

**FUNDING AGREEMENT NO.003-DMV-08/09-BOS
WITH LAKE VALLEY FIRE PROTECTION DISTRICT**

This Agreement No. 003-DMV-08/09-BOS made and entered by and between the **EL DORADO COUNTY AIR QUALITY MANAGEMENT DISTRICT**, a county air pollution control district formed pursuant to California Health and Safety Code section 40100, et seq. (hereinafter referred to as "AQMD"); and Lake Valley Fire Protection District. (hereinafter referred to as "CONTRACTOR");

WITNESSETH:

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

WHEREAS, AB 2766, codified in California Health and Safety Code section 44220, et seq., authorizes districts to impose a fee of up to four dollars upon certain registered motor vehicles within the AQMD, and the Governing Board of the AQMD has imposed said fee; and

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

WHEREAS, CONTRACTOR has proposed a Project that meets the eligibility criteria of the AQMD and that has been approved by AQMD for funding; and

WHEREAS, CONTRACTOR represents that it is willing and able to perform the activities set forth herein.

NOW, THEREFORE, AQMD and CONTRACTOR mutually agree as follows:

1. PROJECT

CONTRACTOR shall perform all activities and work necessary to complete the track chipper/trailer project (hereinafter referred to as "Project") set forth in the fully described "Proposal" attached hereto as Exhibit "A" and incorporated herein by this reference. CONTRACTOR agrees to furnish all labor, materials, equipment, licenses, permits, fees, and other incidentals necessary to perform and complete, per schedule, in a professional manner, the services described herein. CONTRACTOR represents that CONTRACTOR has the expertise necessary to adequately perform the Project specified in said Proposal.

In the event of any conflict between or among the terms and conditions of this Agreement, the Proposal incorporated herein, and the documents referred to and incorporated herein, such conflict shall be resolved by giving precedence in the following order of priority:

1. To the text of this Agreement;
2. Proposal to this Agreement; and
3. To the "Motor Vehicle Emission Reduction Projects Request for Proposals" (RFP) released to Interested Parties by the AQMD and dated 2008-2009.

2. PERIOD OF PERFORMANCE/TIMETABLE

CONTRACTOR shall commence performance of work and produce all work products in accordance with the Work Statement and deadlines for performance identified in the Proposal of this Agreement, unless this Agreement is terminated sooner as provided for elsewhere in this Agreement.

If requested by the AQMD, CONTRACTOR shall submit regular progress reports, at intervals determined by the AQMD, detailing the work performed during the current reporting period; work

planned for the next reporting period; problems identified, solved, and/or unresolved; and the percentage of each task completed. CONTRACTOR shall provide AQMD with a comprehensive final written report prior to the end of Agreement term. Said final report shall be complete and shall document the work performed under this Agreement.

3. TERM

The term of this Agreement shall be for the period of July 1, 2008 through June 30, 2009 unless terminated earlier in accordance with Article 7, Termination.

4. COMPENSATION

AQMD will pay the CONTRACTOR the sum of ONE HUNDRED FIFTEEN THOUSAND, TWO HUNDRED DOLLARS AND NO CENTS (\$115,200.00) as follows:

CONTRACTOR shall obtain through other sources sufficient additional monies to fund the total cost of the Project as outlined in the Proposal. Satisfactory written evidence of such funding commitments shall be provided to AQMD prior to the release by AQMD of any funds under this Agreement. In the event funding from other sources for the total cost of the Project is not received by CONTRACTOR, AQMD reserves the right to terminate or renegotiate this Agreement. In accordance with Section 44233 of the California Health and Safety Code, CONTRACTOR agrees to limit expenditure of funds for the purpose of administration to not more than five percent of the monies distributed to CONTRACTOR. The AQMD is not obligated to pay CONTRACTOR for administrative costs exceeding five percent of the actual total cost of the Project.

The total obligation of the AQMD under this Agreement SHALL NOT EXCEED ONE HUNDRED FIFTEEN THOUSAND, TWO HUNDRED DOLLARS AND NO CENTS (\$115,200.00).

