

**THIRD AMENDMENT TO FUNDING AGREEMENT NO. 013-DMV-05/06-11
WITH THE EL DORADO COUNTY DEPARTMENT OF TRANSPORTATION**

This Third Amendment to Agreement No. 013-DMV-05/06-11 made and entered into the 25th day of October, 2005, and the First Amendment made and entered into the 26th day of September, 2006, and the Second Amendment made and entered into the 29th day of April, 2008 by and between the **EL DORADO COUNTY AIR QUALITY MANAGEMENT DISTRICT**, a county Air Quality Management District formed pursuant to California Health and Safety Code section 40100, et seq. (hereinafter referred to as "AQMD"); and the **EL DORADO COUNTY DEPARTMENT OF TRANSPORTATION**, a political subdivision of the State of California (hereinafter referred to as "COUNTY") hereby amends the Agreement to read as follows;

1. PROJECT

The project description shall be amended to include the attached "Amendment III to the Proposal for the Diesel Fleet Retrofits," marked Exhibit "A" incorporated herein and made by reference a part hereof.

2. PERIOD OF PERFORMANCE/TIMETABLE

Shall be amended to extend the time within which to complete the **Diesel Fleet Retrofits** for fourteen (14) additional months, expiring on December 31, 2010.

All other sections of the Agreement dated the 25th day of October, 2005, the First Amendment dated the 26th day of September, 2006, and the Second Amendment dated the 29th day of April, 2008 shall remain unchanged and in full force.

CONTRACT ADMINISTRATOR CONCURRENCE:

By: Marcella McTaggart Dated: 08-28-2009

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

REQUESTING DEPARTMENT CONCURRENCE:

By: Gerri Silva Dated: September 2, 2009

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

By: Marcella McTaggart Dated: 08-28-2009

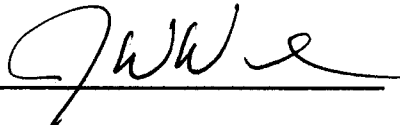
Marcella McTaggart
Air Pollution Control Officer
El Dorado County Air Quality Management District

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

COUNTY

EL DORADO COUNTY
DEPARTMENT OF
TRANSPORTATION

Date: 9/15/09

By: 

James W. Ware
Director of Transportation

AQMD

EL DORADO COUNTY
AIR QUALITY MANAGEMENT
DISTRICT

Date: _____

By: _____

Ron Briggs
Chairman

Attest:
Suzanne Allen de Sanchez
Clerk of the Board

Date: _____

By: _____

EXHIBIT "A"

Amendment III to the Proposal for the Diesel Fleet Retrofits

Amendment III to Proposal for the Diesel Fleet Retrofits

Motor Vehicle Emission Reduction Project

This Amendment III is to the **Diesel Fleet Retrofits** proposal submitted by the El Dorado County Department of Transportation to reduce diesel emissions through the installation and proper use of pollution control technologies retrofitted on thirty-two (32) vehicles in the heavy equipment fleet.

The El Dorado County Air Quality Management District (EDCAQMD) agreed to provide funding in the amount of \$487,076 under Agreement No. 013-DMV-05/06-11 for the Diesel Fleet Retrofits emissions reduction project, based on the proposal submitted by the El Dorado County Department of Transportation in June of 2005.

The Diesel Fleet Retrofits proposal was prepared using the most current information available at the time; however, emission control technology has not developed as industry experts had predicted.

Amendment I to the proposal was executed on September 26, 2006 and included the following changes:

1. addition of the Cleaire Horizon as an emission control device eligible to meet the project objectives;
2. addition of spare filters and a filter cleaning device required for effective use of the Horizon device;
3. addition of one (1) unit of equipment to the project scope; and
4. extension of the term through October 24, 2008.

Amendment II to the proposal was executed on April 29, 2008 and included the following changes:

1. addition of the Huss Umwelttechnik FS-MK series device as an emission control device eligible to meet the project objectives;
2. addition of spare filters for the Cleaire Longview and Huss devices;
3. addition of two (2) new vehicles to the project scope; and
4. elimination of seven (7) vehicles from the project scope based on lack of cost effective technology available for these vehicles.
5. extension of term through October 24, 2009

Amendment III to the proposal is to include the following changes:

1. addition of two (2) vehicles (#25-11 and #25-12) that were eliminated in Amendment II
2. extension of the term through December 31, 2010.

