



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



Arnold Schwarzenegger
Governor

May 8, 2007

El Dorado County, Department of Transportation
2850 Fairlane Court
Placerville, CA 95667

Dear Dennis Milligin:

Congratulations, the El Dorado County, Department of Transportation has been awarded a grant in the amount of \$ 823,766 for the purchase of low-polluting construction equipment from the California Air Resources Board (ARB). This package includes all the items necessary to accept the award, the provisions for accepting the grant, and the necessary forms and checklist for requesting disbursements of the grant funds. These are described further as follows:

1. Grant Award and Authorization (2 copies) - This document authorizes the ARB to obligate funds to your agency. There are two original copies of this document, one for your agency's records and one to be returned to the ARB. Both copies and must be signed by the authorizing official and one copy returned to the ARB absolutely no later than 5 PM June 30, 2007 (no postmarks, originals only) at the following address:

Ms. Stacey Dorais
Mobile Source Control Division
Air Resources Board
1001 I Street
Sacramento, CA 95812

2. Grant Award Agreement - This document describes the provisions for accepting the grant funds including the requirements for equipment specification, timeline for completing projects, monitoring and reporting, and other provisions. The Appendix of this Agreement includes all the equipment selected for grant funding and the maximum reimbursement amount for each piece of equipment. Please take careful note of the equipment specifications. ARB will not reimburse for projects that do not meet the specifications.
3. Grant Disbursement Request - This grant program is a reimbursement program. After the low polluting construction equipment has been purchased and the agency has taken possession of the equipment, a completed Grant Disbursement Request and all the necessary documentation detailed in both the

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

Dennis Milligin
May 8, 2007
Page 2

Grant Award Agreement and the Grant Disbursement Request instructions are needed in order for ARB to disburse the grant funds. ARB or its designee may conduct an inspection of the new engine or equipment prior to authorization of the disbursement.

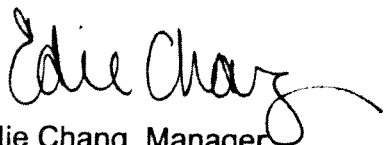
We have scheduled a mandatory grantee conference call to ensure that all agencies are aware of the reporting and auditing provisions of the Grant Award Agreement as well as the requirements for grant disbursement. ARB will not process grants for agencies that do not participate in a grantee conference call. We strongly recommend that staff who will be responsible for the tasks described above participate on the call. Please respond to Mr. Shane Trimmer at strimmer@arb.ca.gov or by phone at (916) 323-2589 by 5:00 PM Friday May 18, 2007 with your preferred conference call. The conference call details are given below, please choose one:

Conference Call 1: Tuesday May 22, 2007
9:30 to 10:30 AM
Conference call number: (888) 560-8502
Passcode: 44989

Conference Call 2: Wednesday May 23, 2007
1:30 to 2:30 PM
Conference call number: (888) 560-8502
Passcode: 44989

If you have questions or need further clarification, please contact Ms. Johanna Levine at (916) 324-6971 or at jlevine@arb.ca.gov. We look forward to working with you and your agency in the months to come.

Sincerely,



Edie Chang, Manager
Carl Moyer Off-Road Section

Attachments:
Grant Award and Authorization
Grant Award Agreement
Grant Disbursement Request

Grant Award Agreement

General

The Grantee understands and agrees that, although Grantee is being awarded a Grant, such Grant is not being issued without conditions, and Grantee's receipt and continued possession of the Grant is contingent on Grantee meeting all the requirements specified in this Grant Award Agreement (Agreement). Grantee's failure to meet the terms, conditions, and requirements of this Agreement throughout the term of this Agreement shall result in forfeiture and return to ARB of a pro-rated portion of the awarded Grant, as specified in this Agreement, as well as other remedies that may apply under California law.

Equipment Requirements

- For purposes of this Agreement, "equipment" shall include engines, equipment, and retrofits, and includes the singular and plural.
- All "equipment" purchased under this Agreement shall be ARB certified or ARB verified and meet the most stringent oxides of nitrogen (NOx), particulate matter (PM) and reactive organic gas (ROG) or non-methane hydrocarbon (NMHC) standards and requirements applicable at the time the Grant is executed.
- The new "equipment" must not have been purchased by Grantee prior to the date of execution of the Agreement.
- For engine or equipment replacements, the engine or equipment to be replaced must be scrapped within 90 days after being replaced. For purposes of this Agreement, "scrapped" means destroying or rendering the "equipment" useless either by punching a hole in the engine block, and/or cutting the structural components of the equipment, or some other manner acceptable to ARB. The engine and/or equipment to be replaced shall either be scrapped by Grantee, or Grantee may transfer the engine and/or equipment to another agency which must in turn scrap an equivalent piece of engine and/or equipment approved by ARB. Documentation of the destruction of the engine and/or equipment that was replaced (i.e. photos, receipts, etc.) must be provided to the ARB or its designee within 10 days of the engine's and/or equipment's destruction.
- Grantee shall operate all new or retrofitted "equipment" purchased under this Agreement for the project life's duration and for the estimated number of hours specified in this Agreement. Grantee shall operate all such new or retrofitted "equipment" solely within California during the estimated number of hours specified in the Appendix, and such estimated hours shall not include maintenance or testing of the "equipment".