A. **PAYMENTS:** Advance payments shall not be permitted. Payments will be permitted only at which time an equivalent service has been completed. The AQMD shall reimburse CONTRACTOR quarterly, in arrears, after receipt and verification submitted to El Dorado County Air Quality Management District, Attention: Marcella McTaggart. Payment shall be made to CONTRACTOR by the AQMD upon submission and evaluation of the CONTRACTOR'S invoice of claim. Said invoice of claim shall set forth the work completed pursuant to this Agreement.

Upon receipt of proper documentation, and verification that CONTRACTOR has satisfactorily completed the work for which compensation is sought and that the work is in accordance with the Exhibit Summary Sheet attached hereto, AQMD will issue payment to CONTRACTOR within forty five (45) calendar days of verification.

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

Concurrently with the submission of any claim for payment, CONTRACTOR shall certify (through copies of invoices issued, checks, receipts, and the like) that complete payment has been made to any and all subcontractors as provided.

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

In no event shall compensation paid by the AQMD to the CONTRACTOR for the performance of all services and activities under this Agreement exceed the amount set forth in paragraph 4 COMPENSATION.

B. Surplus Funds: Any compensation under this agreement, which is not expended by CONTRACTOR pursuant to the terms and conditions of this Agreement by the Project completion date shall automatically revert to the AQMD. Only expenditures incurred by the CONTRACTOR in the direct performance of this Agreement will be reimbursed by the AQMD. Allowable expenditures under this Agreement are specifically established and included in the Proposal.

C. Closeout Period: All final claims shall be submitted by CONTRACTOR within sixty (60) days following the final month of activities for which payment is claimed. No action will be taken by AQMD on claims submitted beyond the 60-day closeout period.

5. NON-ALLOCATION OF FUNDS

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

6. INDEPENDENT CONTRACTOR LIABILITY

CONTRACTOR is, and shall be at all times, deemed independent and shall be wholly responsible for the acts of CONTRACTOR'S employees, associates, and subcontractors, in connection with the installation, operation, use and maintenance of the Project.

7. TERMINATION

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

1. An illegal or improper use of funds;
2. A failure to comply with any term of this Agreement;
3. A substantially incorrect or incomplete report submitted to the AQMD; or
4. Improperly performed services.

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

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

B. Without Cause: Either party may terminate this Agreement at any time upon giving the other party at least thirty (30) days advance, written notice of intention to terminate. In such case, the AQMD shall, subject to paragraph 4, pay its pro rata share of the reasonable value of all services satisfactorily rendered and actual, reasonable costs incurred up to the time of the termination. Upon such termination, all the work product produced by CONTRACTOR shall be promptly delivered to the AQMD.

8. CHANGES TO AGREEMENT

This Agreement may be amended by mutual consent of the parties hereto. Said amendments shall become effective only when in writing and fully executed by duly authorized officers of the parties hereto.

9. INDEMNIFICATION

CONTRACTOR shall defend, indemnify, and hold the AQMD harmless against and from any and all claims, suits, losses, damages and liability for damages of every name, kind and description, including attorneys fees and costs incurred, brought for, or on account of, injuries to or death of any person, including but not limited to workers, AQMD employees, and the public, or damage to property, or any economic or consequential losses, which are claimed to or in any way arise out of or are connected with the CONTRACTOR'S activities and work necessary to complete the Project unless such claim, loss, damage, injury or death is the result of the sole or active negligence of the AQMD. This duty of CONTRACTOR to indemnify and save AQMD harmless includes the duties to defend set forth in California Civil Code, Section 2778.

AQMD shall indemnify CONTRACTOR against and hold it harmless from any loss, damage, and liability for damages, including attorney fees and other costs of defense incurred by CONTRACTOR, whether for damage to or loss of property, or injury to or death of CONTRACTOR'S officer's, agents, or employees which shall in any way arise out of or be connected with AQMD's performance of its obligations hereunder, unless such damage, loss, injury, or death shall be caused by the sole or active by negligence of the CONTRACTOR.

10. AUDITS AND INSPECTIONS

CONTRACTOR shall at any time during regular business hours, and as often as AQMD may deem necessary, make available to AQMD for examination all of CONTRACTOR'S records and data with respect to the matters covered by this Agreement. CONTRACTOR shall, and upon request by AQMD, permit AQMD to audit and inspect all of such records and data necessary to ensure CONTRACTOR'S compliance with the terms of this Agreement. CONTRACTOR shall be subject to an audit by AQMD or its authorized representative to determine if the revenues received by CONTRACTOR were spent for the reduction of pollution as provided in AB 2766 and to determine whether said funds were utilized as provided by law and this Agreement. If, after audit, AQMD makes a determination that funds provided CONTRACTOR pursuant to this Agreement were not spent in conformance with this Agreement, or AB 2766 or any other applicable provisions of law, CONTRACTOR agrees to immediately reimburse AQMD all funds determined to have been expended not in conformance with said provisions.

