

Funding Agricultural Replacement Measures for Emission Reductions (FARMER)



Shared Allocation Pool Master Agreement

Placer APCD Contract Number: **SCN#####**
PCAPCD Board Resolution: **22-03**
El Dorado County Contract Number: **6602**
DISTRICT Board Resolution: **#####**
Contract Description: **FARMER SAP District Master Agreement**

El Dorado County Air Quality Management District:

Dave Johnston
Air Pollution Control Officer

Date: _____

Placer County Air Pollution Control District:

Erik C. White
Air Pollution Control Officer

Date: _____

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FUNDING AGRICULTURAL REPLACEMENT MEASURES FOR EMISSION REDUCTIONS
SHARED ALLOCATION POOL

MASTER AGREEMENT

This AGREEMENT is between the Placer County Air Pollution Control District (hereinafter "PCAPCD") and El Dorado County Air Quality Management District (hereinafter "DISTRICT").

I. PREFACE

California's agricultural industry consists of approximately 77,500 farms and ranches, providing over 400 different commodities, making agriculture one of the State's most diverse industries. Producers, custom operators, first processors, and rental companies own and operate approximately 160,000 pieces of off-road, diesel-fueled, mobile agricultural equipment statewide, in addition to stationary equipment, and on-road vehicles used in agricultural operations. Even with increasingly stringent emission standards on engine manufacturers, emissions from these vehicles and equipment are a significant source of air pollution. Reducing these emissions is necessary to meet federal ozone and particulate matter air quality standards.

In recognition of the strong need and this industry's dedication to reducing their emissions, the State Legislature allocated \$135 million to the California Air Resources Board (CARB) from Fiscal Year (FY) 2017-18 through Assembly Bill (AB) 134 (Committee on Budget, Chapter 254, Statutes of 2017) and AB 109 (Ting, Chapter 249, Statutes of 2017). The Legislature directed the use of the monies to "reduce agricultural sector emissions by providing grants, rebates, and other financial incentives for agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations." CARB staff has developed the Funding Agricultural Reduction Measures for Emission Reductions (FARMER) Program to meet the Legislature's objectives and help meet the State's criteria, toxic and greenhouse gas (GHG) emission reduction goals.

Funding for the FARMER Program is dependent on the State Legislature's annual budget and may vary from year to year.

The Shared Allocation Pool (SAP) is specifically designated for the Air Quality Management and Air Pollution Control Districts (districts) contributing to less than one percent (1%) of the statewide agricultural equipment emissions inventory, to ensure farmers in those districts have the opportunity to access FARMER funding and to streamline the implementation of the FARMER Program.

The SAP is managed by the PCAPCD in accordance with the grant provisions outlined in the agreement between CARB and PCAPCD. It should be noted that while PCAPCD will act as the overseer of this program, CARB may terminate this grant upon thirty days' written notice to PCAPCD. CARB also reserves the right to audit PCAPCD at any time throughout the duration of this grant.

A. Purpose of this Master Agreement

This Master Agreement does not replace the FARMER or Moyer Guidelines but is intended to provide direction and procedures for the SAP's implementation of the FARMER program. DISTRICT staff should reference the Moyer/FARMER Guidelines for detailed descriptions of CARB's procedures and requirements.

DISTRICT may request that PCAPCD review this Master Agreement at any time, and PCAPCD will also review this Master Agreement at least annually and amend as necessary. This Master Agreement is not intended to conflict with State law or CARB Guidelines; in the event of such a conflict, State law and CARB Guidelines should be followed in all cases.

II. GENERALLY APPLICABLE PROVISIONS

A. Oversight Provisions

1. Termination and Suspension of Payments

a) CARB and PCAPCD reserve the right to terminate this Master Agreement, associated Allocation Agreements, and the CARB FARMER Grant Agreement (hereinafter collectively referred to as "Grant") upon thirty days' written notice to DISTRICT. In case of early termination, PCAPCD will immediately notify DISTRICT, who must immediately return remaining funds, including any earned interest, as outlined in this AGREEMENT.

b) CARB and PCAPCD reserve the right to issue a grant suspension order in the event that a dispute should arise. If PCAPCD receives such an order, it will notify DISTRICT and the grant suspension order will be in effect until the dispute has been resolved or the Grant has been terminated. If DISTRICT chooses to continue work on the project after receiving a grant suspension order, DISTRICT will not be reimbursed for any expenditure incurred during the suspension in the event CARB terminates the Grant. If CARB rescinds the suspension order and does not terminate the Grant, CARB at its sole discretion will reimburse PCAPCD for any expenses incurred by DISTRICT during the suspension that CARB deems reimbursable in accordance with the terms of the Grant.

2. Oversight and Accountability

a) DISTRICT will comply with all oversight responsibilities identified in the FARMER Program Guidelines, any future program advisories, mailouts, and memos, this Master Agreement, associated Allocation Agreements, and the CARB FARMER Grant Agreement.

b) CARB or its designee, including but not limited to PCAPCD, reserve the right to audit, at any time during the duration of this Grant, DISTRICT'S costs of performing the Grant and to refuse payment of any reimbursable costs or expenses that in the opinion of CARB or its designee are unsubstantiated or unverified. DISTRICT shall cooperate with CARB or its designee including, but not limited to, promptly providing all information and documents requested, such as all

financial records, documents, and other information pertaining to reimbursable costs, and any matching costs and expenses.

c) CARB or its designee may recoup funds which were received based upon misinformation or fraud, or for which DISTRICT, a manufacturer or Recipient is in significant or continual non-compliance with the terms of this Grant or State law. CARB also reserves the right to prohibit any entity from participating in the FARMER Program, due to non-compliance with project requirements.

3. State Audits

a) DISTRICT agrees that CARB, the Department of General Services, Department of Finance, the California State Auditor, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Grant and all State funds received. DISTRICT agrees to maintain such records for possible audit for the minimum amount of time specified in the applicable Allocation Agreement, unless a longer period of records retention is stipulated. DISTRICT agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, DISTRICT agrees to include similar right of the State to audit records and interview staff in any grant or contract related to performance of this Master Agreement.

B. General Provisions

1. Amendment

a) No amendment or variation of the terms of this Master Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Master Agreement is binding on any of the parties.

2. Americans with Disabilities Act (ADA) Language

a) DISTRICT must ensure that products and services submitted to PCAPCD or CARB, uploaded, or otherwise provided to PCAPCD or CARB by DISTRICT, its sub-contractors, and/or Recipients under this Master Agreement (collectively, the "Work"), comply with Web Content Accessibility Guidelines 2.0, levels A and AA, and otherwise meet the accessibility requirements set forth in California Government Code Sections 7405 and 11135, Section 202 of the federal Americans with Disabilities Act (42 U.S.C. § 12132), and Section 508 of the federal Rehabilitation Act (29 U.S.C. § 794d) and the regulations promulgated thereunder (36 C.F.R. Parts 1193 and 1194) (collectively, the "Accessibility Requirements"). For any Work provided to CARB in PDF format, DISTRICT shall also provide an electronic version in the original electronic format (for example, Microsoft Word or Adobe InDesign).

b) CARB or its designee may request documentation from DISTRICT of compliance with the requirements described above and may perform testing to verify compliance. DISTRICT agrees to

respond to and resolve any complaint brought to its attention regarding accessibility of deliverables provided under this Master Agreement.

c) Deviations from the Accessibility Requirements are permitted only by written consent by CARB.

