

**FUNDING AGREEMENT NO. 036-CM-06/07-BOS  
WITH COBALT CRUSHING**

**This Agreement No. 036-CM-06/07-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 **COBALT CRUSHING**, (hereinafter referred to as "CONTRACTOR");

**WITNESSETH:**

**WHEREAS**, Pursuant to California Health and Safety Code §44220 et seq and §41082, the AQMD may undertake programs that include, but are not limited to, financial assistance or other incentives to fleet operators for the purchase, conversion, or operation of low-emission motor vehicles; and

**WHEREAS**, the California Air Resources Board (CARB), as an intended third party beneficiary, reserves the right to audit and enforce the terms of the Agreement at any time during the Agreement term

**WHEREAS**, "CONTRACTOR" represents that the purchase is NOT required by any local, state, and/or federal rule or regulation; and

**WHEREAS**, CONTRACTOR has proposed a Project that meets the requirements of the applicable criteria specified the September 30, 2003 Carl Moyer Program Guidelines; 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 Project set forth in the fully described Work Plan and Schedule 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. Work Plan and Schedule attached to this Agreement; and
3. To the September 30, 2003 Carl Moyer Program Guidelines, available for review on the California Air Resources Board website:

*<http://www.arb.ca.gov/msprog/moyer/2003cmpfinal.doc>*

## **2. PERIOD OF PERFORMANCE/TIMETABLE**

CONTRACTOR shall commence performance of work and produce all work products, and complete the Project per deadlines for performance, as identified in the Work Plan and Schedule attached to this Agreement, unless this Agreement is terminated sooner as provided for elsewhere in this Agreement.

CONTRACTOR shall submit annual reports as specified in the attached Work Plan and Schedule. 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. COMPENSATION

AQMD will pay the CONTRACTOR the sum of Thirty nine thousand, five hundred dollars (\$39,500) as follows:

CONTRACTOR shall obtain through other sources sufficient additional monies to fund the total cost of the Project as outlined in the attached Work Plan and Schedule. 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.

The total obligation of the AQMD under this Agreement SHALL NOT EXCEED **Thirty Nine Thousand, Five Hundred Dollars and 00/100 (\$39, 500)**.

A. **PAYMENTS:** The AQMD shall reimburse CONTRACTOR as specified in the attached Work Plan and Schedule, 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 Work Plan and Schedule attached hereto, AQMD will issue payment to CONTRACTOR within thirty (30) 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 3, 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.

#### **4. 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 as set forth in Exhibit B. 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.

#### **5. 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.

#### **6. 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 3, 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.

#### **7. 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.

#### **8. 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.

#### **9. 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 the September 30, 2003 Carl Moyer Program Guidelines 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 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 five (5) 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 Auditor General for a period of three (3) years after final payment under Agreement (Government Code Section 10532).

**10. 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 DISTRICT shall be in duplicate and addressed as follows:

**CONTRACTOR**

Cobalt Crushing  
16249 Buzzard Roost Rd.  
Oak Run, CA 96069  
Att : Lee Hall  
President

**DISTRICT**

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

**11. 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.

**12. 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.

**13. 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.

**14. 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.

**15. 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.

**16. AGREEMENT ADMINISTRATOR**

The COUNTY Officer or employee with responsibility for administration of this Agreement is Marcella McTaggart, Air Pollution Control Officer.

**17. 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.

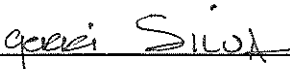
**18. PARTIAL INVALIDITY**

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.

**REQUESTING DEPARTMENT CONCURRENCE:**

By:  Dated: 4-9-07

**Marcella McTaggart  
Air Pollution Control Officer**

By:  Dated: April 10, 2007

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

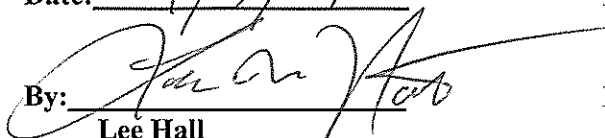
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first herein above written.