CONTRACTOR shall retain all records and data for activities performed under this Agreement for at least three (3) years from the date of final payment under this Agreement or until all state and federal audits are completed for that fiscal year, whichever is later.

Because this Agreement exceeds Ten Thousand Dollars (\$10,000), CONTRACTOR shall be subject to the examination and audit of the State Auditor for a period of three (3) years after final payment under Agreement (Government Code Section 10532).

11. NOTICES TO PARTIES

All notices to be given by the parties hereto shall be in writing and served by depositing same in the United States Post Office, postage prepaid and return receipt requested. Notices to AQMD shall be in duplicate and addressed as follows:

CONTRACTOR

Lake Valley Fire Protection District.
2211 Keetak St.,
South Lake Tahoe, CA 96150
Attn: Jeff Michael
Fire Chief

AQMD

El Dorado County
Air Quality Management District
2850 Fairlane Court
Placerville, CA 95667
Attn: Marcella McTaggart,
Air Pollution Control Officer

12. TIME IS OF THE ESSENCE

It is understood that for CONTRACTOR'S performance under this Agreement, time is of the essence. The parties reasonably anticipate that CONTRACTOR will, to the reasonable satisfaction of the AQMD, complete all activities provided herein within the time schedule outlined in the Proposals to this Agreement.

13. COMPLIANCE WITH APPLICABLE LAWS

CONTRACTOR will comply with all federal, State, and local laws and ordinances which are or may be applicable to the PROJECT to be undertaken by the CONTRACTOR including but not limited to California Health and Safety Code sections 44220 et seq, all Air Resources Board and AQMD criteria there under, prevailing wage and work day definitions where applicable, contracting license requirements and permits.

14. NO THIRD-PARTY BENEFICIARIES

Nothing in this Agreement shall be construed to create any rights of any kind or nature in any other party not a named party to this Agreement.

15. VENUE

Any dispute resolution action arising out of this Agreement, including but not limited to litigation, mediation, or arbitration, shall be brought in El Dorado County, California, and shall be resolved in accordance with the laws of the State of California. CONTRACTOR waives any removal rights it might have under Code of Civil Procedure section 394.

16. ENTIRE AGREEMENT

This document and the documents referred to herein or exhibits hereto are the entire Agreement between the parties and they incorporate or supersede all prior written or oral Agreements or understandings.

17. AGREEMENT ADMINISTRATOR

The AQMD Officer or employee with responsibility for administration of this Agreement is Marcella McTaggart, Air Pollution Control Officer or her successor. The CONTRACTOR Officer or employee with responsibility for administration of this Agreement is Jeff Michael, Fire Chief or his successor.

18. AUTHORIZED SIGNATURES

The parties to this Agreement represent that the undersigned individuals executing this Agreement on their respective behalf are fully authorized to do so by law or other appropriate instrument and to bind upon said parties to the obligations set forth herein.

19. PARTIAL INVALIDITY

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

AGREEMENT ADMINISTRATOR CONCURRENCE:

By: Marcella McTaggart Dated: 6-2-08

**Marcella McTaggart
Air Pollution Control Officer
El Dorado County Air Quality Management District**

REQUESTING DEPARTMENT CONCURRENCE:

By: Marcella McTaggart Dated: 6-2-08

**Marcella McTaggart
Air Pollution Control Officer
El Dorado County Air Quality Management District**

By: Gerri Silva Dated: June 4, 2008

**Gerri Silva, M.S., R.E.H.S
Director
El Dorado County Environmental Management Department**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first herein above written.