3. Assignment

a) This Grant is not assignable by DISTRICT, either in whole or in part, without the consent of CARB in the form of a formal written amendment.

4. Compliance with law, regulations, etc.

a) DISTRICT agrees that it will, at all times, comply with and require its Recipients to comply with all applicable federal, State, and local laws, rules, guidelines, regulations, and requirements.

5. Computer Software

a) DISTRICT certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Master Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws

6. Conflict of interest

a) DISTRICT certifies that it is in compliance with applicable State and/or federal conflict of interest laws.

7. Disputes

a) DISTRICT shall continue with the responsibilities under this Master Agreement during any dispute. DISTRICT staff or management may work in good faith with CARB and PCAPCD staff or management to resolve any disagreements or conflicts arising from implementation of this Master Agreement. However, any disagreements that cannot be resolved at the management level within 30 days of when the issue is first raised with CARB and PCAPCD staff shall be subject to resolution by the CARB Executive Officer, or his designated representative. Nothing contained in this paragraph is intended to limit any of the rights or remedies that the parties may have under law.

8. DISTRICT'S responsibility for work

a) DISTRICT shall be responsible for work and for persons or entities engaged in work, including, but not limited to Recipients. DISTRICT and/or its Recipients as applicable, shall be responsible for any and all disputes arising out of its contract for work on a Project funded by this Master Agreement, including but not limited to payment disputes with contractors, subcontractors, and providers of services. PCAPCD will not mediate disputes between DISTRICT and any other entity concerning responsibility for performance of work.

9. DISTRICT'S requirements for electric vehicle charging infrastructure and equipment

a) Prior to executing contracts, DISTRICT must ensure the following requirements are included in all Recipients' contracts and/or other agreements:

- (1) Prior to authorizing work, a Recipient that was awarded funds to install electrical charging equipment for use by on-road transportation vehicles, must require both:
 - (a) An AB 841 Certification that certifies the project will comply with all AB 841 (2020) requirements or describes why the AB 841 requirements do not apply to the project. The certification shall be signed by the Recipient's authorized representative.
 - (b) EVITP Certification Numbers of each Electric Vehicle Infrastructure Training Program certified electrician that will install electric vehicle charging infrastructure or equipment
Evidence such as Certification Numbers are not required to be obtained by DISTRICT if AB 841 requirements do not apply to a project.
- (2) Prior to remitting payment to a Recipient, DISTRICT is responsible for collecting all AB 841 Certification Numbers in accordance with the DISTRICT's records retention schedule.
- b) The requirements of this section do not apply to the following:
 - (1) Electric vehicle charging infrastructure installed by employees of an electrical corporation or local publicly owned electric utility.
 - (2) Electric vehicle charging infrastructure funded by moneys derived from credits generated from the Low Carbon Fuel Standard Program (Subarticle 7 (commencing with Section 95480) of Article 4 of Subchapter 10 of Chapter 1 of Division 3 of Title 17 of the California Code of Regulations).
 - (3) Single-family home residential electric vehicle chargers that can use an existing 208/240-volt outlet.

10. Early Contract Termination: Availability of Funds

- a) PCAPCD's obligations under this AGREEMENT are contingent upon the availability of funds as made available by CARB. PCAPCD will notify DISTRICT if funding has been discontinued and will then immediately cease the implementation of this AGREEMENT. DISTRICT agrees that PCAPCD will not be held liable to DISTRICT for any subsequent responsibilities or costs associated with early termination of this AGREEMENT under this section.

11. Electronic Signatures

- a) An Electronic Signature refers to any representation in electronic form used to express intent, including a typed name placed in a signatory area, a digitized image or copy of a handwritten signature, a scanned signature on a PDF document, a biometric mark, a sound, or a digital signature. An Electronic Signature provides who signed, what was signed, captures intent and consent. If parties agree to a transaction by electronic means and are required by law to provide,

send, or deliver information in writing, the requirement is satisfied if the information is provided, sent, or delivered in an electronic record, which the recipient can retain at the time of receipt.

b) By the action of applying an Electronic Signature to this AGREEMENT, parties to the AGREEMENT are certifying their willingness to use electronic signatures and records delivered via electronic means. A signed copy of this AGREEMENT, or any other related ancillary agreement or amendment, transmitted by facsimile, email, electronic signature application, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signature.

12. Environmental justice

a) In the performance of this Master Agreement, DISTRICT shall conduct its programs, policies, and activities that substantially affect human health or the environment in a manner that ensures the fair treatment of people of all races, cultures, and income levels, including minority populations and low-income populations of the State.

13. Fiscal management systems and accounting standards

a) DISTRICT agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracking of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of State law or this Master Agreement. Unless otherwise prohibited by State or local law, DISTRICT further agrees that it will maintain separate grant award accounts in accordance with generally accepted accounting principles.

14. Force majeure

a) Neither PCAPCD nor DISTRICT must be liable for or deemed to be in default for any delay or failure in performance under this Master Agreement or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, government declaration of emergency, national or state declared pandemics, lockouts, labor disputes, fire, flood, earthquakes or other physical natural disaster. If either party intends to invoke this clause to excuse or delay performance, the party invoking the clause must provide written notice to the other party immediately but no later than within fifteen (15) calendar days of the intent to invoke the clause and reasons that the force majeure event is preventing that party from or delaying that party in performing its obligations under this AGREEMENT. PCAPCD may terminate this Master Agreement immediately without penalty in the event PCAPCD or DISTRICT invokes this clause.

b) If the Master Agreement is not terminated by PCAPCD pursuant to this clause, upon completion of the event of force majeure, DISTRICT must as soon as reasonably practicable recommence the performance of its obligations under this AGREEMENT. DISTRICT must also provide a revised schedule to minimize the effects of the

delay caused by the event of force majeure. An event of force majeure does not relieve a party from liability for an obligation which arose before the occurrence of that event.

15. Governing law and venue

a) This Master Agreement is governed by and shall be interpreted in accordance with the laws of the State of California. PCAPCD and DISTRICT hereby agree that any action arising out of this Master Agreement shall be filed and maintained in the Superior Court in and for the County of Placer, California, or in the United States District Court in and for the Eastern District of California. DISTRICT hereby waives any existing sovereign immunity for the purposes of this Master Agreement.

16. Indemnification

a) DISTRICT agrees to indemnify, defend and hold harmless PCAPCD and its Board, officers, employees, agents, representatives, and successors-in-interest against any and all liability, loss, and expense, including reasonable attorneys' fees, from any and all claims for injury or damages arising out of the performance by DISTRICT, and out of the operation of equipment that is purchased with funds provided through this Master Agreement.

b) PCAPCD agrees to indemnify, defend, and hold harmless DISTRICT and its Board, officers, employees, agents, representatives, and successors-in-interest against any and all liability, loss, and expense, including reasonable attorneys' fees, from any and all claims for injury or damages arising out of any negligent act or omission on the part of PCAPCD, its Board, officers, employees, agents, representatives, and successors-in-interest, including, but not limited to, claims arising out of any data breach or other publication or dissemination of confidential information in the possession of PCAPCD.

