be presented to your Board at a later date following completion of the District’s management audit.

FISCAL IMPACT:

The additional $2 motor vehicle surcharge fee will result in approximately $4.8 million in increased revenue to the District on an annual basis. Impact on the District’s 2004-05 Budget is unknown until it can be confirmed when revenues will be distributed by DMV. Staff will recommend a Budget modification when this information is available, and your Board will be presented with recommendations for specific programs for these additional revenues. Therefore, no modification of the Budget is necessary at this time.

Attachments:
   Governing Board Resolution (3 pages)
   Presentation Materials (8 pages)
March 17, 2005, REMOVE II Program

San Joaquin Valley
Air Pollution Control District

GOVERNING BOARD
Thomas W. Mayfield, Chair
Supervisor, Stanislaus County
Mike Maggard, Vice Chair
Councilmember, City of Bakersfield
Susan B. Anderson
Supervisor, Fresno County
Barbara Patrick
Supervisor, Kern County
Tony Barba
Supervisor, Kings County
Ronn Dominici
Supervisor, Madera County
Sam Armentrout
Councilmember, City of Madera
Michael G. Nelson
Supervisor, Merced County
Dan Prince
Councilmember, City of Ripon
Jack A. Sieglock
Supervisor, San Joaquin County
J. Steven Worthley
Supervisor, Tulare County

DATE: March 17, 2005
TO: SJVAPCD Governing Board
FROM: David L. Crow, Executive Director/APCO
Project Coordinators: Jeff Findley, Mary Gonzalez
RE: APPROVE THE REMOVE II PROGRAM (FORMERLY
THE MOBILE SOURCE EMISSION REDUCTION
INCENTIVE PROGRAM - MSERIP)

RECOMMENDATIONS:

1. Approve the establishment and implementation of the REMOVE II
Program, including the following components:
   a. E-Mobility (Telecommunications)
   b. Bicycle Infrastructure
   c. Public Transportation and Commuter Vanpool Passenger
      Subsidy
   d. Alternative Fuel Mechanic Training
   e. Light- and Medium-Duty Vehicle (existing)
   f. Light-Duty Vehicle Retirement

2. Authorize the Executive Director/APCO to execute agreements
   with eligible applicants for amounts $20,000 or less.

3. Authorize the Board Chair, to sign agreements on behalf of your
   Board, in excess of $20,000.

4. Authorize the Executive Director/APCO on behalf of your Board,
   to make administrative changes to the program as necessary
   including the addition or removal of individual components.

BACKGROUND:

The San Joaquin Valley Air Pollution Control District (District) has
traditionally funded a variety of motor vehicle emission reduction
projects through the REduce MOtor Vehicle Emissions (REMOVE)
Program. Your Board created the REMOVE Program in 1992 to
provide a source of funds for projects that reduced motor vehicle emissions. Many applicants were unable to participate due to the long evaluation committee process required for the original REMOVE Program. The proposed REMOVE II Program would award grant funding on a first-come, first-serve program similar to the highly successful Heavy-Duty Engine Emission Reduction Incentive Program (Heavy-Duty Engine Program), allowing applicants to more easily match their project schedules to the availability of District funds. Your Board previously created two existing separate program components from the REMOVE Program: the Heavy-Duty Engine Program was created in 1997 and the Light- and Medium-Duty Vehicle Program was created in 2001. The current proposed program components were all eligible for funding under the original REMOVE Program.

Funding for this program is derived from motor vehicle surcharge fees authorized by AB 2766 (Sher) and SB 709 (Florez). Pursuant to AB 2766, motor vehicle surcharge fees are to be used solely to reduce air pollution from motor vehicles and for the related planning, monitoring, enforcement, and technical studies necessary for the implementation of the California Clean Air Act. The District has used motor vehicle surcharge fees to fund a variety of grant programs over the years, including the original REMOVE Program, certain projects within the Heavy-Duty Engine Program, and the Light- and Medium-Duty Vehicle Program. Your Board approved the collection of an additional $1 in motor vehicle surcharge fees as required by SB 709. SB 709 requires that the proposed additional fees be used for the establishment of a clean fuels program and/or the adoption and implementation of motor vehicle use reduction measures. The California Department of Motor Vehicles (DMV) began collecting the additional dollar on January 1, 2005. A portion of the funds derived from AB 923 (Firebaugh) will only be used for the Light-Duty Vehicle Retirement Component. The remainder of these funds will be utilized for the Heavy-Duty Engine Program.

DISCUSSION:

District staff anticipates a high level of participation from public entities in the REMOVE II Program, similar to that of the original REMOVE Program. Most of the funding from the original REMOVE Program was awarded to government agencies. District staff will conduct specific outreach activities towards municipalities to promote co-funding opportunities for eligible air quality projects.

The REMOVE II Program consists of a broad range of mobile source emission reduction incentive projects that support both long-term and short-term emission reduction investment strategies for the San Joaquin Valley. The separate components within the REMOVE II Program have established criteria and funding caps to achieve practical cost effectiveness levels. In addition, the components establish guidelines to maximize the emission reduction potential for individual projects. The primary criteria for evaluating potential projects will be the California Air Resources Board’s (ARB) methodology for calculating cost effectiveness and emission reductions. In addition,
the District has established requirements for applicants to validate the emission reductions generated by District incentive programs.

The individual program components contain project categories to meet the different interests for many Valley organizations. The REMOVE II Program often serves to fund projects with coordination or partnerships among multiple public and private sector entities. The benefit of this partnership provides effective cooperation and results to successfully implement emission reduction measures. The District staff proposes to initiate the REMOVE II Program with the following six (6) components:

a. E-Mobility (Telecommunications)

b. Bicycle Infrastructure
c. Public Transportation and Commuter Vanpool Passenger Subsidy
d. Alternative Fuel Mechanic Training
e. Light- and Medium-Duty Vehicle (existing)
f. Light-Duty Vehicle Retirement - It is anticipated that this component will not be available until later in the year. This component requires a Request For Proposal (RFP) process to secure contractor(s) with vehicle retirement and dismantling locations in all eight (8) counties of the San Joaquin Valley.

The REMOVE II Program components (a through e) are available for immediate implementation. District staff has received numerous inquiries on the program schedule and availability of applications from stakeholders. The ARB has established guidelines on funding these types of motor vehicle emission reduction measures. In addition, a significant number of other California Air Districts are effectively implementing similar programs.

Proposed Funding

The District has allocated $3,679,300 to the REMOVE II Program for fiscal year 2004-05. Funding caps have been established for each of the project categories to significantly improve the cost-effectiveness of the projects. The range of funding per project, per year for the REMOVE II Program components are as follows:

- E-Mobility: $100,000 - $150,000
- Bicycle Infrastructure: $50,000 - $100,000
- Public Transportation and Commuter Vanpool Passenger Subsidy: $4,200 - $50,000
- Alternative Fuel Mechanic Training: $15,000
- Light- and Medium-Duty Vehicles: $1,000 - $3,000
Cost-Effectiveness

The range of projects funded significantly affects the overall cost-effectiveness of the REMOVE II Program. The individual project categories vary by funding caps, project life to evaluate emissions reductions, potential number of motor vehicle trip replacements, and reductions in the vehicle miles travelled (VMT). The criteria and requirements established for each of the components provide guidance to applicants in order to achieve acceptable cost effectiveness levels.

Program Schedule

Upon approval by your Board, the applications for the six (6) REMOVE II Program components will be available for distribution in April 2005 (except for Light-Duty Vehicle Retirement). The program will operate continuously, pending funding availability, similar to the Heavy-Duty Engine Program.

FISCAL IMPACT:

The 2004-05 District Budget includes $3,679,300 of appropriations specifically designated for the REMOVE II Program. This amount includes an estimated $800,000 that will be generated by the additional $1 of motor vehicle surcharge fees authorized by SB709 and approved by your Board. Approval of this item will authorize staff to award these funds to qualified applicants in any of the REMOVE II Program categories on a first-come, first serve basis. The Executive Director/APCO will approve awarded contracts up to $20,000 and the Governing Board Chair must approve contracts over $20,000. Should there be insufficient state grant funds available for qualified heavy-duty engine projects, funds from the REMOVE II Program may be used to supplement the Heavy-Duty Engine Program.

Current MSP staff will administer the REMOVE II Program. The implementation of the REMOVE II Program, however, will have an impact on current MSP staffing resources. This impact may result in a slightly longer processing time for current Heavy-Duty Program applications. While the REMOVE II Program may have fewer applications than the Heavy-Duty Program, the projects and associated evaluation are far more complex. Overtime or additional staff resources may be necessary to adequately operate all District grant programs in a timely manner. Specific staffing recommendations for all District grant programs will be presented to your Board in the near future.
SJUAPCD Governing Board
APPROVE REMOVE II PROGRAM
March 17, 2005

Attachments:
Final Draft Staff Report - (10 pages)
Appendix A: Comments and Responses for The REMOVE II Program - (22 pages)
E-Mobility Component Fact Sheet - (2 pages)
Bicycle Infrastructure Component Fact Sheet - (2 pages)
Public Transportation and Commuter Vanpool Subsidy Component Fact Sheet - (2 pages)
Alternative Fuel Mechanic Training Component Fact Sheet - (2 pages)
Light- and Medium-Duty Vehicle Component Fact Sheet - (2 pages)
Light-Duty Vehicle Retirement Component Fact Sheet - (2 pages)
SUMMARY

A. Purpose for the District Incentive Programs

The San Joaquin Valley Air Pollution Control District (District) does not meet the health based National Ambient Air Quality Standards (NAAQS) for ozone and particulate matter ten (10) microns or less in diameter (PM10), and is required to implement strategies that will result in emission reductions. Reactive organic gases (ROG) and nitrogen oxides (NOx) are precursors that react in sunlight to form ozone. NOx is also an important in the formation of secondary PM10. Therefore, internal combustion engines are a significant source category that provides an opportunity to pursue substantial emission reductions.

The District has implemented grant programs since 1992. These incentive programs have been used to assist in attaining air quality standards by reducing emissions from motor vehicles. Financial incentives have been granted to projects that reduce motor vehicle emissions, and to projects that promote new reduced emission technologies.

B. Modified REMOVE Program Returns

On September 20, 2004 the District proposed to introduce the Mobile Source Emission Reduction Incentive Program (MSERIP) (REduce MOtor Vehicle Emissions). The proposed modifications include improving the efficiency and streamlining the application process, project evaluation for cost effectiveness, and funding awards to implement significantly more numbers of motor vehicle emission reducing projects than was previously achieved by the former process. However, as a result of the effectiveness and popularity of the REMOVE title, the District now proposes to implement the program improvements and retain the REMOVE name. The REMOVE II Program will award
grant funding on a first-come, first-serve basis, similar to the highly successful Heavy Duty Engine Emission Reduction Incentive (Heavy-Duty Engine) Program. The REMOVE II is comprised of specific motor vehicle emission reduction components that will be discussed further in this report.

I. Background

A. Grant Programs Historical Discussion

The District’s first grant program was the REMOVE Program, which operated between 1992-2003. During the eleven-year course of the program, the District implemented an extensive variety of motor vehicle emission reduction projects. Over the years, District staff reviewed a number of project types for feasibility, cost-effectiveness and emission reductions. Certain project types have achieved greater levels of emission reductions and cost-effectiveness. These project types were identified by District staff for separation from the original REMOVE Program and have been restructured as independent grant programs over the years.

The Vehicle Buy-Back Program (1995-1998) was the first program implemented separately from the REMOVE Program. This program provided incentives for the voluntary early retirement of older high-emitting vehicles. This program was eventually discontinued due to the commencement of a similar program from the California Bureau of Automotive Repair (BAR). The District staff is currently restructuring the Vehicle Buy-Back as a component for the REMOVE II Program.

The District established the Heavy-Duty Engine Program in 1997 and continues to operate this program on an on-going basis. Incentives are available for reduced-emission heavy-duty engines, engine repowers and retrofits. This program also assists with the development of alternative fuel infrastructure, particulate filters on eligible diesel school buses, and idle reduction technologies for heavy-duty vehicles, pending funding availability.

In 2001, the District introduced the Light and Medium-Duty Vehicle Incentive Program. This component provides incentives for the purchase of zero-emission or low-emission alternative fuel motor vehicles, with certain restrictions. This program will now be integrated as a component to the REMOVE II Program.

To date, District grant programs have achieved an estimated 35,000 tons of emission reductions and an average cost-effectiveness of $6,520/ton.

B. Reason for Grant Program Modifications

The new grant programs were created from the original REMOVE Program to improve the efficiency by streamlining the grant award process. The Evaluation Committee
process utilized in the original REMOVE Program often took up to one year to award funds. The first-come, first-serve process of the REMOVE II will allow applicants the opportunity to more easily match their project schedules with the availability of District funds. In addition, this process will enable the District to fund a greater number of emission reduction projects in a shorter period of time.

The REMOVE II Program will use cost-effectiveness (the amount of dollars spent for each ton of emissions reduced) as its primary criterion for evaluating projects. The California Air Resources Board (ARB) recommends, “Projects should be prioritized and funded primarily on the basis of cost-effectiveness”. In addition, the California Clean Air Act (CCAA) recognized cost-effectiveness as a valuable tool for prioritizing emission-reducing measures for clean air plans. Each of the program components contains specific criteria and requirements for applicants to comply in the Guidelines, Policies, and Procedures document of the REMOVE II Program. Specific information and procedures are provided to assist applicants to achieve project eligibility. This format offers applicants the necessary tools to design their project, complete the application, and provide the supporting documentation necessary to achieve higher probability of funding.

C. Selection of REMOVE II Program Components

During the final phase of the original REMOVE Program, District staff was able to narrow the scope of specific project types that had the potential to achieve higher emission reductions and better cost-effectiveness levels. Maximizing the cost-effectiveness will make the most out of every dollar spent on motor vehicle emission reduction projects.

The District plans to research and develop new grant program components as appropriate over the next several years, as new opportunities arise. In addition, the current program components can be modified as necessary for continuous improvements to achieve greater emission reductions. District staff has evaluated the feasibility of re-instituting the Vehicle Buy-Back Program. The BAR had restarted their Voluntary Vehicle Retirement Program in 2004. BAR provides funding for vehicle crushing or emission-related repairs to vehicles that fail their smog test primarily as a consumer assistance program. Since BAR had resumed their program, the District has monitored the effectiveness of the state’s program. District staff is currently restructuring the Vehicle Buy-Back Program as a component of the REMOVE II Program.

The District proposes to implement six components for the initial phase of the REMOVE II Program. The proposed components were all eligible for funding under the original REMOVE Program. However, the criteria and requirements for project categories have been carefully defined to improve the efficiency of application processing, cost-effectiveness guidance for applicants, and to increase the number of executed grant projects. The REMOVE II Program will initially be comprised of the following components:
E-Mobility (Telecommunications) Component
Bicycle Infrastructure Component
Public Transportation and Commuter Vanpool (Passenger Subsidy) Component
Alternative Fuel Mechanic Training (Vehicle/Infrastructure) Component
Light and Medium-Duty Vehicle Component (existing)
Light-Duty Vehicle Retirement Component

III. Proposed REMOVE II Components Description and Criteria

E-Mobility (Telecommunications) Component

This component will provide incentives for Electronic Mobility projects such as video teleconferencing, internet business transactions, telework sites, etc. The program functions to encourage the development or expansion of telecommunications services and electronic technology applications to directly replace vehicle travel. Residents of the San Joaquin Valley can utilize various electronic technology functions to avoid vehicle trips to multiple public agencies or school sites to access necessary services, transactions, meetings, education, documents and information. Incentives will be available to municipalities, government agencies, public education, community colleges and municipal courts. The following is a list of significant elements for the proposed implementation of the E-Mobility Component:

The project categories for this component include the following:

Distance Learning Facilities
Telecommute Center Equipment
Teleconference Systems
E-Government Technology
E-Court Technology
Other/Related Applications

Incentives will be capped at $100,000 to $150,000 depending on the project category.

Projects must demonstrate that emission reduction claims are real and verifiable. Applicant must demonstrate that vehicle trips are actually being replaced and that once the electronic system is installed, the reductions continue over time. The brief project proposal must include supportive documentation or data to validate vehicle trip replacement in the form of administrative records, surveys, production/processing reports, data registrations, etc.

Bicycle Infrastructure Component

This component will provide incentives for Class I bicycle path construction or Class II bicycle lane striping. The program serves to promote bicycling as a viable option of transportation for residents traveling short distances (less than five miles) to school,
work and commercial sites. Incentives will be available to municipalities, government agencies, public education, private businesses and organizations. This program will assist the expansion or linkage of bicycle routes to accommodate greater utilization of commuter bicycling for daily travel. The following is a list of significant elements for the proposed implementation of the Bicycle Infrastructure Component:

Eligible project categories for this component include Class I Bicycle Paths or Class II Bicycle Lanes.

The bicycle infrastructure project must expand and maintain an integrated alternative transportation system for the benefit of bicycle commuters. Maps and project design layout will be carefully examined to support the travel activity data for the proposed project site.

Project locations should exhibit high traffic activity to areas of frequent travel such as employment centers, schools, colleges, shopping centers, churches, libraries, community parks and centers.

Incentives will be capped at $50,000 to $100,000 depending on the project category.

Public Transportation and Commuter Vanpool Passenger Subsidy Component

This component will provide passenger subsidy incentives for public transportation such as transit and rail, and subsidies for private or commercial vanpools. In addition, funding will be available for the construction of Park-and-Ride lots that connect commuters to alternative transportation methods. Incentives will be available to municipalities, government agencies, public education, private companies and organizations. The following is a list of significant elements for the proposed implementation of the Public Transportation and Commuter Vanpool Passenger Subsidy Component:

The project categories for this program component include the following:

- Commuter Vanpools
- Shuttle Services
- Transit Bus Agencies
- Commuter Rail Services
- Park-and-Ride Lot Construction

Transit and rail subsidy projects will have a maximum incentive cap of $20,000 per agency. These projects may provide up to 50% of the transportation costs for new ridership to the system.

Vanpool and shuttle projects will have a maximum incentive cap of $4,200 per vehicle operation for one year and restricted to $350 per month. Due to the expense of these operations, they typically benefit commuters traveling greater than thirty (30) miles in
one direction. These projects will require a minimum participation of eight (8) passengers per group to maintain program feasibility and cost-effectiveness.

Park-and-Ride Lot projects will have a maximum incentive cap of $50,000 for facility construction or expansion. These projects must include a connecting component to establish a multi-modal transportation system for San Joaquin Valley commuters. Therefore, linkage to vanpools, transit bus and other rideshare options augments the project eligibility for participation in the program.

Alternative Fuel Mechanic Training Component

This component will provide incentives for the instruction of personnel on the mechanics, operational safety and maintenance of alternative fuel vehicles, equipment structures, refueling stations, and tools involved in the employment of alternative fuel emission reducing technologies. Qualifying organizations are those currently utilizing an alternative fuels program, servicing an alternative fuels system or establishing the transition to alternative fuels technology in fleet or infrastructure operations. Incentives will be available to fleet operators and infrastructure managers of municipalities, government agencies, public education and private companies. The primary criteria for evaluating potential projects will be based on the degree of advancement or development in the fleet or infrastructure operations for the integration or transition to alternative fuels technology. Qualified technicians and proficient operators in alternative fuel systems provide greater initiative for conversion to an alternative fuels program and to incorporate the application of these systems in daily operations. Project applications will be carefully evaluated on a case-by-case basis and funds will be awarded at the discretion of the District. Organizations that have acquired alternative fuel systems in the past twelve months from application submission increase their potential for funding. The following is a list of significant elements for the proposed implementation of the Alternative Fuel Mechanic Training Component:

Individuals to be trained may include vehicle fleet or infrastructure technicians who will utilize the specialized training such as vehicle mechanics, drivers, maintenance personnel, facility engineers, managers, trainers and related personnel.

Potential training topics include: alternative fuel engines, fuel systems, fuel station components, operational safety and procedures, technical or mechanics training, general alternative fuels technology, etc.

The maximum annual incentive level for any agency or organization is $15,000 per year.

The District will restrict funding to instructional materials, training course fees or tuition costs. Expenses for transportation, lodging or meals will not qualify.

Light- and Medium-Duty Vehicle Component
The existing Light- and Medium-Duty Program will be included as a component in the REMOVE II Program. The program serves to encourage the early introduction of low-emission alternative fuel and gasoline-electric hybrid light- and medium-duty motor vehicles comprising a gross vehicle weight rating (GVWR) up to 14,000 pounds. The program pays a per-vehicle incentive for alternative fuel and hybrid vehicles. However, only public agencies or nonprofit service organizations will be eligible to receive incentives for hybrid vehicles. To date, the District has allocated $750,000 that has resulted in a reduction of approximately 43,000 pounds of emissions since the inception of the program in 2001. The following is a list of significant elements for the proposed implementation of the Light- and Medium-Duty Vehicle Incentive Component:

The alternative fuel motor vehicle must be capable of freeway travel, and it must be certified to one of the following ARB Low-Emission vehicle emission standards:

- Zero emission Vehicle (ZEV)
- Partial Zero Emission Vehicle (PZEV)
- Advanced Technology PZEV (PZEV AT)
- Super Ultra Low Emission Vehicle (SULEV)
- Ultra Low Emission Vehicle (ULEV)

With the exception of hybrid electric vehicles, no vehicle with the ability to operate on gasoline or diesel is allowed (e.g. dual fuel). Only public agencies may receive an incentive for a hybrid vehicle.

The maximum annual incentive level ranges from $1,000 to $3,000 depending on the vehicle type and/or emission standards.

The vehicle must be new. No lease-returned or used vehicles are eligible.

Light-Duty Vehicle Retirement Component

District staff is currently restructuring the former Vehicle Buy-Back Program as a component for incorporation into the REMOVE II Program. This component will provide incentives for the early retirement of light-duty passenger cars, trucks and vans for model year 1985 and older. The criteria and procedures will conform to the ARB Amended Regulations For Voluntary Accelerated Light-Duty Vehicle Retirement Enterprises (VAVR). In addition, the District will formally release a Request For Proposal (RFP) document to acquire Contractors or Dismantlers to implement the vehicle scrapping operations in all eight counties of the San Joaquin Valley. The following is a list of significant elements for the proposed implementation of the Light-Duty Vehicle Retirement Component:

Vehicles must be registered with the Department of Motor Vehicles and have passed the biennial smog inspection. By contrast, the BAR program assists vehicle owners that fail their most recent smog inspection.
Vehicles must pass a Functional and Equipment Eligibility Inspection compliant to the ARB’s Amended VAVR regulations.

