

District Best Practices Administrative Chapter Addendum

I. Background

This chapter is designed to compliment the Administration Chapter by providing a description of many administrative best practices that districts have incorporated into their local Programs while the administrative chapter provides the minimum requirements for a local Program. ARB highlights the best practices as going beyond the minimum and encourages districts to include them where possible in their local Programs. It is important to note that while ARB has amassed these best practices not all of these best practices are applicable to the way that individual districts implement the Carl Moyer Program in their area. Some of the practices are based on recommendations the Department of Finance and the Bureau of State Audits provide to ARB as part of their audits of the Carl Moyer Program. Other practices are based on practices that a district currently uses in implementing their Carl Moyer Program. These best practices are foot noted with their source.

II. Responding to ARB's Carl Moyer Program Solicitation

Best Practice #1

Districts are encouraged to request Carl Moyer program funds in excess of the tentative allocation for their district, as long as the district has sufficient district funds available to match the State Carl Moyer Program funds being requested.

Thus if and when funds become available from other districts that are unable to accept and keep their tentative allocation, the districts requesting an excess amount are in a position to accept additional funds. In addition, districts with excess match one year may carry that excess over to another year as "past match" projects.¹

Best Practice #2

Districts are encouraged to have the district Board approve a multi-year resolution to accept Carl Moyer Program funding and implement the program consistent with the current Guidelines. Since the Carl Moyer Program is now funded through 2015, a multi-year resolution saves the district from having to draft and pass a new resolution each year. When submitting the district's application to ARB each year, the district may simply include a copy of the multi-year resolution to indicate the resolution is still in force.²

III. Reporting to ARB

Best Practice #3

Districts that obligate and expend their Carl Moyer Program funds early (obligate with fully executed contracts before June 30 of the first calendar year, expend before June 30 of the second calendar year) are encouraged to complete the required annual/final report before the due date (August 30) and if a district has completed the obligation and expenditure of Carl Moyer Program funds by June 30 of the first calendar year, the district is encouraged to complete one combined annual/final report.³

IV. Policies and Procedures

Best Practice #4

Districts should develop and implement policies and procedures that enable them to meet the matching funds requirements.⁴

V. District Outreach

Best Practice #5

While districts are required to market the Carl Moyer Program to all sectors in their community, the methods for doing so are left to each district. The ARB encourages districts to vigorously outreach to all sectors of the community. Below are brief descriptions of the types of practices that should be included as part of a district's outreach activities.⁵

Working Group-Lets discuss which if any district(s) does the following and if we want to footnote these. Is the example under E correct? I know Sac Metro does D and Glenn County does F.

A. List of Interested Parties

Districts should maintain a list of interested parties throughout the year and mail a notification to the parties on the list when funds are available. This list should also include prior applicants, public agencies (e.g. public works departments, sanitation departments, school districts), engine dealers/distributors, and where appropriate, port authorities, and farm bureaus.

B. Local Newspaper Announcement

Districts are encouraged to put a notification of funds available announcement in local newspapers, in locally based trade newsletters including the local farm bureau and in the trade journals of organizations

representing zero-emission technologies such as the Clean Cities Coalition and WestStart-CALSTART.

C. Web Site Notification

If the district has a website, the Carl Moyer Program solicitation should be advertised on the district's website. Similarly, if the district has a newsletter, the Carl Moyer Program solicitation should be advertised in the district's newsletter. And, if the district maintains a 24-hour message line the solicitation should also be advertised there⁶

D. Prior Participants

Districts should solicit additional projects from prior participants with successfully implemented projects, especially during monitoring visits. Sac Metro

E. Small Business

Districts are encouraged to expand the participation of small business by advertising to targeted industries, offering workshops to the engine dealer network, and offering to assist small business owners with the completion of the application. For example, many urban districts have found the construction industry to be a viable source of projects, when the districts provide outreach, training and technical assistance to the many small businesses that own qualifying equipment.

F. Agricultural Community

Districts with agricultural communities are encouraged to contact the local agricultural department and request that a flyer is posted that will be visible to farmers when they come in to get their pesticide use permits. Glenn County

G. Advertising

Districts may consider requiring their grantees to place a logo or decal on the new engine(s) advertising that the engine was funded by the district and ARB with Carl Moyer Program funds.