17. Independent Contractor

a) DISTRICT, and its Recipients, agents and employees, if any, in their performance of this Master Agreement, shall act in an independent capacity and not as officers, employees or agents of PCAPCD.

18. Nondiscrimination

a) During the performance of this Master Agreement, DISTRICT and its Recipients shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age (over 40), sexual orientation, or veteran or military status, or allow denial of family-care leave, medical-care leave, or pregnancy-disability leave. DISTRICT and its Recipients shall ensure that the evaluation and treatment of their employees and applicants

for employment are free from such discrimination and harassment. DISTRICT and its Recipients shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code section 12990 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 11000 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a)-(f), set forth in Chapter 5 of Division 4.1 of Title 2 of the California Code of Regulations, are incorporated into this AGREEMENT by reference and made a part hereof as if set forth in full. DISTRICT and its Recipients shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

b) DISTRICT shall include the nondiscrimination and compliance provisions of this clause in all agreements with Recipients to perform work under this Master Agreement.

19. No Third Party Rights

a) The parties to this Master Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Master Agreement, or of any duty, covenant, obligation or undertaking established herein.

20. Notices

a) Any written notice or demand desired or required to be given hereunder shall be in writing and deemed given when personally delivered, sent via email with confirmed receipt, or deposited in the mail, postage prepaid, sent certified or registered, and addressed to the parties as follows:

PCAPCD:
Placer County Air Pollution Control District
Attn: Air Pollution Control Officer (APCO)
110 Maple Street
Auburn, CA 95603
Email: ecwhite@placer.ca.gov

CONTRACTOR:
El Dorado County Air Quality Management District
Attn: Dave Johnston
330 Fair Lane
Placerville, CA 95667
Email: dave.johnston@edcgov.us

b) Any notice so delivered personally shall be deemed to be received on the date of delivery; any notice so delivered via email with confirmed receipt shall be deemed to be received on the date of receipt confirmation; and any notice mailed shall be deemed to be received five (5) days after the date on which it was mailed.

21. Personally Identifiable Information

a) Information or data that personally identifies an individual or individuals is confidential in accordance with California Civil Code sections 1798, et seq. and other relevant State or Federal statutes and regulations. DISTRICT shall safeguard all such information or data which comes into their possession under this AGREEMENT in perpetuity, and shall not release or publish any such information or data, except where DISTRICT is required to release such information by law.

22. Prevailing wages and labor compliance

a) DISTRICT agrees to monitor all agreements subject to reimbursement from this agreement to ensure that the provisions of Labor Code Sections 1720-1861 are being met by Recipients.

23. Professionals

a) DISTRICT agrees that only licensed professionals will be used to perform services under this Master Agreement where such services are called for and licensed professionals are required for those services under State law.

24. Severability

a) If a court of competent jurisdiction holds any provision of this Master Agreement to be illegal, unenforceable or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of those provisions, will not be affected.

25. Termination for Cause

a) PCAPCD may terminate this Master Agreement for cause by written notice at any time prior to completion of projects funded by this AGREEMENT, upon violation by DISTRICT of any material provision after such violation has been called to the attention of DISTRICT and after failure of DISTRICT to bring itself into compliance with the provisions of this Master Agreement within the time frame set forth by PCAPCD via written notice to DISTRICT.

26. Timeliness

a) Time is of the essence in this Master Agreement. DISTRICT shall proceed with and complete the Project in an expeditious manner.

27. Waiver of Rights

a) Any waiver of rights with respect to a default or other matter arising under the Master Agreement at any time by either party shall not be considered a waiver of rights with respect to any other default or matter. Any rights and remedies of PCAPCD provided for in this Master Agreement are in addition to any other rights and remedies provided by law.

III. PROGRAM ADMINISTRATION

A. Roles and Responsibilities

1. Placer County Air Pollution Control District (PCAPCD)

a) PCAPCD will act as the Program Manager for the Shared Allocation Pool and will be responsible for the Master Agreement, Project Awards, application materials, project recommendations, and Reporting Tool maintenance.

b) PCAPCD will enter into independent Allocation Agreements with DISTRICT for each Funding Allocation. Project Awards will be provided directly to DISTRICT by PCAPCD. DISTRICT will monitor project expenditures, maintain accurate records, and adhere to all applicable provisions in the Master Agreement and Allocation Agreements.

c) PCAPCD will meet with CARB, as needed.

2. DISTRICT

a) DISTRICT will initiate evaluation of Project Application eligibility and submit complete, eligible applications to PCAPCD for review. PCAPCD will recommend eligible projects for funding only to districts that meet the minimum requirements for participation (see Section III.C. Requirements for Participation).

b) Once the selection process is complete and the DISTRICT chooses to accept the Project Award, the full responsibility for the Project Contract, project completion and related responsibilities, as contained in the relevant guidelines and agreements, rests solely with DISTRICT, not with PCAPCD. *This includes notification to the*

applicant of Project Award and providing the applicant with a timeline for project execution and completion.

B. Program Timeline

1. DISTRICT must have executed a current Master Agreement and applicable Allocation Agreement with PCAPCD before their project(s) may receive funding, but DISTRICT may submit Project Applications for review before such a contract is complete.
2. Deadlines for each Funding Allocation's Application Solicitation Period will be posted on the FARMER SAP webpage prior to commencement of the funding allocation. Project Applications must be received by PCAPCD no later than the last day of the Application Solicitation Period to be considered for Award. Within 45 days of the close of the Solicitation Period, PCAPCD will provide a list of Projects recommended for immediate funding to DISTRICT.

C. Requirements for Participation

1. Eligible Air Districts
 - a) Districts contributing to less than 1% of the statewide Nitrogen Oxide (NOx) emissions, according to CARB's most updated Agricultural Equipment Emission Inventory, may participate in the FARMER Shared Allocation Pool with PCAPCD.
 - b) Although PCAPCD may be included within the FARMER Shared Allocation Pool districts, PCAPCD voluntarily forgoes Project Awards through the FARMER Program to avoid potential conflicts of interest.
2. Documentation
 - a) An executed Master Agreement and Allocation Agreement must be received by PCAPCD before DISTRICT may receive funds from the associated Funding Allocation.
 - b) A board resolution, meeting minutes, or other documentation of DISTRICT's authority to accept funds from PCAPCD for use within the FARMER program.
 - c) All documentation should be kept in the Program folder and be made available to PCAPCD, CARB, or their designee upon their request.

D. Outreach

1. Shared Allocation Pool (SAP) Website Content
 - a) PCAPCD will maintain a webpage providing useful information for SAP districts and Applicants within those districts. Webpage information may include, but is not limited to, the following:
 - (1) FARMER project applications,
 - (2) Outreach and education materials,
 - (3) Eligibility requirements,
 - (4) Terms and conditions,

- (5) Links to relevant guidelines,
- (6) Frequently asked questions, and
- (7) Contact information.

2. DISTRICT Efforts

- a) DISTRICT will be responsible for outreach efforts beyond those of the PCAPCD webpage within their jurisdiction. This could include creating outreach materials and conducting public outreach regarding the FARMER Program.
- b) Public outreach may be conducted to vehicle dealers, fleets, and agricultural end users necessary for the project to be successful, including robust outreach in disadvantaged communities and to low-income households and communities. Outreach could include, but is not limited to, the development and distribution of outreach materials, hosting public workshops or meetings, and targeted outreach and assistance for small growers. Content of materials could include, but is not limited to, information on program availability, application materials, and pertinent deadlines.