Maximum incentives to vehicle owners will not exceed $650 per vehicle for model years 1985 and older.

Removal and destruction of emission-related and drive train parts must be documented in a Quality Control Checklist compliant to the ARB’s Amended VAVR regulations.

Funding

Proposed Incentive Funding

Specific (project) category funding caps will determine the qualifying incentive amounts. Maximum annual incentives for each agency per program component is established as follows:

E-Mobility Component: $100,000 - $150,000
Bicycle Infrastructure Component: $50,000 - $100,000
Public Transportation and Commuter Vanpool Passenger Subsidy Component: $4,200 - $50,000
Alternative Fuel Mechanic Training Component: $15,000

Light- and Medium-Duty Vehicles, as follows:

<table>
<thead>
<tr>
<th>Light-Duty Vehicles</th>
<th>Medium-Duty Vehicles</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZEV</td>
<td>$3,000</td>
</tr>
<tr>
<td>SULEV, PZEV, AT PZEV</td>
<td>$2,000</td>
</tr>
<tr>
<td>ULEV</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

Electric bicycles used by emergency agencies may qualify for up to $1,000

Light-Duty Vehicle Retirement Component: $650/vehicle

Sources of Grant Funding

The 2004-05 District Budget includes $3,679,300 of appropriations specifically designated for the REMOVE II Program. Should there be insufficient state grant funds available for qualified Heavy Duty Engine Program projects or a need for additional matching funds for the Moyer Program, funds from REMOVE II may be used to supplement the Heavy-Duty Engine Program.

Funding for this program is derived from motor vehicle surcharge fees. State legislation provides air districts that are designated as state nonattainment for a pollutant emitted by motor vehicles to receive revenues from vehicle surcharge fees collected and disbursed
by the State Department of Motor Vehicles (DMV). These fees provide air districts funding to meet their responsibilities mandated under the CCAA. The California Health and Safety Code states that the fees shall be used to support air district operated planning, monitoring, enforcement, and technical studies necessary to implement the CCAA.

The fees may also be used for programs that reduce motor vehicle emissions. The District Governing Board has used a portion of motor vehicle surcharge fees to fund a variety of grant programs over the years, including the original REMOVE Program, certain projects within the Heavy-Duty Engine Program, and the Light- and Medium-Duty Vehicle Program. The District Board approved the collection of an additional $1 in motor vehicle surcharge fees as required by SB 709 (Florez) in 2003. SB 709 requires that the proposed additional fees be used for the establishment of a clean fuels program and/or the adoption and implementation of motor vehicle use reduction measures. The California Department of Motor Vehicles (DMV) will begin collecting the additional dollar on January 1, 2005. The REMOVE II Program may utilize funding from both the original $4 and the additional $1 in DMV Fees.

Estimated Cost-Effectiveness

The cost-effectiveness and emission reduction calculations for each approved project will have a direct impact on the incentive amount under the REMOVE II Program. Projects shall be designed to achieve the best possible cost-effectiveness and to maximize the potential for reducing emissions. This format ensures projects shall generate the highest possible reduction of pollutants for every dollar spent from this program. The REMOVE II Program has established a maximum cost-effectiveness cap of $20 per pound of pollutants reduced, however, it is anticipated that the average cost-effectiveness will be much lower due to the establishment of funding caps for individual projects. Although immediate emission reductions cannot be attributed to the Alternative Fuel Mechanic Training component, the program will serve to assist with the integration of alternative fuel technology to ultimately generate substantial and continuous emission reductions. The projected average cost-effectiveness for the components of the REMOVE II Program is estimated at $7.60 per pound or $16,720 per ton of reduced emissions.

Assuming the entire $3,679,300 is allocated to REMOVE II, these new components are projected to result in approximately 700,614 pounds or 320 tons of lifetime emission reductions.

Program Schedule

District staff is proposing to present the REMOVE II Program to the District Governing Board on March 17, 2005. Upon the Board's approval, the program implementation will proceed in April of 2005. The REMOVE II Program will operate continuously, pending funding availability.
Approval for Carl Moyer Program Funds for the SJVAPCD

Carl Moyer Memorial Air Quality Standards Attainment Program

GRANT AWARD & AUTHORIZATION FORM
Fiscal Year 1998-1999

Your FY 1998-99 application for Carl Moyer Program funds has been approved as follows:

District: San Joaquin Valley Air Pollution Control District

Grant Award: $4,399,801

Required Match Amount:
- $2,136,763 Qualifying Projects (7/1/98-2/25/99)
- $63,138 Committed Funds (2/26/99-6/30/01)

Grant Number:

You are authorized to administer a local program according to the requirements described in the following documents, which are attached and incorporated as part of this grant:

- Completed Application to Administer Program (Attachment A)
- Carl Moyer Program Guidelines (Attachment B)
- Contacts (Attachment C)
- Grant Disbursement Request (Attachment D)

The undersigned parties agree to the terms and conditions as set forth in this grant. The undersigned parties certify under the penalty of perjury that they are duly authorized to bind the parties to this grant.

California Air Resources Board:

Signature of Authorized Official

Name: Larry Morris
Title: Administrative/Services Division Chief
Date: 5/27/99

District:

Signature of Authorized Official

Name:
Title:
Date:
Carl Moyer Memorial Air Quality Standards Attainment Program

GRANT AWARD & AUTHORIZATION FORM
Fiscal Year 1999-2000

Your FY 1999-2000 application for Carl Moyer Program funds has been approved as follows:

District: San Joaquin Valley Air Pollution Control District
Grant Award: $3,187,452.00
Required Match Amount: $1,286,671.00
$ 307,055.00

Qualifying Projects (2/26/99 – 1/1/00)
Committed Funds (1/1/00 - 6/30/02)

Grant Number:

You are authorized to administer a local program according to the requirements described in the following documents, which are attached and incorporated as part of this grant:

Completed Application to Administer Program (Attachment A)
Carl Moyer Program Guidelines (Attachment B)
Contacts (Attachment C)
Grant Disbursement Request (Attachment D)

The undersigned parties agree to the terms and conditions as set forth in this grant. The undersigned parties certify under the penalty of perjury that they are duly authorized to bind the parties to this grant.

California Air Resources Board:

Signature of Authorized Official

Name: Larry Morris
Title: Administrative Services Division Chief
Date: 5/12/00

District:

Signature of Authorized Official

Name: David L. Crow
Title: Executive Director/APCO
Date: JUNE 15, 2000
Your FY 1999-2000 application for Carl Moyer Program funds has been approved as follows:

District: San Joaquin Valley Air Pollution Control District
Grant Award: $ 7,644,979.00
Required Match Amount: $ 2,080,266.00  Committed Funds (after 1/1/00)

Grant Number:

You are authorized to administer a local program according to the requirements described in the following documents, which are attached and incorporated as part of this grant:

- Completed Application to Administer Program (Attachment A)
- Carl Moyer Program Guidelines approved November 16, 2000 (Attachment B)
- Contacts (Attachment C)
- Grant Disbursement Request (Attachment D)

The undersigned parties agree to the terms and conditions as set forth in this grant. The undersigned parties certify under the penalty of perjury that they are duly authorized to bind the parties to this grant.

California Air Resources Board:

Signature of Authorized Official

Name: Larry Morris
Title: Administrative Services Division Chief
Date: 1/10/01

District:

Signature of Authorized Official

Name: David L. Crow
Title: Executive Director/APCO
Date: 4/17/01
Your FY 2001-2002 application for Carl Moyer Program funds has been approved as follows:

**District:** San Joaquin Valley Unified Air Pollution Control District

**Grant Award:** $2,757,263.00

**Required Match Amount:** $1,378,631.00

**Grant Number:** GA01-602

Note: Funding is based on SJVAPCD’s assurance to provide ARB with copies of contracts, agreements, resolutions and other documentation supporting the expenditure of Carl Moyer and district match funds.

You are authorized to administer a local program according to the requirements described in the following documents, which are attached and incorporated as part of this grant:

- Completed Application to Administer Program (Attachment A)
- Carl Moyer Program Guidelines (Attachment B)
- Contacts (Attachment C)
- Grant Disbursement Request (Attachment D)

The undersigned parties agree to the terms and conditions as set forth in this grant. The undersigned parties certify under the penalty of perjury that they are duly authorized to bind the parties to this grant.

**California Air Resources Board:**

Signature of Authorized Official

Name: Larry Morris
Title: Administrative Services Division Chief
Date: 11/7/01

**District:**

Signature of Authorized Official

Name: [Signature]
Title: [Title]
Date: 11/8/01
Your FY 2002 - 2003 application for Carl Moyer Program funds has been approved as follows:

**District:** San Joaquin Valley Air Pollution Control District  
**Grant Award:** $3,187,325  
**Required Match Amount:** $1,593,663  
**Grant Number:** G02-4019

Note: Funding is based on SJVAPCD's assurance to provide ARB with the following:
- Originally executed modified application.

You are authorized to administer a local program according to the requirements described in the following documents, which are attached and incorporated as part of this grant:

- Completed Application to Administer Program (Attachment A)  
- Carl Moyer Program Guidelines (Attachment B)*  
- Contacts (Attachment C)  
- Grant Disbursement Request (Attachment D)

* To be sent under separate cover once finalized.

The undersigned parties agree to the terms and conditions as set forth in this grant. The undersigned parties certify under the penalty of perjury that they are duly authorized to bind the parties to this grant.

**California Air Resources Board:**  
**Name:** Marie LaVergne  
**Title:** Administrative Services Division Chief  
**Date:** 6/19/03

**District:** San Joaquin Valley APCD  
**Name:** David L. Crow  
**Title:** Executive Director/APCO  
**Date:** 6/23/03

**Signature of Authorized Official**  
**Signature of Authorized Official**
Carl Moyer Memorial Air Quality Standards Attainment Program
GRANT AWARD & AUTHORIZATION FORM
Fiscal Year: 2003 - 2004

Your FY 2003 - 2004 application for Carl Moyer Program funds has been approved as follows:

District: San Joaquin Valley Air Pollution Control District
Grant Award: $ 2,793,355
Required Match Amount: $ 1,396,678
Grant Number: G03-4023

You are authorized to administer a local program according to the requirements described in the following documents, which are attached and incorporated as part of this grant:

- Completed Application to Administer Program (Attachment A)
- Carl Moyer Program Guidelines (Attachment B)*
- Contacts (Attachment C)
- Grant Disbursement Request (Attachment D)

* Incorporated by reference.

The undersigned parties agree to the terms and conditions as set forth in this grant. The undersigned parties certify under the penalty of perjury that they are duly authorized to bind the parties to this grant.

California Air Resources Board:

[Signature]
Name: Marie LaVergne
Title: Administrative Services Division Chief
Date: 5-21-04

San Joaquin Valley Air Pollution Control District:

[Signature]
Name: David L. Crow
Title: Executive Director/APCO
Date: 6-1-04
Carl Moyer Memorial Air Quality Standards Attainment Program funds have been approved as follows:

District: San Joaquin Valley Air Pollution Control District
Grant Number: G04-M22

Grant Award:
- Project Funds $2,821,709.00
- Administration Funds $65,316.00
- TOTAL $2,887,025.00

Required Match Amount: 1,284,931.00

Terms:
A. Receipt of this award is conditional on the Air Resources Board receipt of the following documentation:
   1. Air district board resolution accepting the terms and conditions of the grant award.
B. Districts must submit documentation of full obligation of all prior Carl Moyer Program funding before receipt of any Year 7 funds.
C. The district is authorized to administer a local program according to the requirements described in the following documents, which are incorporated as part of this grant:
   1. Completed Application to Administer Program (incorporated by reference)
   2. Carl Moyer Program Guidelines and program advisories (incorporated by reference)
   3. Contacts (Attachment A)
   4. Grant Disbursement Request (Attachment B)

The undersigned parties agree to the terms and conditions as set forth in this grant. The undersigned parties certify under the penalty of perjury that they are duly authorized to bind the parties to this grant.

California Air Resources Board:  Air District: San Joaquin Valley APCD
Signature of Authorized Official  Signature of Authorized Official

Name: Marie LaVergne  Name: David L. Crow
Title: Administrative Services Division Chief  Title: Executive Director/APCO
Date: 12-30-04  Date: 1/27/05
Agreement for State Funded Projects in the San Joaquin Valley
MASTER AGREEMENT
ADMINISTERING AGENCY - STATE AGREEMENT
FOR STATE FUNDED PROJECTS

District 53
Agreement No. 000875
San Joaquin Valley Air Pollution Control District
Administering Agency

THIS AGREEMENT, made effective this first day of November, 2000, is by and between the San Joaquin Valley Air Pollution Control District, hereinafter referred to as ‘ADMINISTERING AGENCY,’ and the State of California, acting by and through its Department of Transportation, hereinafter referred to as ‘STATE.’

WITNESSETH

WHEREAS, the Legislature of the State of California has enacted legislation by which certain State funds are made available for use on local transportation facilities; and

WHEREAS, ADMINISTERING AGENCY has applied to the California Transportation Commission (CTC) and/or STATE for funding from the STATE Transportation Improvement Program (STIP), or other programs, as defined in the Local Assistance Program Guidelines for use on local transportation facilities as local administered PROJECT(s), hereinafter referred to as “PROJECT”; and

WHEREAS, said PROJECT will not receive any federal funds; and

WHEREAS, STATE is willing to enter into an AGREEMENT with ADMINISTERING AGENCY to delineate those certain obligations placed upon ADMINISTERING AGENCY relative to the use of said State funding and the prosecution of said PROJECT by ADMINISTERING AGENCY.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I - PROJECT ADMINISTRATION

1. This AGREEMENT shall have no force or effect with respect to any programmed project unless and until a PROJECT-specific program supplement, adopting all of the terms and conditions of this AGREEMENT, hereinafter referred to as “PROGRAM SUPPLEMENT,” has been fully executed by the parties.

2. A Financial commitment of state funds will occur only following the execution of this AGREEMENT together with the subsequent execution of each applicable PROGRAM SUPPLEMENT.

3. ADMINISTERING AGENCY further agrees, as a condition to the release and payment of State funds encumbered to the PROJECT described in the PROGRAM SUPPLEMENT, to comply with the terms of this AGREEMENT and all of the agreed-upon Special Covenants and
Conditions attached to or made a part of the PROGRAM SUPPLEMENT, identifying and defining the nature of that specific PROJECT.

4. The PROGRAM SUPPLEMENT shall designate the ADMINISTERING AGENCY responsible for implementing the various phases of the PROJECT, the State funding program, and the matching funds to be provided by ADMINISTERING AGENCY and/or others. Adoption and execution of the PROGRAM SUPPLEMENT by ADMINISTERING AGENCY and STATE, incorporating the terms and conditions of this AGREEMENT into the PROGRAM SUPPLEMENT as though fully set forth therein, shall be sufficient to bind the ADMINISTERING AGENCY to these terms and conditions when performing the PROJECT. Unless otherwise expressly delegated in a resolution by the ADMINISTERING AGENCY’s governing body and concurred in by STATE, the PROGRAM SUPPLEMENT shall be managed by the ADMINISTERING AGENCY’s governing body.

5. PROJECT shall be acquired, designed, and constructed (a) as required in the Local Assistance Program Guidelines, (b) such other STATE procedures as are identified in the PROGRAM SUPPLEMENT, and (c) as is specified in this AGREEMENT.

6. Unless otherwise provided in the PROGRAM SUPPLEMENT, the ADMINISTERING AGENCY shall advertise, award, and administer the PROJECT construction contract or contracts.

7. The estimated cost and scope of PROJECT will be as described in the PROGRAM SUPPLEMENT and STATE funding participation is limited to the amounts established by STATE. A contract awarded by ADMINISTRATING AGENCY for an amount in excess of said approved estimate may exceed said PROGRAM SUPPLEMENT cost estimate provided (a) ADMINISTERING AGENCY provides the necessary additional funding or (b) a PROJECT cost increase in State funding is first requested by ADMINISTERING AGENCY and is approved by STATE in the form of an amended PROGRAM SUPPLEMENT or a STATE approved encumbrance document adding (or deleting) PROJECT funds.

8. Subsequent to the inclusion of the PROJECT in a plan or program approved by STATE and the ADMINISTERING AGENCY entering into this AGREEMENT and the PROGRAM SUPPLEMENT, the ADMINISTERING AGENCY may request and receive payment for eligible work as follows:

(a) STATE will reimburse the STATE’s share of eligible participating PROJECT costs monthly in arrears upon ADMINISTERING AGENCY’s submittal of signed acceptable monthly progress pay invoices (in duplicate) for expenditures actually made by ADMINISTERING AGENCY.

(b) If PROJECT involves work on the STATE highway system, that PROJECT shall also be the subject of separate standard forms of STATE encroachment permits issued to ADMINISTERING AGENCY and any contractors and, where appropriate, an executed cooperative agreement between STATE and ADMINISTERING AGENCY to determine how PROJECT is to be acquired, designed, or constructed and to establish ownership and future maintenance obligations.
(c) State funds will not participate in any portion of PROJECT work performed in advance of either the effective date of the executed PROGRAM SUPPLEMENT for said PROJECT or the effective date of this AGREEMENT.

9. The total of all ADMINISTERING AGENCY invoices (submitted monthly or quarterly in arrears) for reimbursement of participating PROJECT costs, including all required ADMINISTERING AGENCY matching funds, must not exceed the actual total allowable PROJECT costs, including, but not limited to, all completed preliminary engineering work, right of way acquisition, design and construction included within the PROJECT description contained in the PROGRAM SUPPLEMENT.

10. Invoices shall be submitted on ADMINISTERING AGENCY letterhead and shall reference (a) this AGREEMENT number, (b) the PROJECT title and number, (c) the progress billing number for the PROJECT, and (d) shall be formatted and costs reported in accordance with the current version of Chapter 5, "Accounting/Invoices," of the Local Assistance Procedures Manual published by STATE.

11. STATE programmed amounts may be increased to cover PROJECT cost increases only (a) if such funds are available, (b) STATE concurs with that proposed increase, and (c) STATE executes an amending PROGRAM SUPPLEMENT or a STATE approved encumbrance document encumbering those funds.

12. When additional State funds are not available, the ADMINISTERING AGENCY agrees that the payment of State funds will be limited to the amounts already approved in the PROGRAM SUPPLEMENT and all STATE approved encumbrance documents and that any increases in PROJECT costs must be defrayed with ADMINISTERING AGENCY funds.

13. The legislature of the State of California and the Governor of the State of California, each within their respective jurisdictions, have prescribed certain employment practices with respect to contract and other work financed with State funds. ADMINISTERING AGENCY shall ensure that work performed under this AGREEMENT is done in conformance with the rules and regulations embodying such requirements where they are applicable.

14. ADMINISTERING AGENCY and its subcontractors shall establish and maintain an accounting system conforming to Generally Accepted Accounting Principles (GAAP) to support reimbursement payment vouchers or invoices which segregate and accumulate costs of PROJECT work elements and produce monthly reports which clearly identify reimbursable costs, matching costs, and other expenditures by ADMINISTERING AGENCY.

15. ADMINISTERING AGENCY and all subcontractors shall comply with the Uniform Administrative Requirements for State and Local Governments set forth in the Code of Federal Regulations (CFR), Title 49, Part 18. In addition, the ADMINISTERING AGENCY agrees to comply with the cost principles and procedures set forth in Office of Management and Budget Circular A-87. The ADMINISTERING AGENCY agrees that a reference to either Office of Management and Budget (OMB) Circular A-87 or the Code of Federal Regulations, Title 48, Chapter 1, Part 31, whichever is applicable and the code of Federal Regulations, Title 49, Part 18, will be included in any subcontracts entered into as a result of this AGREEMENT.
16. After completion of all work under this AGREEMENT, and after all PROJECT costs are known, ADMINISTERING AGENCY shall contract for a financial audit of PROJECT costs if those costs are in excess of $300,000. This Audit, to be accomplished at the ADMINISTERING AGENCY’s expense, may be done on an individual PROJECT basis, or PROJECT may be included in the ADMINISTERING AGENCY’s annual Single Audit. If an individual audit of PROJECT is done, the auditor must prepare a Final Audit Report. If ADMINISTERING AGENCY chooses the Single Audit option, an audit report is required for the State funding share. This report should be prepared in accordance with the guidelines set forth in OMB Circular A-133. Compliance testing performed for this audit should determine whether the ADMINISTERING AGENCY has a system that is adequate to accumulate and segregate reasonable, allowable and allocable costs to assure that:

(a) Reimbursement claims submitted to STATE for the PROJECT are supported by payment vouchers and canceled checks.

(b) Charges for the various categories of eligible PROJECT costs incurred by the ADMINISTERING AGENCY are fully supported and recorded in the ADMINISTERING AGENCY’s accounting records in accordance with generally accepted accounting principles.

(c) The ADMINISTERING AGENCY complied with CFR 49 Part 18, Uniform Administrative Requirements for State and Local Governments and OMB A-87, Cost Principles for State and Local Governments. Any instances of noncompliance or costs determined ineligible in accordance with these regulations but claimed for reimbursement should be identified and set forth in the auditor’s report.

17. The “State Report of Expenditures” must be completed by ADMINISTERING AGENCY within one hundred eighty (180) days of PROJECT completion in the format described for State funded projects in Chapter 17, “Project Completion” of the Local Assistance Procedures Manual. The Final Invoice must be submitted with the “State Report of Expenditures”. The Audit must be completed by the December 30th following the fiscal year of PROJECT completion. Project completion is defined as when all work identified in the approved PROJECT Application and PROGRAM SUPPLEMENT has been completed and final costs are known. The report documents (State Report of Expenditures and Final Audit Report) will be sent to the appropriate STATE office. Failure to comply with these reporting requirements may result in the withholding of future allocations for other projects.