**CONTRACTOR
LAKE VALLEY
FIRE PROTECTION DISTRICT**

**AQMD
EL DORADO COUNTY
AIR QUALITY MANAGEMENT DISTRICT**

Date: 5/29/08

Date: _____

By: *Jeff Michael*
Jeff Michael
Fire Chief

By: _____
Chair

Attest:
Cindy Keck,
Clerk of the Board

Date: _____

By: _____

EXHIBIT "A"
PROPOSAL

EXHIBIT SUMMARY SHEET

Applicant: Lake Valley Fire Protection District
Contact Person: Martin Goldberg
Address: 2211 Keetak St. South Lake Tahoe, CA 96150
Telephone: 530.577-3737 FAX #: 530.577-3739

Project Budget	AB 2766 Funds	\$ Matching Funds	In-Kind Match	Total Project Costs
Materials	\$145,200.00			\$145,200.00
Personnel		\$545,000.00	\$10,000.00	\$555,000.00
Other			\$50,000.00	\$50,000.00
TOTAL	\$145,200.00	\$545,000.00	\$60,000.00	\$750,200.00

Alternative Project Budget 1	AB 2766 Funds	\$ Matching Funds	In-Kind Match	Total Project Costs
Materials	\$115,200.00			\$115,200.00
Personnel		\$545,000.00	\$10,000.00	\$555,000.00
Other			\$50,000.00	\$50,000.00
TOTAL	\$115,200.00	\$580,000.00	\$60,000.00	\$720,200.00

Alternative Project Budget 2	AB 2766 Funds	\$ Matching Funds	In-Kind Match	Total Project Costs
Materials	\$70,000.00			\$70,000.00
Personnel		\$545,000.00	\$10,000.00	\$555,000.00
Other			\$50,000.00	\$50,000.00
TOTAL	\$70,000.00	\$580,000.00	\$60,000.00	\$675,000.00

Estimated Emission Reductions/Cost-Effectiveness	As Proposed	2nd Alternate Funding Level
Useful Life of Project (years)	7-10	1-2
Total Lifetime Emissions Reduced (lbs. Of ROG, Nox, PM-10)	Over 483,000 g NOx and over 462 tons of PM-10	69,000 g NOx and 66 tons of PM-10
Annualized Cost-Effectiveness (total project costs)*	\$115,200.00	\$70,000.00
Annualized Cost-Effectiveness (AQMD Funded project costs)*	\$16,457.14	\$70,000.00

* There is little Emission Reduction/ Cost Effectiveness difference between the proposed and 1st Alternative Project.

REQUEST FOR PROPOSAL CONTENTS CHECKLIST

Applicant: Lake Valley Fire Protection District

Please complete and attach this checklist with your application.

- Exhibit Summary Sheet (Cover) – page 1
- Request for Proposal Contents Checklist (Second Page) – page 2
- Authorization Letter/Resolution page 3
- Project Description – page 4
- Project Organization/Background – page 5
- Emission Benefits/Cost Effectiveness – page 6
- Work Statement – page 7
- Funding Request/Cost Breakdown – page 8
- Matching Funds – page 8
- Schedule of Deliveries/Self-Monitoring Program – page 9
- 2 Copies of Proposal

LAKE VALLEY FIRE PROTECTION DISTRICT

"Serving the Community Since 1947"
Jeff Michael, Fire Chief

Board of Directors

David Huber
Greg Herback
Leo Horton
Ryan Wagner
Robert Bettencourt



March 17, 2008

Kerri Williams
El Dorado County Air Quality Management District
2850 Fairlane Court
Placerville, CA 95667

**LAKE VALLEY FIRE PROTECTION DISTRICT EL DORADO COUNTY AIR
QUALITY MANAGEMENT DISTRICT FY 08/09 MOTOR VEHICLE EMISSION
REDUCTION PROJECT AB 2766**

The Lake Valley Fire Protection District (LVFPD) would like to thank the El Dorado County Air Quality Management District (AQMD) for the opportunity to apply for grant funds under AB 2766 DMV Surcharge Fees. The LVFPD is a special district that was formed in 1947 to provide fire protection along the south shore of Lake Tahoe in the County of El Dorado. The LVFPD's mailing address, telephone number and fax numbers are listed below.

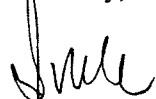
Lake Valley Fire Protection District
2211 Keetak St.
South Lake Tahoe, CA 96150
530.577-3737
530.577-3739 (fax)

Our Forestry Supervisor, Martin Goldberg, will be your contact person. He is authorized to make representations for the District, and express the District's ability and desire to meet the requirements of this proposal. Martin Goldberg's phone number and email address are listed below.