**CONTRACTOR**  
**COBALT CRUSHING**

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

Date: 4/9/07

Date: \_\_\_\_\_

By:   
Lee Hall  
President

By: \_\_\_\_\_  
Helen Baumann,  
Chairman

Attest:  
Cindy Keck,  
Clerk of the Board

Date: \_\_\_\_\_

By: \_\_\_\_\_

**EXHIBIT A**  
**WORK PLAN AND SCHEDULE**

## Exhibit A

# WORK PLAN AND SCHEDULE

## FOR COBALT CRUSHING FOR FUNDING TO REPOWER CAT 235C EXCAVATOR

The Carl Moyer Heavy-Duty Low Emission Incentive Program encourages the purchase of new, lower emission technologies. The intent is to offset 100% of the incremental cost of the low-emission technology, subject to program constraints. The technology must be certified for sale for operation in California and meet the cost-effectiveness limit of \$13,600 per ton of NOx reduced and show at least a 15% reduction of NOx emissions for retrofit and repower projects, as per requirements detailed in CARB's 2003 Carl Moyer Program Guidelines.

COBALT CRUSHING has submitted the attached "Carl Moyer Memorial Air Standards Attainment Program" Off-Road Equipment Project Application (Application) seeking incentive funds to repower an existing 1989 Caterpillar excavator engine with a newer, cleaner 2002 Caterpillar engine. The funding amount was determined using the CARB approved incremental cost-effectiveness worksheet. The engine meets all the eligibility requirements as described in CARB's 2003 Carl Moyer Program Guidelines, dated September 30, 2003. COBALT CRUSHING agrees to operate the excavator within AQMD for a minimum of five years and shall destroy, or show proof of destruction for, the engine being replaced.

### TASK 1. PROVIDE ORIGINAL SIGNED INVOICES

The contractor must invoice the AQMD **prior to June 1, 2007**, for up to 10% of the incentive funding upon placement of order for the new lower emission engine as specified in the attached Application. The Contractor must invoice the AQMD for the remainder of incentive funding **within 60 days** upon delivery and acceptance of a new lower emission engine as verified by AQMD staff. The contractor shall provide the AQMD with original signed invoices containing:

- Contractor's name, address
- Contractor's federal tax identification number
- The contract number and amount
- Engine serial number

### TASK 2. REPLACEMENT OF ENGINE

Upon execution of the contract by both parties the contractor shall:

- Complete the repower of a Caterpillar, 235 HP, Year 1989, Model 3306, Serial #9Y0032 excavator diesel engine with a newer, cleaner burning Caterpillar, 235 HP, Year 2002, Model 3306 engine.
- Be financially obligated for the purchase of a new lower emission engine.
- All work must be completed by **December 31, 2007**.

### TASK 3. REPORTING

Contractor shall prepare and submit the following reports documenting this project:

- Annual written reports for at least five years from the beginning of engine operation, which include:
  - ✓ Reference to AQMD Agreement Number
  - ✓ Written reports for **five years** from the beginning of engine operation on an annual basis for the proceeding year that includes location of engine, hours of operation, downtime, and type and cost of maintenance performed.
  - ✓ Reports must be submitted to the AQMD prior to June 30 of each year, starting with June 30, 2008.

235 ME

EXCAVATOR

Seq # 03 W 600156

**Carl Moyer Memorial Air Standards Attainment Program  
OFF-ROAD EQUIPMENT PROJECT  
APPLICATION**

CM  
06-22

This application is for incentive funds for the purchase of new, reduced-emission off-road equipment, equipment repowers, and/or engine retrofits.

Please provide the following information regarding your proposed purchase and application. Additional information may be requested during the review process if needed. Applicant acknowledges that award of cash incentive is conditional upon approval of the District and must meet the minimum eligibility criteria.

Within ten working days of submission, you will either be notified that your application is complete, or provided with a list of deficiencies. Completed applications fulfilling the criteria will be approved within 60 working days of receipt. If you have any questions regarding the application process, please contact:

Stewart Wilson  
530-748-7727  
stew@capcoa.org

**CHECK LIST FOR APPLICATION ITEMS**

Be sure the following items are included with your application submittal. Check each applicable box below to indicate inclusion of material.

- Completed Applicant Information Form
- Letter of Agreement from Fuel Provider (if applicable)
- Co-funding Information (if applicable)
- Other \_\_\_\_\_

RECEIVED

MAR 22 2007

AQMD



Caterpillar Inc.

Marketing & Product Support Division  
P.O. Box 610  
Mossville, Illinois 61552-0610

January 23, 2007

Re: Cat<sup>®</sup> 235C Excavator Repower Recommendation

Caterpillar<sup>®</sup> recommends a specific Cat 3306B Tier 1 level replacement engine for the unregulated engine originally included in the 235C Excavator.