Best Practice #6

While districts are encouraged to outreach to all sectors of their community to increase and improve the applicant pool, districts are also encouraged to develop and implement techniques to measure the effectiveness of their outreach activities. Specifically, districts are encouraged to identify business sectors from which they will obtain applications for more cost-effective projects, evaluate

whether their current outreach efforts are reaching those sectors, implement outreach activities to target sectors not being reached, and assess whether their outreach efforts enable them to select projects with more cost effective emission reductions⁶

VI. District Applications for Projects

Best Practice #7

For consistency throughout the Carl Moyer Program, to assist applicants statewide and to limit confusion, ARB encourages all districts to use the same application form for the Carl Moyer Program. The application is available on the Carl Moyer Program web site at http://www.arb.ca.gov/msprog/moyer/admin_forms/admin.htm.⁷

Best Practice #8

When districts operate more than one incentive program, use one application form for all of the funding sources. This streamlines and simplifies the application process for potential applicants.⁸

VII Tracking

Applicant tracking- ***Working group- what are your suggestions. The data base is not sufficient for this need.***

Best Practice #9

Districts are encouraged to use a contract signature tracking sheet which follows the contract from initiation through signing and filing. The tracking sheet may list each staff person who must review and approve the contract, and includes spaces for initials and date of review. The tracking sheet, along with a contract log maintained by the records management coordinator, provides a simple and effective method for tracking contract status.⁹

Best Practice #10

Districts are encouraged to maintain a checklist in their project folders to make sure all of the appropriate documentation is there. The check list may define where the specific documentation may be found in the folder or in electronic files. ARB encourages districts to have staff (project manager and field inspector) cross check these folders by having another staff person verify the folder is complete. Such a checklist makes it easier for staff (current and new) and auditors to know where a project is and where documentation may be found.¹⁰

VII. Environmental Justice

Best Practice #11

Districts with a population of less than one million inhabitants are encouraged to incorporate an environmental justice component in their local Carl Moyer

Program. The requirements for environmental justice may be found at Section 27(l) of the administration chapter of these Guidelines and at HSC section 43023.5.¹¹

Best Practice #12

District with over one million inhabitants are encouraged to continue to update their written policies and procedures, where necessary, to define the environmental justice areas in their district boundaries.¹²

Best Practice #13

To better identify communities with the highest concentrations of pollutants, include a measure of pollution (i.e. level of particulate matter in the community) or the effects of pollution (i.e. cancer hot spots) in a district's approach for identifying disproportionately impacted communities.¹³

Best Practice #14

To maximize emission reductions in districts that competitively rate and rank their applications, include a measure of the cost per ton of emission reductions when selecting projects in disproportionately impacted communities.¹⁴

Best Practice #15

To ensure funds from the environmental justice set aside continue to benefit disproportionately impacted communities, districts should consider a contract requirement that the projects selected from disproportionately impacted areas continue to provide benefits from reduced emissions to those communities after implementation.¹⁵

VIII. Project Selection

Best Practice #16

To increase the cost effectiveness of projects, districts may impose stricter standards on project categories to the extent that such actions do not reduce participation in the Carl Moyer Program. Examples of such stricter standards include, but are not limited to, initiating caps on individual contract amounts or reducing the costs effectiveness maximums.¹⁶

Best Practice #17

To expand the applicant pool and provide an opportunity for engine owners that operate in more than one district, districts are encouraged to refrain from setting a minimum percent operation in the district and, districts are encouraged to jointly fund inter-district projects.¹⁷

Best Practice #18

To ensure the district is not providing a grant to a company that has outstanding permit violations, districts may check their Program applications against their list

of companies that have a notice of violation with the district. One district was able to get a potential grantee to pay the outstanding fine because of this checking.¹⁸

Best Practice #19

To expand the applicant pool to include more small businesses and to capture the emission reductions from an otherwise under represented group, districts are encouraged to provide a preference (in the form of scoring or as a set aside) for small businesses. For the purpose of this best practice a small business is defined the same as in the fleet rules (citation x).