Martin Goldberg
530.577-2447
Goldberg@caltahoefire.net

As the District's Fire Chief, I will be individual authorized to bind the firm contractually and authorize match funding to be paid in accordance with the application. If you have any question, please contact me at 530.577-3737.

Sincerely,



Jeff Michael
Fire Chief

Project Description:

Lake Valley Fire Protection District (LVFPD) and a consortium of El Dorado County agencies at Lake Tahoe are requesting El Dorado County Air Quality Management District AB 2766 funds to purchase a Bandit 254xp Track Brush Chipper in order to reduce off and on road vehicle emissions and secondarily, to improve air quality in the Tahoe Basin by reducing pile burning of biomass. Partners that will share this valuable piece of equipment are: The Nevada Fire Safe Council, Meeks Bay Fire Protection District, City of South Lake Tahoe, California State Parks, California Tahoe Conservancy and the US Forest Service. This will affect other air resource boards as one of our alternative disposal sites is in Nevada. LVFPD will be the administrator of this grant.

Objectives of this proposal:

Major:

- Reduce road miles for vehicles hauling forest biomass

Minor:

- Reduce smoke by reducing burn piles
- Produce potential biomass for co-gen plants
- Distill biomass in the off-road setting in order to make hauling more efficient, thus reducing off-road vehicle miles and smoke
- Assist in finding solutions to the ongoing problem of what to do with the immense amount of biomass slash that is produced each year. The basin's goal is to treat 5000 acres a year—the El Dorado County portion could easily be 20+% of this figure, much of which is scheduled to occur in the next three years per the current USFS plan.
- Facilitate the reduction of biomass into a soil amendment that will also help reduce erosion and help retard weedy species and brush, both which will just cause more road and smoke problems in the future when maintenance comes into the schedule.

The problem:

Our forest is overgrown and primed for a wildfire conflagration as witness last year with the Angora Fire. We have no environmentally sensitive method to treat thinned fuels that are not in proximity to a road. Our goal of protecting the lives, property and environment here in El Dorado County is challenged by the severe overgrowth of the forest fuels.

Through various national wildfire summits and numerous legislative meetings and conferences, the local fire agencies have been tasked to work with the State and Federal agencies in an effort to thin the overgrown forests in order to provide for a healthy fire-resistant environment. Removing over 100 years of neglected growth is challenging and costly. Mechanical thinning must take place due to the intense flammability of the fuels.

The resultant biomass is currently piled and/or hauled to a disposal site. Unfortunately, access to piles for chipping and hauling greater than 50 feet from the roadways is labor intensive and therefore either left for pile burning or tractor removal. In some instances, burn piles are left for years to cure and threaten our community. Piles in our District contributed to the Angora Fire's devastation. Current land-use restrictions strictly limit the amount of equipment that can be driven off the road due to compaction and erosion issues. Building more roads to access the backcountry is simply out of the question in the Tahoe Basin.

Our proposed Solution:

A track chipper would enable us to access the biomass that is unreachable from a road and too labor intensive to haul out to a road. This would allow property owners to reduce hauling the large debris to the road and loading it into trucks for disposal at a remote facility. It would also reduce smoke caused from pile burning.

Project Organization and Background:

The LVFPD (www.lvfpd.org) provides fire, rescue, and emergency medical services to the community of Meyers, permanent population 12,000. Seasonal tourist fluctuations may swell the population of Meyers to over 40,000. The area of the LVFPD is approximately 83 square miles. LVFPD's Mutual Aid responsibilities cover the City of South Lake Tahoe, and portions of Alpine and El Dorado counties. LVFPD is a combination paid and volunteer District with 24 full-time and 20 volunteer personnel. A five-member board of directors meets once a month to govern the LVFPD. The LVFPD offers a broad range of wildland fire prevention and forestry services including:

- Defensible Space Education
- Defensible Space Clearing
- Curbside Chipping
- Defensible Space Tree Marking
- Shaded Fuelbreak Construction
- Defense Zone Construction
- Prescribed Fire and Pile Burning

The LVFPD has developed an expertise in site characterization and provides a full suite of technical services related to fuel reduction. The LVFPD has become a leader in fuel reduction services on sensitive lands in the Lake Tahoe Basin (LTB).