Caterpillar is investigating Tier 3 repower options for our existing fleet of off-road equipment. Tier 3 engine systems are now available on a limited basis as repower options for unregulated equipment. Caterpillar prioritizes our Tier 3 emissions repower development projects based on the greatest opportunity for emissions reductions, which is based on an existing machine's field population that is likely to be repowered. Our ACERT Tier 3 engines were designed with new machine production in mind, not for repowering the existing legacy fleet. When designing repower options, it is Caterpillar's philosophy to meet and exceed operator safety standards, emissions reductions and performance characteristics of the original engine.

Caterpillar's product demand for emissions solutions is increasing with frequent regulation implementation. Given limited engineering resources and other, higher priority, emissions repower development projects, it would be cost prohibitive to transfer our resources to the investigation of a Tier 3 solution for the 235C at this time.

Regards,

Glenn M. Luksik  
Regulations and Funding Consultant  
Caterpillar Emissions Solutions  
Tel: 1-309-578-7552

RECEIVED

MAR 22 2007

AQMD

**CHECK LIST FOR ELIGIBILITY CRITERIA**

**Please check each applicable box to indicate eligibility of proposed off-road equipment technology.**

The off-road equipment is 50 horsepower or greater.

The reduced-emission engine/technology:

- is certified for sale in California, or
  - is under experimental permit for operation in California,
- and**


- A. For new equipment purchase projects:
  - is certified to ARB NOx, or NOx+NMHC, emission credit standard that is at least 30 percent lower than the existing NOx, or NOx+NMHC, emission standard.
- B. For equipment repower projects:
  - is certified to the current emission standards, or, if that is not feasible as determined by district and ARB staff, to a NOx emission level of 6.9 g/bhp-hr, or lower, if replacing an uncontrolled engine, or
  - is certified to ARB NOx, or NOx+NMHC, emission credit standard that is at least 15 percent lower than the NOx, or NOx+NMHC, emission level of the engine being replaced if replacing an emission-certified-engine.
- C. For retrofit kit or add-on equipment projects:
  - the retrofit kit must be verified to reduce NOx emissions to 6.9 g/bhp-hr, or lower, when used to retrofit an eligible uncontrolled engine, or shows at least a 15 percent reduction of NOx, or NOx+NMHC, emissions when used to retrofit eligible emission-certified engines, and no increase in particulate matter emissions, compared to the applicable standards or emission levels for that engine year and type of application through:
    - ARB certification testing, or
    - U.S. EPA certification testing, or
    - Emission testing at a laboratory approved by the U.S. EPA
    - or the ARB.
  - The retrofit technology is warranted by retrofit manufacturer and/or authorized dealer.
- D. The purchase is not required by any local, state, or federal rule or regulation, or used to comply with any such rule or regulation.
- E. The purchase is not required by any local, state, or federal MOU or MOA.
- F. The amount of emission reduction is not required by any local, state, or federal MOU or MOA.
- G. Seventy-five percent or more of the equipment fuel consumption or hours of operation will be within California, for at least five (5) years from the date the equipment is placed into service with the new technology.



## OFF-ROAD EQUIPMENT APPLICATION

<b>A. APPLICANT INFORMATION:</b>		
Organization/Company Name: <i>COBALT CRUSHING</i>		
Business Type: <i>Mining / Aggregates</i>		
Project Name: <i>-</i>		
Contact Name: <i>Lee Hall</i>		
Person with contract signing authority: <i>Lee Hall</i>		
Street/mailling address: <i>16249 Buzzard Roost Rd.</i>		
City: <i>oak run</i>	State: <i>GA</i>	Zip code: <i>96069</i>
Phone: <i>(530) 472-3860</i>	Fax: <i>(530) 472-3970</i>	
E-mail: <i>cobalt@c-zone.net</i>		
Geographic area served by organization:		
Geographic area to be served by equipment (if different than above): <i>EL DORADO Co.</i>		
Number of heavy-duty equipment in fleet: <i>10 units</i>		

I hereby certify that all information provided in this application and any attachments are true and correct.