E. Contract Development between PCAPCD and DISTRICT

1. DISTRICT agrees to execute a FARMER SAP Master Agreement and a FARMER SAP Allocation Agreement for the applicable Fund Allocation with PCAPCD. These agreements must be executed pursuant to DISTRICT's rules, which could allow for the Air Pollution Control Officer (APCO) to sign or require DISTRICT Board Approval. DISTRICT is responsible for the successful implementation of the Program pursuant to the Master and Allocation Agreements.

F. Contract Development between DISTRICT and Project Recipients

1. Except as otherwise stated in the most current Carl Moyer and FARMER Program Guidelines and any subsequent modules, mailouts, or memos, DISTRICT will be required to execute contracts with Project Recipients who will receive funds under the FARMER Program. All FARMER Program contracts must be consistent with the applicable guidelines and this Master Agreement and must be substantive enough to fulfill all applicable guideline requirements.

G. Process and Schedule for Project Selection

1. Ranking Projects for Selection
 - a) Among other factors, projects will be awarded based on cost-effectiveness. To determine cost-effectiveness for ranking purposes, projects will initially be assigned a 5-year project life, or the maximum possible project life allowed by regulatory deadlines, whichever is less.
 - b) Projects may be limited to a maximum award amount of \$135,000 to allow for a wide variety of project types and locations. However, exceptions may be made based on several factors, including but not limited to:
 - (1) projects that deal with a unique equipment type,
 - (2) projects that benefit disadvantaged communities and/or low-

income households or communities, consistent with AB 1550,

- (3) projects that are highly cost-effective,
- (4) projects that have a documented high rate of operation,
- (5) projects that benefit sensitive receptors such as K-12 schools,
- (6) projects that address a local need.

If project applicants would like to be considered for funding over \$135,000, they should include a brief explanation with their Application.

2. Project Recommendations

a) Maximum funding amounts for the Carl Moyer Program-eligible projects will be based on the Moyer guidelines for the specified project category. Maximum funding amounts for the non-Moyer project categories (e.g., agricultural UTVs, FARMER agricultural trucks, and Trade-Up projects) will be based on the applicable FARMER memo or Guideline section.

b) Up to ten percent (10%) of the available funding in each Application Solicitation Period will be reserved for:

- (1) Agricultural pump electrification and infrastructure projects as described in the Moyer Guidelines,
- (2) Heavy-duty agricultural vehicles (as defined in CARB's Truck and Bus Regulation), and
- (3) Project categories that are not Moyer-eligible but are otherwise eligible for funding under the FARMER Program Guidelines (e.g., Zero-Emission Agricultural UTVs), including any future program advisories and memos.

These projects will be ranked based on cost-effectiveness, ability to benefit disadvantaged communities and low-income households or communities, and ability to aid in geographic equity among Participating Districts and will be funded in that order. It should be noted that while these projects may not necessarily have a cost-effectiveness cap, cost-effectiveness values will be calculated for ranking purposes. Projects will continue to be subject to any funding caps or other requirements as described in the Moyer and FARMER Guidelines.

Projects will be recommended until the full 10% reserve is obligated or until there are no more eligible projects to fund, whichever comes first. If there are not enough projects to fully allocate the 10% reserve, any remaining funds will be rolled back into the general fund for Moyer-eligible projects.

c) Project Applications must be received by PCAPCD no later than the deadlines posted on the PCAPCD webpage to be considered for

funding.

3. Solicitation Process

a) Open Solicitation

(1) Funding will preferentially go to projects with a cost-effectiveness of less than or equal to \$30,000/ton of emissions reductions, but the following criteria will also be taken into consideration:

(a) Projects are located within and benefitting disadvantaged communities and low-income households or communities, consistent with AB 1550 (Gomez, Chapter 369, Statutes of 2016), where applicable.

(b) Projects aid in achieving geographic equity among Participating Districts.

(2) PCAPCD will fund projects with the highest cost-effectiveness first, until all available funds are obligated or until there are no more eligible projects to fund, whichever comes first.

b) First-Come, First-Served

(1) If necessary, PCAPCD will open a first-come, first-served solicitation to obligate any remaining funding. Funding will be offered to eligible projects in the order they are submitted until all available funds from the current Funding Allocation are obligated.

H. Procedures for Notification

1. Within 45 days of the close of the funding allocation, PCAPCD will provide a preliminary list of Recipients to DISTRICT. DISTRICT will review PCAPCD's recommendations and confirm their interest in award within 30 days.
2. PCAPCD will provide DISTRICT with a finalized list of Recipients and Awards. DISTRICT will notify Applicants of their award status and complete all work outlined in their contract with PCAPCD.

IV. FISCAL ADMINISTRATION

A. Program Funding

1. Fund Use

a) Project funds must be used for new, eligible vehicle, equipment, engine, or retrofit purchases; scrap costs for the equipment being replaced; supporting infrastructure; and any other equipment-related expenses necessary to implement Awarded Projects.

b) Project implementation costs are defined in the FARMER Program Guidelines. The Shared Allocation Pool (SAP) has been allocated twelve and one-half percent (12.5%) of the Funding Allocation for project implementation costs. DISTRICT project implementation funds will be a maximum of nine and one-half percent (9.5%) of their project funds. Remaining implementation funds will be

used by PCAPCD for costs related to overseeing the SAP.

c) Project implementation funding may be reallocated to project funding if DISTRICT requests less funding for project implementation than the maximum allowable amount.

d) In general, project implementation funds may be used for work completed in the following categories, as further described in the Moyer and FARMER guidelines:

- (1) Labor expenses (including total staff time and labor costs),
- (2) External subcontractor(s) fees for completed work, if applicable,
- (3) Printing, mailing, traveling, and other outreach expenses, and
- (4) Other indirect costs.

2. Placement of Funds

a) Once a Project has been approved for funding by PCAPCD and DISTRICT has submitted a Disbursement Request to PCAPCD, DISTRICT can expect to receive funds in check form within 45 days. DISTRICT agrees to place all received funds in an interest-bearing account and track interest accrued as described in Section IX.E. Interest Accrual.

B. Co-Funding

1. Funds other than Moyer Program grant funds and AB 923 funds may be used to co-fund FARMER Program eligible project costs, when all program criteria associated with each funding source are met. Funding sources, eligibility of funds, and co-funding procedures can be found in the Moyer Guidelines and in the guidelines of the other applicable funding source or program.
2. The total amount of project funding may not exceed the maximum eligible Award amount, as outlined in the FARMER and Moyer guidelines for the project type.
3. DISTRICT is not eligible for additional implementation funding for the co-funded portion of the project costs. Implementation funding will be calculated based on the FARMER SAP Project Award.
4. There is no limit on the number of co-funding sources that can be used to fund a project as long as the total project cost is not exceeded, and a fifteen percent (15%) applicant cost share requirement is met for private sector projects.