The LVFPD has had numerous years of success in procuring and administrating various grants, the largest being from Southern Nevada Public Lands Management Act (SNPLMA) for treatment of over 50 acres of land in our District (unfortunately, they won't fund this type of equipment). We've also received grants for other multi-jurisdictional projects and have completed them successfully, ultimately benefitting the public that we serve. We have great working relationships with our cooperating agencies, and are in constant communications with all of them—especially when it comes to

working on the current forest health issues. The LVFPD is a member of the Tahoe Fire and Fuels Team (TFFT). The TFFT is tasked with safeguarding the residents and visitors to Lake Tahoe. We are sincerely interested in reducing both vehicle and environmental emissions.

Our partners include all of the El Dorado County fire agencies in the Tahoe Basin, as well as our forest partners from the State and Federal agencies. We've been working hard on the fuels management plans and programs here for the last ten years and have relied on pile burning to get rid of the off-road slash as we don't have this vital piece of equipment to help us on our projects. Burning is considerably more economical in terms of the initial cost, yet we all know that there are pollution costs that are not factored in.

Our partners have all agreed to form a mutual agreement for the scheduling and maintenance of the proposed chipper. One of our partners, the Meeks Bay Fire Protection District (MBFPD) received grant funding last year for a tracked chipper. We are working with the MBFPD to bring their chipper to our District this summer, however the demand for their chipper is so high that it has become apparent that we need a chipper located in South Lake Tahoe. We had scheduling difficulties with our regular chipper in the past because of demand and MBFPD had to purchase a chipper of their own. We need two tracked chippers in El Dorado County in the Lake Tahoe Basin

Emission Benefits / Cost Effectiveness:

The main benefit of this project is to reduce road miles produced from hauling forest biomass to a disposal facility. This year, we will treat a minimum of 150 acres. We feel that we could reduce heavy truck road mileage and the ensuing pollution by 12,000 miles. This is based on saving trips to Carson City, the closest cogeneration plant. Based on Table 5 On-Road Emission Factors for Heavy-Duty Cleaner Vehicle Projects (2004-2006), it could be estimated that 12,000 miles reduced could save 5.8 g NOx/mi x 12,000 mi or 69,600 g NOx annually and .3 g PM/mi x 12,000 mi or 3,600 g PM annually.

Ancillary benefits will include the reduction of smoke from numerous burn piles. It is predicted that we will double the thinning projects in the basin for the next two-through ten years. Based on PM-10 Emissions Calculations for Pile Burning (Table 6), one could assume a reduction in PM-10 per acre treated by .16 tons of PM-10 for light fuel reduction projects to up to .72 tons of PM-10 for heavy fuel reduction projects. Assuming 150 acres treated this year that would equate to approximately 66 tons of PM-10 reduced with the award of a track chipper.

Distilling the forest debris in place is much more efficient than dragging or mechanically moving it to a road for further transport. Often, the chips could be left in place as a soil and erosion amendment.

Distilling the biomass into chips might be used for a co-gen plant. Burning the biomass in piles, while cheap, doesn't offer any added value, and actually costs us environmentally.

This piece of equipment will help us to create a healthy fire-resistant forest bordering the communities in the Lake Tahoe Basin section of El Dorado County. Just one forest fire would send plumes of smoke into the air and also lead to numerous vehicles on the road in an effort to escape and evacuate.

The LVFPD is the first agency in the Lake Tahoe Basin to use a similar tracked chipper in a sensitive stream environment zone (SEZ). Eighty-five percent of the projects identified in our District as necessary to protect our community are in SEZs. Burning in SEZs is not allowed in the Lake Tahoe Basin. All the material will have to be hauled out by truck.