Printed Name of Responsible Party: <i>Lee Hall</i>	Title: <i>President</i>
Signature of Responsible Party: 	Date: <i>1/16/07</i>

**NEW OFF-ROAD EQUIPMENT PURCHASE APPLICATION SECTION**

<b>B. GENERAL INFORMATION ABOUT EACH NEW OFF-ROAD EQUIPMENT</b>	
1. Number of equipment purchased:	
2. Fuel type:	<i>DIESEL</i>
3. Primary function of equipment (e.g., construction: earth mover; agriculture: tractor):	
4. Estimated total annual hours of operation: Or,	
5. Estimated annual fuel consumption (in gallons) for each equipment:	
6. Percent within district boundaries:	
7. Is there any seasonality to the use of the equipment? YES/NO If Yes, please explain:	

<b>NEW REDUCED-EMISSION EQUIPMENT</b>	
8. Equipment make:	
9. Equipment model:	
10. Model year:	
11. Engine make:	
12. Engine model number:	
13. Fuel Type:	
14. Horsepower:	
15. Certified NOx, or NOx+NMHC, Emission Standard:	
16. Certified PM Emission Standard:	
17. Estimated equipment life:	
18. Estimated replacement schedule:	
19. Cost of new off-road equipment that meets current emission NOx, or NOx+NMHC, standard:	
20. Cost of new off-road equipment that meets ARB optional NOx, or NOx+NMHC, standard for off-road engines ( $\leq 4.0$ g/bhp-hr):	
21. Differential cost of project:	

**Please check one:**

- New reduced-emission engine is certified to ARB optional NO<sub>x</sub>, or NO<sub>x</sub>+NMHC, standard that is at least 30 percent lower than the existing NO<sub>x</sub>, or NO<sub>x</sub>+NMHC, standard.
- New reduced-emission engine is not certified to ARB optional NO<sub>x</sub>, or NO<sub>x</sub>+NMHC, standard that is at least 30 percent lower than the existing NO<sub>x</sub>, or NO<sub>x</sub>+NMHC, standard.

**C. GENERAL INFORMATION ABOUT THE MANUFACTURER/DEALER**

Complete the appropriate information, then go to Section F.

NEW OFF-ROAD EQUIPMENT WITH A NEW REDUCED-EMISSION ENGINE	
Manufacture/Dealer:	
Street address:	
City:	State:
Phone: (    )	Fax: (    )
Contact name:	

## OFF-ROAD EQUIPMENT REPOWER/RETROFIT APPLICATION SECTION

**Please check one:**

- Re-powering an off-road equipment with a new reduced-emission engine  
 Retrofitting an off-road equipment with a new reduced-emission technology

D. GENERAL INFORMATION ABOUT EACH ENGINE FOR REPOWER OR RETROFIT	
1. Number of engines to be purchased/retrofitted:	ONE
2. Fuel type:	DIESEL
3. Primary function of each equipment (e.g., construction: earth mover; agriculture: tractor):	MINING
4. Estimated total annual hours of operation:	1200 / yr
5. Or, estimated annual fuel consumption (in gallons) for each vehicle:	
6. Percent within district boundaries:	100% EL DORADO & ALL NO COUNTIES
7. Is there any seasonality to the use of the vehicle? <u>YES/NO</u> . If Yes, please explain:	Weather Conditions... 9 mos working/yr

CURRENT EQUIPMENT/ENGINE	NEW REDUCED-EMISSION ENGINE/RETROFIT
8. Equipment make/model: 235C	Equipment make/model: Same as current
9. Model year: 1989	Model year: 2002 Same as current
10. Engine make: CAT	Engine make: CAT
11. Engine model number: 3306	Engine model number: 3306
12. Serial number of engine: 9Y0032	Serial number of engine:
13. Horsepower: 250	Horsepower: 250
14. Fuel Type: Diesel	Fuel Type: Diesel
15. Average equipment life: 10,000.	Estimated remaining equipment life:
16. Typical rebuild/replacement schedule: 10,000.	Estimated rebuild/replacement schedule: 10,000 hrs
17. Cost of replacing or rebuilding engine:	Certified PM emission Standard: .120
18. Cost of replacing or rebuilding engine with low-emission technology: \$8500.	Cost of replacing or rebuilding engine with low emission technology: \$48,000.
19. NOx, or NOx+NMHC, Emission Standard: 7.60	Certified NOx, or NOx+NMHC, Emission Standard: 5.93
20. PM emission Standard: .274	.120