18. STATE reserves the right to conduct technical and financial audits if it is determined to be necessary. After any financial audit, ADMINISTERING AGENCY shall promptly refund any excess State funds erroneously reimbursed to ADMINISTERING AGENCY.

19. Should ADMINISTERING AGENCY fail to refund all moneys due STATE as provided hereunder or should ADMINISTERING AGENCY breach this AGREEMENT by failing to complete PROJECT, then, within thirty (30) days of STATE’s demand, or within such other period as may be agreed to in writing between the parties hereto, STATE, acting through the State Controller, the State Treasurer, the California Transportation Commission (CTC), or any other public agency, may withhold or demand a transfer of an amount equal to the PROJECT
amount paid by STATE from future apportionments or any other funds due ADMINISTERING AGENCY from the Highway Users Tax Fund or any other funds and/or may withhold approval of future ADMINISTERING AGENCY projects.

20. Should ADMINISTERING AGENCY be constituted as a joint powers authority, a special district, or any other public entity not directly receiving funds through the State Controller and ADMINISTERING AGENCY is declared by STATE to be in breach of this AGREEMENT or otherwise in default, STATE is authorized to obtain reimbursement from whatever sources of funding are available, including the withholding or transfer of funds, pursuant to Article I-19, from any or all, joint and several, of those constituent entities comprising the joint powers authority or by the bringing of an action against ADMINISTERING AGENCY and its constituent member entities to recover all funds provided by STATE hereunder. The ADMINISTERING AGENCY acknowledges that the signatory party represents the ADMINISTERING AGENCY and further warrants that there is nothing within the Joint Powers Agreement itself that would restrict or otherwise limit STATE’S ability to recover state funds improperly spent by the ADMINISTERING AGENCY in contravention of the terms of this AGREEMENT.

21. When PROJECT is not on the STATE highway system, but includes work to be performed by a railroad, the contract for such work shall be prepared and administered by ADMINISTERING AGENCY or by STATE, as the parties may hereafter agree. In either event, ADMINISTERING AGENCY shall enter into an agreement with the railroad providing for future maintenance of protective devices or other facilities installed or constructed under that contract.

ARTICLE II - ENGINEERING

1. “Project Development Costs” includes all preliminary work directly related to the PROJECT up to contract award for construction, including, but not limited to, environmental studies, preliminary surveys and reports, laboratory work, soil investigation, preparation of plans, specifications and estimates, advertising for bids, awarding contract, as well as project development contract administration.

2. “Construction Engineering” eligible costs include actual inspection and supervision of PROJECT construction work, construction staking, laboratory and field testing, preparation and processing of field reports, and records, estimates, final reports, and allowable expenses of employees/consultants engaged in such activities.

3. Unless the parties shall otherwise agree in writing, ADMINISTERING AGENCY’s employees or its subcontractor engineering consultant shall be responsible for all PROJECT engineering work. When construction engineering is performed by STATE, charges by STATE invoiced to ADMINISTERING AGENCY shall include an assessment on direct labor costs in accordance with Section 8755.1 of the State Administrative Manual. Any portions of STATE charges not contractually absorbed by STATE shall be paid from PROJECT or other funds administered by ADMINISTERING AGENCY.
4. Costs incurred by ADMINISTERING AGENCY in the period prior to the effective date of this AGREEMENT or prior to a later date specified in a PROGRAM SUPPLEMENT or after termination date for PROJECT described in the PROGRAM SUPPLEMENT or this AGREEMENT are not allowable by STATE as reimbursable or matching costs.

ARTICLE III - RIGHT-OF-WAY

1. All related rights-of-way necessary for the construction of PROJECT shall be acquired by ADMINISTERING AGENCY, and no contract for construction of PROJECT or any portion thereof shall be advertised until those necessary rights-of-way have been secured.

2. The furnishing of rights-of-way as provided for herein includes, and is limited to, the following, unless the PROGRAM SUPPLEMENT provides otherwise:

   (a) expenditures to purchase all real property required for PROJECT free and clear of liens, conflicting easements, obstructions and encumbrances, after crediting PROJECT with the fair market value of any excess property retained and not disposed of by ADMINISTERING AGENCY.

   (b) the payment of damages to real property not actually taken but injuriously affected by the proposed improvement.

   (c) the cost of relocating owners and occupants pursuant to Government Code Sections 7260-7277.

   (d) the cost of demolition and sales of all improvements on the right-of-way after credit for sale proceeds.

   (e) the cost of all unavoidable utility relocation, protection or removal.

   (f) the cost of all necessary hazardous material and hazardous waste treatment, encapsulation or removal and protective storage for which ADMINISTERING AGENCY is not responsible and where the actual generator cannot be identified and recovery made.

3. Should ADMINISTERING AGENCY, in acquiring right-of-way for PROJECT, displace an individual, family, business, farm operation or nonprofit organization, the ADMINISTERING AGENCY shall provide relocation payments and services as required by California Government Code Sections 7260-7277.

4. State funds will not participate in any PROJECT costs arising out of delays to construction or a demolition contractor's orderly prosecution of the PROJECT work because utilities have not been timely removed or relocated or due to the unavailability of rights-of-way.

5. If any protection, relocation or removal of utilities is required within STATE's right-of-way, such work shall only be performed in accordance with then current STATE policies and procedures. ADMINISTERING AGENCY shall require any utility company performing relocation work in the STATE's right-of-way to obtain a STATE Encroachment Permit prior to the performance of said relocation work. Any relocated utilities shall be correctly located and identified on the PROJECT as-built plans.
ARTICLE IV - MISCELLANEOUS PROVISIONS

1. The cost of security, protection, or maintenance performed by ADMINISTERING AGENCY or contractor forces during any temporary suspension of the work or at any other time may not be charged to the PROJECT.

2. Neither STATE nor any officer or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by ADMINISTERING AGENCY under or in connection with any work, authority, or jurisdiction delegated to ADMINISTERING AGENCY under this AGREEMENT. It is also understood and agreed that, pursuant to Government Code Section 895.4, ADMINISTERING AGENCY shall fully defend, indemnify and hold STATE, its officers and employees harmless from any liability imposed for injury (as defined be Government Code Section 810.8) occurring by reason of anything done or omitted to be done by ADMINISTERING AGENCY under or in connection with any work, authority, or jurisdiction delegated to ADMINISTERING AGENCY under this AGREEMENT.

3. Neither ADMINISTERING AGENCY nor any officer or employee thereof, shall be responsible for any damage or liability occurring by reasons of anything done or omitted to be done by STATE under or in connection with any work, authority, or jurisdiction delegated to STATE under this AGREEMENT. It is also understood and agreed that pursuant to Government Code Section 895.4, STATE shall fully defend, indemnify and hold ADMINISTERING AGENCY harmless from any liability imposed for injury (as defined be Government Code Section 810.8) occurring by reason of anything done or omitted to be done by STATE under or in connection with any work, authority, or jurisdiction delegated to STATE under this AGREEMENT.

4. Auditors of state shall be given access to books and records of ADMINISTERING AGENCY and its consultants, contractors and subcontractors for the purpose of verifying PROJECT costs and STATE’s share to be paid or credited to ADMINISTERING AGENCY for matching funds. ADMINISTERING AGENCY shall include clauses in its contracts for PROJECT obligating consultants, contractors and subcontractors to conform and cooperate in any audit of their PROJECT costs including providing copies of all requested documents and financial records.

5. ADMINISTERING AGENCY will maintain and operate the PROJECT property acquired, developed, rehabilitated, or restored for its intended public use as proposed in those documents supplied by ADMINISTERING AGENCY as part of PROJECT funding applications and as described in this AGREEMENT until such time as the parties might amend this AGREEMENT to otherwise provide. With the approval of STATE, ADMINISTERING AGENCY or its successors in interest in the property may transfer this obligation and responsibility to maintain and operate the PROJECT property to another public entity.
6. Upon ADMINISTERING AGENCY acceptance of the completed PROJECT construction contract or upon the construction contractor being relieved of the responsibility for maintaining and protecting any portion of the work, the ADMINISTERING AGENCY having jurisdiction over the PROJECT shall maintain, repair and restore any damaged portions of the completed work in a manner satisfactory to the authorized representatives of STATE. If, within ninety (90) days after receipt of notice from STATE that a PROJECT, or any portion thereof, under ADMINISTERING AGENCY’s jurisdiction is not being properly operated, maintained, repaired or restored and ADMINISTERING AGENCY has not satisfactorily remedied the conditions complained of, the approval of future projects of ADMINISTERING AGENCY will be withheld until the PROJECT shall have been put in a condition satisfactory to STATE. The provisions of this section shall not apply to a PROJECT which has been vacated, as preapproved by STATE, through due process of law.

7. The ADMINISTERING AGENCY obligation to maintain, referred to in paragraph 6 above, includes not only the physical condition of the PROJECT but its continued operation as well. PROJECT shall be maintained by an adequate and well-trained staff of engineers and/or such other professionals and technicians as the PROJECT requires. Said maintenance staff may be employees of ADMINISTERING AGENCY, another unit of government, or a contractor under an agreement with ADMINISTERING AGENCY. All maintenance will be performed at regular intervals or as required for efficient operation of the complete PROJECT improvements.

8. Without the written consent of STATE, this AGREEMENT is not assignable by ADMINISTERING AGENCY, either in whole or in part.

9. No alteration or variation of the terms of this AGREEMENT or the PROGRAM SUPPLEMENT shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.

10. This AGREEMENT is subject to any additional restrictions, limitations, conditions, or any statute enacted by the State Legislature or adopted by the CTC that may affect the provisions, terms, or funding of this AGREEMENT in any manner.

11. ADMINISTERING AGENCY agrees to use all PROJECT funds reimbursed hereunder only for transportation purposes that are in conformance with Article XIX of the California State Constitution.

ARTICLE V - CONDITION OF ACCEPTANCE

ADMINISTERING AGENCY shall conform to all State statutes, regulations, and the Local Assistance Program Guidelines and Local Assistance Procedures Manual as published by STATE and incorporated herein, including all subsequent approved revisions thereto, hereafter collectively referred to as PROCEDURES, applicable to PROJECT, unless otherwise designated in the approved PROGRAM SUPPLEMENT.
This AGREEMENT and any PROGRAM SUPPLEMENT(s) executed under this AGREEMENT shall terminate upon sixty (60) days’ prior written notice by STATE except that obligations relative to the respective parties indemnification shall not expire and the ADMINISTERING AGENCY’s duties assumed under Sections 4, 5, 6 and 7 of Article IV shall continue for so long as PROJECT remains operable.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT by their duly authorized officers.

STATE OF CALIFORNIA
Department of Transportation

By [Signature]
Chief, Office of Local Programs
Project Implementation

Date 01-31-01

San Joaquin Valley Air Pollution
Control District

By [Signature]
(Authorized Representative)

Date 1-16-01

Approved As To Legal Form:
Philip M. Jay, District Counsel

By [Signature]

Approved As To Accounting Form:
Roger W. McCoy, Director
Administrative Services

Page 9 of 9 1/5/00
February 1, 2001

Mr. Rich Milhom
Planning Manager
San Joaquin Valley Unified Air
Pollution Control District
1990 East Gettysburg Avenue
Fresno, CA 93726-0244

Dear Mr. Milhom:

Enclosed is your fully executed copy of Program Supplement Agreement No. TCRP01-6335(001) for the above referenced project and the Administering Agency-State Agreement No. 06-0000875.

Sincerely,

David Thompson
DENIX ANBIAH, Office Chief
Northern Project Implementation
Local Assistance Program

Enclosures

c: OLP AE Project Files
    TCRP – Teresa Schmitt
    (06) DLAE – Marv Johnson
    (06) PM – Mary Frederick
PROGRAM SUPPLEMENT AGREEMENT

PROGRAM SUPPLEMENT NO. TCRP01-6335(001)  Date: 11/01/00
To
ADMINISTERING AGENCY-STATE AGREEMENT  Project Number  TCRP01-6335(001)
FOR  Location  06-Var-0-Var
STATE FUNDED PROJECTS NO. 06-927363  E.A. Number: 06-927363

This Program Supplement Agreement (PSA) hereby incorporates Administering Agency-State Agreement No. 53-000875, entered into between the Administering Agency and the State on November 1, 2000, and is subject to all the terms and conditions thereof. This PSA is adopted in accordance with Article I of the aforementioned Master Agreement under authority of Resolution No. 00-12-12, approved by the Administering Agency on December 12, 2000.

The Administering Agency further stipulates that, as a condition to the reimbursement of funds obligated to this project, it accepts and will comply with the covenants, obligations, terms and conditions set forth in said Master Agreement and on the following page(s) of this PSA.

TYPE OF WORK: Reduce on-road and off-road emissions of oxide of nitrogen (NOₓ).

PROJECT DESCRIPTION: As outlined in paragraph (100) of Government Code Section 14556.40(a), basic project tasks include, but are not limited to the (1) purchase of new low or zero emitting vehicles, (2) re-powering of existing high-emitting diesel vehicles with new lower-emitting engines, (3) retrofit of existing heavy-duty vehicles with “after treatment” systems to reduce NOₓ, (4) an alternative fuel infrastructure, and (5) the implementation of any other verifiable, enforceable, and cost effective technology preapproved by State for reducing NOₓ emissions from heavy-duty on-road and off-road vehicles.

<table>
<thead>
<tr>
<th>Estimated Cost</th>
<th>State Funds (Source)</th>
<th>Matching Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$25,000,000</td>
<td>$25,000,000 (TCR)</td>
<td>Agency $0</td>
</tr>
</tbody>
</table>

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

STATE OF CALIFORNIA
Department of Transportation

By  By

Date 01-31-01

I hereby certify on my personal knowledge that budgeted funds are available for this encumbrance:

Accounting Officier

By

Date 01-30-01

$25,000,000

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Statutes</th>
<th>Item</th>
<th>Year</th>
<th>Program</th>
<th>BC</th>
<th>Fund Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>91</td>
<td>2000</td>
<td>2660-889-3007</td>
<td>01</td>
<td>20.30.710.877</td>
<td>3007</td>
<td>25,000,000.00</td>
<td></td>
</tr>
</tbody>
</table>

Page 1 of 2
SPECIAL COVENENTS OR REMARKS

1. ADMINISTERING AGENCY has certified, by resolution of its governing board, (before final execution of this PSA), that the ADMINISTERING AGENCY shall sustain its level of expenditures for transportation purposes at a level consistent with, the average or above, of its annual expenditures during the 1997-98, 1998-99, 1999-2000 fiscal years, including funds reserved for transportation purposes, during each of the fiscal years that the allocation (Section 14556.26 of the Government code, as amended by SB 1662) is available for use by ADMINISTERING AGENCY. That certification (attached as Addendum “A”) is subject to STATE audit verification of ADMINISTERING AGENCY’s TCR program work and funding.

2. STATE and ADMINISTERING AGENCY agree that TCR funds will be encumbered for this PROJECT only upon CTC/STATE approval of the PROJECT ALLOCATION REQUEST (attached as Addendum "B"). Funds available for reimbursement to ADMINISTERING AGENCY by STATE will be limited to the amount allocated by the CTC and actually encumbered by STATE.

3. STATE and ADMINISTERING AGENCY agree that this PSA shall also cover future phase applications for this same PROJECT subject to future phase approval and funding by the CTC. Additional funds, made available by future allocations, will be encumbered on this PROJECT only upon CTC/STATE approval of those subsequent Allocation Requests.

4. THE PROJECT will be administered in accordance with the CTC Guidelines for TCR Act of 2000, as adopted and amended; and the PROJECT application and/or the PROJECT ALLOCATION REQUEST (attached as Addendum "B"), as approved by the CTC.

5. This PSA allows reimbursement of eligible PROJECT expenditures to the ADMINISTERING AGENCY for the phase(s) for which TCR funds are allocated. The start of reimbursable expenditures is restricted to the later of either a) the effective date of this PSA or b) the effective date of the PROJECT ALLOCATION REQUEST.

6. This PSA is intended for TCR Program funds only. Separate agreements are needed if PROJECT is also funded by any other Caltrans administered State or Federal funds.

7. STATE and ADMINISTERING AGENCY agree that all invoices shall be approved by the STATE PROJECT MANAGER prior to reimbursement, being scheduled in conformance with the provisions of the California Prompt Payment Act.

8. This agreement recognizes that the requirements of Article XIX of the California State Constitution as specified in Article IV, Section 11 of the Master Agreement # 000875 regarding the reimbursement of TCR Program funds shall not apply to project work undertaken pursuant to this PSA.

9. In accordance with Government Code Sections 14556.28, at the request of RECIPIENT, CTC may authorize an advance payment only for Project development work necessary for a Project specified in Article 5 (commencing with Section 14556.40 of the Government Code). Also, at the request of RECIPIENT, CTC may approve an advance payment for demonstrated need or for a Project right-of-way, construction, or procurement phase. Any advanced payment approved by the CTC shall be deposited in a prevailing interest rate bearing trust account held by a FICA insured financial institution. Advanced payment funds are to be expended as indicated in the approved TCR application. No interest earned shall be spent on the Project. Interest earned shall be recorded and documented from the time the TCR funds are first deposited in RECIPIENT’S trust account until all the approved TCR advanced funds have been expended or returned to the STATE. Interest earned shall be reported to CALTRANS District Representative on an annual basis and upon final Project payment. All earned interest and unexpended advanced funds shall be returned to the STATE within 30 days of Project completion.
ADDENDUM "A"

San Joaquin Valley Unified
Air Pollution Control District

Governing Board
Resolution No. 00-10-06B

Resolving to Sustain the Level of Expenditures for Transportation Related Purposes
BEFORE THE GOVERNING BOARD OF THE SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

IN THE MATTER OF APPROVING THE TRANSPORTATION FUNDING CERTIFICATION FOR THE SAN JOAQUIN VALLEY EMERGENCY CLEAN AIR ATTAINMENT PROGRAM

RESOLUTION NO. 00-10-068

WHEREAS, the Traffic Congestion Relief Act of 2000 (the Act) was established by Chapters 91 (AB 2928) and 92 (SB 496), as amended by SB 1662, of the statutes of 2000; and

WHEREAS, the San Joaquin Valley Unified Air Pollution Control District (District) has been named in the Act to receive $25 million for project #100 The San Joaquin Valley Emergency Clean Air Attainment Program; and

WHEREAS, the statutes require a local or regional implementing agency to execute a cooperative agreement with Caltrans before it can be reimbursed for project expenditures; and

WHEREAS, the Guidelines adopted by the California Transportation Commission governing the administration of the projects contained in the Traffic Congestion Relief Program (TCRP) require that the cooperative agreement contain a certification, by resolution of the governing board of the local or regional agency, as required by statutes, that the level of expenditures for transportation purposes will be sustained at a level of expenditures consistent with the average of annual expenditures during the 1997-1998, 1998-1999, and 1999-2000 fiscal years, including funds reserved for transportation purposes, during the fiscal years that the allocation provided for this project is available for use.

WHEREAS, the intent of the San Joaquin Valley Emergency Clean Air Attainment Program is to expand the funding available for the District’s existing Heavy-Duty Engine Incentive Program to meet critical air quality attainment mandates, and the District has no other funds already available for the proposed project in the TCRP; and

WHEREAS, the District partially finances the Heavy-Duty Engine Incentive Program using funds obtained on a competitive basis from the federal Congestion Mitigation and Air

SJVUAAPCD
1980 E. Gettysburg Ave.
Fresno, CA 93726
(559) 230-6000

1
WHEREAS, the District has established an ongoing source for this program using Department of Motor Vehicles Registration Surcharge Fees, which is expected to continue at levels of at least the 1997-1998, 1998-1999, and 1999-2000 levels; and
WHEREAS, it is within the control of the District to assure that this level continues.
NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF
THE SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT:
That, operating within the local, state, and federal limits that govern its financial activities, the level of expenditures for transportation related purposes will be sustained at a level of expenditures consistent with the average of annual expenditures during the 1997-1998, 1998-1999, and 1999-2000 fiscal years, including funds reserved for transportation purposes, during the fiscal years that the allocation provided for this project is available for use.
THE FOREGOING was passed and adopted by the following vote of the Governing Board of the San Joaquin Valley Unified Air Pollution Control District on this 12th day of October 2000, to wit:

AYES: Board Members: Patrick, Washington, Sanders, Barba, Blom, Lujan, Hanhart McIntyre, Friedman, Case and O'Banion.

NOES: None.

ABSENT: Board Member: Simas.

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

By: Jerry O'Banion, Chair
Governing Board

ATTEST: Clerk to the Governing Board

The foregoing instrument is a true and correct copy of the original on file in this office.
SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

DATE: Oct 12, 2000
ADDENDUM “B”

San Joaquin Valley Unified
Air Pollution Control District

PROJECT ALLOCATION REQUEST

Project Application
Traffic Congestion Relief Program
Project # 100
Project Application
Traffic Congestion Relief Program

Section I. Application Information

A. Specify the paragraph number, authorized dollar amount, and project description pursuant to Government Code section 14556.40 (a) (AB 2928, Chapter 91 of the Statutes of 2000) authorizing this project:

Paragraph Number: 100  Amount: $25 million

Description: San Joaquin Valley Emergency Clean Air Attainment Program

B. Applicant Agency: San Joaquin Valley Unified Air Pollution Control District

Address: 1990 E. Gettysburg Ave.
          Fresno, CA 93726

Contact Person: Rich Milhorn, Planning Manager

Phone#: (559)230-5813  FAX#: (559)230-6064
Email: rich.milhorn@valleyair.org

C. Implementing Agency: San Joaquin Valley Unified Air Pollution Control District

Address: 1990 E. Gettysburg Ave.
          Fresno, CA 93726

Contact Person: Rich Milhorn, Planning Manager

Phone#: (559)230-5813  FAX#: (559)230-6064
Email: rich.milhorn@valleyair.org

D. Caltrans District: Caltrans District 6 Central Region-Fresno

Address: 2015 East Shields, Suite 100
          Fresno, CA 93726

Project Manager/Coordinator: Mary C. Frederick, P.E.