C. Right to Redirect Funds

1. CARB and PCAPCD reserve the right to recoup and/or redirect funds from DISTRICT and reallocate such funds to other districts, if DISTRICT informs PCAPCD in writing that it will not be able to meet expenditure deadlines, or if it is found that the approved project did not meet funding requirements.
2. In the event of nonperformance or termination, CARB and PCAPCD shall require full recovery of the unspent funds by transfer upon the DISTRICT's accounts. The DISTRICT must provide fund transfer information within 45 days upon receipt of notice.
3. In no event shall DISTRICT receive reimbursement for costs that exceed the maximum allowed project implementation funding amount.

D. Disbursement Requests

1. DISTRICT may submit Disbursement Requests electronically, based on CARB's current electronic submissions guidance at the time of the request, or mail original copies with "wet" signatures in blue ink. Requests for payment must be made consistent with FARMER Guidelines and this Master Agreement and include all documentation required by PCAPCD. After the initial grant disbursement request, the participating districts must attach backup documentation to the applicable project within the FARMER Reporting Tool. Backup documentation for project fund expenditure should include at minimum:
 - a) Contract between DISTRICT and Recipient
 - b) An image of the purchased vehicle/equipment
 - c) Dealer invoice with the finalized purchase price
 - d) Recipient invoice for the Project Award from DISTRICT
 - e) Proof of payment to the Recipient for the Project Award

E. Implementation Funding

1. DISTRICT must also provide appropriate backup for implementation fund expenditures. Backup should be attached within the FARMER Reporting Tool, and may include the following:
 - a) Staff time in actual hours or percent of hours devoted to project implementation, as well as staff wage, which shall be described in an official document of the district, such as a duty statement, a warrant, an invoice or timesheet;
 - b) Implementation funds for subcontractor(s). This could be reflected within documents such as a contract, invoices or other documentation as agreed upon by DISTRICT and PCAPCD;
 - c) Printing, mailing, records retention, and travel expenses. DISTRICT must provide copies of relevant district policies, and records that illustrate expenditure for the Program;
 - d) Necessary travel and per diem must be at rates not to exceed those amounts paid to the State's represented employees (<http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx>). No travel outside the State of California will be reimbursed unless prior written authorization is obtained from CARB.
2. DISTRICT must keep written documentation of all transactions they expect to receive reimbursement for. Reimbursement must be at the State travel and per diem amounts that are current as of the date costs are incurred. If project implementation funds are used for indirect costs, DISTRICT must document and describe how these costs are determined.

F. Interest Accrual

1. DISTRICT must maintain accounting records (e.g., general ledger) that track interest earned, expended, or returned on the Award, as follows:
 - a) The calculation of interest must be based on an average daily balance or some other reasonable and demonstrable method.
 - b) Interest earned must ensure that it is separately identifiable from

interest earned on non-project funds.

c) The methodology for calculating earned interest must be consistent with how it is calculated for DISTRICT's other fiscal programs.

d) Documentation of interest earned and expenditures made on those funds or returned to CARB must be:

(1) Retained for a minimum of three years after it is generated.

(2) Provided to CARB in PCAPCD's reports.

2. Interest accrued on FARMER Program funds should be obligated to DISTRICT's next awarded FARMER project. In the event that DISTRICT is not able to liquidate interest as project funds prior to the interest liquidation deadline, PCAPCD shall require full recovery of all unspent funds.

V. DISTRICT PROJECT ADMINISTRATION

A. Eligible Project Categories

Projects must be involved in Agricultural Operations to be eligible for FARMER funding. Eligible projects will include those found in the Moyer Guidelines and FARMER Guidelines, including any subsequent modules, mailouts, and memos. Furthermore, while the current FARMER Guidelines provide a list of eligible project categories, CARB may choose to expand this initial list as innovative, new project categories are explored. Project categories that are added by CARB will be eligible and DISTRICT staff are encouraged to keep up to date with new project categories if and when they are released.

Project Awards will not be limited by category or geographic location. The goal will be to award at least one project to each Participating District and to promote funding projects that are within and benefitting disadvantaged communities and low-income households or communities, consistent with AB 1550¹ where applicable. However, it is recognized that the number of projects currently eligible for funding within or benefitting these types of communities may be limited in some districts. Therefore, while projects that benefit these households and communities are highly encouraged, it is not a funding requirement that FARMER projects do so.

1. Carl Moyer Program-Eligible Projects

a) Projects eligible under the Moyer Guidelines, provided that the vehicles/equipment are engaged in agricultural operations, are included in the FARMER Program as an eligible project type. These projects include, but are not limited to:

(1) On-road heavy-duty truck replacement and repower projects;
and

(2) Off-road equipment replacement and repower projects for:

(a) Off-road mobile, diesel agricultural equipment ("farm equipment" as defined by Carl Moyer Program

¹ Gomez, Chapter 369, Statutes of 2016

Guidelines),

(b) Off-road mobile, large spark-ignition (LSI) equipment, and

(c) Agricultural irrigation pump engines.

b) In addition to the requirements outlined in the FARMER Guidelines, Moyer Program-eligible projects are required to abide by all project criteria set forth in the Moyer Guidelines, including the Carl Moyer Program's cost-effectiveness thresholds and reporting requirements, except as modified in the FARMER Guidelines or through subsequent actions by CARB's Executive Officer for the FARMER Program.

2. Heavy-Duty Agricultural Trucks

Due to the seasonal nature of the agricultural industry, heavy-duty agricultural trucks do not typically accrue many miles, which may limit incentive funding levels for these projects through traditional incentive funding mechanisms. Additionally, many specialty trucks used in agricultural operations are more expensive due to the specialized equipment they contain. CARB staff have worked with air districts, industry representatives, and other stakeholders to develop this category that provides additional incentives necessary to help owners and operators of agricultural trucks to turn over their older heavy-duty on-road and specialty agricultural trucks.

Heavy-duty agricultural trucks may be funded either through this FARMER-specific project category or through the traditional Moyer project category (see Section V.A.1., Carl Moyer Program-Eligible Projects), as described in the Moyer Guidelines. Each funding method is unique with its own distinctive requirements.

In addition to the eligibility requirements outlined below and in CARB's Additional FARMER Categories memo (9/24/2018)², Recipients in this project category must meet all other applicable requirements for heavy-duty trucks in the FARMER Guidelines and Moyer Guidelines.

a) Existing Agricultural Truck Requirements

(1) Existing vehicles must currently be in compliance with CARB's Truck and Bus Regulation and be registered in the TRUCRS program under one of the following provisions:

(a) **Agricultural Vehicle Extension**³: Low mileage agricultural vehicles shall continue to be exempt from the requirements of 13 CCR 2025(f) and (g), so long as they do not exceed: (A) 15,000 miles in a compliance year from January 1, 2017 through January 1, 2020; and (B) 10,000 miles in a compliance year from January 1, 2020 through January 1, 2023.

² <https://ww2.arb.ca.gov/resources/documents/farmer-program-additional-project-categories>

³ For the full requirements of CARB's Agricultural Vehicle Extension, refer to 13 CCR 2025(m)(2).

(b) **Low-Use Exemption**⁴: Low-use vehicles as defined in section 13 CCR 2025(d)(40) are exempt from the requirements of section 13 CCR 2025(e), but the owner must meet reporting and record keeping requirements in accordance with sections 13 CCR 2025(r)(12) and 2025(s).