**OFF-ROAD EQUIPMENT REPOWER/RETROFIT APPLICATION SECTION**  
(continued)

**Please check one:**

- Re-power of uncontrolled engine—the new replacement engine is certified to the current emission standards, or, if not feasible, as determined by district and ARB staff, to a NOx level of 6.9 g/bhp-hr, or less.
- Re-power of emission-certified engine—the new replacement engine is certified to ARB NOx, or NOx+NMHC, standard that is at least 15 percent lower than the NOx, or NOx+NMHC, emission level of the engine being replaced.
- Retrofitted engine verified to reduce NOx emissions to 6.9 g/bhp-hr, or lower, when used to retrofit an eligible uncontrolled engine, or reduce NOx emissions by at least 15 percent when used to retrofit eligible emission-certified engines at least 15 percent emission reductions from baseline engine NOx, or NOx+NMHC, emission levels).
- Re-power or retrofit engine does not achieve the required NOx emission reductions.

Complete the appropriate information, then go to Section F.

<b>E. GENERAL INFORMATION ABOUT THE INSTALLER</b>
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<b>REDUCED-EMISSION OFF-ROAD EQUIPMENT FOR REPOWER (replacement)</b>	
Engine installer: <i>Peterson TRACTOR Company</i>	
Street address: <i>5100 CATERPILLAR ROAD</i>	
City: <i>Redding</i>	State: <i>CA.</i>
Phone: <i>(530) 243-5410</i>	Fax: <i>(530) 243-8767</i>
Contact name: <i>ED WORKMAN</i>	

**OR**

<b>RETROFIT TECHNOLOGY</b>	
Retrofit manufacturer:	
Retrofit Installer:	
Installer street address:	
City:	State:
Phone: (    )	Fax: (    )
Contact name:	Retrofit kit number:
Description of retrofit technology:	

All applicants must complete this section.

**F. OTHER INFORMATION**

<b>MAINTENANCE</b>
Describe your maintenance facility and practices, including any training regarding the low-emission technology. If the training has not been completed, provide a time line for completion. <i>We do Annual MAINTENANCE &amp; TUNE-UP OR 150 HRS MINIMUM</i>

<b>REFUELING (for alternative fuels)</b>
Describe how and where the vehicle will be refueled (e.g. on-site, existing facility, mobile/skid mounted equipment, etc.) Attach written verification of access to refueling facility. <i>NONE</i>

# Emissions Reduction Analysis

**Customer:** Colbalt Crushing  
**Make:** Caterpillar  
**Model:** 235C  
**Serial #:** 3WG00156  
**Equip. #**

**Project Life:** 5  
**Capitol Recovery Factor:** 0.225

## Baseline Technology Information

**Engine:** 1989 3306  
**Horsepower:** 250  
**Hours Of Operation:** 1600  
**Load Factor:** 0.57  
**Cost Of Rebuild:** \$8,500.00

## Reduced Technology Information

**Engine:** 2002  
**Horsepower:** 250  
**Hours Of Operation:** 1600  
**Load Factor:** 0.57  
**Cost Of Repower:** \$48,000.00

## Baseline Emission Factors

**NOx g/bhp-hr:** 7.60  
**ROG g/bhp-hr:** 0.82  
**PM10 g/bhp-hr:** 0.274

## Reduced Technology Emission Factors

**NOx g/bhp-hr:** 5.93  
**ROG g/bhp-hr:** 0.38  
**PM10 g/bhp-hr:** 0.120

## NOx Emission Reduction Analysis

Baseline NOx	HP	LF	hrs/yr	g/ton	tons/yr
7.60	250	0.57	1600	<b>907200</b>	1.91
Reduced NOx	HP	LF	hrs/yr	g/ton	tons/yr
5.93	250	0.57	1600	<b>907200</b>	1.49

## ROG Emission Reduction Analysis

Baseline ROG	HP	LF	hrs/yr	g/ton	tons/yr
0.82	250	0.57	1600	<b>907200</b>	0.21
Reduced ROG	HP	LF	hrs/yr	g/ton	tons/yr
0.38	250	0.57	1600	<b>907200</b>	0.10

## PM10 Emission Reduction Analysis

Baseline PM10	HP	LF	hrs/yr	g/ton	tons/yr
0.274	250	0.57	1600	<b>907200</b>	0.069
Reduced PM10	HP	LF	hrs/yr	g/ton	tons/yr
0.120	250	0.57	1600	<b>907200</b>	0.030