Phone #: (559)243-3464  FAX #: (559)243-3426
Email: mary_frederick@dot.ca.gov
E. Application Type:

  ___ Study Only (*Complete Sections II, IV, VI, & VIII*)

  ___ Non-Capital Phase(s)  (*Complete All Sections except VII. Detail for requested phase(s), estimate otherwise*)
  ___ Studies, environmental review, and permits
  ___ Preparation of project plans and specifications
  ___ Project administration, marketing and outreach

  ___ Capital Phase(s)  (*Complete All Sections except VII. Detail for requested phase(s), estimate otherwise*)
  ___ Right of Way Acquisition
  ___ Construction or Procurement

  ___ Complete Project (*Complete All Sections except VII*)

  ___ Alternative Project (*Complete All Sections*)

Section II. General Project Information

A. Project Name: San Joaquin Valley Emergency Clean Air Attainment Program

B. Project Purpose: The purpose of the San Joaquin Valley Emergency Clean Air Attainment Program is to achieve cost-effective reductions in oxides of nitrogen (NOx) emissions from on-road and off-road diesel engines in the San Joaquin Valley Air Basin.

C. Project Location: San Joaquin Valley Air Basin (map attached).

D. Project Description: The program will provide grants to offset the advanced introduction costs of eligible projects that reduce on-road and off-road heavy-duty vehicle NOx emissions within the San Joaquin Valley federal ozone non-attainment area. The program will be available to applicants that meet the program criteria on a first-come first-serve basis until funding is exhausted. The program will be administered as part of the SJVUAPCD’s existing Heavy-Duty Engine Program.

E. Project Scope: The program will fund the incremental cost of providing cleaner engines for on-road and off-road heavy-duty vehicles that comply with the program guidelines through the Traffic Congestion Relief Fund program. Additionally, fueling infrastructure for vehicles will be eligible for funding. Examples of eligible types of projects include:

* Purchase of new, low or zero-emitting vehicles
- Repowering of existing high-emitting diesel powered vehicles with new, lower-emitting engines,
- Retrofit of existing heavy-duty vehicles with aftertreatment systems to reduce NOx,
- Alternative fuel infrastructure, and
- Any other verifiable, enforceable, and cost-effective technology for reducing NOx emissions from heavy-duty on-road and off-road vehicles.

F. Total Estimated Cost of Project: $25 million
G. Project Start Date: December 1, 2000
H. Construction Start Date: First grants awarded January 2001
I. Project End Date: Final progress report documenting NOx emissions reductions in June 2004.

Section III. Project Phase Information

<table>
<thead>
<tr>
<th>Phase of work</th>
<th>Scope</th>
<th>Schedule (month/year)</th>
<th>Cost ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Studies, environmental review, and permits</td>
<td>Project administration, marketing and outreach activities</td>
<td>12/00 6/04</td>
<td>$.75</td>
</tr>
<tr>
<td>2. Preparation of project plans and specifications</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Right of Way acquisition</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Construction or procurement</td>
<td>Contracts for the incremental cost associated with the purchase of low-emission vehicles</td>
<td>12/00 5/03</td>
<td>$24.25</td>
</tr>
<tr>
<td></td>
<td>Total:</td>
<td></td>
<td>$25</td>
</tr>
</tbody>
</table>

Section IV. Project Phases and TCRP Funds covered by this Application

<table>
<thead>
<tr>
<th>TCRP Funds</th>
<th>Phase 1 ($ in millions)</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Phase 4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Allocation Date (month/year)</td>
<td>12/00</td>
<td>As needed</td>
<td>As needed</td>
<td>As needed</td>
<td>$25.0</td>
</tr>
</tbody>
</table>

A. The Implementing Agency requests TRCP fund allocation in the amount of $12.5 million concurrent with this Application.
Section V. Funding Information for the Total Project

<table>
<thead>
<tr>
<th>Source</th>
<th>Type</th>
<th>Phase 1 ($ in millions)</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Phase 4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>GTIP</td>
<td>TCRP</td>
<td>Committed</td>
<td>$12.5</td>
<td>$4.5</td>
<td>$4.0</td>
<td>$4.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Proposed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>Committed</td>
<td>$12.5</td>
<td>$4.5</td>
<td>$4.0</td>
<td>$4.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Proposed</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Totals:</td>
<td></td>
<td>$12.5</td>
<td>$4.5</td>
<td>$4.0</td>
<td>$4.0</td>
<td>$25</td>
</tr>
</tbody>
</table>

A. Does the Implementing Agency need a disproportional spread of TCRP funds, advance payment for any phase, or a disproportional rate of reimbursement within a phase?

Yes. The SJVUAPCD requests an advance of $12.5 million to implement Phase I. Additional advances will be requested in subsequent phases.

If the answer is yes to any question, please explain and justify:

Projects will be received and processed on a first come, first served basis and should be considered part of a single phase. An advance of $12.5 million for Phase 1 will provide the SJVUAPCD with maximum flexibility in implementing the program. Funds requested will provide $750,000 for program administration, and an aggressive outreach and marketing effort, and $11.75 million for procurement.

Time is of the essence in achieving the required NOx emission reductions to achieve air quality attainment for the region. The District must show clean monitoring data in 2003 through 2005 to demonstrate attainment of the federal one-hour ozone standard. The goal is for all projects to be in service prior to the 2003 ozone season. Delays caused by the time required to process allocation and reimbursement requests through the CTC and Caltrans could hinder the ability of the SJVUAPCD to select, fund, implement and reimburse project sponsors for eligible costs in a timely manner.

Since SJVUAPCD expects active participation from the private sector in the program, it is important that the process be simple and understandable to people with little or no familiarity with government processes. SJVUAPCD believes that the success or failure of the program will depend on the speed with which project sponsors are reimbursed for completed work. Speed of reimbursement has been a primary concern expressed by fleet operators. Advancing one-half of the funds in Phase 1 to the SJVUAPCD and allowing SJVUAPCD to disburse them with proper documentation will expedite the process. As the initial advance is expended, SJVUAPCD will request further advances in Phases 2, 3 and 4 as shown in the Funding Information table, above.
Section VI. Additional Information

A. Will this project utilize Regional or Inter-Regional Transportation Improvement Program funding?

   ___ Yes (application must be co-signed by regional planning agency or Caltrans, whichever is applicable.)
   ___ No

B. For Projects with a Right of Way or Construction/Procurement Phase, the Lead Agency must demonstrate that it is part of, or in conformity with, the appropriate Regional Transportation Plan. Attach a copy of the relevant section(s) of the Regional Transportation Plan.

C. If this project will utilize other fund sources (i.e. STIP, local measure tax, demo funds, etc.), have they been programmed or committed? Please provide a narrative describing how they have been committed or a strategy that the Agency will undertake to commit necessary funds:

Section VII. Justification for Alternative Project Application

Section VIII. Signatures of Applicant Agencies

By affixing the signature(s) below, the agency certifies it has provided complete and accurate information necessary for the California Transportation Commission to review and process this Project Application; that the agency will in good faith pursue this work for the public’s benefit in a timely and diligent manner and comply with all existing and future Commission policies and rulings; and that the Regional Planning Agency or Caltrans has reviewed and approved this project.

David L. Crow, Executive Director/APCO
Officer or Director of Applicant Agency

9/29/2000
Date
BEFORE THE GOVERNING BOARD OF THE
SAN JOAQUIN VALLEY UNIFIED AIR
POLLUTION CONTROL DISTRICT

IN THE MATTER OF APPROVING AND
AUTHORIZING THE CHAIR TO
EXECUTE FUNDING AGREEMENTS
WITH THE STATE TO IMPLEMENT THE
SAN JOAQUIN VALLEY EMERGENCY
CLEAN AIR ATTAINMENT PROGRAM

RESOLUTION NO. 00-10-06C

WHEREAS, the Traffic Congestion Relief Act of 2000 (the Act) was established by
Chapters 91 (AB 2928) and 92 (SB 496), as amended by SB 1662, of the statutes of 2000; and

WHEREAS, the San Joaquin Valley Unified Air Pollution Control District (District) has
been named in the Act to receive $25 million for project #100 The San Joaquin Valley
Emergency Clean Air Attainment Program (VECAP); and

WHEREAS, the statutes require a local or regional implementing agency to execute a
cooperative agreement with Caltrans before it can be reimbursed for project expenditures; and

WHEREAS, time is of the essence for initiating the VECAP to avoid project delays and
to achieve emission reductions at the earliest possible date; and

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF
THE SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT:

That the Governing Board Chair is authorized to execute cooperative agreements with
Caltrans to implement VECAP.

THE FOREGOING was passed and adopted by the following vote of the Governing
Board of the San Joaquin Valley Unified Air Pollution Control District on this 12th day of
October 2000, to wit:

AYES: Board Members: Patrick, Washington, Sanders, Barba,
        Luian, Hanhart McIntyre, Friedman, Blom, Case and O'Banion.
NOES: None.

ABSENT: Board Member: Simas.
### Emission Reductions Achieved by District Incentive Programs

#### NOx and PM Reductions

#### Sum of All NOx - 1998

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total NOx Reduced Lbs.</td>
<td>1,514,752.60</td>
</tr>
<tr>
<td>Total NOx Reduced Tons</td>
<td>757.60</td>
</tr>
<tr>
<td>NOx Cost Effectiveness Per Lb.</td>
<td>$2.43</td>
</tr>
<tr>
<td>NOx Cost Effectiveness Per Ton</td>
<td>$4,857.71</td>
</tr>
<tr>
<td>PM Reduced Lbs.</td>
<td>0.00</td>
</tr>
<tr>
<td>PM Reduced Tons</td>
<td>0.00</td>
</tr>
<tr>
<td>PM Cost Effectiveness Per Lb.</td>
<td>#Div/0!</td>
</tr>
<tr>
<td>PM Cost Effectiveness Per Ton</td>
<td>#Div/0!</td>
</tr>
<tr>
<td>Eligible Amount</td>
<td>$3,680,219.00</td>
</tr>
<tr>
<td>Annual Hours</td>
<td>1,151,087</td>
</tr>
<tr>
<td>Engine Count</td>
<td>130</td>
</tr>
</tbody>
</table>
## Sum of All NOx - 1999

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total NOx Reduced Lbs.</td>
<td>6,350,062.31</td>
</tr>
<tr>
<td>Total NOx Reduced Tons</td>
<td>3,183.87</td>
</tr>
<tr>
<td>NOx Cost Effectiveness Per Lb.</td>
<td>$0.74</td>
</tr>
<tr>
<td>NOx Cost Effectiveness Per Ton</td>
<td>$1,476.68</td>
</tr>
<tr>
<td>PM Reduced Lbs.</td>
<td>0.00</td>
</tr>
<tr>
<td>PM Reduced Tons</td>
<td>0.00</td>
</tr>
<tr>
<td>PM Cost Effectiveness Per Lb.</td>
<td>#Div/0!</td>
</tr>
<tr>
<td>PM Cost Effectiveness Per Ton</td>
<td>#Div/0!</td>
</tr>
<tr>
<td>Eligible Amount</td>
<td>$4,701,548.00</td>
</tr>
<tr>
<td>Annual Hours</td>
<td>546,315</td>
</tr>
<tr>
<td>Engine Count</td>
<td>376</td>
</tr>
</tbody>
</table>
### Sum of All NOx - 2000

<table>
<thead>
<tr>
<th>Metric</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total NOx Reduced Lbs.</td>
<td>6,820,013.60</td>
</tr>
<tr>
<td>Total NOx Reduced Tons</td>
<td>3,406.36</td>
</tr>
<tr>
<td>NOx Cost Effectiveness Per Lb.</td>
<td>$0.71</td>
</tr>
<tr>
<td>NOx Cost Effectiveness Per Ton</td>
<td>$1,414.25</td>
</tr>
<tr>
<td>PM Reduced Lbs.</td>
<td>0.00</td>
</tr>
<tr>
<td>PM Reduced Tons</td>
<td>0.00</td>
</tr>
<tr>
<td>PM Cost Effectiveness Per Lb.</td>
<td>#Div/0!</td>
</tr>
<tr>
<td>PM Cost Effectiveness Per Ton</td>
<td>#Div/0!</td>
</tr>
<tr>
<td>Eligible Amount</td>
<td>$4,817,457.14</td>
</tr>
<tr>
<td>Annual Hours</td>
<td>667,785</td>
</tr>
<tr>
<td>Engine Count</td>
<td>376</td>
</tr>
<tr>
<td>Description</td>
<td>Value</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>Total NOx Reduced Lbs.</td>
<td>14,409,451.35</td>
</tr>
<tr>
<td>Total NOx Reduced Tons</td>
<td>7,203.88</td>
</tr>
<tr>
<td>NOx Cost Effectiveness Per Lb.</td>
<td>$0.96</td>
</tr>
<tr>
<td>NOx Cost Effectiveness Per Ton</td>
<td>$1,918.65</td>
</tr>
<tr>
<td>PM Reduced Lbs.</td>
<td>1,371,337.03</td>
</tr>
<tr>
<td>PM Reduced Tons</td>
<td>685.95</td>
</tr>
<tr>
<td>PM Cost Effectiveness Per Lb.</td>
<td>10.08</td>
</tr>
<tr>
<td>PM Cost Effectiveness Per Ton</td>
<td>20,149.80</td>
</tr>
<tr>
<td>Eligible Amount</td>
<td>$13,821,756.00</td>
</tr>
<tr>
<td>Annual Hours</td>
<td>2,173,415</td>
</tr>
<tr>
<td>Engine Count</td>
<td>1,105</td>
</tr>
</tbody>
</table>
### Sum of All NOx - 2002

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total NOx Reduced Lbs.</td>
<td>9,561,164.61</td>
</tr>
<tr>
<td>Total NOx Reduced Tons</td>
<td>4,785.89</td>
</tr>
<tr>
<td>NOx Cost Effectiveness Per Lb.</td>
<td>$1.31</td>
</tr>
<tr>
<td>NOx Cost Effectiveness Per Ton</td>
<td>$2,624.31</td>
</tr>
<tr>
<td>PM Reduced Lbs.</td>
<td>800,195.94</td>
</tr>
<tr>
<td>PM Reduced Tons</td>
<td>404.44</td>
</tr>
<tr>
<td>PM Cost Effectiveness Per Lb.</td>
<td>15.70</td>
</tr>
<tr>
<td>PM Cost Effectiveness Per Ton</td>
<td>31,054.73</td>
</tr>
<tr>
<td>Eligible Amount</td>
<td>$12,559,649.40</td>
</tr>
<tr>
<td>Annual Hours</td>
<td>11,775,271</td>
</tr>
<tr>
<td>Engine Count</td>
<td>831</td>
</tr>
</tbody>
</table>
## Sum of All NOx - 2003

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total NOx Reduced Lbs.</td>
<td>11,984,288.80</td>
</tr>
<tr>
<td>Total NOx Reduced Tons</td>
<td>6,083.90</td>
</tr>
<tr>
<td>NOx Cost Effectiveness Per Lb.</td>
<td>$0.71</td>
</tr>
<tr>
<td>NOx Cost Effectiveness Per Ton</td>
<td>$1,394.81</td>
</tr>
<tr>
<td>PM Reduced Lbs.</td>
<td>682,309.43</td>
</tr>
<tr>
<td>PM Reduced Tons</td>
<td>337.12</td>
</tr>
<tr>
<td>PM Cost Effectiveness Per Lb.</td>
<td>12.44</td>
</tr>
<tr>
<td>PM Cost Effectiveness Per Ton</td>
<td>25,171.72</td>
</tr>
<tr>
<td>Eligible Amount</td>
<td>$8,485,891.00</td>
</tr>
<tr>
<td>Annual Hours</td>
<td>1,153,712</td>
</tr>
<tr>
<td>Engine Count</td>
<td>613</td>
</tr>
</tbody>
</table>
Sum of All NOx - 2004

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total NOx Reduced Lbs.</td>
<td>17,893,317.97</td>
</tr>
<tr>
<td>Total NOx Reduced Tons</td>
<td>8,949.35</td>
</tr>
<tr>
<td>NOx Cost Effectiveness Per Lb.</td>
<td>$0.70</td>
</tr>
<tr>
<td>NOx Cost Effectiveness Per Ton</td>
<td>$1,396.07</td>
</tr>
<tr>
<td>PM Reduced Lbs.</td>
<td>613,012.91</td>
</tr>
<tr>
<td>PM Reduced Tons</td>
<td>307.88</td>
</tr>
<tr>
<td>PM Cost Effectiveness Per Lb.</td>
<td>20.38</td>
</tr>
<tr>
<td>PM Cost Effectiveness Per Ton</td>
<td>40,580.47</td>
</tr>
<tr>
<td>Eligible Amount</td>
<td>$12,493,915.00</td>
</tr>
<tr>
<td>Annual Hours</td>
<td>1,034,046</td>
</tr>
</tbody>
</table>

Engine Count: 933
## Emissions Reductions from District Incentives

### SJVAPCD
Mobile Source Programs
Estimated Emission Reductions

<table>
<thead>
<tr>
<th>Projects</th>
<th>Emissions Tons</th>
<th>Emissions Pounds</th>
<th>Grant $ Amounts</th>
<th>Cost Effectiveness* $/Pound</th>
<th>Cost Effectiveness* $/Ton</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992 - 1993</td>
<td>400</td>
<td>800000</td>
<td>3665200</td>
<td>4.5815</td>
<td>9163</td>
</tr>
<tr>
<td>1993 - 1994</td>
<td>525</td>
<td>1050000</td>
<td>4773814</td>
<td>4.546489524</td>
<td>9092.979048</td>
</tr>
<tr>
<td>1994 - 1995</td>
<td>590</td>
<td>1180000</td>
<td>3594486</td>
<td>3.046174576</td>
<td>6092.349153</td>
</tr>
<tr>
<td>1995 - 1996</td>
<td>650</td>
<td>1300000</td>
<td>3688311</td>
<td>2.837162308</td>
<td>5674.324615</td>
</tr>
<tr>
<td>1996 - 1998</td>
<td>885</td>
<td>1770000</td>
<td>6309952</td>
<td>3.564944633</td>
<td>7129.889266</td>
</tr>
<tr>
<td>1998 - 2005</td>
<td>35107.973</td>
<td>70215946</td>
<td>90358418</td>
<td>1.184004428</td>
<td>2368.008856</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>38157.973</strong></td>
<td><strong>76315946</strong></td>
<td><strong>90358418</strong></td>
<td><strong>1.184004428</strong></td>
<td><strong>2368.008856</strong></td>
</tr>
</tbody>
</table>

### REMOVE Program

<table>
<thead>
<tr>
<th>Emissions</th>
<th>Emissions Pounds</th>
<th>Grant $ Amounts</th>
<th>Cost Effectiveness* $/Pound</th>
<th>Cost Effectiveness* $/Ton</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992 - 1993 Phase I</td>
<td>400</td>
<td>800000</td>
<td>3665200</td>
<td>4.5815</td>
</tr>
<tr>
<td>1993 - 1994 Phase II</td>
<td>525</td>
<td>1050000</td>
<td>4773814</td>
<td>4.546489524</td>
</tr>
<tr>
<td>1994 - 1995 Phase III</td>
<td>590</td>
<td>1180000</td>
<td>3594486</td>
<td>3.046174576</td>
</tr>
<tr>
<td>1995 - 1996 Phase IV</td>
<td>325</td>
<td>650000</td>
<td>2688311</td>
<td>4.135863077</td>
</tr>
<tr>
<td>1996 - 1998 Phase V</td>
<td>360</td>
<td>720000</td>
<td>5309952</td>
<td>7.374933333</td>
</tr>
<tr>
<td>1998 - 1999 Phase VI</td>
<td>104,1235</td>
<td>208247</td>
<td>2556403</td>
<td>12.2758215</td>
</tr>
<tr>
<td>1999 - 2000 Phase VII</td>
<td>303.82</td>
<td>607640</td>
<td>2422741</td>
<td>3.987132184</td>
</tr>
<tr>
<td>2002 - 2003 Phase VIII</td>
<td>155.5295</td>
<td>311059</td>
<td>2551064</td>
<td>3.892020485</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2607.9435</strong></td>
<td><strong>5526946</strong></td>
<td><strong>26221555</strong></td>
<td><strong>4.744311777</strong></td>
</tr>
</tbody>
</table>

### Vehicle Buy-Back

<table>
<thead>
<tr>
<th>Emissions Tons</th>
<th>Emissions Pounds</th>
<th>Grant $ Amounts</th>
<th>Cost Effectiveness* $/Pound</th>
<th>Cost Effectiveness* $/Ton</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995 - 1996</td>
<td>325</td>
<td>650000</td>
<td>1000000</td>
<td>1.538461538</td>
</tr>
<tr>
<td>1997 - 1998</td>
<td>525</td>
<td>1050000</td>
<td>1000000</td>
<td>0.952380952</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>850</strong></td>
<td><strong>1700000</strong></td>
<td><strong>2000000</strong></td>
<td><strong>1.176470588</strong></td>
</tr>
</tbody>
</table>

### Heavy-Duty Program

<table>
<thead>
<tr>
<th>Emissions Tons</th>
<th>Emissions Pounds</th>
<th>Grant $ Amounts</th>
<th>Cost Effectiveness* $/Pound</th>
<th>Cost Effectiveness* $/Ton</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997 - March 2005</td>
<td>34500</td>
<td>690000000</td>
<td>60909863</td>
<td>0.882751638</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>34500</strong></td>
<td><strong>690000000</strong></td>
<td><strong>60909863</strong></td>
<td><strong>0.882751638</strong></td>
</tr>
</tbody>
</table>

### Lt. & Med.-Duty

<table>
<thead>
<tr>
<th>Emissions</th>
<th>Emissions Tons</th>
<th>Emissions Pounds</th>
<th>Grant $ Amounts</th>
<th>Cost Effectiveness* $/Pound</th>
<th>Cost Effectiveness* $/Ton</th>
</tr>
</thead>
</table>
### Vehicle Program

<table>
<thead>
<tr>
<th>Vehicle Program</th>
<th>Tons</th>
<th>Pounds</th>
<th>$ Amounts</th>
<th>$/Pound</th>
<th>$/Ton</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001 - Jan 2003</td>
<td>21.5</td>
<td>43000</td>
<td>750000</td>
<td>17.44186047</td>
<td>34883.72093</td>
</tr>
<tr>
<td>Total</td>
<td>21.5</td>
<td>43000</td>
<td>750000</td>
<td>17.44186047</td>
<td>34883.72093</td>
</tr>
</tbody>
</table>

### Lawn Mower Emissions Emissions Grant Effectiveness * | Cost Effectiveness *

<table>
<thead>
<tr>
<th>Lawn Mower Replacement</th>
<th>Emissions Tons</th>
<th>Emissions Pounds</th>
<th>Grant $ Amounts</th>
<th>Effectiveness</th>
<th>Cost $ Amounts</th>
<th>Effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001 - 2002</td>
<td>23</td>
<td>46000</td>
<td>477000</td>
<td>10.36956522</td>
<td>20739.13043</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
<td>46000</td>
<td>477000</td>
<td>10.36956522</td>
<td>20739.13043</td>
<td></td>
</tr>
</tbody>
</table>

Please note that beginning in 1995-96 vehicle buy-back was no longer included in the REMOVE Program.
A separate program for heavy-duty vehicle projects was established beginning in 1997.
Section II: Program Implementation

EPA, Incentives, and SIPs
The following EPA letter provides for the use of incentive program emission reductions for SIPs.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105-3901

AUG 03 2004

Larry Greene, President
CAPCOA
3232 Western Drive
Cameron Park, CA 95682-9206

Dear Mr. Greene:

I am responding to your letter of July 9th, in which you ask for our concurrence that California could claim credit in State Implementation Plans (SIPs) for reductions based on legislation providing long-term funding for early retirement and/or clean-up of heavy-duty engines and light- and medium-duty vehicles. My response is based on the information about the program provided in your letter.