Work Statement:

Upon the award of this proposal, following an initial meeting with the AQMD for guidance, this will be our plan:

- 1) Meet with our partners to sign an agreement for the equipment that will include scheduling issues, transport, operational and maintenance issues. We will also develop a safety plan, and encourage our partners to re-strategize their fuel reduction plans to include this valuable piece of equipment. Our partners will also procure all necessary permits, licenses, etc. to use the chipper in this County and State.
- 2) At the above mentioned meeting, we will also assign a procurement committee that will send out RFPs for the chipper. This committee will review the proposals and issue a purchase order.
- 3) With any luck, the machine will arrive in time for late summer usage depending on when the award statement is issued and the manufacturer's availability. The chipper will be available for use until the winter snow pack shuts down the usage. If the fall snowpack is light, it is conceivable that this track machine might be able to navigate to thinning sites over the snow.
- 4) Other than purchasing the equipment in the allotted time frame, this project doesn't have a defined completion date, as we will use the machine as long as we can maintain it—hopefully for the next decade. We will monitor the amount of debris chipped, and the potential vehicle miles saved at the end of each year. We will also monitor the agency usage to ensure that everyone at the Tahoe portion of the County knows about this valuable resource.
- 5) Our media releases, websites and agency newsletters will have an article about the new machine and your agency's contribution will certainly be acknowledged. We will also have signage on the chipper chute and the trailer that states: "made possible by a grant from El Dorado County Air Quality Management District" (or something similar that meets your approval).

Funding Cost / Breakdown

Project Budget	AB 2766 Funds	Matching Funds	In-kind Match	Total Costs
Equipment	\$145,200.00 ¹			\$145,200.00
Personnel		\$545,000.00 ²	\$10,000.00 ³	\$555,000.00+
Other			\$50,000.00 ⁴	\$50,000.00+
Total	\$145,200.00	\$545,000.00	\$60,000.00	\$750,200.00

¹Chipper: \$98,000, Flat Bed Truck: \$45,000, Extra Blades: \$1400, Signage: \$800

²This is comprised of funding this year from the Nevada Fire Safe Council (\$500,000) and California Tahoe Conservancy (\$45,000) for forest fuel reduction projects. The USFS, Fallen Leaf and the City of SLT also have funding for their programs, however, I haven't captured their commitment letters at this time, hence am not including them. Additionally, this does not include any future funding from both the State agencies (Parks and Conservancy) and the USFS (likely to be in the millions over the next year!)

³All labor, fuel, blade sharpening, maintenance, media releases, newsletters, admin., banking, etc., will be covered as a match. This figure is LVFPD's commitment. Once we form an inter-agency agreement, we will add to this match from other cooperators.

⁴This includes property owners' time creating the biomass from defensible space efforts in the LVFPD only, other agencies will add more.

An alternative to the proposed project would be to purchase a trailer to transport the chipper from the fire station to each project. The trailer would have to be towed by a hired truck and driver with a truck capable of transporting a heavy load. The contracted truck would return to base and then return to the project to move the chipper back to the fire station. A flatbed truck as proposed would save trips to the project and thus emissions.

A second alternative would be to lease a track chipper for 1 year only at approximately \$70,000 dollars. The disadvantage of this option is the loss in future reductions of vehicle mileage and pile burning emissions.

Matching Funds

As shown in the table on the previous page, the matching funds from our partners alone will total \$545,000. More matching funds will come in from the City of South Lake Tahoe, Fallen Leaf Fire and the numerous state and federal agencies as stated in the footnotes above. Please note that we do have a contract with the USFS to treat all urban lots owned by the USFS in the next 5 years.

LVFPD matching funds are compiled from a Title III grant and our own general budget. As the chief, I have committed these funds for this match.

Schedule of Deliverables / Monitoring Program

Once we receive notice of an award, we will proceed immediately to set up the committee, sign a cooperative usage agreement, procure the machine and put it in service. This will all occur within the first year of the grant.

Ongoing monitoring of piles chipped and reduced vehicle miles will occur on an annual basis throughout the lifespan of the chipper. Additionally, we'll also monitor our public outreach to ensure that the residents and forest agencies in the Tahoe area know about this valuable resource. Finally, we'll continually monitor the equipment usage to ensure that it is kept busy when environmental tolerances will allow its operation.

List of Deliverables:

1st quarter: sign grant acceptance form, initiate cooperative committee and agreement, procure chipper, initial safety training, place chipper in service, start public outreach and media releases, procure "signage" for equipment.

2nd quarter and each successive quarter throughout the year: utilize chipper as allowed.

LVFPD will collect data on amount of biomass chipped and miles reduced. LVFPD will administer all fiscal aspects of the grant and program reports.

Summary

With your kind generosity, we'd like to do the right thing for our environment here in the Tahoe Basin portion of El Dorado County by reducing vehicle emissions and smoke from pile burning of forest biomass.