IX. Obligation of Funds to Projects

Best Practice #20

Districts are encouraged to obligate funds to projects with fully executed contracts as soon as possible, prior to the June 30th deadline. This allows more time for completing projects. This may also allow for projects to be completed before the deadline, thus maximizing the ability to gain early emissions reductions.¹⁹

Best Practice #21

To reduce the administrative burden resulting from multiple contracts for one project owner with more than one funded engine/vehicle/piece of equipment, districts should consider using one contract per project owner.²⁰

Best Practice #22

To more easily track the progress of Carl Moyer funded projects and provide the ability of the district to take appropriate action if a project veers off track, districts should include detailed project milestones in contracts.²¹

Best Practice #23

To help districts ensure that they have sufficient time to perform the required post inspections and pay project owners before the two-year availability of Program funds expires, districts are encouraged to require projects to be completed before the statutory limit for expending the funds. Districts have had good results with requiring completion of projects within six to twelve months of contract execution.²²

Best Practice #24

To focus limited resources on obligating funds to projects expeditiously, thereby allowing more time for the implementation of projects, districts are encouraged to obtain delegated authority from their governing boards to approve Carl Moyer Program projects and execute contracts. As an alternative to district governing boards that prefer to maintain approval authority over higher-risk projects, the

district is encouraged to obtain delegated authority to approve the more routine projects or projects costing less than a certain amount.²³

Best Practice #25

For districts where the governing board desires retaining approval of contracts, invite the engine owners to attend the governing board meeting and have the board representative and engine owners execute the contracts as part of or right after the board meeting. This expedites the execution process and provides a positive forum for the governing board.²⁴

Best Practice #26

Require engine owners to attend an informational training prior to signing their contracts. This ensures the engine owners understand their contractual obligations and may be used as an efficient process for the districts to get contracts fully executed and distributed.²⁵

Best Practice #27

To ensure contracts are fully executed in a timely fashion, districts are encouraged to include a term that cancels the contract if it is not executed by the engine owner in a specified time frame (i. e. 30 days).²⁶

Best Practice #28

To reduce the risk of emission reductions being lost if projects are destroyed, Districts are encouraged to include insurance requirements that would cover the cost of the engine/equipment/vehicle, whenever possible.²⁷

X. Inspections

Best Practice #29

To make the administration of the program more efficient and effective, district are encouraged to conduct consolidated inspections whenever practicable. For example, a district may perform multiple inspections at the same site on the same day.²⁸

XI. Engine Destruction

Best Practice #30

To ensure old engines are not reintroduced into the California market, they must be destroyed in a way that renders them useless.²⁹ Therefore ARB recommends the following methods of engine destruction:

- A. Boring a hole in the lower part of the engine block (near the crank case) with a blow torch and/or sledge hammer. The hole should be 3-4 inches in diameter with jagged edges.

- B. Heat up the engine and bore a 5-inch jagged-edged hole in the engine with a sledge hammer. The hole should catch a water jacket or oil galley, or take off the oil pan and bore the hole right above the oil pan lip or rail.
- C. Start the engine and pour sand or salt water in the engine, letting the engine run until the engine freezes-up.

XII. Expenditures

Best Practice #31

Districts may withhold payment of a percentage of the contract amount until all annual reporting requirements are met. These withhold payments ensure the owners submit their annual reports and do so in a timely fashion. Districts that have withhold payments as part of the contract with the owner should count the withhold payments as expended, for reporting purposes, once the district pays the invoice(s) for all but the withhold amount.³⁰

XIII. Project Owner Reporting

Best Practice #32

To aid districts in their tracking of the progress project owners are making in completing their projects, districts are encouraged to require progress reports during the project completion phase of the contract.³¹

Best Practice #33

To increase engine owners' responsiveness to reporting requirements districts may maintain withhold payments. A set small proportion (five or ten percent) of the contract amount may be withheld by the district until the project owner satisfactorily submits all required progress and annual reports.³²

Best Practice #34

To minimize the information required from engine owners and make the format for annual reporting simple and convenient, districts may use the sample forms provided on the Carl Moyer Program website at <http://www.arb.ca.gov/msprog/moyer/moyer.htm>. In addition, ARB encourages districts to make the reporting forms and timetables for reporting part of their contracts.³³