Your letter states that the proposed program reductions would be real, permanent (for a specified period), quantified, and surplus. We agree that these are basic criteria for giving credit for nonregulatory emission reduction approaches, and SIP measures that fully meet these tests would generally be creditable. In addition, reductions claimed in the SIP must be enforceable. For incentive-based measures such as the Large Emission Reduction Program, the enforceable requirement might be satisfied, at least in part, through SIP provisions holding agencies responsible for tracking and reporting actual emission reductions achieved, which you mention, as well as remedying any shortfall to ensure that progress and attainment are not jeopardized. Finally, if the legislation does not provide secure funding for the duration of the program, additional SIP credit issues would need to be addressed.

EPA strongly encourages emissions reduction progress from incentive-based programs, and we will be happy to work with you and the State to resolve SIP approval issues as more program details evolve.

Sincerely,

Deborah Jordan
Director, Air Division

cc: Catherine Witherspoon, CARB
Barry Wallerstein, SCAQMD
Sample Contract for Incentive Program Funding

Agreement «ProjectNumber»

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT
HEAVY-DUTY ENGINE EMISSION REDUCTION INCENTIVE PROGRAM
FUNDING AGREEMENT
(AGRICULTURAL PUMP ENGINE REPOWER)

This Agreement, made this _____ day of ___________, 2005, between
San Joaquin Valley Unified Air Pollution Control District (“District”) and
«Organization» (“Participant”).

In consideration of their mutual promises, covenants, conditions, and the
funds awarded under this Agreement, the parties agree as follows:

1. PROGRAM

The purpose of this Agreement is to provide incentives to Participants in
the District’s Heavy Duty Motor Vehicle Emission Reduction Program, which will assist
District in attaining federal and state air quality standards. Under this program, District
provides cash incentives to be used toward the purchase of reduced-emission engines
and/or retrofits. Participant has agreed to undertake such participation.

2. DESCRIPTION OF NEW ENGINE

A. Funding under this Agreement shall be utilized by Participant
toward the purchase of the following engine(s) (hereinafter the “engine.”) (Attach
separate sheet if multiple engines with different descriptions are to be purchased.)

- Number of engines to be purchased: 1 (One)
- Make: «EngMakeNew»
- Model: «EngModelNumNew»
- Model Year: «EngYrNew»
- Fuel type: Electric
- Estimated annual fuel usage per engine in gallons: «AnnualFuelUsage»
- New Engine serial number(s) (when available):
- Location where engine(s) will be placed: «GeoEquipArea»
• Estimated annual hours of operation per engine within District geographic area (and as percentage of total):  «AnnualHours»;  «PercentHour»
• Serial number of engine(s) being replaced:  «SerialNumberOld»

Note: Engines with unknown serial numbers must be destroyed.

Unless otherwise specified by the District all engines under 749 horsepower will be Tier II.

B. No payment shall be made toward engines other than as listed above. The engine must be installed and operating prior to any payment requests.

C. Participant agrees that the existing engine will be permanently removed from operation in California by one of the following methods:

1. Participant and/or their engine dealer will provide written verification that the engine will only be used or sold for operation outside of California.

2. Participant and/or their engine dealer may permanently disable the engine by welding the cylinder heads closed or punching a hole through the engine block.

3. Participant and/or their engine dealer may also crush the engine and provide written verification in the form of a receipt from a scrap metal recycling operation.

D. Payment will be issued upon verification that the replacement (new) engine is installed and operating, and the existing (old) engine has been permanently removed from operation in California.

3. OBLIGATIONS OF DISTRICT

A. District shall provide up to «CostNewRetroRemanRplEngNew» dollars to Participant to be used toward purchase of a new, emission-certified Original Equipment Manufacturer (“OEM”) engine for the purpose of replacing the uncertified stationary agricultural engine now in use by the Participant.

B. District shall make payment to Participant upon receipt and verification of a properly-supported claim for payment.

C. District will issue payment to Participant within 30 working days of receipt of a properly documented and verified claim.
D. Funding shall only be allowed toward purchase of the specific engine(s) described in paragraph 2(A).

4. OBLIGATIONS OF PARTICIPANT

A. Participant shall install the new engine replacing the existing engine specified in paragraph 2(B) as a stationary agricultural engine.

B. Participant shall take delivery and place the new engine into service within one year of the date of this Agreement.

C. Participant shall submit an annual report on engine operation, fuel consumption, hours of operation, maintenance, and any other pertinent information requested by District on a form to be provided to Participant by District.

D. In the event Participant does not complete the minimum five-year operating period required by this Agreement, Participant shall refund to District a pro-rated amount of one-fifth the amount specified in paragraph 3(A) for each year less than the required five-year period.

E. If necessary, Participant shall obtain through other sources sufficient additional funds to purchase and install the engine specified herein.

F. In the event Participant cannot obtain sufficient funds to complete the purchase and installation, District reserves the right to terminate this Agreement. In that event, if requested by District, Participant shall return any District funds received.

5. GENERAL CONDITIONS

A. Participant agrees that at the date of execution of this Agreement, it has not yet purchased the engine.

B. Participant agrees that the engine horsepower for the new engine shall be 50 horsepower or greater.

C. Participant agrees that the engine purchased shall be new, certified for sale in California or under an experimental permit for operation in California, and will replace the higher emission engine currently in use.

D. Participant agrees and represents that the low emission engine technology to be purchased shall result in at least a 15% reduction of NOx emissions and will cause no significant increase in particulate emissions, as reported by a test method approved by the United States Protection Agency or the California Air Resources Board.
E. Participant agrees and represents that the engine is home based within the geographic boundaries of the District and shall remain so for at least five years from the date of beginning operation. (See attachment for District map.)

F. Participant agrees that at least 75% of the hours of operation of the new engine shall be within the geographic boundaries of the District for a minimum five-year period from beginning operation with the new engine.

G. Participant agrees and represents that purchase of the new engine subject of this Agreement is not required by or to be used for compliance with any local, state, or federal rule or regulation.

H. Participant waives all rights to any emission reduction credits that may accrue as a result of purchase of the new engine. Any such potential credits shall be the sole property of District.

I. In the event Participant sells or transfers ownership of said engine to a buyer outside of the District’s geographic area, Participant shall return, if requested by District, pro-rated funds to the District as provided in paragraph 4(D).

J. The District reserves the right to reduce the incentive amount if it is determined that the actual costs paid by the Applicant are less than the costs indicated on the Application. Additionally, the District reserves the right to disallow certain ineligible costs submitted on the Claim for Payment and thereby reduce the incentive amount. A determination of cost eligibility will be at the sole discretion of the District.

6. INSURANCE

Participant shall provide District with proof of insurance in types and amounts approved by the District prior to any payment of funds under this Agreement.

7. FUNDING OUT

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

8. NON ASSIGNMENT

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

9. TERMINATION
District may immediately suspend or terminate this Agreement, in whole or in part, where in the determination of District there is:

A. An illegal or improper use of funds;
B. A failure to comply with any term of this Agreement; or
C. A substantially incorrect or incomplete report submitted to District.

In no event shall any payment by District constitute a waiver by District of any breach of this Agreement or any default, which may then exist on the part of Participant. Neither shall such payment impair or prejudice any remedy available to District with respect to the breach or default. District shall have the right to demand of Participant the repayment to District of any funds disbursed to Participant under this Agreement which, in the judgment of District, were not expended in accordance with the terms of this Agreement. Participant shall promptly refund any such funds upon demand.

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

10. INDEMNIFICATION

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

11. RECORD KEEPING

Participant shall maintain records sufficient to provide, on an annual basis for five years, information regarding annual hours of operation, fuel usage, general maintenance details, and any other available information which may be deemed pertinent to the evaluation of the program.

12. NOTICES

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

PARTICIPANT                          DISTRICT

«Organization»                          David L. Crow,
Any and all notices between District and Participant provided for or permitted under this Agreement or by law shall be in writing and shall be deemed duly served when personally delivered to one of the parties, or in lieu of such personal service, when deposited in the United States mail, postage prepaid, addressed to such party.

13. GOVERNING LAW

This Agreement shall be governed in all respects by the laws of the State of California. Venue for any action arising out of this Agreement shall only be in Fresno County, California.

14. TIME IS OF THE ESSENCE

It is understood that for Participant’s performance under this Agreement, time is of the essence. The parties reasonably anticipate that Participant will, to the reasonable satisfaction of District, complete all activities provided herein within the time schedule outlined in this Agreement, provided that Participant is not caused unreasonable delay in such performance.

15. ENTIRE AGREEMENT

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

16. MODIFICATION

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

17. NO THIRD-PARTY BENEFICIARIES

Notwithstanding anything else stated to the contrary herein, it is understood that Contractor’s services and activities under this Agreement are being rendered only for the benefit of District, and no other person, firm, corporation, or entity shall be deemed an intended third-party beneficiary of this Agreement.
PARTICIPANT

«Organization»

By: _______________________________
  «SigningAuthority»

DISTRICT

San Joaquin Valley Air Pollution Control District

By: _______________________________
  Thomas W. Mayfield
  Governing Board Chair

Recommended for approval:
San Joaquin Valley Unified Air Pollution Control District

Approved as to legal form:
San Joaquin Valley Unified Air Pollution Control District

David L. Crow
Executive Director/APCO

Philip M. Jay
District Counsel

Approved as to accounting form:
San Joaquin Valley Unified Air Pollution Control District

For accounting use only:
Program: _____________________

Roger W. McCoy
Director of Administrative Services

Accounting No.: _____________
SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT
GEOGRAPHIC LOCATION

EXHIBIT A
Sample Emission Reduction Calculations

The SJVAPCD Mobile Source Program uses ARB guidance to develop calculations of emission reductions and cost effectiveness of various projects. The ARB guidance document, Methods to Find the Cost-Effectiveness of Funding Air Quality Projects, is available at <http://www.arb.ca.gov/planning/tsaq/eval/eval.htm>. Below are some sample calculations from this document.

On-Road Cleaner Vehicle Purchases and Repowering EXAMPLE

Purchase CNG Transit Buses
In January 2002, a transit provider purchased 19 40-foot CNG transit buses to replace existing diesel buses. The vehicles were equipped with the Cummins 2.0 g/bhp-hr NOx dedicated CNG engine.

Inputs to calculate cost-effectiveness:
Funding Dollars (Funding) = $760,000 (The CNG buses cost $40,000 per bus more than the diesel buses.)
Effectiveness Period (Life): 12 years
Annual Vehicle Miles Traveled (VMT): 988,000 miles (19 buses travel 52,000 miles annually per bus).

Emissions Factors (From Table 5):

<table>
<thead>
<tr>
<th>Emission Factor</th>
<th>Before Emission Factor</th>
<th>After Emission Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROG Factor</td>
<td>not applicable</td>
<td>not applicable</td>
</tr>
<tr>
<td>NOx Factor</td>
<td>17.70 grams/mi</td>
<td>8.6 grams/mi</td>
</tr>
<tr>
<td>PM10 Factor</td>
<td>0.50</td>
<td>0.025</td>
</tr>
</tbody>
</table>

Calculations:
Annual Emission Reductions (ROG, NOx, and PM10) =
\[(VMT) \times \left[ (\text{Before Emission Factor}) - (\text{After Emission Factor}) \right]/454\]

**ROG**: 0 lbs. per year reduced
NO\textsubscript{x}: 988,000 \times \frac{[(17.70) - (8.6)]}{454} = 19,804 \text{ lbs. per year reduced}

PM10: 988,000 \times \frac{[(0.50) - (0.025)]}{454} = 1,034 \text{ lbs. per year reduced}

\textbf{Capital Recovery Factor (CRF) = (1 + i)^n/(1 + i) - 1}
\begin{align*}
\text{(From Table 8)} & \quad \begin{align*}
(1 + i)^n - 1 & \quad i = \text{discount rate (3\%)} \\
\text{CRF} & \quad = (1 + 0.03)^{12} - 1 = 0.10
\end{align*}
\end{align*}

\textbf{Cost-Effectiveness of Funding Dollars = (CRF * Funding) / (ROG + NOx + PM10)}
\begin{align*}
& \quad = (0.10 \times 760,000) / (0 + 19,804 + 1,034) \\
& \quad = 3.65 \text{ per lb.}
\end{align*}

\textbf{FOR CMAQ PROJECTS ONLY:}
Once emissions reductions have been calculated, add them together (0 + 19,804 + 1,034 = 20,837) and convert emissions reductions per year to kg/day:
\begin{align*}
\text{lbs. per year} & \quad = 20,837 \\
= & \quad 26 \text{ kg/day} \\
& \quad 2.2 \text{ lbs./kg} \times 365 \text{ days/year} = 2.2 \times 365
\end{align*}

\textbf{Off-Road Cleaner Vehicle Purchases and Repowering \textit{EXAMPLE}}

\textbf{Agricultural Sprayer Engine Repower}
A company proposes to re-power two 1987 agricultural sprayers with new 2002 diesel engines.
The new diesel engines will emit 6.9 g/bhp-hr of NO\textsubscript{x} compared to the old engines rebuilt to emit 13 g/bhp-hr. (See Table 6)

\textbf{Inputs to calculate cost-effectiveness:}
Funding Dollars (Funding) = $10,000
Effectiveness Period (Life): 10 years
Annual Vehicle Operating Hours (Oper Hrs): 740 hours per year
where each engine operates for 370 hrs/ year.
Horse Power (HP): 100 hp
Load factor: 0.5

Emissions Factors: (From Table 6)

<table>
<thead>
<tr>
<th></th>
<th>&quot;Before&quot; Emission Factor</th>
<th>&quot;After&quot; Emission Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROG Factor</td>
<td>1.44 grams/ bhp-hr</td>
<td>0.99 grams/ hpm-hr</td>
</tr>
<tr>
<td>NOx Factor</td>
<td>13</td>
<td>6.9</td>
</tr>
<tr>
<td>PM10 Factor</td>
<td>0.84</td>
<td>0.69</td>
</tr>
</tbody>
</table>

Calculations

Annual Emission Reductions (ROG, NOx, and PM10) =

\[
(\text{Oper Hrs}) \times (\text{HP}) \times (\text{Load}) \times \left[ (\text{Before Emission Factor}) - (\text{After Emission Factor}) \right] / 454
\]

ROG: \[
\frac{(740) \times (100) \times (0.5) \times (1.44 - 0.99)}{454} = 37 \text{ lbs. per year reduced}
\]

NOx: \[
\frac{(740) \times (100) \times (0.5) \times (13 - 6.9)}{454} = 497 \text{ lbs. per year reduced}
\]

PM10: \[
\frac{(740) \times (100) \times (0.5) \times (0.84 - 0.69)}{454} = 12 \text{ lbs. per year reduced}
\]

Capital Recovery Factor (CRF) = \((1 + i)^n(i)\)

(From Table 8)

\[
\text{CRF} = (1 + 0.03)^{10}(0.03) = 0.12 = (1 + 0.03)^{10} - 1
\]

Cost-Effectiveness of Funding Dollars = \((\text{CRF} \times \text{Funding}) / (\text{ROG} + \text{NOx} + \text{PM10})\)

\[
= (0.12 \times 10,000) / (546)
= 2.20 \text{ per lb.}
\]

FOR CMAQ PROJECTS ONLY:
The CMAQ program is for the reduction of on-road motor vehicle emissions, so this agricultural sprayer project would not be eligible for CMAQ funds.

**Cleaner Street Sweepers**

**EXAMPLE**

**Purchase of Rule 1186-certified, CNG Street Sweeper**

A city purchases a street sweeper certified to Rule 1186 that uses compressed natural gas (CNG). The sweeper has a GVWR of 32,000 lbs with a main on-road engine plus an on-road auxiliary engine (150 hp). The new engines are certified to 2.5/1.0 g/bhp-hr for NOx/PM. The cost difference between a new cleaner sweeper and a new typical diesel sweeper is $40,000.

**Inputs to calculate cost-effectiveness:**

- **Funding Dollars (Funding)** = $40,000
- **Effectiveness Period (Life)**: 10 years
- **Annual Gallons of Fuel Used by the Main Engine (Main Fuel)**: 5,000 gallons per year
- **Annual Gallons of Fuel Used by the Auxiliary Engine (Aux Fue)**: 2,500 gallons per year
- **Annual Miles Swept (Miles Swept)**: 10,000 miles (40 miles/day * 250 days/year)
- **Energy Consumption Factor**: 18.5 hp-hr/gallons

**Emissions Factors for Main Engine:**

<table>
<thead>
<tr>
<th></th>
<th>Main EF Before</th>
<th>Main EF After</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROG Factor</td>
<td>not applicable</td>
<td>not applicable</td>
</tr>
<tr>
<td>NOx Factor</td>
<td>4.0 grams/bhp-hr</td>
<td>2.5 grams/bhp-hr</td>
</tr>
<tr>
<td>PM10 Factor</td>
<td>0.1 grams/bhp-hr</td>
<td>0.1 grams/bhp-hr</td>
</tr>
</tbody>
</table>
Emissions Factors for Auxiliary Engine:

<table>
<thead>
<tr>
<th>Factor</th>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROG Factor</td>
<td>not applicable</td>
<td>not applicable</td>
</tr>
<tr>
<td>NOx Factor</td>
<td>4.0 grams/ bhp-hr</td>
<td>2.5 grams/ bhp-hr</td>
</tr>
<tr>
<td>PM10 Factor</td>
<td>0.1 grams/ bhp-hr</td>
<td>0.1 grams/ bhp-hr</td>
</tr>
</tbody>
</table>

Calculations
Annual ROG, NOx, and PM10 Emission Reductions from the Cleaner Engines (Engine Reductions) =

\[
\text{ROG: } 0 \\
\text{NOx: } [5,000 \times (4.0 - 2.5) + 2,500 \times (4.0 - 2.5)] \times 18.5/454 = 458 \text{ lbs. per year reduced} \\
\text{PM10: } [5,000 \times (0.1 - 0.1) + 2,500 \times (0.1 - 0.1)] \times 18.5/454 = 0 \text{ lbs. per year reduced}
\]

Annual PM10 Emission Reductions from Sweeping (Sweeping Reductions) =

\[
\text{PM10: } 10,000 \times 0.05 = 500 \text{ lbs. per year reduced}
\]

Operation of New Bus Service

EXAMPLE

Commuter Express CNG Bus Service
An 80-mile subscription commute bus service operates using five, 40-passenger compressed natural gas (CNG) buses that meet 2003 standards.

Inputs to calculate cost-effectiveness:
Funding Dollars (Funding): $180,000
Effectiveness Period (Life): 2 years
Days of use/year (D): 252
Daily Ridership (R): 40 passengers * 5 buses * 2 ways = 200 * 2 = 400 bus riders or trips/day
Annual Bus VMT (Bus VMT): 201,600 (5 buses * 80 miles one-way * 2 ways * 252 days = 201,600 VMT)
Adjustment (A) on Auto Trips for transit dependent: 0.83
Auto Trip Length (L): 80 miles in one direction
Adjustment (AA) on Auto Trips for Auto Access to and from transit: 0.80
Trip Length (LL) for Auto Access to and from transit: 5 miles one-way.

Emissions Factors for Auto Travel
(From Table 3):

<table>
<thead>
<tr>
<th></th>
<th>Auto Trip End Factor</th>
<th>Auto VMT Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROG Factor</td>
<td>1.736 grams per trip</td>
<td>0.479 grams per mile</td>
</tr>
<tr>
<td>NOx Factor</td>
<td>0.727 &quot;</td>
<td>0.620 &quot;</td>
</tr>
<tr>
<td>PM10 Factor*</td>
<td>0.014 &quot;</td>
<td>0.218 &quot;</td>
</tr>
</tbody>
</table>

Note: Used 1-5 year emission factors since project life is 2 years, and
"Commute" auto trip end factors are used since this project reduces
commute trips.

Emissions Factors for Clean, Alternative-Fueled Long Distance Commuter Bus Travel
(From Table 1 – used Calendar Year 2003, since the bus meets 2003 standards, and 45MPH column since it is a commuter express bus):

<table>
<thead>
<tr>
<th></th>
<th>Bus VMT Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROG Factor</td>
<td>0.28 grams per mile</td>
</tr>
<tr>
<td>NOx Factor</td>
<td>5.78 &quot;</td>
</tr>
<tr>
<td>PM10 Factor</td>
<td>0.02 &quot;</td>
</tr>
</tbody>
</table>

Calculations:

Annual Auto Trips Reduced = [(D)*(R)*(A)]*[1-(AA)]

= [252 * 400 * 0.83][1-0.80]

= 16,733 annual auto trips

Annual Auto VMT Reduced = [(D)*(R)*(A)] * [(L) - (AA) * (LL)]

= [252 * 400 * 0.83] * [80-0.80*5]

= [83,664] * [80-4]

= 6,358,464 annual miles
Operation of New Bus Service, Continued . . .