We have a known track record of managing our grants appropriately, and will offer this valuable tool to all of our fire and forest agencies in the area. If it is unusable during the winter months, we will consider offering its use to El Dorado County agencies on the west slope.

Thank you in advance for you kind consideration.

Respectfully submitted,



Jeff Michael

Fire Chief

The Nevada Fire Safe Council

Andrew List, Executive Director (775) 884-4455 nvfiresafe@charter.net
Terry Sumner, Executive Assistant (775)-884-4455 firesafeoffice@yahoo.com
Pat Murphy, Sierra Front (775) 267-2123 papamurph1110@charter.net
Jason Arnold, Tahoe Basin, Nevada (775) 220-6000 nvfsc TahoeBasin@yahoo.com
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Phone (775) 884-4455 * fax (775) 884-4457 * www.nvfsc.org

March 14, 2008

El Dorado County Air Quality Management District
2850 Fairlane Court
Placerville, CA 95667

RE: Support for Track Brush Chipper

Dear EDCOAQMD:

The Nevada Fire Safe Council and our 30 community-based chapters in the Lake Tahoe Basin hereby offer our enthusiastic support of the grant submitted by Chief Jeff Michael of the Lake Valley Fire Protection District. The tracked brush chipper sough by Lake Valley FPD can be utilized in and around communities at risk of catastrophic loss due to wildfire in partnership ongoing Nevada Fire Safe Council fuels reduction projects in the area.

The Nevada Fire Safe Council, working with five fire protection districts in the Lake Tahoe Basin, recently secured funding to treat approximately 129 acres in LV FPD and Meeks Bay FPD as part of an effort to put shaded fuel breaks around high and extreme risk communities. The operating plan calls for approximately 80% of this area to be treated by Lake Valley's Angora Peak hand crews. Additionally, 289 residential lots are targeted for treatment. The budget for the portion of the project in Lake Valley FPD and Meeks Bay FPD is approximately \$500,000. Presently, the primary method of biomass removal on sites located off of roadways is pile burning or hauling with vehicles. A tracked chipper will greatly assist in completing these treatments in more cost effective and expedited manner

In the event that El Dorado County Air Quality Management District graciously funds this piece of equipment, I authorize Chief Jeff Michael to sign a contract for the chipper on our behalf. We will be willing participants and use the equipment to reduce motor vehicle road emissions and smoke from burn piles in the Lake Tahoe Basin.

The Nevada Fire Safe Council is very committed to reducing the fuels in the Tahoe Basin to prevent a catastrophic wildfire and encourage a healthier forest. Should you have any questions regarding our commitment to this process, please contact me at your convenience.

Sincerely,



Andrew List, Executive Director
The Nevada Fire Safe Council

Post-it [®] Fax Note	7671	Date	3/17/08	# of pages
To	Martin	From	Sul	
Co./Dept.	LVFPD	Co.	CTZ	
Phone #		Phone #	542-5580	
Fax #	577-3739	Fax #		

March 12, 2008

El Dorado County Air Quality Management District
2850 Fairlane Court
Placerville, CA 95667

RE: Support for Track Brush Chipper

Dear EDCOAQMD,

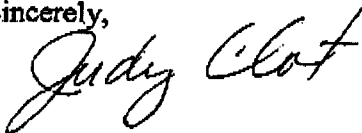
On behalf of the California Tahoe Conservancy, I hereby authorize Chief Jeff Michael of Lake Valley Fire Protection District (LVFPD) to apply for a grant committing our staff as in-kind assistance and partners for a grant application for a track brush chipper.

Our agency is very committed to reducing the fuels in the Tahoe Basin in an effort to prevent a catastrophic wildfire and encourage a healthier forest. Our only method of removing the off-road biomass currently is via burn piles or hauling the slash away with vehicles.

In the event that El Dorado County Air Quality Management District graciously funds this piece of equipment, I authorize Chief Jeff Michael to sign a contract for the chipper on our behalf. We will be willing participants and use the equipment to reduce motor vehicle road emissions and smoke from burn piles in the Lake Tahoe Basin.

We currently have matching funds of \$45,000 from the Conservancies forestry budget that will allow us to produce the biomass for this chipper.

Sincerely,



Forestry Program Coordinator
Tahoe Program Analyst II