## Annual Surplus Emission Reductions By Pollutant

**Emission Benefits NOx:** 0.42  
**Emission Benefits ROG:** 0.11  
**Emission Benefits PM10:** 0.039

## Annual Weighted Surplus Emission Reductions

NOx tons/yr +	ROG tons/yr +	(PM10 tons/yr X 10) =	Total Weighted tons/yr
0.42	0.11	0.387	0.92

## Annualized Cost

Project Life =	Capitol Recovery Factor *	Incremental Cost =	Annualized Cost
5	0.225	\$39,500.00	\$8,887.50

## Cost-Effectiveness Of Weighted Surplus Emission Reductions (\$/ton)

Annualized Cost /	Total Weighted tons/yr =	Cost Per Ton
\$8,887.50	0.92	\$9,688.46







**EXHIBIT B**

**ALLOCATION AND GRANT DISPENSEMENT REQUEST**



Linda S. Adams  
Secretary for  
Environmental Protection

## Air Resources Board

Robert F. Sawyer, Ph.D., Chair  
1001 I Street • P.O. Box 2815  
Sacramento, California 95812 • [www.arb.ca.gov](http://www.arb.ca.gov)



Arnold Schwarzenegger  
Governor

April 2, 2007

Ms. Marcella McTaggart, APCO  
El Dorado County APCD  
2850 Fairlane Court, Building C  
Placerville, California 95667-4100

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APR 02 2007

AQMD

Dear Ms. McTaggart:

The California Air Pollution Control Officers Association (CAPCOA) has completed its review of project applications to the Pooled Rural District Moyer Fund. The Air Resources Board (ARB) is pleased to announce that your district has been selected to receive \$39,500 from this funding source. These funds are to be used for the project selected by CAPCOA which is listed on the attached spreadsheet.

A Grant Disbursement Request form is enclosed for you to submit when you are ready to request your disbursement of funds from the Pooled Rural District Fund. Please sign and date the form and submit it with a district board resolution indicating acceptance of these funds to:

Ms. Elise Keddie  
California Air Resources Board  
Mobile Source Control Division  
P.O. Box 2815  
Sacramento, California 95812

Disbursement requests must be received by ARB no later than May 21, 2007 to ensure timely processing.

*The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website:*  
<http://www.arb.ca.gov>.

California Environmental Protection Agency

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Ms. Marcella McTaggart  
April 2, 2007  
Page 2

Thank you for participating in the Rural District Moyer Fund and for your commitment to clean air. If you have any questions or comments, please call Ms. Elise Keddie, Air Pollution Specialist, at (916) 323-8974 or email at [ekeddie@arb.ca.gov](mailto:ekeddie@arb.ca.gov). Or, you may contact Ms. Edie Chang, Carl Moyer Off-Road Section Manager, at (916) 322-6924 or email at [echang@arb.ca.gov](mailto:echang@arb.ca.gov).

Sincerely,

*RJM for JKB*

Jack Kitowski, Chief  
On-Road Controls Branch  
Mobile Source Control Division

Enclosures

cc: Ms. Laura Brunkhorst, Manager  
Accounts and Grants Section  
Administrative Services Division

Ms. Edie Chang, Manager  
Carl Moyer Off-Road Section

Ms. Elise Keddie  
Air Pollution Specialist  
Carl Moyer Off-Road Section

**Attachment A**

**Carl Moyer Memorial Air Quality Standards Attainment Program  
Pooled Rural District Moyer Fund**

**El Dorado County Air Pollution Control District Project**

<b>Applicant</b>	<b>Project Type</b>
Cobalt Crushing	Excavator repower

Pooled Rural District Fund allocation: \$39,500

**Attachment B**

**Carl Moyer Memorial Air Quality Standards Attainment Program  
GRANT DISBURSEMENT REQUEST  
Pooled Rural District Moyer Fund**

<b>Carl Moyer Program Funding by Category</b>	<b>Amount of Funds</b>
Total Grant Award for Projects	\$39,500.00
Total Grant Award for Administration	\$0.00
Total Funds Request	\$39,500.00

I certify to the best of my knowledge and belief that the information contained in this grant disbursement request, including the amount of project funding obligated, is correct and complete and is in accordance with the grant. In addition, I hereby authorize the Air Resources Board to make any inquiries to confirm this information.

**District: El Dorado County APCD**

\_\_\_\_\_  
**Signature of Authorized Official**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_