Annual Emission Reductions = (lbs. per year)
\[
(\text{Annual Auto Trips Reduced}) \times (\text{Auto Trip End Factor}) + 
(\text{Annual Auto VMT Reduced}) \times (\text{Auto VMT Factor}) -(\text{Bus VMT})\times(\text{Bus VMT Factor}))]/454
\]

\[
\text{ROG: } \frac{(16,733 \times 1.736) + (6,358,464 \times 0.479) - (201,600 \times 0.28)}{454} = 6,648 \text{ lbs. per year}
\]

\[
\text{NOx: } \frac{(16,733 \times 0.727) + (6,358,464 \times 0.620) - (201,600 \times 5.78)}{454} = 6,144 \text{ lbs. per year}
\]

\[
\text{PM10: } \frac{(16,733 \times 0.014) + (6,358,464 \times 0.218) - (201,600 \times 0.02)}{454} = 3,045 \text{ lbs. per year}
\]

Capital Recovery Factor (CRF) \[
(1 + i)^n = 0.52 \\
\frac{(1 + i)^n}{(1 + i)^n} - 1
\]

\[
\text{Cost-Effectiveness of Funding Dollars } = \frac{(\text{CRF} \times \text{Funding})}{(\text{ROG} + \text{NOx} + \text{PM10})}
\]

\[
= \frac{(0.52 \times 180,000)}{(6,648 + 6,144 + 3,045)} = $5.91 \text{ per lb.}
\]

FOR CMAQ PROJECTS ONLY:
Once emissions reductions have been calculated, add them together (6,648 + 6,144 + 3,045 = 15,837)
and convert emissions reductions to kg/day:
\[
\text{lbs. reduced per year} = 15,837 = 20
\]

\[
\text{kg/day} = 2.2 \text{ lbs./kg} \times 365 \text{ days/year} \times 2.2 \times 365
\]

Signal Coordination

Traffic Signal Coordination
The City’s master traffic signal controller was replaced with a new controller with expanded capacity.
This allowed 25 more intersections to be coordinated.
Inputs to Calculate Cost-Effectiveness:

Funding Dollars (Funding): $200,000
Effectiveness Period (Life): 5 years
Days of use/year (D): 250
Length of congested roadway segment (L): 7.50 miles
Traffic Volume during congested period (Congested Traffic): 38,400 trips per day
Before Speed: 28 mph
After Speed: 33 mph

Emissions Factor Inputs (From Table 4):

<table>
<thead>
<tr>
<th>Factor</th>
<th>Before Speed</th>
<th>After Speed</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROG</td>
<td>0.32 grams per mile</td>
<td>0.27 grams per mile</td>
</tr>
<tr>
<td>NOx</td>
<td>1.20</td>
<td>1.16</td>
</tr>
<tr>
<td>PM10</td>
<td>0.03</td>
<td>0.03</td>
</tr>
</tbody>
</table>

Calculations:

Annual Project VMT (VMT) = (D) * (L) * (Congested Traffic) = 250 * 7.50 * 38,400 = 72,000,000 annual miles

Annual Emission Reductions (ROG, NOx, and PM10) in lbs. per year

\[
\text{ROG: } \frac{(0.50 * 72,000,000) * (0.32 - 0.27)}{454} = 3,965 \text{ lbs. per year}
\]

\[
\text{NOx: } \frac{(0.50 * 72,000,000) * (1.20 - 1.16)}{454} = 3,172 \text{ lbs. per year}
\]

\[
\text{PM10: } \frac{(0.50 * 72,000,000) * (0.03 - 0.03)}{454} = 0 \text{ lbs. per year}
\]

Capital Recovery Factor (CRF) = \( \frac{(1 + i)^n}{(1 + i)^n - 1} \) = .22
(From Table 8)

where \( n \) = project life (5 years)
and \( i \) = discount rate (3%)
Cost-Effectiveness of Funding Dollars =
\[
\frac{\text{CRF} \times \text{Funding}}{\text{ROG} + \text{NOx} + \text{PM10}} = \frac{[.22 \times 200,000]}{7,137} = $6.16 \text{ per lb.}
\]

FOR CMAQ PROJECTS ONLY:
Once emissions reductions have been calculated, add them together
\[(9,515 + 3,172 + 793)\] and
convert emissions reductions to lbs. reduced per year = \[7,137\] = \[9 \text{ kg/day}\]
\[
\frac{2.2 \text{ lbs./kg} \times 365 \text{ days/year}}{365} = 2.2 \times
\]

_Bicycle Facilities_  
**EXAMPLE**

_class 2 Bikeway Facility_

The new Class 2 bike lanes are a critical link in the city bike system, allowing residents bicycle access to education, employment, shopping, and transit. Within one-quarter mile of the project, there is a college, a shopping center, a light rail station, and an office building. The project includes installation of new pavement, signage, and Class 2 bike lane striping along both sides of 1.13 miles of arterials. This is primarily a college town, with a population of 128,000.

Inputs to Calculate Cost-Effectiveness:

Funding Dollars (Funding):
\$48,000

Effectiveness Period (Life): 15 years

Days (D): 200

Average Length (L) of bicycle trips: 1.8 miles

Annual Average Daily Traffic (ADT):
20,000

Adjustment (A) on ADT for auto trips replaced by bike trips from the bike facility: 0.0109

Credit (C) for Activity Centers near the project: 0.002
Emissions Factors (From Table 3, for a 15-year Life):

<table>
<thead>
<tr>
<th>Emissions</th>
<th>Auto Trip End Factor</th>
<th>Auto VMT Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROG Factor</td>
<td>1.210 grams/trip</td>
<td>0.321 grams/mile</td>
</tr>
<tr>
<td>NOx Factor</td>
<td>0.533</td>
<td>0.397</td>
</tr>
<tr>
<td>PM10 Factor</td>
<td>0.015</td>
<td>0.219</td>
</tr>
</tbody>
</table>

Calculations:

Annual Auto Trip Reduced = (D) * (ADT) * (A + C)
= (200) * (20,000) * (0.0109 + 0.002)
= 51,600

Annual Auto VMT Reduced = (Auto Trips) * (L)
= (51,600) * (1.8)
= 92,880

Annual Emission Reductions (ROG, NOx and PM10) in lbs. per year
= [(Annual Auto Trips Reduced) * (Auto Trips End Factor)
+ (Annual Auto VMT Reduced) * (Auto VMT Factor)] / 454

ROG: 
= [(51,600 * 1.210) + (92,880 * 0.321)] / 454 = 203 lbs. per year

NOx: 
= [(51,600 * 0.533) + (92,880 * 0.397)] / 454 = 142 lbs. per year

PM10: 
= [(51,600 * 0.015) + (92,880 * 0.219)] / 454 = 47 lbs. per year

Capital Recovery Factor (CRF): = 0.08
Where \( n = \text{project life (15 years)} \)
(1 + i)\(^n\) \( (1 + i)\(^n\) - 1 \)
(From Table 8)
and \( i = \text{discount rate (3\%)} \)

Cost-Effectiveness of Funding Dollars: \( \frac{\text{CRF} \times \text{Funding}}{\text{ROG} + \text{NOx} + \text{PM10}} \)
= \( \frac{0.08 \times 48,000}{203 + 142 + 47} \)
FOR CMAQ PROJECTS ONLY:
Once emissions reductions have been calculated, add them together (203 + 142 + 47 = 392)
and convert lbs. of emissions reductions per year to kg/day:

\[
\frac{\text{lbs. reduced per year}}{1 \text{ kg/day}} = \frac{392}{2.2 \text{ lbs./kg} \times 365 \text{ days/year}}
\]

\[= \frac{392}{2.2 \times 365} \]

### Example

**County Probation Videophone Project**

A videophone-interviewing project is implemented by the County Probation Department. Videophone equipment is installed for $40,000 at the branch probation offices and two detention centers. Videophone interviewing of 5,000 inmates per year saves 200 one-way trips per week to and from detention centers (a distance of 29 miles on average).

**Inputs to calculate cost-effectiveness:**

- **Funding Dollars (Funding):** $40,000
- **Effectiveness Period (Life):** 5 years
- **One-Way Auto Trips Eliminated Per Week (T):** 200
  - **Length (L) of Auto Trips Eliminated:** 29 miles one-way
- **Weeks (W):** 50 weeks
- **New Auto Trips (New T):** 0
- **New Auto Trip Length (New L):** not applicable

**Emissions Factors for Auto Travel (From Table 3):**

<table>
<thead>
<tr>
<th>Auto Trip End</th>
<th>Auto VMT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Factor | Factor
---|---
ROG Factor | 1.736 grams per trip 0.479 grams per mile
NOx Factor | 0.727 0.620
PM10 Factor | 0.014 0.219

Note: 1-5 year emission factors are used since project life is 5 years, and "Commute" auto trip end factors are used since this project reduces commute trips.

Calculations:

Annual Auto Trips Reduced = (W)*[(T) - (New T)]
= 50 * (200-0) = 10,000

Annual Auto VMT Reduced = (W)*[(T)*(L) - (New T)*(New L)]
= (50)*[(200)*(29) - 0] = 290,000

Annual Emission Reductions (ROG, NOx, and PM10)
= [(Annual Auto Trips Reduced) * (Auto Trip End Factor) + (Annual Auto VMT Reduced) * (Auto VMT Factor)]/454

ROG: [(10,000 * 1.736) + (290,000 * 0.479)]/454 = 344 lbs. per year

NOx: [(10,000 * 0.727) + (290,000 * 0.620)]/454 = 412 lbs. per year

PM10: [(10,000 * 0.014) + (290,000 * 0.219)]/454 = 140 lbs. per year
Telecommunications, Continued . . .

Capital Recovery Factor (CRF) = \( \frac{(1 + i)^n - 1}{i} \)  
(From Table 8)

\( (1 + i)^n = 0.22 \) where \( n = \) project life (5 years)  
and \( i = \) discount rate (3%)

Cost-Effectiveness of Funding Dollars = \( \frac{\text{CRF} \times \text{Funding}}{\text{ROG} + \text{NOx} + \text{PM10}} \)

\( = (0.22 \times 40,000) / (344 + 412 + 140) = \$9.82 \) per lb.

FOR CMAQ PROJECTS ONLY:  
Once emissions reductions have been calculated, add them together \( (344 + 412 + 140 = 896) \)  
and convert emissions reductions to kg/day:

\[
\text{lbs. reduced per year} = \frac{896}{1 \text{ kg/day}} = 1 \text{ kg/day}
\]

\( 2.2 \text{ lbs./kg} \times 365 \text{ days/year} = 2.2 \times 365 \)

Ridesharing

County Trip Reduction Program  
A county conducts a comprehensive employee trip reduction program, which includes vanpool  
and carpool programs, telecommuting, compressed work schedules, and guaranteed emergency transportation.

Inputs to Calculate Cost-Effectiveness:

Funding Dollars (Funding): $140,000  
Effectiveness Period (Life): 1 year  
One-Way Auto Trips Eliminated Per Week (T) Using Optional Method 1:  
\( T = 2 \text{ trips/day} \times 5 \text{ days/week} \times \text{peak period employees} \times \left[ \frac{1}{\text{Baseline AVR}} - \frac{1}{\text{New AVR}} \right] \)
where baseline AVR is 1.13, new AVR is 1.19, and there are 15,750 peak period employees. 
Therefore, \( T = 2 \text{ trips/day} \cdot 5 \text{ days/week} \cdot 15,750 \text{ peak period employees} \cdot \left\{ \frac{1}{1.13} - \frac{1}{1.19} \right\} = 6300 \) trips

Length (L) of Auto Trips Eliminated: 16 miles  
Weeks (W) = 52 weeks  
Adjustment (A): 0.7 For auto access trips to transit, vanpools, and carpools  

**Emissions Factors for Auto Travel**  
(From Table 3):

<table>
<thead>
<tr>
<th>Auto Trip End Factor</th>
<th>Auto VMT Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROG Factor 2.030 grams per trip</td>
<td>0.587 grams per mile</td>
</tr>
<tr>
<td>NOx Factor 0.821</td>
<td>0.785</td>
</tr>
<tr>
<td>PM10 Factor 0.014</td>
<td>0.218</td>
</tr>
</tbody>
</table>

Note: 1-5 year emission factors are used since project life is 1 year, and "Commute" auto trip end factors are used since this project reduces commute trips.

**Calculations:**

Annual Auto Trips Reduced = \((W) \cdot (T) \cdot (A)\)  
= 52 \cdot 6300 \cdot .7 = 229,320

Annual Auto VMT Reduced = \((W) \cdot (T) \cdot (L)\)  
= 52 \cdot 6300 \cdot 16 \text{ miles}  
= 5,241,600 annual VMT reduced

Annual Emission Reductions (ROG, NOx, and PM10)  
= \left\{ \left[ (\text{Annual Auto Trips Reduced}) \cdot (\text{Auto Trip End Factor}) \right] + \left[ (\text{Annual Auto VMT Reduced}) \cdot (\text{Auto VMT Factor}) \right] \right\}/454

ROG: \(\frac{(229,320 \cdot 2.030) + (5,241,600 \cdot 0.587)}{454} = 7,803 \text{ lbs. per year}\)

NOx: \(\frac{(229,320 \cdot 0.821) + (5,241,600 \cdot 0.785)}{454} = 9,478 \text{ lbs. per year}\)

PM10: \(\frac{(229,320 \cdot 0.014) + (5,241,600 \cdot 0.219)}{454} = 2,524 \text{ lbs. per year}\)

Capital Recovery Factor (CRF) = \(\left(1 + i\right)^{n(i)} = 1.03\)  
(From Table 8)  
\(1.03 = \left(1 + \frac{3}{100}\right)^n - 1\)

where \(n = \text{project life (1 year)}\)  
and \(i = \text{discount rate (3%)}\)
Cost-Effectiveness of Funding Dollars = \( \frac{\text{CRF} \times \text{Funding}}{\text{ROG} + \text{NOx} + \text{PM10}} \)
\[= \left(1.03 \times 140,000\right) / (7,803 + 9,478 + 2,524) = \$7.28 \text{ per lb.} \]

FOR CMAQ PROJECTS ONLY:
Once emissions reductions have been calculated, add them together
\((7,803 + 9,478 + 2,524 = 19,804)\) and convert emissions reductions to kg/day:
\[\text{lbs. reduced per year} = 19,804 \]
\[= 251 \text{ kg/day} \]
\[2.2 \text{ lbs./kg} \times 365 \text{ days/year} \]
\[2.2 \times 365 \]
Program Tracking and Accountability

Flowchart: A sample of the District's processing and tracking procedure

Heavy Duty Application Process

Application for Funding

Data entry to Finance Database

Finance Grant Input

Finance Database (ACCESS)

Data entry to Excel spreadsheet

Data in Excel

Is Existing Engine Eligible?

Yes

Verify info for existing engine

Pre-Monitor Existing Engine

No

Incomplete Letter

Application Complete

Completeness Letter

Assign engine for Pre-monitoring

Is Existing Engine Eligible?

Yes

Verify info for new engine

Pre-Monitor New Engine

No

Ineligible Letter

Offer Letter and Contract

Applicant Accepts Offer and Signs Contract

Execute Contract: <$20k - APCO $20k - Brd Chr

Choose Funding Source

MSP approval of proposal

Offer Letter and Contract

Applicant Accepts Offer and Signs Contract

Execute Contract: <$20k - APCO $20k - Brd Chr

Claim for Payment from Applicant

Yes

Applicant Installs New Engine

No

Extend Contract

Payment

Request Resubmittal of Claim

Claim complete?

Field Post-Monitoring

Approval of Claim

Yes

Payment

No

No

No

No

No

Yes
Inventories of District Activities for Incentive Programs

Inventory of District Activities

Department: Planning   Section: Mobile Source Planning

Activity/Task: Heavy-Duty Engine Program, including the following components:

- Agricultural Irrigation Pump Component
- Off-Road Vehicle Component
- On-Road Vehicle Component
- Alternative Fuel Infrastructure Component
- School Bus PM Retrofit Component
- Locomotive Component
- Marine Vessel Component
- Electric Forklift Component
- Electric Airport Ground Support Equipment Component
- Heavy-Duty Engine Idle Reduction Component

Specific tasks include, but are not limited to:

1. Initial Application Processing
2. Determining Project Eligibility
3. Contract Process
4. Claim for Payment Process
5. Applicant Reporting Requirements
6. ARB Reporting Requirements/Request for Funds
7. Miscellaneous

Performance Level (The frequency of the activity, the quantity, the size, the speed, etc. as applicable):

The Heavy-Duty Engine Program has been a continuous, on-going program since its inception in 1997. The processing of Heavy-Duty Engine Program projects occurs on a daily basis.

The District has received a total of 2099 applications since February 2001, 1621 of which are currently active. 478 applications have been cancelled. Current applications are requesting funding for a total of 4492 engines. Of those engines 2,817 are ag pumps; 862 off road vehicles; 587 on road vehicles and 225 truck stop electrification. Applications currently in process will bring the total to in excess of 4502 engines.

Resources allocated to the Activity/Task:
The District has provided incentive funding for the Heavy-Duty Engine Program during the annual budget process since 1997. The entire MSP section is involved in one aspect or another of the Heavy-Duty Engine Program.

___ Mandated

_ X _ Essential (No mandate but Board/Management Directive)

___ Optional

Cite Mandate or Board/Management Directive (For Mandated activities identify the local, state, federal laws and regulations. For Essential activities identify Board/Management directive):

The District Governing Board established the Heavy-Duty Engine Program in 1997. The Health and Safety Code and Moyer Program Guidelines mandate certain criteria pertaining to the processing/funding of projects.

Copies of the Health and Safety Code, Moyer Program Guidelines and the individual Heavy-Duty Engine Program Components are available upon request.

The Heavy-Duty Engine Program supports state, federal and District goals to reduce emissions from mobile sources.

Required Performance Level (For Mandated and Essential activities identify the performance level required by the mandate or directive, if any):

The Health and Safety Code, Moyer Program Guidelines and District Heavy-Duty Engine Program Guidelines require performance levels involving application-processing times, eligibility requirements, monitoring and reporting.

MSP staff performs the mandated and essential tasks of the Heavy-Duty Engine Program in order to quantify and validate emission reductions and to ensure that public funds are being spent in an appropriate manner.

Justification for Optional Activities (Provide justification and link to District’s mission and goals): N/A
Inventory of District Activities

Department: Planning  Section: Mobile Source Planning

Activity/Task: Heavy-Duty Engine Program

1. Initial Application Processing
   A. Data Input
   B. Determination of Completeness/Inform Applicant
   C. Project Pre-Monitoring (Physical Inspection of Engine)

Performance Level (The frequency of the activity, the quantity, the size, the speed, etc. as applicable):

Due to the volume of projects, initial application processing occurs in one form or another on a daily basis.

Resources allocated to the Activity/Task:

Approximately four (4) staff members are regularly involved with this task.

X Mandated

X Essential (No mandate but Board/Management Directive)

___ Optional

Cite Mandate or Board/Management Directive (For Mandated activities identify the local, state, federal laws and regulations. For Essential activities identify Board/Management directive):

The Health and Safety Code and Moyer Program Guidelines mandate the manner and speed in which certain portions of project processing conducted. The District Governing Board has also adopted criteria for application processing.

Required Performance Level (For Mandated and Essential activities identify the performance level required by the mandate or directive, if any):

The Heavy-Duty Engine Program is mandated to complete most aspects of the initial application process within specified time frames pursuant to the Health and Safety Code and Moyer Program Guidelines.

Justification for Optional Activities (Provide justification and link to District’s mission and goals): N/A
Inventory of District Activities

Department: Planning  Section: Mobile Source Planning

Activity/Task: Heavy-Duty Engine Program

2. Determining Project Eligibility
   A. Evaluate Project for Eligibility and Verify Information in Application
   B. Prepare Emission Reduction Calculation
   C. Determine Funding Amount/Choose Source
   D. Data Input

Performance Level (The frequency of the activity, the quantity, the size, the speed, etc. as applicable):

Due to the volume of projects, determining project eligibility occurs in one form or another on a daily basis.

Resources allocated to the Activity/Task:

Approximately four (4) to five (5) staff members are regularly involved with this task.

X Mandated

X Essential (No mandate but Board/Management Directive)

___ Optional

Cite Mandate or Board/Management Directive (For Mandated activities identify the local, state, federal laws and regulations. For Essential activities identify Board/Management directive):

The Health and Safety Code and Moyer Program Guidelines mandate the general process for determining project eligibility. The District Governing Board has also adopted criteria for determining project eligibility.

Required Performance Level (For Mandated and Essential activities identify the performance level required by the mandate or directive, if any):

The Heavy-Duty Engine Program is mandated to complete most aspects of the project eligibility process within specified time frames pursuant to the Health and Safety Code and Moyer Program Guidelines. Additionally, the Moyer Program has specified timeframes for expenditure of funds.
Justification for Optional Activities (Provide justification and link to District’s mission and goals): N/A
Inventory of District Activities

Department: Planning  Section: Mobile Source Planning

Activity/Task: Heavy-Duty Engine Program

3. Contract Process
   A. Offer Incentive Amount to Applicant
   B. Execute Contract with Applicant/District
   C. Send Copy of Contract and Guidance Document to Applicant

Performance Level (The frequency of the activity, the quantity, the size, the speed, etc. as applicable):

Due to the volume of projects, determining project eligibility occurs in one form or another on a daily basis.

Resources allocated to the Activity/Task:

Approximately two (2) staff members are regularly involved with this task.

X Mandated

X Essential (No mandate but Board/Management Directive)

Optional

Cite Mandate or Board/Management Directive (For Mandated activities identify the local, state, federal laws and regulations. For Essential activities identify Board/Management directive):

The Health and Safety Code and Moyer Program Guidelines mandate certain contractual requirements. The District Governing Board, Finance Department and Legal Counsel has also adopted criteria for the execution of contracts.

Required Performance Level (For Mandated and Essential activities identify the performance level required by the mandate or directive, if any):

The Heavy-Duty Engine Program is mandated to complete most aspects of the project eligibility process within specified time frames pursuant to the Health and Safety Code and Moyer Program Guidelines. Additionally, the Moyer Program has specified timeframes for the execution of contracts, which affect the timely expenditure of funds.