(c) **Specialty Agricultural Vehicle Extension**⁵: Specialty agricultural vehicles, as defined in section 13 CCR 2025(d)(55), are exempt from the requirements of sections 13 CCR 2025(f), 13 CCR 2025(g), 13 CCR 2025(h) and 13 CCR 2025(i), until January 1, 2023.

(d) **Trucks in compliance with the Engine Model Year Schedule**⁶ of the Truck and Bus Regulation.

- b) Replacement Agricultural Truck Requirements
- (1) Replacement trucks must meet 2010 emission standards of 0.20 g/bhp-hr NOx.
 - (2) Replacement trucks must be purchased from a California dealership—no private party transactions are permitted.
 - (3) Replacement trucks must have a GVWR of 14,001 pounds or greater.
 - (4) Replacement used trucks must have less than the miles indicated below on the odometer:
 - (a) Class 8 trucks (GVWR of 33,001 pounds or greater) and Class 7 trucks (GVWR of 26,001 - 33,000 pounds) with heavy heavy-duty (HHD) engines must have less than 650,000 miles;
 - (b) Class 7 trucks (GVWR of 26,001 – 33,000 pounds) with medium heavy-duty (MHD) engines must have less than 350,000 miles; and
 - (c) Class 4-6 (GVWR of 14,001 – 26,000 pounds) must have less than 25,000 miles.
 - (5) All replacement new trucks are subject to the warranty requirements in the 2017 Carl Moyer Program Guidelines.
 - (6) Replacement used trucks are not subject to warranty requirements, but the Recipient must ensure that the truck remains in operation for the life of the contract.
- c) Eligible Costs
- (1) This project category provides incentives for up to sixty-five percent (65%) of the eligible cost of a new heavy-duty

⁴ For the full requirements of CARB's Low-Use Exemption refer to 13 CCR 2025(p)(4).

⁵ For the full requirements of CARB's Specialty Agricultural Vehicle Extension, refer to 13 CCR 2025(m)(11).

⁶ For the full requirements of CARB's Engine Model Year Schedule for vehicles with a GVWR ≤ 26,000 lbs., refer to 13 CCR 2025(f); for vehicles with a GVWR > 26,000 lbs. refer to 13 CCR 2025(g).

agricultural truck. There are no cost-effectiveness requirements for this project category.

(a) Upgrades to new trucks that add to the cost of the truck may be eligible for funding upon determination of DISTRICT. Otherwise, FARMER funding may only be used to fund the 'base model' that will serve the same function as the older truck.

(2) Replacement trucks must comply with the requirements and standards described in the FARMER Guidelines.

(3) Glider kits do not qualify as replacement trucks under this project category.

d) Project Life

(1) The project life for heavy duty agricultural trucks is 3 years.

(2) A project life of 5 years or the maximum possible project life allowed by regulatory deadlines will be used to calculate cost-effectiveness for ranking purposes, but this project life is not required in the Recipient's contract, as described in Section III.G of this document.

e) Reporting Requirements

Recipients must report annually to DISTRICT with basic information on the new truck for the project life. This information will be specified in the Recipient's contract with DISTRICT and should include at minimum:

- Current odometer reading,
- Location of new truck,
- Records of any service/maintenance performed since the last report.

3. Zero-Emission Agricultural Utility Terrain Vehicles (Ag UTV) Projects

Ag UTV Projects may be executed using either a contract with the applicant or a voucher, as described in the FARMER Guidelines. If the voucher modification is used, requirements for pre- and post-inspections related to UTV projects are eliminated. These inspections are still required if the district chooses to use a contract. A Certification of Destruction from the dismantler or other documentation confirming that the old UTV was rendered permanently inoperable is required under both methods.

In addition to vehicle eligibility criteria and Recipient requirements outlined in the FARMER Guidelines and subsequent memos, the following information should be considered when evaluating Ag UTV Projects.

a) Existing Equipment Requirements

(1) Existing equipment must either be a self-propelled all-terrain vehicle (ATV), utility terrain vehicle (UTV) or tractor less than 25 horsepower.

(2) Existing equipment must be powered by a compression-ignition (diesel) or spark-ignition (gasoline) engine.

(3) Existing equipment must be operational and in-use at the time application is submitted.

b) Replacement Equipment Requirements

To be eligible for this project category, the replacement UTV model must meet the following criteria:

(1) New: The vehicle must be a new vehicle, as defined in the California Vehicle Code Section 430, meaning a vehicle constructed entirely from new parts that has never been the subject of a retail sale, or registered with the department, or registered with the appropriate agency or authority of any other state, District of Columbia, territory, or possession of the United States, or foreign State, province, or country.

(2) Zero-Emission: The vehicle must emit zero tailpipe emissions from its onboard source of power (such as all-electric or hydrogen fuel cell vehicles) and may not undergo any modification that would allow propulsion by any other means.

(3) Vehicle Specifications and Performance Thresholds: Eligible UTVs must have a towing capacity of 500 pounds or greater and a total vehicle weight of 700 pounds or greater.

(4) Warranty Provisions: The vehicle drivetrain, including applicable energy storage tanks or battery packs, must be covered by a manufacturer warranty for a minimum of 1 year. Prior to approving a project, CARB or PCAPCD may request that the manufacturer provide copies of representative vehicle and battery warranties and a description of the manufacturer's plans to provide warranty and routine vehicle service.

c) Eligible Costs

(1) The maximum incentive amount for this project category is \$13,500 or seventy-five (75%) of the eligible cost of a new zero-emission UTV, whichever is less, as described in FARMER Guidelines.

(2) Eligible costs may include the base vehicle, roof, windshield, or doors as well as an extended warranty. Eligible costs do not include attachments such as winches, storage bins, plows, cab heaters, or additional batteries.

d) Project Life

(1) The project life for zero-emission ag UTVs is 3 years.

(2) A project life of 5 years or the maximum possible project life allowed by regulatory deadlines will be used to calculate cost-effectiveness for ranking purposes, but this project life is not required in the Recipient's contract, as described in Section III.G. of this document.

e) Reporting Requirements

Recipients must report annually to the participating district with basic information on the new equipment for the project life. This information will be specified in the applicant's contract with the participating district and should include at minimum:

- Current hour meter and/or odometer reading,
- Location of new UTV,
- Records of any service/maintenance performed since the last report.

4. New Advanced Technology Demonstration Projects

Advanced technology vehicles and equipment used in agricultural operations are currently eligible for FARMER Program funding on a case-by-case basis under the Carl Moyer Program-eligible project category when an existing vehicle or equipment is scrapped in exchange. However, some advanced technology vehicles and equipment need additional field demonstrations to test the vehicle or equipment's viability or determine whether it can serve the same function and perform the same work as the vehicle or equipment it would replace.

Demonstrations of sustainable farming solutions that encompass advanced technology vehicles, equipment, and supporting infrastructure at a farm may also be needed. Under this new project category, DISTRICT may develop and fund demonstration projects, with CARB/PCAPCD approval, without a requirement to scrap existing vehicles or equipment.

a) Guiding Principles

- (1) Eligible projects must reduce greenhouse gas and criteria pollutant emissions and emission reductions must be quantified.
- (2) Eligible advanced technologies must be used in agricultural operations.
- (3) Projects must include a data collection component.
- (4) Projects must meet all applicable statutory requirements.
- (5) DISTRICT must develop a competitive solicitation through a public process and receive CARB approval to begin soliciting for projects.
- (6) Selected demonstration projects must be approved by CARB before receiving funding.