XIV. District Due Diligence with Non Performance

Best Practice #35

In the event a project is not meeting the required emission reductions the district is required to exercise due diligence in bringing the project into conformity with the contract. Listed below are a number of suggested best practices for meeting this requirement. Please note that each of these suggested best practices are based on particular conditions

- A. Working Group-please see Kevin McCaffery's email suggestions**

XV. Transparency of the Program

Best Practice #36

To provide the public with information on the Carl Moyer Program at each district the ARB encourages each district to report annually to their governing board and to post the annual report on the district's website. Such a report should include the following topic areas:³⁴

- A. Total applications received for current year's funds
- B. Efforts and results of outreach to potential environmental justice, zero-emission projects, and small business project owners
- C. A list of the funded projects
- D. The status of the obligation and expenditure of the current year's funds
- E. The status of the obligation and expenditure of previous years' funds
- F. District monitoring and auditing efforts and results, including any audits completed by independent third parties
- G. The status of emissions reductions by projects in the implementation phase of their contracts, including reasons for and solutions to shortfalls for projects that do not perform as projected
- H. Outstanding features and accomplishments of the district
- I. Challenges for the district in implementing the Carl Moyer Program
- J. The district's policies and procedures

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- ¹ Recommendation from the Administration Chapter of the 2005 Carl Moyer Program Guidelines
 - ² Sacramento Metropolitan Air Quality Management District practice
 - ³ Recommendation from the Administration Chapter of the 2005 Carl Moyer Program Guidelines
 - ⁴ Department of Finance/Bureau of State Audits audit recommendation
 - ⁵ Department of Finance audit recommendation and Health and Safety Code section x
 - ⁶ Bureau of State Audits audit recommendation
 - ⁷ Department of Finance audit recommendation
 - ⁸ Bureau of State Audits audit recommendation
 - ⁹ Butte County Air Quality Management District practice
 - ¹⁰ Sacramento Metropolitan Air Quality Management District practice
 - ¹¹ Recommendation from the Administration Chapter of the 2005 Carl Moyer Program Guidelines
 - ¹² Bureau of State Audits audit recommendation
 - ¹³ Bureau of State Audits audit recommendation
 - ¹⁴ Bureau of State Audits audit recommendation
 - ¹⁵ Bureau of State Audits audit recommendation
 - ¹⁶ Bureau of State Audits audit recommendation and San Joaquin Valley Unified Air Pollution Control District has initiated caps for specific source categories
 - ¹⁷ Bureau of State Audits audit recommendation
 - ¹⁸ Sacramento Metropolitan Air Quality Management District practice
 - ¹⁹ South Coast Air Quality Management District practice and Bureau of State Audits audit recommendation
 - ²⁰ Bureau of State Audits audit recommendation
 - ²¹ Bureau of State Audits audit recommendation
 - ²² Bureau of State Audits audit recommendation
 - ²³ Bureau of State Audits audit recommendation
 - ²⁴ Ventura County Air Pollution Control District practice
 - ²⁵ South Coast Air Quality Management District practice
 - ²⁶ Recommendation from the Administration Chapter of the 2005 Carl Moyer Program Guidelines
 - ²⁷ Requirement from the Administration Chapter of the 2005 Carl Moyer Program Guidelines, which has been reduced to a Best Practice based on cost benefit analysis for particular source categories (i.e. marine and ag pumps)
 - ²⁸ Bureau of State Audits audit recommendation
 - ²⁹ Requirement from the Administration Chapter of the 2005 and 2007 Carl Moyer Program Guidelines A. Sacramento Metropolitan Air Quality Management District practice B. San Joaquin Valley Unified Air Pollution Control District practice and, C. **used to be a Ventura County Air Pollution Control District practice – Chris from Ventura please verify if still a practice to recommend**
 - ³⁰ South Coast Air Quality Management District practice
 - ³¹ South Coast Air Quality Management District and Ventura County Air Pollution Control District practice
 - ³² South Coast Air Quality Management District practice
 - ³³ Department of Finance audit recommendation
 - ³⁴ Recommendation from the Administration Chapter of the 2005 Carl Moyer Program Guidelines