Justification for Optional Activities (Provide justification and link to District’s mission and goals): N/A
Inventory of District Activities

Department: Planning  Section: Mobile Source Planning

Activity/Task: Heavy-Duty Engine Program

4. Claim for Payment Process
   A. Applicant Submits Claim for Payment after Engine Purchase/Installation
   B. Review Claim for Payment for Contract Compliance and Eligible Costs
   C. Project Monitoring of New Engine to Verify Compliance with Contract
   D. Project Monitoring of Old Engine for Proper Disposal
   E. Approval of Claim for Payment
   F. Payment Issued

Performance Level (The frequency of the activity, the quantity, the size, the speed, etc. as applicable):

Due to the volume of projects, the claim for payment process occurs in one form or another on a daily basis.

Resources allocated to the Activity/Task:

Approximately four (4) staff members are regularly involved with this task.

X Mandated

X Essential (No mandate but Board/Management Directive)

___ Optional

Cite Mandate or Board/Management Directive (For Mandated activities identify the local, state, federal laws and regulations. For Essential activities identify Board/Management directive):

The Health and Safety Code and Moyer Program Guidelines mandate certain requirements for the allocation and expenditure of funds. The District Governing Board/Finance Department has also adopted criteria for the processing of claims for payment.

Required Performance Level (For Mandated and Essential activities identify the performance level required by the mandate or directive, if any):
The Heavy-Duty Engine Program is mandated to complete most aspects of the claim for payment process pursuant to the Health and Safety Code and Moyer Program Guidelines to ensure that the funds are being spent in an appropriate manner. Additionally, the Moyer Program has specified timeframes for the expenditure of funds.

**Justification for Optional Activities** (Provide justification and link to District’s mission and goals): N/A
Inventory of District Activities

Department: Planning             Section: Mobile Source Planning

Activity/Task: Heavy-Duty Engine Program

5. Applicant Reporting Requirements
   A. Contact Applicant One Year After Installation to Submit Annual Report.
   B. Applicant Submits Annual Report.
   D. Re-Calculate Project and Take Additional Actions, If Necessary.

Performance Level (The frequency of the activity, the quantity, the size, the speed, etc. as applicable):

Due to the volume of projects, processing the applications through claim for payment stage has been the primary focus of MSP staff. The annual reporting process has not been a top priority.

Resources allocated to the Activity/Task:

Approximately two (2) staff members are somewhat regularly involved with this task.

X Mandated

X Essential (No mandate but Board/Management Directive)

___ Optional

Cite Mandate or Board/Management Directive (For Mandated activities identify the local, state, federal laws and regulations. For Essential activities identify Board/Management directive):

The Health and Safety Code and Moyer Program Guidelines mandate certain requirements for collecting and analyzing annual reports from the grantees. MSP staff has not been able to meet these requirements due to the volume of projects being processed and staffing constraints.

Required Performance Level (For Mandated and Essential activities identify the performance level required by the mandate or directive, if any):

MSP staff has not been able to meet the requirements to collect and analyze the annual reports due to the volume of projects being processed and staffing constraints.
Justification for Optional Activities (Provide justification and link to District’s mission and goals): N/A
Inventory of District Activities

Department: Planning     Section: Mobile Source Planning

Activity/Task: Heavy-Duty Engine Program

6. ARB Reporting Requirements/Request for Funds
   A. Submit Regular Status Report
   B. Submit Annual Report
   C. Submit Final Report for Each Phase
   D. Submit Calculation Sheets/Contracts to Request Additional Funds Disbursement.

Performance Level (The frequency of the activity, the quantity, the size, the speed, etc. as applicable):

ARB reporting requirements are performed on a regular basis. Requesting additional disbursements occur frequently as funds are expended.

Resources allocated to the Activity/Task:

The entire MSP section is involved in one aspect or another of the Heavy-Duty Engine Program reporting requirements.

X Mandated

X Essential (No mandate but Board/Management Directive)

___ Optional

Cite Mandate or Board/Management Directive (For Mandated activities identify the local, state, federal laws and regulations. For Essential activities identify Board/Management directive):

The Health and Safety Code and Moyer Program Guidelines mandate certain reporting requirements and procedures for the allocation/disbursement of Moyer Programs funds.

Required Performance Level (For Mandated and Essential activities identify the performance level required by the mandate or directive, if any):

The Heavy-Duty Engine Program is mandated to complete reporting requirements and adhere to specific procedures for the request for disbursement of Moyer Program funds pursuant to the Health and Safety Code and Moyer Program Guidelines.
Justification for Optional Activities (Provide justification and link to District’s mission and goals): N/A
Inventory of District Activities

Department: Planning
Section: Mobile Source Planning

Activity/Task: Heavy-Duty Engine Program

7. Miscellaneous
   A. Telephone Calls from Members of the Public, Applicants, Engine Dealers, ARB, EPA.
   B. Changes To Projects Create Delays.
   C. Generation of Reports for Media, Industry, Public.
   D. Follow-Up When Requested Information is Not Received.
   E. Unique Projects or Special Situations that Require Additional Analysis/Coordination with ARB.
   F. Regulatory Impacts on Projects.

Performance Level (The frequency of the activity, the quantity, the size, the speed, etc. as applicable):

There are many intangibles involving the Heavy-Duty Engine Program that are difficult to quantify, but result in a significant amount of staff time.

Resources allocated to the Activity/Task:

The entire MSP section is involved in one aspect or another of the Heavy-Duty Engine Program.

___ Mandated

X Essential (No mandate but Board/Management Directive)

___ Optional

Cite Mandate or Board/Management Directive (For Mandated activities identify the local, state, federal laws and regulations. For Essential activities identify Board/Management directive):

The District Governing Board created the Heavy-Duty Engine Program, which requires considerable staff time to administer.

Required Performance Level (For Mandated and Essential activities identify the performance level required by the mandate or directive, if any):

The very nature of processing applications, conducting outreach activities and providing superlative customer service require MSP staff to dedicate a considerable amount of
staff time to these tasks. Additionally, numerous special requests for information/special studies pertaining to the Heavy-Duty Engine Program are received from Board members, District Management, industry and the general public.

**Justification for Optional Activities** (Provide justification and link to District’s mission and goals): N/A
Data Collection and Management

For each incentive program, the District collects data and maintains a spreadsheet including several categories of information for each grant for tracking and accountability purposes. For example, for each approved grant involving an agricultural engine replacement, District staff first visits the grant recipient to record the serial number of the engine to be replaced and to verify that the engine to be replaced is in operating condition. Once the applicant receives the new engine, District staff visits the applicant again to verify that the new engine has been put in place and that the old engine has been permanently disabled. Digital photographs are used to supplement the data collected. This and other key information is in turn entered into spreadsheets and managed with databases for program tracking. The following are some of the categories for the Ag Pump program: Project Number, District, Year of Funding, Source of Funding, Applicant, Environmental Justice Project (yes or no), Latitude, Longitude, equipment type, category type (Construction, Farm, Other), Project Type (new, repower, retrofit), Baseline cost, Total Project Grant Request, Emission Calculation Methodology (fuel, hours), baseline fuel consumption, baseline annual hours of operation, percent operation in District, baseline engine serial number, baseline model year, preliminary baseline load factor Moyer Table, adjusted baseline load factor, baseline horsepower, baseline energy consumption factor, Adjusted Baseline NOx, Adjusted Baseline PM, Reduced (LEE) Engine Serial Number, Reduced (LEE) Engine Fuel Type, Reduced (LEE) Engine Model, Tier II (yes or no), Reduced (LEE) Fuel Consumption (gal/year), reduced (LEE) Hour of Operation (hr/year), Reduced (LEE) Engine Model year, Reduced (LEE) Engine Horsepower, Reduced (LEE) Engine Load Factor, Reduced (LEE) Energy Consumption Factor, Preliminary Reduced (LEE) NOx, Factor for NOx Fraction, Factor for CA-FF, Adjusted Reduced (LEE) NOx, Preliminary Reduced (LEE) PM, Factor for CA-FCF, Adjusted Reduced (LEE) Engine PM, Project Life (years), Incremental cost per unit, incremental cost for total project, maximum award based on Incremental cost and grant request, % Increase in horse power, lifetime NOx Reductions, % Reduction NOx, Lifetime PM Reductions, % Reduction PM, Cost-Effectiveness Limit, Cost Effectiveness, Maximum Award considering CD Limit and funding request, Project Cost-Effectiveness based on Maximum Award. Spreadsheets for other programs are similar in format.
District Report of Carl Moyer Program for ARB

State of California
Air Resources Board
Carl Moyer Memorial Air Quality Standards Attainment Program

REPORT SUMMARY

District: San Joaquin Valley Air Pollution Control District
Funding Year: 2003 – 2004 Date: April 11, 2005.
Type of Report: Annual x Final ____ (when all funds are expended)

District Staff Contact for the Moyer Program:
Name: Todd DeYoung
Title: Senior Air Quality Planner
Telephone: 559-230-5800 Email: Todd.DeYoung@valleyair.org

1. Summary of Carl Moyer Program Funds
Documentation of all obligated and expended funds must be included as an attachment. Contracts or board resolutions/minutes are required for obligated funds. Purchase orders or invoices are required for all expended funds.

<table>
<thead>
<tr>
<th>Funding Sources</th>
<th>Amount</th>
<th>Obligated</th>
<th>Unobligated</th>
<th>Expended</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMP Allocation</td>
<td>$1,877,198.00</td>
<td>$1,752,122.00</td>
<td>$125,076.00</td>
<td>$175,000.00</td>
</tr>
</tbody>
</table>

2. Summary of Carl Moyer Projects by Category

<table>
<thead>
<tr>
<th>Source Category/Equipment Type</th>
<th>Number of Engines</th>
<th>Emission Reductions</th>
<th>Total Moyer Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>NOx(tons/yr)</td>
<td>PM(tons/yr)</td>
</tr>
<tr>
<td>On-Road</td>
<td>14</td>
<td>14.52</td>
<td>.042</td>
</tr>
<tr>
<td>Off-Road</td>
<td>3</td>
<td>.80</td>
<td>.062</td>
</tr>
<tr>
<td>Locomotives</td>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Ag Pumps</td>
<td>99</td>
<td>139.66</td>
<td>6.56</td>
</tr>
<tr>
<td>Forklifts</td>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Marine Vessels</td>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>APU</td>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>GSE</td>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Total</td>
<td>116</td>
<td>154.98</td>
<td>6.664</td>
</tr>
</tbody>
</table>

3. Summary of Match Funds
Districts that have received match funding waivers do not complete this section.

<table>
<thead>
<tr>
<th>Funding Sources</th>
<th>Amount</th>
<th>Obligated</th>
<th>Unobligated</th>
<th>Expended</th>
</tr>
</thead>
<tbody>
<tr>
<td>District Match Total</td>
<td>$1,396,677.50</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>AB2766/DMV</td>
<td>$1,128,021.00</td>
<td>$1,128,021.00</td>
<td>$0.00</td>
<td>$573,849.00</td>
</tr>
<tr>
<td>BUG</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Mitigation Fees</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>MSRC</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>
4. Summary of Match Projects by Category
Note: Districts that have received match funding waivers do not complete this section.

<table>
<thead>
<tr>
<th>Source Category/Equipment Type</th>
<th>Number of Engines</th>
<th>Emission Reductions</th>
<th>Total Match Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>NOx(tons/yr)</td>
<td>PM(tons/yr)</td>
</tr>
<tr>
<td>On-Road</td>
<td>116</td>
<td>11.25</td>
<td>1.12</td>
</tr>
<tr>
<td>Off-Road</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Locomotives</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ag Pumps</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forklifts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marine Vessels</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>APU</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GSE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure (Number of engines served)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>116</strong></td>
<td><strong>26.05</strong></td>
<td><strong>1.12</strong></td>
</tr>
</tbody>
</table>

5. Carl Moyer Funding in Environmental Justice Areas
Note: Only districts with >1 million residents are required to complete this section.
It is recommended that smaller districts complete this section.

<table>
<thead>
<tr>
<th>EJ Funding Requirement (50 % of Moyer Funding)</th>
<th>Funds Obligated to EJ Areas</th>
<th>Funds Expended in EJ Areas</th>
<th>Number of Projects Funded in EJ Areas</th>
<th>% of Moyer Funding Expended in EJ Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,396,677.50</td>
<td>$1,692,122.00</td>
<td>48</td>
<td>121%</td>
<td></td>
</tr>
</tbody>
</table>

Describe the district’s efforts to meet the Carl Moyer Program environmental justice (EJ) mandates. This should include the following elements:

a) Describe the criteria used to identify the areas eligible for Carl Moyer Program EJ funding. Examples of this include: socioeconomic make-up, identification of sensitive populations, and areas affected by criteria or toxic pollutant exposure.

b) Describe the methodology used to identify disproportionately impacted areas. Examples of this include: local planning designations, census information, and air monitoring results.

c) Describe the outreach efforts used to recruit potential project applicants in EJ areas.
d) Describe the methods used to identify and select projects located in EJ areas. This can include ranking or designations used by the district.
e) Include a map showing the location of all projects located in the district’s designated EJ areas.
Section III: Future Projects

This table was presented to the Senate Select Committee on Air Quality Hearing on Moyer Funds, Fresno, California, February 23, 2005 to project the funds that could be utilized by various projects to achieve emissions reductions in the San Joaquin Valley.

<table>
<thead>
<tr>
<th>SJVAPCD LERP 5 - YEAR PLAN</th>
<th>Estimated Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Irrigation Pumps</td>
<td>$60,000,000</td>
</tr>
<tr>
<td>Airport Ground Support Equipment</td>
<td>$100,000</td>
</tr>
<tr>
<td>Alt Fuel Infrastructure</td>
<td>$100,000,000</td>
</tr>
<tr>
<td>Auxiliary Power Units</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Forklifts</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Idle Reduction</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Locomotives</td>
<td>$50,000,000</td>
</tr>
<tr>
<td>Marine Vessels/Shore Power</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>On-Road Heavy Duty Vehicles</td>
<td>$500,000,000</td>
</tr>
<tr>
<td>School Bus Replace/Repower/Retrofit</td>
<td>$370,000,000</td>
</tr>
<tr>
<td><strong>SUBTOTAL, Heavy Duty</strong></td>
<td><strong>$1,102,600,000</strong></td>
</tr>
<tr>
<td>Alt Fuel/ Hybrid Vehicle Rebate</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>Alt Fuel Mechanic Training</td>
<td>$500,000</td>
</tr>
<tr>
<td>Bicycle Infrastructure</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>Commuter Subsidy</td>
<td>$1,250,000</td>
</tr>
<tr>
<td>E-Mobility</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Gross Polluter Identification/Repair/Removal</td>
<td>$50,000,000</td>
</tr>
<tr>
<td>Lawnmower Replacement</td>
<td>$5,000,000</td>
</tr>
<tr>
<td><strong>SUBTOTAL, REMOVE II</strong></td>
<td><strong>$71,750,000</strong></td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td><strong>$1,174,350,000</strong></td>
</tr>
</tbody>
</table>
## Section IV: PM10 Plan Measures

### Control Measure Changes

#### Schedule Changes

<table>
<thead>
<tr>
<th>Control Measure</th>
<th>In 2003 PM10 Plan</th>
<th>Updated for 2005 Amendments</th>
<th>Reasons Adoption Delayed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Adoption Date</td>
<td>Full implementation</td>
<td>Adoption Date</td>
</tr>
<tr>
<td>Gas Fired Steam Generators</td>
<td>4Q/04</td>
<td>2006</td>
<td>Not scheduled</td>
</tr>
<tr>
<td>4101 Visible Emissions</td>
<td>4Q/04</td>
<td>3Q/05</td>
<td>Adopted 1Q/05</td>
</tr>
<tr>
<td>4103 Open Burning</td>
<td>4Q/04</td>
<td>2Q/07</td>
<td>2Q/07</td>
</tr>
<tr>
<td>4204 Cotton Gins</td>
<td>4Q/04</td>
<td>4Q/05</td>
<td>Adopted 1Q/05</td>
</tr>
<tr>
<td>4307 Boilers 2-5 MMBtu (small boilers)</td>
<td>4Q/04</td>
<td>4Q/06</td>
<td>4Q/05</td>
</tr>
<tr>
<td>4308 Industrial Water Heaters</td>
<td>4Q/04</td>
<td>4Q/04</td>
<td>4Q/05</td>
</tr>
<tr>
<td>4309 Commercial Dryers</td>
<td>2Q/05</td>
<td>4Q/06</td>
<td>4Q/05</td>
</tr>
<tr>
<td>4352 Solid Fuel Boilers</td>
<td>4Q/04</td>
<td>2Q/06</td>
<td>2Q/08</td>
</tr>
<tr>
<td>4354 Glass Furnaces</td>
<td>2Q/05</td>
<td>2006</td>
<td>4Q/06</td>
</tr>
<tr>
<td>Code</td>
<td>Description</td>
<td>Q1/Q2</td>
<td>Q3/Q4</td>
</tr>
<tr>
<td>------</td>
<td>-------------------------------------------------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td>4401</td>
<td>Steam-Enhanced Well Vent</td>
<td>1Q/05</td>
<td>2006</td>
</tr>
<tr>
<td>4403</td>
<td>Fugitives from Oil and Gas Facilities</td>
<td>1Q/04</td>
<td>1Q/05</td>
</tr>
<tr>
<td>4455</td>
<td>Refinery and Chemical Plants</td>
<td>1Q/04</td>
<td>1Q/05</td>
</tr>
<tr>
<td>4550</td>
<td>Conservation Management Practices</td>
<td>2Q/04</td>
<td>3Q/04</td>
</tr>
<tr>
<td>4604</td>
<td>Can and Coil Coatings</td>
<td>4Q/03</td>
<td>4Q/04</td>
</tr>
<tr>
<td>4694</td>
<td>Wine Fermentation and Storage</td>
<td>4Q/04</td>
<td>2007</td>
</tr>
<tr>
<td>4702</td>
<td>IC Engines – Ag/Diesel – Ph-2</td>
<td>2Q/05</td>
<td>2Q/07</td>
</tr>
<tr>
<td>4905</td>
<td>Residential Space Heaters</td>
<td>3Q/04</td>
<td>4Q/20</td>
</tr>
<tr>
<td>8xxx</td>
<td>Regulation VIII</td>
<td>3Q/04</td>
<td>4Q/05</td>
</tr>
<tr>
<td>9310</td>
<td>School Bus Fleet</td>
<td>Not scheduled</td>
<td>Not scheduled</td>
</tr>
<tr>
<td>9510</td>
<td>Indirect Source Review Ph-1</td>
<td>3Q/04</td>
<td>1Q/05</td>
</tr>
</tbody>
</table>
### Changes in Emission Reductions

#### Revised PM10 Emission Reduction Estimates (tpd)

<table>
<thead>
<tr>
<th>Rule #</th>
<th>4550</th>
<th>4204</th>
<th>9510</th>
<th>4901</th>
<th>4103</th>
<th><strong>Total</strong></th>
<th><strong>Ag Burning</strong></th>
<th><strong>Incentive Programs</strong></th>
<th><strong>Surplus NOx Needed for shortfall</strong></th>
<th><strong>Total Available for Contingency</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2005</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original</td>
<td>34.4</td>
<td>0.2</td>
<td>1.5</td>
<td>10.3</td>
<td>1.1</td>
<td>2.9</td>
<td>0.0</td>
<td>50.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revised</td>
<td>34.4</td>
<td>0</td>
<td>0.1</td>
<td>10.3</td>
<td>0</td>
<td>2.9</td>
<td>0.0</td>
<td>47.7</td>
<td>0.2</td>
<td>0.5</td>
</tr>
<tr>
<td>Change</td>
<td>0</td>
<td>-0.2</td>
<td>-1.4</td>
<td>0</td>
<td>-1.1</td>
<td>0</td>
<td>0</td>
<td>-2.7</td>
<td>0.2</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>2006</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original</td>
<td>34.6</td>
<td>0.3</td>
<td>1.4</td>
<td>10.4</td>
<td>1.9</td>
<td>3.5</td>
<td>0.0</td>
<td>52.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revised</td>
<td>34.6</td>
<td>0.2</td>
<td>0.2</td>
<td>10.4</td>
<td>1</td>
<td>3.5</td>
<td>0.0</td>
<td>49.9</td>
<td>0.2</td>
<td>0.6</td>
</tr>
<tr>
<td>Change</td>
<td>0</td>
<td>-0.1</td>
<td>-1.2</td>
<td>0</td>
<td>-0.9</td>
<td>0</td>
<td>0</td>
<td>-2.2</td>
<td>0.2</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>2007</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original</td>
<td>34</td>
<td>0.6</td>
<td>1.4</td>
<td>10.9</td>
<td>2.8</td>
<td>4</td>
<td>0.0</td>
<td>53.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revised</td>
<td>34</td>
<td>0.3</td>
<td>0.2</td>
<td>10.9</td>
<td>1.9</td>
<td>4</td>
<td>0.0</td>
<td>51.3</td>
<td>0.2</td>
<td>0.7</td>
</tr>
<tr>
<td>Change</td>
<td>0</td>
<td>-0.3</td>
<td>-1.2</td>
<td>0</td>
<td>-0.9</td>
<td>0</td>
<td>0</td>
<td>-2.4</td>
<td>0.2</td>
<td>0.7</td>
</tr>
<tr>
<td><strong>2008</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original</td>
<td>34</td>
<td>0.7</td>
<td>1.6</td>
<td>16.3</td>
<td>3.4</td>
<td>4.4</td>
<td>0.0</td>
<td>60.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revised</td>
<td>34</td>
<td>0.55</td>
<td>1.4</td>
<td>16.3</td>
<td>2.8</td>
<td>4.4</td>
<td>0.0</td>
<td>59.5</td>
<td>1</td>
<td>0.6</td>
</tr>
<tr>
<td>Change</td>
<td>0</td>
<td>-0.2</td>
<td>-0.2</td>
<td>0</td>
<td>-0.6</td>
<td>0</td>
<td>0</td>
<td>-1.0</td>
<td>1</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>2009</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original</td>
<td>33.6</td>
<td>0.9</td>
<td>1.6</td>
<td>18.2</td>
<td>4.7</td>
<td>5.2</td>
<td>0.0</td>
<td>64.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revised</td>
<td>33.6</td>
<td>0.7</td>
<td>1.3</td>
<td>18.2</td>
<td>3.4</td>
<td>5.2</td>
<td>0.0</td>
<td>62.4</td>
<td>1.1</td>
<td>0.5</td>
</tr>
<tr>
<td>Change</td>
<td>0</td>
<td>-0.2</td>
<td>-0.3</td>
<td>0</td>
<td>-1.3</td>
<td>0</td>
<td>0</td>
<td>-1.8</td>
<td>1.1</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>2010</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original</td>
<td>33.8</td>
<td>1</td>
<td>1.7</td>
<td>18.8</td>
<td>5.2</td>
<td>5.4</td>
<td>0.5</td>
<td>66.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revised</td>
<td>33.8</td>
<td>0.9</td>
<td>1.3</td>
<td>18.8</td>
<td>4.7</td>
<td>5.4</td>
<td>0.5</td>
<td>65.4</td>
<td>4.6</td>
<td>0.5</td>
</tr>
<tr>
<td>Change</td>
<td>0</td>
<td>-0.1</td>
<td>-0.4</td>
<td>0</td>
<td>-0.5</td>
<td>0</td>
<td>0</td>
<td>-1.0</td>
<td>4.6</td>
<td>0.5</td>
</tr>
</tbody>
</table>