B. Submission and Review of Applications

1. Application Submission

a) Project Applications must be consistent with this AGREEMENT, the applicable Allocation Agreement, and any relevant CARB Guidelines. Equipment quotes may be no more than six (6) months old at time of application submission. Equipment quotes may be updated at the request of DISTRICT, the Applicant, or PCAPCD if a substantial change in price has occurred or if the Applicant would like to update their application.

b) Project Applications must be submitted on the applicable

FARMER SAP application template, which can be downloaded from the FARMER SAP webpage, and include documentation of existing engine usage, such as miles traveled, hours operated, fuel consumed per year, or maintenance records, for 24 months or as specified in the FARMER guidelines by project category. This information will be used to evaluate project cost-effectiveness. If additional information is required to evaluate the project or if the project was submitted on the incorrect application template, Applicants will have 10 business days from the date they are notified to submit the missing or corrected information. If documentation is not received within the timeframe, Project Applications may be deemed ineligible for the current Application Solicitation Period.

c) DISTRICT will provide PCAPCD with applications for consideration for funding by using the FARMER Reporting Tool. Scanned copies of the paper application and relevant documents should be uploaded as an attachment to the FARMER Tool application.

2. Application Review

a) PCAPCD will independently evaluate submitted applications using the following procedure during each Application Solicitation Period:

- (1) Advertise new FARMER solicitation to Participating Districts through website.
- (2) PCAPCD will accept Project Applications from Participating Districts. PCAPCD will review Project Applications, request additional information from the Participating Districts as needed, etc.
- (3) PCAPCD will rank projects according to cost-effectiveness and the criteria outlined in Section III.
- (4) PCAPCD will recommend eligible projects to Participating Districts to begin the process of transferring funding to districts that accept the projects.

C. Inspections

A pre-inspection, post-inspection, and verification of destruction inspection must be completed prior to funding a project, when applicable. An Inspection Report shall be used to document such inspections. All inspection reports and photos will be maintained in the project file.

1. Pre-Inspections

a) For on-road vehicles⁷, off-road equipment⁸, Ag UTVs⁹ (when applicable), and other engine-related projects, pre-inspections must be conducted prior to contract execution, as described in the Moyer and FARMER guidelines. There are no pre-inspection requirements for infrastructure projects.

b) The pre-inspection process includes taking photos of the vehicle/equipment, verifying operation as described, and ensuring that the information submitted in the applicant's application is correct. The minimum requirements for pre-inspection can be found in greater detail in the FARMER and Moyer guidelines for the project category.¹⁰

c) If the serial number of the engine is required by FARMER or Moyer pre-inspection guidelines but is not present or accessible, the engine must be uniquely identified for future tracking by having the engine block stamped with a district-assigned serial number or by an alternative permanent marking such as an engine tag.

2. Post-Inspections

a) Post-inspections must occur after receipt of an invoice from the Recipient, but prior to DISTRICT final reimbursement for the project, as described in the Moyer guidelines¹¹.

b) For vehicle/equipment post-inspections, district FARMER staff is to verify that the replacement vehicle, equipment, and engine listed in the contract was purchased. For vehicle and equipment replacement projects, inspections will occur at the dealership or at some designated location prior to the Recipient taking delivery. DISTRICT staff shall take photos of the replacement vehicle/equipment/engine as described in the FARMER and Moyer guidelines.

c) Post-inspections are not required for Ag UTVs purchased with a voucher. However, they must be made available for post-inspection DISTRICT, PCAPCD, CARB, or their designee if such a request is made.

3. Verification of Destruction

a) In addition to completing a post-inspection on all replacement mobile projects, district FARMER staff shall also conduct a verification

⁷ For additional information on pre-inspection requirements specific to on-road vehicles, refer to the 2017 Carl Moyer Program Guidelines, Chapter 4, Section C.6.

⁸ For additional information on pre-inspection requirements specific to off-road equipment, refer to the 2017 Carl Moyer Program Guidelines, Chapter 5, Section D.

⁹ Pre-inspections are not required for UTVs purchased with a voucher. For additional information on pre-inspection requirements for zero-emission agricultural UTVs, refer to the 2017 Carl Moyer Program Guidelines, Chapter 5, Section D.4.(3).

¹⁰ For additional information on pre-inspection requirements for all Moyer-eligible projects, refer to the 2017 Carl Moyer Program Guidelines, Chapter 3, Section W.

¹¹ For additional information on post-inspection requirements for all Moyer-eligible projects, refer to the 2017 Carl Moyer Program Guidelines, Chapter 3, Section X; for post-inspection requirements specific to a certain project type, refer to the project category chapter.

of destruction inspection¹² for on-road vehicles and off-road equipment (including agricultural UTVs) in order to ensure that the old vehicle/equipment and engines are permanently destroyed. When approved by the district, an approved dismantler/salvage yard may conduct the inspection on behalf of the district and provide the required documentation within ten days of destruction.

b) Dismantlers that participate in the FARMER Program must enter into an agreement with DISTRICT prior to the destruction of any on-road vehicles.

4. District Audits of Projects

a) Audits performed by trained inspection staff from DISTRICT will be conducted throughout the life of a project to ensure that the project is still operational, no tampering of the engine has occurred, and the originally contracted operational mileage, fuel usage, or hours of operation are being correctly reported. At minimum, the annual auditing protocols must adhere to the Current Moyer Guidelines¹³.

D. Procedures for Nonperforming Recipients

DISTRICT must take appropriate action to ensure emission reductions are realized for engines, equipment, vehicles, as well as usage for infrastructure projects. Except for projects in which usage is not required to be specified in the contract, when average usage over a three-year period for a contracted engine, equipment, or vehicle is less than seventy percent (70%) of the activity required in the contract, DISTRICT may choose, but is not limited to, the options below to address the underutilization. In cases of projects which may have a contracted project life of less than three years, the same activity threshold of less than 70% applies, averaged over the project life.

1. Extend the project contract for additional years, precluding overlap with an applicable rule implementation requirement (off-road equipment projects may be considered for a contract extension which extends beyond a required compliance date).
2. Return funds in proportion to the loss in emission reductions.
3. Transfer ownership of the engine, vehicle, or equipment to another entity committed to complying with the contract terms.
4. Recalculate a project's cost-effectiveness based on the reported decrease in usage.
5. Grant a usage waiver, without penalty, to the Recipient for a defined time period. The Recipient must demonstrate to the air district's satisfaction that the engine, vehicle, or equipment is not being underutilized in favor of operating other, higher-polluting equipment, and that the underutilization was due to unforeseen conditions beyond the project Recipient's control. Such waivers shall be at the discretion of the APCO.

¹² For additional information on verification of destruction requirements for all Moyer-eligible projects, refer to the 2017 Carl Moyer Program Guidelines, Chapter 3, Section X; for verification of destruction requirements specific to a certain project type, refer to the project category chapter.

¹³ For additional information on District Audits of Projects, refer to the 2017 Carl Moyer Program Guidelines, Chapter 3, Section AA.

6. The conditions under which a waiver may be issued include, but are not limited to, the following:
 - a) A decrease in usage due to economic recession;
 - b) Unforeseen fluctuations in water allocations or pumping needs for agricultural irrigation pump engines; or
 - c) Significant land fallowing for off-road agricultural equipment and agricultural irrigation pump engines.