The Diesel Fleet Retrofits proposal is amended as follows:

Project Description

The funding under the amended project budget will allow the Department to retrofit a total of thirty-two (32), instead of the originally approved thirty-four (34) diesel powered on-road vehicles. As detailed on the attached schedule marked "Exhibit D – Amendment III – Project Budget (Revised 08-26-2009)," five (5) units of equipment have been eliminated from the original proposal due to unavailability of economically feasible verified technology from the California Air Resources Board (CARB). The year and use of this equipment would require the installation of two devices on each unit of equipment resulting in a cost that is twice the original estimate. One (1) existing vehicle was added with Amendment I and two (2) new vehicles were added with Amendment II, which have been purchased since the original proposal was submitted, and added to the retrofits list.

Project Organization/Background

Based on the criteria established for the project, the emission control devices selected are the Cleaire Longview, the Cleaire Horizon and the Huss FS-MK Series emission control devices. The Cleaire Horizon and the Huss FS-MK Series devices both reduce PM10 while the Cleaire Longview system reduces both PM10 and NOX. The Cleaire Longview device is effective when used with engines manufactured between 1994 and 2002 and some non-EGR motors through 2006. The Cleaire Horizon device and the Huss FS-MK Series devices are effective when used with engines manufactured in 2006 or earlier. The Cleaire Longview device and the Huss FS-MK Series device do not require the equipment to be out of service during the cleaning cycle. The Cleaire Horizon device requires cleaning through the use of electricity or a cleaning unit. It is only feasible to use the Cleaire Horizon device on equipment that may be taken out of service for five (5) hours at a time to allow for the cleaning cycle. The cleaning unit for the Horizon device and spare filters for all three types of devices have been added to the Diesel Fleet Retrofits proposal.

Emission Benefits/Cost Effectiveness

As shown on "Exhibit D – Amendment III – Project Budget (Revised 08-26-2009)," a total of thirty-two (32) on-road diesel fueled vehicles will be modified to reduce NOx and PM10, and two cleaning units for use with the Cleaire Horizon device and spare filters for all devices will be purchased. The El Dorado County Air Quality Management District funding dollars of \$487,076 will remain the same and the Road Fund matching funds will remain the same at \$162,358. The reduction of NOx and PM10 has been reduced from the original proposal primarily due to the elimination of five (5) vehicles with high baseline pollution rates and significant reduction in pollutants with the application of the filtering devices. The five (5) vehicles have been eliminated from the proposal because the technology to retrofit them would be too costly to warrant the investment in aging equipment. The revised project (32 vehicles total) could potentially result in NOx emissions reductions of 1,235 pounds per year, and PM10 emissions reductions of 376.62 pounds per year, with a revised cost effectiveness of funding dollars per pound of \$32.00 (up from \$30.83 after Amendment II to the proposal).

Amended Work Statement

As of the date of this letter, thirty (30) vehicles have been retrofitted: twelve (12) units with the Longview device, ten (10) units with the Horizon device, and eight (8) units with the Huss device. The following Amended Work Statement provides the time frame for completing the retrofit project for the remaining two (2) units (2004 International Dump Trucks, Equipment ID 25-11 and 25-12), will be retrofitted as soon as a CARB verified Level 3 device is available, which will be no later than December 31, 2010.

Funding Request/Breakdown of Cost

The attached schedule titled "Exhibit D – Amendment III – Project Budget (Revised 08-26-2009)" provides a list of thirty-two (32) units of on-road diesel fueled equipment that are eligible for the emissions reduction retrofit. The original proposal contained thirty-four (34) vehicles; one (1) vehicle was added with Amendment I; two (2) vehicles were added and seven (7) vehicles were removed with Amendment II. This Amendment III adds back two (2) vehicles that were eliminated with Amendment II, since economically feasible retrofit technology is expected to be verified by CARB in the near future. The total cost under the amended proposal remains the same at \$649,434, with \$487,076 in AB2766 DMV Surcharge funds being used and the match of \$162,358 being provided by the Road Fund. The unit cost for each retrofit device is provided in "Exhibit D – Amendment III – Project Budget (Revised 08-26-2009)." Actual unit costs are effective as of the date of this Amendment III. The contribution of \$487,076 in AB2766 DMV Surcharge funds from the EDCAQMD will remain the same regardless of changes in unit costs.

EXHIBIT "D"

Amendment III to the Proposal for the Diesel Fleet Retrofits