A. Needed Surplus NOx reductions are obtained by multiplying the PM10 emissions reduction shortfall (tpd) by 1.5 to compute the NOx reductions needed to offset the shortfall. See Emission Reduction Estimates sheet.
Revised NOx Emission Reduction Estimates (tpd)

<table>
<thead>
<tr>
<th>Rule #</th>
<th>4306</th>
<th>4309</th>
<th>9510</th>
<th>4901</th>
<th>4905</th>
<th>4307</th>
<th>4308</th>
<th>4702</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title</td>
<td>Boilers</td>
<td>Dryers</td>
<td>ISR</td>
<td>Fire-places</td>
<td>Res. Space Heating</td>
<td>Small Boilers</td>
<td>Ind. Water Heaters</td>
<td>Smog</td>
</tr>
<tr>
<td>2005</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original</td>
<td>2.0</td>
<td>0.2</td>
<td>0.7</td>
<td>0.2</td>
<td>0</td>
<td>0.2</td>
<td>1.0</td>
<td>6.1</td>
</tr>
<tr>
<td>Revised</td>
<td>1.5</td>
<td>0.0</td>
<td>0.0</td>
<td>0.2</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>6.1</td>
</tr>
<tr>
<td>Change</td>
<td>-0.5</td>
<td>-0.2</td>
<td>-0.7</td>
<td>0.0</td>
<td>0</td>
<td>-0.2</td>
<td>-0.96</td>
<td>6.5</td>
</tr>
<tr>
<td>2006</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original</td>
<td>5.0</td>
<td>0.2</td>
<td>1.4</td>
<td>0.2</td>
<td>0</td>
<td>0.4</td>
<td>1.7</td>
<td>6.0</td>
</tr>
<tr>
<td>Revised</td>
<td>3.7</td>
<td>0.3</td>
<td>0.7</td>
<td>0.2</td>
<td>0.01</td>
<td>0.0</td>
<td>0.2</td>
<td>6.1</td>
</tr>
<tr>
<td>Change</td>
<td>-1.3</td>
<td>0.1</td>
<td>-0.7</td>
<td>0.0</td>
<td>0.01</td>
<td>-0.1</td>
<td>-1.5</td>
<td>0.0</td>
</tr>
<tr>
<td>2007</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original</td>
<td>7.9</td>
<td>0.3</td>
<td>2.1</td>
<td>0.2</td>
<td>0</td>
<td>0.4</td>
<td>1.7</td>
<td>5.8</td>
</tr>
<tr>
<td>Revised</td>
<td>5.9</td>
<td>0.6</td>
<td>1.4</td>
<td>0.2</td>
<td>0.01</td>
<td>0.5</td>
<td>0.4</td>
<td>5.8</td>
</tr>
<tr>
<td>Change</td>
<td>-2.0</td>
<td>0.3</td>
<td>-0.7</td>
<td>0.0</td>
<td>0.01</td>
<td>0.1</td>
<td>-1.3</td>
<td>0.0</td>
</tr>
<tr>
<td>2008</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original</td>
<td>7.7</td>
<td>0.4</td>
<td>2.7</td>
<td>0.2</td>
<td>0</td>
<td>0.4</td>
<td>1.7</td>
<td>5.7</td>
</tr>
<tr>
<td>Revised</td>
<td>7.9</td>
<td>1.0</td>
<td>2.2</td>
<td>0.2</td>
<td>0.01</td>
<td>0.5</td>
<td>0.4</td>
<td>5.7</td>
</tr>
<tr>
<td>Change</td>
<td>0.2</td>
<td>0.6</td>
<td>-0.7</td>
<td>0.0</td>
<td>0.01</td>
<td>0.1</td>
<td>-1.3</td>
<td>0.0</td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original</td>
<td>7.8</td>
<td>0.4</td>
<td>3.4</td>
<td>0.2</td>
<td>0</td>
<td>0.4</td>
<td>1.7</td>
<td>5.4</td>
</tr>
<tr>
<td>Revised</td>
<td>7.9</td>
<td>1.0</td>
<td>2.7</td>
<td>0.2</td>
<td>0.02</td>
<td>1.0</td>
<td>0.4</td>
<td>5.4</td>
</tr>
<tr>
<td>Change</td>
<td>0.1</td>
<td>0.6</td>
<td>-0.7</td>
<td>0.0</td>
<td>0.02</td>
<td>0.6</td>
<td>-1.3</td>
<td>0.0</td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original</td>
<td>7.8</td>
<td>0.4</td>
<td>4.1</td>
<td>0.2</td>
<td>0.01</td>
<td>0.4</td>
<td>1.8</td>
<td>4.9</td>
</tr>
<tr>
<td>Revised</td>
<td>7.9</td>
<td>1.0</td>
<td>3.4</td>
<td>0.2</td>
<td>0.02</td>
<td>1.0</td>
<td>0.6</td>
<td>4.9</td>
</tr>
<tr>
<td>Change</td>
<td>0.1</td>
<td>0.6</td>
<td>-0.7</td>
<td>0.0</td>
<td>0.01</td>
<td>0.6</td>
<td>-1.2</td>
<td>0.0</td>
</tr>
</tbody>
</table>

*Incentive Programs were determined on the document entitled SJV Incentive Program Cumulative Reductions and SJV Cumulative NOx Reductions- REMOVE Program

**The Revised PM10 Emissions Reductions Estimate spreadsheet uses a portion of the remaining NOx emissions available in the “Surplus Reductions” column to offset PM10 reduction shortfalls at a NOx/PM10 ration of 1.5/1.0. The Total Available Contingency subtracts that amount from the Surplus Reductions. ARB NOx contingency not included.
Revised 5% per year Emissions Reductions Demonstration

Revised Five-Percent Per Year Emissions Reductions Demonstration 2005 Amendments

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NOx Emissions- Baseline (t/d)</th>
<th>NOx Reduction from 2002 (%)</th>
<th>Reduction Used (%)</th>
<th>Percent NOx Carried Forward</th>
<th>PM10 Emissions- Baseline (t/d)</th>
<th>PM10 Reduction from 2002 (%)</th>
<th>Reduction from 2002 (%)</th>
<th>Percent PM10 Carried Forward</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>519.8</td>
<td>5.1</td>
<td>5.0%</td>
<td>0.1%</td>
<td>329.5</td>
<td>329.4</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2003</td>
<td>506.1</td>
<td>493.5</td>
<td>5.1</td>
<td>5.0%</td>
<td>329.4</td>
<td>329.4</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2004</td>
<td>492.2</td>
<td>479.5</td>
<td>4.2</td>
<td>4.0%</td>
<td>334.3</td>
<td>334.3</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2005</td>
<td>478.8</td>
<td>457.5</td>
<td>4.2</td>
<td>4.0%</td>
<td>335.8</td>
<td>335.8</td>
<td>0.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2006</td>
<td>463.9</td>
<td>438.7</td>
<td>3.6</td>
<td>5.0%</td>
<td>337.9</td>
<td>337.9</td>
<td>0.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2007</td>
<td>447.1</td>
<td>418.1</td>
<td>4.0</td>
<td>5.0%</td>
<td>339.2</td>
<td>339.2</td>
<td>0.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2008</td>
<td>430.9</td>
<td>398.7</td>
<td>3.7</td>
<td>5.0%</td>
<td>340.5</td>
<td>340.5</td>
<td>0.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2009</td>
<td>417.1</td>
<td>384.5</td>
<td>2.7</td>
<td>5.0%</td>
<td>348.5</td>
<td>348.5</td>
<td>0.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2010</td>
<td>401.6</td>
<td>357.0</td>
<td>5.3</td>
<td>5.0%</td>
<td>350.1</td>
<td>350.1</td>
<td>1.5%</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

Support Table 1
Revised PM10 Plan Reductions

<table>
<thead>
<tr>
<th>PM10</th>
<th>NOx</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>3.3</td>
</tr>
<tr>
<td>2004</td>
<td>34.7</td>
</tr>
<tr>
<td>2005</td>
<td>48.3</td>
</tr>
<tr>
<td>2006</td>
<td>50.7</td>
</tr>
<tr>
<td>2007</td>
<td>52.2</td>
</tr>
<tr>
<td>2008</td>
<td>60.0</td>
</tr>
<tr>
<td>2009</td>
<td>63.3</td>
</tr>
<tr>
<td>2010</td>
<td>69.8</td>
</tr>
</tbody>
</table>
## Emissions Reductions

### Ag Pumps

<table>
<thead>
<tr>
<th>Total Inventory</th>
<th>4500</th>
<th>CE</th>
</tr>
</thead>
<tbody>
<tr>
<td>At Tier 0</td>
<td>1915</td>
<td>$1,500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>District Funding ($Million)</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>DMV</td>
<td>$4.8</td>
<td>$4.8</td>
<td>$4.8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VECAP</td>
<td>$2.0</td>
<td>$2.0</td>
<td>$2.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$6.8</td>
<td>$6.8</td>
<td>$6.8</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>District NOx Tons Reduced</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>At Tier 0</td>
<td>647.6</td>
<td>647.6</td>
<td>647.6</td>
<td>647.6</td>
<td>647.6</td>
<td>647.6</td>
</tr>
<tr>
<td>At Tier 0</td>
<td>647.6</td>
<td>647.6</td>
<td>647.6</td>
<td>647.6</td>
<td>647.6</td>
<td>647.6</td>
</tr>
<tr>
<td>At Tier 0</td>
<td>647.6</td>
<td>647.6</td>
<td>647.6</td>
<td>647.6</td>
<td>647.6</td>
<td>647.6</td>
</tr>
<tr>
<td>At Tier 0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>At Tier 0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>647.6</td>
<td>1295.2</td>
<td>1942.9</td>
<td>1942.9</td>
<td>1942.9</td>
<td>1942.9</td>
</tr>
<tr>
<td>TPD</td>
<td>1.8</td>
<td>3.5</td>
<td>5.3</td>
<td>5.3</td>
<td>5.3</td>
<td>5.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>District Funding ($Million)</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>DMV</td>
<td>$4.8</td>
<td>$4.8</td>
<td>$4.8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VECAP</td>
<td>$2.0</td>
<td>$2.0</td>
<td>$2.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$6.8</td>
<td>$6.8</td>
<td>$6.8</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>District PM10 Tons Reduced</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>At Tier 0</td>
<td>26.3</td>
<td>26.3</td>
<td>26.3</td>
<td>26.3</td>
<td>26.3</td>
<td>26.3</td>
</tr>
<tr>
<td>At Tier 0</td>
<td>26.3</td>
<td>26.3</td>
<td>26.3</td>
<td>26.3</td>
<td>26.3</td>
<td>26.3</td>
</tr>
<tr>
<td>At Tier 0</td>
<td>26.3</td>
<td>26.3</td>
<td>26.3</td>
<td>26.3</td>
<td>26.3</td>
<td>26.3</td>
</tr>
<tr>
<td>At Tier 0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>At Tier 0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>26.3</td>
<td>52.5</td>
<td>78.8</td>
<td>78.8</td>
<td>78.8</td>
<td>78.8</td>
</tr>
</tbody>
</table>
### San Joaquin Valley Incentive Program Cumulative Reductions 1998-2010

<table>
<thead>
<tr>
<th></th>
<th>Actual Funding</th>
<th>Projected Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2006</td>
<td>2007</td>
</tr>
<tr>
<td></td>
<td>2006</td>
<td>2007</td>
</tr>
<tr>
<td>Moyer Funds (in millions)</td>
<td>$4.4</td>
<td>$3.2</td>
</tr>
<tr>
<td>DMF Funds (in millions)</td>
<td>$2.0</td>
<td>$3.9</td>
</tr>
<tr>
<td>VEGAP Funding (in millions)</td>
<td>$1.8</td>
<td>$6.0</td>
</tr>
<tr>
<td>Other Funding</td>
<td>$0.8</td>
<td>$0.9</td>
</tr>
<tr>
<td>Total Funding</td>
<td>$6.4</td>
<td>$6.2</td>
</tr>
</tbody>
</table>

### NOx Tons/Year

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NOx Emission Reductions (tons/year)</td>
<td>462.7</td>
<td>462.7</td>
<td>462.7</td>
<td>462.7</td>
<td>462.7</td>
<td>462.7</td>
<td>462.7</td>
<td>462.7</td>
<td>462.7</td>
<td>462.7</td>
<td>462.7</td>
<td>462.7</td>
<td>462.7</td>
</tr>
<tr>
<td>NOx Emission Reductions (tons/day)</td>
<td>1.3</td>
<td>2.6</td>
<td>4.8</td>
<td>6.5</td>
<td>8.2</td>
<td>10.5</td>
<td>13.6</td>
<td>12.7</td>
<td>11.5</td>
<td>9.5</td>
<td>8.6</td>
<td>8.2</td>
<td>6.7</td>
</tr>
</tbody>
</table>

### PM10 Tons/Year

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PM10 Emission Reductions (tons/year)</td>
<td>52.9</td>
<td>52.9</td>
<td>52.9</td>
<td>52.9</td>
<td>52.9</td>
<td>52.9</td>
<td>42.1</td>
<td>42.1</td>
<td>42.1</td>
<td>42.1</td>
<td>42.1</td>
<td>42.1</td>
<td>22.7</td>
</tr>
<tr>
<td>PM10 Emission Reductions (tons/day)</td>
<td>149.0</td>
<td>153.6</td>
<td>153.6</td>
<td>153.6</td>
<td>153.6</td>
<td>153.6</td>
<td>153.6</td>
<td>153.6</td>
<td>153.6</td>
<td>153.6</td>
<td>153.6</td>
<td>153.6</td>
<td>153.6</td>
</tr>
</tbody>
</table>

**Final Supporting DocDist Can no ag**

4/19/2005 11:07 AM
<table>
<thead>
<tr>
<th>PM Emission Reductions (tons/day)</th>
<th>0.1</th>
<th>0.3</th>
<th>0.4</th>
<th>0.4</th>
<th>0.4</th>
<th>0.5</th>
<th>0.5</th>
<th>0.5</th>
</tr>
</thead>
</table>

**Notes:**
A. The annual funds listed under actual funding, were the total of monies spent through incentive programs for the years 1998-2004, by funding type. Moyer Funds are reported through Carlmeyer Memorial Air Quality Standards attainment Program "Grant Award & Authorization Form." Attachment A
B. DMV Fees are listed as District Financial Reports. Attachment B
C. VEGAP funds were authorized through Agreement #53-600975, which totalled $12.5 million, and spent as listed above. Attachment C
D. The annual funds listed under projected funding were obtained from "Anticipated Funds and Corresponding Cost-Effectiveness for Incentive Programs." Attachment E
E. Emissions reductions were calculated for annual funds as follows:
   \[
   \text{Total Funding} / \text{Cost-effectiveness} \\
   \text{Funding specific project life}
   \]
   The reductions from funding for each year is spread out, to account for project life of actual projects, as follows:
   - Year 1-5 (all funds)
   - Year 6-7 DMV, VEGAP, Other Funding (the average project life is 7 years for this funding source)
   - Year 8-9 VEGAP, DMV
   - Year 10 DMV Only
F. Cost-effectiveness was determined by dividing total funds by the emissions reduced. Projected funds were estimated using a conservative total of $37,000/ton for PM10.
G. Emissions reductions were calculated for each year as follows:
   \[
   \text{Total Funding} / \text{Cost-effectiveness} \\
   \text{project life of 7}
   \]
   The reductions from funding for each year is spread out over 7 years to account for project life.
H. DMV Funds were reduced by 1.2 million to account for lag time in collecting additional $2
## Anticipated Funds and Corresponding Cost-Effectiveness for Incentive Programs

<table>
<thead>
<tr>
<th></th>
<th>DMV Fees</th>
<th>VECAP/TCRP</th>
<th>Moyer</th>
<th>Estimated Total Funding</th>
<th>Estimated Cost Effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ag Pumps-Tier 1 or 2 to 4</td>
<td>$ 4,000,000.00</td>
<td>$ 3,000,000.00</td>
<td>$ 7,000,000.00</td>
<td>$ 4,500.00</td>
<td></td>
</tr>
<tr>
<td>Idle Reduction</td>
<td>$ 3,500,000.00</td>
<td>$ 2,000,000.00</td>
<td>$ 5,500,000.00</td>
<td>$ 3,600.00</td>
<td></td>
</tr>
<tr>
<td>Locomotives</td>
<td>$ 600,000.00</td>
<td>$ 1,500,000.00</td>
<td>$ 1,000,000.00</td>
<td>$ 6,055.00</td>
<td></td>
</tr>
<tr>
<td>Marine Vessels</td>
<td>$ 500,000.00</td>
<td>$ 500,000.00</td>
<td>$ 1,000,000.00</td>
<td>$ 1,627.00</td>
<td></td>
</tr>
<tr>
<td>School Bus Replacement</td>
<td>$ 4,000.00</td>
<td>$ 4,000.00</td>
<td>$ 20,000.00</td>
<td>$ 20,000.00</td>
<td></td>
</tr>
<tr>
<td>School Bus Retrofit</td>
<td>$ 500,000.00</td>
<td>$ 5,000,000.00</td>
<td>$ 5,500,000.00</td>
<td>$ 9,600.00</td>
<td></td>
</tr>
<tr>
<td>On-Road Mobile</td>
<td>$ 2,000,000.00</td>
<td>$ 2,000,000.00</td>
<td>$ 2,000,000.00</td>
<td>$ 13,600.00</td>
<td></td>
</tr>
<tr>
<td>Alternative Fuel Infrastructure*</td>
<td>$</td>
<td>-</td>
<td>$</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Overall</strong></td>
<td>$ 9,004,000.00</td>
<td>$ 4,000,000.00</td>
<td>$ 11,000,000.00</td>
<td>$ 24,004,000.00</td>
<td></td>
</tr>
</tbody>
</table>

*It is anticipated that funding will be allocated to Alternative Fuel Infrastructure projects, however, no emissions reductions will be taken. Therefore the funding and cost-effectiveness will not be included in these calculations.

The overall project life for all funds is estimated to be 7 years.
### San Joaquin Valley Cumulative NOx Reductions- REMOVE Program

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>REMOVE Funding in $millions</td>
<td>$3.7</td>
<td>$3.7</td>
<td></td>
<td></td>
<td></td>
<td>$7.4</td>
</tr>
<tr>
<td>2005 NOx Reductions</td>
<td>26.8</td>
<td>26.8</td>
<td>26.8</td>
<td>26.8</td>
<td>26.8</td>
<td>160.8</td>
</tr>
<tr>
<td>2006 NOx Reductions</td>
<td>26.8</td>
<td>26.8</td>
<td>26.8</td>
<td>26.8</td>
<td>26.8</td>
<td>134.0</td>
</tr>
<tr>
<td>NOx Emission Reductions (tons/year)</td>
<td>26.8</td>
<td>53.6</td>
<td>53.6</td>
<td>53.6</td>
<td>53.6</td>
<td>294.8</td>
</tr>
<tr>
<td>NOx Emission Reductions (tons/day)</td>
<td>0.07</td>
<td>0.15</td>
<td>0.15</td>
<td>0.15</td>
<td>0.15</td>
<td>0.15</td>
</tr>
</tbody>
</table>

Assumptions:
- 2005 funding is amount budgeted for current REMOVE II Program
- 2006 funding is based on proposed 05/06 budget
- Cost-effectiveness based on experience with prior REMOVE projects ($3,147/ton - $21,376/ton)
- Average project life 8 years

### San Joaquin Valley Cumulative PM10 Reductions- REMOVE Program

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>REMOVE Funding in $millions</td>
<td>$3.7</td>
<td>$3.7</td>
<td></td>
<td></td>
<td></td>
<td>$7.4</td>
</tr>
<tr>
<td>2005 PM10 Reductions</td>
<td>6.5</td>
<td>6.5</td>
<td>6.5</td>
<td>6.5</td>
<td>6.5</td>
<td>39.0</td>
</tr>
<tr>
<td>2006 PM10 Reductions</td>
<td>6.5</td>
<td>6.5</td>
<td>6.5</td>
<td>6.5</td>
<td>6.5</td>
<td>32.5</td>
</tr>
<tr>
<td>PM10 Emission Reductions (tons/year)</td>
<td>6.5</td>
<td>13.0</td>
<td>13.0</td>
<td>13.0</td>
<td>13.0</td>
<td>71.5</td>
</tr>
<tr>
<td>PM10 Emission Reductions (tons/day)</td>
<td>0.02</td>
<td>0.04</td>
<td>0.04</td>
<td>0.04</td>
<td>0.04</td>
<td>0.04</td>
</tr>
</tbody>
</table>

Assumptions:
- 2005 funding is amount budgeted for current REMOVE II Program
- 2006 funding is based on proposed 05/06 budget
- Cost-effectiveness based on experience with prior REMOVE projects ($3,147/ton - $21,376/ton)
- Average project life 8 years