E. Records

1. DISTRICT agrees to maintain satisfactory records of all Project Awards, project-related activities and expenses, and accurate fiscal records.
2. Project records shall contain at a minimum:
 - a) FARMER application, supporting documents, and estimated project cost
 - b) Accurate fiscal records of all project-related activities
 - c) Assets received
 - d) Analysis of emission reductions (when applicable)
 - e) Original contract
 - f) Inspection reports and photographs
 - g) Copy of dealer/seller's invoice
 - h) Original invoice(s) from the Recipient invoicing DISTRICT for the Project Award
 - i) Monitoring/Audit reports
 - j) Key communications with Recipient
3. Unless otherwise specified in the Moyer or FARMER Guidelines, grant receipts and expenditure documents including invoices, contracts, vouchers, personnel and payroll records, as well as all other project files, should be retained for the minimum amount of time specified in the applicable Allocation Agreement. Applications for unfunded projects must be kept a minimum of two years following the solicitation period, or two years from receipt if there is not a specified solicitation period.
4. Project files will be regularly updated with active project progress, inspection and audit results, annual usage report information, and general contracted project activity.
5. Acceptable File Formats
 - a) Files may be retained in an electronic format if complete and easily accessible. Digital project documents are stored as JPEG, TIF, GIF or PDF files.
 - b) Images in hard copy form must be at least a quarter sheet in size and be printed in the highest image quality feasible.

F. Invoice Submission

1. After contract execution and once all conditions for funding are met (e.g., successful post-inspection), the Recipient must submit an original invoice requesting payment, including copies of all associated invoices related to

vehicle/equipment purchase. DISTRICT will approve each invoice for reimbursement. For multi-stage projects, partial payments may be approved on a case-by-case basis and should be described in the Recipient's contract. DISTRICT will maintain a clear record of progress payments in the project file.

2. If any portion of the project requires financing, the Recipient (or their dealer) shall provide the financing terms to DISTRICT before payment is issued. The full contract amount shall be used to pay down any financing within 30 days of receiving payment from the district. Proof of payment is due to DISTRICT within 45 days of the Recipient receiving payment. The amount financed may not exceed the incremental cost of the project.

VI. Reporting

A. Semi-Annual Reports

1. DISTRICT is required to provide PCAPCD with semi-annual reports on all implementation expenditures and projects funded through the FARMER Program. PCAPCD will review and quality control DISTRICT reports and submit them to CARB.
2. DISTRICT agrees to submit semi-annual reports via the FARMER Reporting Tool on April 15 and October 15 of each year (30 days prior to PCAPCD's reporting deadline to CARB) until all funding has been liquidated, unless otherwise directed by PCAPCD or CARB.

B. Close-Out Reporting

1. Once an Allocation's funding has been liquidated, DISTRICT must notify PCAPCD before the submittal of their final semi-annual report for that Allocation. DISTRICT must provide the following:
 - a) An original, signed certification from DISTRICT's Air Pollution Control Officer (APCO) or their designee stating that the project and fiscal information contained within the close-out report is, to the best of their knowledge, accurate and complete. The APCO must also certify that DISTRICT will continue to monitor any contracted projects through the completion of their contracted project life.
2. A summary of additional funds available to the FARMER Program. The summary must include, but is not limited to, the following sources:
 - a) Funds recaptured from liquidated projects, including funds provided back to the DISTRICT following CARB enforcement actions, identified by project name and funding year.
 - b) Non-grant revenue earned for the FARMER Program by DISTRICT, such as from the sale of scrapped engines or equipment.
3. A list of any projects identified as nonperforming and a brief narrative of any related enforcement actions.

VII. DEFINITIONS AND ACRONYMS

A. Definitions

1. **Agricultural Operations:** As defined by the Regulation for In-Use Off-Road Diesel Fueled Fleets: "Agricultural Operations" means (1) the growing or harvesting of crops from soil (including forest operations) and the raising of plants at wholesale nurseries, but not retail nurseries, or the raising of fowl or animals for the primary purpose of making a profit, providing a livelihood, or conducting agricultural research or instruction by an educational institution, or (2) agricultural crop preparation services such as packinghouses, cotton gins, nut hullers and processors, dehydrators, and feed and grain mills. Agricultural crop preparation services include only the first processing after harvest, not subsequent processing, canning, or other similar activities. For forest operations, agricultural crop preparation services include milling, peeling, producing particleboard and medium density fiberboard, and producing woody landscape materials.
2. **Allocation Agreement:** Contractual agreement executed between PCAPCD and DISTRICT on a funding allocation basis. Includes all dates pertinent to a specific funding allocation, including liquidation dates. Must be executed prior to DISTRICT receiving grant funds from the allocation.
3. **Application Solicitation Period:** Period of time that Project Applications may be submitted to PCAPCD through the Reporting Tool.
4. **Applicant:** Agricultural operator, or their representative, that submits an application for funding of a FARMER project.
5. **Award:** Project and implementation funds allocated to a certain project.
6. **Disbursement Request:** Request for disbursement of project and implementation funds, submitted by DISTRICT to PCAPCD, that is signed, dated and includes all supporting documents.
7. **District:** An air pollution control or air quality management district in California.
8. **FARMER Guidelines:** The 2018 FARMER Program Guidelines and any future approved Guidelines, and current and future program advisories and memos.
9. **Funding Allocation:** The funding provided to PCAPCD for the Shared Allocation Pool from CARB in a given grant agreement.
10. **Moyer Guidelines:** The 2017 Carl Moyer Program Guidelines and any future approved Guidelines, and current and future program advisories and mailouts.
11. **Other indirect costs:** Administrative costs as defined in the FARMER Guidelines. These costs are included within project implementation costs and may not exceed 5% of the grant amount.
12. **Participating Districts:** Districts choosing to participate in an Application Solicitation Period.
13. **Project:** The Scope of Work for which the Applicant has been approved a grant award. DISTRICT is responsible for ensuring the Project is completed to the best of their ability, and in accordance with applicable guidelines and requirements.
14. **Project Application:** Request for funding from an Applicant, submitted by DISTRICT to PCAPCD through the Reporting Tool, that is signed, dated, and includes all supporting documents.
15. **Project Award:** see Award.
16. **Project Contract:** Agreement between DISTRICT and the Recipient, which defines the project scope of work, funding award, and other requirements.
17. **Program Manager:** Entity overseeing the Shared Allocation Pool. Evaluates project applications, determines funding amounts, and develops programmatic

- documents and tools for the Shared Allocation Pool districts' use.
18. **Recipient:** Agricultural operator, or their representative, that receives a project award.
 19. **Reporting Tool:** Tool for Shared Allocation Pool districts to electronically submit applications and backup documentation for review, and track implementation expenditures.

B. Acronyms

1. **APCO:** Air Pollution Control Officer
2. **CARB:** California Air Resources Board
3. **FARMER:** Funding Agricultural Replacement Measures for Emission Reductions
4. **GVWR:** Gross Vehicle Weight Rating
5. **PCAPCD:** Placer County Air Pollution Control District
6. **SAP:** Shared Allocation Pool
7. **TRUCRS:** Truck Regulations Upload and Compliance Reporting System

SAMPLE